

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



*Empowered lives.
Resilient nations.*

AUDIT

OF

UNDP SOMALIA

INSTITUTIONAL CAPACITY DEVELOPMENT
(Directly Implemented Project No. 85379, Output Nos. 93049 and 96643)

Report No. 1678
Issue Date: 9 September 2016

**Report on the Audit of UNDP Somalia
Institutional Capacity Development
(Project No. 85379, Output Nos. 93049 and 96643)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Deloitte and Touche LLP (the audit firm), from 30 May to 29 June 2016, conducted an audit of 'Institutional Capacity Development' (Project No. 85379) (the Project), 'Strengthening Institutional Performance' (Output No. 93049) and 'Somalia Capacity Development' (Output No. 96643), which is directly implemented and managed by the UNDP Country Office in Somalia operating from Nairobi, Kenya (the Office). The last audit of the Project was conducted by OAI in 2015 and covered project expenditure from 1 January 2014 to 31 December 2014.

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 2015 and the accompanying Funds Utilization statement¹ as of 31 December 2015 as well as the Statement of Assets as of 31 December 2015. The audit did not include activities and expenses incurred or undertaken at the "responsible party" level, or expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). In addition, 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
3,381	Unqualified	19	Unqualified

* Expenditures recorded in the Combined Delivery Report were \$5,376,979. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$907,848) and expenditures incurred at the "responsible party" level (\$1,088,118), which will be covered through a separate HACT/NIM/NGO audit.

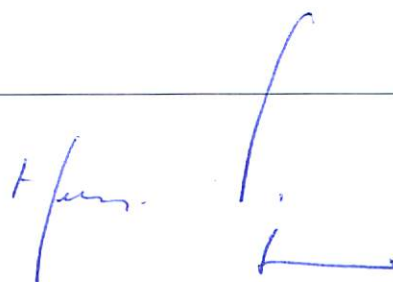
¹ The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) depreciated fixed assets used at the project level; (c) inventory held at the project level; (d) prepayments made by the project; and (e) outstanding commitments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

Implementation status of previous OAI audit recommendations: Report No. 1490, 8 December 2015.

Total recommendations: 1

Implemented: 1

The audit did not result in any recommendations.

A handwritten signature in blue ink is located above the printed name. The signature is stylized and appears to read 'H. Ostveiten'.

Helge S. Ostveiten
Director
Office of Audit and Investigations