



AUDIT

OF

UNDP YEMEN

SUPPORT TO ELECTIONS DURING THE TRANSITIONAL PERIOD - PHASE II
(Directly Implemented Project, Output No. 84396)

Report No. 1376

Issue Date: 11 September 2014

**Report on the audit of UNDP Yemen
Support to Elections during the Transitional Period - Phase II (Output No. 84396)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), from 8 to 17 June 2014, through Talal Abu-Ghazaleh & Co. (the audit firm), conducted an audit of Support to Elections during the Transitional Period - Phase II, Output No. 84396 (the Project), which is directly implemented and managed by the UNDP Country Office in Yemen (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 processed and approved in locations outside of the country. In addition, the audit did not cover the Statement of Cash Position as of 31 December 2013 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
*1,079	Unqualified	17	Unqualified

*Expenditures recorded in the Combined Delivery Report were \$10,986,161. Excluded from the audit scope were expenditures not processed or approved at the Office level (\$9,907,098).

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

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.

The audit did not result in any recommendations.

A handwritten signature in blue ink, appearing to read 'H. Ostveiten', with a large flourish extending upwards and to the right.

Helge S. Ostveiten
Director
Office of Audit and Investigations