

**UNITED NATIONS DEVELOPMENT PROGRAMME  
Office of Audit and Investigations**



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UN WOMEN UGANDA**

**DEVELOPMENT OF THE UN JOINT PROGRAMME ON GENDER  
(Directly Implemented Project No. 69639)**

**Report No. 1590**

**Issue Date: 20 January 2016**

**Report on the Audit of UN Women Uganda  
Development of the UN Joint Programme on Gender (Project No. 69639)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG SA (the audit firm), from 20 October to 2 November 2015, conducted an audit of the Development of the UN Joint Programme on Gender (Project No. 69639) (the Project), which is directly implemented and managed by the UN Women Country Office in Uganda (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 includes expenditure for the period from 1 January to 31 December 2014 and the Statement of Assets as of 31 December 2014. The audit did not include expenditures processed and approved in locations outside of the country (such as the UN Women Regional Office 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	NFI** (in \$ '000)	Amount (in \$ '000)	Opinion	NFI (in \$ '000)
1,501	Unqualified	0	5	Adverse	5.8

\*Expenditures recorded in the Project Trial Balance were \$1,702,000. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UN Women offices outside of the country \$200,800.

\*\*NFI = Net Financial Impact

The auditors provided an adverse opinion on project assets as a result of an erroneous capitalization of one asset, which resulted in an understatement of approximately \$5,800 in the value of assets reported as of 31 December 2014. The Office's management reported that they have already taken corrective measures.

**Key recommendation:** Total = 1, high priority = 1

The recommendation aims to ensure the reliability and integrity of financial and operational information.

For the high (critical) priority recommendation, prompt action is required to ensure that UN Women is not exposed to high risks. Failure to take action could result in major negative consequences for UN Women. The high (critical) priority recommendation is presented below:

Incomplete fixed assets register (Issue 1)	For a leasehold improvement relating to the partitioning of office space, the Office had capitalized only the Value Added Tax component of the asset in the amount of \$1,041 instead of both the Value Added Tax and the actual asset cost amounting to \$6,823, which resulted in an understatement of \$5,782 of the total Statement of Assets and Equipment reported as at 31 December 2014.
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Recommendation: The Office should review all recorded costs in the fixed assets register and reconcile them with the supporting documentation at least on a monthly basis to avoid errors.

**Management comments and action plan**

The Country Representative of the Office accepted the recommendation and is in the process of implementing it. Comments and/or additional information provided have been incorporated into the report, where appropriate.



Helge S. Ostveiten  
Director  
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 00069639 “Development of the UN Joint  
Programme on Gender”

- Uganda -

For the year ended 31 December 2014



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## Executive Summary

KPMG Geneva conducted the financial audit of UN Women project number 00069639 “Development of the UN Joint Programme on Gender” (the project) for the period 1 January to 31 December 2014. 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:

<b>Project Trial Balance (PTB) Statement</b>	Unqualified
<b>Project Statement of Assets and Equipment</b>	Adverse

Findings as a result of our audit are provided in the management letter on page 8.

KPMG SA

Pierre-Henri Pingeon  
*Auditor in Charge*

Henri Mwaniki

Geneva, 18 January 2016



## **Audit Objectives and Scope**

The objective of the financial audit was to express an opinion on the Directly Implemented (DIM) project’s trial balance which includes:

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2014 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) is the mandatory and official Statement upon which the audit opinion should be expressed. Other forms of Statement of expenses that may be prepared by a project office are not accepted.
- Expressing an opinion on whether the Statement of fixed assets presents fairly the balance of assets of the UN Women project as at 31 December 2014. This Statement must include all assets available as at 31 December 2014 and not only those purchased in a given period. Where a DIM project does not have any assets or equipment, it will not be necessary to express such an opinion.

The scope of the audit relates only to transactions concluded and recorded against the UN Women DIM project, between 1 January and 31 December 2014. 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 such as UN Women Regional Offices and UN Women Headquarters and where 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: Office of Audit and Investigations (OAI), United Nations Development Programme (UNDP)

**Audited Project:** "Development of the UN Joint Programme on Gender"

**Period covered by the audited PTB Statement:** From 1 January 2014 to 31 December 2014

**Atlas Project Number to identify the PTB:** 00069639

**Location:** Uganda

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We have audited the accompanying Project Trial Balance (PTB) Statement of the UN Women project number 00069639 "Development of the UN Joint Programme on Gender" for the period 1 January to 31 December 2014. The PTB expenditures totalling \$1,702,322.58 are comprised of audited expenditures of \$1,501,522.77 under the Directly Implemented Modality (DIM) and expenditures processed and approved outside the UN Women Country office in Uganda of \$200,799.81, which were excluded from the scope of our audit.

### **Management's Responsibility for the Project Trial Balance Statement**

Management is responsible for the preparation of the PTB Statement for "Development of the UN Joint Programme on Gender" 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' Responsibility**

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation of the Statements 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 project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





**Opinion**

In our opinion, the attached Project Trial Balance (PTB) Statement presents fairly, in all material respects, the expenses of \$1,501,522.77 incurred by the project number 00069639 “Development of the UN Joint Programme on Gender” for the period 1 January to 31 December 2014 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.

KPMG SA

Pierre-Henri Pingeon  
*Auditor in Charge*

Henri Mwaniki

Geneva, 18 January 2016



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## **Independent Auditors' Report**

### **Statement of Assets and Equipment**

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

**Audited Project:** "Development of the UN Joint Programme on Gender"

**Period covered by the Statement of Assets and Equipment:** 1 January 2014 to 31 December 2014

**Atlas Project Number to identify the PTB:** 00069639

**Location:** Uganda

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We have audited the accompanying Statement of Assets and Equipment of the UN Women project number 00069639, "Development of the UN Joint Programme on Gender" as at 31 December 2014.

#### **Management's Responsibility for the Project Statement of Assets and Equipment**

Management is responsible for the preparation of the Statement for the "Development of the UN Joint Programme on Gender" 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' Responsibility**

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation of the Statements 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 project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the Statement.

#### **Basis for Adverse Opinion**

We noted that for a leasehold improvement relating to the partitioning of office space, management had capitalized only the Value Added Tax (VAT) component of the asset in the amount of \$1,040.81 instead of both the VAT and the actual asset cost of \$6,823.10. As a result of this error, the assets for the project were understated by \$5,782.29.



**Opinion**

In our opinion, based on the significance of the matter discussed in the paragraph above, the attached Statement of Assets and Equipment does not present fairly, in all material respects, the balance of inventory of the UN Women project number 00069639 “Development of the UN Joint Programme on Gender” amounting to \$5,338.73 as at 31 December 2014 in accordance with UN Women accounting policies.

KPMG SA

Pierre-Henri Pigeon  
*Auditor in Charge*

Henri Mwaniki

Geneva, 18 January 2016

## Management Letter

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

**Audited Project:** "Development of the UN Joint Programme on Gender"

**Period covered:** 1 January 2014 to 31 December 2014

**Atlas Project Number to identify the PTB:** 00069639

**Location:** Uganda

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

### Observation 1

- **Completeness of the fixed assets register**

During our review we noted that in regard to a leasehold improvement relating to the partitioning of office space, management had capitalized only the Value Added Tax (VAT) component of the asset in the amount of \$1,040.81 instead of both the VAT and the actual asset cost of \$6,823.10. As a result of this error, the assets for the project were understated by \$5,782.29.

There is a risk that controls over recording and review of fixed assets register may not be operating effectively.

- **Priority/Grading**

High.

- **Recommendation**

All costs recorded in the fixed assets register should be reviewed and reconciled to the supporting documentation at least on monthly basis to avoid errors.

- **Management Comment and Action Points**

Management has noted the issue.

This was already corrected on Journal Number 0006049737. All Value Added Tax (VAT) together with capital costs of all assets are capitalized since UN Women Uganda does not claim VAT from the Government. In addition, as part of the month end closure, the Office will monitor fixed assets costs and reconcile on a monthly basis.

KPMG SA



Pierre-Henri Pingeon  
*Auditor in Charge*



Henri Mwaniki

Geneva, 18 January 2016

Annex 1 : Project Trial Balance (PTB) Statement



United Nations Entity for Gender Equality  
and the Empowerment of Women

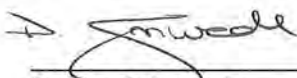
**Extract of UN Women Trial Balance as at the 31 December 2014.**

Expenditure by Project

Project	Account Number	Account Description	2014 Total Expense
69639	61305	Salaries - IP Staff	85,899.50
	61310	Post Adjustment - IP Staff	30,019.05
	62305	Dependency Allowances-IP Staff	5,858.04
	62310	Contrib to Jt Staff Pens Fd-IP	27,301.31
	62315	Contrib. to Medical, social In	2,099.77
	62320	Mobility, Hardship, Non-remova	9,669.96
	62340	Annual Leave Expense - IP	(1,001.42)
	63335	Home Leave Trvl & Allow-IP Stf	1,830.00
	63530	Contribution to EOS Benefits	4,346.96
	63535	Contribution to Security	4,636.74
	63540	Contribution to Training	1,159.18
	63545	Contribution to ICT	4,636.74
	63550	Contributions to MAIP	231.83
	63555	Contribution to UN JFA	2,086.56
	63560	Contributions to Appendix D	347.74
	64308	Appointments-Lump Sum	9,796.19
	65115	Contributions to ASHI Reserve	9,273.51
	65135	Payroll Mgt Cost Recovery ATLA	772.56
	71205	Intl Consultants-Sht Term-Tech	21,500.00
	71305	Local Consult.-Sht Term-Tech	151,122.36
	71405	Service Contracts-Individuals	210,193.70
	71410	MAIP Premium SC	621.90
	71415	Contribution to Security SC	6,840.87
	71440	Appendix D SC	4,975.15
	71505	UN Volunteers-Stipend & Allow	12,031.44
	71520	UNV-Language Allowance	1,199.14
	71535	UNV-Medical Insurance	873.84
	71540	UNV-Global Charges	971.92
	71550	UNV-Resettlement Allowance	1,002.58
	71590	UNV Development Effectiveness	1,607.90
	71605	Travel Tickets-International	37,613.04
	71610	Travel Tickets-Local	30,128.70
	71615	Daily Subsistence Allow-Intl	50,954.51
	71620	Daily Subsistence Allow-Local	32,992.68
	71630	Shipment	130.95
	71635	Travel - Other	18,628.36
	72135	Svc Co-Communications Service	836.65
	72311	Fuel, petroleum and other oils	2,189.78
	72315	Food & Textile Products	296.18
	72370	Security related goods and mat	1,263.32
	72399	Other Materials and Goods	3,169.87
	72420	Land Telephone Charges	5,202.49
	72425	Mobile Telephone Charges	11,609.79
	72435	E-mail-Subscription	927.56

Project	Account Number	Account Description	2014 Total Expense
	72440	Connectivity Charges	932.25
	72505	Stationery & other Office Supp	60,995.53
	72510	Publications	47,249.42
	72515	Print Media	9,495.49
	72520	Electronic Media	358.14
	72605	Grants to Instit & other Benef	24,281.59
	72705	Hospitality-Special Events	9,999.61
	72805	Acquis of Computer Hardware	18,432.48
	72815	Inform Technology Supplies	12,602.38
	73106	Leased premises alterations	300.62
	73107	Rent - Meeting Rooms	11,539.85
	73120	Utilities	7,713.96
	73125	Common Services-Premises	72,994.59
	73405	Rental & Maint-Other Office Eq	8,560.65
	73406	Maintenance of Equipment	1,201.30
	73410	Maint, Oper of Transport Equip	11,617.30
	74205	Audio Visual Productions	8,790.18
	74210	Printing and Publications	28,846.51
	74215	Promotional Materials and Dist	23,372.56
	74225	Other Media Costs	16,343.71
	74505	Insurance	2,135.63
	74510	Bank Charges	57.30
	74525	Sundry	436.56
	74965	Low value equipment	-
	75105	Facilities & Admin - Implement	5,413.18
	75115	Facilities & Admin - OH & Ind	(2,706.59)
	75705	Learning Costs	340,145.58
	75706	Learning - ticket costs	16,271.80
	75707	Learning ? subsistence allowan	88,796.90
	75709	Learning - training of counter	10,927.61
	75710	Participation of counterparts	1,047.62
	75711	TrnWrkshp&Conf - Stipends	37,454.30
	75712	TrnWrkshp&Conf - Honorariums	16,098.71
	76125	Realized Loss	4,077.22
	76135	Realized Gain	(3,145.85)
	77630	Dep Exp Owned - ITC	842.87
	77640	Dep Exp Owned - F&F	306.24
	77650	Dep Exp Owned - LHP	208.16
	77670	Dep Exp-Hvy Mac & Equip	478.32
<b>69639 Total</b>			<b>1,702,322.58</b>

I hereby certify that the Trial balance is extracted from UN Womens books and records, which has been audited by the United Nations Board of Audit for the year ended 31 December 2014.

  
 Donna Grimwade  
 Chief of Accounts

29/10/15  
 Date



Pierre-Henri Pingeon, Partner  
 KPMG SA, Geneva  
 18 January 2016



Henri Mwaniki, Senior Manager  
 KPMG SA, Geneva  
 18 January 2016

Annex 2: Statement of Assets and Equipment






United Nations Entity for Gender Equality  
and the Empowerment of Women


Extract of UN Women Trial Balance as at the 31 December 2014.


Project	Account	Account Description	Balance per the Trial Balance	Balance per Asset	
				Schedule	Difference
	69639	18130 Communications & IT Equipm	3,667.50		
		18140 Furnitures and Fixtures	2,449.93		
		18150 Leasehold Improvements	1,040.81		
		18170 Heavy Machinery/Equipment	2,391.64		
		18630 Accumulated Dep - ITC	(2,779.28)		
		18640 Acc Dep - Furn & Fixtures	(459.36)		
		18650 Acc Dep -Leasehold Imp	(294.89)		
		18670 Acc Dep Heavy Mac & Equip	(677.62)		
<b>69639 Total</b>			<b>5,338.73</b>	<b>5,338.73</b>	<b>-</b>

I hereby certify that the Trial balance is extracted from UN Womens books and records, which has been audited by the United Nations Board of Audit for the year ended 31 December 2014.

  
 Donna Grimwade  
 Chief of Accounts

Date 30-Oct-15

  
 Pierre-Henri Pigeon, Partner  
 KPMG SA, Geneva  
 18 January 2016

  
 Henri Mwaniki, Senior Manager  
 KPMG SA, Geneva  
 18 January 2016



United Nations Entity for Gender Equality  
and the Empowerment of Women

Asset Schedule by Project as at the 31 December 2014

Business Operating Unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location	Acquisition Date	In Service Date	Cost, USD	Net Book Value	Department	Donor	Project	Fund code	
UGA30	UGA	0000000000021	UNW_FURN1 A Desks	0000000000021			UGA-12	7/16/2013	7/16/2013	1271.19	1,032.84	1 93140	002001 11278	00069639	W3003	
UGA30	UGA	0000000000022	UNW_FURN7 A Conferencing	0000000000022			UGA-13	7/16/2013	7/16/2013	1178.74	957.73	1 93140	002001 11278	00069639	W3003	
UGA30	UGA	0000000000025	UNW_OFCE2 Air conditioner	0000000000025	311640001110		UGA-13	7/23/2013	8/14/2013	1195.82	857.01	1 93140	002001 11278	00069639	W3003	
UGA30	UGA	0000000000023	UNW_OFCE2 Air conditioner N Leasehold	0000000000023	311640001137		UGA-13	7/23/2013	8/14/2013	1195.82	857.01	1 93140	002001 11278	00069639	W3003	
UGA30	UGA	0000000000024	UNW_LIMP2 Improvement LP	0000000000024			UGANDA	7/19/2013	8/14/2013	1040.81	745.92	1 93140	002001 11278	00069639	W3003	
							DELL LCD PROJECT									
UGA30	UGA	0000000000030	UNW_ICT13 PROJECTOR	0000000000030	FHT34P1		UGA-03	1/24/2012	1/24/2012	1480	592.00	1 93140	002001 00012	00069639	W3000	
UGA30	UGA	0000000000026	UNW_ICT1 LAPTOP	0000000000026	8CW03N1		UGA-08	7/4/2011	8/1/2011	1093.75	159.50	1 93140	002001 00012	00069639	W3000	
UGA30	UGA	0000000000027	UNW_ICT1 LAPTOP	0000000000027	88WO3N1		UGA-20	7/4/2011	7/4/2011	1093.75	136.72	1 93140	002001 00012	00069639	W3000	
										5,338.73						

I hereby certify that the Asset Schedule is extracted from UN Womens books and records, which has been audited by the United Nations Board of Audit for the year ended 31 December 2014.

Donat Grimwade  
Chief of Accounts

Frankie Okumu  
Asset Focal Point

30-Oct-15  
Date

30-Oct-15  
Date

Pierre-Henri Pingeon, Partner  
KPMG SA, Geneva  
18 January 2016

Henri Mwaniki, Senior Manager  
KPMG SA, Geneva  
18 January 2016

Annex 3: Audit Findings Priority Ratings

The following categories of priorities are used:

- |                               |   |
|-------------------------------|---|
| <b>High<br/>(Critical)</b>    | Action is considered imperative to ensure that UN Women is not exposed to high risks. Failure to take action could result in major consequences and issues.   |
| <b>Medium<br/>(Important)</b> | Action is considered necessary to avoid exposure to significant risks. 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. 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. <b>Therefore, low priority recommendations are not included in the audit report.</b> |