

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP GUINEA

PROGRAMME D'APPUI AU CYCLE ELECTORAL (PACE)
(Directly Implemented Project, Output No. 74784)

Report No. 1319

Issue Date: 5 September 2014

**Report on the audit of UNDP Guinea
Programme d'Appui au Cycle Electoral (PACE), Output No. 74784
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), from 5 to 23 May 2014, through Moore Stephens LLP (the audit firm), conducted an audit of "Programme d'Appui au Cycle Electoral (PACE)", Output No. 74784 (the Project), which is directly implemented and managed by the UNDP Country Office in Guinea (the Office). This was the first audit of the Project.

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 Combined Delivery Report, which includes expenditure for the period from 1 January to 31 December 2013 and the accompanying Funds Utilization statement¹ as of 31 December 2013 as well as Statement of Assets as of 31 December 2013. The audit did not include activities and expenses incurred at the "responsible party" level. In addition, the audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Project.

The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

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	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
1,766	Unqualified	20	Unqualified

*Expenditures recorded in the Combined Delivery Report were \$2,552,773. Excluded from the audit scope were transactions that relate to expenditures incurred by responsible parties (\$786,596).

Without revising the overall unqualified audit opinion on expenditures, the auditors mentioned that the Combined Delivery Report included ineligible expenditure amounting to \$20,060. The auditors did not qualify their audit opinion because this amount represented only 1 percent of total expenditure.

The audit firm issued an unqualified opinion on the Funds Utilization statement.

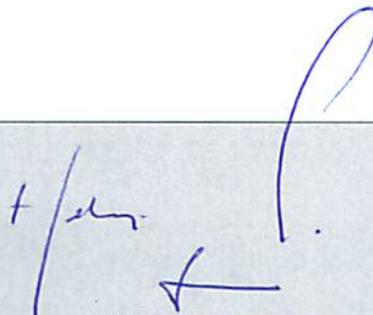
Key recommendations: Total = 2, high priority = 0

The audit did not result in any high (critical) priority recommendations. There are two medium (important) priority recommendations, which means "Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP". The recommendations include actions to address expenses insufficiently justified and incomplete documentation in regard to the receipt of goods and equipment.

¹ The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) depreciated fixed assets used at the project level; (c) inventory held at the project level; (d) prepayments made by the project; and (e) outstanding commitments held at the project level.

Management comments and action plan

The UN Resident Coordinator/UNDP Resident Representative accepted both recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated into the report, where appropriate.



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