

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP SOMALIA

JOINT PROGRAMME ON YOUTH EMPLOYMENT
(Directly Implemented Project No. 85376, Output No. 93046)

Report No. 2139

Issue Date: 9 August 2019

Report on the Audit of UNDP Somalia
Joint Programme on Youth Employment (Project No. 85376, Output No. 93046)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through KPMG SA (the audit firm), from 3 May to 10 June 2019, conducted an audit of Joint Programme on Youth Employment (Project No. 85376, Output No. 93046) (the Project), which is directly implemented and managed by the UNDP Country Office in Somalia (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 expenses for the period from 1 January to 31 December 2018 and the accompanying Funds Utilization statement¹ as of 31 December 2018 as well as Statement of Assets as of 31 December 2018. It also reviewed the relevant systems, procedures and practices in place as they relate to the Project, in the areas of: governance, programme and operations. The audit did not include activities and expenses incurred or undertaken at the "responsible party" level, or expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). 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/some improvement needed**, which means that "The assessed governance arrangements, risk management practices and controls, as applicable to the Project's financial statements, were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area." This rating was mainly due to inadequate asset verification and reconciliation. The details of the audit results are presented in the table below:

Project Expenses*		Project Assets		
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion	NFM** (in \$ '000)
2,071	Unmodified	5	Adverse	1

*Expenses recorded in the Combined Delivery Report were \$3,151,191. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UNDP offices outside of the country (\$670,286). Also excluded were expenses incurred at the "responsible party" level (\$410,000), which were subject to a separate audit conducted by external auditors that resulted in an unmodified opinion.

**NFM = Net Financial Misstatement

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

The audit firm issued an adverse opinion on project assets due to an asset valued at \$1,339, representing 27 percent of the total project's asset as of 31 December 2018, that could not be physically verified and reconciled during the audit.

Key recommendation: Total = 1, high priority = 1

The recommendation aims to ensure the safeguarding of assets (Recommendation 1).

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. The high (critical) priority recommendation is presented below:

Inadequate fixed asset
verification and
reconciliation
(Issue 1)

The audit team was unable to verify the physical existence of one computer with a net book value of \$1,339. The asset accounted for approximately 27 percent of the Project's total assets, resulting in a material overstatement of the Statement of Assets as at 31 December 2018. Management was unable to provide the audit team with the due justification on the whereabouts of the asset.

Recommendation: The Office should put in place robust control measures pertaining to the verification and reconciliation of items reported in the asset register to ensure that asset amounts include all items that are owned, used, and controlled by UNDP, and that assets also physically exist.

Management comments and action plan

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



Helge Osttveiten
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Helge S. Osttveiten
Director
Office of Audit and Investigations



**United Nations Development Programme
(UNDP)**

Report of the Independent Auditor on
the United Nations Development Programme (UNDP)
Directly Implemented (DIM) Project ID 00085376 “Joint
Programme on Youth Employment” – Output no. 00093046
- Mogadishu, Somalia -
For the period from 1 January to 31 December 2018



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Executive Summary

KPMG Geneva conducted the financial audit of UNDP Project ID 00085376 “Joint Programme on Youth Employment” – Output no. 00093046, directly implemented by UNDP Somalia for the period from 1 January to 31 December 2018. The audit was undertaken on behalf of the Office of Audit and Investigations (OAI) United Nations Development Programme (UNDP).

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

Financial Position
Statement of Fixed Assets
Statement of Cash

Unmodified
Adverse
Not Applicable as UNDP Country
Office did not maintain dedicated
bank accounts for the project.

The Project ID 00085376 “Joint Programme on Youth Employment” – Output no. 00093046 was not audited in the prior year and therefore there were no recommendations to follow up on.

As a result of our audit, we have raised one audit finding with a net financial impact of USD 1,338.75 on the Statement of Fixed Assets, as summarized below and detailed in the management letter.

No.	Title	Priority	Net Financial Impact US\$
1	Inadequate Fixed Asset verification and reconciliation	High	The Statement of Fixed Assets total Net Book Value was overstated at 31 December 2018 by an amount of USD 1,338.75

We conducted a combined financial audit and an audit of internal controls and systems of the project. Based on our assessment, the internal controls and systems of the project was **partially satisfactory**, which means that The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.

KPMG SA

Pierre-Henri Pingeon
Partner

Henri Mwaniki
Senior Manager

Geneva, 29 July 2019



Audit Objectives and Scope

A. Financial Audit

The objective of the financial audit was to express an opinion on the project financial position which includes:

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2018 as well as the Fund Utilization statement, the accounts receivable and the accounts payable as at 31 December 2018 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. The Combined Delivery Report (CDR) and the accompanying Funds Utilization statement are the mandatory and official Statements. Other forms of Statements of expenses that may be prepared by a project office are not accepted.
- Expressing an opinion on whether the Statement of Fixed Assets, at Net Book Value, presents fairly the balance of depreciated assets of the UNDP project as at 31 December 2018. This Statement must include all assets available as at 31 December 2018 and not only those purchased in a given period. The opinion is rendered on the Net Book value balance of the Assets. 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 the project as at 31 December 2018. Disbursements made against a DIM project are usually financed from regular country office bank accounts. Exceptionally, a dedicated account may be opened and used solely for the cash transactions of a DIM project, e.g. if the project is in a remote location. The audit firm is required to express an opinion on the Statement of Cash only where a dedicated bank account for the DIM project has been established. In cases where the cash transactions of the audited DIM project are made through the country office bank accounts this type of opinion is not required.
- As maybe applicable, providing the progress made in implementing the recommendations raised in previous year audit report.

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

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project, between 1 January and 31 December 2018. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of “responsible parties” or other UN agencies, 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 of the project

In addition, we conducted the necessary audit steps to cover the project’s internal controls and systems in order to assess:

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

Specifically, we assessed the internal controls with regard to the audited project in the following areas:

- (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.
- (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.
- (ii) Follow-up on previous audits: As may be applicable, assess the status of implementation of the previous year’s audit recommendations.



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A. Financial Audit

Independent Auditors' Report

Opinion on Financial Position

**To: The Director of the Office of Audit and Investigations (OAI)
United Nations Development Programme (UNDP)**

We have audited the financial position of the UNDP Project ID 00085376 – Output no. 00093046 “Joint Programme on Youth Employment” for the period from 1 January to 31 December 2018 which includes: (a) the accompanying Combined Delivery Report (CDR); (b) the Funds Utilization Statement (“The Statement”); and (c) the project related accounts receivable and accounts payable.

The CDR expenditure totaling USD 3,151,190.88, is comprised of expenditure directly incurred by the UNDP Country Office in Somalia for an amount of USD 2,070,904.96, and expenditure incurred by entities other than the Country Office for an amount of USD 1'080'285.92. Our audit only covered the expenditure directly incurred by the UNDP Country Office in Somalia of USD 2,070,904.96.

Unmodified Opinion

In our opinion, the attached CDR and the Funds Utilization statement presents fairly, in all material respects, the expenses of USD 2,070,904.96 directly incurred by the UNDP Country Office in Somalia charged to the project for the period from 1 January to 31 December 2018 in accordance with UNDP accounting policies and were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNDP; and (iv) supported by properly approved vouchers and other supporting documents.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the CDR and Funds Utilization section of our report. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management responsibilities

Management is responsible for the preparation of the CDR and the Funds Utilization statement of the project, and for such internal control as management determines is necessary to enable the preparation of a CDR and Funds Utilization statement that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities

Our objectives are to obtain reasonable assurance about whether the CDR and the Funds Utilization statement are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the CDR and Funds Utilization statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization’s internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG SA



Pierre-Henri Pingeon
Partner



Henri Mwaniki
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Geneva, 29 July 2019



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Independent Auditors' Report

Opinion on the Statement of Fixed Assets

**To: The Director of the Office of Audit and Investigations (OAI)
United Nations Development Programme (UNDP)**

We have audited the accompanying Statement of Fixed Assets of the UNDP Project ID 00085376 "Joint Programme on Youth Employment" - Output no. 00093046 as at 31 December 2018.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the Basis for opinion section of our report, the accompanying statement of fixed assets does not present fairly the assets status of the UNDP Project ID 00085376 with a Net Book Value amounting to USD 5,016.05 as at 31 December 2018 in accordance with UNDP accounting policies.

Basis for adverse opinion

Based on our audit procedures, we were unable to verify the physical existence of an asset that was included in the fixed asset register that accounted for approximately 27% of the net Book Value (USD 1,338.75). The resulting impact was a material overstatement of the Statement of Fixed Assets as at 31 December 2018.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the statement of fixed assets. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management responsibilities

Management is responsible for the preparation of the statement of fixed assets of the project, and for such internal control as management determines is necessary to enable the preparation of a statement of fixed assets that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit

Our objectives are to obtain reasonable assurance about whether the statement of fixed assets is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of fixed assets, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization’s internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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B. Audit of internal control and systems of the project

Independent Auditors' Report

**To: The Director of the Office of Audit and Investigations (OAI)
United Nations Development Programme (UNDP)**

Results of the project's internal control and systems assessment.

Specifically, the following internal controls were assessed with regard to the audited project in the following areas:

Terms of reference	Conclusion	Reference
Organization and Staffing	Satisfactory	Not applicable
Programme and project management	Satisfactory	Not applicable
Human Resources	Satisfactory	Not applicable
Finance	Satisfactory	Not applicable
Procurement	Satisfactory	Not applicable
Asset Management	Unsatisfactory	See opinion and management letter.
Cash Management	Satisfactory	Not applicable
Information Systems	Satisfactory	Not applicable
General Administration	Satisfactory	Not applicable
Follow-up on previous audits	Not Applicable	Not applicable

KPMG SA

Pierre-Henri Pingeon
Partner

Henri Mwaniki
Senior Manager

Geneva, 29 July 2019

Annexes:

Annex 1: Combined Delivery Report and Funds Utilization Statement – Output no. 00093046 (USD)



Combined Delivery Report By Project

Selection Criteria :

Business Unit : SOM10
Period : Jan-Dec (2018)
Selected Project Id : 00085376
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : ALL

Project Id : 00085376 Joint Programme on Youth Emplo	Period :	Jan-Dec (2018)
Output # : 00093046 Joint Programme on Youth Emplo	Impl. Partner :	99999 UNDP
	Location :	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	19,194.55	0.00	19,194.55
61310 - Post Adjustment - IP Staff	0.00	6,894.55	0.00	6,894.55
62305 - Dependency Allowances-IP Staff	0.00	3,677.95	0.00	3,677.95
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	6,354.93	0.00	6,354.93
62315 - Contrib. to medical, social in	0.00	594.95	0.00	594.95
62320 - Mobility, Hardship, Non-remova	0.00	7,650.25	0.00	7,650.25
62340 - Annual Leave Expense - IP	0.00	2,193.76	0.00	2,193.76
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	2,810.05	0.00	2,810.05
63335 - Home Leave Trvl & Allow-IP Stf	0.00	1,111.96	0.00	1,111.96
63350 - Reimb of Income Tax-IP Staff	0.00	1,309.67	0.00	1,309.67
63365 - Special Oper Living Allow-IP	0.00	4,760.35	0.00	4,760.35
63530 - Contribution to EOS Benefits	0.00	978.34	0.00	978.34
63535 - Contribution to Security	0.00	1,630.59	0.00	1,630.59
63540 - Contribution to Training	0.00	104.37	0.00	104.37
63545 - Contribution to ICT	0.00	391.34	0.00	391.34
63550 - Contributions to MAIP	0.00	26.09	0.00	26.09
63555 - Contribution to UN JFA	0.00	847.91	0.00	847.91
63560 - Contributions to Appendix D	0.00	65.23	0.00	65.23
64310 - Separations - IP Staff	0.00	365.24	0.00	365.24
64397 - Services to projects -CO staff	0.00	31,513.70	0.00	31,513.70
65115 - Contributions to ASHI Reserve	0.00	2,530.64	0.00	2,530.64
65135 - Payroll Mgt Cost Recovery ATLA	0.00	185.74	0.00	185.74
72330 - Medical Products	0.00	319.00	0.00	319.00
72415 - Courier Charges	0.00	0.43	0.00	0.43
72440 - Connectivity Charges	0.00	775.00	0.00	775.00
72505 - Stationery & other Office Supp	0.00	27.50	0.00	27.50
73125 - Common Services-Premises	0.00	20,282.50	0.00	20,282.50
74596 - Services to projects -GOE	0.00	13,505.88	0.00	13,505.88
77630 - Dep Exp Owned - ITC	0.00	649.19	0.00	649.19

Total for Fund 04000	0.00	130,751.66	0.00	130,751.66
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Fund : 30000 (PROGRAMME COST SHARING)

61305 - Salaries - IP Staff	0.00	83,747.99	0.00	83,747.99
61310 - Post Adjustment - IP Staff	0.00	31,363.64	0.00	31,363.64
62305 - Dependency Allowances-IP Staff	0.00	8,787.00	0.00	8,787.00
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	27,918.12	0.00	27,918.12
62315 - Contrib. to medical, social in	0.00	289.80	0.00	289.80
62320 - Mobility, Hardship, Non-remova	0.00	20,919.96	0.00	20,919.96
62335 - Hazard Duty Station Allow-IP	0.00	0.00	0.00	0.00
62340 - Annual Leave Expense - IP	0.00	11,738.94	0.00	11,738.94
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	11,688.00	0.00	11,688.00
63335 - Home Leave Trvl & Allow-IP Stf	0.00	4,625.04	0.00	4,625.04



Combined Delivery Report By Project

Project Id : 00085376 Joint Programme on Youth Emplo		Period :	Jan-Dec (2018)	
Output # : 00093046 Joint Programme on Youth Emplo		Impl. Partner :	99999 UNDP	
		Location :	Somalia	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
63350 - Reimb of Income Tax-IP Staff	0.00	5,778.60	0.00	5,778.60
63365 - Special Oper Living Allow-IP	0.00	19,800.00	0.00	19,800.00
63530 - Contribution to EOS Benefits	0.00	4,316.66	0.00	4,316.66
63535 - Contribution to Security	0.00	7,194.48	0.00	7,194.48
63540 - Contribution to Training	0.00	460.48	0.00	460.48
63545 - Contribution to ICT	0.00	1,726.66	0.00	1,726.66
63550 - Contributions to MAIP	0.00	115.12	0.00	115.12
63555 - Contribution to UN JFA	0.00	3,741.12	0.00	3,741.12
63560 - Contributions to Appendix D	0.00	287.78	0.00	287.78
64310 - Separations - IP Staff	0.00	1,611.56	0.00	1,611.56
64397 - Services to projects -CO staff	0.00	202,095.02	0.00	202,095.02
65115 - Contributions to ASHI Reserve	0.00	11,165.86	0.00	11,165.86
65135 - Payroll Mgt Cost Recovery ATLA	0.00	772.56	0.00	772.56
71205 - Intl Consultants-Sht Term-Tech	0.00	8,244.00	0.00	8,244.00
71405 - Service Contracts-Individuals	0.00	33,964.11	0.00	33,964.11
71410 - MAIP Premium SC	0.00	28.77	0.00	28.77
71415 - Contribution to Security SC	0.00	1,798.35	0.00	1,798.35
71505 - UN Volunteers-Stipend & Allow	0.00	7,436.76	0.00	7,436.76
71520 - UNV-Language Allowance	0.00	150.00	0.00	150.00
71525 - UNV-Hazard Pay	0.00	3,000.00	0.00	3,000.00
71535 - UNV-Medical Insurance	0.00	437.76	0.00	437.76
71540 - UNV-Global Charges	0.00	450.63	0.00	450.63
71541 - UNVs-Contribution to security	0.00	417.91	0.00	417.91
71545 - UNV-Home Leave Travel & Allowa	0.00	25.50	0.00	25.50
71550 - UNV-Resettlement Allowance	0.00	600.00	0.00	600.00
71590 - UNV Development Effectiveness	0.00	1,797.00	0.00	1,797.00
71605 - Travel Tickets-International	0.00	2,768.33	0.00	2,768.33
71610 - Travel Tickets-Local	0.00	2,952.68	0.00	2,952.68
71615 - Daily Subsistence Allow-Intl	0.00	1,974.00	0.00	1,974.00
71620 - Daily Subsistence Allow-Local	0.00	4,093.40	0.00	4,093.40
71635 - Travel - Other	0.00	192.00	0.00	192.00
71810 - Contractual Svcs-indiv ImpPtr	200,000.00	0.00	0.00	200,000.00
72330 - Medical Products	0.00	573.99	0.00	573.99
72415 - Courier Charges	0.00	43.14	0.00	43.14
72425 - Mobile Telephone Charges	0.00	295.75	0.00	295.75
72505 - Stationery & other Office Supp	0.00	440.00	0.00	440.00
73105 - Rent	0.00	140.70	0.00	140.70
73125 - Common Services-Premises	0.00	231,901.98	0.00	231,901.98
74510 - Bank Charges	0.00	3,710.22	0.00	3,710.22
74596 - Services to projects -GOE	0.00	86,612.15	0.00	86,612.15
74910 - Gain/Loss Disposal Fixed Asset	0.00	361.84	0.00	361.84
75105 - Facilities & Admin - Implement	0.00	87,067.44	0.00	87,067.44
75705 - Learning costs	5,000.00	546.50	0.00	5,546.50
76125 - Realized Loss	0.00	0.61	0.00	0.61
76135 - Realized Gain	0.00	0.00	0.00	0.00
77305 - Salaries - IP Staff-TA	0.00	67,399.28	0.00	67,399.28
77306 - Appoint-Tk cost-IP Staff-TA	0.00	9,348.00	0.00	9,348.00
77307 - Appoint-Sub Allow-IP Staff-TA	0.00	2,760.00	0.00	2,760.00
77309 - Appoint-shipment-IP Staff-TA	0.00	1,200.00	0.00	1,200.00
77310 - Post Adjustment - IP Staff-TA	0.00	25,451.48	0.00	25,451.48
77315 - Contrib-Med,SocIns-IP Staff-TA	0.00	2,702.56	0.00	2,702.56
77320 - Assg hardship & mob allow-TA	0.00	18,555.45	0.00	18,555.45
77345 - Dep Allowances-IP Staff-TA	0.00	3,212.34	0.00	3,212.34
77353 - Reimb of Income Tax - IP-TA	0.00	1,921.99	0.00	1,921.99



Combined Delivery Report By Project

Project Id : 00085376 Joint Programme on Youth Emplo		Period : Jan-Dec (2018)		
Output # : 00093046 Joint Programme on Youth Emplo		Impl. Partner : 99999 UNDP		
		Location : Somalia		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
77357 - Repat. Grt/Comm Ann Lv-IP-TA	0.00	2,838.94	0.00	2,838.94
77365 - Spec Oper Living Allow-IP-TA	0.00	17,562.07	0.00	17,562.07
77375 - Contrib-Jt Staff Pens Fd-IP-TA	0.00	22,233.26	0.00	22,233.26
77385 - Contribution to Security	0.00	5,803.17	0.00	5,803.17
77386 - Contribution to ICT_TA	0.00	1,392.76	0.00	1,392.76
77395 - MAIP Premium TA/IP	0.00	92.86	0.00	92.86
77396 - PAYROLL MGT COST RECOVERY	0.00	708.18	0.00	708.18
77397 - Appendix D TA/IP	0.00	232.10	0.00	232.10
77630 - Dep Exp Owned - ITC	0.00	305.17	0.00	305.17
Total for Fund 30000	205,000.00	1,125,889.52	0.00	1,330,889.52
Total for Dept : 46801	205,000.00	1,256,641.18	0.00	1,461,641.18
Dept: 46820 (Somalia/SO/Hargeisa)				
Fund : 30000 (PROGRAMME COST SHARING)				
71810 - Contractual Svcs-indiv ImpPtnr	0.00	10,500.00	0.00	10,500.00
72605 - Grants to Instit & other Benef	0.00	0.00	0.00	0.00
74510 - Bank Charges	0.00	335.70	0.00	335.70
75105 - Facilities & Admin - Implement	0.00	1,590.10	0.00	1,590.10
75705 - Learning costs	0.00	11,880.00	0.00	11,880.00
Total for Fund 30000	0.00	24,305.80	0.00	24,305.80
Total for Dept : 46820	0.00	24,305.80	0.00	24,305.80
Dept: 46821 (Somalia/SO/Garowe)				
Fund : 30000 (PROGRAMME COST SHARING)				
71810 - Contractual Svcs-indiv ImpPtnr	0.00	4,800.00	0.00	4,800.00
74510 - Bank Charges	0.00	72.00	0.00	72.00
75105 - Facilities & Admin - Implement	0.00	341.04	0.00	341.04
Total for Fund 30000	0.00	5,213.04	0.00	5,213.04
Total for Dept : 46821	0.00	5,213.04	0.00	5,213.04
Dept: 46823 (North West Somalia)				
Fund : 30000 (PROGRAMME COST SHARING)				
71620 - Daily Subsistence Allow-Local	0.00	1,420.80	0.00	1,420.80
72210 - Machinery and Equipment	0.00	5,550.00	0.00	5,550.00
72505 - Stationery & other Office Supp	0.00	250.00	0.00	250.00
72515 - Print Media	0.00	200.00	0.00	200.00
73105 - Rent	0.00	747.50	0.00	747.50
74225 - Other Media Costs	0.00	300.00	0.00	300.00
74510 - Bank Charges	0.00	450.95	0.00	450.95



Combined Delivery Report By Project

Project Id : 00085376 Joint Programme on Youth Emplo		Period :	Jan-Dec (2018)	
Output # : 00093046 Joint Programme on Youth Emplo		Impl. Partner :	99999 UNDP	
		Location :	Somalia	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
74525 - Sundry	0.00	700.00	0.00	700.00
75105 - Facilities & Admin - Implement	0.00	2,136.09	0.00	2,136.09
75705 - Learning costs	0.00	20,800.00	0.00	20,800.00
75712 - TrnWrkshp&Conf - Honorariums	0.00	96.00	0.00	96.00
Total for Fund 30000	0.00	32,651.34	0.00	32,651.34
Total for Dept : 46823	0.00	32,651.34	0.00	32,651.34
Dept: 46824 (North East Somalia)				
Fund : 30000 (PROGRAMME COST SHARING)				
71620 - Daily Subsistence Allow-Local	0.00	5,879.00	0.00	5,879.00
72130 - Svc Co-Transportation Services	0.00	1,348.00	0.00	1,348.00
72215 - Transportation Equipment	0.00	390.00	0.00	390.00
72402 - Building Maintenance	0.00	6,368.70	0.00	6,368.70
72425 - Mobile Telephone Charges	0.00	60.68	0.00	60.68
72435 - E-mail-Subscription	0.00	240.00	0.00	240.00
74510 - Bank Charges	0.00	208.75	0.00	208.75
75105 - Facilities & Admin - Implement	0.00	1,014.66	0.00	1,014.66
Total for Fund 30000	0.00	15,509.79	0.00	15,509.79
Total for Dept : 46824	0.00	15,509.79	0.00	15,509.79
Dept: 46825 (South Central Somalia)				
Fund : 04000 (Core Programme, UNU Centre)				
71605 - Travel Tickets-International	0.00	2,795.00	0.00	2,795.00
71810 - Contractual Svcs-indiv ImpPtr	71,074.69	4,000.00	0.00	75,074.69
72130 - Svc Co-Transportation Services	0.00	149,220.00	0.00	149,220.00
74510 - Bank Charges	0.00	2,298.30	0.00	2,298.30
Total for Fund 04000	71,074.69	158,313.30	0.00	229,387.99
Fund : 30000 (PROGRAMME COST SHARING)				
62335 - Hazard Duty Station Allow-IP	0.00	20,926.99	0.00	20,926.99
63340 - Proc trips/Rest & Recup-IP Stf	0.00	15,216.41	0.00	15,216.41
71205 - Intl Consultants-Sht Term-Tech	0.00	37,630.07	0.00	37,630.07
71211 - Intl Consult Security Charge	0.00	1,968.75	0.00	1,968.75
71305 - Local Consult.-Sht Term-Tech	0.00	4,996.64	0.00	4,996.64
71405 - Service Contracts-Individuals	0.00	49,683.70	0.00	49,683.70
71410 - MAIP Premium SC	0.00	40.03	0.00	40.03
71415 - Contribution to Security SC	0.00	2,503.86	0.00	2,503.86
71505 - UN Volunteers-Stipend & Allow	0.00	3,191.72	0.00	3,191.72
71510 - UNV Settling-In-Grant	0.00	2,162.70	0.00	2,162.70
71520 - UNV-Language Allowance	0.00	64.52	0.00	64.52
71525 - UNV-Hazard Pay	0.00	1,290.32	0.00	1,290.32
71530 - UNV-Rest and Recuperation	0.00	3,788.00	0.00	3,788.00



Combined Delivery Report By Project

Project Id : 00085376 Joint Programme on Youth Emplo		Period :	Jan-Dec (2018)	
Output # : 00104171 Daldhis-YES		Impl. Partner :	99999 UNDP	
		Location :	Somalia	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Output # : 00093046 Joint Programme on Youth Emplo	Impl. Partner :	99999 UNDP
	Location :	Somalia

Dept: 46801 (Somalia - Central)

Fund : 30000 (PROGRAMME COST SHARING)

71405 - Service Contracts-Individuals	0.00	44,787.95	0.00	44,787.95
71410 - MAIP Premium SC	0.00	34.26	0.00	34.26
71415 - Contribution to Security SC	0.00	2,142.74	0.00	2,142.74
71610 - Travel Tickets-Local	0.00	120.00	0.00	120.00
71620 - Daily Subsistence Allow-Local	0.00	900.00	0.00	900.00
72425 - Mobile Telephone Charges	0.00	59.12	0.00	59.12
72440 - Connectivity Charges	0.00	0.00	0.00	0.00
72505 - Stationery & other Office Supp	0.00	330.00	0.00	330.00
73105 - Rent	0.00	221.10	0.00	221.10
74510 - Bank Charges	0.00	249.98	0.00	249.98
75105 - Facilities & Admin - Implement	0.00	3,496.72	0.00	3,496.72
75705 - Learning costs	0.00	400.00	0.00	400.00
77630 - Dep Exp Owned - ITC	0.00	708.75	0.00	708.75

Total for Fund 30000	0.00	53,450.62	0.00	53,450.62
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Total for Dept : 46801	0.00	53,450.62	0.00	53,450.62
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Dept: 46823 (North West Somalia)

Fund : 30000 (PROGRAMME COST SHARING)

71620 - Daily Subsistence Allow-Local	0.00	155.76	0.00	155.76
72425 - Mobile Telephone Charges	0.00	131.77	0.00	131.77
72440 - Connectivity Charges	0.00	207.58	0.00	207.58
74510 - Bank Charges	0.00	7.43	0.00	7.43
75105 - Facilities & Admin - Implement	0.00	35.17	0.00	35.17

Total for Fund 30000	0.00	537.71	0.00	537.71
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Total for Dept : 46823	0.00	537.71	0.00	537.71
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Dept: 46824 (North East Somalia)

Fund : 30000 (PROGRAMME COST SHARING)

71620 - Daily Subsistence Allow-Local	0.00	2,967.00	0.00	2,967.00
74510 - Bank Charges	0.00	44.50	0.00	44.50
75105 - Facilities & Admin - Implement	0.00	210.81	0.00	210.81

Total for Fund 30000	0.00	3,222.31	0.00	3,222.31
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Total for Dept : 46824	0.00	3,222.31	0.00	3,222.31
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Combined Delivery Report By Project

Project Id : 00085376 Joint Programme on Youth Emplo	Period : Jan-Dec (2018)
Output # : 00093046 Joint Programme on Youth Emplo	Impl. Partner : 99999 UNDP
	Location : Somalia

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
71535 - UNV-Medical Insurance	0.00	156.97	0.00	156.97
71540 - UNV-Global Charges	0.00	247.96	0.00	247.96
71541 - UNVs-Contribution to security	0.00	179.32	0.00	179.32
71545 - UNV-Home Leave Travel & Allowa	0.00	10.97	0.00	10.97
71550 - UNV-Resettlement Allowance	0.00	258.06	0.00	258.06
71560 - UNV-Intl Appoint/Sep incl Trvl	0.00	1,900.00	0.00	1,900.00
71590 - UNV Development Effectiveness	0.00	772.90	0.00	772.90
71605 - Travel Tickets-International	0.00	4,442.00	0.00	4,442.00
71610 - Travel Tickets-Local	0.00	22,344.95	0.00	22,344.95
71615 - Daily Subsistence Allow-Intl	0.00	4,995.00	0.00	4,995.00
71620 - Daily Subsistence Allow-Local	0.00	26,852.96	0.00	26,852.96
71635 - Travel - Other	0.00	3,412.46	0.00	3,412.46
71810 - Contractual Svcs-indiv ImpPtnr	133,925.31	406,412.00	0.00	540,337.31
72105 - Svc Co-Construction & Engineer	0.00	189,893.04	0.00	189,893.04
72120 - Svc Co-Trade and Business Serv	0.00	68,899.50	0.00	68,899.50
72130 - Svc Co-Transportation Services	0.00	16,480.00	0.00	16,480.00
72135 - Svc Co-Communications Service	0.00	76,182.00	0.00	76,182.00
72401 - Prefab structure/other buildin	0.00	134,299.27	0.00	134,299.27
72440 - Connectivity Charges	0.00	906.00	0.00	906.00
72445 - Common Services-Communications	0.00	554.80	0.00	554.80
72505 - Stationery & other Office Supp	0.00	316.99	0.00	316.99
72605 - Grants to Instit & other Benef	0.00	0.00	0.00	0.00
72815 - Inform Technology Supplies	0.00	8,000.00	0.00	8,000.00
74210 - Printing and Publications	0.00	888.00	0.00	888.00
74220 - Translation Costs	0.00	428.40	0.00	428.40
74510 - Bank Charges	0.00	17,678.66	0.00	17,678.66
74725 - Other L.T.S.H.	0.00	150.00	0.00	150.00
75105 - Facilities & Admin - Implement	0.00	90,390.24	0.00	90,390.24
75705 - Learning costs	0.00	12,044.59	0.00	12,044.59
75707 - Learning - subsistence allowan	0.00	2,440.00	0.00	2,440.00
75709 - Learning - training of counter	0.00	11,000.00	0.00	11,000.00
75710 - Participation of counterparts	0.00	1,736.00	0.00	1,736.00
77630 - Dep Exp Owned - ITC	0.00	17.18	0.00	17.18
Total for Fund 30000	133,925.31	1,247,753.93	0.00	1,381,679.24
Total for Dept : 46825	205,000.00	1,406,067.23	0.00	1,611,067.23
Dept: 46855 ()				
Fund : 30000 (PROGRAMME COST SHARING)				
71610 - Travel Tickets-Local	0.00	750.00	0.00	750.00
75105 - Facilities & Admin - Implement	0.00	52.50	0.00	52.50
Total for Fund 30000	0.00	802.50	0.00	802.50
Total for Dept : 46855	0.00	802.50	0.00	802.50
Total for Output : 00093046	410,000.00	2,741,190.88	0.00	3,151,190.88

Combined Delivery Report By Project

UN Development Programme
 Proj ID: ungr.drp

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Project ID : 00085379 Joint Programme on Youth Emplo		Period :	Jan-Dec (2018)	
Output # : 00104171 Daidhia-YES		Impl. Partner :	00009 UNDP	
		Location :	Somalia	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Dept: 48825 (South Central Somalia)

Ind: 30000 (PROGRAMME COST SHARING)

71405 - Service Contracts-individuals	0.00	1,893.35	0.00	1,893.35
71410 - MAIP Premium SC	0.00	1.35	0.00	1.35
71415 - Contribution to Security SC	0.00	85.06	0.00	85.06
71610 - Travel Tickets Local	0.00	2,258.00	0.00	2,258.00
71620 - Daily Subsistence Allow-Local	0.00	3,900.32	0.00	3,900.32
72105 - Svc Co-Construction & Engineer	0.00	169,759.39	0.00	169,759.39
72145 - Svc Co-Training and Educ Serv	0.00	169,537.60	0.00	169,537.60
72401 - Prefab structure/other buildin	0.00	1,200.00	0.00	1,200.00
72405 - Acquisition of Communic Equip	0.00	227.84	0.00	227.84
72425 - Mobile Telephone Charges	0.00	93.24	0.00	93.24
72440 - Connectivity Charges	0.00	294.00	0.00	294.00
72445 - Common Services-Communications	0.00	70.85	0.00	70.85
73216 - Construction Cost	0.00	69,464.48	0.00	69,464.48
74510 - Bank Charges	0.00	6,219.59	0.00	6,219.59
75105 - Facilities & Admin - Implement	0.00	29,751.55	0.00	29,751.55
77630 - Dup Exp Owned - ITC	0.00	17.18	0.00	17.18
Total for Fund 30000	0.00	454,773.81	0.00	454,773.81
Total for Dept: 48825	0.00	454,773.81	0.00	454,773.81
Total for Output: 00104171	0.00	511,984.45	0.00	511,984.45
Project Total:	410,000.00	3,253,175.33	0.00	3,663,175.33

Pierre-Henri Pigeon, Partner
 KPMG SA, Geneva
 29 July 2019

Henri Mwaniki, Senior Manager
 KPMG SA, Geneva
 29 July 2019

Signed By

Date

Signed By

Date

Digitally signed by Sukumar Mishra
 DN: cn=Sukumar Mishra, o=KPMG
 email=sukumar.mishra@kpmg.com
 Date: 2019.02.20 15:22:18 +05:00

SUKUMAR MISHRA, PROJECT MANAGER
 JPTYES.

George Conway
 Resident Representative

SAFAR E. OUSMANI

RESIDENT REPRESENTATIVE u.i.





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Run Time: 20-02-2019 09:02:34

Dept: 46825 (South Central Somalia)

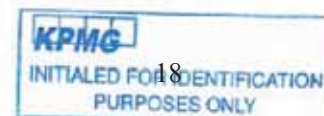
71405 - Service Contracts-Individuals	0.00	1,893.35	0.00	1,893.35
71410 - MAIP Premium SC	0.00	1.36	0.00	1.36
71415 - Contribution to Security SC	0.00	85.06	0.00	85.06
71610 - Travel Tickets-Local	0.00	2,258.00	0.00	2,258.00
71620 - Daily Subsistence Allow-Local	0.00	3,900.32	0.00	3,900.32
72105 - Svc Co-Construction & Engineer	0.00	169,759.39	0.00	169,759.39
72145 - Svc Co-Training and Educ Serv	0.00	169,537.60	0.00	169,537.60
72401 - Prefab structure/other buildin	0.00	1,200.00	0.00	1,200.00
72405 - Acquisition of Communic Equip	0.00	227.84	0.00	227.84
72425 - Mobile Telephone Charges	0.00	93.24	0.00	93.24
72440 - Connectivity Charges	0.00	294.00	0.00	294.00
72445 - Common Services-Communications	0.00	70.85	0.00	70.85
73216 - Construction Cost	0.00	69,464.48	0.00	69,464.48
74510 - Bank Charges	0.00	6,219.59	0.00	6,219.59
75105 - Facilities & Admin - Implement	0.00	29,751.55	0.00	29,751.55
77630 - Dep Exp Owned - ITC	0.00	17.18	0.00	17.18

Total for Dept :	46825	0.00	454,773.81	0.00	454,773.81
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Project Total :	410,000.00	3,253,175.33	0.00	3,663,175.33
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Signed By : _____ Date : _____

Signed By : _____ Date : _____





Combined Delivery Report By Project

Selection Criteria :

Business Unit : SOM10
Period : Jan-Dec (2018)
Selected Project Id : 00085376
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : ALL

Project Id : ALL		Period : Jan-Dec (2018)		
Output # : ALL		Impl. Partner : Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
46801 - Somalia - Central	205,000.00	1,310,091.80	0.00	1,515,091.80
46820 - Somalia/SO/Hargeisa	0.00	24,305.80	0.00	24,305.80
46821 - Somalia/SO/Garowe	0.00	5,213.04	0.00	5,213.04
46823 - North West Somalia	0.00	33,189.05	0.00	33,189.05
46824 - North East Somalia	0.00	18,732.10	0.00	18,732.10
46825 - South Central Somalia	205,000.00	1,860,841.04	0.00	2,065,841.04
46855 -	0.00	802.50	0.00	802.50



Funds Utilization

Selection Criteria :

Business Unit : SOM10
Period : Jan-Dec (2018)
Selected Project Id : 00085376
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : ALL

Project/Award: 00085376 Joint Programme on Youth Emplo

Period : As at Dec 31, 2018

Output #	00093046	Impl. Partner :99999 UNDP	UNDP AMOUNT
	Outstanding NEX advances		0.00
	Undepreciated Fixed Assets		5,016.05
	Unamortized Intangible Assets		0.00
	Inventory		0.00
	Prepayments		0.00
	Commitments		123,912.51

Output #	00094782	Impl. Partner :99999 UNDP	UNDP AMOUNT
	Outstanding NEX advances		0.00
	Undepreciated Fixed Assets		0.00
	Unamortized Intangible Assets		0.00
	Inventory		0.00
	Prepayments		0.00
	Commitments		0.00

Output #	00104171	Impl. Partner :99999 UNDP	UNDP AMOUNT
	Outstanding NEX advances		0.00
	Undepreciated Fixed Assets		6,297.75
	Unamortized Intangible Assets		0.00
	Inventory		0.00
	Prepayments		0.00



Funds Utilization

Commitments

355,214.64

Annex 2: Statement of Fixed Assets

Annex 3: Management letter



**United Nations Development Programme
(UNDP) Somalia**

Management Letter

For the period from 1 January 2018 to 31 December 2018



KPMG SA
Audit Western Switzerland
111 Rue de Lyon
CH-1203 Geneva

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CH-1211 Geneva 13

T +41 58 249 25 15
E infogeneva@kpmg.com

Management Letter

To: National Project Director and Resident Representative

Audited Projects: “Joint Programme on Youth Employment - Output no. 00093046”.

Period covered by the audited CDR: From 1 January 2018 to 31 December 2018

Project ID: 00085376

Location: Mogadishu, Somalia

We noted the following finding in relation to the project as a result of our audit. There were no findings presented for the prior year.

Finding 1: Inadequate Fixed Asset verification and reconciliation

Observation

Per UNDPs Programme and Operations Policies and Procedures(POPP) on Asset Management of Furniture and Equipment , clause 6: “[...] *In addition to reconciliations of accounting data there will also be a requirement to reconcile the physical verification exercise results with furniture and equipment records. The inter-module reconciliation will be carried out at HQ by the General Operations (GO/BMS), while the reconciliation of physical verification to asset records will be carried out by each CO or HQ unit.*”

Based on our audit procedures, we were unable to verify the physical existence of a computer (serial No:-FJDPC2, Asset ID 3745 & Tag number 128401) that was included in the fixed asset register in the amount of US\$1,338.75. The asset accounted for approximately 27% of the Net Book Value (USD5’016.36) of the Project’s assets, resulting in a material overstatement of the Statement of Fixed Assets as at 31 December 2018. On the CDR, the resulting impact was an overstatement of the depreciation balance in the amount of USD 229.50 for the same period.

As management was unable to provide us with the due justification on the where about of the asset, our conclusion was that no robust physical verification reconciliation with Atlas asset records had occurred, and therefore the discrepancy was not investigated and followed up accordingly.

Priority

High

Recommendation

In complying with UNDP's policies and procedures on Asset Management of Furniture and Equipment, we recommend that UNDP Somalia put in place robust control measures pertaining to the verification and reconciliation of items reported in the fixed asset register to ensure the following:

- That the fixed asset amounts include all items owned, that are used and controlled by UNDP, and to ensure that assets also physically exist;
- That the Country Office conduct bi-annual reconciliation of physical verification results to Atlas asset management reports. Any discrepancies should be investigated and resolved following UNDP asset management policies and procedures.
- That any asset that gets lost, disposed, transferred or impaired are promptly reported to the UNDP Asset Focal person to request Global Shared Service Centre (GSSC) in Malaysia, to timely process updates of Atlas asset records.
- That ultimately the assets are fairly and accurately presented in the Statement of Assets so that any relevant user would have a clear understanding of the financial position.

Management comments and action plan

It was noted that a formal handover of this particular asset from the previous to current project team did not take place. As a result the present team did not have custody of this asset when they joined the CO in the 3rd quarter of 2017. Consequently, the CO will trace the handover documents from previous team to establish chain of custody and rectify this situation from recurring.

Furthermore, Management has requested the project to report the lost laptop so that the CAP can review and establish responsibility for recovering the Net book value.

Presently, the project has put in place a process to track assets which are available in their custody.

Auditor's response

N/A.

KPMG SA



Pierre-Henri Pingeon
Partner



Henri Mwaniki
Senior Manager

Geneva, 29 July 2019

Annex 4: Definitions of Standard Audit Ratings to audit reports covering the audit of internal controls and systems.

Annex III

Definition of Standard Audit Ratings to audit report covering the audit of internal controls and systems (long form management letter)

- **Satisfactory** The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
- **Partially Satisfactory /
Some Improvement
Needed** The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
- **Partially Satisfactory /
Major Improvement
Needed** The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
- **Unsatisfactory** The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.