AUDIT

OF

**PROJECT NAME: SUPPORT TO TRANSITIONAL SHELTER AND
LIVELIHOOD REVITALIZATION IN JACMEL
(Atlas Project ID 00075155/ 00076826)**

At UNOPS HAITI OPERATIONS CENTRE

**Report No. IAIG/2217
Issue Date: 22 November 2012**

Report on the audit of 'Support to Transitional Shelter and Livelihood Revitalization in Jacmel'(Atlas Project ID 00075155 / 00076826)

Executive Summary

The Internal Audit and Investigations Group (IAIG) of the United Nations Office for Project Services (UNOPS), through 'Experts Conseils Et Associes', Haiti (the audit firm), conducted an audit of the project 'Support to Transitional Shelter and Livelihood Revitalization in Jacmel' (Atlas Project ID 00075155 / 00076826) (the Project), in Haiti Operations Centre (the Office). The audit firm was under the general supervision of IAIG in conformance with the *International Standards for the Professional Practice of Internal Auditing.*

The Project reported expenditure totaling USD 4,185,559 during the period from 03 August 2010 to 31 December 2011**.** The project was funded by the Swedish International Development Cooperation Agency (SIDA).

Audit scope and objectives

The audit firm conducted a combined financial audit and audit of internal controls and systems to express an opinion on whether the financial statements present fairly, in all material aspects, the results of the Project's operations, as well as assess compliance with UNOPS regulations, rules, policies and procedures and donor agreements. The audit covered the review of the Project's Statement of Expenditure for the above mentioned period and Statement of Non-Expendable Property. It also reviewed the relevant systems, procedures and practices in place as they relate to the Project, in the areas of: project management, finance, human resources management, procurement and supply chain, and general administration (including asset management).

Audit rating

Based on the audit report and corresponding management letter submitted by the audit firm, IAIG assessed the management of the Project as **Satisfactory**[1]. The details of the audit results are presented in Tables 1 and 2.

Table 1: Summary results of the financial audit

Period	Project Expenditure		Project non expendable property		Overall rating on internal controls
	Amount (USD)	Opinion	Amount (USD)	Opinion	
03 August 2010 to 31 December 2011	4,185,559	Unqualified	174,349	Unqualified	Satisfactory

---

[1] See definitions in Annex 1

Table 2: Internal controls ratings summary

RATING SUMMARY BY FUNCTIONAL AREA		
Functional area	**Rating**	
Project management	Partially Satisfactory	🟧
Finance	Partially Satisfactory	🟧
Procurement and supply chain	Satisfactory	🟩
Human resources	Satisfactory	🟩
General administration (incl. Assets Management)	Satisfactory	🟩
Overall rating of Internal control	**Satisfactory**	🟩

Key recommendations

The audit raised five recommendations, of which two were ranked high priority, two were ranked medium priority and one was ranked low priority.

Functional area	Audit recommendation
Project management	• Efforts should be made to comply with the donor's regulations so that the project is completed within the established schedule.
Finance	Management should: • Establish the use of time sheets to document the hours of work of each employee of the administration staff. These time sheets should then be reviewed and approved and used to calculate salary charges that would be allocated to each project. • Develop better procedures to document the costs incurred on field work. In addition, the attendance sheet signed by the field workers should be maintained on file, independently reviewed to ensure that the information reported there in by the employee is accurate.

Medium priority recommendations include actions to address: establishing a system under which work executed by the engineer is subject to a technical review that is independently performed by a supervisor, and progress reports are maintained to monitor these activities; complying with the budget requirements and obtaining prior approval for any expenditure in excess of budget.

Follow up of recommendations

The follow up of the action taken by management to implement the audit recommendations is monitored by IAIG on its web based issue tracking system.