



AUDIT

OF

UNDP NIGER

PROJET D'APPUI AU PROCESSUS ELECTORAL (PAPEN) - NIGER
(Directly Implemented Project No. 76169)

Report No. 992
Issue Date: 18 April 2013

**Report on the audit of UNDP Niger
Projet d'Appui au Processus Electoral (PAPEN) - Niger (Project No. 76169)
Executive Summary**

From 28 January to 13 February 2013, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through BEC Sarl (the audit firm), conducted an audit of Projet d'Appui au Processus Electoral (PAPEN) – Niger (Project No. 76169) (the Project), which is directly implemented and managed by the UNDP Country Office in Niger (the Office). The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

The Project reported expenditure totalling \$35 million during the period from 1 January 2010 to 31 December 2011. The following donors contributed to the Project: European Union, Belgium, UNDP, France, Global Programme for Electoral Cycle Support, Luxembourg, Switzerland, Denmark and Japan.

Audit scope and objectives

The audit firm conducted a financial audit 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 Statements of Expenditure (Combined Delivery Reports) for the period from 1 January 2010 to 31 December 2011 and Statement of Assets as of 31 December 2011.

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 Expenditure 31 December 2010		Project Expenditure 31 December 2011		Project Assets 31 December 2011		Cash	
Amount (in \$'000)	Opinion	Amount (in \$'000)	Opinion	Amount (in \$'000)	Opinion	Amount (in \$'000)	Opinion
7,286	Unqualified	27,840	Unqualified	518	Unqualified	-	N/A

Key issues and recommendations

The audit raised five issues and resulted in five recommendations, of which three (60 percent) were ranked high (critical) priority, meaning "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 and may affect the organization at the global level."

Procurement
(Issue 1)

Weaknesses in the process of offer evaluations. There were cases where no pre-defined evaluation criteria were applied, cases where vendors were given a very short period to submit their offers (2 days) and cases where the selected vendor did not provide the most economical offer. OAI recommends that future procurement is carried out in line with the established policies and procedures of UNDP.

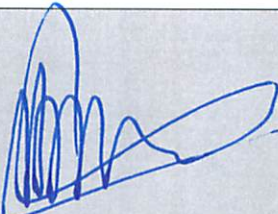
Financial
management
(Issues 2 and 4)

Inadequate supporting documentation. There were insufficiencies in the justification of expenses during project implementation. Due to insufficient documentation, fuel expenses amounting to \$15,000 could not be validated. There were cases of incomplete supporting documents for the rental of vehicles and the reimbursement of per diem. In addition, there was no supporting documentation maintained at the Office for the use of fuel and the maintenance and utilization of vehicles. OAI recommends that the Office: (a) perform verifications of all supporting documentation when approving expenses and consider the use of an established financial institution for the payment of per diem to entitled individuals; and (b) maintain proper documentation and records for respective activities in the future.

The audit issues were not highly significant as to have had an impact on the overall audit opinion.

Management's comments

The Resident Representative accepted all five recommendations and is in the process of implementing them.



Antoine Khoury
Officer-in-Charge
Office of Audit and Investigations