

Solomon Islands Water Sector Adaptation Project

(Award#: 88631/ Project#: 78275)

Audit Requirement Schedule and Workplan

Year Ended 31 December 2017



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1. General Instructions

We have prepared the attached assistance package as a measure to improve the efficiency of the audit of the *Solomon Islands Water Sector Adaptation Project (Award#: 78275 / Project#: 88631)* projects for the year ended 31 December 2017. The information requested provides a basis for performing the external audit. This document sets out the information required for each section of our audit file.

Review the package and where requested, please provide a copy of the relevant document, statement, working paper or access to enable us perform our audit procedures. There may be items that are not relevant or applicable and where this is the case, please indicate the reason why the item is not relevant. Alternatively there may be additional information that you may wish to furnish us, or other information which we will identify during our process and interim work.

These requirements are to facilitate the audit of the above project for the aforementioned period as required by the UNDP Pacific Office in *Fiji*.

1.1 Schedule of Fieldwork - Workplan

| | |
|--|------------------|
| Audit of the (i) CDR (verification of project expenditure), (ii) statement of cash position, and (iii) statement of assets. | 26 February 2018 |
| Review of the accounting and internal control systems of the project, prior year's audit findings, and overall project progress. | 26 February 2018 |
| Review findings and consult relevant personnel for causes and possible solutions. | 2 March 2018 |

The requirements have been based on the above timetable. We plan a total of 1 week on site where we will audit all applicable projects facilitated by the implementing partner.

If you have any queries, please contact a member of the audit team who will be able to provide assistance.

2. Audit Management Team

| Name | Position | Contact # | Email |
|--------------------|-------------------------|--------------|--|
| Sikeli Tuinamuana | Review Partner | +679 3314166 | sikeli.tuinamuana@fj.ey.com |
| Vaughan Tuinamuana | Senior Manager | +679 3314166 | vaughan.tuinamuana@fj.ey.com |
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| Jiaoji Waqainabete | Lead Senior | +679 3314166 | jiaoji.waqainabete@fj.ey.com |

3. Final Audit Requirements

| A. General | Date Required | Completed (Yes/ No / NA) |
|--|---------------|-----------------------------|
| <i>Audit Requirements</i> | | |
| Copy of signed Project Document (e-copy preferable). | 26/02/2018 | |
| Evidence of any amendments to the signed Project Document via written UNDP MCO approval (including budget re-allocations). | 26/02/2018 | |
| Detailed transaction listing (for payments and receipts) for the year ended 31/12/2017 detailing the following: <ul style="list-style-type: none"> ▪ Date; ▪ PV# (or Chq#) / Rcpt#; ▪ Paid to / Received from; ▪ Budget line allocated (must conform to ProDoc); ▪ Amount in local currency; and ▪ Amount in USD <u>Note:</u> If regional project, please provide the transaction listing of each country. | 26/02/2018 | |
| Original, or certified copies, or scanned copies of originals of supporting documents to payments and receipts. <u>Note:</u> If regional project, please provide the above for each country. | 26/02/2018 | |
| Internal finance policies and procedures manual. | 26/02/2018 | |
| Prior year's signed audit report. | 26/02/2018 | |
| Details and brief descriptions of any major subsequent events after 31 December 2017. | 26/02/2018 | |
| Actual vs budget expenditures as at 31 December 2017. | 26/02/2018 | |
| Exchange rates used in reporting to UNDP MCO in USD. | 26/02/2018 | |
| Quarterly FACE Forms submitted to the UNDP MCO. <u>Note:</u> The total of the FACE forms must reconcile to the payments transaction listing and CDR. | 26/02/2018 | |
| Quarterly progress reports. | 26/02/2018 | |
| Signed CDR. | 26/02/2018 | |
| The status of each project activity per Logframe in the signed Project Document for discussion during the audit | 26/02/2018 | |

| B. Statement of Cash Position | Final Audit Date Required | Completed (Yes/ No / NA) |
|--|---------------------------|--------------------------|
| <i>Audit Requirements</i> | | |
| Statement of Cash Position as at 31/12/2017. | 26/02/2018 | |
| Bank reconciliation for the year ended 31/12/2017, together with un-presented cheque and outstanding deposit listings. <i>Note:</i> For projects that do not have their own bank accounts, a Balance of Funds Reconciliation is required. | 26/02/2018 | |
| Listing of all cheques drawn but still on hand as at 31/12/2017, with the date the cheque was drawn. | 26/02/2018 | |
| Copies of Bank statements for the related bank account showing the bank balance at 31/12/2017. | 26/02/2018 | |
| Access to post year-end end bank statements for the related bank account available for review and testing. | 26/02/2018 | |

| C. Statement of Assets | Final Audit Date Required | Completed (Yes/ No / NA) |
|---|---------------------------|--------------------------|
| <i>Audit Requirements</i> | | |
| Statement of Assets | 26/02/2018 | |
| A Fixed Asset Register reconciling to the applicable budget code on the CDR and FACE Forms as at 31/12/2017. The register should provide as a minimum the following details: i. Acquisition date; ii. Asset item description; iii. Location; iv. Supplier; v. Quantity; vi. Serial number or tag number; vii. Cost at local currency; and viii. Cost at USD. Please provide a copy of the fixed asset registers electronically if possible. Assets and equipment of the project which are not on-site can be verified via the following secondary evidence: <ul style="list-style-type: none"> ▪ Photos of asset, especially with serial number visible; and ▪ Supplier invoice and proof of payment and delivery of asset. <i>Note:</i> for regional projects, the above is applicable for each country. | 26/02/2018 | |
| Listing of disposals for the year ended 31/12/2017, supporting documentation disposals should be available for review during | 26/02/2018 | |

| C. Statement of Assets | Final Audit Date Required | Completed (Yes/ No / NA) |
|---|----------------------------------|---------------------------------|
| <i>Audit Requirements</i> | | |
| the audit. | | |
| Contracts for all (if any) leased assets entered into during the year. | 26/02/2018 | |
| Access to titles for all property held (if any) at year-end. | 26/02/2018 | |
| Access to any valuation report (if any) of property, plant and equipment. | 26/02/2018 | |

| D1. Income | Final Audit Date Required | Completed (Yes/ No / NA) |
|---|----------------------------------|---------------------------------|
| <i>Audit Requirements</i> | | |
| Schedule showing revenue category totals compared against budget. | 26/02/2018 | |
| Details of any sundry income. | 26/02/2018 | |
| Access to receipt books, deposit books and bank statements. | 26/02/2018 | |

| D2. Expenditure | Final Audit Date Required | Completed (Yes/ No / NA) |
|---|----------------------------------|---------------------------------|
| <i>Audit Requirements</i> | | |
| Access to all the project's payment vouchers and related supporting documents while on-site, such as: <ul style="list-style-type: none"> ▪ Supplier invoices; ▪ Supplier receipts; ▪ Purchases orders; ▪ Delivery dockets; ▪ Etc | 26/02/2018 | |
| Payroll reports for the project. Access to project staff signed employment contracts. Access to project staff signed timesheets. Evidence of statutory deductions being complied with (e.g., superannuation, etc). | 26/02/2018 | |
| Travelling expenses should include as supporting documents, the following where applicable: <ul style="list-style-type: none"> ▪ Mission reports; ▪ Per diem approvals; ▪ Accommodation invoices; ▪ Advance acquittal requests, approvals and reports; ▪ Airline tickets and boarding passes; and ▪ Seminar/workshop signed participant list. | 26/02/2018 | |
| All procurement of goods/services over the relevant thresholds requiring the tender process or multiple quotations must have: <ul style="list-style-type: none"> ▪ Tender approval minutes; | 26/02/2018 | |

| D2. Expenditure | Final Audit Date Required | Completed (Yes/ No / NA) |
|--|---------------------------|--------------------------|
| <i>Audit Requirements</i> | | |
| <ul style="list-style-type: none"> ▪ Evidence of required number of quotations; and ▪ CVs of service contractors | | |

Important: Please ensure that items requested are available by the final date required (as per Table 3A to D2), supportings provided after the final fieldwork date (02/03/18) may not be considered.

If you have any queries or require further clarification regarding the above, please contact Vaughan Tuinamuana who is in charge of the audit.

We look forward to the assistance and cooperation of the staff of the project and UNDP Pacific Office in Fiji during our audit.

The above requirements do not necessarily encompass all the information required for the audit. When the need for further information or clarification arises, this will be communicated to management by a senior member of the team.