



**AUDIT**

**OF**

**UNDP MALAWI**

**MALAWI ELECTORAL CYCLE SUPPORT**  
**(Directly Implemented Project No. 71929, Output Nos. 85180, 86778, 86779 and 86780)**

**Report No. 1492**

**Issue Date: 29 September 2015**

**Report on the Audit of UNDP Malawi  
Malawi Electoral Cycle Support  
(Project No. 71929, Output Nos. 85180, 86778, 86779 and 86780)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), conducted from 29 June to 15 July 2015, an audit of Malawi Electoral Cycle Support (Project No. 71929, Output Nos. 85180, 86778, 86779 and 86780) (the Project), which is directly implemented and managed by the UNDP Country Office in Malawi (the Office). This was the first audit of the Project.

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 assess 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 to 31 December 2014 and the accompanying Funds Utilization statement<sup>1</sup> as of 31 December 2014 as well as Statement of Assets as of 31 December 2014. It also reviewed the relevant systems, procedures and practices in place as they relate to the Project, in the areas of: organization and staffing, project management, human resources management, financial and cash management, procurement, asset management, information systems and general administration. The audit did not include activities and expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). In addition, the audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Project.

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 report and corresponding management letter submitted by the audit firm, OAI assessed the management of the Project as **satisfactory**, which means, "Internal controls, governance and risk management processes as applicable to the Project's financial statements were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity." The details of the audit results are presented in the table below:

Project Expenditure*			Project Assets		
Amount (in \$ '000)	Opinion	**NFI (in \$ '000)	Amount (in \$ '000)	Opinion	NFI (in \$ '000)
6,159	Unqualified	17	81	Unqualified	-

\* Expenditures recorded in the Combined Delivery Report were \$10,767,550. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$4,608,041).

\*\*NFI = Net Financial Impact

<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.

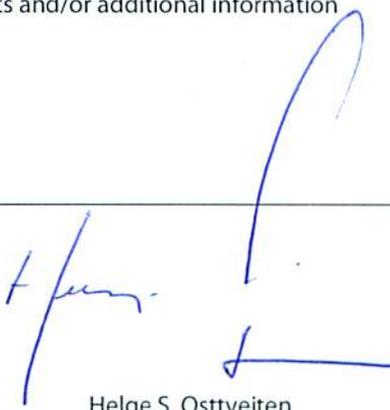
**Key recommendations:** Total = 4, high priority = 0

The audit did not result in any high (critical) priority recommendations. There are four medium (important) priority recommendations, which means, "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." These recommendations include actions to address the following: recovery of VAT included in project expenditure, lack of competitive procurement for a motor vehicle, weak controls over payment of poll workers and monitoring costs, and use and maintenance of motor vehicles not documented in logbooks.

The four recommendations aim to ensure the following: (a) reliability and integrity of financial and operational information (Recommendations 1 and 3); (b) compliance with legislative mandates, regulations and rules, policies and procedures (Recommendation 2); (c) Safeguarding of assets (Recommendation 4).

**Management comments and action plan**

The United Nations Resident Coordinator and 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.



Helge S. Osttveiten  
Director  
Office of Audit and Investigations

**UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)  
AUDIT REPORT**

**15 September 2015**

**COMBINED FINANCIAL, INTERNAL CONTROLS AND SYSTEMS  
AUDIT OF THE UNDP DIRECTLY IMPLEMENTED (DIM) PROJECT**

**Malawi Electoral Cycle Support**

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Project name:	Malawi Electoral Cycle Support
UNDP Country Office:	Malawi
Atlas Project IDs:	71929
Atlas Output numbers:	85180, 86778, 86779 and 86780
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January to 31 December 2014

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### Table of acronyms and abbreviations

<i>CDR</i>	<i>Combined Delivery Report</i>
<i>DIM</i>	<i>Direct Implementation Modality</i>
<i>GMS</i>	<i>General Management Services</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>ISA</i>	<i>International Standards on Auditing</i>
<i>NFI</i>	<i>Net Financial Impact</i>
<i>OAI</i>	<i>Office of Audit and Investigations</i>
<i>PNUD</i>	<i>Programme des Nations Unies pour le Développement</i>
<i>UNOPS</i>	<i>United Nations Office for Project Services</i>
<i>USD</i>	<i>United States Dollars</i>

## EXECUTIVE SUMMARY

Moore Stephens LLP conducted the combined financial and internal controls and systems audit of Malawi Electoral Cycle Support (Project ID no. 71929 and Output no's 85180, 86778, 86779 and 86780) (the project), directly implemented by UNDP Malawi for the year ended 31 December 2014. The audit was undertaken on behalf of UNDP, Office of Audit and Investigations (OAI).

We have issued audit opinions as summarised in the table below and as detailed in the next section:

<b>Statement of Expenditure</b>	Unqualified
<b>Statement of Fixed Assets</b>	Unqualified
<b>Statement of Cash Position</b>	Not applicable

We have assessed the project's internal controls and systems and found them to be **satisfactory**, which means 'Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited project'.

As a result of our audit, we have raised four audit findings with a net financial impact totalling \$16,564.19 as summarised below:

Audit area	Number of findings per priority rating		Financial impact
	High	Medium	US\$
Organization and Staffing	-	-	-
Programme & Project Management	-	-	-
Human Resources	-	-	-
Finance	-	1	16,564.19
Procurement	-	1	-
Asset Management	-	-	-
Cash Management	-	1	-
Information Systems	-	-	-
General Administration	-	1	-
Follow-up on Previous Audits	-	-	-
<b>Total</b>	-	<b>4</b>	<b>16,564.19</b>

Mark Henderson  
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15 September 2015

## THE AUDIT ENGAGEMENT

### Audit Objectives and Scope

#### **A: Financial Audit**

The objective of the financial audit was to express an opinion on the DIM project's financial statements which include:

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2014 and the funds utilization as at 31 December 2014 are fairly presented in accordance with UNDP accounting policies and that 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.
- Expressing an opinion on whether the statement of fixed assets presents fairly the balance of assets of the UNDP project, at cost value, as at 31 December 2014. This statement must include all assets available as at 31 December 2014 and not only those purchased in a given period. Where a DIM project does not have any assets or equipment, it will not be necessary to express such an opinion.
- Expressing an opinion on whether the statement of cash held by the project presents fairly the cash and bank balance of UNDP project as at 31 December 2014.

Opinions on each of the areas detailed above are given in the Audit Opinions section of this report.

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project between 1 January and 31 December 2014. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of "responsible parties", unless the inclusion of these expenses is specifically required in the request for proposal; and
- Expenses processed and approved in locations outside the country such as UNDP Regional Centres and UNDP Headquarters and where the supporting documentation is not retained at the level of the UNDP country office.

#### **B: Audit of Internal Controls and Systems**

Necessary audit steps are required to cover the project's internal controls and systems in order to assess:

- (a) Reliability and integrity of project financial and operational information;
- (b) Effectiveness and efficiency of project operations;
- (c) Safeguarding of project assets;
- (d) Compliance with legislative mandates, regulations and rules, policies and procedures, as well as donor agreements.

Internal controls with regard to the audited project in the following areas shall be assessed:

**(i) Organization and Staffing:** Assess the overall project structure for effective work flows and management arrangements, including assignment of authority, accountability and responsibility to staff.

**(ii) Programme and project management:** Assess the management aspects in terms of approval of the project, financial management of project funds, and monitoring of implementation towards achievement of project objectives. This includes reporting to the Steering Committee, Project Board and/or Donors.

**(iii) Human Resources:** Assess competitiveness and transparency of the recruitment process; and effectiveness of the management of project personnel, including contract administration, performance evaluation and payment of salaries and allowances.

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

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

**(vi) Asset Management:** Assess whether project assets are adequately recorded, safeguarded, monitored, including periodic physical verification of their use and existence.

**(vii) Cash Management:** Review the safeguarding of all cash (including bank accounts) held separately for the purposes of the project either in the UNDP country office or at the project field offices, including cash held as advances or imprest in any sub-office or field office.

**(viii) Information Systems:** Assess the efficiency and security of the information systems established and maintained from project funds and their adequacy to meet the management and reporting requirements of the projects.

**(ix) General Administration:** These include areas of operations not specifically covered above and for which expenses are charged to the project covering such areas as: travel of project staff, use and maintenance of project vehicles, lease and maintenance of office premises.

**(x) Follow up on previous audits:** To the extent feasible, assess the status of implementation of the previous audits' recommendations done within the last three years.

An overall rating for the internal controls and systems is given in the Executive Summary section of this report.

## AUDIT OPINIONS

### Independent Auditor's Report to UNDP - Malawi Electoral Cycle Support

#### Statement of Expenditure

#### Unqualified Opinion

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement totalling \$10,767,550.68 ("the statement") of the UNDP project 71929 'Malawi Electoral Cycle Support' for the period from 1 January to 31 December 2014. CDR expenditure totalling \$4,608,040.95, comprised of expenditure not processed or approved by UNDP Country Office Malawi, was not within the scope of our audit.

Management is responsible for the preparation of the statement for the 'Malawi Electoral Cycle Support Project' and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

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

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

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

#### **Unqualified Opinion**

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement presents fairly, in all material respects, the expenses of \$6,159,509.73 incurred by the project 'Malawi Electoral Cycle Support' for the period 1 January to 31 December 2014 in accordance with UNDP accounting policies and were i) in conformity with the approved budget; (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.



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15 September 2015

# Independent Auditor's Report to UNDP - Malawi Electoral Cycle Support

## Statement of Assets and Equipment

### Unqualified Opinion

We have audited the accompanying Statement of Fixed Assets ('the statement') of the UNDP project 71929 'Malawi Electoral Cycle Support' as at 31 December 2014.

Management is responsible for the preparation of the statement for 'Malawi Electoral Cycle Support' and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

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

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

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

#### **Unqualified Opinion**

In our opinion, the attached Statement of Assets presents fairly, in all material respects, the balance of inventory of the UNDP project 'Malawi Electoral Cycle Support', at cost value, amounting to \$80,989.68 as at 31 December 2014 in accordance with UNDP accounting policies.



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15 September 2015

## Independent Auditor's Report to UNDP - Malawi Electoral Cycle Support

### Statement of Cash Position

We noted that the UNDP project 'Malawi Electoral Cycle Support' did not have a dedicated bank account for DIM project activities subject to audit and accordingly a Statement of Cash Position was not produced.

## MANAGEMENT LETTER

The findings related to the audit of the financial statements are discussed in our management letter below:

### **Organization and Staffing**

Malawi Electoral Cycle Support (MEC) has overall responsibility for the organisation and conduct of elections in Malawi. The Project is structured to provide international assistance so as to strengthen MEC's technical and operational capacity, while also promoting its self-sustainability. In addressing this principle, the Project deploys technical advisors and contracts international short term experts to assist in specific areas of the electoral cycle, as required.

The Project is also supported by several "Project Support Staff" as provided for in the signed Project Document 2013 – 2016, including the Basket Fund Manager; Finance Associate; Administrative Assistant; and other Country Office staff drawn from existing resources. Finally, the Project Technical Advisor positions include the Senior Elections Advisor (SEA); Legal Advisor; ICT Advisor; Procurement Advisor; Operations and Logistics Advisor; External Liaison and Outreach Advisor; and Short Term Consultancies.

The responsibility of managing the Technical Advisors Team and Project Management Unit (PMU) rests with the SEA. The overall implementation of the project is the responsibility of UNDP Country Office Malawi.

Whilst the Project structure was adequate for project management, the structure for project implementation was complex, as activities are carried out in collaboration with MEC and various other Government Institutions across the country relevant for the organisation and conduct of elections in Malawi.

### **Programme and Project Management**

The key objective of programme and project management related to compliance with the signed Project Document – Malawi Electoral Cycle Support 2013 - 2016, Basket fund donor agreements, work plans and budgets. The review of the quarterly progress project reports (financial and narratives) indicated that programme activities were executed in accordance with the aforementioned stated documents.

### **Human Resources**

The Project's Human Resources requirements were managed by the UNDP Country Office Malawi's Human Resources Department with sufficient capacity. The Project followed UNDP guidelines for all HR processes such as recruitment, contract management, performance appraisal and payroll management.

The Project payroll was managed by UNDP using Atlas. However, as per the terms of reference, only the payroll cost for local project staff was considered and verified during the audit in the year under review and salaries were paid in accordance with signed employment contracts. The payroll cost for technical advisors and international staff was outside the scope of the audit engagement. The Project maintained staff records with the UNDP Country Human Resource Department.

### **Finance**

The financial management of the Project was guided, coordinated and administered by UNDP Country Office Malawi in accordance with the UNDP Financial Regulations and Rules; Operational Guide to the UNDP Internal Control Framework; UNDP Programme and Operations Policies and Procedures (POPP); and other relevant UNDP corporate procedures for the management of a Basket Fund.

The procedures required that technical and financial reports were presented to the key stakeholders at regular intervals throughout the duration of the Project. The Fund was managed by the Basket Fund Manager under the supervision of the Deputy Resident Representative – Programmes (DRR (P)) and UNDP SEA. The Project made use of UNDP's Atlas accounting system for its finance and accounting requirements. The financial management of the project was found to be satisfactory,

however, during the review process we noted one financial finding relating to VAT, the details of which are provided below:

<b>Finding n°: 1</b>	Title: Recoverable VAT included in project expenditure
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**Observation:**

The United Nations Development Programme Procurement Support Office manual provides that "UNDP, as a subsidiary organ of the United Nations, is exempt from direct taxes such as income tax, and is entitled to reimbursement of indirect taxes, such as sales tax and VAT, on purchases. This is derived from the Convention on the Privileges and Immunities of the United Nations, adopted by the General Assembly in 1946 (General Convention), Sections 7 and 8, respectively."

We found that certain costs were reported gross of VAT in the Statement of Expenses/Combined Delivery Report.

The table below provides details of the transactions identified on which VAT was incurred as cost and not claimed back from appropriate authority.

Transaction Reference	Transaction Date	Invoice Amount (US\$)	Description	VAT (US\$)
56143	26/06/2014	63,662.64	ICT Vendor	9,016.60
57125	11/02/2014	53,290.55	ICT Vendor	7,547.59
<b>Total</b>				<b>16,564.19</b>

**Priority:** Medium

**Recommendation:**

The Project Management should ensure that all project expenditure is recorded net of VAT in both the accounting system and the project reports, and that a timely recovery of the associated VAT is obtained from the appropriate relevant Government Authority.

**Management comments:**

This observation was well received during the closing meeting. It was an error and UNDP has already taken corrective action on this Purchase Order in regards to VAT reimbursement. UNDP further commented that they had experience challenges with MRA on VAT reimbursements and that none had been received since January 2014. A submission relating to the above amount was made to MRA on 26 August 2015, which will be credited back to the Project once it has been reimbursed.

**Auditors response:**

While action has been taken to ensure that the funds are reimbursed to the project, no control has been implemented to prevent this situation arising in the future. Consequently our finding remains unchanged.

**Ownership of Recommendation:** Deputy Resident Representative (Operations)

**Target implementation date:** 31 October 2015

**Procurement**

The Project uses UNDP Procurement Support Office (PSO) guidelines for its procurement requirements. The guidelines require the Project to give due consideration to the following general principles while executing its procurements: Best Value for Money; Fairness, Integrity, Transparency; Effective International Competition; and the Interest of UNDP.

The review of procurement processes confirmed that the established procurement thresholds were adhered to. The tendering process, decisions on tender reviews and procurements awards were also clearly documented and filed, and the contract awards made to the successful bidder. However, during the review process of procurement, we noted two internal control findings, the details of which are provided below:

<b>Finding n°: 2</b>	<b>Title: Uncompetitive procurement of motor vehicle</b>
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**Observation:**

As per the United Nations Development Programme Procurement Support Office manual, the following general principles must be given due consideration while executing procurement on behalf of the organization:

- Best Value for Money
- Fairness, Integrity, Transparency
- Effective International Competition
- The Interest of UNDP

However, we noted during our audit field work that a motor vehicle Reg No 100CD7 Ford Everest was purchased from a vehicle supplier for US\$ 28,224.00 without a competitive bidding process. It should be noted that, in this instance, no financial finding has been included as subsequent audit work and discussions indicated that the cost of the vehicle was reasonable and represented value for money, despite the procurement procedure not being followed.

**Priority:** Medium

**Recommendation:**

We recommend that all procurements should be carried out in accordance with the applicable procurement regulations and that any deviations should be justified in writing.

**Management comments:**

We agree on this issue even if it took place in 2013 and therefore outside the period of audit. Some documentation was not in procurement file but project file and is now provided. Three suppliers were approached for quotation however one did not have right hand drive cars as used in Malawi. Therefore out of two other quotations the cheapest car was Ford and additional justification in a note for the file was prepared. This was approved by DRR/P, as per additional documentation provided.

**Auditors' response:**

This finding still stands, as the further documentation provided did not include a bid comparison and evaluation as evidence of competitive process. Furthermore, while the procurement was outside the audit period, it was however identified during the course of our review at which time we felt it was necessary to include an Internal Control Finding to ensure that the systems were updated to prevent a similar situation arising in the future.

**Ownership of Recommendation:** Deputy Resident Representative (Operations)

**Target implementation date:** 30 September 2015

**Asset Management**

The UNDP guidelines on asset management were followed and the Project assets were maintained in the Atlas computerised accounting system by a designated fixed asset focal person tasked with the responsibility of asset management. While the assets did not comprise a significant amount of the

project expenses, they were each tagged with a unique number for ease of identification and traceability, and physical inventory checks for movable and immovable assets were conducted on a semi-annual basis.

### Cash Management

The Project did not maintain a dedicated bank account for its operations; instead disbursements made were financed from the regular Country Office bank account. In terms of bank signatories, the Project applied a dual panel signing system. There was no petty cash or funds advanced to partner organisations or field offices. We noted one internal control finding, the details of which are provided below:

<b>Finding n°:</b> 3	<b>Title:</b> Weak controls over payment of poll workers/monitoring costs
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#### Observation:

Best practice in cash management calls for the performing of independent checks through reconciliations that are periodically validated and approved by the responsible personnel.

We noted that for 14 transactions, totalling \$ 4,389,878.56, that there was no evidence of appropriately checked and approved reconciliations between poll workers registered and those to whom payments were ultimately made by the bank. This poses a risk of erroneous payments being made and does not reflect best management practices.

**Priority:** Medium

#### Recommendation:

We recommend that all Project disbursements should be supported by checked and approved reconciliations between "MEC/UNDP approved and signed lists of registered poll workers" and "Bank Official Electronic Cash Disbursement list of poll workers paid out."

#### Management comments:

The approval for the allocation and payment of the honoraria was exceptionally approved through the Steering Committee, using the savings from the procurement. Under the protocol, Standard Bank was contracted as a service provider to verify account details and make the payments via electronic fund transfer (EFT).

Prepayment records were received from the MEC (Malawi Electoral Commission). However, for the main data set, MEC (Malawi Electoral Commission) was not able to fulfill its obligations under the agreement ahead of the polls due to competing operational challenges with the final production of the voters register in the run up to the elections. As a result, post elections, MEC collected the poll worker data in a staggered manner. MEC was responsible for providing the data, while the UNDP Operations Adviser dedicated full time to receive and monitor the data that was being provided by the MEC and to facilitate the transfer of records from MEC to Standard Bank and to revert back to the MEC with any errors. Due to the size of the data, USB Flash Disks were used to facilitate transfer of the data.

It was also notable that the MEC had no mechanism by which to verify the accuracy of account details submitted by poll workers. As such, when Standard Bank received a data batch, it was required to verify the account name and number for payment as well as to provide a secondary check for any duplicates. Moreover, to achieve this it was responsible for liaising and transferring data to other banks so they could make account verifications and payments and to report back on errors for correction. Because of these operating parameters, while a batch of data with a known amount of payments was able to be provided to the bank, it nevertheless meant that with errors, there was not going to be an exact match of transfers from UNDP to Standard Bank against payments. It was therefore put in place that Standard Bank would provide a master reconciliation of the files.

Due to the ongoing challenges that occurred with data accuracy and the amount of time that it

was taking for the MEC to review and correct errors, the EFT process was concluded in September 2014 after the elections and a physical process of cash distribution was undertaken to complete the process. This allowed the MEC to consolidate its records at the district level, allow for claims to be made by poll workers, and for allowances to be distributed as cash by Standard Bank using the security firm G4S. Records submitted in this process were cross referenced against the successful electronic payments for verification prior to submission by MEC, and then again checked by UNDP. Standard Bank was then required to provide a reconciliation of the payments made based on the physical records at distribution, and provided to the UNDP CO as part of the reconciliation and tracking process.

Furthermore, the poll workers payment process had not been complete by December 2014 as the project continues in 2015 and could not therefore have been fully reconciled in 2014, the reconciliation is taking place presently in 2015. This process was claim driven and MEC was receiving still many claims in 2015. After Standard Bank provided a full list of reconciliation records for payments made and rejected during the EFT in September 2014. The cash distribution process adopted in October 2014 was undertaken in two rounds: over November to December 2014 and March to April 2015. The MEC prepared records for workers that were not successfully paid by EFT. As well, any individuals listed as having been paid, were provided the opportunity to make a written claim in the field. Between rounds, claims were subject to verification by the bank if a matching record was found in the reconciliation records. Final reconciliation was not possible as a progressive exercise given the claim identification and processing approach that was necessary.

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**Auditors' response:**

We note the comments provided by management, and accept that a final full reconciliation was not possible due to the ongoing nature of the payments. However, interim reconciliations of the payments made to date should have been undertaken and evidenced as such. Consequently our finding remains unchanged.

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**Ownership of Recommendation:** Deputy Resident Representative (Operations)

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**Target implementation date:** 30 November 2015

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**Information Systems**

The Project's IT needs were met by the use of the UNDP computerised accounting package Atlas, which was utilised for both its accounting and payroll requirements. Back-ups of the Project information were routinely undertaken and stored both on and offsite.

**General Administration**

The Project manages staff travel in accordance with the UN Staff Rules and regulations. UN Daily Subsistence Allowance (DSA) rates are also used as guidelines for travel allowances. Usage of project vehicles is guided by Vehicle Management Guidelines for the Use of Project Vehicles – PPM3042 3.0. However, during the review process, we noted one internal control audit finding, the details of which are provided below:

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<b>Finding n°:</b> 4
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<b>Title:</b> Usage and maintenance of motor vehicles not detailed
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**Observation:**

We noted that there was inadequate control over the usage and maintenance of motor vehicles in the absence of log books. Due to non-availability of documents such as vehicle log books, we were unable to review vehicle controls and assess whether they were exclusively used for the project activities as set out in the Vehicle Management Guidelines for the use of Project vehicles – PPM3042 3.0.

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**Priority:** Medium

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**Recommendation:**

We recommend that procedures such as the maintenance of vehicle daily log books to record each trip are established so that fuel and usage of motor vehicles is monitored and appropriately authorised by the relevant person.

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**Management comments:**

UNDP established various controls in regards to fuel control: each vehicle has a separate card for fuel and the supplier invoices identify vehicles and fuel consumption which can be easily monitored. However we take note of this recommendation and log books were already supplied to two Project staff and clear instructions given.

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**Auditors Response:**

Our finding remains unchanged as no evidence was provided to indicate that the logbook system was in place during the implementation period.

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**Ownership of Recommendation:** Deputy Resident Representative (Operations)

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**Target implementation date:** 30 September 2015

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**Follow up on Previous Audits**

There was no previous audit of this Project.



Mark Henderson  
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15 September 2015

## **Annexes**

### **Annex 1: Combined Delivery Report**



Combined Delivery Report By Project

UN Development Programme
Report ID: unglcdrp

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Selection Criteria :

Business Unit : MWI10
Period : Jan-Dec (2014)
Selected Project Id : 00071929
Selected Fund Code : ALL
Selected Dept. IDs : B0350
Selected Outputs : ALL

Table with 4 columns: Project Id, Output #, Period, Impl. Partner, Location, and Total Exp. Row 1: 00071929 Malawi Electoral Cycle Support, 00085180 MEC Electoral Policy Framework, Jan-Dec (2014), 99999 UNDP, RES. REP' OFFICE.

Dept: 35001 (Malawi - Central)

Fund : 30000 (PROGRAMME COST SHARING)

76110 - Foreign Exch Translation Loss 0.00 2,731.55 0.00 2,731.55

Total for Fund 30000 0.00 2,731.55 0.00 2,731.55

Fund : 30071 (Programme Cost Sharing GOV1)

74599 - UNDP cost recovery chrgs-Bills 0.00 648.30 0.00 648.30

75105 - Facilities & Admin - Implement 0.00 19.45 0.00 19.45

Total for Fund 30071 0.00 667.75 0.00 667.75

Total for Dept : 35001 0.00 3,399.30 0.00 3,399.30

Dept: 35004 (Malawi - Dem. Governance)

Fund : 30000 (PROGRAMME COST SHARING)

63520 - Personal Security Measures 0.00 7,010.24 0.00 7,010.24

71305 - Local Consult.-Sht Term-Tech 0.00 21,000.00 0.00 21,000.00

71620 - Daily Subsistence Allow-Local 0.00 1,053.14 0.00 1,053.14

72425 - Mobile Telephone Charges 0.00 225.58 0.00 225.58

74525 - Sundry 0.00 96.38 0.00 96.38

75105 - Facilities & Admin - Implement 0.00 12,875.02 0.00 12,875.02

76125 - Realized Loss 0.00 6.76 0.00 6.76

76135 - Realized Gain 0.00 -86.54 0.00 -86.54

77305 - Salaries - IP Staff-TA 0.00 72,396.29 0.00 72,396.29

77307 - Appoint-Sub Allow-IP Staff-TA 0.00 6,690.00 0.00 6,690.00

77310 - Post Adjustment - IP Staff-TA 0.00 27,947.18 0.00 27,947.18

77315 - Contrib-Med,SocIns-IP Staff-TA 0.00 1,463.81 0.00 1,463.81

77320 - Assg hardship & mob allow-TA 0.00 12,743.28 0.00 12,743.28

77357 - Repat. Grt/Comm Ann Lv-IP-TA 0.00 3,198.10 0.00 3,198.10

77375 - Contrib-Jt Staff Pens Fd-IP-TA 0.00 22,533.94 0.00 22,533.94

77385 - Contribution to Security 0.00 4,490.48 0.00 4,490.48

77386 - Contribution to ICT\_TA 0.00 1,505.14 0.00 1,505.14

77395 - MAIP Premium TA/IP 0.00 501.70 0.00 501.70

77396 - PAYROLL MGT COST RECOVERY 0.00 772.56 0.00 772.56

77397 - Appendix D TA/IP 0.00 301.05 0.00 301.05

Total for Fund 30000 0.00 196,724.11 0.00 196,724.11

Fund : 30071 (Programme Cost Sharing GOV1)

71305 - Local Consult.-Sht Term-Tech 0.00 14,000.00 0.00 14,000.00



**Combined Delivery Report By Project**

<b>Project Id : 00071929 Malawi Electoral Cycle Support</b>	<b>Period :</b>	<b>Jan-Dec (2014)</b>
<b>Output # : 00085180 MEC Electoral Policy Framework</b>	<b>Impl. Partner :</b>	<b>99999 UNDP</b>
	<b>Location :</b>	<b>RES. REP' OFFICE</b>

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
71605 - Travel Tickets-International	0.00	239.88	0.00	239.88
71620 - Daily Subsistence Allow-Local	0.00	9,423.69	0.00	9,423.69
72425 - Mobile Telephone Charges	0.00	36.16	0.00	36.16
72505 - Stationery & other Office Supp	0.00	18.72	0.00	18.72
72510 - Publications	0.00	1,450.86	0.00	1,450.86
74115 - Legal Fees	0.00	7.75	0.00	7.75
75105 - Facilities & Admin - Implement	0.00	755.32	0.00	755.32
76125 - Realized Loss	0.00	0.70	0.00	0.70
76135 - Realized Gain	0.00	- 32.13	0.00	- 32.13
<b>Total for Fund 30071</b>	<b>0.00</b>	<b>25,900.95</b>	<b>0.00</b>	<b>25,900.95</b>
<b>Total for Dept : 35004</b>	<b>0.00</b>	<b>222,625.06</b>	<b>0.00</b>	<b>222,625.06</b>
<b>Total for Output : 00085180</b>	<b>0.00</b>	<b>226,024.36</b>	<b>0.00</b>	<b>226,024.36</b>

<b>Output # : 00086778 MEC Institutional Capacity</b>	<b>Impl. Partner :</b>	<b>99999 UNDP</b>
	<b>Location :</b>	<b>RES. REP' OFFICE</b>

Dept: 35001 (Malawi - Central)

Fund : 30000 (PROGRAMME COST SHARING)

76110 - Foreign Exch Translation Loss	0.00	6,373.61	0.00	6,373.61
<b>Total for Fund 30000</b>	<b>0.00</b>	<b>6,373.61</b>	<b>0.00</b>	<b>6,373.61</b>

Fund : 30071 (Programme Cost Sharing GOV1)

74599 - UNDP cost recovery chrgs-Bills	0.00	1,339.82	0.00	1,339.82
75105 - Facilities & Admin - Implement	0.00	40.19	0.00	40.19
<b>Total for Fund 30071</b>	<b>0.00</b>	<b>1,380.01</b>	<b>0.00</b>	<b>1,380.01</b>

**Total for Dept : 35001 0.00 7,753.62 0.00 7,753.62**

Dept: 35004 (Malawi - Dem. Governance)

Fund : 30000 (PROGRAMME COST SHARING)

61305 - Salaries - IP Staff	0.00	76,824.42	0.00	76,824.42
61310 - Post Adjustment - IP Staff	0.00	29,663.77	0.00	29,663.77
62305 - Dependency Allowances-IP Staff	0.00	2,909.32	0.00	2,909.32
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	24,111.92	0.00	24,111.92
62315 - Contrib. to medical, social in	0.00	1,217.15	0.00	1,217.15
62320 - Mobility, Hardship, Non-remova	0.00	15,376.21	0.00	15,376.21
62340 - Annual Leave Expense - IP	0.00	- 6,524.21	0.00	- 6,524.21
63335 - Home Leave Trvl & Allow-IP Stf	0.00	5,550.00	0.00	5,550.00
63520 - Personal Security Measures	0.00	3,688.04	0.00	3,688.04
63530 - Contribution to EOS Benefits	0.00	3,993.32	0.00	3,993.32



## Combined Delivery Report By Project

Project Id : 00071929 Malawi Electoral Cycle Support		Period :	Jan-Dec (2014)	
Output # : 00086778 MEC Institutional Capacity		Impl. Partner :	99999 UNDP	
		Location :	RES. REP' OFFICE	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
63535 - Contribution to Security	0.00	4,791.97	0.00	4,791.97
63540 - Contribution to Training	0.00	1,277.87	0.00	1,277.87
63545 - Contribution to ICT	0.00	1,597.35	0.00	1,597.35
63550 - Contributions to MAIP	0.00	532.44	0.00	532.44
63555 - Contribution to UN JFA	0.00	2,449.24	0.00	2,449.24
63560 - Contributions to Appendix D	0.00	319.48	0.00	319.48
64306 - Appointment-Ticket Costs	0.00	6,064.32	0.00	6,064.32
64307 - Appointment-Subsistence Allow	0.00	13,380.00	0.00	13,380.00
64308 - Appointments-Lump Sum	0.00	8,877.54	0.00	8,877.54
64309 - Appointment-Shipments	0.00	16,156.00	0.00	16,156.00
65115 - Contributions to ASHI Reserve	0.00	8,518.98	0.00	8,518.98
65135 - Payroll Mgt Cost Recovery ATLA	0.00	772.56	0.00	772.56
71605 - Travel Tickets-International	0.00	12,021.81	0.00	12,021.81
71620 - Daily Subsistence Allow-Local	0.00	9,972.54	0.00	9,972.54
72125 - Svc Co-Studies & Research Serv	0.00	144,210.00	0.00	144,210.00
72399 - Other Materials and Goods	0.00	266,349.60	0.00	266,349.60
72415 - Courier Charges	0.00	31.75	0.00	31.75
72425 - Mobile Telephone Charges	0.00	803.65	0.00	803.65
72805 - Acquis of Computer Hardware	0.00	625.80	0.00	625.80
75105 - Facilities & Admin - Implement	0.00	58,017.64	0.00	58,017.64
75705 - Learning costs	0.00	2,338.46	0.00	2,338.46
75706 - Learning - ticket costs	0.00	2,274.79	0.00	2,274.79
75707 - Learning - subsistence allowan	0.00	662.00	0.00	662.00
76125 - Realized Loss	0.00	11.16	0.00	11.16
76135 - Realized Gain	0.00	-2,500.97	0.00	-2,500.97
77305 - Salaries - IP Staff-TA	0.00	81,028.99	0.00	81,028.99
77310 - Post Adjustment - IP Staff-TA	0.00	31,287.20	0.00	31,287.20
77315 - Contrib-Med,SocIncs-IP Staff-TA	0.00	1,235.02	0.00	1,235.02
77320 - Assg hardship & mob allow-TA	0.00	12,780.00	0.00	12,780.00
77357 - Repat. Grt/Comm Ann Lv-IP-TA	0.00	7,665.21	0.00	7,665.21
77375 - Contrib-Jt Staff Pens Fd-IP-TA	0.00	25,578.64	0.00	25,578.64
77385 - Contribution to Security	0.00	5,054.24	0.00	5,054.24
77386 - Contribution to ICT_TA	0.00	1,684.74	0.00	1,684.74
77395 - MAIP Premium TA/IP	0.00	561.56	0.00	561.56
77396 - PAYROLL MGT COST RECOVERY	0.00	772.56	0.00	772.56
77397 - Appendix D TA/IP	0.00	336.94	0.00	336.94
<b>Total for Fund 30000</b>	<b>0.00</b>	<b>884,351.02</b>	<b>0.00</b>	<b>884,351.02</b>
<b>Fund : 30071 (Programme Cost Sharing GOV1)</b>				
63520 - Personal Security Measures	0.00	599.89	0.00	599.89
71305 - Local Consult.-Sht Term-Tech	0.00	67,653.99	0.00	67,653.99
71620 - Daily Subsistence Allow-Local	0.00	6,303.62	0.00	6,303.62
75105 - Facilities & Admin - Implement	0.00	2,236.73	0.00	2,236.73
76125 - Realized Loss	0.00	0.02	0.00	0.02
76135 - Realized Gain	0.00	-43.68	0.00	-43.68
<b>Total for Fund 30071</b>	<b>0.00</b>	<b>76,750.57</b>	<b>0.00</b>	<b>76,750.57</b>
<b>Total for Dept : 35004</b>	<b>0.00</b>	<b>961,101.59</b>	<b>0.00</b>	<b>961,101.59</b>
<b>Dept: 35014 (Malawi - General Services)</b>				



**Combined Delivery Report By Project**

<b>Project Id :</b> 00071929 Malawi Electoral Cycle Support	<b>Period :</b> Jan-Dec (2014)
<b>Output # :</b> 00086778 MEC Institutional Capacity	<b>Impl. Partner :</b> 99999 UNDP
	<b>Location :</b> RES. REP' OFFICE
	<b>Govt Exp</b> <b>UNDP Exp</b> <b>UN Agencies Exp</b> <b>Total Exp</b>

**Fund : 30000 (PROGRAMME COST SHARING)**

71620 - Daily Subsistence Allow-Local	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 : 35014</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total for Output : 00086778</b>	<b>0.00</b>	<b>968,855.21</b>	<b>0.00</b>	<b>968,855.21</b>

<b>Output # :</b> 00086779 MEC Organization Mgmt	<b>Impl. Partner :</b> 99999 UNDP
	<b>Location :</b> RES. REP' OFFICE

**Dept: 35001 (Malawi - Central)**

**Fund : 04000 (Core Programme, UNU Centre)**

74599 - UNDP cost recovery chrgs-Bills	0.00	2,117.78	0.00	2,117.78
<b>Total for Fund 04000</b>	<b>0.00</b>	<b>2,117.78</b>	<b>0.00</b>	<b>2,117.78</b>

**Fund : 30000 (PROGRAMME COST SHARING)**

76110 - Foreign Exch Translation Loss	0.00	9,105.18	0.00	9,105.18
<b>Total for Fund 30000</b>	<b>0.00</b>	<b>9,105.18</b>	<b>0.00</b>	<b>9,105.18</b>

**Fund : 30079 (EUROPEAN COMMISSION)**

74599 - UNDP cost recovery chrgs-Bills	0.00	1,750.41	0.00	1,750.41
75105 - Facilities & Admin - Implement	0.00	122.53	0.00	122.53
<b>Total for Fund 30079</b>	<b>0.00</b>	<b>1,872.94</b>	<b>0.00</b>	<b>1,872.94</b>

<b>Total for Dept : 35001</b>	<b>0.00</b>	<b>13,095.90</b>	<b>0.00</b>	<b>13,095.90</b>
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**Dept: 35004 (Malawi - Dem. Governance)**

**Fund : 04000 (Core Programme, UNU Centre)**

71405 - Service Contracts-Individuals	0.00	- 55.70	0.00	- 55.70
71620 - Daily Subsistence Allow-Local	0.00	3,815.73	0.00	3,815.73
72311 - Fuel, petroleum and other oils	0.00	441.02	0.00	441.02
72399 - Other Materials and Goods	0.00	69,960.86	0.00	69,960.86
72415 - Courier Charges	0.00	3,999.35	0.00	3,999.35
72430 - Postage and Pouch	0.00	285.53	0.00	285.53
72510 - Publications	0.00	761.94	0.00	761.94
73410 - Maint, Oper of Transport Equip	0.00	16.80	0.00	16.80
75705 - Learning costs	0.00	52,738.48	0.00	52,738.48



**Combined Delivery Report By Project**

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Project id : 00071929 Malawi Electoral Cycle Support		Period : Jan-Dec (2014)		
Output # : 00086779 MEC Organization Mgmt		Impl. Partner : 99999 UNDP		
		Location : RES. REP' OFFICE		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
75707 - Learning – subsistence allowan	0.00	638.47	0.00	638.47
76135 - Realized Gain	0.00	- 14.62	0.00	- 14.62
<b>Total for Fund 04000</b>	<b>0.00</b>	<b>132,587.86</b>	<b>0.00</b>	<b>132,587.86</b>
<b>Fund : 30000 (PROGRAMME COST SHARING)</b>				
71405 - Service Contracts-Individuals	0.00	3,011,191.81	0.00	3,011,191.81
71605 - Travel Tickets-International	0.00	704.08	0.00	704.08
71615 - Daily Subsistence Allow-Intl	0.00	3,162.92	0.00	3,162.92
71620 - Daily Subsistence Allow-Local	0.00	22,146.02	0.00	22,146.02
71635 - Travel - Other	0.00	76.00	0.00	76.00
72105 - Svc Co-Construction & Engineer	0.00	73,237.05	0.00	73,237.05
72125 - Svc Co-Studies & Research Serv	0.00	7,288.87	0.00	7,288.87
72311 - Fuel, petroleum and other oils	0.00	4,353.44	0.00	4,353.44
72399 - Other Materials and Goods	0.00	25,135.39	0.00	25,135.39
72405 - Acquisition of Communic Equip	0.00	200,937.45	0.00	200,937.45
72445 - Common Services-Communications	0.00	50,930.11	0.00	50,930.11
72505 - Stationery & other Office Supp	0.00	25,739.00	0.00	25,739.00
72510 - Publications	0.00	219.86	0.00	219.86
72515 - Print Media	0.00	1,657.01	0.00	1,657.01
72810 - Acquis of Computer Software	0.00	2,060.00	0.00	2,060.00
72815 - Inform Technology Supplies	0.00	4,475.05	0.00	4,475.05
73115 - Moving Expenses	0.00	321,204.62	0.00	321,204.62
73310 - Maint & Licencing of Software	0.00	12,732.53	0.00	12,732.53
74510 - Bank Charges	0.00	973.34	0.00	973.34
74515 - Claims and Adjustments	0.00	59,367.09	0.00	59,367.09
75105 - Facilities & Admin - Implement	0.00	268,588.42	0.00	268,588.42
75110 - Facilities & Admin - Services	0.00	14,903.04	0.00	14,903.04
75707 - Learning – subsistence allowan	0.00	810.95	0.00	810.95
76125 - Realized Loss	0.00	34.33	0.00	34.33
76135 - Realized Gain	0.00	- 5,298.10	0.00	- 5,298.10
77630 - Dep Exp Owned - ITC	0.00	8,574.86	0.00	8,574.86
<b>Total for Fund 30000</b>	<b>0.00</b>	<b>4,115,205.14</b>	<b>0.00</b>	<b>4,115,205.14</b>
<b>Fund : 30071 (Programme Cost Sharing GOV1)</b>				
71405 - Service Contracts-Individuals	0.00	238,686.52	0.00	238,686.52
75105 - Facilities & Admin - Implement	0.00	7,160.60	0.00	7,160.60
<b>Total for Fund 30071</b>	<b>0.00</b>	<b>245,847.12</b>	<b>0.00</b>	<b>245,847.12</b>
<b>Fund : 30079 (EUROPEAN COMMISSION)</b>				
71405 - Service Contracts-Individuals	0.00	1,714,110.37	0.00	1,714,110.37
71605 - Travel Tickets-International	0.00	8,543.97	0.00	8,543.97
71615 - Daily Subsistence Allow-Intl	0.00	8,725.56	0.00	8,725.56
71620 - Daily Subsistence Allow-Local	0.00	6,080.46	0.00	6,080.46
71635 - Travel - Other	0.00	152.00	0.00	152.00
72125 - Svc Co-Studies & Research Serv	0.00	225,180.31	0.00	225,180.31
72311 - Fuel, petroleum and other oils	0.00	4,040.95	0.00	4,040.95
72399 - Other Materials and Goods	0.00	2,567,530.73	0.00	2,567,530.73
73115 - Moving Expenses	0.00	16,545.38	0.00	16,545.38



**Combined Delivery Report By Project**

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Project Id : 00071929 Malawi Electoral Cycle Support	Period :	Jan-Dec (2014)
Output # : 00086779 MEC Organization Mgmt	Impl. Partner :	99999 UNDP
	Location :	RES. REP' OFFICE

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
73410 - Maint, Oper of Transport Equip	0.00	30.00	0.00	30.00
75105 - Facilities & Admin - Implement	0.00	318,565.78	0.00	318,565.78
<b>Total for Fund 30079</b>	<b>0.00</b>	<b>4,869,505.51</b>	<b>0.00</b>	<b>4,869,505.51</b>
<b>Total for Dept : 35004</b>	<b>0.00</b>	<b>9,363,145.63</b>	<b>0.00</b>	<b>9,363,145.63</b>
Dept: 35009 (Malawi - Service Center)				
Fund : 30000 (PROGRAMME COST SHARING)				
71405 - Service Contracts-Individuals	0.00	-389,378.93	0.00	-389,378.93
75105 - Facilities & Admin - Implement	0.00	-27,256.53	0.00	-27,256.53
<b>Total for Fund 30000</b>	<b>0.00</b>	<b>-416,635.46</b>	<b>0.00</b>	<b>-416,635.46</b>
<b>Total for Dept : 35009</b>	<b>0.00</b>	<b>-416,635.46</b>	<b>0.00</b>	<b>-416,635.46</b>
Dept: 35014 (Malawi - General Services)				
Fund : 30000 (PROGRAMME COST SHARING)				
71405 - Service Contracts-Individuals	0.00	50.80	0.00	50.80
75105 - Facilities & Admin - Implement	0.00	3.56	0.00	3.56
<b>Total for Fund 30000</b>	<b>0.00</b>	<b>54.36</b>	<b>0.00</b>	<b>54.36</b>
<b>Total for Dept : 35014</b>	<b>0.00</b>	<b>54.36</b>	<b>0.00</b>	<b>54.36</b>
<b>Total for Output : 00086779</b>	<b>0.00</b>	<b>8,959,660.43</b>	<b>0.00</b>	<b>8,959,660.43</b>

Output # : 00086780 MEC Project Management	Impl. Partner :	99999 UNDP
	Location :	RES. REP' OFFICE

Dept: 35001 (Malawi - Central)				
Fund : 04000 (Core Programme, UNU Centre)				
74599 - UNDP cost recovery chrgs-Bills	0.00	1,792.10	0.00	1,792.10
<b>Total for Fund 04000</b>	<b>0.00</b>	<b>1,792.10</b>	<b>0.00</b>	<b>1,792.10</b>
<b>Total for Dept : 35001</b>	<b>0.00</b>	<b>1,792.10</b>	<b>0.00</b>	<b>1,792.10</b>
Dept: 35002 (Malawi - UN Dev Coord)				
Fund : 04000 (Core Programme, UNU Centre)				



**Combined Delivery Report By Project**

Project Id : 00071929 Malawi Electoral Cycle Support		Period : Jan-Dec (2014)		
Output # : 00086780 MEC Project Management		Impl. Partner : 99999 UNDP		
		Location : RES. REP' OFFICE		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
75707 - Learning – subsistence allowan	0.00	223.00	0.00	223.00
<b>Total for Fund 04000</b>	<b>0.00</b>	<b>223.00</b>	<b>0.00</b>	<b>223.00</b>
<b>Total for Dept : 35002</b>	<b>0.00</b>	<b>223.00</b>	<b>0.00</b>	<b>223.00</b>
<b>Dept: 35004 (Malawi - Dem. Governance)</b>				
<b>Fund : 04000 (Core Programme, UNU Centre)</b>				
33001 - Change(s) in accounting policy	0.00	8,462.02	0.00	8,462.02
61105 - Salaries - NP Staff	0.00	22,765.06	0.00	22,765.06
61205 - Salaries - GS Staff	0.00	13,597.15	0.00	13,597.15
62110 - Contrib Joint Staff Pension-NP	0.00	3,623.22	0.00	3,623.22
62115 - Contrib to Med,Soclns-NP Staff	0.00	704.08	0.00	704.08
62140 - Annual Leave Expense - NO	0.00	1,939.45	0.00	1,939.45
62205 - Dependency Allow - GS Staff	0.00	242.33	0.00	242.33
62210 - Contrib to Jt Staff Pens Fd-GS	0.00	2,652.07	0.00	2,652.07
62215 - Contrib. to Medical, social In	0.00	508.19	0.00	508.19
62240 - Annual Leave Expense - GS	0.00	1,099.08	0.00	1,099.08
63205 - Compensatory Payments-GS Staff	0.00	3,125.97	0.00	3,125.97
63520 - Personal Security Measures	0.00	5,495.18	0.00	5,495.18
63530 - Contribution to EOS Benefits	0.00	1,361.56	0.00	1,361.56
63535 - Contribution to Security	0.00	2,328.06	0.00	2,328.06
63545 - Contribution to ICT	0.00	544.65	0.00	544.65
63550 - Contributions to MAIP	0.00	181.55	0.00	181.55
63555 - Contribution to UN JFA	0.00	835.11	0.00	835.11
63560 - Contributions to Appendix D	0.00	108.91	0.00	108.91
65115 - Contributions to ASHI Reserve	0.00	2,904.74	0.00	2,904.74
65135 - Payroll Mgt Cost Recovery ATLA	0.00	470.61	0.00	470.61
66105 - Overtime & Night Differential	0.00	179.23	0.00	179.23
71405 - Service Contracts-Individuals	0.00	8,876.39	0.00	8,876.39
71410 - MAIP Premium SC	0.00	118.36	0.00	118.36
71415 - Contribution to Security SC	0.00	440.95	0.00	440.95
71610 - Travel Tickets-Local	0.00	23.69	0.00	23.69
71620 - Daily Subsistence Allow-Local	0.00	13,858.08	0.00	13,858.08
72311 - Fuel, petroleum and other oils	0.00	417.25	0.00	417.25
72425 - Mobile Telephone Charges	0.00	145.92	0.00	145.92
72430 - Postage and Pouch	0.00	407.24	0.00	407.24
72440 - Connectivity Charges	0.00	5,837.93	0.00	5,837.93
72505 - Stationery & other Office Supp	0.00	1,814.88	0.00	1,814.88
73406 - Maintenance of Equipment	0.00	167.48	0.00	167.48
73420 - Leased Vehicles	0.00	445.73	0.00	445.73
74310 - Contributions to JIU	0.00	315.93	0.00	315.93
74505 - Insurance	0.00	252.52	0.00	252.52
74525 - Sundry	0.00	127.32	0.00	127.32
74530 - Staff Welfare	0.00	5,837.93	0.00	5,837.93
75707 - Learning – subsistence allowan	0.00	1,722.18	0.00	1,722.18
76125 - Realized Loss	0.00	20.43	0.00	20.43
76135 - Realized Gain	0.00	- 128.55	0.00	- 128.55
77380 - Security Evac - IP Staff-TA	0.00	1,429.38	0.00	1,429.38
77630 - Dep Exp Owned - ITC	0.00	905.52	0.00	905.52
77660 - Dep Exp Owned -Vehicle	0.00	3,143.14	0.00	3,143.14



Project Id : 00071929 Malawi Electoral Cycle Support	Period :	Jan-Dec (2014)
Output # : 00086780 MEC Project Management	Impl. Partner :	99999 UNDP
	Location :	RES. REP' OFFICE

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
<b>Total for Fund 04000</b>	<b>0.00</b>	<b>119,307.92</b>	<b>0.00</b>	<b>119,307.92</b>
<b>Fund : 11888 (Country Co-Financing CS)</b>				
76125 - Realized Loss	0.00	4.62	0.00	4.62
<b>Total for Fund 11888</b>	<b>0.00</b>	<b>4.62</b>	<b>0.00</b>	<b>4.62</b>
<b>Fund : 30079 (EUROPEAN COMMISSION)</b>				
61305 - Salaries - IP Staff	0.00	0.00	0.00	0.00
61310 - Post Adjustment - IP Staff	0.00	0.00	0.00	0.00
62305 - Dependency Allowances-IP Staff	0.00	0.00	0.00	0.00
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	0.00	0.00	0.00
62315 - Contrib. to medical, social in	0.00	0.00	0.00	0.00
62320 - Mobility, Hardship, Non-remova	0.00	0.00	0.00	0.00
62340 - Annual Leave Expense - IP	0.00	0.00	0.00	0.00
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	4,772.48	0.00	4,772.48
63335 - Home Leave Trvl & Allow-IP Stf	0.00	0.00	0.00	0.00
63520 - Personal Security Measures	0.00	599.89	0.00	599.89
63530 - Contribution to EOS Benefits	0.00	360.42	0.00	360.42
63535 - Contribution to Security	0.00	0.00	0.00	0.00
63540 - Contribution to Training	0.00	115.33	0.00	115.33
63545 - Contribution to ICT	0.00	144.17	0.00	144.17
63550 - Contributions to MAIP	0.00	48.06	0.00	48.06
63555 - Contribution to UN JFA	0.00	221.05	0.00	221.05
63560 - Contributions to Appendix D	0.00	28.83	0.00	28.83
65115 - Contributions to ASHI Reserve	0.00	768.88	0.00	768.88
65135 - Payroll Mgt Cost Recovery ATLA	0.00	64.38	0.00	64.38
71605 - Travel Tickets-International	0.00	2,822.79	0.00	2,822.79
71615 - Daily Subsistence Allow-Intl	0.00	510.00	0.00	510.00
71635 - Travel - Other	0.00	228.00	0.00	228.00
74599 - UNDP cost recovery chrgs-Bills	0.00	54.15	0.00	54.15
75105 - Facilities & Admin - Implement	0.00	751.69	0.00	751.69
76135 - Realized Gain	0.00	0.00	0.00	0.00
<b>Total for Fund 30079</b>	<b>0.00</b>	<b>11,490.12</b>	<b>0.00</b>	<b>11,490.12</b>
<b>Total for Dept : 35004</b>	<b>0.00</b>	<b>130,802.66</b>	<b>0.00</b>	<b>130,802.66</b>
<b>Dept: 35008 (Malawi - Poverty Reduction)</b>				
<b>Fund : 30079 (EUROPEAN COMMISSION)</b>				
61305 - Salaries - IP Staff	0.00	174,209.96	0.00	174,209.96
61310 - Post Adjustment - IP Staff	0.00	67,511.02	0.00	67,511.02
62305 - Dependency Allowances-IP Staff	0.00	5,613.84	0.00	5,613.84
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	55,689.87	0.00	55,689.87
62315 - Contrib. to medical, social in	0.00	16,459.79	0.00	16,459.79
62320 - Mobility, Hardship, Non-remova	0.00	32,878.37	0.00	32,878.37
62340 - Annual Leave Expense - IP	0.00	-10,944.79	0.00	-10,944.79
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	43,730.77	0.00	43,730.77



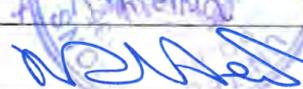
Combined Delivery Report By Project

UN Development Programme  
Report ID: unglcdrp

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Run Time: 16-06-2015 18:06:40

Project Id : 00071929 Malawi Electoral Cycle Support	Period :	Jan-Dec (2014)
Output # : 00086780 MEC Project Management	Impl. Partner :	99999 UNDP
	Location :	RES. REP' OFFICE

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
63335 - Home Leave Trvl & Allow-IP Stf	0.00	3,237.51	0.00	3,237.51
63520 - Personal Security Measures	0.00	3,688.04	0.00	3,688.04
63530 - Contribution to EOS Benefits	0.00	9,064.50	0.00	9,064.50
63535 - Contribution to Security	0.00	12,852.24	0.00	12,852.24
63540 - Contribution to Training	0.00	2,900.65	0.00	2,900.65
63545 - Contribution to ICT	0.00	3,625.82	0.00	3,625.82
63550 - Contributions to MAIP	0.00	1,208.60	0.00	1,208.60
63555 - Contribution to UN JFA	0.00	5,559.57	0.00	5,559.57
63560 - Contributions to Appendix D	0.00	725.17	0.00	725.17
65115 - Contributions to ASHI Reserve	0.00	19,337.60	0.00	19,337.60
65135 - Payroll Mgt Cost Recovery ATLA	0.00	1,480.74	0.00	1,480.74
75105 - Facilities & Admin - Implement	0.00	31,418.05	0.00	31,418.05
76135 - Realized Gain	0.00	-54.40	0.00	-54.40
<b>Total for Fund 30079</b>	<b>0.00</b>	<b>480,192.92</b>	<b>0.00</b>	<b>480,192.92</b>
<b>Total for Dept : 35008</b>	<b>0.00</b>	<b>480,192.92</b>	<b>0.00</b>	<b>480,192.92</b>
<b>Total for Output : 00086780</b>	<b>0.00</b>	<b>613,010.68</b>	<b>0.00</b>	<b>613,010.68</b>
<b>Project Total :</b>	<b>0.00</b>	<b>10,767,550.68</b>	<b>0.00</b>	<b>10,767,550.68</b>

Signed By :  Date : 25/09/2015

Signed By :  Date : 14 September 2015

Mark Henderson  
Partner  
Moore Stephens LLP

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

**Statement of Assets and Equipment**  
as at 31 December, 2014



UNDP Country Office: Malawi  
 Project title: Malawi Electoral Cycle Support  
 Award ID: 00071929  
 Project ID: 00085180;00086778;00086779;00086780  
 Period covered: 2014

Item	Acquisition Date	Item Description (Make/Model)	Item Location	Manufacturer	(US\$) Value	Serial Number	Condition/Remark
1	28/11/2013	Landcruiser Prado 4x4	MEC	Toyota	37,717.68	Engine Number: 5L-6228042 Reg. Number 100 CD 6	Good
2	28/11/2013	Everest 4x4	MEC	Ford	28,224.00	Engine Number: WLAT1B69618 Reg. Number 100 CD 7	Good
3	13/03/2014	Toshiba Tecra R950-F0036	MEC	Toshiba	1,368.00	4D020244H	Good
4	13/03/2014	Toshiba Tecra R950-F0036	MEC	Toshiba	1,368.00	4D020233H	Good
5	13/03/2014	Toshiba Tecra R950-F0036	UNDP	Toshiba	1,368.00	4D020205H	Good
6	13/03/2014	Toshiba Tecra R950-F0036	MEC	Toshiba	1,368.00	4D020268H	Good
7	13/03/2014	Toshiba Tecra R950-F0036	MEC	Toshiba	1,368.00	4D020228H	Good
8	13/03/2014	Toshiba Tecra R950-F0036	MEC	Toshiba	1,368.00	4D025104H	Good
9	13/03/2014	Toshiba Tecra R950-F0036	MEC	Toshiba	1,368.00	4D020280H	Good
10	13/03/2014	HP EliteBook 8470P	MEC	HP	1,368.00	BCAGX106C8D710DAGP	Good
11	13/03/2014	HP EliteBook 8470P	MEC	HP	1,368.00	BCAGX105C8D71QJABZ	Good
12	13/03/2014	HP EliteBook 8470P	MEC	HP	1,368.00	BCAGX105C8D71QJAAK	Good
13	13/03/2014	HP EliteBook 8470P	MEC	HP	1,368.00	BCAGX105C8D71QJABJ	Good
<b>TOTAL</b>					<b>80,989.68</b>		

*[Handwritten Signature]*

Mark Henderson

Partner

Moore Stephens LLP

15 September 2015

Name: K. M. H. ...  
 Title: DRP (O)  
 Date: 25/06/15



Name: ...  
 Title: ...  
 Audit Firm: ...

### Annex 3: Audit finding priority ratings

The following categories of priorities are used:

- High (Critical)** Action is considered imperative to ensure that UNDP is not exposed to high risks. Failure to take action could result in major consequences and issues.
- Medium (Important)** Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
- Low** Action is considered desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the Auditors directly with the 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.**

### Annex 4: Audit ratings

The following categories of priorities are used regarding the audit of internal controls and systems:

- Satisfactory** Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited project.
- Partially satisfactory** Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited project.
- 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 project could be seriously compromised.