



AUDIT

OF

UNDP BURKINA FASO

**Projet d'Appui aux Elections législatives et municipales du 2 Décembre 2012
(Directly Implemented Project No. 83263)**

**Report No. 1215
Issue Date: 4 December 2013**

Report on the audit of UNDP Burkina Faso
Projet d'Appui aux Elections législatives et municipales du 2 Décembre 2012
(Project No. 83263)
Executive Summary

From 16 September to 27 September 2013, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through Cabinet Fiducial Expertise AK (the audit firm), conducted an audit of "Projet d'Appui aux Elections législatives et municipales du 2 Décembre 2012", (Project No. 83263) (the Project), which is directly implemented and managed by the UNDP Country Office in Burkina Faso (the Office). The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*. The last audit of the Office was conducted by OAI in 2009.

The Project reported expenditure totalling \$5.3 million during the period from 1 January 2012 to 31 December 2012. The following donors contributed to the Project: European Commission, Switzerland, Denmark, Sweden Luxembourg and UNDP.

Audit scope and objectives

The audit firm conducted a financial audit to express an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations. The audit covered the Project's Statement of Expenditure (Combined Delivery Report) for the period from 1 January 2012 to 31 December 2012 and Statement of Assets as of 31 December 2012.

Audit results

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

Project Expenditure			Project Assets		
Amount (in \$ '000)	Opinion	NFI (in \$ '000)	Amount (in \$ '000)	Opinion	NFI (in \$ '000)
5,299	Qualified	103	155	Qualified	103

NFI = Net Financial Impact

Key issue and recommendation

The audit raised one issue and resulted in one recommendation that was 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."

Project management (Issue 1)	<u>Accounting treatment of fixed assets not compliant with UNDP guidelines.</u> Fixed assets acquired for the Project Management Unit and valued at \$102,861 were directly recorded as expenses and not as assets in Atlas, even though they were used and controlled by UNDP for longer than one reporting period. OAI recommends that the Project Management Unit follow the UNDP Programme and Operations Policies and Procedures when recording material considered as assets in Atlas.
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Management's comments

The Resident Representative acknowledged the audit recommendation.

A handwritten signature in blue ink, appearing to read 'Helge S. Osttveiten', is positioned above the printed name.

Helge S. Osttveiten
Director
Office of Audit and Investigations