



**AUDIT**

**OF**

**UNDP CENTRAL AFRICAN REPUBLIC**

**Projet d'Appui au Cycle Electoral en République Centrafricaine (PACE)  
(Directly Implemented Project No. 76539)**

**Report No. 1014  
Issue Date: 26 June 2013**

**Report on the audit of UNDP Central African Republic  
Projet d'Appui au Cycle Electoral en République Centrafricaine (PACE)  
(Project No. 76539)  
Executive Summary**

From 11 March to 22 March 2013, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through KPMG (the audit firm), conducted an audit of Projet d'Appui au Cycle Electoral en République Centrafricaine (PACE), Project No. 76539 (the Project), which is directly implemented and managed by the UNDP Country Office in Central African Republic (the Office). The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*. The last audit of the Office was conducted by OAI in 2012.

The Project reported expenditure totaling \$13.06 million during the period from 17 August 2010 to 31 January 2012. The following donors contributed to the Project: European Commission, Japan, Peacebuilding Fund, Belgium, Germany, France, Nigeria, African Union and Poland.

**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 Project's operations. The audit covered the Project's Statement of Expenditure (Combined Delivery Report) for the period from 17 August 2010 to 31 January 2012 and Statement of Assets and Statement of Cash Position as of 31 January 2012.

**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	Amount (in \$ '000)	Opinion
13,061	Unqualified	57	Unqualified	N/A	N/A

**Key issues and recommendations**

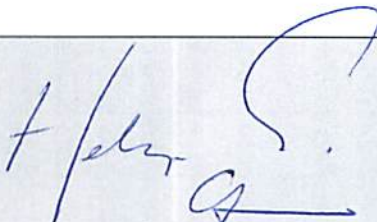
The audit raised two issues and resulted in two recommendations, one of which (50 percent) was ranked high (critical) priority, meaning "Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP and may affect the organization at the global level."

Asset and financial management (Issue 1)	<u>Inventory sheets and financial reports not validated by Project Manager.</u> The inventory sheets and financial reports (CDR) were not systematically validated in a timely manner by the Project Manager. OAI recommends that Project Manager validate the list of assets and financial reports in a timely manner.
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**Management's comments**

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



Helge S. Osttveiten  
Director  
Office of Audit and Investigations