



AUDIT

OF

**REDUCING EMISSIONS FROM DEFORESTATION AND FOREST DEGRADATION,
REDD+ RESULTS-BASED PAYMENT CORRESPONDING TO THE RESULTS FOR THE
PERIOD 2014-2015**

(Directly Implemented Project No. 122756, Output No. 118235)

IN

UNDP COSTA RICA

Report No. 2482

Issue Date: 19 May 2022

**Report on the Audit of Reducing Emissions from Deforestation and Forest Degradation,
REDD+ Results-based Payment Corresponding to the Results for the Period 2014-2015
implemented by UNDP Costa Rica
(Project No. 122756, Output No. 118235)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), from 18 to 29 April 2022, conducted an audit of 'Reducing Emissions from Deforestation and Forest Degradation, REDD+ Results-based payment corresponding to the results for the period 2014-2015' (Project No. 122756, Output No. 118235) (the Project), which is directly implemented and managed by the UNDP Country Office in Costa Rica (the Office).

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 and administrative services

The audit covered the Project's activities from 1 January to 31 December 2021. The Project recorded expenses of approximately \$25 million during the audited period. This was the first audit of the Project.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Due to the COVID-19 pandemic, the audit was conducted remotely. Scope limitations due to the nature of the remote audit related to the following activities:

- (a) A review of original supporting documentation could not be carried out, and therefore the audit team relied on scanned copies of documents provided by the Office for all audit areas reviewed.
- (b) Meetings with Office staff and personnel were carried out virtually, which limited the audit team's understanding of the Office's and Project's working environments.
- (c) Project visits (location, site visits, meeting with counterparts/beneficiaries) were not conducted.

Overall audit rating

OAI issued an audit rating of the Office's management of the Project as **fully satisfactory**, which means "The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area."

The audit did not result in any recommendations.



Management comments and action plan

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

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