



AUDIT

OF

UNDP BUREAU FOR DEVELOPMENT POLICY

**GENDER-RESPONSIVE CLIMATE CHANGE POLICIES, STRATEGIES AND PROGRAMMES
PROJECT**

(Directly Implemented Project No. 60536)

Report No. 1179
Issue Date: 10 July 2013

Report on the audit of Gender-Responsive Climate Change Policies, Strategies and Programmes Project (Project No. 60536) Executive Summary

From 7 to 25 January 2013, 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 the project on Gender-Responsive Climate Change Policies, Strategies and Programmes, Project No. 60536. Two other projects (Project Nos. 60534 and 60529) were also audited and the related audit reports had been separately communicated to the respective implementing partner on 25 April 2013. Though these three projects are managed by the Bureau for Development Policy, only one (Project No. 60536) is implemented by the Bureau, while the other two projects (Project No. 60534 and 60529) are directly implemented by the Women's Environment and Development Organization and the International Union for Conservation of Nature, respectively. The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

The three projects reported expenditure totalling \$3.7 million during the period from 1 October 2010 to 30 June 2012. The Projects were funded by Finland and Denmark.

Audit scope and objectives

The audit of Project No. 60536 focused on financial transactions as well as internal controls and systems for the purpose of expressing an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations. The audit also aimed to assess compliance with UNDP regulations, rules, policies and procedures and donor agreements. The audit covered the Project's Statement of Expenditure (Combined Delivery Report) for the period from 1 October 2010 to 30 June 2012. It also reviewed the relevant systems, procedures and practices in place as they relate to the project, in the areas of: organization and staffing, project management, human resources management, financial and cash management, procurement, asset management, information systems and general administration.

In addition, the audit also included a review of the programme governance for the three projects and examined the relevant systems, procedures and practices in place in the Bureau for Development Policy. The review included:

1. An assessment of the Programme Board's:
 - a. Composition
 - b. Terms of reference
 - c. Work plans
 - d. Decision-making process
 - e. Frequency of meetings
 - f. Level of guidance provided to the three projects
2. An assessment of the programme management's:
 - a. Consistency of objectives against the objectives spelled out in the donor agreements
 - b. Translation of the programme objectives at the project level
 - c. Approval and revision of project work plans
 - d. Timely disbursement of funds to the three projects
 - e. Monitoring and evaluation process
 - f. Reliability and timeliness of reporting to donors

Audit rating

A. Audit of Project No. 60536

Based on the audit report and corresponding management letter submitted by the audit firm, OAI assessed the management of the project as **satisfactory**, which means “Internal controls, governance and risk management processes as applicable to the project’s financial statements were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity.” The details of the audit results are presented in Figures 1 and 2.

Figure 1: Summary results of the financial audit

Project Expenditure		Project Assets		Cash	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
1,045*	Unqualified	-	Not applicable**	-	Not applicable***

*Expenditure relates to Project 60536 only

**No assets in the audit period

***No separate bank account was held for the Project

Figure 2: Internal controls and systems audit ratings summary

Audit Areas	Not Assessed/ Not Applicable	Unsatisfactory	Partially Satisfactory	Satisfactory
1. Organization and staffing				
2. Programme and project management				
3. Human resources				
4. Finance				
5. Procurement				
6. Asset management				
7. Cash management				
8. Information systems				
9. General administration				

B. Governance review of the three projects

Based on the audit report and corresponding management letter submitted by the audit firm, OAI assessed the governance of the three projects as **partially satisfactory**, which means “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.” This rating was mainly due to weaknesses in the Board’s composition and inadequacies in the Project Cooperation Agreement. The details of the audit results are presented in Figures 3 and 4.

Figure 3: Internal controls and systems audit ratings summary - Programme Board

Audit Areas	Not Assessed/ Not Applicable	Unsatisfactory	Partially Satisfactory	Satisfactory
1. Composition				
2. Terms of reference				
3. Work plans				
4. Decision-making process				
5. Frequency of meetings				
6. Level of guidance provided to the three projects				

Figure 4: Internal controls and systems audit ratings summary - Programme management

Audit Areas	Not Assessed/ Not Applicable	Unsatisfactory	Partially Satisfactory	Satisfactory
1. Consistency of objectives against the objectives spelled out in the donor agreements				
2. Translation of the Programme objectives at the project level				
3. Approval and revision of project work plans				
4. Timely disbursement of funds to the three Projects				
5. Monitoring and evaluation process				
6. Reliability and timeliness of reporting to donors				

Key issues and recommendations

The review of the programme governance of the three projects raised five issues and resulted in five recommendations, of which two (40 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.”

Programme Board:
Composition

Lack of independence of Board members. One of the programme partners was represented in the Board meetings by their Senior Gender Advisor and the Project Manager, neither of whom were independent of the Project’s implementation. OAI recommends that the Board make arrangements to ensure that the members representing each partner at each Board meeting comprise of a project staff member and an independent party.

Programme Board: Level
of guidance provided to
projects

Inadequacy of the guidance provided to the projects. The agreement does not contain clear guidelines regarding the policies and procedures to be used by the partners when reporting project expenditure. OAI recommends that the Project Documents and the Project Cooperation Agreements make explicit, to the fullest extent possible, the necessary requirements for reporting project expenditure. Where necessary, additional guidance should be sought from UNDP or the donors, and decisions reached should be formalized in writing and incorporated into the contracts.

Management's comments

The Officer-in-Charge, Gender and Women's Empowerment of the Bureau for Development Policy, accepted all recommendations and is in the process of implementing them or following up with partners for their implementation.



Helge S. Osttveiten
Director
Office of Audit and Investigations

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

24 April 2013

**FINANCIAL AUDIT OF THE PROJECT
'GENDER - RESPONSIVE CLIMATE CHANGE POLICIES,
STRATEGIES AND PROGRAMMES'**

Project name:	Mainstreaming Gender Equality into Climate Change
Award ID:	00060536
Country:	Unites States of America
Auditor:	Moore Stephens LLP
Period subject to audit:	1 October 2010 to 30 June 2012
Implementing Partner:	United Nations Development Programme (UNDP)

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1. Audit Objectives and Scope

1.1 The Engagement Context

Moore Stephens LLP entered into a contract with UNDP on 22 October 2012 for the audit of the project titled 'Gender Responsive Climate Change Policies, Strategies and Programmes', which is implemented by UNDP. The period subject to audit was 1 October 2010 to 30 June 2012.

1.2 Audit Objectives and Scope

The purpose of the audit was to express an opinion on whether:

- The Combined Delivery Report (statement of expenditure) for the period 1 October 2010 to 30 June 2012 presents fairly, in all material respects, expenditures incurred on the project and whether these expenditures were incurred:
 - (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.
- The Statement of Assets as at 30 June 2012 presents fairly, in all material respects, the balance of inventory of the project; and
- The Statement of Cash Position as at 30 June 2012 presents fairly, in all material respects, the cash and bank balances of the project.

Our Terms of Reference also included an overall assessment of the operational and internal control systems that are in place for the management of the project so that the related transactions are processed in accordance with UNDP policies and procedures for the achievement of the project objectives. Our assessment of the internal control system covered the following areas as applicable and required us to:

Organisation and Staffing

Assess the overall project structure for effective work flows and management arrangements, including assignment of authority, accountability and responsibility to staff.

Programme and Project Management

Assess the management aspects in terms of approval of the project, financial management of project funds, and monitoring of implementation towards achievement of programme/projects objectives. This includes reporting to the, Steering Committee, Programme Board and/or Donors.

Human Resources

Assess competitiveness and transparency of the recruitment process and effectiveness of the management of project personnel including contract administration, performance evaluation and payment of salaries and allowances.

Finance

Assess the compliance with UNDP policies with respect to the safe custody and adequate management of cash, commitment of expenditures against approved budget, disbursement or payments against liabilities and cash advances to field offices, project staff, etc.

Procurement

Assess whether goods, services and civil works for the project are procured competitively and in a transparent manner in accordance with UNDP policies and procedures. This includes management of obligations and appropriate assessment of goods or services delivered and monitoring performance of the contractors, before payment.

Asset Management

Assess whether project assets are adequately recorded, safeguarded, monitored, including periodic physical verification of their use and existence.

Cash Management

Review the safeguarding of all cash (including bank accounts and petty cash) held separately for the purposes of the project either in the UNDP country office or at the project offices, including cash held as advances or imprest in any sub-office or field office, and assess adequacy of the controls.

Information Systems

Assess the efficiency and security of the information systems established and maintained from project funds and their adequacy to meet the management and reporting requirements of the project.

General Administration

Assess areas of operations not specifically covered above and for which expenditures are charged to the project covering such areas as: travel of project staff, use and maintenance of project vehicles, lease and maintenance of office premises.

2. Executive Summary

2.1 Summary of Audit Results

UNDP Combined Delivery Report (CDR) 1 October 2010 to 30 June 2012						
Project No.	Amount audited and certified (US\$)	Audit opinion	Total amount of qualification of audit opinion (US\$)	Total amount of Net Financial Impact (NFI) of qualification of audit opinion (US\$)	Reasons for qualification of audit opinion and breakdown of NFI amount	Observations that had impact on qualification of audit opinion
60536	1,044,915	Unqualified	N/A	N/A	N/A	N/A

2.2 Statement of Assets

There were no assets or equipment relating to this project.

2.3 Statement of Cash Position

As permitted by the Terms of Reference for this audit, 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 this UNDP implemented project not having its own bank account.

2.4 Financial Findings

There are no financial findings.

2.5 Assessment of Internal Controls and Systems

The result given to each internal control area is based on the following definitions.

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 identified were such that the achievement of the overall objectives of the audited entity could be seriously compromised

The results of our assessment of internal controls and systems, which are detailed in Section 4.3. can be summarised as follows:

No.	Internal Control Area	Result
1	Organisation and Staffing	Satisfactory
2	Programme and Project Management	Satisfactory
3	Human Resources	Satisfactory
4	Finance	Satisfactory
5	Procurement	Satisfactory
6	Asset Management	N/A
7	Cash Management	Satisfactory
8	Petty Cash Management	N/A
9	Information Systems	Satisfactory
10	General Administration	Satisfactory

3. Audit opinions

Independent Auditor's Report to UNDP – Financial Audit

3.1 Certification of Statement of Expenditure / Combined Delivery Report (CDR)

We have audited the accompanying UNDP Statement of Expenditure ("the CDR") of the UNDP Award No. 00060536 entitled "Gender – Responsive Climate Change Policies, Strategies and Programmes" ("the Project") for the period 1 October 2010 to 30 June 2012.

Respective responsibilities of UNDP and the Auditors

Management is responsible for the preparation of the statement for the Gender – Responsive Climate Change Policies, Strategies and Programmes 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 International Standards on Auditing. 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.

Scope of the Audit

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 programme'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 programme'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.

Unqualified Opinion

In our opinion, the attached statement of expenditure presents fairly, in all material respects, the expenditure of US\$ 1,044,914.87 incurred by the programme Gender – Responsive Climate Change Policies, Strategies and Programmes for the period 1 October 2010 to 30 June 2012 in accordance with UNDP accounting policies and were: (i) in conformity with the approved programme budgets; (ii) for the approved purposes of the programme; (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.

3.2 Certification of Statement of Assets

There were no assets or equipment relating to this project.

3.3 Certification of Statement of Cash Position

As permitted by the Terms of Reference for this audit, 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 this UNDP implemented project not having its own bank account.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

Date: 24 April 2013

4. Management Letter

4.1 Purpose of the Management Letter

As set out in our Terms of Reference, a Management Letter brings to the attention of UNDP OAI our observations arising as a result of our financial audit regarding areas of improvement in the overall operational and control systems of the project.

The summary below gives the overall rating of each audit area.

4.2 Summary

Audit area	Overall rating	Number of findings / priority rating	
		High	Medium
Organisation and Staffing	Satisfactory	-	-
Programme and Project Management	Satisfactory	-	-
Human Resources	Satisfactory	-	-
Finance	Satisfactory	-	-
Procurement	Satisfactory	-	-
Asset Management	N/A	-	-
Cash Management	Satisfactory	-	-
Petty Cash Management	N/A	-	-
Information Systems	Satisfactory	-	-
General Administration	Satisfactory	-	-
Total		-	-

4.3 Internal Control Results

4.3.1 Organisation and Staffing

Objective: Assess the overall project structure for effective work flows and management arrangements, including assignment of authority, accountability and responsibility to staff.

Summary of work completed:

- Reviewed overall project management with key project staff;
- Reviewed project implementation narrative reports; and
- Assessed the suitability and responsibilities of project staff.

Overall rating: Satisfactory

4.3.2 Programme and Project Management

Objective: Assess the management aspects in terms of approval of the project, financial management of project funds, and monitoring of implementation towards achievement of programme/projects objectives. This includes reporting to the Steering Committee, Programme Board and/or Donors.

Summary of work completed:

- Reviewed overall project management with key project staff;

- Reviewed project implementation narrative reports; and
- Reviewed the Programme Board minutes.

Overall rating: Satisfactory

4.3.3 Human Resources

Overall rating: Satisfactory

Objective: Assess competitiveness and transparency of the recruitment process and effectiveness of the management of project personnel including contract administration, performance evaluation and payment of salaries and allowances.

Summary of work completed:

- Reviewed the adequacy of the UNDP HR system governing the recruitment of project staff and assessed the projects compliance against this; and
- Reviewed and assessed the payroll function insofar as it relates to the projects activities.

4.3.4 Finance

Objective: Assess the compliance with UNDP policies with respect to the safe custody and adequate management of cash, commitment of expenditures against approved budget, disbursement or payments against liabilities and cash advances to field offices, project staff, etc.

Summary of work completed:

- Reviewed the adequacy of the UNDP finance manual governing project expenditure and assessed the projects compliance against this; and
- Reviewed the adequacy of the project monitoring and reporting process through discussions with key staff.

Overall rating: Satisfactory

4.3.5 Procurement

Objective: Assess whether goods, services and civil works for the project are procured competitively and in a transparent manner in accordance with UNDP policies and procedures. This includes management of obligations and appropriate assessment of goods or services delivered and monitoring performance of the contractors, before payment.

Summary of work completed:

- Reviewed the adequacy of the UNDP procurement manual governing project expenditure and assessed the projects compliance against this.

Overall rating: Satisfactory

4.3.6 Asset Management

Objective: Assess whether project assets are adequately recorded, safeguarded, monitored, including periodic physical verification of their use and existence.

Summary of work completed:

N/A – no assets have been purchased for this project.

Overall rating: N/A

4.3.7 Cash Management

Objective: Review the safeguarding of cash at bank held separately for the purposes of the project either in the UNDP country office or at the project offices, including cash held as advances or imprest in any sub-office or field office, and assess adequacy of the controls.

Summary of work completed:

- Reviewed the adequacy of the UNDP finance manual governing cash management and assessed the projects compliance against this.

Overall rating: Satisfactory

4.3.8 Petty Cash Management

Objective: Review the safeguarding of petty cash held separately for the purposes of the project, either in the UNDP country office or at the project offices, including cash held as advances or imprest in any sub-office or field office, and assess adequacy of the controls.

Summary of work completed:

- N/A – petty cash was not used in the project.

Overall rating: N/A

4.3.9 Information Systems

Objective: Assess the efficiency and security of the information systems established and maintained from project funds and their adequacy to meet the management and reporting requirements of the project.

Summary of work completed:

- Reviewed the adequacy of the UNDP information systems manual and assessed the projects compliance against this.

Overall rating: Satisfactory

4.3.10 General Administration

Objective: Assess areas of operations not specifically covered above and for which expenditures are charged to the project covering such areas as: travel of project staff, use and maintenance of project vehicles, lease and maintenance of office premises.

Summary of work completed:

- Reviewed the adequacy of the UNDP finance manual and assessed the projects compliance against this.

Overall rating: Satisfactory

5. Combined Delivery Reports



UNDP UN Development Programme
Report ID: ungl143b

Combined Delivery Report by Activity With Encumbrance

Page 1 of 2
Run Time: 16-02-2012 16:02:02

Selection Criteria :

Business Unit: UNDP1
Period: Jan-Dec (2010)
Selected Award Id: 00060536
Selected Activity Code: ALL
Selected Fund Code: ALL

Award Id : 00060536 Gender responsive CC policies,	Period :	Jan-Dec (2010)			
Project # : 00076274 Gender responsive CC policies	Impl. Partner :	00229 UNITED NATIONS DEVELOPMENT P			
	Location :	United Nations Development Pro			
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp

Activity : ACTIVITY1 (Awareness raised)

Fund : 24400 (TTF GDR En-gendering Indicator)

71605 - Travel Tickets-International	0.00	11,481.47	0.00	0.00	11,481.47
71610 - Travel Tickets-Local	0.00	0.00	0.00	0.00	0.00
71615 - Daily Subsistence Allow-Intl	0.00	11,965.86	0.00	0.00	11,965.86
71635 - Travel - Other	0.00	1,566.00	0.00	0.00	1,566.00
74105 - Management and Reporting Svcs	0.00	3,613.85	0.00	0.00	3,613.85

Total for Fund 24400	0.00	28,627.18	0.00	0.00	28,627.18
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Total for Activity ACTIVITY1	0.00	28,627.18	0.00	0.00	28,627.18
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Activity : ACTIVITY2 (Capacities build)

Fund : 24400 (TTF GDR En-gendering Indicator)

71205 - Intl Consultants-Sht Term-Tech	0.00	0.00	0.00	0.00	0.00
71305 - Local Consult.-Sht Term-Tech	0.00	0.00	0.00	0.00	0.00
71605 - Travel Tickets-International	0.00	0.00	0.00	0.00	0.00
74525 - Sundry	0.00	0.00	0.00	0.00	0.00

Total for Fund 24400	0.00	0.00	0.00	0.00	0.00
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Total for Activity ACTIVITY2	0.00	0.00	0.00	0.00	0.00
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Activity : ACTIVITY3 (GGCA is functional)

Fund : 24400 (TTF GDR En-gendering Indicator)

71605 - Travel Tickets-International	0.00	151.20	0.00	0.00	151.20
71610 - Travel Tickets-Local	0.00	143.00	0.00	0.00	143.00
71615 - Daily Subsistence Allow-Intl	0.00	0.00	0.00	0.00	0.00
71635 - Travel - Other	0.00	202.00	0.00	0.00	202.00

Total for Fund 24400	0.00	496.20	0.00	0.00	496.20
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Total for Activity ACTIVITY3	0.00	496.20	0.00	0.00	496.20
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Activity : ACTIVITY4 (Project management)

Fund : 24400 (TTF GDR En-gendering Indicator)

71205 - Intl Consultants-Sht Term-Tech	0.00	9,900.00	0.00	0.00	9,900.00
71305 - Local Consult.-Sht Term-Tech	0.00	31,350.00	0.00	0.00	31,350.00
71605 - Travel Tickets-International	0.00	4,642.15	0.00	0.00	4,642.15
71615 - Daily Subsistence Allow-Intl	0.00	432.40	0.00	0.00	432.40
71635 - Travel - Other	0.00	202.00	0.00	0.00	202.00
74525 - Sundry	0.00	241.00	0.00	0.00	241.00


Total for Fund 24400	0.00	46,767.55	0.00	0.00	46,767.55
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MOORE STEPHENS LLP



Combined Delivery Report by Activity With Encumbrance

Award Id : 00060536 Gender responsive CC policies,		Period : Jan-Dec (2010)			
Project # : 00076274 Gender responsive CC policies		Impl. Partner : 00229 UNITED NATIONS DEVELOPMENT P			
		Location : United Nations Development Pro			
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
Total for Activity ACTIVITY4	0.00	46,767.55	0.00	0.00	46,767.55
Total for Project : 00076274	0.00	75,890.93	0.00	0.00	75,890.93
Award Total :	0.00	75,890.93	0.00	0.00	75,890.93


MOORE STEPHENS LLP

Signed By : _____ Date : _____

UN
DIP

UN Development Programme

Report ID: ungl143a

Combined Delivery Report With Encumbrance

Page 1 of 2

Run Time: 18-01-2013 20:01:47

Selection Criteria :

Business Unit : UNDP1

Period : Jan-Dec (2011)

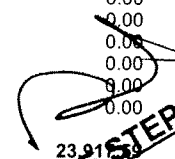
Selected Award Id : 00060536

Selected Fund Code : 24400

Award Id : 00060536 Gender responsive CC policies,	Period :	Jan-Dec (2011)			
Project # : 00076274 Gender responsive CC policies	Impl. Partner :	00229 UNITED NATIONS DEVELOPMENT P			
	Location :	United Nations Development Pro			
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp

Fund : 24400 (TTF GDR En-gendering Indicator)

61305 - Salaries - IP Staff	0.00	19,691.90	0.00	0.00	19,691.90
61310 - Post Adjustment - IP Staff	0.00	14,704.28	0.00	0.00	14,704.28
62305 - Dependency Allowances-IP Staff	0.00	1,118.61	0.00	0.00	1,118.61
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	-2,542.86	0.00	0.00	-2,542.86
62315 - Contrib. to medical, social in	0.00	1,150.08	0.00	0.00	1,150.08
63310 - Repat. Grant -IP	0.00	0.00	0.00	0.00	0.00
63350 - Reimb of Income Tax-IP Staff	0.00	36,088.00	0.00	0.00	36,088.00
63530 - Contribution to EOS Benefits	0.00	1,607.61	0.00	0.00	1,607.61
63535 - Contribution to Security	0.00	1,172.23	0.00	0.00	1,172.23
63540 - Contribution to Training	0.00	1,607.61	0.00	0.00	1,607.61
65115 - Contributions to ASHI Reserve	0.00	1,465.30	0.00	0.00	1,465.30
65135 - Payroll Mgt Cost Recovery ATLA	0.00	332.00	0.00	0.00	332.00
71205 - Intl Consultants-Sht Term-Tech	0.00	140,423.77	0.00	22,500.00	162,923.77
71210 - Intl Consultants-Sht Term-Supp	0.00	1,125.48	0.00	0.00	1,125.48
71305 - Local Consult.-Sht Term-Tech	0.00	17,578.54	0.00	0.00	17,578.54
71310 - Local Consult.-Short Term-Supp	0.00	4,950.00	0.00	0.00	4,950.00
71405 - Service Contracts-Individuals	0.00	1,336.30	0.00	0.00	1,336.30
71605 - Travel Tickets-International	0.00	163,978.51	0.00	0.00	163,978.51
71610 - Travel Tickets-Local	0.00	367.40	0.00	1,417.59	1,784.99
71615 - Daily Subsistence Allow-Intl	0.00	102,741.57	0.00	0.00	102,741.57
71620 - Daily Subsistence Allow-Local	0.00	8,860.89	0.00	0.00	8,860.89
71625 - Daily Subsist Allow-Mtg Partic	0.00	6,415.77	0.00	0.00	6,415.77
71630 - Shipment	0.00	0.00	0.00	0.00	0.00
71635 - Travel - Other	0.00	28,622.31	0.00	0.00	28,622.31
72120 - Svc Co-Trade and Business Serv	0.00	8,440.47	0.00	0.00	8,440.47
72125 - Svc Co-Studies & Research Serv	0.00	9,022.61	0.00	0.00	9,022.61
72140 - Svc Co-Information Technology	0.00	1,982.38	0.00	0.00	1,982.38
72415 - Courier Charges	0.00	2,484.50	0.00	0.00	2,484.50
72425 - Mobile Telephone Charges	0.00	123.02	0.00	0.00	123.02
72445 - Common Services-Communications	0.00	126.33	0.00	0.00	126.33
72505 - Stationery & other Office Supp	0.00	307.53	0.00	0.00	307.53
72705 - Hospitality-Special Events	0.00	14,629.07	0.00	0.00	14,629.07
72710 - Hospitality-Vouchered Expenses	0.00	1,655.77	0.00	0.00	1,655.77
73410 - Maint, Oper of Transport Equip	0.00	73.69	0.00	0.00	73.69
73505 - Reimb to UNDP for Supp Srvs	0.00	667.60	0.00	0.00	667.60
74105 - Management and Reporting Srvs	0.00	28,889.81	0.00	0.00	28,889.81
74210 - Printing and Publications	0.00	4,746.03	0.00	0.00	4,746.03
74220 - Translation Costs	0.00	1,500.00	0.00	0.00	1,500.00
74225 - Other Media Costs	0.00	2,450.00	0.00	0.00	2,450.00
74510 - Bank Charges	0.00	0.00	0.00	0.00	0.00
74525 - Sundry	0.00	459.62	0.00	0.00	459.62
75105 - Facilities & Admin - Implement	0.00	122.14	0.00	0.00	122.14
75705 - Learning costs	0.00	5,956.38	0.00	0.00	5,956.38
75707 - Learning - subsistence allowan	0.00	802.27	0.00	0.00	802.27
75708 - Learning - subcontracts	0.00	7,039.26	0.00	0.00	7,039.26
76125 - Realized Loss	0.00	0.55	0.00	0.00	0.55
76135 - Realized Gain	0.00	-333.14	0.00	0.00	-333.14
77305 - Salaries - IP Staff-TA	0.00	10,453.48	0.00	0.00	10,453.48
77310 - Post Adjustment - IP Staff-TA	0.00	6,408.00	0.00	0.00	6,408.00
77315 - Contrib-Med,SocIns-IP Staff-TA	0.00	561.64	0.00	0.00	561.64
77375 - Contrib-Jt Staff Pens Fd-IP-TA	0.00	3,333.56	0.00	0.00	3,333.56
Total for Fund 24400	0.00	664,697.87	0.00	23,917.59	688,615.46
Total for Project : 00076274	0.00	664,697.87	0.00	23,917.59	688,615.46



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Combined Delivery Report With Encumbrance

UNDP UN Development Programme
Report ID: ungl143a

Page 2 of 2
Run Time: 18-01-2013 20:01:47

Award Id : 00060536 Gender responsive CC policies,	Period :	Jan-Dec (2011)
Project # : 00076274 Gender responsive CC policies	Impl. Partner :	00229 UNITED NATIONS DEVELOPMENT P
	Location :	United Nations Development Pro
	Govt Disb	UNDP Disb
	UN Agencies	Encumbrance
		Total Exp

Award Total :	0.00	664,697.87	0.00	23,917.59	688,615.46
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MOORE STEPHENS LLP

Signed By : _____ Date : _____



Combined Delivery Report by Activity

UN Development Programme
Report ID: unglcdrb

Page 1 of 6
Run Time: 26-10-2012 02:10:35

Selection Criteria :

Business Unit : UNDP1
Period : Jan-June (2012)
Selected Project Id : 00060536
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00076274

Project Id : 00060536 Gender responsive CC policies,	Period :	Jan-June (2012)		
Output # : 00076274 Gender responsive CC policies	Impl. Partner :	00229 UNITED NATIONS DEVELOPMENT P		
	Location :	United Nations Development Pro		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Activity : ACTIVITY1 (1 - Awareness raised in global)

Fund : 24400 (TTF GDR En-gendering Indicator)

71305 - Local Consult.-Sht Term-Tech	0.00	2,627.49	0.00	2,627.49
71620 - Daily Subsistence Allow-Local	0.00	2,088.56	0.00	2,088.56
71635 - Travel - Other	0.00	152.00	0.00	152.00
72425 - Mobile Telephone Charges	0.00	541.18	0.00	541.18
74525 - Sundry	0.00	243.46	0.00	243.46
76125 - Realized Loss	0.00	59.49	0.00	59.49
Total for Fund 24400	0.00	5,712.18	0.00	5,712.18
Total for Activity ACTIVITY1	0.00	5,712.18	0.00	5,712.18

Activity : ACTIVITY2 (2 - Capacities build)

Fund : 24400 (TTF GDR En-gendering Indicator)

61305 - Salaries - IP Staff	0.00	21,998.17	0.00	21,998.17
61310 - Post Adjustment - IP Staff	0.00	14,408.80	0.00	14,408.80
62305 - Dependency Allowances-IP Staff	0.00	732.26	0.00	732.26
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	6,885.00	0.00	6,885.00
62315 - Contrib. to medical, social in	0.00	2,475.26	0.00	2,475.26
62340 - Annual Leave Expense - IP	0.00	1,584.18	0.00	1,584.18
63350 - Reimb of Income Tax-IP Staff	0.00	21,125.50	0.00	21,125.50
63530 - Contribution to EOS Benefits	0.00	910.16	0.00	910.16
63535 - Contribution to Security	0.00	1,456.27	0.00	1,456.27
63540 - Contribution to Training	0.00	364.07	0.00	364.07
63545 - Contribution to ICT	0.00	546.10	0.00	546.10
63550 - Contributions to MAIP	0.00	72.82	0.00	72.82
63555 - Contribution to UN JFA	0.00	655.33	0.00	655.33
63560 - Contributions to Appendix D	0.00	109.24	0.00	109.24
65115 - Contributions to ASHI Reserve	0.00	2,366.46	0.00	2,366.46
65135 - Payroll Mgt Cost Recovery ATLA	0.00	193.14	0.00	193.14
71205 - Intl Consultants-Sht Term-Tech	0.00	46,500.00	0.00	46,500.00
71210 - Intl Consultants-Sht Term-Supp	0.00	1,050.00	0.00	1,050.00
71305 - Local Consult.-Sht Term-Tech	0.00	23,304.20	0.00	23,304.20
71610 - Travel Tickets-Local	0.00	1,497.19	0.00	1,497.19
71615 - Daily Subsistence Allow-Intl	0.00	1,662.96	0.00	1,662.96
71620 - Daily Subsistence Allow-Local	0.00	3,767.22	0.00	3,767.22
71625 - Daily Subsist Allow-Mtg Partic	0.00	85.00	0.00	85.00
71635 - Travel - Other	0.00	987.20	0.00	987.20
72125 - Svc Co-Studies & Research Serv	0.00	17,829.00	0.00	17,829.00
72430 - Postage and Pouch	0.00	28.36	0.00	28.36
73505 - Reimb to UNDP for Supp Svcs	0.00	38.20	0.00	38.20

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Combined Delivery Report by Activity

Project Id : 00060536 Gender responsive CC policies,	Period :	Jan-June (2012)		
Output # : 00076274 Gender responsive CC policies	Impl. Partner :	00229 UNITED NATIONS DEVELOPMENT P		
	Location :	United Nations Development Pro		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

74120 - Capacity Assessment	0.00	230.00	0.00	230.00
74210 - Printing and Publications	0.00	5,440.81	0.00	5,440.81
74605 - Prepaid Project Expenses	0.00	0.00	0.00	0.00
75705 - Learning costs	0.00	13,718.05	0.00	13,718.05
75708 - Learning - subcontracts	0.00	71.50	0.00	71.50
75709 - Learning - training of counter	0.00	5,131.83	0.00	5,131.83
76125 - Realized Loss	0.00	1.60	0.00	1.60
76135 - Realized Gain	0.00	- 15.94	0.00	- 15.94
Total for Fund 24400	0.00	197,209.94	0.00	197,209.94

Total for Activity ACTIVITY2	0.00	197,209.94	0.00	197,209.94
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Activity : ACTIVITY4 (4 - Project management)

Fund : 24400 (TTF GDR En-gendering Indicator)

71205 - Intl Consultants-Sht Term-Tech	0.00	24,850.00	0.00	24,850.00
71605 - Travel Tickets-International	0.00	6,646.84	0.00	6,646.84
71615 - Daily Subsistence Allow-Intl	0.00	3,751.68	0.00	3,751.68
71635 - Travel - Other	0.00	404.00	0.00	404.00
74210 - Printing and Publications	0.00	6,265.00	0.00	6,265.00
Total for Fund 24400	0.00	41,917.52	0.00	41,917.52

Total for Activity ACTIVITY4	0.00	41,917.52	0.00	41,917.52
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Activity : ACTIVITY6 (6 - Climate Finance)

Fund : 24400 (TTF GDR En-gendering Indicator)


71605 - Travel Tickets-International	0.00	3,558.96	0.00	3,558.96
71615 - Daily Subsistence Allow-Intl	0.00	2,693.20	0.00	2,693.20
71635 - Travel - Other	0.00	458.00	0.00	458.00
74210 - Printing and Publications	0.00	8,415.00	0.00	8,415.00
74220 - Translation Costs	0.00	9,080.92	0.00	9,080.92
Total for Fund 24400	0.00	24,206.08	0.00	24,206.08

Total for Activity ACTIVITY6	0.00	24,206.08	0.00	24,206.08
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Activity : ACTIVITY8 (8 - Capacity Building (III))

Fund : 24400 (TTF GDR En-gendering Indicator)

71605 - Travel Tickets-International	0.00	5,770.00	0.00	5,770.00
71615 - Daily Subsistence Allow-Intl	0.00	2,000.52	0.00	2,000.52
71620 - Daily Subsistence Allow-Local	0.00	465.12	0.00	465.12


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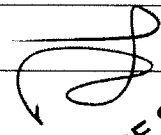


Combined Delivery Report by Activity

Project Id : 00060536 Gender responsive CC policies, Output # : 00076274 Gender responsive CC policies		Period : Impl. Partner : Location :	Jan-June (2012) 00229 UNITED NATIONS DEVELOPMENT P United Nations Development Pro	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
71625 - Daily Subsist Allow-Mtg Partic	0.00	2,865.12	0.00	2,865.12
71635 - Travel - Other	0.00	262.00	0.00	262.00
Total for Fund 24400	0.00	11,362.76	0.00	11,362.76
Total for Activity ACTIVITY8	0.00	11,362.76	0.00	11,362.76
Total for Output : 00076274	0.00	280,408.48	0.00	280,408.48
Project Total :	0.00	280,408.48	0.00	280,408.48

Signed By : _____ Date : _____

Signed By : _____ Date : _____


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UNDP UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 4 of 6
Run Time: 26-10-2012 02:10:36

Selection Criteria :

Business Unit : UNDP1
Period : Jan-June (2012)
Selected Project Id : 00060536
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00076274

Project Id : ALL	Period : Jan-June (2012)
Output # : ALL	Impl. Partner :
	Location :

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
09601 - Gender	0.00	196,537.95	0.00	196,537.95
34205 - Kenya - Energy & Envirnmnt	0.00	8,257.78	0.00	8,257.78
35803 - Mozambique - Crisis Prv &Rcvry	0.00	11,253.43	0.00	11,253.43
36005 - Namibia - Energy & Envirnmnt	0.00	12,000.39	0.00	12,000.39
39205 - Bangladesh -Energy & Envirnmnt	0.00	16,285.80	0.00	16,285.80
39605 - Cambodia - Energy & Envirnmnt	0.00	6,025.33	0.00	6,025.33
42201 - Nepal - Central	0.00	30,000.00	0.00	30,000.00
43601 - Thailand - Central	0.00	38.20	0.00	38.20
43805 - Vietnam - Energy & Envirnmnt	0.00	9.60	0.00	9.60


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Funds Utilization

Selection Criteria :

Business Unit : UNDP1
Period : Jan-June (2012)
Selected Project Id : 00060536
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00076274

Project/Award: 00060536 Gender responsive CC policies,

Period : As Of Jun30,2012

Output #	00076274	Impl. Partner :00229 UNITED NATIONS DEVELOPMENT P	UNDP AMOUNT
	Outstanding NEX advances		0.00
	Undepreciated Fixed Assets		0.00
	Inventory		0.00
	Prepayments		0.00
	Commitments		75,688.27


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**Schedule to Combined Delivery Report
IPSAS Adjustments as at 1 January 2012**

Selection Criteria :

Business Unit : UNDP1
Selected Project(s): 00060536
Selected Fund Code : ALL
Selected Output(s): 00076274

Project Id : 00060536 Gender responsive CC policies,
Output # : 00076274 Gender responsive CC policies
Impl. Partner : 00229 UNITED NATIONS DEVELOPMENT P

Description	Account	Fund	Donor	Amount
Unliquidated Obligations	21015	24400-TTF GDR En	00012-UNDP	23,917.59
Total for Output : 00076274				23,917.59

Project Total : 23,917.59

NOTES :

UNDP adopted IPSAS on 1 January 2012 which recognizes an expense based on goods received and/or services rendered. Consequently, expenses related to some IPSAS opening balance would be duplicated in the 2012 CDRs because of the following:

1. Goods received or services rendered in 2012 on non-fixed asset open purchase orders raised prior to 2012 would be recognized as an expense in 2012. These were ULOs in 2011
2. 2012 Inventory opening balances would be expensed in 2012 when goods are consumed or delivered
3. 2012 Prepaid opening balances would be expensed in 2012 when goods are received or services rendered


MOORE STEPHENS LLP

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

21 May 2013

**GENDER - RESPONSIVE CLIMATE CHANGE INITIATIVES AND
DECISION – MAKING**

REVIEW OF THE “PROGRAMME GOVERNANCE”

Project name:	Gender-Responsive Climate Change Initiatives and Decision-Making
Award ID:	60529, 60534 and 60536,
Countries:	Unites States of America and Costa Rica
Auditor:	Moore Stephens LLP
Period subject to audit:	1 October 2010 to 30 June 2012

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1. Audit Objectives and Scope

1.1 The Engagement Context

Moore Stephens LLP entered into a contract with UNDP on 22 October 2012 for the audit of three projects under the programme titled 'Gender-responsive Climate Change Initiatives and Decision-making', referred to as the "Umbrella Programme". The Umbrella Programme is governed by its Programme Board and comprises three projects, each implemented by a different partner organisation.

1.2 Audit objectives and scope

The purpose of the audit was to assess and express an opinion on the programme's governance.

We have reviewed the governance of the overall umbrella programme with regards to the following:

- An assessment of the Programme Board's :
 - i. Composition;
 - ii. Terms of reference;
 - iii. Work plans;
 - iv. Decision-making process;
 - v. Frequency of meetings; and
 - vi. Level of guidance provided to the three projects
- An assessment of the Programme Management's:
 - i. Consistency of objectives against the objectives spelled out in the donor agreements;
 - ii. Translation of the programme objectives at the project level;
 - iii. Approval and revision of project work plans;
 - iv. Timely disbursement of funds to the three projects;
 - v. Monitoring and evaluation process; and
 - vi. Reliability and timeliness of reporting to donors.

2. Executive Summary

2.1 Auditor's opinion on the Programme Governance to UNDP

We have carried out an assessment of the Programme Governance. Our assessment found that internal controls, governance and risk management processes were generally established and functioning but needed improvement in some areas; certain issues were identified that may negatively affect the achievement of the objectives of the programme. In our opinion, the Programme Board carried out its programme management responsibilities in a partially satisfactory manner.

2.2 Programme Board

The results of our assessment of the Programme Board, which are detailed in Section 3.2, can be summarised as follows:

No.	Programme Board Assessment Area	Audit Findings			
		High	Medium	Low	Overall
1	Composition	1	-	-	Partially satisfactory
2	Terms of reference	-	-	-	Satisfactory
3	Work plans	-	-	-	Satisfactory
4	Decision-making process	-	-	-	Satisfactory
5	Frequency of meetings	-	-	-	Satisfactory
6	Level of guidance provided to the three projects	1	1	-	Partially satisfactory
Total		2	1	-	

2.3 Programme Management

The results of our assessment of the Programme Board, which are detailed in Section 3.3, can be summarised as follows:

No.	Programme Management Assessment Area	Audit Findings			
		High	Medium	Low	Overall
1	Consistency of objectives against the objectives spelled out in the donor agreements	-	1	-	Partially satisfactory
2	Translation of the programme objectives at the project level	-	-	-	Satisfactory
3	Approval and revision of project work plans	-	-	-	Satisfactory
4	Timely disbursement of funds to the three projects	-	1	-	Partially satisfactory
5	Monitoring and evaluation process	-	-	-	Satisfactory

*Management Letter in respect of the Programme Governance of the project
'Gender-Responsive Climate Change Policies, Strategies and Programmes'*

		Audit Findings			
No.	Programme Management Assessment Area	High	Medium	Low	Overall
6	Reliability and timeliness of reporting to donors	-	-	-	Satisfactory
Total		-	2	-	



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

Date: 21 May 2013

3. Management Letter

3.1 Purpose of the Management Letter

As set out in our Terms of Reference, a Management Letter has been prepared in order to bring to the attention of UNDP/OAI our observations pertaining to governance at the Programme Board level.

3.2 Assessment of Programme Board

3.2.1 Programme Board Composition

Objective: Assess the adequacy of the Programme Board composition.

Overall conclusion: Partially satisfactory

Summary of work completed:

- Reviewed the board structure detailed in the Project Document; and
- Reviewed the board composition per the board minutes.

Auditor observations:

Finding n°: 1	Title: Independence of board members
----------------------	---

Observation:

Per UNDP internal regulations, and as evidenced within the board minutes, we observed that the structure of the board requires a senior project member and another individual wholly independent of the project's implementation.

However, Partner A is represented in the Board meetings by their Senior Gender Advisor and the Project Manager neither of whom are independent of the project's implementation. Given that the meetings are on a bi-annual basis it is reasonable to expect a work-around which ensures that an independent board member is present at all board meetings.

Priority: High

Recommendation:

The board should make arrangements to ensure that the members representing each partner at each board meetings comprise of a project staff member and an independent person. We would recommend the use of video or voice conference as a flexible workaround.

Management comments:

UNDP takes note of this matter. We will request Partner A to provide new nominations to the PB of the GGCA.

3.2.2 Programme Board Terms of Reference

Objective: Assess the adequacy of the Programme Board's terms of reference.

Overall conclusion: Satisfactory

Summary of work completed:

- Reviewed the Project Document governing the programme board.

Auditor observations: N/A

3.2.3 Programme Board Work Plans

Objective: Assess the adequacy of the Programmes Board's role in the design, approval, implementation and review of work plans.

Overall conclusion: Satisfactory

Summary of work completed:

- Reviewed minutes of the Programme Board; and
- Reviewed the annual work plans and budgets;

Auditor observations: N/A

3.2.4 Programme Board Decision-Making Process

Objective: Assess the adequacy of the Programmes Board's decision making process.

Overall conclusion: Satisfactory

Summary of work completed:

- Reviewed minutes of the Programme Board; and
- Reviewed the Project Document;

Auditor observations: N/A

3.2.5 Programme Board Frequency of Meetings

Objective: Assess the timeliness of communications regarding programme decisions.

Overall conclusion: Satisfactory

Summary of work completed:

- Reviewed minutes of the Programme Board;
- Reviewed the Project Document; and
- Discussions with Programme Board members

Auditor observations: N/A

3.2.6 Programme Board Guidance Provided to the Projects

Objective: Assess the adequacy of guidance provided to the three projects by the Programme Board.

Overall conclusion: Partially satisfactory

Summary of work completed:

- Reviewed minutes of the Programme Board; and
- Reviewed the Project Document;

Auditor observations:

Finding n°: 1	Title: Adequacy of the Project Cooperation Agreement
----------------------	---

Observation:

We observed that the Project Cooperation Agreement (PCA) does not contain clear guidelines with regards to the policies and procedures to be used by the partners when reporting project expenditure.

Article IV (section 1) states that "The Parties agree to carry out their respective responsibilities...and to undertake the Project in accordance with UNDP policies and procedures as set out in the UNDP Programme and Operations Policies and Procedures (POPP)";

Article IX.1 states that the [partners] "shall keep up-to-date records and documents in respect of all expenditures incurred";

Article X.(2b) states the financial report will "list the disbursements incurred"; and

Article X.(2c) states that "The financial report has been designed to reflect the transactions on a cash basis".

However, there was little evidence that these conditions had been properly considered by the individual partners or the board. The result was that, although in most instances the financial reporting was found to be accurate and in accordance with the principles set out in the PCA, the view of one partner that it was able to follow its own policies in relation to staff costs, or at least following an open interpretation of the above regulations, led to a significant financial finding and qualified audit opinion.

In order to conform to the "incurred" criterion, staff costs claimed should be based on the actual costs to the organisation of the relevant staff member, and for avoidance of doubt, this should be made clear in the governing documents.

Priority: High

Recommendation:

The Project Documents and PCAs should make explicit, to the fullest extent required, the necessary requirements for reporting project expenditure.

The board should identify the areas of expenditure where contention may exist, such as personnel, travel and indirect costs, and agree a harmonised approach in accordance with the rules.

Where necessary, additional guidance should be sought from UNDP or the donors, and decisions reached should be formalised in writing and incorporated into the contracts.

Management comments:

The PCAs that were signed between and shared with partners and UNDP are standard templates. They are internally approved and match UNDP's rules and regulations and provide a broader and more general reference to the requirements for the reporting.

UNDP ensured that the reporting requirements provided in Project Cooperation agreements were met.

UNDP supports the recommendation to further work with partners to set up more specific requirements on legitimate charges and budgetary categories. Partners such as those working on this project are expected to follow their internal financial rules and regulations to justify relevance of the expenses.

Finding n°: 2	Title: Guidance provided to partners
----------------------	---

Observation:

As the lead partner, UNDP are responsible for collating and submitting financial information to the donors, and also for providing guidance to the other partners on the completion of project financial reports.

From discussions we held with the partners we noted there had been some confusion with regards to the guidance provided for financial reporting. For example, Phase II was initially reported on a stand-alone basis, but subsequent advice required that Phase II and Phase III were reported together.

More than just a procedural issue, such confusion on the part of the partners, or lack of clarity on the part of UNDP, could lead to programmatic implications for the project. As noted in section 3.3.4 below, the disbursement of project funds from the donors was delayed due to the financial reports from the previous phase not having been completed properly.

Priority: Medium

Recommendation:

The Programme Board has the principal responsibility for ensuring that all project partners are aware of the financial reporting requirements. In the event that modifications are made to these requirements over the course of the project, these should immediately be passed on to the partners, along with any necessary training on new aspects to the reporting function.

Management comments:

Partners received detailed information from UNDP on how to submit financial information from the onset of the programme that is in line with the NGO implementation requirements. This included templates to be used to document their expenses as well as in-person capacity building sessions and support as per ad hoc requests on the phone and via email. UNDP continuously invested in building partners' capacities and familiarize staff with the respective UNDP procedures and requirements. Changes in reporting requirements were always communicated to partners.

All partners received guidance and information to support their understanding of how to fulfil the requirements and procedures as set out in the PCAs. Further, UNDP always provided trainings, guidance and explanations to partners if and where needed in order to ensure keeping the conditions. The list of meetings and trainings were already supplied to the auditors, and further documentation of guidance can be provided if needed.

As an effort on business improvement, UNDP is working with partners towards setting up an option of external access to ATLAS (ERP system). This modality would allow partners to manage their reporting, project management and budgets using UNDP data source. The Gender Team will provide training to partners, continued support as well as monitoring services.

We would be grateful if the auditors would review the situation and take UNDP's perspective into

account and provide their opinion.

We are attaching a selection of training material (Attachments 3a – 3e) that was used during capacity building sessions with partners, as well as a back to office report (Attachment 3f) from an in-person training held by UNDP in Costa Rica in 2010 and a confirmation email for a second dedicated in-person training held in March 2013 in New York (Attachment 3g). We also attach a presentation on external ATLAS access (Attachment 3h) which was given by UNDP at the January 2013 Programme Board meeting. Much more evidence exists that demonstrates UNDP's guidance and support to partners (such as advice per email, or schedules telephone conferences) which can be provided if needed.

Further auditor comments

We have reviewed the training documentation provided as per the comments above (noting however that one is dated at the very beginning of the Phase II stage, and others are dated after the end of Phase II, which has been the subject of our review work).

The contents demonstrate a clear effort on the part of UNDP to provide the necessary training to the partners.

Our basis for maintaining the finding (which we have downgraded to a "medium" priority rating after receipt of the above) is that other partners indicated they had experienced confusion with the financial reporting, mainly due to changes in requirements over the course of the project.

3.3 Assessment of Programme Management

3.3.1 Consistency of Objectives

Objective: Assess the stated objectives of the project with the overriding objectives of the donor agreements.

Overall conclusion: Partially satisfactory

Summary of work completed:

- Reviewed the donor agreements;
- Reviewed the Project Document;
- Reviewed the annual work plans;
- Reviewed the programme narrative reports; and
- Reviewed the annual programme report.

Auditor observations:

Finding n°: 1	Title: Filing of donor agreement
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Observation:

We observed that the partners other than UNDP did not have a copy of the donor agreements. Although the main programme objectives of these had been incorporated into the Project Document, key items such as the donor reporting deadlines and schedule of payments are not disclosed in the Project Document.

Implementing partners should be able to satisfy themselves of the overall objectives and requirements of the donor agreements.

Priority: Medium

Recommendation:

Each partner should ensure that they have a copy of all project related agreements held on file.

Management comments:

We agree sharing the copies of the donor agreements with our partners, after consulting with the respective unit in UNDP. However, we would like to emphasise that the partners were kept informed about agreements with the donors, as well as reporting requirements, conditions and terms for the receipt and status of the donor contributions. We are attaching an email communication from UNDP to partners as one example (Attachments 4 a and 4b); we are happy to provide further evidences if needed and appreciate explicit guidance from the auditors on further steps that need to be taken in this regard.

3.3.2 Project Level Translation of Programme Objectives

Objective: Assess the translation of the programme objectives at the project level.

Overall conclusion: Satisfactory

Summary of work completed:

- Reviewed minutes of the programme board;
- Reviewed the Project Document; and
- Reviewed the annual work plans

Auditor observations: N/A

3.3.3 Approval and Revision of Project Work Plans

Objective: Assess the adequacy of approval and revision of project work plans.

Overall conclusion: Satisfactory

Summary of work completed:

- Reviewed minutes of the programme board;
- Reviewed the Project Document;
- Reviewed the annual work plans; and
- Confirmed that the annual work plans were authorised.

Auditor observations: N/A

3.3.4 Disbursement of Project Funds

Objective: Assess the timeliness of disbursements with regards to project funds.

Overall conclusion: Partially satisfactory

Summary of work completed:

- Reviewed minutes of the Programme Board;
- Reviewed the narrative reports.

Auditor observations:

Finding n°: 1	Title: Disbursement of Phase II funds
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Observation:

We were told that the initial disbursement of funds for Phase II was delayed, with the money not being received until October 2010, some months later than had been expected. Consequently, this resulted in disruption with regards to the implementation of the project, which was at the time being funded out of the partners' own resources.

We noted a difference of opinion in relation to the causes of this delay, with UNDP saying there were problems with the reports of the other two partners, who in turn felt the reports were held up within the bureaucracy of UNDP.

Priority: Medium

Recommendation:

The Programme Board should ensure that all donor reporting requirements are satisfied in a timely manner.

As the receipt of funds is clearly integral to the facilitation of project activities, the Board should ensure all parties are aware of the timing and content requirements of the reports to minimise the risk of such delays occurring in the future.

Management comments:

Partners are being informed about donor reporting requirements and schedules as indicated before (see management comment on filing of donor agreements and respective attachments 4a and 4b as example).

Further, while the disbursement of funds at the beginning of Phase II was delayed, it is not entirely correct that partners funded project implementation out of their own resources. In fact, UNDP advanced funding from their available TTF resources to one of the partners to facilitate the implementation for activities under the Women Delegates Fund, pending receipt and application of funding from the donors to GGCA (at the beginning of Phase II). This demonstrates clearly that – independently of the reason for the delay of fund disbursement – UNDP supported partners in overcoming financial difficulties through advancing funds.

3.3.5 Monitoring and Evaluation Process

Objective: Assess the adequacy of the monitoring and evaluation process.

Overall conclusion: Satisfactory

Summary of work completed:

- Reviewed minutes of the programme board; and
- Reviewed the narrative reports;

Auditor observations: N/A

3.3.6 Reporting and Timeliness of Donor Reporting

Objective: Assess the adequacy of the monitoring and evaluation process.

Overall conclusion: Satisfactory

Summary of work completed:

- Reviewed minutes of the programme board; and
- Reviewed donor agreement;

Auditor observations: N/A