



AUDIT

OF

UNDP CHAD

**PROGRAMME CONJOINT D'APPUI AU DETACHEMENT INTEGRE DE SECURITE (DIS)
N'DJAMENA – CHAD
(Directly Implemented Project No. 77223)**

**Report No. 1010
Issue Date: 18 June 2013**

Report on the audit of UNDP Chad
Programme Conjoint d'appui au Détachement Intégré de Sécurité (DIS) N'Djamena – Chad
(Project No. 77223)
Executive Summary

From 11 to 15 September 2012, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through Moore Stephens LLP (the audit firm), conducted an audit of Programme Conjoint d'appui au Détachement Intégré de Sécurité (DIS) N'Djamena – Chad, Project No. 77223 (the Project), which is directly implemented and managed by the UNDP Country Office in Chad (the Office). The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*. The last audit of the Office was conducted by OAI in 2008.

The Project reported expenditure totalling \$8 million during the period from 1 January to 31 December 2011. The following donors contributed to the Project: European Union, Chad, the United States of America and the Peace Building Fund.

Audit scope and objectives

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 Statement of Expenditure (Combined Delivery Report) for the period from 1 January to 31 December 2011 and Statement of Assets as of 31 December 2011.

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		Cash	
Amount (in \$ '000)	Opinion (in \$ '000)	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
8,019	Unqualified	17	Unqualified	-	Not Applicable*

*No separate bank account and/or petty cash was held by the project

Key issues and recommendations

The audit raised seven issues and resulted in seven recommendations, of which two (29 percent) were ranked high (critical) priority, meaning "Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP and may affect the organization at the global level."

Financial and cash management (Issue 5)	<u>Inadequate supporting documentation.</u> There were insufficiencies in the justification of expenses during the implementation of the Project, as follows: (a) 30 percent of transactions did not have requisitions or delivery notes attached to them, therefore, there was no proof of delivery of goods and services procured; (b) there were instances where no purchase orders were issued for procurement higher than \$2,500; (c) a significant
---	---


number of invoices which had been paid had no clear recipient (neither UNDP, nor the Project); and (d) absence of travel claims to account for Daily Subsistence Allowance paid to individuals on behalf of the entire team. OAI recommends that: (a) purchase orders be issued in accordance with UNDP policies and procedures; (b) all purchases be accompanied with delivery notes or goods received notes; (c) invoices paid by the Project be addressed to the Project; and (d) Daily Subsistence Allowance be paid into the accounts of individual agents and justified by supporting documentation.

Asset
management
(Issue 7)

Weaknesses in the administrative procedures relating to fixed assets. A physical verification of Project assets noted that: (a) equipment bought with Project funds was not stamped with the Project or UNDP logo; (b) certain fixed assets were not coded; (c) nine asset disposals were not supported by any documentation to record the disposal; and (d) logbooks did not exist for six vehicles transferred to the Project during the audit period, making it difficult to confirm whether the vehicles were actually being used for Project-related activities. OAI recommends that: (a) all equipment be stamped with the UNDP logo; (b) all equipment be coded as soon as it is received; (c) disposal of all assets be documented; and (d) logbooks be properly kept.

Management's comments

The Resident Representative accepted all seven recommendations and is in the process of implementing them.



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

**UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
AUDIT REPORT AND MANAGEMENT LETTER**

30 April 2013

**FINANCIAL AUDIT OF THE PROJECT
PROGRAMME CONJOINT D'APPUI AU DETACHEMENT INTEGRE
DE SECURITE (DIS) N'DJAMENA – CHAD**

Project name:	Programme Conjoint d'Appui au Détachement Intégré de Sécurité (DIS) N'Djamena – Tchad (2011-2015)
Award ID:	61084
Country:	Chad
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January to 31 December 2011

Table of Contents

1.	EXECUTIVE SUMMARY	4
1.1	THE ENGAGEMENT CONTEXT	4
1.2	AUDIT REPORT AND MANAGEMENT LETTER SUMMARY	4
2.	AUDIT OPINIONS	6
2.1	AUDIT OPINION ON THE COMBINED DELIVERY REPORT (CDR)	6
2.1.2	CERTIFICATION OF STATEMENT OF ASSETS	7
2.1.3	CERTIFICATION OF STATEMENT OF CASH POSITION	8
2.2	EMPHASIS OF MATTER	8
3.	MANAGEMENT LETTER	9
3.1	PURPOSE OF THE MANAGEMENT LETTER	9
3.2	AUDIT FINDINGS	10

Annexes	Description
Annex I	Signed Combined Delivery reports for 2011
Annex II	Signed statement of assets as at 31 December 2011

TABLE OF ACRONYMS

ACRONYM	NAME IN FULL
CDR	Combined Delivery Report
CONSAHDIS	Coordination National de Soutien aux Activités Humanitaires et du DIS
DIM	Directly implemented
DIS	Détachement Intégré de Sécurité
UNDP	United Nations Development Programme
UNHCR	The Office of the United Nations High Commissioner for Refugees

1. Executive Summary

1.1 The Engagement Context

Moore Stephens LLP entered into a contract with UNDP Office of Audit and Investigations/Regional Audit Centre for North West and Central Africa on 12 September 2012 for the audit of the "Programme Conjoint d'Appui au détachement Intégré de Sécurité (2011-2015)" (UNDP award ID 76851, which is directly implemented (DIM) by UNDP Chad Country Office. The period subject to audit was 1 January to 31 December 2011.

1.2 Audit Report and Management Letter Summary

Audit opinions are given for the Statement of Expenditure, Statement of Assets and Statement(s) of Cash Position (where applicable) in Section 2 of this report. In the table below we summarise the audit opinions:

Project Title	Country	Statement of Expenditure	Statement of Assets	Statement of Cash Position
Programme Conjoint d'Appui au Détachement Intégré de Sécurité (2011-2015)	Chad	Unqualified	Unqualified	n/a

During the audit we identified the following issues, summarised here:

Description of Finding	Detailed Finding No.	Management Comment
Poor organisation and definition of program functions	1	The revised document of the project for 2013-2014 will fulfil the requirements of this recommendation.
The use of part-time staff	2	-
Lack of reconciliation between the accounting records and the Treasury balance	3	The accounting and financial management of this project is carried out using Atlas software under the direct management of the UNDP. In accordance with UNDP procedures, all funds for projects and programmes are placed and managed in one single bank account which receives all the funds. The available funds are distributed by projects and their availability is guaranteed.
Management of missions	4	The UNDP will pay particular attention to this recommendation, notably the increased institutional support on CONSAHDIS.
Weaknesses in the administrative procedures relating to Fixed Assets	5	The UNDP will pay particular attention to this recommendation, notably the increased institutional support from CONSAHDIS.
Weaknesses in travel policy	6	The UNDP will pay particular attention to this recommendation, notably the

		increased institutional support on CONSAHDIS.
Weaknesses in the administrative procedures relating to Fixed Assets	7	The UNDP will pay particular attention to this recommendation, notably the increased institutional support from CONSAHDIS.

The audit observations and recommendations arising from the audit are set out in the Management Letter in Section 3 of this report as audit findings and are listed on a project basis. These audit findings are summarized in the table below:

Project Title	Country	Number of findings / priority rating		
		High	Medium	Low
Programme Conjoint d'Appui au détachement Intégré de Sécurité (2011-2015)	Chad	2	5	-
Total		2	5	-

In the table below we provide further detail of the audit observations, categorising them into the 8 main audit areas which were set out in the Terms of Reference for this engagement.

Audit area	Overall rating	Finding ref.s	Number of findings / Priority rating		
			High	Medium	Low
Organization and staffing	Partially satisfactory	1	-	1	-
Project Management	Satisfactory	-	-	-	-
Human Resource management	Satisfactory	2	-	1	-
Financial and cash management	Partially satisfactory	3,4,5	1	2	-
Procurement	Partially satisfactory	-	-	-	-
Asset management	Satisfactory	7	1	-	-
Information Systems	Satisfactory	-	-	-	-
General Administration	Partially satisfactory	6	-	1	-
Total			2	5	-

Overall conclusion on the project

Based upon the audit work we have carried out, we have formed an overall conclusion of the project that it ranks as 'partially satisfactory', taking into account all of the individual findings which are described in this report. We feel, nevertheless, that there are weaknesses which the project management should seek to remedy as soon as possible and we have therefore provided a series of recommendations which are designed to remedy these weaknesses.



Tim Woodward
Partner
Moore Stephens LLP

150 Aldersgate Street
London EC1A 4AB

30 April 2013

2. Audit opinions

2.1 Audit opinion on the combined delivery report (CDR)

We have audited the accompanying Statement of Expenditure ("the statement") of the UNDP project 'Programme Conjoint d'Appui au Détachement Intégré de Sécurité (DIS) N'Djamena – Chad (2011-2015)', for the period from 1 January to 31 December 2011.

Management is responsible for the preparation of the statement for Programme Conjoint d'Appui au Détachement Intégré de Sécurité (DIS) N'Djamena – Chad (2011-2015), project and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with the International Standards on Auditing insofar as these standards can be usefully applied in this financial audit and its specific compliance context. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation of the statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the attached Statement of Expenditure presents fairly, in all material respects, the expenditure of USD 8 019 302,75 incurred by the project Programme Conjoint d'Appui au Détachement Intégré de Sécurité (DIS) N'Djamena – Chad (2011-2015), for the period from 1 January to 31 December 2011, in accordance with UNDP accounting and were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNDP; and (iv) supported by properly approved vouchers and other supporting documents.

We summarise our audit conclusions as follows:

UNDP Combined Delivery Report (CDR) 1 January 2011 to 31 December 2011							
Award No.	Project No.	Amount audited and certified (US\$)	Audit opinion (unqualified, qualified, adverse, disclaimer)	Total amount of qualification of audit opinion	Total amount of Net financial impact (NFI) of qualification of audit opinion	Reason(s) for qualification of audit opinion and breakdown of NFI amount (USD)	Observation(s) that had impact on qualification of audit opinion
61084	77223	8,019,302.75	Unqualified	n/a	n/a	n/a	n/a



Tim Woodward
Partner
Moore Stephens LLP

150 Aldersgate Street
London EC1A 4AB

30 April 2013

2.1.2 Certification of Statement of Assets

We have audited the accompanying schedule of assets ("the schedule") of the UNDP project number, Programme Conjoint d'Appui au Détachement Intégré de Sécurité (DIS) N'Djamena – Chad (2011-2015) as at 31 December 2011.

Management is responsible for the preparation of the schedule for Programme Conjoint d'Appui au Détachement Intégré de Sécurité (DIS) N'Djamena – Chad (2011-2015), project and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with the International Standards on Auditing insofar as these standards can be usefully applied in this financial audit and its specific compliance context. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Unqualified Opinion

In our opinion, the attached schedule of assets presents fairly, in all material respects, the balance of inventory of the UNDP project Programme Conjoint d'Appui au Détachement Intégré de Sécurité (DIS) N'Djamena – Tchad (2011-2015) for which the acquisition cost is mentioned amounting to FCFA 8,695,000 (16,805 USD) as at 31 December 2011 in accordance with UNDP accounting policies.

Some of the assets contained in the statement of assets do not have an acquisition value ascribed to them. These assets were those which were made available at no cost to the project and have not been included in the accounts of the project.

We summarise our audit conclusions as follows:

Statement of assets and equipment					
Award No.	Project No.	Value of Assets and equipment as at 31 December 2011 (cumulative from project start date) (US\$)	Audit Opinion - Statement of Assets and Equipment	Total amount of qualification on the Statement of assets and equipment (US\$)	Total amount of Net financial impact (NFI) of qualification of audit opinion on Statement of assets and equipment (US\$)
61084	77223	16,805	Unqualified	-	-



Tim Woodward
Partner
Moore Stephens LLP

150 Aldersgate Street
London EC1A 4AB

30 April 2013

2.1.3 Certification of Statement of Cash Position

As permitted by the Terms of Reference for the audit of the Support to the Programme Conjoint d'Appui au Détachement Intégré de Sécurité (DIS) N'Djamena – Chad (2011-2015), we do not issue an opinion on the Statement of Cash Position on the grounds that such a statement has not been completed due to the project not having its own bank account.

2.2 Other Matter

Without qualifying our opinions, we draw your attention to the audit observations and recommendations as set out in the Management Letter (see Section 3.2) which details the issues arising on a project basis as a result of our financial audit and our recommendations to address these issues.



Tim Woodward
Partner
Moore Stephens LLP

150 Aldersgate Street
London EC1A 4AB

30 April 2013

3. Management Letter

3.1 Purpose of the Management Letter

As set out in our Terms of Reference, a Management Letter was to be prepared and attached to the Audit Report in order to bring to the attention of the UNDP the issues arising as a result of our financial audit of the project 'Programme Conjoint d'Appui au Détachement Intégré de Sécurité (DIS) N'Djamena – Tchad (2011-2015)' for the period from 1 January to 31 December 2011 and our recommendations to address these issues.

We report our observations and recommendations on an audit area basis detailed in section 3.2 below.

3.2 Audit Findings

Finding n°: 1	Title: Poor organisation and definition of program functions
Observation: <u>Lack of Job Descriptions and lack of clear description of the Project</u> The management of the Program is under the framework of the DIM. This implies that the operational and strategic organisation of the Project is in accordance with UNDP guidelines which require job descriptions to be defined with clarity and with a precise description of the roles of the various entities involved, in particular: <ul style="list-style-type: none">• the partners of the implementation (UNHCR and UNDP);• the partners of operational execution (DIS and CONSAHDIS); and• the government. The need for this precision in the job descriptions is due to the fact that the Projects are subject to a certain number of constraints and requirements such as time, and resources. <u>Payment of bonuses not provided for in the Logical Framework of the Project</u> The framework of the project sets out the categories of project expenditure as well as the various funding sources, but does not include the cost of payment of bonuses of government officers and agents. However, we note that the payment of bonuses constitutes a cost contributing to the realization of the project objectives. Moreover, the payment of bonuses was not envisaged in the joint program defining the responsibilities for the Government relating to the management of bonuses for officers and agents of DIS. We note that the project personnel comprise officers of the government who were seconded to the project, therefore our audit testing consisted of reviewing 'lettres de mission', though this meant that there were no payslips for these individuals. We were informed that the project pays staff on the basis of an approved signed list provided by the Chief of Military staff to the Head of DIS, but as we were not provided with this list we were not able to verify the eligibility of the personnel to receive these bonuses. It should be noted that these various aspects of the management of the Project imply specific operations and the description of these procedures must be documented in the specific procedures manual for accounting, administrative and financial procedures. <u>Impact of the payment of bonuses</u> We noted an amount of USD 3,282 paid as bonuses to officers and agents of the DIS but we were not provided with a list of the beneficiaries. This meant that we were not able to verify the identities of the beneficiaries and subsequently whether they were eligible to receive bonuses.	
Priority: Medium	
Area impacted by the finding: Organisation and Staffing	
Recommendation:	

The Office should ensure that job descriptions are defined with clarity and with a precise description of the roles of the various entities involved.

With regard to organisational, operational and strategic management, the office should review the project framework so that bonuses paid to officers and agents are provided for in the budget, in line with standard donor reporting procedures.

With regard to the responsibility for management of the allowances, UNDP should, in accordance with the provisions of page 9 of the Joint Program, elaborate the Governmental protocol defining the responsibilities for the Chadian Government relating to the management of the bonuses or allowances to the officers and agents of DIS.

Expected completion date: Immediately.

Management comments and Action Plan:

The item in the Joint Program mentioned by the audit refers to Page 9 of the document concerning the strategy of division of costs: “ According to this plan and the Joint Program which relies on it, the Government deals with the entirety of the wages and bonuses of DIS and the human resource management while the costs of the programme of assistance of the agencies of UN are financed by the international community through funds set up by the Joint Program subject to the successful mobilization of the funds”.

The revised document of the project for 2013-2014 will fulfil the requirements of this recommendation.

Auditors' response:

Finding n°: 2	Title: The use of part-time staff
Observation: <p>The experts working on the project are part-time whereas it was originally envisaged that full-time staff would be employed on the project. Furthermore, the various coordinators of the project belonged to several agencies of the UN which led to their part-time involvement during the time of the implementation of the project.</p> <p><u>Implication of using part-time staff</u></p> <p>We consider that this presents an underlying risk of failing to achieve the objectives of the Project. Furthermore, the inconsistency between the initial planned utilisation of staff and with the actual utilisation presents a risk that the project will not be completed in the duration which had been envisaged, and progress cannot be monitored easily against the planned targets.</p>	
Priority: Medium	
Area of the audit affected by the finding: Human Resources management	
Recommendation: <p>We recommend that the project ensures that project personnel, as defined in the project document, are recruited for the project duration.</p>	
Management comments: <p>No remark from the Management.</p>	
Auditors' response:	

Finding n°: 3

Title: Lack of reconciliation between the accounting records and the Treasury balance

Observation:

A single account was used to manage the funds of the project received from the four donors. The expenditure of the project is debited from this bank account with a reference to the code of the donor. However, a reconciliation between the final balance of funds per the cash flow (equivalent to opening balance plus balance per bank plus cash balance) and the final balance of the project accounts by donor is not performed at present. The balances per the project accounts for each donor are as follows:

Donors	Funds received in \$ at end of 2011	Expenditure in \$ at end of 2011	Final balance of the project at 31 December 2011 per management accounts		Final balance of Treasury of the project at 31 December 2011	
			In \$	In FCFA	NK	NK
Government of CHAD	3 670 438,73	3 212 592,51	457 846,22	225 246 605	NK	NK
INL USA	1 132 013,00	599 896,17	532 116,83	261 785 517	NK	NK
Peace Building Fund PBF	909 532,00	178 588,00	730 944,00	359 602 520	NK	NK
European Union (UE)	5 706 124,00	5 107 748,83	598 375,17	294 382 632	NK	NK
TOTALS	11 418 107,73	9 098 825,51	2 319 282,22	1 141 017 274	NK	NK

NK = Not known.

Priority: Medium

Recommendation:

We recommend that the Project should perform systematic reconciliations between the Treasury balance and the accounting records as detailed in the table above. Any discrepancies identified should be reconciled in a timely manner.

Area of the audit affected by this finding: Financial and cash management

Management comments:

The accounting and financial management of this project is carried out using Atlas software under the direct management of the UNDP. In accordance with UNDP procedures, all funds for projects and programmes are placed and managed in one single bank account which receives all the funds. The available funds are distributed by projects and their availability is guaranteed.

Auditors' response:

Finding n°: 4	Title: Inadequate accounting practices resulting in the risk of the manipulation of data
----------------------	---

Observation:

Lack of double entry book-keeping

The existing project accounting system conforms with the clauses of article 16 of appendix II of the financial regulation which states that the Beneficiary must keep statements and detailed, systematic accounts relating to the work of the project, using appropriate accounting and double-entry bookkeeping. However, the final process of producing reports (such as the FACE form and the cash book account) was not in accordance with these regulations. The current presentation of the financial statements is not adequate due to the lack of detailed, systematic accounts and lack of double-entry book-keeping, which increases the risk of material misstatement in the financial reports.

Use of excel for the maintenance of financial records

Some of the accounts preparation such as the cash book account was performed in an excel spreadsheet to prepare the final financial statements. We consider the use of excel in the financial reporting procedures to be inadequate since there is a significant possibility that the data contained in the spreadsheets could be manipulated.

The financial system, ATLAS, is based in USD. For grants which are denominated in Euros, the exchange rate for periodic reporting to donors must be recorded. This function does not exist in ATLAS and therefore the use of excel has been adopted for this purpose.

We note that processing accounts in excel spread sheets does not comply with the principle of the irreversibility of payments. This is because data which has been input can be deleted or modified without leaving an audit trail. We do nevertheless recognise that there are some end-user computing controls in place which help to mitigate this risk.

Lack of regular back-ups of financial data

The accounting statements which are used to form the financial statements and reports are not printed and saved or backed up in hard copy.

Priority: Medium

Recommendation:

We recommend preparing statements, financial reports and activity reports as follows:

- The entity should use another method for the production of financial reports such as the use of a standard accounting software based on a double entry book-keeping system; and
- Printing, certifying and filing the main project financial statements.

Area of the audit affected by this finding: Financial and cash management

Management comments: The UNDP will pay particular attention to this recommendation.

Auditors' response:

Finding n°: 5

Title: Inadequate supporting documentation

Observation:

We have noted insufficiencies in the justification of expenses during the implementation of the project, namely:

- Purchases of supplies and services representing approximately 30% of the transactions did not have requisitions or delivery notes attached to them. It was the same for services which were not supported by an invoice (rent) or a compliment slip/remittance advice (consultant responsible for drafting the project documentation and the consultant project manager). There was thus no proof of delivery of these goods. Services were for the most part vouched only to the contract;
- We noted instances where purchases higher than \$ 2,500 were not backed up by purchase orders;
- A significant number of invoices which have been paid have no clear recipient (neither UNDP, nor the project, nor DIS, nor CONSAHDIS). In some cases it was possible to check purchase orders and delivery notes which corresponded to these invoices, however, as noted above, a significant number of these documents were missing. We performed checks to ensure that these invoices related to the project and we did not find any issues. In addition we were able to verify a sample to ensure that the items concerned actually existed; and
- We have noted the absence of an F10 to account for Daily Subsistence Allowance relating to missions paid into the accounts of the individual agents who carried out missions (we give as an example the case of a cheque relating to a mission which was issued to the project manager for the entire team).

Priority: High

Recommendation:

We recommend that:

- Purchases of more than \$2,500 should always require a purchase order;
- All purchases should be accompanied with delivery notes or goods received notes;
- Invoices paid by the project should be addressed to the project; and
- Daily Subsistence Allowance should be paid into the accounts of the individual agents and should be justified by supporting documentation.

Area of the audit affected by this finding: Financial and cash management

Management comments:

The UNDP will give special attention to these recommendations.

Auditors' response: -

Finding n°: 6

Title: Weaknesses in travel policy

Observation:

We have noted weaknesses in the management of missions, namely:

- Travel authorizations are not systematically approved (lack of approval stamp or signature); and
- Travel summary reports are not prepared following the conduct of a mission by a project staff member. In the absence of such a document, it is difficult to know which activities have been completed and which are still outstanding.

The implication of the first weakness is that it may be possible for people to undertake travel without authorisation and therefore there is an increased risk that costs may be incurred which are not directly relevant to the project.

The second weakness may encourage project staff to be more careless about the dates, times and follow up of their missions since they know they will not be required to produce an official report on it once they return. This discourages responsibility in the conduct and recording of missions which may eventually lead to inaccuracies in reporting.

Priority: Medium

Recommendation:

We recommend that travel authorizations should be authorised by a person in authority on arrival or departure and furthermore that a procedure be put in place to require that project staff produce a standard mission report for all missions which they carry out.

Area of the audit affected by this finding: General Administration

Management comments:

The UNDP will pay particular attention to this recommendation, notably the increased institutional support on CONSAHDIS.

Auditors' response:

Finding n°: 7

Title: Weaknesses in the administrative procedures relating to Fixed Assets

Observation:

We have carried out a physical verification of equipment of the project, including purchased equipment, based on the list of equipment, material and office furniture obtained. We identified the following weaknesses in the management of fixed assets.

- Equipment bought with project funds was not stamped with the project or UNDP logos apart from working materials specific to the project;
 - We also noted the absence of a code on certain fixed assets, which creates difficulties in identifying which assets were actually purchased with project funds;
 - We noted that nine asset disposals are not supported by any documentation to record the disposal ; and
 - Logbooks did not exist for six vehicles transferred to the project during the period, leading to difficulties in confirming whether the vehicles were actually used for project-related activities.
-

Priority: High

Recommendation:

We recommend that :

- All equipment is coded and carries the project logo, as well as the logo of the UNDP or the donor who financed it;
 - Equipment is coded as soon as it is received;
 - Logbooks are properly kept; and
 - The disposal of all assets are accompanied by a document.
-

Area of the audit affected by this finding: Asset management

Management comments:

The UNDP will pay particular attention to this recommendation, notably the increased institutional support from CONSAHDIS.

Auditors' response:

PRIORITIES OF AUDIT RECOMMENDATIONS

The audit observations are categorized according to the priority of the audit recommendations and the possible causes of the issues. The categorized audit observation provides a basis by which the UNDP country office management is to address the issues.

The following categories of priorities are used:

- High (Critical)** Action is considered imperative to ensure that UNDP is not exposed to high risks. Failure to take action could result in major consequences and issues.
- Medium (Important)** Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
- Low** Action is considered desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the Auditors directly with the Country Office management, during the exit meeting and through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in the management letter.

AUDIT RATINGS

Satisfactory

Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity.

Partially Satisfactory

Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity.

Unsatisfactory

Internal controls, governance and risk management processes were either not established or not functioning well. The issues were such that the achievement of the overall objectives of the audited entity could be seriously compromised.



Tim Woodward
Partner
Moore Stephens LLP

150 Aldersgate Street
London EC1A 4AB

30 April 2013

**ANNEX I
COMBINED DELIVERY REPORTS**

2011 2012 2013

Combined Delivery Report With Encumbrance

UN Development Programme
Report ID: unj143a

Page 1 of 1
Run Time: 09-02-2012 08:02

Selection Criteria:

Business Unit: TCD10
Period: Jan-March (2011)
Selected Award Id: 00061084
Selected Fund Code: ALL

Award Id: 00061084 APPUI AU DETACHEMENT INTEGRE D	Period: Jan-March (2011)	UN Agencies	Encumbrance	Total Exp
Project #: 00077223 APPUI AU DETACHEMENT INTEGRE D	Impl: Partner: 00540 UNDP (Direct Execution)	UN Agencies	Encumbrance	Total Exp
	Location: Chad	UNDP Disb		
		Govt Disb		

Fund : 30000 (Programme Cost Sharing)

71405 - Service Contracts-Individuals	0.00	594,783.34	0.00	594,783.34
71605 - Travel Tickets-International	0.00	6,136.68	0.00	6,136.68
71615 - Daily Subsistence Allow-intl	0.00	18,470.82	0.00	18,470.82
71620 - Daily Subsistence Allow-Local	0.00	17,338.44	0.00	17,338.44
72120 - Svc Co-Trade and Business Serv	0.00	4,037.38	0.00	4,037.38
72155 - Svc Co-Communications Service	0.00	4,048.69	0.00	4,048.69
72205 - Office Machinery	0.00	7,371.16	2,295.11	9,666.27
72220 - Furniture	0.00	970.21	0.00	970.21
72320 - Wood & Paper Products	0.00	33,581.06	0.00	33,581.06
72390 - Other Materials and Goods	0.00	1,155.93	0.00	1,155.93
72420 - Land Telephone Charges	0.00	229.15	0.00	229.15
72425 - Mobile Telephone Charges	0.00	7,224.80	0.00	7,224.80
72805 - Acquis of Computer Hardware	0.00	1,325.55	0.00	1,325.55
72810 - Acquis of Computer Software	0.00	1,837.23	0.00	1,837.23
73410 - Maint, Oper of Transport Equip	0.00	2,381.23	0.00	2,381.23
74505 - Insurance	0.00	327.40	0.00	327.40
74525 - Sundry	0.00	636.02	0.00	636.02
75105 - Facilities & Admin - Implement	0.00	49,129.86	0.00	49,129.86
76125 - Realized Loss	0.00	77.98	0.00	77.98
Total for Fund 30000	0.00	751,062.93	2,295.11	753,358.04

Total for Project: 00077223

	0.00	751,062.93	0.00	753,358.04
--	------	------------	------	------------

Award Total

	0.00	751,062.93	0.00	753,358.04
--	------	------------	------	------------

 1/3/12

**Tim Woodward
Partner**




SIGNED BY :

Date: 09/02/2012



UN Development Programme
Report ID: ungi143a

Combined Delivery Report With Encumbrance

Page 1 of 1
Run Time: 00-02-2012 08:02:1

Selection Criteria:

Business Unit : TCD10
Period : April-June (2011)
Selected Award id : 00061084
Selected Fund Code : ALL

Award id : 00061084	APPUI AU DETACHEMENT INTEGRE D	Period : April-June (2011)	UN Agencies	Encumbrance	Total Exp
Project # : 00077223	APPUI AU DETACHEMENT INTEGRE D	Impl. Partner : 00540 UNDP (Direct Execution)	UN Agencies	Encumbrance	Total Exp
		Location : Chad			

Fund : 30000 (Programme Cost Sharing)

	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
63060 - Medical Exams(incl Pre-empl)	0.00	327.44	0.00	0.00	327.44
71205 - Intl Consultants-Sht Term-Tech	0.00	81,979.64	0.00	0.00	81,979.64
71405 - Service Contracts-individuals	0.00	2,716.27	0.00	0.00	2,716.27
71605 - Travel Tickets-international	0.00	1,030.64	0.00	0.00	1,030.64
71620 - Daily Subsistence Allow-Local	0.00	14,487.79	0.00	0.00	14,487.79
72105 - Svc Co-Construction & Engineer	0.00	130.98	0.00	0.00	130.98
72205 - Office Machinery	0.00	2,295.11	0.00	-2,295.11	0.00
72230 - Furniture	0.00	941.69	0.00	0.00	941.69
72405 - Acquisition of Communic Equip	0.00	2,310.70	0.00	0.00	2,310.70
72425 - Mobile Telephone Charges	0.00	6,664.79	0.00	0.00	6,664.79
72435 - E-mail-Subscription	0.00	709.37	0.00	0.00	709.37
72805 - Acquis of Computer Hardware	0.00	6,718.47	0.00	0.00	6,718.47
73105 - Rent	0.00	45,305.31	0.00	0.00	45,305.31
73410 - Maint. Oper of Transport Equip	0.00	316.71	0.00	0.00	316.71
74525 - Sundry	0.00	217.83	0.00	0.00	217.83
75105 - Facilities & Admin - Implement	0.00	11,770.69	0.00	0.00	11,770.69
76125 - Realized Loss	0.00	514.19	0.00	0.00	514.19
76135 - Realized Gain	0.00	-24.09	0.00	0.00	-24.09
Total for Fund 30000	0.00	180,413.52	0.00	-2,295.11	178,118.41

Total for Project : 00077223

178,118.41

Award Total :	0.00	180,413.52	0.00	-2,295.11	178,118.41
----------------------	------	------------	------	-----------	------------


1/3/13

Tim Woodward
Partner



Signed By: Justin Lingbo ED Date: 09/02/2012



UN Development Programme
Report ID: ungi/143a

Selection Criteria

Business Unit : TCD10
Period : July-Sep (2011)
Selected Award Id : 00061084
Selected Fund Code : ALL

Combined Delivery Report With Encumbrance

Page 1 of 1
Run Time: 09-02-2012 08:02:

Award Id	00061084 APPUI AU DETACHEMENT INTEGRE D	Period	July-Sep (2011)						
Project #	0007223 APPUI AU DETACHEMENT INTEGRE D	Impl. Partner	06540 UNDP (Direct Execution)	Location	Chad				
		UNDP Disb	UN Agencies	Encumbrance	Total Exp				

Fund : 30071 (Programme cost sharing - GOV1)

71405 - Service Contracts-Individuals	0.00	616,263.07	0.00	0.00	616,263.07
71615 - Daily Subsistence Allow-Intl	0.00	41.82	0.00	0.00	41.82
71620 - Daily Subsistence Allow-Local	0.00	16,217.29	0.00	0.00	16,217.29
72170 - Svc Co-Humanitarian Aid & Relf	0.00	573,451.59	0.00	0.00	573,451.59
72205 - Office Machinery	0.00	487.48	0.00	0.00	487.48
72215 - Transportation Equipment	0.00	0.00	0.00	9,294.51	9,294.51
72220 - Furniture	0.00	999.47	0.00	0.00	999.47
72405 - Acquisition of Communic Equip	0.00	6,179.27	0.00	0.00	6,179.27
72420 - Land Telephone Charges	0.00	145.10	0.00	0.00	145.10
72425 - Mobile Telephone Charges	0.00	37,593.49	0.00	0.00	37,593.49
72435 - E-mail-Subscription	0.00	4,680.72	0.00	0.00	4,680.72
72805 - Acquis of Computer Hardware	0.00	33.06	0.00	0.00	33.06
72810 - Acquis of Computer Software	0.00	108.74	0.00	0.00	108.74
73105 - Rent	0.00	54,022.09	0.00	0.00	54,022.09
73410 - Maint, Oper of Transport Equip	0.00	970.41	0.00	0.00	970.41
74525 - Sundry	0.00	1,159.36	0.00	0.00	1,159.36
75105 - Facilities & Admin - Implement	0.00	91,864.71	0.00	0.00	91,864.71
76135 - Realized Gain	0.00	-500.65	0.00	0.00	-500.65
Total for Fund 30071	0.00	1,403,717.02	0.00	9,294.51	1,413,011.53

Total for Project : 0007223

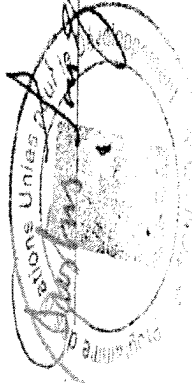

Total for Project : 0007223	0.00	1,403,717.02	0.00	9,294.51	1,413,011.53
------------------------------------	-------------	---------------------	-------------	-----------------	---------------------

Award Total :

Award Total :	0.00	1,403,717.02	0.00	9,294.51	1,413,011.53
----------------------	-------------	---------------------	-------------	-----------------	---------------------


Tim Woodward
Partner

13/03

Signed by   Date: 09/02/2012



UN Development Programme
Report ID : ungi143a

Selection Criteria:

Business Unit : TCD-0
Period : Oct-Dec (2011)
Selected Award Id : 00061004
Selected Fund Code : ALL

Combined Delivery Report With Encumbrance

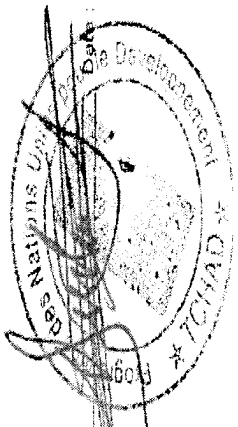
Page 1 of 1
Run Time: 09:02:30.12 08.0

Award Id : 00051004	APPU AU DETACHEMENT INTEGRE D	Period : Oct-Dec (2011)
Project # : 00977223	APPU AU DETACHEMENT INTEGRE D	Impl Partner : 00340 UNDP (Direct Execution)
		Location : Chad

	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
Fund : 30000 (Programme Cost Sharing)					
71405 - Service Contracts-Individuals	0.00	-234,220.04	0.00	0.00	-234,220.04
71620 - Daily Subsistence Allow-Local	0.00	29,395.20	0.00	0.00	29,395.20
72000 - Other Materials and Goods	0.00	4,813.00	0.00	0.00	4,813.00
72300 - Hospitality-Special Events	0.00	168.11	0.00	0.00	168.11
72310 - Acquis of Computer Software	0.00	60.98	0.00	0.00	60.98
72310 - Rent	0.00	15,041.62	0.00	0.00	15,041.62
74005 - Facilities & Maint-Other Office Eq	0.00	6,419.12	0.00	0.00	6,419.12
75105 - Facilities & Admin - Implement	0.00	-12,466.87	0.00	0.00	-12,466.87
76135 - Realized Gain	0.00	-3.50	0.00	0.00	-3.50
Total for Fund 30000	0.00	-190,874.38	0.00	0.00	-190,874.38
Fund : 30071 (Programme cost sharing - GOV1)					
71405 - Service Contracts-Individuals	0.00	330,295.43	0.00	0.00	330,295.43
71620 - Daily Subsistence Allow-Local	0.00	12,308.50	0.00	0.00	12,308.50
72000 - Other Materials and Goods	0.00	9,255.55	0.00	-9,254.51	-23.86
72220 - Furniture	0.00	32,781.55	0.00	623.54	23,605.49
72310 - Food & Textile Products	0.00	3,159.73	0.00	0.00	3,159.73
72425 - Acquisition of Combank Equip	0.00	4,475.40	0.00	0.00	4,475.40
72425 - Mobile Telephone Charges	0.00	15,590.99	0.00	0.00	15,590.99
72705 - Hospitality-Special Events	0.00	2,314.40	0.00	0.00	2,314.40
73105 - Rent	0.00	26,161.70	0.00	0.00	26,161.70
73410 - Maint, Oper of Transport Equip	0.00	1,055.75	0.00	0.00	1,055.75
74505 - Insurance	0.00	1,740.75	0.00	0.00	1,740.75
74525 - Sundry	0.00	-1,223.82	0.00	0.00	-1,223.82
75105 - Facilities & Admin - Implement	0.00	29,854.90	0.00	0.00	29,854.90
76125 - Realized Loss	0.00	311.69	0.00	0.00	311.69
76135 - Realized Gain	0.00	-29.91	0.00	0.00	-29.91
Total for Fund 30071	0.00	458,166.81	0.00	-8,470.67	449,696.14
Fund : 30079 (EUROPEAN COMMISSION)					
71405 - Service Contracts-Individuals	0.00	5,054,395.47	0.00	0.00	5,054,395.47
72220 - Furniture	0.00	987.51	0.00	0.00	987.51
72225 - Sale of Equip & Furniture	0.00	4,147.50	0.00	0.00	4,147.50
72705 - Hospitality-Special Events	0.00	2,764.81	0.00	0.00	2,764.81
75105 - Facilities & Admin - Implement	0.00	394,317.30	0.00	0.00	394,317.30
76125 - Realized Loss	0.00	0.02	0.00	0.00	0.02
Total for Fund 30079	0.00	5,415,993.01	0.00	0.00	5,415,993.01
Total for Project : 00077223	0.00	5,663,285.44	0.00	-8,470.67	5,674,814.77
Award Total	0.00	5,663,285.44	0.00	-8,470.67	5,674,814.77

Signed By :

Tim Woodward
11/3/2013
Tim Woodward
Partner



09/02/2012

**ANNEX II
STATEMENT OF ASSETS AT 31 DECEMBER 2011**

UNDP COUNTRY OFFICE XXXX PROJECT ASSETS PHYSICAL VERIFICATION AS OF 31 DECEMBER, 2011

BU	S/N	ES	PROFILE ID	TAG NUMBER	SERIAL ID	DESCRIPTION	LOCATION (physical)	CUSTODIAN NAME	ACQUISITION DATE	Quantity (should always be 1)	Acquisition Cost	Currency (Should Always be USD)	FUND CODE	Implementing Agency	Donor	PROJECT
	1				SKG030006P	ORDINATEUR PORTABLE	HQ DIS NDJ	DIS	03/17/11	1	490 000		30079	1981	280	77223
	2				SKG030006P	ORDINATEUR PORTABLE	HQ DIS NDJ	DIS	03/17/11	1	490 000		30079	1981	280	77223
	3				KCMRH0178048	APPAREIL PHOTO NUMERIQUE	HQ DIS NDJ	DIS	03/17/11	1	125 000		30079	1981	280	77223
	4				KCMRH0140803	APPAREIL PHOTO NUMERIQUE	HQ DIS NDJ	DIS	03/17/11	1	125 000		30079	1981	280	77223
	5				GUR2447	PHOTOCOPIEUR CANON	HQ CONSAHDIS	CONSAHDIS	11/05/11	1	750 000		30000	1981	253	77223
	6				GIUR32300	PHOTOCOPIEUR CANON	HQ CONSAHDIS	CONSAHDIS	03/28/11	1	940 000		30000	1981	253	77223
	7				CN40490W77	ECRAN ORDINATEUR	HQ CONSAHDIS	CONSAHDIS	03/31/11	1			30000	1981	253	77223
	8				CN40490W76	ECRAN ORDINATEUR	HQ CONSAHDIS	CONSAHDIS	03/31/11	1			30000	1981	253	77223
	9				4CED46023M	UNITE CENTRALE	HQ CONSAHDIS	CONSAHDIS	03/31/11	1	470 000		30000	1981	253	77223
	10				4CED46029Q	UNITE CENTRALE	HQ CONSAHDIS	CONSAHDIS	03/31/11	1	470 000		30000	1981	253	77223
	11				5CG05204WG	ORDINATEUR PORTABLE	HQ CONSAHDIS	CONSAHDIS	03/31/11	1	550 000		30000	1981	253	77223
	12				HEAVY MACHINERY	GENERATEUR	DIS MARO	DIS	04/21/11	1	650 000		30000	1981	253	77223
	13				HEAVY MACHINERY	GENERATEUR	DIS GORE	DIS	04/21/11	1	650 000		30000	1981	253	77223
	14				KIPPOR	GENERATEUR	DIS GORE	DIS	04/21/11	1	730 000		30079	1981	280	77223
	15				5067737	PROJECTEUR + ECRAN VIDEO	HQ DIS NDJ	DIS	11/05/11	1	730 000		30079	1981	280	77223
	16				5066705	PROJECTEUR + ECRAN VIDEO	HQ DIS NDJ	DIS	11/05/11	1	730 000		30079	1981	280	77223
	18				JTEBY25J400057198	4X4 TOYOTA PRADO KZJ120C-GKMG1	HQ CONSAHDIS	CONSAHDIS	11/06/11	1			30000	1981	253	77223
	19				JTEBY25J400057170	4X4 TOYOTA PRADO KZJ120C-GKMG1	HQ CONSAHDIS	CONSAHDIS	11/06/11	1			30000	1981	253	77223
	20				JTEBY25J500057157	4X4 TOYOTA PRADO KZJ120C-GKMG1	PNUDI/PROJET	PROJET	11/06/11	1			30000	1981	253	77223
	21				JTEBY25J700057239	4X4 TOYOTA PRADO KZJ120C-GKMG1	PNUDI/PROJET	PROJET	11/06/11	1			30000	1981	253	77223
	22				JTEBY25J700057144	4X4 TOYOTA PRADO KZJ120C-GKMG1	HQ CONSAHDIS	CONSAHDIS	11/06/11	1			30000	1981	253	77223
	23				JTEBY25J400057201	4X4 TOYOTA PRADO KZJ120C-GKMG1	HQ CONSAHDIS	CONSAHDIS	11/06/11	1			30000	1981	253	77223
	24				JTEBY25J300047142	4X4 TOYOTA PRADO KZJ120C-GKMG1	HQ CONSAHDIS	CONSAHDIS	11/06/11	1			30000	1981	253	77223
	30				VNC4W28679	IMPRIMENTE HP	PNUDI/PROJET	PROJET	03/03/11	1	125 000		30000	1981	11363	77223
	31				9A283074Q	ORDINATEUR PORTABLE	PNUDI/PROJET	PROJET	03/03/11	1	450 000		30000	1981	11363	77223
	32				5CG05204W6	ORDINATEUR PORTABLE	HQ CONSAHDIS	CONSAHDIS	11/05/11	1	450 000		30000	1981	253	77223
	33				5TB311PNQ	ORDINATEUR PORTABLE	HQ CONSAHDIS	CONSAHDIS	11/05/11	1	450 000		30000	1981	253	77223
	34				VNC4W07705	IMPRIMENTE HP	PNUDI/PROJET	PROJET	03/03/11	1	125 000		30000	1981	11363	77223
	37				FURNITURE	DESK	PNUDI/PROJET	PROJET	03/14/11	1	125 000		30000	1981	11363	77223

Example
 Profile Type
 Information and telecom ICT
 Vehicles
 Furniture and fittings
 Heavy Machinery
 Lamps
 Substans

laptop DELL xxx
 Toyota
 Desk
 Generator
 if any
 if any

Yahya Woodward
 Admin Finance Officer
 YAHYA WOUWARD

1/3/13

Tim Woodward
 Partner

Prepared par: Yamani all
 Logistique Programme conjoint d'appui au DIS

Yamani