

**SCALING UP COMMUNITY RESILIENCE TO CLIMATE VARIABILITY AND CLIMATE  
CHANGE IN NAMIBIA, WITH SPECIAL FOCUS ON WOMEN AND CHILDREN (SCORE  
PROJECT)**

**UNITED NATIONS DEVELOPMENT PROGRAMME**

**COMBINED DELIVERY REPORT, STATEMENT OF ASSETS AND EQUIPMENT, STATEMENT  
OF CASH POSITION AND REPORT TO MANAGEMENT**

**31 DECEMBER 2016**

**DRAFT**

**Information :**

Country of operations	Namibia
Project Number	00083204
Nature of Project	SCORE PROJECT
Implementing Partner	Ministry of Environment and Tourism
Physical Address	Ministry of Environment and Tourism (MET) Department of Environmental Affairs (DEA) P/Bag 13306 C/o of Dr. Kenneth Kaunda Street & Robert Mugabe Avenue, Block E, 2nd Floor, Windhoek / Namibia
Postal address	Private Bag 13306 Windhoek Namibia
Auditors	Grand Namibia

**Content :**

**Index**

1. Statement of Responsibility
2. Report of the Independent Auditors
3. Combined Delivery Report
4. Statement of Assets and Equipment
5. Statement of cash position
6. Report to management

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## **1. STATEMENT OF RESPONSIBILITY**

The UNDP Namibia Resident Representative and the Permanent Secretary of the Ministry of Environment and Tourism are responsible for the maintenance of adequate accounting records, and the preparation and integrity of the Statements and related information included in this report. The auditors are responsible for reporting on the fair presentation of the statements.

The UNDP Resident Representative and the Permanent Secretary are also responsible for the Project's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the Statements, and to adequately safeguard, verify and maintain accountability of assets and to prevent and detect misstatements and loss. Nothing has come to the attention of the UNDP Resident Representative and Permanent Secretary to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The attached Combined Delivery Report and Statement Assets and Equipment were approved and authorised for issue by the Resident Representative and Permanent Secretary and signed by them.

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**United Nations Development Programme  
Resident Representative**

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**Ministry of Environment and Tourism  
Permanent Secretary**

## **2. REPORT OF THE INDEPENDENT AUDITORS**

### **To the Permanent Secretary of the Ministry of Environment and Tourism and the Resident Representative of the UNDP / THE SCALING UP COMMUNITY RESILIENCE TO CLIMATE VARIABILITY AND CLIMATE CHANGE IN NAMIBIA, WITH SPECIAL FOCUS ON WOMEN AND CHILDREN (SCORE PROJECT)**

We have audited the accompanying Combined Delivery Reports, Statement of Assets and Equipment and the Statement of Cash Position (“the statements”) of the Scaling up Community Resilience to Climate Variability and Climate Change in Namibia, with Special Focus on Women and Children (SCORE Project) for the period 01 January 2016 to 31 December 2016. These statements are the responsibility of the management of the project. Our responsibility is to express an opinion on the statement based on our audit.

#### **Management Responsibility for the Statements**

Management is responsible for the preparation and fair presentation of these statements in accordance with the cash receipts and disbursements basis of accounting. This includes: determining that the cash receipts and disbursements basis of accounting is an acceptable basis for preparing and presenting the statements in the circumstances; designing implementing and maintaining internal control relevant to the preparation and fair presentation of the statements that is free and fair from material misstatements, whether due to fraud and error; selecting and applying appropriate accounting policies; and making accounting estimates, if any, that are reasonable in the circumstances.

#### **Auditor’s Responsibility**

We conducted our audit in accordance with International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement. We believe our audit provides a reasonable basis for our opinion.

#### **Financial Certifications**

##### **I. Certification for Statement of Expenses (UNDP CDR)**

We have audited the accompanying Statement of Expenditure (“the statement”) of the Scaling up Community Resilience to Climate Variability and Climate Change in Namibia, with Special Focus on Women and Children (SCORE Project) for the period 01 January 2016 to 31 December 2016.

Management is responsible for the preparation of the statement for the Scaling up Community Resilience to Climate Variability and Climate Change in Namibia, with Special Focus on Women and Children (SCORE Project) and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project’s preparation of the statements 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 project’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as

evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Unqualified Opinion**

In our opinion, the attached statement of expenses presents fairly, in all material respects, the expense of US\$ 1 310 009.99 incurred by the Scaling up Community Resilience to Climate Variability and Climate Change in Namibia, with Special Focus on Women and Children (SCORE Project) for the year ended 31 December 2016 in accordance with agreed upon accounting policies and were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant UNDP regulations and rules, policies and procedures; and (iv) supported by properly approved vouchers and other supporting documents.

## **II. Certification for Statement of Assets**

We have audited the accompanying statement of assets (“the statement”) of the Scaling up Community Resilience to Climate Variability and Climate Change in Namibia, with Special Focus on Women and Children (SCORE Project) as at 31 December 2016.

Management is responsible for the preparation of the statement for the Scaling up Community Resilience to Climate Variability and Climate Change in Namibia, with Special Focus on Women and Children (SCORE Project) and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project’s preparation of the statement 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 project’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Unqualified Opinion**

In our opinion, the attached statement of assets presents fairly, in all material respects, the balance of assets of the Scaling up Community Resilience to Climate Variability and Climate Change in Namibia, with Special Focus on Women and Children (SCORE Project) amounting to US\$ 346 075.82 as at 31 December 2016 in accordance with the UNDP accounting policies.

### **III. Certification for the Statement of Cash Position**

We have audited the accompanying statement of cash position (“the statement”) of Scaling up Community Resilience to Climate Variability and Climate Change in Namibia, with Special Focus on Women and Children (SCORE project) as at 31 December 2016.

Management of Scaling up Community Resilience to Climate Variability and Climate Change in Namibia, with Special Focus on Women and Children (SCORE project) is responsible for the preparation of the statement for project and for such internal control as management determines is necessary to enable the preparation of a schedule that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project’s preparation of the statement 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 project’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Unqualified Opinion**

In our opinion, the attached Statement of cash position presents fairly, in all material respects, the cash and bank balance of the Scaling up Community Resilience to Climate Variability and Climate Change in Namibia, with Special Focus on Women and Children (SCORE project) amounting to US\$37 242.23 as at 31 December 2016 in accordance with the UNDP accounting policies.

**Grand Namibia  
Registered Accountants and Auditors  
Chartered Accountants (Namibia)  
Windhoek**

**Per: R. Beukes  
March**

**2017**

**United Nations Development Programme (UNDP)**  
**THE SCALING UP COMMUNITY RESILIENCE TO CLIMATE VARIABILITY AND CLIMATE CHANGE IN NAMIBIA, WITH SPECIAL FOCUS ON WOMEN AND CHILDREN (SCORE PROJECT)**

<b>UNDP Combined Delivery Report (CDR)</b>						
<b>Project No.</b>	<b>Output No.</b>	<b>Amount audited and certified (US\$)</b>	<b>Audit opinion</b>	<b>Total amount of qualification of audit opinion (if qualified, adverse or disclaimer opinion)</b>	<b>Reason(s) for qualification of audit opinion and breakdown of NFI amount (US\$)</b>	<b>Observation(s) that had impact on qualification of audit opinion (list observation number(s) and page of audit report/management letter)</b>
<b>00083204</b>	<b>00091803</b>	<b>1 310 009.99</b>	<b>Unqualified</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Name and position of Auditor: \_\_\_\_\_

Signature of Auditor: \_\_\_\_\_

Date: \_\_\_\_\_

Name and stamp of Audit Firm: \_\_\_\_\_



**United Nations Development Programme (UNDP)**  
**THE SCALING UP COMMUNITY RESILIENCE TO CLIMATE VARIABILITY AND CLIMATE CHANGE IN NAMIBIA, WITH**  
**SPECIAL FOCUS ON WOMEN AND CHILDREN (SCORE PROJECT)**

<b>Statement of assets and equipment</b>				
<b>Project No.</b>	<b>Output No.</b>	<b>Value of Assets and equipment as at 31 December 2016 (US\$)</b>	<b>Audit Opinion - Statement of Assets and Equipment</b>	<b>Total amount of qualification on the Statement of assets and equipment (US\$)</b>
<b>00083204</b>	<b>00091803</b>	<b>346 075.82</b>	<b>Unqualified</b>	<b>-</b>

Name and position of Auditor: \_\_\_\_\_

Signature of Auditor: \_\_\_\_\_ Date: \_\_\_\_\_

Name and stamp of Audit Firm: \_\_\_\_\_

**United Nations Development Programme (UNDP)  
THE SCALING UP COMMUNITY RESILIENCE TO CLIMATE VARIABILITY AND CLIMATE CHANGE IN NAMIBIA, WITH  
SPECIAL FOCUS ON WOMEN AND CHILDREN (SCORE PROJECT)**

<b>Statement of Cash Position</b>				
<b>Project No.</b>	<b>Output No.</b>	<b>Value of Cash Position Statement</b> as at 31 December 2016 (US\$)	<b>Audit Opinion - Statement of Cash Position</b>	<b>Total amount of qualification - Statement of Cash Position (US\$)</b>
00085669	00072612	37 242.23	Unqualified	-

Name and position of Auditor: \_\_

Signature of Auditor: \_\_

Date: \_\_

Name and stamp of Audit Firm: \_\_\_\_\_

The Permanent Secretary  
Ministry of Environment and Tourism (MET)  
Department of Environmental Affairs (DEA)  
P/Bag 13306  
C/o of Dr. Kenneth Kaunda Street & Robert Mugabe Avenue,  
Block E, 2nd Floor,  
Windhoek / Namibia

Dear Sir

**RE: MANAGEMENT REPORT TO THE MANAGEMENT OF THE SCALING UP COMMUNITY RESILIENCE TO CLIMATE VARIABILITY AND CLIMATE CHANGE IN NAMIBIA, WITH SPECIAL FOCUS ON WOMEN AND CHILDREN (SCORE PROJECT) FOR THE YEAR ENDED 31 DECEMBER 2016**

In planning and performing our audit of the financial statements of the SCALING UP COMMUNITY RESILIENCE TO CLIMATE VARIABILITY AND CLIMATE CHANGE IN NAMIBIA, WITH SPECIAL FOCUS ON WOMEN AND CHILDREN (SCORE PROJECT) for the year ended 31 December 2016; we considered and evaluated internal controls. Substantive procedures were performed on all financial statement areas. Accompanying this letter is a report setting out the more important weaknesses and other reportable issues noted by us at the time of our examination. The report will be discussed with management of the project and their comments noted.

It should be appreciated that the matters dealt with in the report came to our notice during the conduct of our normal audit procedures and therefore our comments cannot be expected to include all matters, which a more extensive and special examination might have developed.

We wish to take this opportunity to express our appreciation for the cooperation and courtesy extended to us by your staff during the course of the audit.

Yours faithfully

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**GRAND NAMIBIA  
REGISTERED PUBLIC ACCOUNTANTS AND AUDITORS  
CHARTERED ACCOUNTANTS (NAMIBIA)**

## **A GENERAL REVIEW OF THE PROJECT'S PROGRESS**

The assessment of the progress of the project and enquiry from the project management revealed that the progress of the project was satisfactory and the objective of the Project will be achieved as planned.

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## **B PROJECT'S INTERNAL CONTROL SYSTEM**

The Project management uses excel sheets in the form of face forms together with supporting documentations which are sent to the UNDP office for processing and payment. The system is effective in providing useful and timely information for the proper management of the project.

The general internal control system in protecting the assets and resources of the project are effective as the assets are tagged with unique asset numbers to be identified and they are kept in safe areas where their existence is monitored constantly.

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**C INTERNAL CONTROL WEAKNESSES**

There were no major internal control weaknesses noted in the financial management of the project that came to the attention of the auditors during the audit.

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## **D CURRENT YEAR OBSERVATIONS**

### **1. Payments made on quotations / pro-forma invoices**

#### **Audit Observation:**

In testing expenditures, we found that some payments were made based on quotations and pro-forma invoices. We could not find invoices supporting such payments.

In our view a quotation or pro-forma invoice does not provide any or sufficient proof that the goods or services have been delivered to the Project.

Details are set out below:

<b>Date</b>	<b>Description</b>	<b>Supplier</b>	<b>Amount (N\$)</b>
18/08/16	Benthin African - RN2016080012	Benthin African Agencies (Pty) Ltd	243 573,22

#### **Recommendation:**

Invoices must always be requested from goods suppliers or service providers as evidence that goods/services have been delivered.

#### **Project management comment:**

The invoice was not requested. Invoices will be requested and will be forwarded to us..

## 2. Reconciliation between in-house accounting reports and the CDR

### Audit Observation:

The in-house accounting reports generated from the PASTEL systems are used to compile the quarterly FACE forms. The detailed expenditure reports summarised in the FACE forms are then used to enter data into the UNDP ATLAS system, which generates the CDR. Therefore, a reconciliation needs to be performed between the in-house accounting report of the project and the CDR, being the audit subject matter.

This reconciliation process, on individual account level, was made very difficult and impossible in certain instances as the in-house systems account descriptions are not aligned to the account descriptions appearing on the CDR.

Audit performed a reconciliation on the total expense level i.e. total expenses per in-house reports to total expenses per CDR (excluding any VAT refunds received) and found the results to be satisfactory.

Below we have set out some of the account description used by Implementing Partners which does not appear on the CDR.

<b>Account number</b>	<b>Account Description</b>
3050/000	Advertising & Promotions
3700/000	Entertainment Expenses

### Recommendation:

IP's must align its account descriptions (and numbers where practically possible) to the account descriptions and numbers as it appears on the CDR. This practice will facilitate the reconciliation on account level between the in-house reports and the CDR.

### Project management comment:

The accounts in PASTEL do not align with the UNDP's ATLAS accounts therefore it was not possible to have same accounts, however when face forms are prepared, expenditures are allocated to correct accounts. On that regard, new accounts with account descriptions and numbers (where practically possible) will be created on PASTEL to align with the CDR accounts in the future financial years.