



AUDIT

OF

UNDP SOMALIA

SUPPORT TO THE FEDERAL STATE FORMATION PROCESS
(Directly Implemented Project No. 85367, Output No. 96586)

Report No. 1674

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**Report on the Audit of UNDP Somalia
Support to the Federal State Formation Process
(Project No. 85367, Output No. 96586)
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 "Support to the Federal State Formation Process" (Project No. 85367, Output No. 96586) (the Project), which is directly implemented and managed by the UNDP Country Office 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. The audit did not include expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). The audit did not cover the Statement of Assets as no assets were purchased by the Project. 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*	
Amount (in \$ '000)	Opinion
2,230	Unqualified

*Expenditures recorded in the Combined Delivery Report for the audited Output No. 96586 were \$2,291,267. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$61,564).

The audit did not result in any recommendations.



Helge S. Osttveiten
Director
Office of Audit and Investigations

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.