

UNITED NATIONS DEVELOPMENT PROGRAMME

SUPPORT TO THE ENVIRONMENT PROGRAMME

BOT/96/002

**AUDIT REPORT FOR THE YEAR ENDED
31 DECEMBER 2002**

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I Introduction

In terms of the scope of work contained in Programme Support Document BOT/96/002 financed by UNDP and the Government of Botswana, we carried out an audit of the transactions pertaining to this programme for the year ended 31 December 2002:

II Background

- The Programme Support Document was signed on 26 March 1997. Contributions for this programme after revisions are as follows:

(a)	Government of Botswana	US \$1.35 million
(b)	UNDP	US \$0.51 million
	Total	US \$1.86 million

- The project commenced its operations as from March 1997 with an estimated duration of three years and was extended to 31 December 2002 with a detailed work plan of activities and target dates against which outputs are to be produced. The programme has been further extended to 31 March 2003.
- The project has a primary objective of promoting environment and natural resources sustainability.

III Scope of Audit

The audit was conducted in conformity with the provisions of the Programme Support Document, generally accepted common auditing standards, and the principles and procedures prescribed for the United Nations with respect to funds obtained from or through UNDP. The audit accordingly included such tests of accounting records, internal controls and other procedures as were considered essential for due performance of this audit. Discussions on management and accountability were held with the Resident Representative and his staff and the Government co-ordinating authority.

The audit opinion is limited to the funds received and expenditure incurred by the Government, the UNDP Country Office and the opinion does not cover any expenditure incurred by United Nations organisations.

IV The Audit Report with overall opinion on

(a) Financial operations and controls:

The financial operations and controls are adequate

(b) Adequacy of the management structure

The programme management is appropriate.

(c) Equipment use and control:

Non-expendable equipment is properly controlled.

(d) Monitoring, evaluation and reporting:

Evaluation and reporting was carried out during the year with the Annual Programme Report outlining the objective of the programme, being to contribute to sustainable development through six target areas. A Tripartite Review has been performed in September 2002.

V Executive Summary

- The environment programme, due for completion in 2002 was further extended to 31 March 2003 at the Tripartite Review held in September 2002 to enable the completion of some of the components of the programme which are behind schedule. A terminal evaluation report is to be produced at the end of the programme to establish whether objectives have been met.
- As noted in the Mid-Term Review performed in May 1999, the activities planned for the period according to the Programme Support Document were not fully achieved and was recommended then that the Programme be extended to 31 December 2002. The recommendations of the Mid-Term Review have been implemented although not fully, as has been noted from the Annual Programme Review.
- Expenditure during the year was in accordance with the budget and was properly supported. Records are kept in accordance with Government regulations at the National Conservative Strategy Agency (NCSA).
- Total disbursements as at 31 December 2002 were as follows:

	<u>US \$</u>
Government of Botswana	553 272
UNDP	<u>1 028 341</u>
Total	<u>1 581 613</u>
Budgeted	<u>1 858 000</u>
Funds available at 31 December 2002	<u>276 387</u>

- An equipment register is maintained at NCSA. We have been unable to verify the existence of the equipment or its use and control.
- The current system of NCSA requesting funds through the Ministry of Lands, Housing and Environment, then to the Ministry of Finance and Development Planning to UNDP, and vice versa for disbursements, ensures appropriate financial checks. NCSA is allowed to utilise any balance of funds from one budget line to another as long as there is a budget allowance.
- Though the work plan for the period was not fully achieved, the project has been assessed as relevant to the country's requirements. Funds have been utilised towards achieving the project targets.

IV Conclusion

Based on the audit work carried out by us, we believe that:

- (a) The disbursements have been made in accordance with the Programme Support Document, financial rules, regulations, practices and procedures of the Government;
- (b) The project disbursements are valid and supported by adequate documentation;
- (c) The equipment management is proper;
- (d) An appropriate financial management structure is maintained for the project.

PricewaterhouseCoopers

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Certified Public Accountants

30 APR 2003