



**AUDIT**

**OF**

**UNDP SOMALIA**

**DDR/ARMED VIOLENCE REDUCTION PLAN**

**(Directly Implemented Project No. 58616, Output Nos. 72870, 83857, 89926, 83614 and 78475)**

**Report No. 1517**

**Issue Date: 8 December 2015**

## Report on the Audit of UNDP Somalia DDR/Armed Violence Reduction Plan Project No. 58616, Output Nos. 72870, 83857, 89926, 83614, 78475 Executive Summary

The UNDP Office of Audit and Investigations (OAI), through Baker Tilly Merali's (the audit firm), conducted from 8 June to 9 September 2015 an audit of DDR/Armed Violence Reduction Plan (Project No. 58616, Output Nos. 72870, 83857, 89926, 83614 and 78475) (the Project), which is directly implemented and managed by the UNDP Country Office in Somalia (the Office). The last audit of the Project was conducted by OAI in 2014 and covered project expenditure from 1 January 2012 to 31 December 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 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 and general administration. The audit did not cover information systems as the Project did not have its own information systems and relied on the Office and the Atlas system (enterprise resource planning system of UNDP). Further, 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 **partially satisfactory**, which means, "Internal controls, governance and risk management processes as applicable to the Project 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 advances recorded as expenditure and asset records not updated. 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)
4,200	Unqualified	37	4	Adverse	3

\*Expenditures recorded in the Combined Delivery Report were \$ 4,395,718. Excluded from the audit scope were transactions that relate to expenditures incurred by other United Nations agencies totalling \$196,042.

\*\*NFI = Net Financial Impact

The audit firm issued an adverse opinion on the Statement of Fixed Assets due to assets that were stolen/lost (valued at \$3,252) but remained in the Statement, which resulted to an overstatement. The overstatement

<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.

represented 75 percent of the total value of assets in the Statement of Fixed Assets and was therefore considered material.

**Key recommendations:** Total = 4, high priority = 2

The four recommendations aim to ensure the following: (a) achievement of the organization's strategic objectives (Recommendation 1 – medium priority); (b) reliability and integrity of financial and operational information (Recommendation 2 – high priority, and Recommendation 3 – medium priority); (c) safeguarding of assets (Recommendation 4 – high priority).

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:

Advances recorded as expenditure (Issue 2)

Advances amounting to \$33,596 given to responsible parties were recorded as expenditure at the point of making the advances rather than upon receipt of supporting documentation for cash incurred.

Recommendation: The Office should record advances given to responsible parties as advances and only record them as expenses when accounted for with satisfactory financial reports and verified supporting documents.

Asset records not updated (Issue 4)

The Project had three assets valued at \$3,252 that were stolen/lost more than a year ago but remained in its assets register.

Recommendation: The Office should update its Statement of Fixed Assets in a timely manner and conduct regular reconciliations to ensure asset records reflect the actual assets under the possession of the Project.

**Implementation status of previous OAI audit recommendations:** Report No. 1336, 24 October 2014.

Total recommendations: 5

Implemented: 5

**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. Ostveiten  
Director  
Office of Audit and Investigations

UNITED NATIONS DEVELOPMENT PROGRAMME SOMALIA  
DIRECT IMPLEMENTATION PROJECTS  
REVISED FINAL REPORT  
30 NOVEMBER 2015  
FINANCIAL AND AUDIT OF INTERNAL CONTROLS  
OF  
PROJECT NO. 00058616  
DDR/ARMED VIOLENCE REDUCTION PLAN  
OUTPUTS:  
(00072870, 00083857, 00089926, 00083614 AND 00078475)

## TABLE OF CONTENTS

<b>PART I: EXECUTIVE SUMMARY .....</b>	<b>4</b>
1.1 ENGAGEMENT CONTEXT .....	5
1.2 BACK GROUND INFORMATION OF THE PROJECT .....	5
1.3 AUDIT OBJECTIVE.....	5
1.4 AUDIT SCOPE .....	5
1.5 SUMMARY OF AUDIT METHODOLOGY .....	7
1.6 RISK ASSESSMENT AND MATERIALITY .....	7
<b>PART II: FINANCIAL AUDIT REPORTS .....</b>	<b>10</b>
2.0. SIGNIFICANT ACCOUNTING POLICIES .....	11
2.1 FINANCIAL STATEMENTS .....	12
2.1.1 Audit Report .....	12
<b>ANNEX I: COMBINED DELIVERY REPORTS (ALL OUTPUTS) .....</b>	<b>19</b>
<b>ANNEX II: COST PLAN .....</b>	<b>32</b>
<b>ANNEX III: DETAILED STATEMENT OF ASSETS .....</b>	<b>33</b>
3.1 PRIORITIES OF AUDIT RECOMMENDATIONS.....	35
3.2 DEFINITION OF STANDARD AUDIT RATING.....	35
3.3 LONG FORM MANAGEMENT LETTER.....	36
<b>ANNEX IV SCHEDULE OF ADVANCES UNDER LOAS TREATED AS EXPENDITURE (OUTPUT NOS. 00072870, 00089926).....</b>	<b>44</b>
<b>ANNEX V FOLLOW UP PREVIOUS AUDIT FINDINGS (OUTPUT NO. 00083857).....</b>	<b>45</b>
<b>ANNEX VI FOLLOW UP PREVIOUS AUDIT FINDINGS (OUTPUT NO. 00078475).....</b>	<b>46</b>

## Abbreviations

<b>AWP</b> – Annual Work Plan
<b>BRADO</b> – Brothers Relief Development Organization
<b>CSP</b> –Community Security Project
<b>DGTTF</b> - Democratic Governance Thematic Trust Fund
<b>DRR</b> – Dispute Recourse Resolutions
<b>FRR</b> - Financial Reporting Regulations
<b>GAAP</b> – Generally Accepted Accounting Principles
<b>GLJE</b> - General Ledger Journal Entries
<b>GMS</b> – General Management Services
<b>GSSC</b> – Global Shared Service Centre
<b>HACT</b> – Harmonised Approach to Cash Transfer
<b>INGO</b> – International
<b>ISA</b> – International Standards on Auditing
<b>ISS</b> – Implementation Support Services
<b>IPSAS</b> - International Public Sector Accounting Standards
<b>LOA</b> - Letter of Agreement
<b>MOYS</b> – Ministry of Youth and Sports
<b>OAI</b> – Office of Audit and Investigations
<b>OCVP</b> – Observatory of Conflicts and Violence Prevention
<b>POPP</b> – Programme and Operations Policies and Procedures
<b>UNDP</b> – United Nations Development Programme

## **PART I: EXECUTIVE SUMMARY**



### 1.1 Engagement Context

The UNDP office of Audit and Investigations contracted Baker Tilly Merali's (the audit firm), to undertake an audit of the Project 00058616 (DRR/Armed violence Reduction Plan) Outputs; 00072870, 00083857, 00089926, 00083614 and 00078475.

The project was directly implemented and managed by the UNDP Country Office in Somalia.

### 1.2 Back ground information of the project

DRR/Armed Violence Reduction Plan Project was set up to work together with government counterparts and Local NGOs in Mogadishu, Puntland and Somaliland in order to contribute to strengthening peaceful and prosperous lives of Somali women and men that are free from fear and trauma by providing platform for dialogue and building social resilience. These aims will be achieved through localised initiatives designed following (1) research and assessment that will provide an understanding of local physical and non-physical safety, and security contexts. (2) Based on the evidence gathered, initiatives that address the social angle of safety needs are designed in collaboration with the local communities to contribute to individual and collective trauma healing, trust building, community based social reconciliation, social and civic development of young people that can potentially destabilize the security of communities if not engaged, all leading to economic empowerment and the enforcement of the overall social cohesion. It is followed by (3) measuring the social impact of the initiatives.

The CSP partners with Government Counterparts, Civil Society partners, UN partner agencies, Consultancy Firms and Research centres.

### 1.3 Audit Objective

The audit objective was to express an opinion on the project's financial statement and to assess and express an opinion on the project's internal controls and systems.

### 1.4 Audit Scope

The scope of our audit was as set out in our Terms of Reference and included obtaining evidence for the amounts and disclosures in the CDR sufficient to express an opinion as to the overall financial position of the project within the scope of our audit.

The audit was to cover all activities of the project for the period from 1 January 2014 to 31 December 2014; and included a review of project reports and records located at the UNDP country office in Somalia operating from Nairobi.

Specifically, the audit covered the following:

#### Specific Scope for the Financial Audit

- (i) The expenses incurred and recorded in the Combined Delivery Reports for the period from 1 January 2014 to 31 December 2014 and the Funds Utilization statement as at 31 December 2014 as reported by the Office in Somalia (Operating from Nairobi, Kenya);
- (ii) The value and existence of the fixed assets held by the project as at 31 December 2014; and
- (iii) The value and existence of cash held by the project as at 31 December 2014, either as cash at hand or in the bank account

*(Excluded from the audit scope was expenditure that related to other UN Agency expenditure of US\$ 196,042. Total CDR Amount was US\$4,395,718.05 which included UN agency expenditure of US\$ 196,042.09. Therefore the total expenditure covered under the audit scope was US\$ 4,199,676).*



Specific Scope for the Audit of Internal Controls and Systems

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

We were required to assess the internal controls with regard to the audited project in the following areas:

- a) **Organization and Staffing** – Assessment of the overall project structure for effective work flows and management arrangements, including assignment of authority, accountability and responsibility to staff.
- b) **Programme and project management** – Assessment 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.
- c) **Human Resources** – Assessment 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.
- d) **Finance** – Assessment 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.
- e) **Procurement** – Assessment 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.
- f) **Asset Management** – Assessment whether project assets are adequately recorded, safeguarded, monitored, including periodic physical verification of their use and existence.
- g) **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.
- h) **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.
- i) **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.
- j) **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

### **1.5 Summary of Audit Methodology**

Our audit was carried out in accordance with International Standards on Auditing insofar as they are applicable to an engagement of this type and included such tests and controls, as we considered necessary to meet the audit objectives as set out in the terms of reference.

The field work started on 18 June 2015 and was concluded with a closing meeting on 9 September 2015. The audit was carried out at the offices of UNDP Somalia Programme in located at Gigiri, Nairobi and site visits conducted in Hargeisa and Mogadishu in Somalia.

### **1.6 Risk assessment and Materiality**

We performed risk assessment procedures to obtain a sufficient understanding of the entity operations including test of controls which are relevant and appropriate to the Project and the Entity and to the preparation of the Entity's Financial Report for the Project. We performed interviews with key officers at the Entity and administered pre audit questionnaires aimed at obtaining sufficient understanding of the governance structures and control procedures.

As part of this risk assessment we identified risks throughout the process of obtaining an understanding of the governance structure and control procedures at the Entity and the engagement context, including relevant controls relating to risks, and by considering classes of transactions, expenditure categories and disclosures in the financial reports.

Throughout our audit we paid special attention to the systems set-up for the management oversight/control of the operations related to Somalia, taking into account the Somalia context.

### 1.7.1 Summary of Audit opinions

#### Audit opinion on Statement of Expenditure

Total Expenditure	US\$ 4,199,676
Financial Findings	US\$ 36,886
Proportion	0.8%
Audit Opinion	Unqualified

#### Audit Opinion on Statement of Assets

We have issued an adverse opinion for assets reported under Output 00078475 due to overstatement an amount of US\$ 3,253.23 for the three laptops lost and still included in the FY2014 statement of assets.

### 1.7.2 Overall Internal Control Ratings

We have carried out our work based on our terms of reference and we conclude that the overall rating is **Partially Satisfactory**. The main areas of inadequacy identified are Programme and project management, Finance and Cash management, Asset Management and General Administration.

This rating was mainly due to concerns on rating per audit area as summarized below:

Audit area	Not applicable	Satisfactory	Partially satisfactory	Unsatisfactory
Organization and Staffing		√		
Programme and Project Management			√	
Human Resources		√		
Finance Cash Management			√	
Procurement		√		
Asset Management				√
Information Systems	√			
General Administration		√		
Follow up on previous audits			√	

Key Recommendation = 4, High Priority =2

Audit Areas	Title of finding	Priority	Reference to the detailed in the Long form management Letter
Programme and Project Management	Improvement to project monitoring and Evaluation Procedures	Medium	Long Form Management letter-Finding No.1
	Advances recorded as expenditure	High	Long Form Management letter-Finding No.2
Finance and Cash Management	Lack of supporting documentation	Medium	Long Form Management letter-Finding No.3
Asset Management	Delay to adjust assets records for lost assets.	High	Long Form Management letter-Finding No.4
Follow up on previous audits	Combined with assets management above	-	N/A
Programme and project management	No reportable findings	-	N/A
General Administration	No reportable findings	-	N/A
Human Resources	No reportable findings	-	N/A
Procurement	No reportable findings	-	N/A
Information Systems	Not assessed as the DIM Project audited does not have its own ICT infrastructure and systems, but relies on the UNDP Country Office ICT infrastructure and Atlas system	-	N/A

**PART II: FINANCIAL AUDIT REPORTS**



## **2.0. Significant accounting policies**

The principal accounting policies adopted in the preparation of the Statement of Expenses, Fund Utilization Statement, Statement of Assets and Statement of Cash Position are outlined below:

### **(a) Basis of preparation**

The statement of Expenses has been prepared in accordance with Generally Accepted Accounting Principle (GAAP), International Public Sector Accounting Standards (IPSAS) and UNDP financial rules and regulations.

### **(b) Currency**

Items included in the financial statements of the project are measured using United States Dollar (US\$) which is both the functional and presentation currency.

### **c) Expenditure**

Expenses are accounted for on accrual basis

### **d) Fixed assets**

Assets purchased during the year worth US\$ 1,500 and above and match the UNDP's use and control principle are recorded in ATLAS, capitalization is done and depreciation charged as expense within the reporting period.







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## 2.1 Financial Statements

### 2.1.1 Audit Report

#### 2.1.1.1 Combined Delivery Report and Funds Utilization statement

#### REPORT OF THE INDEPENDENT AUDITOR TO UNDP SOMALIA

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement ("the statement") of the DIM Project No. 00058616 (DRR/Armed Violence Reduction Plan) for the period ended 31 December 2014.

Management is responsible for the preparation of the statements output number Project No. 00058616 (DRR/Armed Violence Reduction Plan) and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

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

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

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

#### Opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement, present fairly in all material respects the expenditure US\$ 4,199,676 incurred by the project for the period ended 31 December 2014 in accordance with UNDP accounting policies.

The engagement partner responsible for the independent audit opinion is CPA Madhav Bhandari  
Practising certificate number P/1213

CPA Madhav Bhandari  
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Date ..... 21/12/14 .....

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### 2.1.1.2 Statement of Cash Position:

The project does not operate a dedicated bank account. Consequently, there is no Statement of Cash balance as at 31 December 2014.

### 2.1.1.3 Statement of Fixed Assets:

We have audited the accompanying Statement of Fixed Assets (Annex III) of the UNDP project number 00058616 (DRR/Armed Violence Reduction Plan) as at 31 December 2014.

Management is responsible for the preparation of the statement for UNDP project number 00058616 (DRR/Armed Violence Reduction Plan) and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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

### Basis of Adverse Opinion

The statement of fixed assets reflects net book value of US\$ 4,337.64. We noted that three out of the total of four laptops purchased by the project were lost and therefore no longer in the possession of the project by the time of our audit. The assets register and the statement of fixed assets had not been adjusted to reflect the loss of assets and the total value of assets reflected on the statement of assets is therefore overstated.

The cost of each asset was US\$ 1,900 and statement of fixed assets reflects a cumulative depreciation of US\$ 815.59 resulting in net book value of US\$ 1,084.41 for each of the four laptops. The statement of fixed assets is therefore overstated by an amount of US\$ 3,253.23 for the three laptops which represents 75% of the value of assets reflected on the statement of fixed assets and are therefore considered material and pervasive in the context of our audit.

Baker Tilly Merali's CPA

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### Adverse opinion

In our Opinion, because of the significance of the matter as expressed on the 'basis of adverse opinion paragraph', the attached statements of fixed assets do not present fairly in all material aspects the assets of US\$ 4,337.64 held by the project and audited by us as at 31 December 2014.

The engagement partner responsible for the independent audit opinion is CPA Madhav Bhandari  
Practising certificate number P/1213



CPA Madhav Bhandari  
Partner  
Baker Tilly Merali's  
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Date ..... 21/12/12 .....

## 2.1.2 Statements of Expenses and Funds Utilization

EXPENSE CATEGORY – OUTPUT 72870	NOTES	USD AMOUNT
<b>EXPENDITURE</b>		<b>TOTAL</b>
ACTIVITY ()		15,912.91
ACTIVITY 1 SL Partnership for Peace, coo		3,998.70
ACTIVITY 10 Management Support		855,295.79
ACTIVITY 12 SC Conflict Analyze and research		(14,633.98)
ACTIVITY 15 SC Development Capacity of L.A		120,975.47
ACTIVITY 17 Community Security Index		81,683.92
ACTIVITY 2 SL Capacities Development for C		581,753.37
ACTIVITY 20 Alternative Dispute Resolution		167,565.40
ACTIVITY 21 Youth Entry & Re-entry & Reint		178,160.56
ACTIVITY 22 Community Based Reconciliation		31,585.22
ACTIVITY 3 SL Technical Assistant for S		28,259.35
ACTIVITY 5 PL Capacities Development		13,403.64
ACTIVITY 6 PL Technical Assistant for C		14,676.57
ACTIVITY 9 SC Technical Assistant		205,396.78
<b>Sub-Total</b>		<b>2,284,033.70</b>
<b>EXPENSE CATEGORY – OUTPUT 78475</b>		
ACTIVITY ()		4,863.79
ACTIVITY1 Peace building infrastructure		(161.15)
ACTIVITY4 Personnel & Operations		(2,975.20)
<b>Sub-Total</b>		<b>1,727.44</b>
<b>EXPENSE CATEGORY – OUTPUT 83614</b>		
ACTIVITY1 Youth Associations in place		96,955.89
<b>Sub-Total</b>		<b>96,955.89</b>
<b>EXPENSE CATEGORY – OUTPUT 83857</b>		
ACTIVITY ()		8,554.24
ACTIVITY 1 Capacity Development for DSCs		(72.65)
ACTIVITY 11 Capacity Building Labour and Admin		34,758.80
ACTIVITY 12 Employment Intensive Project		21,801.97
ACTIVITY 13 Vocational Skills Training		6,526.58
ACTIVITY 14 Enterprise/Entrepreneurship Tr		1,434.82
ACTIVITY 2 Map out existing informal cour		(23.02)
ACTIVITY 4 Personal and Operations		196,386.93
ACTIVITY 5 Development Sensitization Strategy		(3,170.37)
ACTIVITY 9 Theory classes in social development		101,758.34
<b>Sub-Total</b>		<b>367,955.64</b>
<b>EXPENSE CATEGORY – OUTPUT 89926</b>		

Audit Report of Project no. 00058616(DRR/Armed Violence Reduction Plan) for the year ended 31 December 2014

Activity 00000000000001Targeted Children and Youth		430,445.25
Activity 1 Increased Admin Capacity		31,500.88
Activity 2 Personal and Operation		216,075.66
Activity 3 UNICEF		803,748.59
Activity 4 ILO		163,275.00
<b>Sub-Total</b>		<b>1,645,045.38</b>
<b>GRAND TOTAL</b>		<b>4,395,718.05</b>
<b>Fund Utilization</b>		
Outstanding Nex advances		135,759.00
Undepreciated Fixed Assets		0
Inventory		4,337.64
Prepayments		0
Commitments		86,328.82
<b>Total Fund Utilization</b>		<b>226,425.46</b>



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United Nations Development Programme



Empowered lives.  
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Comparison between actual and budgeted expenditure

EXPENSE CATEGORY – OUTPUT 72870	USD AMOUNT		
ACTIVITY DESCRIPTION	BUDGET	EXP	VARIANCE
ACTIVITY ()	-	15,912.91	(15,912.91)
ACTIVITY 1 SL Partnership for Peace	-	3,998.70	(3,998.70)
ACTIVITY 2 SL Capacities developed for	696,217.00	-	696,217.00
ACTIVITY 10 Management Support	499,261.99	855,295.79	(356,033.80)
ACTIVITY 12 SC Conflict Analyze and research	-	(14,633.98)	14,633.98
ACTIVITY 15 SC Development Capacity of L.A	620,138.84	120,975.47	499,163.37
ACTIVITY 17 Community Security Index	-	81,683.92	(81,683.92)
ACTIVITY 2 SL Capacities Development	-	581,753.37	(581,753.37)
ACTIVITY 20 Alternative Dispute Resolution	277,856.00	167,565.40	110,290.60
ACTIVITY 21 Youth Entry & Re-entry & Reint	431,789.00	178,160.56	253,628.44
ACTIVITY 22 Community Based Reconciliation	-	31,585.22	(31,585.22)
ACTIVITY 3 SL Technical Assistant	-	28,259.35	(28,259.35)
ACTIVITY 5 PL Capacities Development	-	13,403.64	(13,403.64)
ACTIVITY 6 PL Technical Assistant	-	14,676.57	(14,676.57)
ACTIVITY 9 SC Technical Assistant	-	205,396.78	(205,396.78)
ACTIVITY 9.1 Programme Support Costs	122,360.00	-	122,360.00
Sub-Total	2,647,622.83	2,284,033.70	363,589.13
EXPENSE CATEGORY – OUTPUT 78475			
ACTIVITY DESCRIPTION	BUDGET	EXP	VARIANCE
ACTIVITY ()	-	4,863.79	(4,863.79)
ACTIVITY1 Peace building infrastructure	-	(161.15)	161.1
ACTIVITY4 Personnel & Operations	-	(2,975.20)	2,975.20
Sub-Total	0	1,727.44	(1,727.44)
EXPENSE CATEGORY – OUTPUT 83614			
ACTIVITY DESCRIPTION	BUDGET	EXP	VARIANCE
ACTIVITY1 Youth Associations in place	97,250.00	96,955.89	294.11
Sub-Total	97,250.00	96,955.89	294.11
EXPENSE CATEGORY – OUTPUT 83857			
ACTIVITY DESCRIPTION			
ACTIVITY ()	-	8,554.24	(8,554.24)
ACTIVITY 1 Capacity Development for DSCs	-	(72.65)	72.65
ACTIVITY 11 Capacity Building Labour and Admin	74,171.00	34,758.80	39,412.20
ACTIVITY 12 Employment-Intensive Project	-	21,801.97	(21,801.97)



Audit Report of Project no. 00058616(DRR/Armed Violence Reduction Plan) for the year ended 31 December 2014

Xafiiska Horumarinta ee Qaramada Midoobay  
United Nations Development Programme



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ACTIVITY 13 Vocational Skills Training	-	6,526.58	(6,526.58)
ACTIVITY 14 Enterprice/Enterpreneurship Tr	-	1,434.82	(1,434.82)
ACTIVITY 15 Business Mentors	99,824.00	-	99,824.00
ACTIVITY 2 Map out existing informal cour	-	(23.02)	23.02
ACTIVITY 4 Personal and Operations	70,000.00	196,386.93	(126,386.93)
ACTIVITY 5 Development Sensitizaion Strategy	-	(3,170.37)	3,170.37
ACTIVITY 9 Theory classes in social development	123,533.00	101,758.34	21,774.66
Sub-Total	367,528.00	367,955.64	(427.64)
EXPENSE CATEGORY – OUTPUT 89926			
ACTIVITY DESCRIPTION			
Activity 00000000000001Targeted Children & Youth	473,174.00	430,445.25	42,728.75
Activity 1 Increased Admin Capacity	83,723.00	31,500.88	52,222.12
Activity 2 Personal and Operation	214,006.00	216,075.66	(2,069.66)
Activity 3 UNICEF	822,795.00	803,748.59	19,046.41
Activity 4 ILO	806,302.00	163,275.00	643,027.00
Sub-Total	2,400,000.00	1,645,045.38	754,954.62
GRAND TOTAL	5,512,400.83	4,395,718.05	1,116,682.78

This Statement of expenses and funds utilization; Statement of assets; Fixed assets list 4. Comparison between actual and budgeted expenditure have been approved for issue on 7 September 2015 by management of Community Security Project No: 00058616

Digitally signed by David Akopyan  
DN: cn=David Akopyan, ou=UNDP,  
ou=UNDP Somalia,  
email=David.Akopyan@undp.org, c=KE  
Date: 2015.09.08 14:44:58 +0300

Country Director a.i  
Title

7 September 2015  
Date

Signature

Audit Report of Project no. 00058616(DRR/Armed Violence Reduction Plan) for the year ended 31 December 2014

Annex I: Combined Delivery Reports (All Outputs)



UN Development Programme  
Report ID: unglodrp

Combined Delivery Report By Project

Page 1 of 13  
Run Time: 27-02-2015 09:02:34

Selection Criteria :

Business Unit : SOM10  
Period : Jan-Dec (2014)  
Selected Project Id : 00058616  
Selected Fund Code : ALL  
Selected Dept. IDs : B0468  
Selected Outputs : ALL

Project Id : 00058616	DDRR/ARMED VIOLENCE REDUCTION P	Period :	Jan-Dec (2014)
Output # : 00072870	COMMUNITY SECURITY PROJECT	Impl. Partner :	02834 United Nations Development P
		Location :	UNDP Somalia
Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Dept: 46801 (Somalia - Central)

Fund : 04000 (Core Programme, UNU Centre)

61305 - Salaries - IP Staff	0.00	0.00	0.00	0.00
61310 - Post Adjustment - IP Staff	0.00	-207.28	0.00	-207.28
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	-231.22	0.00	-231.22
62315 - Contrib. to medical, social in	0.00	0.00	0.00	0.00
62320 - Mobility, Hardship, Non-remova	0.00	1,225.01	0.00	1,225.01
62340 - Annual Leave Expense - IP	0.00	-1,392.44	0.00	-1,392.44
63335 - Home Leave Trvl & Allow-IP Stf	0.00	308.33	0.00	308.33
63365 - Special Oper Living Allow-IP	0.00	0.00	0.00	0.00
63530 - Contribution to EOS Benefits	0.00	0.00	0.00	0.00
63535 - Contribution to Security	0.00	207.28	0.00	207.28
63540 - Contribution to Training	0.00	0.00	0.00	0.00
63545 - Contribution to ICT	0.00	100.02	0.00	100.02
63550 - Contributions to MAIP	0.00	0.00	0.00	0.00
63555 - Contribution to UN JFA	0.00	0.00	0.00	0.00
63560 - Contributions to Appendix D	0.00	0.00	0.00	0.00
65115 - Contributions to ASHII Reserve	0.00	3.00	0.00	3.00
65135 - Payroll Mgt Cost Recovery ATLA	0.00	64.38	0.00	64.38
71205 - Intl Consultants-Sht Term-Tech	0.00	68,111.81	0.00	68,111.81
71605 - Travel Tickets-International	0.00	9,156.00	0.00	9,156.00
71610 - Travel Tickets-Local	0.00	26,218.25	0.00	26,218.25
71625 - Daily Subsist Allow-Mtg Partic	0.00	2,694.69	0.00	2,694.69
72120 - Svc Co-Trade and Business Serv	0.00	1,752.98	0.00	1,752.98
72140 - Svc Co-Information Technology	0.00	367.30	0.00	367.30
72445 - Common Services-Communications	0.00	6,537.75	0.00	6,537.75
72605 - Grants to Instit & other Benef	0.00	37,400.00	0.00	37,400.00
72615 - Micro Capital Grants-Other	0.00	31,978.00	0.00	31,978.00
72805 - Acquis of Computer Hardware	0.00	80.99	0.00	80.99
73107 - Rent - Meeting Rooms	0.00	664.17	0.00	664.17
73125 - Common Services-Premises	0.00	52,009.46	0.00	52,009.46
73505 - Reimb to UNDP for Supp Svcs	0.00	17,469.02	0.00	17,469.02
74105 - Management and Reporting Svcs	0.00	6,473.02	0.00	6,473.02
74525 - Sundry	0.00	21,196.04	0.00	21,196.04
76135 - Realized Gain	0.00	-6.81	0.00	-6.81
Total for Fund 04000	0.00	282,179.75	0.00	282,179.75

Fund : 30000 (PROGRAMME COST SHARING)

33001 - Change(s) in accounting policy	0.00	537.17	0.00	537.17
61305 - Salaries - IP Staff	0.00	70,278.67	0.00	70,278.67
61310 - Post Adjustment - IP Staff	0.00	31,902.94	0.00	31,902.94
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	22,055.10	0.00	22,055.10
62315 - Contrib. to medical, social in	0.00	1,353.72	0.00	1,353.72
62320 - Mobility, Hardship, Non-remova	0.00	17,582.71	0.00	17,582.71

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Audit Report of Project no. 00058616(DRR/Armed Violence Reduction Plan) for the year ended 31 December 2014



UN Development Programme  
Report ID: unglcdp

Combined Delivery Report By Project

Page 2 of 13  
Run Time: 27-02-2015 09:02:34

Project Id : 00058616 DRR/ARMED VIOLENCE REDUCTION P	Period : Jan-Dec (2014)
Output # : 00072870 COMMUNITY SECURITY PROJECT	Impl. Partner : 02834 United Nations Development P
	Location : UNDP Somalia

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
62335 - Hazard Duty Station Allow-IP	0.00	1,946.30	0.00	1,946.30
62340 - Annual Leave Expense - IP	0.00	6,153.28	0.00	6,153.28
63335 - Home Leave Trvl & Allow-IP Stf	0.00	2,975.32	0.00	2,975.32
63365 - Special Oper Living Allow-IP	0.00	8,355.41	0.00	8,355.41
63530 - Contribution to EOS Benefits	0.00	3,824.09	0.00	3,824.09
63535 - Contribution to Security	0.00	6,276.89	0.00	6,276.89
63540 - Contribution to Training	0.00	1,223.72	0.00	1,223.72
63545 - Contribution to ICT	0.00	1,429.58	0.00	1,429.58
63550 - Contributions to MAIP	0.00	509.90	0.00	509.90
63555 - Contribution to UN JFA	0.00	2,345.41	0.00	2,345.41
63580 - Contributions to Appendix D	0.00	306.01	0.00	306.01
65115 - Contributions to ASHI Reserve	0.00	8,155.05	0.00	8,155.05
65135 - Payroll Mgt Cost Recovery ATLA	0.00	862.91	0.00	862.91
71205 - Intl Consultants-Sht Term-Tech	0.00	114,512.39	0.00	114,512.39
71405 - Service Contracts-Individuals	0.00	57,914.13	0.00	57,914.13
71410 - MAIP Premium SC	0.00	237.39	0.00	237.39
71415 - Contribution to Security SC	0.00	2,837.50	0.00	2,837.50
71505 - UN Volunteers-Stipend & Allow	0.00	23,590.16	0.00	23,590.16
71515 - UNV-Security Allowance	0.00	3,900.00	0.00	3,900.00
71520 - UNV-Language Allowance	0.00	546.29	0.00	546.29
71530 - UNV-Rest and Recuperation	0.00	3,000.00	0.00	3,000.00
71535 - UNV-Medical Insurance	0.00	1,459.26	0.00	1,459.26
71540 - UNV-Global Charges	0.00	1,772.72	0.00	1,772.72
71541 - UNVs-Contribution to security	0.00	959.42	0.00	959.42
71545 - UNV-Home Leave Travel & Allowa	0.00	174.81	0.00	174.81
71550 - UNV-Resettlement Allowance	0.00	1,638.87	0.00	1,638.87
71580 - UNV-Intl Appoint/Sep Incl Trvl	0.00	2,100.00	0.00	2,100.00
71590 - UNV Development Effectiveness	0.00	3,876.25	0.00	3,876.25
71805 - Travel Tickets-International	0.00	5,512.30	0.00	5,512.30
71810 - Travel Tickets-Local	0.00	13,084.00	0.00	13,084.00
71820 - Daily Subsistence Allow-Local	0.00	45,710.64	0.00	45,710.64
72105 - Svc Co-Construction & Engineer	0.00	-18,325.00	0.00	-18,325.00
72120 - Svc Co-Trade and Business Serv	0.00	871.62	0.00	871.62
72165 - Svc Co-Social Svcs, Social Sci	0.00	-3,723.00	0.00	-3,723.00
72175 - Svc Co-Urban, Rural & Regional	0.00	-2,467.00	0.00	-2,467.00
72445 - Common Services-Communications	0.00	32,077.86	0.00	32,077.86
72605 - Grants to Inslt & other Benef	0.00	256,167.75	0.00	256,167.75
73125 - Common Services-Premises	0.00	131,376.46	0.00	131,376.46
73505 - Reimb to UNDP for Supp Svcs	0.00	96,496.15	0.00	96,496.15
74105 - Management and Reporting Svcs	0.00	38,622.32	0.00	38,622.32
74210 - Printing and Publications	0.00	3,240.00	0.00	3,240.00
74510 - Bank Charges	0.00	1,805.85	0.00	1,805.85
74515 - Claims and Adjustments	0.00	5,555.00	0.00	5,555.00
74525 - Sundry	0.00	673.41	0.00	673.41
75105 - Facilities & Admin - Implement	0.00	15,046.11	0.00	15,046.11
75705 - Learning costs	0.00	9,537.06	0.00	9,537.06
75709 - Learning - training of counter	0.00	480.00	0.00	480.00
76110 - Foreign Exch Translation Loss	0.00	15,375.74	0.00	15,375.74
77305 - Salaries - IP Staff-TA	0.00	18,755.39	0.00	18,755.39
77307 - Appoint-Sub Allow-IP Staff-TA	0.00	4,221.00	0.00	4,221.00
77309 - Appoint-shipment-IP Staff-TA	0.00	840.00	0.00	840.00
77310 - Post Adjustment - IP Staff-TA	0.00	8,458.85	0.00	8,458.85
77315 - Contrib-Med,SocIns-IP Staff-TA	0.00	680.81	0.00	680.81
77320 - Assg hardship & mob allow-TA	0.00	4,165.81	0.00	4,165.81

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Audit Report of Project no. 00058616(DRR/Armed Violence Reduction Plan) for the year ended 31 December 2014



UN Development Programme  
Report ID: unglodrp

Combined Delivery Report By Project

Page 3 of 13  
Run Time: 27-02-2015 09:02:34

Project Id : 00058616 DRR/ARMED VIOLENCE REDUCTION P	Period : Jan-Dec (2014)
Output # : 00072870 COMMUNITY SECURITY PROJECT	Impl. Partner : 02834 United Nations Development P
	Location : UNDP Somalia

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
77325 - Rep Allow (excl hsp pyt)-TA	0.00	1,809.00	0.00	1,809.00
77357 - Repat. Grt/Comm Ann Lv-IP-TA	0.00	458.29	0.00	458.29
77385 - Spec Oper Living Allow-IP-TA	0.00	2,082.89	0.00	2,082.89
77375 - Contrib-Jt Staff Pens Fd-IP-TA	0.00	6,217.59	0.00	6,217.59
77385 - Contribution to Security	0.00	9,247.54	0.00	9,247.54
77386 - Contribution to ICT TA	0.00	408.18	0.00	408.18
77395 - MAIP Premium TA/IP	0.00	136.05	0.00	136.05
77396 - PAYROLL MGT COST RECOVERY	0.00	225.35	0.00	225.35
77397 - Appendix D TA/IP	0.00	81.64	0.00	81.64
<b>Total for Fund 30000</b>	<b>0.00</b>	<b>1,111,498.83</b>	<b>0.00</b>	<b>1,111,498.83</b>
<b>Total for Dept : 46801</b>	<b>0.00</b>	<b>1,393,678.58</b>	<b>0.00</b>	<b>1,393,678.58</b>
<b>Dept: 46823 (North West Somalia)</b>				
<b>Fund : 04000 (Core Programme, UNU Centre)</b>				
71405 - Service Contracts-Individuals	0.00	1,168.49	0.00	1,168.49
71410 - MAIP Premium SC	0.00	4.26	0.00	4.26
71415 - Contribution to Security SC	0.00	55.23	0.00	55.23
72125 - Svc Co-Studies & Research Serv	0.00	1,525.00	0.00	1,525.00
72605 - Grants to Instit & other Benef	0.00	17,800.00	0.00	17,800.00
<b>Total for Fund 04000</b>	<b>0.00</b>	<b>20,550.98</b>	<b>0.00</b>	<b>20,550.98</b>
<b>Fund : 30000 (PROGRAMME COST SHARING)</b>				
71205 - Intl Consultants-Sht Term-Tech	0.00	39,725.00	0.00	39,725.00
71405 - Service Contracts-Individuals	0.00	2,332.99	0.00	2,332.99
71410 - MAIP Premium SC	0.00	8.53	0.00	8.53
71415 - Contribution to Security SC	0.00	110.46	0.00	110.46
71605 - Travel Tickets-International	0.00	3,445.00	0.00	3,445.00
71615 - Daily Subsistence Allow-Intl	0.00	24,507.44	0.00	24,507.44
71620 - Daily Subsistence Allow-Local	0.00	29,858.00	0.00	29,858.00
72135 - Svc Co-Communications Service	0.00	41,744.00	0.00	41,744.00
72165 - Svc Co-Social Svcs, Social Sci	38,978.00	0.00	0.00	38,978.00
72170 - Svc Co-Humanitarian Aid & Relf	8,515.00	0.00	0.00	8,515.00
72425 - Mobile Telephone Charges	0.00	798.36	0.00	798.36
72605 - Grants to Instit & other Benef	0.00	76,900.00	0.00	76,900.00
72615 - Micro Capital Grants-Other	0.00	200,711.00	0.00	200,711.00
73107 - Rent - Meeting Rooms	0.00	2,765.80	0.00	2,765.80
74210 - Printing and Publications	0.00	515.40	0.00	515.40
74510 - Bank Charges	0.00	6,228.63	0.00	6,228.63
74710 - Land Transport	0.00	3,121.30	0.00	3,121.30
75105 - Facilities & Admin - Implement	0.00	13,295.43	0.00	13,295.43
75709 - Learning - training of counter	0.00	2,712.64	0.00	2,712.64
<b>Total for Fund 30000</b>	<b>47,493.00</b>	<b>448,779.98</b>	<b>0.00</b>	<b>496,272.98</b>
<b>Total for Dept : 46823</b>	<b>47,493.00</b>	<b>469,330.96</b>	<b>0.00</b>	<b>516,823.96</b>

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Audit Report of Project no. 00058616(DRR/Armed Violence Reduction Plan) for the year ended 31 December 2014



UN Development Programme  
Report ID: ung/cdrp

Combined Delivery Report By Project

Page 4 of 13  
Run Time: 27-02-2015 09:02:35

Project Id : 00058616	DDR/ARMED VIOLENCE REDUCTION P	Period :	Jan-Dec (2014)
Output # : 00072870	COMMUNITY SECURITY PROJECT	Impl. Partner :	02834 United Nations Development P
		Location :	UNDP Somalia

Dept: 46824 (North East Somalia)

Fund : 04000 (Core Programme, UNU Centre)

72145 - Svc Co-Training and Educ Serv	0.00	49,553.00	0.00	49,553.00
<b>Total for Fund 04000</b>	<b>0.00</b>	<b>49,553.00</b>	<b>0.00</b>	<b>49,553.00</b>

Fund : 30000 (PROGRAMME COST SHARING)

71615 - Daily Subsistence Allow-Intl	0.00	990.00	0.00	990.00
71620 - Daily Subsistence Allow-Local	0.00	1,346.40	0.00	1,346.40
71635 - Travel - Other	0.00	300.00	0.00	300.00
72105 - Svc Co-Construction & Engineer	0.00	43,074.00	0.00	43,074.00
72125 - Svc Co-Studies & Research Serv	0.00	1,942.00	0.00	1,942.00
72126 - Svc Co-Security blast assessme	0.00	19,872.00	0.00	19,872.00
72130 - Svc Co-Transportation Services	0.00	7,495.00	0.00	7,495.00
72145 - Svc Co-Training and Educ Serv	0.00	82,235.00	0.00	82,235.00
72165 - Svc Co-Social Svcs, Social Sci	0.00	40,050.00	0.00	40,050.00
72170 - Svc Co-Humanitarian Aid & Relf	3,290.00	0.00	0.00	3,290.00
72505 - Stationery & other Office Supp	0.00	1,196.00	0.00	1,196.00
74510 - Bank Charges	0.00	3,074.27	0.00	3,074.27
75105 - Facilities & Admin - Implement	0.00	2,281.18	0.00	2,281.18
<b>Total for Fund 30000</b>	<b>3,290.00</b>	<b>203,855.85</b>	<b>0.00</b>	<b>207,145.85</b>

**Total for Dept : 46824** **3,290.00** **253,408.85** **0.00** **256,698.85**

Dept: 46825 (South Central Somalia)

Fund : 04000 (Core Programme, UNU Centre)

71620 - Daily Subsistence Allow-Local	0.00	2,130.00	0.00	2,130.00
72165 - Svc Co-Social Svcs, Social Sci	0.00	14,090.00	0.00	14,090.00
72515 - Print Media	0.00	500.00	0.00	500.00
74510 - Bank Charges	0.00	290.63	0.00	290.63
<b>Total for Fund 04000</b>	<b>0.00</b>	<b>17,010.63</b>	<b>0.00</b>	<b>17,010.63</b>

Fund : 30000 (PROGRAMME COST SHARING)

62335 - Hazard Duty Station Allow-IP	0.00	1,472.88	0.00	1,472.88
63360 - Medical Exams(incl Pre-empt)	0.00	233.00	0.00	233.00
71605 - Travel Tickets-International	0.00	8,280.00	0.00	8,280.00
71615 - Daily Subsistence Allow-Intl	0.00	5,351.16	0.00	5,351.16
71620 - Daily Subsistence Allow-Local	0.00	858.00	0.00	858.00
72105 - Svc Co-Construction & Engineer	18,325.00	0.00	0.00	18,325.00
72130 - Svc Co-Transportation Services	0.00	12,280.00	0.00	12,280.00
72315 - Food & Textile Products	0.00	1,675.00	0.00	1,675.00
72505 - Stationery & other Office Supp	0.00	519.00	0.00	519.00
72605 - Grants to Instit & other Benef	0.00	46,850.00	0.00	46,850.00
72710 - Hospitality-Vouchered Expenses	0.00	230.00	0.00	230.00
74510 - Bank Charges	0.00	2,548.70	0.00	2,548.70

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Audit Report of Project no. 00058616(DRR/Armed Violence Reduction Plan) for the year ended 31 December 2014



UN Development Programme  
Report ID: unglodrp

Combined Delivery Report By Project

Page 5 of 13  
Run Time: 27-02-2015 09:02:35

Project Id : 00058616 DRR/ARMED VIOLENCE REDUCTION P	Period :	Jan-Dec (2014)
Output # : 00072870 COMMUNITY SECURITY PROJECT	Impl. Partner :	02834 United Nations Development P
	Location :	UNDP Somalia

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
75105 - Facilities & Admin - Implement	0.00	1,198.94	0.00	1,198.94
Total for Fund 30000	18,325.00	81,496.68	0.00	99,821.68
Total for Dept : 46825	18,325.00	98,507.31	0.00	116,832.31
Total for Output : 00072870	69,108.00	2,214,925.70	0.00	2,284,033.70

Output # : 00078475 YOUTH AT RISK PROJECT	Impl. Partner :	99999 UNDP
	Location :	UNDP Somalia

Dept: 46801 (Somalia - Central)

Fund : 26960 (CPR TTF-Conflict-Country S)

33001 - Change(s) in accounting policy	0.00	4,024.23	0.00	4,024.23
71620 - Daily Subsistence Allow-Local	0.00	- 1,200.00	0.00	- 1,200.00
71625 - Daily Subsist Allow-Mtg Partic	0.00	- 1,775.20	0.00	- 1,775.20
77630 - Dep Exp Owned - ITC	0.00	839.56	0.00	839.56
Total for Fund 26960	0.00	1,888.59	0.00	1,888.59

Total for Dept : 46801 0.00 1,888.59 0.00 1,888.59

Dept: 46823 (North West Somalia)

Fund : 26960 (CPR TTF-Conflict-Country S)

71620 - Daily Subsistence Allow-Local	0.00	- 161.15	0.00	- 161.15
Total for Fund 26960	0.00	- 161.15	0.00	- 161.15

Total for Dept : 46823 0.00 - 161.15 0.00 - 161.15

Total for Output : 00078475 0.00 1,727.44 0.00 1,727.44

Output # : 00083614 Youth Empowerment	Impl. Partner :	99999 UNDP
	Location :	UNDP Somalia

Dept: 46801 (Somalia - Central)

Fund : 20001 (DGTTF CIVIC ENGAGEMENT - OPEN)

61305 - Salaries - IP Staff	0.00	20,791.00	0.00	20,791.00
63505 - Hazard Insurance	0.00	48.00	0.00	48.00
71605 - Travel Tickets-International	0.00	16,415.00	0.00	16,415.00
72105 - Svc Co-Construction & Engineer	0.00	54,647.00	0.00	54,647.00

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Audit Report of Project no. 00058616(DRR/Armed Violence Reduction Plan) for the year ended 31 December 2014



UN Development Programme  
Report ID: unglcdrp

Combined Delivery Report By Project

Page 6 of 13  
Run Time: 27-02-2015 09:02:35

Project Id : 00058616 DRR/ARMED VIOLENCE REDUCTION P	Period :	Jan-Dec (2014)		
Output # : 00083614 Youth Empowerment	Impl. Partner :	99999 UNDP		
	Location :	UNDP Somalia		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

73505 - Reimb to UNDP for Supp Srvs	0.00	5,054.89	0.00	5,054.89
Total for Fund 20001	0.00	96,955.89	0.00	96,955.89
Total for Dept : 46801	0.00	96,955.89	0.00	96,955.89
Total for Output : 00083614	0.00	96,955.89	0.00	96,955.89

Output # : 00083857 Youth for Change Project	Impl. Partner : 99999 UNDP
	Location : UNDP Somalia

Dept: 46801 (Somalia - Central)

Fund : 30000 (PROGRAMME COST SHARING)

33001 - Change(s) in accounting policy	0.00	6,744.00	0.00	6,744.00
61105 - Salaries - NP Staff	0.00	0.00	10,378.00	10,378.00
61305 - Salaries - IP Staff	0.00	11,518.16	0.00	11,518.16
61310 - Post Adjustment - IP Staff	0.00	14,571.47	0.00	14,571.47
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	9,877.45	0.00	9,877.45
62315 - Contrib. to medical, social in	0.00	668.59	0.00	668.59
62320 - Mobility, Hardship, Non-remova	0.00	8,676.09	0.00	8,676.09
62340 - Annual Leave Expense - IP	0.00	2,751.60	0.00	2,751.60
63335 - Home Leave Trvl & Allow-IP Stf	0.00	1,618.76	0.00	1,618.76
63365 - Special Oper Living Allow-IP	0.00	3,852.59	0.00	3,852.59
63530 - Contribution to EOS Benefits	0.00	1,758.03	0.00	1,758.03
63535 - Contribution to Security	0.00	2,903.16	0.00	2,903.16
63540 - Contribution to Training	0.00	562.60	0.00	562.60
63545 - Contribution to ICT	0.00	703.20	0.00	703.20
63550 - Contributions to MAIP	0.00	234.42	0.00	234.42
63555 - Contribution to UN JFA	0.00	1,078.23	0.00	1,078.23
63560 - Contributions to Appendix D	0.00	140.64	0.00	140.64
65115 - Contributions to ASHI Reserva	0.00	3,750.46	0.00	3,750.46
65135 - Payroll Mgt Cost Recovery ATLA	0.00	418.47	0.00	418.47
71305 - Local Consult.-Sht Term-Tech	0.00	0.00	1,605.00	1,605.00
71405 - Service Contracts-Individuals	0.00	57,914.29	0.00	57,914.29
71410 - MAIP Premium SC	0.00	237.40	0.00	237.40
71415 - Contribution to Security SC	0.00	2,837.49	0.00	2,837.49
71530 - UNV-Rest and Recuperation	0.00	1,500.00	0.00	1,500.00
71605 - Travel Tickets-International	0.00	-14,415.00	5,183.00	-9,232.00
71610 - Travel Tickets-Local	0.00	7,979.00	0.00	7,979.00
71620 - Daily Subsistence Allow-Local	0.00	15,091.04	0.00	15,091.04
71625 - Daily Substst Allow-Mig Partic	0.00	1,363.20	0.00	1,363.20
72105 - Svc Co-Construction & Engineer	0.00	0.00	38,371.00	38,371.00
72425 - Mobile Telephone Charges	0.00	1,506.61	0.00	1,506.61
72605 - Grants to Instit & other Benef	0.00	17,191.50	0.00	17,191.50
74510 - Bank Charges	0.00	1,171.23	0.00	1,171.23
74525 - Sundry	0.00	-28,620.21	13,230.00	-15,390.21
75105 - Facilities & Admin - Implement	0.00	12,586.85	0.00	12,586.85
76125 - Realized Loss	0.00	1.61	0.00	1.61

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Audit Report of Project no. 00058616(DRR/Armed Violence Reduction Plan) for the year ended 31 December 2014



UN Development Programme  
Report ID: unglcdrp

Combined Delivery Report By Project

Page 7 of 13  
Run Time: 27-02-2015 09:02:35

Project Id : 00058616 DRR/ARMED VIOLENCE REDUCTION P	Period : Jan-Dec (2014)
Output # : 00083857 Youth for Change Project	Impl. Partner : 99999 UNDP
	Location : UNDP Somalia

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
<b>Total for Fund 30000</b>	0.00	148,172.93	68,767.00	216,939.93
<b>Total for Dept : 46801</b>	0.00	148,172.93	68,767.00	216,939.93
<b>Dept: 46823 (North West Somalia)</b>				
<b>Fund : 30000 (PROGRAMME COST SHARING)</b>				
33001 - Change(s) in accounting policy	0.00	1,810.24	0.00	1,810.24
71405 - Service Contracts-Individuals	0.00	6,646.38	0.00	6,646.38
71410 - MAIP Premium SC	0.00	28.65	0.00	28.65
71415 - Contribution to Security SC	0.00	372.39	0.00	372.39
71605 - Travel Tickets-International	0.00	1,040.00	0.00	1,040.00
71615 - Daily Subsistence Allow-Intl	0.00	8,223.48	0.00	8,223.48
71620 - Daily Subsistence Allow-Local	0.00	5,901.79	0.00	5,901.79
71635 - Travel - Other	0.00	1,708.06	0.00	1,708.06
72105 - Svc Co-Construction & Engineer	0.00	32,176.00	0.00	32,176.00
72125 - Svc Co-Studies & Research Serv	0.00	0.00	0.00	0.00
72605 - Grants to Instit & other Benef	0.00	0.00	0.00	0.00
72615 - Micro Capital Grants-Other	0.00	53,898.50	0.00	53,898.50
74510 - Bank Charges	0.00	2,390.37	0.00	2,390.37
74525 - Sundry	0.00	202.70	0.00	202.70
74710 - Land Transport	0.00	- 272.63	0.00	- 272.63
75105 - Facilities & Admin - Implement	0.00	3,389.17	0.00	3,389.17
75709 - Learning - training of counter	0.00	3,466.00	0.00	3,466.00
<b>Total for Fund 30000</b>	0.00	120,981.10	0.00	120,981.10
<b>Total for Dept : 46823</b>	0.00	120,981.10	0.00	120,981.10
<b>Dept: 46824 (North East Somalia)</b>				
<b>Fund : 30000 (PROGRAMME COST SHARING)</b>				
71605 - Travel Tickets-International	0.00	150.00	0.00	150.00
71615 - Daily Subsistence Allow-Intl	0.00	2,648.76	0.00	2,648.76
71620 - Daily Subsistence Allow-Local	0.00	2,645.04	0.00	2,645.04
71635 - Travel - Other	0.00	420.70	0.00	420.70
72130 - Svc Co-Transportation Services	0.00	574.00	0.00	574.00
72145 - Svc Co-Training and Educ Serv	0.00	10,970.00	0.00	10,970.00
72215 - Transportation Equipment	0.00	344.00	0.00	344.00
72220 - Furniture	0.00	3,600.00	0.00	3,600.00
72405 - Acquisition of Communic Equip	0.00	2,785.00	0.00	2,785.00
72425 - Mobile Telephone Charges	0.00	260.00	0.00	260.00
74510 - Bank Charges	0.00	984.72	0.00	984.72
74525 - Sundry	0.00	250.00	0.00	250.00
74710 - Land Transport	0.00	1,485.00	0.00	1,485.00
75105 - Facilities & Admin - Implement	0.00	1,612.01	0.00	1,612.01
<b>Total for Fund 30000</b>	0.00	28,729.23	0.00	28,729.23

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Audit Report of Project no. 00058616(DRR/Armed Violence Reduction Plan) for the year ended 31 December 2014



UN Development Programme  
Report ID: unglodrp

Combined Delivery Report By Project

Page 8 of 13  
Run Time: 27-02-2015 09:02:35

Project Id : 00058616 DRR/ARMED VIOLENCE REDUCTION P	Period : Jan-Dec (2014)
Output # : 00083857 Youth for Change Project	Impl. Partner : 99999 UNDP
	Location : UNDP Somalia

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Total for Dept: 46824	0.00	28,729.23	0.00	28,729.23
Dept: 46825(South Central Somalia)				
Fund : 30000 (PROGRAMME COST SHARING)				
71615 - Daily Subsistence Allow-Intl	0.00	1,199.00	0.00	1,199.00
74510 - Bank Charges	0.00	20.98	0.00	20.98
75105 - Facilities & Adm'n - Implement	0.00	85.40	0.00	85.40
Total for Fund 30000	0.00	1,305.38	0.00	1,305.38
Total for Dept: 46825	0.00	1,305.38	0.00	1,305.38
Total for Output : 00083857	0.00	299,188.64	68,767.00	367,955.64

Output # : 00089926 Youth for Change Phase II	Impl. Partner : 99999 UNDP
	Location : UNDP Somalia

Dept: 46801 (Somalia - Central)

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

61105 - Salaries - NP Staff	0.00	0.00	32,560.00	32,560.00
61305 - Salaries - IP Staff	0.00	14,959.71	0.00	14,959.71
61310 - Post Adjustment - IP Staff	0.00	6,746.83	0.00	6,746.83
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	4,686.52	0.00	4,686.52
62315 - Contrib. to medical, social ln	0.00	262.66	0.00	262.66
62320 - Mobility, Hardship, Non-remova	0.00	3,992.11	0.00	3,992.11
62335 - Hazard Duty Station Allow-IP	0.00	0.00	0.00	0.00
62340 - Annual Leave Expense - IP	0.00	1,170.21	0.00	1,170.21
63335 - Home Leave Trvl & Allow-IP Stf	0.00	647.50	0.00	647.50
63360 - Medical Exams(Incl Pre-empl)	0.00	350.00	0.00	350.00
63365 - Special Oper Living Allow-IP	0.00	1,774.07	0.00	1,774.07
63505 - Hazard Insurance	0.00	- 48.00	0.00	- 48.00
63530 - Contribution to EOS Benefits	0.00	813.99	0.00	813.99
63535 - Contribution to Security	0.00	1,410.91	0.00	1,410.91
63540 - Contribution to Training	0.00	260.48	0.00	260.48
63545 - Contribution to ICT	0.00	325.60	0.00	325.60
63550 - Contributions to MAIP	0.00	108.56	0.00	108.56
63555 - Contribution to UN JFA	0.00	499.28	0.00	499.28
63560 - Contributions to Appendix D	0.00	65.12	0.00	65.12
65115 - Contributions to ASHI Reserve	0.00	1,736.53	0.00	1,736.53
65135 - Payroll Mgt Cost Recovery ATLA	0.00	199.57	0.00	199.57
71205 - Intl Consultants-Sht Term-Tech	0.00	- 17,550.00	0.00	- 17,550.00
71405 - Service Contracts-Individuals	0.00	0.00	45,954.00	45,954.00
71605 - Travel Tickets-International	0.00	0.00	3,709.00	3,709.00
71610 - Travel Tickets-Local	0.00	0.00	0.00	0.00
71620 - Daily Subsistence Allow-Local	0.00	- 7,593.00	0.00	- 7,593.00
71630 - Shipment	0.00	479.04	0.00	479.04

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Audit Report of Project no. 00058616(DRR/Armed Violence Reduction Plan) for the year ended 31 December 2014



UN Development Programme  
Report ID: unglcdp

Combined Delivery Report By Project

Page 9 of 13  
Run Time: 27-02-2015 09:02:35

Project Id : 00058616 DRR/ARMED VIOLENCE REDUCTION P	Period : Jan-Dec (2014)
Output # : 00089926 Youth for Change Phase II	Impl. Partner : 99999 UNDP
	Location : UNDP Somalia

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
72105 - Svc Co-Construction & Engineer	0.00	- 36,322.00	0.00	- 36,322.00
72330 - Medical Products	0.00	17,813.33	0.00	17,813.33
72430 - Postage and Pouch	0.00	37.18	0.00	37.18
72605 - Grants to Instit & other Benef	26,060.00	792,460.25	0.00	818,520.25
72715 - Hospitality Catering	0.00	1,627.00	0.00	1,627.00
73125 - Common Services-Premises	0.00	1,817.01	0.00	1,817.01
73505 - Reimb to UNDP for Supp Svcs	0.00	77,248.70	0.00	77,248.70
74105 - Management and Reporting Svcs	0.00	0.00	0.00	0.00
74110 - Audit Fees	0.00	7,460.00	0.00	7,460.00
74210 - Printing and Publications	0.00	- 3,240.00	0.00	- 3,240.00
74325 - Contrib To CO Common Security	0.00	27,907.67	0.00	27,907.67
74515 - Claims and Adjustments	0.00	- 5,555.00	0.00	- 5,555.00
74525 - Sundry	0.00	5,271.50	45,052.00	50,323.50
75705 - Learning costs	0.00	397.00	0.00	397.00
75707 - Learning - subsistence allowan	0.00	300.00	0.00	300.00
76125 - Realized Loss	0.00	0.49	0.00	0.49
77305 - Salaries - IP Staff-TA	0.00	8,037.99	0.00	8,037.99
77307 - Appoint-Sub Allow-IP Staff-TA	0.00	1,809.00	0.00	1,809.00
77309 - Appoint-shipment-IP Staff-TA	0.00	360.00	0.00	360.00
77310 - Post Adjustment - IP Staff-TA	0.00	3,625.13	0.00	3,625.13
77315 - Contrib-Med,SocIns-IP Staff-TA	0.00	291.77	0.00	291.77
77320 - Assg hardship & mob allow-TA	0.00	1,785.35	0.00	1,785.35
77325 - Rep Allow (excl hsp pyt)-TA	0.00	- 1,809.00	0.00	- 1,809.00
77357 - Repat. Grt/Comm Ann Lv-IP-TA	0.00	196.41	0.00	196.41
77365 - Spec Oper Living Allow-IP-TA	0.00	892.67	0.00	892.67
77375 - Contrib-Jt Staff Pens Fd-IP-TA	0.00	2,664.69	0.00	2,664.69
77385 - Contribution to Security	0.00	758.09	0.00	758.09
77386 - Contribution to ICT_TA	0.00	174.94	0.00	174.94
77395 - MAIP Premium TA/IP	0.00	58.31	0.00	58.31
77396 - PAYROLL MGT COST RECOVERY	0.00	96.55	0.00	96.55
77397 - Appendix D TA/IP	0.00	35.00	0.00	35.00
<b>Total for Fund 32045</b>	<b>26,060.00</b>	<b>921,497.72</b>	<b>127,275.00</b>	<b>1,074,832.72</b>
<b>Total for Dept : 46801</b>	<b>26,060.00</b>	<b>921,497.72</b>	<b>127,275.00</b>	<b>1,074,832.72</b>
<b>Dept: 46823 (North West Somalia)</b>				
<b>Fund : 32045 (JPN-Partnership Devt. Pgm. PCF)</b>				
71205 - Intl Consultants-Sht Term-Tech	0.00	18,900.00	0.00	18,900.00
71405 - Service Contracts-Individuals	0.00	12,552.05	0.00	12,552.05
71410 - MAIP Premium SC	0.00	49.31	0.00	49.31
71415 - Contribution to Security SC	0.00	641.09	0.00	641.09
71605 - Travel Tickets-International	0.00	677.00	0.00	677.00
71615 - Daily Subsistence Allow-Intl	0.00	776.00	0.00	776.00
71620 - Daily Subsistence Allow-Local	0.00	4,677.60	0.00	4,677.60
72165 - Svc Co-Social Svcs, Social Sci	35,410.00	0.00	0.00	35,410.00
72175 - Svc Co-Urban, Rural & Regional	0.00	39,490.00	0.00	39,490.00
72510 - Publications	0.00	2,960.00	0.00	2,960.00
74210 - Printing and Publications	0.00	1,288.65	0.00	1,288.65
74510 - Bank Charges	0.00	847.03	0.00	847.03
74710 - Land Transport	0.00	1,456.70	0.00	1,456.70

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Audit Report of Project no. 00058616(DRR/Armed Violence Reduction Plan) for the year ended 31 December 2014



UN Development Programme  
Report ID: ung/cdrp

Combined Delivery Report By Project

Page 10 of 13  
Run Time: 27-02-2015 09:02:35

Project Id : 00058616 DOR/ARMED VIOLENCE REDUCTION P		Period :	Jan-Dec (2014)	
Output # : 00089926 Youth for Change Phase II		Impl. Partner :	99999 UNDP	
		Location :	UNDP Somalia	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Total for Fund 32045	35,410.00	84,315.43	0.00	119,725.43
Total for Dept : 46823	35,410.00	84,315.43	0.00	119,725.43
Dept: 46824 (North East Somalia)				
Fund : 32045 (JPN-Partnership Devt. Pgm. PCF)				
71620 - Daily Subsistence Allow-Local	0.00	2,334.00	0.00	2,334.00
72105 - Svc Co-Construction & Engineer	0.00	12,568.00	0.00	12,568.00
72125 - Svc Co-Studies & Research Serv	0.00	43,302.00	0.00	43,302.00
72145 - Svc Co-Training and Educ Serv	0.00	97,252.00	0.00	97,252.00
72215 - Transportation Equipment	0.00	1,197.20	0.00	1,197.20
72311 - Fuel, petroleum and other oils	0.00	85.80	0.00	85.80
72425 - Mobile Telephone Charges	0.00	259.00	0.00	259.00
74210 - Printing and Publications	0.00	3,288.60	0.00	3,288.60
74510 - Bank Charges	0.00	2,357.38	0.00	2,357.38
Total for Fund 32045	0.00	162,643.98	0.00	162,643.98
Total for Dept : 46824	0.00	162,643.98	0.00	162,643.98
Dept: 46825 (South Central Somalia)				
Fund : 32045 (JPN-Partnership Devt. Pgm. PCF)				
62335 - Hazard Duty Station Allow-IP	0.00	1,052.00	0.00	1,052.00
63360 - Medical Exams(Incl Pre-empl)	0.00	78.00	0.00	78.00
71605 - Travel Tickets-International	0.00	1,215.00	0.00	1,215.00
71620 - Daily Subsistence Allow-Local	0.00	11,265.00	0.00	11,265.00
72440 - Connectivity Charges	0.00	1,040.00	0.00	1,040.00
72605 - Grants to Instit & other Benef	0.00	267,920.00	0.00	267,920.00
74510 - Bank Charges	0.00	4,793.25	0.00	4,793.25
74525 - Sundry	0.00	120.00	0.00	120.00
74710 - Land Transport	0.00	360.00	0.00	360.00
Total for Fund 32045	0.00	287,843.25	0.00	287,843.25
Total for Dept : 46825	0.00	287,843.25	0.00	287,843.25
Total for Output : 00089926	61,470.00	1,456,300.38	127,275.00	1,645,045.38
Project Total :	130,578.00	4,069,098.05	196,042.00	4,395,718.05

Signed By :

Date :

27/02/15

Signed By :

Date :

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Audit Report of Project no. 00058616(DRR/Armed Violence Reduction Plan) for the year ended 31 December 2014



UN Development Programme  
Report ID: unglodrp

Combined Delivery Report By Project

Page 11 of 13  
Run Time: 27-02-2015 09:02:36

Selection Criteria :

Business Unit : SOM10  
Period : Jan-Dec (2014)  
Selected Project Id : 00058616  
Selected Fund Code : ALL  
Selected Dept. IDs : B0468  
Selected Outputs : ALL

Project Id : ALL	Period : Jan-Dec (2014)			
Output # : ALL	Impl. Partner :			
	Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
46801 - Somalia - Central	26,060.00	2,562,193.71	198,042.00	2,784,295.71
46823 - North West Somalia	82,903.00	674,466.34	0.00	757,369.34
46824 - North East Somalia	3,290.00	444,782.06	0.00	448,072.06
46825 - South Central Somalia	18,325.00	387,655.94	0.00	405,980.94

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Audit Report of Project no. 00058616(DRR/Armed Violence Reduction Plan) for the year ended 31 December 2014



UN Development Programme  
Report ID: unglcdrip

Combined Delivery Report By Project

Page 12 of 13  
Run Time: 27-02-2015 09:02:44

Funds Utilization

Selection Criteria:

Business Unit: SOM10  
Period: Jan-Dec (2014)  
Selected Project Id: 00058616  
Selected Fund Code: ALL  
Selected Dept. IDs: B0468  
Selected Outputs: ALL

Project/Award: 00058616 DDR/ARMED VIOLENCE REDUCTION P Period: As at Dec 31, 2014

Output #	Impl. Partner	UNDP AMOUNT
00072870	02834 United Nations Development P	
Outstanding NEX advances		135,759.00
Undepreciated Fixed Assets		0.00
Inventory		0.00
Prepayments		0.00
Commitments		81,453.82

Output #	Impl. Partner	UNDP AMOUNT
00078475	99999 UNDP	
Outstanding NEX advances		0.00
Undepreciated Fixed Assets		4,337.64
Inventory		0.00
Prepayments		0.00
Commitments		0.00

Output #	Impl. Partner	UNDP AMOUNT
00083857	99999 UNDP	
Outstanding NEX advances		0.00
Undepreciated Fixed Assets		0.00
Inventory		0.00
Prepayments		0.00
Commitments		4,875.00

Output #	Impl. Partner	UNDP AMOUNT
00089926	99999 UNDP	

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AA



UN Development Programme  
Report ID: ungicdrp

Combined Delivery Report By Project

Page 13 of 13  
Run Time: 27-02-2015 09:02:44

**Funds Utilization**

Outstanding NEX advances	0.00
Undepreciated Fixed Assets	0.00
Inventory	0.00
Prepayments	0.00
Commitments	0.00

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**ANNEX II: Cost Plan**

Output no.	Name	Date of Commencement	Official Project end date	2014	2013
00072870	Community Security Project	September 2013	On going	2,525,263	1,752,976
00083857	Youth for Change I	September 2012	February 2014	Nil	4,100,175
00089926	Youth for Change I	March 2014	On going	2,400,000	Nil
00083614	Youth Empowerment Project	September 2013	December 2014	97,250	100,557
00078475	Youth at Risk	September 2013	December 2013	Nil	Nil

ANNEX III: Detailed Statement of Assets

Asset ID	Profile ID	Description	TAG Number	Serial Number	Location	Acquisition Date	Cost (USD)	Qty	Operating Unit	Dpt.	Impl Agency	Donor	Project	Fund code	NBV
1873	ITCI	A Notebook computers	118199	GOK6XP1	Nairobi	7 <sup>th</sup> March 2012	1,900.00	1	SOM	46801	001981	00141	00078475	26960	1,084.41
1873	ITCI	A Notebook computers	118163	GOK1XP1	Mogadishu	7 <sup>th</sup> March 2012	1,900.00	1	SOM	46801	001981	00141	00078475	26960	1,084.41
1873	ITCI	A Notebook computers	118698	GOK0XP1	Hargeisa	7 <sup>th</sup> March 2012	1,900.00	1	SOM	46801	001981	00141	00078475	26960	1,084.41
1873	ITCI	A Notebook computers	118793	GOK5XP1	Garowe	7 <sup>th</sup> March 2012	1,900.00	1	SOM	46801	001981	00141	00078475	26960	1,084.41
Total Value:		USD					7,600.00								4,337.64

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as at 31 Dec / 2014

**PART III: LONG FORM MANAGEMENT LETTER**

### 3.1 Priorities of Audit Recommendations

In order to permit management to assess the relative importance of the weaknesses of any control issues identified during the review, each has been assigned a subjective rating which in turn may be used in prioritizing the resources required to address the problem. The key to these ratings is as follows:

Priority	Details
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 to 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 to UNDP.

### 3.2 Definition of standard audit rating

In providing the auditor's assessment, the Internal Audit Services UNDP uses the following harmonized audit ratings definitions.

Rating	Definition
Satisfactory	Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievements of the project.
Partially satisfactory	Internal controls, governance and risk management processes were adequately established and functioning but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity.
Unsatisfactory	Internal controls, governance and risk management processes were either not established or not performing well. The issues identified were such that the achievement of the overall objectives of the audited entity could be seriously compromised.
Not Applicable	



### 3.3 Long form management letter

<b>Finding n°: 1</b>	<b>Title: Improvement to project monitoring and evaluation procedures</b>								
<b>Outputs: 00072870, 00089926, 00083614 and 00083857</b>									
<b>Audit Area: Project Management</b>									
<p><b>Criteria</b></p> <p>The POPP stipulates the projects shall have oversight committee known as the Project Steering Committee/Project Board in charge of; undertaking evaluation on the progress of the implementation, project appraisal and closure of the project. The project Board shall conduct regular meetings to review the Project Quarterly Progress Report and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans. Project reviews by this group are made at designated decision points during the running of a project, or as necessary when raised by the Project Manager.</p> <p>The project board shall involve the main stakeholders such as: the Project Director (also called Executive), Development Partners (also called Supplier) and Beneficiary Representatives.</p> <p><b>Condition</b></p> <ul style="list-style-type: none"> <li>We noted that although there exists a project board and that project board meetings were not held on regular basis at the designated decision points during the period under review contrary to the requirements stipulated in POPP. Our review of the minutes of meetings of the project board, revealed that meetings were held as follows:</li> </ul> <table border="1"> <thead> <tr> <th>Date meeting held</th><th>Location</th></tr> </thead> <tbody> <tr> <td>26.10.2014</td><td>Puntland</td></tr> <tr> <td>14.10.2014</td><td>Hargeisa</td></tr> <tr> <td>05.11.2014</td><td>Mogadishu</td></tr> </tbody> </table> <ul style="list-style-type: none"> <li>However, the Board's mandate is to, based on the approved annual work plan (AWP), review and approve project quarterly plans when required and authorize any major deviation from these agreed quarterly plans, as well as to play a critical role in UNDP commissioned project evaluations. Since the boards only met once during the third quarter of the audit period under review, it was not evident how the board accomplished its mandate.</li> </ul> <p><b>Cause</b></p> <p>There lacked evidence to demonstrate attempts by the project management to comply with the requirements for regular project board meetings at designated decision points during the running of a project, as necessary to execute the project board's mandate. Further there lacked documented evidence of the attendance and participation of relevant stakeholders during Project board meetings.</p> <p><b>Effect</b></p> <p>There were inadequate procedures for continuous monitoring and evaluation as well as regular briefing and consultation with stakeholders on project progress which reduce opportunity for prompt identification of areas requiring remedial measures.</p>		Date meeting held	Location	26.10.2014	Puntland	14.10.2014	Hargeisa	05.11.2014	Mogadishu
Date meeting held	Location								
26.10.2014	Puntland								
14.10.2014	Hargeisa								
05.11.2014	Mogadishu								
<b>Recommendation priority: Medium</b>									

**Recommendation:**

We recommend that more robust mechanisms are put in place to enhance project monitoring and regular reporting and consultations with stakeholders by:

- a) Conducting regular meetings of the Project board/steering committee at designated decision points during the running of a project to adequately execute the mandate of the board.
- b) These monitoring and consultation activities, including the participation of required stakeholders, should be adequately documented and such documentation provided for audit review.

**Management Comments:**

The Country Office agrees with the finding. We note that the POPP guidelines specify that project boards meetings take place "minimally annually, but recommended quarterly," and in this sense the minimum requirement was met by the project. However, we fully agree that project board meetings should take place on a more regular basis, and in 2015 this is already being improved.

**Management Action Plan:**

The Country Office will review the TORs of the Project Board to agree on the preferred meeting schedule, and take action to ensure those schedules are better adhered to. The CO will also better document other consultation activities with stakeholders for future audit review.

**Estimated completion date:**

April 2016

Finding n°: 2	Title: Advances recorded as expenditure			
Amount: Finance and Cash Management				
Outputs: 00072870, 00089926				
Amount : USD 33,596				
Criteria				
POPP stipulates that UNDP follows the Accrual basis of accounting under which transactions and other events are recognized as they occur (and not only when cash or its equivalent is received or paid). Best practices require that, amount advanced to responsible parties should first be recorded as receivable and expensed once the responsible party has accounted and reported.				
Condition				
We noted advances paid to responsible parties were recorded as expenditure as at the point of making the advance rather than upon receipt of supporting documentation for cash incurred.				
In this regard, we reviewed amounts advanced to responsible parties against respective accountability documentation and noted unspent balances totalling USD 23,660 as detailed in Annex IV which were included in expenditure reported.				
In addition, we were not provided with the supporting documents to demonstrate accountability for various amounts advanced to the responsible parties totaling USD 9,936 as detailed below:				
Dates	Ref	Details	Responsible Party	Amount Disbursed and Not accounted for USD
24-Sep-14	SOM10-00084424-1-1-ACCR-DST	2 Install as per LOA 2014	MOJ	9,936
				9,936
Cause				
There was possible incorrect interpretation of the accrual concept of accounting as far as advances to responsible parties is concerned resulting in the use of cash basis for recognition of payments to responsible parties.				
Effect				
Expenditure reported was overstated by the value of unspent funds.				
Recommendation priority: High				
Recommendation:				
Instalments paid to responsible parties should first be recorded as advances (receivables) and expensed when satisfactory financial reports and supporting documents are received and reviewed.				



**Management Comments:**

The Country Office accepts the finding. The Country Office Management has already taken action to ensure that all payments to Government under letters of agreements are reflected as advances in Atlas, and that they are only expensed when satisfactory financial reports and supporting documents are received and reviewed.

**Management Action plan:**

The Country Office has already implemented the recommendation since late 2014, and is reinforcing these systems through 2015. All payments processed through Letters of Agreement to Government counterparts are now recorded as advances.

**Estimated completion date:** 31 December 2015.

Finding n°: 3	Title: Lack of supporting documentation										
Audit Area: Finance and Cash Management											
Outputs: 00072870											
Amount: US\$ 3,290											
<b>Criteria</b> In line with UNDP FRR and POPP on records management, the head of office must ensure that adequate supporting documentation is maintained. This supporting documentation may be maintained in an electronic format, but only in compliance with the UNDP e-document management policy and digitization guidelines on document scanning. Where supporting documentation is not maintained in electronic format, hard copies should be maintained and securely filed for a minimum of seven years to support transactions recorded in Atlas.											
<b>Condition</b> We noted unsupported costs totalling to US\$ 3,290 as detailed below:											
<table><tr><th>Date</th><th>Details</th><th>Amount in US\$</th></tr><tr><td>17-Jan-15</td><td>Correction of Voucher 00081815</td><td>3,290</td></tr><tr><td>Total</td><td></td><td>3,290</td></tr></table>			Date	Details	Amount in US\$	17-Jan-15	Correction of Voucher 00081815	3,290	Total		3,290
Date	Details	Amount in US\$									
17-Jan-15	Correction of Voucher 00081815	3,290									
Total		3,290									
<b>Cause</b> It is likely there was poor filing and inadequate controls over retention of supporting documentation.											
<b>Effect</b> Where documentation supporting expenditure is not provided, there is reduced evidence that such expenditure was incurred for the Project.											
Recommendation priority: Medium											
<b>Recommendation:</b> We recommend that efforts are made to locate the supporting documentation for the expenditure noted as lacking supporting documentation. In future, the Project Management should ensure that all supporting documentation are obtained and properly filed.											
<b>Management Comments:</b> The Country Office accepts the finding and notes that the unsupported costs relate to a GLJE reversal for a liquidated payment. The reversal took place to reflect the charges against the correct accounting codes.  The extraction of documents was delayed and was not provided to the audit in a timely manner to allow for the audit review in order to provide accountability for the reflected amount under annex III. The Country Office has multiple offices and project implementation is decentralized to the regions this does at times hamper the efficient access to supporting documents at the different locations as it requires the documents to be accessed locally and then have them air lifted via UN pouch to the location where they need to be reviewed.											
<b>Management Action plan:</b> The CO will improve its project filing, and is pursuing establishing a centralized filing and archiving system that would allow immediate access to all documents as and when required.											

Audit Report of Project no. 00058616(DRR/Armed Violence Reduction Plan) for the year ended 31 December 2014

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<b>Estimated completion date:</b> 31 December 2015.
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<b>Finding n°: 4</b>	<b>Title: Delay to adjust assets records for lost assets.</b>					
<b>Output: 00078475</b>						
<b>Audit Area: Asset Management</b>						
<b>Criteria</b>						
The head of office is accountable for ensuring complete and accurate records of assets within his or her office in the Atlas asset module. Specifically, the head of office must personally certify the mid-year and annual asset certification letter. He or she must designate an individual to be responsible for the physical verification of assets and reconciliation; this individual cannot be the same person as the asset focal point or the asset manager. The head of office must also designate a staff member to initiate asset transactions and a staff member to authorize transactions for subsequent recording by GSSC in Atlas.						
<b>Condition</b>						
The 2014 asset register as well as statements of assets still reflected assets no longer in the possession of the Project. We noted from review of project documents that, four laptops were acquired in March 2012 and three of the laptops valued at US\$ 5,700 were lost. We were informed that these assets were stolen while in possession of employees and that there was no official investigation carried out.						
From review of the asset register in the Atlas the lost assets were still included in the register. As per discussion with the management and from review of the documents subsequently provided, we noted that the issue was only resolved and closed resolved in GSSC in May 2015, and thus the statements of assets as at 31 December 2014 were still misstated. The revised statement of assets is yet to be provided.						
We further note that assets not in possession of the Project and still included in the assets register and statement of assets was still noted in the prior audit report as detailed under Annex VI.						
Details are of the assets are as shown below;						
<b>Project no.</b>	<b>Serial number</b>	<b>Unit cost</b>	<b>Accumulated depreciation</b>	<b>Net book value</b>	<b>Location/Status</b>	<b>Dates the assets were lost</b>
		<b>US\$</b>	<b>US\$</b>	<b>US\$</b>		
78475	GOK6XP1	1,900	815.59	1,084.41	Lost	6th March 2013
78475	GOK1XP1	1,900	815.59	1,084.41	Mogadishu - Transferred from Output 78475 to 72870 effective 27 February 2015	N/A
78475	GOK0XP1	1,900	815.59	1,084.41	Lost	2nd August 2014
78475	GOK5XP1	1,900	815.59	1,084.41	Lost	13th March 2013
<b>Total</b>		<b>7,600</b>	<b>3,262.36</b>	<b>4,337.64</b>		
<b>Cause</b>						
The delay was caused by difficulty in obtaining adequate supporting documents to evidence to						



<p>GSSC the reasons and circumstances in which the assets were stolen.</p> <p><b>Effect</b></p> <p>The assets register and the statement of assets does not accurately reflect the assets of the project since the assets value reflected is materially overstated.</p>
<p><b>Recommendation:</b></p> <p>We recommend that the statement of fixed assets and assets register is updated timely to report and remove lost assets to ensure asset records reflect the actual possession of the project. In future, regular reconciliations of the fixed asset verified and the asset register should be conducted. This can also be a useful tool to monitor instances where assets have been lost or are suspected to have been stolen, thus indicating to management that stricter physical security over assets is required.</p>
<p><b>Recommendation priority:</b> High</p>
<p><b>Management Comments:</b></p> <p>The Country Office accepts the finding and notes that the Country Office was fully aware of the need to remove the stolen assets from the asset management list; however process/system requirements necessitated specific supporting documentation such as police reports in order to close and remove the assets from the asset management list. This process is managed by GSSC and therefore assets cannot be removed unless all supporting documents are provided. Due to delays encountered in obtaining the referenced documents from the police the assets were only removed from the list in early 2015.</p> <p><b>Management Action plan:</b></p> <p>The Country office has already addressed this issue in 2014 by identifying an asset focal point and instituting regular review and oversight over project assets. The Country office will further review its assets management system to identify potential for further improvement in order to avoid future discrepancies.</p> <p><b>Estimated completion date:</b> 31 December 2015</p>

**Annex IV Schedule of advances under LoAs treated as expenditure (Output nos. 00072870, 00089926)**

Dates	Ref	Details	Responsible Party	Amount Disbursed USD	Amount Accounted for USD	Balance USD
25 July 2014	SOM10-00082929-1-1-ACCR-DST	1 Install as per MOJ loA 2014	MOJ	28,440	28,320	120
8 May 2014	SOM10-00080991-1-1-ACCR-DST	3rd Install as per MOJ LOA	MOJ	11,610	6,410	5,200
10 October 2014	SOM10-00084623-1-1-ACCR-DST	2 install as per MOJ LOA 2014	MOJ	69,875	51,655	18,340
<b>Total</b>						<b>23,660</b>

**Annex V Follow up previous audit findings (Output no. 00083857)**

<b>Audit area</b>	<b>Recommendation</b>	<b>Management Comments as of 31 December 2013</b>	<b>Implementation Status as of 31 December 2014</b>	<b>Audit Firm's Assessment of Implementation Status</b>
<b>Organisation and staffing</b>	UNDP to ensure that the individuals involved in the preparation of audit papers are different from the one carrying out payments verification.	Management to review the segregation status to include the recommendations of the audit.	Segregation of duties enhanced, the staff preparing the audit schedules is different from the staff carrying out payments verification	No similar findings noted during the audit.
<b>Finance Management</b>	Projects to ensure recovery of ISS and GMS are done as stipulated in POPP.	GMS costs to be recovered at 7% of the total expenditure and ISS costs to be recovered at 5.5%. as stipulated in POPP	The projects shall ensure that costs recovery policy is correctly applied and corrections measures undertaken.	No similar findings noted during the audit.

**Annex VI Follow up previous audit findings (Output No. 00078475)**

<b>Audit area</b>	<b>Recommendation</b>	<b>Management Comments as of 31 December 2013</b>	<b>Implementation Status as of 31 December 2014</b>	<b>Audit Firm's Assessment of Implementation Status</b>
<b>Organisation and staffing</b>	UNDP to ensure that the individuals involved in the preparation of audit papers are different from the one carrying out payments verification	Management to review the segregation status to include the recommendations of the audit	Segregation of duties enhanced, the staff preparing the audit schedules is different from the staff carrying out payments verification	No similar findings noted during the audit
<b>Finance Management</b>	Projects to ensure recovery of ISS and GMS are done as stipulated in POPP.	GMS costs to be recovered at 7% of the total expenditure and ISS costs to be recovered at 5.5%. as stipulated in POPP	The projects shall ensure that costs recovery policy is correctly applied and corrections measures undertaken.	No similar findings noted during the audit.
<b>Asset Management</b>	Ensure that procedures over loss of asset are complied with. Exact cause of loss shall be identified and the disposal action and degree responsibility shall be identified as per UNDP rules and regulations	Proper actions shall be taken to ensure that assets are properly recorded	Policies on assets are not strictly adhered to	We were informed corrective action was taken in May 2015 and received an updated asset register indicating the lost assets were removed.