



AUDIT

OF

ELECTORAL SUPPORT PROJECT
(Directly Implemented Project No. 117580, Output No. 116668)

IN

UNDP ETHIOPIA

Report No. 2397
Issue Date: 9 September 2021

**Report on the Audit of Electoral Support Project
(Project No. 117580, Output No.116668) in UNDP Ethiopia
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through PKF Littlejohn LLP (the audit firm), from 19 May to 18 June 2021, conducted an audit of ‘Electoral Support Project’ (Project No. 117580), ‘Supporting Elections for Ethiopia’s Democracy Strengthening 2019/2022-UNDP SEEDS’ (Output No. 116668) (the Project), which is directly implemented and managed by the UNDP Country Office in Ethiopia (the Office). 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 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 as well as Statement of Assets 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 expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). 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*. Due to the COVID-19 pandemic, the audit was conducted remotely. This did not have an impact on the audit opinion.

Overall audit rating

Based on the audit report submitted by the audit firm, OAI assessed the management of the Project as **fully satisfactory**, which means “The assessed governance arrangements, 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.”

Project Expenses*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
3,260**	Unmodified	33	Unmodified

*Expenses recorded in the Combined Delivery Report were \$22,618,561. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UNDP offices outside of the country (\$19,358,435).

**Included in the audit scope were transactions that relate to expenses incurred at the “responsible party” level (\$994,353) as these were not covered under HACT audits and all related supporting documents were made available for review at the level of the UNDP Country Office in Ethiopia. Also included were transactions that relate to expenses of other United Nations agencies (\$59,720) as supporting documents were available at the Country Office.

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 recommendations.

Management comments and action plan

Comments and/or additional information provided have been incorporated into the report, where appropriate.

Helge S. Ostveiten
Director
Office of Audit and Investigations