



AUDIT

OF

UNDP SIERRA LEONE

SUPPORT TO THE ELECTORAL CYCLE IN SIERRA LEONE
(Directly Implemented Project No. 95468, Output No. 99474)

Report No. 2138
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**Report on the Audit of UNDP Sierra Leone
Support of the Electoral Cycle in Sierra Leone (Project No. 95468, Output No. 99474)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through BDO LLP (the audit firm), from 6 to 15 May 2019, conducted an audit of Support of the Electoral Cycle in Sierra Leone (Project No. 95468, Output No. 99474 - Support to the National Electoral Commission (SNEC) (the Project), which is directly implemented and managed by the UNDP Country Office in Sierra Leone (the Office). This was the first audit of the Project.

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 expenses for the period from 1 January to 31 December 2018 and the accompanying Funds Utilization statement¹ as of 31 December 2018 as well as Statement of Fixed Assets as of 31 December 2018. 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). 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 Expenses*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
4,594	Unmodified	21	Unmodified

* Expenses recorded in the Combined Delivery Report were \$8,290,985.21. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UNDP offices outside of the country \$3,685,451.31. Also excluded were expenses incurred at the "responsible party" level \$11,891.90.

Key recommendation: Total = 1, high priority = 0

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. Failure to take action could result in negative consequences for UNDP." These recommendations include actions to address: maintaining adequate documentation to support fuel and security allowances claimed by employees for residential security measures.

¹ The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) undepreciated 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 recommendation aims to ensure the following: reliability and integrity of financial and operational information.

Management comments and action plan

The Resident Representative accepted the one recommendation and is in the process of implementing it. Comments and/or additional information provided have been incorporated into the report, where appropriate.

Helge S. Osttveiten
Director
Office of Audit and Investigations