



**AUDIT**

**OF**

**UNDP REPUBLIC OF CHAD**

**Programme Conjoint D'Appui au Détachement Intégré de Sécurité  
(Directly Implemented Project No. 77223)**

**Report No. 1214  
Issue Date: 10 December 2013**

**Report on the audit of UNDP Republic of Chad  
Programme Conjoint D'Appui au Détachement Intégré de Sécurité  
(Project No. 77223)  
Executive Summary**

From 16 to 24 October 2013, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through BDO & Co Mauritius (the audit firm), conducted an audit of *Programme Conjoint D'Appui au Détachement Intégré de Sécurité*, (Project No. 77223) (the Project), which is directly implemented and managed by the UNDP Country Office in the Republic of Chad (the Office). The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*. The last audit of the Office was conducted by OAI in 2008.

The Project reported expenditure totalling \$5.2 million during the period from 1 January 2012 to 31 December 2012. The following donors contributed to the Project: Chad, European Union, US International Narcotics and Law Enforcement Affairs, and the UN Peacebuilding Fund.

**Audit scope and objectives**

The audit firm conducted a financial audit to express an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations. The audit covered the Project's Statement of Expenditure (Combined Delivery Report) for the period from 1 January to 31 December 2012 and Statement of Assets as of 31 December 2012.

**Follow-up on prior audit**

The audit also verified the implementation status of the previous audit report recommendations issued on 18 June 2013 (Report No. 1010). Out of the 7 recommendations, 1 recommendation was assessed to be fully implemented, 1 was in progress, 1 was withdrawn, and 4 were not implemented.

**Audit results**

Based on the audit report and corresponding management letter submitted by the audit firm, the results are summarized in the table below:

Project Expenditure		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
5,236	Unqualified	5*	Unqualified

\* Equivalent to FCFA 2,399,000 (currency used in Chad)

**Key issues and recommendations**

The audit raised 6 issues and resulted in 6 recommendations, 1 of which (17 percent) was 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."

Project Management Issue # 9.2      Absence of an annual work plan. The Office did not prepare an annual work plan to serve as guidance during the project implementation process. OAI recommends that the Office prepare an annual work plan each year to guide project implementation.

**Management's comments**

The Resident Representative acknowledged the six audit recommendations.



Helge S. Osttveiten  
Director  
Office of Audit and Investigations

*Financial Audit Report and Management Letter for the project  
'Programme Conjoint d'Appui au Détachement Intégré de  
Sécurité (DIS) N'Djamena- Tchad (2011-2013)- November 2013*

## **UNITED NATIONS DEVELOPMENT PROGRAMME**

**Programme Conjoint D'Appui au  
Détachement Intégré de Sécurité  
(Award 00061084, Project 00077223)**

**Financial Audit Report and Management  
letter  
Year ended December 31, 2012**



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TABLE OF ACRONYMS

<b>ACRONYM</b>	<b>NAME IN FULL</b>
AWP	Annual Work Plan
CDR	Combined Delivery Report
CONSAHDIS	Coordination Nationale de Soutien aux Activités Humanitaires et au Détachement Intégré de Sécurité
DIS HQ	Détachement Intégré de Sécurité Head Quarters
DIM	Directly Implemented
GOC	Government of Tchad
IDP	Internally Displaced Persons
INL	US Department of State's Bureau of International Narcotics and Law Enforcement Affairs
MINURCAT	Mission des Nations Unies en République Centrafricaine et au Tchad
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees

# Contents

<b>1</b>	<b>EXECUTIVE SUMMARY</b> .....	<b>1</b>
<b>2</b>	<b>PROJECT OVERVIEW</b> .....	<b>2</b>
2.1	BACKGROUND .....	2
2.2	FUNDING OF THE PROGRAMME.....	3
2.3	PROJECTED RESULTS OF THE PROGRAMME .....	3
<b>3</b>	<b>PROGRAMME FINANCIAL PERFORMANCE</b> .....	<b>4</b>
<b>4</b>	<b>AUDIT OBJECTIVES AND SCOPE</b> .....	<b>5</b>
4.1	AUDIT OBJECTIVES .....	5
4.2	AUDIT SCOPE.....	6
<b>5</b>	<b>INDEPENDENT AUDITORS REPORTS ON COMBINED DELIVERY REPORTS</b> .....	<b>7</b>
<b>6</b>	<b>CERTIFICATION OF STATEMENT OF ASSETS</b> .....	<b>12</b>
<b>7</b>	<b>CERTIFICATION OF STATEMENT OF CASH POSITION</b> .....	<b>19</b>
<b>8</b>	<b>BASIS OF PREPARATION</b> .....	<b>20</b>
8.1	SIGNIFICANT ACCOUNTING POLICIES .....	20
<b>9</b>	<b>MANAGEMENT LETTER</b> .....	<b>21</b>
9.1	PURPOSE OF THE MANAGEMENT LETTER.....	21
9.2	ABSENCE OF AN ANNUAL WORK PLAN .....	22
9.3	NO STEERING COMMITTEE MEETINGS WERE HELD .....	23
9.4	PROGRESS REPORTS NOT PREPARED REGULARLY.....	24
9.5	NO REFERENCE MADE TO OUTCOME AND IMPACT IN THE EVALUATION REPORT .....	25
9.6	WEAKNESSES IN DOCUMENTATION AND APPROVAL OF JOURNAL ENTRIES.....	26
9.7	USAGE OF VEHICLE AND FUEL CONSUMPTION .....	27
9.8	PRIOR YEAR'S MANAGEMENT POINTS.....	28

# 1 EXECUTIVE SUMMARY

BDO & Co was contracted by the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP) to carry out an audit of “Programme Conjoint D'Appui au Detachement Intégré de Sécurité” (DIS) bearing project number 077223 for the period from January 1, 2012 to December 31, 2012. The audit fieldwork was carried out from 16 to 24 October 2013.

## **Audit scope and objectives**

The assignment consisted in a financial audit in order to express an opinion whether the Combined Delivery Reports present fairly, in all material aspects, the financial expenses incurred by the project for the year ended December 31, 2012; and the funds utilization as at that date were fairly presented in accordance with UNDP accounting policies; and the value and existence of the fixed assets held by the project as at December 31, 2012 presented fairly the balance of inventory of the Project's assets.

Project expenses incurred or undertaken at the level of “responsible parties”, or processed and approved in locations outside the country or where the supporting documentation were not retained at the level of UNDP country office were outside the scope of the audit.

## **Audit opinion**

- a) The Combined Delivery Report (CDR) presents fairly, in all material respects, the expenditure of USD 5,235,823.92 incurred by the project “Programme Conjoint d'Appui au Détachement Intégré de Sécurité” (DIS) N'Djamena Chad bearing project number 077223 for the period January 1, 2012 to December 31, 2012. The audit report is set out on page 7.
- b) The certification of assets is set out on page 12. The verification of assets transferred to CONSAHDIS and DIS following their dissolution by Presidential Decree did not fall within the scope of our audit.

## **Key issues**

- a) An Annual Work Plan with the details of activities, their timing, the resources required to complete them, the goals and objectives, and the targets and outcomes was not prepared;
- b) No meetings of the Steering Committee were held during the year and accordingly problems arising in project implementation may not have been resolved timely;
- c) A progress report was not prepared quarterly or periodically and this may affect smooth implementation of the project;
- d) The outcome and impact were not always measured in the evaluation report and no comparison was made to the baseline situation;
- e) Utilization of vehicles and fuel consumption were not properly monitored;

The issues raised during our audit, our recommendations and the management responses are set out in the Management Letter from pages 21 to 29.

## 2 PROJECT OVERVIEW

### 2.1 Background

The “Détachement Intégré de Sécurité” (DIS) is a Chadian police service, created by a Presidential Decree (No.1131/PR/08) in September 2008 following the Resolution No. 1778(2007) of the United Nations. The purpose was to establish a multidimensional presence in refugee camps and neighbouring cities to help create the security conditions conducive to a voluntary, secure and sustainable return of refugees and displaced persons. In the meantime, the DIS should contribute effectively in the protection of refugees, displaced persons and civilians in danger, by facilitating the provision of humanitarian assistance in Eastern Chad and by creating favourable conditions for the reconstruction and the economic and social development of those areas. From 2008 to 2010, the DIS was provided with financial and logistic facilities by the United Nations Mission in Central African Republic and Chad (MINURCAT) with an initial deployment of 300 police officers and 50 military officers as well as with the required logistical support.

In early 2010, the Government of Chad (GoC) informed the UN Secretary-General that it wished MINURCAT to withdraw from Chad. Based on this request, the Security Council, by UN resolution 1923/2010, renewed the mandate of the MINURCAT until 31 December 2010 and endorsed the decision of GoC to take full responsibility in securing its national territory, including the humanitarian space in the East and South of the country. In October 2010, the GoC presented the Security Council with a national plan , requesting that logistical and technical support to DIS continued to be provided by the international community through the UN Country Team, namely UNDP and UNHCR. A Joint Programme (Programme Conjoint d'Appui au Détachement Intégré de Sécurité) to support the DIS was then designed by the Government of Chad, the United Nations Development Programme (UNDP) and the United Nations High Commissioner for Refugees (UNHCR). Under the Joint Program (JP), the GoC, UNDP and UNHCR pooled their efforts to support the DIS in its mission of ensuring security for the humanitarian operations following the withdrawal of MINURCAT. By maintaining support to DIS, the overall objective was to avoid any security gap in the area which would undermine the benefit of the efforts realized since 2003 by the Government of Chad and the international community towards enhancing the security conditions. MINURCAT handed its programmes to the GoC and the UN Country Team as it prepared to wind up its responsibilities by the end of 2010.

The Programme was designed as a one year programme and renewable annually until 2015. The implementation of the « Programme Conjoint d'Appui au Détachement Intégré de Sécurité » was then entrusted to the “Coordination Nationale de Soutien aux Activités Humanitaires et au Détachement Intégré de Sécurité (CONSAHDIS) under the supervision of a Joint Steering Committee. CONSAHDIS was created in 2011 by Presidential Decree and took over all administration, management, strategic planning, inspection and evaluation functions previously carried out by MINURCAT. This institution was also responsible of the humanitarian activity coordination and constituted a key interlocutor for humanitarian and development institutions operating in Chad.



The strategy of the Joint Programme was based on a cost-sharing agreement between both UN institutions and the Government of Chad, as follows:

- **Government of Chad:** should ensure DIS and CONSAHDIS salaries, provide DIS stipends weapons/ammunitions, provide sites/land for DIS stations and posts.
- **UNHCR:** should ensure operational and logistical support to DIS, including equipment for DIS stations, radio coverage/telecoms, and operational mobility (fuel and spare parts for vehicles and generators).
- **UNDP:** should provide professional equipment for stations and officers, ensure adequate training, capacity-building for DIS and CONSAHDIS HQs and manage public information activities.

## 2.2 Funding of the Programme

To facilitate the funding of the programme, a basket fund of four partners namely, European Union, United States of America, the Government of Chad and UN Peace Building Fund was established. The funding of the programme was as follows:

European Union	5,000,000 EUR
US Bureau of International Narcotics and Law Enforcement Affairs (INL)	3,921,068 USD
UN Peace Building Fund	2,728,500 USD
Government of Chad	7,244,886 USD

UNDP was the contracting entity and sole signatory of the EU contribution agreement. Out of the total grant of EUR 5,000,000 to the Joint Programme, EUR 4,466,822 has been passed through UNDP to UNHCR for the implementation of the Programme. An agreement between UNDP and UNHCR was signed whereby UNHCR, in close coordination with UNDP would implement the programme, to the extent specified in the EU contribution Agreement. In parallel UNDP would be responsible for the overall management, supervision, operations and decisions related to the application of agreement.

## 2.3 Projected Results of the Programme

The project targetted 7 main objectives:

- 1 The DIS should dispose of a fleet of vehicles and generators fully operational,
- 2 Implementation of a communication network between DIS and humanitarian agencies,
- 3 Completion of the construction of fully operational police stations ,
- 4 DIS personnel should be provided with collective and personal equipment,
- 5 Continuous training should be ensured to DIS personnel,
- 6 Setting up of CONSAHDIS and DIS HQ, and
- 7 The implementation of the Programme should be communicated through media

### 3 PROGRAMME FINANCIAL PERFORMANCE

The 2011 budget was not fully used and accordingly, the programme was extended until end of 2012.

The overall approved budget for the programme in 2012 was USD 7,537,524 and the total expenditure was USD 5,235,824, representing an utilisation ratio of 69.45% as shown below:

Donor name	USD
European Union	91,743
INL	652,433
UN Peace Building Fund	74,996
Government of Chad	577,437
<b>Total</b>	<b>5,235,824</b>
<b>Budget</b>	<b>7,537,524</b>
<b>% Utilisation</b>	<b>69.45%</b>

#### STATEMENT OF CONTRIBUTION FLOWS

The flow of financial contributions is presented in the following table in USD:

Donors	Balance at January 1, 2012	Receipts	Expenditure	Balance at December 31, 2012
European Union	290,130.99	974,026.00	91,743.41	1,172,413.58
INL and UN Peace Building Fund*	1,300,942.96	-	652,432.92	648,510.04
Government of Chad	1,807,731.59	3,614,447.41	4,491,647.59	930,531.41
<b>Total</b>	<b>3,398,805.54</b>	<b>4,588,473.41</b>	<b>5,235,823.92</b>	<b>2,751,455.03</b>

\* Breakdown of the contribution flows of INL and UN Peace Building Fund is not available.

The statement of contribution flows indicates that there is a balance of fund of USD 2,751,455.03 which will be used to finance certain ongoing activities in 2013.

## 4 AUDIT OBJECTIVES AND SCOPE

### 4.1 Audit objectives

BDO & Co was contracted by the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP) to carry out an audit of the “Programme Conjoint D'Appui au Detachement Intégré de Sécurité” (DIS) for the year ended December 31, 2012.

The terms of reference described the scope of the audit and the areas to be addressed. The auditor was required to:

- Express an opinion on whether the financial expenses incurred by the project for the year ended December 31, 2012 and the funds utilization as at that date were fairly presented in accordance with UNDP accounting policies and that expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNDP; and (iv) supported by properly approved vouchers and other supporting documents. The Combined Delivery Report (CDR) and the accompanying Funds Utilization statement constituted the mandatory and official statements upon which the audit opinion had to be expressed,
- Express an opinion on whether the statement of fixed assets presents fairly the balance of assets of the project as at the given date. This statement should include all assets available as at 31 December 2012 and not only those purchased during that period, and
- Express an opinion on whether the statement of cash held by the project presents fairly the cash and bank balance of the project as at 31 December 2012 (in the case where a dedicated bank account was opened and used solely for the cash transactions of the project).. In the case where the cash transactions of the audited DIM project were made through the country office bank accounts, this type of opinion was not required.

The Financial Audit was conducted in accordance with the International Standards of Auditing (ISA 700).

## 4.2 Audit Scope

The scope of the audit related to transactions concluded and recorded against the UNDP DIM project for the period January 1, 2012 to December 31, 2012. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of “responsible parties”; and
- Expenses processed and approved in locations outside the country such as UNDP Regional Centres and UNDP Headquarters and where the supporting documentation were not retained at the level of the UNDP country office

Specifically, the audit covered the following:

- a) Expenses incurred and recorded in the Combined Delivery Reports (CDR) of the project during the period January 1, 2012 to December 31, 2012;
- b) The value and existence of the fixed assets held by the project as at December 31, 2012; and
- c) The value and existence of Cash held by the project as at December 31, 2012 (in the case there was a separate bank account for the DIM project under review).

## 5 INDEPENDENT AUDITORS REPORTS ON COMBINED DELIVERY REPORTS

We have audited the accompanying Combined Delivery Report (CDR) (“the statement”) of the UNDP project “Programme Conjoint d’Appui au Détachement Intégré de Sécurité” (DIS) N’Djamena Chad bearing project number 077223 for the period from January 1, 2012 to December 31, 2012.

Management is responsible for the preparation of the statement for Programme Conjoint d’Appui au Détachement Intégré de Sécurité (DIS) N’Djamena Chad bearing project number 077223 and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

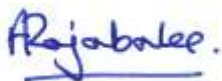
Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statements are free from material misstatement.

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

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

### Clean Opinion:

In our opinion, the attached Combined Delivery Report (CDR) presents fairly, in all material respects, the expenditure of USD 5,235,823.92 incurred by the project “Programme Conjoint d’Appui au Détachement Intégré de Sécurité” (DIS) N’Djamena Chad bearing project number 077223 for the period from January 1, 2012 to December 31, 2012 in accordance with UNDP accounting policies and were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNDP; and (iv) supported by properly approved vouchers and other supporting documents.



**Azize Rajabalee**  
*Engagement Partner*



**BDO & Co**  
*Chartered Accountants*

December 10, 2013

Programme Conjoint D'Appui au Détachement Intégré de Sécurité

Financial audit Report and Management Letter - Audit year ended December 31,2012



UN Development Programme  
Report ID: ungr143p

Combined Delivery Report By Project

Page 1 of 5  
Run Time: 02-12-2013 21:12:31

Selection Criteria:

Business Unit : TCD10  
Period : Jan-Dec (2012)  
Selected Award Id : 00061084  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Projects : 00077223

Award Id : 00061084 APPUI AU DETACHEMENT INTEGRE D	Period : Jan-Dec (2012)
Project # : 00077223 APPUI AU DETACHEMENT INTEGRE D	Impl. Partner : 00540 UNDP (Direct Execution)
	Location : Chad
	Govt Disb
	UNDP Disb
	UN Agencies
	Encumbrance
	Total Exp

Dept: 31801 (Chad - Centra)

Fund : 30000 (Programme Cost Sharing)

64306 - Appointment-Ticket Costs	0.00	2,933.10	0.00	0.00	2,933.10
74525 - Sundry	0.00	396.28	0.00	0.00	396.28
75105 - Facilities & Admin - Implement	0.00	4,974.20	0.00	0.00	4,974.20
77305 - Salaries - IP Staff-TA	0.00	29,171.82	0.00	0.00	29,171.82
77310 - Post Adjustment - IP Staff-TA	0.00	17,711.89	0.00	0.00	17,711.89
77315 - Contrib-Med,Socins-IP Staff-TA	0.00	100.50	0.00	0.00	100.50
77320 - Assg hardship & mob allow-TA	0.00	4,771.72	0.00	0.00	4,771.72
77357 - Repat. Grt/Comm Ann Lv-IP-TA	0.00	3,169.12	0.00	0.00	3,169.12
77375 - Contrib-Jt Staff Pens Fd-IP-TA	0.00	9,735.25	0.00	0.00	9,735.25
77385 - Contribution to Security	0.00	1,875.35	0.00	0.00	1,875.35
77386 - Contribution to ICT TA	0.00	703.24	0.00	0.00	703.24
77395 - MAIP Premium TA/IP	0.00	93.76	0.00	0.00	93.76
77396 - PAYROLL MGT COST RECOVERY	0.00	257.52	0.00	0.00	257.52
77397 - Appendix D TA/IP	0.00	140.94	0.00	0.00	140.94

Total for Fund 30000 0.00 76,034.19 0.00 0.00 76,034.19

Fund : 30071 (Programme cost sharing - GOV1)

74525 - Sundry	0.00	-970.12	0.00	0.00	-970.12
75105 - Facilities & Admin - Implement	0.00	-67.91	0.00	0.00	-67.91

Total for Fund 30071 0.00 -1,038.03 0.00 0.00 -1,038.03

Total for Dept : 31801

0.00 74,996.16 0.00 0.00 74,996.16

Dept: 31804 (Chad - Dem. Governance)

Fund : 04006 (TRAC (Lines 1.1.1 and 1.1.2))

77305 - Salaries - IP Staff-TA	0.00	12,440.84	0.00	0.00	12,440.84
77310 - Post Adjustment - IP Staff-TA	0.00	7,601.34	0.00	0.00	7,601.34
77315 - Contrib-Med,Socins-IP Staff-TA	0.00	40.20	0.00	0.00	40.20
77320 - Assg hardship & mob allow-TA	0.00	2,035.00	0.00	0.00	2,035.00
77357 - Repat. Grt/Comm Ann Lv-IP-TA	0.00	-404.69	0.00	0.00	-404.69
77375 - Contrib-Jt Staff Pens Fd-IP-TA	0.00	4,151.79	0.00	0.00	4,151.79
77385 - Contribution to Security	0.00	801.68	0.00	0.00	801.68
77386 - Contribution to ICT TA	0.00	300.64	0.00	0.00	300.64
77395 - MAIP Premium TA/IP	0.00	40.08	0.00	0.00	40.08
77396 - PAYROLL MGT COST RECOVERY	0.00	128.76	0.00	0.00	128.76
77397 - Appendix D TA/IP	0.00	60.12	0.00	0.00	60.12

Total for Fund 04006 0.00 27,195.76 0.00 0.00 27,195.76

Fund : 30009 (Programme Cost Sharing)

63340 - Proc trips/Reel & Recup-IP Stf	0.00	1,953.80	0.00	0.00	1,953.80
71205 - Int'l Consultants-Sht Term-Tech	0.00	29,395.00	0.00	0.00	29,395.00
71405 - Service Contracts-Individuals	0.00	-191,972.83	0.00	0.00	-191,972.83
71505 - Travel Tickets-International	0.00	3,243.54	0.00	0.00	3,243.54
71515 - Daily Subsistence Allow-Int	0.00	13,710.01	0.00	0.00	13,710.01

*Handwritten signature*

**A2**

Programme Conjoint D'Appui au Détachement Intégré de Sécurité



UN Development Programme  
Report ID: ungl143a

Combined Delivery Report By Project

Page 2 of 5  
Run Time: 02-12-2013 21:12:31

Award ID: 00061084 APPUI AU DETACHEMENT INTEGRE D		Period:	Jan-Dec (2012)		
Project #: 00077223 APPUI AU DETACHEMENT INTEGRE D		Impl. Partner:	00540 UNDP (Direct Execution)		
		Location:	Chad		
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
71620 - Daily Subsistence Allow-Local	0.00	62,042.59	0.00	0.00	62,042.59
71625 - Daily Subsist Allow-Mtg Partic	0.00	2,951.06	0.00	0.00	2,951.06
72120 - Svc Co-Trade and Business Serv	0.00	7,698.16	0.00	0.00	7,698.16
72205 - Office Machinery	0.00	-988.12	0.00	0.00	-988.12
72215 - Transportation Equipment	0.00	9,265.65	0.00	0.00	9,265.65
72220 - Furniture	0.00	29,156.81	0.00	0.00	29,156.81
72225 - Sale of Equip & Furniture	0.00	4,330.76	0.00	0.00	4,330.76
72311 - Fuel, petroleum and other oils	0.00	778.20	0.00	0.00	778.20
72320 - Wood & Paper Products	0.00	-33,581.06	0.00	0.00	-33,581.06
72399 - Other Materials and Goods	0.00	16,960.00	0.00	0.00	16,960.00
72405 - Acquisition of Communic Equip	0.00	25,801.30	0.00	0.00	25,801.30
72410 - Acquisition of Audio Visual Eq	0.00	26.43	0.00	0.00	26.43
72420 - Land Telephone Charges	0.00	1,314.48	0.00	0.00	1,314.48
72425 - Mobile Telephone Charges	0.00	142,242.90	0.00	0.00	142,242.90
72435 - E-mail-Subscription	0.00	4,680.72	0.00	0.00	4,680.72
72440 - Connectivity Charges	0.00	8,431.19	0.00	0.00	8,431.19
72505 - Stationery & other Office Supp	0.00	552.60	0.00	0.00	552.60
72705 - Hospitality-Special Events	0.00	3,321.88	0.00	0.00	3,321.88
72805 - Acquis of Computer Hardware	0.00	4,456.71	0.00	0.00	4,456.71
72810 - Acquis of Computer Software	0.00	798.64	0.00	0.00	798.64
73105 - Rent	0.00	249,048.39	0.00	0.00	249,048.39
73405 - Rental & Maint-Other Office Eq	0.00	621.64	0.00	0.00	621.64
73410 - Maint, Oper of Transport Equip	0.00	9,353.26	0.00	0.00	9,353.26
74110 - Audit Fees	0.00	19,076.00	0.00	0.00	19,076.00
74205 - Audio Visual Productions	0.00	21.06	0.00	0.00	21.06
74210 - Printing and Publications	0.00	1,062.31	0.00	0.00	1,062.31
74505 - Insurance	0.00	2,156.43	0.00	0.00	2,156.43
74525 - Sundry	0.00	19,632.99	0.00	0.00	19,632.99
74599 - UNDP cost recovery chrgs-Bills	0.00	64,007.73	0.00	0.00	64,007.73
75105 - Facilities & Admin - Implement	0.00	37,145.25	0.00	0.00	37,145.25
75709 - Learning - Training of counter	0.00	1,482.41	0.00	0.00	1,482.41
76125 - Realized Loss	0.00	150.20	0.00	0.00	150.20
76135 - Realized Gain	0.00	-599.96	0.00	0.00	-599.96
77630 - Dep Exp Owned - ITC	0.00	312.87	0.00	0.00	312.87
<b>Total for Fund 30000</b>	<b>0.00</b>	<b>550,241.00</b>	<b>0.00</b>	<b>0.00</b>	<b>550,241.00</b>
<b>Fund : 30071 (Programme cost sharing - GOV1)</b>					
71405 - Service Contracts-Individuals	0.00	4,395,868.22	0.00	0.00	4,395,868.22
71615 - Daily Subsistence Allow-Intl	0.00	-41.82	0.00	0.00	-41.82
71620 - Daily Subsistence Allow-Local	0.00	-25,057.66	0.00	0.00	-25,057.66
72170 - Svc Co-Humanitarian Aid & Relif	0.00	-1,421.11	0.00	0.00	-1,421.11
72205 - Office Machinery	0.00	-487.48	0.00	0.00	-487.48
72215 - Transportation Equipment	0.00	-9,265.65	0.00	0.00	-9,265.65
72220 - Furniture	0.00	-23,781.12	0.00	0.00	-23,781.12
72315 - Food & Textile Products	0.00	-3,159.73	0.00	0.00	-3,159.73
72405 - Acquisition of Communic Equip	0.00	-10,655.67	0.00	0.00	-10,655.67
72420 - Land Telephone Charges	0.00	-145.10	0.00	0.00	-145.10
72425 - Mobile Telephone Charges	0.00	-55,569.07	0.00	0.00	-55,569.07
72435 - E-mail-Subscription	0.00	-4,680.72	0.00	0.00	-4,680.72
72705 - Hospitality-Special Events	0.00	-2,314.40	0.00	0.00	-2,314.40
72805 - Acquis of Computer Hardware	0.00	-33.06	0.00	0.00	-33.06
72810 - Acquis of Computer Software	0.00	-108.74	0.00	0.00	-108.74
73105 - Rent	0.00	-80,183.79	0.00	0.00	-80,183.79
73410 - Maint, Oper of Transport Equip	0.00	-2,026.16	0.00	0.00	-2,026.16
74505 - Insurance	0.00	-1,740.75	0.00	0.00	-1,740.75
74510 - Bank Charges	0.00	0.00	0.00	0.00	0.00
74525 - Sundry	0.00	8,726.62	0.00	0.00	8,726.62
74599 - UNDP cost recovery chrgs-Bills	0.00	13,878.48	0.00	0.00	13,878.48
75105 - Facilities & Admin - Implement	0.00	293,646.10	0.00	0.00	293,646.10

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**A2**

Programme Conjoint D'Appui au Détachement Intégré de Sécurité

Financial audit Report and Management Letter - Audit year ended December 31,2012



UN Development Programme  
Report ID: ungl143p

Combined Delivery Report By Project

Page 3 of 5  
Run Time: 02-12-2013 21:12:31

Award Id : 00061084 APPUI AU DETACHEMENT INTEGRE D	Period : Jan-Dec (2012)			
Project # : 00077223 APPUI AU DETACHEMENT INTEGRE D	Impl. Partner : 00540 UNDP (Direct Execution)			
	Location : Chad			
Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp

Total for Fund 30071	0.00	4,491,647.59	0.00	0.00	4,491,647.59
Fund : 30079 (EUROPEAN COMMISSION)					
71620 - Daily Subsistence Allow-Local	0.00	6,150.80	0.00	0.00	6,150.80
72130 - Svc Co-Transportation Services	0.00	239.76	0.00	0.00	239.76
72205 - Office Machinery	0.00	2,295.11	0.00	0.00	2,295.11
72220 - Furniture	0.00	31,555.91	0.00	0.00	31,555.91
72315 - Food & Textile Products	0.00	3,159.73	0.00	0.00	3,159.73
72320 - Wood & Paper Products	0.00	33,581.06	0.00	0.00	33,581.06
72505 - Stationery & other Office Supp	0.00	282.92	0.00	0.00	282.92
72515 - Print Media	0.00	4,335.99	0.00	0.00	4,335.99
72620 - Joint Programming Expenditure	0.00	2,997.03	0.00	0.00	2,997.03
74599 - UNDP cost recovery charge-Bills	0.00	1,149.03	0.00	0.00	1,149.03
75105 - Facilities & Admin - Implement	0.00	6,002.29	0.00	0.00	6,002.29
76125 - Realized Loss	0.00	5.47	0.00	0.00	5.47
76135 - Realized Gain	0.00	-11.49	0.00	0.00	-11.49
Total for Fund 30079	0.00	91,743.41	0.00	0.00	91,743.41
Total for Dept : 31604	0.00	5,160,827.76	0.00	0.00	5,160,827.76
Dept: 31608 (Chad - Poverty Reduction)					
Fund : 30000 (Programme Cost Sharing)					
71405 - Service Contracts-Individuals	0.00	528.03	0.00	0.00	528.03
75105 - Facilities & Admin - Implement	0.00	36.96	0.00	0.00	36.96
Total for Fund 30000	0.00	564.99	0.00	0.00	564.99
Fund : 30071 (Programme cost sharing - GOV1)					
71405 - Service Contracts-Individuals	0.00	-528.03	0.00	0.00	-528.03
75105 - Facilities & Admin - Implement	0.00	-36.96	0.00	0.00	-36.96
Total for Fund 30071	0.00	-564.99	0.00	0.00	-564.99
Total for Dept : 31608	0.00	0.00	0.00	0.00	0.00
Dept: 31610 (Chad - Finance)					
Fund : 30000 (Programme Cost Sharing)					
71405 - Service Contracts-Individuals	0.00	8,463.36	0.00	0.00	8,463.36
75105 - Facilities & Admin - Implement	0.00	592.44	0.00	0.00	592.44
Total for Fund 30000	0.00	9,055.80	0.00	0.00	9,055.80
Fund : 30071 (Programme cost sharing - GOV1)					
71405 - Service Contracts-Individuals	0.00	-8,463.36	0.00	0.00	-8,463.36
75105 - Facilities & Admin - Implement	0.00	-592.44	0.00	0.00	-592.44
Total for Fund 30071	0.00	-9,055.80	0.00	0.00	-9,055.80
Total for Dept : 31610	0.00	0.00	0.00	0.00	0.00

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*[Handwritten initials AB]*

*[Handwritten initials AR]*



Programme Conjoint D'Appui au Détachement Intégré de Sécurité



UN Development Programme  
Report ID: ungl143p

Combined Delivery Report By Project

Page 4 of 5  
Run Time: 02-12-2013 21:12:31

Award Id : 00051084 APPUI AU DETACHEMENT INTEGRE D	Period :	Jan-Dec (2012)			
Project # : 00077223 APPUI AU DETACHEMENT INTEGRE D	Impl. Partner :	00540 UNDP (Direct Execution)			
	Location :	Chad			
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp

Total for Project : 00077223	0.00	5,235,823.92	0.00	0.00	5,235,823.92
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Award Total :	0.00	5,235,823.92	0.00	0.00	5,235,823.92
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*[Handwritten signatures]*

Signed By :



Date :

03/12/2013

*Azize Rajabalee.*

Azize Rajabalee  
Engagement Partner

*BDO & Co.*

BDO & Co  
Chartered Accountants



December 10, 2013

## 6 CERTIFICATION OF STATEMENT OF ASSETS

We have audited the accompanying statement of fixed assets (“the statement”) of the UNDP project number 077223, Programme Conjoint d’Appui au Détachement Intégré de Sécurité (DIS) N’Djamena - Chad as at 31 December 2012.

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

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

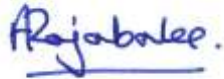
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those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

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

The assets of the project were held by (a) CONSAHDIS, (b) DIS and (c) UNDP country office. CONSAHDIS and DIS were dissolved by Presidential Decree in July 4, 2013 (see the copy of the Presidential decree attached from page 15 to 18) and consequently all assets held by CONSAHDIS and DIS were respectively transferred to the Presidential Secretariat and the “Direction Nationale de la Gendarmerie”. We draw the attention on the fact that the verification of assets transferred to these two governmental institutions did not fall within the scope of our audit.

**Clean Opinion**

In our opinion, the attached statement of assets presents fairly in all material respects the balance of inventory of FCFA 2,399,000 incurred by the project as at December 31, 2012 in accordance with UNDP accounting policies.



**Azize Rajabalee**  
*Engagement Partner*



**BDO & Co**  
*Chartered Accountants*

**December 10, 2013**

Programme Conjoint D'Appui au Détachement Intégré de Sécurité  
 Financial audit Report and Management Letter - Audit year ended December 31,2012

Attachment 7\_Project Asset Template

1	B	E	I	J	K	L	M	N	O	Q	R	S	T	V
2	SUBS UNIT	PROFILE ID (electricals, vehicles etc)	SERIAL ID	DESCRIPTION	LOCATION (physical)	CUSTOMER NAME	ACQUISITION DATE	Quantity (should always be 1)	Acquisition Cost	FUND CODE	Implementing Agent	Demor	PROJECT ID	Activity
22	20	VEHICULE	JTEBY25J500057157	4X4 TOYOTA PRADO KZJ120C-GKMG	PNUD/PROJET	PROJET	11/08/11	1		30000	1981	253	77223	
23	21	VEHICULE	JTEBY25J700057238	4X4 TOYOTA PRADO KZJ120C-GKMG	PNUD/PROJET	PROJET	11/08/11	1		30000	1981	253	77223	
32	30	IT	VNC4W28679	IMPRIMENTE HP	PNUD/PROJET	PROJET	03/03/11	1	125 000	30000	1981	11383	77223	
33	31	IT	9A283074Q	ORDINATEUR PORTABLE	PNUD/PROJET	PROJET	03/03/11	1	480 000	30000	1981	11383	77223	
36	34	IT	VNC4W07705	IMPRIMENTE HP	PNUD/PROJET	PROJET	03/03/11	1	125 000	30000	1981	11383	77223	
37	35	IT	CZC2104PSQ	UNITE CENTRALE	PNUD/PROJET	PROJET	06/22/11	1	700 000	30000	1981	11383	77223	
38	36	IT	CNC152NPS7	ECRAN ORDINATEUR	PNUD/PROJET	PROJET	07/05/12	1	874000	30000	1981	11383	77223	
39	37	FURNITURE		DESK	PNUD/PROJET	PROJET	05/14/11	1	125 000	30000	1981	11383	77223	
45										2,399,000				
46	Example													

TAMARA NOORON  
 OPERATION MANAGER  
 UNDP - CHAD  
 fahyuel 31/10/2013

Asset PROJECT UNITE

Rajabalee.

Azize Rajabalee  
 Engagement Partner

December 10, 2013



BDO & Co.

BDO & Co  
 Chartered Accountants

REPUBLIQUE DU TCHAD  
-----  
PRESIDENCE DE LA REPUBLIQUE  
-----

UNITE - TRAVAIL - PROGRES  
-----

DECRET N° 473 / PR / 2013

Mettant fin à la mission de la Coordination Nationale de Soutien aux Activités Humanitaires et au Détachement Intégré de Sécurité (DIS)

**LE PRESIDENT DE LA REPUBLIQUE  
CHEF DE L'ETAT,  
PRESIDENT DU CONSEIL DES MINISTRES**

Vu la Constitution ;

Vu le Décret 163/PR/2013 du 22 Février 2013, portant restructuration des services de la Présidence de la République et les textes modificatifs subséquents ;

Vu la Résolution N° 1923 du Conseil de Sécurité des Nations Unies du 25 Mai 2010 ;

Vu le Décret 882/PR/2010 du 22 Novembre 2010, portant modification du Décret N°337/PR/2010 du 26 Mars 2009, portant création, organisation et attributions de la Coordination de Soutien aux Activités Humanitaires et au Détachement Intégré de Sécurité (CONSAHDIS) et les textes modificatifs subséquents ;

Vu le Décret N° 1183/PR/2010 du 29 Décembre 2010, portant nomination d'un Représentant Spécial du Président de la République auprès de la Coordination de Soutien aux Activités Humanitaires et au Détachement Intégré de Sécurité (CONSAHDIS) ;

Vu l'Arrêté N°3409/PR/2010 du 21 Décembre 2010, portant rectificatif à l'Arrêté N°1514/PR/2009 du 7 Avril 2009 portant organisation et fonctionnement des structures de la Coordination Nationale de Soutien aux Activités Humanitaires et au Détachement Intégré de Sécurité (CONSAHDIS) ;

Vu les Décrets N° 73 et 74/PR/2012 du 24 Janvier 2012, portant nomination à des postes de responsabilité à la Coordination Nationale de Soutien aux Activités Humanitaires et au Détachement Intégré de Sécurité (CONSAHDIS) ;

**DECRETE**

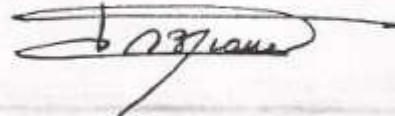
**Article 1<sup>er</sup>:** Il est mis fin à la mission de la Coordination Nationale de Soutien aux Activités Humanitaires et au Détachement Intégré de Sécurité (CONSAHDIS) ;

**Article 2:** Les fonctionnaires mis à disposition de la Coordination Nationale de Soutien aux Activités Humanitaires et au Détachement Intégré de Sécurité (CONSAHDIS) seront remis à leur corps d'origine à partir du 31 Juillet 2013.

**Article 3:** Tous les matériels de la Coordination Nationale de Soutien aux Activités Humanitaires et au Détachement Intégré de Sécurité (CONSAHDIS) seront remis au Secrétariat Général de la Présidence de la République.

**Article 5:** Le présent Décret qui prend effet pour compter de la date de sa signature, sera enregistré et publié au Journal Officiel de la République.

N'Djamena, le 04 Juillet 2013



**IDRISS DEBY ITNO**

REPUBLIQUE DU TCHAD  
-----  
PRESIDENCE DE LA REPUBLIQUE  
-----

UNITE - TRAVAIL - PROGRES  
-----

DECRET N° 474 / PR / 2013

Portant dissolution du Détachement Intégré de Sécurité (DIS)

**LE PRESIDENT DE LA REPUBLIQUE  
CHEF DE L'ETAT,  
PRESIDENT DU CONSEIL DES MINISTRES**

Vu la Constitution ;

Vu le Décret 163/PR/2013 du 22 Février 2013, portant restructuration des services de la Présidence de la République et les textes modificatifs subséquents ;

Vu la Résolution N° 1923 du Conseil de Sécurité des Nations Unies du 25 Mai 2010 ;

Vu le Décret 882/PR/2010 du 22 Novembre 2010, portant modification du Décret N°337/PR/2010 du 26 Mars 2009, portant création, organisation et attributions de la Coordination de Soutien aux Activités Humanitaires et au Détachement Intégré de Sécurité (CONSAHDIS) et les textes modificatifs subséquents ;

Vu le Décret N° 1183/PR/2010 du 29 Décembre 2010, portant nomination d'un Représentant Spécial du Président de la République auprès de la Coordination de Soutien aux Activités Humanitaires et au Détachement Intégré de Sécurité (CONSAHDIS) ;

Vu l'Arrêté N°3409/PR/2010 du 21 Décembre 2010, portant rectificatif à l'Arrêté N°1514/PR/2009 du 7 Avril 2009 portant organisation et fonctionnement des structures de la Coordination Nationale de Soutien aux Activités Humanitaires et au Détachement Intégré de Sécurité (CONSAHDIS) ;

Vu le Décret N° 1131/PR/2008 du 27 Septembre 2008, portant création et organisation d'un Détachement Intégré de Sécurité (DIS) ;

Vu le Programme Conjoint d'appui au Gouvernement Tchadien à travers le Détachement Intégré de Sécurité (DIS) en date du 18 Février 2011;

**DECRETE**

**Article 1<sup>er</sup>:** Le Détachement Intégré de Sécurité (DIS) est dissout.

**Article 2:** Les éléments Policiers du Détachement Intégré de Sécurité (DIS) au nombre de Deux Cents Dix Neuf (219) sont reversés dans leur corps d'origine à la Direction Générale de la Police Nationale à partir du 1<sup>er</sup> Juillet 2013.

**Article 3:** Les éléments Gendarmes du Détachement Intégré de Sécurité (DIS) au nombre de Cinq Cent Dix Huit (518) passent sous le commandement de la Direction Générale de la Gendarmerie Nationale et continuent à assurer la mission de sécurisation de l'espace humanitaire.

**Article 4:** Tous les matériels du Détachement Intégré de Sécurité (DIS) sont affectés à la Direction Générale de la Gendarmerie Nationale.

**Articles 5.** Le présent Décret prend effet pour compter de la date de sa signature, sera enregistré et publié au Journal Officiel de la République.

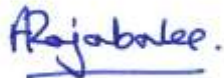
N'Djaména, le 04 Juillet 2013

  
**IDRISS DEBY ITNO**



## 7 CERTIFICATION OF STATEMENT OF CASH POSITION

In accordance with the Terms of Reference for the audit, we did not issue an opinion on the Statement of Cash Position as there was no separate bank account for the project under review.



**Azize Rajabalee**  
*Engagement Partner*

**December 10, 2013**



**BDO & Co**  
*Chartered Accountants*

## 8 BASIS OF PREPARATION

The project was managed by a Unit within UNDP Chad and therefore neither separate accounting system and procedures nor separate bank accounts were maintained. The CDR was extracted from the accounting software ATLAS.

### 8.1 Significant accounting policies

#### **Expenditure**

Expenditure in respect of goods and services received are generally recognised in the financial statements on cash basis.

#### **Projects assets**

Cost of assets are accounted as project expenditure upon date of purchase.

#### **Foreign Currency transactions**

The Combined Delivery Report and the financial accounting records are maintained in United State Dollars (USD). Transactions in other currencies are converted at the exchange rate communicated on a monthly basis by the UN Treasury.

## 9 MANAGEMENT LETTER

### 9.1 Purpose of the management letter

As set out in the Terms of Reference, a Management Letter was to be prepared if deemed necessary in order to bring to the attention of UNDP the issues arising as a result of our financial audit of the "Programme Conjoint d'Appui au Détachement Intégré de Sécurité" (DIS) for the period from January 1, 2012 to December 31, 2012 and our recommendations to address these issues.

Our audit responsibility was to assess the Project control environment, accounting systems and control techniques in accordance with International Auditing Standards (ISA 700). We have adequately completed our assessment and based on that we could:

- assess the accounting systems as a basis for preparing the financial statements; and
- reach an opinion on whether proper accounting records were kept

We draw the attention on the fact that the assessment of the system we carried out, does not necessarily disclose all weaknesses, therefore the issues mentioned in this management letter may not be the only shortcomings which exist in the system.

Our observations and recommendations are set out in the following paragraphs.

## 9.2 Absence of an Annual Work Plan

Observation	Impact	Priority	Recommendation
<p>We noted an absence of a detailed AWP. The project's design and strategy only provided general guidance on the project while the day-to-day implementation of the project needed an Annual Work Plan (AWP) which could provide details on the activities planned within the year, indicate when they will occur, evaluate the resources required to complete them, designate responsables for each step, indicate the objectives and methods to be used in order to measure outcomes.</p>	<p>In the absence of an AWP, project implementation may not be completed within scheduled time.</p>	<p>High</p>	<p>The Office should prepare an AWP each year for project implementation</p>
<p><b>Management comments:</b>                      Due to the project's linkages with national sovereignty and security issues, as well as the delay in reception of funding from donors, it was difficult to design a Work Plan at the beginning of the year. Year 2012 started with the realization of activities postponed in 2011 and thereafter the remaining activities of the projects were conducted in order to achieve the expected results by end of 2012. We endorse your recommendation for the subsequent steps of implementation of the project.</p>			

### 9.3 No steering committee meetings were held

Observation	Impact	Priority	Recommendation
<p>The Project document recommended the setting up of a steering committee who should meet on a regular basis and provide support, guidance and supervision in order to ensure the correct and timely implementation of the project. We noted that no Steering Committee meetings took place in 2012.</p>	<p>Problems arising in project implementation may not be resolved in a timely manner which could result in deliverables not being achieved.</p>	<p>Medium</p>	<p>The Office should ensure that the Steering Committee met at least twice during the year to oversee project implementation and provide support to resolve problems and difficulties encountered.</p>
<p><b>Management comments</b>                      The Steering Committee that assessed project management during 2012 met in January 2013. However, many coordination meetings attended by Project Team, CONSAHDIS, DIS, UNHCR and UNDP were organized during 2012 to discuss issues pertaining to the management of the project.</p>			

#### 9.4 Progress reports not prepared regularly

Observation	Impact	Priority	Recommendation
<p>According to the paragraph 6.3.1 of the Project Document an annual project report was to be prepared on a regular basis in order to provide details regarding the implementation progress, problems and issues encountered. However, we noted that the progress report was not prepared regularly.</p>	<p>The absence of progress report may affect the smooth implementation of the project.</p>	<p>Medium</p>	<p>The office should prepare a progress report every quarter setting out:</p> <ul style="list-style-type: none"> <li>▪ tasks done to-date;</li> <li>▪ any special issues that have surfaced and actions for resolution;</li> <li>▪ statement of expenditures by disbursement categories/activities;</li> <li>▪ Comparison with the established activities, deliverables and time schedule;</li> <li>▪ problems or difficulties foreseen and their implications for future actions;</li> <li>▪ Action plan for next quarter.</li> </ul>
<p><b>Management comments</b> We endorse your remarks and comments regarding the content of the progress reports. We will consider them when defining new progress reports.</p>			

### 9.5 No reference made to outcome and impact in the evaluation report

Observation	Impact	Priority	Recommendation
<p>According to the Project Document an evaluation report was to be prepared every year or periodically indicating the main activities carried out. We noted that the project outcomes and impacts were not always measured and no comparison was made versus the baseline situation. This situation could be explained by the absence of reference to the logical framework which is a tool for project implementation and evaluation</p>	<p>The objectives of project implementation in terms of output and outcome may be overlooked.</p>	<p>Medium</p>	<p>The Office should ensure that project outcomes and impacts are assessed based on the logical framework.</p>
<p><b>Management comments</b>                      An external evaluation was organized during the last quarter of 2012 and provided new strategic orientation of the project for 2013-2014 with revision of the project document. A revised project document including exit strategy was produced: transfer of implementation of the project to the Government of Chad from 2015 onward. The Government of Chad commits to ensure security of refugee camps and other stakeholders.</p>			

## 9.6 Weaknesses in documentation and approval of journal entries

Observation	Impact	Priority	Recommendation
Journal entries made in the general ledger are not documented and there is no evidence of approval.	Errors and irregularities may occur.	Medium	All journal entries be supported by a journal vouchers describing the nature of the entries made and be duly authorised.
<p><b>Management comments</b> Recommendation well noted.</p>			



## 9.7 Usage of vehicle and fuel consumption

Observation	Impact	Priority	Recommendation
<ul style="list-style-type: none"> <li>▪ The fuel management report prepared by UNDP Accounting Department is not submitted to the logistic officer for review. This report is only used as a basis to claim monthly fuel charge.</li> <li>▪ Fuel consumption for the following months was not recorded in the log book: September 2012 (125 lts), November 2012 (130 Lts) and December (145 Lts).</li> <li>▪ The purpose of each trip is not clearly specified in the log book.</li> <li>▪ There is no evidence of monthly approval of the log book by an authorised official.</li> <li>▪ The total monthly mileage and total fuel consumption is not calculated and recorded in the log book.</li> <li>▪ We have received only one log book out of a fleet of six vehicles as (i) one vehicle of DIS project does not have a log book (ii) we could not have accessed of the log books for vehicles held by CONSAHDIS.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unauthorised or misuse of vehicle.</li> <li>▪ Abnormal consumption of fuel</li> <li>▪ Excess claims for fuel charges may not be detected in a timely manner by UNDP.</li> </ul>	<p>Medium</p>	<p>The Office should ensure that the following measures are implemented:</p> <ul style="list-style-type: none"> <li>▪ On a monthly basis, the accounting department of the UNDP Office in Chad should send a fuel management report to the logistic officer of the Programme for verification.</li> <li>▪ The driver should ensure that fuel replenishments are systematically recorded in the log book.</li> <li>▪ The purpose of each trip should be clearly mentioned in the log book.</li> <li>▪ The logistic officer should regularly check the log book to ensure that all informations are properly recorded (purpose of trip, total mileage for the month, total fuel consumption) and compare it with the fuel management report.</li> </ul>
<p><b>Management comments</b> Recommendation well noted.</p>			



Observations	Actions taken	Management comments
<p><b><u>The use of part-time staff</u></b></p> <p>The experts working on the project are part-time whereas it was originally envisaged that full-time staff would be employed. Furthermore, the various coordinators of the project belonged to several agencies of the UN which led to their part-time involvement during the implementation of the project.</p> <p>There is a risk that the project implementation may not be completed within the scheduled time.</p> <p>The project should ensure that project personnel, as defined in the project document, are recruited for the project duration.</p>	<p>Not implemented</p>	<p>Recruitment was made for an Operation Manager. Effective 2013.</p>
<p><b><u>Lack of reconciliation between the accounting records and the Treasury balance</u></b></p> <p>A single bank account is used to manage the funds of the project received from the four donors. However, the balance of funds by donor is not reconciled with the donor project accounts.</p> <p>The Office should perform systematic reconciliations between the Treasury balance and the accounting records. Any discrepancies identified should be reconciled in a timely manner.</p>	<p>This reconciliation is not applicable as all funds are banked in UNDP general account</p>	

Observations	Actions taken	Management comments
<p><b><u>Inadequate accounting practices resulting in the risk of the manipulation of data</u></b></p> <p>a) <i>Lack of double entry book-keeping</i> While the existing project accounting system conforms with the clauses of article 16 of appendix II of the financial regulation, the final process of producing reports (such as the FACE form and the cash book account) was not in accordance with these regulations. The current presentation of the financial statements is not adequate due to the lack of detailed, systematic accounts and lack of double-entry book-keeping, which increases the risk of material misstatement in the financial reports.</p> <p>b) <i>Use of excel for the maintenance of financial records</i> Some of the accounts preparation such as the cash book account was performed in an excel spreadsheet to prepare the final financial statements as the ATLAS financial system does not record transactions in multi-currency, grants from EU is in Euro. The use of excel in the financial reporting is prone to data manipulating and does not provide enough audit trail.</p> <p>c) <i>Lack of regular back-ups of financial data</i> The accounting statements which are used to form the financial statements and reports are not printed and saved or backed up in hard copy.</p> <p>The Office should prepare statements, financial reports and activity reports as follows:</p> <ul style="list-style-type: none"> <li>• The entity should use another method for the production of financial reports such as the use of a standard accounting software based on a double entry book-keeping system; and</li> <li>• Printing, certifying and filing the main project financial statements.</li> </ul>	<p>Not implemented</p>	<p>Accounts are prepared in accordance with UNDP DIM procedures and ATLAS accounting system which use double-accounting. The financial statement consists of Combined Delivery Reports which is generated by the ATLAS system.</p> <p>Same remarks as above</p> <p>The back-up system is directly managed by headquarter.</p>

Observations	Actions taken	Management comments
<p><b><u>Inadequate supporting documentation</u></b></p> <ul style="list-style-type: none"> <li>▪ Purchases of supplies and services representing approximately 30% of the transactions were not supported by requisitions or delivery notes. It was the same for services which were not supported by an invoice (rent) or a compliment slip/remittance advice (consultant responsible for drafting the project documentation and the consultant project manager). There was thus no proof of delivery of these goods.</li> <li>▪ Certain purchases higher than \$ 2,500 were not backed up by purchase orders;</li> <li>▪ A significant number of invoices which have been paid have no clear recipient (neither UNDP, nor the project, nor DIS, nor CONSAHDIS).</li> <li>▪ There was an absence of an F10 to account for Daily Subsistence Allowance relating to missions paid into the accounts of the individual agents who carried out missions.</li> </ul> <p>The Office should ensure that:</p> <ul style="list-style-type: none"> <li>• Purchases of more than \$2,500 should always require a purchase order;</li> <li>• All purchases should be accompanied with delivery notes or goods received notes;</li> <li>• Invoices paid by the project should be addressed to the project; and</li> <li>• Daily Subsistence Allowance should be paid into the accounts of the individual agents and should be justified by supporting documentation.</li> </ul>	<p>Implemented</p>	

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<p><b><u>Weaknesses in travel policy</u></b>                      Travel authorizations are not systematically approved (lack of approval stamp or signature); and                      Travel summary reports are not prepared following the conduct of a mission by a project staff member. In the absence of such a document, it is difficult to know which activities have been completed and which are still outstanding.                      The Office should ensure that:</p> <ul style="list-style-type: none"> <li>• travel authorizations are authorised by a person in authority on arrival or departure.</li> <li>• a procedure is put in place to require that project staff produce a standard mission report for all missions which they carry out.</li> </ul>	<p><b>Implemented</b></p> <p><b>Not Implemented</b></p>	

Observations	Actions taken	Management comments
<p><b><u>Weaknesses in the administrative procedures relating to Fixed Assets</u></b></p> <ul style="list-style-type: none"> <li>▪ Equipment bought with project funds was not stamped with the project or UNDP logos apart from working materials specific to the project;</li> <li>▪ The absence of a code on certain fixed assets, which created difficulties in identifying which assets were actually purchased with project funds;</li> <li>▪ Nine asset disposals were not supported by any documentation to record the disposal ; and</li> <li>▪ Logbooks did not exist for six vehicles transferred to the project during the period, leading to difficulties in confirming whether the vehicles were actually used for project-related activities.</li> </ul> <p>The Office should ensure that:</p> <ul style="list-style-type: none"> <li>• All equipment is coded and carries the project logo, as well as the logo of the UNDP or the donor who financed it;</li> <li>• Equipment is coded as soon as it is received;</li> <li>• Logbooks are properly kept; and</li> <li>• The disposal of all assets are accompanied by a document.</li> </ul>	<p>Not implemented</p>	