



AUDIT

OF

UNDP HAITI

**REDUCTION OF VULNERABILITY OF POPULATIONS AND INFRASTRUCTURES
IN THE SOUTH
(Directly Implemented Project No. 76792)**

**Report No. 1101
Issue Date: 16 August 2013**

Report on the audit of UNDP Haiti
Reduction of Vulnerability of Populations and Infrastructures in the South (Project No. 76792)
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 Reduction of Vulnerability of Populations and Infrastructures in the South, Project No. 76792 (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 \$4.25 million during the period from 1 January to 31 December 2011. The following donors contributed to the Project: Haitian Reconstruction Fund and Norway.

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	Amount (in \$ '000)	Opinion
4,251	Unqualified	133	Unqualified	-	Not Applicable*

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

Key issue and recommendation

The audit raised one issue and resulted in one recommendation, 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 recommendation is as follows:

Asset management (Issue 1)	<u>Lack of documentation related to transfer of assets.</u> Some assets in use by the Project had been transferred from other projects. However, 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.
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Management's comments

The Resident Representative a.i. accepted the recommendation and is in the process of implementing it.



Helge S. Ostveiten
Director
Office of Audit and Investigations