



AUDIT

OF

UNCDF PROJECT IN BELGIUM

Mobile Money for the Poor MCF
(Directly Implemented Project No. 83579, Output No. 91979)

Report No. 2141
Issue Date: 29 August 2019

Report on the Audit of UNCDF Belgium Mobile Money for the Poor MCF (Project No. 83579, Output No. 91979) Executive Summary

The UNDP Office of Audit and Investigations (OAI), through BDP LLP (the audit firm), from 20 to 23 May 2019, conducted an audit of Mobile Money for the Poor MCF (Project No. 83579, Output No. 91979) (the Project), which is directly implemented and managed by UNCDF in Belgium (the Office). The last audit of the Project was conducted by OAI, through KPMG SA in 2018 and covered project expenses from 1 January to 31 December 2017.

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 2018 and the accompanying Funds Utilization statement¹ as of 31 December 2018 as well as Statement of Assets as of 31 December 2018. The audit did not include activities and expenses processed and approved in locations outside of the country (such as UNCDF 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 Expenses*		Project Assets	
Amount (in \$ '000)	Opinion**	Amount (in \$ '000)	Opinion
3,615	Unmodified	25	Unmodified

*Expenses recorded in the Combined Delivery Report were \$5.4 million. Excluded from the audit scope were transactions and expenses processed and approved in locations outside of the country (\$1.8 million).

**There was a Net Financial Misstatement of \$8,926 but it did not affect the audit opinion as it was not financially material.

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 the lack of supporting documentation to reconcile and validate expenses.

¹ 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 recommendation aims to ensure: (a) reliability and integrity of financial and operational information; and (b) compliance with legislative mandates, regulations and rules, policies and procedures.

Implementation status of previous OAI audit recommendations:

The previous audit (Report No. 1982, issued on 27 July 2018) did not result in any recommendations.

Management comments and action plan

UNCDF management in Belgium accepted the recommendation and in the process of implementing it. Comments and/or additional information provided have been incorporated into the report, where appropriate.

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Director
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