

REPORT OF THE DIRECTOR OF AUDIT

ON THE ACCOUNTS OF THE

“DEMAND REDUCTION PROGRAMME FOR MAURITIUS”

FOR THE YEAR ENDED 31 DECEMBER 2007

UNITED NATIONS DEVELOPMENT PROGRAMME

UNODC PROJECT AD/MAR/03/G56

Introduction

In terms of the scope of the work defined in the Terms of Reference dated 18 March 2005 and also in terms of the provisions contained in the Programme Document AD/MAR/03/G56 financed by the United Nations Office on Drugs and Crime (UNODC) through the United Nations Development Programme (UNDP), I carried out an audit of the transactions pertaining to this project for the year ended 31 December 2007.

II Background

(a) *Programme Document.* The Programme Document was signed on 11 September 2003 with the following contributions: -

	USD	Rs
Government of Mauritius	696,000	18,620,000
United Nations Office on Drugs and Crime (UNODC)	261,300	6,989,775

The project, which started in January 2004, was to be completed in August 2005. At a Tripartite Review Meeting (TRM) held in September 2005, it was decided to extend the project till December 2006. However, the project has further been extended to December 2007.

(b) *Objectives of the project.* The drug control objective of the project is to reduce drug abuse in Mauritius. The immediate objective of the project is to provide reliable baseline data on the nature and extent on the drug abuse situation in the country, and enhance the capacity of government and Non-Governmental Organisations (NGOs) to

address drug demand reduction, thereby, contributing to the prevention of a further increase in drug abuse, to an increase in the general welfare of the population and youth in particular, and to increasing workforce productivity in the country. To that effect, the project will conduct a national drug abuse assessment, taking into consideration Globe Assessment Programme (GAP) findings, resources and materials, and strengthen the capacities of the government and NGOs involved in drug control to address primary prevention, treatment and rehabilitation.

(c) **Expected Output of the project.** By the end of the project, Mauritius will have a national drug control master plan. 165 persons from Government institutions, NGOs and Forces Vives in Mauritius will be better equipped with knowledge and skills to undertake successfully prevention (including HIV/AIDS) treatment, rehabilitation, relapse prevention and research activities. 35 Government and NGO personnel will be conversant with the management of drug abuses and 20 media practitioners will be able to deal with drug demand reduction in a more balanced way. They will have received specific training relevant to the priority needs of the country and will be in a position to either modify existing programmes or design and implement new ones that respond to the realities of the country. Drug abuse prevention and advocacy materials will have been produced to bring a value-added dimension to the activities to be undertaken under the project.

The project will contribute significantly to reduce the abuse of drugs in the population and to provide quality cases to drug abusers.

(d) **Project Status**

➤ Total amount advanced and total expenditure incurred over the last 4 years was as follows: -

For the Year Ended	Amount advanced (Rs)	Interest Received (Rs)	Expenditure (Rs)	Balance (Rs)
31.12.04	2,596,970	Nil	717,986	1,878,984
31.12.05	Nil	30,626	1,543,485	366,125
31.12.06	921,600	10,955	1,111,876	186,804
31.12.07	1,371,258	27,923	1,321,593	264,392

➤ According to the memorandum of understanding signed between the Ministry of Social Security, National Solidarity, Reform Institutions and Senior Citizens and the UNODC on 11 September 2003, USD 261,300 had been earmarked for the implementation of a 'Drug Demand Reduction Project in Mauritius' Project. In the year 2007, the UNODC through UNDP advanced some USD 43,212 (Rs 1,371,258) for the project.

III Scope of Audit

The audit was conducted in conformity with the provisions of the Programme Document, generally accepted common auditing standards and the principles and procedures prescribed for the United Nations, with respect of funds obtained from or through UNDP. The audit accordingly includes such test of accounting records, internal controls and other procedures as were considered essential for the due performance of this audit.

The Audit opinion is limited to the funds received and expenditure incurred by the UNODC on advances of funds made to Government.

IV Overall Opinion

(a) *Financial Operations and Controls*

During my audit work, I assessed the adequacy of the systems of internal control and their adherence to the requirements of the UNDP, namely those related to:

- (i) Procurement procedures for goods and services;
- (ii) Appropriateness of transactions, including process of approval and supporting documentation;
- (iii) Adequacy of the financial record keeping system;
- (iv) Banks and budgetary control and related reconciliation
- (v) Report preparation and review procedures;
- (vi) Adequacy of the filing system of the project documentation

From the review, I concluded that, in general, the internal control system and the financial transactions are adequate, relating to the requirements of the UNDP. Nevertheless, I have made the following observations: -

Budgetary Control – At paragraph IV (a) of my report DSS/1/1 of 4 May 2007, mention was made that the cumulative expenditure regarding Grants to Institutions over the last 3 years exceeded the budgeted amount by USD 5,161. At the TRM meeting held on 11 April 2007, excess expenditure of only USD 5,000 was approved and it was agreed that a revised budget would be submitted. At time of audit, in March 2008, the revised budget was still not yet submitted. During the year ended December 2007, expenditure totalling USD 9,088 was also incurred as Grants to Institutions.

(b) *Adequacy of Management Structure*

I consider that the management of the project for monitoring the financial and administrative functions is adequate to ensure that the requirements of the project are met with timely, effective and efficient manner.

(c) *Equipment use and control*

Non-expendable Equipment worth some Rs 375,348 (USD 11,872) were purchased by the Ministry of Social Security, National Solidarity, Reform Institutions and Senior Citizens in the year 2007.

(d) *Monitoring, evaluation and reporting*

(i) *Tripartite Review Meeting* - The TRM meeting held on 11 April 2007 was organised in order to discuss the Project Evaluation Report prepared by the Project Manager. A summary of the major recommendations were as follows:

- To sensitise the stakeholders involved in the National Drug Control Master Plan on the importance of implementing the recommendations reached.
- To re-visit, review and update the National Drug Control Master Plan
- To print new copies of the updated and final National Drug Control Master Plan from the outstanding funds available under the project
- To carry out more outreach programmes with better coordination among NGOs
- To send list of additional equipment required by the National treatment Centre to UNODC for consideration.

(ii) *Combined Delivery Report (CDR)* - At paragraph IV (d) of my report DSS/1/1 of 4 May 2007, it was mentioned that the CDR was incomplete. The total understated amount of USD 29,992 was now included in the CDR for the year 2007.

However, for the year under review, three items of expenditure totalling some USD 7,718 were also not included in the total amount of the CDR for the year 2007. My office was informed that the discrepancies originate solely from the UNDP Headquarters Budget Check System.

(iii) *Termination of UNODC Project* - At the Monitoring Committee meeting held on 28 December 2007, it was agreed to abide with the decision of the parent Ministry that is to terminate the UNODC project on 31 December 2007. It was also decided to use the outstanding amount to carry out an independent evaluation by an external firm to assess the social impact made by the implementation of the project; the findings of this exercise would be used as a guideline by government to decide on any eventual projects, to allocate part of the amount to institutions, namely Group Elan and Chrysalide, and other activities.

As at 31 December 2007, about USD 9,300 was not yet advanced by UNODC.

V Executive Summary

In my opinion, the objective of the project has been reasonably complied with.

VI Observations, findings and recommendations

The main conclusions and recommendations related to the findings, which are detailed in Section IV, are as follows: -

- The CDR must be complete and account for all expenditures incurred during the year.
- The Monitoring Committee decided to terminate the UNODC Demand Reduction Project on 31 December 2007.

Based on the audit work performed, I believed that

- (a) The disbursements have been made in accordance with the Programme Document, financial rules, regulations, practices and procedures of the Government; and in the absence of financial governance of the Government, in accordance with UNDP rules and regulations, except for the items mentioned in the previous paragraphs.
- (b) The project financial statements do present fairly and accurately the financial position at the end of the period audited.
- (c) The financial management structure, internal controls and record keeping systems implemented by the project's management are satisfactory.



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Director of Audit

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11 April 2008



Financial Report - 2nd QUARTER 2007

(a) Designated Institution: Ministry of Social Security & NS and SCW
 (b) Programme/Project number: AD MAR 03 G 56
 (c) Programme/Project title: Drug Demand Reduction Project
 (d) For the period: April 2007 to June 2007
 (e) Currency: Mauritian Rupees
 (f)

(I) Item	(II) Chart of Account			(III) Total Amount		
	Account	Fund	Donor	April 2007 Month I	May 2007 Month II	June 2007 Month III
(f) Opening Balance:				85715.84	658783.34	344475.84
Interests Received:						
(g) Advanced Received:				573125.00		14763.61
(h) Available Funds:						
Detail Expenditures:				658840.84	658783.34	359239.45
Project ID						
Activity ID						
1. Miscellaneous						
(a) Bank Charges (BL 5400)				57.50	57.50	57.50
2. Equipment						
Non Expendable Equipment(BL 4200)						
3. Meetings						
(a) Tripartite Review Meeting(BL3500)					74750.00	199683.00
4. Grant to Local Institutions						
Grants to NGOs(BL2200)					18750.00	18750.00
5. Training					210000.00	210000.00
Group Training(BL3400)						
(i) Total Expenditures				57.50	314307.5	26100.00
(j) Closing Balance:				658783.34	344475.84	225840.50
(k) Outstanding Obligations:						133398.95
(l) Planned Expenditures:						
(m) Total Requirements:						133398.95
(n) Advance Requested:						

Designated institution approval/signature:

Mr R. C. Gopee

Title: Permanent Secretary

Date: 13th March 2008



Financial Report - 3rd QUARTER 2007

(a) Designated Institution: Ministry of Social Security & NS and SCW
 (b) Programme/Project number: AD MAR 03 G 56
 (c) Programme/Project title: Drug Demand Reduction Project
 (d) For the period: July 2007 to September 2007
 (e) Currency: Mauritian Rupees
 (f)

(I) Item	(II) Chart of Account		(III) Total Amount			
	Account	Fund	Donor	July 2007 Month I	August 2007 Month II	September 2007 Month III
(f) Opening Balance:				133398.95	656208.95	342436.42
Interests Received						
(g) Advanced Received:				626562.50		
(h) Available Funds:						
Detail Expenditures:				759961.45	656208.95	
Project ID						
Activity ID						
1. Miscellaneous						
(a) Bank Charges (BL 5400)				57.50	57.50	120.00
2. Travel						
(a) Daily Substance Alice (BL 1500)				12300.00		
(b) Air Tickets (BL 1500)						30617.00
3. Training						
Group Training (BL 3400)				31395.00	289123.03	
4. Grant to Local Institutions						
Grants to NGOs (BL 2200)				60000.00		
5. Personnel						
National Consultant (BL 2100)					24592.00	
(i) Total Expenditures				103752.50	313772.53	30737.00
(j) Closing Balance:				656208.95	342436.42	311699.42
(k) Outstanding Obligations:						
(l) Planned Expenditures:						
(m) Total Requirements:						
(n) Advance Requested:						
Designated institution approval/signature:						
Mr R.C. Gopee						
Title: For Permanent Secretary						

Date : 13th March 2008

Financial Report - 4th QUARTER 2007



(a) Designated Institution: Ministry of Social Security & NS and SCW
 (b) Programme/Project number: AD MAR 03 G 56
 (c) Programme/Project title: Drug Demand Reduction Project
 (d) For the period: October 2007 to December 2007
 (e) Currency: Mauritian Rupees
 (f)

(I) Item	(II) Chart of Account		October 2007		November 2007		December 2007		(III) Total Amount	
	Account	Fund	Month I	Month II	Month III	Month III	Month III	Month III	Month III	Month III
(f) Opening Balance:			311699.42	162503.53	79721.03					311699.42
Interests Received					13159.39					13159.39
(g) Advanced Received:					171570.00					171570.00
(h) Available Funds:			311699.42	162503.53	264450.42					496428.81
Detail Expenditures:										
Project ID		Donor								
Activity ID										
1. Miscellaneous										
(a) Bank Charges (BL 5400)			57.50	57.50	57.50			57.50		172.50
3. Training										
Group Training(BL3400)			134138.39	82725.00						216863.39
4. Grant to Local Institutions										
Grants to NGOs(BL 2200)			15000.00							15000.00
(i) Total Expenditures			149195.89	82782.50	57.50			57.50		232035.89
(j) Closing Balance:			162503.53	79721.03	264392.92			264392.92		264392.92
(k) Outstanding Obligations:										
(l) Planned Expenditures:										
(m) Total Requirements:										
(n) Advance Requested:										

Designated institution approval/signature:

Mr R.C. Gopee

Title: Permanent Secretary

Date : 13th March 2008