



**AUDIT**

**OF**

**UNDP SIERRA LEONE**

**Support to the Electoral Cycle in Sierra Leone  
(Directly Implemented Project, Output No. 77588)**

**Report No. 1326**

**Issue Date: 26 June 2014**

## Report on the audit of UNDP Sierra Leone Support to the Electoral Cycle in Sierra Leone (Output No. 77588) Executive Summary

The UNDP Office of Audit and Investigations (OAI), from 3 to 28 February 2014, through B & C Services Consulting (the audit firm), conducted an audit of Support to the Electoral Cycle in Sierra Leone, Output No. 77588 (the Project), which is directly implemented and managed by the UNDP Country Office in Sierra Leone (the Office). The last audit of the Office was conducted by OAI in 2013.

The audit work covered 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, as well as assessing compliance with UNDP regulations, rules, policies and procedures and donor agreements. The audit covered the Project's Combined Delivery Report which includes expenditure for the period from 1 January 2012 to 31 December 2013 and the accompanying Funds Utilization statement<sup>1</sup> as of 31 December 2013 as well as Statement of Assets as of 31 December 2013. It also reviewed the relevant systems, procedures and practices in place as they relate to the Project, in the areas of: organization and staffing, human resources management, financial and cash management, asset management, procurement, project management and information systems and communication.

The audit also covered the activities undertaken by an implementing partner, the Political Parties Registration Commission (PPRC) in 2011, 2012 and 2013.

The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

### Overall audit rating

Based on the audit reports and corresponding management letters submitted by the audit firm, OAI assessed the management of the Project as **"partially satisfactory"** which means "Internal controls, governance and risk management processes as applicable to the Project's financial statements 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 significant irregularities in 2012 with supporting documents, ineligible expenditure, and a difference between the opening cash balance reported by PPRC and the amount verified by the auditors. The details of the audit results are presented in the table below:

Financial Year	Project Expenditure			Project Assets	
	Amount (in \$ '000)	Opinion	NFI (in \$ '000)	Amount (in \$ '000)	Opinion
2012	10,931*	Qualified	340	5,011	Unqualified
2013	2,004**	Unqualified	n/a	5,195	Unqualified

NFI = Net Financial Impact

\* The audited amount excludes \$10,385,044 which was directly incurred by UNDP Headquarters and supporting documents were not retained by UNDP Sierra Leone

<sup>1</sup> The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) depreciated fixed assets used at the project level; (c) inventory held at the project level; (d) prepayments made by the project; and (e) outstanding commitments held at the project level.

\*\* The audited amount excludes \$6,373,930 which was directly incurred by UNDP Headquarters and supporting documents were not retained by UNDP Sierra Leone

The audit firm qualified its opinion on project expenditure for the year 2012 due to: irregularities on supporting documents submitted by PPRC to account for expenditure incurred regarding procurement amounting to \$187,625; unsupported expenditure of \$3,735; ineligible expenditure of \$4,323; and a difference of \$144,299 between the opening the cash balance reported by PPRC and the amount verified by the auditors.

**Key recommendations:** Total = **39**, high priority = **13**

For high (critical) priority recommendations, 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. All high (critical) priority recommendations are presented below (grouped according to issues):

### UNDP Sierra Leone

Inadequate supporting documents submitted by implementing partners	Implementing partners submitted copies of invoices and receipts for expenditure incurred, procurement documents, training documents and statements of receipt and payment. However, the implementing partners did not submit cash book, bank statements and bank reconciliation for funds received.
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Issue No. 3.6.2 (FY 2012), No. 3.6.1 (FY 2013)	<u>Recommendation:</u> Indicate on the Letter of Agreement the specific documents to be submitted by the implementing partners. Additionally, when the implementing partners maintain original copies of invoices and receipts, UNDP should perform periodic financial reviews to ensure that adequate supporting documents are provided for expenditures reported.
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### PPRC

Inadequate segregation of duties	Subsequent to the signing of the Letter of Agreement, all aspects of the procurement process were carried out by the Procurement Officer. These tasks included the initiation of the request for quotation, the evaluation of quotations, the awarding of contracts, and the preparation of the local purchase orders for approval by the registrar. At the time of the audit, the Procurement Officer was acting as the Finance Officer and was responsible for raising requests for the payment for goods and services procured as well. The Procurement Unit was headed by the Finance Manager.
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Issue No. 4.1.3.3 (FY 2011), No. 4.2.3.3 (FY 2012), No. 4.1.3.2 (FY 2013)	<u>Recommendation:</u> Design a duty matrix for the procurement process which indicates the various procurement activities and specifies which staff member is responsible for each activity. The duty matrix should be designed in such a way so that no one person is responsible for all aspects of the procurement process. Instead, the matrix should appropriately segregate duties, and specify the appropriate levels of authority involved in each stage of the procurement process.
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<p>Irregular supporting documents for training activities conducted</p> <p>Issue No. 4.1.4.2 (FY 2011), No. 4.2.4.2 (FY 2012)</p>	<p>Some payments for transport allowance and Daily Subsistence Allowance paid to training participants were not supported by appropriate documents. This raised doubts as to whether the activities actually took place, and whether the total amount paid was accurate.</p> <p><b>Recommendation:</b> Use appropriate documents as support for all payments made, and in instances where community members are unable to sign for allowances paid, ensure thumb prints are taken instead. In addition, UNDP should demand a refund from the implementing partner for the amount in question, unless the implementing partner is able to provide justification for not providing supporting documents.</p>
<p>Some expenditures incurred not supported</p> <p>Issue No. 4.1.5.1 (FY 2011)</p>	<p>Supporting documents, such as invoices, receipts, or payment schedules, were not provided for \$19,749 in expenditures reported by PPRC. This amount represented 1.4 percent of the total expenditure incurred by PPRC.</p> <p><b>Recommendation:</b> Provide supporting documentation for these expenditures or refund the amount involved.</p>
<p>Difference between funds received from UNDP and amount reported by PPRC</p> <p>Issue No. 4.1.5.2 (FY 2011)</p>	<p>A difference of \$401,612 between funds received from UNDP and the amount reported by PPRC was unaccounted for. PPRC subsequently provided documentation for some expenditure, resulting in a variance of \$56,834 in unsupported expenditure.</p> <p><b>Recommendation:</b> Provide adequate and relevant supporting documentation to account for the variance. The total amount in question should be refunded if PPRC management is unable to account for the funds received.</p>
<p>Huge procurement of goods and service by PPRC</p> <p>Issue No. 4.1.3.1 (FY 2011)</p>	<p>Funds were disbursed to PPRC for the procurement of assets that required international competitive bidding given the amount involved. However, the organization had no track record of handling procurements involving international competitive bidding.</p> <p><b>Recommendation:</b> Strengthen the capacity of the Procurement Unit of PPRC so that it can manage procurement more effectively.</p>
<p>Irregularities with procurement documents</p> <p>Issue No. 4.2.3.1 (FY 2012)</p>	<p>There were irregularities on supporting documents for goods and services procured. Most of the requests for quotations, local purchase orders, evaluation reports, and delivery notes indicated that the entire procurement process was carried out on the same day. Instances were noted where items were received before requests for quotations and local purchase orders were issued to vendors.</p> <p><b>Recommendation:</b> Set a threshold for procurement carried out by PPRC, and any procurement exceeding the threshold should be handled directly by UNDP. In addition, the Procurement Unit of PPRC should be resourced with experienced staff capable of managing procurement.</p>



Error in opening cash balance of Peace Building Fund account	The financial returns from PPRC had a difference of \$47,167 between the opening cash balance of the Peace Building Fund account for 2012 and the closing cash balance for 2011.
Issue No. 4.2.5.5 (FY 2012)	<u>Recommendation:</u> Investigate the difference between the balances and resubmit the corrected 2012 financial returns for the Peace Building Fund. Where the difference has been utilized for implementation of project activities, PPRC should provide adequate supporting documents to account for the difference in amount.
Two quotations obtained from same vendor	Quotations submitted by two companies for the reproduction of an election day training manual for party agents were from the same vendor. This undermined the competitiveness of the procurement process.
Issue No. 4.2.3.4 (FY 2012)	<u>Recommendation:</u> Review only one quotation from each vendor to ensure that a competitive procurement process takes place.

**Implementation status of previous OAI audit recommendations:** Report No. 1092, 26 April 2013.

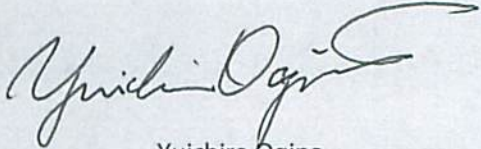
Total recommendations: 3

Implementation status: 100 percent

**Management comments and action plan**

The UNDP Resident Representative accepted all of the recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated into the report, where appropriate.

The audit report was shared with PPRC, which provided extensive comments to clarify and provide context to certain audit observations. Furthermore, PPRC gave details regarding actions already undertaken or planned to address the control deficiencies noted in the audit report. OAI acknowledges this and will validate the implementation status of recommendations as part of its regular follow-up process.



Yuichiro Ogino  
Officer-in-Charge  
Office of Audit and Investigations

**UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

**SUPPORT TO THE ELECTORAL CYCLE IN SIERRA LEONE**

**OUTPUT NUMBER – 00077588**

**AUDIT REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

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23 May 2014

Dear Sir,

**SUPPORT TO THE ELECTORAL CYCLE IN SIERRA LEONE (OUTPUT NO. 00077588)**  
**FINAL AUDIT REPORT FOR YEAR ENDED 31 DECEMBER 2013**

**Introduction**

We have completed the audit of Output No. 00077588 "Support to the Electoral Cycle in Sierra Leone" for the year ended 31 December 2013, and are pleased to present our final report.

**Scope of the audit**

You requested us to perform the following:

- cover all activities of the project no. 00061278, Output No. 00077588 - Support to the electoral cycle during the period from 01 January 2013 to 31 December 2013; and
- indicate whether the statement of expenditures for the period indicated are adequately and fairly presented and that disbursements are made in accordance with the purpose for which funds have been allocated to the project.
- include a review of project reports and records located at the UNDP country office in Freetown, Sierra Leone or held elsewhere by Implementing partners on behalf of UNDP.

The scope of the audit work include the review of work plans, progress reports, project resources, project budgets, project expenses, recruitment, physical verification of project assets, and operational aspects of the projects.

Our review also included a special audit of activities undertaken by the PPRC during the 2013 financial year.

In addition, we also evaluated the internal control activities and systems in order to assess:

- reliability and integrity of project financial and operational information;
- effectiveness and efficiency of project operations;

- safeguarding of project assets;
- compliance with legislative mandates, regulations and rules, policies and procedures, as well as donor agreements.

## Structure of the report

To respond to the requirements of the terms of reference, the report is structured in three sections as follows:

<b>Section 1</b>	<b>Executive summary</b>
Part A	Summary of findings – financial audit
Part B	Summary of findings – noted from review of internal controls and systems
<b>Section 2</b>	<b>Financial report</b>
<b>Part A</b>	<b>Combined Delivery Report</b>
Part B	Project Assets and Equipment
Part C	Cash balance at year end
<b>Section 3</b>	<b>Long form report (UNDP)</b>
3.1	Summary of audit findings
3.2	Overall organizational structure and human resources
3.3	Finance and cash management
3.4	Asset management
3.5	Procurement
3.6	Programme management
3.7	Information and communication
3.8	Status of implementation of prior year's audit recommendations
<b>Section 4</b>	<b>Long form report (PPRC)</b>
4.1	Audit of PPRC for the year ended 31 December 2013

The severity of risks associated with audit findings have been categorized into high, medium and low.

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

We have provided an overall rating of each audit area based on findings noted from our review of internal controls and systems. The categorisation of the ratings is as follows:

- **Satisfactory** – Internal controls, governance and risk management processes were adequately established and functioning well (i.e. 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 (i.e. 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).

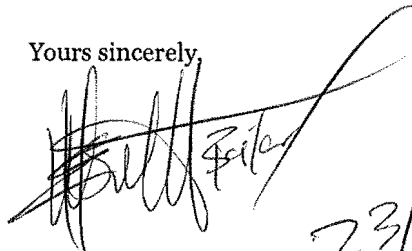
The matters raised in this and other reports that will flow from the audit are only those which have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the issues arising, and in particular we cannot be held responsible for reporting all risks in your project operations or all internal control weaknesses.

### **Appreciation**

We take this opportunity to express our appreciation to UNDP management and staff and also to management and staff of the Implementing Partner (PPRC) and for their co-operation and assistance during the audit.

Should you require any clarifications or additional information regarding this report and the audit, please do not hesitate to contact **David Quaye** or the undersigned.

Yours sincerely,



23/05/14

**Buffy B. Bailor**  
**Managing Partner**

## **Executive Summary**

### **Introduction**

In carrying out its development mission, the United Nations Development Programme (UNDP) provides a range of support services to the implementation of development projects. In specific circumstances such as special development situations, UNDP may take on the role of implementing entity. Projects that are implemented directly by UNDP are known as Directly Implemented (DIM) projects. As the implementing entity of a DIM project, UNDP has overall management responsibility and accountability for project implementation. UNDP is therefore, entrusted with and fully responsible and accountable for successfully managing and delivering a project's outputs. As the designated implementing entity of a DIM project, UNDP may either implement all the activities of the project, or alternatively, have some parts of the activities implemented by a "responsible party" such as another UN agency, an NGO or a national institution. These organisations are called implementing partners (IPs).

The relationships between the UNDP and IPs are regulated by letter of agreement (LOA) that set out clearly the roles, responsibilities and obligations of each party.

### **Objective and scope of audit**

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

- The Combined Delivery Report (CDR) including the funds utilization for the year ended 31 December 2013 are fairly presented in accordance with UNDP accounting policies and whether the 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 Statement of Assets as at 31 December 2013 presents fairly, in all material respect, the balance of assets of the project; and
- The Statement of Cash Position as at 31 December 2013 presents fairly, in all material respect, the cash and bank balance of the project.

The Terms of Reference (ToR) also included as overall assessment of the operational and internal control systems to ensure that 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:

- **Overall organizational structure and human resources**

An assessment of staffing levels and workflow of activities in the delivery of planned activities in the project document.

**Finance and cash management**

An assessment of the adequacy of the accounting and financial reporting systems used for the management of project resources; and the adequacy of internal controls for compliance with UNDP policies with respect to the safe custody and adequate management of cash, commitment of expenditures against approved budget, cash advances to staff, etc.

**Asset management**

An assessment of whether project assets are adequately recorded, safeguarded, monitored, including periodic verification of their use and existence, and controlled to ensure that the assets are adequately used only for the purposes of the project.

**Procurement**

An assessment of whether goods and services for the project are procured in a competitive and transparent manner in accordance with UNDP policies and procedures as set out in the Programme and Operations Policies and Procedures (POPP) and the Internal Controls Framework of UNDP. The assessment also includes review of procurement of goods and services by PPRC in compliance with the Public Procurement Act, 2004 of Sierra Leone.

**Programme management**

An assessment of project implementation arrangements in terms of approval of annual work plan and budget, constitution and functioning of the project board and the steering committee, monitoring and evaluation of project implementation towards achievement of project objectives, etc.

**Information and communication**

Assessment of the efficiency and effectiveness of the information systems established and their adequacy to meet the management and reporting requirements of the project.

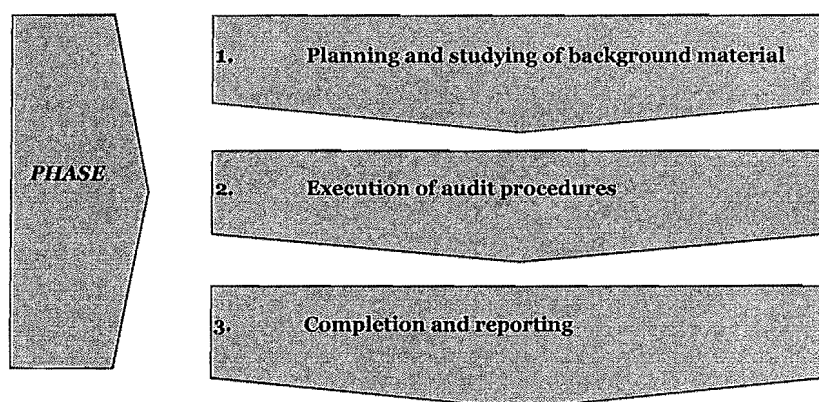
We also assessed the extent of implementation of prior year's audit recommendations.

**Approach and methodology**

At the inception of the assignment, we developed procedures to enable us to address the requirements of the terms of reference/ scope of work. The use of tailored procedures ensured that we addressed all the subject areas outlined in our scope of work.

Our assignment was carried out in three different phases as follows:





We started the audit with initial meeting with management of UNDP and then followed up with discussion of our audit plan after our initial assessment of the audit risk associated with the project.

We obtained the CDR for 2013 and the accompanying ATLAS detail listing for 2013. We reviewed several documents supporting expenditure incurred including procurement documents, training reports and attendance sheets, etc.

We also reviewed internal controls and systems maintained in relation to the areas highlighted under objective and scope of audit section.

For audit of PPRC, we started with a review of financial returns submitted to UNDP. This was then followed by a visit to PPRC office to review outstanding documents and to seek clarification or explanation to issues noted from our initial review.

We have detailed our findings and recommendations in the respective sections of this report.

For each of our findings, we have provided an indication on the severity of risk as provided in our transmittal letter.

## **Summary of findings**

We have present in the table below a summary of the findings that came to our attention during the assignment. The details of the findings and recommendations are in the referenced sections in subsequent pages.

### **Part A Summary of findings – financial audit**

Section	Audit Findings	Priority level	Source of funding	Page reference
	<b>UNDP</b>			
	No reportable findings noted from the financial audit			
	<b>PPRC</b>			
4.1.4.1	Overpayment of DSAs and transportation refunds	Medium	Election Basket Fund (EBF)	33-34
4.1.4.2	Irregular supporting documents for training activities conducted	Medium	Peace Building Fund (PBF) and EBF	35-37
4.1.5.1	Borrowing from the project to finance activities of PPRC	Medium	EBF	38

### **Part B Summary of findings –review of internal controls and systems**

Section	Audit Findings	Priority level	Source of funding	Page reference
	<b>UNDP</b>			
3.4.1	Some IPs do not maintain assets register	Medium	PBF and EBF	17-18
3.6.1	Inadequate supporting documents submitted by IPs	High	PBF and EBF	21
3.6.2	Inadequate follow up of issues noted from review of IPs returns	Medium	PBF and EBF	22-23
	<b>PPRC</b>			
4.1.3.1	Invalid business license documents submitted by vendors	Medium	PBF	30-31
4.1.3.2	Inadequate segregation of duties	High	PBF and EBF	32
4.1.6.1	No MoU between PPRC and sub-implementing parties (APPYA and APPWA)	Medium	PBF	39-40
4.1.7.1	Poor assets management system	Medium	PBF and EBF	41-42
4.1.7.2	Some project assets missing	Medium	PBF	43-44

**REPORT OF THE INDEPENDENT AUDITOR TO THE RESIDENT REPRESENTATIVE,  
UNITED NATIONS DEVELOPMENT PROGRAMME, SIERRA LEONE**

**REPORT ON THE COMBINED DELIVERY REPORT**

We have audited the accompanying Combined Delivery Report (CDR) of the UNDP DIM project "Support to the Electoral Cycle in Sierra Leone" Output No. 00077588 for the period 1 January to 31 December 2013 as set out on page 7.

**Management's responsibilities for the CDR**

Management of UNDP Sierra Leone is responsible for the preparation of the CDR and for such internal control as it determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on the CDR 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 CDR is free from material misstatement.

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

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

**Opinion**

In our opinion, Combined Delivery Report presents fairly, in all material respects the expenditure of US\$ 2,003,674.40 incurred by the project in Sierra Leone for the period 1 January 2013 to 31 December 2013 in accordance with UNDP accounting requirements as summarized on pages 15 to 17 and were in conformity with the approved project budgets; for the approved purposes of the project; in compliance with the relevant UNDP regulations and rules, policies and procedures; and supported by properly approved vouchers and other supporting documents.

**Other reporting requirements**

In accordance with the Term of Reference for this audit, we also confirm that the expenditure of US\$ 2,003,674.40 was:

- incurred by the project in conformity with the approved project budgets;
- for the approved purposes of the project;

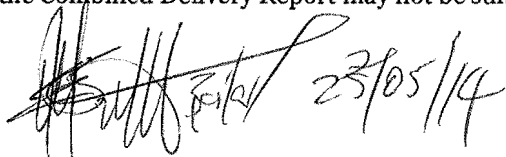
- in compliance with the relevant UNDP regulations and rules, policies and procedures; and
- supported by properly approved vouchers and other supporting documents.

#### **Other matters**

We also draw attention to Note 3 to the Combined Delivery Report which indicates that the CDR for the year ended 31 December 2013 amounts in total to US\$ 8, 377,604.40. It includes certain expenses directly incurred by UNDP headquarters on the project amounting to US\$6,373,930 and US\$ 2,003,674.40 incurred by the project in Sierra Leone and on which we provided an opinion. The terms of reference of the project specifically excludes from the audit all expenses directly incurred by UNDP Headquarters. Our audit opinion does not cover these expenses disclosed in Note 3 of the Combined Delivery Report.

#### **Accounting Policies**

We draw attention to pages 8 to 10 of this report, which describes the principal accounting policies adopted by the project management in the preparation of the Combined Delivery Report (CDR). The CDR is prepared by UNDP Sierra Leone for reporting to UNDP Headquarters in New York. As a result, the Combined Delivery Report may not be suitable for another purpose.



Buffy Bailor  
B & C Services Consulting  
Partner

## **COMBINED DELIVERY REPORT**

Find signed CDR in the attached zip folder named "2013 CDR".



# Combined Delivery Report By Project

**UN**  
**DIP** UN Development Programme  
 Report ID: unglcdnp

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## Selection Criteria :

Business Unit : SLE10  
 Period : Jan-Dec (2013)  
 Selected Project Id : ALL  
 Selected Fund Code : ALL  
 Selected Dept. IDs : ALL  
 Selected Outputs : 00077588

Project Id : 00061278 SUPPORT TO THE ELECTORAL CYCLE	Period : Jan-Dec (2013)
Output # : 00077588 SUPPORT TO THE ELECTORAL CYCLE	(impl. Partner : 02762 DIRECT EXECUTION
	Location : Sierra Leone

Dept: 07901 (BDP/Policy Support&Network Fac)

Fund : 04000 (Core Programme, UNU Centre)

72311 - Fuel, petroleum and other oils	0.00	0.00	0.00	0.00
<b>Total for Fund 04000</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total for Dept : 07901</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Dept: 08201 (BDP/Capacity 21/Capacity 2015)

Fund : 30000 (PROGRAMME COST SHARING)

71205 - Intl Consultants-Sht Term-Tech	0.00	0.00	0.00	0.00
<b>Total for Fund 30000</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total for Dept : 08201</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Dept: 37201 (Sierra Leone - Central)

Fund : 04000 (Core Programme, UNU Centre)

72311 - Fuel, petroleum and other oils	0.00	- 227.26	0.00	- 227.26
<b>Total for Fund 04000</b>	<b>0.00</b>	<b>- 227.26</b>	<b>0.00</b>	<b>- 227.26</b>

Fund : 30000 (PROGRAMME COST SHARING)

72311 - Fuel, petroleum and other oils	0.00	103.94	0.00	103.94
72425 - Mobile Telephone Charges	0.00	0.00	0.00	0.00
75105 - Facilities & Admin - Implement	0.00	7.28	0.00	7.28
<b>Total for Fund 30000</b>	<b>0.00</b>	<b>111.22</b>	<b>0.00</b>	<b>111.22</b>

Fund : 30079 (EUROPEAN COMMISSION)

74325 - Contrib.To CO Common Security	0.00	17,300.00	0.00	17,300.00
75105 - Facilities & Admin - Implement	0.00	1,211.00	0.00	1,211.00
<b>Total for Fund 30079</b>	<b>0.00</b>	<b>18,511.00</b>	<b>0.00</b>	<b>18,511.00</b>
<b>Total for Dept : 37201</b>	<b>0.00</b>	<b>18,394.96</b>	<b>0.00</b>	<b>18,394.96</b>



Project Id: 00061278 SUPPORT TO THE ELECTORAL CYCLE	Period: Jan-Dec (2013)
Output #: 00077538 SUPPORT TO THE ELECTORAL CYCLE	Impl. Partner: 02762 DIRECT EXECUTION
	Location: Sierra Leone
Govt Exp	UNDP Exp
UN Agencies Exp	Total Exp

Dept: 37204 (Sierra Leone - Dem. Governance)

Fund : 04000 (Core Programme, UNU Centre)

61305 - Salaries - IP Staff	0.00	39,080.97	0.00	39,080.97
61310 - Post Adjustment - IP Staff	0.00	22,480.70	0.00	22,480.70
62305 - Dependency Allowances-IP Staff	0.00	5,204.40	0.00	5,204.40
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	12,388.80	0.00	12,388.80
62315 - Contrib. to medical, social In	0.00	3,468.87	0.00	3,468.87
62320 - Mobility, Hardship, Non-remova	0.00	12,771.47	0.00	12,771.47
62340 - Annual Leave Expense - IP	0.00	-8,232.44	0.00	-8,232.44
63330 - Ed Grt Inci Trvl&Allow-IP Stf	0.00	31,921.66	0.00	31,921.66
63335 - Home Leave Trvl & Allow-IP Stf	0.00	925.00	0.00	925.00
63515 - Security-related Costs	0.00	7,967.45	0.00	7,967.45
63530 - Contribution to EOS Benefits	0.00	2,308.56	0.00	2,308.56
63535 - Contribution to Security	0.00	2,462.47	0.00	2,462.47
63540 - Contribution to Training	0.00	615.62	0.00	615.62
63545 - Contribution to ICT	0.00	923.42	0.00	923.42
63550 - Contributions to MAIP	0.00	123.12	0.00	123.12
63555 - Contribution to UN JFA	0.00	1,108.12	0.00	1,108.12
63560 - Contributions to Appendix D	0.00	184.68	0.00	184.68
64306 - Appointment-Ticket Costs	0.00	2,066.00	0.00	2,066.00
64307 - Appointment-Subsistence Allow	0.00	3,345.00	0.00	3,345.00
65115 - Contributions to ASHI Reserve	0.00	4,924.95	0.00	4,924.95
65135 - Payroll Mgt Cost Recovery ATLA	0.00	342.62	0.00	342.62
71305 - Local Consult.-Shl Term-Tech	0.00	2,877.79	0.00	2,877.79
71405 - Service Contracts-Individuals	0.00	1,959.73	0.00	1,959.73
71605 - Travel Tickets-International	0.00	-1,622.21	0.00	-1,622.21
71620 - Daily Subsistence Allow-Local	0.00	4,041.73	0.00	4,041.73
71625 - Daily Subsist Allow-Mtg Partic	0.00	1,622.21	0.00	1,622.21
71635 - Travel - Other	0.00	481.16	0.00	481.16
72311 - Fuel, petroleum and other oils	0.00	20,719.06	0.00	20,719.06
72315 - Food & Textile Products	0.00	676.75	0.00	676.75
72425 - Mobile Telephone Charges	0.00	3,855.96	0.00	3,855.96
72440 - Connectivity Charges	0.00	1,799.06	0.00	1,799.06
72505 - Stationery & other Office Supp	0.00	723.95	0.00	723.95
73120 - Utilities	0.00	4,166.98	0.00	4,166.98
74520 - Storage	0.00	6,270.00	0.00	6,270.00
74525 - Sundry	0.00	2,033.18	0.00	2,033.18
75110 - Facilities & Admin - Services	0.00	4,000.00	0.00	4,000.00
76125 - Realized Loss	0.00	0.02	0.00	0.02
76135 - Realized Gain	0.00	-0.62	0.00	-0.62
77660 - Dep Exp Owned -Vehicle	0.00	5,657.86	0.00	5,657.86

Total for Fund 04000	0.00	205,644.05	0.00	205,644.05
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Fund : 11888 (Country Co-Financing CS)

31007 - PriorPeriodAdj_EXP_PPE	0.00	7,342.57	0.00	7,342.57
62330 - Rental Supplements - IP Staff	0.00	711.13	0.00	711.13
63360 - Medical Exams(incl Pre-empl)	0.00	0.00	0.00	0.00
64306 - Appointment-Ticket Costs	0.00	0.00	0.00	0.00
64307 - Appointment-Subsistence Allow	0.00	0.00	0.00	0.00
64308 - Appointments-Lump Sum	0.00	0.00	0.00	0.00



# Combined Delivery Report By Project

Project ID: 00081278 SUPPORT TO THE ELECTORAL CYCLE		Period:	Jan-Dec (2013)	
Output #: 00077588 SUPPORT TO THE ELECTORAL CYCLE		Impl. Partner:	02762 DIRECT EXECUTION	
		Location:	Sierra Leone	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
64309 - Appointment-Shipments	0.00	0.00	0.00	0.00
71405 - Service Contracts-Individuals	0.00	6,552.62	0.00	6,552.62
71410 - MAIP Premium SC	0.00	21.56	0.00	21.56
72425 - Mobile Telephone Charges	0.00	256.54	0.00	256.54
73120 - Utilities	0.00	209.77	0.00	209.77
74510 - Bank Charges	0.00	210.00	0.00	210.00
74696 - PP&E Expensed Items	0.00	0.00	0.00	0.00
75105 - Facilities & Admin - Implement	0.00	1,517.72	0.00	1,517.72
76135 - Realized Gain	0.00	-0.49	0.00	-0.49
77630 - Dep Exp Owned - ITC	0.00	5,311.04	0.00	5,311.04
77660 - Dep Exp Owned -Vehicle	0.00	176.37	0.00	176.37
<b>Total for Fund 11888</b>	<b>0.00</b>	<b>22,308.83</b>	<b>0.00</b>	<b>22,308.83</b>
<b>Fund : 30000 (PROGRAMME COST SHARING)</b>				
31007 - PriorPeriodAdj_EXP_PPE	0.00	75,218.25	0.00	75,218.25
61305 - Salaries - IP Staff	0.00	8,467.34	0.00	8,467.34
61310 - Post Adjustment - IP Staff	0.00	5,088.87	0.00	5,088.87
62305 - Dependency Allowances-IP Staff	0.00	488.17	0.00	488.17
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	2,742.33	0.00	2,742.33
62315 - Contrib. to medical, social In	0.00	116.80	0.00	116.80
62320 - Mobility, Hardship, Non-remova	0.00	2,265.00	0.00	2,265.00
62330 - Rental Supplements - IP Staff	0.00	1,066.70	0.00	1,066.70
62340 - Annual Leave Expense - IP	0.00	1,558.18	0.00	1,558.18
63335 - Home Leave Trvl & Allow-IP Stf	0.00	616.67	0.00	616.67
63515 - Security-related Costs	0.00	800.00	0.00	800.00
63530 - Contribution to EOS Benefits	0.00	508.36	0.00	508.36
63535 - Contribution to Security	0.00	542.25	0.00	542.25
63540 - Contribution to Training	0.00	135.56	0.00	135.56
63545 - Contribution to ICT	0.00	203.34	0.00	203.34
63550 - Contributions to MAIP	0.00	27.11	0.00	27.11
63555 - Contribution to UN JFA	0.00	244.01	0.00	244.01
63560 - Contributions to Appendix D	0.00	40.67	0.00	40.67
65115 - Contributions to ASHI Reserve	0.00	1,084.50	0.00	1,084.50
65135 - Payroll Mgt Cost Recovery ATLA	0.00	64.38	0.00	64.38
71205 - Intd Consultants-Sht Term-Tech	0.00	452,328.53	0.00	452,328.53
71305 - Local Consult.-Sht Term-Tech	0.00	20,980.86	0.00	20,980.86
71310 - Local Consult.-Short Term-Supp	0.00	59,003.90	0.00	59,003.90
71405 - Service Contracts-Individuals	0.00	27,129.62	0.00	27,129.62
71410 - MAIP Premium SC	0.00	97.74	0.00	97.74
71605 - Travel Tickets-International	0.00	0.00	0.00	0.00
71615 - Daily Subsistence Allow-Intl	0.00	0.00	0.00	0.00
71620 - Daily Subsistence Allow-Local	0.00	1,838.25	0.00	1,838.25
72105 - Svc Co-Construction & Engineer	0.00	27,680.67	0.00	27,680.67
72125 - Svc Co-Studies & Research Serv	0.00	71,402.50	0.00	71,402.50
72130 - Svc Co-Transportation Services	0.00	7,732.00	0.00	7,732.00
72205 - Office Machinery	0.00	1,500.00	0.00	1,500.00
72215 - Transporation Equipment	0.00	5,534.53	0.00	5,534.53
72220 - Furniture	0.00	2,737.82	0.00	2,737.82
72311 - Fuel, petroleum and other oils	0.00	23,432.23	0.00	23,432.23
72399 - Other Materials and Goods	0.00	4,875,463.79	0.00	4,875,463.79
72402 - Building Maintenance	0.00	0.00	0.00	0.00
72405 - Acquisition of Communic Equip	0.00	15,802.72	0.00	15,802.72





Project Id : 00061278 SUPPORT TO THE ELECTORAL CYCLE	Period :	Jan-Dec (2013)		
Output #: 00077588 SUPPORT TO THE ELECTORAL CYCLE	Impl. Partner :	02762 DIRECT EXECUTION		
	Location :	Sierra Leone		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
72410 - Acquisition of Audio Visual Eq	0.00	5,395.35	0.00	5,395.35
72415 - Courier Charges	0.00	110.13	0.00	110.13
72425 - Mobile Telephone Charges	0.00	6,731.58	0.00	6,731.58
72440 - Connectivity Charges	0.00	22,291.67	0.00	22,291.67
72445 - Common Services-Communications	0.00	164.26	0.00	164.26
72505 - Stationery & other Office Supp	0.00	14,596.28	0.00	14,596.28
72705 - Hospitality-Special Events	0.00	- 58.60	0.00	- 58.60
72715 - Hospitality Catering	0.00	5,967.90	0.00	5,967.90
72805 - Acquis of Computer Hardware	0.00	5,422.00	0.00	5,422.00
72810 - Acquis of Computer Software	0.00	6,951.09	0.00	6,951.09
72815 - Inform Technology Supplies	0.00	1,983.72	0.00	1,983.72
73107 - Rent - Meeting Rooms	0.00	3,788.54	0.00	3,788.54
73125 - Common Services-Premises	0.00	10,000.00	0.00	10,000.00
73406 - Maintenance of Equipment	0.00	13,191.42	0.00	13,191.42
73410 - Maint, Oper of Transport Equip	0.00	11,614.85	0.00	11,614.85
73420 -Leased Vehicles	0.00	660.00	0.00	660.00
74205 - Audio Visual Productions	0.00	- 410.23	0.00	- 410.23
74210 - Printing and Publications	0.00	9,948.84	0.00	9,948.84
74225 - Other Media Costs	0.00	6,319.77	0.00	6,319.77
74505 - Insurance	0.00	104.65	0.00	104.65
74520 - Storage	0.00	17,765.00	0.00	17,765.00
74525 - Sundry	0.00	597.80	0.00	597.80
74696 - PP&E Expensed Items	0.00	0.15	0.00	0.15
74965 - Low value equipment	0.00	441.86	0.00	441.86
75105 - Facilities & Admin - Implement	0.00	451,580.52	0.00	451,580.52
75110 - Facilities & Admin - Services	0.00	9,352.02	0.00	9,352.02
75705 - Learning costs	0.00	3,603.57	0.00	3,603.57
75707 - Learning - subsistence allowan	0.00	18,982.94	0.00	18,982.94
75709 - Learning - training of counter	0.00	117,430.95	0.00	117,430.95
75710 - Participation of counterparts	0.00	453,989.51	0.00	453,989.51
76125 - Realized Loss	0.00	69.16	0.00	69.16
76135 - Realized Gain	0.00	- 69.20	0.00	- 69.20
77630 - Dep Exp Owned - ITC	0.00	9,026.50	0.00	9,026.50
77670 - Dep Exp-Hvy Mac & Equip	0.00	276.80	0.00	276.80
Total for Fund 30000	0.00	6,901,744.45	0.00	6,901,744.45
Fund : 30079 (EUROPEAN COMMISSION)				
31007 - PriorPeriodAdj_EXP_PPE	0.00	125,526.24	0.00	125,526.24
61305 - Salaries - IP Staff	0.00	116,414.24	0.00	116,414.24
61310 - Post Adjustment - IP Staff	0.00	69,094.16	0.00	69,094.16
62305 - Dependency Allowances-IP Staff	0.00	9,440.79	0.00	9,440.79
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	37,218.52	0.00	37,218.52
62315 - Contrib. to medical, social in	0.00	10,599.85	0.00	10,599.85
62320 - Mobility, Hardship, Non-remova	0.00	38,945.53	0.00	38,945.53
62340 - Annual Leave Expense - IP	0.00	- 17,161.05	0.00	- 17,161.05
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	42,631.18	0.00	42,631.18
63335 - Home Leave Trvl & Allow-IP Stf	0.00	3,700.01	0.00	3,700.01
63515 - Security-related Costs	0.00	19,826.76	0.00	19,826.76
63530 - Contribution to EOS Benefits	0.00	6,956.61	0.00	6,956.61
63535 - Contribution to Security	0.00	7,420.34	0.00	7,420.34
63540 - Contribution to Training	0.00	1,855.09	0.00	1,855.09
63545 - Contribution to ICT	0.00	2,782.62	0.00	2,782.62



# Combined Delivery Report By Project

UN Development Programme  
Report ID: unglodrp

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Project Id : 00061278 SUPPORT TO THE ELECTORAL CYCLE		Period : Jan-Dec (2013)		
Output # : 00077588 SUPPORT TO THE ELECTORAL CYCLE		Impl. Partner : 02782 DIRECT EXECUTION		
		Location : Sierra Leone		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
63550 - Contributions to MAIP	0.00	371.01	0.00	371.01
63555 - Contribution to UN JFA	0.00	3,339.16	0.00	3,339.16
63560 - Contributions to Appendix D	0.00	556.53	0.00	556.53
65115 - Contributions to ASHI Reserve	0.00	14,840.70	0.00	14,840.70
65135 - Payroll Mgt Cost Recovery ATLA	0.00	1,009.36	0.00	1,009.36
71205 - Intl Consultants-Sht Term-Tech	0.00	190,645.89	0.00	190,645.89
71305 - Local Consult.-Sht Term-Tech	0.00	88,559.97	0.00	88,559.97
71310 - Local Consult.-Short Term-Supp	0.00	-37,648.55	0.00	-37,648.55
71405 - Service Contracts-Individuals	0.00	22,733.93	0.00	22,733.93
71410 - MAIP Premium SC	0.00	89.20	0.00	89.20
71605 - Travel Tickets-International	0.00	24,336.50	0.00	24,336.50
71615 - Daily Subsistence Allow-Intl	0.00	16,205.00	0.00	16,205.00
71620 - Daily Subsistence Allow-Local	0.00	5,434.70	0.00	5,434.70
71635 - Travel - Other	0.00	1,712.00	0.00	1,712.00
72215 - Transportation Equipment	0.00	48,242.05	0.00	48,242.05
72311 - Fuel, petroleum and other oils	0.00	4,714.26	0.00	4,714.26
72315 - Food & Textile Products	0.00	516.27	0.00	516.27
72325 - Chemical,Glass,NonMetallic Prd	0.00	279.07	0.00	279.07
72425 - Mobile Telephone Charges	0.00	572.09	0.00	572.09
72440 - Connectivity Charges	0.00	23,992.42	0.00	23,992.42
72505 - Stationery & other Office Supp	0.00	744.19	0.00	744.19
72515 - Print Media	0.00	55.12	0.00	55.12
73120 - Utilities	0.00	4,208.26	0.00	4,208.26
73125 - Common Services-Premises	0.00	67,884.48	0.00	67,884.48
73410 - Maint, Oper of Transport Equip	0.00	33,606.63	0.00	33,606.63
74110 - Audit Fees	0.00	24,190.00	0.00	24,190.00
74510 - Bank Charges	0.00	2,520.00	0.00	2,520.00
74520 - Storage	0.00	0.00	0.00	0.00
74525 - Sundry	0.00	809.29	0.00	809.29
74696 - PP&E Expensed Items	0.00	250.85	0.00	250.85
75105 - Facilities & Admin - Implement	0.00	67,458.24	0.00	67,458.24
75705 - Learning costs	0.00	0.00	0.00	0.00
75709 - Learning - training of counter	0.00	0.00	0.00	0.00
75710 - Participation of counterparts	0.00	-47,059.27	0.00	-47,059.27
76125 - Realized Loss	0.00	0.01	0.00	0.01
76135 - Realized Gain	0.00	-1.62	0.00	-1.62
77630 - Dep Exp Owned - ITC	0.00	25.38	0.00	25.38
77660 - Dep Exp Owned -Vehicle	0.00	-9,298.24	0.00	-9,298.24
Total for Fund 30079	0.00	1,031,145.77	0.00	1,031,145.77
Fund : 32045 (JPN-Partnership Devt. Pgm. PCF)				
72445 - Common Services-Communications	0.00	-409.30	0.00	-409.30
75105 - Facilities & Admin - Implement	0.00	25.22	0.00	25.22
77530 - Dep Exp Owned - ITC	0.00	769.36	0.00	769.36
Total for Fund 32045	0.00	385.28	0.00	385.28
Total for Dept : 37204	0.00	8,161,228.38	0.00	8,161,228.38
Dept: 37207 (Sierra Leone -ICT for Developmt)				



Project Id : 00061278 SUPPORT TO THE ELECTORAL CYCLE		Period :	Jan-Dec (2013)	
Output # : 00077588 SUPPORT TO THE ELECTORAL CYCLE		Impl. Partner :	02762 DIRECT EXECUTION	
		Location :	Sierra Leone	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Fund : 30000 (PROGRAMME COST SHARING)

31007 - PriorPeriodAdj_EXP_PPE	0.00	183,731.99	0.00	183,731.99
74696 - PP&E Expensed Items	0.00	0.30	0.00	0.30
75105 - Facilities & Admin - Implement	0.00	14,248.77	0.00	14,248.77
77630 - Dep Exp Owned - ITC	0.00	0.00	0.00	0.00
Total for Fund 30000	0.00	197,981.06	0.00	197,981.06
Total for Dept : 37207	0.00	197,981.06	0.00	197,981.06
Total for Output : 00077588	0.00	8,377,604.40	0.00	8,377,604.40

Project Total :	0.00	8,377,604.40	0.00	8,377,604.40
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Signed By :

*[Signature]*

Date :

13/3/2014

Signed By :

Mohamed Abchir  
Country Director, a.i.

Date :





**UN Development Programme**  
Report ID: unq/cdro

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Run Time: 13-03-2014 14:03:43

Business Unit : SLE10  
Period : Jan-Dec (2013)  
Selected Project Id : ALL  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : 00077588

Project Id : ALL		Period : Jan-Dec (2013)	
Output # : ALL		Impl Partner : Location :	
	Govt Exp	UNDP Exp	UN Agencies Exp
			Total Exp
07901 - BDP/Policy Support&Network Fac	0.00	0.00	0.00
08201 - BDP/Capacity 21/Capacity 2015	0.00	0.00	0.00
37201 - Sierra Leone - Central	0.00	18,394.96	0.00
37204 - Sierra Leone - Dem. Governance	0.00	8,161,228.38	0.00
37207 - Sierra Leone - ICT for Developmt	0.00	197,981.06	0.00
			18,394.96
			8,161,228.38
			197,981.06



Funds Utilization

Selection Criteria :

Business Unit : SLE10  
Period : Jan-Dec (2013)  
Selected Project Id : ALL  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : 00077588

Project/Award: 00061278 SUPPORT TO THE ELECTORAL CYCLE

Period : As at Dec 31, 2013

Output # 00077588 Impl. Partner :02762 DIRECT EXECUTION

UNDP AMOUNT

Outstanding NEX advances	0.00
Undepreciated Fixed Assets	207,900.14
Inventory	247.68
Prepayments	0.00
Commitments	789,297.69

## **NOTES TO THE COMBINED DELIVERY REPORT**

### **1. Accounting policies**

The principal accounting policies adopted by the project management in the preparation of the Combined Delivery Report (CDR) are set out below:

#### **a. Execution modality**

The UNDP Sierra Leone office used the Direct Implementation Modality (DIM) in carrying out the project activities. Under the DIM, implementation of development projects is carried out directly by UNDP. UNDP has overall management responsibility and accountability for project implementation.

UNDP may either implement all the activities of the project, or alternatively, implement the activities in collaboration with other Development Partners (DPs), Government of Sierra Leone, and other implementing partners (IPs) in a decentralized, flexible, accountable and transparent manner.

#### **b. Financial Management Modality**

The Harmonized Approach to Cash Transfer (HACT) modality is used by the UNDP Office for disbursements as follows:

- Direct payment system: Under this arrangement, the UNDP Sierra Leone office directly makes payment to vendors upon IPs' request in line with the activities outlined in the signed Annual Work Plan (AWP).
- Direct Cash Transfer System: This involves cash transfers or advances to designated IPs based on the signed Annual Work Plan (AWP).

The financial management modality used under this project is a combination of the direct payment system and direct cash transfer system.

#### **c. Reporting currency**

Financial reports have been presented in US Dollars. Transactions denominated in Leones are translated into US Dollars and recorded using the UN official rates of exchange ruling at the date of transactions. Balances denominated in Leones are translated into US Dollars at the UN official rate of exchange ruling at the reporting date. Exchange differences arising on the conversion are dealt with in the CDR.

## NOTES TO THE COMBINED DELIVERY REPORT (Continued)

### 2. Other disclosures in CDR

The CDR includes a second section which shows the following additional information:

**Un-depreciated Fixed Assets** – This refers to fixed assets that belong to or are used by the project but are under UNDP's control (i.e. in situations where UNDP is providing support services to the project and there is no signed Letter of Agreement, as an example). These assets should be part of the statement of assets and equipment.

**Inventory** – This refers to items of inventory that were acquired for the project and are temporarily under UNDP's control/custody control (i.e. in situations where UNDP is providing support services to the project and there is no signed Letter of Agreement, as an example).

**Commitments** – This refers to goods and services which may not have been received but the UNDP is contractually responsible to honoring payments in the future. Any amounts appearing under this category are provided for informational purposes only.

### 3. UNDP generated expenditures

According to the TOR for the audit, UNDP Support Services expenditure reported in the statement of expenditure (CDR) are outside the scope of this audit since they are generated and posted directly by UNDP headquarters. UNDP Support Services expenditures for this project are as follows:

Code	Account Description	Amount (US\$)
31007	Prior Period Adjustments – Expenses (for PPE/Intangibles	391,819
61305	Salaries - IP Staff	163,963
61310	Post Adjustment - IP Staff	96,664
62305	Dependency Allowances-IP Staff	15,133
62310	Contrib to Jt Staff Pens Fd-IP	52,350
62315	Contrib. to medical, social in	14,186
62320	Mobility, Hardship, Non-remova	53,982
62330	Rental Supplements - IP Staff	1,778
62340	Annual Leave Expense - IP	- 23,835
63330	Ed Grt Incl Trvl&Allow-IP Stf	68,700
63335	Home Leave Trvl & Allow-IP Stf	5,242
63530	Contribution to Separations	9,774
63535	Contribution to Security	10,425
63540	Contribution to Training	2,606
63545	Contribution to ICT	3,909
63550	Contributions to MAIP	521
63555	Contribution to UN JFA	4,691

**United Nations Development Programme (UNDP)**  
**Support to the Electoral Cycle in Sierra Leone**  
**Output No. 00077588**  
**Report for the year ended 31 December 2013**

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Code	Account Description	Amount (US\$)
63560	Contributions to Appendix D	782
65115	Contributions to ASHI Reserve	20,850
65135	Payroll Mgt Cost Recovery ATLA	1,416
71205	Intl Consultants-Sht Term-Tech	215,062
72125	Svc Co-Studies & Research Serv	67,600
72399	Other Materials and Goods	4,640,644
75105	Facilities & Admin - Implement	536,049
75709	Learning - training of counter	7,678
76125	Realized Loss	69
76135	Realized Gain	- 72
77630	Dep Exp Owned - ITC	15,132
77660	Dep Exp Owned -Vehicle	- 3,464
77670	Dep Exp-Hvy Mac & Equip	277
	<b>Total</b>	<b>6,373,930</b>

These are made up of procurement of goods and services carried out by UNDP Procurement Support Office (PSO) and also staff cost of International Professionals under the project.



**REPORT OF THE INDEPENDENT AUDITOR TO THE RESIDENT REPRESENTATIVE,  
UNITED NATIONS DEVELOPMENT PROGRAMME, SIERRA LEONE**

**REPORT ON THE STATEMENT OF ASSETS AND EQUIPMENT**

We have audited the accompanying Statement of Assets and Equipment of UNDP DIM project "Support to the Electoral Cycle in Sierra Leone" Output No. 00077588 as at 31 December 2013 set out in Annex 1 on page 45 and a summary of significant accounting policies and other explanatory information set out in page 20.

**Management's responsibilities for the Statement of Assets and Equipment**

Management is responsible for the preparation of the statement of assets and equipment 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.

**Auditor's responsibility**

Our responsibility is to express an opinion on the Statement of Assets and Equipment 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 Statement of Assets and Equipment is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement of Assets and Equipment. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement of Assets and Equipment, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statement of Assets and Equipment 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Statement of Assets and Equipment.

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

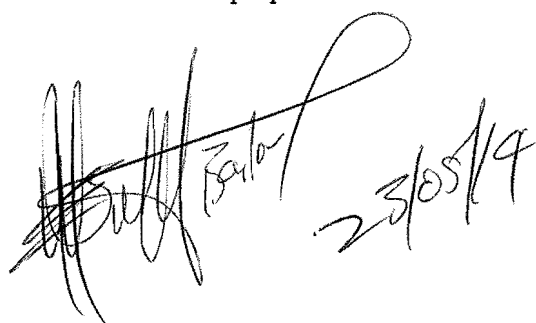
**Opinion**

In our opinion, the Statement of Assets and Equipment presents fairly in all material respects, the list of assets of UNDP Output No. 00077588, with a value of US\$5,194,989 as at 31 December 2013, and is prepared in accordance with the accounting policies set out on page 13.

**REPORT OF THE INDEPENDENT AUDITOR TO THE RESIDENT REPRESENTATIVE,  
UNITED NATIONS DEVELOPMENT PROGRAMME, SIERRA LEONE (Continued)**

**Basis of Accounting**

Without modifying our opinion, we draw attention to page 13 of this report, which describes the basis of accounting. The Statement of Assets and Equipment is prepared by UNDP Sierra Leone for reporting to UNDP Headquarters in New York. As a result, the Statement of Assets and Equipment may not be suitable for another purpose.

A handwritten signature in black ink, appearing to read 'Buffy Bailor', is written over a horizontal line. To the right of the signature, the date '23/05/14' is handwritten.

Buffy Bailor  
B & C Services Consulting  
Partner

## **NOTES TO THE STATEMENT OF ASSETS AND EQUIPMENT**

### **a) Basis of Preparation and Presentation**

UNDP project management guidelines require that UNDP maintains accurate, complete and up-to-date records of project fixed assets showing details such as: description, identification, custody/ location, date of acquisition, cost, funding source and condition of such fixed assets.

### **b) Accounting for Fixed Assets**

Fixed assets are expensed in the year of acquisition. An inventory of assets and equipment is maintained to monitor their existence and usage.

### **c) Value of Fixed Assets**

Fixed assets are maintained in the assets listing at the historical cost/ value of the assets as at the date of acquisition.

**REPORT ON STATEMENT OF CASH POSITION**

Payments for project activities were made through the UNDP Sierra Leone's country office bank accounts. And as indicated in the Term of Reference (ToR) for the audit, we are not required to issue opinion on the statement of cash position because no dedicated bank account for the DIM project has been established.

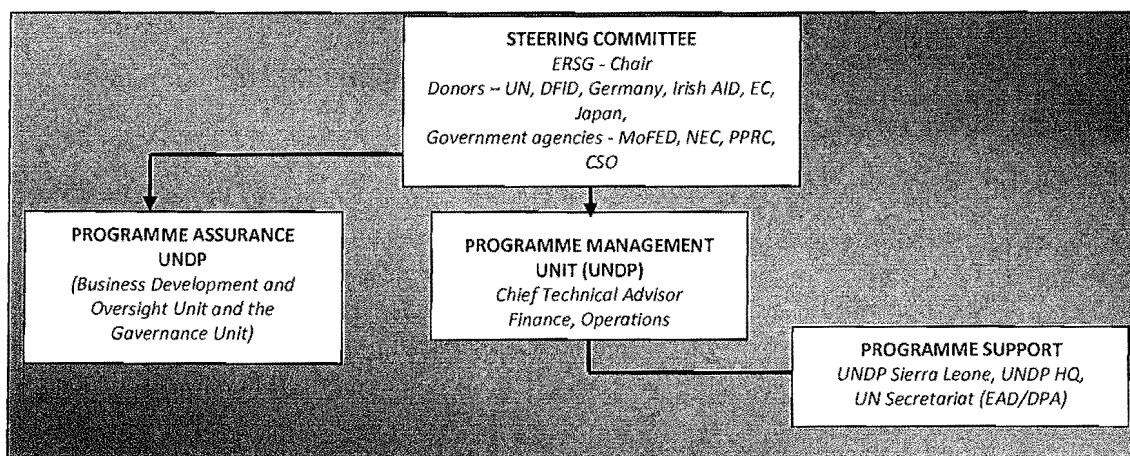
## SECTION 3 – LONG FORM REPORT (UNDP)

### 3.1 Summary of audit findings

Section	Audit findings	Priority level	Source of funding	Page reference
3.4.1	Some IPs do not maintain assets register	Medium	PBF and EBF	17-18
3.6.1	Inadequate supporting documents submitted by IPs	High	PBF and EBF	21
3.6.2	Inadequate follow up of issues noted from review of IPs returns	Medium	PBF and EBF	22-23

### 3.2 Overall Organizational Structure and Human Resources

Organogram of the project



The Support to the Electoral Cycle project in Sierra Leone is directly implemented by UNDP Sierra Leone. The overall oversight over the project activities is provided the Steering Committee. The steering committee is made up of representatives from high-level Heads of Agency and participants include donors:

- MoFED
- NEC
- PPRC
- NEW
- NCD
- SLP
- ONS
- JLOD
- EU
- GEm
- USAID
- DFID
- IA

- UNIPSIL
- UNDP

The committee is co-chaired by the Minister of Finance and Economic Development and the Country Director of UNDP.

A sub-committee of the Steering Committee monitors implementation and provides oversight for the voter registration component.

A programme management unit (PMU) headed by Chief Technical Advisor (CTA) is responsible for overall implementation of the programme and reports to the Steering Committee.

The Chief Technical Advisor is responsible for day-to-day management and decision-making for the programme, as well as ensuring that the programme produces the outputs and results specified in the project document, in compliance with the required standards of quality, within the specified limits of time and cost and in line with UNDP rules and regulations.

The PMU also has an Operations manager, a finance associate, administrator and an assets focal person. The PMU is supported by core staff of UNDP country office including the procurement, finance, human resource unit, and operations.

The Business Development and Oversight Unit and the Governance Unit of UNDP provide programme assurance.

From our review, we observed that the staff have the requisite qualifications and experience for their respective roles. The organisational structure and human resource for the project is currently considered adequate for effective implementation of the project during the period under review.

**Overall rating:** Satisfactory

### **3.3 Finance and cash management**

Activities under the project for the year were funded through UNDP Sierra Leone. Annual Work Plans (AWP) were prepared, reviewed and approved by the steering committee. For activities implemented by the Implemented Partners (IPs), Letter of Agreements (LOAs) were signed by UNDP and the Implementing Partners. This document contains information about the background and objectives of the project, together with amounts assigned for each objective or expected output, management's strategy for achieving those objectives and expected deliverables.

The Support to Electoral Cycle in Sierra Leone project was implemented directly by UNDP. However, some activities such as training and sensitisations were carried out by selected Implementing Partners. Funds were disbursed by UNDP to the IPs based on amount approved in the LOA. Payment vouchers were raised and properly approved after which cheque was written for the IP. Payments were made directly from the UNDP country office bank accounts.

The finance department of UNDP uses the "ATLAS" accounting software to record and generate expenditure details. ATLAS is designed to facilitate the management and monitoring of project budgets, expenditure and financial reporting. The system produces the Combined Delivery Report (CDR) which is a summary of the "ATLAS" detailed report.

**Overall rating:** Satisfactory

### **3.4 Assets management**

Assets of the project are maintained by the UNDP and the Implementing Partners. These project assets are managed and used for the achievement of the projects objectives.

The Programme Management Unit of UNDP maintains an asset register in which assets procured under the project are recorded. The asset register indicates among other things:

- Asset description;
- Tag number;
- Serial number;
- Location;
- Acquisition date.
- The cost of the asset
- Condition of asset

We present below the detailed findings that came to our attention during the review.

#### **3.4.1 Some IPs did not maintain assets register**

##### **Criteria**

Good practices require that an organisation should maintain as assets register which is updated frequently.

##### **Condition**

We selected 7 out of 12 IPs which have received assets under the project for our physical verification of the assets as highlighted in the table below. We used the assets register maintained at the level of UNDP for the verification.

<b>IP</b>	<b>Value of assets (US\$)</b>
JO	5,580
NCD	13,819
APPWA	76,360
AGO	17,116
NCJ/PC	29,670
CTN	55,096

IP	Value of assets (US\$)
APPYA	92,491
<b>Total</b>	<b>290,132</b>

During our physical verification of assets with IPs, we noted that the IPs did not maintain assets register to manage assets procured under the project.

It is worth mentioning that with the exception of some missing assets at APPYA (highlighted in section 4.1.7.2), all assets on the UNDP comprehensive assets register were sighted at the level of the IPs selected for verification.

#### **Cause**

Lack of enforcement of assets management requirements by UNDP.

#### **Effect**

Assets may be exposed to risk of theft and misuse.

**Priority rating** – Medium

#### **Recommendation**

We recommend that UNDP should ensure that all IPs which have received assets under the project maintain assets register to monitor the assets. The assets focal person at UNDP should ensure that this recommendation is implemented by IPs during his periodic physical verification of project assets.

#### **Management comments and action plan**

Recommendation well noted for future compliance.

It should be noted that the Assets' Register Template was shared with all the Implementing Partners to be used in recording the assets, but the implementation was very slow. Even the Steering Committee requested the National Partners (NEC and PPRC) to present the Asset Management Strategy of which they did, but there was no proper follow-up of the implementation of this strategy. For SLP, the donors agreed to fund the Assets Management Software and related equipment to develop Asset Management System as well as training the personnel, for enhancement of equipment care nationwide. The Consulting Firm was identified and the software was installed and the training of SLP personnel is still continuing for the entire year on IT data base and Asset Management. The Progress Report is available and can be shared.

**Overall rating:** Partially satisfactory



### **3.5 Procurement**

Our review of the procurement activities indicated that goods and services procured were in accordance with the UNDP Guidelines. Most of the procurements of goods and services of the project were done by UNDP Sierra Leone with support from the PSO of UNDP headquarters based in Copenhagen.

Total goods and services directly procured by PSO on behalf of UNDP Sierra Leone was US\$5,325,213. The supporting documents for PSO procurements were maintained at Copenhagen. These procurements fell outside our scope of audit.

The total procurement of goods and services performed by UNDP Sierra Leone for the 2013 financial year amounted to US\$793,667.

At least 3 quotations were obtained from prospective suppliers for local procurement. A tender evaluation committee reviewed the tenders and awarded the contracts to the most competitive bidders.

Some major procurement were also carried out by Implementing Partners such as PPRC.

No reportable exceptions noted from our review of procurements carried out by UNDP Sierra Leone.

**Overall rating:** Satisfactory

### **3.6 Programme management**

This is a DIM project implemented by UNDP. However, for effective and efficient implementation of the project, other Implementing Partners (IPs) were enlisted to implement specific activities under the project. These include the NEC, the NCD, the IMC, the PPRC, the MRU, the CTN, the SLP, the EOC (Judiciary and Office of Attorney General), the ONS, the AA (SL), the FTI, the HELP, and H (SL), etc.

A steering committee which is made up all stakeholders in the support electoral cycle project meets quarterly to review progress of implementation of activities. There is a programme management unit (PMU) at UNDP. The PMU team discusses issues and action points relating to the effective implementation of the project. The (PMU) consists of the:

- Chief Technical Advisor (CTA) –responsible for day-to-day management and decision-making for the project. The CTA's ensures that the project produces the results (outputs) specified in the project document.
- Operational Manager (OM): The OM directly supports the CTA in achieving project results with quality and within the specified constraints of time and cost.
- Finance officer – processes and maintains financial records at the PMU. He also reviews financial returns submitted by the IPs and reports to the OM.
- Assets focal officer – responsible for maintenance and safeguard of assets of the project.

Programme implementation at UNIPSIL is headed by the Coordinator of NSA Project of UNIPSIL with support from the project focal person.

The programme arrangement with the IPs was guided by a Letter of Agreement (LOA) signed between UNDP and an IP. The LOA contains the specific activities to be implemented by the IP and the budget, reporting timelines, responsibilities and accountability of project resources. Funds for implementation of activities are disbursed after the signing of the LOA.

UNDP is required to disburse funds to IPs (for both EBF and PBF) after certifying that financial returns submitted by IP for the previous period are accurate.

In terms of review of financial returns of IPs, UNIPSIL was responsible for review of financial returns submitted by IPs for PBF activities whiles UNDP reviews financial returns for EBF activities. After review of financial returns submitted by PBF IPs, UNIPSIL submits the financial returns to UNDP.

We present below the detailed findings that came to our attention during the review.

### **3.6.1 Inadequate supporting documents submitted by IPs**

#### **Criteria**

Good practices require that supporting documents for accounting for advance received should include fund accountability statements (expenditure statement), original invoices and receipts, cash book, bank statements, bank reconciliation statements, etc to ensure a comprehensive review of the financial returns by the disbursement entity.

#### **Condition**

We noted that IPs, specifically PPRC, submit photocopies of invoices and receipts for expenditure incurred, procurement documents, training documents and statement of receipt and payment. The IP does not submit cash book, bank statements and bank reconciliation for funds received.

#### **Cause**

The LOA does not specifically state the required documents for accounting for advance received by IP. Section 8 of the LOAs only requests IPs to submit financial report within 30 days after completion or termination of the activities.

#### **Effect**

Ineligible transfer of funds from the project bank account may not be identified. In addition, irregular supporting documents submitted by IP for expenditure reported may not be identified by UNDP because of they are photocopies.

**Priority rating – High**

#### **Recommendation**

We recommend that the LOA with IPs should clearly indicate the specific documents to be submitted by IPs which should include invoices and receipts, procurement documents, training documents and statement of receipt and payment, cash book, bank statements and bank reconciliation for funds received. Secondly, where IPs maintain original copies of invoices and receipts, we recommend that UNDP should perform periodic financial spot checks to review the original invoices and receipts to ensure that expenditures reported by IPs are supported by adequate and appropriate supporting documents.

#### **Management comments and action plan**

The Office agrees with the recommendation. It should be noted that LOA is a corporate standard template which should not be modified. For any additional information should be part of Annexes/ Attachments. For any LOA there is an attachment which shows detail activities to be carried out as well as individual budget line items with budgeted amounts. At the time of reporting, each budget line item with supporting documents is accounted for to support the expenditure against the budgeted figure. If it relates with procurement of equipment, whatever has been procured will have to be supported with documents as per procurement guidelines and procedures.

### **3.6.2 Inadequate follow up of issues noted from review of IPs returns**

#### **Criteria**

Good practices require that issues noted from review of supporting documents submitted for liquidation of advance are followed up to ensure that all the issues raised are resolved.

#### **Condition**

We noted from our review of PPRC returns that the project focal person at UNIPSIL reviewed financial returns submitted by the PPRC for funds received under the PBF. Issues noted by the focal person from the review are communicated to the IP for its response. We noted instances where the focal person at UNIPSIL provided notes to management indicating that the responses from PPRC were unsatisfactory. For example, from the review supporting documents for disbursement for 2013 PBF, the focal person noted that responses from PPRC concerning these issues were not satisfactory:

- payment of transport allowance to persons whose names are not on attendance sheet;
- difference between signature between DSA payment schedule and attendance sheet of same person;
- Inconsistencies in the rate paid for hall rentals, PA system rentals, etc.

However, no actions were taken to ensure that the issues raised are followed up and resolved.

#### **Cause**

Inadequate financial monitoring system. We noted that the IP submitted their financial returns late hence there was not enough time to allow for comprehensive review of the financial returns before the next disbursement. Hence, in an attempt to avoid late disbursement of funds for the next period, issues noted from the review were left partially resolved to allow for the next disbursement.

#### **Effect**

Ineligible expenditures may not be refunded by IP into project account. Secondly, the lapses identified will keep recurring since no action is taken by UNIPSIL and UNDP against the IP.

#### **Priority rating – Medium**

#### **Recommendation**

We recommend that issues noted from review of IPs returns are followed up and resolved. Where IP's responses are not satisfactory and all effort to get adequate response from IP fail, the total questioned cost should be adjusted against the next period's disbursement to the IP. In addition, we recommend periodic spot checks to review expenditures of IPs to ensure timely identification and resolution of issues noted from the review.

**Management comments and action plan**

The Office agrees with the recommendation. It should be noted that the Office is currently putting the new monitoring mechanism in place by contracting the National Firm to provide consultancy service as Third Party monitoring and Data Collection for UNDP Projects including spot check of financial transactions for the identified IPs supporting programme activities.

**Overall rating:** Partially satisfactory

### **3.7 Information and communication**

Information on the project is channeled mainly through official correspondence between UNDP/UNIPSIL and the IPs. Correspondence through email is also used to facilitate speedy access to project information.

The main IPs are members of the steering committee which meets quarterly to discuss progress of implementation.

Quarterly progress reports from IPs discussed at the steering committee meetings are consolidated by the PMU and shared with donors.

IPs under the PBF report directly to UNIPSIL which in turns report to UNDP. However, under the EBF, IPs report to UNDP which in turns report to the steering committee.

UNDP uses the ATLAS accounting system for recording financial transactions relating to the project. The transactions from the ATLAS listing are then summarized in the Combined Delivery Report (CDR). The CDR is prepared in two sections; the first section contains the total expense information and the second section shows the following information:

- Outstanding NEX advances
- Un-depreciated Fixed Assets
- Inventory
- Prepayments
- Commitments

**Overall rating:** Satisfactory

### **3.8 Status of implementation of prior year's audit recommendation**

The 2012 financial audit was performed the same time as the 2013 audit. Management is yet to implement the 2012 audit recommendations.

## **Section 4 - Audit of the PPRC**

### **Overview**

PPRC is an independent government institution established by The Political Parties Act, 2002. The commission is established for the registration and regulation of the conduct of political parties in Sierra Leone.

The functions of the commission include:

- to monitor the affairs or conduct of political parties so as to ensure their compliance with the Constitution, this Act and with the terms and conditions of their registration;
- to monitor the accountability of political parties to their membership and to the electorate of Sierra Leone;
- to promote political pluralism and the spirit of constitutionalism among political parties; and
- when approached by the persons or parties concerned, to mediate any conflict or disputes between or among the leadership of any political party or between or among political parties.

The commission is headed by the Chairman and 3 other commissioners while a secretariat is headed by a registrar.

Activities implemented by PPRC under the Support to Electoral Cycle in Sierra Leone project in 2013 include:

- organise one interparty and stakeholder Post-election dialogue retreat;
- organised interparty dialogue activities at regional level;
- formalise regional, district, and constituency executive of APPYA;
- constitutional review validation meeting;
- produce and disseminate quarterly monitoring reports on the performance of political parties;
- monitor, supervise and regulate the conduct of political parties;
- provide technical support to political parties to review their governance tools, etc.

PPRC implemented these activities through its 4 regional offices and also in collaboration with APPWA and APPYA.

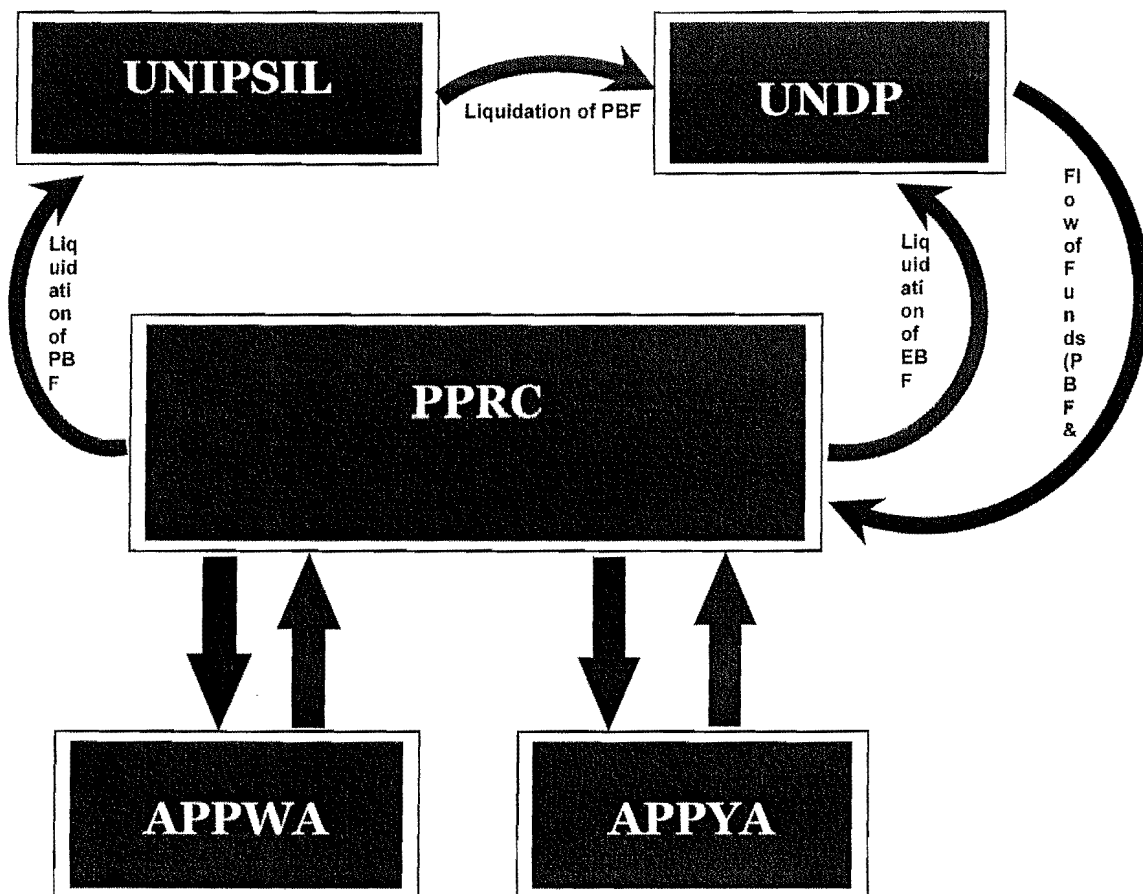
The workplan and budget of PPRC included specific activities to be implemented by sub-IPs namely; APPWA and APPYA. PPRC acts as a fiduciary agent on behalf of the sub-IPs. Funds disbursed by UNDP to PPRC included funds for the sub-IPs. These organisations submitted requests for release of funds which were reviewed by PPRC before funds were released to them.

After implementation of activities, APPWA and APPYA are required to account to PPRC for funds received and expenditure incurred. PPRC, in turn, prepares consolidated financial returns which are submitted to UNIPSIL for review with respect to the Peace Building Fund (PBF). After UNIPSIL's review, the returns are submitted to UNDP.

With regards to the Electoral Basket Fund (EBF), the consolidated financial returns are submitted directly to UNDP for review.

See below a diagrammatic description of flow of funds and liquidation of advance under the project.





#### Colour legend

**Green** represents flow of funds at the various levels of implementation of the project.

**Blue** represents how advances received by IP are accounted for.

#### 4.1 Audit of PPRC for the year ended 31 December 2013

##### Fund Accountability Statement

Fund Accountability statements (2013)					
Description	Source of funding	Amount reported by IP	Amount reported by IP	Amount verified by auditor	Difference
		Leones	US\$	US\$	
		A	B	C	D = C-B
Opening balance		0	0	339,982	339,982
Funds received	EBF	608,862,800	141,267	141,267	0
	PBF	514,696,025	119,419	119,419	0
<b>Total receipt</b>		<b>1,123,558,825</b>	<b>260,686</b>	<b>600,668</b>	<b>339,982</b>
Expenditure	EBF	420,244,100	97,504	97,504	0
	PBF	489,980,050	113,684	113,684	0
<b>Total expenditure</b>		<b>910,224,150</b>	<b>211,188</b>	<b>211,188</b>	<b>0</b>
<b>Less: questioned cost</b>					
Unsupported expenditure					
Ineligible expenditure				409	409
Irregular supporting expenditure				3,396	3,396
<b>Total questioned cost</b>				<b>3,805</b>	<b>3,805</b>
<b>Adjusted total expenditure</b>				<b>207,383</b>	<b>207,383</b>
<b>Closing cash balance</b>		<b>213,334,675</b>	<b>49,498</b>	<b>393,285</b>	<b>343,787</b>

The difference between the IP closing cash balance and our closing cash balance of US\$343,787 is as a result of differences in opening balance (which accrued from prior year's questioned costs) US\$339,982 and the current year's total adjustments of US\$3,805 highlighted in section 4.1.1.

Please note that we have adjusted the opening cash balance (verified by the auditor) by an amount of Le 47,933,777 (US\$11,121) being 2012 cash balance refunded by PPRC to UNDP.

##### 4.1.1 Summary of questioned costs

#	Audit Findings	Total expenditure questioned		Source of funding		Reference section	General comments on the questioned costs
		Leones	US\$	PBF	EBF		
1	Overpayment of DSAs and transportation refunds	1,764,000	409		409	4.1.4.1	Ineligible expenditure

#	Audit Findings	Total expenditure questioned		Source of funding		Reference section	General comments on the questioned costs
		Leones	US\$	PBF	EBF		
2	Irregular supporting documents for training activities conducted	14,638,370	3,396	3,096	300	4.1.4.2	Inconsistencies in supporting documents provided
	<b>Total</b>	<b>16,402,370</b>	<b>3,805</b>	<b>3,096</b>	<b>709</b>		

#### 4.1.2 Summary of findings noted from the audit

We have presented in the table below a summary of the findings that came to our attention during the audit of PPRC for the year ended 31 December 2013. The details of the findings and recommendations are in the referenced sections in subsequent pages.

Section	Audit Findings	Priority level	Source of funding	Page reference
<b>4.1.3</b>	<b>Procurement</b>			
4.1.3.1	Invalid business license documents submitted by vendors	Medium	PBF	30-31
4.1.3.2	Inadequate segregation of duties	High	PBF and EBF	32
<b>4.1.4</b>	<b>Trainings and sensitisation programmes</b>			
4.1.4.1	Overpayment of DSAs and transportation refunds	Medium	EBF	33-34
4.1.4.2	Irregular supporting documents for training activities conducted	Medium	PBF and EBF	35-37
<b>4.1.5</b>	<b>Finance and bookkeeping issues</b>			
4.1.5.1	Borrowing from the project to finance activities of PPRC	Medium	EBF	38
<b>4.1.6</b>	<b>Programme implementation arrangements</b>			
4.1.6.1	No MoU between PPRC and sub-implementing parties (APPYA and APPWA)	Medium	PBF	39-40
<b>4.1.7</b>	<b>Assets management</b>			
4.1.7.1	Poor assets management system	Medium	PBF and EBF	41-42
4.1.7.2	Some project assets missing	Medium	PBF	43-44

We present below the detailed findings that came to our attention during the audit.

#### **4.1.3 Procurement**

##### **4.1.3.1 Invalid business license documents submitted by vendors**

###### **Criteria**

Section 53 (1) of the Public Procurement Act, 2004 states that "Following the opening of bids, the procuring entity shall first examine the bids in order to determine whether the bids are complete, signed, whether required documents to establish legal validity and required bid security have been furnished and whether bids are substantially responsive to the technical specification and contract conditions set forth in the bidding documents."

Secondly, section 53 (2) of the Public Procurement Act, 2004 states that "Bids which are not complete, not signed, not accompanied by a bid security in the prescribed form, if one is required, or not accompanied by essential supporting documents such as business registration certificates, business licenses and tax receipts, or are substantially non-responsive to the technical specifications or contract conditions or other critical requirements in the bidding documents, shall be rejected and excluded from further evaluation and comparison."

###### **Condition**

RFQ issued to vendors for supply of goods and services requested prospective vendors to submit valid business license, valid business registration certificate, copy of a valid NRA Tax Clearance Certificate, NASSIT clearance, copy of Local Council clearance certificate.

We noted none of the above documents requested in the RFQ were submitted by the vendor for the hiring of vehicles for APPWA advocacy programme; however, the quotation was evaluated and contract awarded to the vendor.

###### **Cause**

Inadequate evaluation of quotations received from vendors.

###### **Effect**

PPRC may not be dealing with reputable companies. In the event of issues arising from the contract, possible losses may not be recoverable since the companies did not have valid documentation at time of the contract.

###### **Priority rating – Medium**

###### **Recommendation**

We recommend that management should comply with the requirements of the Public Procurement Act, 2004.

**Management comments and action plan**

The Office agrees with the recommendation and will bring to the attention of PPRC for future compliance

#### **4.1.3.2 Inadequate segregation of duties**

##### **Criteria**

Good practices require that there is adequate segregation of duties in the procurement process (from raising requisition forms to payment of suppliers). The procurement unit should be independent of the finance unit for effective internal controls. Also, quotations received from vendors should be evaluated by a procurement committee which is made of competent and technical persons who have knowledge of the goods or items being procured.

##### **Condition**

We noted from our review of procurement documents that, an adhoc procurement committee was constituted at signature of the LOA to discuss procurements included in the budget. Subsequently, all procurement processes were handled single-handedly by the procurement officer: initiation of RFQ to evaluation of quotations, awarding of contracts and preparation of LPOs for approval by the registrar.

The procurement officer is currently acting as the finance officer and he is responsible for raising request for payment for goods and services procured.

Our discussion with the procurement officer also indicated that the procurement unit is headed by the finance manager.

##### **Cause**

Inadequate knowledge about controls over procurement process and also, inadequate capacity at PPRC in terms of staff numbers.

##### **Effect**

Fraudulent procurement practices such as collusion with suppliers to inflate prices may go unnoticed.

##### **Priority rating – High**

##### **Recommendation**

We recommend that management should design a duty matrix for the procurement process which indicates the various procurement activities and the official responsible for each activity. The duty matrix should be designed in such a manner that no one person performs everything but rather there are appropriate levels of authority involved in each stage of the procurement process.

##### **Management comments and action plan**

The Office agrees with the recommendation. It should be noted that various trainings have been conducted by UNDP-Elections Unit to enhance their capacity covering Programme Management, internal controls and Finance Management and Reporting among others. Technical Adviser will take it from there to support the Institution on capacity development.

#### 4.1.4 Trainings and sensitisation programmes

##### 4.1.4.1 Overpayment of DSAs and transportation refunds

###### Criteria

There is a standardised guideline (SG) with regards to operational costs for the support to the Electoral Cycle project. The SG covers rates to be paid as DSA, transportation, cost of meals, workshop kits, and other costs.

###### Condition

During our review, we noted that a total of Le 1,764,000 (US\$409) being DSAs paid to participants were above the approved rates as indicated in the standardised guidelines. See table below for details

Training	Description	DSA paid	DSA rate in SG	Difference	# of days	# of persons	Variance	Variance	Source of funding
		Leones	Leones	Leones			Leones	US\$	
Political Education programme Regional W/shop	DSA for PPRC staff	246,400	193,000	53,400	5	3	801,000	186	EBF
Monitoring, Supervise and Regulate the Conduct of Political Parties	Monitoring bye election in Sambaia Bendugu	300,000	193,000	107,000	3	3	963,000	223	EBF
	<b>Total</b>						<b>1,764,000</b>	<b>409</b>	

###### Cause

Non-compliance with standardised guideline (SG)

###### Effect

Funds may be misappropriated.

**Priority rating – Medium**

**Recommendation**

We recommend that management should keep to the DSA and transportation refund rates agreed upon in the standardised guidelines. In addition, the DSA overpaid should be refunded by PPRC.

**Management comments and action plan**

The recommendation is well noted. It should be noted that the DSA as per standardized DSA Rate is \$56 and PPRC was using the market exchange rate to disburse the DSA in local currency which is different from the UN Rate and it was brought to their attention.



#### 4.1.4.2 Irregular supporting documents for training activities conducted

##### Criteria

Good practices require that expenditure incurred for goods and services consumed are adequately supported by original invoices and receipts, signed payment schedules for DSAs and other, attendance register, etc.

##### Condition

We noted some instances where payments made were supported with inappropriate supporting documents. For example, we noted:

- differences between signatures of the same participant on the attendance sheet and the DSA payment schedule;
- inconsistencies in handwritings of some participants on DSA schedules and attendance sheets;
- some participants who received DSA were not traced to the attendance sheets;
- proforma invoices were used to support expenditures incurred;
- signatures on schedules signed by participants for allowance received had a similar pattern. Most of the signatures were signed in such a manner that the first letter of the first name preceded last name scribbled to serve the purpose of a signature;
- some receipts from vendors for various expenditures were produced on photocopies of original blank copies; and
- some receipts used to support payments made had no details of the suppliers engaged. There were no addresses or contact numbers on the receipts.

The kind of supporting documents examined raises doubts as to the occurrence of the activities mentioned below, as well as the accuracy of the total amount paid. The total questioned cost involved was Le 14,638,370 (US\$3,396). See table below for details.

Training	Description	Question cost (Le)	Question cost US\$	Comments	Source of funding
DCMC'S meeting in each region	Western region	6,271,120	1,455	<p>1. No supporting documents for transport allowance paid to participants of Le 1,075,000</p> <p>2. Receipt #097 of Le 1,225,500 from SLBC verified in PPRC file was photocopy onto which details of the transaction were written.</p> <p>3. An amount of Le 3,970,620 paid to DBR was supported with a photocopy of an original blank receipt onto which details of the transaction were written.</p>	PBF

Training	Description	Question cost (Le)	Question cost US\$	Comments	Source of funding
		<b>6,271,120</b>	<b>1,455</b>		
APPWA OUTREACH AND ADVOCACY	DSA National, Regional Executives and Internal Transport refunds	3,010,000	698	An amount of Le3,010,000 for Internal transportation refunds was not supported	PBF
		<b>3,010,000</b>	<b>698</b>		
FORMALIZATION OF REGIONAL, DISTRICT & CONSTITUENCY EXECUTIVE	APPYA Formalisation	4,063,500	943	<p><b>Makeni</b>  Receipt dated 24/09/13 of Le 430,000 from B&amp;B Friendship House for Hall rentals</p> <p><b>Koinadugu</b>  Receipt from NUL dated 20/09/13 of Le 2,859,500 for Lunch and breakfast.  Receipt #166 dated 20/09/13 of Le 774,000 from RB for 2 radio discussion programme.</p> <p>The above receipts were photocopy of original blank receipts onto which details of the transaction were written.</p>	PBF
		<b>4,063,500</b>	<b>943</b>		
	<b>Subtotal (PBF)</b>	<b>13,344,620</b>	<b>3,096</b>		
MONITOR, SUPERVISE AND REGULATE THE CONDUCT OF POLITICAL PARTIES	ADV- Monitoring by-election in constituency 001 Kailahun District	1293750	300	Unutilised amount of Le 1,293,750 was not refunded into the account	EBF
	<b>Subtotal (EBF)</b>	<b>1,293,750</b>	<b>300</b>		
	<b>Grant total</b>	<b>14,638,370</b>	<b>3,396</b>		

#### Cause

Possible attempt by IP to inflate cost and forge supporting documents to ensure disbursement received are fully utilised.

#### Effect

Funds may not have been used for the intended purposes or simply misappropriated.

**Priority rating** – Medium

### **Recommendation**

We recommend that, going forward, the PPRC should ensure proper and authentic documents are used as support for all payments made. Also, in instances where community members are unable to sign for allowances paid, the PPRC should ensure thumb prints are taken instead. In addition, the UNDP should demand a refund from the IP for the amount questioned unless the IP is able to provide satisfactory explanation for inconsistent and irregular supporting documents.

### **Management comments and action plan**

The recommendation is well noted. PPRC will be informed to provide the necessary documentation or proper justification for the irregularity of the supporting documents. It should be noted that due to these irregularities, UNDP is currently making direct payments to the vendors and making payments to the participants during the workshops. This has minimized significantly inconsistency and irregularities of supporting documents as well as paying the established DSA Rates.

#### **4.1.5 Finance and bookkeeping issues**

##### **4.1.5.1 Borrowing from the project to finance activities of PPRC**

###### **Criteria**

Good practices require that funds provided for implementation of an activity is utilised solely for the purpose of the activity.

###### **Condition**

During our review, we noted that PPRC transferred an amount of Le 155,312,856 (US\$36,035) from the EBF bank account with SLCB into their BoSL account on 24/10/13 for payment of salaries for October 2013. This amount was refunded into the EBF bank account on 04/12/13.

###### **Cause**

Huge cash balance with IP. As a result the IP can afford to transfer funds into other account for unrelated activities.

###### **Effect**

Funds may not be available when needed for implementation of project related activities.

###### **Priority rating – Medium**

###### **Recommendation**

We recommend that management should desist from borrowing funds from the project accounts to finance activities of PPRC.

###### **Management comments and action plan**

The recommendation is well noted. PPRC will be informed of this irregularity for future compliance.

#### **4.1.6 Programme implementation arrangements**

##### **4.1.6.1 No MoU between PPRC and sub-implementing parties (APPYA and APPWA)**

###### **Criteria**

The PPRC is an independent institution separate from the APPYA and the APPWA. However, under the support to the electoral cycle project, PPRC acts as fiduciary agent for APPYA and APPWA. The budget of APPYA and APPWA are included in the LOA signed between UNDP and PPRC.

PPRC receives funds from UNDP on behalf of APPYA and APPWA which are disbursed to APPYA and APPWA upon request. Procurement of goods and services for these sub-organisations are done by PPRC on their behalf. Financial returns for activities conducted by APPYA and APPWA are submitted to PPRC which then submits a consolidated financial return to UNDP.

This arrangement should be formalised into a letter of agreement and/or MoU in order to formally establish the roles and responsibilities as well as accountability of resources of the project by each organisation.

###### **Condition**

We noted that there is no memorandum of understanding (MoU) or agreement between PPRC and APPYA and APPWA.

###### **Cause**

Oversight of management of PPRC

###### **Effect**

It will be very difficult to demand accountability when things go wrong since there is no guiding principle (MoU) of the relationship.

**Priority rating – Medium**

###### **Recommendation**

We recommend that PPRC should ensure that its relationship with APPYA and APPWA including roles, responsibilities and accountability are put into an agreement or MoU which should be signed by respective parties. The MoU should be reviewed and approved by UNIPSIL/UNDP before signing with APPYA and APPWA.

###### **Management comments and action plan**

The recommendation is well noted for future implementation. UNDP is now making direct payments instead of advance of funds to PPRC to avoid these kinds of anomalies.

#### 4.1.7 Assets management

##### 4.1.7.1 Poor assets management system

###### Criteria

Good practices require that assets management policy is developed to monitor and safeguard project assets.

###### Condition

We noted that systems and controls on management of project assets at the level of PPRC, APPWA and APPYA are very weak. There is no assets management policy for monitoring and safeguard of assets procured under that project.

We noted also that PPRC does not perform physical verification of assets owned as well as assets distributed to other partners such as political parties, APPYA and APPWA.

Thirdly, the assets register maintained by PPRC does not provide information of condition of assets of project. The total value of assets per the assets register maintained by PPRC (funded by EBF) was US\$517,918 which is broken down as follows:

Assets	Value (US\$)
Computers and office equipment	107,204
Office furniture	76,956
Motor vehicle & motorbike	333,758
<b>Total</b>	<b>517,918</b>

Also, the assets register does not include the identification numbers for some assets.

In addition, the total value of assets transferred to political parties (funded by PBF) amounted to US\$539,116 as indicated in the table below:

Assets	Value (US\$)
Vehicles (2 Toyota Land cruiser Prado, 4 Toyota Hilux, 1 Toyota Hiace)	330,995
Motorbikes (44)	148,028
Bicycles (44)	10,209
Office Equipment & Furniture	60,093
<b>Total</b>	<b>549,325</b>

We noted that these partners do not maintain an assets register to monitor the movement and utilisation of assets.

**Cause**

Lack of assets management policy

**Effect**

Assets cannot be effectively monitored. Hence, assets may be exposed to risk of theft and misuse.

**Priority rating – Medium**

**Recommendation**

We recommend that management should develop a comprehensive asset management policy which indicates how project assets will be monitored and safeguarded. PPRC should also ensure that its sub-implementing partners (APPWA, APPYA and the political parties) maintain assets register for assets received under the project and the assets should be periodically verified by PPRC. Thirdly, PPRC should ensure that its assets register is updated with the identifications of assets and also the condition of the assets

**Management comments and action plan**

The comprehensive asset management strategy was prepared by PPRC and presented to the Steering Committee; however there was no proper follow-up of the implementation of this strategy. Also, it should be noted that the Assets' Register Template was shared with all the Implementing Partners to be used in recording the assets, but the implementation aspect has been very slow. From UNDP side, the physical verification of assets has been a continuous exercise as well as tagging all the assets and recording them in UNDP Register, as part of the control mechanism in monitoring these assets.

#### **4.1.7.2 Some project assets missing**

##### **Criteria**

Good practices require that assets procured are maintained and safeguarded for implementation of project activities.

##### **Condition**

We noted during our verification of assets that the following assets at APPYA were missing:

#	Name of assets	Tag#	Cost (Le)	Cost (US\$)
1	Printer (HP LaserJet)	005EBF	2,516,667	584
2	Public Address System	011EBF	21,768,667	5,051
3	Standing fan	015EBF	215,000	50
4	Motorbike (Pujehun)	AGK665	14,500,000	3,364
	<b>Total</b>		<b>39,000,334</b>	<b>9,049</b>

Our discussions with the secretary of APPYA indicated that the issue was noted in August 2013 and was reported to SLP in October 2013 for further investigation which was still ongoing as at the time of our audit.

We sighted correspondences from UNIPSIL and UNDP requesting PPRC to ensure that the assets are retrieved.

As at the time of finalisation of our audit report in March 2014, these assets were yet to be retrieved.

##### **Cause**

Ineffective monitoring of project assets. Weak oversight of activities of APPYA by PPRC and UNDP/UNIPSIL.

##### **Effect**

Assets are exposed to risk of theft and misuse.

**Priority rating – Medium**

##### **Recommendation**

We recommend that project assets should be well protected to avoid possible loss of assets. Secondly, PPRC and UNDP/UNIPSIL should ensure that the assets are retrieved and /or see that police investigations are concluded and perpetrators held accountable.



**Management comments and action plan**

The recommendation is well noted. It should be noted that during our physical verification of the assets, the Asset Focal Point noted these missing items and notified PPRC and UNPSIL. He was shown various letters to the Police requesting them to make an investigation and take appropriate action. At the time of the audit no arrest was made, nor were efforts made to recover the items.

**Annex 1 –Statement of Assets and Equipment**

Find signed **Statement of Assets and Equipment** in the attached zip folder named “2013 SAE”.

Question	Response
1. What is the name of the company you work for?	ABC Company
2. How long have you been working for this company?	5 years
3. What is your job title?	Software Engineer
4. How do you feel about your current job?	I like it, but I want to learn more.
5. What do you like most about your job?	The salary and benefits.
6. What do you like least about your job?	The long hours and stress.
7. How do you feel about your supervisor?	He is a good manager.
8. How do you feel about your colleagues?	They are nice and helpful.
9. How do you feel about your company's culture?	It is a good culture.
10. How do you feel about your company's future?	I am optimistic.
11. How do you feel about your company's products?	They are good.
12. How do you feel about your company's services?	They are good.
13. How do you feel about your company's reputation?	It is good.
14. How do you feel about your company's image?	It is good.
15. How do you feel about your company's brand?	It is good.
16. How do you feel about your company's logo?	It is good.
17. How do you feel about your company's website?	It is good.
18. How do you feel about your company's social media?	It is good.
19. How do you feel about your company's marketing?	It is good.
20. How do you feel about your company's sales?	It is good.
21. How do you feel about your company's customer service?	It is good.
22. How do you feel about your company's quality control?	It is good.
23. How do you feel about your company's innovation?	It is good.
24. How do you feel about your company's research and development?	It is good.
25. How do you feel about your company's production?	It is good.
26. How do you feel about your company's distribution?	It is good.
27. How do you feel about your company's retail?	It is good.
28. How do you feel about your company's online sales?	It is good.
29. How do you feel about your company's mobile app?	It is good.
30. How do you feel about your company's overall performance?	It is good.

[illegible]

### **Annex 3 - List of Abbreviations and Acronyms**

AWP	Annual Work Plans
CDR	Combined Delivery Report
DIM	Direct Implementation Modality
DPs	Development Partners
DSA	Daily Sustenance Allowance
EBF	Electoral Basket Fund
HACT	Harmonized Approach to Cash Transfer
ICB	International Competitive Bidding
IPs	Implementing Partners
IPSAS	International Public Sector Accounting Standards
LOA	Letter of Agreement
LPO	Local Purchase Order
MoU	Memorandum of Understanding
NCB	National Competitive Bidding
OM	Operations manager
PA	Public Address
PMU	Programme Management Unit
POPP	Programme and Operations Policies and Procedures
RFQ	Request for Quotation
SG	Standardised guideline
T&T	Transportation
ToR	Terms of Reference

**UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

**SUPPORT TO THE ELECTORAL CYCLE IN SIERRA LEONE**

**OUTPUT NUMBER – 00077588**

**AUDIT REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

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23 May 2014

Dear Sir,

**SUPPORT TO THE ELECTORAL CYCLE IN SIERRA LEONE (OUTPUT NO. 00077588)**  
**FINAL AUDIT REPORT FOR YEAR ENDED 31 DECEMBER 2012**

**Introduction**

We have completed the audit of Output No. 00077588 "Support to the Electoral Cycle in Sierra Leone" for the year ended 31 December 2012, and are pleased to present our final report.

**Scope of the audit**

You requested us to perform the following:

- cover all activities of the project no. 00061278, Output No. 00077588 - Support to the electoral cycle during the period from 01 January 2012 to 31 December 2012; and
- indicate whether the statement of expenditures for the period indicated are adequately and fairly presented and that disbursements are made in accordance with the purpose for which funds have been allocated to the project.
- include a review of project reports and records located at the UNDP country office in Freetown, Sierra Leone or held elsewhere by Implementing partners on behalf of UNDP.

The scope of the audit work include the review of work plans, progress reports, project resources, project budgets, project expenses, recruitment, physical verification of project assets, and operational aspects of the projects.

Our review also included a special audit of activities undertaken by the Political Parties Registration Commission (PPRC) for 2011 and 2012 financial years.



In addition, we also evaluated the internal control activities and systems in order to assess:

- reliability and integrity of project financial and operational information;
- effectiveness and efficiency of project operations;
- safeguarding of project assets;
- compliance with legislative mandates, regulations and rules, policies and procedures, as well as donor agreements.

## **Structure of the report**

To respond to the requirements of the terms of reference, the report is structured in three sections as follows:

<b>Section 1</b>	<b>Executive summary</b>
Part A	Summary of findings – financial audit
Part B	Summary of findings – noted from review of internal controls and systems
<b>Section 2</b>	<b>Financial report</b>
<b>Part A</b>	<b>Combined Delivery Report</b>
Part B	Project Assets and Equipment
Part C	Cash balance at year end
<b>Section 3</b>	<b>Long form report (UNDP)</b>
3.1	Summary of audit findings
3.2	Overall organizational structure and human resources
3.3	Finance and cash management
3.4	Asset management
3.5	Procurement
3.6	Programme management
3.7	Information and communication
3.8	Status of implementation of prior year's audit recommendations
<b>Section 4</b>	<b>Long form report (PPRC)</b>
4.1	Audit of PPRC for the year ended 31 December 2011
4.2	Audit of PPRC for the year ended 31 December 2012

The severity of risks associated with audit findings have been categorized into high, medium and low.

- **High** - 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.
- **Medium** - Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP.
- **Low** - Action is considered desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the Auditors directly with the Country Office management, during the exit meeting and through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in the audit report.

We have provided an overall rating of each audit area based on findings noted from our review of internal controls and systems. The categorisation of the ratings is as follows:

- **Satisfactory** – Internal controls, governance and risk management processes were adequately established and functioning well (i.e. 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 (i.e. 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).

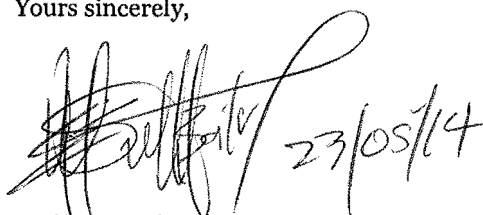
The matters raised in this and other reports that will flow from the audit are only those which have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the issues arising, and in particular we cannot be held responsible for reporting all risks in your project operations or all internal control weaknesses.

### **Appreciation**

We take this opportunity to express our appreciation to UNDP management and staff and also to management and staff of the Implementing Partner (PPRC) and for their co-operation and assistance during the audit.

Should you require any clarifications or additional information regarding this report and the audit, please do not hesitate to contact **David Quaye** or the undersigned.

Yours sincerely,



**Buffy B. Bailor**  
**Managing Partner**

## **Executive Summary**

### **Introduction**

In carrying out its development mission, the United Nations Development Programme (UNDP) provides a range of support services to the implementation of development projects. In specific circumstances such as special development situations, UNDP may take on the role of implementing entity. Projects that are implemented directly by UNDP are known as Directly Implemented (DIM) projects. As the implementing entity of a DIM project, UNDP has overall management responsibility and accountability for project implementation. UNDP is therefore, entrusted with and fully responsible and accountable for successfully managing and delivering a project's outputs. As the designated implementing entity of a DIM project, UNDP may either implement all the activities of the project, or alternatively, have some parts of the activities implemented by a "responsible party" such as another UN agency, an NGO or a national institution. These organisations are called implementing partners (IPs).

The relationships between the UNDP and IPs are regulated by letter of agreement (LOA) that set out clearly the roles, responsibilities and obligations of each party.

### **Objective and scope of audit**

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

- The Combined Delivery Report (CDR) including the funds utilization for the year ended 31 December 2012 are fairly presented in accordance with UNDP accounting policies and whether the 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 Statement of Assets as at 31 December 2012 presents fairly, in all material respect, the balance of assets of the project; and
- The Statement of Cash Position as at 31 December 2012 presents fairly, in all material respect, the cash and bank balance of the project.

The Terms of Reference (ToR) also included as overall assessment of the operational and internal control systems to ensure that 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:

## **Overall organizational structure and human resources**

An assessment of staffing levels and workflow of activities in the delivery of planned activities in the project document.

## **Finance and cash management**

An assessment of the adequacy of the accounting and financial reporting systems used for the management of project resources; and the adequacy of internal controls for compliance with UNDP policies with respect to the safe custody and adequate management of cash, commitment of expenditures against approved budget, cash advances to staff, etc.

## **Asset management**

An assessment of whether project assets are adequately recorded, safeguarded, monitored, including periodic verification of their use and existence, and controlled to ensure that the assets are adequately used only for the purposes of the project.

## **Procurement**

An assessment of whether goods and services for the project are procured in a competitive and transparent manner in accordance with UNDP policies and procedures as set out in the Programme and Operations Policies and Procedures (POPP) and the Internal Controls Framework of UNDP. The assessment also includes review of procurement of goods and services by the PPRC in compliance with the Public Procurement Act, 2004 of Sierra Leone.

## **Programme management**

An assessment of project implementation arrangements in terms of approval of annual work plan and budget, constitution and functioning of the project board and the steering committee, monitoring and evaluation of project implementation towards achievement of project objectives, etc.

## **Information and communication**

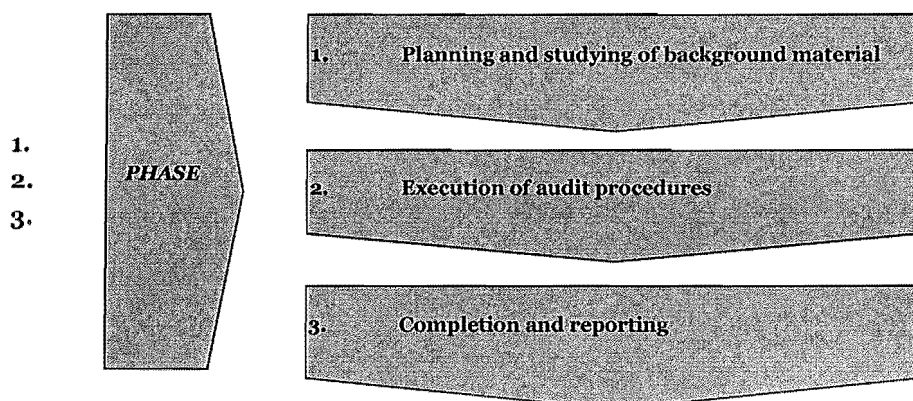
Assessment of the efficiency and effectiveness of the information systems established and their adequacy to meet the management and reporting requirements of the project.

We also assessed the extent of implementation of prior year's audit recommendations.

## **Approach and methodology**

At the inception of the assignment, we developed procedures to enable us to address the requirements of the terms of reference/ scope of work. The use of tailored procedures ensured that we addressed all the subject areas outlined in our scope of work.

Our assignment was carried out in three different phases as follows:



We started the audit with initial meeting with management of UNDP and then followed up with discussion of our audit plan after our initial assessment of the audit risk associated with the project.

We obtained the CDR for 2012 and the accompanying ATLAS detail listing for 2012. We reviewed several documents supporting expenditure incurred including procurement documents, training reports and attendance sheets, etc.

We also reviewed internal controls and systems maintained in relation to the areas highlighted under objective and scope of audit section.

For audit of PPRC, we started with a review of financial returns submitted to UNDP. This was then followed by a visit to PPRC office to review outstanding documents and to seek clarification or explanation to issues noted from our initial review.

We have detailed our findings and recommendations in the respective sections of this report.

For each of our findings, we have provided an indication on the severity of risk as provided in our transmittal letter.

## Summary of findings

We have presented in the table below a summary of the findings that came to our attention during the assignment. The details of the findings and recommendations are in the referenced sections in subsequent pages.

### Part A Summary of findings – financial audit

Section	Audit Findings	Priority level	Source of funding	Page reference
	<b>UNDP</b>			
	No reportable findings noted from the financial audit			
	<b>PPRC 2011 audit</b>			
4.1.4.1	Overpayment of DSAs and transportation refunds	Medium	Peace Building Fund (PBF)	37
4.1.4.2	Irregular supporting documents for training activities conducted	High	PBF	38-39
4.1.5.1	Some expenditures incurred not supported	High	PBF	40-41
4.1.5.2	Difference between funds received from UNDP and amount reported by PPRC	High	Election Basket Fund (EBF)	42-44
	<b>PPRC 2012 audit</b>			
4.2.3.1	Irregularities with procurement documents	High	PBF	49-50
4.2.4.1	Overpayment of DSAs and transportation refunds	Medium	PBF and EBF	55-56
4.2.4.2	Irregular supporting documents for training activities conducted	High	PBF and EBF	57-58
4.2.5.1	Some expenditures incurred not supported	Medium	PBF	59
4.2.5.2	Refunds of questioned cost paid out of the project account	Medium	PBF	60
4.2.5.3	Payment of ineligible expenditure	Medium	PBF	61
4.2.5.4	Loans to staff from project account	Medium	PBF	62
4.2.5.5	Error in opening cash balance of PBF account	High	PBF and EBF	63

### Part B Summary of findings –review of internal controls and systems

Section	Audit Findings	Priority level	Source of funding	Page reference
	<b>UNDP</b>			
3.4.1	Some IPs do not maintain assets register	Medium	PBF and EBF	18-19
3.6.1	Late signing of LOA for implementation of activities	Medium	PBF and EBF	22
3.6.2	Inadequate supporting documents submitted by IPs	High	PBF and EBF	23-24
3.6.3	Inadequate follow up of issues noted from review of IPs returns	Medium	PBF and EBF	24-25
3.6.4	Loan given to PPRC for implementation of activities prior to signing LOA	Medium	PBF	25-26

Section	Audit Findings	Priority level	Source of funding	Page reference
	<b>PPRC 2011 Audit</b>			
4.1.3.1	Huge procurement of goods and services by PPRC	High	PBF	32-34
4.1.3.2	Invalid quotations submitted by vendors	Medium	PBF	34-35
4.1.3.3	Inadequate segregation of duties	High	PBF	36
4.1.6.1	No MoU between PPRC and sub-implementing parties (APPYA and APPWA)	Medium	PBF	45
	<b>PPRC 2012 Audit</b>			
4.2.3.2	Invalid quotations submitted by vendors	Medium	PBF and EBF	56-58
4.2.3.3	Inadequate segregation of duties	High	PBF and EBF	59
4.2.3.4	Two quotations obtained from same vendors	High	PBF	60
4.2.6.1	Implementation of activities prior to signing LOA	Medium	PBF	64-65
4.2.6.2	No MoU between PPRC and sub-implementing parties (APPYA and APPWA)	Medium	PBF	66
4.2.7.1	Poor assets management system	Medium	PBF and EBF	67-68
4.2.7.2	Some assets procured could not be found	Medium	PBF	69

**REPORT OF THE INDEPENDENT AUDITOR TO THE RESIDENT REPRESENTATIVE,  
UNITED NATIONS DEVELOPMENT PROGRAMME, SIERRA LEONE**

**REPORT ON THE COMBINED DELIVERY REPORT**

We have audited the accompanying Combined Delivery Report (CDR) of the UNDP DIM project "Support to the Electoral Cycle in Sierra Leone" Output No. 00077588 for the period 1 January to 31 December 2012 as set out on page 8.

**Management's responsibilities for the CDR**

Management of UNDP Sierra Leone is responsible for the preparation of the CDR and for such internal control as it determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on the CDR 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 CDR is free from material misstatement.

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

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

**Basis for qualification**

We noted significant irregularities with supporting documents submitted by PPRC to account for expenditures incurred in relation to procurement of goods and services and training activities in the 2012 which amounted to US\$187,625. Secondly, we noted that an expenditure of US\$3,735 reported by PPRC in respect of social evening and official handing over ceremony of APPWA was not supported by third party documentation. Furthermore, from the review of PPRC reported expenditure, we noted a total ineligible expenditure of US\$4,323 in relation to refund of questioned cost paid out of project account and payment of air tickets for two commissioners. In addition, we noted a difference of US\$144,299 between the opening cash balance reported by PPRC and the amount we verified. US\$88,906 of this amount relates to questioned costs we identified from our audit of PPRC for 2011 while the remaining amount of US\$55,393 relates error made by PPRC in carrying forward the closing cash balance for 2011 to 2012.



**REPORT OF THE INDEPENDENT AUDITOR TO THE RESIDENT REPRESENTATIVE,  
UNITED NATIONS DEVELOPMENT PROGRAMME, SIERRA LEONE (CONTINUED)**

**REPORT ON THE COMBINED DELIVERY REPORT (CONTINUED)**

**Opinion**

In our opinion, except for the effects of the items as discussed in the basis for qualification paragraph above, the Combined Delivery Report presents fairly, in all material respects the expenditure of US\$ 10,931,486.33 incurred by the project in Sierra Leone for the period 1 January 2012 to 31 December 2012 in accordance with UNDP accounting policies as set out on pages 9-10.

**Other reporting requirements**

In accordance with the Term of Reference for this audit, we also confirm that except as discussed in the basis for qualification paragraph, the expenditure of US\$ 10,931,486.33 was:

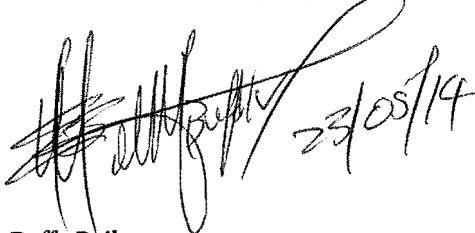
- incurred by the project in conformity with the approved project budgets;
- for the approved purposes of the project;
- in compliance with the relevant UNDP regulations and rules, policies and procedures; and
- supported by properly approved vouchers and other supporting documents.

**Other matters**

We also draw attention to Note 3 to the Combined Delivery Report which indicates that the CDR for the year ended 31 December 2012 amount in total to US\$ 21,316,530.33. It includes certain expenses directly incurred by UNDP headquarters on the project amounting to US\$10,385,044 and US\$10,931,486.33 incurred by the project in Sierra Leone and on which we provided an opinion. The terms of reference of the project specifically excludes from the audit all expenses directly incurred by UNDP Headquarters where the supporting documentation is not retained at the level of the UNDP country office. Our audit opinion does not cover these expenses disclosed in Note 3 of the Combined Delivery Report.

**Accounting Policies**

We draw attention to pages 9 to 10 of this report, which describes the principal accounting policies adopted by the project management in the preparation of the Combined Delivery Report (CDR). The CDR is prepared by UNDP Sierra Leone for reporting to UNDP Headquarters in New York. As a result, the Combined Delivery Report may not be suitable for another purpose.



Buffy Bailor  
B & C Services Consulting  
Partner

**COMBINED DELIVERY REPORT**

Find signed CDR in the attached zip folder named "2012 CDR".



Selection Criteria :

Business Unit : SLE10  
Period : Jan-Dec (2012)  
Selected Project Id : 00061278  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : ALL

Project Id: 00061278 SUPPORT TO THE ELECTORAL CYCLE	Period: Jan-Dec (2012)
Output#: 00077588 SUPPORT TO THE ELECTORAL CYCLE	Impl. Partner: 02762 DIRECT EXECUTION
	Location: Sierra Leone

Dept: 37201 (Sierra Leone - Central)

Fund : 04000 (Core Programme, UNU Centre)

72311 - Fuel, petroleum and other oils	0.00	- 20.42	0.00	- 20.42
<b>Total for Fund 04000</b>	<b>0.00</b>	<b>- 20.42</b>	<b>0.00</b>	<b>- 20.42</b>

Fund : 11888 (Country Co-Financing CS)

71620 - Daily Subsistence Allow-Local	0.00	3,000.00	0.00	3,000.00
74599 - UNDP cost recovery chrgs-Bills	0.00	4,290.15	0.00	4,290.15
75105 - Facilities & Admin - implement	0.00	510.31	0.00	510.31
<b>Total for Fund 11888</b>	<b>0.00</b>	<b>7,800.46</b>	<b>0.00</b>	<b>7,800.46</b>

Fund : 30000 (PROGRAMME COST SHARING)

72311 - Fuel, petroleum and other oils	0.00	- 103.94	0.00	- 103.94
74599 - UNDP cost recovery chrgs-Bills	0.00	70,335.31	0.00	70,335.31
75105 - Facilities & Admin - implement	0.00	14,559.67	0.00	14,559.67
75710 - Participation of counterparts	0.00	137,660.00	0.00	137,660.00
<b>Total for Fund 30000</b>	<b>0.00</b>	<b>222,451.04</b>	<b>0.00</b>	<b>222,451.04</b>

<b>Total for Dept : 37201</b>	<b>0.00</b>	<b>230,231.08</b>	<b>0.00</b>	<b>230,231.08</b>
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Dept: 37204 (Sierra Leone - Dem. Governance)

Fund : 04000 (Core Programme, UNU Centre)

61305 - Salaries - IP Staff	0.00	121,313.81	0.00	121,313.81
61310 - Post Adjustment - IP Staff	0.00	68,127.74	0.00	68,127.74
61360 - Other payroll costs IP	0.00	5,986.21	0.00	5,986.21
62305 - Dependency Allowances-IP Staff	0.00	4,637.59	0.00	4,637.59
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	38,673.92	0.00	38,673.92
62315 - Contrib. to medical, social in	0.00	4,006.49	0.00	4,006.49
62320 - Mobility, Hardship, Non-remova	0.00	39,236.87	0.00	39,236.87
62330 - Rental Supplements - IP Staff	0.00	2,912.14	0.00	2,912.14
62340 - Annual Leave Expense - IP	0.00	13,321.49	0.00	13,321.49
63330 - Ed Grd Incl Trvl&Allow-IP Stf	0.00	- 7,113.42	0.00	- 7,113.42
63335 - Home Leave Trvl & Allow-IP Stf	0.00	5,948.75	0.00	5,948.75
63360 - Medical Exams(Incl Pre-empl)	0.00	213.54	0.00	213.54
63530 - Contribution to EOS Benefits	0.00	3,684.47	0.00	3,684.47
63535 - Contribution to Security	0.00	5,895.13	0.00	5,895.13
63540 - Contribution to Training	0.00	1,473.80	0.00	1,473.80
63545 - Contribution to ICT	0.00	2,210.68	0.00	2,210.68



Project Id: 00061278-SUPPORT TO THE ELECTORAL CYCLE		Period: Jan-Dec (2012)	
Output #: 00075588-SUPPORT TO THE ELECTORAL CYCLE		Impl. Partner: 02762 DIRECT EXECUTION	
		Location: Sierra Leone	
	Govt Exp	UNDP Exp	UN Agencies Exp
			Total Exp

63550 - Contributions to MAIP	0.00	294.74	0.00	294.74
63555 - Contribution to UN JFA	0.00	2,652.81	0.00	2,652.81
63560 - Contributions to Appendix D	0.00	442.14	0.00	442.14
64321 - Reassignment-Ticket Costs	0.00	2,343.41	0.00	2,343.41
64322 - Reassignments-Subsistence Allow	0.00	3,060.00	0.00	3,060.00
64323 - Reassignments-Lump Sum	0.00	10,240.62	0.00	10,240.62
64324 - Reassignments-Shipments	0.00	10,500.00	0.00	10,500.00
65115 - Contributions to ASH Reserve	0.00	9,579.58	0.00	9,579.58
65135 - Payroll Mgt Cost Recovery ATLA	0.00	772.56	0.00	772.56
71205 - Intl Consultants-Shrt Term-Tech	0.00	0.00	0.00	0.00
71305 - Local Consult.-Shrt Term-Tech	0.00	0.00	0.00	0.00
71405 - Service Contracts-Individuals	0.00	2,206.81	0.00	2,206.81
71605 - Travel Tickets-International	0.00	0.00	0.00	0.00
71615 - Daily Subsistence Allow-Intl	0.00	-304.00	0.00	-304.00
71620 - Daily Subsistence Allow-Local	0.00	0.01	0.00	0.01
71635 - Travel - Other	0.00	304.00	0.00	304.00
72120 - Svc Co-Trade and Business Serv	0.00	-45.98	0.00	-45.98
72135 - Svc Co-Communications Service	0.00	45.98	0.00	45.98
72205 - Office Machinery	0.00	436.78	0.00	436.78
72210 - Machinery and Equipment	0.00	-436.78	0.00	-436.78
72220 - Furniture	0.00	0.00	0.00	0.00
72310 - Minerals,Mining & Metal Prdcts	0.00	54.72	0.00	54.72
72315 - Food & Textile Products	0.00	464.04	0.00	464.04
72320 - Wood & Paper Products	0.00	60.22	0.00	60.22
72325 - Chemical,Glass,NonMetallic Prd	0.00	28.65	0.00	28.65
72399 - Other Materials and Goods	0.00	-695.31	0.00	-695.31
72405 - Acquisition of Communic Equip	0.00	-2,781.00	0.00	-2,781.00
72425 - Mobile Telephone Charges	0.00	8,535.39	0.00	8,535.39
72445 - Common Services-Communications	0.00	371.98	0.00	371.98
72505 - Stationery & other Office Supp	0.00	114.94	0.00	114.94
73115 - Moving Expenses	0.00	0.00	0.00	0.00
73120 - Utilities	0.00	456.11	0.00	456.11
74510 - Bank Charges	0.00	0.64	0.00	0.64
74525 - Sundry	0.00	3,206.71	0.00	3,206.71
75105 - Facilities & Admin - Implement	0.00	3,506.72	0.00	3,506.72
76125 - Realized Loss	0.00	6.50	0.00	6.50
76135 - Realized Gain	0.00	-1,426.59	0.00	-1,426.59
77307 - Appoint-Sub Allow-IP Staff-TA	0.00	6,120.00	0.00	6,120.00
77660 - Dep Exp Owned -Vehicle	0.00	9,194.06	0.00	9,194.06

Total for Fund 04000	0.00	379,839.67	0.00	379,839.67
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Fund : 11888 (Country Co-Financing CS)

61305 - Salaries - IP Staff	0.00	89,582.33	0.00	89,582.33
61310 - Post Adjustment - IP Staff	0.00	36,548.54	0.00	36,548.54
61360 - Other payroll costs IP	0.00	19,932.73	0.00	19,932.73
62305 - Dependency Allowances-IP Staff	0.00	1,025.13	0.00	1,025.13
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	20,808.13	0.00	20,808.13
62315 - Contrib. to medical, social in	0.00	1,627.93	0.00	1,627.93
62320 - Mobility, Hardship, Non-remova	0.00	16,187.15	0.00	16,187.15
62330 - Rental Supplements - IP Staff	0.00	2,912.14	0.00	2,912.14
62340 - Annual Leave Expense - IP	0.00	-1,356.18	0.00	-1,356.18
63330 - Ed Grl Incl Trvl&Allow-IP Str	0.00	12,044.40	0.00	12,044.40

UN  
DPUN Development Programme  
Report ID: unglodrp

## Combined Delivery Report By Project

Page 3 of 10  
Run Time: 16-05-2013 23:05:27

ProjectId : 00081278-SUPPORT TO THE ELECTORAL CYCLE	Period : Jan-Dec (2012)
Output# : 00077588-SUPPORT TO THE ELECTORAL CYCLE	Impl. Partner : 02782-DIRECT EXECUTION
	Location : Sierra Leone

63335 - Home Leave Trvl & Allow-IP Stf	0.00	2,217.90	0.00	2,217.90
63515 - Security-related Costs	0.00	1,200.00	0.00	1,200.00
63520 - Personal Security Measures	0.00	1,200.00	0.00	1,200.00
63530 - Contribution to EOS Benefits	0.00	1,473.96	0.00	1,473.96
63535 - Contribution to Security	0.00	2,358.33	0.00	2,358.33
63540 - Contribution to Training	0.00	589.61	0.00	589.61
63545 - Contribution to ICT	0.00	884.39	0.00	884.39
63550 - Contributions to MAIP	0.00	117.91	0.00	117.91
63555 - Contribution to UN JFA	0.00	1,061.26	0.00	1,061.26
63560 - Contributions to Appendix D	0.00	176.87	0.00	176.87
64306 - Appointment-Ticket Costs	0.00	6,600.00	0.00	6,600.00
64307 - Appointment-Subsistence Allow	0.00	6,690.00	0.00	6,690.00
64309 - Appointment-Shipments	0.00	5,500.00	0.00	5,500.00
65115 - Contributions to ASH! Reserve	0.00	3,832.33	0.00	3,832.33
65135 - Payroll Mgt Cost Recovery ATLA	0.00	321.89	0.00	321.89
66105 - Overtime & Night Differential	0.00	992.50	0.00	992.50
71205 - Intl Consultants-Sht Term-Tech	0.00	1,300.00	0.00	1,300.00
71305 - Local Consult.-Sht Term-Tech	0.00	1,619.24	0.00	1,619.24
71405 - Service Contracts-Individuals	0.00	32,309.98	0.00	32,309.98
71605 - Travel Tickets-International	0.00	16,753.48	0.00	16,753.48
71615 - Daily Subsistence Allow-Intl	0.00	4,407.00	0.00	4,407.00
71620 - Daily Subsistence Allow-Local	0.00	1,926.66	0.00	1,926.66
71635 - Travel - Other	0.00	842.00	0.00	842.00
72120 - Svc Co-Trade and Business Serv	0.00	45.98	0.00	45.98
72135 - Svc Co-Communications Service	0.00	396.00	0.00	396.00
72205 - Office Machinery	0.00	38.05	0.00	38.05
72210 - Machinery and Equipment	0.00	436.78	0.00	436.78
72220 - Furniture	0.00	413.79	0.00	413.79
72311 - Fuel, petroleum and other oils	0.00	2,668.70	0.00	2,668.70
72315 - Food & Textile Products	0.00	240.37	0.00	240.37
72399 - Other Materials and Goods	0.00	411.93	0.00	411.93
72405 - Acquisition of Communic Equip	0.00	92,157.37	0.00	92,157.37
72425 - Mobile Telephone Charges	0.00	1,296.29	0.00	1,296.29
72435 - E-mail-Subscription	0.00	2,554.18	0.00	2,554.18
72440 - Connectivity Charges	0.00	4,616.13	0.00	4,616.13
72445 - Common Services-Communications	0.00	9,568.44	0.00	9,568.44
72505 - Stationery & other Office Supp	0.00	36,307.15	0.00	36,307.15
72510 - Publications	0.00	1,255.80	0.00	1,255.80
72805 - Acquis of Computer Hardware	0.00	1,183.90	0.00	1,183.90
72815 - Inform Technology Supplies	0.00	1,683.00	0.00	1,683.00
73106 - Leased premises alterations	0.00	22,135.47	0.00	22,135.47
73115 - Moving Expenses	0.00	129.89	0.00	129.89
73120 - Utilities	0.00	911.38	0.00	911.38
73125 - Common Services-Premises	0.00	40,000.00	0.00	40,000.00
74210 - Printing and Publications	0.00	93.02	0.00	93.02
74505 - Insurance	0.00	532.92	0.00	532.92
74510 - Bank Charges	0.00	29.93	0.00	29.93
74525 - Sundry	0.00	7,035.45	0.00	7,035.45
74530 - Staff Welfare	0.00	631.63	0.00	631.63
74705 - Port Operation	0.00	11,400.00	0.00	11,400.00
74725 - Other L.T.S.H.	0.00	2,385.00	0.00	2,385.00
74965 - Low value equipment	0.00	546.51	0.00	546.51
75105 - Facilities & Admin - Implement	0.00	41,867.63	0.00	41,867.63
75707 - Learning - subsistence allowan	0.00	3,104.74	0.00	3,104.74



Project Id: 00061278 SUPPORT TO THE ELECTORAL CYCLE		Period: Jan-Dec (2012)		
Output#: 00077588 SUPPORT TO THE ELECTORAL CYCLE		Impl. Partner: 02762 DIRECT EXECUTION		
		Location: Sierra Leone		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
75709 - Learning - training of counter	0.00	46,172.23	0.00	46,172.23
75712 - TrnWrkshp&Conf - Honorariums	0.00	13,225.10	0.00	13,225.10
76125 - Realized Loss	0.00	149.65	0.00	149.65
76135 - Realized Gain	0.00	- 1.37	0.00	- 1.37
77660 - Dep Exp Owned -Vehicle	0.00	814.46	0.00	814.46
Total for Fund 11888	0.00	640,125.11	0.00	640,125.11
Fund : 26960 (CPR TTF-Conflict-Country S)				
72399 - Other Materials and Goods	0.00	147,074.00	0.00	147,074.00
Total for Fund 26960	0.00	147,074.00	0.00	147,074.00
Fund : 30000 (PROGRAMME COST SHARING)				
61305 - Salaries - IP Staff	0.00	22,587.96	0.00	22,587.96
61310 - Post Adjustment - IP Staff	0.00	10,751.53	0.00	10,751.53
62305 - Dependency Allowances-IP Staff	0.00	439.35	0.00	439.35
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	5,981.15	0.00	5,981.15
62315 - Contrib. to medical, social In	0.00	1,985.04	0.00	1,985.04
62320 - Mobility, Hardship, Non-remova	0.00	5,930.50	0.00	5,930.50
62340 - Annual Leave Expense - IP	0.00	- 2,919.29	0.00	- 2,919.29
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	10,641.60	0.00	10,641.60
63335 - Home Leave Trvl & Allow-IP Stf	0.00	185.00	0.00	185.00
63530 - Contribution to EOS Benefits	0.00	740.08	0.00	740.08
63535 - Contribution to Security	0.00	1,184.13	0.00	1,184.13
63540 - Contribution to Training	0.00	296.04	0.00	296.04
63545 - Contribution to ICT	0.00	444.04	0.00	444.04
63550 - Contributions to MAIP	0.00	59.20	0.00	59.20
63555 - Contribution to UN JFA	0.00	532.86	0.00	532.86
63560 - Contributions to Appendix D	0.00	88.80	0.00	88.80
65115 - Contributions to ASHI Reserve	0.00	1,924.19	0.00	1,924.19
65135 - Payroll Mgt Cost Recovery ATLA	0.00	193.15	0.00	193.15
71205 - Intl Consultants-Shrt Term-Tech	0.00	416,766.70	0.00	416,766.70
71305 - Local Consult.-Shrt Term-Tech	0.00	33,935.54	0.00	33,935.54
71310 - Local Consult.-Short Term-Supp	0.00	4,500.00	0.00	4,500.00
71405 - Service Contracts-Individuals	0.00	370,457.67	0.00	370,457.67
71605 - Travel Tickets-International	0.00	141,773.18	0.00	141,773.18
71615 - Daily Subsistence Allow-Intl	0.00	285,177.53	0.00	285,177.53
71620 - Daily Subsistence Allow-Local	0.00	13,212.97	0.00	13,212.97
71625 - Daily Subslst Allow-Mtg Partic	0.00	5,362.00	0.00	5,362.00
71630 - Shipment	0.00	5,901.42	0.00	5,901.42
71635 - Travel - Other	0.00	3,962.00	0.00	3,962.00
72105 - Svc Co-Construction & Engineer	0.00	165,587.72	0.00	165,587.72
72120 - Svc Co-Trade and Business Serv	0.00	19,890.58	0.00	19,890.58
72125 - Svc Co-Studies & Research Serv	0.00	128,311.25	0.00	128,311.25
72126 - Svc Co-Security blast assessma	0.00	1,189.66	0.00	1,189.66
72135 - Svc Co-Communications Service	0.00	523.20	0.00	523.20
72145 - Svc Co-Training and Educ Serv	0.00	554,073.30	0.00	554,073.30
72205 - Office Machinery	0.00	14.71	0.00	14.71
72210 - Machinery and Equipment	0.00	28,785.17	0.00	28,785.17
72215 - Transportation Equipment	0.00	140,654.53	0.00	140,654.53
72220 - Furniture	0.00	41,223.52	0.00	41,223.52



Project ID: 00061278 SUPPORT TO THE ELECTORAL CYCLE		Period: Jan-Dec (2012)		
Output #: 00077588 SUPPORT TO THE ELECTORAL CYCLE		Impl. Partner: 02762 DIRECT EXECUTION		
		Location: Sierra Leone		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
72305 - Agri & Forestry Products	0.00	1,291.88	0.00	1,291.88
72310 - Minerals, Mining & Metal Prdcls	0.00	10,362.07	0.00	10,362.07
72311 - Fuel, petroleum and other oils	0.00	111,077.62	0.00	111,077.62
72315 - Food & Textile Products	0.00	7,153.25	0.00	7,153.25
72320 - Wood & Paper Products	0.00	288.74	0.00	288.74
72325 - Chemical, Glass, NonMetallic Prd	0.00	907.19	0.00	907.19
72330 - Medical Products	0.00	263.59	0.00	263.59
72370 - Security related goods and mat	0.00	391,579.19	0.00	391,579.19
72389 - Other Materials and Goods	0.00	5,579,628.10	0.00	5,579,628.10
72401 - Prefab structure/other buildin	0.00	136,693.38	0.00	136,693.38
72402 - Building Maintenance	0.00	558.14	0.00	558.14
72405 - Acquisition of Communic Equip	0.00	-42,655.43	0.00	-42,655.43
72410 - Acquisition of Audio Visual Eq	0.00	33,570.05	0.00	33,570.05
72415 - Courier Charges	0.00	73.67	0.00	73.67
72425 - Mobile Telephone Charges	0.00	15,818.49	0.00	15,818.49
72435 - E-mail-Subscription	0.00	261.60	0.00	261.60
72440 - Connectivity Charges	0.00	100,531.35	0.00	100,531.35
72505 - Stationery & other Office Supp	0.00	130,512.51	0.00	130,512.51
72510 - Publications	0.00	1,392.12	0.00	1,392.12
72515 - Print Media	0.00	14,163.38	0.00	14,163.38
72520 - Electronic Media	0.00	120,509.30	0.00	120,509.30
72705 - Hospitality-Special Events	0.00	23.20	0.00	23.20
72810 - Acquis of Computer Software	0.00	24,587.64	0.00	24,587.64
72815 - Inform Technology Supplies	0.00	-1,172.86	0.00	-1,172.86
73105 - Rent	0.00	0.00	0.00	0.00
73106 - Leased premises alterations	0.00	4,186.05	0.00	4,186.05
73115 - Moving Expenses	0.00	6,283.73	0.00	6,283.73
73120 - Utilities	0.00	10,025.82	0.00	10,025.82
73125 - Common Services-Premises	0.00	34,835.62	0.00	34,835.62
73305 - Maint & Licensing of Hardware	0.00	-46,537.40	0.00	-46,537.40
73405 - Rental & Maint-Other Office Eq	0.00	5,000.00	0.00	5,000.00
73406 - Maintenance of Equipment	0.00	45,361.22	0.00	45,361.22
73410 - Maint, Oper of Transport Equip	0.00	4,355.52	0.00	4,355.52
74120 - Capacity Assessment	0.00	7,000.00	0.00	7,000.00
74225 - Other Media Costs	0.00	3,220.11	0.00	3,220.11
74230 - Audio & Visual Equipment	0.00	30,000.00	0.00	30,000.00
74505 - Insurance	0.00	59.00	0.00	59.00
74510 - Bank Charges	0.00	4.80	0.00	4.80
74525 - Sundry	0.00	16,216.31	0.00	16,216.31
74705 - Port Operation	0.00	-575,437.53	0.00	-575,437.53
74710 - Land Transport	0.00	2,988.00	0.00	2,988.00
74725 - Other L.T.S.H.	0.00	1,034,269.44	0.00	1,034,269.44
74965 - Low value equipment	0.00	33,471.85	0.00	33,471.85
75105 - Facilities & Admin - Implement	0.00	813,148.95	0.00	813,148.95
75707 - Learning - subsistence allowan	0.00	660,596.49	0.00	660,596.49
75708 - Learning - subcontracts	0.00	11,594.55	0.00	11,594.55
75709 - Learning - training of counter	0.00	1,034,992.52	0.00	1,034,992.52
75710 - Participation of counterparts	0.00	632,615.21	0.00	632,615.21
75711 - TrnWrkshp&Conf - Stipends	0.00	36,670.07	0.00	36,670.07
76125 - Realized Loss	0.00	239.96	0.00	239.96
76135 - Realized Gain	0.00	-29.61	0.00	-29.61
77630 - Dep Exp Owned - ITC	0.00	7,422.25	0.00	7,422.25
77670 - Dep Exp-Hvy Mac & Equip	0.00	93.02	0.00	93.02



Project ID: 00061278 SUPPORT TO THE ELECTORAL CYCLE		Period:	Jan-Dec (2012)	
Output ID: 00077588 SUPPORT TO THE ELECTORAL CYCLE		Impl. Partner:	02762 DIRECT EXECUTION	
		Location:	Sierra Leone	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Total for Fund 30000	0.00	12,922,412.10	0.00	12,922,412.10
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Fund : 30079 (EUROPEAN COMMISSION)

71205 - Intl Consultants-Sht Term-Tech	0.00	822,132.03	0.00	822,132.03
71405 - Service Contracts-Individuals	0.00	3,223.24	0.00	3,223.24
71605 - Travel Tickets-International	0.00	16,690.22	0.00	16,690.22
71615 - Daily Subsistence Allow-Intl	0.00	107,414.97	0.00	107,414.97
71620 - Daily Subsistence Allow-Local	0.00	202,366.08	0.00	202,366.08
72105 - Svc Co-Construction & Engineer	0.00	13,147.90	0.00	13,147.90
72120 - Svc Co-Trade and Business Serv	0.00	0.00	0.00	0.00
72140 - Svc Co-Information Technology	0.00	570.77	0.00	570.77
72210 - Machinery and Equipment	0.00	6,639.53	0.00	6,639.53
72215 - Transportation Equipment	0.00	149,413.20	0.00	149,413.20
72315 - Food & Textile Products	0.00	240.37	0.00	240.37
72320 - Wood & Paper Products	0.00	7,174.97	0.00	7,174.97
72330 - Medical Products	0.00	69.60	0.00	69.60
72399 - Other Materials and Goods	0.00	1,361,383.34	0.00	1,361,383.34
72405 - Acquisition of Communic Equip	0.00	19,650.91	0.00	19,650.91
72425 - Mobile Telephone Charges	0.00	4,635.35	0.00	4,635.35
72505 - Stationery & other Office Supp	0.00	23,006.91	0.00	23,006.91
72715 - Hospitality Catering	0.00	620.23	0.00	620.23
72805 - Acquis of Computer Hardware	0.00	6,511.63	0.00	6,511.63
72815 - Inform Technology Supplies	0.00	523.26	0.00	523.26
73310 - Maint & Licencing of Software	0.00	-2,800.63	0.00	-2,800.63
74110 - Audit Fees	0.00	46,042.00	0.00	46,042.00
74625 - Sundry	0.00	432.18	0.00	432.18
74705 - Port Operation	0.00	500.65	0.00	500.65
75105 - Facilities & Admin - Implant	0.00	203,551.63	0.00	203,551.63
75705 - Learning costs	0.00	315.00	0.00	315.00
75707 - Learning - subsistence allowan	0.00	2,563.62	0.00	2,563.62
75708 - Learning - subcontracts	0.00	1,127.62	0.00	1,127.62
75709 - Learning - training of counter	0.00	9,359.19	0.00	9,359.19
75710 - Participation of counterparts	0.00	70,407.64	0.00	70,407.64
76125 - Realized Loss	0.00	1,462.83	0.00	1,462.83
76135 - Realized Gain	0.00	21.97	0.00	21.97
77600 - Dep Exp Owned -Vehicle	0.00	13,947.36	0.00	13,947.36
Total for Fund 30079	0.00	3,112,345.57	0.00	3,112,345.57

Fund : 32045 (JPN-Partnership Devt. Pgm. PCF)

72125 - Svc Co-Studies & Research Serv	0.00	1,627,175.49	0.00	1,627,175.49
72205 - Office Machinery	0.00	44,193.15	0.00	44,193.15
72225 - Sale of Equip & Furniture	0.00	602.33	0.00	602.33
72320 - Wood & Paper Products	0.00	7,434.00	0.00	7,434.00
72325 - Chemical,Glass,NonMetallic Prd	0.00	9,653.58	0.00	9,653.58
72370 - Security related goods and mat	0.00	3,768.80	0.00	3,768.80
72399 - Other Materials and Goods	0.00	1,442,621.58	0.00	1,442,621.58
72415 - Courier Charges	0.00	330.39	0.00	330.39
72440 - Connectivity Charges	0.00	19,883.72	0.00	19,883.72
72445 - Common Services-Communications	0.00	1,004.45	0.00	1,004.45
72505 - Stationery & other Office Supp	0.00	458,390.01	0.00	458,390.01





Project Id : 00061278 SUPPORT TO THE ELECTORAL CYCLE		Period :	Jan-Dec (2012)	
Output # : 00077588 SUPPORT TO THE ELECTORAL CYCLE		Impl. Partner :	02762 DIRECT EXECUTION	
		Location :	Sierra Leone	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

72805 - Acquis of Computer Hardware	0.00	- 6,511.63	0.00	- 6,511.63
74110 - Audit Fees	0.00	- 46,042.00	0.00	- 46,042.00
74505 - Insurance	0.00	2,225.40	0.00	2,225.40
75105 - Facilities & Admin - Implement	0.00	303,115.66	0.00	303,115.66
76125 - Realized Loss	0.00	1.38	0.00	1.38
76135 - Realized Gain	0.00	- 0.21	0.00	- 0.21
77630 - Dep Exp Owned - ITC	0.00	678.28	0.00	678.28
<b>Total for Fund 32045</b>	<b>0.00</b>	<b>3,868,524.38</b>	<b>0.00</b>	<b>3,868,524.38</b>
<b>Total for Dept : 37204</b>	<b>0.00</b>	<b>21,070,320.82</b>	<b>0.00</b>	<b>21,070,320.82</b>
Dept: 37207 (Sierra Leone -ICT for Developmt)				
Fund : 04000 (Core Programme, UNU Centre)				
71405 - Service Contracts-Individuals	0.00	- 362.77	0.00	- 362.77
<b>Total for Fund 04000</b>	<b>0.00</b>	<b>- 362.77</b>	<b>0.00</b>	<b>- 362.77</b>
Fund : 30000 (PROGRAMME COST SHARING)				
72435 - E-mail-Subscription	0.00	376.63	0.00	376.63
74965 - Low value equipment	0.00	6,906.90	0.00	6,906.90
75105 - Facilities & Admin - Implement	0.00	1,069.04	0.00	1,069.04
77630 - Dep Exp Owned - ITC	0.00	7,988.63	0.00	7,988.63
<b>Total for Fund 30000</b>	<b>0.00</b>	<b>16,341.20</b>	<b>0.00</b>	<b>16,341.20</b>
<b>Total for Dept : 37207</b>	<b>0.00</b>	<b>15,978.43</b>	<b>0.00</b>	<b>15,978.43</b>
<b>Total for Output : 00077588</b>	<b>0.00</b>	<b>21,316,530.33</b>	<b>0.00</b>	<b>21,316,530.33</b>

<b>Project Total :</b>	<b>0.00</b>	<b>21,316,530.33</b>	<b>0.00</b>	<b>21,316,530.33</b>
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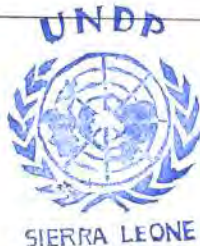
Signed By :

*[Signature]* A. Aschir  
Date :

Date :

9/15/13

Signed By :



Date :





# Combined Delivery Report By Project

UN  
DP UN Development Programme  
Report ID: ungidrp

Page 8 of 10  
Run Time: 16-05-2013 23:05:28

## Selection Criteria :

Business Unit : SLE10  
Period : Jan-Dec (2012)  
Selected Project Id : 00061278  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : ALL

Project Id: ALL		Period: Jan-Dec (2012)		
Output #: ALL		Impl. Partner:		
		Location:		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
37201 - Sierra Leone - Central	0.00	230,231.08	0.00	230,231.08
37204 - Sierra Leone - Dem. Governance	0.00	21,070,320.82	0.00	21,070,320.82
37207 - Sierra Leone -ICT for Developmt	0.00	15,978.43	0.00	15,978.43



Funds Utilization

Selection Criteria :

Business Unit : SLE10  
Period : Jan-Dec (2012)  
Selected Project Id : 00061278  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : ALL

Project/Award: 00061278 SUPPORT TO THE ELECTORAL CYCLE

Period : As at Dec 31, 2012

Output #	Impl. Partner	UNDP AMOUNT
00077588	102762 DIRECT EXECUTION	
Outstanding NEX advances		0.00
Undepreciated Fixed Assets		599,926.20
Inventory		1,118.44
Prepayments		0.00
Commitments		294,134.36



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

Selection Criteria :

Business Unit: SLE10  
Selected Project(s): 00061278  
Selected Fund Code : ALL  
Selected Output(s): ALL

ProjectId: 00061278 SUPPORT TO THE ELECTORAL CYCLE  
Output#: 00077588 SUPPORT TO THE ELECTORAL CYCLE  
Impl. Partner: 02762 DIRECT EXECUTION

Description	Account	Fund	Donor	Amount
Unliquidated Obligations	21015	04000-TRAC (Line	00012-UNDP	42,488.66
Unliquidated Obligations	21015	11888-CCF	00012-UNDP	104,878.54
Unliquidated Obligations	21015	30000-Programme	00134-IRE	731,242.00
Unliquidated Obligations	21015	30000-Programme	00551-DFID	2,868,174.07
Total for Output: 00077588				3,846,783.27

Project Total: 3,846,783.27

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

## **NOTES TO THE COMBINED DELIVERY REPORT**

### **1. Accounting policies**

The principal accounting policies adopted by the project management in the preparation of the Combined Delivery Report (CDR) are set out below:

#### **a. Execution modality**

The UNDP Sierra Leone office used the Direct Implementation Modality (DIM) in carrying out the project activities. Under the DIM, implementation of development projects is carried out directly by UNDP. UNDP has overall management responsibility and accountability for project implementation.

UNDP may either implement all the activities of the project, or alternatively, implement the activities in collaboration with other Development Partners (DPs), Government of Sierra Leone, and other implementing partners (IPs) in a decentralized, flexible, accountable and transparent manner.

#### **b. Financial Management Modality**

The Harmonized Approach to Cash Transfer (HACT) modality is used by the UNDP Office for disbursements as follows:

- Direct payment system: Under this arrangement, the UNDP Sierra Leone office directly makes payment to vendors upon IPs' request in line with the activities outlined in the signed Annual Work Plan (AWP).
- Direct Cash Transfer System: This involves cash transfers or advances to designated IPs based on the signed Annual Work Plan (AWP).

The financial management modality used under this project is a combination of the direct payment system and direct cash transfer system.

#### **c. Reporting currency**

Financial reports have been presented in US Dollars. Transactions denominated in Leones are translated into US Dollars and recorded using the UN official rates of exchange ruling at the date of transactions. Balances denominated in Leones are translated into US Dollars at the UN official rate of exchange ruling at the reporting date. Exchange differences arising on the conversion are dealt with in the CDR.

## NOTES TO THE COMBINED DELIVERY REPORT (Continued)

### 2. Other disclosures in CDR

The CDR includes a second section which shows the following additional information:

**Un-depreciated Fixed Assets** – This refers to fixed assets that belong to or are used by the project but are under UNDP's control (i.e. in situations where UNDP is providing support services to the project and there is no signed Letter of Agreement, as an example). These assets should be part of the statement of assets and equipment.

**Inventory** – This refers to items of inventory that were acquired for the project and are temporarily under UNDP's control/custody control (i.e. in situations where UNDP is providing support services to the project and there is no signed Letter of Agreement, as an example).

**Commitments** – This refers to goods and services which may not have been received but the UNDP is contractually responsible to honoring payments in the future. Any amounts appearing under this category are provided for informational purposes only.

### 3. UNDP generated expenditures

According to the TOR for the audit, UNDP Support Services expenditure reported in the statement of expenditure (CDR) are outside the scope of this audit since they are generated and posted directly by UNDP Headquarters. UNDP Support Services expenditures for this project are as follows:

Code	Account Description	Amount (US\$)
61300	Salary & Post Adj Cst-IP Staff	374,831
62300	Recurrent Payroll Costs-IP Stf	155,410
63300	Non-Recurrent Payroll - IP Stf	24,138
63500	Insurance and Security Costs	29,061
64300	Staff Mgmt Costs - IP Staff	44,934
65100	After Service Insurance	16,624
66100	Overtime & Night Differential	993
71200	International Consultants	454,625
71600	Travel	10,833
72100	Contractual Services-Companies	1,743,831
72200	Equipment and Furniture	51,824
72300	Materials & Goods	4,857,290
72500	Supplies	8,390
72800	Information Technology Equipment	28,964
74500	Miscellaneous Expenses	81,819
74700	Transport and Distribution cost	1,103,829

**United Nations Development Programme (UNDP)**  
**Support to the Electoral Cycle in Sierra Leone**  
**Output No. 00077588**  
**Report for the year ended 31 December 2012**

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Code	Account Description	Amount (US\$)
75100	Facilities & Administration	1,377,851
76100	Foreign Exchange Currency Loss	187
BA007	Other assets (Fittings & furniture)	19,610
	<b>Total</b>	<b>10,385,044</b>

These are made up of procurement of goods and services carried out by UNDP Procurement Support Office (PSO) and also staff cost of International Professionals under the project.

**REPORT OF THE INDEPENDENT AUDITOR TO THE RESIDENT REPRESENTATIVE,  
UNITED NATIONS DEVELOPMENT PROGRAMME, SIERRA LEONE**

**REPORT ON THE STATEMENT OF ASSETS AND EQUIPMENT**

We have audited the accompanying Statement of Assets and Equipment of UNDP DIM project "Support to the Electoral Cycle in Sierra Leone" Output No. 00077588 as at 31 December 2012 set out in Annex 2 on page 87 and a summary of significant accounting policies and other explanatory information set out in page 14.

**Management's responsibilities for the Statement of Assets and Equipment**

Management is responsible for the preparation of the statement of assets and equipment 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.

**Auditor's responsibility**

Our responsibility is to express an opinion on the Statement of Assets and Equipment 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 Statement of Assets and Equipment is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement of Assets and Equipment. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement of Assets and Equipment, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statement of Assets and Equipment 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Statement of Assets and Equipment.

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

**Opinion**

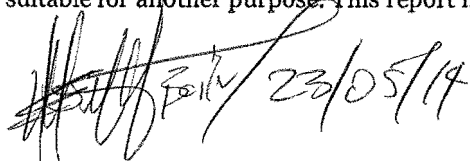
In our opinion, the Statement of Assets and Equipment presents fairly in all material respects, the list of assets of UNDP Output No. 00077588, with a value of US\$5,010,583 as at 31 December 2012, and is prepared in accordance with the accounting policies set out on page 14.



**REPORT OF THE INDEPENDENT AUDITOR TO THE RESIDENT REPRESENTATIVE,  
UNITED NATIONS DEVELOPMENT PROGRAMME, SIERRA LEONE (Continued)**

**Basis of Accounting**

Without modifying our opinion, we draw attention to page 14 of this report, which describes the basis of accounting. The Statement of Assets and Equipment is prepared by UNDP Sierra Leone for reporting to UNDP Headquarters in New York. As a result, the Statement of Assets and Equipment may not be suitable for another purpose. This report has been prepared for use by UNDP.



Buffy Bailor  
B & C Services Consulting  
Partner

## **NOTES TO THE STATEMENT OF ASSETS AND EQUIPMENT**

### **a) Basis of Preparation and Presentation**

UNDP project management guidelines require that UNDP maintains accurate, complete and up-to-date records of project fixed assets showing details such as: description, identification, custody/ location, date of acquisition, cost, funding source and condition of such fixed assets.

### **b) Accounting for Fixed Assets**

Fixed assets are expensed in the year of acquisition. An inventory of assets and equipment is maintained to monitor their existence and usage.

### **c) Value of Fixed Assets**

Fixed assets are maintained in the assets listing at the historical cost/ value of the assets as at the date of acquisition.

**REPORT ON STATEMENT OF CASH POSITION**

Payments for project activities were made through the UNDP Sierra Leone's country office bank accounts. And as indicated in the Term of Reference (ToR) for the audit, we are not required to issue opinion on the statement of cash position because no dedicated bank account for the DIM project has been established.

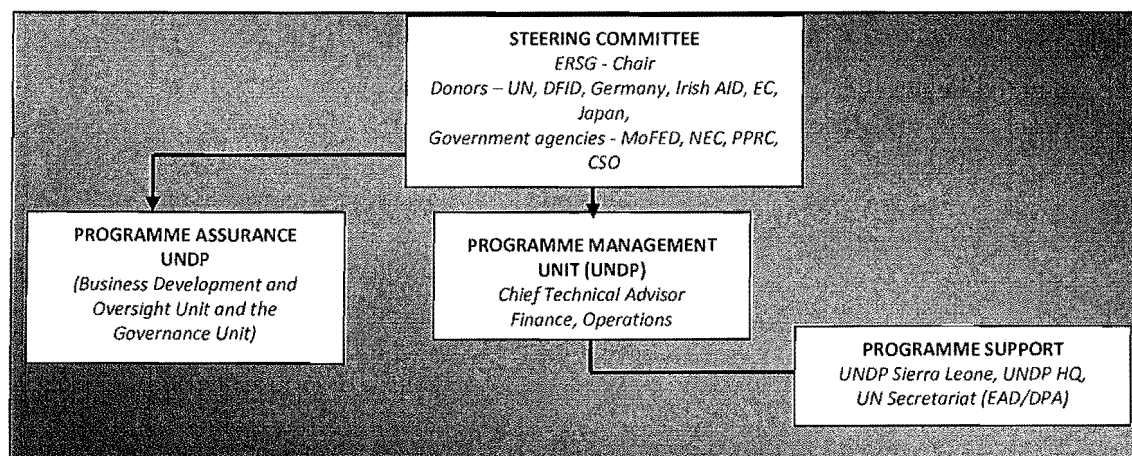
## SECTION 3 – LONG FORM REPORT (UNDP)

### 3.1 Summary of audit findings

Section	Audit findings	Priority level	Source of funding	Page reference
3.4.1	Some IPs do not maintain assets register	Medium	PBF and EBF	18-19
3.6.1	Late signing of LOA for implementation of activities	Medium	PBF and EBF	22
3.6.2	Inadequate supporting documents submitted by IPs	High	PBF and EBF	23-24
3.6.3	Inadequate follow up of issues noted from review of IPs returns	Medium	PBF and EBF	24-25
3.6.4	Loan given to PPRC for implementation of activities prior to signing LOA	Medium	PBF	25-26

### 3.2 Overall Organizational Structure and Human Resources

Organogram of the project



The Support to the Electoral Cycle project in Sierra Leone is directly implemented by UNDP Sierra Leone. The overall oversight over the project activities is provided the Steering Committee. The steering committee is made up of representatives from high-level Heads of Agency and participants include donors:

- MoFED
- NEC
- PPRC
- NEW
- NCD
- SLP
- ONS
- JLOD
- EU

- GEm
- USAID
- DFID
- IA
- UNIPSIL
- UNDP

The committee is co-chaired by the Minister of Finance and Economic Development and the Country Director of UNDP.

A sub-committee of the Steering Committee monitors implementation and provides oversight for the voter registration component.

A programme management unit (PMU) headed by Chief Technical Advisor (CTA) is responsible for overall implementation of the programme and reports to the Steering Committee.

The Chief Technical Advisor is responsible for day-to-day management and decision-making for the programme, as well as ensuring that the programme produces the outputs and results specified in the project document, in compliance with the required standards of quality, within the specified limits of time and cost and in line with UNDP rules and regulations.

The PMU also has an Operations manager, a finance associate, administrator and an assets focal person. The PMU is supported by core staff of UNDP country office including the procurement, finance, human resource unit, and operations.

The Business Development and Oversight Unit and the Governance Unit of UNDP provide programme assurance.

From our review, we observed that the staff have the requisite qualifications and experience for their respective roles. The organisational structure and human resource for the project is currently considered adequate for effective implementation of the project during the period under review.

**Overall rating:** Satisfactory

### **3.3 Finance and cash management**

Activities under the project for the year were funded through UNDP Sierra Leone. Annual Work Plans (AWP) were prepared, reviewed and approved by the steering committee. For activities implemented by the Implemented Partners (IPs), Letter of Agreements (LOAs) were signed by UNDP and the Implementing Partners. This document contains information about the background and objectives of the project, together with amounts assigned for each objective or expected output, management's strategy for achieving those objectives and expected deliverables.

The Support to Electoral Cycle in Sierra Leone project was implemented directly by UNDP. However, some activities such as training and sensitisations were carried out by selected Implementing Partners. Funds were disbursed by UNDP to the IPs based on amount approved in the LOA. Payment vouchers

were raised and properly approved after which cheque was written for the IP. Payments were made directly from the UNDP country office bank accounts.

The finance department of UNDP uses the "ATLAS" accounting software to record and generate expenditure details. ATLAS is designed to facilitate the management and monitoring of project budgets, expenditure and financial reporting. The system produces the Combined Delivery Report (CDR) which is a summary of the "ATLAS" detailed report.

**Overall rating:** Satisfactory

### **3.4 Assets management**

Assets of the project are maintained by the UNDP and the Implementing Partners. These project assets are managed and used for the achievement of the projects objectives.

The Programme Management Unit of UNDP maintains an asset register in which assets procured under the project are recorded. The asset register indicates among other things:

- Asset description;
- Tag number;
- Serial number;
- Location;
- Acquisition date.
- The cost of the asset
- Condition of asset

We present below the detailed findings that came to our attention during the review.

#### **3.4.1 Some IPs did not maintain assets register**

##### **Criteria**

Good practices require that an organisation should maintain as assets register which is updated frequently.

##### **Condition**

We selected 7 out of 12 IPs which have received assets under the project for our physical verification of the assets as highlighted in the table below. We used the assets register maintained at the level of UNDP for the verification.

<b>IP</b>	<b>Value of assets (US\$)</b>
JO	5,580
NCD	13,819
APPWA	76,360
AGO	17,116

IP	Value of assets (US\$)
NCJ/PC	29,670
CTN	55,096
APPYA	92,491
<b>Total</b>	<b>290,132</b>

During our physical verification of assets with IPs, we noted that the IPs did not maintain assets register to manage assets procured under the project.

It is worth mentioning that with the exception of some missing assets at APPYA (highlighted in 2013 audit report), all assets on the UNDP comprehensive assets register were sighted at the level of the IPs selected for verification.

#### **Cause**

Lack of enforcement of assets management requirements by UNDP.

#### **Effect**

Assets may be exposed to risk of theft and misuse.

**Priority rating** – Medium

#### **Recommendation**

We recommend that UNDP should ensure that all IPs which have received assets under the project maintain assets register to monitor the assets. The assets focal person at UNDP should ensure that this recommendation is implemented by IPs during his periodic physical verification of project assets.

#### **Management comments and action plan**

Recommendation accepted for future compliance.

It should be noted that the Assets' Register Template was shared with all the Implementing Partners to be used in recording the assets, but the implementation was very slow. Even the Steering Committee requested the National Partners (NEC and PPRC) to present the Asset Management Strategy of which they did, but there was no proper follow-up of the implementation of this strategy. For Police Sierra Leone (SLP), the donors agreed to fund the Assets Management Software and related equipment to develop Asset Management System as well as training the personnel, for enhancement of equipment care nationwide. The Consulting Firm was identified and the software was installed and the training of SLP personnel is still continuing for the entire year on IT data base and Asset Management. The Progress Report is available and can be shared.

**Overall rating:** Partially satisfactory

### **3.5 Procurement**

Our review of the procurement activities indicated that goods and services procured were in accordance with the UNDP Guidelines. Most of the procurements of goods and services of the project were done by UNDP Sierra Leone with support from the PSO of UNDP headquarters based in Copenhagen.

Total goods and services directly procured by PSO on behalf of UNDP Sierra Leone was US\$7,917,236. The supporting documents for PSO procurements were maintained at Copenhagen. These procurements fell outside our scope of audit.

The total procurement of goods and services performed by UNDP Sierra Leone for the 2012 financial year amounted to US\$2,936,542.

At least 3 quotations were obtained from prospective suppliers for local procurement. A tender evaluation committee reviewed the tenders and awarded the contracts to the most competitive bidders.

Some major procurement were also carried out by Implementing Partners such as PPRC. See details of procurement made by PPRC in section 4.1.3.1.

No reportable exceptions noted from our review of procurements carried out by UNDP Sierra Leone.

**Overall rating:** Satisfactory

### **3.6 Programme management**

This is a DIM project implemented by UNDP. However, for effective and efficient implementation of the project, other Implementing Partners (IPs) were enlisted to implement specific activities under the project. These include the NEC, the NCD, the IMC, the PPRC, the MRU, the CTN, and the SLP, the EOC (J & O of AG, the ONS, the AA SL, the FTI, the HELP (SL), and the H (SL) etc.

A steering committee which is made up all stakeholders in the support electoral cycle project meets quarterly to review progress of implementation of activities. There is a programme management unit (PMU) at UNDP. The PMU team discusses issues and action points relating to the effective implementation of the project. The (PMU) consists of the:

- Chief Technical Advisor (CTA) –responsible for day-to-day management and decision-making for the project. The CTA's ensures that the project produces the results (outputs) specified in the project document.
- Operational Manager (OM): The OM directly supports the CTA in achieving project results with quality and within the specified constraints of time and cost.
- Finance officer – processes and maintains financial records at the PMU. He also reviews financial returns submitted by the IPs and reports to the OM.
- Assets focal officer – responsible for maintenance and safeguard of assets of the project.



Programme implementation at UNIPSIL is headed by the Coordinator of Non State Actors Project of UNIPSIL with support from the project focal person.

The programme arrangement with the IPs was guided by a Letter of Agreement (LOA) signed between UNDP and an IP. The LOA contains the specific activities to be implemented by the IP and the budget, reporting timelines, responsibilities and accountability of project resources. Funds for implementation of activities are disbursed after the signing of the LOA.

UNDP is required to disburse funds to IPs (for both EBF and PBF) after certifying that financial returns submitted by IP for the previous period are accurate.

In terms of review of financial returns of IPs, UNIPSIL was responsible for review of financial returns submitted by IPs for PBF activities whiles UNDP reviews financial returns for EBF activities. After review of financial returns submitted by PBF IPs, UNIPSIL submits the financial returns to UNDP.

We present below the detailed findings that came to our attention during the review.

### **3.6.1 Late signing of LOA for implementation of activities**

#### **Criteria**

Timely signing of LOA for implementation of activities is a critical success factor for every project.

#### **Condition**

From our review of project documents, we noted funds for implementation of activities were disbursed late to the PPRC due to late approval of Letter of Agreement (LOA). For instance, the PBF LOA was amended and approved on 25 October 2012. The amended LOA contained significant activities (such as interparty dialogue meetings, interparty radio discussions and rallies, training of political party agents, 112 constituency meetings by APPWA, regional peace march, etc) to be implemented before the elections on 17 November 2012.

#### **Cause**

Late retirement of previous disbursements to IP.

#### **Effect**

The late signing of LOA will result in late disbursement of funds for implementation of activities. Given the short period for implementation of these activities, quality of the outcome of these activities may be affected.

#### **Priority rating – Medium**

#### **Recommendation**

We recommend management should ensure that budget, activity workplans and letter of agreement are finalised and approved on time to aid in timely disbursement of funds to IPs.

#### **Management comments and action plan**

The recommendation is well noted.

As clearly pointed out by auditors, the late signing of the LOA was due to the fact that the funds provided to the IPs were accounted for very late which involved significant amount and it was not possible to deduct from the next tranche since the amount was more than the remaining installment. Various correspondences on the follow-up of these reports with IPs were shared with auditors resulting to the delay of releasing new funding.

### **3.6.2 Inadequate supporting documents submitted by IPs**

#### **Criteria**

Good practices require that supporting documents for accounting for advance received should include fund accountability statements (expenditure statement), original invoices and receipts, cash book, bank statements, bank reconciliation statements, etc to ensure a comprehensive review of the financial returns by the disbursement entity.

#### **Condition**

We noted that IPs, specifically PPRC, submit photocopies of invoices and receipts for expenditure incurred, procurement documents, training documents and statement of receipt and payment. The IP does not submit cash book, bank statements and bank reconciliation for funds received.

#### **Cause**

The LOA does not specifically state the required documents for accounting for advance received by IP. Section 8 of the LOAs only requests IPs to submit financial report within 30 days after completion or termination of the activities.

#### **Effect**

Ineligible transfer of funds from the project bank account may not be identified. In addition, irregular supporting documents submitted by IP for expenditure reported may not be identified by UNDP because they are photocopies.

#### **Priority rating – High**

#### **Recommendation**

We recommend that the LOA with IPs should clearly indicate the specific documents to be submitted by IPs which should include invoices and receipts, procurement documents, training documents and statement of receipt and payment, cash book, bank statements and bank reconciliation for funds received. Secondly, where IPs maintain original copies of invoices and receipts, we recommend that UNDP should perform periodic financial spot checks to review the original invoices and receipts to ensure that expenditures reported by IPs are supported by adequate and appropriate supporting documents.

#### **Management comments and action plan**

The Office agrees with the recommendation. It should be noted that LOA is a corporate standard template which should not be modified. For any additional information should be part of Annexes/ Attachments. For any LOA there is an attachment which shows detail activities to be carried out as well as individual budget line items with budgeted amounts. At the time of reporting, each budget line item with supporting documents should be accounted for to support the expenditure against the budgeted

figure. If it relates with procurement of equipment, whatever has been procured will have to be supported with documents as per procurement guidelines and procedures.

### **3.6.3 Inadequate follow up of issues noted from review of IPs returns**

#### **Criteria**

Good practices require that issues noted from review of supporting documents submitted for liquidation of advance are followed up to ensure that all the issues raised are resolved.

#### **Condition**

We noted from our review of PPRC returns that the project focal person at UNIPSIL reviewed financial returns submitted by the PPRC for funds received under the PBF. Issues noted by the focal person from the review are communicated to the IP for its response. We noted instances where the focal person at UNIPSIL provided notes to management indicating that the responses from PPRC were unsatisfactory. For example, from the review supporting documents for disbursement of amended LOA for 2012 PBF, the focal person noted that responses from PPRC concerning these issues were not satisfactory:

- payment of transport allowance to persons whose names are not on attendance sheet;
- difference between signature between DSA payment schedule and attendance sheet of same person;
- inconsistencies in the rate paid for hall rentals, PA system rentals, etc.

However, no actions were taken to ensure that the issues raised are followed up and resolved.

#### **Cause**

Inadequate financial monitoring system. We noted that the IP submitted their financial returns late hence there was not enough time to allow for comprehensive review of the financial returns before the next disbursement. Hence, in an attempt to avoid late disbursement of funds for the next period, issues noted from the review were left partially resolved to allow for the next disbursement.

#### **Effect**

Ineligible expenditures may not be refunded by IP into project account. Secondly, the IP will keep committing the issues identified since no action is taken by UNIPSIL and UNDP against the IP.

**Priority rating – Medium**

#### **Recommendation**

We recommend that issues noted from review of IPs returns are followed up and resolved. Where IP's responses are not satisfactory and all effort to get adequate response from IP fail, the total questioned cost should be adjusted against the next period's disbursement to the IP. In addition, we recommend periodic spot checks to review expenditures of IPs to ensure timely identification and resolution of issues noted from the review.

## **Management comments and action plan**

The Office agrees with the recommendation. It should be noted that the Office is currently putting the new monitoring mechanism in place by contracting the National Firm to provide consultancy service as Third Party monitoring and Data Collection for UNDP Projects including spot check of financial transactions for the identified IPs supporting programme activities.

### **3.6.4 Loan given to PPRC for implementation of activities prior to signing LOA**

#### **Criteria**

The work plan and budgets to be implemented by implementing partners (IPs) under the support to the electoral cycle project are contained in Letter of Agreement (LOA) which is signed between UNDP and the implementing partner before implementation of activities.

It is generally expected that implementation of activities in the budget should commence after LOA is signed by the two parties.

#### **Condition**

We noted that an activity (three regional workshops in Makeni, Bo and Kenema to validate the formation of APPWA at regional levels) which was in the LOA approved on 29 April 2011 was implemented in February 2011. We noted that UNIPSIL loaned an amount of Le 68,080,750 (US\$15,795) to PPRC on 22 February 2011 for the implementation of the activity though the LOA had not been signed.

The loan was refunded by PPRC on 22 August 2011 after receiving disbursement from UNDP in July 2011.

Our discussion with management of UNDP indicated that they were not privy to this arrangement between UNIPSIL and PPRC.

#### **Cause**

Neglect of due process.

#### **Effect**

Misuse of project funds may occur since there is no LOA in place to guide implementation of activities.

**Priority rating – Medium**

#### **Recommendation**

We recommend that pre-financing of activities contained in the LOA before its signature should not be allowed unless with prior approval from UNDP.

## **Management comments and action plan**

The Office agrees with the recommendation and PPRC will be notified to abide with the financial rules and regulations.

**Overall rating:** Unsatisfactory

### **3.7 Information and communication**

Information on the project is channelled mainly through official correspondence between UNDP/UNIPSIL and the IPs. Correspondence through email is also used to facilitate speedy access to project information.

The main IPs are members of the steering committee which meets quarterly to discuss progress of implementation.

Quarterly progress reports from IPs discussed at the steering committee meetings are consolidated by the PMU and shared with donors.

IPs under the PBF report directly to UNIPSIL which in turns report to UNDP. However, under the EBF, IPs report to UNDP which in turns report to the steering committee.

UNDP uses the ATLAS accounting system for recording financial transactions relating to the project. The transactions from the ATLAS listing are then summarized in the Combined Delivery Report (CDR). The CDR is prepared in two sections; the first section contains the total expense information and the second section shows the following information:

- Outstanding NEX advances
- Un-depreciated Fixed Assets
- Inventory
- Prepayments
- Commitments

**Overall rating:** Satisfactory

### 3.8 Status of implementation of prior year's audit recommendation

We present below status of implementation of recommendations from prior year audit.

#	Issue	Recommendation	Status of implementation
1	Key project staff positions not filled in 2011	Management should ensure that the role of assets manager is filled as quickly as possible.	<b>Implemented</b>  An assets focal person was recruited in January 2013 to fill the vacant position
2	<b>Weaknesses in asset management:</b> <ul style="list-style-type: none"> <li>• some assets not labelled</li> <li>• values of some assets not recorded in the assets register</li> </ul>	Management should ensure that issues noted are addressed	<b>Implemented</b>  Issues noted in the 2011 management letter have been addressed. All assets verified in 2012 were tagged.
3	<b>Format of statement of assets:</b> <ul style="list-style-type: none"> <li>• The statement of assets was provided for each location rather than for the project as a whole</li> <li>• None of the assets listed assigned values</li> <li>• In some cases, a description of the assets was not given</li> </ul>	A single statement of assets should be created for the project. All assets in this single statement of assets should be accompanied by a value and a full description	<b>Implemented</b>  There is a comprehensive statement of assets for the project as a whole. All assets in the statement have values and are appropriately described.

## **Section 4 - Audit of Political Parties Registration Commission (PPRC)**

### **Overview**

The PPRC is an independent government institution established by The Political Parties Act, 2002. The commission is established for the registration and regulation of the conduct of political parties in Sierra Leone.

The functions of the commission include:

- to monitor the affairs or conduct of political parties so as to ensure their compliance with the Constitution, this Act and with the terms and conditions of their registration;
- to monitor the accountability of political parties to their membership and to the electorate of Sierra Leone;
- to promote political pluralism and the spirit of constitutionalism among political parties; and
- when approached by the persons or parties concerned, to mediate any conflict or disputes between or among the leadership of any political party or between or among political parties.

The commission is headed by the Chairman and 3 other commissioners while a secretariat is headed by a registrar.

Activities implemented by PPRC under the Support to Electoral Cycle in Sierra Leone project in 2011/2012 include:

- organised regional workshop to validate the formation of the APPWA and the APPYA;
- organised regional dialogue meetings between political parties;
- procured assets (vehicles, motorbikes, bicycles, office furniture and equipment) for political parties;
- organised retreat for political parties;
- organised advocate meetings for political tolerance conflict prevention, financial management, project planning and reporting, etc.

PPRC implemented these activities through its 4 regional offices and also in collaboration with APPWA and APPYA.

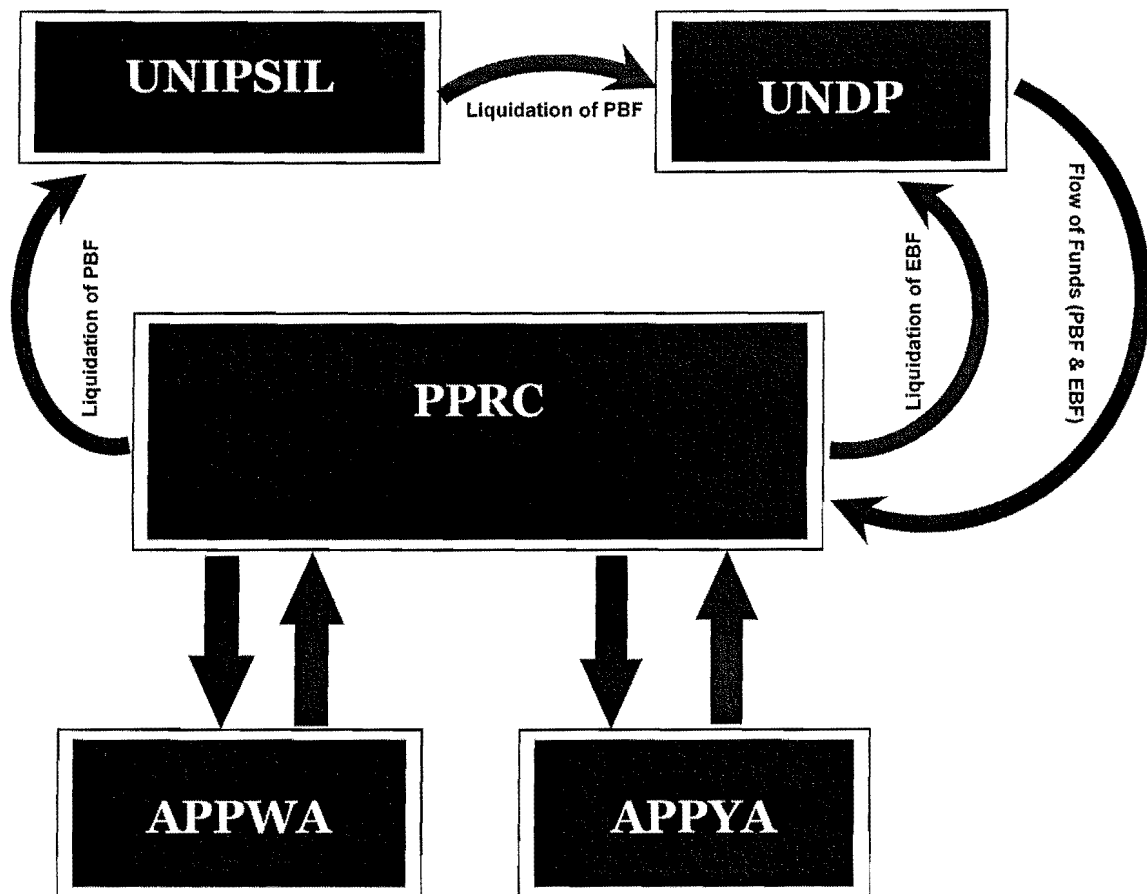
The workplan and budget of PPRC included specific activities to be implemented by sub-IPs namely; APPWA and APPYA. PPRC acts as a fiduciary agent on behalf of the sub-IPs. Funds disbursed by UNDP to PPRC included funds for the sub-IPs. These organisations submitted requests for release of funds which were reviewed by PPRC before funds were released to them.

After implementation of activities, APPWA and APPYA are required to account to PPRC for funds received and expenditure incurred. PPRC, in turn, prepares consolidated financial returns which are submitted to UNIPSIL for review with respect to the Peace Building Fund (PBF). After UNIPSIL's review, the returns are submitted to UNDP.

With regards to the Electoral Basket Fund (EBF), the consolidated financial returns are submitted directly to UNDP for review.

See below a diagrammatic description of flow of funds and liquidation of advance under the project.





**Colour legend**

**Green** represents flow of funds at the various levels of implementation of the project.

**Blue** represents how advances received by IP are accounted for.

#### 4.1 Audit of PPRC for the year ended 31 December 2011

##### Fund Accountability Statement

Fund Accountability statements (2011)				
Description	Amount reported by IP	Amount reported by IP	Amount verified by auditor	Difference
	Leones	US\$	US\$	US\$
	A	B	C	D = C-B
Opening balance	-	-	-	
Funds received	6,840,196,899	1,587,053	1,587,053	
<b>Total receipt</b>	<b>6,840,196,899</b>	<b>1,587,053</b>	<b>1,587,053</b>	
<b>Total expenditure</b>	<b>6,159,981,189</b>	<b>1,429,230</b>	<b>1,429,230</b>	
<b>Less: questioned cost</b>				
Unsupported expenditure			76,583	76,583
Ineligible expenditure			1,077	1,077
Irregular supporting expenditure			11,246	11,246
<b>Total questioned cost</b>			<b>88,906</b>	<b>88,906</b>
<b>Adjusted total expenditure</b>			<b>1,340,324</b>	<b>1,340,324</b>
<b>Closing cash balance</b>	<b>680,215,710</b>	<b>157,823</b>	<b>246,729</b>	<b>88,906</b>

The difference between the IP closing cash balance and our closing cash balance of US\$88,906 is as a result of questioned costs highlighted in section 4.1.1.

#### 4.1.1 Summary of questioned costs

#	Audit Findings	Expenditure questioned		Source of funding		Reference section	General comments on the questioned costs
		Leones	US\$	PBF	EBF		
1	Overpayment of DSAs and transportation refunds	4,644,000	1,077	1,077	-	4.1.4.1	Ineligible expenditure
2	Irregular supporting documents for training activities conducted	48,469,200	11,246	11,246	-	4.1.4.2	Irregular supporting documents
3	Some expenditures incurred not supported	330,074,619	76,583	19,749	56,834	4.1.5.1 & 4.1.5.2	No supporting documents
	<b>Total</b>	<b>383,187,819</b>	<b>88,906</b>	<b>32,072</b>	<b>56,834</b>		

#### 4.1.2 Summary of findings noted from the audit

We have presented in the table below a summary of the findings that came to our attention during the audit of PPRC for the year ended 31 December 2011. The details of the findings and recommendations are at the referenced sections in subsequent pages.

Section	Audit findings	Priority level	Source of funding	Page reference
<b>4.1.3</b>	<b>Procurement</b>			
4.1.3.1	Huge procurement of goods and services by PPRC	High	PBF	32-34
4.1.3.2	Expired or Invalid quotations submitted by vendors	Medium	PBF	34-35
4.1.3.3	Inadequate segregation of duties	Medium	PBF	36
<b>4.1.4</b>	<b>Trainings and sensitisation programmes</b>			
4.1.4.1	Overpayment of DSAs and transportation refunds	Medium	PBF	37
4.1.4.2	Irregular supporting documents for training activities conducted	High	PBF	38-39
<b>4.1.5</b>	<b>Finance and bookkeeping issues</b>			
4.1.5.1	Some expenditures incurred were not supported	High	PBF	40-41
4.1.5.2	Difference between funds received from UNDP and amount reported by PPRC	High	EBF	42-44
<b>4.1.6</b>	<b>Programme implementation arrangements</b>			
4.1.6.1	No MoU between PPRC and sub-implementing parties	Medium	PBF	45

We present below the detailed findings that came to our attention during the audit.

#### 4.1.3 Procurement

##### 4.1.3.1 Huge procurement of goods and services by PPRC

###### Criteria

Given the nature of implementation of the Support to Electoral Cycle in Sierra Leone project (i.e. directly implementation method), it would be expected that significant procurements (such as vehicles, motorbikes, bicycles, etc.) are directly handled by UNDP on behalf of the implementing partner.

###### Condition

From our review of procurements, we noted that funds were disbursed to PPRC for procurement of the assets listed in the table below.

These items required International competitive bidding (ICB) given the amount involved in relation to the thresholds set out in First Schedule of the Public Procurement Act, 2004 of Sierra Leone. However, the organization had no track record of handling major procurements involving ICB.

#	Description	Procurement amount (Leones)	Procurement amount (US\$)	Procurement method used by PPRC	Procurement method required by the ACT	Source of funding
1	Vehicles (2 Toyota Landcruiser Prado, 4 Toyota Hilux , 1 Toyota Hiace)	1,410,698,000	327,308	Shopping (Sole sourcing)	International Competitive Bidding (ICB)	PBF
2	Motorbikes (44)	638,000,000	148,028	Shopping (Sole sourcing)	International competitive bidding (ICB)	PBF
3	Bicycles (44)	44,000,000	10,209	Shopping (Sole sourcing)	Shopping (3 quotations)	PBF
4	Office Equipment & Furniture	259,000,000	60,093	Restricted bidding (Quotations from 5 vendors)	National competitive bidding (NCB)	PBF

#### **Cause**

Lack of proper procurement planning and late disbursement of funds to IP.

#### **Effect**

Value for money may not be gained for items procured since the procurement process was not competitive.

**Priority rating – High**

#### **Recommendation**

We recommend that the procurement unit of PPRC should be well resourced with experienced staff capable of managing procurement. In addition, we recommend that UNDP should directly handle procurement of goods and services which require NCB and ICB since it has the capacity to procure such items.

#### **Management comments and action plan**

The Office agrees with the recommendation. After realising the weak capacity of PPRC on procurement, UNDP took over procurement responsibility in the following years for huge procurement. Also, training was conducted by UNDP–Elections Unit on proper procurement process as well as asset management among other various topics covered on project management and financial reporting.

#### **4.1.3.2 Expired or invalid business licenses submitted by vendors**

##### **Criteria**

Section 53 (1) of the Public Procurement Act, 2004 states that "Following the opening of bids, the procuring entity shall first examine the bids in order to determine whether the bids are complete, signed, whether required documents to establish legal validity and required bid security have been furnished and whether bids are substantially responsive to the technical specification and contract conditions set forth in the bidding documents."

Secondly, section 53 (2) of the Public Procurement Act, 2004 states that "Bids which are not complete, not signed, not accompanied by a bid security in the prescribed form, if one is required, or not accompanied by essential supporting documents such as business registration certificates, business licenses and tax receipts, or are substantially non-responsive to the technical specifications or contract conditions or other critical requirements in the bidding documents, shall be rejected and excluded from further evaluation and comparison."

##### **Condition**

RFQ issued to vendors for supply of goods and services requested prospective vendors to submit valid business license, valid business registration certificate, copy of a valid NRA Tax Clearance Certificate, NASSIT clearance, copy of Local Council clearance certificate.

We noted an instance whereby none of the above documents requested in the RFQ were submitted by a vendor; however, the quotation was evaluated and contract awarded to the vendor for the supply of the goods and services.

Secondly, we noted that copies of business license submitted by some vendors for RFQ on motorbikes, bicycles, etc. had expired. See table below for details.

Cheque#	Date	Description	Amount (Leones)	Amount (US\$)	Vendor	Comments	Source of funding
915202	23-Dec-11	Reproduction of training Manuals and workshop kits	54,578,000	12,663	L-K E	No business license, business registration certificate, copy of a valid NRA Tax Clearance Certificate, NASSIT clearance and copy of Local Council clearance certificate. were submitted by the vendor	PBF

Cheque#	Date	Description	Amount (Leones)	Amount (US\$)	Vendor	Comments	Source of funding
915174	05-Dec-11	Procurement of 44 motor bikes	638,000,000	148,028	TLE	Business license certificate had expired (Jan 2006 to Dec 2006)	PBF
915180	09-Dec-11	Procurement of 44 bicycles & 44 Megaphones	52,800,000	12,251	EE	Business license certificate had expired (Jan 2011 to Dec 2011)	PBF
915188	14-Dec-11	Reproduction of 704 training manuals and developing and printing of 88 certificates	6,432,000	1,492	L-K E	Business license certificate had expired (Jan 2001 to Dec 2001)	PBF
915193 & 9151203	20-Dec-12	Procurement of 20 motor bikes	290,000,000	67,285	TLE	Business license certificate had expired (Jan 2006 to Dec 2006)	PBF

#### Cause

Inadequate evaluation of quotations received from vendors.

#### Effect

In the event of issues arising from the contract, possible losses may not be recoverable since the companies did not have valid documentation at time of the contract. PPRC may not be dealing with reputable companies.

**Priority rating – Medium**

#### Recommendation

We recommend that management should comply with the requirements of the Public Procurement Act, 2004.

#### Management comments and action plan

The Office agrees with the recommendation and will bring to the attention of PPRC for future compliance while reviewing the companies for valid licenses.

#### **4.1.3.3 Inadequate segregation of duties**

##### **Criteria**

Good practices require that there is adequate segregation of duties in the procurement process (from raising requisition forms to payment of suppliers). The procurement unit should be independent of the finance unit for effective internal controls. Also, quotations received from vendors should be evaluated by a procurement committee which is made of competent and technical persons who have knowledge of the goods or items being procured.

##### **Condition**

We noted from our review of procurement documents that, an adhoc procurement committee was constituted at the time of signing of the LOA to discuss procurements included in the budget. Subsequently, all procurement processes were handled single-handedly by the procurement officer: initiation of RFQ to evaluation of quotations, awarding of contracts and preparation of LPOs for approval by the registrar.

The procurement officer is currently acting as the finance officer and he is responsible for raising request for payment for goods and services procured.

Our discussion with the procurement officer also indicated that the procurement unit is headed by the finance manager.

##### **Cause**

Inadequate knowledge about controls over procurement process and also, inadequate capacity at PPRC in terms of staff numbers.

##### **Effect**

Fraudulent procurement practices such as conniving with suppliers to inflate prices may go unnoticed.

**Priority rating – High**

##### **Recommendation**

We recommend that management should design a duty matrix for the procurement process which indicates the various procurement activities and the official responsible for each activity. The duty matrix should be designed in such a manner that no one person performs everything but rather there are appropriate levels of authority involved in each stage of the procurement process.

##### **Management comments and action plan**

The Office agrees with the recommendation. To enhance the capacity of this Institution, Technical Advisor is being recruited to work on the needs assessment and focusing more on capacity development. Training was also conducted by UNDP including proper internal controls among other topics covered.



#### **4.1.4 Trainings and sensitisation programmes**

##### **4.1.4.1 Overpayment of DSAs and transportation refunds**

###### **Criteria**

There is a standardised guideline (SG) with regards to operational costs for the support to the Electoral Cycle project. The SG covers rates to be paid as DSA, transportation, cost of meals, workshop kits, and other costs.

###### **Condition**

We noted from our review of supporting documents for expenditure incurred on training of trainers for APPYA Executives that:

- six (6) participants received double DSA, and
- the signatures of 2 other persons on the DSA schedule were different from the signatures on the attendance sheet.

The total DSA overpaid amounted to Le 4,644,000 (US\$1,077).

###### **Cause**

Lack of proper controls over payment of DSAs and transport refunds.

###### **Effect**

There is risk of possible misappropriation of project funds. Refund of balance remaining on the amount disbursed for the training event may not be made.

**Priority rating – Medium**

###### **Recommendation**

We recommend that management should keep to the DSA and transportation refund rates agreed upon in the standardised guidelines. In addition, the DSA overpaid should be refunded by PPRC.

###### **Management comments and action plan**

The Office agrees with the recommendation. PPRC will be requested to refund the double payment made to some of the participants by presenting to them the signed list of participants as evidence.

#### **4.1.4.2 Irregular supporting documents for training activities conducted**

##### **Criteria**

Good practices require that expenditure incurred for goods and services consumed are adequately supported by original invoices and receipts, signed payment schedules for DSAs and other, attendance register, etc.

##### **Condition**

We noted that total amount of Le 48,469,200 (US\$11,246) paid for transport allowance and DSA in respect to Community outreach at constituency level was supported with inappropriate supporting documents. For example, we noted:

- differences between signatures of the same participant on the attendance sheet and the DSA payment schedule;
- inconsistencies in handwritings of some participants on DSA schedules and attendance sheets;
- some participants who received DSA were not traced to the attendance sheets;
- signatures on schedules signed by participants for allowance received had a similar pattern. Most of the signatures were signed in such a manner that the first letter of the first name preceded last name scribbled to serve the purpose of a signature;

The kind of supporting documents examined raises doubts as to the occurrence of the activities mentioned below, as well as the accuracy of the total amount paid.

##### **Cause**

Possible attempt by IP to inflate cost and forge supporting documents to ensure disbursement received are fully utilised.

##### **Effect**

Funds may not have been used for the intended purposes or simply misappropriated.

**Priority rating – High**

##### **Recommendation**

We recommend that, going forward, the PPRC should ensure proper and authentic documents are used as support for all payments made. Also, in instances where community members are unable to sign for allowances paid, the PPRC should ensure thumb prints are taken instead. In addition, the UNDP should demand a refund from the IP for the amount questioned unless the IP is able to provide satisfactory explanation for inconsistent and irregular supporting documents.

**Management comments and action plan**

The recommendation is well noted. PPRC will be informed to provide the necessary documentation or proper justification for the irregularity of the supporting documents. It should be noted that due to these irregularities, UNDP is currently making direct payments to the vendors and making payments to the participants during the workshops. This has minimized significantly inconsistency and irregularities of supporting documents as well as paying the established DSA Rates.

#### 4.1.5 Finance and bookkeeping issues

##### 4.1.5.1 Some expenditures incurred were not supported

###### Criteria

Good practices required that expenditures incurred for goods and services consumed are supported by invoices and receipts from the vendor, signed payment schedules, etc.

###### Condition

We noted from the review at UNDP office that some expenditures reported by PPRC were not supported with relevant supporting documents such as invoices, receipts or payment schedules. We followed up on the unsupported transactions with a review of documents maintained at PPRC's office.

After our review of supporting documents at both UNDP level and PPRC level, we concluded that a total of Le 85,119,319 (US\$19,749) is still not accounted for. This represents about 1.4% of total expenditure incurred by PPRC. See table below for details.

#	Activity	Expenditure reported	Amount supported	Unsupported amount	Comments
		Leones	Leones	Leones	
1	Three regional workshop in Bo Kenema and Makeni to formulate the validation of APPWA at regional level	66,894,926	64,156,126	2,738,800	No receipts, invoices, payment schedules sighted to support Le 2,738,800
2	Training of trainers for SLPP and executive/Joint outreach	38,536,800	27,186,800	11,350,000	No receipts, invoices, payment schedules sighted to support Le 11,350,000
4	A one day training in conflict mediation	34,825,475	-	34,825,475	No payment voucher, cheque requisition form, receipts, payment schedule sighted for review.
5	Support to the bi-monthly sessions of the DCMCs	74,948,498	63,270,598	11,677,900	No payment voucher, cheque requisition form, receipts, payment schedule sighted for review.
6	Retreat for SLPP, APC, PMDC, & NDA each in each of the four regions	127,176,900	126,261,900	915,000	No receipt of payment sighted for review.
7	Contingency	23,612,144	-	23,612,144	No payment voucher, cheque

#	Activity	Expenditure reported	Amount supported	Unsupported amount	Comments
					requisition form, receipts, payment schedule sighted for review.
	<b>Total in Leones</b>	<b>365,994,743</b>	<b>280,875,424</b>	<b>85,119,319</b>	
	<b>Total in US\$</b>	<b>84,917</b>	<b>65,168</b>	<b>19,749</b>	

#### Cause

Supporting documents may have been misfiled or reported expenditures were not incurred or individuals that received funds for these activities are yet to account for the usage of these funds.

#### Effect

There is possible misuse of funds and project objective may not be realised.

#### Priority rating – High

#### Recommendation

We recommend that the PPRC should produce the supporting documentation for these expenditures or refund the amount involved.

#### Management comments and action plan

The supporting documents for the stated amount could not be traced from the copies we have. PPRC will be requested to trace the receipts, otherwise they have to refund the amount involved.

**4.1.5.2 Difference between funds received from UNDP and amount reported by PPRC**

**Criteria**

PPRC submits financial returns at the end of year. The financial returns contain information on the funds received from UNDP during the year. It is generally expected that, the total funds received reported by PPRC in the financial returns should agree with the total disbursement made to PPRC as per the records of UNDP.

**Condition**

From our review of the financial returns submitted by PPRC for 2011, we noted a difference of Le 1,730,948,124 (US\$401,612) between total funds received per the returns submitted and total funds disbursed to PPRC per UNDP's ATLAS details.

The total funds received reported by PPRC were Le 5,109,248,775 whilst the total funds disbursed to PPRC per the ATLAS detail listing was Le 6,840,196,899 resulting in a variance of Le 1,730,948,124 (US\$401,612).

We noted from our review of the bank statements and cash book of PPRC that, total amount transferred to PPRC for 2011 was Le 6,840,196,899.

We discussed the difference with the Operations manager of UNDP who informed us to obtain reason for difference with PPRC. We followed up with the acting finance manager of PPRC who informed us that he could not confirm the reason for the difference since he was not in post during the period under review.

**Cause**

Could be due to misfiling or the fact that funds in question have not been accounted for.

**Effect**

There is the risk that either PPRC may have reported the difference of Le 1,730,948,124 (US\$401,612) in a separate report but the supporting documents could not be found or PPRC underreported the total funds received.

**Priority rating – High**

**Recommendation**

We recommend that management should provide adequate and relevant supporting documentation to account for of Le 1,730,948,124 (US\$401,612). The total amount in question should be refunded if management is unable to account for the funds received.

## Management comments and action plan

The supporting documents for the stated amount of expenditure (\$401,612) have been traced and reviewed with only two supporting documents missing for the total value of Le 75,995,000 (US\$ 17,633). The files with these supporting documents are readily available for auditors' review.

## Audit Follow-up on Management Comments

PPRC produced an expenditure report and supporting documentations for Le 1,695,495,800 relating to our initially reported unaccounted disbursement of Le 1,730,948,124 (US\$401,612). We reviewed these supporting documents at the office of PPRC on 24 April 2014. At the end of review, an amount of Le 244,955,300 (\$56,834) was still unsupported. UNDP was unable to account for the difference of \$39,201 between his position on outstanding supporting documents of \$17,633 noted above and the actual position of \$56,834 noted from audit. See table below for details.

#	Activity	Expenditure reported	Amount supported	Unsupported amount	Comments
		Leones	Leones	Leones	
1	Women in Governance and the application of quota system	36,654,000.00	36,654,000.00		
2	Vehicle maintenance	114,589,000.00	114,589,000.00		
3	Motor cycle maintenance	26,400,000.00	26,400,000.00		
4	Formulate and review policy, develop operational plan	80,218,800.00	70,412,700.00	9,806,100.00	No invoice, receipt etc sighted
5	Regional offices rent	88,335,000.00	58,450,000.00	29,885,000.00	No invoice, receipt etc sighted
6	Procure furniture for regional offices	549,850,000.00	549,850,000.00		
7	Training of IT and accounting staff on use of software	171,031,000.00	13,836,800.00	157,194,200.00	No invoice, receipt etc sighted
8	Web designing and Hosting	127,100,000.00	127,100,000.00		
9	Resource Materials	332,758,000.00	304,648,000.00	28,110,000.00	The following issues were identified from the supporting documents reviewed - (a) Scanner etc, worth Le 54,207,000 were delivered on 3/8/2011 before evaluation and LPO dated 4/8/2011 - (b) Vendors did not

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#	Activity	Expenditure reported	Amount supported	Unsupported amount	Comments
					provide business certificates regarding awarded contract to supply textbooks valued Le 53,756,700 and 28,500,000 respectively.
10	Briefs , public notices and annual report	65,600,000.00	65,600,000.00		
11	Consultative workshop	44,962,500.00	25,002,500.00	19,960,000	An amount of Le 19,960,000 was paid to LRC) constitutional review of the political parties Act. We only sighted receipt from LRC and budget estimates provided for the service. No supporting documents on actual expenditure
12	Validation of legal reform documents	57,997,500.00	57,997,500.00		
	<b>Total Leones</b>	<b>1,695,495,800</b>	<b>1,450,540,500</b>	<b>244,955,300</b>	
	<b>Total US\$</b>	<b>393,386</b>	<b>336,552</b>	<b>56,834</b>	



#### **4.1.6 Programme implementation arrangements**

##### **4.1.6.1 No MoU between PPRC and sub-implementing parties (APPYA and APPWA)**

###### **Criteria**

The PPRC is an independent institution separate from the APPYA and the APPWA. However, under the support to the electoral cycle project, PPRC acted as fiduciary agent for APPYA and APPWA. The budget of APPYA and APPWA are included in the LOA signed between UNDP and PPRC.

PPRC receives funds from UNDP on behalf of APPYA and APPWA which are disbursed to APPYA and APPWA upon request. Procurement of goods and services for these sub-organisations are done by PPRC. Financial returns for activities conducted by APPYA and APPWA are submitted to PPRC which in turn submits a consolidated financial report to UNDP.

This arrangement should be formalised into an MoU in order to formally establish the roles and responsibilities as well as accountability of resources of the project by each organisation.

###### **Condition**

We noted that there is no memorandum of understanding (MoU) or agreement between PPRC and APPYA and APPWA.

###### **Cause**

Weak oversight over APPYA and APPWA.

###### **Effect**

It will be very difficult to demand accountability when things go wrong since obligations of the parties have not been spelt out and agreed in a form of an MoU.

**Priority rating – Medium**

###### **Recommendation**

We recommend that PPRC should ensure that its relationship with APPYA and APPWA including roles, responsibilities and accountability are put into an agreement or MoU which should be assigned by respective parties. The MoU should be reviewed and approved by UNIPSIL/UNDP before signing with APPYA and APPWA.

###### **Management comments and action plan**

The Office agrees with the recommendation for future compliance.

#### 4.2 Audit of PPRC for the year ended 31 December 2012

##### Fund Accountability Statement

Fund Accountability statements (2012)					
Description	Source of funding	Amount reported by IP	Amount reported by IP	Amount verified by auditor	Difference
		Leones	US\$	US\$	
		A	B	C	D = C-B
Opening balance		441,473,251	102,430	246,729	144,299
Funds received	EBF	234,729,741	54,462	54,462	-
	PBF	1,553,196,517	360,370	360,370	-
<b>Total receipt</b>		<b>2,229,399,509</b>	<b>517,262</b>	<b>661,561</b>	<b>144,299</b>
Expenditure	EBF	230,188,630	53,408	53,408	-
	PBF	1,951,277,102	452,733	452,733	-
<b>Total expenditure</b>		<b>2,181,465,732</b>	<b>506,141</b>	<b>506,141</b>	<b>-</b>
<b>Less: questioned cost</b>					
Unsupported expenditure				3,735	3,735
Ineligible expenditure				4,323	4,323
Irregular supporting expenditure				187,625	187,625
<b>Total questioned cost</b>				<b>195,683</b>	<b>195,683</b>
<b>Adjusted total expenditure</b>				<b>310,458</b>	<b>310,458</b>
<b>Closing cash balance</b>		<b>47,933,777</b>	<b>11,121</b>	<b>351,103</b>	<b>339,982</b>

The difference between the IP closing cash balance and our closing cash balance of US\$339,982 is as a result of questioned costs from 2011 of US\$88,906 and the current year's total adjustments of US\$251,076 highlighted in section 4.2.1.

##### 4.2.1 Summary of questioned costs

#	Audit Findings	Total expenditure questioned		Source of funding		Reference section	General comments on the questioned costs
		Leones	US\$	PBF	EBF		
1	Irregularities with procurement documents	478,190,500	110,949	110,949	-	4.2.3.1	Inconsistencies in supporting documents provided

#	Audit Findings	Total expenditure questioned		Source of funding		Reference section	General comments on the questioned costs
		Leones	US\$	PBF	EBF		
2	Overpayment of DSAs and transportation refunds	7,841,944	1,819	1,424	395	4.2.4.1	Ineligible expenditure
3	Irregular supporting documents for training activities conducted	330,474,722	76,676	59,637	17,039	4.2.4.2	Inconsistencies in supporting documents provided
4	Some expenditures incurred not supported	16,100,000	3,735	3,735	-	4.2.5.1	Unsupported amount
5	Refunds of questioned cost paid out of the project account	3,578,400	830	830	-	4.2.5.2	Ineligible expenditure
6	Payment of ineligible expenditure	7,200,000	1,674	1,674	-	4.2.5.3	Ineligible expenditure
	<b>Questioned cost subtotal</b>	<b>843,385,566</b>	<b>195,683</b>	<b>178,249</b>	<b>17,434</b>		
7	Error in opening cash balance of PBF and EBF account	238,742,459	55,393	47,168	8,225	4.2.5.5	IP opening cash balance underreported
	<b>Total</b>	<b>1,082,128,025</b>	<b>251,076</b>	<b>225,417</b>	<b>25,659</b>		

#### 4.2.2 Summary of findings noted from the audit

We have presented in the table below a summary of the findings that came to our attention during the audit of PPRC for the year ended 31 December 2012. The details of the findings and recommendations are at the referenced sections in subsequent pages.

Section	Audit Findings	Priority level	Source of funding	Page reference
<b>4.2.3</b>	<b>Procurement</b>			
4.2.3.1	Irregularities with procurement documents	High	PBF	49-50
4.2.3.2	Expired or invalid business license documents submitted by vendors	Medium	PBF and EBF	51-52
4.2.3.3	Inadequate segregation of duties	High	PBF and EBF	53
4.2.3.4	Two quotations obtained from same vendors	High	PBF	54
<b>4.2.4</b>	<b>Trainings and sensitisation programmes</b>			
4.2.4.1	Overpayment of DSAs and transportation refunds	Medium	PBF and EBF	55-56
4.2.4.2	Irregular supporting documents for training activities conducted	High	PBF and EBF	57-58
<b>4.2.5</b>	<b>Finance and bookkeeping issues</b>			

Section	Audit Findings	Priority level	Source of funding	Page reference
4.2.5.1	Some expenditures incurred were not supported	Medium	PBF	59
4.2.5.2	Refunds of questioned cost paid out of the project account	Medium	PBF	60
4.2.5.3	Payment of ineligible expenditure	Medium	PBF	61
4.2.5.4	Loans to staff from project account	Medium	PBF	62
4.2.5.5	Error in opening cash balance of PBF account	High	PBF and EBF	63
<b>4.2.6</b>	<b>Programme implementation arrangements</b>			
4.2.6.1	Implementation of activities prior to signing LOA	Medium	PBF	64-65
4.2.6.2	No MoU between PPRC and sub-implementing parties (APPYA and APPWA)	Medium	PBF	66
<b>4.2.7</b>	<b>Assets management</b>			
4.2.7.1	Poor assets management system	Medium	PBF and EBF	67-68
4.2.7.2	Some assets procure could not be found	Medium	PBF	69

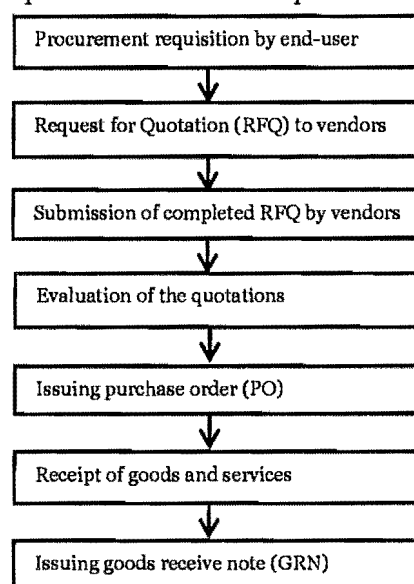
We present below the detailed findings that came to our attention during the audit.

### **4.2.3 Procurement**

#### **4.2.3.1 Irregularities with procurement documents**

##### **Criteria**

Good practice requires that procurement process should start with requisition of goods and services by the user, issuing Request for Quotation (RFQ) to vendors, submission of completed RFQ by vendors, evaluation of the quotations, raising and submitting a purchase order (PO) to the qualified vendor, receipt of goods and services accompanied by delivery notes and invoice from vendor, issuing goods receive note (GRN) to receipt items into store. This process is illustrated in the diagram below:



##### **Condition**

During the review of supporting documents for goods and services procured, we noted irregularities with regards to supporting documents of goods and services procured. For example, we noted instances where items were received before Request for Quotations (RFQ) and Local Purchase Orders (LPO) were issued to vendors. For instance, there was procurement of ID Cards and printing of invitation & programmes for APPYA Delegates Conference in June 2012. The RFQ to vendors were signed on 18 June 2012, Evaluation of bid was done on 14 June 2012, and the invoice from the vendor was dated 12/06/12 for the supply of the items whiles the delivery note (signed by Youth affairs officer of PPRC on 15/06/12) indicated that the items were received 15/06/12.

Most of the RFQs, LPOs, Evaluation reports, and delivery notes indicated that the whole procurement processes occurred on the same day which is seemingly impossible. Such practices are likely to result in lack of value for money for items procured and misappropriation of resources.

Thirdly, we noted that PPRC does not maintain goods received note (GRN) to be issued when items are received to reconcile items received to the LPO issued.

See the details of irregular procurement documents in annex 3.

**Cause**

Lack of proper procurement planning and possible forgery of procurement documents.

**Effect**

Due procurement process not followed which may result in lack of value for money.

**Priority rating – High**

**Recommendation**

We recommend that UNDP should set a threshold for procurement of items by PPRC. Procurement above the threshold should be handled directly by UNDP on behalf of PPRC. In addition, the procurement unit of PPRC should be well resourced with experienced staff capable of managing procurement.

**Management comments and action plan**

Recommendation is accepted. Technical Adviser being recruited will conduct Needs Assessment and build the capacity of the staff and the Institution as a whole. After 2011, UNDP has been making most of the procurement on behalf of PPRC after realizing the weak capacity of the Institution.

#### **4.2.3.2 Expired or invalid business license documents submitted by vendors**

##### **Criteria**

Section 53 (1) of the Public Procurement Act, 2004 states that “Following the opening of bids, the procuring entity shall first examine the bids in order to determine whether the bids are complete, signed, whether required documents to establish legal validity and required bid security have been furnished and whether bids are substantially responsive to the technical specification and contract conditions set forth in the bidding documents.”

Secondly, section 53 (2) of the Public Procurement Act, 2004 states that “Bids which are not complete, not signed, not accompanied by a bid security in the prescribed form, if one is required, or not accompanied by essential supporting documents such as business registration certificates, business licenses and tax receipts, or are substantially non-responsive to the technical specifications or contract conditions or other critical requirements in the bidding documents, shall be rejected and excluded from further evaluation and comparison.”

##### **Condition**

RFQ issued to vendors for supply of goods and services requested prospective vendors to submit valid business license, valid business registration certificate, copy of a valid NRA Tax Clearance Certificate, NASSIT clearance, copy of Local Council clearance certificate.

We noted instances whereby none of the above documents requested in the RFQ were submitted by the vendors; however, the quotations were evaluated and contract awarded to the vendors for the supply of the goods and services. See table below for details.

Secondly, we noted that copies of business license submitted by some vendors had expired. See details in annex 4.

##### **Cause**

Inadequate evaluation of quotations received from vendors.

##### **Effect**

PPRC may not be dealing with reputable companies. In the event of issues arising from the contract, possible losses may not be recoverable since the companies did not have valid documentation at time of the contract.

**Priority rating – Medium**

##### **Recommendation**

We recommend that management should comply with the requirements of the Public Procurement Act, 2004.

**Management comments and action plan**

The Office agrees with the recommendation and will bring to the attention of PPRC for future compliance.



#### **4.2.3.3 Inadequate segregation of duties**

##### **Criteria**

Good practices require that there is adequate segregation of duties in the procurement process (from raising requisition forms to payment of suppliers). The procurement unit should be independent of the finance unit for effective internal controls. Also, quotations received from vendors should be evaluated by a procurement committee which is made of competent and technical persons who have knowledge of the goods or items being procured.

##### **Condition**

We noted from our review of procurement documents that, an adhoc procurement committee was constituted at signature of the LOA to discuss procurements included in the budget. Subsequently, all procurement processes were handled single-handedly by the procurement officer: initiation of RFQ to evaluation of quotations, awarding of contracts and preparation of LPOs for approval by the registrar.

The procurement officer is currently acting as the finance officer and he is responsible for raising request for payment for goods and services procured.

Our discussion with the procurement officer also indicated that the procurement unit is headed by the finance manager.

##### **Cause**

Inadequate knowledge about controls over procurement process and also, inadequate capacity at PPRC in terms of staff numbers.

##### **Effect**

Fraudulent procurement practices such as collusion with suppliers to inflate prices may go unnoticed.

##### **Priority rating – High**

##### **Recommendation**

We recommend that management should design a duty matrix for the procurement process which indicates the various procurement activities and the official responsible for each activity. The duty matrix should be designed in such a manner that no one person performs everything but rather there are appropriate levels of authority involved in each stage of the procurement process.

##### **Management comments and action plan**

The Office agrees with the recommendation. It should be noted that various trainings have been conducted by UNDP-Elections Unit to enhance their capacity covering Programme Management, internal controls and Finance Management and Reporting among others. Technical Adviser will take it from there to support the Institution on capacity development.

#### **4.2.3.4 Two quotations obtained from same vendors**

##### **Criteria**

Section 45 (3) of the Public Procurement Act, 2004 states that "Bidders shall be given adequate time to prepare and submit their quotations, but each bidder shall be permitted one quotation, which may not be altered or negotiated."

##### **Condition**

From our review of the procurement documents, quotations submitted by two companies (AE and ATCS); for reproduction of elections day training manual for party agents, were from the same person.

The same person owns the two companies. The name, address and contact number are the same on the business certificate, tax certificate and other documents attached. One of the quotations quoted the lowest amount while the other quoted the highest. Hence, the vendor eventually won the contract.

In principle, the same vendor quoted twice for the same procurement. He quoted higher amount on one RFQ and quoted lowest amount on the other which he eventually won. This undermines the competitiveness of the procurement process.

##### **Cause**

Inadequate review and evaluation of procurement documents submitted by vendors.

##### **Effect**

Procurement process was not competitive. Hence, value for money may not be achieved from the procurement.

##### **Priority rating – High**

##### **Recommendation**

We recommend that quotations from vendors should be properly reviewed and vendors who submit more than one quotation for same the RFQ should be disqualified.

##### **Management comments and action plan**

The Office agrees with the recommendation. To enhance the capacity of this Institution, Technical Advisor is being recruited to work on the Needs Assessment and focusing more on capacity development.

#### 4.2.4 Trainings and sensitisation programmes

##### 4.2.4.1 Overpayment of DSAs and transportation refunds

###### Criteria

There is a standardised guideline (SG) with regards to operational costs for the support to the Electoral Cycle project. The SG covers rates to be paid as DSA, transportation, cost of meals, workshop kits, and other costs.

###### Condition

During our review, we noted that a total of Le 7,841,944 (US\$1,819) being DSAs and transportation refunds paid to participants were above the approved rates as indicated in the standardised guidelines. See table below for details

Training	Description	DSA paid	DSA rate in SG	Difference	# of days	# of persons	Variance	Variance	Source of funding
		Leones	Leones	Leones			Leones	US\$	
APPYA Delegate convention in Kenema 15th - 17th June 2012	DSA for PPRC staff	219,810	193,088	26,722	3	4	320,664	74	PBF
APPYA Community Outreach Programme - dialogue in hot spot in Pujehun, Mile 91 and Kono.	DSA to national executives of APPYA	387,000	193,088	193,912	1	30	5,817,360	1,350	PBF
	<b>Subtotal total (PBF)</b>						<b>6,138,024</b>	<b>1,424</b>	
Community Sensitisation in 40 political flash point chiefdoms	Transport allowance to participants	100,000	77,580	22,420	1	76	1,703,920	395	EBF

Training	Description	DSA paid	DSA rate in SG	Difference	# of days	# of persons	Variance	Variance	Source of funding
		Leones	Leones	Leones			Leones	US\$	
/Post elections engagement									
	<b>Subtotal total (EBF)</b>						<b>1,703,920</b>	<b>395</b>	
	<b>Total</b>						<b>7,841,944</b>	<b>1,819</b>	

**Cause**

Non-compliance with standardised guideline (SG)

**Effect**

Funds may be misappropriated.

**Priority rating – Medium**

**Recommendation**

We recommend that management should keep to the DSA and transportation refund rates agreed upon in the standardised guidelines. In addition, the DSA overpaid should be refunded by PPRC.

**Management comments and action plan**

Recommendation is well noted. PPRC will be informed to reimburse the overpayment of the DSA, and should be paid from PPRC bank account and not from Project bank account. However for transport allowance, the amount paid is correct since it is for return trip i.e. coming for the workshop and going back. It should be noted that despite our various follow-ups with the Finance Manager on reimbursement of these overpayments no action was taken. He is now being suspended as one of the suspects for the misappropriation of funds.

#### **4.2.4.2 Irregular supporting documents for training activities conducted**

##### **Criteria**

Good practices require that expenditure incurred for goods and services consumed are adequately supported by original invoices and receipts, signed payment schedules for DSAs and other, attendance register, etc.

##### **Condition**

We noted some instances where payments made were supported with inappropriate supporting documents. For example, we noted:

- differences between signatures of the same participant on the attendance sheet and the DSA payment schedule;
- inconsistencies in handwritings of some participants on DSA schedules and attendance sheets;
- some participants who received DSA were not traced to the attendance sheets;
- proforma invoices were used to support expenditures incurred;
- signatures on schedules signed by participants for allowance received had a similar pattern. Most of the signatures were signed in such a manner that the first letter of the first name preceded last name scribbled to serve the purpose of a signature;
- some receipts from vendors for various expenditures were produced on photocopies of original blank copies; and
- some receipts used to support payments made had no details of the suppliers engaged. There were no addresses or contact numbers on the receipts.

The kind of supporting documents examined raises doubts as to the occurrence of the activities mentioned below, as well as the accuracy of the total amount paid. The total questioned cost involved was Le 330,474,722 (US\$76,676). See annex 1 of the report for details.

##### **Cause**

Possible attempt by IP to inflate cost and forge supporting documents to ensure disbursement received are fully utilised.

##### **Effect**

Funds may not have been used for the intended purposes or simply misappropriated.

##### **Priority rating – High**

##### **Recommendation**

We recommend that, going forward, the PPRC should ensure proper and authentic documents are used as support for all payments made. Also, in instances where community members are unable to sign for allowances paid, the PPRC should ensure thumb prints are taken instead. In addition, the UNDP should demand a refund from the IP for the amount questioned unless the IP is able to provide

satisfactory explanation for inconsistent and irregular supporting documents.

**Management comments and action plan**

The recommendation is well noted. PPRC will be requested to provide justification for the irregularity of the supporting documents; otherwise they had to reimburse the amounts with no proper justification.

#### **4.2.5 Finance and bookkeeping issues**

##### **4.2.5.1 Some expenditures incurred not supported**

###### **Criteria**

Good practices required that expenditures incurred for goods and services consumed are supported by invoices and receipts from the vendor, signed payment schedules, etc.

###### **Condition**

From our review financial returns we noted that total amount of Le 16,100,000 (US\$3,735) spent on social evening & official handing over ceremony from the PBF account was not supported by receipts, invoices or payment schedules.

###### **Cause**

Poor filing system or funds disbursed to individuals were not used for its intended purpose.

###### **Effect**

Project objective may not be realised.

**Priority rating – Medium**

###### **Recommendation**

We recommend that the PPRC should provide appropriate supporting documentation for activities undertaken failure to which the PPRC should refund the amount.

###### **Management comments and action plan**

The supporting documents for the stated amount could not be traced from the copies we have. PPRC will be requested to trace the receipts, otherwise they have to refund the amount involved.

#### **4.2.5.2 Refunds of questioned cost paid out of the project account.**

##### **Criteria**

There is a standardised guideline (SG) with regards to operational costs for the support to the Electoral Cycle project. The SG covers rates to be paid as DSA, transportation, cost of meals, workshop kits, and other costs.

##### **Condition**

PPRC paid DSA to staff from the EBF account for implementation of activities relating to regional and district radio discussions, town hall meetings in 38 chiefdoms and strategic district engagements in 14 administrative districts based the GoSL DSA rate which was above the rates in the standardisation guidelines. We sighted email correspondences from the OM and the CTA for the election project to PPRC requesting refund of overpaid DSA amounting to Le 3,578,400 (US\$830).

We noted from our review of the bank statements and cashbook that PPRC refunded the amount of Le 3,578,400 (US\$830) to UNDP from the PBF account with cheque#01434777 dated 14 May 2013 instead of PPRC's main account.

In essence, the overpayment has not been refunded.

##### **Cause**

Weak financial monitoring of PPRC activities by UNDP and UNIPSIL.

##### **Effect**

The questioned cost has not been refunded

**Priority rating** – Medium

##### **Recommendation**

We recommend that the question cost of Le 3,578,400 (US\$830) should be refunded into the PBF account. Evidence of refund should be submitted to UNDP for review.

##### **Management comments and action plan**

The Office agrees with the recommendation. PPRC will be requested to refund the said amount from PPRC bank account to PBF bank account where the original amount was withdrawn.



#### **4.2.5.3 Payment of ineligible expenditure**

##### **Criteria**

The Letter of Agreement (LOA) signed between UNDP and PPRC provides activities to be implemented by PPRC. The LOA also has budget which indicates the location of activity, the number of people involved, unit cost of the activity and the total budget for the activity.

##### **Condition**

During the review of expenditure, we noted payment of air ticket for 2 commissioners of Le 7,200,000 (US\$1,674) for regional tour of political parties to sub-region in Ghana. The cost of air ticket was not included in the approved budget. The approved budget only provided for representatives of 10 political parties, 1 official from UNIPSIL and the registrar of PPRC. This payment is therefore ineligible to the project.

##### **Cause**

Weak financial monitoring of PPRC activities by UNDP and UNIPSIL.

##### **Effect**

The amount paid is ineligible

**Priority rating** – Medium

##### **Recommendation**

We recommend that PPRC should only finance activities included in the approved budget. The total ineligible amount of Le 7,200,000 (US\$1,674) should be refunded by PPRC into the PBF account.

##### **Management comments and action plan**

The Office agrees with the recommendation. PPRC will be requested to refund the said amount

#### **4.2.5.4 Loans to staff from project account**

##### **Criteria**

Good practices require that funds provided for implementation of an activity is utilised solely for the purpose of the activity.

##### **Condition**

During our review, we noted that two staff of PPRC were given loans amounting to Le 4,000,000 and Le 1,400,000 respectively out of the PBF project account in April 2012. It is worth mentioning that the loans were refunded by the staff into the project account in May 2012.

##### **Cause**

Huge cash balance with IP. As a result the IP can afford to lend money to staff.

##### **Effect**

Funds may not be available when needed for implementation of project related activities.

**Priority rating** – Medium

##### **Recommendation**

We recommend that management should desist from granting loans to staff from the project accounts.

##### **Management comments and action plan**

The Office agrees with the recommendation. PPRC will be informed to discontinue this kind of practice.

#### **4.2.5.5 Error in opening cash balance of PBF account**

##### **Criteria**

Good practices require that the closing cash balance for a period is carried forward as opening balance for the next period.

##### **Condition**

We noted from our review of the financial returns from PPRC that the opening cash balance for 2012 of the PBF account was different from the closing cash balance for 2011. The closing cash balance per the 2011 financial returns was Le 644,763,386; however, this was carried forward into 2012 as Le 441,473,251 resulting in a difference of Le 203,290,135 (US\$47,167) not accounted for.

##### **Cause**

Financial returns not cross-checked with 2011 financial returns.

##### **Effect**

Project cash balance has been understated.

**Priority rating – High**

##### **Recommendation**

We recommend that management should investigate the difference and resubmit the corrected 2012 financial returns for the PBF. Where the difference has been utilised for implementation of project activities, PPRC should provide adequate supporting documents to account for the amount otherwise PPRC should be made to refund the amount.

##### **Management comments and action plan**

From the copies of documents submitted by PPRC to our Office, we could not trace any additional expenditure of US\$47,167 being the difference between the closing balance of 2011 and opening balance in 2012. This will be flagged to PPRC to provide the necessary documentation for this difference or provide explanation to support this anomaly.

##### **Audit follow-up on management comments**

From our initial review of the financial returns submitted by PPRC for 2011, we noted a difference of Le 1,730,948,124 (US\$401,612) between total funds received per the returns submitted and total funds disbursed to PPRC per UNDP's ATLAS details (as highlighted in section 4.1.5.2). PPRC subsequently produced an expenditure report and supporting documentations for Le 1,695,495,800. The unspent balance of Le 35,452,324 (US\$8,225) was not carried forward to the subsequent year (i.e. 2012).

Hence, the total balance not accounted for was Le 238,742,459 (US\$55,393).

#### **4.2.6 Programme implementation arrangements**

##### **4.2.6.1 Implementation of activities prior to signing LOA**

###### **Criteria**

The activities and budgets to be implemented by implementing partners (IPs) under the support to the electoral cycle project and are contained in Letter of Agreement (LOA) which is signed between UNDP and the implementing partner before implementation of activities.

It is generally expected that activities in the budget are implemented after the activities and budgets have been approved in the signed LOA.

###### **Condition**

The amended LOA for PBF fund was approved on 25 October 2012. We sighted email corresponding dated 13 October 2012 from the Gender Affairs officer to the Coordinator, Non State Actors Project of UNIPSIL through the project focal person at UNIPSIL requesting approval for implementation of the following activities:

- Social evening/formal handing over ceremony on 14 October 2012
- Regional peace rally on 16 October 2012
- Constituency meetings from 20 – 27 October 2012
- Media Outreach – ongoing

In his response email dated 13 October 2012, the Coordinator, Non State Actors Project of UNIPSIL indicated that the social evening /formal handing over ceremony can be held on 14 October 2012. However, the remaining activities should be implemented with prior approval from UNDP. We sighted a delivery note dated 16/10/12 from Deuce Investment Advertising for delivery of 5000 t-shirts and 16 banners which was signed by the Gender Affairs officer on 16/10/12 for the Regional peace rally. We did not sight approval from UNDP prior to the implementation of the activities.

###### **Cause**

Neglect of due process.

###### **Effect**

Funds may not be used for intended purposes

**Priority rating – Medium**

###### **Recommendation**

We recommend that PPRC should desist from this practice. Implementation of activities in the LOA should start when the LOA has been approved.

**Management comments and action plan**

The Office agrees with the recommendation. The message will be communicated to PPRC for their attention and proper implementation.

#### **4.2.6.2 No MoU between PPRC and sub-implementing parties (APPYA and APPWA)**

##### **Criteria**

The Political Parties Registration Commission (PPRC) is an independent institution separate from All Political Parties Youth Associations (APPYA) and All Political Parties Women Associations (APPWA). However, under the support to the electoral cycle project, PPRC acts as fiduciary agent for APPYA and APPWA. The budget of APPYA and APPWA are included in the LOA signed between UNDP and PPRC.

PPRC receives funds from UNDP on behalf of APPYA and APPWA which are disbursed to APPYA and APPWA upon request. Procurement of goods and services for these sub-organisations are done by PPRC on their behalf. Financial returns for activities conducted by APPYA and APPWA are submitted to PPRC which then submits a consolidated financial return to UNDP.

This arrangement should be formalised into a letter of agreement of and MoU in order to formally establish the roles and responsibilities as well as accountability of resources of the project by each organisation.

##### **Condition**

We noted that there is no memorandum of understanding (MoU) or agreement between PPRC and APPYA and APPWA.

##### **Cause**

Oversight of management of PPRC

##### **Effect**

It will be very difficult to demand accountability when things go wrong since there is guiding principle (MoU) of the relationship.

**Priority rating – Medium**

##### **Recommendation**

We recommend that PPRC should ensure that its relationship with APPYA and APPWA including roles, responsibilities and accountability are put into an agreement or MoU which should be signed by respective parties. The MoU should be reviewed and approved by UNIPSIL/UNDP before signing with APPYA and APPWA.

##### **Management comments and action plan**

The Office agrees with the recommendation for future compliance

#### 4.2.7 Assets management

##### 4.2.7.1 Poor assets management system

###### Criteria

Good practices require that assets management policy is developed to monitor and safeguard project assets.

###### Condition

We noted that systems and controls on management of project assets at the level of PPRC, APPWA and APPYA are very weak. There is no assets management policy for monitoring and safeguard of assets procured under that project.

We noted also that PPRC does not perform physical verification of assets owned as well as assets distributed to other partners such as political parties, APPYA and APPWA.

Thirdly, the assets register maintained by PPRC does not provide information of condition of assets of project. The total value of assets per the assets register maintained by PPRC (funded by EBF) was US\$517,918 which is broken down as follows:

Assets	Value (US\$)
Computers and office equipment	107,204
Office furniture	76,956
Motor vehicle & motorbike	333,758
<b>Total</b>	<b>517,918</b>

Also, the assets register has not been updated with the identification numbers for some assets.

In addition, the total value of assets transferred to political parties (funded by PBF) amounted to US\$539,116 as indicated in the table below:

Assets	Value (US\$)
Vehicles (2 Toyota Land cruiser Prado, 4 Toyota Hilux, 1 Toyota Hiace)	330,995
Motorbikes (44)	148,028
Bicycles (44)	10,209
Office Equipment & Furniture	60,093
<b>Total</b>	<b>549,325</b>

We noted that these partners do not maintain an assets register to monitor the movement and utilisation of assets.

**Cause**

Lack of assets management policy

**Effect**

Assets cannot be effectively monitored. Hence, assets may be exposed to risk of theft and misuse.

**Priority rating – Medium**

**Recommendation**

We recommend that management should develop a comprehensive asset management policy which indicates how project assets will be monitored and safeguarded. PPRC should also ensure that its sub-implementing partners (APPWA, APPYA and the political parties) maintain assets register for assets received under the project and the assets should be periodically verified by PPRC. Thirdly, PPRC should ensure that its assets register is updated with the identifications of assets and also the condition of the assets

**Management comments and action plan**

The comprehensive asset management strategy was prepared by PPRC and presented to the Steering Committee; however there was no proper follow-up of the implementation of this strategy. Also, it should be noted that the Assets' Register Template was shared with all the Implementing Partners to be used in recording the assets, but the implementation aspect has been very slow. From UNDP side, the physical verification of assets has been a continuous exercise as well as tagging all the assets and recording them in UNDP Register, as part of the control mechanism in monitoring these assets.



#### **4.2.7.2 Some assets procured could not be found**

##### **Criteria**

Good practices require that assets procured are maintained for periodic verification.

##### **Condition**

We noted from our review of the expenditure that 112 megaphones (PA systems) were procured in July 2012 from PBF account for APPWA Constituency Outreach programs for cost of Le 24,080,000 (US\$5,587). During our visit to APPWA for physical verification of assets, we could not verify the megaphones. The secretary of APPWA confirmed that the megaphones were distributed to the constituency executives for the outreach programme but got missing after the programme. The secretary could not provide us with how the megaphones were distributed.

##### **Cause**

Ineffective monitoring of project assets.

##### **Effect**

Assets may be exposed to risk of theft and misuse.

**Priority rating – Medium**

##### **Recommendation**

We recommend that project assets should be well protected to avoid possible loss of assets.

##### **Management comments and action plan**

The recommendation is well noted. The Office has been continuously carrying out physical inventory and tagging all the assets and recording them in UNDP Register as part of the control mechanism in monitoring these assets.

**Annex 1 - Details of the irregular supporting documents for training activities conducted**

Training	Description	Questioned cost Leones	Questioned cost US\$	Comments	Source of funding
APPWA 2nd Delegates convention, Makeni (17 to 18 July 2012)	DSA and transport allowance to Participants	65,074,104	15,098	Signatures of 19 participants on attendance sheets are different from the signatures on the DSA sheet.  Secondly, most of the signatures were signed in such a manner that the first letter of the first name preceded last name scribbled to serve the purpose of a signature	PBF
	DSA to 3 officers of PPRC	1,629,180	378	3 officers of PPRC (Programme & Mediation manager, Finance officer & Gender officer) Could not be traced to the attendance sheet.	PBF
	T&T to participants within the district	862,000	200	Overpayment of T&T to participants within district	PBF
	Radio coverage for 2 days	775,800	180	Receipt dated 18/07/12 from SLBC FM 88.0 Makeni is a photocopied receipt with writing	
		<b>68,341,084</b>	<b>15,856</b>		
APPWA Constituency Outreach programs (112 constituencies)	Hall rental	5,120,000	1,188	No third party supporting documents for hall rental in Freetown of Le 1,810,000 - Receipts amounted to Le 3,310,000 provided to support hall rentals had no name and address of the vendors	PBF
	DSA for PPRC Executives for monitoring	3,450,000	800	This relates to DSA paid to PPRC staff for 5 days monitoring. No monitoring reports sighted	PBF
	DSA for regional	17,929,608	4,160	DSA for 12 regional coordinating committees was not included in the budget	PBF

Training	Description	Questioned cost	Questioned cost	Comments	Source of funding
		Leones	US\$		
	coordinating committees				
	PA system & generator	24,136,000	5,600	The receipts from different vendors from all the districts were of A4 printed sheets and of the same design. The receipts numbers are the same for all the receipts (ie 49 and 50). We called one of the vendors who confirmed a lower rate charged for the services	
		<b>50,635,608</b>	<b>11,748</b>		
APPWA Executive Resident al Retreat to Bo (5-6/10/12)	DSA for PPRC executives	1,448,160	336	The amount relates to DSA paid to 4 PPRC staff. Only the Gender officer's name was traced to the attendance sheet. The remaining 3 officers did not attend.	PBF
	Video coverage and stationeries	775,000	180	Receipts provided to support expenditure had no name and address of the vendors	PBF
		<b>2,223,160</b>	<b>516</b>		
<b>LOA 25/10/12</b>					
Inter-party dialogue session in Pujehun	T&T paid to participants from Freetown	2,149,200	499	10 participants from Freetown were paid a transportation refund of Le 292,500 instead of the SG approved rate Le 77,580. Hence a difference of Le 2,149,200 should be refunded.	PBF
		<b>2,149,200</b>	<b>499</b>		
Training of Party Agents	Bo (Hall rental & hiring of PA system)	4,785,900	1,110	Monies were distributed to the political parties to organise this activity. Each political party received Le 2,392,950. All the venues used by different political parties charged the same rate of Le 135,450 for hall	PBF

Training	Description	Questioned cost	Questioned cost	Comments	Source of funding
		Leones	US\$		
				rentals & Le 2,257,500 for lunch. Other trainings organised in the town was higher than this. We noted that receipts used to support this amount were photocopy of an original blank receipt onto which details of the transaction were written. - Receipts provided by APC and RUFPP were photocopied A4 sheet - No attendance sheet sighted for this activity	
	East (Hall rental & hiring of PA system)	9,571,800	2,221	1. APC, CDP, SLPP and PMDC used the same venue (Kenema District Youth Centre) on different days. However, the receipts from the centre used to support expenditure had the same receipt#084 though the receipts were issue on different dates. It's clear that same receipt had been photocopied to support different payment. This cast doubt about the occurrence of the activity, whether indeed funds were utilised for the intended purpose.  2. No attendance sheet or training report sighted	PBF
	West (Hall rental & hiring of PA system)	4,785,900	1,110	1. Receipt dated 07/11/12 of Le 2,392,950 for cost of PA system & hall rental and lunch for UDM had no name and address of vendor. Again, the amount was supported with a photocopy of an original blank receipt	PBF

Training	Description	Questioned cost	Questioned cost	Comments	Source of funding
		Leones	US\$		
				<p>onto which details of the transaction were written.</p> <p>2. Receipts of Le 2,392,950 for cost of hall rental and lunch for UNPP had no details of the suppliers engaged. There were no addresses or contact numbers on the receipts.</p> <p>The kind of supporting documents examined raises doubts as to the occurrence of the activities mentioned above, as well as the accuracy of the total amount paid.</p>	
		<b>19,143,600</b>	<b>4,442</b>		
Interparty Dialogue and meeting with political parties	South	12,040,000	2,794	<p>1. The attendance sheets of all the districts (Bo, Bonthe, Pujehun and Moyamba) signed by participants and the receipts for hiring of PA systems indicated that training was held in a day. However, the hall rental receipts indicated hall rented for two days. This inconsistencies cast doubt about the occurrence of the activity and whether the funds were used for it intended purpose.</p> <p>2. The average cost of hall rental per day was Le 300,000. Our investigation revealed that the average cost of hall rental at these areas is Le 200,000. We called a number on one of</p>	PBF

Training	Description	Questioned cost	Questioned cost	Comments	Source of funding
		Leones	US\$		
				the receipt used to support hiring of PA system which confirmed that the cost for hiring a PA system per day was Le 150,000. However, the cost charged per day for rental of PA system was Le 400,000.	
				3. The payment voucher signed by participants for T&T refunds had the same pattern of signature	
	East	9,000,000	2,088	1. The receipt from KNSCC (Kono) was A4 sheet  2. The date on receipt from AKP was 14 Dec 2012 which is not consistent with the meeting date.  3. No attendance attached for review	PBF
	West	560,000	130	1. Receipt#181 dated 12/11/12 of Le400,000 from DCC for cost of Hall rental was photocopied A4 receipt.  2. 8 persons paid T&T could not be traced to the attendance sheet	PBF
		<b>21,600,000</b>	<b>5,012</b>		
Inter-party Peace Rally	South	37,400,000	8,677	1. Receipts totaling Le 1,050,000 for renting of vehicles had no name and address of vendor. These are blank receipts photocopied to support payments. One of the receipts was dated	PBF

Training	Description	Questioned cost	Questioned cost	Comments	Source of funding
		Leones	US\$		
				<p>21/11/11 which was earlier than the date of the rally.</p> <p>2. An amount of Le 15,000,000 paid to DBR for refreshment was supported with a photocopy of an original blank receipt onto which details of the transaction were written. Also the date the receipt had been altered with ink making the original writing illegible.</p> <p>3. An amount of Le 5,000,000 for refreshment was supported by proforma invoice from vendor called Bar and Restaurant. No receipt was sighted.</p> <p>4. The radio coverage rates are not consistent with the cost charged for other activities. For example, the radio coverage for Interparty Dialogue and meeting with Traditional leaders by Radio MODCAR on 2/11/12 for 1 hour cost Le 350,000. However, the supporting documents attached indicated the same radio station charged Le 800,000 for coverage of this activity for 1 hour on 15/11/12. This is the case for all charges by other radio stations. The prices have been inflated to ensure that the budget is fully utilised.</p>	

Training	Description	Questioned cost	Questioned cost	Comments	Source of funding
		Leones	US\$		
				<p>5. Also, the amounts were supported with a photocopy of an original blank receipt onto which details of the transaction were written. For example, receipt#68 from MODCAR was photocopied and used to support radio coverage of this activity and also inter-party radio discussions.</p> <p>6. Cost for hiring of PA system in Bo of Le 500,000 is not consistent with fees charged for other activities.</p> <p>7. Receipts totaling Le 1,000,000 for field hire had no name and address of vendor.</p> <p>We therefore question the total cost of the training.</p>	
	North	19,500,000	4,524	<p>1. Amount of 13,500,000 for cost of 45 cartons of assorted biscuits was only supported by proforma invoice from ME.</p> <p>2. The cost of printing 50 banners of Le 6,000,000 was supported with a photocopy of an original blank receipt onto which details of the transaction were written.</p> <p>3. The cost of PA system charged per day was Le500,000 which is exorbitant.</p>	PBF



Training	Description	Questioned cost	Questioned cost	Comments	Source of funding
		Leones	US\$		
	East	13,500,000	3,132	1. We sighted receipts from 3 different suppliers for provision of refreshment for an amount of Le 13,500,000 with same handwriting, the design of stamp on the receipts indicating payment is the same. The receipts do not have contact numbers on them for independent verification.	PBF
		<b>70,400,000</b>	<b>16,334</b>		
Inter party radio discussions	South	2,100,000	487	Le 2,100,000 being cost of radio discussion for 6 hours was supported by receipt#68 dated 07/11/12 which is a photocopy of receipt#68 which had been used to support radio discussion under interparty peace rally.	PBF
		<b>2,100,000</b>	<b>487</b>		
APPYA Community Outreach Programme - dialogue in hot spot	Pujehun, Mile91 and Kono.	14,197,000	3,294	1. The total advance for the activity was Le 51,195,000. The total supporting documents vouched was Le 39,563,000. The remaining Le 11,632,000 is not accounted for.  2. Out of 300 participants who signed to received transportation refund of Le 15,000, names of 171 persons could be traced to the attendance list attached to payment voucher. Again most of the signatures were signed in such a manner that the first letter of the first name preceded last name scribbled to serve the purpose of a signature.	PBF

Training	Description	Questioned cost	Questioned cost	Comments	Source of funding
		Leones	US\$		
		<b>14,197,000</b>	<b>3,294</b>		
Interparty Dialogue and meeting with Traditional leaders	East	5,240,000	1,216	1. Inconsistency in the transport refunds paid to participants. Participants were paid Le 50,000 as transport refunds for this meeting. PPRC organised inter-party dialogue in same venues and paid transport refunds of Le 20,000 to each participant.  2. Important element of the meeting such as hiring of PA system was missing though PA systems were hired for meetings held in same locations.  3. Ink used to alter an original information on supporting documents making the original information illegible  4. No attendance sheet or minutes of meeting available for review.	PBF
	Western	1,006,000	233	1. Receipt#153 dated 10/11/12 of Le 1,006,000 from TSRB indicated lunch for food for 63 persons. However, the attached attendance sheet had only 36 persons	PBF
		<b>6,246,000</b>	<b>1,449</b>		
	<b>Subtotal (PBF)</b>	<b>257,035,652</b>	<b>59,637</b>		

Training	Description	Questioned cost Leones	Questioned cost US\$	Comments	Source of funding
<b>EBF LOA date 12/11/12</b>					
Regional & District Radio discussions, town hall meetings in 38 chiefdoms	Lunch	22,650,000	5,255	Most of the receipts for payment was supported with a photocopy of an original blank receipt onto which details of the transaction were written.	EBF
		<b>22,650,000</b>	<b>5,255</b>		
Strategic District Engagements in 14 administrative districts	DSA to PPRC staff	14,448,000	3,352	The names PPRC staff who received DSA could not be traced to the attendance sheet attached.	EBF
	Refreshment & stationeries	6,100,000	1,415	Two different receipts from 2 suppliers had the same telephone contact. Receipt from GE of Le 2,200,000 for purchase of stationeries and Receipt dated 15/12/12 of Le 3,900,000 from GT canteen had the same telephone numbers.	EBF
	Printing of T-Shirt & Banners	22,478,570	5,215	1. Inconsistency in the rates charged for training kits. 300 T-shirts and 12 Plastic banners were printed at a unit cost Le 60,000 and a banner 373,214 respectively for the strategic district engagements in 14 administrative districts which was conducted in December 2012. In November 2012, 300 T-shirts and 10 banners were printed at a unit cost of Le18,000 for Street rally/float parade in Pujehun.  Secondly, we noted that original amount written on the invoice	EBF

Training	Description	Questioned cost	Questioned cost	Comments	Source of funding
		Leones	US\$		
				had been altered with ink making the amount illegible.	
	Fuel	7,762,500	1,801	Total 2025 litres of fuel were purchase for the 4 regions for the implementation of the activity. The distribution schedule attached was signed by Western region. Total quantities of 1,725 litres amounting to Le 7,762,500 for North, South and East were signed to acknowledge receipt of fuel.	EBF
		<b>50,789,070</b>	<b>11,784</b>		
	<b>Subtotal (EBF)</b>	<b>73,439,070</b>	<b>17,039</b>		
	<b>Grand total</b>	<b>330,474,722</b>	<b>76,676</b>		

**Annex 2 –Statement of Assets and Equipment**

Find signed **Statement of Assets and Equipment** in the attached zip folder named “2012 SAE”.

**Annex 3 - Details of the irregular procurement documents**

Activity	Cheque#	Date	Name of supplier	Items / services procured	Amount (Leones)	Comments	Source of funding
<b>13 June 2012 LOA (PBF)</b>							
APPYA Delegates Conference	1210538	10/07/2012	SD	1 Flex banner and 200 T-shirts	4,700,000	The RFQs was submitted to vendors on 14/06/12. Vendors' quotations were signed and received by PPRC on 15/06/2012. However, the evaluation of quotations was done on 14/06/2012. This indicates that evaluation of quotations was done before the vendors submitted their quotations.	PBF
APPYA Delegates Conference	1210539	10/07/2012	TI	Printing ID Cards, invitation & programme	2,875,000	The RFQs was submitted to vendors on 14/06/12. Vendors' quotations were signed and received by PPRC on 18/06/2012. However, the evaluation of quotations was done on 14/06/2012. This indicates that evaluation of quotations was done before the vendors submitted their quotations.	PBF
APPWA 2nd Delegates convention in Makeni (17 to 18 July 2012)	1210551	31/07/2012	DIA	Printing of 2 Flex plastic banner and 240 T-shirts.	6,040,000	The LPO was signed by the registrar of PPRC for issue to vendor on 7/07/12 though the date on the LPO was 12/07/12. The vendor also signed the LPO agreeing to the order on 17/07/12 but the delivery note signed by the PPRC staff indicated that goods were received on 16/07/12.	PBF

**United Nations Development Programme (UNDP)**  
**Support to the Electoral Cycle in Sierra Leone**  
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Activity	Cheque#	Date	Name of supplier	Items / services procured	Amount (Leones)	Comments	Source of funding
APPWA Constituency Outreach programs (112 constituencies)	1210529	29/06/2012	AUB	Hiring of 3 vehicles including fuel for 20 days each	32,325,000	We noted goods and services were received before the procurement requisition approved. The Procurement Requisition Form (SPF1) was raised by the Gender Affairs officer on 21/06/12 and approved by the Programme manager on 28/06/12. However, the invoice (with number 000271) issued by the vendor for services rendered was dated 21/06/12 which is before the vendor responded to the RFQ on 28/06/12. The evaluation of quotation report and the LPO were respectively dated 27/06/12 and 28/06/12. Secondly, from the above, the invoice indicates that services were consumed before LPO issued to the vendor.	PBF
APPWA Constituency Outreach programs (112 constituencies)	1210530	29/06/2012	YE	Catering services for 112 constituencies each constituency has 217 attendants	255,192,000	We noted goods and services were received before the procurement requisition approved. The Procurement Requisition Form (SPF1) was raised by the Gender Affairs officer on 21/06/12 and approved by the Programme manager on 28/06/12. However, the invoice issued by the vendor for services rendered was dated 21/06/12 which is before the vendor responded to the RFQ on 28/06/12. The evaluation of quotation report and the LPO were respectively dated 22/06/12 and 28/06/12. Secondly, from the above, the invoice	PBF

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Activity	Cheque#	Date	Name of supplier	Items / services procured	Amount (Leones)	Comments	Source of funding
						indicates that services were consumed before LPO issued to the vendor.	
APPWA Constituency Outreach programs (112 constituencies)	1210535	10/07/2012	DIA	Supply of 112 banners	9,520,000	The invoice date (20/05/12) for supply of items was earlier than the evaluation report date of 22/06/12. The RFQs sent to vendors were dated 20/05/12. However, the Procurement Requisition Form (Form SPF 1) was raised by the Gender Affairs Officer on 21/06/12 and approved by the Programme manager on 28/06/12. The goods were received before the procurement process started. Secondly, the Letter of Agreement (LOA) was signed on 13 June 2012 but the invoice showed that goods were procured before the signing of the LOA.	PBF



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Activity	Cheque#	Date	Name of supplier	Items / services procured	Amount (Leones)	Comments	Source of funding
APPWA Constituency Outreach programs (112 constituencies)	1210540	10/07/2012	L-K E	Printing 22400 copies stakeholders declaration 2012	40,320,000	We noted goods and services were received before the procurement requisition approved. The Procurement Requisition Form (SPF1) was raised by the Gender Affairs officer on 21/06/12 and approved by the Programme manager on 28/06/12. However, the RFQ, evaluation of quotation report and the LPO were respectively dated 20/06/12, 22/06/12 and 26/06/12.	PBF
APPWA Constituency Outreach programs (112 constituencies)	1210541	10/07/2012	AE	Printing 22400 copies Gender Bill & APPWA Constitution	56,000,000	We noted goods and services were received before the procurement requisition approved. The Procurement Requisition Form (SPF1) was raised by the Gender Affairs officer on 21/06/12 and approved by the Programme manager on 28/06/12. However, the RFQ, evaluation of quotation report and the LPO were respectively dated 20/06/12 and 22/06/12. No LPO sighted.	PBF
Institutional support	1210563	12/09/2012	KEE	supply of 1 6KvA Genset, 3 3kVA Genset & 7 UPS	25,718,500	LPO dated 03/09/12 was submitted to KEE for supply of 1 6KvA Genset, 3 3kVA Genset & 7 UPS and signed by the vendor on 05/09/12. However, the delivery note (number 044) dated 29/08/12 was signed by a staff of PPRC on 29/08/12 to acknowledge receipt of goods. This clearly shows that the goods were received before the procurement process started.	PBF
				<b>Subtotal</b>	<b>432,690,500</b>		
<b>25 October 2012 Amended LOA (PBF)</b>							

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Activity	Cheque#	Date	Name of supplier	Items / services procured	Amount (Leones)	Comments	Source of funding
Support to political reconciliation in Bo - provision of equipment for APC office in Bo	1434751	29/10/2012	GKS	Procurement of Equipment, Furniture and Stationery for APC Regional office in Bo	45,500,000	1. The quotations received from the vendors were not responsive to the RFQ - The RFQ invited the vendors to submit quotations for the production of Banners, T shirts, Stickers, Flyers and Caps. However, the quotations from the suppliers were for Printers, Desktop PC, UPS, Filing Cabinet, Conference Table, Office table, Office chairs, Assorted Stationeries, Plasma (LCD), Photocopier, Refrigerator and Swivel Chairs. The RFQ dated 27/10/12 requested that vendors should submit their bid by 12 October 2012. 2. No evaluation committee report 3. All procurement processes occurred same day - RFQ, Response to RFQ, LPO and Supplier of items.	PBF
				<b>Subtotal</b>	<b>45,500,000</b>		
				<b>Grand total (Leones)</b>	<b>478,190,500</b>		
				<b>Grand total (US\$)</b>	<b>110,949</b>		

**Annex 4 – List of expired or invalid business license documents**

Cheque#	Date	Description	Amount (Leones)	Vendor	Comments	Source of funding
1210550	31/07/2012	Supply of stationeries	2,525,000	AE	No business license, business registration certificate, copy of a valid NRA Tax Clearance Certificate, NASSIT clearance and copy of Local Council clearance certificate. were submitted by the vendor	PBF
1210551	31/07/2012	Printing of 2 Flex plastic banner and 240 T-shirts.	6,040,000	DIA	No business license, business registration certificate, copy of a valid NRA Tax Clearance Certificate, NASSIT clearance and copy of Local Council clearance certificate. were submitted by the vendor	PBF
1210535	10/07/2012	Supply of 112 banners	9,520,000	DIA	No business license, business registration certificate, copy of a valid NRA Tax Clearance Certificate, NASSIT clearance and copy of Local Council clearance certificate. were submitted by the vendor	PBF
1210540	10/07/2012	Printing 22400 copies stakeholders declaration 2012	40,320,000	L-K E	No business license, business registration certificate, copy of a valid NRA Tax Clearance Certificate, NASSIT	PBF

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Cheque#	Date	Description	Amount (Leones)	Vendor	Comments	Source of funding
					clearance and copy of Local Council clearance certificate. were submitted by the vendor	
1210529	29/06/2012	Hiring of vehicle for APPWA Constituency Outreach programs	32,325,000	AUB	Business license certificate had expired (Jan 2006 to Dec 2006)	PBF
1210537	10/07/2012	Catering services for APPYA Delegates Conference	22,940,000	YRES	Business license certificate had expired (Jan 2006 to Dec 2006)	PBF
1210558	12/09/2012	Catering services for Governance & Electoral Law workshop	11,550,000	YRES	Business license certificate had expired (Jan 2006 to Dec 2006)	PBF
1434751	29/10/2012	Procurement of Equipment, Furniture and Stationery for APC Regional office in Bo	45,742,397	GKS	Business license certificate had expired (Jan 2011 to Dec 2011)	PBF
		<b>Total Leones</b>	<b>170,962,397</b>			
		<b>Total US\$</b>	<b>39,666</b>			

## Annex 5 - List of Abbreviations and Acronyms – 3<sup>rd</sup> Parties

[illegible]



T&T      Transportation  
ToR      Terms of Reference