



AUDIT

OF

PROGRAMME INTEGRE REDD+ ORIENTAL
(Directly Implemented Project No. 104433)

IN

UNDP DEMOCRATIC REPUBLIC OF THE CONGO

Report No. 2751
Issue Date: 12 September 2024

**Report on the Audit of Programme Intégré REDD+ Oriental
(Project No. 104433)
Implemented by UNDP in the Democratic Republic of the Congo
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Talal Abu–Ghazaleh & Co. International (the audit firm), from 18 to 28 June 2024, conducted an audit of *Programme Intégré REDD+ Oriental* (Project No. 104433 (the Project), which is directly implemented and managed by the UNDP Country Office in the Democratic Republic of the Congo (the Office). The last audit of the Project was conducted by OAI, through PKF Littlejohn in 2022 and covered project expenses from 1 January to 31 December 2021.

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 2023 and the accompanying Funds Utilization statement¹ as of 31 December 2023 as well as Statement of Assets as of 31 December 2023. 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 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* of The Institute of Internal Auditors (The IIA).

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 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
2,278	Unmodified	237	Unmodified

* Expenses recorded in the Combined Delivery Report were \$5,348,262.76. Excluded from the audit scope were transactions that relate to expenses incurred by entities other than the UNDP Country Office in the Democratic Republic of the Congo (\$3,070,718.02). These excluded expenses included (i) expenses processed and approved by other UNDP offices outside of the country (\$1,427,949.86) and (ii) expenses incurred at the “responsible party” level (\$1,642,768.16), of which the latter was subject to full HACT audits. Information on the audit results of the HACT audits was not yet available (HACT audit reports are due 31 October 2024).

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.



Key recommendations: Total = **1** high priority = **0**

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, which means, “Action 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 address payments being made 30 days after the invoice.

The recommendation aims to ensure the effectiveness and efficiency of operations.

Implementation status of previous OAI audit recommendations: Report No. 2555, issued on 7 September 2022.

Total recommendations: 1
In progress: 1

Management comments and action plan

The Resident Representative 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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