



AUDIT

OF

BETTER THAN CASH ALLIANCE

**(Directly Implemented Project Nos. 71188, 71189, 71191, 72347, 76465, 78312, 100576,
106095, 114506, 126551 and 126700, and their Outputs)**

IMPLEMENTED BY THE

UNITED NATIONS CAPITAL DEVELOPMENT FUND

Report No. 2392

Issue Date: 30 August 2021

**Report on the Audit of Better than Cash Alliance
(Project Nos. 71188, 71189, 71191, 72347, 76465, 78312, 100576, 106095, 114506, 126551 and 126700,
and their Outputs) implemented by the United Nations Capital Development Fund (UNCDF)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through PKF Littlejohn LLP (the audit firm) conducted an audit of ‘Better than cash alliance’ (Project Nos. 71188, 71189, 71191, 72347, 76465, 78312, 100576, 106095, 114506, 126551 and 126700, and their Outputs (the Projects), which are directly implemented and managed by UNCDF. The last audit of Project No. 71188 was conducted by OAI, through KPMG in 2017 and covered project expenses from 1 January 2015 to 31 December 2016.

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 Projects’ operations. The audit covered the Projects’ Combined Delivery Report, which includes expenses for the period from 1 January to 31 December 2020 and the accompanying Funds Utilization statement¹ as of 31 December 2020. The audit did not include expenses processed and approved in locations outside the country (such as UNCDF Regional Centres and UNCDF Headquarters). The audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Projects.

The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Due to the COVID-19 pandemic, the audit was conducted remotely. This did not have an impact on the audit opinion.

Audit results

Based on the audit reports and a 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
4,149	Unmodified	2.1	Unmodified

*Expenses included in the Combined Delivery Reports totalled \$7,519,311. Excluded from the audit scope were transactions that relate to expenses processed and approved outside the purview of UNCDF Headquarters in New York amounting to \$3,370,115.

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

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 UNCDF is not exposed to risks. Failure to take action could result in negative consequences for UNCDF.” This recommendation includes actions to ensure financial transactions are recorded in the correct account code.

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

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 projects; and (e) outstanding commitments held at the project level.



The previous audit of Project No. 71188 (Report No. 1845, issued on 30 August 2017) did not result in any recommendations.

Management comments and action plan

The United Nations Capital Development Fund management in New York 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.

Helge S. Ostveiten
Director
Office of Audit and Investigations