



AUDIT

OF

UNDP HAITI

APPUI AU PROCESSUS ÉLÉCTORAL
(Directly Implemented Project No. 76471, Output No. 87841)

Report No. 1836

Issue Date: 27 July 2017

Report on the Audit of UNDP HAITI
Appui au Processus Électoral
(Project No. 76471, Output No. 87841)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), from 15 to 26 May 2017, conducted an audit of Appui au Processus Electoral, Project No. 76471, Output No. 87841 (the Project), which is directly implemented and managed by the UNDP Country Office in Haiti (the Office). The last audit of the Project was conducted by OAI in 2016 and covered project expenditure from 1 January 2015 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). 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	NFM** (in \$ '000)	Amount (in \$ '000)	Opinion	NFM (in \$ '000)
6,169	Unqualified	4	59	Unqualified	1

*Expenditures recorded in the Combined Delivery Report were \$15,225,679. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$9,056,740).

**NFM= Net Financial Misstatement

Key recommendations: Total = 3, high priority = 0

The audit did not result in any high (critical) priority recommendations. There are three medium (important) priority recommendations, which means, "Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP." These recommendations include actions to address expenditures recorded but activities not completed, overstatement of fixed assets, and work contract procedures not followed.

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 three recommendations aim to ensure the following: (a) reliability and integrity of financial and operational information (Recommendations 1 and 2), and (b) effectiveness and efficiency of operations (Recommendation 3).

Implementation status of previous OAI audit recommendations: Report No.1661, 7 October 2016.

Total recommendations: 1

Implemented: 1

Management comments and action plan

The Deputy Special Representative of the Secretary General, UN Resident and Humanitarian Coordinator *a.i* accepted all of the recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated into the report, where appropriate.



Brett Simpson
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