

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP SOMALIA

JOINT PROGRAMME ON LOCAL GOVERNANCE
(Directly Implemented Project No. 91140, Output No. 96534)

Report No. 1827

Issue Date: 9 August 2017

**Report on the Audit of UNDP Somalia
Joint Programme on Local Governance (Project No. 91140, Output No. 96534)
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 Joint Programme on Local Governance, Project No. 91140, Output No. 96534 (the Project), which is directly implemented and managed by the UNDP Country Office in Somalia (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 2016 and the accompanying Funds Utilization statement¹ as of 31 December 2016 as well as the 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 expenditures processed and approved by other United Nations agencies and locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). 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:

Project Expenditure*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
3,658	Unqualified	16	Unqualified

*Expenditures recorded in the Combined Delivery Report were \$4,578,608. Excluded from the audit scope were transactions that relate to expenditures of other United Nations agencies (\$176,602) and expenditures processed and approved by other UNDP offices outside of the country (\$595,932). Also excluded were expenditures incurred at the "responsible party" level (\$147,870).

The audit 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.



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