



AUDIT

OF

UNDP COUNTRY OFFICE

IN

BRAZIL

Report No. 2432
Issue Date: 16 August 2022

Report on the Audit of UNDP Brazil Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Brazil (the Office) from 30 May to 10 June 2022. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes relating to the following areas and sub-areas:

- (a) Governance
- (b) Development activities
- (c) Operations – procurement, finance, human resources, administrative services, information and communication technology (ICT)

The audit covered the activities of the Office from 1 January 2021 to 31 March 2022. The Office recorded programme and management expenses of approximately \$66.7 million. The last audit of the Office was conducted by OAI in 2019.

The audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors (The IIA).

Overall audit rating

OAI issued an audit rating for the Office of **Satisfactory / Some Improvement Needed** which means “The assessed governance arrangements, risk management practices and controls were generally established and functioning but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.” This rating was due to gaps in the management of project risks identified by the social and environmental screening procedures and unmet criteria granted for an increased delegation of procurement authority.

Good practices

The Office developed and implemented a “Greening the Blue Brazil” strategy in line with “Greening UNDP Moonshot” commitments and established the following sustainable practices in the UN House, a) solid waste management; b) water recycling; and c) use of solar energy to reduce energy consumption and CO₂ emissions.

Key recommendations: Total = **2**, high priority = **0**

The audit did not result in any high (critical) priority recommendations. There are two medium (important) priority recommendations, which means “Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP.” These recommendations include actions to address weaknesses in Social and Environmental Screening Procedures, and actions required to ensure compliance with requirements set forth for increased delegation of procurement authority.

The two recommendations aim to ensure the following: (i) achievement of the organization’s strategic objectives (Recommendation 1); and (ii) compliance with legislative mandates, regulations and rules, policies and procedures (Recommendation 2).

Implementation status of previous OAI audit recommendations:

Report No. 2043, 18 December 2019.

Total Recommendations: 6


Implemented: 6

Management comments and action plan



The Resident Representative accepted the two recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.

Low risk issues (not included in this report) have been discussed with management and actions have been initiated to address them.

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