



Audit

of

**Global Programme for Electoral Cycle Support Phase II in Middle East and North
Africa Region (MENA)**
(Directly Implemented Project No. 87857, Output No. 94744)

by

UNDP Bureau for Policy and Programme Support

Report No. 2337

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**Report on the Audit of
Global Programme for Electoral Cycle Support Phase II in Middle East and North Africa Region (MENA)
implemented by the Bureau for Policy and Programme Support
(Project No. 87857, Output No. 94744)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Talal Abu–Ghazaleh & Co. (the audit firm), from 3 to 23 May 2021, conducted an audit of ‘Global Programme for Electoral Cycle Support Phase II in Middle East and North Africa Region (MENA)’ (Project No. 87857, Output No. 94744) (the Project), which is directly implemented and managed by the Bureau for Policy and Programme Support (the Bureau). This was the first audit of the Project.

The audit was conducted in accordance with the International Standards of Auditing (ISA), the 700 series. The audit work covered financial transactions as well as internal controls and systems for the purpose of expressing an opinion on whether the financial statements present fairly, in all material aspects, the Project’s operations, as well as assess compliance with UNDP regulations, rules, policies and procedures and donor agreements. The audit covered the Project’s Combined Delivery Reports, which include expenses for the period from 1 January 2017 to 31 December 2020 and the accompanying Funds Utilization statements¹ as of 31 December 2020. It also reviewed the relevant systems, procedures and practices in place as they relate to the Project, in the areas of governance, programme, and operations. The audit did not include activities and expenses incurred or undertaken at the “responsible party” level, or expenses processed and approved in locations outside the purview of the Bureau. The audit did not cover the Statement of Assets as no assets were held by the Project. 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, OAI assessed the management of the Project as **fully satisfactory**, which means, “The assessed governance arrangement, risk management practices and controls as applicable to the Project’s financial statements were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area. The details of the audit results are presented in the table below:

Project Expenses*	
Amount (in \$ ‘000)	Opinion
\$3,608	Unmodified

*Expenses included in the Combined Delivery Reports totalled \$6,990,645. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UNDP offices (\$3,382,970).

Key recommendation: Total = 1, high priority = 0

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 audit did not result in any high (critical) priority recommendations. There is a medium (important) priority recommendation, which means “Actions 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 maintain adequate supporting documents for all costs charged to the Project.

The recommendation aims to ensure reliability and integrity of financial and operational information.

Management comments and action plan

The Director of the Bureau for Policy and Programme Support 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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Officer-in-Charge
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