

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNCDF PROJECT IN TANZANIA

TANZANIA – LDFI - ONE UN FUNDS
(Directly Implemented Project No. 62760, Output No. 80188)

Report No. 1828

Issue Date: 17 August 2017

**Report on the Audit of UNCDF Project in Tanzania
TANZANIA - LDFI - ONE UN Funds (Project No. 62760, Output No. 80188)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Deloitte (the audit firm), from 10 May 2017 to 7 June 2017, conducted an audit of TANZANIA - LDFI - ONE UN Funds (Project No. 62760, Output No. 80188 URT – LFI – One UN Fund (the Project), which is directly implemented and managed by the UNCDF Office in Tanzania (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 2011 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 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:

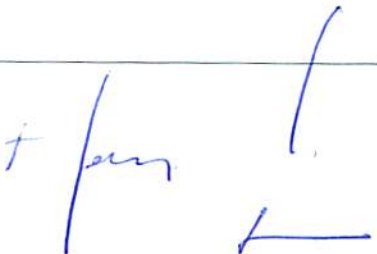
Project Expenditure*				Project Assets	
Amount (in \$ '000)	Opinion (on Combined Delivery Report)	Opinion (on Funds Utilization statement)	NFM** (in \$ '000)	Amount (in \$ '000)	Opinion
2,139	Unqualified	Qualified	(41)	42	Unqualified

*Expenditures recorded in the Combined Delivery Report were \$2,226,929. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNCDF offices outside of the country (\$87,663).

**NFM= Net Financial Misstatement

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.

The audit firm qualified its opinion on the Funds Utilization statement annexed to the Project Combined Delivery Report due to a difference of \$41,279 between the net book value of \$606 reported in the Funds Utilization statement, (refer to Appendix I to the 2016 Combined Delivery Report), and the correct net book value of fixed assets as disclosed in the Statement of Fixed Assets of \$41,885 (refer to Appendix II of the auditors' report)². The difference occurred due to posting errors that were rectified in Atlas subsequent to the audited period. As the Office took immediate corrective action, no recommendation was raised in this respect. The audit did not result in any recommendations.



Helge S. Osttveiten
Director
Office of Audit and Investigations

² Due to readability issues in the Statement of Assets, an unsigned readable version of the same Statement of Assets is available on OAI's audit disclosure website 30 days after issuance of this Executive Summary.