



AUDIT

OF

UNDP MALI

PROJECT ELECTIONS 2012-2014
(Directly Implemented Project No. 64570, Output No. 81302)

Report No. 1671

Issue Date: 9 September 2016

**Report on the Audit of UNDP Mali
Project Elections 2012-2014
(Project No. 64570, Output No. 81302)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG (the audit firm), from 30 May to 17 June 2016, conducted an audit of Project Elections 2012-2014 (Project No. 64570, Output No. 81302) (the Project), which is directly implemented and managed by the UNDP Country Office in Mali (the Office). The last audit of the Project was conducted by OAI in 2015 and covered project expenditure from 1 January 2014 to 31 December 2014.

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 2015 and the accompanying Funds Utilization statement¹ as of 31 December 2015 as well as Statement of Assets as of 31 December 2015. The audit did not include activities and expenses incurred or undertaken at the "responsible party" level, or expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). 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(s) and corresponding management letter(s) 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	NFI** (in \$ '000)
4,851	Unqualified	412	Unqualified	19.7

*Expenditure recorded in the Combined Delivery Report was \$6,626,430. Excluded from the audit scope were expenses incurred at the "responsible party" level of \$314,446 (which were subject to a separate audit that resulted in a qualified opinion), expenses incurred by other United Nations Agencies of \$-541,654, as well as expenses processed and approved in locations outside of the country amounting to \$2,002,689.

**NFI: Net financial impact. The audit firm did not qualify their opinion on assets as a result of the net financial impact, as the Office had already taken corrective measures and addressed the issues noted.

Key recommendation: Total = 1, high priority = 0

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, which means, "Action is required to ensure that UNDP is not exposed to risks that are

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.

considered moderate. Failure to take action could contribute to negative consequences for UNDP." The recommendation includes actions to address inadequate controls over fixed assets.

The recommendation aims to improve the reliability and integrity of financial and operational information.

Implementation status of previous OAI audit recommendations: Report No. 1523, 18 September 2015.

Total recommendations: 5

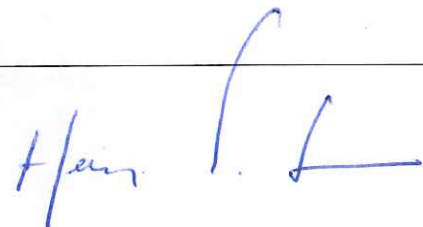
Implemented: 4

In progress: 1

The pending recommendation pertains to weaknesses in the management of partnership and execution agreements. Its implementation was assessed as in progress during the audit fieldwork.

Management comments and action plan

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

A handwritten signature in blue ink, appearing to read 'Helge S. Osttveiten', is written over a rectangular box.

Helge S. Osttveiten
Director
Office of Audit and Investigations