



AUDIT

OF

UNDP TIMOR-LESTE

STRENGTHENING PARLIAMENTARY DEMOCRACY IN TIMOR-LESTE
(Directly Implemented Project No. 00073810)

Report No. 907
Issue Date: 12 March 2013

Report on the audit of UNDP Timor-Leste - Strengthening Parliamentary Democracy in Timor-Leste (Project ID 73810) Executive Summary

From 3 to 30 April 2012 the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through Lochan & Co. (the audit firm), conducted an audit of Strengthening Parliamentary Democracy in Timor-Leste, Project ID 73810 (the Project), which is directly implemented and managed by the UNDP Country Office in Timor-Leste (the Office). The audit firm was under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

The Project reported expenditure totalling \$1.6 million during the period from 1 January to 31 December 2011. The following donors contributed to the Project: Norway, Swedish International Development Cooperation Agency, Australian Agency for International Development, UNDP and Italy.

Audit scope and objectives

The audit firm conducted a combined financial audit and audit of internal controls and systems to express an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations, as well as assess compliance with UNDP regulations, rules, policies and procedures, and donor agreements. The audit covered the Project's Statement of Expenditure (Combined Delivery Report) for the period from 1 January to 31 December 2011 and Statement of Assets as of 31 December 2011. It also reviewed the relevant systems, procedures and practices in place as they relate to the Project, in the areas of: organization and staffing, project management, human resources management, financial and cash management, procurement, asset management, and general administration.

Audit rating

Based on the audit report and corresponding management letter submitted by the audit firm, OAI assessed the management of the Project as **satisfactory**, which means "Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity." The details of the audit results are presented in Figures 1 and 2.

Figure 1: Summary results of the financial audit

Project Expenditure		Project Assets		Cash	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
1,569	Unqualified	97	Unqualified	-	Not applicable*

*No separate bank account was held by the project

Figure 2: Internal controls and systems audit ratings summary

Audit Areas	Not Assessed/ Not Applicable	Unsatisfactory	Partially Satisfactory	Satisfactory
1. Organization and staffing				
2. Project management				
3. Human resources management				
4. Financial and cash management				
5. Procurement				
6. Asset management				
7. Information systems				
8. General administration				

Key issues and recommendations

The audit raised four issues and resulted in four recommendations, of which two were ranked high (critical) priority, meaning "Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP and may affect the organization at the global level".

Asset Management Issue 3 No disposal process followed for lost assets. The Project did not follow proper disposal process for lost assets amounting to \$14,708. Management explained that the assets pertained to three to four years prior to the audited period, however, staff will be provided with asset management courses. The cost of lost assets represented 15 percent of the total assets; hence, the audit firm's unqualified opinion on the statement of assets. OAI recommends that in the future the Project ensures compliance with the UNDP disposal process.

Issue 4 Deficiency in assets records. The Project did not maintain proper record of assets. The project did not provide the audit firm with information of assets purchased, disposed of or transferred during the audit period. Nonetheless, the auditors were able to physically verify all existing assets and tally the inventory list with the accounting records; hence, the audit firm's unqualified opinion on the statement of assets. OAI recommends that the Project ensure asset records are maintained and all transactions of assets are recorded.

Management's comments

The Country Director accepted all recommendations and is in the process of implementing them.



Helge S. Osttveiten
Director
Office of Audit and Investigations

United Nations Development Programme Timor-Leste



Financial Audit Report

Strengthening Parliamentary Democracy in Timor-Leste

Project ID - 00073810

For the period from 01 January 2011 to 31 December 2011

Lochan & Co.
Chartered Accountants

Head Office

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New Delhi 110092 (India)
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UNDP TIMOR-LESTE
Project ID 73810
“Strengthening Parliamentary Democracy in Timor-Leste

Certification for Statement of Expenditure

We have audited the accompanying Combined Delivery Report (“the statement”) of the UNDP project **00073810 (Award ID 14960), Strengthening Parliamentary Democracy in Timor-Leste** for the period 01 January 2011 to 31 December 2011. The statement is the responsibility of the management of **Strengthening Parliamentary Democracy in Timor-Leste** project. Our responsibility is to express an opinion on the statement based on our audit.

We conducted our audit in accordance with International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the attached statement of expenditure presents fairly, in all material respects, the expenditure of **US\$ 1,568,769.20** incurred by the project “Strengthening Parliamentary Democracy in Timor-Leste” for the period 01 January 2011 to 31 December 2011 in accordance with the accounting policies set out in the note to the statement. The expenditures 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 UNDP; and (iv) supported by properly approved vouchers and other supporting documents



Rajeev Lochan FCA

Partner

Lochan & Co

Chartered Accountants

Date: 28th January 2013

Place: New Delhi

UNDP TIMOR-LESTE
Project ID 73810
Strengthening Parliamentary Democracy in Timor-Leste

Certification for Statement of Assets and Equipments

We have audited the accompanying schedule of assets ("the schedule") of the UNDP project number **00073810 (Award ID 14960), Strengthening Parliamentary Democracy in Timor-Leste** as at 31 December 2011. This schedule is the responsibility of the management of the project. Our responsibility is to express an opinion on the statement based on our audit.

We conducted our audit in accordance with International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedule. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the attached schedule of assets presents fairly, in all material respects, the balance of inventory of the UNDP project number 73810, amounting to US\$ 97,459.47 as at 31 December 2011 in accordance with the accounting policies set out in the note to the schedule.



Rajeev Lochan FCA
Partner

Lochan & Co
Chartered Accountants

Date: 28th January 2013
Place: New Delhi

UNDP TIMOR-LESTE
Project ID 73810
Strengthening Parliamentary Democracy in Timor-Leste

Statement of Cash Position
As at 31 December 2011

Since the project does not have its separate bank account, certification on Statement of Cash Position is not applicable.



Rajeev Lochan FCA
Partner

Lochan & Co
Chartered Accountants

Date: 28th January 2013
Place: New Delhi

ANNEXURE - I

Combined Delivery Report By Project

UN Development Programme
Port ID: ungl143p

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Execution Criteria:

Business Unit: TLS10
Period: Jan-Dec (2011)
Selected Award Id: ALL
Selected Fund Code: ALL
Selected Dept. IDs: ALL
Selected Projects: 00073810

Award Id : 00014960 Parliamentary Project		Period :	Jan-Dec (2011)		
Project # : 00073810 Parliament Project		Impl. Partner :	99999 UNDP		
		Location :			
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp

Dept: 40201 (East Timor - Central)

Fund: 30000 (Programme Cost Sharing)

71605 - Travel Tickets-International	0.00	195.52	0.00	0.00	195.52
71610 - Travel Tickets-Local	0.00	83.20	0.00	0.00	83.20
72110 - Svc Co-Agricultural Management	0.00	297.44	0.00	0.00	297.44
74210 - Printing and Publications	0.00	1,872.00	0.00	0.00	1,872.00
75105 - Facilities & Admin - Implement	0.00	177.96	0.00	0.00	177.96
Total for Fund 30000	0.00	2,626.12	0.00	0.00	2,626.12
Total for Dept: 40201	0.00	2,626.12	0.00	0.00	2,626.12

Dept: 40204 (East Timor - Dem. Governance)

Fund: 04000 (TRAC (Lines 1.1.1 and 1.1.2))

71205 - Intl Consultants-Shrt Term-Tech	0.00	31,398.84	0.00	0.00	31,398.84
71210 - Intl Consultants-Shrt Term-Supp	0.00	24,972.48	0.00	0.00	24,972.48
71405 - Service Contracts-Individuals	0.00	52.00	0.00	0.00	52.00
72310 - Minerals, Mining & Metal Prdcts	0.00	76.68	0.00	0.00	76.68
74599 - UNDP cost recovery chrgs-Bills	0.00	0.00	0.00	0.00	0.00
Total for Fund 04000	0.00	56,500.00	0.00	0.00	56,500.00

Fund: 30000 (Programme Cost Sharing)

61305 - Salaries - IP Staff	0.00	29,303.53	0.00	0.00	29,303.53
61310 - Post Adjustment - IP Staff	0.00	14,439.95	0.00	0.00	14,439.95
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	9,388.86	0.00	0.00	9,388.86
62315 - Contrib. to medical, social in	0.00	273.56	0.00	0.00	273.56
62320 - Mobility, Hardship, Non-remova	0.00	6,130.91	0.00	0.00	6,130.91
63515 - Security-related Costs	0.00	4,233.37	0.00	0.00	4,233.37
63530 - Contribution to Separations	0.00	1,093.57	0.00	0.00	1,093.57
63535 - Contribution to Security	0.00	1,749.72	0.00	0.00	1,749.72
63540 - Contribution to Training	0.00	1,093.57	0.00	0.00	1,093.57
65115 - Contributions to ASHI Reserve	0.00	2,187.13	0.00	0.00	2,187.13
65135 - Payroll Mgt Cost Recovery ATLA	0.00	345.31	0.00	0.00	345.31
71205 - Intl Consultants-Shrt Term-Tech	0.00	775,591.13	0.00	0.00	775,591.13
71210 - Intl Consultants-Shrt Term-Supp	0.00	312,489.14	0.00	0.00	312,489.14
71305 - Local Consult.-Shrt Term-Tech	0.00	70,954.02	0.00	0.00	70,954.02
71310 - Local Consult.-Short Term-Supp	0.00	3,785.60	0.00	0.00	3,785.60
71405 - Service Contracts-Individuals	0.00	103,982.51	0.00	0.00	103,982.51
71605 - Travel Tickets-International	0.00	3,792.41	0.00	0.00	3,792.41
71620 - Daily Subsistence Allow-Local	0.00	1,173.12	0.00	0.00	1,173.12
71635 - Travel - Other	0.00	3,380.00	0.00	0.00	3,380.00
72120 - Svc Co-Trade and Business Serv	0.00	3,071.26	0.00	0.00	3,071.26
72130 - Svc Co-Transportation Services	0.00	1,261.00	0.00	0.00	1,261.00
72140 - Svc Co-Information Technology	0.00	297.70	0.00	0.00	297.70
72205 - Office Machinery	0.00	137.80	0.00	0.00	137.80
72210 - Machinery and Equipment	0.00	879.84	0.00	0.00	879.84
72310 - Minerals, Mining & Metal Prdcts	0.00	1,648.57	0.00	0.00	1,648.57
72399 - Other Materials and Goods	0.00	1,416.48	0.00	0.00	1,416.48
72405 - Acquisition of Communic Equip	0.00	1,053.25	0.00	0.00	1,053.25



Combined Delivery Report By Project

UN Development Programme
Report ID: ungl143p

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ward id : 00014960 Parliamentary Project	Period :	Jan-Dec (2011)			
Project # : 00073810 Parliament Project	Impl. Partner :	99999 UNDP			
	Location :				
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
72420 - Land Telephone Charges	0.00	78.00	0.00	0.00	78.00
72425 - Mobile Telephone Charges	0.00	7,420.02	0.00	0.00	7,420.02
72440 - Connectivity Charges	0.00	9,779.74	0.00	0.00	9,779.74
72445 - Common Services-Communications	0.00	190.90	0.00	0.00	190.90
72505 - Stationery & other Office Supp	0.00	3,956.79	0.00	0.00	3,956.79
72805 - Acquis of Computer Hardware	0.00	7.28	0.00	0.00	7.28
72810 - Acquis of Computer Software	0.00	364.00	0.00	0.00	364.00
72815 - Inform Technology Supplies	0.00	1,182.48	0.00	0.00	1,182.48
73105 - Rent	0.00	8,466.74	0.00	0.00	8,466.74
73125 - Common Services-Premises	0.00	598.00	0.00	0.00	598.00
73410 - Maint. Oper of Transport Equip	0.00	674.84	0.00	0.00	674.84
74205 - Audio Visual Productions	0.00	28.08	0.00	0.00	28.08
74210 - Printing and Publications	0.00	3,000.19	0.00	0.00	3,000.19
74220 - Translation Costs	0.00	2,243.05	0.00	0.00	2,243.05
74225 - Other Media Costs	0.00	13,387.36	0.00	0.00	13,387.36
74510 - Bank Charges	0.00	30.16	0.00	0.00	30.16
74515 - Claims and Adjustments	0.00	26.36	0.00	0.00	26.36
74599 - UNDP cost recovery chrgs-Bills	0.00	0.00	0.00	0.00	0.00
75105 - Facilities & Admin - Implement	0.00	80,204.95	0.00	0.00	80,204.95
75115 - Facilities & Admin - OH & Ind	0.00	22,850.83	0.00	0.00	22,850.83
total for Fund 30000	0.00	1,509,643.08	0.00	0.00	1,509,643.08
total for Dept : 40204	0.00	1,566,143.08	0.00	0.00	1,566,143.08
total for Project : 00073810	0.00	1,568,769.20	0.00	0.00	1,568,769.20
ward Total :	0.00	1,568,769.20	0.00	0.00	1,568,769.20

For Lochan & Co.
Chartered Accountants

Rajeev Lochan, FCA
Partner



Signed By :

Florian Sabia

Date :

24/4/12
19/04/12

Combined Delivery Report By Project

UN Development Programme
Report ID: ungl143p

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Selection Criteria :

Business Unit : TLS10
Period : Jan-Dec (2011)
Selected Award Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Projects : 00073810

Award Id : 00014960 Parliamentary Project		Period : Jan-Dec (2011)			
Project # : Parliament Project		Impl. Partner : None			
		Location :			
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
40201 - East Timor - Central	0.00	2,626.12	0.00	0.00	2,626.12
40204 - East Timor - Dem. Governance	0.00	1,566,143.08	0.00	0.00	1,566,143.08



ANNEXURE - II

attachment 2 - Project Asset Template

BUSINESS UNIT	OPERATING UNIT	ASSET ID	ASSET TYPE	PROFILE ID (electrical, vehicles etc)	TAG NUMBER	SERIAL ID	DESCRIPTION	LOCATION (if physical)	CUSTOMER NAME	ACQUISITION DATE	Acquisition Cost	Current Value	FUND CODE	Implementing Agency	Owner	Project ID	DEPR ID (asset class)	Agency
TL510	PARLIAMENT PROJECT	00000000000070	EQUIPMENTS	ELECTRICAL	00000000000070	SGH0310365	Desktop computer HP D22MTP	TL5-PARLIAMENT	PIRES JULIANA	12/31/2009	1050.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000058	EQUIPMENTS	ELECTRICAL	00000000000058	SGH025019C	Desktop hp Compaq EVO D5 2000	TL5-PARLIAMENT	Marius PAR	12/23/2008	1080.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000059	EQUIPMENTS	ELECTRICAL	00000000000059	SGH030000B	HP Compaq S5100 MT	TL5-PARLIAMENT	PARLIAMENT OFFICE	11/26/2008	1200.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000054	EQUIPMENTS	ELECTRICAL	00000000000054	SGH030000B	HP Compaq S5100 MT	TL5-PARLIAMENT	QUINTAS CESAR	11/26/2008	1200.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000027	EQUIPMENTS	ELECTRICAL	00000000000027	CNH0020092	Printer HP Laserjet 4250	TL5-PARLIAMENT	Office PAR	8/31/2008	1700.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000032	EQUIPMENTS	ELECTRICAL	00000000000032	CNH0020092	Printer HP Laserjet 4250	TL5-PARLIAMENT	Office PAR	8/4/2008	1580.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000033	EQUIPMENTS	ELECTRICAL	00000000000033	0000190000A	Out door Unit GCR 1100 Onnec	TL5-PARLIAMENT	Office PAR	8/28/2007	2722.320	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000073	EQUIPMENTS	ELECTRICAL	00000000000073	FFMF0015	Desktop DELL DCNE	TL5-PARLIAMENT	Library PAR	8/17/2008	1085.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000074	EQUIPMENTS	ELECTRICAL	00000000000074	FFMF0015	Desktop DELL DCNE	TL5-PARLIAMENT	PARLIAMENT OFFICE	8/17/2008	1085.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000076	EQUIPMENTS	ELECTRICAL	00000000000076	FFMF0015	Desktop DELL DCNE	TL5-PARLIAMENT	Office PAR Spare	8/17/2008	1085.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000078	EQUIPMENTS	ELECTRICAL	00000000000078	FFMF0015	Desktop DELL DCNE	TL5-PARLIAMENT	Library PAR	8/17/2008	1085.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000077	EQUIPMENTS	ELECTRICAL	00000000000077	FFMF0015	Desktop DELL DCNE	TL5-PARLIAMENT	Finance PAR	8/17/2008	1085.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000077	EQUIPMENTS	ELECTRICAL	00000000000077	FFMF0015	Desktop DELL DCNE	TL5-PARLIAMENT	Patronato PAR	8/17/2008	1085.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000078	EQUIPMENTS	ELECTRICAL	00000000000078	FFMF0015	Desktop DELL DCNE	TL5-PARLIAMENT	President's Office TL-GRC	8/17/2008	1085.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000083	EQUIPMENTS	ELECTRICAL	00000000000083	1PHFW15	LAPTOP COMPUTER DELL D630	TL5-PARLIAMENT	FREITAS Luma	8/17/2008	1500.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000083	EQUIPMENTS	ELECTRICAL	00000000000083	1PHFW15	LAPTOP COMPUTER DELL D630	TL5-PARLIAMENT	AMIAO PAR	8/17/2008	1500.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000085	EQUIPMENTS	ELECTRICAL	00000000000085	0001782	Sony LCD Projector	TL5-PARLIAMENT	Office PAR	8/17/2008	1885.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000086	EQUIPMENTS	ELECTRICAL	00000000000086	CIL624140	Fujitsu Mono Laser TOSHIBA 425	TL5-PARLIAMENT	Office PAR	7/4/2008	12700.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000087	EQUIPMENTS	ELECTRICAL	00000000000087	D850H5K000188V	Pasma TV	TL5-PARLIAMENT	Office PAR	8/17/2008	2375.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000088	EQUIPMENTS	ELECTRICAL	00000000000088	D850H5K000230K	Pasma TV	TL5-PARLIAMENT	Office PAR	8/17/2008	2375.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000090	VEHICLES		00000000000090	JTE8K75000046364	Lexus Cruiser TOYOTA Prado	TL5-PARLIAMENT	RAY D. JAY	1/28/2009	20082.380	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000091	EQUIPMENTS	ELECTRICAL	00000000000091	CNL90045912	LAPTOP 6730S	TL5-PARLIAMENT	AL KAHN Al Amad	1/28/2009	1027.780	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000092	EQUIPMENTS	ELECTRICAL	00000000000092	CNL90045912	LAPTOP 6730S	TL5-PARLIAMENT	FRAGA Ana PAR	1/28/2009	1027.780	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000093	EQUIPMENTS	ELECTRICAL	00000000000093	CNL90045912	LAPTOP 6730S	TL5-PARLIAMENT	MARTINS AIRE	1/28/2009	1027.780	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000094	EQUIPMENTS	ELECTRICAL	00000000000094	CNL90045912	LAPTOP 6730S	TL5-PARLIAMENT	DA CRUZ ANILSO	1/28/2009	1027.780	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000095	EQUIPMENTS	ELECTRICAL	00000000000095	CNL90045912	LAPTOP 6730S	TL5-PARLIAMENT	Office PAR SPARE	1/28/2009	1027.780	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000096	EQUIPMENTS	ELECTRICAL	00000000000096	CNL90045912	LAPTOP 6730S	TL5-PARLIAMENT	QUINTAS CESAR	10/28/2008	1500.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000097	EQUIPMENTS	ELECTRICAL	00000000000097	CNL90045912	SERVER HP	TL5-PARLIAMENT	T. Pimenta	11/13/2008	5977.400	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000098	VEHICLES		00000000000098	JTE8K75000046364	VEHICLE TOYOTA LC PRADO	TL5-PARLIAMENT	SARGA, Manuel	10/31/2007	21982.950	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000099	EQUIPMENTS	ELECTRICAL	00000000000099	SGH030019N	Desktop computer HP	TL5-PARLIAMENT	PARLIAMENT OFFICE	12/5/2010	1010.000	USD	30000	001981	00187	00073810	40204	
TL510	PARLIAMENT PROJECT	00000000000100	EQUIPMENTS	ELECTRICAL	00000000000100	SGH030019N	Desktop computer HP	TL5-PARLIAMENT	PARLIAMENT OFFICE	12/5/2010	1010.000	USD	30000	001981	00187	00073810	40204	

TOTAL : 97.491.47

30.12.11
For LUCA BRUCCHER
PO GOV.

30.12.11
Luis B. Soares

DECLINA Ferreira
30/10/2011

Approved by: Emma Barlas
Operations Manager 30/12/2011

27/4/12

For Lochan & Co.
Chartered Accountants

Rajeev Lochan, FCA
Partner





United Nations Development Programme Timor-Leste



Management Letter

Strengthening Parliamentary Democracy in Timor-Leste

Project ID - 00073810

For the period from 01 January 2011 to 31 December 2011

Lochan & Co.
Chartered Accountants

Head Office

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SECTION – I

1.0 Executive Summary

We have been engaged by the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP) to conduct audit of the project **Strengthening Parliamentary Democracy in Timor-Leste [Project ID: 00073810; Award ID: 00014960] (Project)** directly implemented by UNDP Timor-Leste. The audit was conducted from 17 April 2012 to 30 April 2012.

The audit included a combined financial audit and audit of internal controls and systems to express an opinion on whether the financial statements present fairly in all material aspects, the result of the Project's operations, as well as assess compliance with UNDP regulations, rules, policies and procedures, and donor agreements. The audit covered the review of the Project's Statement of Expenditure (Combined Delivery Report) for the period 1 January 2011 to 31 December 2011 and Statement of Asset as of 31 December 2011. We also reviewed the relevant systems, procedures and practices in place as they relate to the Project, in the areas of organization and staffing, project management, human resources management, financial and cash management, procurement, asset management information systems and general administration.

During the period reviewed, the Project recorded expenditures totalling **US\$ 1,568,769.20**.

1.1 Audit rating:

Audit assessed the Project Office as **satisfactory**, which means that "internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity."

1.2 Key issues and recommendations:

The audit raised 4 issues, which were mainly caused by inadequate planning and inadequate guidance or supervision at country office level. To address these issues, four recommendations were made of which 50% ranked **High (Critical) priority**. Failure to take action could result in negative consequences for UNDP.

Asset Management

- Physical verification of project assets not conducted twice a year as required under ICF guidelines. Further no disposal process has been followed for the lost project assets (Recommendation No. 3).
- Project office is not maintaining proper records for capital assets, non-capital assets and consumable items. The opening asset list as on 01 January 2011 for project is not available. The list as on 31 December 2011 is prepared based on physical verification of assets. (Recommendation No. 4)

We wish to express our appreciation to the management and staff of UNDP Timor-Leste for the assistance and cooperation extended to the audit team.



Rajeev Lochan FCA
Partner
Lochan & Co
Chartered Accountants

Place: New Delhi
Date: 25th February 2013

Rating Summary

In our opinion, the overall level of internal control with respect to the project 'Strengthening Parliamentary Democracy in Timor-Leste [Project ID: 00073810; Award ID: 00014960]' is considered to be **Satisfactory**.

Area	Rating	Unsatisfactory	Partially Satisfactory	Satisfactory
Organization and Staffing	Satisfactory			
Project Management	Partially Satisfactory			
Human Resources	Satisfactory			
Finance and Cash Management	Satisfactory			
Procurement	Satisfactory			
Assets Management	Partially Satisfactory			
Information Systems	Not Applicable			
General Administration	Satisfactory			
Follow up on Previous Audit	Not Applicable			

SECTION - II

2.0 Audit Objectives, Scope and Operational Overview

2.1 Audit Objectives and Scope

The overall objectives and scope of the audit are detailed below.

- Provide an assurance that there exists an adequate operational and internal control systems to ensure that the projects are properly managed in accordance with the policies and procedures of UNDP for the achievement of their objectives with due regard for economy and efficiency.
- Express an opinion on whether the expenditure incurred and recorded in the Combined Delivery Reports of the Project for the period from 01 January 2011 to 31 December 2011 present fairly the expenditure incurred on the projects and whether the expenditure were incurred according to the approved budgets, for the approved purposes of the projects and were incurred according to the UNDP policies and guidelines and were supported by properly approved vouchers and invoices; and
- Express an opinion on the Statement of Assets and Equipment held by the Project as at 31 December 2011 whether the statements of inventory present fairly the balance of the inventory of the projects in all material respects.

The overall objective of the audit is to assess the management of the project operations with the view of obtaining reasonable assurance towards the achievement of the project objectives. The areas of focus include:

- a) reliability and integrity of project financial and operational information;
- b) effectiveness and efficiency of project operations;
- c) safeguarding of assets and
- d) compliance with legislative mandates, regulations and rules, policies and procedures, as well as donor agreements.

The audit reviewed the operations for one year period covering the following areas:

- Overall Organization and Staffing
- Donors' Arrangements
- Project Management
- Human Resources
- Finance and Cash Management
- Procurement
- Assets Management
- Information System
- General Administration and
- Follow up of Previous Audits

The audit was carried out in accordance with the International Standards on Auditing. This includes an approved planning memorandum and risk assessment exercise carried out prior to the audit, based on information provided by UNDP Timor-Leste as per list of documents sent with announcement letter. Relevant samples of documents and transactions for the period of audit were reviewed. Discussions were held with UNDP Timor-Leste staff and in the field throughout the audit.

As informed by the country office, no audit for the project has been conducted in the last three years; therefore follow up of previous year audit is not applicable.

2.1.1 Project Audit Visit Data

The audit was carried out at the UNDP CO, Timor-Leste during the period 17 April 2012 to 30 April 2012. The debriefing meeting was held on 30 April 2012 to discuss the key issues/ observations noticed during our audit. The preliminary audit findings were communicated to the Project on 10 July 2012. Management responses to our findings were received on 26 July 2012. The management's responses have taken care into consideration in finalizing this audit report.

2.2 Operational Overview

2.2.1 Project Background

The first two cycles of the UNDP Parliament Project (2003-2005 and 2006-2009) played an essential role in assisting National Parliament to establish and operationalize core institutional processes. In turn, the current project (2011-2013) reflects several shifts in strategy in order to address constraints identified in earlier phases. The objective of the new cycle is three-fold: (1) to support the consolidation of parliamentary processes by continuing to provide technical expertise and advisory assistance; (2) to expand and integrate existing capacity building initiatives into a comprehensive capacity development strategy; (3) on the basis of this capacity-development strategy, to articulate and lay the groundwork for a capacity transfer and eventual exit strategy. Key intended Activities of the project are:

- **Legislative Support**
The Project provides legislative support to the leadership, as well as substantive support to the Standing Committees, particularly in analyzing legislation and organizing public hearings.
- **Oversight Capacity**
The advisory team assists in the parliamentary debate of the State Budget, the preparation of the Parliament budget, and the discussion of execution and audit reports.
- **Secretariat Capacity**
The Project provides technical assistance focused on improving management practices, as well as the coordination of the newly established Directorates and Divisions. Other key areas of support include Human Resources and ICT.
- **Democratic Representation, Transparency and Accessibility**
The Project supports the Parliament in the dissemination of information related to its activities through press releases, TV and radio interactive debates and media coverage of key deliberations.
- **Gender Mainstreaming**
In keeping with the need to build capacity for gender analysis in parliamentary work, the Project supports the functioning of the Gender Resource Centre.

2.2.2 Management

Supervision and management of the Parliament Project is a joint undertaking of the National Parliament and the UNDP.

2.2.3 Project Operations

The Project is headed by a Project Manager (PM) at P4 level who has overall responsibility for the implementation of project activities.

The Project is providing technical support services to the Parliament in legal and sector/subject areas with a complement of international advisors and national analysts. These advisors/analysts are grouped around 3 teams as follows:

- **Legal Team:** providing support to the President of the Parliament and to the Committees
- **Secretariat Support Team:** providing support on Management, Public Relations/Communications, ICT, Human Resources and Finance and Procurement.
- **Research and Technical Team:** Finance, Socio-Economic Development, Infrastructure and Gender

2.2.4 Monitoring and Evaluation

The monitoring and evaluation mechanism is in place as mentioned in the project document. The Project Management Unit (PMU) is working for implementation of the project. PMU is reporting to the Project Board.

2.2.5 Brief Overview of the Project

Project duration	January 2010 to December 2013
Audit period	January 2011 to December 2011
Total Budget of project	US\$ 10,671,000.00
Budget during the audit period -2011	US\$ 1,785,957.78
Expenditure during the audit period	US\$ 1,568,769.20
Percentage Utilisation	87.84 %

SECTION – III

3.0 Detailed Audit Observations

3.1 Organization and Staffing

Satisfactory

No observation

3.2 Project Management

Satisfactory

Observation No. 1.1: Calculation mistake in preparation of AWP budget

- The arithmetical accuracy of the any document should be ensured prior to signing of the document.
- For 2011 the AWP was for US\$ 1,797,156. There were calculation mistakes in the AWP:
 - In AWP an amount of US\$ 406,000 was mentioned against activity 1.7, whereas as per details mentioned therein the budget was for US\$ 94,000. The amount of US\$ 406,000 was considered for total budget as well.
 - Further the total reflected without UNDP cost recovery was US\$ 1,797,156 whereas the total of the figures comes to US\$ 1,782,156
- The mistake was not been rectified. So it may be concluded that budget was overstated by US\$ 327,000 out of total budget of US\$ 1,797,156 which was 18.19 % of total budget.
- The management explained that the AWP expenditure was of \$ 1,568,769 and within the actual budget of \$ 1,610,965.
- The mistake was however adjusted in the revised budget which had no calculation mistakes.

Observation No. 1.2: General Management Services (GMS) cost is not properly budgeted

- As per the UNDP guidelines, 7% GMS cost charged to the project.
- As per final revised budget, the total budgeted expenditure of the project was US\$ **1,785,957.78**. Further, the GMS cost under the accounting code 75100 (Facilities & Administration) was US\$ 11,278.00. Thus the budgeted expenditure excluding the GMS charges was US\$ **1,774,679.78**.
- Accordingly, the GMS cost @ 7 % works out to be US\$ 124,227.58 instead of US\$ 11,278.00 which was actually budgeted. Moreover the actual expenditure charges as GMS cost under the account code 75100 is US\$ 99,254.88.
- So it may be concluded that the GMS cost was not properly budgeted in the project budget.
- The management explained that as per cost recovery circular on ATLAS set up and fee collection, it is indicated that GMS has to be budgeted in account 75100. When programmed as part of the project budget, GMS should always be reflected with account code 75100. This is the case whether GMS is earned through earn-as-you-go (F&A), off-the-top or “other” method. It is best practice to keep a GMS budget in place for each Chart of Accounts (COA) combination where GMS is chargeable
- The explanation provided by the management is not relevant to the observation.

Observation No. 1.3: Salaries of FTA and TA staff is budgeted in wrong accounting codes

- As per UNDP chart of accounts, the salaries of FTA and TA staff should be reflected in accounting code 6XXXX
- As per the PBB extracted from Atlas, the expenditure of US\$ 70,239.48 was reflected against the accounting codes 6XXXX while the budget amount reflected against the same was nil.
- As per the staff list provided by project, there was no FTA employee working on the project. However it was explained that 50% salary of program officer for Justice and Parliament was charged to the project but no document for the same was provided. It was fact the program officer was working on both the project.
- Based on above facts, audit firm concluded that the salaries of FTA and TA staff were not properly reflected in the budget. There was no budget for salaries of FTA and TA staff as per the revised budget reflected in Atlas under accounting codes 6XXXX while the actual expenditure was reflected. So checking of budgetary control was not affective.

Cause	Inadequate planning
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Risk	Financial
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Priority	Medium (Important)
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Impact:	
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- The inaccuracy in preparation of budget may lead to confusion and weakens the control over expenditure.

Recommendation 1.1:

- Prior to signing of any document, the arithmetical accuracy of the document must be checked to avoid any omission / error in the document.

Recommendation 1.2:

- At the time of preparation of budget, the Project should ensure that GMS cost is properly budgeted under appropriate account code (i.e.75100).

Recommendation 1.3:

- The Project should ensure the budgeting of salary under appropriate account codes as per the chart of accounts. Further it should also be ensured that actual expenditure is recorded under correct accounting code.

Management Comments:

- The management looked carefully into the above-listed observations and recommendations all relevant to planning/budgeting stage.
- The CO has already taken appropriate measures to increase the quality of work related to all phases of project management, budgeting and implementation, by hiring in December 2011 an International Operations Manager under a co-managed EU funded project at Project implementation unit with sound knowledge of UNDP project management, ATLAS and non-ATLAS related, including but not only limited to budgeting. On the other side, the CO will work further towards increasing the capacity of especially new Project Managers who in general have very good knowledge of programme area they have been recruited for but have not yet mastered budget management that is a technical issue in particular to ATLAS integrated software. These two directions will improve and increase the quality of AWP at planning stage to approximate it as soon as possible to reality.

Responsible Manager: The Programme Manager with assistance from Project International Operations Manager

Expected Completion Date: December 2012

Status of Recommendation:

Observation No. 2: Variances between budgeted and actual expenditure

- The project expenditures are required to be analyzed regularly and explanations obtained/documentated for significant exceptions (eg: larger than 20 percent).
- The budget and actual expenditure are compared in three tables. The first comparison is for Activity wise comparison, the second for Donor code wise comparison and third for account code wise comparison (refer Table - A, Table - B and Table - C attached as annexure)
- **Activity wise comparison**
 - In **activity 1:** “Legislative Support” the actual expenditure was US\$ 658,238.90 compared to the budgeted expenditure of US\$ 1,047,682.30 Thus there was an under utilization of US\$ 389,443.40 (37.17%).
 - In **activity 2** “Oversight Support” the actual expenditure was US\$ 39,453.23 compared to the budgeted expenditure of US\$ 20,352.00. Thus there was an over utilization of US\$ 19,101.23 (93.85%).
 - In **activity 3:** “Secretariat Support” the actual expenditure was US\$ 421,700.17 compared to the budgeted expenditure of US\$ 275,531.19. Thus there was an over utilization of US\$ 146,168.98 (53.05%).
 - In **activity 5:** “Gender Mainstreaming” the actual expenditure was US\$ 107,390.90 compared to the budgeted expenditure of US\$ 85,039.98. Thus there was an over utilization of US\$ 22,350.94 (26.28%).
- **Donor code wise comparison**
 - In case of donor Government of Italy (**ITA**) (**donor code 137**) the actual expenditure was US\$ 27,753.49 compared to the budgeted expenditure of US\$ 331,352.45 Thus there was an under utilization of US\$ 303,598.96 (91.62%).

• **Account code wise comparison**

- From the account code wise comparison as mentioned in Table - C, following points were concluded:
 - In 6 account codes there was no budget but expenditure of US\$ 70,970.84 was charged under these account codes.
 - In 4 account codes expenditure was over utilized ranging from 815.32% to 20.14%.
 - In 5 account codes, the expenditure was underutilized ranging from 75.48% to 20.53%.
- On the basis of analysis, audit firm has concluded that either there was lacking in budget preparation or the transactions were not recorded in the correct accounting codes.

• The management explained that these variations are common due to the nature and unpredictability of UNDP's work.

• The audit disagreed with the management general explanations. The variances due to the above reasons may be nominal (less than 20%) but the variances pointed out in the observation are significant (i.e. more than 20%). So all such variances should be analysed and proper explanations should be provided.

Cause	Inadequate planning
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Risk	Programmatic
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Priority	Medium (Important)
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Impact:

- The variations between budgeted and actual expenditure reflects lacking in budgetary monitoring which may affect effective implementation of project activities.

Recommendation 2:

- Project management team should exercise more effective monitoring over the budget and expenditure. This should include:
 - Ensuring that expenditure is recorded in the same donor, activity and accounting code where it is budgeted.
 - Comparing the project expenditure on regular basis and reasons for significant variances should be documented. Further follow up action should be undertaken for such variances.

Management Comments:

- To strengthen operational oversight and guidance to projects P-4 IOM was hired at the CO level.
- Training project budget management and budget revisions to PO and PMs to be conducted by December 2012.
- Establish a mechanism for mandatory review of project budget at least twice a year, July and November each year.
- PO and PM to take the LMS online training on project management.

Responsible Manager: PM, PO and CO OM.

Expected Completion Date: December 2012

Status of Recommendation:

3.3 Human Resource

Satisfactory

No observation

3.4 Finance and Cash Management

Satisfactory

No observation

3.5 Procurement

Satisfactory

No observation

3.6 Asset Management

Partially Satisfactory

Observation No. 3.1: Physical verification of assets

- ICF Guidelines of UNDP requires that the assets should be physically verified twice a year at the end of June and December and verification report should be documented and signed by relevant authority.
- It has been noticed that Project had not undertaken physical verification of assets at the end of June 2011.
- For the purpose of IPSAS compliance, the Project had undertaken physical verification in December 2011. But the verification was not properly conducted. The asset list prepared in the physical verification was only based on the adhoc physical verification of the assets. It was not supported by asset records maintained by the Project. Further in the asset verification list, condition of asset is not recorded.
- The management explained that clear guidelines for development assets were provided through Interoffice Memorandum sent by chief of Administrative Services Division in New York by 10 June 2011. Until that period, physical verification and certification at intervals of twice a year was valid only for management assets.
- Audit firm disagrees with management explanation as ICF guidelines clearly states that all the assets should be physically verified twice a year at the end of June and December. The ICF guidelines are equally applicable to management assets as well as project assets.

Observation No. 3.2: No disposal process followed for lost equipments

- As per Asset Management Guidelines of UNDP, for lost assets proper disposal process should be followed.
- Project office provided the list of lost assets. The list is attached as Table- D as an annexure.
- As per the list, the value of lost assets was US\$ 14,708 containing 10 laptops and 2 desktops.
- The date of loss of assets was not available. The assets were not recorded in Atlas. So, no Request for Asset Transfer or Disposal (RADT) form was prepared and got approved. Further no other action initiated as defined in the UNDP Asset Management Guidelines for disposal of lost equipment.
- The management explained that the assets have since been verified and the ones physically present in the project office have been verified and reported to the CO which serves for the opening balance in 2012.
- As the assets were not recorded in Atlas, RADT form was not prepared but for disposal of lost assets, project should have documented the reason for loss of assets.

Cause	Lack of or inadequate guidance or supervision at country office level
Risk	Operational
Priority	High (Critical)

Impact 3.1:

- Lack of physical verification dilutes the control over assets and increases the risk which might lead to loss and/ or misuse of the assets.

Impact 3.2:

- Non compliance with the disposal process for the lost equipments may lead to misuse of project assets.

Recommendation 3.1:

- Lack of physical verification dilutes the control over assets and increases the risk which might lead to loss and/ or misuse of the assets.

Recommendation 3.2:

- The Project should ensure the compliance with disposal process for lost assets as laid down in the UNDP asset management guidelines.

Management Comments 3.1:

- The management comments as cited above are misunderstood because the point made was not concerning physical verification of assets per se but it concerns the entire process of verification and certification.

- The responsibility of physical verification of DIM Projects assets has been delegated to respective Project Manager who has been tasked with overall responsibility for Project Management. In addition to that, there were no corporate guidelines that outcomes and outputs derived from physical verification exercise should have been communicated to the CO and certified by the CO. It was and remained the responsibility of the Project Manager.
- However, physical verification and in general the management of DIM projects assets is no longer an issue. It is addressed at corporate level with IPSAS implementation. Hence, regular and comprehensive process of projects assets has started to be carried out as of mid-2012 onwards, process being led, monitored and completed/signed off by the CO. As already mentioned in this document, evidence of the statement is the huge work done by the CO and DIM projects personnel as well during 2011 Year-End Closure as well currently to verify physically all the assets; document and report them properly as per the corporate requirements and standards within the deadline of 20 July 2012.

Management Comments 3.2:

- As evidenced by the data listed in Table - D below, all the assets lost belong to a backward period going to three to four years before the year subject to the current DIM audit.
- The CO is ensuring the corporate requirements concerning DIM Projects assets are complied with the requirements related to disposal of assets. However, the CO will provide training on asset management including asset disposal to the PO and PMs.

Responsible Manager 3.1: Project Manager and Project International Operations Manager

Responsible Manager 3.2: Project Manager and CO Procurement Unit

Expected Completion Date 3.1: Already in place

Expected Completion Date 3.2: December 2012

Status of Recommendation:

Observation No. 4.1: Maintenance of asset records

- As per asset management guidelines of UNDP, proper records should be maintained for capital assets, non capital assets and consumable items.
- The project office was not maintaining any records for capital assets, non-capital assets and consumable items. Only two lists of assets was provided. First list was related assets as on 31.12.2011 and second list related to asset lost from the project office.
- Project also provided the 16 Loan/Wear of Office Equipment Form and 16 Hand Over of Equipment Form. But no control sheet was maintained for movement of equipments.

Observation No. 4.2: Availability of opening asset list as on 1st January 2011

- Audit firm is required to certify the Statement of Asset and Equipment List as on 31.12.2011. For checking the accuracy of asset list, opening list of asset, additions during the year, and transfer or disposal of assets are required. But no such details are available at project level. The asset list as on 31.12.2011 provided by project is based on ad hoc physical stock taken for IPSAS compliance.
- So it may be concluded that due to non availability of requisite information, checking of accuracy of asset list was not possible.
- The management explained that from 1st January 2012 the opening balance of the project was verified and certified as per the physical inventory list of assets.

Cause	Lack of or inadequate guidance or supervision at country office level
Risk	Programmatic/ Finance
Priority	High (Critical)

Impact:

- Non maintenance of proper assets records dilutes the control over assets and increases the risk which might lead to loss and/ or misuse of the assets.

Recommendation 4:

- The Project should maintain the records for each category of the assets such as capital, non-capital and consumables.
- The asset records should reflect the receipt, disposal or deletion and closing status of the assets.
- The asset list should be prepared from asset records to facilitate proper verification of assets.

Management Comments:

- The recommendations are acknowledged.
- The management of DIM projects assets has changed as of 1 January 2012 with IPSAS implementation and the CO is in compliance with the corporate standards and requirements, part of which is maintaining of records both in excel sheets and ATLAS as well for those assets over which UNDP has a control.
- In regard to non-consumables, UNDP purchases of good is frequent and in small quantities covering immediate needs of each procuring unit. This is also enabled thanks to the Country Office strategy aiming at establishing long-term arrangements with best suppliers identified competitively and based on lowest-price criteria. This process is beneficial in terms of purchasing cost and transactional cost as well.
- From 1 January 2012 the opening balance is verified, evidenced and reported that is a good basis for regular exercises conducted twice a year.

Responsible Manager: Project Manager

Expected Completion Date: Already in place

Status of Recommendation:

3.7 Information System

Not applicable

3.8 General Administration

Satisfactory

No observation

SECTION – IV

4.1 Categorization of audit findings by priorities

The audit recommendations are categorized according to priority, as a further guide to UNDP management in addressing the issues. The following categories are used:

High (Critical) Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP and may affect the organization at the global level.

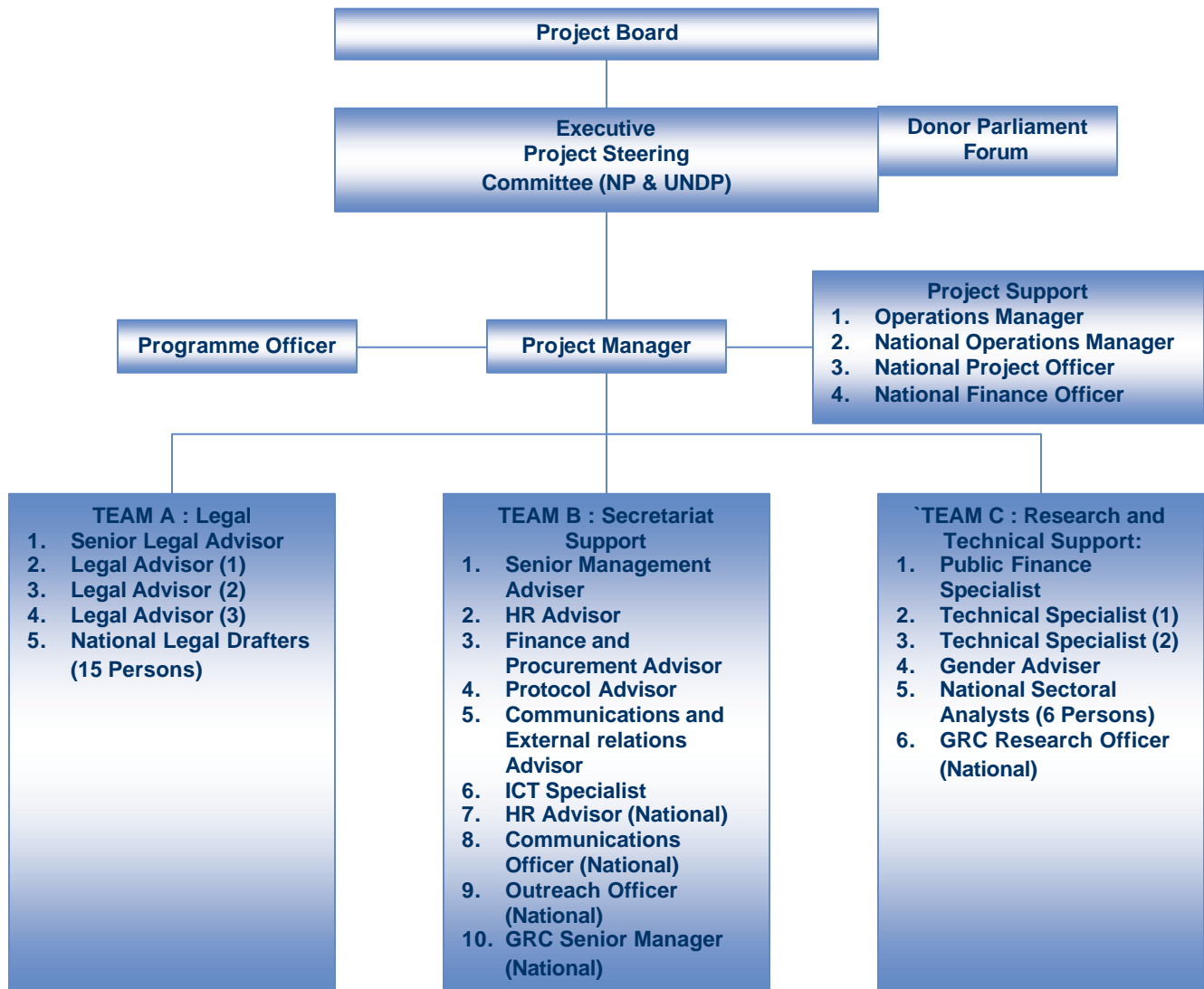
Medium (Important) Action is required to ensure that UNDP is not exposed to significant risks. Failure to take action could result in negative consequences for UNDP.

Low Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the Office management, either during the exit meeting or through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in this report.

4.2 Definition of Standard Audit Ratings:-

Standard Rating	Definition
Satisfactory	Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity.
Partially Satisfactory	Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity.
Unsatisfactory	Internal controls, governance and risk management processes were either not established or not functioning well. The issues identified were such that the achievement of the overall objectives of the audited entity could be seriously compromised.

4.3 Project Organization Structure



SECTION - V

5.0 Annexure

Table - A

Activity wise Budget Analysis for 2011

(Amount in US\$)

Activity/ Outcome	Budgeted Expenditure (A)	Actual Expenditure (B)	Difference (A-B)	% difference
ACTIVITY 1 - Legislative Support	1,047,682.30	658,238.90	389,443.40	37.17%
ACTIVITY 2 - Oversight Support	20,352.00	39,453.23	(19,101.23)	-93.85%
ACTIVITY 3 - Secretariat Support	275,531.19	421,700.17	(146,168.98)	-53.05%
ACTIVITY 4 - Democratic Representation	168,046.45	163,373.15	4,673.30	2.78%
ACTIVITY 5 - Gender Mainstreaming	85,039.96	107,390.90	(22,350.94)	-26.28%
ACTIVITY 6 - Project Management	189,305.88	178,612.85	10,693.03	5.65%
Grand Total	1,785,957.78	1,568,769.20	217,188.58	12.16%

Table - B

Donor wise Budget Analysis for 2011

(Amount in US\$)

Donor code	Donor	Budgeted Amount (A)	Actual Expenditure (B)	Difference (A-B)	% Difference
11234	Ausaid	80,002.65	81,356.49	(1,353.84)	-1.69%
137	ITA	331,352.45	27,753.49	303,598.96	91.62%
187	NOR	742,486.85	831,074.65	(88,587.80)	-11.93%
555	SIDA	582,115.83	572,084.57	10,031.26	1.72%
12	UNDP	50,000.00	56,500.00	(6,500.00)	-13.00%
	Total	1,785,957.78	1,568,769.20	217,188.58	12.16%

Table - C

Account code wise Budget Analysis for 2011

(Amount in US\$)

Account code	Description	Budgeted Expenditure (A)	Actual Expenditure (B)	Difference (A-B)	% Difference
61300	Salary & Post Adjustment Cost-IP Staff	-	43,743.48	(43,743.48)	-100.00%
62300	Recurrent Payroll Costs-IP Staff	-	15,793.33	(15,793.33)	-100.00%
63500	Insurance and Security Costs	-	8,170.23	(8,170.23)	-100.00%
65100	After Service Insurance	-	2,532.44	(2,532.44)	-100.00%

Account code	Description	Budgeted Expenditure (A)	Actual Expenditure (B)	Difference (A-B)	% Difference
71200	International Consultants	1,516,584.25	1,144,451.59	372,132.66	24.54%
71300	Local Consultants	62,212.00	74,739.62	(12,527.62)	-20.14%
71400	Contractual Services – Individual	130,908.06	104,034.51	26,873.55	20.53%
71600	Travel	8,980.00	8,624.25	355.75	3.96%
72100	Contractual Services - Companies	4,753.13	4,927.40	(174.27)	-3.67%
72200	Equipment and Furniture	3,020.00	1,017.64	2,002.36	66.30%
72300	Materials & Goods	3,200.00	3,141.73	58.27	1.82%
72400	Communication & Audio Visual Equip	12,711.41	18,521.91	(5,810.50)	-45.71%
72500	Supplies	8,793.53	3,956.79	4,836.74	55.00%
72800	Information Technology Equipment	2,317.00	1,553.76	763.24	32.94%
73100	Rental & Maintenance- Premises	9,500.00	9,064.74	435.26	4.58%
73400	Rental & Maintenance of Other Equip	-	674.84	(674.84)	-100.00%
74200	Audio Visual & Print Prod Costs	11,700.00	20,530.68	(8,830.68)	-75.48%
74500	Miscellaneous Expenses	-	56.52	(56.52)	-100.00%
75100	Facilities & Administration	11,278.40	103,233.74	(91,955.34)	-815.32%
	Grand Total	1,785,957.78	1,568,769.20	217,188.58	12.16%

Table - D

List of Lost Assets

(Amount in US\$)

S. No.	Particular	Serial No.	Date of Acquisition	Amount
1	Desktop DELL	8CMFW1S	17-Jun-08	1,085.00
2	Desktop DELL	5CMFW1S	Not Available	1,085.00
3	Laptop DELL	247759960832	22-May-08	1,500.00
4	Laptop DELL	42174219520	Not Available	1,500.00
5	Laptop DELL	24759960832	Not Available	1,500.00
6	Laptop DELL	3113069824	Not Available	1,500.00
7	Laptop HP	CNU53318JJ	24-Jan-06	1,400.00
8	Laptop HP	CNU9094TC9	29-Jan-09	1,027.78
9	Laptop HP	CNU9094SK9	29-Jan-09	1,027.78
10	Laptop HP	CNU9094TT8	29-Jan-09	1,027.78
11	Laptop HP	CNU9094T1K	29-Jan-09	1,027.78
12	Laptop HP	CNU9094SWC	29-Jan-09	1,027.78
	Total			14,708.90

Glossary

AUSAID	Australian Agency for International Development
AWP	Annual Work Plan
CDR	Combined Delivery Report
CO	Country Office
COA	Chart of Accounts
DER	Detailed Expenditure Report
DIM	Direct Implementation
EU	European Union
F&A	Facilities and Administration
FCA	Fellow Chartered Accountant
FTA	Fixed Term Agreement
GRC	Gender Resource Centre
GMS	General Management Services
HR	Human Resource
ICF	Internal Control Framework
ICT	Information and Communication Technology
ITA	Government of Italy
IP	Implementing Partners
IPSAS	International Public Sector Accounting Standard
NP	National Programme
NOR	Norway
OAI	Office of Audit and Investigations
PBB	Project Budget Balance
PM	Project Manager
PMU	Project Management Unit
PO	Purchase Order
RADT	Request for Asset Transfer or Disposal
SIDA	Swedish International Development Agency
TV	Television
UN	United Nations
UNDP	United Nations Development Programme
US\$	United States Dollar

