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Audits of the Administrative Expenses of the GEF Secretariat and the GEF Evaluation Office

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Introduction

1. The last audits, undertaken by the Internal Audit Department (IAD) of the World Bank, of the administrative budgets of the GEF Secretariat and the Evaluation Office were presented to the Council as an Information Document (GEF/C.33/Inf.10) for its April 2008 meeting. The audit identified some minor administrative corrections that were undertaken.
2. In September 2010, the CEO requested the Auditor-General of the Bank to undertake another audit of the GEF Secretariat and the Evaluation Office. The audits were initiated in March 2011, under a Terms of Reference issued by the Auditor-General.

Objectives of the Audits

3. The objectives of the audit were to determine whether the control processes over the administrative activities of the GEF Secretariat and the GEF Evaluation Office provide reasonable assurance that resources are used efficiently for the purpose of the office in compliance with policies, procedures, relevant contracts and agreements.

Scope of the Audits

4. The audit focused on FY10-FY11 (Quarter 1 and Quarter 2) activities and reviewed the effectiveness of key administrative and financial controls over resource management, procurement, consultants, information systems, human resources, assets, and travel management. It also reviewed the adequacy of existing service level agreements and compliance, as well as internal monitoring, and opportunities for streamlining the administrative and resources management processes.

Findings

5. The overall conclusions of the audits are as follows:

GEF Secretariat

6. The audit found that controls over the administrative expenses of the GEF Secretariat are satisfactory. The Secretariat management closely monitors expenses and thus ensures administrative funds are spent for the purpose of the office and in accordance with the approved budget and work program. Minor procedural exceptions were identified in travel management which requires improved oversight. The audit recommended that management clarify the framework and internal procedures for outreach grants, and establish a back-up arrangement for the resource management function.
7. The Secretariat management has accepted all the recommendations and implemented most of the recommendations by September 30, 2011

The Evaluation Office

8. The overall conclusion of the audit is that controls over administrative expenses of the GEF Evaluation Office are satisfactory. The Evaluation Office has had in place, for the last three years, a set of internal administrative procedures keeping a close monitoring of expenses. The audit found minor procedural exceptions in travel management which requires improved oversight.

9. The Evaluation Office has accepted the recommendation and adopted an action plan on improved oversight on travel management by June 16, 2011.

Audit Reports and Summary of Observations

10. The audit reports and the summary of observations will be publicly disclosed after approval for disclosure by the World Bank's Board of Executive Directors.