

REPORT OF THE EXTERNAL AUDITOR

Organizational oversight reports

Additional documents for this item: Report of the Internal Auditor (UNAIDS/PCB (56)25.18); Report of the Ethics Office (UNAIDS/PCB (56)25.20); Report of the UNAIDS Independent External Oversight Advisory Committee (UNAIDS/PCB (56)25.21); Management response to the Organizational oversight reports (UNAIDS/PCB (56)25.22)

Action required at this meeting—the Programme Coordinating Board is invited to:

- *Accept* the report of the External Auditor for the financial year ended 31 December 2024;

Cost implications for the implementation of the decisions: none



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

**OFFICE OF THE
COMPTROLLER AND
AUDITOR GENERAL OF
INDIA**

Our audit aims to provide independent assurance and to add value to the Management of UNAIDS by making constructive recommendations.

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**Audit of UNAIDS
of the
World Health
Organization
(WHO)
for the financial
year ended
31 December 2024**

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Report of the External Auditor on the financial statements

Opinion

We have audited the financial statements of the Joint United Nations Programme on HIV/AIDS (UNAIDS), which comprise the statement of financial position (statement I) as at 31 December 2024, the statement of financial performance (statement II), the statement of changes in net assets/ equity (statement III), the statement of cash flow (statement IV) and the statement of comparison of budget and actual amount (statement V) for the year then ended, as well as the notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UNAIDS as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing. Our responsibilities under those standards are described in the section below entitled “Auditor’s responsibilities for the audit of the financial statements”. We are independent of UNAIDS in accordance with the ethical requirements relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and the auditor’s report thereon

Management is responsible for the other information, which comprises the information included in the Director General’s Report for the year ended 31 December 2024 but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to

be materially misstated. If, on the basis of the work that we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard. Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of UNAIDS to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless the management intends either to liquidate UNAIDS or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of UNAIDS.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding of internal control;

- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of UNAIDS;
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
- (d) Draw conclusions as to the appropriateness of the Management's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of UNAIDS to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause UNAIDS to cease to continue as a going concern;
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of UNAIDS that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the WHO Financial Regulations.

In accordance with Regulation XIV of the WHO Financial Regulations, we will also issue long-form report on our audit of UNAIDS.

K. Sanjay Murthy
Comptroller and Auditor General of India

30 April 2025

Long-form report of the External Auditor

Summary

Introduction

We audited the financial statements and reviewed the operations of the Joint United Nations Programme on HIV/AIDS (UNAIDS) for the year ended 31 December 2024. The audit of financial statements and a review of operations was carried out at UNAIDS Headquarters in Geneva, Switzerland.

Overall result of the audit

Audit opinion

We have issued an unqualified audit opinion on the financial statements for the period ended 31 December 2024.

Key audit findings

- a. Non-accounting of voluntary contributions on ‘accrual’ basis.
- b. Issues of overdue projects.
- c. Issues relating to integrated guidance for Gender Equality Marker (GEM).
- d. Non-compliances observed in the contractual agreements being covered in the post facto verification process.
- e. Non-compliance issues in agreement for Performance of Work/ Consultant contracts.

Key recommendations

- a. **Audit recommends UNAIDS to ensure that voluntary contributions received by UNAIDS are accounted in the financial statements in compliance with the accrual concept of accounting.**
- b. **Audit recommends UNAIDS to continue its efforts to monitor the completion/ closure of POs by the concerned offices at regular intervals so as to ensure adherence to the timelines as stipulated in their Manual. They may also explore using the dashboard to automatically generate alerts and reminders regarding projects nearing and past the completion date.**
- c. **In view of the Gender Equality Marker being an important planning tool, Audit recommends UNAIDS to consider increasing the knowledge of its staff through**

orientation/ refresher courses using illustrative cases to ensure as far as possible a uniform understanding and application of the GEM.

- d. In the light of non-compliances observed in the contractual agreements being covered in the PFV, audit recommends UNAIDS to ensure that corrective actions covering support, training, use of dashboard and data analysis are carried out.**
- e. Audit recommends UNAIDS to reinforce control on adherence to standard competitive process, document deviations and to upload mandatory supporting documents in the ERP, including past performance. Also, it may ensure that deliverables are made specific in the ToR.**

Key Facts for 2024	(All figures in million USD)
Total Revenue	226.30
Total Expenses	226.44
Total Assets	276.09
Total liabilities	35.95
Total Net Assets	240.14

A. Mandate, scope and methodology

1. The Joint United Nations Programme on HIV/AIDS (UNAIDS) is leading the global effort to end AIDS as a public health threat by 2030 as part of the Sustainable Development Goals. UNAIDS provides the strategic direction, advocacy, coordination and technical support needed to catalyse and connect leadership from governments, the private sector and communities to deliver life-saving HIV services.

2. The Comptroller and Auditor General of India has been appointed external auditor of Joint United Nations Programme on HIV/AIDS for a term of four years from 2024 to 2027. The audit was conducted in accordance with financial and regulatory frameworks governing the various activities of UNAIDS, primarily including WHO Financial Regulations and Rules, UNAIDS Financial Regulatory Framework, recommendations/ guidelines of Governing Council and Scientific Council etc., as well as the International Standards on Auditing. The latter standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

3. The audit was conducted primarily to enable us to form an opinion as to whether the financial statements present fairly the financial position of UNAIDS as on 31 December 2024 and its financial performance and cash flow for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS). This included an assessment as to whether the expenditure recorded in the Financial Statements (FS) had been incurred for the purposes approved by the governing bodies and whether revenue and expenses had been properly classified and recorded in accordance with the financial regulations and rules.

4. The audit included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that we considered necessary to form an opinion on the FS.

B. Audit objectives

5. The objectives of the audit are to review the FS to derive reasonable assurance that they reflect the true and fair view of the operations of UNAIDS; the transactions/ financial statements are presented/ disclosed in accordance with IPSAS; the internal controls are adequate and effective in fulfilling the mandate of the organization and justify the extent of reliance placed thereon; the accounting policies adopted by UNAIDS are consistent and in

compliance with IPSAS and the transactions/activities are in compliance with WHO's financial regulations and financial rules.

C. Audit findings and recommendations

C1. Status of implementation of previous external audit recommendations

6. Audit reviewed the status of implementation of previous audit recommendations by UNAIDS and observed that out of six recommendations pertaining to previous years, four recommendations have been implemented and two are under implementation. The status of implementation of the previous year's recommendations is provided in Annexure to the report.

C2. Financial audit

7. We reviewed the financial statement (FS), including the disclosures in the Notes to the FS of UNAIDS as on 31 December 2024 to ascertain compliance with the requirements of all the applicable standards under IPSAS.

8. After a comprehensive audit of the FS, we concluded that the FS were fairly presented and, therefore, issued an unqualified opinion for the year 2024

9. Audit also observed the following issue in the financial statements of 2024.

2.1 Non-accounting of voluntary contributions on 'accrual' basis

10. Note-3.16 of the Accounting Policy of UNAIDS states that "voluntary contributions are recorded on an accrual basis. Voluntary contributions which are supported by formal funding agreements signed by both parties are recognized as revenue at the time the agreement becomes binding and when control over the underlying assets is obtained". On an analysis of the 'voluntary contributions' as reported in Schedules 2 and 3 of the FS 2024, we observed the following.

- (i) In Schedule 3 of the FS, UNAIDS has shown an amount of USD 2.06 million received from France under the Unified Budget Results and Accountability Framework (UBRAF) Non-core funds. It was observed that UNAIDS entered into an agreement with a donor on 21 December 2023, where they agreed to pay EURO 1.92 million towards Non-core funds (Contract Agreement- EURO 1,902,498.88 + Coordination levy for the agreement EURO 19,024.95). Clause-2 of the agreement states that "The contribution and the coordination levy shall be paid in one instalment on signature of this agreement by both parties". Further as per Annex B – Payment schedule, 90 *per cent* of the agreed contribution was to be paid on signature of the agreement.

- (ii) In this context, it is mentioned here that although all the conditions were satisfied to account for this agreed contribution as per the payment schedule in 2023, the same was accounted for in 2024.

11. Management stated that the contribution of the donor was provided for activities commencing 1 February 2024. Further, they stated that the agreement was signed on 18 December 2023 for UNAIDS convenience since the Executive Director was going on leave the whole month of January 2024, otherwise, it was meant to be signed in January 2024. The donor's intention was to provide contribution for 2024 to match with performance or implementation of the project.

12. However, this was not in accordance with the note 3.16 of the accounting policy of UNAIDS, as voluntary contributions are to be recorded on an accrual basis. In this context, it is mentioned here that all the conditions are satisfied to account for this agreed contribution as per the payment schedule in 2023. Further the intention of the donor to pay at a later date does not play a role in accounting of the contribution. We are also of the view that as the authenticated FS are prepared in subsequent months after the end of the financial year, there was time to account for the agreement amount (as per the payment schedule) in the year that it was signed.

13. Similarly, an agreement was signed with a donor of Cameroon in November 2023 with a scheduled payment term of USD 0.62 million out of the total contribution of USD 1.19 million on the date of the signature of the agreement. Hence, this agreement amount should have been accounted for in 2023 but instead was done in 2024. This is also not in conformity with the disclosed accounting policy of UNAIDS.

14. Management stated that the contribution could have been recognized in 2023 upon the signing of the agreement by both parties. However, in view of the conditions surrounding the agreement at the time, recognizing it was not considered prudent. The donor's ability to pay was contingent upon the Global Fund approving the revised activities in Cameroon. The contribution amount being directly linked to those factors (costs & activities) could therefore not be taken as confirmed (in terms of valuation) at the time. These concerns were only resolved late in 2024, leading to the recognition of the contribution in that year.

15. However, as per para-2 of the Revenue Recognition Policy (Note-3.16), "Agreements which are subject to conditions such as performance and/or receipt of funds are conditional on a certain future date, such agreements are established recognizing a receivable and a corresponding deferred revenue as a liability". Since Management was of the view that some

conditions would have to be fulfilled to receive the contribution, the same should have been accounted for as ‘receivable’ with corresponding ‘deferred revenue’ as liability.

Recommendation 1: Audit recommends UNAIDS to ensure that voluntary contributions received by UNAIDS are accounted in the financial statements in compliance with the accrual concept of accounting. (High)

16. Management accepted the recommendation and stated that given the circumstances for the two contributions, since they were not recorded in 2023, it was appropriate to record them as contributions in 2024.

C.3. Compliance Audit

17. The issues noticed during Compliance Audit are as follows:

3.1 Overdue Projects

18. As per section 17.02 of the UNAIDS Procurement Manual, the final technical report and financial statement required shall be submitted upon completion of the implementation of the activities being funded under the Programme Funding Agreement (PFA) and at the latest, within 90 days of the normal date for completion. Further, as per section 17.04 of the Manual, the final deliverable under the Direct Financial Cooperation (DFC), an acceptable technical report and financial certification, will be due within three months of completion of the activity.

19. Audit reviewed the status of all the open agreements and contracts as available on the dashboard of the UNAIDS Intranet. They included both commercial and non-commercial agreements. It was observed that out of a total of 1375 agreements with PO value of USD 67.73 million, 456¹ agreements with PO value of USD 41.19 million were at different stages of implementation viz. ‘overdue’, ‘currently due’, ‘required soon’ and ‘not yet due’.

20. A total of 143 agreements with a PO value of USD 6.98 million were overdue. Of these 52 agreements with PO value of USD 1.23 million were overdue by more than 100 days, with maximum delay of 381 days.

21. Management stated that the department of finance and accountability had made intensive efforts to manage the risk relating to non-commercial agreements and staff capacity had been reinforced through support and training as a result of which the percentage of overdue agreements had come down considerably.

¹ 195 non-commercial and 261 commercial

22. While audit appreciates the efforts made by management in reducing the number of overdue projects (non-commercial), it was observed that 91 commercial projects were still overdue. Since the Procurement manual clearly stipulates that the POs are to be closed within three months from the date of completion, keeping the POs overdue is not in line with the manual provisions.

Recommendation 2: Audit recommends UNAIDS to continue its efforts to monitor the completion/ closure of POs by the concerned offices at regular intervals so as to ensure adherence to the timelines as stipulated in their Manual. They may also explore using the dashboard to automatically generate alerts and reminders regarding projects nearing and past the completion date. (Medium)

23. Management accepted the recommendation.

3.2 Integrated Guidance for Gender Equality Marker

24. As per the UNAIDS policy markers Guidance, a set of policy markers is being used to track resources invested in policies/ themes of critical importance to achieve the Sustainable Development Goals (SDGs) and end AIDS as a public health threat by 2030. The Gender Equality Marker (GEM), which is fully aligned with the UN GEM guidance, is intended to measure the extent to which UNAIDS activities contribute to the promotion of gender equality and empowerment of women. Further, the codes on four scales² from 0 to 3, are prescribed to monitor the extent to which planned activities and related budget are expected to contribute to gender equality and women's empowerment. A rating of '0' is to be given when there is no contribution to gender equality and women's empowerment. This includes technical and operational activities like IT support, building maintenance and repairs, the cost of office premises, etc. GEM is a mandatory UN wide resource tracking mechanism which is being implemented by UNAIDS since 2015. UNAIDS adapted and improved guidance on the markers in 2023 as a mandatory marker.

25. Contribution of the proposed project to gender equality and women's empowerment is also included in the Programme Review Committee (PRC) submission form while conducting the assessment of the proposal.

² 0: No contribution, 1: Limited, 2: Significant, 3: Principal Objective for Gender Equality and Empowerment of Women

26. During test check of the POs and corresponding PRC submission notes and approvals, we observed that due to the GEM being a qualitative rating and self-assessed by the responsible persons, there were differences in the ratings applied to projects. For example,

- a. In PO 203527252, the PRC while approving the proposals recommended the GEM to be changed from 'limited' to 'significant'.
- b. In PO 203492477, it was given as 'limited' while in PO 203593796, it was given as 'significant'. While the former focused on the community led monitoring mechanism to improve the quality of HIV and TB service delivery, the latter focused on improving policy, programmes and public health outcomes for HIV and universal health coverage.
- c. Explanations were not given in most of the cases where the GEM was indicated as 'significant' or 'principal'. Whereas it should be indicated, as has been done in PO 203383558, by providing a clear explanation to support the GEM as 'significant' contribution.
- d. PO 203334216 and PO 203374528 were rated 2 and 1 respectively, when they should have been rated 0 because they had no relevance to GEM.

27. As per the standard programme funding agreement, the project is to be carried out as per the work plan set out in the proposal, and in line with the budget. Fund releases are made in phases and requires the submission of the interim narrative and financial report, final financial statement, final project report and audit reports. However, there is no information on how the project contributed to gender equality, at least for projects where GEM was indicated as 'significant' or 'principal'.

28. Management responded that in the project/ contract procurement reviewed by the PRC, the GEM assessment is usually at a higher level than what is considered activity level. It was noted that the GEM is a qualitative rating with broad categories and self-assessed by staff responsible for and with the closest knowledge of the project/activities. Advocacy and community-led interventions are considered in the guidance; however, the rating cannot be applied to each project invariably and universally since it depends on several parameters like nature, scope and focus of interventions, expected target populations and whether these elements and the contract includes gender sensitive aspects. Further they stated that explanation for a specific rating is not a requirement in the PRC form. Management accepted the observation and acknowledged the limitations in application of GEM. They also stated that if

information on how the project contributed to gender equality is in the narrative report, it would be useful, but it is not mandatory and would put an additional burden on them.

Recommendation 3: In view of the Gender Equality Marker being an important planning tool, Audit recommends UNAIDS to consider increasing the knowledge of its staff through orientation/ refresher courses using illustrative cases to ensure as far as possible a uniform understanding and application of the GEM. (Medium)

29. Management agreed with the recommendation and noted that the feasibility of implementation of above recommendation will greatly depend on UNAIDS financial and human resources.

3.3 Follow up of post facto verification process

30. With a view to change the focus from control to accountability, UNAIDS introduced a process of post facto verification (PFV) of commercial and non-commercial agreements, which comprised a retrospective examination or review to verify that (i) the contractual agreements and related financial commitment in the ERP were established in compliance with the applicable policies; (ii) approvals were obtained in line with the delegation of authority; (iii) required documentation including mandatory information on the selection of contractors and execution of activities are available.

31. As per the information provided, a total of 337 POs were taken up for PFV in 2024, of which, 258 were found compliant and 79 were found non-compliant. We reviewed the POs which indicated that the non-compliances were related to missing approvals, missing USAID focal point clearance, incorrect budget itemization, non-completion of the IP assessment form etc.

32. Out of these 79 non-compliant cases, 52 cases were related to contractual services general. We further observed that action on 48 cases of non-compliance relating to various branches, viz. Executive Office (EXO), Department of Management (MGT), Policy, Advocacy and Knowledge Branch (PAK) and Programme division was not yet initiated.

33. Management stated that several parameters like number of retroactive approvals, outstanding Internal Oversight Services (IOS) recommendations, overdue agreements, value of PO etc. are used to select the POs for conducting PFV. They also stated that they would now intensify targeted support, training and other corrective actions in 2nd Quarter of 2025. Further a dedicated PFV dashboard would be developed to highlight and provide automated alerts to the management on the non-compliance.

34. While the selection of the POs for conducting PFV and the actions proposed by the management to address non-compliance is indeed comprehensive; however, since the quality control check was replaced by post facto verification for contracts up to USD 0.20 million, the above necessitates that action has to be taken to ensure that the non-compliances are addressed so that they do not recur.

Recommendation 4: In the light of non-compliances observed in the contractual agreements being covered in the PFV, audit recommends UNAIDS to ensure that corrective actions covering support, training, use of dashboard and data analysis are carried out. (High)

35. While agreeing with the audit recommendation, the Management stated that they have developed a comprehensive plan covering support, training, use of dashboard and data analysis to address non-compliance cases.

3.4 Non-compliance issues in agreement for Performance of Work/ Consultant contracts

36. WHO Procurement manual stipulates that contract having value more than USD 25,000 and less than USD 50,000, are awarded on the principle that the lowest-priced quotation that has surpassed the technical threshold or matched the minimum technical requirements is the winner. The Procurement manual further provides that the technical evaluation team ensures that the suppliers and their offers satisfy the requirements of the solicitation documents and the evaluation team may include members external to UNAIDS or observers and UNAIDS staff must form the majority in the evaluation committee.

37. We test checked the evaluation process for selection of consultants in closed purchase orders of Agreement for Performance of Work (APW) /consultant in 2024 and observed the following:

38. In PO 203165910 and 203359543, the Terms of Reference (ToR) was issued for hiring a consultant for APW work by Nigeria UNAIDS Country Office (UCO) in 2023 for a period of one year with a budget of 15.43 million NGN (USD 33,471). The curriculum vitae (CV) were evaluated by key officers from UNESCO, National Agency for the Control of AIDS (NACA) and UCO in line with four set criteria for selection. The contract was entered into on 06 June 2023 with the shortlisted consultant for one year till 14 May 2024.

39. Further, as per the Adjudication Report, an evaluation was done on the basis of review of CV of select three persons. WHO Procurement manual stipulates that contract having value

more than USD 25,000 and less than USD 50,000, are awarded on the principle that the lowest-priced quotation that has surpassed the technical threshold or matched the minimum technical requirements is the winner. However, no threshold was seen applied for technical requirements. Only on the basis of best technical score, the consultant was declared selected. The contract was awarded on the basis of budget demand without discovering the best value for money.

40. As per the WHO Procurement manual, UNAIDS staff must form the majority in the evaluation committee. However, evaluation was done by three-member team of UNESCO staff, NACA staff and UCO Community Advisor.

41. In the Adjudication Report, some of the mandatory documents were not attached in Enterprise Content Management (ECM) such as supplier's offer/ quotation and bid evaluation reports and scoring table along with parameters used for evaluation. Reference check for educational certificate and availability on file was marked as N/A and no explanation was provided in the note as required. Thus, the Adjudication Report for procurement of services was not adequately documented.

42. Management noted that the audit observations above were deviations from the standard policy, and it should have been flagged in the Adjudication Report for approval. Management noted that 2 of the 3 members of the committee were from UNAIDS Secretariat or UNAIDS co-sponsors and, therefore, believed that the committee was correct. However, in addition, Management confirmed that they will update the procurement manual to be clearer on the composition of evaluation committees. On inadequacies of documentation of the adjudication report, they stated that evaluation was done via email. Regarding the reference check section of the adjudication report marked as N/A, the Management acknowledged the oversight.

43. In PO 203407516,203173611 and 203323241, the Request for Proposal (RFP) was issued to hire a gender consultant in 2024, against which only one bid was received. Consultant selection report for a period of six months from 1 February to 31 July 2024 was approved on 25 March 2024. As per section 13.02 of WHO manual, procurement requestors must monitor the performance of the contractor by ensuring the timely receipt and acceptance of the deliverables as specified in the contract (e.g. technical reports, progress reports, etc.).

44. As per the ToR, previous experience in knowledge management and previous work with UNAIDS among other things were required. We observed that in the consultant selection report, the past performance and cumulative value of the previous contracts were not filled up. Further, the column "Were the approved and signed deliverables for previous contracts

uploaded in their respective ECM folders?’ was left blank. In the Technical Evaluation Report also maximum marks were awarded for the criteria “Experience of the firm in carrying out related projects”. We further observed that the contract was awarded to the same consultant since 2021. Eleven technical reports were required to be submitted in addition to ten key deliverables in the previous contract period of February to December 2023. However, the consultant had submitted the technical reports/ interim reports only till October 2023, even the earlier submitted reports were approved only till April 2023.

45. Further, ToR was issued for contract for 11 months from February 2024. However, the contract was awarded for six months. Later, the extension for five months was approved. We further observed that in 12 key deliverables, few were related to the regular staff functions such as preparation of PowerPoint presentation and drafting of talking points for senior management, etc. Further, interim report for the period 1 to 31 December was approved on 13 December 2024 i.e., before the deliverables.

46. Management accepted the fact that there was an oversight regarding past performance and cumulative value of the previous contracts. Regarding the technical reports, it was acknowledged that while the consultant reports were shared on 27 March 2025, they were uploaded to the ECM folder on 28 March 2025. For the deliverables, the Management stated that as the initiative had only one UNAIDS staff assigned to it and to provide support to 15 champion countries, two Regional Support Teams, African Union Liaison Office, the consultant assistance was needed to provide support for PowerPoint presentations and drafting of talking points.

Recommendation 5: Audit recommends UNAIDS to reinforce control on adherence to standard competitive process, document deviations and to upload mandatory supporting documents in the ERP, including past performance. Also, it may ensure that deliverables are made specific in the ToR. (High)

47. Management accepted the recommendation.

D. Acknowledgement

48. We wish to express our appreciation for the cooperation and assistance extended by the staff and management of UNAIDS to us.

K. Sanjay Murthy
Comptroller and Auditor General of India

30 April 2025

Annexure

Status of implementation of recommendations for the financial period ended 31 December 2024

Sl.	Reference to Report and Financial Period	Recommendations	Action Reported by the management	Status after verification				
				External Auditors Assessment	Implemented	Under Implementation	Not Implemented	Overtaken by Events
1.	UNAIDS Audit Report 2023	Management may ensure timely creation, updating and monitoring of the BCP in all its offices.	A new version of the BCP has recently been developed and deployed (March 2025). At present, Burundi is being utilized as a pilot country for testing purposes. Upon receiving and incorporating feedback, the document will be finalized (target: End of April 2025), after which the focus will shift to the dissemination and rollout phase across all other offices.	Action is yet to be finalised. Open		Yes		
2.	UNAIDS Audit Report 2023	Management may take the necessary action to revise the contract and ensure that final payment is made to the vendor after making necessary adjustments.		Budget revised and indirect cost calculated correctly. Closed.	Yes			
3.	UNAIDS Audit Report 2023	Management may follow-up with offices where assets have been reported as 'not found' and impress upon the offices to submit the	Finance continued to follow up with the concerned offices and updated the register upon review of the disposal documentation. Results achieved from 01/2024 to 12/2024: - 1367 items	Action taken Closed.	Yes			

Sl.	Reference to Report and Financial Period	Recommendations	Action Reported by the management	Status after verification				
				External Auditors Assessment	Implemented	Under Implementation	Not Implemented	Overtaken by Events
		disposal documents in cases where the assets are being retired.	were retired - 1088 items updated (location, budget center, etc.)					
4	UNAIDS Audit Report 2022	Recommendation: We recommend that UNAIDS needs to work in closer collaboration with SHI to ensure that the Actuary uses accurate demographic data for more accurate actuarial valuation, in future periods.	The next full actuarial valuation will be done in 2025. Close collaboration with SHI is already in place and it will be ensured that accurate demographic data is used.	Action is yet to be finalised. Open		Yes		
5.	UNAIDS Audit Report 2021	Unified Budget, Results and Accountability Framework : UNAIDS may ensure reporting of all performance indicators of the UBRAF in the Performance Monitoring Report to reflect comprehensive picture of the progress and to measure organizational performance	This has been systematically implemented since 2022 with reporting against all UBRAF performance output indicators as shown in UBRAF Indicator Score Cards submitted to UNAIDS PCB	Action taken, Closed	Yes			

Sl.	Reference to Report and Financial Period	Recommendations	Action Reported by the management	Status after verification				
				External Auditors Assessment	Implemented	Under Implementation	Not Implemented	Overtaken by Events
		quantitatively using the output indicators.						
6.	UNAIDS Audit Report 2021	Programme funding agreements : UNAIDS may strengthen the regulation of programme funding agreements through (a) incorporation of FENSA mechanism in the procurement manual, (b) use of assessment matrix to select proposals, (c) fixing timelines for returning of unspent balance by the implementing partners to UNAIDS, and (d) developing SOP for the conduct of assurance activities	(a) The IP assessment platform has been fully developed, designed and tested. Training to staff has been provided. Roll out is planned for before end of March 2025. (c) UNAIDS is already in line with the WHO template whereby partners have to submit final reports within 90 days from the end date of PFA and any unspent balance under this Agreement shall be refunded. UNAIDS is updating its templates to advise that partners are to return unspent balances within one month of the final reports being accepted by UNAIDS. The revised templates will be sent out by 28 March (with confirmation to be provided to External Auditors) (d) Mandatory assurance activities are outlined in the justification memo required for each new agreement.	Action taken, Closed	Yes			
	Total				4	2	-	-