



**AUDIT**

**OF**

**UNDP DJIBOUTI**

**SUPPORT TO DJIBOUTI'S NATIONAL TUBERCULOSIS PROGRAM**  
**(Directly Implemented Project No. 77460, Output No. 88216)**

**Report No. 1737**

**Issue Date: 13 October 2016**

**Report on the Audit of UNDP Djibouti  
Support to Djibouti's National Tuberculosis Program  
(Project No. 77460, Output No. 88216)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Deloitte Touche Tohmatsu–Gabon (the audit firm), from 25 to 29 July 2016, conducted an audit of Support to Djibouti's National Tuberculosis Program (Project No. 77460, Output No. 88216) (the Project), which is directly implemented and managed by the UNDP Country Office in Djibouti (the Office), as Principal Recipient, since the Project was funded by the Global Funds to fight AIDS, Tuberculosis, and Malaria. The last audit of the Project was conducted by OAI in 2015 and covered project expenditure from 1 January 2014 to 28 February 2015.

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 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
790	Unqualified	7	Unqualified

\*Expenditures recorded in the Combined Delivery Report were \$1,434,324. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$644,502).

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.

The previous audit (Report No. 1457, issued on 24 July 2015) had 11 recommendations, and based on OAI's desk review, 6 were fully implemented while 5 were in progress. The recommendations in progress aim at addressing delays in capacity-building activities, informal engagement of implementing partners, weaknesses in Sub-recipient reporting, inadequate quality controls over pharmaceutical products, inefficient warehousing and distribution system, and inadequate inventory management.



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