



AUDIT

OF

UNCDF DIRECTLY IMPLEMENTED PROJECTS

LDC Fund to Develop Savings-led Market Leaders for Inclusive Finance (MicroLead)
(Project No. 50991, Output No. 63268)

Support to Savings-led Microfinance Market Leaders to enter
Underserved Countries (MicroLead Expansion)
(Project No. 62259, Output No. 79668)

Report No. 1406

Issue Date: 13 November 2014

Report on the audit of UNCDF Directly Implemented Projects
LDC Fund to Develop Savings-led Market Leaders for Inclusive Finance (MicroLead)
(Project No. 50991, Output No. 63268)
Support to Savings-led Microfinance Market Leaders to enter
Underserved Countries (MicroLead Expansion)
(Project No. 62259, Output No. 79668)

Executive Summary

The UNDP Office of Audit and Investigations (OAI), from 18 to 28 August 2014, through Moore Stephens LLP (the audit firm), conducted an audit of the following two projects: LDC Fund to Develop Savings-led Market Leaders for Inclusive Finance (MicroLead) (Project No. 50991, Output No. 63268) and Support to Savings-led Microfinance Market Leaders to enter Underserved Countries (MicroLead Expansion) (Project No. 50991, Output No. 79668), herein referred to as “the Projects,” which are directly implemented and managed by the United Nations Capital Development Fund (UNCDF) Office in New York. This was the first audit of the Projects.

The audit work covered financial transactions for the purpose of expressing an opinion on whether the financial statements present fairly, in all material aspects, the Projects’ operations. The audit covered the Projects’ Combined Delivery Reports, which included expenses for the period from 1 January 2012 to 31 December 2013 and the corresponding accompanying Funds Utilization statements¹, as well as Statements of Assets and Equipment as at 31 December 2013. The audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Projects.

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:

Project No.	Expenditure*		Assets and Equipment	
	Amount (in \$'000)	Opinion	Amount (in \$'000)	Opinion
50991	5,526	Unqualified	5	Unqualified
62259	6,365	Unqualified	4	Unqualified

* Total expenditure recorded in the Combined Delivery Reports and incurred by UNCDF for fiscal years 2012 and 2013.

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

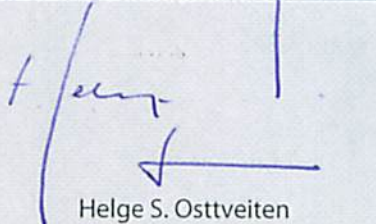
¹ The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) undepreciated fixed assets used at the project level; (c) inventory held at the project level; (d) prepayments made by the project; and (e) outstanding commitments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

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 lack of supporting documents (Project Nos. 50991 & 62259), and a cancelled transaction that was not removed from Atlas (Project No. 62259).

Management comments and action plan

The MicroLead Programme Manager and Deputy Director, UNCDF Financial Inclusion Practice Area accepted all of the three recommendations and are in the process of implementing them. Comments and/or additional information provided have been incorporated into the report, where appropriate.



Helge S. Osttveiten
Director
Office of Audit and Investigations

**UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
AUDIT REPORT**

24 October 2014

**FINANCIAL AUDIT OF THE UNCDF DIRECTLY IMPLEMENTED (DIM)
PROJECT**

**LDC FUND TO DEVELOP SAVINGS-LED MARKET LEADERS FOR
INCLUSIVE FINANCE (MICROLEAD)**

Project name:	LDC Fund to develop savings-led market leaders for inclusive finance
UNCDF Office:	New York
Atlas Award ID:	50991
Atlas Project ID:	63268
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January 2012 to 31 December 2013

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EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of the 'LDC Fund to develop savings-led market leaders for inclusive finance (MicroLead)' project (Award ID 50991 and Project ID 63268) (the project), directly implemented by UNCDF for the period from 1 January 2012 to 31 December 2013. The audit was undertaken on behalf of UNDP, Office of Audit and Investigations (OAI).

We have issued audit opinions as summarised in the table below and as detailed in the next section:

Statement of Expenditure	Unqualified
Statement of Fixed Assets	Unqualified
Statement of Cash Position	Not applicable

As a result of our audit, we have raised one audit findings totalling \$ 28,202 as summarised below:

No.	Description	Priority	Amount \$
1	Lack of supporting documentation	Medium	28,202



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

24 October 2014

THE AUDIT ENGAGEMENT

Audit Objectives and Scope

The objective of the financial audit was to express an opinion on the project's financial statements which include:

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January 2012 and 31 December 2013 and the funds utilization as at 31 December 2013 are fairly presented in accordance with UNCDF accounting policies and that the expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNCDF; and (iv) supported by properly approved vouchers and other supporting documents. The Combined Delivery Report (CDR) and the accompanying Funds Utilization statement are the mandatory and official statements upon which the audit opinion should be expressed. Other forms of statement of expenses that may be prepared by a project office are not accepted.
- Expressing an opinion on whether the statement of fixed assets presents fairly the balance of assets of the UNCDF project as at 31 December 2012 and 31 December 2013. This statement must include all assets available as at 31 December 2012 and 31 December 2013 and not only those purchased in a given period. Where a DIM project does not have any assets or equipment, it will not be necessary to express such an opinion.
- Expressing an opinion on whether the statement of cash held by the project presents fairly the cash and bank balance of UNCDF project as at 31 December 2012 and 31 December 2013. Disbursements made against a DIM project are usually financed from the regular country office bank accounts. Exceptionally, a dedicated bank account may be opened and used solely for the cash transactions of a DIM project, e.g. if the project is in a remote location. The audit firm is required to express an opinion on the Statement of Cash only where a dedicated bank account for the DIM project has been established. In cases where the cash transactions of the audited DIM project are made through the UNCDF corporate bank accounts, this type of opinion is not required.

The scope of the audit relates only to transactions concluded and recorded against the UNCDF project between 1 January 2012 and 31 December 2013. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of "Financial service providers", unless the inclusion of these expenses is specifically required in the request for proposal.

AUDIT OPINIONS

Independent Auditor's Report to UNDP

LDC Fund to develop savings-led market leaders for inclusive finance (MicroLead)

Statement of Expenditure

We have audited the accompanying Combined Delivery Reports (CDRs) and Funds Utilization statement ("the statement") of the UNCDF project 'LDC Fund to develop savings-led market leaders for inclusive finance (MicroLead)' (project ID 63268) for the period from 1 January 2012 to 31 December 2013.

Management is responsible for the preparation of the statement for the 'LDC Fund to develop savings-led market leaders for inclusive finance (MicroLead)' project 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is 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 statement 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.

Unqualified Opinion

In our opinion, the attached Combined Delivery Reports (CDRs) and Funds Utilization statements present fairly, in all material respects, the expenses of \$ 5,525,702 incurred by the project 'LDC Fund to develop savings-led market leaders for inclusive finance (MicroLead)' for the period 1 January 2012 to 31 December 2013 in accordance with UNCDF accounting policies and were i) in conformity with the approved budget; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNCDF; and (iv) supported by properly approved vouchers and other supporting documents.

Independent Auditor's Report to UNDP

LDC Fund to develop savings-led market leaders for inclusive finance (MicroLead)

Statement of Fixed Assets

We have audited the accompanying Statement of Fixed Assets ('the statement') of the UNDP project 'LDC Fund to develop savings-led market leaders for inclusive finance (MicroLead)' (project ID 63268) as at 31 December 2013.

Management is responsible for the preparation of the statement for 'LDC Fund to develop savings-led market leaders for inclusive finance (MicroLead)' 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is 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 schedule 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.

Unqualified Opinion

In our opinion, the attached Statement of Assets presents fairly, in all material respects, the balance of inventory of the UNDP project 'LDC Fund to develop savings-led market leaders for inclusive finance (MicroLead)' amounting to \$ 4,575 as at 31 December 2013 in accordance with UNDP accounting policies.

Independent Auditor's Report to UNDP

LDC Fund to develop savings-led market leaders for inclusive finance (MicroLead)

Statement of Cash Position

We noted that the UNCDF project 'LDC Fund to develop savings-led market leaders for inclusive finance' (project ID 63268) did not have a dedicated bank account for DIM project activities subject to audit and accordingly a Statement of Cash Position was not produced.

MANAGEMENT LETTER

The finding related to the audit of the financial statements is discussed in our management letter below:

Finding n°: 1	Title: Lack of supporting documentation
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Observation:

UNCDF should maintain books and records that are accurate, complete, up to date and clearly identify all transactions. UNCDF is required to maintain original documentation including bills, invoices, receipts and any other relevant documentation.

However, supporting documents were not available for the following transactions as detailed in the table below:

Date	Transaction ID	Description	Account	Amount \$	Outstanding documentation
27/07/12	AP04487787	dsa Ivana	71615	1,404.00	Note 1
25/11/13	0005176236	ISS 2013M07-10 by UNDP APRC	71625	413.04	Note 1
12/01/12	0004210735	Intl Consultants-Sht Term-Tech	71205	14,095.38	Note 1
18/07/12	0004469534	Rent	73105	12,105.00	Note 2
05/12/13	AP05197521	MicroLead: FedEx charges	72120	163.72	Note 1
25/11/13	0005176236	ISS 2013M07-10 by UNDP APRC	73505	21.01	Note 1
Total				28,202.15	

Note 1 No information provided

Note 2 Calculations evidencing the allocation of total rent for 2012 to the project not provided

Priority: Medium

Recommendation:

We recommend that UNCDF has procedures in place to ensure that adequate supporting documentation is maintained to support all costs recorded in Atlas. Whilst the project activities were spread across multiple geographical regions and documentation held in different offices, it is still the responsibility of UNCDF in New York to ensure that all of the items recorded in the CDRs are substantiated and evidenced by supporting documentation.

Management comments:

The management noted the audit recommendation. Please note that UNCDF has a well-established policy and procedures in place for maintaining supporting documents.

There remain six outstanding items for a total of \$28,202.15 or 0.51% of the funds utilized during the audit period. These payments were processed by HQ here in New York and the whole of Finance staffs changed end of year 2012 and during the transition some documents are misfiled.



Mark Henderson
Partner

Moore Stephens LLP
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24 October 2014

Annexes

Annex 1: Combined Delivery Reports

UNCDF Combined Delivery Report

UN Capital Development Fund
Report ID: UNGL143G

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Run Time: 12-06-2014 19:06:36

Selection Criteria :

Business Unit: UNCDF
Period: Jan-Dec (2012)
Selected Award Id: 00050991
Selected Project Id: ALL

Award ID : 00050991 Fund to Develop Savings Led Ma	Period :	Jan-Dec (2012)
Project ID : 00063268 Fund to Develop Savings Led Ma	Impl. Partner :	UNCDF UNCDF
	Location :	Main
	Prepaid DIM Exp	UNCDF Exp
	Prepaid NIM Exp	Total Exp

Activity : ()

Fund : G2798(LDC Fund SVG MKT LDRS FIPA)

74910 - Gain/Loss Disposal Fixed Asset	0.00	311.77	0.00	311.77
77630 - Dep Exp Owned - ITC	0.00	2,007.00	0.00	2,007.00
Total for Fund G2798	0.00	2,318.77	0.00	2,318.77

Total for Activity	0.00	2,318.77	0.00	2,318.77
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Activity : ACTIVITY3 (SCALE & SUSTAINABILITY OF FSPs)

Fund : G2798(LDC Fund SVG MKT LDRS FIPA)

61305 - Salaries - IP Staff	0.00	87,697.98	0.00	87,697.98
61310 - Post Adjustment - IP Staff	0.00	57,442.14	0.00	57,442.14
62305 - Dependency Allowances-IP Staff	0.00	5,858.04	0.00	5,858.04
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	27,442.60	0.00	27,442.60
62315 - Contrib. to medical, social in	0.00	10,589.00	0.00	10,589.00
62320 - Mobility, Hardship, Non-remova	0.00	2,700.00	0.00	2,700.00
62330 - Rental Supplements - IP Staff	0.00	29,848.00	0.00	29,848.00
62340 - Annual Leave Expense - IP	0.00	7,751.87	0.00	7,751.87
63335 - Home Leave Trvl & Allow-IP Stf	0.00	0.00	0.00	0.00
63350 - Reimb of Income Tax-IP Staff	0.00	71,897.00	0.00	71,897.00
63530 - Contribution to EOS Benefits	0.00	3,628.52	0.00	3,628.52
63535 - Contribution to Security	0.00	5,805.62	0.00	5,805.62
63540 - Contribution to Training	0.00	1,451.42	0.00	1,451.42
63545 - Contribution to ICT	0.00	2,177.10	0.00	2,177.10
63550 - Contributions to MAIP	0.00	290.26	0.00	290.26
63555 - Contribution to UN JFA	0.00	2,612.50	0.00	2,612.50
63560 - Contributions to Appendix D	0.00	435.40	0.00	435.40
64306 - Appointment-Ticket Costs	0.00	0.00	0.00	0.00
64307 - Appointment-Subsistence Allow	0.00	0.00	0.00	0.00
64308 - Appointments-Lump Sum	0.00	0.00	0.00	0.00
64309 - Appointment-Shipments	0.00	0.00	0.00	0.00
65115 - Contributions to ASHI Reserve	0.00	9,434.14	0.00	9,434.14
65135 - Payroll Mgt Cost Recovery ATLA	0.00	772.56	0.00	772.56
71605 - Travel Tickets-International	0.00	53,081.68	0.00	53,081.68
71615 - Daily Subsistence Allow-Intl	0.00	7,898.32	0.00	7,898.32
71635 - Travel - Other	0.00	1,401.59	0.00	1,401.59
72510 - Publications	0.00	350.00	0.00	350.00
72605 - Grants to Instit & other Benef	0.00	1,871,295.00	0.00	1,871,295.00
73105 - Rent	0.00	12,105.00	0.00	12,105.00
74710 - Land Transport	0.00	119.37	0.00	119.37
76125 - Realized Loss	0.00	3.20	0.00	3.20
Total for Fund G2798	0.00	2,274,088.31	0.00	2,274,088.31

Total for Activity ACTIVITY3	0.00	2,274,088.31	0.00	2,274,088.31
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Activity : ACTIVITY4 (EVALUATIONS & LESSONS LEARNED)

Fund : G2798(LDC Fund SVG MKT LDRS FIPA)

UNCDF Combined Delivery Report

UN Capital Development Fund
Report ID: UNGL143G

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Run Time: 12-06-2014 19:06:36

Award ID : 00050991 Fund to Develop Savings Led Ma	Period :	Jan-Dec (2012)
Project ID : 00063268 Fund to Develop Savings Led Ma	Impl. Partner :	UNCDF UNCDF
	Location :	Main
	Prepaid DIM Exp	UNCDF Exp
	Prepaid NIM Exp	Total Exp


71205 - Intl Consultants-Sht Term-Tech	0.00	218,206.63	0.00	218,206.63
71305 - Local Consult.-Sht Term-Tech	0.00	1,300.00	0.00	1,300.00
71605 - Travel Tickets-International	0.00	15,764.44	0.00	15,764.44
74220 - Translation Costs	0.00	1,998.75	0.00	1,998.75
76125 - Realized Loss	0.00	4.04	0.00	4.04

Total for Fund G2798	0.00	237,273.86	0.00	237,273.86
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Total for Activity ACTIVITY4	0.00	237,273.86	0.00	237,273.86
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Total for Project : 00063268	0.00	2,513,680.94	0.00	2,513,680.94
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Award Total :	0.00	2,513,680.94	0.00	2,513,680.94
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 Mark Henderson
 Partner
 Moore Stephens LLP
 24 October 2014

Signed By :

Date :

3.10.2014



Funds Utilization

Selection Criteria :

Business Unit : UNCDF
Period : Jan-Dec (2012)
Selected Project ID : 00050991
Selected Fund Code :
Selected Dept. IDs : ALL
Selected Outputs : ALL

Award ID: 00050991 Fund to Develop Savings Led Ma Period : As at Dec 31, 2012

Project ID: 00063268 Impl. Partner : UNCDF UNCDF	UNCDF AMOUNT
Outstanding NIM advances	0.00
Outstanding DIM advances	0.00
Undepreciated Fixed Assets	382.77
Inventory	0.00
Loans & Financial Services	0.00
Commitments	0.00

UNCDF Combined Delivery Report



UN Capital Development Fund

Report ID: UNGL143G

Page 1 of 3

Run Time: 12-06-2014 22:06:31

Selection Criteria :

Business Unit: UNCDF
 Period: Jan-Dec (2013)
 Selected Award Id: 00050991
 Selected Project Id: ALL

Award ID : 00050991 Fund to Develop Savings Led Ma	Period :	Jan-Dec (2013)
Project ID : 00063268 Fund to Develop Savings Led Ma	Impl. Partner :	UNCDF UNCDF
	Location :	Main
	Prepaid DIM Exp	UNCDF Exp
	Prepaid NIM Exp	Total Exp

Activity : ()

Fund : G2798(LDC Fund SVG MKT LDRS FIPA)

77630 - Dep Exp Owned - ITC	0.00	86.66	0.00	86.66
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Total for Fund G2798	0.00	86.66	0.00	86.66
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Total for Activity	0.00	86.66	0.00	86.66
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Activity : ACTIVITY3 (SCALE & SUSTAINABILITY OF FSPs)

Fund : G2798(LDC Fund SVG MKT LDRS FIPA)

61305 - Salaries - IP Staff	0.00	89,899.46	0.00	89,899.46
61310 - Post Adjustment - IP Staff	0.00	61,524.87	0.00	61,524.87
62305 - Dependency Allowances-IP Staff	0.00	5,858.03	0.00	5,858.03
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	28,704.38	0.00	28,704.38
62315 - Contrib. to medical, social in	0.00	11,167.99	0.00	11,167.99
62320 - Mobility, Hardship, Non-remova	0.00	2,699.99	0.00	2,699.99
62330 - Rental Supplements - IP Staff	0.00	15,457.93	0.00	15,457.93
62340 - Annual Leave Expense - IP	0.00	2,800.44	0.00	2,800.44
63350 - Reimb of Income Tax-IP Staff	0.00	65,645.00	0.00	65,645.00
63530 - Contribution to EOS Benefits	0.00	5,678.46	0.00	5,678.46
63535 - Contribution to Security	0.00	6,056.99	0.00	6,056.99
63540 - Contribution to Training	0.00	1,514.27	0.00	1,514.27
63545 - Contribution to ICT	0.00	2,271.36	0.00	2,271.36
63550 - Contributions to MAIP	0.00	302.82	0.00	302.82
63555 - Contribution to UN JFA	0.00	2,725.63	0.00	2,725.63
63560 - Contributions to Appendix D	0.00	454.27	0.00	454.27
65115 - Contributions to ASHI Reserve	0.00	12,113.90	0.00	12,113.90
65135 - Payroll Mgt Cost Recovery ATLA	0.00	4,204.87	0.00	4,204.87
71605 - Travel Tickets-International	0.00	39,641.59	0.00	39,641.59
71615 - Daily Subsistence Allow-Intl	0.00	9,396.00	0.00	9,396.00
71625 - Daily Subsist Allow-Mtg Partic	0.00	2,986.11	0.00	2,986.11
71635 - Travel - Other	0.00	2,235.22	0.00	2,235.22
72605 - Grants to Instit & other Benef	0.00	2,423,179.00	0.00	2,423,179.00
73105 - Rent	0.00	11,424.00	0.00	11,424.00
73505 - Reimb to UNDP for Supp Srvs	0.00	21.01	0.00	21.01
74599 - UNDP cost recovery chrgs-Bills	0.00	53.08	0.00	53.08
75705 - Learning costs	0.00	4,324.93	0.00	4,324.93
76135 - Realized Gain	0.00	- 129.05	0.00	- 129.05

Total for Fund G2798	0.00	2,812,212.55	0.00	2,812,212.55
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Total for Activity ACTIVITY3	0.00	2,812,212.55	0.00	2,812,212.55
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Activity : ACTIVITY4 (EVALUATIONS & LESSONS LEARNED)

Fund : G2798(LDC Fund SVG MKT LDRS FIPA)

61205 - Salaries - GS Staff	0.00	9,121.29	0.00	9,121.29
62205 - Dependency Allow - GS Staff	0.00	1,004.87	0.00	1,004.87
62210 - Contrib to Jt Staff Pens Fd-GS	0.00	1,882.89	0.00	1,882.89

UNCDF Combined Delivery Report



UN Capital Development Fund
Report ID: UNGL143G

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Run Time: 12-06-2014 22:06:32

Award ID : 00050891 Fund to Develop Savings Led Ma	Period :	Jan-Dec (2013)
Project ID : 00063268 Fund to Develop Savings Led Ma	Impl. Partner :	UNCDF UNCDF
	Location :	Main
	Prepaid DIM Exp	UNCDF Exp
	Prepaid NIM Exp	Total Exp

62215 - Contrib. to Medical, social In	0.00	321.95	0.00	321.95
62240 - Annual Leave Expense - GS	0.00	1,134.92	0.00	1,134.92
63530 - Contribution to EOS Benefits	0.00	342.07	0.00	342.07
63535 - Contribution to Security	0.00	364.86	0.00	364.86
63545 - Contribution to ICT	0.00	136.80	0.00	136.80
63550 - Contributions to MAIP	0.00	18.24	0.00	18.24
63555 - Contribution to UN JFA	0.00	164.16	0.00	164.16
63560 - Contributions to Appendix D	0.00	27.36	0.00	27.36
65115 - Contributions to ASHI Reserve	0.00	729.70	0.00	729.70
65135 - Payroll Mgt Cost Recovery ATLA	0.00	410.68	0.00	410.68
71205 - Intl Consultants-Sht Term-Tech	0.00	96,076.50	0.00	96,076.50
71605 - Travel Tickets-International	0.00	6,833.27	0.00	6,833.27
71610 - Travel Tickets-Local	0.00	100.80	0.00	100.80
71615 - Daily Subsistence Allow-Intl	0.00	1,356.00	0.00	1,356.00
71625 - Daily Subsist Allow-Mtg Partic	0.00	378.00	0.00	378.00
71635 - Travel - Other	0.00	354.00	0.00	354.00
72120 - Svc Co-Trade and Business Serv	0.00	163.72	0.00	163.72
72425 - Mobile Telephone Charges	0.00	26.20	0.00	26.20

Total for Fund G2798 0.00 120,948.28 0.00 120,948.28

Total for Activity ACTIVITY4 0.00 120,948.28 0.00 120,948.28

Activity : ACTIVITY5 (INDIRECT COSTS)

Fund : G2798(LDC Fund SVG MKT LDRS FIPA)

75110 - Facilities & Admin - Services 0.00 78,773.90 0.00 78,773.90

Total for Fund G2798 0.00 78,773.90 0.00 78,773.90

Total for Activity ACTIVITY5 0.00 78,773.90 0.00 78,773.90

Total for Project : 00063268 0.00 3,012,021.39 0.00 3,012,021.39

Award Total :	0.00	3,012,021.39	0.00	3,012,021.39
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Mark Henderson
Partner
Moore Stephens LLP
24 October 2014

Signed By :

Date :

3.10.2014



Funds Utilization

Selection Criteria :

Business Unit : UNCDF
Period : Jan-Dec (2013)
Selected Project ID : 00050991
Selected Fund Code :
Selected Dept. IDs : ALL
Selected Outputs : ALL

Award ID: 00050991 Fund to Develop Savings Led Ma Period : As at Dec 31, 2013

Project ID: 00063268 Impl. Partner : UNCDF UNCDF	UNCDF AMOUNT
Outstanding NIM advances	0.00
Outstanding DIM advances	0.00
Undepreciated Fixed Assets	296.11
Inventory	0.00
Loans & Financial Services	0.00
Commitments	41,025.00

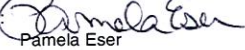
Annex 2: Statement of Assets

Statement of Assets and Equipment
as at 31 December 2013



UNCDF
Project Title: MicroLead Gates
Award ID: 00050991
Project ID: 00063268
Period Covered from inception of Project to 31 December 2013

Business unit	Asset ID	Profile ID	Description	TAG No.	Serial No.	Location	Acquisition Date	In Service Date	Cost,USD (SoA)	Net Book Value (CDR)	Dept	Impl Agency	Donor	Project	Fund code	Remarks
UNCDF	592	ITC2	DELLOPTIPLEX 960CORE2 QUAD94	HQ1167	GZH6CK1	UNCDF	8/4/2009	8/4/2009	1,315.30	149.96	82094	001971	01853	00063268	G2798	Located in storage at UNCDF
UNCDF	594	ITC2	DESKTOP BASE UNIT OPTIPLEX 96	HQ1077	CB78TJ1	UNCDF	5/18/2009	5/18/2009	1,323.00	84.81	82094	001971	01853	00063268	G2798	Located in room of Hanadi at UNCDF
UNCDF	684	ITC1	LAPTOP-E4300 INTEL CORE2 DUOSP9	B6N1SH1	B6N1SH1	UNCDF	3/6/2009	3/6/2009	1,937.03	61.34	82094	001971	01853	00063268	G2798	Located in room of Henri at UNCDF
									4,575.33	296.11						

Signed by: 
Name: Pamela Eser
Title: Advisor
Date: 3-Oct-14

Signed by: 
Name: Henri Dommel
Title: Director, Financial Inclusion
Date: 3-Oct-14

Certified by: 
Name: Mark Henderson
Title: Partner
Date: 24 October 2014

Annex 3: Audit finding priority ratings

The following categories of priorities are used:

High (Critical)	Prompt action is required to ensure that UNCDF is not exposed to high risks. Failure to take action could result in major negative consequences for UNCDF.
Medium (Important)	Action is required to ensure that UNCDF is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNCDF.
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 and through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in the audit report.

**UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
AUDIT REPORT**

24 October 2014

**FINANCIAL AUDIT OF THE UNCDF DIRECTLY IMPLEMENTED (DIM)
PROJECT**

**SUPPORT TO SAVINGS-LED MICROFINANCE MARKET LEADERS
TO ENTER UNDERSERVED COUNTRIES
(MICROLEAD EXPANSION)**

Project name:	Support to Savings-led Microfinance Market Leaders to enter Underserved Countries (MicroLead Expansion)
UNCDF Office:	New York
Atlas Award ID:	62259
Atlas Project ID:	79668
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January 2012 to 31 December 2013

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EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of the 'Support to Savings-led Microfinance Market Leaders to enter Underserved Countries (MicroLead Expansion)' project (Award ID 62259 and Project ID 79668) (the project), directly implemented by UNCDF for the period from 1 January 2012 to 31 December 2013. The audit was undertaken on behalf of UNDP, Office of Audit and Investigations (OAI).

We have issued audit opinions as summarised in the table below and as detailed in the next section:

Statement of Expenditure	Unqualified
Statement of Fixed Assets	Unqualified
Statement of Cash Position	Not applicable

As a result of our audit, we have raised two audit findings totalling \$ 6,921 as summarised below:

No.	Description	Priority	Amount \$
1	Lack of supporting documentation	Medium	6,386
2	Cancelled transaction not removed from Atlas	Medium	535
Total			6,921



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

24 October 2014

THE AUDIT ENGAGEMENT

Audit Objectives and Scope

The objective of the financial audit was to express an opinion on the project's financial statements which include:

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January 2012 and 31 December 2013 and the funds utilization as at 31 December 2013 are fairly presented in accordance with UNCDF accounting policies and that the expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNCDF; and (iv) supported by properly approved vouchers and other supporting documents. The Combined Delivery Report (CDR) and the accompanying Funds Utilization statement are the mandatory and official statements upon which the audit opinion should be expressed. Other forms of statement of expenses that may be prepared by a project office are not accepted.
- Expressing an opinion on whether the statement of fixed assets presents fairly the balance of assets of the UNCDF project as at 31 December 2012 and 31 December 2013. This statement must include all assets available as at 31 December 2012 and 31 December 2013 and not only those purchased in a given period. Where a DIM project does not have any assets or equipment, it will not be necessary to express such an opinion.
- Expressing an opinion on whether the statement of cash held by the project presents fairly the cash and bank balance of UNCDF project as at 31 December 2012 and 31 December 2013. Disbursements made against a DIM project are usually financed from the regular country office bank accounts. Exceptionally, a dedicated bank account may be opened and used solely for the cash transactions of a DIM project, e.g. if the project is in a remote location. The audit firm is required to express an opinion on the Statement of Cash only where a dedicated bank account for the DIM project has been established. In cases where the cash transactions of the audited DIM project are made through the UNCDF corporate bank accounts, this type of opinion is not required.

The scope of the audit relates only to transactions concluded and recorded against the UNCDF project between 1 January 2012 and 31 December 2013. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of "Financial service providers", unless the inclusion of these expenses is specifically required in the request for proposal.

AUDIT OPINIONS

Independent Auditor's Report to UNDP

Support to Savings-led Microfinance Market Leaders to enter Underserved Countries (MicroLead Expansion)

Statement of Expenditure

We have audited the accompanying Combined Delivery Reports (CDR) and Funds Utilization statement ("the statement") of the UNCDF project 'Support to Savings-led Microfinance Market Leaders to enter Underserved Countries (MicroLead Expansion)' (project ID 79668) for the period from 1 January 2012 to 31 December 2013.

Management is responsible for the preparation of the statement for the Support to Savings-led Microfinance Market Leaders to enter Underserved Countries (MicroLead Expansion) project 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is 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 statement 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.

Unqualified Opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement presents fairly, in all material respects, the expenses of \$ 6,364,618 incurred by the project 'Support to Savings-led Microfinance Market Leaders to enter Underserved Countries (MicroLead Expansion)' for the period 1 January 2012 to 31 December 2013 in accordance with UNCDF accounting policies and were i) in conformity with the approved budget; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNCDF; and (iv) supported by properly approved vouchers and other supporting documents.

Independent Auditor's Report to UNDP

Support to Savings-led Microfinance Market Leaders to enter Underserved Countries (MicroLead Expansion)

Statement of Fixed Assets

We have audited the accompanying Statement of Fixed Assets ('the statement') of the UNDP project 'LDC Fund to develop savings-led market leaders for inclusive finance (MicroLead Expansion)' (project ID 79668) as at 31 December 2013.

Management is responsible for the preparation of the statement for 'Support to Savings-led Microfinance Market Leaders to enter Underserved Countries' 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is 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 schedule 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.

Unqualified Opinion

In our opinion, the attached Statement of Assets presents fairly, in all material respects, the balance of inventory of the UNDP project Support to Savings-led Microfinance Market Leaders to enter Underserved Countries (MicroLead Expansion)' amounting to \$ 4,244 as at 31 December 2013 in accordance with UNDP accounting policies.

Independent Auditor's Report to UNDP

Support to Savings-led Microfinance Market Leaders to enter Underserved Countries (MicroLead Expansion)

Statement of Cash Position

We noted that the UNCDF project 'Support to Savings-led Microfinance Market Leaders to enter Underserved Countries (MicroLead Expansion)' (project ID 79668) did not have a dedicated bank account for DIM project activities subject to audit and accordingly a Statement of Cash Position was not produced.

MANAGEMENT LETTER

The findings related to the audit of the financial statements are discussed in our management letter below:

Finding n°: 1	Title: Lack of supporting documentation
----------------------	--

Observation:

UNCDF should maintain books and records that are accurate, complete, up to date and clearly identify all transactions. UNCDF is required to maintain original documentation including bills, invoices, receipts and any other relevant documentation.

However, supporting documents were not available for the following transactions as detailed in the table below:

Date	Transaction ID	Description	Account	Amount \$	Outstanding documentation
07/05/12	EX04370221	Expense Accrual	71615	1,875.00	Note 1
29/10/13	AP05135309	Refund terminals only	71635	608.00	Note 2
05/07/12	MWI13M10SC	Payroll	71405	3,213.27	Note 3
12/03/12	AP04294124	Expense Distribution	72105	400.00	Note 1
05/12/13	AP05197521	Reimb FIPA	72415	103.45	Note 1
25/11/13	0005176236	ISS 2013M07-10 by UNDP APRC	73505	77.05	Note 1
01/10/13	BI05220479	AR Billing	74599	109.52	Note 1
Total				6,386.29	

Note 1 No information provided

Note 2 PV provided but not clear how this ties back to the \$608

Note 3 Two contracts for Malawi staff provided but amounts supported do not reconcile back to the amount claimed in this transaction.

Priority: Medium

Recommendation:

We recommend that UNCDF has procedures in place to ensure that adequate supporting documentation is maintained to support all costs recorded in Atlas. Whilst the project activities were spread across multiple geographical regions and documentation held in different offices, it is still the responsibility of UNCDF in New York to ensure that all of the items recorded in the CDRs are substantiated and evidenced by supporting documentation.

Management comments:

The management noted the audit recommendation. Please note that UNCDF has a well-established policy and procedures in place for maintaining supporting documents.

Supporting documentation for the payroll item above (total \$3,213.27) was provided to the auditors on 17-18 September 2014. Without this item, there remains six outstanding items for a total of \$3,173.02 or 0.05% of the funds utilized during the audit period.

Auditors' response:

The supporting documentation provided as mentioned in the management comments (contracts of employment for two individuals who worked on project activities in Malawi) did not support the amounts claimed. We have therefore kept this amount included within our finding.

Finding n°: 2	Title: Cancelled transaction not removed from Atlas
----------------------	--

Observation:

We noted one payment which we identified as relating to a cancelled transaction which had not been removed from ALTAS and, as a result, was incorrectly recorded in the project CDR for 2012.

The transaction originated from the Project's East African Regional Office (based within the UNDP Country Office in Ethiopia). We have received written correspondence from the finance department from this office stating that 'this voucher is a cancelled voucher. No payment passed against it, so we couldn't find unpaid vouchers in our file'.

Date	Transaction ID	Description	Account	Amount \$
09/11/2012	AP04631464	V#29128, 29571, 29758, 30113	72425	534.81

Priority: Medium

Recommendation:

We recommend that when a transaction is cancelled, procedures should be in place to ensure that it is appropriately credited from ATLAS and not included within the CDR.

Management comments:

This payment is not a cancelled voucher rather a reversal of expense from other project number 00048113 to the correct project which is 00079668. The expense belongs to the former Regional office in East Africa.

Auditors' response:

We have noted the explanation received from UNCDF during our visit, above. However, no supporting documentation has been provided to evidence how this transaction was related to the project subject to audit and therefore we have not removed this finding from the report.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

24 October 2014

Annexes

Annex 1: Combined Delivery Report

UNCDF Combined Delivery Report

UN Capital Development Fund
Report ID: UNGL143G

Page 1 of 3
Run Time: 12-06-2014 22:06:47

Selection Criteria :

Business Unit: UNCDF
Period: Jan-Dec (2012)
Selected Award Id: 00062259
Selected Project Id: ALL

Award ID : 00062259 Microlead Expansion	Period :	Jan-Dec (2012)
Project ID : 00079668 Microlead Expansion	Impl. Partner :	UNCDF UNCDF
	Location :	UN Capital Development Fund

	Prepaid DIM Exp	UNCDF Exp	Prepaid NIM Exp	Total Exp
Activity : ()				
Fund : G2950(Cost Sharing)				
77630 - Dep Exp Owned - ITC	0.00	336.66	0.00	336.66
Total for Fund G2950	0.00	336.66	0.00	336.66
Total for Activity	0.00	336.66	0.00	336.66

Activity : OUTPUT1 (FSP Support)

Fund : G2950(Cost Sharing)				
71205 - Intl Consultants-Sht Term-Tech	0.00	80,225.00	0.00	80,225.00
71605 - Travel Tickets-International	0.00	30,976.81	0.00	30,976.81
71615 - Daily Subsistence Allow-Intl	0.00	8,054.07	0.00	8,054.07
71635 - Travel - Other	0.00	783.00	0.00	783.00
72105 - Svc Co-Construction & Engineer	0.00	660.00	0.00	660.00
72425 - Mobile Telephone Charges	0.00	876.16	0.00	876.16
72605 - Grants to Instit & other Benef	0.00	583,500.00	0.00	583,500.00
75105 - Facilities & Admin - Implement	0.00	284,876.00	0.00	284,876.00
76125 - Realized Loss	0.00	2.89	0.00	2.89
Total for Fund G2950	0.00	989,953.93	0.00	989,953.93
Total for Activity OUTPUT1	0.00	989,953.93	0.00	989,953.93

Activity : OUTPUT3 (Project Management)

Fund : G2950(Cost Sharing)				
61305 - Salaries - IP Staff	0.00	90,062.61	0.00	90,062.61
61310 - Post Adjustment - IP Staff	0.00	40,799.91	0.00	40,799.91
62305 - Dependency Allowances-IP Staff	0.00	3,221.90	0.00	3,221.90
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	28,086.31	0.00	28,086.31
62315 - Contrib. to medical, social in	0.00	977.76	0.00	977.76
62320 - Mobility, Hardship, Non-remova	0.00	2,872.76	0.00	2,872.76
62340 - Annual Leave Expense - IP	0.00	10,104.01	0.00	10,104.01
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	2,976.00	0.00	2,976.00
63335 - Home Leave Trvl & Allow-IP Stf	0.00	2,775.05	0.00	2,775.05
63350 - Reimb of Income Tax-IP Staff	0.00	3,211.00	0.00	3,211.00
63530 - Contribution to EOS Benefits	0.00	3,271.60	0.00	3,271.60
63535 - Contribution to Security	0.00	5,234.51	0.00	5,234.51
63540 - Contribution to Training	0.00	1,308.60	0.00	1,308.60
63545 - Contribution to ICT	0.00	1,962.94	0.00	1,962.94
63550 - Contributions to MAIP	0.00	261.75	0.00	261.75
63555 - Contribution to UN JFA	0.00	2,355.54	0.00	2,355.54
63560 - Contributions to Appendix D	0.00	392.60	0.00	392.60
64306 - Appointment-Ticket Costs	0.00	6,716.00	0.00	6,716.00
64307 - Appointment-Subsistence Allow	0.00	10,560.00	0.00	10,560.00
64308 - Appointments-Lump Sum	0.00	9,315.03	0.00	9,315.03
64309 - Appointment-Shipments	0.00	10,000.00	0.00	10,000.00
65115 - Contributions to ASHI Reserve	0.00	8,506.02	0.00	8,506.02



Award ID : 00062259 Microlead Expansion	Period :		Jan-Dec (2012)	
Project ID : 00079668 Microlead Expansion	Impl. Partner :		UNCDF UNCDF	
	Location :		UN Capital Development Fund	
	Prepaid DIM Exp	UNCDF Exp	Prepaid NIM Exp	Total Exp
65135 - Payroll Mgt Cost Recovery ATLA	0.00	798.29	0.00	798.29
72205 - Office Machinery	0.00	260.00	0.00	260.00
Total for Fund G2950	0.00	246,030.19	0.00	246,030.19
Total for Activity OUTPUT3	0.00	246,030.19	0.00	246,030.19
Total for Project : 00079668	0.00	1,236,320.78	0.00	1,236,320.78
Award Total :	0.00	1,236,320.78	0.00	1,236,320.78

Mark Henderson
Partner
Moore Stephens LLP
24 October 2014

Signed By :

Date :

3 . 10 . 2014

**Funds Utilization****Selection Criteria :**

Business Unit : UNCDF
Period : Jan-Dec (2012)
Selected Project ID : 00062259
Selected Fund Code :
Selected Dept. IDs : ALL
Selected Outputs : ALL

Award ID: 00062259 Microlead Expansion Period : As at Dec 31, 2012

Project ID: 00079668 Impl. Partner : UNCDF UNCDF UNCDF AMOUNT

Outstanding NIM advances	0.00
Outstanding DIM advances	0.00
Undepreciated Fixed Assets	1,683.31
Inventory	0.00
Loans & Financial Services	0.00
Commitments	0.00



UNCDF Combined Delivery Report

UN Capital Development Fund

Page 1 of 3

Run Time: 12-06-2014 22:06:41

Report ID: UNGL143G

Selection Criteria :

Business Unit: UNCDF
Period: Jan-Dec (2013)
Selected Award Id: 00062259
Selected Project Id: ALL

Award ID : 00062259 Microlead Expansion		Period :	Jan-Dec (2013)	
Project ID : 00079668 Microlead Expansion		Impl. Partner :	UNCDF UNCDF	
		Location :	UN Capital Development Fund	

Activity : ()

Fund : G2950(Cost Sharing)

77630 - Dep Exp Owned - ITC	0.00	391.71	0.00	391.71
Total for Fund G2950	0.00	391.71	0.00	391.71
Total for Activity	0.00	391.71	0.00	391.71

Activity : OUTPUT1 (FSP Support)

Fund : G2950(Cost Sharing)

63510 - War Insurance	0.00	588.80	0.00	588.80
71605 - Travel Tickets-International	0.00	14,683.49	0.00	14,683.49
71615 - Daily Subsistence Allow-Intl	0.00	14,824.63	0.00	14,824.63
71620 - Daily Subsistence Allow-Local	0.00	1,247.16	0.00	1,247.16
71625 - Daily Subsist Allow-Mtg Partic	0.00	427.69	0.00	427.69
71635 - Travel - Other	0.00	2,081.91	0.00	2,081.91
72415 - Courier Charges	0.00	37.12	0.00	37.12
72425 - Mobile Telephone Charges	0.00	2,608.26	0.00	2,608.26
72520 - Electronic Media	0.00	85.84	0.00	85.84
72605 - Grants to Instit & other Benef	0.00	4,344,093.00	0.00	4,344,093.00
73505 - Reimb to UNDP for Supp Srvs	0.00	77.05	0.00	77.05
75705 - Learning costs	0.00	1,388.94	0.00	1,388.94
76125 - Realized Loss	0.00	0.00	0.00	0.00
76135 - Realized Gain	0.00	- 98.48	0.00	- 98.48
Total for Fund G2950	0.00	4,382,045.41	0.00	4,382,045.41
Total for Activity OUTPUT1	0.00	4,382,045.41	0.00	4,382,045.41

Activity : OUTPUT2 (Knowledge Management)

Fund : G2950(Cost Sharing)

71605 - Travel Tickets-International	0.00	1,035.63	0.00	1,035.63
71610 - Travel Tickets-Local	0.00	146.74	0.00	146.74
71615 - Daily Subsistence Allow-Intl	0.00	1,119.00	0.00	1,119.00
71620 - Daily Subsistence Allow-Local	0.00	160.00	0.00	160.00
71635 - Travel - Other	0.00	1,989.00	0.00	1,989.00
72510 - Publications	0.00	180.35	0.00	180.35
76135 - Realized Gain	0.00	0.00	0.00	0.00
Total for Fund G2950	0.00	4,630.72	0.00	4,630.72
Total for Activity OUTPUT2	0.00	4,630.72	0.00	4,630.72

Activity : OUTPUT3 (Project Management)

Fund : G2950(Cost Sharing)

UNCDF Combined Delivery Report

Page 2 of 3

Run Time: 12-06-2014 22:06:41



UN Capital Development Fund

Report ID: UNGL143G

Award ID : 00062259 Microlead Expansion
Project ID : 00079668 Microlead Expansion

Period : Jan-Dec (2013)
Impl. Partner : UNCDF UNCDF
Location : UN Capital Development Fund

	Prepaid DIM Exp	UNCDF Exp	Prepaid NIM Exp	Total Exp
--	-----------------	-----------	-----------------	-----------

61305 - Salaries - IP Staff	0.00	192,553.36	0.00	192,553.36
61310 - Post Adjustment - IP Staff	0.00	75,615.64	0.00	75,615.64
62305 - Dependency Allowances-IP Staff	0.00	10,153.85	0.00	10,153.85
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	50,776.59	0.00	50,776.59
62315 - Contrib. to medical, social in	0.00	2,635.14	0.00	2,635.14
62320 - Mobility, Hardship, Non-remova	0.00	17,549.63	0.00	17,549.63
62330 - Rental Supplements - IP Staff	0.00	6,108.29	0.00	6,108.29
62340 - Annual Leave Expense - IP	0.00	13,168.97	0.00	13,168.97
63150 - Reimb For Med Costs (LNO)	0.00	286.92	0.00	286.92
63315 - Compensatory payments-IP Staff	0.00	1,500.00	0.00	1,500.00
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	11,572.29	0.00	11,572.29
63335 - Home Leave Trvl & Allow-IP Stf	0.00	14,951.98	0.00	14,951.98
63350 - Reimb of Income Tax-IP Staff	0.00	9,870.00	0.00	9,870.00
63360 - Medical Exams(incl Pre-empl)	0.00	303.16	0.00	303.16
63515 - Security-related Costs	0.00	1,500.00	0.00	1,500.00
63530 - Contribution to EOS Benefits	0.00	8,860.15	0.00	8,860.15
63535 - Contribution to Security	0.00	9,450.85	0.00	9,450.85
63540 - Contribution to Training	0.00	2,362.74	0.00	2,362.74
63545 - Contribution to ICT	0.00	3,544.06	0.00	3,544.06
63550 - Contributions to MAIP	0.00	472.53	0.00	472.53
63555 - Contribution to UN JFA	0.00	4,252.87	0.00	4,252.87
63560 - Contributions to Appendix D	0.00	708.83	0.00	708.83
64306 - Appointment-Ticket Costs	0.00	5,522.00	0.00	5,522.00
64307 - Appointment-Subsistence Allow	0.00	19,425.00	0.00	19,425.00
64308 - Appointments-Lump Sum	0.00	11,587.96	0.00	11,587.96
64309 - Appointment-Shipments	0.00	15,000.00	0.00	15,000.00
65115 - Contributions to ASHI Reserve	0.00	18,901.74	0.00	18,901.74
65135 - Payroll Mgt Cost Recovery ATLA	0.00	11,829.15	0.00	11,829.15
71405 - Service Contracts-Individuals	0.00	13,036.32	0.00	13,036.32
71605 - Travel Tickets-International	0.00	8,029.16	0.00	8,029.16
71615 - Daily Subsistence Allow-Intl	0.00	1,551.76	0.00	1,551.76
71620 - Daily Subsistence Allow-Local	0.00	1,474.72	0.00	1,474.72
71625 - Daily Subsist Allow-Mtg Partic	0.00	523.60	0.00	523.60
71635 - Travel - Other	0.00	152.00	0.00	152.00
72415 - Courier Charges	0.00	138.89	0.00	138.89
72420 - Land Telephone Charges	0.00	84.79	0.00	84.79
72440 - Connectivity Charges	0.00	40.16	0.00	40.16
72705 - Hospitality-Special Events	0.00	7,253.38	0.00	7,253.38
74210 - Printing and Publications	0.00	27.07	0.00	27.07
74599 - UNDP cost recovery chrgs-Bills	0.00	109.52	0.00	109.52
75110 - Facilities & Admin - Services	0.00	188,346.20	0.00	188,346.20
76125 - Realized Loss	0.00	0.01	0.00	0.01
76135 - Realized Gain	0.00	- 1.95	0.00	- 1.95
Total for Fund G2950	0.00	741,229.33	0.00	741,229.33
Total for Activity OUTPUT3	0.00	741,229.33	0.00	741,229.33
Total for Project : 00079668	0.00	5,128,297.17	0.00	5,128,297.17

Award Total :	0.00	5,128,297.17	0.00	5,128,297.17
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Mark Henderson
Partner
Moore Stephens LLP
24 October 2014

Signed By :

Date :

3. 10. 2014



Funds Utilization

Selection Criteria :

Business Unit : UNCDF
Period : Jan-Dec (2013)
Selected Project ID : 00062259
Selected Fund Code :
Selected Dept. IDs : ALL
Selected Outputs : ALL

Award ID: 00062259	Microlead Expansion	Period : As at Dec 31, 2013
---------------------------	----------------------------	------------------------------------

Project ID: 00079668	Impl. Partner : UNCDF UNCDF	UNCDF AMOUNT
Outstanding NIM advances		0.00
Outstanding DIM advances		0.00
Undepreciated Fixed Assets		3,515.60
Inventory		0.00
Loans & Financial Services		0.00
Commitments		0.00

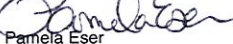
Annex 2: Statement of Assets

Statement of Assets and Equipment
as at 31 December 2013



UNCDF
Project Title: MicroLead Expansion MasterCard Foundation
Award ID: 00062259
Project ID: 00079668
Period Covered from inception of Project to 31 December 2013

Business unit	Asset ID	Profile ID	Description	TAG No.	Serial No.	Location	Acquisition Date	In Service Date	Cost, USD (SoA)	Net Book Value (CDR)	Dept	Impl Agency	Donor	Project	Fund code	Remarks
UNCDF	1268	ITC1	A Notebook computer		6TWFD-MG9J3-QVM43	REGOFF_ADDIS	5/7/2012	5/7/2012	2,019.97	1,453.77	82094	001971	11539	79668	G2950	
UNCDF	1308	ITC1	Dell Latitude E6330 Notebook	UNCDF	UNCDF	REGOFF_ADDIS	6/20/2013	6/20/2013	2,224.00	2,061.83	82094	001971	11539	79668	G2950	
									4,243.97	3,515.60						

Signed by: 
Name: Pamela Eser
Title: Advisor
Date: 3-Oct-14

Signed by: 
Name: Henri Dommel
Title: Director, Financial Inclusion
Date: 3-Oct-14

Certified by: 
Name:
Title:
Date:

Mark Henderson
Partner
Moore Stephens LLP
24 October 2014

Annex 3: Audit finding priority ratings

The following categories of priorities are used:

High (Critical)	Prompt action is required to ensure that UNCDF is not exposed to high risks. Failure to take action could result in major negative consequences for UNCDF.
Medium (Important)	Action is required to ensure that UNCDF is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNCDF.
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 and through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in the audit report.