

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



*Empowered lives.
Resilient nations.*

AUDIT

OF

UNDP HAITI

RELÈVEMENT NATIONAL & OUEST
(Directly Implemented Project, Output No. 63238)

Report No. 1350

Issue Date: 8 August 2014

**Report on the audit of UNDP Haiti
Relèvement National & Ouest, Output No. 63238
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), from 29 March to 28 April 2014, through Fabel, Werner & Schnittke (the audit firm), conducted an audit of Relèvement National & Ouest, Output No. 63238 (the Project), which is directly implemented and managed by the UNDP Country Office in Haiti (the Office). The last audit of the Project was conducted by OAI in 2013 and covered project expenditure from 1 January to 31 December 2011.

The audit firm conducted a financial audit to express an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations. The audit covered the Project's Combined Delivery Report (CDR), which includes expenditure for the period from 1 January 2012 to 31 December 2013 and the accompanying Funds Utilization statement¹ as of 31 December 2013 as well as Statement of Assets as of 31 December 2012 and 31 December 2013. The audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Project.

The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Audit results

Based on the audit reports and corresponding management letters submitted by the audit firm, the results are summarized in the table below:

Year	Project Expenditure		Project Assets	
	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
2012	\$4,457	Unqualified	\$52	Unqualified
2013	\$339	Unqualified	\$4	Unqualified

The audit firm issued an unqualified opinion on the Funds Utilization statement.

Key recommendations: Total = **3**, high priority = **0**

The audit did not result in any high (critical) priority recommendations. There are three medium (important) priority recommendations, which means, "Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP." These recommendations include actions to address: the disclosure of correction bookings; purchase orders being issued post-facto; and the overcharge of administrative fees.

¹ The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) depreciated fixed assets used at the project level; (c) inventory held at the project level; (d) prepayments made by the project; and (e) outstanding commitments held at the project level.

OAI took note of the audit firm's opinion on the CDR for financial years 2012 and 2013 and the points highlighted as emphasis of matter. In OAI's opinion, these points, as presented in the audit reports, do not warrant an emphasis of matter and therefore, will not be given further consideration.


Implementation status of previous OAI audit recommendations: Report No. 1100, 16 August 2013.

Total recommendations: 2

Implementation status: 100%

Management comments and action plan

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



Antoine Khoury
Officer-in-Charge
Office of Audit and Investigations



Ms. Sophie de Caen
UNDP Haiti
Senior Country Director

UNDP Haiti
Relèvement National & Quest
Output ID 00063238
Executive Summary

Fabel, Werner & Schnittke GmbH

Landsberger Str. 98 · D-82110 Germering, Germany · Phone + 49 (89) 84 05 98 07 · Fax +49 (89) 84 00 23 17 · E-Mail fws@fws-audit.com
www.fws-audit.com · Directors: Frank Fabel, Thomas Werner · München HRB 11 87 17

Audit Partners in

Albania · Argentina · Armenia · Azerbaijan · Bangladesh · Belarus · Belgium · Bosnia-Herzegovina · Brazil · Cameroon · Chile · Colombia · Costa Rica · Croatia
Cyprus · Czech Republic · DR Congo · Ecuador · Egypt · Estonia · Georgia · Germany · Ghana · Haiti · India · Ireland · Kazakhstan · Kosovo · Kyrgyzstan
Latvia · Lebanon · Lithuania · Macedonia · Malta · Mexico · Moldova · Mongolia · Montenegro · Nigeria · Pakistan · Philippines · Poland · Romania · Russia
Serbia · Slovakia · Slovenia · South Sudan · Sudan · Tajikistan · Turkey · Turkmenistan · Ukraine · USA · Uzbekistan · Zambia · Zimbabwe

FWS is a member of EMPACTA
www.empacta.org



Executive Summary

Dear Ms. de Caen,

We performed an audit of the financial reports of the project “Relèvement National & Quest”, Output ID 00063238, for the years 2012 and 2013.

The National Recovery project was launched in 2010 following the January 12th Earthquake in order to stabilize livelihoods by carrying out income generating activities across the country. High intensity manual labour activities were promoted as community members were engaged in clearing-up the rubble and solid waste left by the earthquake in camps and affected areas, rehabilitation of damaged infrastructure and participating in watershed management activities in areas which received high levels of displaced people. Through the promotion of these income generating activities, the project also aimed to improve living conditions in area and ensure community participation in the reconstruction process.

Our audit was performed on site in Haiti from March 29 to April 28, 2014.

For the purpose of our audit, we assessed the control risk, i.e. the risk that a material deviation would be not detected by management itself within reasonable time, as follows:

- In general terms, the internal control procedures were adequate in relation to the project tasks and the control environment. In 2012, management reorganized the internal procedures. The administrative procedures are fixed in writing. A high percentage of the documentation is already archived electronically. With respect to the high risk of natural disasters, we believe that this practice is an example for others.
- Authorization procedures and the required segregation of duties were complied with.
- Fast Track Procedures (FTP) were applied. Management prepared the requested log of all direct contracting cases in the framework of FTP.
- Problems of internal control existed with respect to correction bookings and tracking of purchase orders (POs). These detected problems were mainly caused by the accelerated project turnover in the emergency situation after the earthquake.



Concerning financial control we could determine the following:

- A budget comparison was submitted.
- We could link the submitted ATLAS register to the signed Combined Delivery Reports (CDRs) and the statement of undepreciated fixed assets.
- Expense bookings are supported by vouchers and other supporting documents.
- All inventory items, which were listed in the statement of undepreciated fixed assets, were present.
- On-site checks showed that the financial documentation could be linked to the reported output. The expenses were made for the approved purpose of the project.

Our audit opinion is therefore unqualified.

These are our main audit findings:

- Frequent correction bookings occurred.
- We observed that in some cases, POs were issued after action was taken.
- UNDP has a contractual right to charge the project with a 7 percent administration fee on the net project expenses and a 1 percent management fee on the grand total. UNDP overcharged the project in 2012 and 2013.

The following paragraphs explain the main findings and our recommendations thereon in detail.



1. Correction Bookings

UNDP Haiti has an unusual high amount of “correction bookings”. Measured as a percentage of “negative bookings” in relation to the total number of bookings, 9.7 percent of all bookings were corrections in 2012; while 19.6 percent of all bookings were corrections in 2013¹. We recommend reducing the amount of correction bookings.

2. Purchase Orders

In some cases, we observed that purchase orders (POs) were issued only after action was taken. The usual way of operation should be in our understanding: Requisition – RFQ/RFP – PO – Purchase action – Invoice – Voucher – Payment.

3. Determination of the 7 Percent Administrative Fee

UNDP Haiti has a contractual right to charge the project a 7 percent administration fee on the net project expenses and a 1 percent management fee on the grand total. We undertook an attempt to re-calculate the administrative fee and the management fee. A comparison with the internal accounts of UNDP Haiti showed that fees were overcharged in 2012 and 2013. Management suggested that the amounts should be corrected in the next accounting period. We introduced an explanatory line to the “emphasis of matter” paragraph of our audit reports.

4. Related Party Transactions

We mentioned the following related party transactions in the project under audit:

- \$ 75,000 to World Food Programme for Prefab Structures as of November 6, 2012
- \$ 79.10 to UNICEF as of 13 December 2012 (corrections).

¹ One re-allocation is counted as one transaction only, although two accounts are affected. There could also be correction bookings which appear as positive transactions only. This occurs when expenses are allocated to the projects under audit from other projects – these bookings are not counted with the above indicated method. On the other hand, evaluation bookings could also be negative.



UNDP made a commitment that the financial reports should be issued in accordance with the International Public Sector Accounting Standards (IPSAS). IPSAS 20 requires a disclosure of related party transactions. UNICEF and WFP are related parties in accordance with IPSAS 20.

OAI convinced us, that this requirement of the IPSAS would be only mandatory in organisation wide financial statements, and not in project reports. The IPSAS do not define such exclusion. However, the argumentation might be sufficient. Consequently, we came to the conclusion that non-disclosure of related party transactions in your financial statements is not a reason to qualify our audit report.

However, in many cases, we see that the transactions with UNICEF, UN HABITAT etc. have a material influence on your reporting. We thus believe that it is necessary for the final user of the financial statements to know about these transactions. We thus added an explanatory paragraph to the audit report. We still believe that a disclosure of all related party transactions in the notes to the UNDP financial report would be the better solution, than a disclosure in the “emphasis of matter” paragraph of the audit report.

Berlin, July 25, 2014

Frank Fabel, CPA, MA



OAI
Clayton, City of Knowledge
UN House, Building 128
Panama City, Republic of Panama

UNDP Haiti
Relèvement National & Quest
Output ID 00063238
Audit Report 2012

Fabel, Werner & Schnittke GmbH

Landsberger Str. 98 · D-82110 Germering, Germany · Phone + 49 (89) 84 05 98 07 · Fax +49 (89) 84 00 23 17 · E-Mail fws@fws-audit.com
www.fws-audit.com · Directors: Frank Fabel, Thomas Werner · München HRB 11 87 17

Audit Partners in

Albania · Argentina · Armenia · Azerbaijan · Bangladesh · Brazil · Belarus · Belgium · Bosnia-Herzegovina · Cameroon · Costa Rica · Chile · Croatia · Colombia
· Cyprus · Czech Republic · DR Congo · Ecuador · Egypt · Estonia · Ghana · Georgia · Germany · Haiti · India · Ireland · Kazakhstan · Kosovo · Kyrgyzstan ·
Latvia · Lebanon · Lithuania · Macedonia · Malta · Mexico · Moldova · Mongolia · Montenegro · Nigeria · Pakistan · Philippines · Poland · Romania · Russia ·
Serbia · Slovakia · Slovenia · South Sudan · Sudan · Tajikistan · Turkey · Turkmenistan · Ukraine · USA · Uzbekistan · Zambia · Zimbabwe

FWS is a member of EMPACTA Association of International Auditors
www.empacta.org



Report of the Independent Auditors to UNDP

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement (“the statement”) of the project “Relèvement National & Quest”, Output ID 00063238, for the period from 1 January to 31 December 2012.

Management is responsible for the preparation of the statement for the project “Relèvement National & Quest”, Output ID 00063238, and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project’s preparation of the statements 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 project’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



In our opinion, the attached statement of expense presents fairly, in all material respects, the expense of \$ 4,457,294.14 incurred by the project “Relèvement National & Quest”, Output ID 00063238, for the period from 1 January to 31 December 2012 in accordance with agreed upon accounting policies and were:

- (i) in conformity with the approved project budgets;
- (ii) for the approved purposes of the project;
- (iii) in compliance with the relevant UNDP regulations and rules, policies and procedures; and
- (iv) supported by properly approved vouchers and other supporting documents.

Emphasis of Matter

Without qualifying our opinion, we would like to draw your attention to the following points:

We noted that the project under audit did not use a dedicated bank account for DIM project activities and accordingly a statement of cash position was not produced.

For certain funds, UNDP has a right to charge the project with an administrative fee of 7 percent. In 2012, the project was overcharged for \$ 11,537.52.

We mentioned the following related party transactions:

\$ 75,000 to World Food Programme for Prefab Structures as of 6 November 2012

\$ 79.10 to UNICEF as of 13 December 2012 (corrections).

Berlin, July 25, 2014

Frank Fabel, CPA, MA
Executive Director

Selection Criteria :

Business Unit : HTI10
Period : Jan-Dec (2012)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00063238

Project Id : 00050968 Early Recovery	Period : Jan-Dec (2012)
Output # : 00063238 Relèvement National & Ouest	Impl. Partner : 99999 UNDP
	Location : Haiti
Govt Exp	UNDP Exp
UN Agencies Exp	Total Exp

Dept: 50803 (Haiti - Crisis Prev & Rcvry)

Fund : 04000 (Core Programme, UNU Centre)

61305 - Salaries - IP Staff	0.00	66,658.02	0.00	66,658.02
61310 - Post Adjustment - IP Staff	0.00	43,660.98	0.00	43,660.98
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	20,314.38	0.00	20,314.38
62315 - Contrib. to medical, social in	0.00	8,381.40	0.00	8,381.40
62320 - Mobility, Hardship, Non-remova	0.00	2,150.03	0.00	2,150.03
62340 - Annual Leave Expense - IP	0.00	3,012.20	0.00	3,012.20
63335 - Home Leave Trvl & Allow-IP Stf	0.00	3,699.96	0.00	3,699.96
63365 - Special Oper Living Allow-IP	0.00	54,000.00	0.00	54,000.00
63515 - Security-related Costs	0.00	2,200.00	0.00	2,200.00
63520 - Personal Security Measures	0.00	4,400.00	0.00	4,400.00
63530 - Contribution to EOS Benefits	0.00	2,758.02	0.00	2,758.02
63535 - Contribution to Security	0.00	6,612.75	0.00	6,612.75
63540 - Contribution to Training	0.00	1,103.22	0.00	1,103.22
63545 - Contribution to ICT	0.00	1,654.80	0.00	1,654.80
63550 - Contributions to MAIP	0.00	220.68	0.00	220.68
63555 - Contribution to UN JFA	0.00	1,985.75	0.00	1,985.75
63560 - Contributions to Appendix D	0.00	330.96	0.00	330.96
65115 - Contributions to ASHI Reserve	0.00	7,170.77	0.00	7,170.77
65135 - Payroll Mgt Cost Recovery ATLA	0.00	772.56	0.00	772.56
71205 - Intl Consultants-Sht Term-Tech	0.00	32,850.00	0.00	32,850.00
71305 - Local Consult.-Sht Term-Tech	0.00	23,188.92	0.00	23,188.92
71405 - Service Contracts-Individuals	0.00	7,690.76	0.00	7,690.76
71410 - MAIP Premium SC	0.00	33.80	0.00	33.80
71415 - Contribution to Security SC	0.00	0.00	0.00	0.00
71515 - UNV-Security Allowance	0.00	2,200.00	0.00	2,200.00
71605 - Travel Tickets-International	0.00	15,896.58	0.00	15,896.58
71615 - Daily Subsistence Allow-Intl	0.00	13,854.00	0.00	13,854.00
71620 - Daily Subsistence Allow-Local	0.00	110.74	0.00	110.74
71635 - Travel - Other	0.00	328.00	0.00	328.00
72311 - Fuel, petroleum and other oils	0.00	4,722.55	0.00	4,722.55
72420 - Land Telephone Charges	0.00	469.90	0.00	469.90
72605 - Grants to Instit & other Benef	0.00	28,000.00	0.00	28,000.00
73125 - Common Services-Premises	0.00	36,958.00	0.00	36,958.00
73410 - Maint, Oper of Transport Equip	0.00	2,928.43	0.00	2,928.43
74525 - Sundry	0.00	4,745.71	0.00	4,745.71
74599 - UNDP cost recovery chrgs-Bills	0.00	2,639.34	0.00	2,639.34
75105 - Facilities & Admin - Implement	0.00	8,426.12	0.00	8,426.12
75705 - Learning costs	0.00	9,500.00	0.00	9,500.00
76125 - Realized Loss	0.00	0.69	0.00	0.69
77630 - Dep Exp Owned - ITC	0.00	94.24	0.00	94.24

Total for Fund 04000	0.00	425,724.26	0.00	425,724.26
-----------------------------	-------------	-------------------	-------------	-------------------

Fund : 26980 (CPR TTF - Early Recovery and C)



UN
DP

UN Development Programme

Report ID: unglcdrp

Combined Delivery Report By Project

Page 2 of 7

Run Time: 18-07-2014 18:07:03

Project Id : 00050968 Early Recovery	Period :	Jan-Dec (2012)
Output # : 00063238 Relèvement National & Ouest	Impl. Partner :	99999 UNDP
	Location :	Haiti
	Govt Exp	UNDP Exp
	UN Agencies Exp	Total Exp

61305 - Salaries - IP Staff	0.00	8,467.34	0.00	8,467.34
61310 - Post Adjustment - IP Staff	0.00	3,607.08	0.00	3,607.08
62305 - Dependency Allowances-IP Staff	0.00	244.08	0.00	244.08
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	2,690.31	0.00	2,690.31
62315 - Contrib. to medical, social in	0.00	70.80	0.00	70.80
62320 - Mobility, Hardship, Non-remova	0.00	1,175.83	0.00	1,175.83
62340 - Annual Leave Expense - IP	0.00	1,387.86	0.00	1,387.86
63335 - Home Leave Trvl & Allow-IP Stf	0.00	462.50	0.00	462.50
63530 - Contribution to EOS Benefits	0.00	301.86	0.00	301.86
63535 - Contribution to Security	0.00	482.98	0.00	482.98
63540 - Contribution to Training	0.00	120.74	0.00	120.74
63545 - Contribution to ICT	0.00	181.12	0.00	181.12
63550 - Contributions to MAIP	0.00	24.15	0.00	24.15
63555 - Contribution to UN JFA	0.00	217.34	0.00	217.34
63560 - Contributions to Appendix D	0.00	36.22	0.00	36.22
65115 - Contributions to ASHI Reserve	0.00	784.84	0.00	784.84
65135 - Payroll Mgt Cost Recovery ATLA	0.00	64.38	0.00	64.38
71405 - Service Contracts-Individuals	0.00	86,767.75	0.00	86,767.75
71410 - MAIP Premium SC	0.00	7.38	0.00	7.38
71415 - Contribution to Security SC	0.00	0.00	0.00	0.00
71605 - Travel Tickets-International	0.00	9,204.90	0.00	9,204.90
71615 - Daily Subsistence Allow-Intl	0.00	1,512.00	0.00	1,512.00
71635 - Travel - Other	0.00	148.00	0.00	148.00
72105 - Svc Co-Construction & Engineer	0.00	56,768.97	0.00	56,768.97
72605 - Grants to Instit & other Benef	0.00	770,434.85	0.00	770,434.85
73125 - Common Services-Premises	0.00	55,893.00	0.00	55,893.00
73406 - Maintenance of Equipment	0.00	2,842.13	0.00	2,842.13
73410 - Maint, Oper of Transport Equip	0.00	0.00	0.00	0.00
74110 - Audit Fees	0.00	68,235.00	0.00	68,235.00
74599 - UNDP cost recovery chrgs-Bills	0.00	1,043.76	0.00	1,043.76
76125 - Realized Loss	0.00	2,450.71	0.00	2,450.71
76135 - Realized Gain	0.00	- 329.59	0.00	- 329.59

Total for Fund 26980	0.00	1,075,298.29	0.00	1,075,298.29
-----------------------------	-------------	---------------------	-------------	---------------------

Fund : 30000 (PROGRAMME COST SHARING)

71205 - Intl Consultants-Sht Term-Tech	0.00	42,000.00	0.00	42,000.00
71405 - Service Contracts-Individuals	0.00	95,389.83	0.00	95,389.83
71410 - MAIP Premium SC	0.00	99.98	0.00	99.98
71415 - Contribution to Security SC	0.00	0.00	0.00	0.00
71605 - Travel Tickets-International	0.00	3,916.49	0.00	3,916.49
71620 - Daily Subsistence Allow-Local	0.00	939.36	0.00	939.36
72105 - Svc Co-Construction & Engineer	0.00	0.00	0.00	0.00
72220 - Furniture	0.00	8,288.71	0.00	8,288.71
72311 - Fuel, petroleum and other oils	0.00	10,722.96	0.00	10,722.96
72401 - Prefab structure/other buildin	0.00	75,000.00	0.00	75,000.00
72425 - Mobile Telephone Charges	0.00	2,036.10	0.00	2,036.10
72505 - Stationery & other Office Supp	0.00	1,346.40	0.00	1,346.40
72605 - Grants to Instit & other Benef	0.00	74,630.28	0.00	74,630.28
72715 - Hospitality Catering	0.00	1,322.31	0.00	1,322.31
73125 - Common Services-Premises	0.00	1,036.74	0.00	1,036.74
73410 - Maint, Oper of Transport Equip	0.00	7,574.77	0.00	7,574.77

UN
DP

UN Development Programme

Report ID: unglcdrp

Combined Delivery Report By Project

Page 3 of 7

Run Time: 18-07-2014 18:07:03

Project Id : 00050968 Early Recovery		Period : Jan-Dec (2012)		
Output # : 00063238 Relèvement National & Ouest		Impl. Partner : 99999 UNDP		
		Location : Haiti		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
74210 - Printing and Publications	0.00	296.70	0.00	296.70
74525 - Sundry	0.00	9,789.47	0.00	9,789.47
74599 - UNDP cost recovery chrgs-Bills	0.00	857.07	0.00	857.07
75105 - Facilities & Admin - Implement	0.00	23,427.73	0.00	23,427.73
76125 - Realized Loss	0.00	219.73	0.00	219.73
76135 - Realized Gain	0.00	- 41.21	0.00	- 41.21
Total for Fund 30000	0.00	358,853.42	0.00	358,853.42
Fund : 30079 (EUROPEAN COMMISSION)				
61305 - Salaries - IP Staff	0.00	8,467.34	0.00	8,467.34
61310 - Post Adjustment - IP Staff	0.00	3,607.08	0.00	3,607.08
62305 - Dependency Allowances-IP Staff	0.00	244.08	0.00	244.08
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	2,690.31	0.00	2,690.31
62315 - Contrib. to medical, social in	0.00	70.80	0.00	70.80
62320 - Mobility, Hardship, Non-remova	0.00	1,119.17	0.00	1,119.17
62340 - Annual Leave Expense - IP	0.00	1,387.86	0.00	1,387.86
63335 - Home Leave Trvl & Allow-IP Stf	0.00	462.50	0.00	462.50
63365 - Special Oper Living Allow-IP	0.00	4,500.00	0.00	4,500.00
63530 - Contribution to EOS Benefits	0.00	301.86	0.00	301.86
63535 - Contribution to Security	0.00	482.98	0.00	482.98
63540 - Contribution to Training	0.00	120.74	0.00	120.74
63545 - Contribution to ICT	0.00	181.12	0.00	181.12
63550 - Contributions to MAIP	0.00	24.15	0.00	24.15
63555 - Contribution to UN JFA	0.00	217.34	0.00	217.34
63560 - Contributions to Appendix D	0.00	36.22	0.00	36.22
65115 - Contributions to ASHI Reserve	0.00	784.84	0.00	784.84
65135 - Payroll Mgt Cost Recovery ATLA	0.00	64.38	0.00	64.38
71605 - Travel Tickets-International	0.00	- 6,685.00	0.00	- 6,685.00
72105 - Svc Co-Construction & Engineer	0.00	269,653.21	0.00	269,653.21
72605 - Grants to Instit & other Benef	0.00	2,181,236.22	0.00	2,181,236.22
73410 - Maint, Oper of Transport Equip	0.00	0.00	0.00	0.00
74599 - UNDP cost recovery chrgs-Bills	0.00	1,929.84	0.00	1,929.84
75105 - Facilities & Admin - Implement	0.00	172,643.82	0.00	172,643.82
76125 - Realized Loss	0.00	213.41	0.00	213.41
76135 - Realized Gain	0.00	- 2,259.40	0.00	- 2,259.40
Total for Fund 30079	0.00	2,641,494.87	0.00	2,641,494.87
Fund : 55013 (UNDP-South Korea MDG TF)				
72215 - Transporation Equipment	0.00	- 58,129.25	0.00	- 58,129.25
77660 - Dep Exp Owned -Vehicle	0.00	10,657.03	0.00	10,657.03
Total for Fund 55013	0.00	- 47,472.22	0.00	- 47,472.22
Fund : 68152 (HAITI RELIEF FUND)				
72605 - Grants to Instit & other Benef	0.00	3,259.28	0.00	3,259.28
75105 - Facilities & Admin - Implement	0.00	244.32	0.00	244.32
Total for Fund 68152	0.00	3,503.60	0.00	3,503.60

UN
DPUN Development Programme
Report ID: unglcdrp

Combined Delivery Report By Project

Page 4 of 7
Run Time: 18-07-2014 18:07:03

Project Id : 00050968 Early Recovery		Period :	Jan-Dec (2012)	
Output # : 00063238 Relèvement National & Ouest		Impl. Partner :	99999 UNDP	
		Location :	Haiti	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Total for Dept : 50803	0.00	4,457,402.21	0.00	4,457,402.21
Dept: 50805 (Haiti - Energy & Environmnt)				
Fund : 26980 (CPR TTF - Early Recovery and C)				
71620 - Daily Subsistence Allow-Local	0.00	- 108.07	0.00	- 108.07
Total for Fund 26980	0.00	- 108.07	0.00	- 108.07
Total for Dept : 50805	0.00	- 108.07	0.00	- 108.07
Total for Output : 00063238	0.00	4,457,294.14	0.00	4,457,294.14
Project Total :	0.00	4,457,294.14	0.00	4,457,294.14

*Fabre*

Signed By :

Madeleine Oakes pour Paola Soldà

Date :

18/07/14

Signed By :

[Signature]

Date :

21/07/14*07*



UN
DP

UN Development Programme

Report ID: unglcdrp

Combined Delivery Report By Project

Page 5 of 7

Run Time: 18-07-2014 18:07:04

Selection Criteria :

Business Unit : HTI10
Period : Jan-Dec (2012)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00063238

Project Id : ALL		Period : Jan-Dec (2012)		
Output # : ALL		Impl. Partner : Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
50803 - Haiti - Crisis Prev & Rcvry	0.00	4,457,402.21	0.00	4,457,402.21
50805 - Haiti - Energy & Envirnmnt	0.00	- 108.07	0.00	- 108.07

UN
DP

UN Development Programme

Report ID: unglcdrp

Combined Delivery Report By Project

Page 6 of 7

Run Time: 18-07-2014 18:07:05

Funds UtilizationSelection Criteria :

Business Unit : HT110
Period : Jan-Dec (2012)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00063238

Project/Award: 00050968 Early Recovery**Period : As at Dec 31, 2012**

Output #	00063238	Impl. Partner :99999 UNDP	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			51,901.90
Inventory			0.00
Prepayments			0.00
Commitments			83,157.12



**Schedule to Combined Delivery Report
IPSAS Adjustments as at 1 January 2012**

Selection Criteria :

Business Unit : HTI10
Selected Project(s): ALL
Selected Fund Code : ALL
Selected Output(s): 00063238

Project Id : 00050968 Early Recovery				
Output # : 00063238 Relèvement National & Ouest				
Impl. Partner : 99999 UNDP				
Description	Account	Fund	Donor	Amount
Unliquidated Obligations	21015	04000-TRAC (Line	00012-UNDP	700.70
Unliquidated Obligations	21015	55013-SK MDG TF	54392-MOFATKOREA	58,129.25
Total for Output : 00063238				58,829.95

Project Total : 58,829.95

NOTES :

UNDP adopted IPSAS on 1 January 2012 which recognizes an expense based on goods received and/or services rendered. Consequently, expenses related to some IPSAS opening balance would be duplicated in the 2012 CDRs because of the following:

1. Goods received or services rendered in 2012 on non-fixed asset open purchase orders raised prior to 2012 would be recognized as an expense in 2012. These were ULOs in 2011
2. 2012 Inventory opening balances would be expensed in 2012 when goods are consumed or delivered
3. 2012 Prepaid opening balances would be expensed in 2012 when goods are received or services rendered



Report of the Independent Auditor to UNDP on the Statement of Fixed Assets

We have audited the accompanying Statement of Fixed Assets (“the statement”) of the project “Relèvement National & Quest”, Output ID 00063238, as at 31 December 2012.

Management is responsible for the preparation of the statement for the project “Relèvement National & Quest”, Output ID 00063238, and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project’s preparation of the statements 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 project’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the attached statement of assets presents fairly, in all material respects the balance of inventory of the project “Relèvement National & Quest”, Output ID 00063238, amounting to \$ 51,901.90 as at 31 December 2012 in accordance with UNDP accounting policies.

Berlin, July 25, 2014

Frank Fabel, CPA, MA
Executive Director

63238/2012

AM In Service Report

UN Develc Page 1 of 7

Report ID: UNAM60 Run Ti 8/4/2014 20:04

Business I HTI10 Count: Category: In Servi Project Type: All Amount

>=

500 As of Date:

12/31/2012

										Values						
Project	Fund	cod	Donor	Impl	Agem	Departu	Asset ID	Profile ID	Description	TAG Number	Serial Number	Quantity	Model	Location	Sum of Cost,USD	Sum of Net Book Value
00063238	04000	00012	001981	50803	0000000001484	ITC1	A Notebook computers	0000000001484	MPOWLDO	1 (blank)	HTIPRTRANS	1,130.98	1,107.42			
					0000000001487	ITC1	A Notebook computers	0000000001487	MPOWLCF	1 (blank)	HTIPRTRANS	1,130.98	1,107.42			
					0000000001493	ITC1	A Notebook computers	0000000001493	MPOWLANF	1 (blank)	HTIPRTRANS	1,130.98	1,107.42			
					0000000001494	ITC1	A Notebook computers	0000000001494	MPOWLHL	1 (blank)	HTIPRTRANS	1,130.98	1,107.42			
55013	54392	001981	50803	0000000001307	MTRV4	one Unit Landruiser Prado	TXL	0000000001307	JTEEB71J-907013722	1 (blank)	HTIPRDBII	58,129.25	47,472.22			
00063238 Total												62,653.17	51,901.90			
Grand Total												62,653.17	51,901.90			



CMA



OAI
Clayton, City of Knowledge
UN House, Building 128
Panama City, Republic of Panama

UNDP Haiti
Relèvement National & Quest
Output ID 00063238
Audit Report 2013

Fabel, Werner & Schnittke GmbH

Landsberger Str. 98 · D-82110 Germering, Germany · Phone + 49 (89) 84 05 98 07 · Fax +49 (89) 84 00 23 17 · E-Mail fws@fws-audit.com
www.fws-audit.com · Directors: Frank Fabel, Thomas Werner · München HRB 11 87 17

Audit Partners in

Albania · Argentina · Armenia · Azerbaijan · Bangladesh · Brazil · Belarus · Belgium · Bosnia-Herzegovina · Cameroon · Costa Rica · Chile · Croatia · Colombia
· Cyprus · Czech Republic · DR Congo · Ecuador · Egypt · Estonia · Ghana · Georgia · Germany · Haiti · India · Ireland · Kazakhstan · Kosovo · Kyrgyzstan ·
Latvia · Lebanon · Lithuania · Macedonia · Malta · Mexico · Moldova · Mongolia · Montenegro · Nigeria · Pakistan · Philippines · Poland · Romania · Russia ·
Serbia · Slovakia · Slovenia · South Sudan · Sudan · Tajikistan · Turkey · Turkmenistan · Ukraine · USA · Uzbekistan · Zambia · Zimbabwe

FWS is a member of EMPACTA Association of International Auditors
www.empacta.org



Report of the Independent Auditors to UNDP

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement (“the statement”) of the project “Relèvement National & Quest”, Output ID 00063238, for the period from 1 January to 31 December 2013.

Management is responsible for the preparation of the statement for the project “Relèvement National & Quest”, Output ID 00063238, and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project’s preparation of the statements 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 project’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



In our opinion, the attached statement of expense presents fairly, in all material respects, the expense of \$ 339,742.16 incurred by the project “Relèvement National & Quest”, Output ID 00063238, for the period from 1 January to 31 December 2013 in accordance with agreed upon accounting policies and were:

- (i) in conformity with the approved project budgets;
- (ii) for the approved purposes of the project;
- (iii) in compliance with the relevant UNDP regulations and rules, policies and procedures; and
- (iv) supported by properly approved vouchers and other supporting documents.

Emphasis of Matter

Without qualifying our opinion, we would like to draw your attention to the following points:

We noted that the project under audit did not use a dedicated bank account for DIM project activities and accordingly a statement of cash position was not produced.

For certain funds, UNDP has a right to charge the project with an administrative fee of 7 percent. In 2012, the project was overcharged for \$ 2,664.48.

Berlin, July 25, 2014

Frank Fabel, CPA, MA
Executive Director



UN
DP

UN Development Programme

Report ID: unglcdrp

Combined Delivery Report By Project

Page 1 of 4

Run Time: 18-07-2014 19:07:12

Selection Criteria :

Business Unit : HTI10
Period : Jan-Dec (2013)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00063238

Project Id : 00050968 Early Recovery		Period :	Jan-Dec (2013)	
Output # : 00063238 Relèvement National & Ouest		Impl. Partner :	99999 UNDP	
		Location :	Haiti	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Dept: 50803 (Haiti - Crisis Prev & Rcvry)

Fund : 04000 (Core Programme, UNU Centre)

71205 - Intl Consultants-Sht Term-Tech	0.00	- 1,000.00	0.00	- 1,000.00
72605 - Grants to Instit & other Benef	0.00	- 63,120.14	0.00	- 63,120.14
76135 - Realized Gain	0.00	- 555.83	0.00	- 555.83
77630 - Dep Exp Owned - ITC	0.00	559.48	0.00	559.48

Total for Fund 04000	0.00	- 64,116.49	0.00	- 64,116.49
-----------------------------	-------------	--------------------	-------------	--------------------

Fund : 26980 (CPR TTF - Early Recovery and C)

72605 - Grants to Instit & other Benef	0.00	- 2,888.48	0.00	- 2,888.48
--	------	------------	------	------------

Total for Fund 26980	0.00	- 2,888.48	0.00	- 2,888.48
-----------------------------	-------------	-------------------	-------------	-------------------

Fund : 30000 (PROGRAMME COST SHARING)

71405 - Service Contracts-Individuals	0.00	6,165.45	0.00	6,165.45
71410 - MAIP Premium SC	0.00	37.55	0.00	37.55
72605 - Grants to Instit & other Benef	0.00	222,125.93	0.00	222,125.93
73125 - Common Services-Premises	0.00	32,134.00	0.00	32,134.00
73410 - Maint, Oper of Transport Equip	0.00	3,450.26	0.00	3,450.26
74205 - Audio Visual Productions	0.00	15,000.00	0.00	15,000.00
74599 - UNDP cost recovery chrgs-Bills	0.00	85.14	0.00	85.14
75105 - Facilities & Admin - Implement	0.00	19,529.88	0.00	19,529.88
75110 - Facilities & Admin - Services	0.00	195.48	0.00	195.48
76135 - Realized Gain	0.00	- 143.07	0.00	- 143.07

Total for Fund 30000	0.00	298,580.62	0.00	298,580.62
-----------------------------	-------------	-------------------	-------------	-------------------

Fund : 30079 (EUROPEAN COMMISSION)

72605 - Grants to Instit & other Benef	0.00	109,008.62	0.00	109,008.62
74525 - Sundry	0.00	342.49	0.00	342.49
75105 - Facilities & Admin - Implement	0.00	7,654.57	0.00	7,654.57
75110 - Facilities & Admin - Services	0.00	1,719.86	0.00	1,719.86

Total for Fund 30079	0.00	118,725.54	0.00	118,725.54
-----------------------------	-------------	-------------------	-------------	-------------------

Fund : 55013 (UNDP-South Korea MDG TF)

31007 - PriorPeriodAdj_EXP_PPE	0.00	47,472.22	0.00	47,472.22
72215 - Transporation Equipment	0.00	- 58,031.25	0.00	- 58,031.25
74696 - PP&E Expensed Items	0.00	0.00	0.00	0.00
75105 - Facilities & Admin - Implement	0.00	0.00	0.00	0.00
77660 - Dep Exp Owned -Vehicle	0.00	0.00	0.00	0.00

UN
DP

UN Development Programme

Report ID: unglcdrp

Combined Delivery Report By Project

Page 2 of 4

Run Time: 18-07-2014 19:07:12

Project Id : 00050968 Early Recovery		Period :	Jan-Dec (2013)	
Output # : 00063238 Relèvement National & Ouest		Impl. Partner :	99999 UNDP	
		Location :	Haiti	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Total for Fund 55013	0.00	- 10,559.03	0.00	- 10,559.03
Total for Dept : 50803	0.00	339,742.16	0.00	339,742.16
Total for Output : 00063238	0.00	339,742.16	0.00	339,742.16
Project Total :	0.00	339,742.16	0.00	339,742.16

*Fabel*

Signed By :

Madeleine Oakes, pour Paola Soldà

Date :

18/07/14

Signed By :

[Signature]

Date :

21/07/14

Haiti



UN
DP

UN Development Programme

Report ID: unglcdrp

Combined Delivery Report By Project

Page 3 of 4

Run Time: 18-07-2014 19:07:13

Selection Criteria :

Business Unit : HTI10

Period : Jan-Dec (2013)

Selected Project Id : ALL

Selected Fund Code : ALL

Selected Dept. IDs : ALL

Selected Outputs : 00063238

Project Id : ALL		Period : Jan-Dec (2013)		
Output # : ALL		Impl. Partner : Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
50803 - Haiti - Crisis Prev & Rcvry	0.00	339,742.16	0.00	339,742.16



UN
DP

UN Development Programme
Report ID: unglcdrp

Combined Delivery Report By Project

Page 4 of 4
Run Time: 18-07-2014 19:07:23

Funds Utilization

Selection Criteria :

Business Unit : HTI10
Period : Jan-Dec (2013)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00063238

Project/Award: 00050968 Early Recovery

Period : As at Dec 31, 2013

Output #	00063238	Impl. Partner :99999 UNDP	UNDP AMOUNT
	Outstanding NEX advances		0.00
	Undepreciated Fixed Assets		3,870.20
	Inventory		0.00
	Prepayments		0.00
	Commitments		1,959.00



Report of the Independent Auditor to UNDP on the Statement of Fixed Assets

We have audited the accompanying Statement of Fixed Assets (“the statement”) corresponding to the project “Relèvement National & Quest”, Output ID 00063238, as at 31 December 2013.

Management is responsible for the preparation of the statement for the project “Relèvement National & Quest”, Output ID 00063238, and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project’s preparation of the statements 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 project’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the attached statement of assets presents fairly, in all material respects the balance of inventory of the project “Relèvement National & Quest”, Output ID 00063238, amounting to \$ 3,870.20 as at 31 December 2013 in accordance with UNDP accounting policies.

Berlin, July 25, 2014

Frank Fabel, CPA, MA
Executive Director

63238/13

AM In Service Report

JN Devel Page 1

of

11

Report IC UNAM600

Run Time

8/4/2014 20:04

Business HT110

Country: Category:

Operating Department: Impl Ager Donor:

Project Ty: All

Amount >=

Project: Profile ID:

500 As of Date:

12/31/2013

Project	Department	Business Description	Fund code Impl Ager Donor	TAG Number	Values	
					Sum of Cost,USD	Sum of Net Book Value
63238	50803	HT110 A Notebook computers	4000	12	1,130.98	967.55
			4000	12	1,130.98	967.55
			4000	12	1,130.98	967.55
			4000	12	1,130.98	967.55
Grand Total					4,523.92	3,870.20



Handwritten signature



Ms. Sophie de Caen
UNDP Haiti
Senior Country Director

**Management Letter to Project “Relèvement National & Quest”
Output ID 00063238**

Dear Ms. de Caen,

In addition to our audit report, we would like to draw your attention to the following points:

1. Follow up of the Last Management Letter

The project “Relèvement National & Quest”, Output ID 63238, FY 2011, was audited in 2013. Predecessor auditors recommended that a statement of assets and equipment should be completed. Moreover, auditors recommended that the transfer of assets should be documented. Management agreed with these suggestions.

In 2012, a new statement, the Statement of Undepreciated Fixed Assets, was introduced. Transfers of assets were documented.

Fabel, Werner & Schnittke GmbH

Landsberger Str. 98 · D-82110 Germering, Germany · Phone + 49 (89) 84 05 98 07 · Fax +49 (89) 84 00 23 17 · E-Mail fws@fws-audit.com
www.fws-audit.com · Directors: Frank Fabel, Thomas Werner · München HRB 11 87 17

Audit Partners in

Albania · Argentina · Armenia · Azerbaijan · Bangladesh · Brazil · Belarus · Belgium · Bosnia-Herzegovina · Cameroon · Costa Rica · Chile · Croatia · Colombia
· Cyprus · Czech Republic · DR Congo · Ecuador · Egypt · Estonia · Ghana · Georgia · Germany · Haiti · India · Ireland · Kazakhstan · Kosovo · Kyrgyzstan ·
Latvia · Lebanon · Lithuania · Macedonia · Malta · Mexico · Moldova · Mongolia · Montenegro · Nigeria · Pakistan · Philippines · Poland · Romania · Russia ·
Serbia · Slovakia · Slovenia · South Sudan · Sudan · Tajikistan · Turkey · Turkmenistan · Ukraine · USA · Uzbekistan · Zambia · Zimbabwe

FWS is a member of EMPACTA Association of International Auditors
www.empacta.org



2. Disclosure of Correction Bookings

Observation:

There are excessive correction bookings entered in Atlas to correct prior accounting entries.

Priority:

Medium.

Recommendation:

We recommend reducing the amount of correction bookings. In addition, booking errors should be supported by an explanation line in ATLAS, indicating which booking (transaction ID) is reversed and duly supported by an accompanying document.

Management Comment and Action Plan:

The country office agrees to make every effort to reduce the number of correction bookings. .

The recommendation regarding proper explanation line in Atlas to describe correction is relevant and the country office will comply.

Correction booking are usually accompanied by supporting documents and validated by Management. The country office has recently published a new Standard Operation Procedure for corrections booking. The procedure will be amended to take into account the need to specify proper explanation line in Atlas.



3. Purchase Orders

Observation:

In some cases, purchase orders (POs) were issued only after action was taken. Examples are POs No. 9897 and 9901. It is clear that first the usual requisition procedures have to be executed – requisition, request for quotation or request for proposal, PO, purchase action, invoice, voucher– before services or goods could be paid.

Priority:

Medium.

Recommendation:

Purchase orders should be timely issued as described in the Programme and Operation Policies and Procedures manual (POPP).

Management Comment and Action Plan:

Recommendation regarding post-facto purchase orders will be implemented in the future.



4. Determination of the 7 Percent Administrative Fee

Observation:

UNDP has a contractual right to charge the project a 7 percent administration fee on the net project expenses and a 1 percent management fee on the grand total. We undertook an attempt to re-calculate the administrative fee and the management fee.

Priority:

Medium

Recommendation:

The Country Office should reassess the fees charged to the project and adjust the CDRs as needed.

Management Comment and Action Plan:

GMS fees have been over charged in 2012 (-\$11,537.52) and 2013 (-\$2,664.48). Action will be taken to adjust. Regarding that specific project, (i) the project had some trac funds and trac funds are not taxable , the charged funds should be returned to the project (ii) for Fund 26980, GMS were taken off the top in previous years (iii) for Fund 55013 , a return on expenses implies also a return on GMS, adjustment will be made with the support of HQ

Auditor's Response:

The overcharged fees should be reversed in the next accounting period.

Berlin, July 25, 2014
Frank Fabel, CPA, MA
Executive Director



Annex 1: Audit finding priority ratings

The following categories of priorities are used:

High (Critical)	Action is considered imperative to ensure that UNDP is not exposed to high risks. Failure to take action could result in major consequences and issues.
Medium (Important)	Action is considered necessary to avoid exposure to significant risks. 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. Low priority recommendations, if any, are dealt with by the Auditors directly with the Office management, during the exit meeting, through a separate memo subsequent to the fieldwork and a side letter. Therefore, low priority recommendations are not included in the management letter.