



INTERNAL AUDIT AND INVESTIGATIONS GROUP

## UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

### INTERNAL AUDIT REPORT

**9 September 2020**

<b>PROJECT NAME:</b>	<b>SOMALIA SECURITY AND JUSTICE PROGRAMME (SSJP)</b>
<b>PROJECT NUMBER:</b>	<b>21137 (21137-01; 21137-02; AND 21137-03)</b>
<b>COUNTRY:</b>	<b>SOMALIA</b>
<b>AUDITOR:</b>	<b>BDO LLP</b>
<b>PERIOD SUBJECT TO AUDIT:</b>	<b>21 DECEMBER 2017 TO 30 SEPTEMBER 2019</b>

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## Acronyms and abbreviations

DfID	Department for International Development (UK)
IAASB	International Auditing and Assurance Standards Board
IAIG	Internal Audit and Investigations Group
IP	Implementing Partner
IPSAS	International Public Sector Accounting Standards
OC	Operations Centre
PC	Project Centre
RO	Regional Office
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services
US\$	United States Dollars

## Executive summary

### The engagement context

The Internal Audit and Investigations Group (IAIG) of the United Nations Office for Project Services (UNOPS), through BDO LLP (“the audit firm”), conducted an audit of the project ‘Somalia Security and Justice Programme (SSJP)’ (“the project”) (oneUNOPS project ID 21137), which is implemented and managed by UNOPS Somalia. The audit firm was under the general supervision by IAIG in conformance with the International Standards for the Professional Practice of Internal Auditing.

The project reported expenditure amounting to US\$ 20,166,481 during the period from 21 December 2017 to 30 September 2019.

### Audit objectives

The overall objective of the audit was to assess the management of the project operations to obtain reasonable assurance towards the achievement of the project objectives.

The areas of focus included:

- a) Effective, efficient and economical use of resources;
- b) Reliability of reporting;
- c) Safeguarding of assets; and
- d) Compliance with applicable legislation.

The purpose of the audit was to provide reasonable assurance that:

- a) Client/donor contributions and project expenditure are properly accounted for;
- b) Project expenditure was incurred in accordance with the contribution agreement, and is supported by adequate documentation; and
- c) The related financial statements prepared by UNOPS for the year under review present a fair view of the operations.

In particular, the audit firm provided an overall assessment of the operational and internal control systems that are in place for the management of the project so that related transactions are processed in accordance with UNOPS policies and procedures to achieve the project’s objectives.

### Audit scope

The audit firm conducted the audit in accordance with International Standards on Auditing issued by the IAASB and UNOPS internal audit practices, and in consideration of the requirements of International Public Sector Accounting Standards (IPSAS).

The audit firm was requested to review the expenditure reported by three of the project’s implementing partners [REDACTED] within their scope of work. Findings which were identified as a result of this review do not have a financial impact on the UNOPS financial statement on which the audit opinion has been issued, as UNOPS reports IP expenditure at the time of disbursement. The findings are therefore reported separately in Annex II to this report. Any ineligible costs identified should be adjusted within the final project financial statement and subsequent to any adjustments to the final expenditure reported by the IPs to UNOPS.

### 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, which means, “The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.” The details of the audit results are presented in Tables 1 and 2.

**Table 1: Summary results of the financial audit**

Project title		Period	Project no.
Somalia Security and Justice Programme (SSJP)		21 December 2017 to 30 September 2019	21137
Financial statement		Statement of non-expendable property	
Amount US\$	Opinion	Amount US\$	Opinion
20,166,481	Unmodified	24,698	Unmodified

**Table 2: Internal control rating summary for project**

Rating summary by functional area		
Functional area	Rating	
Project management	Satisfactory	
Finance	Partially satisfactory (some improvement needed)	
Procurement and supply chain	Satisfactory	
Human resources	Satisfactory	
General administration	Satisfactory	
<b>Overall rating of internal control</b>	<b>Satisfactory</b>	

### Key issues and recommendations

The audit raised three issues. There are three recommendations, all of which are ranked medium priority, meaning “Action is considered necessary to avoid exposure to significant risks (that is, where failure to take action could result in significant consequences).”

Below is a list of the audit findings, further details of which can be found in the detailed assessment section. Audit findings raised in relation to our review of IP expenditure have been reported in Annex II.

No.	Functional area	Audit finding title	Priority rating (high / medium)	Financial impact (US\$)
1	Finance	Evidence of completion of police training not retained	Medium	-
2	Finance	UNHRS system not updated for changes made to payment lists	Medium	-
3	Finance	Overstatement of expenditure and commitments	Medium	74,323
<b>Total</b>				<b>74,323</b>

### Management's comments

The Head of Office of UNOPS Somalia accepted all recommendations.



Signed:

Robert Waters  
Partner  
BDO LLP

9 September 2020

## Operational overview

SSJP is a DFID-funded initiative primarily focused on strengthening stabilization efforts in Southern and Central Somalia and establishing political and financial foundations to sustainably develop state and justice institutions. In December 2017, DFID agreed to transition SSJP from a series of bilaterally-funded projects managed directly by DFID to a single service provider (UNOPS) as management agent.

The programme was designed to contribute to the following impact, outcome and strategic outputs (programme delivery):

- **Impact:** improved rule of law and Public Safety in Somalia.
- **Outcome:** the foundations of sustainable police and justice agencies are strengthened and expanded across Somalia.
- **Outputs:**
  - **Strategic Direction:** develop political, legal & financial frameworks such as basic payroll systems.
  - **Capacity and Motivation:** expand, train, equip and provide infrastructure for the police.
  - **Accountability:** influence national and international debate about the form and capacity of Somalia's administrative bodies regarding policing and justice.
  - **Community partnership and composition:** effective partnerships, risk management and lesson learning at federal and state level.

UNOPS provides services aimed at contributing to SSJP's priorities by providing:

- Fund management,
- Technical assistance to the delivery of the programme - directly and through selected specialized implementing Partners ( IP Management) and consultants,
- Third party monitoring to undertake verification of activities and promote proactive risk management through an independently delivered facility.
- Working with DFID Somalia to promote and facilitate effective learning and adaptation throughout the programme cycle in accordance with the problem-driven iterative adaptive approach (PDIA).

SSJP programme management also involves fund management through four implementing partners (IPs) in the following thematic areas/projects:

- [REDACTED] – Support [REDACTED] previously called [REDACTED]: Improvement of Accountability and Management of Assets by the Somali Police, primarily providing support to Somali security forces in establishing weapon and ammunitions management systems and undertake joint verification.
- [REDACTED] Strengthening Police Accountability and Access to Justice in Somalia
- [REDACTED]: Empowering Somaliland Justice Sector Institutions.
- [REDACTED]: Third Party Monitoring of Security Forces in Somalia.

UNOPS also directly implements support to Joint Police programme - JPP (stipends to police, training and institutional capacity building), access to justice and police infrastructure components of SSJP programme.

The current phase of SSJP period is from 21 December 2017 to 31 July 2020, and the second phase is under negotiation. The total fund value of SSJP is £29,009,660

SSJP targeted areas across the programme are: South West State, Hirshabelle, Jubaland, Mogadishu and federal-level architecture and Somaliland, but the implementation of JPP is across all states in Somalia.

## Detailed assessment

<b>1.</b>	<b>Title:</b>		<b>Evidence of completion of police training not retained</b>
<b>Functional area:</b>		<b>Finance</b>	
<b>Comparison criteria:</b>		<p>Article 15 of the MOU signed between DFID and UNOPS states that 'The Funds will be administered in accordance with the Partner's Regulations and Rule and all financial records, including documentation to support entries on accounting records and to substantiate charges against contributions, will be maintained in accordance with the Partner's usual accounting procedures, rules, policies, procedures and directives, including as to the retention period'.</p> <p>Regulation 23.12 of the UNOPS Financial Regulations and Rules states 'The Executive Director shall maintain the accounting records and safeguard against their damage, destruction, unauthorized access and removal, in accordance with the UNOPS records retention policy'.</p>	
<b>Priority:</b>		Medium	
<b>Cause:</b>		Guidance	Lack of or inadequate guidance or supervision at the RO/OC/PC level
<b>Responsible manager:</b>		Project manager	
<b>Due date:</b>		Immediate	
<b>Financial impact:</b>		-	
<b>Facts / observation:</b>		<p>Police officers are eligible to receive stipends once they have completed the AMISOM-provided training, and payment is contingent upon their continued attendance at work being certified by the police commissioner for their area. The officers are biometrically registered on the UN Human Recognition System by the UNOPS programme team prior to their graduation from the AMISOM police training programme, but the final certificate evidencing completion of their training is not obtained and filed by UNOPS.</p> <p>AMISOM will notify UNOPS in writing and provide a list of candidates who are due to pass the training course when the majority of the syllabus has been completed and the candidates are preparing for graduation. The UNOPS payments team will attend the police training compound, are introduced to the candidates by the AMISOM team and the relevant police commissioner, and register the candidates in the UNHRS system. This registration process serves as the starting point for the payment lists, which are sent to the police commissioners for certification, and so only eligible candidates should be included on the system. The certification provided by the police commissioners attests to both the attendance of the police officer and that they have the required level of training.</p> <p>We found that the UNOPS payment team does not verify or retain a copy of the certificate stating that each of the candidates registered in their system graduated from the training programme. UNOPS holds responsibility for the eligibility of each of the officers being paid through the programme, and so should retain sufficient documentation on file to demonstrate this eligibility.</p>	

<b>Impact:</b>	Risk of ineligible expenditure reported
<b>Recommendation:</b>	We recommend that the stipends payment team obtain and retain the training certificates issued by AMISOM, and that these are attached to the police officer's digital record within the UN Human Recognition System.
<b>Management reply and action plan:</b>	We shall ask the AMISOM trainers to supply us with a soft copy of each certificate. Our new UNHRS system has only recently acquired the facility to upload supporting documents, linking it to a specific recruit. For future registrations, we will include training certificates. For past training UNOPS will try to obtain the relevant training reports from AMISOM with a name list of the recruits that successfully completed the training program, making them eligible for stipend payments.

<b>2.</b>	<b>Title:</b>	<b>UNHRS system not updated for changes made to payment lists</b>
<b>Functional area:</b>	<b>Finance</b>	
<b>Comparison criteria:</b>	<p>Regulation 5.01 of the UNOPS Financial Regulations and Rules states 'The Executive Director shall maintain an internal control mechanism which shall provide effective and efficient examination and review of financial, management and operating activities, to ensure:</p> <p>(a) The regularity of the receipt, custody, disposal, disbursement and expense, accounting and reporting of all resources administered by UNOPS, and the effectiveness of existing internal controls and accounting systems;</p> <p>(b) The conformity of disbursements and expenses with supporting documents and with the purposes for which funds were appropriated or otherwise provided by the Executive Board and the appropriations issued in connection therewith, or with the purposes set out in relevant project agreements;</p> <p>(c) The compliance of all UNOPS activities and transactions with established Financial Regulations and Rules, and policies and procedures; and</p> <p>(d) The effective and efficient management of UNOPS activities and the effective, efficient and economic use of all resources administered by UNOPS, including those managed on behalf of its clients'.</p>	
<b>Priority:</b>	Medium	
<b>Cause:</b>	Guidelines	Lack of or inadequate RO/OC/PC policies or procedures
<b>Responsible manager:</b>	Project manager	
<b>Due date:</b>	Immediate	
<b>Financial impact:</b>	-	

<b>Facts / observation:</b>	<p>The starting point for the payment lists for police stipends in each state is the list of registered candidates as outlined in Finding 1, above. The payment list is downloaded from the system and saved in both Excel and PDF versions on the network. Officers may be removed from the list for a number of reasons: the police commissioner may inform the UNOPS team that the officer is no longer serving (death, defection, resignation, etc.), there is a serious complaint or case against them, or the third party monitor [REDACTED] has reported serious concerns about the officer's behaviour. The payment list will be updated as necessary, and is then sent for certification by the commissioner prior to payment being made.</p> <p>However, we found that such issues did not result in payment lists being updated in the UNHRS system. Officers who were therefore no longer active in practice nonetheless remained active on the system, and could be logged as present by staff performing verifications.</p> <p>The monthly payment run will be based on the previous month's list saved on the network, rather than the version on UNHRS, which also includes relevant data on recent physical verifications of the officers. There is no system in place to track the changes being made to the payment lists from registration through to the current month's payment, and evidence to support these changes is not systematically retained.</p>
<b>Impact:</b>	<p>UNHRS system may incorrectly include officers as active after they are no longer in service</p>
<b>Recommendation:</b>	<p>We recommend that all changes made to the eligible list of officers, manifested in the latest month's payment list, are also input into the UNHRS system, which should then serve as the starting point for any payment run. The payment list generated by the system should be compared against the previous month's payment run and any changes verified by the payment team to confirmed approval.</p> <p>We also recommend that a clear trail of changes made to the master list is retained, evidencing why any individual was no longer considered as eligible to receive the stipend. This information is currently only held on the concerned team member's email accounts and is therefore not adequately retained in the institutional records.</p>
<b>Management reply and action plan:</b>	<p>The most recent verification and payment list is used as a standard to process payment, and correspondence of police commissioners is filled in hard copy and our new UNHRS system is recently upgraded to capture supporting documents.</p> <p>Although no risk of paying ineligible beneficiaries so far, UNOPS will continue using the opportunity of the upgraded UNHRS system to migrate data and using the most recent verification data and payment lists to correlate with the master sheet and eligibility is aligned. The HRS team will also upload hard copy historical correspondence and disciplinary evidence to document changes.</p>

<b>3.</b>	<b>Title:</b>	<b>Overstatement of expenditure and commitments</b>	
<b>Functional area:</b>	<b>Finance</b>		
<b>Comparison criteria:</b>	<p>Article 1. Definitions of the UNOPS Financial Rules and Regulations defines UNOPS financial statements as ‘a set of financial data and explanatory notes, prepared in accordance with accounting policies, describing the corporate financial performance of UNOPS, during the financial period’.</p> <p>Rule 123.10 of UNOPS Financial Regulations And Rules states that ‘The establishment of a commitment is to be based on a contract or other form of undertaking by UNOPS or based on a liability recognized by UNOPS’.</p>		
<b>Priority:</b>	Medium		
<b>Cause:</b>	Guidelines	Lack of or inadequate RO/OC/PC policies or procedures	
<b>Responsible manager:</b>	Finance manager		
<b>Due date:</b>	31 December 2020		
<b>Financial impact:</b>	US\$ 74,323; Overstatement of commitments balance by US\$ 421,860		
<b>Facts / observation:</b>	<p>We noted that the Field Security Advisor was charged to the project above the 20% allocation expected as per the budget. The employee dedicated 20% of his time to the project, therefore, any additional allocation was not justified. UNOPS identified this error and booked a reversal for the cost which exceeded the 20% allocation, amounting to US\$ 74,323.</p> <p>However, this reversal was made in the subsequent reporting period, starting on 1 October 2019. As such, the expenditure reported in the financial statement for the period ending 30 September 2019 is overstated.</p> <p>The project office raised a PO with number 3088218 for an amount of US\$ 421,860 in error. This error was identified by UNOPS and was corrected in the subsequent reporting period, starting on 1 October 2019. However, the commitments balance reported in the financial statement for the period ending 30 September 2019 still includes the incorrectly raised PO, and, as a result, is overstated.</p>		
<b>Impact:</b>	<p>Overstatement of project expenditure in the reporting period.</p> <p>Overstatement of commitments balance reported as at 31 September 2019.</p>		
<b>Recommendation:</b>	<p>The project team should ensure that the percentage allocation input into oneUNOPS is checked against the project budget before costs are charged to the project. The project team should ensure that the total costs charged to the project reconcile with the staff salary allocation board which is now in place.</p> <p>The project team should review open POs prior to the reporting period end.</p>		

**Management reply  
and action plan:**

Correction was already made prior to audit and subsequent reporting period. The Somalia office has introduced a monthly staff salary allocation board that enables the project team to ensure reports are reconciled with payroll and allocation boards. The recommendation is noted and regular reconciliation will be done based on salary allocation.

Prior to the audit during a PO review process, SOCO picked up the error and terminated the PO number 3088218 that was raised under the wrong supplier. A new PO number 3098715 was raised with the correct supplier [REDACTED]

The SOCO has noted this oversight and will ensure that such an error will not take place in the future as indicated above through regular PO reviews.

## Annex I - Definitions

### Standard audit ratings for overall performance of internal control system

Effective 1 January 2017, the internal audit services of UNDP, UNFPA, UNICEF, UNOPS and WFP adopted harmonized audit rating definitions, as described below. IAIG assesses the entity under review as a whole as well as the specific audit areas within the audited entity:

- (a) satisfactory (effective),
- (b) partially satisfactory (some improvement needed),
- (c) partially satisfactory (major improvement needed), and
- (c) unsatisfactory (ineffective).

The elements of the rating system take into account the audited office's internal control system, risk management practices, and their impact on the achievement of office objectives.

The definitions of the ratings are, as follows:

Standard rating	Definition
<b>Satisfactory (effective)</b>	The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
<b>Partially satisfactory (some improvement needed)</b>	The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
<b>Partially satisfactory (major improvement needed)</b>	The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
<b>Unsatisfactory (ineffective)</b>	The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity.

### Categories for priorities of audit recommendations

The audit observations are categorized according to the priority of the audit recommendations and the possible causes of the issues. The categorized audit observation provides a basis by which the UNOPS country office management is to address the issues.

The following categories of **priorities** are used:

Categories	Definition
<b>High</b>	Prompt action is considered imperative to ensure that UNOPS is not exposed to high risks (that is, where failure to take action could result in critical or major consequences for the organization).
<b>Medium</b>	Action is considered necessary to avoid exposure to significant risks (that is, where failure to take action could result in significant consequences).
<b>Low</b>	Action is considered desirable and should result in enhanced control or better value for money.

### Possible causes

The following categories of **possible causes** are used:

- **Guidelines:** absence of written procedures to guide staff in performing their functions;
  - Lack of or inadequate corporate policies or procedures
  - Lack of or inadequate RO/OC/PC policies or procedures
  - Inadequate planning
  - Inadequate risk management processes
  - Inadequate management structure
- **Guidance:** inadequate or lack of supervision by supervisors;
  - Lack of or inadequate guidance or supervision at the RO/OC/PC level
  - Inadequate oversight by Headquarters
- **Resources:** insufficient resources (funds, skill, staff) to carry out an activity or function;
  - Lack of or insufficient resources (financial, human, or technical resources)
  - Inadequate training
- **Human error:** Un-intentional mistakes committed by staff entrusted to perform assigned functions;
- **Intentional:** intentional overriding of internal controls;
- **Other:** Factors beyond the control of UNOPS.

## Annex II – Findings raised in respect of IP expenditure

Below is a list of the audit findings raised as a result of our review of IP expenditure reported by ██████████ to UNOPS for the period from 19 April 2018 to 30 September 2019. The stated financial impact affects only the financial reports of the individual respective IPs, and not the overall project financial statement subject to audit.

No.	Functional area	Audit finding title	Priority rating (high / medium)	Financial impact (US\$)
1	Project management	Ineligible expenditure reported by IPs	Medium	103,756

1.	Title:	Ineligible expenditure reported by IPs	
	<b>Functional area:</b>	<b>Project management</b>	
	<b>Comparison criteria:</b>	<p>Section 4 ‘Allowable costs’ of the GSA signed with the UNOPS sub-grantees (implementing partners) states that ‘The Grantee shall be reimbursed for costs incurred in carrying out the purposes of this Agreement which are determined by UNOPS to be reasonable, allocable and allowable in accordance with the terms of this Agreement. The following definitions of what may be considered as reasonable, allocable, and allowable costs apply:</p> <p>a) Reasonable: shall mean those costs which are generally recognised as ordinary and necessary and would be incurred by a prudent person in the conduct of normal business.</p> <p>b) Allocable costs: shall mean those costs which are incurred specifically in connection to the Agreement, and are provided in the estimated budget at Annex C.</p> <p>c) Allowable costs: shall mean those costs which confirm to any limitations in the Agreement.</p> <p>It also states that ‘the eligible costs must be incurred during the period of the Activity, specified in Article 3 of the Agreement...’</p>	
	<b>Priority:</b>	Medium	
	<b>Cause:</b>	Guidelines	Lack of or inadequate RO/OC/PC policies or procedures
	<b>Responsible manager:</b>	Finance manager	
	<b>Due date:</b>	Ongoing	
	<b>Financial impact:</b>	Expenditure reported by IPs overstated by US\$ 103,756	



<b>Recommendation:</b>	<p>UNOPS management should ensure to perform a thorough review of the expenditure reported by the implementing partners to identify any potential ineligible expenditure, and to confirm costs have been correctly reported against relevant budget lines.</p> <p>Management should also ensure that the implementing partners have appropriate controls and procedures in place to facilitate accurate financial reporting.</p>
<b>Management reply and action plan:</b>	<p>UNOPS has been closely in contact with [REDACTED] during the system migration to understand the implication on reporting to SSJP and ensure the SSJP compliances fully maintained. UNOPS will continue to endeavour to address the issues identified by conducting a thorough review of implementing partners' expenditure reports and budgets and support [REDACTED] in implementing recommendations to ensure accurate financial reporting.</p>

### Annex III – Ineligible IP expenditure

No.	IP	Transaction / document number	Description	Transaction amount (US\$)	Ineligible amount (US\$)	Reason for ineligibility
1	████	P18C-MGQ1352U	Comprehensiv Veh InsuarB6 Owned,Pl. No: B6MOG	2,926	2,194	Vehicle insurance – most of the expenditure was not incurred in the project implementation period. Only the amount incurred in the period is allowable. Contract is for one year from 19 July 2017. 9 months are before the start date of the project, 19 April 2018. 9 out of 12 months are not eligible.
2	████	P18C-MGQ1367U	Feb -July18 off rent █████ - WOCCA 1 Room Jowhar	2,400	1,021	Rent for 6 months starting from 1 February 2018, pre project period (pre 19 April 2018). Amount related to 1 February to 18 April is ineligible. Only 104 out of 181 days is eligible, the difference is ineligible.
3	████	P18C-RHY0429U	70% Consult fee on Police accountability Somalia	7,560	7,560	Consultant fee for work performed before the start of the project (up to 24 February 2018; project started 19 April 2018). No evidence that the work was performed in the period of the new UNOPS contract.
4	████	N/A	Total purchases of laptops (some recorded under incorrect budget lines due to misclassification)	36,233	18,189	Excess laptops purchased – not budgeted for and no UNOPS approval obtained for this unique purchase above the stipulated number of laptops. Budget for 12 laptops for US\$ 16,800. Purchased 26 laptops for US\$ 36,233. Purchase of the first 12 laptops is eligible and the cost of 14 laptops purchased subsequently is deemed ineligible. See calculation of ineligible amount in Annex II a.
5	████	P18C-DOW0436U	Office rent Kimayo April-May-18	3,000	885	The rent relates to the months of April and May 2018 (rent is \$1,500 per month for two offices). The UNOPS contract started on 19 April so only amount related to 19 April to 31 May 2018 is eligible. 18 days rent from 1 to 18 April 2018 are pre-contract period so ineligible ( $\$3,000/61 \text{ days total} * 18 \text{ days pre contract start} = \$885$ ).
████ total					<b>29,849</b>	

1	████████	DIRECT DEBIT	Program support Committee of Concerned Somalis CCS	16,000	2,464	Unspent advance to sub-partner claimed as expenditure. The unspent amount was refunded to ██████████, and was then spent by ██████████ on other activities without accounting for them separately within the project ledger. \$2,405 was not incurred before 30/09/2019, and \$59 was unsupported. ██████████ provided documentation to support the \$2,405 incurred after 30/09/2019.
2		8357928	Support to the Ministry of Justice(MOJ)	15,960	15,955	Unspent advance to sub-partner claimed as expenditure – expenses summary for the sub-IP MOJ confirms that the unspent balance as at 30 September 2019 was \$27,568. Supporting documents were provided to support \$8,327 incurred after the audit period, and \$19,241 was not spent and we understand was refunded to the main project bank account on 30 April 2020.
3		8357928	Support to the Ministry of Justice(MOJ)	13,127	11,317	
4		8357928	Support to the Ministry of Justice(MOJ)	12,870	295	
5		ACCRUED COST	Support to the NHRC & CCS on Sexual offences bill	16,973	6,014	
6		ACCRUED COST-J004	Director per diem 9 days to London	3,600	3,020	No travel documents provided as proof of travel for per diem payments made.
7		ACCRUED COST	Support to the NHRC- remandees in police stations	8,392	8,392	This cost was not incurred and no funds were transferred to NHRC. We understand from ██████████ that this amount has been reversed in their accounting ledger in the subsequent period.
8		ACCRUED COST	Contribution for medical insurance for director	4,000	4,000	The medical insurance contribution was accrued. The accrual was not used and we understand from ██████████ that it has been reversed in the accounting ledger in the subsequent period.
<b>██████████ total</b>					<b>51,457</b>	

1	██████████ ██████████	N/A	Transaction part of the PVU 31 & 37 - Advance to Abdiweli Heibh	3,000	3,000	No contract with contractor, no evidence of work performed and no evidence of payment.
2		N/A	Nairobi-Somalia Air Travel	3,250	3,250	No evidence of actual travel or the event having taken place. Only documents provided are travel agency invoices, travel requests and general mission reports (not prepared specifically by the individuals travelling).
3		PVU 31/A	Nairobi-Somalia Air Travel	7,180	7,180	No evidence of actual travel or the event having taken place. Only documents provided are travel agency invoices, travel requests, meeting minutes, an internally prepared breakdown of activities by dates and costs, and a general mission report. Travel dates on most agency invoices do not correspond to the meeting date (some a month in advance, some with arrival after the date of the workshop). There is insufficient evidence that the individuals shown on the agency invoices travelled (eg. flight tickets/boarding passes, signed participant lists, mission reports prepared by the individuals etc.).
4		PVU 39; PVU 039, PVU 033, PVU 40; and PVU 005	SAP ERP Software	45,210	4,406	SAP fees - only the amount actually paid should be claimed (there is an amount remaining unpaid as at today's date). Ineligible amount is the difference between amount which should have been claimed from the project (amount invoiced and paid * DFID approved allocation) and the amount actually claimed. See calculation of ineligible amount in Annex II b.
5		PVU 48 & 49	SA Special Risk & Medical Evacuation	14,779	4,614	The insurance contract covers days outside the project period. The difference between the amount which relates to the project period and the amount claimed is ineligible.
██████████ total					<b>22,450</b>	
<b>Total ineligible IP expenditure</b>					<b>103,756</b>	

### Annex III a. – Ineligible laptop purchases – [REDACTED]

Date	Transaction number	Item	Quantity purchased	Unit price in US\$	Total cost in US\$	Comments	Ineligible amount (US\$)
21-May-19	SOM-020235	Laptops - Lenovo, Core i5	6	1,299	7,795	Whole amount ineligible	7,795
21-May-19	SOM-020238	Laptops - Lenovo, Core i5	9	1,299	11,693	Only one item eligible (\$1,299)	10,394
21-May-19	SOM-020237	Laptops - Lenovo, Core i7	3	1,612	4,837	Whole amount eligible	-
3-Jul-18	P18C-RHY0591U	Laptops-Dollow	3	1,369	4,106	Whole amount eligible	-
2-Sep-18	P18C-RHY1003U	Lenovo Laptop T480	5	1,560	7,801	Whole amount eligible	-
<b>Total</b>			<b>26</b>		<b>36,232</b>		<b>18,189</b>

**Annex III b. – Ineligible SAP expenditure – [REDACTED]**

Description	Payment ref.	Payment date	Amount (US\$)
Payments in the reporting period (excl. license fees paid to SAP East Africa)	514138041826836	15/02/2019	11,850
	139863581804128	25/01/2019	17,217
	367372031989264	12/07/2019	5,142
<b>a) Total payments in reporting period</b>			<b>34,209</b>
b) = a) * 76.6% approved allocation to SSJP (in email from DFID) – amount that should have been claimed			26,204
c) Amount claimed (\$45,210 less license fees paid to SAP East Africa apportioned to SSJP \$14,600)			30,610
<b>d) = c-b Difference (ineligible)</b>			<b>4,406</b>