UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

INTERNAL AUDIT REPORT

31 July 2025

Project name:	**GFATM-PR-RAI4E Regional**
Project number:	**20864-012 (Work package ID 20864-012-24)**
Country:	**Cambodia**
Auditor:	**BDO LLP**
Period subject to audit:	**1 January to 31 December 2024**

Contents

Acronyms and abbreviations

GFATM	The Global Fund to fight AIDS, Tuberculosis and Malaria
GMS	Greater Mekong Sub-region
HIV	Human Immunodeficiency Virus
IAASB	International Auditing and Assurance Standards Board
IAIG	Internal Audit and Investigations Group
IESBA	International Ethics Standards Board for Accountants
IPSAS	International Public Standard Accounting System
OC	Operations Centre
PC	Project Centre
PR	Principal Recipient
RAI3E	Regional Artemisinin Initiative 3 Elimination
RAI4E	Regional Artemisinin Initiative 4 Elimination
RO	Regional Office
SR	Sub-Recipient
TB	Tuberculosis
UNOPS	United Nations Office for Project Services
US$	United States Dollars

Executive summary

The engagement context

The Internal Audit and Investigations Group (IAIG) of the United Nations Office for Project Services (UNOPS), through BDO LLP ("the audit firm"), conducted an audit of the project 'GFATM-PR-RAI4E-Regional' ("the project") (oneUNOPS project ID 20864-012, work package ID 20864-012-24), which is implemented and managed by the UNOPS Office in Cambodia. The audit firm was under the general supervision of IAIG in conformance with the International Standards for the Professional Practice of Internal Auditing.

The project reported expenditure amounting to US$ 2,211,180.82 during the period from 1 January to 31 December 2024. The donor who contributed to the project is Global Fund.

Audit objectives

The overall objective of the audit was to assess the management of the project operations to obtain reasonable assurance towards the achievement of the project objectives.

The areas of focus included:

a) Effective, efficient and economical use of resources;
b) Reliability of reporting;
c) Safeguarding of assets; and
d) Compliance with applicable legislation.

The purpose of the audit was to provide reasonable assurance that:

a) Client/donor contributions and project expenditure are properly accounted for;
b) Project expenditure was incurred in accordance with the contribution agreement, and is supported by adequate documentation; and
c) The related financial statements prepared by UNOPS for the year under review present a fair view of the operations.

In particular, the audit firm provided an overall assessment of the operational and internal control systems that are in place for the management of the project so that related transactions are processed in accordance with UNOPS policies and procedures to achieve the project's objectives.

Audit scope

The audit firm conducted the audit in accordance with International Standards on Auditing issued by the IAASB and UNOPS internal audit practices, and in consideration of the requirements of International Public Sector Accounting Standards (IPSAS).

Audit rating

Based on the audit report and corresponding management letter submitted by the audit firm, IAIG assessed the management of the project as 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 details of the audit results are presented in Tables 1 and 2.

Table 1: Summary results of the financial audit

Project title		Period	Project no.
GFATM-PR-RAI4E-Regional		1 January to 31 December 2024	20864-012 (work package ID: 20864-012-24)
Financial statement		**Statement of non-expendable property**	
Amount US$	**Opinion**	**Amount US$**	**Opinion**
2,211,180.82	Unmodified	9,513.89	Unmodified

Table 2: Internal control rating summary for project

Rating summary by functional area		
Functional area	**Rating**	
Project management	Satisfactory	
Finance	Satisfactory	
Procurement and supply chain	Satisfactory	
Human resources	Satisfactory	
General administration	Satisfactory	
Information and Communications Technology	Satisfactory	
Overall rating of internal control	**Satisfactory**	

Key issues and recommendations

No audit issues or recommendations have been raised.

Signed:

DS
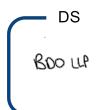
BDO LLP

BDO LLP

31 July 2025

Operational overview

The Global Fund (GF) has been providing financial support to the Greater Mekong Sub-Region for malaria programs since 2003. In 2014, the Global Fund introduced the Regional Artemisinin-resistance Initiative (RAI), a regional investment intended to scale up efforts to eliminate malaria and aggressively reduce the disease burden in malaria-resistant areas of the Greater Mekong Sub-region (GMS). In 2021, the GF established the RAI3E grant, the third phase of the Regional Artemisinin-resistance Initiative (RAI) programme. This phase of the project ended on 31   December 2023.

In December 2023, the GF signed the agreement for RAI4E, the fourth phase of the Regional Artemisinin-resistance Initiative (RAI) programme. GF provides   altogether US$ 186,294,061 million of funding for malaria elimination activities in the GMS for 2024-2026. This grant is managed by UNOPS as a Principal Recipient (PR).

UNOPS Cambodia is the PR of the RAI4E grant and, as PR in the Kingdom of Cambodia, aims to implement prevention, care and treatment activities, prevent the use of mono therapies and standard drugs in the public and private sector, prevent the transmission of artemisinin resistant malaria parasites among target populations, including mobile migrant populations by mosquito control, personal protection and environmental manipulation, conduct community mobilization and advocacy and effective management and coordination to enable rapid high quality implementation of the elimination strategy. The PR also passes on funding to other organisations (Sub-Recipients, SR) who provide these services.

UNOPS has evolved a cascading model approach for implementing the activities in the programme. Under this model, funds are received centrally by UNOPS, as PR, activities are undertaken by the PR and Sub-Recipients (SR) in close association with the PR, while funding for the activities is handled by UNOPS.

The audit team extends its appreciation to the management and staff members of the UNOPS office in Cambodia for their full cooperation during the audit.

Annex I - Definitions

Standard audit ratings for overall performance of internal control system

Effective 1 January 2017, the internal audit services of UNDP, UNFPA, UNICEF, UNOPS and WFP adopted harmonized audit rating definitions, as described below. IAIG assesses the entity under review as a whole as well as the specific audit areas within the audited entity:

    (a) satisfactory (effective),

    (b) partially satisfactory (some improvement needed),

    (c) partially satisfactory (major improvement needed), and

    (d) unsatisfactory (ineffective).

The elements of the rating system take into account the audited office's internal control system, risk management practices, and their impact on the achievement of office objectives.

The definitions of the ratings are, as follows:

Standard rating	Definition
Satisfactory (effective)	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.
Partially satisfactory (some improvement needed)	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.
Partially satisfactory (major improvement needed)	The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
Unsatisfactory (ineffective)	The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity.

Categories for priorities of audit recommendations

The audit observations are categorized according to the priority of the audit recommendations and the possible causes of the issues. The categorized audit observation provides a basis by which the UNOPS country office management is to address the issues.

The following categories of **priorities** are used:

Categories	Definition
High	Prompt action is considered imperative to ensure that UNOPS is not exposed to high risks (that is, where failure to take action could result in critical or major consequences for the organization).
Medium	Action is considered necessary to avoid exposure to significant risks (that is, where failure to take action could result in significant consequences).
Low	Action is considered desirable and should result in enhanced control or better value for money.

Possible causes

The following categories of **possible causes** are used:

- **Guidelines**: absence of written procedures to guide staff in performing their functions;
    - o Lack of or inadequate corporate policies or procedures
    - o Lack of or inadequate RO/OC/PC policies or procedures
    - o Inadequate planning
    - o Inadequate risk management processes
    - o Inadequate management structure
- **Guidance**: inadequate or lack of supervision by supervisors;
    - o Lack of or inadequate guidance or supervision at the RO/OC/PC level
    - o Inadequate oversight by Headquarters
- **Resources**: insufficient resources (funds, skill, staff) to carry out an activity or function;
    - o Lack of or insufficient resources (financial, human, or technical resources)
    - o Inadequate training
- **Human error**: Un-intentional mistakes committed by staff entrusted to perform assigned functions;
- **Intentional:** intentional overriding of internal controls;
- **Other**: Factors beyond the control of UNOPS.