



AUDIT

OF

UN WOMEN COUNTRY OFFICE IN MALI

**PROGRAMME ASSISTANCE AUX FEMMES / FILLES AFFECTEES PAR LE CONFLIT ET
PARTICIPATION DES FEMMES AU PROCESSUS DE CONSOLIDATION DE LA PAIX
(Directly Implemented Project No. 84608)**

Report No. 1873

Issue Date: 1 September 2017

Report on the Audit of UN Women Mali
Programme Assistance aux femmes / filles affectées par le conflit et Participation des femmes au processus de consolidation de la paix (Project No. 84608)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through KPMG SA (the audit firm), from 19 to 30 June 2017, conducted an audit of *Programme Assistance aux femmes / filles affectées par le conflit et Participation des femmes au processus de consolidation de la paix*, Project No. 84608 (the Project), which is directly implemented and managed by the UN Women Country Office in Mali (the Office). This was the first audit of the Project.

The audit firm conducted a financial audit to express an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations. The audit covered the Project's Trial Balance Report, which included expenditures for the period from 1 January to 31 December 2016 and the Statement of Assets as of 31 December 2016. The audit did not include expenditures processed and approved outside of the country (such as by the UN Women Regional Centres and UN Women Headquarters).

The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Audit results

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

Project Expenditure*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$'000)	Opinion
766	Unqualified	17	Unqualified

* Expenditures recorded in the Project Trial Balance were \$788,983. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UN Women offices outside of the country (\$23,113).

Key recommendations: Total = 1, high priority = 0

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, which means, "Action is required to ensure that UN Women is not exposed to risks. Failure to take action could result in negative consequences for UN Women." The recommendation includes actions to address inadequate solicitation of procurement bids/quotations.

The recommendation aims to ensure compliance with legislative mandates, regulations and rules, policies and procedures.

Management comments and action plan

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

Management comments and/or additional information provided have been incorporated into the report, where appropriate.

A handwritten signature in blue ink, appearing to read 'B G Simpson', is enclosed within a rectangular box.

Brett Simpson
Officer-in-Charge
Office of Audit and Investigations



United Nations Development Programme (UNDP)

Report of the Independent Auditor on the United Nations
Entity for Gender Equality and the Empowerment of
Women (UN Women) Directly Implemented (DIM)
Project 00084608 “Programme Assistance aux femmes /
filles affectées par le conflit et Participation des femmes
au processus de consolidation de la paix”

- Mali -

For the year ended 31 December 2016



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Executive Summary

KPMG Geneva conducted the financial audit of UN Women project number 00084608 "Programme Assistance aux femmes / filles affectées par le conflit et Participation des femmes au processus de consolidation de la paix" (the project) for the period 1 January to 31 December 2016. The audit was undertaken on behalf of the Office of Audit and Investigations (OAI), United Nations Development Programme (UNDP).

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

Project Trial Balance (PTB) Statement	Unmodified
Project Statement of Fixed Assets	Unmodified

Findings as a result of our audit are provided in the management letter on page 8. The project was not being implemented in the prior period, consequently no follow up of prior audit findings was conducted.

KPMG SA

Pierre-Henri Pingeon
Partner

Henri Mwaniki

Geneva, 15 August 2017



Audit Objectives and Scope

The objective of the financial audit was to express an opinion on the Directly Implemented Modality (DIM) project's statements which include:

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2016 are fairly presented in accordance with UN Women accounting policies and that the expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UN Women; and (iv) supported by properly approved vouchers and other supporting documents. The Project Trial Balance (PTB) certified by the UN Women Chief of Accounts is the mandatory and official Statement upon which the audit opinion is expressed.
- Expressing an opinion on whether the Project Statement of Fixed Assets presents fairly the balance of assets of the UN Women project as at 31 December 2016. This Statement includes all assets available as at 31 December 2016 and not only those purchased in the period. The Project Statement of Fixed Assets as at 31 December 2016, certified by the UN Women Chief of Accounts, is the mandatory and official Statement upon which the audit opinion is expressed. Where a DIM project does not have any assets or equipment, no opinion is expressed.

The scope of the audit relates only to transactions concluded and recorded against the UN Women DIM project, between 1 January and 31 December 2016. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of "responsible parties", unless the inclusion of these expenses is specifically required in the request for proposal; and
- Expenses processed and approved in locations outside the Country Office responsible for the project, such as expenditures initiated at UN Women Regional Offices and UN Women Headquarters for which the supporting documentation is not retained at the level of the UN Women country office.



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Independent Auditors' Report

Project Trial Balance (PTB) Statement

To: Director, Office of Audit and Investigations (OAI),
United Nations Development Programme (UNDP)

Audited Project: "Programme Assistance aux femmes / filles affectées par le conflit et Participation des femmes au processus de consolidation de la paix"

Period covered by the audited PTB Statement: From 1 January 2016 to 31 December 2016

Atlas Project Number to identify the PTB: 00084608

Location: Mali

We have audited the accompanying Project Trial Balance (PTB) of the UN Women project number 00084608 "Programme Assistance aux femmes / filles affectées par le conflit et Participation des femmes au processus de consolidation de la paix" for the period 1 January to 31 December 2016.

The PTB expenditures totaling US\$ 788,983 is comprised of expenditure directly incurred by the UN Women Country Office in the Mali for an amount of US\$ 765,870 and expenditures incurred by entities other than the Country Office for an amount of US\$ 23,113. Our audit only covered the expenditure directly incurred by the UN Women Country Office in Mali of US\$ 765,870.

Unmodified Opinion

In our opinion, the attached Project Trial Balance (PTB) presents fairly, in all material respects, the expenses of US\$ 765,870 directly incurred by the UN Women Country Office in Mali and charged to the project for the period 1 January to 31 December 2016 in accordance with UN Women 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 regulations and rules, policies and procedures of UN Women; 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 (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the Project Trial Balance section of our report. We are independent of UN Women in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities

Management is responsible for the preparation of the Project Trial Balance of the 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.

Auditors' Responsibilities

Our objectives are to obtain reasonable assurance about whether the Project Trial Balance 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 these documents.



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 Project Trial Balance, 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 organization's internal control.

We communicate with those charged with governance 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.

KPMG SA

Pierre-Henri Pingeon
Partner

Henri Mwaniki

Geneva, 15 August 2017



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Independent Auditors' Report

Statement of Fixed Assets

To: Director, Office of Audit and Investigations,
United Nations Development Programme (UNDP)

Audited Project: "Programme Assistance aux femmes / filles affectées par le conflit et Participation des femmes au processus de consolidation de la paix"

Period covered by the Statement of Fixed Assets: 1 January 2016 to 31 December 2016

Atlas Project Number to identify the PTB: 00084608

Location: Mali

We have audited the accompanying Statement of Fixed Assets of the UN Women project number 00084608 "Programme Assistance aux femmes / filles affectées par le conflit et Participation des femmes au processus de consolidation de la paix" as at 31 December 2016.

Unmodified Opinion

In our opinion, the accompanying Statement of Fixed Assets presents fairly, in all material respects, the assets status of the UN Women project number 00084608 with a Net Book Value of US\$ 16,781 as at 31 December 2016 in accordance with UN Women accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the statement of fixed assets section of our report. We are independent of UN Women in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities

Management is responsible for the preparation of the statement of fixed assets, and for such internal control as management determines is necessary to enable the preparation of the statement of fixed assets that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities

Our objectives are to obtain reasonable assurance about whether the statement of fixed assets 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 these documents.



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 of fixed assets, 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 organization's internal control.

We communicate with those charged with governance 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.

KPMG SA

Pierre-Henri Pigeon
Partner

Henri Mwaniki

Geneva, 15 August 2017



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Management Letter

To: Director, Office of Audit and Investigations,
United Nations Development Programme

Audited Project: "Programme Assistance aux femmes / filles affectées par le conflit et Participation des femmes au processus de consolidation de la paix"

Period covered: 1 January 2016 to 31 December 2016

Atlas Project Number to identify the PTB: 00084608

Location: Mali

We have raised the following finding related to this project as a result of our audit.

Observation 1

• Procurement

According to section 6.2 of the Contract and Procurement Management policy of UN Women, requests for procurement bids/quotations between the range of US\$ 5,000 and US\$ 100,000 should be sent to at least five bidders. From our review of project expenses we noted three instances as detailed below where only three bids were obtained from suppliers even though the purchases were more than US\$ 5,000.

Transaction ID	Accounting date	Account	Account description	Description	XOF amount	USD amount
MLI30-00002033-1-1-ACCR-DST	27.05.2016	71305	LOCAL CONSULT.-SHT TERM-TECH	S LOCAL CONSULTANTS-TECHNICAL	11,920,000	20,602
MLI30-00002237-1-1-ACCR-DST	30.06.2016	72715	HOSPITALITY CATERING	S CAFETERIA SERVICES	7,337,500	12,371
MLI30-00002462-1-1-ACCR-DST	23.08.2016	74210	PRINTING AND PUBLICATIONS	S PRINTING	3,680,000	6,266
Total						39,239



Non-compliance with procurement policy regarding the appropriate number of quotations represents a risk of inadequate competition to ensure value for money is obtained.

- **Priority/Grading**

Medium

- **Recommendation**

Management should implement appropriate controls that would ensure compliance with the procurement policies, including public advertisement of the procurement notice when at least five bidders are not available for procurements between US\$ 5,000 and US\$ 100,000.

- **Management Comment and Action Points**

Over the audit period, there was no procurement process with less than 3 proposals. However, for some of the processes, the office was unable to secure the required 5 proposals. We are in a crisis environment and sometimes it is difficult to comply with this requirement. We agree that those exceptions need to be better documented.

The organization is working on a new policy for procurement in crisis environments, which will help countries like Mali deliver and implement activities with policies better adapted to the prevailing context.

Management will systematically document cases where the required number of proposals are not obtained, and follow up on ongoing changes to the POM.

KPMG SA

Pierre-Henri Pingeon
Partner

Henri Mwaniki

Geneva, 15 August 2017

Annex 1: Project Trial Balance (PTB) Statement



United Nations Entity for Gender Equality
and the Empowerment of Women

Extract of UN Women Trial balance as at the 31 December 2016

Expenditure by Project

Sum of Net Amount

Project	Account	Acc Desc	Donor report	Total per GL	Total Per Asset Schedule	Difference:
84608	18130	Communications & IT Equipments	Assets	7,500.91		
84608	18160	Vehicles	Assets	30,162.78		
84608	18630	Accumulated Dep - ITC	Assets	(3,401.32)		
84608	18660	Acc Dep -Vehicles	Assets	(17,481.36)		
				<u>16,781.01</u>	<u>16,781.01</u>	<u>-</u>
84608	61205	Salaries - GS Staff	Expenses	11,617.14		
84608	62210	Contrib to IT Staff Pens Fd-GS	Expenses	2,265.97		
84608	62215	Contrib. to Medical, social In	Expenses	360.14		
84608	62240	Annual Leave Expense - GS	Expenses	465.46		
84608	63530	Contribution to EOS Benefits	Expenses	435.65		
84608	63535	Contribution to Security	Expenses	464.70		
84608	63540	Contribution to Training	Expenses	116.18		
84608	63545	Contribution to ICT	Expenses	464.70		
84608	63550	Contributions to MAIP	Expenses	23.25		
84608	63555	Contribution to UN JFA	Expenses	209.11		
84608	63560	Contributions to Appendix D	Expenses	34.85		
84608	65115	Contributions to ASH Reserve	Expenses	929.39		
84608	65135	Payroll Mgt Cost Recovery ATLA	Expenses	425.79		
84608	71168	Other Expenses UN Agy Pers Rel	Expenses	2,963.28		
84608	71205	Intl Consultants-Sht Term-Tech	Expenses	13.76		
84608	71305	Local Consult.-Sht Term-Tech	Expenses	79,967.17		
84608	71405	Service Contracts-Individuals	Expenses	72,367.16		
84608	71410	MAIP Premium SC	Expenses	257.56		
84608	71415	Contribution to Security SC	Expenses	2,833.14		
84608	71440	Appendix D SC	Expenses	2,060.44		
84608	71605	Travel Tickets-International	Expenses	6,349.42		
84608	71610	Travel Tickets-Local	Expenses	5,756.63		
84608	71615	Daily Subsistence Allow-Intl	Expenses	10,132.01		
84608	71620	Daily Subsistence Allow-Local	Expenses	25,477.93		
84608	71635	Travel - Other	Expenses	1,789.64		
84608	72105	Svc Co-Construction & Engineer	Expenses	47,710.34		
84608	72135	Svc Co-Communications Service	Expenses	2,241.85		
84608	72205	Office Machinery	Expenses	15,229.23		
84608	72210	Machinery and Equipment	Expenses	14,592.36		
84608	72220	Furniture	Expenses	268.05		
84608	72315	Food & Textile Products	Expenses	14,205.14		
84608	72330	Medical Products	Expenses	7,929.15		
84608	72335	Pharmaceutical Products	Expenses	515.98		
84608	72399	Other Materials and Goods	Expenses	484.40		
84608	72405	Acquisition of Communic Equip	Expenses	12,229.28		
84608	72445	Common Services-Communications	Expenses	15,779.97		
84608	72505	Stationery & other Office Supp	Expenses	3,396.61		
84608	72510	Publications	Expenses	1,553.15		
84608	72605	Grants to Instit & other Benef	Expenses	(3,727.84)		
84608	72610	Micro Capital Grants-Credit	Expenses	7,782.22		
84608	72715	Hospitality Catering	Expenses	13,851.79		
84608	72815	Inform Technology Supplies	Expenses	1,030.95		
84608	73105	Rent	Expenses	5,673.05		
84608	73120	Utilities	Expenses	30,511.44		
84608	73405	Rental & Maint-Other Office Eq	Expenses	205.81		
84608	73410	Maint, Oper of Transport Equip	Expenses	2,190.59		
84608	73420	Leased Vehicles	Expenses	492.90		
84608	73505	Reimb to UNDP for Supp Svcs	Expenses	1,294.41		
84608	74105	Management and Reporting Svcs	Expenses	20,333.66		
84608	74110	Audit Fees	Expenses	23,080.00		
84608	74205	Audio Visual Productions	Expenses	5,289.46		
84608	74210	Printing and Publications	Expenses	20,405.22		
84608	74220	Translation Costs	Expenses	202.87		
84608	74225	Other Media Costs	Expenses	850.20		
84608	74405	Charge for Doubtful Accounts	Expenses	11,155.41		
84608	75105	Facilities & Admin - Implement	Expenses	62,007.71		
84608	75110	Facilities & Admin - Services	Expenses	2,324.88		
84608	75115	Facilities & Admin - OH & Ind	Expenses	22,897.20		
84608	75705	Learning Costs	Expenses	90,313.45		
84608	75710	Participation of counterparts	Expenses	101,301.36		
84608	76125	Realized Loss	Expenses	299.75		
84608	77630	Dep Exp Owned - ITC	Expenses	1,296.05		
84608	77660	Dep Exp Owned -Vehicle	Expenses	4,004.66		
84608 Total				<u>788,983.18</u>		

I hereby certify that the Trial Balance is extracted from UN-Women's books and records which have been audited by the United Nations Board of Audit for the year ended 31 December 2016

Donna Grinwade
Chief of Accounts

16-May-17
Date

Pierre-Henri Pingeon, Partner
KPMG SA, Geneva
15 August 2017

Henri Mwaniki, Senior Manager
KPMG SA, Geneva
15 August 2017



Annex 2: Project Statement of Fixed Assets



United Nations Entity for Gender Equality
and the Empowerment of Women

Asset Schedule by Project as at the 31 December 2016

Asset Schedule by Project as of the 31 December 2018																		
Business unit	Operating Unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location	Acquisition Date	In Service Date	Cost USD	Net Book Value	Quantity	Department	Impl Agency	Donor	Project	Fund code
MLU0	MLU	12	UNW_MTRV1	A All terrain veh	793	AHTFK22G-703077492	MLU30	MLU30	3/12/2013	3/12/2013	30,162.78	12,681.42	1	93355		2001	182	84608 W3000
MLU0	MLU	42	UNW_ICT5	A Photocopiers	159	SG2CQ01371	MLU30	MLU30	12/26/2013	12/26/2013	4,763.00	2,183.05	1	93355		2001	182	84608 W3000
MLU0	MLU	311	UNW_ICT1	A Notebook con	311	C02JOWDDXQ2	MLU30	MLU30	7/23/2015	7/23/2015	2,737.91	1,916.54	1	93355		2001	182	84608 W3000
												37,663.69	16,781.01					

I hereby certify that the Asset Schedule is extracted from UN-Women's books and records, which have been audited by the United Nations Board of Audit for the year ended 31 December 2016

Donna Grimwade
Chief of Accounts

16-May-17
Date

Frankline Okumu
Asset Focal Point

16-May-17
Date

Pierre-Henri Pigeon, Partner
KPMG SA, Geneva
15 August 2017

Henri Mwaniki, Senior Manager
KPMG SA, Geneva
15 August 2017



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Annex 3: Audit Finding Priority Ratings

The following categories of priorities are used:

High (Critical)	Action is considered imperative to ensure that UNDP is not exposed to high risks. Failure to take action could result in major consequences and issues.
Medium (Important)	Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
Low	Action is considered desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the auditors directly with the Office management, during the exit meeting and through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in the audit report.