

**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**Office of Audit and Investigations**



*Empowered lives.  
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**AUDIT**

**OF**

**UNDP SOMALIA**

**ACCESS TO JUSTICE IN SOMALIA**  
**(Directly Implemented Project No. 58614, Output Nos. 73553, 53320, 60258, 87338 and 72868)**

**Report No. 1516**

**Issue Date: 8 December 2015**

**Report on the Audit of UNDP Somalia**  
**Access to Justice in Somalia (Project No. 58614, Output Nos. 73553, 53320, 60258, 87338 and 72868)**  
**Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Baker Tilly Merali's (the audit firm), conducted from 8 June to 9 September 2015 an audit of Access to Justice in Somalia (Project No. 58614, Output Nos. 73553, 53320, 60258, 87338 and 72868) (the Project), which is directly implemented and managed by the UNDP Country Office in Somalia (the Office). This was the first audit of the Project.

The audit work covered financial transactions as well as internal controls and systems for the purpose of expressing 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 Combined Delivery Report, which includes expenditure for the period from 1 January to 31 December 2014 and the accompanying Funds Utilization statement<sup>1</sup> as of 31 December 2014 as well as Statement of Assets as of 31 December 2014. 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. The audit did not cover information systems as the Project did not have its own information systems but relied on the UNDP Country Office and the Atlas system (enterprise resource planning system of UNDP). Further, the audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Project.

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

### Overall 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 as applicable to the Project 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 the table below:

Project Expenditure		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
6,908	Unqualified	1	Unqualified

**Key recommendation:** Total = 1, high priority = 0


The recommendation aims to ensure the achievement of the organization's strategic objectives.

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

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, 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." The recommendation includes actions to address inadequate project monitoring.

#### Management comments and action plan

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



Helge S. Osttveit  
Director  
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