



AUDIT

OF

APPUI AUX ELECTIONS EN COTE D'IVOIRE
(Directly Implemented Project No. 124498, Output No. 119409)

IN

UNDP COTE D'IVOIRE

Report No. 2365
Issue Date: 31 August 2021

**Report on the Audit of
Appui aux élections en Côte d'Ivoire implemented by UNDP Côte D'Ivoire
(Project No. 124498 Output No. 119409)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through BDO LLP (the audit firm), from 11 May to 09 June 2021, conducted an audit of *Appui aux élections en Côte d'Ivoire* (Project No. 124498, Output No. 119409) (the Project), which is directly implemented and managed by the UNDP Country Office in Côte d'Ivoire (the Office). This was the first audit of the Project.

The audit firm conducted a financial audit in accordance with the International Standards of Auditing (ISA), the 700 series, 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 01 January to 31 December 2020 and the accompanying Funds Utilization statement¹ as of 31 December 2020 as well as Statement of Assets as of 31 December 2020. 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 Expenses*				Project Assets	
Amount (in \$ '000)	Opinion	NFM** (in \$ '000)	Impact on CDR	Amount (in \$'000)	Opinion
4,743	Qualified	917	Overstatement	7	Unmodified

*Expenses recorded in the Combined Delivery Report were \$5,095,956. Excluded from the audit scope were expenses processed and approved by other UNDP offices outside of the country (\$352,516). Also excluded were expenses incurred at the "responsible party" level (\$93,880).

**NFM= Net Financial Misstatement

The audit firm qualified its opinion on project expenses due to prepayments to a vendor (\$910,565) and assets (\$6,624) unduly recorded as expenses. The resulting financial impact was a material overstatement of the financial statements in the amount of \$917,189 that represented 19.3 percent of the project expenditures directly incurred by the Office as at 31 December 2020.

Key recommendations: Total = 3, high priority = 1

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 three recommendations aim to ensure the following: (a) reliability and integrity of financial and operational information (Recommendation 1, high priority, and Recommendation 3, medium priority); and (b) safeguarding of assets (Recommendation 2, medium priority).

For high (critical) priority recommendations, prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP. The high (critical) priority recommendation is presented below:

Advance payments recorded as expenditures (Issue 1)

In December 2020, the Office made prepayments for \$910,565 to the United Nations Office for Project Services (UNOPS) for the purchase of goods and recorded the amount as expenses. The ordered goods were delivered in May 2021.

Recommendation: The Office must ensure that expenses are recorded in the correct accounting period, after the goods or services have been received.

Management comments and action plan

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

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Director
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