



AUDIT

OF

UNDP COTE D'IVOIRE

PROGRAMME D'APPUI AU PROCESSUS ELECTORAL EN COTE D'IVOIRE

(Directly Implemented Project No. 00057717)

Report No. 1013
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Report on the audit of Programme d'Appui au Processus Electoral (Project ID 00057717) Executive Summary

From 24 September to 12 October 2012, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through SEC DIARRA (the audit firm), conducted an audit of the Programme d'Appui au Processus Electoral, (Project ID 00057717) (the Project), which is directly implemented and managed by the UNDP Country Office in Côte d'Ivoire (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 totalling \$12.1 million during the period from 1 January to 31 December 2011. The following donors contributed to the Project from 2008 to 2011: European Union, France, Japan, Germany, Economic Community of West African States, UNDP, United Kingdom, Switzerland and MTN Foundation.

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 Projects' Statement of Expenditure (Combined Delivery Report) for the period from 1 January to 31 December 2011 and the 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			
Amount (in \$ '000)	Opinion	NFI (in \$ '000)	NFI to Total Expenditure	Amount (in \$ '000)	Opinion	NFI (in \$ '000)	NFI to Total Assets
12,136	Adverse	1,600	13%	408	Disclaimer	408	100%

NFI = Net Financial Impact

The audit firm issued an adverse opinion on project expenditures mainly because of the absence of adequate supporting documents.

The audit firm issued a disclaimer on project assets because of serious weaknesses in asset management. The audit could not ascertain whether all project assets were accounted for.

Key issues and recommendations

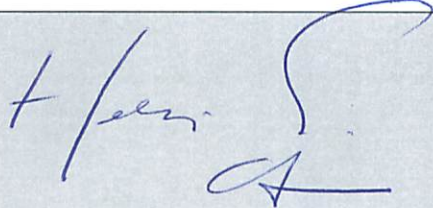
The audit raised 12 issues and resulted in 12 recommendations, of which four (33 percent) were ranked high (critical) priority, meaning "Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP and may affect the organization at the global level."

Human Resources (Issue No. 2)	<u>Inadequate staffing</u> . The Project was not adequately staffed to ensure proper project implementation. The implementation of project activities was entrusted to one professional staff member and one administrative assistant. OAI recommends that the Project is staffed adequately in line with the resources provided for in the project document.
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Asset Management (Issue No. 5)	<u>Weaknesses in asset management.</u> A comprehensive physical inventory of project assets was not carried out. Assets were not properly tagged to ensure reconciliation with accounting records. Furthermore, the storage conditions were poor. OAI recommends that project assets are tagged properly; a physical inventory is carried out; a valued list of assets is established; the storage conditions are improved; and, as applicable, assets are duly transferred to the national counterpart.
Project Management (Issue No. 8)	<u>Lapses in project execution and monitoring.</u> There were weaknesses in managing the relationships with responsible parties, mainly from Non-governmental organizations, which resulted in delay in disbursements and in the preparation of progress reports. In some instances, disbursements were not made directly into the organization's bank accounts but to individuals who worked for the institutions; the audit estimated the net financial impact at \$93,000. Furthermore, a service provider that UNDP contracted for an amount of \$1.4 million did not submit adequate supporting documents. After the completion of the audit fieldwork, the Office clarified to OAI that the payments were made by cheques that have been issued in the name of the organizations and not the name of individuals. The cheques were then collected by an officer from the concerned organization. The Office also informed OAI that the corresponding services were provided. OAI recommends that in future, adequate project monitoring is exercised, funds are transferred to authorized bank accounts only and expenditures are supported by adequate documentation.
Procurement (Issue No. 10)	<u>Weaknesses in procurement.</u> One company was awarded a contract for transferring funds to elections officers, though the company did not submit its offer within the set deadline. The total fund transfers amounted to \$3.9 million. OAI recommends that procurement is carried out in line with established policies and procedures.

Management's comments

The Resident Representative of Côte d'Ivoire accepted all recommendations and is in the process of implementing them.



Helge S. Osttveiten
Director
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