

**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**Office of Audit and Investigations**



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**AUDIT**

**OF**

**UNDP CENTRAL AFRICAN REPUBLIC**

**JOINT PROJECT TO SUPPORT FIGHT HUMAN RIGHTS VIOLATION AND REVIVAL OF  
JUSTICE IN CAR**

**(Directly Implemented Project No. 87828, Output No. 94730)**

**Report No. 1961**

**Issue Date: 12 July 2018**

**Report on the Audit of UNDP Central African Republic  
Joint Project to Support Fight Human Rights Violation and Revival of Justice in CAR  
(Project No. 87828, Output No. 94730)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG SA (the audit firm), from 23 to 28 April 2018, conducted an audit of Joint Project to Support Fight Human Rights Violation and Revival of Justice in CAR, Project No. 87828, Output No. 94730 (the Project), which is directly implemented and managed by the UNDP Country Office in the Central African Republic (the Office). The last audit of the Project was conducted by OAI through KPMG SA in 2017 and covered project expenditure from 1 January to 31 December 2016.

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 expenses for the period from 1 January to 31 December 2017, and the accompanying Funds Utilization statement<sup>1</sup> and Statement of Assets as of 31 December 2017. 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 Centers and UNDP Headquarters) or expenses of other United Nations agencies. 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*.

**Overall audit rating**

Based on the audit report and corresponding management letter submitted by the audit firm, the results are presented in the table below:

Project Expenditure*			Project Assets	
Amount (in \$ '000)	Opinion	NFM** (in \$ '000)	Amount (in \$ '000)	Opinion
3,719	Unmodified***	19	2	Unmodified

\*Expenditures recorded in the Combined Delivery Report were \$4.3 million. Excluded from the audit scope were transactions that relate to expenditures processed and approved in locations outside of the country (\$0.6 million).

\*\*NFM = Net Financial Misstatement

\*\*\*Unmodified = unqualified or clean opinion

**Key recommendation:** Total = 1, high priority = 0


The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, 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." This recommendation includes actions to address inaccurate recording of prepayments for the Project. The recommendation aims to ensure the reliability and integrity of financial and operational information.

<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) undepreciated 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. 1812, issued on 7 August 2017), did not result in any recommendations.

**Management comments and action plan**

The Resident Representative accepted the recommendation and is in the process of implementing it. Comments and/or additional information provided have been incorporated into the report, where appropriate.



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