



AUDIT

OF

**NATIONAL FUNDS REDD+ - REDUCING EMISSIONS FROM DEFORESTATION AND
FOREST DEGRADATION**
(Directly Implemented Project No. 101442, Output No. 104433)

IN

UNDP DEMOCRATIC REPUBLIC OF THE CONGO

Report No. 2555
Issue Date: 7 September 2022

Report on the Audit of National Funds REDD+ - Reducing Emissions from Deforestation and Forest Degradation
(Project No. 101442, Output No. 104433)
Implemented by UNDP Democratic Republic of the Congo
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through PKF Littlejohn (the audit firm), from 10 to 25 May 2022, conducted an audit of 'National Funds REDD+ - Reducing Emissions from Deforestation and Forest Degradation' (Project No. 101442, Output No. 104433) (the Project), which is directly implemented and managed by the UNDP Country Office in the Democratic Republic of the Congo (the Office). This was the first audit of the Project.

The audit was conducted in accordance with the International Standards of Auditing (ISA), the 700 series, 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 2021 and the accompanying Funds Utilization statement¹ as of 31 December 2021 as well as Statement of Assets as of 31 December 2021. The audit did not cover the Statement of Cash Position, no separate bank account was established and maintained for the Project. 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) or expenses of other United Nations agencies.

The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors (The IIA).

Audit results

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

Project Expenses *			Project Assets	
Amount (in \$ '000)	Opinion	NFM ** (in \$ '000)	Amount (in \$ '000)	Opinion
4,190	Unmodified	15	280	Unmodified

* Expenses recorded in the Combined Delivery Report were \$7,667,151. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UNDP offices outside of the country (\$1,525,924). Also excluded were expenses incurred at the "responsible party" level (\$1,951,158).

** There was a Net Financial Misstatement (NFM) of \$14,500 but it did not affect the audit opinion as it was not financially material.

Key recommendations: Total = 1, high priority = 0


The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, which means, "Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP." This recommendation includes actions to address delays in processing payment vouchers.

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 recommendation aims to ensure the effectiveness and efficiency of operations.

Management comments and action plan

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


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Helge S. Osttveiten
Director
Office of Audit and Investigations

AUDIT

OF

**UNITED NATIONS DEVELOPMENT PROGRAMME
DEMOCRATIC REPUBLIC OF THE CONGO**

**National Funds REDD+ for the Democratic Republic of Congo
(Reducing Emissions from Deforestation and forest Degradation)**

(Directly Implemented Project No. 00101442, Output No. 00104433)

Issue Date: 30 August 2022

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**United Nations Development Programme
(UNDP)**

Report of the Independent Auditor on
the United Nations Development Programme (UNDP)
Directly Implemented (DIM) Project – Implemented by UNDP Democratic of the Congo

Project name:	Reducing emissions from deforestation and forest degradation (REDD+)
Output name:	FONAREDD/PIREDD
UNDP Country Office:	DEMOCRATIC REPUBLIC OF THE CONGO
Atlas Project ID:	00101442
Atlas Output ID:	00104433
Auditor:	PKF Littlejohn
Period subject to audit:	1 January to 31 December 2021

EXECUTIVE SUMMARY

PKF Littlejohn conducted the financial audit of UNDP DIM Project ID 00101442, titled “National Funds REDD+ for the Democratic republic of Congo (Reducing emissions from deforestation and forest degradation)” - Output no. 00104433, implemented by UNDP Office in the Democratic Republic of the Congo, following the Direct Implementation modality for the period from 1 January to 31 December 2021. The audit was undertaken on behalf of the Office of Audit and Investigations (OAI) United Nations Development Programme (UNDP).

Audit opinions

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

Project Financial Position	Unmodified
Statement of Fixed Assets	Unmodified
Statement of Cash	Not applicable because the project did not maintain a separate bank account.

Management letter summary

There was no reportable financial finding and one recommendation raised during the course of our audit, consequently we have issued a management letter.

Prior year audit

The project ID 00101442 “Reducing emissions from deforestation and forest degradation (REDD+)” - Output ID 00104433 was not audited in the prior year and therefore there were no recommendations to follow up on.



PKF Littlejohn LLP

30 August 2022

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THE AUDIT ENGAGEMENT

Audit Objectives and Scope

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

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January to 31 December 2021 as well as the Funds Utilization statement as at 31 December 2021 and the accounts receivable and accounts payable as at 31 December 2021 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 project as at 31 December 2021. This statement must include all assets available as at 31 December 2021 and not only those purchased in a given period. Where a project does not have any assets or equipment, it is not 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 2021. Disbursements made against a 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 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 project has been established. In cases where the cash transactions of the audited 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 on Auditing (ISA), the 700 series.

The scope of the audit relates only to transactions concluded and recorded against the UNDP project between 1 January to 31 December 2021. The scope of the audit did not include:

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

INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF 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 00101442, "Reducing emissions from deforestation and forest degradation (REDD+)" output ID 00104433 FONAREDD/PIREDD, for the period 1 January to 31 December 2021 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 totalling USD 7,667,151.35 comprised of expenditure directly incurred by the UNDP Country Office in Democratic Republic of Congo for an amount of USD 4,190,069.12. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UNDP offices outside of the country (\$1,525,924). Also excluded were expenses incurred at the "responsible party" level (\$1,951,158) that were included in the 2021 HACT audit. Our audit only covered the expenditure directly incurred by the UNDP Country Office in the Democratic Republic of the Congo of USD 4,190,069.12.

Unmodified opinion

In our opinion, the attached CDRs and Funds Utilization statement present fairly, in all material respects, the expenses of USD 4,190,069.12 directly incurred by the UNDP Country Office in Democratic Republic of the Congo and charged to the Project Id : 00101442, Output ID 00104433 for the period 1 January to 31 December 2021 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 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.

In our review of the expenditures in relation to the project we noted the following:

- Expenditure not within the project period, amounting to USD 14,500.

This has resulted in overstatement of project expenses reported in the CDR.

The misstatement is not deemed to be material to the financial statements.

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 the 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.



PKF Littlejohn LLP

30 August 2022

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COMBINED DELIVERY REPORT



UN Development Programme
Report ID: ungl143p

Combined Delivery Report By Project

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Run Time: 06-07-2022 16:07:55

Selection Criteria :

Business Unit : COD10
Period : Jan-Dec (2021)
Selected Award Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : B0324
Selected Projects : 00104433

Award Id : 00101442 Fonds National REDD+ de la RDC	Period : Jan-Dec (2021)
Project # : 00104433 FONAREDD/ PIREDD	Impl. Partner : 99999 UNDP
	Location : Congo, The Democratic Republic

	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
Dept: 32402 (Dem Rep Congo-UN Dev Coord)					
Fund : 30000 (Programme Cost Sharing)					
72440 - Connectivity Charges	0.00	1,121.70	0.00	0.00	1,121.70
75105 - Facilities & Admin - Implement	0.00	78.52	0.00	0.00	78.52
Total for Fund 30000	0.00	1,200.22	0.00	0.00	1,200.22

Total for Dept : 32402 0.00 1,200.22 0.00 0.00 1,200.22

Dept: 32404 (Dem Rep Congo-Dem. Governance)

Fund : 30000 (Programme Cost Sharing)					
71625 - Daily Subsist Allow-Mtg Partic	0.00	- 1,417.50	0.00	0.00	- 1,417.50
72315 - Food & Textile Products	0.00	802.50	0.00	0.00	802.50
72510 - Publications	0.00	250.00	0.00	0.00	250.00
74596 - Services to projects -GOE	0.00	- 22.39	0.00	0.00	- 22.39
75105 - Facilities & Admin - Implement	0.00	- 27.11	0.00	0.00	- 27.11
Total for Fund 30000	0.00	- 414.50	0.00	0.00	- 414.50

Total for Dept : 32404 0.00 - 414.50 0.00 0.00 - 414.50

Dept: 32408 (Dem Rep Congo-Poverty Reduct'n)

Fund : 04000 (TRAC (Lines 1.1.1 and 1.1.2))					
64397 - Services to projects -CO staff	0.00	1,031,836.71	0.00	0.00	1,031,836.71
71620 - Daily Subsistence Allow-Local	0.00	- 437.00	0.00	0.00	- 437.00
74510 - Bank Charges	0.00	- 15.00	0.00	0.00	- 15.00
74596 - Services to projects -GOE	0.00	260,502.76	0.00	0.00	260,502.76
Total for Fund 04000	0.00	1,291,887.47	0.00	0.00	1,291,887.47

Fund : 30000 (Programme Cost Sharing)					
61305 - Salaries - IP Staff	0.00	89,717.14	0.00	0.00	89,717.14
61310 - Post Adjustment - IP Staff	0.00	49,806.15	0.00	0.00	49,806.15
62305 - Dependency Allowances-IP Staff	0.00	8,371.37	0.00	0.00	8,371.37
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	31,720.74	0.00	0.00	31,720.74
62315 - Contrib. to medical, social in	0.00	898.06	0.00	0.00	898.06
62320 - Mobility, Hardship, Non-remova	0.00	24,985.07	0.00	0.00	24,985.07
62340 - Annual Leave Expense - IP	0.00	13,409.02	0.00	0.00	13,409.02
63130 - Contrib Dispensary Cost-NP Stf	0.00	11,078.33	0.00	0.00	11,078.33
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	12,000.00	0.00	0.00	12,000.00
63335 - Home Leave Trvl & Allow-IP Stf	0.00	1,400.00	0.00	0.00	1,400.00
63350 - Reimb of Income Tax-IP Staff	0.00	3,836.87	0.00	0.00	3,836.87
63365 - Special Oper Living Allow-IP	0.00	19,800.00	0.00	0.00	19,800.00
63515 - Security-related Costs	0.00	3,500.00	0.00	0.00	3,500.00
63530 - Contribution to EOS Benefits	0.00	4,883.31	0.00	0.00	4,883.31
63535 - Contribution to Security	0.00	6,927.73	0.00	0.00	6,927.73
63540 - Contribution to Training	0.00	488.36	0.00	0.00	488.36



UN Development Programme
Report ID: ungh143p

Combined Delivery Report By Project

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Award Id : 00101442 Fonds National REDD+ de la RDC Project # : 00104433 FONAREDD/ PIREDD		Period : Jan-Dec (2021) Impl. Partner : 99999 UNDP Location : Congo, The Democratic Republic				
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp	
63545 - Contribution to ICT	0.00	2,092.84	0.00	0.00	2,092.84	
63550 - Contributions to MAIP	0.00	69.75	0.00	0.00	69.75	
63555 - Contribution to UN JFA	0.00	3,232.92	0.00	0.00	3,232.92	
63560 - Contributions to Appendix D	0.00	348.80	0.00	0.00	348.80	
64310 - Separations - IP Staff	0.00	1,744.04	0.00	0.00	1,744.04	
65115 - Contributions to ASHI Reserve	0.00	13,882.56	0.00	0.00	13,882.56	
65135 - Payroll Mgt Cost Recovery ATLA	0.00	772.56	0.00	0.00	772.56	
71305 - Local Consult.-Sht Term-Tech	0.00	8,598.00	0.00	0.00	8,598.00	
71360 - Local Consult-Security	0.00	271.92	0.00	0.00	271.92	
71405 - Service Contracts-Individuals	0.00	555,077.22	0.00	0.00	555,077.22	
71410 - MAIP Premium SC	0.00	239.21	0.00	0.00	239.21	
71415 - Contribution to Security SC	0.00	22,105.81	0.00	0.00	22,105.81	
71605 - Travel Tickets-International	0.00	2,458.00	0.00	0.00	2,458.00	
71610 - Travel Tickets-Local	0.00	28,493.00	0.00	0.00	28,493.00	
71615 - Daily Subsistence Allow-Intl	0.00	9,826.25	0.00	0.00	9,826.25	
71620 - Daily Subsistence Allow-Local	0.00	74,723.04	0.00	0.00	74,723.04	
71625 - Daily Subsist Allow-Mtg Partic	16,100.00	85,366.23	0.00	0.00	101,466.23	
71635 - Travel - Other	0.00	2,500.50	0.00	0.00	2,500.50	
72105 - Svc Co-Construction & Engineer	0.00	249,041.08	0.00	0.00	249,041.08	
72110 - Svc Co-Agricultural Management	581,758.00	74,589.63	0.00	0.00	656,347.63	
72115 - Svc Co-Natural Resources & Env	1,135,616.00	161,600.00	0.00	0.00	1,297,216.00	
72120 - Svc Co-Trade and Business Serv	0.00	277,670.47	0.00	0.00	277,670.47	
72130 - Svc Co-Transportation Services	0.00	1,190.00	0.00	0.00	1,190.00	
72210 - Machinery and Equipment	0.00	85,096.32	0.00	0.00	85,096.32	
72215 - Transporation Equipment	0.00	3,000.00	0.00	0.00	3,000.00	
72220 - Furniture	154,630.00	167,347.00	0.00	0.00	321,977.00	
72305 - Agri & Forestry Products	0.00	948,848.89	0.00	0.00	948,848.89	
72311 - Fuel, petroleum and other oils	0.00	36,769.51	0.00	0.00	36,769.51	
72315 - Food & Textile Products	0.00	2,016.00	0.00	0.00	2,016.00	
72401 - Prefab structure/other buildin	0.00	412,786.82	0.00	0.00	412,786.82	
72415 - Courier Charges	0.00	3,219.80	0.00	0.00	3,219.80	
72420 - Land Telephone Charges	0.00	5,901.36	0.00	0.00	5,901.36	
72425 - Mobile Telephone Charges	0.00	19,634.28	0.00	0.00	19,634.28	
72440 - Connectivity Charges	0.00	21,524.00	0.00	0.00	21,524.00	
72445 - Common Services-Communications	0.00	10,252.18	0.00	0.00	10,252.18	
72505 - Stationery & other Office Supp	63,054.00	181,095.70	0.00	0.00	244,149.70	
72510 - Publications	0.00	250.00	0.00	0.00	250.00	
72515 - Print Media	0.00	1,045.00	0.00	0.00	1,045.00	
72615 - Micro Capital Grants-Other	0.00	0.00	0.00	0.00	0.00	
72715 - Hospitality Catering	0.00	0.00	0.00	0.00	0.00	
73107 - Rent - Meeting Rooms	0.00	1,500.00	0.00	0.00	1,500.00	
73110 - Custodial & Cleaning Services	0.00	19,539.00	0.00	0.00	19,539.00	
73125 - Common Services-Premises	0.00	114,604.79	0.00	0.00	114,604.79	
73410 - Maint, Oper of Transport Equip	0.00	21,213.74	0.00	0.00	21,213.74	
73420 - Leased Vehicles	0.00	450.00	0.00	0.00	450.00	
74120 - Capacity Assessment	0.00	23,660.00	0.00	0.00	23,660.00	
74325 - Contrib.To CO Common Security	0.00	22,073.56	0.00	0.00	22,073.56	
74505 - Insurance	0.00	1,879.00	0.00	0.00	1,879.00	
74510 - Bank Charges	0.00	10,353.25	0.00	0.00	10,353.25	
74596 - Services to projects -GOE	0.00	156.69	0.00	0.00	156.69	
75105 - Facilities & Admin - Implement	0.00	417,021.50	0.00	0.00	417,021.50	
75705 - Learning costs	0.00	1,038.00	0.00	0.00	1,038.00	
76110 - Foreign Exch Translation Loss	0.00	116.02	0.00	0.00	116.02	
76135 - Realized Gain	0.00	- 109.49	0.00	0.00	- 109.49	
77630 - Dep Exp Owned - ITC	0.00	554.90	0.00	0.00	554.90	
77660 - Dep Exp Owned -Vehicle	0.00	30,645.11	0.00	0.00	30,645.11	
77670 - Dep Exp-Hvy Mac & Equip	0.00	1,121.25	0.00	0.00	1,121.25	
Total for Fund 30000	1,951,158.00	4,423,320.16	0.00	0.00	6,374,478.16	
Total for Dept : 32408	1,951,158.00	5,715,207.63	0.00	0.00	7,666,365.63	



UN Development Programme
Report ID: ungl143p

Combined Delivery Report By Project

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Award Id : 00101442 Fonds National REDD+ de la RDC	Period :	Jan-Dec (2021)			
Project # : 00104433 FONAREDD/ PIREDD	Impl. Partner :	99999 UNDP			
	Location :	Congo, The Democratic Republic			
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp

Total for Project : 00104433	1,951,158.00	5,715,993.35	0.00	0.00	7,667,151.35
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Award Total :	1,951,158.00	5,715,993.35	0.00	0.00	7,667,151.35
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Debab Asrat Ynessu (Mrs)
Deputy Resident Representative
Operations



Signed By :

Date :

06.07.2022

PKF Littlejohn LLP

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UN Development Programme
Report ID: ungl143p

Combined Delivery Report By Project

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Selection Criteria :

Business Unit : COD10
Period : Jan-Dec (2021)
Selected Award Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : B0324
Selected Projects : 00104433

Award Id : 00101442 Fonds National REDD+ de la RDC		Period :	Jan-Dec (2021)		
Project # : FONAREDD/ PIREDD		Impl. Partner :	None		
		Location :	Congo, The Democratic Republic		
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
32402 - Dem Rep Congo-UN Dev Coord	0.00	1,200.22	0.00	0.00	1,200.22
32404 - Dem Rep Congo-Dem. Governance	0.00	-414.50	0.00	0.00	-414.50
32408 - Dem Rep Congo-Poverty Reduct'n	1,951,158.00	5,715,207.63	0.00	0.00	7,666,365.63

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24.8.2022



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PKF Littlejohn LLP

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FUNDS UTILIZATIONS STATEMENTS



UN Development Programme
Report ID: unglodp

Combined Delivery Report By Project

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Funds Utilization

Selection Criteria :

Business Unit : COD10
Period : Jan-Dec (2021)
Selected Project Id : 00101442
Selected Fund Code : 04000.30000
Selected Dept. IDs : B0324
Selected Outputs : 00104433

Project/Award: 00101442 Fonds National REDD+ de la RDC

Period : As at Dec 31, 2021

Output #	Impl. Partner :99999 UNDP	UNDP AMOUNT
Outstanding NEX advances		219,699.00
Undepreciated Fixed Assets		280,457.85
Unamortized Intangible Assets		0.00
Inventory		0.00
Prepayments		42,650.84
Commitments		1,722,400.06

INDEPENDENT AUDITOR'S REPORT ON 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 UNDP project ID 00101442 "Reducing emissions from deforestation and forest degradation (REDD+)", output ID 00104433 titled "FONAREDD/PIREDD", as at 31 December 2021.

Unmodified opinion

In our opinion, the attached Statement of Fixed Assets presents fairly, in all material respects, the assets status of the project "Reducing emissions from deforestation and forest degradation (REDD+)", amounting USD 280,457.85, net book value as at 31 December 2021 in accordance with UNDP accounting policies.

Basis for unmodified opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those provisions and standards are further described in the Auditor's responsibilities section of this report. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants 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

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.



PKF Littlejohn LLP

30 August 2022

15 Westferry Circus
Canary Wharf
London
E14 4HD

STATEMENT OF FIXED ASSETS

AM In Service Report
UN Developr Page 1 of

Report ID: UNAM600 Run Time: 22/02/2022 16:02

Business unit Operating Unit Asset ID Profile ID

COD10 COD 000000003686 MTRV4
COD10 COD 000000003687 MTRV4
COD10 COD 000000003689 MTRV4
COD10 COD 000000003690 MTRV4
COD10 COD 000000003691 MTRV4
COD10 COD 000000003692 MTRV4
COD10 COD 000000003693 MTRV4
COD10 COD 000000003735 ITC4
COD10 COD 000000003769 HYME1
COD10 COD 000000003780 HYME1
Total for Bus COD10

IPSAS In Service Report for project assets held and controlled by UNDP (Project 00104433) as of 31 December 2021														
Description	TAG Number	Serial Number	Model	Location	Acquisition Date	In Service Date	Cost,USD	Net Book Value	Quantity	Depart ment	Impl Agency	Donor	Project	Fund code
Toyota Hardtop	025CD43	JTEEB71J007040976	Land Cruiser HZJ 76	CODKISANG1	11/06/2018	21/06/2018	52826,34	37051,81	1	32408	001981	12545	00104433	30000
Toyota Hardtop	025CD96	JTEEB71J007040890		CODBUTYARD	11/06/2018	21/06/2018	52907,45	37108,7	1	32408	001981	12545	00104433	30000
Toyota Hardtop	025CD52	JTEEB71J007040825		CODBUTYARD	11/06/2018	21/06/2018	52907,45	37108,7	1	32408	001981	12545	00104433	30000
TOYOTA HARDTOP	025CD50	JTEEB71J007041027		CODKISANG1	11/06/2018	21/06/2018	52826,34	37051,81	1	32408	001981	12545	00104433	30000
Toyota Hardtop	025CD156	JTEEB71J007041030		CODBUNYARD	11/06/2018	21/06/2018	51723,68	36278,4	1	32408	001981	12545	00104433	30000
Toyota Hardtop	025CD158	JTEEB71J007040775		CODBUNYARD	11/06/2018	21/06/2018	51723,68	36278,4	1	32408	001981	12545	00104433	30000
Toyota Hardtop	025CD31	JTEEB71J007040945		CODKISANG1	11/06/2018	21/06/2018	52826,34	37051,81	1	32408	001981	12545	00104433	30000
PIREDD High Volume Monochrome Groupe electrogene VISA	000000003735	CNDVL6M125		CODBUTAB01	06/09/2018	06/09/2018	5549	3699,33	1	32408	001981	12545	00104433	30000
Groupe electrogene VISA	000000003769	P21FOX24483FOX		CODKISYARD	11/10/2018	11/10/2018	10915	9141,31	1	32408	001981	12545	00104433	30000
Groupe electrogene VISA	CODBUT0001	24438P21FOX		CODBUTYARD	09/11/2018	09/11/2018	11510	9687,58	1	32408	001981	12545	00104433	30000
							395,715.28	280,457.85	10.000					

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24.08.2022

INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF CASH

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

We noted that the UNDP Project ID 00778, "Reducing emissions from deforestation and forest degradation (REDD+)" did not have a dedicated bank account for the project activities subject to audit and accordingly a Statement of Cash was not produced.

MANAGEMENT LETTER

Finding No. 1

Title: Payments made after 30 days of invoice

Issue: According to UNDP policy, all supplier invoices should be paid within 30 days of the invoice date. As part of our expenditure verification, we however noted instances of late payment. We identified 11 cases, amounting to a total of USD 496,245.42, where the invoices were paid to the suppliers after the limit of 30 days.

Impact:

- Late payment of suppliers and vendors could damage the reputation of the organization and its relationship with the suppliers.
- Late payment results in non-compliance with the payments terms stated in UNDP Purchase Orders issued to suppliers where UNDP is required to pay within 30 days of the invoice date.

Priority: Medium

Recommendation: It is recommended that the UNDP office in the Democratic Republic of the Congo ensures that suppliers and vendors are paid within 30 days from the day the invoice is issued, as stipulated in UNDP policy. We understand that in most cases, the delay is due to a non-updated invoice received from the supplier. It is therefore recommended to UNDP office in the Democratic Republic of the Congo to make sure the invoices received from the suppliers are adequate and correctly dated.

UNDP Country Office comments and action plan:

Indeed, in most cases, these are invoices whose dates have not been updated by the suppliers. UNDP office in the Democratic Republic of the Congo will now ensure that the dates on the invoices received are correct.