



**United Nations Capital Development Fund
(UNCDF)**

Report of the Independent Auditor on
the United Nations Capital Development Fund (UNCDF)
Directly Implemented (DIM) Project ID 00115100
“YSE-PARERBA”
Output ID 00112855
Senegal
For the period from 01 January 2019 to 31 December 2020



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Executive Summary

KPMG Geneva conducted the financial audit of the UNCDF Project ID 00115100 “YSE-PARERBA” – Output ID 00112855, directly implemented by UNDCF Senegal for the period from 01 January 2019 to 31 December 2020. The audit was undertaken on behalf of the Office of Audit and Investigations (OAI) United Nations Development Programme (UNDP).

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

Financial Position	Unmodified
Statement of Fixed Assets	Not Applicable because the project did not have fixed assets
Statement of Cash	Not Applicable because the project did not have a separate bank account

There was one reportable finding identified during our audit. For further detailed discussions on the finding, refer to our management letter at page 14.

The Project ID 00115100 “YSE-PARERBA” – Output ID 00112855 was not audited in the prior year and therefore no recommendations to follow up on.

KPMG SA

Pierre-Henri Pigeon
Partner

Henri Mwaniki
Senior Manager

Geneva, 30 July 2021



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 01 January 2019 and 31 December 2020 as well as the Fund Utilization statement, as at 31 December 2020 are fairly presented in accordance with UNDP accounting policies and that the expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNDP; and (iv) supported by properly approved vouchers and other supporting documents.
- Expressing an opinion on whether the Statement of Fixed Assets, at Net Book Value, presents fairly the balance of depreciated assets of the UNCDF project as at 31 December 2020. This Statement must include all assets available as at 31 December 2020 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 2020. 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 UNCDF DIM project, between 01 January 2019 and 31 December 2020. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of "responsible parties", unless the inclusion of these expenses is specifically required in the request for proposal; and
- Expenses processed and approved in locations outside the country such as UNCDF Regional Centres and UNCDF Headquarters and where the supporting documentation is not retained at the level of the UNCDF 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 UNCDF Project ID 00115100 – Output ID 00112855 “YSE-PARERBA” for the period from 01 January 2019 to 31 December 2020 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 779,381.57 (USD 464,301.25 and USD 315,080.32 related to 2019 and 2020 respectively), is comprised of expenditure directly incurred by the UNCDF Country Office in Senegal for an amount of USD 582,026.43 (USD 354,039.50 and USD 227,986.93 related to 2019 and 2020 respectively) and expenditure incurred by entities other than the Country Office for an amount of USD 197,355.14 (USD 110,261.75 and USD 87,093.39 related to 2019 and 2020 respectively). Our audit only covered the expenditure directly incurred by the UNCDF Country Office in Senegal of USD 582,026.43 (USD 354,039.50 and USD 227,986.93 related to 2019 and 2020 respectively).

Unmodified Opinion

In our opinion, the attached CDR and Funds Utilization statement present fairly, in all material respects, the expenses of USD 582,026.43 (USD 354,039.50 and USD 227,986.93 related to 2019 and 2020 respectively) directly incurred by the UNCDF Country Office in Senegal and charged to the project for the period from 01 January 2019 to 31 December 2020 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 unmodified 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 UNCDF 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, 30 July 2021

Annex:

Annex 1: Combined Delivery Report and Funds Utilization Statement – Output ID 00112855 (USD)-
FY2020

UNCDF Combined Delivery Report

 **UN Capital Development Fund**
Report ID: UNGL143G

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Selection Criteria :

Business Unit: UNCDF
Period: Jan-Dec (2020)
Selected Award Id: 00115100
Selected Project Id: ALL

Award ID : 00115100 YSE-PARERBA	Period : Jan-Dec (2020)
Project ID : 00112855 YSE-PARERBA	Impl. Partner : UNCDF UNCDF
	Location : UN Capital Development Fund

Prepaid DIM Exp	UNCDF Exp	Prepaid NIM Exp	Total Exp
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Activity : OUTPUT 1 (Customer Workstream (farmers))**Fund : G2950(Cost Sharing)**

71205 - Intl Consultants-Sht Term-Tech	0.00	7,687.00	0.00	7,687.00
71305 - Local Consult.-Sht Term-Tech	0.00	44,088.00	0.00	44,088.00
71615 - Daily Subsistence Allow-Intl	0.00	1,583.11	0.00	1,583.11
71620 - Daily Subsistence Allow-Local	0.00	47.07	0.00	47.07
72605 - Grants to Instit & other Benef	0.00	62,424.00	0.00	62,424.00
73505 - Reimb to UNDP for Supp Svcs	0.00	18.39	0.00	18.39
74210 - Printing and Publications	0.00	57.87	0.00	57.87
75110 - Facilities & Admin - Services	0.00	8,243.01	0.00	8,243.01
75705 - Learning costs	0.00	1,851.84	0.00	1,851.84
76125 - Realized Loss	0.00	32.32	0.00	32.32

Total for Fund G2950	0.00	126,032.61	0.00	126,032.61
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Total for Activity OUTPUT 1	0.00	126,032.61	0.00	126,032.61
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Activity : OUTPUT 2 (Customer Workstream SMEs)**Fund : G2950(Cost Sharing)**

71305 - Local Consult.-Sht Term-Tech	0.00	19,212.00	0.00	19,212.00
72605 - Grants to Instit & other Benef	0.00	51,481.00	0.00	51,481.00
75110 - Facilities & Admin - Services	0.00	4,948.51	0.00	4,948.51

Total for Fund G2950	0.00	75,641.51	0.00	75,641.51
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Total for Activity OUTPUT 2	0.00	75,641.51	0.00	75,641.51
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Activity : OUTPUT 3 (Frais Generaux)**Fund : G2950(Cost Sharing)**

61305 - Salaries - IP Staff	0.00	32,263.47	0.00	32,263.47
61310 - Post Adjustment - IP Staff	0.00	11,324.98	0.00	11,324.98
62305 - Dependency Allowances-IP Staff	0.00	5,041.50	0.00	5,041.50
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	11,400.78	0.00	11,400.78
62315 - Contrib. to medical, social in	0.00	1,261.74	0.00	1,261.74
62340 - Annual Leave Expense - IP	0.00	1,977.85	0.00	1,977.85
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	1,078.55	0.00	1,078.55
63335 - Home Leave Trvl & Allow-IP Stf	0.00	1,391.60	0.00	1,391.60
63530 - Contribution to EOS Benefits	0.00	1,634.57	0.00	1,634.57
63535 - Contribution to Security	0.00	1,743.53	0.00	1,743.53
63540 - Contribution to Training	0.00	152.57	0.00	152.57
63545 - Contribution to ICT	0.00	653.83	0.00	653.83
63550 - Contributions to MAIP	0.00	21.80	0.00	21.80
63555 - Contribution to UN JFA	0.00	1,307.65	0.00	1,307.65
63560 - Contributions to Appendix D	0.00	108.97	0.00	108.97
64310 - Separations - IP Staff	0.00	217.93	0.00	217.93
64397 - Services to projects -CO staff	0.00	11,384.00	0.00	11,384.00
65115 - Contributions to ASHI Reserve	0.00	2,615.30	0.00	2,615.30
65135 - Payroll Mgt Cost Recovery ATLA	0.00	1,512.77	0.00	1,512.77

UNCDF Combined Delivery Report

 **UN Capital Development Fund**
Report ID: UNGL143G

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Award ID : 00115100 YSE-PARERBA	Period :	Jan-Dec (2020)
Project ID : 00112855 YSE-PARERBA	Impl. Partner :	UNCDF UNCDF
	Location :	UN Capital Development Fund
	Prepaid DIM Exp	UNCDF Exp
	Prepaid NIM Exp	Total Exp

74220 - Translation Costs	0.00	2,573.74	0.00	2,573.74
74596 - Services to projects -GOE	0.00	13,705.00	0.00	13,705.00
74599 - UNDP cost recovery chrgs-Bills	0.00	2,614.97	0.00	2,614.97
75110 - Facilities & Admin - Services	0.00	7,419.10	0.00	7,419.10
Total for Fund G2950	0.00	113,406.20	0.00	113,406.20
Total for Activity OUTPUT 3	0.00	113,406.20	0.00	113,406.20
Total for Project : 00112855	0.00	315,080.32	0.00	315,080.32
Award Total :	0.00	315,080.32	0.00	315,080.32



Pierre-Henri Pingeon, Partner
KPMG SA, Geneva
30 July 2021



Henri Mwaniki, Senior Manager
KPMG SA, Geneva
30 July 2021



Signed By : Ata Cissu

Youth Finance Regional Specialist Date: 24 Jun-2021

UNCDF Combined Delivery Report

 UN Capital Development Fund
Report ID: UNGL143G

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Run Time: 24-06-2021 21:06:05

Funds Utilization

Selection Criteria :

Business Unit : UNCDF
 Period : Jan-Dec (2020)
 Selected Project ID : 00115100
 Selected Fund Code :
 Selected Dept. IDs : ALL
 Selected Outputs : ALL

Award ID: 00115100	YSE-PARERBA	Period : As at Dec 31, 2020
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Project ID: 00112855 Impl. Partner : UNCDF UNCDF	UNCDF AMOUNT
Outstanding NIM advances	0.00
Outstanding DIM advances	0.00
Undepreciated Fixed Assets	0.00
Inventory	0.00
Loans & Financial Services	0.00
Commitments	19,390.91

Annex 2: Combined Delivery Report and Funds Utilization Statement – Output ID 00112855 (USD)-
FY2019

UNCDF Combined Delivery Report

 UN Capital Development Fund
Report ID: UNGL143G

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Selection Criteria :

Business Unit: UNCDF
Period: Jan-Dec (2019)
Selected Award Id: 00115100
Selected Project Id: ALL

Award ID : 00115100 YSE-PARERBA	Period :	Jan-Dec (2019)
Project ID : 00112855 YSE-PARERBA	Impl. Partner :	UNCDF UNCDF
	Location :	UN Capital Development Fund
	Prepaid DIM Exp	UNCDF Exp
	Prepaid NIM Exp	Total Exp

Activity : OUTPUT 1 (Customer Workstream (farmers))

Fund : G2950(Cost Sharing)

71205 - Intl Consultants-Sht Term-Tech	0.00	20,600.00	0.00	20,600.00
71610 - Travel Tickets-Local	0.00	122.00	0.00	122.00
71615 - Daily Subsistence Allow-Intl	0.00	355.80	0.00	355.80
71620 - Daily Subsistence Allow-Local	0.00	1,248.50	0.00	1,248.50
71635 - Travel - Other	0.00	589.60	0.00	589.60
72405 - Acquisition of Communic Equip	0.00	27,885.22	0.00	27,885.22
72605 - Grants to Instit & other Benef	0.00	238,472.00	0.00	238,472.00
73405 - Rental & Maint-Other Office Eq	0.00	477.61	0.00	477.61
73420 - Leased Vehicles	0.00	526.44	0.00	526.44
73505 - Reimb to UNDP for Supp Srvs	0.00	234.13	0.00	234.13
74210 - Printing and Publications	0.00	70.88	0.00	70.88
74696 - PP&E Expensed Items	0.00	4,388.69	0.00	4,388.69
75110 - Facilities & Admin - Services	0.00	21,038.69	0.00	21,038.69
75705 - Learning costs	0.00	5,248.34	0.00	5,248.34
75706 - Learning - ticket costs	0.00	333.48	0.00	333.48

Total for Fund G2950 0.00 321,591.38 0.00 321,591.38

Total for Activity OUTPUT 1 0.00 321,591.38 0.00 321,591.38

Activity : OUTPUT 2 (Customer Workstream SMEs)

Fund : G2950(Cost Sharing)

71205 - Intl Consultants-Sht Term-Tech	0.00	12,640.05	0.00	12,640.05
74220 - Translation Costs	0.00	714.24	0.00	714.24
75110 - Facilities & Admin - Services	0.00	934.80	0.00	934.80

Total for Fund G2950 0.00 14,289.09 0.00 14,289.09

Total for Activity OUTPUT 2 0.00 14,289.09 0.00 14,289.09

Activity : OUTPUT 3 (Frais Generaux)

Fund : G2950(Cost Sharing)

61205 - Salaries - GS Staff	0.00	27,000.00	0.00	27,000.00
61305 - Salaries - IP Staff	0.00	36,461.71	0.00	36,461.71
61310 - Post Adjustment - IP Staff	0.00	13,386.92	0.00	13,386.92
62305 - Dependency Allowances-IP Staff	0.00	5,104.73	0.00	5,104.73
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	12,664.29	0.00	12,664.29
62315 - Contrib. to medical, social in	0.00	1,422.37	0.00	1,422.37
62340 - Annual Leave Expense - IP	0.00	1,555.71	0.00	1,555.71
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	1,259.11	0.00	1,259.11
63335 - Home Leave Trvl & Allow-IP Stf	0.00	1,409.80	0.00	1,409.80
63530 - Contribution to EOS Benefits	0.00	1,869.35	0.00	1,869.35
63535 - Contribution to Security	0.00	2,068.73	0.00	2,068.73
63540 - Contribution to Training	0.00	174.48	0.00	174.48
63545 - Contribution to ICT	0.00	747.74	0.00	747.74
63550 - Contributions to MAIP	0.00	24.94	0.00	24.94

UNCDF Combined Delivery Report

 **UN Capital Development Fund**
Report ID: UNGL143G

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Award ID : 00115100 YSE-PARERBA	Period :	Jan-Dec (2019)
Project ID : 00112855 YSE-PARERBA	Impl. Partner :	UNCDF UNCDF
	Location :	UN Capital Development Fund

	Prepaid DIM Exp	UNCDF Exp	Prepaid NIM Exp	Total Exp
63555 - Contribution to UN JFA	0.00	1,495.44	0.00	1,495.44
63560 - Contributions to Appendix D	0.00	124.61	0.00	124.61
64310 - Separations - IP Staff	0.00	249.25	0.00	249.25
65115 - Contributions to ASHI Reserve	0.00	1,495.44	0.00	1,495.44
65135 - Payroll Mgt Cost Recovery ATLA	0.00	1,747.13	0.00	1,747.13
72805 - Acquis of Computer Hardware	0.00	2,446.88	0.00	2,446.88
72815 - Inform Technology Supplies	0.00	523.97	0.00	523.97
73105 - Rent	0.00	3,000.00	0.00	3,000.00
73505 - Reimb to UNDP for Supp Srvs	0.00	18.39	0.00	18.39
74599 - UNDP cost recovery chrgs-Bills	0.00	3,768.42	0.00	3,768.42
75110 - Facilities & Admin - Services	0.00	8,401.37	0.00	8,401.37
Total for Fund G2950	0.00	128,420.78	0.00	128,420.78
Total for Activity OUTPUT 3	0.00	128,420.78	0.00	128,420.78
Total for Project : 00112855	0.00	464,301.25	0.00	464,301.25
Award Total :	0.00	464,301.25	0.00	464,301.25



Pierre-Henri Pingeon, Partner
KPMG SA, Geneva
30 July 2021



Henri Mwaniki, Senior Manager
KPMG SA, Geneva
30 July 2021



Signed By: Peter Cusi

Youth Finance Regional Specialist Date: 24-Jun-2021

UNCDF Combined Delivery Report

 **UN Capital Development Fund**
 Report ID: UNGL143G

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Funds Utilization

Selection Criteria :

Business Unit : UNCDF
 Period : Jan-Dec (2019)
 Selected Project ID : 00115100
 Selected Fund Code :
 Selected Dept. IDs : ALL
 Selected Outputs : ALL

Award ID: 00115100 YSE-PARERBA Period : As at Dec 31, 2019

Project ID: 00112855	Impl. Partner : UNCDF UNCDF	UNCDF AMOUNT
Outstanding NIM advances		0.00
Outstanding DIM advances		0.00
Undepreciated Fixed Assets		0.00
Inventory		0.00
Loans & Financial Services		0.00
Commitments		0.00

Annex 3: Management Letter



**United Nations Capital Development Fund
(UNCDF)**

Directly Implemented (DIM) Project ID 00115100
“YSE-PARERBA” –
Output ID 00112855
Senegal

Management Letter

For the period from 01 January 2019 to 31 December 2020



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Management Letter

To: The Director of the Office of Audit and Investigations (OAI)
 United Nations Development Programme (UNDP)
Project title: YSE- PARERBA – Output ID 00112855
Period covered by the report: 01 January 2019 to 31 December 2020
Location: Senegal

1. Current period findings

We noted the following finding in relation to the project as a result of our audit.

Finding 1: Misallocation of expenses among outputs

Criteria

Per UNCDF Programme and Operations Policies and Procedures (POPP) the term “Project” in UNCDF policy represents an “Award” in Atlas, while the term “Output” is represented by a “Project” in Atlas (the budget is at the level of the Output). Therefore, there may exist one Project (“Award” in Atlas) with different Outputs (“Projects” in Atlas). This must be taken into account when deciding how to reflect the Project’s structure in Atlas, since the financial control on budgets in Atlas is at the Project (Output) level and NOT at the Award level. Therefore, income, expenses, advances, etc. will be controlled at the “Project” level in Atlas.

In addition, the CDR is generated by Atlas Award (but can also be generated by output) and is divided into the following sections:

- Expenditure by Fund Code: Shows expenditure grouped by output and fund code broken down into the respective general ledger accounts.
- Expenditure by Activity: Shows expenditure grouped by output, activity and fund code broken down into the respective general ledger accounts.

Observation

Based on our audit procedures over the expenditures, we identified one expense that was allocated to an incorrect output. Per review of the supporting documentation, the expense was reported under output 2 (customer workstream SMEs) instead of output 1 (customer workstream [farmers]). Our discussions with management noted that the item was inadvertently reported as such due to an oversight during the initial entry process in Atlas.

Below are the details of the transactions that were misallocated in the FY 2020 Statement of Expenditures:

Transaction ID	Description	USD Amount
UNCDF-00073977-1-1-ACCR-DST	DEL3.1-AMEND 1-YSE/2018/PBA/02 - Amend#1-YSE/2018/PBA/02-DEL3.1	51,481.00

Implication

As a result of the error above, the objectives were incorrectly presented however the overall Statement of Expenditures remains appropriate as the expense was indeed allowable and appropriately supported.



Priority

Medium

Recommendation

In complying with UNCDF's policies and procedures including internal control frameworks (ICF), we recommend that the Country Office management put in place robust review control processes that ensure all expenditures are allocated accordingly in Atlas to ensure accurate presentation of the CDR/Statement of Expenditures.

Comment from Management

No comments. We agree with the recommendation.

Estimated completion date

31 December 2021

2. Follow-up on prior year findings

None.

KPMG SA

Pierre-Henri Pigeon

Henri Mwaniki

Geneva, 30 July 2021

Annex 4: Findings Priority Ratings

The following categories of priorities are used:

High (Critical)	Action is considered imperative to ensure that UNDP is not exposed to high risks. Failure to take action could result in major consequences and issues.
Medium (Important)	Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
Low	Action is considered desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the auditors directly with the Office management, during the exit meeting and through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in the audit report.