UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations

AUDIT

OF

UNDP LIBERIA

JUSTICE AND SECURITY TRUST FUND PROJECT
(Directly Implemented Project No. 76186)

Report No. 1117
Issue Date: 30 November 2012
Report on the audit of UNDP Liberia - Justice and Security Trust Fund Project (Project ID 76186)
Executive Summary

From 15 to 24 October 2012, the Office of Audit and Investigations (OAI), of the United Nations Development Programme (UNDP) through Ernst & Young Chartered Accountants, Accra (the audit firm), conducted an audit of the Justice and Security Trust Fund Project (Project ID 76186) which was directly implemented by UNDP and managed by the UNDP Country Office in Liberia (the Office). The audit was conducted under the general supervision by OAI in conformance with the International Standards for the Professional Practice of Internal Auditing.

The project reported expenditure totaling $3.2 million during the period from 1 January 2011 to 31 December 2011. The following donors contributed to the Project: Sweden, Japan, Ireland, and Australia.

Audit scope and objectives

The audit firm conducted a financial audit to express an opinion on whether the financial statements present fairly, in all material aspects, the results of the Project's operations. The audit covered the Project's Statement of Expenditure (Combined Delivery Report) for the period from 1 January 2010 to 31 December 2011 and the Statement of Assets and Equipment as of 31 December 2011.

Audit results

Based on the audit report and corresponding management letter submitted by the audit firm, the results are summarized in the table below:

<table>
<thead>
<tr>
<th>Project Expenditure</th>
<th>Project Assets</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount (in $ '000)</td>
<td>Opinion</td>
<td>Amount (in $ '000)</td>
</tr>
<tr>
<td>3,182</td>
<td>Unqualified</td>
<td>2,266</td>
</tr>
</tbody>
</table>

*No separate bank account was held by the project

Key issues and recommendations

The audit raised one issue and recommendation that was ranked as “medium” (important) priority, which means that “Action is required to ensure that UNDP is not exposed to significant risks. Failure to take action could result in negative consequences for UNDP.” The recommendation includes actions to distinguish in the Combined Delivery Report between expenses under UNDP disbursement and Government disbursement.

Management’s comments

The UNDP Resident Representative accepted the recommendation and is in the process of implementing it.

Egbert C. Kaltenbach  
Director  
Office of Audit and Investigations