



AUDIT

OF

EMERGENCY MINE ACTION
(Directly Implemented Project No. 99753, Output No. 103025)

IN

UNDP YEMEN

Report No. 2525
Issue Date: 28 July 2022

**Report on the Audit of Emergency Mine Action
Implemented by UNDP Yemen
(Project No. 99753, Output No. 103025)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG SA (the audit firm), from 16 May to 7 June 2022, conducted an audit of ‘Emergency Mine Action’ (Project No. 99753, Output No. 103025) (the Project), which is directly implemented and managed by the UNDP Country Office in Yemen (the Office). The last audit of the Project was conducted by OAI, through KPMG SA in 2021 and covered project expenses from 1 January to 31 December 2020.

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 2021 and the accompanying Funds Utilization statement¹ as of 31 December 2021 as well as Statement of Assets as of 31 December 2021. 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 of the country (such as UNDP Regional Centres and UNDP Headquarters). The audit did not cover the Statement of Cash 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* of The Institute of Internal Auditors (The IIA).

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.” The details of the audit results are presented in the table below:

Project Expenses*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$'000)	Opinion
11,150	Unmodified	5	Unmodified

*Expenses recorded in the Combined Delivery Report were \$13,021,960. Excluded from the audit scope were expenses processed and approved by other UNDP offices outside of the country (\$1,066,809). Also excluded were expenses incurred at the “responsible party” level (\$805,569), which includes the amount of \$544,176 that was subject to a separate audit conducted by external auditors that resulted in an unmodified opinion.

The audit did not result in any recommendations.

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.



Implementation status of previous OAI audit recommendations:

The previous audit (Report No. 2361, issued on 9 July 2021) 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.

Brett Simpson
Officer-in-Charge
Office of Audit and Investigations