



**AUDIT**

**OF**

**UNDP HAITI**

**GESTION DEBRIS LEOGANE/PALMES**  
**(Directly Implemented Project No. 75720)**

**Report No. 1102**  
**Issue Date: 20 May 2013**

**Report on the audit of UNDP Haiti  
Gestion Débris Leogane/Palmes (Project No. 75720)  
Executive Summary**

From 11 February to 15 March 2013, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through Experts Conseils et Associés (the audit firm), conducted an audit of Gestion Débris Leogane/Palmes, Project No. 75720 (the Project), which is directly implemented and managed by the UNDP Country Office in Haiti (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 2011.

The Project reported expenditure totalling \$3.65 million during the period from 1 January to 31 December 2011. The following donors contributed to the project: Finland, Canada and Kuwait.

**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<br>(in \$ '000) | Opinion     | Amount<br>(in \$ '000) | Opinion     | Amount<br>(in \$ '000) | Opinion         |
| 3,650                  | Unqualified | 70                     | Unqualified | -                      | Not Applicable* |

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

**Key issues and recommendations**

The audit did not raise any reportable issues.



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

**UNITED NATIONS DEVELOPMENT PROGRAM  
(UNDP)**

**AUDIT OF THE FINANCIAL STATEMENTS**

**PROJECT "DÉBRIS LÉOGÂNE" NO. PID75720**

**For the period of 1 January to 31 December 2011**

**UNITED NATIONS DEVELOPMENT PROGRAM  
(UNDP)**

**AUDIT OF THE FINANCIAL STATEMENTS**

**PROJECT “DÉBRIS LÉOGÂNE” NO. PID75720**

**For the period of 1 January to 31 December 2011**

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## REPORT OF INDEPENDENT AUDITORS

Office of Audit and Investigations  
(OAI)  
United Nations Development Program  
(UNDP)

The Project “Débris Léogâne” No. PID75720 is implemented by UNDP under the Directly Implemented (DIM) modality. The audits of DIM projects are intended to provide assurance to UNDP senior management and donors, that resources are being used effectively and efficiently for the purposes intended and in accordance with UNDP policies and procedures.

The audit of DIM projects is under the mandate of UNDP’s Office of Audit and Investigation (OAI) that either directly conducts or contracts out the audit of DIM projects.

In fulfillment of the institutional contract No. PROC 2013-005 signed on 19 February 2013 between UNDP and Experts Conseils et Associés, in order to issue an opinion of the financial statements of the Project “Débris Léogâne” No. PID75720, we have prepared this report that contains the results of the audit, which included the comprehensive assessment of the implementation and the control of resources provided by Canada, Kuwait, and Finland.

The audit allows us to: express our opinion on the reasonableness of figures expressed in the Combined Delivery Report (CDR), Statement of Assets and Equipment and Statement of Cash Position, as well as provide an assessment of the processes of procurement and of the effectiveness of the Internal Control System of the project for the period of 1 January to 31 December 2011.

An audit report on the statement of cash flow is not required as part of the audit, because a separate bank account was not used for the management of the funds related to the «Débris Léogâne» Project No. PID75720. All disbursements were made directly by UNDP.

## GENERAL INFORMATION

The Debris Management project No. PID75720 was launched in October 2010 following the 12 January earthquake in order to clear-up the rubble from the town of Léogâne and the surrounding areas. Through the promotion of income generating activities, the project also aimed to improve living conditions in area and ensure community participation in the reconstruction process.

The project seeks to achieve the following results:

- . Clear rubble from the area of Léogâne in order to facilitate the return of displaced people living in camps;
- . Remove 250,000m<sup>3</sup> of rubble;
- . Encourage rubble recycling;
- . Support management of the « Ca Ira » dump site;
- . Strengthen the capacities of the Municipality of Léogâne;
- . Create employment through cash for production mechanism;
- . Re-build 6 schools that were destroyed by the earthquake.

The total budget for the project (started in October 2010 and scheduled to end in 30 June 2014) was \$ 9.6 million.

Expenditures incurred during the period of 1 January to 31 December 2011 under the Project were \$ 3,650,487 as indicated in the CDR.

The fixed assets acquisitions related to the « Débris Léogâne » No. PID75720 totaled an amount of \$ 69,806 as of 31 December 2011.

## EXECUTIVE SUMMARY

The executive summary as indicated below is to briefly discuss the objectives of the audit, its scope and restrictions, our opinion on the financial statements and a brief synopsis of the findings and internal control deficiencies, if any, identified, during the engagement.

### a) Objectives of the audit

The objective of this audit is to express an opinion on whether:

- a) The Combined Delivery Report (CDR) presents fairly the expenditure incurred by Project "Débris Léogâne" No. PID75720, for the period of 1 January to 31 December 2011, in accordance with UNDP accounting policies and that expenditures incurred were:
  - . in conformity with the approved project budgets;
  - . for the approved purposes of the project;

- . in compliance with the relevant regulations and rules, policies and procedures of UNDP; and
  - . supported by properly approved vouchers and other supporting documents.
- b) The Statement of Assets and Equipments presents fairly the balance of inventory of the Project “Débris Léogâne” No. PID75720, as at 31 December 2011.

**b) Scope of the Audit**

The audit was conducted in accordance with the International Standards of Auditing (ISAs) and in compliance with regulations, rules, policies and procedures of UNDP. The scope of the audit aimed to obtain an objective assessment of the use of funds of the project to provide an audit opinion.

The audit included a review of the following aspects:

- . All the activities of the Project “Débris Léogâne” No. PID75720 performed during the period of 1 January to 31 December 2011;
- . All the reports and registers of the Project “Débris Léogâne” No. PID75720;
- . Expenses incurred and recorded in the Combined Delivery Report (CDR) of the Project “Débris Léogâne” No. PID75720 during the period of 1 January to 31 December 2011;
- . The existence and value of the assets and equipment of the Project “Débris Léogâne” No. PID75720 as at 31 December 2011;

**c) Audit Result**

The following are the result of the comprehensive audit which allows us to express an opinion on the reasonableness of the amounts expressed in Combined Delivery Report (CDR), the Statement of Assets and Equipment and the Statements of Cash Position, as well as to provide an assessment of the processes of procurement and of the effectiveness of the Internal Control System of the Project “Débris Léogâne” No. PID75720 for the period of 1 January to 31 December 2011.

Our audit was carried out in accordance with the International Standards of Auditing (ISAs) and in compliance with regulations, rules, policies and procedures of UNDP. An audit includes the examination, based on tests, of the evidence on the amounts and disclosures made in the financial statements. It also includes the evaluation of the accounting principles used as well as the most relevant estimates made by management. We believe that our audit provides a reasonable basis for expressing our opinion.

As a result of the audit of Project “Débris Léogâne” No. PID75720 we certify that:

**Combined Delivery Report (CDR)**

In our opinion, the Combined Delivery Report (CDR) presents fairly an unqualified opinion, in all material respects the expenditures of \$ 3,650,487 incurred by the project and audited by us for the period of 1 January to 31 December 2011, in accordance with UNDP accounting requirements.

**Statement of Assets and Equipments**

In our opinion, the Statement of Assets and Equipments presents fairly an unqualified opinion, in all material respects the inventory balance of the project amounting to \$ 69,806 as at 31 December 2011, in accordance with UNDP accounting requirements.

**Assessment of Internal Control**

In planning and performing our audit of the statement of expenditures presented in the Combined Delivery Report for the period of 1 January to 31 December 2011 and the statement of assets as of 31 December 2011 we considered UNDP’s internal control over the management of the Project « Débris Léogâne » No. PID75720, in conformity with the standards established by the International Auditing Standards. Our examination and evaluation was performed in order to assess risks and to determine the auditing procedures for the purpose of expressing an opinion on the statement of expenditures presented in the Combined Delivery Report for the period of 1 January to 31 December 2011 and the statement of assets as of 31 December 2011 and not to express an opinion on the internal control.

We did not identify any deficiencies in UNDP’s internal control that, in our judgment, could adversely affect UNDP's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.



**UNITED NATIONS DEVELOPMENT PROGRAM  
(UNDP)**

**AUDIT OF THE FINANCIAL STATEMENTS**

**PROJECT “DÉBRIS LÉOGÂNE” NO. PID75720**

**For the period of 1 January to 31 December 2011**

**INDEPENDENT AUDITOR’S REPORT ON COMBINED DELIVERY REPORT (CDR)**

Office of Audit and Investigations  
(OAI)  
United Nations Development Program  
(UNDP)

We have audited the Combined Delivery Report (CDR) for the period of 1 January to 31 December 2011 of the Project “Débris Léogâne” No. PID75720 implemented and managed by United Nations Development Program (UNDP).

**Management’s Responsibility for the Combined Delivery Report (CDR)**

The Management of United Nations Development Program (UNDP) is responsible for the preparation and fair presentation of the Combined Delivery Report (CDR), in accordance with UNDP rules and all internal controls deemed necessary by the direction for the preparation of the Combined Delivery Report (CDR), which do not contain any material misstatement, whether due to fraud or error.

## **Auditors' Responsibilities**

Our responsibility is to express an opinion on the Combined Delivery Report (CDR) attached to this report based on our audit. We conducted our audit in accordance with International Standards on Auditing and in accordance with regulations, rules, policies and procedures of the United Nations Development Program (UNDP). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Combined Delivery Report (CDR) is free from material misstatement.

An audit involves performing procedures to obtain audit evidence supporting the amounts and other information presented in the Combined Delivery Report (CDR). The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the Combined Delivery Report (CDR), whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Combined Delivery Report (CDR) 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 UNDP'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 overall presentation of the Combined Delivery Report (CDR).

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

As described in note 2, the Combined Delivery Report (CDR), has been prepared based on the modified cash basis of accounting which is different from IFRS (International Standards Presentation of Financial Information). The modified cash basis of accounting recognizes transactions and operations only when the funds (and/or equivalent funds) have been received or paid by the entity, and not when they give rise, increase or create any rights or obligations when no movement of funds has occurred. However, provisions are taken under signed contracts for which services are in progress.

## **Opinion**

In our opinion, the Combined Delivery Report (CDR) of an amount of \$ 3,650,487, presents fairly, in all material respects, the expenditures incurred, for the period of 1 January 2011 to 31 December 2011 in accordance with UNDP accounting requirements.

*Experts Conseils et Associés*  
Experts Conseils et Associés  
15 March 2013



Combined Delivery Report By Project

UN Development Programme
Report ID: ungl143p

Page 1 of 4
Run Time: 25-04-2013 16:04:42

Selection Criteria :

Business Unit : HT110
Period : Jan-Dec (2011)
Selected Award Id : 00060216
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Projects : 00075720

Table with 6 columns: Award Id, Project #, Period, Impl. Partner, Location, and Jan-Dec (2011). Row 1: 00060216 Earthquake Debris Management i, 00075720 Gestion Débris Leogane/Palmes, Jan-Dec (2011), 99999 UNDP, Haiti.

Main data table with 6 columns: Dept, Fund, Description, Govt Disb, UNDP Disb, UN Agencies, Encumbrance, Total Exp. Includes sub-totals for Dept 50801 and Fund 04000/26980.

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Combined Delivery Report By Project

|   |                                   |
|---|-----------------------------------|
| <b>Award Id :</b> 00060216 Earthquake Debris Management i | <b>Period :</b> Jan-Dec (2011)    |
| <b>Project # :</b> 00075720 Gestion Débris Leogane/Palmes | <b>Impl. Partner :</b> 99999 UNDP |
|   | <b>Location :</b> Haiti           |

|  | Govt Disb   | UNDP Disb           | UN Agencies | Encumbrance       | Total Exp           |
|--|-------------|---------------------|-------------|-------------------|---------------------|
| 73405 - Rental & Maint-Other Office Eq | 0.00        | 5,337.21            | 0.00        | 0.00              | 5,337.21            |
| 73410 - Maint, Oper of Transport Equip | 0.00        | 1,401.21            | 0.00        | 0.00              | 1,401.21            |
| 73440 - Lease Heavy equip/other equip  | 0.00        | 297,234.00          | 0.00        | 866,070.00        | 1,163,304.00        |
| 74210 - Printing and Publications      | 0.00        | 2,183.21            | 0.00        | 0.00              | 2,183.21            |
| 74525 - Sundry                         | 0.00        | 497.53              | 0.00        | 0.00              | 497.53              |
| 74599 - UNDP cost recovery chrgs-Bills | 0.00        | 4,039.14            | 0.00        | 0.00              | 4,039.14            |
| 74605 - Prepaid Project Expenses       | 0.00        | 501.61              | 0.00        | 0.00              | 501.61              |
| 76125 - Realized Loss                  | 0.00        | 5.86                | 0.00        | 0.00              | 5.86                |
| 76135 - Realized Gain                  | 0.00        | -827.82             | 0.00        | 0.00              | -827.82             |
| <b>Total for Fund 26980</b>            | <b>0.00</b> | <b>1,706,518.84</b> | <b>0.00</b> | <b>831,579.28</b> | <b>2,538,098.12</b> |

Fund : 30000 (Programme Cost Sharing)

|  |             |                   |             |                  |                   |
|--|-------------|-------------------|-------------|------------------|-------------------|
| 61305 - Salaries - IP Staff            | 0.00        | 11,467.81         | 0.00        | 0.00             | 11,467.81         |
| 61310 - Post Adjustment - IP Staff     | 0.00        | 5,940.33          | 0.00        | 0.00             | 5,940.33          |
| 62310 - Contrib to Jt Staff Pens Fd-IP | 0.00        | 3,809.37          | 0.00        | 0.00             | 3,809.37          |
| 62315 - Contrib. to medical, social in | 0.00        | 39.90             | 0.00        | 0.00             | 39.90             |
| 62320 - Mobility, Hardship, Non-remova | 0.00        | 2,764.14          | 0.00        | 0.00             | 2,764.14          |
| 63365 - Special Oper Living Allow-IP   | 0.00        | -12,725.33        | 0.00        | 0.00             | -12,725.33        |
| 63530 - Contribution to EOS Benefits   | 0.00        | 435.20            | 0.00        | 0.00             | 435.20            |
| 63535 - Contribution to Security       | 0.00        | 696.33            | 0.00        | 0.00             | 696.33            |
| 63540 - Contribution to Training       | 0.00        | 435.20            | 0.00        | 0.00             | 435.20            |
| 64305 - Appointments - IP Staff        | 0.00        | -11,531.56        | 0.00        | 0.00             | -11,531.56        |
| 64306 - Appointment-Ticket Costs       | 0.00        | 4,751.56          | 0.00        | 0.00             | 4,751.56          |
| 64307 - Appointment-Subsistence Allow  | 0.00        | 0.00              | 0.00        | 0.00             | 0.00              |
| 64308 - Appointments-Lump Sum          | 0.00        | -7,705.50         | 0.00        | 0.00             | -7,705.50         |
| 64309 - Appointment-Shipments          | 0.00        | -10,000.00        | 0.00        | 0.00             | -10,000.00        |
| 65115 - Contributions to ASHI Reserve  | 0.00        | 870.40            | 0.00        | 0.00             | 870.40            |
| 65135 - Payroll Mgt Cost Recovery ATLA | 0.00        | 110.66            | 0.00        | 0.00             | 110.66            |
| 71210 - Intl Consultants-Sht Term-Supp | 0.00        | 7,075.00          | 0.00        | 0.00             | 7,075.00          |
| 71305 - Local Consult.-Sht Term-Tech   | 0.00        | 452.39            | 0.00        | 0.00             | 452.39            |
| 71310 - Local Consult.-Short Term-Supp | 0.00        | 3,785.92          | 0.00        | 0.00             | 3,785.92          |
| 71405 - Service Contracts-Individuals  | 0.00        | 49,723.27         | 0.00        | 0.00             | 49,723.27         |
| 71605 - Travel Tickets-International   | 0.00        | -416.75           | 0.00        | 0.00             | -416.75           |
| 71620 - Daily Subsistence Allow-Local  | 0.00        | 1,018.89          | 0.00        | 0.00             | 1,018.89          |
| 72105 - Svc Co-Construction & Engineer | 0.00        | 456,905.52        | 0.00        | 0.00             | 456,905.52        |
| 72120 - Svc Co-Trade and Business Serv | 0.00        | 91,582.40         | 0.00        | 0.00             | 91,582.40         |
| 72215 - Transporation Equipment        | 0.00        | 0.00              | 0.00        | 77,000.00        | 77,000.00         |
| 72225 - Sale of Equip & Furniture      | 0.00        | 404.76            | 0.00        | 0.00             | 404.76            |
| 72405 - Acquisition of Communic Equip  | 0.00        | 333.91            | 0.00        | 0.00             | 333.91            |
| 73410 - Maint, Oper of Transport Equip | 0.00        | 163.08            | 0.00        | 0.00             | 163.08            |
| 73440 - Lease Heavy equip/other equip  | 0.00        | 135,780.00        | 0.00        | 0.00             | 135,780.00        |
| 74210 - Printing and Publications      | 0.00        | 4,653.13          | 0.00        | 0.00             | 4,653.13          |
| 74220 - Translation Costs              | 0.00        | 116.80            | 0.00        | 0.00             | 116.80            |
| 74525 - Sundry                         | 0.00        | -66.52            | 0.00        | 0.00             | -66.52            |
| 74599 - UNDP cost recovery chrgs-Bills | 0.00        | 1,885.56          | 0.00        | 0.00             | 1,885.56          |
| 75105 - Facilities & Admin - Implement | 0.00        | 29,287.80         | 0.00        | 0.00             | 29,287.80         |
| 75705 - Learning costs                 | 0.00        | 80.49             | 0.00        | 0.00             | 80.49             |
| <b>Total for Fund 30000</b>            | <b>0.00</b> | <b>772,124.16</b> | <b>0.00</b> | <b>77,000.00</b> | <b>849,124.16</b> |

**Total for Dept : 50803**      **0.00**      **2,478,582.04**      **0.00**      **908,579.28**      **3,387,161.32**

Dept: 50808 (Haiti - Poverty Reduction)

Fund : 04000 (TRAC (Lines 1.1.1 and 1.1.2))

|  |      |       |      |      |       |
|--|------|-------|------|------|-------|
| 71310 - Local Consult.-Short Term-Supp | 0.00 | 0.00  | 0.00 | 0.00 | 0.00  |
| 74599 - UNDP cost recovery chrgs-Bills | 0.00 | 60.96 | 0.00 | 0.00 | 60.96 |



|  |                 |                     |             |             |                     |
|--|-----------------|---------------------|-------------|-------------|---------------------|
| Award Id : 00060216 Earthquake Debris Management i | Period :        | Jan-Dec (2011)      |             |             |                     |
| Project # : 00075720 Gestion Débris Leogane/Palmes | Impl. Partner : | 99999 UNDP          |             |             |                     |
|  | Location :      | Haiti               |             |             |                     |
|  | Govt Disb       | UNDP Disb           | UN Agencies | Encumbrance | Total Exp           |
| Total for Fund 04000                               | 0.00            | 60.96               | 0.00        | 0.00        | 60.96               |
| Total for Dept : 50808                             | 0.00            | 60.96               | 0.00        | 0.00        | 60.96               |
| Total for Project : 00075720                       | 0.00            | 2,741,907.53        | 0.00        | 0.00        | 3,650,486.81        |
| <b>Award Total :</b>                               | <b>0.00</b>     | <b>2,741,907.53</b> | <b>0.00</b> | <b>0.00</b> | <b>3,650,486.81</b> |



*Metairie* Experts Conseils Associés  
*[Signature]*

07 may 2013 *SS*

Signed By : \_\_\_\_\_ Date : 25/04/13

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Combined Delivery Report By Project

UN  
DP UN Development Programme  
Report ID: ungl143p

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Run Time: 25-04-2013 16:04:45

Selection Criteria :

Business Unit : HTI10  
Period : Jan-Dec (2011)  
Selected Award Id : 00060216  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Projects : 00075720

|                     |                                |                 |                |             |             |           |
|---------------------|--------------------------------|-----------------|----------------|-------------|-------------|-----------|
| Award Id : 00060216 | Earthquake Debris Management i | Period :        | Jan-Dec (2011) |             |             |           |
| Project # :         | Gestion Débris Leogane/Palmes  | Impl. Partner : | None           |             |             |           |
|                     |                                | Location :      | Haiti          |             |             |           |
|                     |                                | Govt Disb       | UNDP Disb      | UN Agencies | Encumbrance | Total Exp |

|                                     |      |              |      |            |              |
|-------------------------------------|------|--------------|------|------------|--------------|
| 50801 - Haiti - Central             | 0.00 | 263,264.53   | 0.00 | 0.00       | 263,264.53   |
| 50803 - Haiti - Crisis Prev & Rcvry | 0.00 | 2,478,582.04 | 0.00 | 908,579.28 | 3,387,161.32 |
| 50808 - Haiti - Poverty Reduction   | 0.00 | 60.96        | 0.00 | 0.00       | 60.96        |

**UNITED NATIONS DEVELOPMENT PROGRAM  
(UNDP)**

**AUDIT OF THE FINANCIAL STATEMENTS**

**PROJECT “DÉBRIS LÉOGÂNE” NO. PID75720**

**For the period of 1 January to 31 December 2011**

**INDEPENDENT AUDITOR’S REPORT ON STATEMENT OF ASSETS AND EQUIPMENTS**

Office of Audit and Investigations  
(OAI)  
United Nations Development Program  
(UNDP)

We have audited the Statement of Assets and Equipments as of 31 December 2011 for the period of 1 January to 31 December 2011 of the Project “Débris Léogâne” No. PID75720 implemented and managed by United Nations Development Program (UNDP).

**Management’s Responsibility for the Statement of Assets and Equipments**

The Management of United Nations Development Program (UNDP) is responsible for the preparation and fair presentation of the Statement of Assets of Equipments, in accordance with UNDP rules and all internal controls deemed necessary by the direction for the preparation of Statement of Assets and Equipments, which do not contain any material misstatement, whether due to fraud or error.

## **Auditors' Responsibilities**

Our responsibility is to express an opinion on the Statement of Assets and Equipments attached to this report based on our audit. We conducted our audit in accordance with International Standards on Auditing and the specific requirements of the United Nations Development Program (UNDP). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement of Assets and Equipments is free from material misstatement.

An audit involves performing procedures to obtain audit evidence supporting the amounts and other information presented in the Statement of Assets and Equipments. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement of Assets and Equipments, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statement of Assets and Equipments 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 UNDP'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 overall presentation of the Statement of Assets and Equipments.

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

## **Opinion**

In our opinion, the Statement of Assets and Equipments presents fairly, in all material respects the inventory balance of the project amounting to \$ 69,806 as at 31 December 2011, in accordance with UNDP accounting requirements.

*Experts Conseils et Associés*  
Experts Conseils et Associés  
15 March 2013



|                        |                                     |
|------------------------|-------------------------------------|
| DATE OF PHYSICAL COUNT | 16 Janvier 2012                     |
| PROJECT DESCRIPTION    | Gestion de debris Leogane #00075720 |
| COUNTRY OFFICE         | Port au-Prince/Leogane              |

| PROFILE ID<br>(electricals,<br>vehicles etc) | CATEGORY | LIFE | TAG_<br>NUMBE<br>R | SERIAL_ID         | DESCRIPTION                    | LOCATION<br>(physical) | CUSTODIAN<br>NAME | ACQUISITION<br>DATE | Quantity<br>(should<br>always be 1) | Acquisition<br>Cost | Currency<br>(Should<br>Always be<br>USD) | FUND<br>CODE | Implementin<br>g Agent | Donor | PROJECT<br>ID | DEPTID<br>(expenditure) | Activity |
|--|----------|------|--------------------|-------------------|--------------------------------|------------------------|-------------------|---------------------|-------------------------------------|---------------------|--|--------------|------------------------|-------|---------------|-------------------------|----------|
| VEHICLE                                      |          | 2    | 1153               | JTEEB71J707009927 | Toyota LandCruiser /6 cylinder | P-A-P                  | GEORGE            | '2010               | 1                                   | 34903.14            |  | 26980        | 001981                 | 00110 | 00075720      |                         | 2        |
| VEHICLE                                      |          | 2    | PNUD-02            | JTEEb71J707009779 | Toyota LandCruiser /6 cylinder | Leogane                | Fortilus          | '2010               | 1                                   | 34903.14286         |  | 26980        | 001981                 | 00110 | 00075720      |                         | 2        |

2

- Vehicles Toyota
- Furniture and Fixings Desk
- Land if any
- Heavy Machinery Generator
- Building if any

Physical Verification by (Project Staff selected for Inventory Check)  
 Submitted by (Project Manager)  
 Prepared by (Asset Focal Point)  
 Cleared by (Team Leader)

*[Handwritten signatures]*  
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*Vics Berlem  
Henry Moreau*

**Marc-André Franche**  
 Deputy Country Director (P)  
 UNDP-Haiti



*Expert Conseil Associés*

# UNITED NATIONS DEVELOPMENT PROGRAM (UNDP)

## NOTES TO THE AUDIT OF THE COMBINED DELIVERY REPORT (CDR) AND STATEMENT OF ASSETS AND EQUIPMENTS PROJECT "DÉBRIS LÉOGÂNE" NO. PID75720

For the period of 1 January to 31 December 2011

### 1. Background

The Debris Management project No. PID75720 was launched in October 2010 following the 12<sup>th</sup> January earthquake in order to clear-up the rubble from the town of Léogâne and the surrounding areas. Through the promotion of income generating activities, the project also aimed to improve living conditions in area and ensure community participation in the reconstruction process.

The project seeks to achieve the following results:

- . Clear rubble from the area of Léogâne in order to facilitate the return of displaced people living in camps;
- . Remove 250,000m<sup>3</sup> of rubble;
- . Encourage rubble recycling;
- . Support management of the « Ca Ira » dump site;
- . Strengthen the capacities of the Municipality of Léogâne;
- . Create employment through cash for production mechanism;
- . Re-build 6 schools that were destroyed by the earthquake.

The total budget for this two year project (started in October 2010 and scheduled to end in June 2014) was \$ 9.6 million.

The expenditures incurred during the period of 1 January to 31 December 2011 under the Project were \$ 3,650,487 as indicated in the CDR.

Fixed assets acquisitions related to the « Débris Léogâne » No. PID75720 Project totaled an amount of \$ 69,806 as of 31 December 2011.

### 2. Summary of Accounting Policies

The Statement of Combined Delivery Report (CDR) is prepared on the modified cash basis of accounting as required by UNDP which is different from IFRS (International Standards Presentation of Financial Information). Consequently, expenditures are recognized when paid rather than when incurred.

The Combined Delivery Report (CDR) is maintained in US Dollars of the United States of America.

**3. Cash**

The Project "Débris Léogâne" has no bank account or petty cash. All disbursements were made directly by UNDP.

**4. Finance**

The Project "Débris Léogâne" is funded by UNDP and various donors: Canada, Kuwait and Finland. Funds received are subject to restrictions and may be used only for project activities.

**5. Assets and Equipments**

During the period from 1 January to 31 December 2011 no Fixed Assets and Equipments were purchased. The value of Fixed Assets and Equipments acquired under the Project as of 31 December 2011, amounted to \$ 69,806.

**6. Contractual Commitments**

As of 31 December 2011, the encumbrances balance of the Project "Débris Léogâne" is \$ 908,579, of which \$ 866,070 represents a signed contract with a provider for debris removal services, which has not been executed.

**UNITED NATIONS DEVELOPMENT PROGRAM  
(UNDP)**

**AUDIT OF THE FINANCIAL STATEMENTS**

**PROJECT "DÉBRIS LÉOGÂNE" NO. PID75720**

**For the period of 1 January to 31 December 2011**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL**

Office of Audit and Investigations  
(OAI)  
United Nations Development Program  
(UNDP)

We have audited the Statement of Combined Delivery Report (CDR) and the Statement of Assets and Equipments for the period from 1 January to 31 December 2011, of the Project "Débris Léogâne" No. PID75720 implemented and managed by the United Nations Development Program (UNDP).

We have issued our report on those financial statements 15 March 2013. This report complements our opinion on the financial statements to which we refer.

The management of UNDP is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition; transactions are executed in accordance with management's authorization and in accordance with the terms of the agreement; and that transactions are recorded properly to permit the preparation of the Statement of Combined Delivery Report (CDR) and the Statement of Assets and Equipments in accordance with the comprehensive modified cash basis of accounting. Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the Combined Delivery Report (CDR) for the period of 1 January to 31 December 2011 and the Statement of Assets and Equipments as of 31 December 2011, we considered UNDP's internal control over the management of the Project « Débris Léogâne » No. PID75720, in conformity with the standards established by the International Auditing Standards. Our examination and evaluation was performed in order to assess risks and to determine the auditing procedures for the purpose of expressing an opinion on the Combined Delivery Report (CDR) for the period of 1 January to 31 December 2011 and Statement of Assets and Equipments as of 31 December 2011 and not to express an opinion on the internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that is a reasonable possibility that a material misstatement of the UNDP's Combined Delivery Report (CDR) and the Statement of Assets and Equipments will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies, or material weaknesses.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

*Expert Conseils et Appris*  
Chartered Accountants  
March 15, 2013