



AUDIT

OF

UNDP SOMALIA

**ENHANCING CLIMATE RESILIENCE OF THE VULNERABLE COMMUNITIES
AND ECOSYSTEMS IN SOMALIA**

(Directly Implemented Project No. 84974, Output No. 92743)

Report No. 1673

Issue Date: 9 September 2016

Report on the Audit of UNDP Somalia
Enhancing Climate Resilience of the Vulnerable Communities and Ecosystems in Somalia
(Project No. 84974, Output No. 92743)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through Deloitte and Touche (the audit firm), from 30 May to 29 June 2016, conducted an audit of “Enhancing Climate Resilience of the Vulnerable Communities and Ecosystems in Somalia” (Project No. 84974, Output No. 92743) (the Project), which is directly implemented and managed by the UNDP Country Office in Somalia, operating from Nairobi, Kenya (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 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 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
1,200	Unqualified	5	Unqualified

*Expenditures recorded in the Combined Delivery Report for Output No. 92743 totalled \$2,010,597. Excluded from the audit scope were transactions that relate to expenditures incurred at the “responsible party” level of \$388,326, which will be included in a separate HACT/NGO/NIM audit. Also excluded from the audit scope were expenditures processed and approved in locations outside of the country amounting to \$421,904.

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.



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