



**AUDIT**

**OF**

**UNDP DEMOCRATIC REPUBLIC OF THE CONGO**

**PROGRAMME D'APPUI AU SECTEUR DE LA MICRO FINANCE (PASMIF II)**  
**(Directly Implemented Project Nos. 40360 and 78824)**

**Report No. 1172**  
**Issue Date: 31 July 2013**

**Report on the audit of UNDP Democratic Republic of the Congo  
Programme d'Appui au Secteur de la Micro Finance (PASMIF II) (Project Nos. 40360 and 78824)  
Executive Summary**

From 14 February to 5 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 Programme d'Appui au Secteur de la Micro Finance (PASMIF II), Project Nos. 40360 and 78824 (the Project), which is directly implemented and managed by the UNDP Country Office in the Democratic Republic of the Congo (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 totalling \$0.96 million during the period from 1 January to 31 December 2012. The following donors contributed to the Project: Swedish International Development Cooperation Agency and UNDP.

**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 2012 and Statement of Assets as of 31 December 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
964	Unqualified	50	Unqualified	N/A	N/A

**Key issues and recommendations**

The audit raised four issues and resulted in four recommendations, all ranked medium (important) priority, meaning "Action is required to ensure that UNDP is not exposed to significant risks. Failure to take action could result in negative consequences for UNDP." These recommendations include actions to address: absence of a final project review report; unauthorized budget expenditures; expenditures executed that were not budgeted for; and material purchased with UNDP funds but not labeled.

**Management's comments**

The Resident Representative acknowledged all recommendations.



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