

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP SOMALIA

SUPPORT TO THE FEDERAL STATES
(Directly Implemented Project No. 85367, Output Nos. 96586 and 101049)

Report No. 1823

Issue Date: 9 August 2017

Report on the Audit of UNDP Somalia
Support to the Federal States (Project No.85367, Output Nos. 96586 and 101049)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through Deloitte (the audit firm), from 10 May to 2 June 2017, conducted an audit of Support to the Federal States, Project No.85367, Output Nos. 96586 and 101049 (the Project), which is directly implemented and managed by the UNDP Country Office in Somalia (the Office). The last audit of the Project was conducted by OAI in 2016 and covered project expenditure from 1 January to 31 December 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 2016 and the accompanying Funds Utilization statement¹ as of 31 December 2016 as well as Statement of Assets as of 31 December 2016. 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). The audit did not cover the Statement of Assets for Output No. 101049, as no assets were purchased by the Output. 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 reports and corresponding management letters submitted by the audit firm, the results are summarized in the table below:

Output ID	Project Expenditure*		Project Assets	
	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
96586	2,828	Unqualified	13	Unqualified
101049	2,548	Unqualified	-	-

*Expenditures recorded in the Combined Delivery Report for Output No. 96586 were \$3,006,859. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$168,365). Also excluded were expenditures incurred at the "responsible party" level (\$10,000).

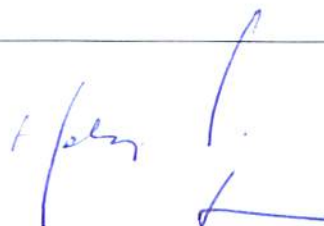
*Expenditures recorded in the Combined Delivery Report for Output No. 101049 were \$2,666,074. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$117,841).

The audit did not result in any recommendations.

The previous audit (Report No. 1674, issued on 9 September 2016) did not result in any recommendations.

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.

Management comments and/or additional information provided have been incorporated into the report, where appropriate.



Helge S. Osttveiten
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