



AUDIT

OF

UNDP DEMOCRATIC REPUBLIC OF THE CONGO

**Projet Promotion des valeurs éthiques
(Directly Implemented Project No. 60505)**

**Report No. 1216
Issue Date: 13 January 2014**

**Report on the audit of UNDP Democratic Republic of the Congo
Projet Promotion des valeurs éthiques (Project No. 60505)
Executive Summary**

From 24 October to 25 November 2013, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through KPMG DRC (the audit firm), conducted an audit of “Projet Promotion des valeurs éthiques”, (Project No. 60505) (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 \$1.3 million during the period from 1 January to 31 December 2012. The Project was funded by the Department for International Development (United Kingdom).

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
1,301	Unqualified	76	Unqualified	N/A	N/A

Key issues and recommendations

The audit raised 2 issues and resulted in 2 recommendations, 1 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.”

Project management (Issue 2)	<u>Delay in implementing the Annual Work Plan.</u> Some activities included in the Annual Work Plan were not implemented, while new activities that were not planned were implemented. This practice could negatively impact the achievement of the Project’s objectives. OAI recommends that the Office ensure that planned activities are fully implemented and project board approval is obtained prior to implementing new activities.
------------------------------	--

Management's comments

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



Helge S. Ostveiten
Director
Office of Audit and Investigations