International Institutions & Donor Assurance

**AUDIT OF RIDGE TO REEF FUNDED BY UNDP FOR THE PROJECT - Implementing a “Ridge to Reef” Approach to Protecting Biodiversity and Ecosystem functions within and around Protected Areas in Grenada**

Audit Report

United Nations Development Programme (UNDP)

DATE

|  |  |
| --- | --- |
|  |  |
| Atlas Project number: | 00082951 |
| Atlas Output number: | 00091627 |
| Atlas Implementing Agent code: | 194 |
| Country: | Grenada |
| Auditor: | BDO LLP |
| Period subject to audit: | 1 January to 31 December 2019 |
| Report date: | XX April 2020 |

**This report is established by request of the UNDP. The views expressed in this report are those of the external auditor and in no way reflect the official opinion of the UNDP. This report has been prepared solely for use of the UNDP for the purpose of the control of the use of funds of the project concerned by the audit. It may be disclosed to those official authorities having regulatory right of access to it. This report should not be used by any other party or for other than its intended purpose**

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# EXECUTIVE SUMMARY

BDO LLP entered into a long-term agreement (ref. BRB10-0000014861) with the United Nations Development Programme (hereafter UNDP) on 6 March 2019 to carry out audits of UNDP Implementing Partners. The Implementing Partner Ridge to Reef was selected for audit as part of UNDP’s 2019 audit plan. The period subject to audit was 1 January to 31 December 2019. Although the fieldwork commenced on the 9th March 2020 the Ridge to Reef offices were closed on 12th March due to the outbreak of the Corona Virus for deep cleansing and no access was possible.

We have issued audit opinions as summarised in the table below and as detailed in the next section:

|  |  |
| --- | --- |
| **Statement of Expenses** | Unmodified |
| **Statement of Assets and Equipment** | N/A |
| **Statement of Cash Position** | N/A |

The audit findings are summarised in the table below:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Audit area** | **Overall rating** | **Number of findings per priority rating** | | | **Financial impact** |
| **High** | **Medium** | **Low** | **US$** |
| Human Resources | Satisfactory | - | - | - | - |
| Finance | Partially Satisfactory | 1 | - | - | - |
| Cash Management | Satisfactory | - | - | - | - |
| Procurement | Partially Satisfactory | - | 1 | - | - |
| Asset & Inventory Management | Partially Satisfactory | - | - | 1 | - |
| Information Systems | Satisfactory | - | - | - | - |
| General Administration | Satisfactory | 1 | - | - | - |
| **Total** | | **2** | **1** | **1** | **-** |

# THE AUDIT ENGAGEMENT

**Audit Objectives and Scope**

The first purpose of the audit was a financial audit to express an opinion on the Implementing Partner financial statements that includes:

* whether the statement of expenses presents fairly the expenses incurred by the audited Implementing Partner from 1 January to 31 December 2019 were in accordance with UNDP accounting policies and that the expenses incurred were: (i) in conformity with the approved budget; (ii) for the approved purposes of the Implementing Partner agreement; (iii) in compliance with the relevant regulations and rules, policies and procedures of the IP or UNDP; and (iv) supported by properly approved vouchers and other supporting documents;
* whether the result of the prior year’s audit resulting in a modified audit opinion on the UNDP CDR had conclusive actions to properly address an audit qualification and the related net financial misstatement;
* whether the statement of assets and equipment presents fairly the balance of inventory of the Implementing Partner as at 31 December 2019; and
* whether the statement of cash position held by the audited Implementing Partner presents fairly the cash and bank balance of the Implementing Partner as at 31 December 2019.

The second purpose of the audit was to express an opinion on the Implementing Partner’s internal controls and systems in order to assess:

* the reliability and integrity of Implementing Partner financial and operational information;
* the effectiveness and efficiency of Implementing Partner operations in carrying out its activities;
* the safeguarding of assets procured with UNDP funds; and
* compliance with applicable laws, regulations and rules, policies and procedures, as well as the Implementing Partner agreements.

Our assessment of the internal control system covered the following areas as applicable:

Human resources

Review of the existence of and adherence to human resources policies and procedures manuals. Review of the process for recruiting Implementing Partner personnel and consultants and assessment of whether it was transparent and competitive. Assessment of the effectiveness of the recruitment and hiring of personnel and contract administration, performance appraisal, attendance control, calculation of salaries and entitlements, calculation and distribution of performance-related payroll incentives, payroll preparation and payment, and management of personnel records. In the case of payment of performance-related financial incentives, verification of the way he incentives were distributed.

Finance

Review of the existence of and adherence to financial policies and procedures manuals. Review of the Implementing Partner’s accounting records and assessment of their adequacy for maintaining accurate and complete records of receipts and disbursements of cash and for supporting the preparation of the quarterly financial report, and review of the records of requests for direct payments and ensuring that they were signed by authorised Implementing Partner officials. Review of the adequacy of the accounting and financial operations and reporting systems including budget control, cash management, certification and approving authority, receipt of funds, commitment of expenses against approved budget and disbursement of funds, recording of all financial transactions in expenses reports, records maintenance and control, cash advances to field offices, Implementing Partner’s staff etc.

Cash management

Review of cash funds held by the Implementing Partner (including bank accounts) and procedures for safeguarding of cash including cash held as advances or imprest in any sub-office or field office. Review of petty cash transactions.

Procurement

Review of the process for procurement/contracting activities of the Implementing Partner and assessment of whether it was transparent, competitive and effective. Assessment of whether the equipment and services purchased met the requirements of the Implementing Partner agreement including:

* As applicable, delegations of authorities, procurement thresholds, calls for bids and proposals, evaluation of bids and proposals and approval/signature of contracts and purchase orders.
* Management of obligations, receiving and inspection procedures to determine the conformity of equipment with the agreed specifications and, when applicable, the use of independent experts to inspect the delivery of highly technical and expensive equipment.
* Monitoring of the performance of the contractors.
* Evaluation of the procedures established to mitigate the risk of purchasing equipment that did not meet specifications or if later proven to be defective.
* Management and control over variation orders.

Asset & inventory management

Review of whether there is a system of adequate safeguards to protect assets from fraud, waste and abuse; whether subsidiary records of fixed assets and inventory are kept up to date and reconciled with control accounts; whether there are periodic physical verification and/or count of fixed assets and inventory; and whether fixed assets and inventory are adequately covered by insurance policies.

Information systems

Assessment of the efficiency and security of the information systems established and maintained for grant funds and their adequacy to meet the management and reporting requirements of the project. Assessment of whether segregation of duties, as described in the management manual, is respected in the access to approvals in the financial information systems.

General administration

Review of operations not specifically covered above and for which expenses were charged to the project, covering areas such as travel by Implementing Partner personnel, use and maintenance of project vehicles, lease and maintenance of office premises.

Follow-up on previous audit

To the extent feasible, assessment of the status of implementation of the audit recommendations from the previous year’s audit of the IP.

# AUDIT OPINIONS

Independent Auditor’s Report to the UNDP Resident Representative

## Statement of Expenses

Unmodified Opinion

We have audited the expenses recorded in Atlas as set out in the attached Statement of Expenses (‘the Statement’) totalling US$ 487,335.63 for Ridge to Reef (‘the Implementing Partner’) representing the expenses reported Atlas Project number 00082951 and Atlas Output number 00091627 for the period from 1 January to 31 December 2019. This Statement reflects all disbursements listed in the monthly financial reports submitted by the Implementing Partner, all direct payments processed by UNDP at the request of the Implementing Partner and reimbursements to the Implementing Partner. In total these amounts represent the actual expenses incurred by the Implementing Partner in accordance with the contractual conditions as set out in the relevant Implementing Partner agreement [‘the IP agreement’] signed on 10 February 2015 between UNDP and the Implementing Partner, and associated Annual Work Plans.

The Statement forms part of the Combined Delivery Report for Atlas Project 00082951 and Atlas Output 00091627. The Combined Delivery Report includes expenses outside of our audit scope, as shown by the reconciliation in Annex 3.

**Unmodified opinion**

In our opinion, the attached Statement presents fairly,in all material respects, the expenses of US$ US$ 487,335.63 incurred by the Implementing Partner under the IP agreement for the period 1 January to 31 December 2019 in accordance with agreed upon accounting requirements. The expenses incurred were i) in conformity with the approved budget; (ii) for the approved purposes of the IP agreement; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNDP; and (iv) supported by properly approved vouchers and other supporting documents.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those provisions and standards are further described in the ‘Auditor’s responsibilities for the audit of the Statement of Expenses’ section of this report.

We are independent of UNDP and the Implementing Partner in accordance with the IESBA Code of Ethics for Professional Accountants. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter**

We draw your attention to the audit findings set out in the Management Letter section of our report which identify internal control weaknesses which we came across during the conduct of our financial audit of project expenditure and audit of the Implementing Partner’s internal control and systems, and make recommendations to address them. Our opinion is not modified in respect of these findings.

**Responsibilities of the Implementing Partner for the Statement of Expenses**

The management of the Implementing Partner is responsible for the preparation of the Statement andother financial records for the Implementing Partner’s activities in accordance with the IP agreement and for such internal control as management determines is necessary to enable the preparation of the Statement to be free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities for the audit of the Statement of Expenses

Our objectives are to obtain reasonable assurance about whether the Statement is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

* identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
* obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Implementing Partner’s internal control.

We communicate with the management of the Implementing Partner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Martin Daniel

Partner

For and on behalf of BDO LLP

55 Baker Street

London W1U 7EU

[Date]

[BDO stamp]

Independent Auditor’s Report to the UNDP Resident Representative

## Statement of Assets and Equipment

Opinion

**NO ASSETSTATEMENT PROVIDED**

We noted that the Implementing Partner has not produced a Statement of Assets and Equipment.

Independent Auditor’s Report to the UNDP Resident Representative

## Statement of Cash Position

Opinion

**NO DEDICATED BANK ACCOUNT FOR AUDITED IP ACTIVITIES HELD BY IP**

We noted that the Implementing Partner did not have a dedicated bank account for IP activities subject to audit and accordingly a Statement of Cash Position was not produced.

## Impact of prior year audits resulting in modified opinions

We noted that the Implementing Partner was not subject to an audit of its Global Fund funded activities in the prior year. However, an international firm completed an audit of 2015, 2016 and 2017 prior years and we noted that the audit report of the Implementing Partner’s Global Fund funded activities was unmodified for each year.

# MANAGEMENT LETTER

The following are addressed in our management letter in the sections below:

* Assessment of the Implementing Partner’s internal control system;
* Assessment of each audit area;
* Findings in relation to the financial audit; and
* Observations and recommendations on an audit area basis.

## Assessment of the Implementing Partner’s internal control system

Our audits involved an assessment of the Implementing Partner’s internal control system with equal emphasis on the:

* Effectiveness of the system in providing Implementing Partner management with useful and timely information for the proper management of its activities; and
* The general effectiveness of the internal control system in protecting the assets and resources funded through the grant.

**Implementing Partner’s internal control system assessed as adequate**

Based on our audit work carried out at Ridge to Reef, the Implementing Partner’s internal control system is adequate in providing Implementing Partner management with useful and timely information for the proper management of its activities and in protecting the assets and resources funded through the grant.

We draw your attention to findings nos. 1-4 which detail issues with regards to the Implementing Partner’s internal control system and make recommendations to improve the strength of the controls.

## Human Resources

Ridge to Reef have two full time staff, the Project Coordinator appointed in November 2018 and a Finance and Admin Assistant appointed in August 2019. There has been no other recruitment or departures. This small number of staff increases the inherent risk of a lack of segregation of duties although processes have been developed within the Ministry in Grenada and UNDP to reduce this risk by having other signatories on Expenditure and Contracting from the Ministry and payments made by UNDP. Additionally, the Project Coordinator and Finance and Admin Assistant use a four-eye principle to transaction expenditure and follow the principles of transparency.

Overall rating: Satisfactory.

Findings: No findings raised.

Finance

The Finance and Admin assistant prepares the information for inclusion on the FACE form and this is reviewed and checked by the Project Controller. FACE forms are approved by the Permanent Secretary in order for payments to be made either by the Country Office or the Ministry. Currently reconciliations between FACE forms, the CDR and AAA report of expenses are not performed routinely with differences being investigated and explained.

It was noted that during 2019, 13 FACE forms were prepared with different durations and totalled $487,347.23. The CDR totalled $512,599.57 and included $25,263.94 UNDP support and adjustments, so that the direct payments was $487,335.63 whilst the AAA transaction listing recorded $487,840.83. A revised transaction listing was provided which reconciled to the CDR total of $487,335.63 which shows the FACE forms are understated by $11.60.

**Overall rating:** Partially Satisfactory

**Findings:**

|  |  |
| --- | --- |
| **Finding n°: 1** | **Title:** FACE form not reconciled to books of account |
| **Observation:**   |  | | --- | | Face Forms are prepared in an ad hoc timescale rather than a fixed point in time i.e. the end of a month. The FACE forms should be matched with project level cash book to ensure all entries in the accounting system match to the FACE form. FACE forms are not reconciled to books of account on a regular monthly basis or the CDR at the year end and for 2019 there was a difference $11.60 between the FACE Forms and the CDR. The Implementing Partner should reconcile the expenditure between project cash book & CDR / Statement of Cash at the year end and reconcile the same in future on regular interval. Ideally, the FACE forms should be matching with project level cash book and CDR / Statement of Cash Position with FACE forms on a monthly basis. The project expenditure reported in the cash book should facilitate an automatic FACE form for a monthly period.  There should be a monthly reconciliation process between the IP and the UNDP office of FACE Forms, CDR and AAA report so that each report reconciles. It would also make reconciling year end reports much easier if there was a consistent convention used ie the same dates at the end of a month for financial reporting and which can be readily compiled into the quarterly reports for progress reporting to UNDP in accordance with the Project Plan.  No reconciliation had been performed between the different information sources CDR, FACE form, AAA listing of expenditure for 2019. A spreadsheet of the Direct Government payments was provided by the Country Office and three of the FACE forms did not appear on this spreadsheet namely:  13/2/19 ECD$ 12,705 – Oversight but processed. Voucher 34427!  27/5/19 ECD$ 3,450 – This was included!  13/12/19 ECD$ 193,34.35 Incorrect and was returned for amendment. Processed in 2020.  Whilst the information provided did not appear to be complete a reconciliation has been performed between the CDR / AAA transaction report and FACE Forms to identify a difference of $11.60.  Impact / Potential Risk:  Weak internal control over maintenance of books of account, which may lead to wrong reporting of expenditure to UNDP. | |  | | |
| **Priority: High** | |
| **Recommendation:**  The cash book should be maintained in such a way that FACE forms can be generated from the cash book directly. The IP should reconcile the expenditure between project cash book & CDR / Statement of Cash at the year end and reconcile on a regular monthly interval. The management shall undertake an adjustment in FACE form to reconcile the differences between books of accounts and CDR etc. | |
| **Management comments:** | |
| **Auditors’ response:** | |

## Cash Management

Ridge to Reef does not hold its own bank account and therefore is unable to make payments in its own right. The Country Office are also informed of all expenditure incurred through monthly/six weekly FACE forms and individual transaction payment vouchers. For high value items of expenditure >$10k or perdiem/travel to and from UNDP Barbados, those items are processed by the Country Office. All FACE Forms are approved by the Permanent Secretary before sending to the Country Office. Payments are made by the Government of Grenada or the Country Office.

**Overall rating:** Satisfactory

**Findings:** No findings raised.

## Procurement

For each contract of expenditure there is a project file maintained which will include the contract for the works or services, the original quotation, any negotiations on price and the invoice and payment voucher. In terms of expenditure, the contracts in place regularise the relationship with the contractor and confirm prices and terms and conditions for both parties.

Whilst it is understood the evaluation had been performed and documentation was provided , it is essential to maintain and keep a structured and complete record on file of the evaluation of proposals received and decisions agreed in a consistent manner. Our testing has considered the consulting firms and the adequacy of procedures to obtain fully qualified and experienced personnel for the contracts being awarded. The procurement documentation and supplier selection should be reported in a standard report and this document should be on the contract file for future audits and reviews.

**Overall rating:** Partially Satisfactory

**Findings:**

|  |  |
| --- | --- |
| **Finding n°: 2** | **Title:** Procurement documentation retained consistently |
| **Observation:**   |  | | --- | | The file documents provided at audit did not always consistently demonstrate the soliciting of requests for quotations and the evaluation of the technical and financial proposals to choose the best supplier that meets the consideration of best value for money. Whilst it is understood the evaluation had been performed, and the documentation was provided it is essential to maintain and keep a structured and complete record on file of the evaluation of proposals received and decisions agreed. This allows judgements and decision that have been taken to be corroborated and validated reliable as well as setting precedence for future procurement decisions.  Impact / Potential Risk:  Inconsistent documenting of decisions on the contract files may lead to a conflicting treatment of suppliers and an inconsistent approach to procurement. | |  | | |
| **Priority: Medium** | |
| **Recommendation:**  The implementing partner should properly document the procurement procedure followed. ensuring compliance with procurement rules agreed with UNDP. The practice to date has been that the IP has managed procurement of goods or services and the project team managed the contracting process. An agreed filing structure of documentation should be agreed and consistently retained and recorded for each contract awarded. UNDP should ensure that the procedure, to be followed, is documented and conduct frequent spot checks to ensure compliance. | |
| **Management comments:** | |
| **Auditors’ response:** | |

**Asset & Inventory Management**

The Ridge 2 Reef office is located at the Lower Floor of the Pest Management Unit and houses two staff. The office contains some limited office and IT equipment although a register is not maintained of office and project equipment. The Ridge to Reef expenses in 2019 whilst not comprising a significant amount of assets or inventories acquisition do include enhancements and repairs to fixed assets. During 2019 the project has incurred expenses such as boat repairs to the catamaran, bee keeping materials, Lake house refurbishment and fish finder equipment and these additions should be recorded in the fixed asset/inventory register. The register of these assets and inventory should be recorded, monitored and physically verified by project staff.

**Overall rating:** Partially Satisfactory

**Findings:**

|  |  |
| --- | --- |
| **Finding n°: 3** | **Title:** Weak control over assets management |
| Observation:  Ridge to Reef has not provided a Statement of Assets and Equipment for audit in 2019. Without this statement physical verification of assets could not be conducted. Additionally, an asset register should include the responsible person especially if project assets are transferable or used by multiple users.  For effective control over the project assets and equipment, the Ridge to Reef should conduct formal physical verification of assets and equipment at regular interval of times. It is also noted that IP has not done any physical verification of assets and equipment for additions, disposals and enhancements.  Impact / Potential Risk:  No asset register control may lead to weak control. Without physical verification of project assets and equipment there is a potential increase in the risk of their misuse or misappropriation. Negligence mis-usage of project assets on the part of a responsible person or user may also go undetected if records are not kept up to date. | |
| **Priority:** Low | |
| **Priority:** Low | |
| **Recommendation:**  1.The Implementing partner should prepare a fixed asset register, and establish procedures by which assets are entered and removed from the register. The register will enable the partner to manage the fixed assets it holds.  2.The fixed asset register should be kept complete and up to date so as to provide an accurate record of the assets held by the partner, their condition and location;  3.Each asset should be tagged with a unique identification number, which links back to the fixed asset register. These identification numbers can be used to identify assets funded by different donors, and when carrying out asset counts / verifications;  4.The partner should reconcile the fixed asset register with the asset ledgers in their accounting system to ensure that records are complete and accurate;  5.The partner should carry out a verification of fixed assets at least once a year to ensure that records are up to date, and to identify any assets that may need to be written off from the accounting records;  6.Assets that are vulnerable to theft should be stored in a secure location with appropriate physical and systematic access controls to reduce the risk of loss; | |
| **Management comments:** | |
| **Auditors’ response:** | |

## Information Systems

The information systems in place are office spreadsheet and word packages for preparing management information and reporting. The I.T. (computer) capabilities of personnel at implementing agency were found to be adequate in an organisation of this size. We also reviewed the control and security of equipment & data and found the procedures in place to be satisfactory for an entity of this size.

**Overall rating:** Satisfactory

**Findings:**

## General Administration

This project aims to develop a policy based legal framework to support sustainability; development and management of landscapes and seascapes; and piloting practices in managed protected areas. When the new Project Coordinator was appointed in November 2018, the project was off track of its targets. The project had seen a period of vacancies due to the unexpected departure of the Finance and Admin Assistant and also difficulties recruiting an appropriate Project Coordinator. 2019 has been a year of “ramping-up” implementation and delivering the activities of the Project document. There has been an increased pace of delivery within the constraints of a small entity.

As per the Section V titled ‘Monitoring and Evaluation’ of Project Document “The Project Coordinator and team will submit Periodic status / Progress report on quarterly basis, ARR / PIR report on annual basis to UNDP”. The Implementing Partner should ensure the timely and complete submission of progress reports to comply with the reporting provision of the Project Document, so that UNDP can ensure and monitor the project implementation.

The area where the reports have been updated relate to the narrative elements in Quarter 3 and Quarter 4 for the Outputs and Activities Report. The other sections of the report remain blank. These weaknesses in reporting requirements indicate weak internal control of submission of reports by IP. Weak internal control over timely submission of progress reporting affects the monitoring at level of UNDP.

**Overall rating:** Satisfactory

**Findings:** No findings raised.

|  |  |
| --- | --- |
| **Finding n°:** 4 | **Title:** Compliance with Reporting Requirements |
| **Observation:** Four quarterly reports were provided although none were dated, there was no annual project implementation report and the financial information has remained the same throughout the four quarter reports.  These weaknesses in reporting requirements indicate weak internal control of timely submission of progress reports by the Implementing Partner and affects the monitoring at the level of UNDP. | |
| **Priority:** High | |
| **Recommendation:** The Implementing Partner should ensure the timely submission of complete progress reports to comply with the reporting provision of the Project Document, so that UNDP can ensure and monitor the project implementation**.** | |
| **Management comments:** | |
| **Auditors’ response:** | |

## Follow up on Previous Audit

We noted that the Implementing Partner was not subject to an audit of its Global Fund funded activities in the prior year. However, an international firm completed an audit of 2015, 2016 and 2017 prior years and we noted that the audit report of the Implementing Partner’s Global Fund funded activities was unmodified for each year.

**Overall rating:** Partially Satisfactory

Martin Daniel

Partner

For and on behalf of BDO LLP

55 Baker Street

London W1U 7EU

[Date]

[BDO stamp]

# Annexes

## Annex 1: Statement of Expenses

## Annex 2: Combined Delivery Report

## 

## Annex 3: Reconciliation between Statement of Expenses and Combined Delivery report

*Our ToR states that the auditor is required to state in the audit report the amount of expenses excluded from the scope of the audit.*

|  |  |
| --- | --- |
|  | **US$** |
| **Combined Delivery Report total (see Annex 2)** | 512,599.57 |
| Less: direct implementation by UNDP | (25,263.97) |
| Less: expenditure incurred by other IPs | 0.00 |
| Less: other (please explain) | 0.00 |
| **Total** | **487,335.63** |
| Statement of Expenditure Total **(see Annex 1)** | 487,335.63 |
| **Variance** | **-** |

*We also have to reconcile the Funds Utilization balances on the CDR.*

|  |  |
| --- | --- |
|  | **US$** |
| **Outstanding NEX advances total (see Annex 2)** | 72,265.02 |
| Less: balances of other IPs/SIPs | 0.00 |
| Add: error in prior reporting period | 0.00 |
| **Total NEX advance outstanding** | **72,265.02** |
| Cash balance as per Financial Report | 0.00 |
| **Variance** | **-** |

|  |  |
| --- | --- |
|  | **US$** |
| **Un-depreciated fixed assets total (see Annex 2)** | 104,815.95 |
| Less: balances relating to UNDP | 104,815.95 |
| **Total un-depreciated fixed assets** | **-** |

|  |  |
| --- | --- |
|  | **US$** |
| **Inventory total (see Annex 2)** | 0.00 |

|  |  |
| --- | --- |
|  | **US$** |
| **Prepayments total (see Annex 2)** | 0.00 |
| Less: balances relating to UNDP | 0.00 |
| **Total prepayments** | **0.00** |

***Commitments listed within the Funds Utilization Statement are outside of our audit scope.***

*Annex 4: Statement of Assets and Equipment*

*No Statement of Assets and Equipment Provided a finding has been raised in this regards.*

## Annex 5: Statement of Cash Position

N/A

## Annex 6: Audit area ratings

|  |  |
| --- | --- |
| **Rating** | **Definition** |
| **Satisfactory** | Internal controls and risk management practices were adequately established and functioning well. No high risk areas were identified. Overall, the IP’s objectives are likely to be achieved. |
| **Partially satisfactory** | Internal controls and risk management practices were generally established and functioning, but needed improvement. One or more high and medium risk areas were identified that may impact on the achievement of the IP’s objectives |
| **Unsatisfactory** | Internal controls and risk management practices were either not established or not functioning well. The majority of issues identified were high risk. Hence, the overall IP objectives are not likely to be achieved. |

## Annex 7: Audit finding priority ratings

|  |  |
| --- | --- |
| **Priority** | **Definition** |
| **High** | Prompt action is required to ensure that UNDP is not exposed to high risks, i.e. failure to take action could result in major negative consequences and issues. |
| **Medium** | Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP. |
| **Low** | Action is desirable and should result in enhanced control or better value for money. |