



AUDIT

OF

UNDP BURUNDI

RELEVEMENT COMMUNAUTAIRE
(Directly Implemented Project No. 69271)

Report No. 1012
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Report on the audit of Relèvement Communautaire (Project ID 69271) Executive Summary

From 24 September to 10 October 2012, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through GPO Partners (the audit firm), conducted an audit of Relèvement Communautaire (Project ID 69271) (the Project), which is directly implemented and managed by the UNDP Country Office in Burundi (the Office). The audit firm was under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

The Project reported expenditure totaling \$2.9 million during the period from 1 January to 31 December 2011. The following donors contributed to the Project: United Nations Peace Building Fund, UNDP and the Government of Burundi.

Audit scope and objectives

The audit firm conducted a financial audit to express an opinion on whether the financial statements present fairly, in all material aspects, the results of the Project's operations. The audit covered the review of the Project's Statement of Expenditure (Combined Delivery Report) for the period from 1 January to 31 December 2011 and Statement of Assets as of 31 December 2011.

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 Expenditure		Project Assets			Cash	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion	NFI (in \$ '000)	Amount (in \$ '000)	Opinion
2,909	Unqualified	308	Qualified	230	-	Not Applicable*

NFI = Net Financial Impact

*No separate bank account was held by the project

The audit firm qualified its opinion on project assets:

- The list of assets included items belonging to the two other projects and it was not possible to identify which items belonged to the project covered by the audit; and
- The physical count of assets did not cover equipment valued at \$230,000 and included in the list of assets.

Key issues and recommendations

The audit raised three issues and resulted in three recommendations, of which two (67 percent) were ranked high (critical) priority, meaning "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 and may affect the organization at the global level."

Asset

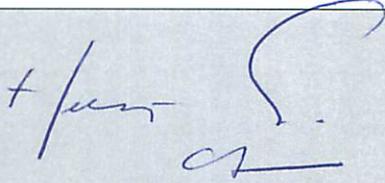
Management
(Issues 2 and 3)

Assets valued a \$230,000 were not covered by the physical count. The physical inventory completed in 2011 did not capture equipment valued at \$230,000. OAI recommends that the Office conduct a complete physically inventory taking into account all available assets and equipment. The Office confirmed the existence of this equipment and agreed to make the necessary adjustments.

Inventory listing included assets from two other projects. The inventory listing for Project ID 69271 included assets from two other projects without a distinction of project ownership. Therefore, it was not possible to determine which assets belonged to Project ID 69271. OAI recommends that the Office establish a list of assets per project in order to facilitate monitoring and oversight. The Office confirmed that the necessary corrective actions will be taken.

Management's comments

The Resident Representative accepted all recommendations and is in the process of implementing them.



Helge S. Ostveiten
Director
Office of Audit and Investigations