



**AUDIT**

**OF**

**UN WOMEN COUNTRY OFFICE IN MALI**

**APPUI A LA PRISE EN CHARGE DES VICTIMES DE VIOLENCES BASEES SUR  
LE GENRE/ VIOLS ET REHABILITATION ECONOMIQUE DES FEMMES  
AFFECTEES PAR LE CONFLIT AU MALI  
(Directly Implemented Project No. 88743)**

**Report No. 1874**

**Issue Date: 1 September 2017**

**Report on the Audit of UN Women**  
**Appui à la prise en charge des victimes de violences basées sur le genre/viols et réhabilitation économique des femmes affectées par le conflit au Mali (Project No. 88743)**  
**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 *Appui à la prise en charge des victimes de violences basées sur le genre / viols et réhabilitation économique des femmes affectées par le conflit au Mali*, Project No. 88743 (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
896	Unqualified	7	Unqualified

\* Expenditures recorded in the Project Trial Balance were \$953,154. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UN Women offices outside of the country (\$56,772).

**Key recommendations:** Total = 2, high priority = 0

The audit did not result in any high (critical) priority recommendations. There are two medium (important) priority recommendations, 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." These recommendations include actions to address inadequate solicitation of procurement bids/quotations and inadequate safeguarding of assets.

The two recommendations aim to ensure compliance with legislative mandates, regulations and rules, policies and procedures (Recommendation 1) and safeguarding of assets (Recommendation 2).

**Management comments and action plan**

The Representative of the Office accepted both recommendations and is in the process of implementing them.

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

A handwritten signature in blue ink is enclosed in a black rectangular box. The signature appears to be 'Brett Simpson'.

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 00088743 “Appui à la prise en charge des victimes  
de violences basées sur le genre/ viols et réhabilitation  
économique des femmes affectées par le conflit au Mali”

- Mali -

For the year ended 31 December 2016



## TABLE OF CONTENTS

<b>Executive Summary</b>	<b>2</b>
<b>Audit Objectives and Scope</b>	<b>3</b>
<b>Independent Auditors' Report:</b>	
Project Trial Balance (PTB) Statement	4
Project Statement of Fixed Assets	6
<b>Management Letter</b>	<b>8</b>
<b>Annexes :</b>	
Annex 1: Project Trial Balance (PTB) Statement	10
Annex 2: Project Statement of Fixed Assets	12
Annex 3: Audit Findings Priority Ratings	14



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## Executive Summary

KPMG Geneva conducted the financial audit of UN Women project number 00088743 "Appui à la prise en charge des victimes de violences basées sur le genre/ viols et réhabilitation économique des femmes affectées par le conflit au Mali" (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:

<b>Project Trial Balance (PTB) Statement</b>	Unmodified
<b>Project Statement of Fixed Assets</b>	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 Pigeon  
*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:** "Appui à la prise en charge des victimes de violences basées sur le genre/ viols et réhabilitation économique des femmes affectées par le conflit au Mali"

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

**Atlas Project Number to identify the PTB:** 00088743

**Location:** Mali

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We have audited the accompanying Project Trial Balance (PTB) of the UN Women project number 00088743 "Appui à la prise en charge des victimes de violences basées sur le genre/ viols et réhabilitation économique des femmes affectées par le conflit au Mali" for the period 1 January to 31 December 2016.

The PTB expenditures totaling US\$ 953,154 is comprised of expenditure directly incurred by the UN Women Country Office in Mali for an amount of US\$ 896,382 and expenditures incurred by entities other than the Country Office for an amount of US\$ 56,772. Our audit only covered the expenditure directly incurred by the UN Women Country Office in Mali of US\$ 896,382.

### **Unmodified Opinion**

In our opinion, the attached Project Trial Balance (PTB) presents fairly, in all material respects, the expenses of US\$ 896,382 directly incurred by the UN Women Country Office in the 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:** "Appui à la prise en charge des victimes de violences basées sur le genre/ viols et réhabilitation économique des femmes affectées par le conflit au Mali"

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

**Atlas Project Number to identify the PTB:** 00088743

**Location:** Mali

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We have audited the accompanying Statement of Fixed Assets of the UN Women project number 00088743 "Appui à la prise en charge des victimes de violences basées sur le genre/ viols et réhabilitation économique des femmes affectées par le conflit au Mali" 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 00088743 with a Net Book Value of US\$ 6,805.59 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 Pingeon  
*Partner*

Henri Mwaniki

Geneva, 15 August 2017



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## Management Letter

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

**Audited Project:** “Appui à la prise en charge des victimes de violences basées sur le genre/ viols et réhabilitation économique des femmes affectées par le conflit au Mali”

**Period covered:** 1 January 2016 to 31 December 2016

**Atlas Project Number to identify the PTB:** 00088743

**Location:** Mali

We have raised the following findings 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. In conducting our review of project expenses we identified one instance 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	Description	XOF amount	USD amount
ML130-00002038-1-1-ACCR-DST	27.05.2016	72105	30% HONORAIRES CONSULTATION	5,134,200	8,874

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, through policies better adapted to the prevailing context.

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

**Observation 2**

- **Fixed Assets**

According to section 3.3 of the Assets management policy of UN Women, all assets valued at more than US\$ 1,000 should be tagged immediately upon receipt to facilitate oversight and control. From our verification of project assets, we noted that none of the assets observed had tag numbers, consequently we could not verify the accuracy of the of the tag numbers indicated in the statement of assets. None compliance with the policy requiring the immediate tagging of assets increases the risk of the misappropriation of assets.

- **Priority/Grading**

Medium

- **Recommendation**

Management should implement processes to ensure compliance with the requirements of the assets management policy and ensure that all assets are immediately tagged.

- **Management Comment and Action Points**

Agreed. The process of tagging all assets is ongoing. UNW recruited a dedicated Procurement Associate in 2016 who is tasked with tagging all assets.

Management will ensure the ongoing asset tagging exercise is completed before the end of 2017

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

Project	Account	Acc Desc	Donor report classification	Total per GL	Total Per Asset Schedule	Difference:
88743	18130	Communications & IT Equipments	Assets	7,779.33		
88743	18630	Accumulated Dep - ITC	Assets	(973.74)		
				<u>6,805.59</u>	<u>6,805.59</u>	<u>-</u>
88743	71305	Local Consult.-Sht Term-Tech	Expenses	11,351.00		
88743	71405	Service Contracts-Individuals	Expenses	25,860.23		
88743	71410	MAIP Premium SC	Expenses	83.99		
88743	71415	Contribution to Security SC	Expenses	923.87		
88743	71440	Appendix D SC	Expenses	671.91		
88743	71605	Travel Tickets-International	Expenses	65,485.44		
88743	71610	Travel Tickets-Local	Expenses	3,000.00		
88743	71615	Daily Subsistence Allow-Intl	Expenses	13,427.28		
88743	71620	Daily Subsistence Allow-Local	Expenses	4,394.34		
88743	71635	Travel - Other	Expenses	789.01		
88743	72105	Svc Co-Construction & Engineer	Expenses	44,280.78		
88743	72120	Svc Co-Trade and Business Serv	Expenses	5,398.18		
88743	72160	Svc Co-Education & Health Serv	Expenses	3,977.34		
88743	72205	Office Machinery	Expenses	29,916.36		
88743	72210	Machinery and Equipment	Expenses	6,443.44		
88743	72215	Transporation Equipment	Expenses	1,083.77		
88743	72220	Furniture	Expenses	22,950.83		
88743	72311	Fuel, petroleum and other oils	Expenses	3,371.87		
88743	72330	Medical Products	Expenses	50,763.96		
88743	72370	Security related goods and mat	Expenses	4,702.16		
88743	72399	Other Materials and Goods	Expenses	86.47		
88743	72402	Building Maintenance	Expenses	48,134.44		
88743	72405	Acqulsition of Communic Equip	Expenses	52,647.69		
88743	72410	Acquisition of Audio Visual Eq	Expenses	858.00		
88743	72445	Common Services-Communications	Expenses	926.60		
88743	72505	Stationery & other Office Supp	Expenses	1,229.09		
88743	72605	Grants to Instlt & other Benef	Expenses	3,067.61		
88743	72610	Micro Capital Grants-Credit	Expenses	44,936.20		
88743	72710	Hospitality-Vouchered Expenses	Expenses	1,649.12		
88743	72815	Inform Technology Supplies	Expenses	167.71		
88743	73104	Leased Building	Expenses	18,497.20		
88743	73107	Rent - Meeting Rooms	Expenses	3,195.49		
88743	73120	Utilities	Expenses	10,259.22		
88743	73125	Common Services-Premises	Expenses	3,596.11		
88743	73405	Rental & Maint-Other Office Eq	Expenses	900.08		
88743	73410	Malnt, Oper of Transport Equip	Expenses	8,940.98		
88743	73420	Leased Vehicles	Expenses	1,159.90		
88743	74105	Management and Reporting Srvs	Expenses	9,429.43		
88743	74110	Audit Fees	Expenses	40,410.27		
88743	74205	Audio Visual Productions	Expenses	25,576.71		
88743	74210	Printing and Publications	Expenses	6,820.02		
88743	74225	Other Media Costs	Expenses	14,131.87		
88743	75105	Facilities & Admin - Implement	Expenses	206,576.83		
88743	75705	Learning Costs	Expenses	1,654.13		
88743	75709	Learning - training of counter	Expenses	567.53		
88743	75710	Particlpaton of counterparts	Expenses	146,556.60		
88743	76125	Realized Loss	Expenses	1,633.93		
88743	77630	Dep Exp Owned - ITC	Expenses	669.47		
88743				<u>953,154.46</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 Grimwade  
Chief of Accounts

Date 16-May-17

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

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	
MLI30	MLI	154	UNW ICT13	A Cameras		154	2.22032E+11	MLI30	3/18/2015	3/18/2015	1,050.27	727.3	1	93355	2001	231	88743	W3000	
MLI30	MLI	315	UNW ICT1	A Notebook con		315	6R35N12	MLI30	7/23/2015	7/23/2015	1,558.50	1,090.95	1	93355	2001	231	88743	W3000	
MLI30	MLI	526	UNW ICT13	N Televisions		526	026R3KDH800007T	MLI30	6/29/2015	10/31/2015	1,303.41	1,249.10	1	93355	2001	231	88743	W3000	
MLI30	MLI	642	UNW ICT1	A Notebook con		642	67RZK2 / 1353096619	MLI30	11/8/2015	11/8/2015	1,289.05	1,246.08	1	93355	2001	231	88743	W3000	
MLI30	MLI	646	UNW ICT1	A Notebook con		646	38Q5LC2/409948590002	MLI30	11/8/2015	11/8/2015	1,289.05	1,246.08	1	93355	2001	231	88743	W3000	
MLI30	MLI	654	UNW ICT1	A Notebook con		654	B5RZK2/17763598514	MLI30	11/8/2015	11/8/2015	1,289.05	1,246.08	1	93355	2001	231	88743	W3000	
											7,779.33	6,805.59							

I hereby certify that the Assets 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 Grinwade  
Chief of Accounts

16-May-17  
Date

  
Frankline Okumu  
Asset Focal Point

16-May-17  
Date

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

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

**KPMG**  
INITIALED FOR IDENTIFICATION  
PURPOSES ONLY

### Annex 3: Audit Finding Priority Ratings

The following categories of priorities are used:

<b>High (Critical)</b>	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.
<b>Medium (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>