



**AUDIT**

**OF**

**UNDP MALI**

**PROJET D'APPUI AU PROCESSUS ELECTORAL AU MALI**  
**(Directly Implemented Project No. 64570, Output No. 81302)**

**Report No. 1523**

**Issue Date: 18 September 2015**

**Report on the Audit of UNDP Mali**  
**Projet d'Appui au Processus Électoral au Mali (Project No. 64570, Output No. 81302)**  
**Executive Summary**

The UNDP Office of Audit and Investigations (OAI), from 29 June to 10 July 2015, through Moore Stephens LLP (the audit firm), conducted an audit of "Projet d'Appui au Processus Électoral au Mali" (Project No. 64570, Output No. 81302) (the Project), which is directly implemented and managed by the UNDP Country Office in Mali (the Office). The last audit of the Project was conducted by Moore Stephens LLP in 2014 and covered project expenditure from 1 January to 31 December 2013.

The audit firm conducted a financial audit to express an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations. The audit covered the Project's Combined Delivery Report, 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. The audit did not include expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). The audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Project.

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

### Audit results

Based on the audit 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	Amount (in \$ '000)	Opinion
4,933	Unqualified	479	Unqualified

\* Expenditures recorded in the Combined Delivery Report were \$9.98 million. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$5.05 million).

**Key recommendations:** Total = 5, high priority = 0

The five recommendations aim to ensure the following: (a) safeguarding of assets (Recommendation 5); and (b) compliance with legislative mandates, regulations and rules, policies and procedures (Recommendations 1, 2, 3, and 4).

The audit did not result in any high (critical) priority recommendations. There are five 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." The recommendations include actions to address the following: (a) short procurement notices; (b) payment of

<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.

transactions where UNDP was not involved in the procurement process; (c) weaknesses in the management of partnership and execution agreements; (d) retroactive signature of consultant contracts; and (e) weaknesses in the management of assets.

#### Implementation status of previous audit recommendation

The previous audit (Report No. 1322, issued on 12 August 2014) had one recommendation, and based on OAI's review, the recommendation was implemented.

#### Management comments and action plan

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



Helge S. Osttveiten  
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