



AUDIT

OF

UNDP COUNTRY OFFICE

IN

AFGHANISTAN

**OVERSIGHT OF THE MONITORING AGENT OF THE
LAW AND ORDER TRUST FUND FOR AFGHANISTAN**

Follow-up of OAI Report No. 1310 dated 9 October 2014

Report No. 1554
Issue Date: 24 December 2015

**Report on Follow-up Audit of UNDP Afghanistan
Oversight of the Monitoring Agent of the Law and Order Trust Fund for Afghanistan
(Previous OAI Report No. 1310, 9 October 2014)
Executive Summary**

From 18 to 22 October 2015, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP) conducted an on-site follow-up audit that covered the Oversight of the Monitoring Agent of the Law and Order Trust Fund for Afghanistan (LOTFA) under the purview of the UNDP Country Office in Afghanistan (the Office). This on-site follow-up audit was undertaken in view of the 'unsatisfactory' audit rating assigned by OAI as a result of its audit per Report No. 1310 dated 9 October 2014. The follow-up audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Audit scope and approach

The follow-up audit reviewed the implementation of three audit recommendations. OAI conducted appropriate tests of transactions and activities by the Office from 10 October 2014 to 30 September 2015 and interviewed management and staff concerned to determine whether the reported corrective actions were indeed implemented, as reported by the Office in the Comprehensive Audit and Recommendation Database System (CARDS).

Audit results

Of the three audit recommendations, the Office had fully implemented two recommendations, while one recommendation has been withdrawn, resulting in an implementation rate of 100 percent as per CARDS on 3 November 2015 as shown below:

Implementation status	Number of recommendations	Recommendation Nos.
Implemented	2	1, 2
In progress	-	-
Not implemented	-	-
Withdrawn	1	3
Total	3	

The detailed implementation status of the three recommendations has been updated by OAI in CARDS.

Section I summarizes the recommendation that has been withdrawn by OAI, as corrective action is no longer necessary.

Section II presents additional audit issues. While checking the implementation status of previous audit recommendations, OAI took note of an additional two audit issues pertaining to non-recovery of ineligible costs within the same fiscal year, and verification documents supporting expenditure deemed eligible that were not retained.

The two recommendations aim to ensure the reliability and integrity of financial and operational information.

Management comments and action plan

The Resident Representative accepted the two new recommendations and is in the process of implementing them.



Antoine Khoury
Officer-in-Charge
Office of Audit and Investigations