



AUDIT

OF

UNDP HAITI

RELEVEMENT NATIONAL & OUEST
(Directly Implemented Project No. 63238)

Report No. 1100
Issue Date: 16 August 2013

**Report on the audit of UNDP Haiti
Relèvement National & Ouest (Project No. 63238)
Executive Summary**

From 25 March to 26 April 2013, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through Experts Conseils et Associés (the audit firm), conducted an audit of Relèvement National & Ouest, Project No. 63238 (the Project), which is directly implemented and managed by the UNDP Country Office in Haiti (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 2011.

The Project reported expenditure totalling \$5.97 million during the period from 1 January to 31 December 2011. The following donors contributed to the Project: European Commission, Brazil, UNOCHA, Bahrain, Algeria, China, Burkina Faso, United Nations Foundation, Norway, Far East Broadcasting Company, Liechtenstein, Chad, Kuwait, Benfica Foundation, and Haiti Relief Donors.

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 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
5,969	Unqualified	140	Qualified	105	-	Not Applicable*

*No separate bank account and/or petty cash was held by the project

NFI = Net Financial Impact

The audit firm qualified its opinion on project assets due to the fact that two vehicles with a total value of \$105,059 were not included in the Statement of Assets and Equipment as of 31 December 2011.

Key issues and recommendations

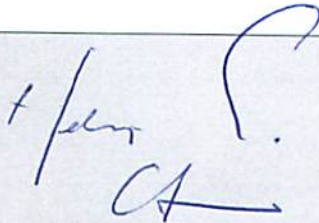
The audit raised two issues and resulted in two recommendations, both of which were ranked high (critical) priority, meaning "Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP and may affect the organization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

The high priority recommendations are as follows:

- Asset management (Issue 1) Statement of Assets and Equipment not completed. Two vehicles purchased by the Project in 2011 were not reported in the Statement of Assets and Equipment. OAI recommends that the Statement of Assets and Equipment be prepared with due care to ensure that all assets are being reflected therein.
- (Issue 2) Lack of documentation related to transfer of assets. Assets for a value of \$27,625 and in use by the Project had been transferred from other projects. However, reference to these transfers was not included in the Statement of Assets and Equipment. In addition, documentation to validate these transfers was not available for review. OAI recommends that management of UNDP Haiti ensure that all asset transfers incurred under the Project be adequately documented.

Management's comments

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



Helge S. Ostveiten
Director
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