

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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Resilient nations.*

AUDIT

OF

UNDP TOGO

Programme d'Urgence de Développement Communautaire (PUDC)
(Directly Implemented Project No. 105760, Output No. 106856)

Report No. 2160

Issue Date: 26 June 2019

Report on the Audit of UNDP Togo
Programme d'Urgence de Développement Communautaire (Project No. 105760, Output No. 106856)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through KPMG SA (the audit firm), from 16 to 22 May 2019, conducted an audit of *Programme d'Urgence de Développement Communautaire* (PUDC) (Project No. 105760, Output No. 106856), *Infrastructures et Equipements* (the Project), which is directly implemented and managed by the UNDP Country Office in Togo (the Office). The last audit of the Project was conducted by OAI through KPMG SA in 2018 and covered project expenses from 1 January to 31 December 2017.

The audit firm conducted a financial audit to express an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations. The audit covered the Project's 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 and Statement of Cash Position as of 31 December 2018. The audit did not include activities and expenses incurred or undertaken at the "responsible party" level, or expenses processed and approved in locations outside the country (such as UNDP Regional Offices and UNDP Headquarters) or expenses of other United Nations agencies. In addition, the audit did not cover the Statement of Assets as no assets were held by 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*.

Audit results

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

Project Expenses*		Cash	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
5,536	Unmodified	7,623	Unmodified

**Expenses recorded in the Combined Delivery Report were \$10.8 million. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UNDP offices outside of the country (\$5.3 million).*

The audit did not result in any recommendations.

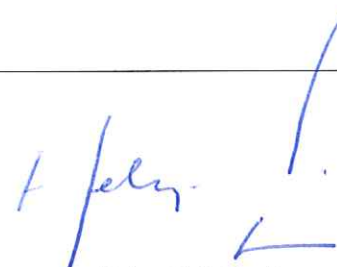
Implementation status of previous OAI audit recommendations:

The previous audit (Report No. 1962, issued on 13 July 2018) did not result in any recommendations.

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.

Management comments and action plan

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
(UNDP)**

Report of the Independent Auditor on
the United Nations Development Programme (UNDP)
Directly Implemented (DIM) Project ID 00105760 –
“PUDC Togo” – Output no. 00106856
Lomé, Togo
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 00105760 “PUDC Togo” – Output no. 00106856 (the project) 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:

Statement of Financial Position	Unmodified
Statement of Fixed Assets	Not Applicable
Statement of Cash Position	Unmodified

* Statement of Financial Position 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.

There were no reportable findings with a medium or high priority rating arising from the current and prior period audit.

KPMG SA

Pierre-Henri Pingeon
Partner

Henri Mwaniki
Senior Manager

Geneva, 21 June 2019

Audit Objectives and Scope

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. The CDR and the Funds Utilization statement should be duly signed by authorized representatives of both the audit firm and the UNDP country office.
- Expressing an opinion on whether the Statement of Fixed Assets, at Net Book Value, presents fairly the balance of 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, provide 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 Offices and UNDP Headquarters and where the supporting documentation is not retained at the level of the UNDP country office.



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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 00105760 "PUDC Togo" – Output no. 00106856 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 10,834,130.46, is comprised of expenditure directly incurred by the UNDP Country Office in Togo for an amount of USD 5,535,961.20 and expenditure incurred by entities other than the Country Office for an amount of USD 5,298,169.26. Our audit only covered the expenditure directly incurred by the UNDP Country Office in Togo of USD 5,535,961.20.

Unmodified Opinion

In our opinion, the attached CDR and the Funds Utilization statement presents fairly, in all material respects, the expenses of USD 5,535,961.20 directly incurred by the UNDP Country Office in Togo and charged to the project for the period from 1 January to 31 December 2017 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 scepticism 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
Senior Manager

Geneva, 21 June 2019



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Independent Auditors' Report

Statement of Cash Position

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

We have audited the accompanying Statement of Cash Position of the UNDP Project ID 00105760 "PUDC Togo" – Output no. 00106856 for the period from 1 January to 31 December.

Unmodified Opinion

In our opinion, the accompanying statement of cash presents fairly, in all material respects, the total bank balance of XOF 4,377,565,328 (USD 7,622,529) for UNDP Project ID 00105760 "PUDC Togo" – Output no. 00106856 as at 31 December 2018 in accordance with UNDP accounting policies.

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

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the statement of cash 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 cash, 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
Senior Manager

Geneva, 21 June 2019

Annexes

Annex 1: Combined Delivery Report and Funds Utilization Statements – Output no. 00106856

Combined Delivery Report By Project



UN Development Programme
 port ID: unglcdrp

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Section Criteria :

Business Unit : TGO10
 Period : Jan-Dec (2018)
 Selected Project Id : 00105760
 Selected Fund Code : ALL
 Selected Dept. IDs : ALL
 Selected Outputs : 00106856

Project Id : 00105760 PUDC Togo		Period :	Jan-Dec (2018)	
Output # : 00106856 Infrastructures & Equipements		Impl. Partner :	99999 UNDP	
		Location :	TGOBAP2001- RESREP	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

dept: 37808 (Togo - Poverty Reduction)

fund : 30071 (Programme Cost Sharing GOV1)

71205 - Intl Consultants-Sht Term-Tech	0.00	7,600.00	0.00	7,600.00
71211 - Intl Consult Security Charge	0.00	323.00	0.00	323.00
71305 - Local Consult.-Sht Term-Tech	0.00	6,193.78	0.00	6,193.78
71360 - Local Consult-Security	0.00	169.08	0.00	169.08
71405 - Service Contracts-Individuals	1,797.77	0.00	0.00	1,797.77
71605 - Travel Tickets-International	0.00	11,031.86	0.00	11,031.86
71615 - Daily Subsistence Allow-Intl	0.00	9,386.48	0.00	9,386.48
71620 - Daily Subsistence Allow-Local	0.00	69,598.03	0.00	69,598.03
71625 - Daily Subsist Allow-Mtg Partic	0.00	86.49	0.00	86.49
71635 - Travel - Other	0.00	907.34	0.00	907.34
72105 - Svc Co-Construction & Engineer	799,696.30	4,439,169.17	0.00	5,238,865.47
72135 - Svc Co-Communications Service	0.00	10,568.75	0.00	10,568.75
72210 - Machinery and Equipment	0.00	667,654.07	0.00	667,654.07
72215 - Transportation Equipment	0.00	1,270,469.67	0.00	1,270,469.67
72220 - Furniture	0.00	373,788.05	0.00	373,788.05
72311 - Fuel, petroleum and other oils	0.00	6,114.51	0.00	6,114.51
72330 - Medical Products	0.00	674.74	0.00	674.74
72350 - Medical Kits	0.00	322.33	0.00	322.33
72399 - Other Materials and Goods	0.00	1,381,813.70	0.00	1,381,813.70
72405 - Acquisition of Communic Equip	0.00	3,722.25	0.00	3,722.25
72410 - Acquisition of Audio Visual Eq	0.00	450.90	0.00	450.90
72420 - Land Telephone Charges	0.00	31.77	0.00	31.77
72425 - Mobile Telephone Charges	0.00	147.95	0.00	147.95
72505 - Stationery & other Office Supp	0.00	187.20	0.00	187.20
72510 - Publications	0.00	834,872.32	0.00	834,872.32
73115 - Moving Expenses	0.00	32,129.63	0.00	32,129.63
73120 - Utilities	0.00	1,956.55	0.00	1,956.55
73406 - Maintenance of Equipment	0.00	9,372.93	0.00	9,372.93
73410 - Maint, Oper of Transport Equip	0.00	97.05	0.00	97.05
74105 - Management and Reporting Svcs	18,194.64	0.00	0.00	18,194.64
74115 - Legal Fees	0.00	45.84	0.00	45.84
74210 - Printing and Publications	0.00	6,025.88	0.00	6,025.88
74225 - Other Media Costs	0.00	2,866.63	0.00	2,866.63
74505 - Insurance	0.00	1,684.71	0.00	1,684.71
74515 - Claims and Adjustments	0.00	4,227.14	0.00	4,227.14
74705 - Port Operation	0.00	43,582.77	0.00	43,582.77
74720 - Distribution Cost	0.00	52,025.56	0.00	52,025.56
74725 - Other L.T.S.H.	0.00	430,246.18	0.00	430,246.18
75105 - Facilities & Admin - Implement	0.00	315,149.44	0.00	315,149.44
75705 - Learning costs	0.00	5,748.73	0.00	5,748.73
76110 - Foreign Exch Translation Loss	0.00	213.57	0.00	213.57
76120 - Unrealized Loss	0.00	55,894.80	0.00	55,894.80
76125 - Realized Loss	0.00	2,146.10	0.00	2,146.10
76130 - Unrealized Gain	0.00	-29,388.32	0.00	-29,388.32

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Combined Delivery Report By Project



UN Development Programme
Report ID: unglcdrp

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Project Id : 00105760 PUDC Togo		Period :	Jan-Dec (2018)	
Output # : 00106856 Infrastructures & Equipements		Impl. Partner :	99999 UNDP	
		Location :	TGOBAP2001- RESREP	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
76135 - Realized Gain	0.00	- 14,866.88	0.00	- 14,866.88
otal for Fund 30071	819,688.71	10,014,441.75	0.00	10,834,130.46
otal for Dept : 37808	819,688.71	10,014,441.75	0.00	10,834,130.46
otal for Output : 00106856	819,688.71	10,014,441.75	0.00	10,834,130.46
roject Total :	819,688.71	10,014,441.75	0.00	10,834,130.46

Pierre-Henri Pingeon, Partner
KPMG SA, Geneva
21 June 2019

Henri Mwaniki, Senior Manager
KPMG SA, Geneva
21 June 2019



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Signed By : Date : 04-03-2019
SIGNED By : Deputy Resident Representative Date : _____

UN Development Programme
Report ID: unglcdrp

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Run Time: 01-03-2019 09:03:25

Selection Criteria :

Business Unit : TGO10
Period : Jan-Dec (2018)
Selected Project Id : 00105760
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00106856

Project Id : ALL		Period : Jan-Dec (2018)		
Output # : ALL		Impl. Partner :		
		Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
37808 - Togo - Poverty Reduction	819,688.71	10,014,441.75	0.00	10,834,130.46

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Funds Utilization

Selection Criteria :

Business Unit : TGO10
Period : Jan-Dec (2018)
Selected Project Id : 00105760
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00106856

Project/Award: 00105760 PUDC Togo

Period : As at Dec 31, 2018

Output # : 00106856 Impl. Partner : 99999 UNDP

UNDP AMOUNT

Outstanding NEX advances	3.42
Undepreciated Fixed Assets	0.00
Unamortized Intangible Assets	0.00
Inventory	0.00
Prepayments	170,889.49
Commitments	12,347,402.54



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Annex 2: Statement of Cash

STATEMENT OF CASH POSITION FOR UNDP COMMUNITY DEV PROGRAM (PUDC)


AS OF 31st DECEMBER 2018


This is to certify the cash balance in the bank accounts of the PUDC as of 31/12/2018 as follows:

ACCOUNT NUMBER	BANK	XOF AMOUNT
TG0550170108140019140240	ECOBANK TOGO	523 342 633
TG53TG1160110106560240010124	ORABANK TOGO	3 854 222 695
Total		4 377 565 328




Roland SERI
Chargé de bureau


Pierre-Henri Pingeon, Partner
KPMG SA, Geneva
21 June 2019


Henri Mwaniki, Senior Manager
KPMG SA, Geneva
21 June 2019

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