

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



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNCDF REGIONAL OFFICE IN SENEGAL**

**YOUTHSTART SECOND PHASE**  
**(Directly Implemented Project No. 77039, Output No. 60993)**

**Report No. 1692**  
**Issue Date: 26 August 2016**

**Report on the Audit of UNCDF Regional Office in Senegal  
YouthStart Second Phase  
(Project No. 77039, Output No. 60993)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), from 6 to 17 June 2016, through Moore Stephens LLP (the audit firm), conducted an audit of YouthStart Second Phase (Project No. 77039, Output No. 60993) (the Project), which is directly implemented and managed by the UNCDF Regional Office in Senegal (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 2014 to 31 December 2015 and the accompanying Funds Utilization statement<sup>1</sup> as of 31 December 2015. 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<br>(in \$ '000) | Opinion     |
| 3,723                  | Unqualified |

**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 considered moderate. Failure to take action could contribute to negative consequences for UNDP." This recommendation includes actions to address insufficient controls regarding value added tax (VAT) recovery.

The recommendation aims to ensure compliance with legislative mandates, regulations and rules, policies and procedures.

<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.

### Management comments and action plan

UNCDF management in Senegal 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 'H. Ostveiten', is written over a rectangular box. A long, curved blue line extends from the top right of the signature, pointing towards the text 'Comments and/or additional information provided have been incorporated into the report, where appropriate.'

Helge S. Ostveiten  
Director  
Office of Audit and Investigations