

**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**Office of Audit and Investigations**



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNDP NIGERIA**

**CAPACITY FOR GOVERNANCE PROGRAMME AND CONFLICT MANAGEMENT**  
**(Directly Implemented Project No. 56855, Output Nos. 69949 and 93464)**

**Report No. 1680**

**Issue Date: 19 August 2016**

**Report on the Audit of UNDP Nigeria  
Capacity for Governance Programme and Conflict Management  
(Project No. 56855, Output Nos. 69949 and 93464)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG Geneva (the audit firm), from 23 May to 3 June 2016, conducted an audit of “Capacity for Governance Programme and Conflict Management” (Project No. 56855, Output No. 69949 “Deepening Democracy in Nigeria” and Output No. 93464 “EU Support to Electoral Cycle”) (the Project), which is directly implemented and managed by the UNDP Country Office in Nigeria (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 statement<sup>1</sup> as of 31 December 2015 as well as Statement of Assets. 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, or other UN agencies). 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
10,583	Unqualified	286	Unqualified

\* Expenditures recorded in the Combined Delivery Report for Output Nos. 69949 and 93464 totalled \$21,096,198. Excluded from the audit scope were transactions that relate to expenditures incurred by other United Nations agencies of \$1,343,685 and expenditures incurred at the “responsible party” level of \$8,281,400, which have not yet been audited through 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 \$887, 856.

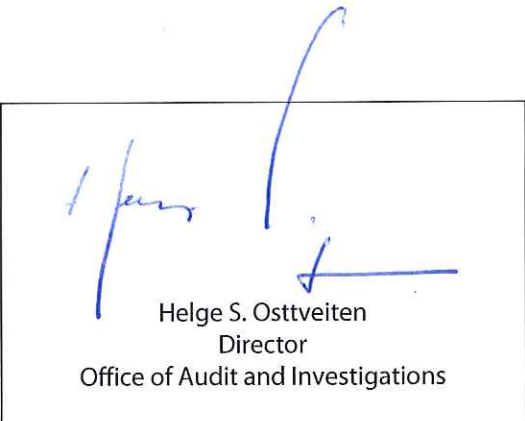
The audit did not result in any recommendations.

<sup>1</sup> 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.

**Implementation status of previous OAI audit recommendations:** Report No. 1466, 30 September 2015.

Total recommendations: 1

Implemented: 1

A handwritten signature in blue ink is written over a rectangular stamp. The signature is stylized and appears to read 'H. Osttveiten'. The stamp contains the following text:

Helge S. Osttveiten  
Director  
Office of Audit and Investigations