

**United Nations Entity for Gender Equality and the
Empowerment of Women
(UN Women)**

AUDIT REPORT

Report of the Independent Auditor on the
United Nations Entity for Gender Equality and the Empowerment of
Women (UN Women)

Directly Implemented (DIM) Project 103829:
“Sweden’s Support to UN Women’s Strategic Note in Liberia”

| | |
|--------------------------|--|
| Project name: | Sweden’s Support to UN Women’s Strategic Note in Liberia |
| Award ID: | 103829 |
| Country Office: | Liberia |
| Auditor: | Moore Stephens LLP |
| Period subject to audit: | 1 January to 31 December 2017 |

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1. EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of the UN Women Project “Sweden’s Support to UN Women’s Strategic Note in Liberia”, ID: 103829 (the project), directly implemented by the UN Women Country Office in Liberia for the year ended 31 December 2017. The audit was undertaken on behalf of UN Women’s Independent Evaluation and Audit Services (IEAS).

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

| | |
|--|------------|
| Project trial balance - statement of expenditures | Unmodified |
| Statement of fixed assets | Unmodified |

As a result of our audit, we have raised an audit finding with a net financial impact totalling US\$ 4,887, as summarised below:

Table 1.1 – Summary of audit results

| No. | Description | Priority | Net financial impact USD |
|--------------|---|----------|--------------------------|
| 1 | Expenditure not directly related to the project | Medium | 4,887 |
| Total | | | 4,887 |



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

20 September 2018

2. THE AUDIT ENGAGEMENT

Audit objectives and scope

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

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2017 and the funds utilization as at 31 December 2017 are fairly presented in accordance with UN Women's 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 at the Financial Management Section of the Management and Administration Division at the Headquarters is the mandatory and official statement upon which the audit opinion is expressed.
- 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 2017. This statement must include all assets available as at 31 December 2017 and not only those purchased in a given period. The statement of fixed assets as at 31 December 2017, certified by the UN Women Chief of Accounts at the Financial Management Section of the Management and Administration Division at the Headquarters, is the mandatory and official statement upon which the audit opinion is expressed. Where a DIM project does not have any assets or equipment, an opinion is not expressed.

The scope of the audit relates only to transactions concluded by the country office and recorded against the UN Women DIM project between 1 January and 31 December 2017. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of "responsible parties"¹, 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 expenditures initiated at other UN Women regional or country offices and UN Women Headquarters for which the supporting documentation is not retained at the level of the UN Women country office².

¹ Responsible Parties", (RPs) in the context of UN Women implemented projects, refers to governmental, NGO or CSO entities who have received funding through the respective UN Women country office to undertake specific elements of the project's activities. These activities are governed by a Project Cooperation Agreement, or similar, signed by the entity and UN Women, along with the associated budget. Expenditure incurred by these RPs is reported to the UN Women country office on a quarterly basis, where it is subject to review and approval prior to being recorded within the project's financial records. UN Women headquarters provide for such expenditure to be audited separately, with the individual projects and RPs selected on the basis of a risk assessment applied on a global level. While it is not certain that any or all of the RPs who reported expenditure on a project selected for a DIM audit will necessarily have been audited for the period under review, the provision for such audits, within the remit of the internal audit function of UN Women, means that the expenditure does not need to be included as part of the DIM project audit scope.

² The project financial records may include items which are not directly posted by the regional office, such as centrally managed payroll costs or year-end journals or allocations. Such transactions fall within the remit of UN Women's internal and external auditors, and are therefore not re-audited within the scope of the DIM project.

3. AUDIT OPINIONS

Independent auditor's report

Certified project trial balance - statement of expenditures

**Report of the independent auditor
to the Independent Evaluation and Audit Services of UN Women
for the UN Women Liberia directly implemented (DIM) project:**

**“Sweden’s Support to UN Women’s Strategic Note in Liberia”
(ID: 103829)**

Unmodified opinion

We have audited the accompanying project trial balance – statement of expenditures (PTB), “the statement” of the UN Women Liberia Directly Implemented (DIM) project 103829, “Sweden’s Support to UN Women’s Strategic Note in Liberia” for the period 1 January to 31 December 2017. The PTB expenditures totaling US\$ 1,159,437 comprise audited expenditures of US\$ 581,031 under the Directly Implemented Modality (DIM) and expenditure incurred by entities other than the country office in Liberia for an amount of US\$ 578,406³. Our audit only covered the expenditure directly incurred by the country office in Liberia of US\$ 581,031.

In our opinion, the attached project trial balance – statement of expenditures of the UN Women project presents fairly, in all material respects, the expenses of US\$ 581,031 incurred by the project ‘Sweden’s Support to UN Women’s Strategic Note in Liberia’ for the period from 1 January to 31 December 2017 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 this report.

We are independent of UN Women in accordance with the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without qualifying our opinion, we draw your attention to the financial finding, amounting to US\$ 4,887, as set out in the relevant section of our report, which represents an amount included in the project trial balance which, in our opinion, does not meet the criteria for funding under the contractual conditions.

This finding amounts to one per cent of the audited expenditure and is not considered material in the context of our audit.

³ The expenditure outside of the scope of the audit comprised the following:
Amounts processed by UN Women headquarters – US\$ 110,384 (primarily in respect of payroll and adjustments)
Amounts incurred by other UN agencies – US\$ 79,897
Amounts incurred by “responsible parties” – US\$ 388,125

Responsibilities of UN Women

Management is responsible for the preparation of the project trial balance for the project 'Sweden's Support to UN Women's Strategic Note in Liberia' and for such internal control as management determines is necessary to enable the preparation of a project trial balance that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the project trial balance

The scope of our audit is as set out in our terms of reference and includes obtaining reasonable assurance about whether the amount of project expenditure reported by the UN Women country office is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on that expenditure. 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 decisions of users taken on the basis of the reported project expenditure.

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 reported project expenditure, 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 partner's internal control.

We communicate with those charged with governance, 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.



Mark Henderson
Partner
Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

Date: 20 September 2018

Certification for statement of fixed assets

Unmodified opinion

We have audited the accompanying statement of fixed assets (“the statement”) of the UN Women project number 103829, ‘Sweden’s Support to UN Women’s Strategic Note in Liberia’ as at 31 December 2017.

In our opinion, the attached statement of fixed assets presents fairly, in all material respects, the balance of assets of the UN Women project ‘Sweden’s Support to UN Women’s Strategic Note in Liberia’ amounting to US\$ 9,985 as at 31 December 2017 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 section of this report.

We are independent of UN Women in accordance with the International Ethics Standards Board for Accountants’ (IESBA) Code of Ethics for Professional Accountants and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management responsibilities

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

Auditor’s 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 the statement of fixed assets.

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.



Mark Henderson
Partner
Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

Date: 20 September 2018

4. MANAGEMENT LETTER

The finding related to the audit of the project financial statements is discussed below:

4.1. Financial findings

| Financial finding 1 | |
|---------------------|---|
| Title: | Expenditure not directly related to the project |
| Priority: | Medium |
| Amount US\$: | 4,887 |

Description

The Article 1, Paragraph 1 of the agreement states that “the contribution made available by Sweden ... shall be used exclusively for the Programme”.

We noted that the UN Women Country Office reported some expenditure which did not directly relate to services provided to them or the project. Instead, the invoices supporting these transactions were addressed to UNESCO for services that had been delivered to them. The procurement process was also conducted by UNESCO and as a result the relevant procurement documents were not available at the country office.

The expenditures which we consider not to be for project purposes is detailed below:

| Transaction reference | Date | Description | Amount claimed (USD) |
|-----------------------------|-----------|-------------------------|----------------------|
| LBR30-00003439-1-1-ACCR-DST | 22-Dec-17 | Office Partitioning | 3,425 |
| LBR30-00003440-1-1-ACCR-DST | 22-Dec-17 | 4286- Shelves materials | 1,462 |
| Total | | | 4,887 |

Recommendation

The UN Women country office should ensure that only expenditure that has been incurred for an approved or intended purpose of the project is included in the project trial balance.

Management comments and action plan

In 2017, UN WOMEN was the administrative agency for the common premises (Saint Claire building) shared with two other United Nations agencies. As such, our office managed the contributions of the two other co-tenants (UNESCO & FAO) to the common budget. The contracts for the lease and other services for the premises were signed between UN WOMEN and various vendors for itself and on behalf of the co-tenants.

This was the situation with UNESCO. They gave us fund for common premises and shared services. However, by the end of the year in December 2017 when we produced the draft Common Service report for 2017, we had not spent all of the UNESCO contribution. This was because some of the actual costs were lower than the budgeted amounts due to the three co-tenants' (UNESCO, FAO and UN Women) decision to move from the Saint Claire building to another before the end of the year.

Therefore, rather than processing a potentially time-consuming refund, UNESCO asked our office instead to support them by processing payments to some of their vendors that were also active in our

2017 vendors list. The procurement was done according to UNESCO rules and we simply processed their direct payment requests to their vendors.

We have charged these two amounts to the strategic note project as the contribution of this project to the premises charges. The same as we have put throughout the year a portion of the operational costs to all active projects.

The rationale here was that, since we did not charge this project for operational cost but rather charged our core resources, it was deemed appropriate to do it at that point. The other option was to make reversals and return said funds back to our CORE resources. However, we decided not to make the reversals but just use said amount to pay UNESCO obligation and this would be considered as part of the 2017 common service contribution from the project.

Further auditor comments

In our view the accounting records should be an accurate reflection of the costs incurred to undertake the specified objectives of the project. Offsetting project costs with amounts owed to creditors means that the records are not sufficiently detailed in respect of the actual costs incurred, and the amount over-claimed from UNESCO should have been credited back to the project, with a corresponding refund processed.

4.2. Management control findings

No management control findings have been raised.

ANNEX I – PROJECT TRIAL BALANCE

Extract of UN Women Trial balance as at the 31 December 2017

Expenditure by Project

| Project | Fund | Account | Description | Expense Category | Total per GL (USD) | Total per Asset Schedule | Difference |
|---------|-------|---------|---------------------------------|-----------------------|---------------------|--------------------------|------------|
| 103829 | W3000 | 18130 | Communications & IT Equipments | Asset | 10 906,84 | | |
| 103829 | W3000 | 18630 | Accumulated Dep - ITC | Asset | (921,77) | | |
| | | | | Net Book Value | 9 985,07 | 9 985,07 | - |
| 103829 | W3000 | 71205 | Intl Consultants-Sht Term-Tech | Other Expenses | 140 372,00 | | |
| 103829 | W3000 | 71305 | Local Consult.-Sht Term-Tech | Other Expenses | 49 212,36 | | |
| 103829 | W3000 | 71405 | Service Contracts-Individuals | Other Expenses | 102 990,10 | | |
| 103829 | W3000 | 71410 | MAIP Premium SC | Other Expenses | 323,68 | | |
| 103829 | W3000 | 71415 | Contribution to Security SC | Other Expenses | 3 559,49 | | |
| 103829 | W3000 | 71440 | Appendix D SC | Other Expenses | 2 588,73 | | |
| 103829 | W3000 | 71505 | UN Volunteers-Stipend & Allow | Other Expenses | 2 551,15 | | |
| 103829 | W3000 | 71520 | UNV-Language Allowance | Other Expenses | 50,00 | | |
| 103829 | W3000 | 71525 | UNV-Hazard Pay | Other Expenses | 500,00 | | |
| 103829 | W3000 | 71535 | UNV-Medical Insurance | Other Expenses | 255,89 | | |
| 103829 | W3000 | 71540 | UNV-Global Charges | Other Expenses | 138,78 | | |
| 103829 | W3000 | 71545 | UNV-Home Leave Travel & Allowa | Other Expenses | 8,00 | | |
| 103829 | W3000 | 71550 | UNV-Resettlement Allowance | Other Expenses | 200,00 | | |
| 103829 | W3000 | 71590 | UNV Development Effectiveness | Other Expenses | 599,00 | | |
| 103829 | W3000 | 71605 | Travel Tickets-International | Other Expenses | 25 987,65 | | |
| 103829 | W3000 | 71615 | Daily Subsistence Allow-Intl | Other Expenses | 56 148,48 | | |
| 103829 | W3000 | 71620 | Daily Subsistence Allow-Local | Other Expenses | 45 951,82 | | |
| 103829 | W3000 | 71635 | Travel - Other | Other Expenses | 33 975,27 | | |
| 103829 | W3000 | 72105 | Svc Co-Construction & Engineer | Other Expenses | 52 114,17 | | |
| 103829 | W3000 | 72135 | Svc Co-Communications Service | Other Expenses | 2 500,00 | | |
| 103829 | W3000 | 72145 | Svc Co-Training and Educ Serv | Other Expenses | 155 098,25 | | |
| 103829 | W3000 | 72170 | Svc Co-Humanitarian Aid & Relif | Other Expenses | 1 000,00 | | |
| 103829 | W3000 | 72205 | Office Machinery | Other Expenses | 5 196,25 | | |
| 103829 | W3000 | 72215 | Transportation Equipment | Other Expenses | 1 600,00 | | |
| 103829 | W3000 | 72220 | Furniture | Other Expenses | 3 555,00 | | |
| 103829 | W3000 | 72399 | Other Materials and Goods | Other Expenses | 2 700,00 | | |
| 103829 | W3000 | 72405 | Acquisition of Communic Equip | Other Expenses | 1 200,00 | | |
| 103829 | W3000 | 72425 | Mobile Telephone Charges | Other Expenses | 4 076,69 | | |
| 103829 | W3000 | 72445 | Common Services-Communications | Other Expenses | 5 900,00 | | |
| 103829 | W3000 | 72505 | Stationery & other Office Supp | Other Expenses | 14 794,85 | | |
| 103829 | W3000 | 72705 | Hospitality-Special Events | Other Expenses | 425,00 | | |
| 103829 | W3000 | 72805 | Acquis of Computer Hardware | Other Expenses | 2 300,00 | | |
| 103829 | W3000 | 73107 | Rent - Meeting Rooms | Other Expenses | 8 590,73 | | |
| 103829 | W3000 | 73125 | Common Services-Premises | Other Expenses | 4 114,00 | | |
| 103829 | W3000 | 73410 | Maint, Oper of Transport Equip | Other Expenses | 25 790,18 | | |
| 103829 | W3000 | 74110 | Audit Fees | Other Expenses | 8 518,00 | | |
| 103829 | W3000 | 74210 | Printing and Publications | Other Expenses | 34 010,00 | | |
| 103829 | W3000 | 74510 | Bank Charges | Other Expenses | 250,00 | | |
| 103829 | W3000 | 75105 | Facilities & Admin - Implement | Other Expenses | 26 345,00 | | |
| 103829 | W3000 | 75115 | Facilities & Admin - OH & Ind | Other Expenses | 88 700,84 | | |
| 103829 | W3000 | 75705 | Learning costs | Other Expenses | 19 517,50 | | |
| 103829 | W3000 | 75709 | Learning - training of counter | Other Expenses | 89 175,00 | | |
| 103829 | W3000 | 75710 | Participation of counterparts | Other Expenses | 135 631,08 | | |
| 103829 | W3000 | 77630 | Dep Exp Owned - ITC | Other Expenses | 921,77 | | |
| | | | | Total Expenses | 1 159 436,71 | | |
| | | | | Project Total | 1 169 421,78 | | |

I hereby certify that the above figures are based on UN Womens unaudited Trial Balance for the period ended 31 December 2017 as at the 5th of April 2018.


Donna Grimwaite
Chief of Accounts

05-Apr-18

ANNEX II – STATEMENT OF FIXED ASSETS

AM In Service Report: Project 103829

As of Date: 31/12/2017

| Business unit | Operating Unit | Asset ID | Description | TAG Number | Serial Number | Model | Location | Acquisition Date | In Service Date | Cost,USD | Net Book Value |
|---------------|----------------|-------------|---------------------------|------------|---------------|-------|----------|------------------|-----------------|------------------|-----------------|
| LBR30 | LBR | 00000000395 | A Notebook computers | 5508091 | SN:J7Y9H2 | | LBR30 | 27/09/2017 | 27/09/2017 | 1 996,71 | 1 863,60 |
| LBR30 | LBR | 00000000397 | A Notebook computers | 5508080 | SN:3BY79H2 | | LBR30 | 27/09/2017 | 27/09/2017 | 1 996,71 | 1 863,60 |
| LBR30 | LBR | 00000000399 | A Notebook computers | 5508081 | SN:H8Y79H2 | | LBR30 | 27/09/2017 | 27/09/2017 | 1 996,71 | 1 863,60 |
| LBR30 | LBR | 00000000400 | A Notebook computers | 5508090 | SN:2KB89H2 | | LBR30 | 27/09/2017 | 27/09/2017 | 1 996,71 | 1 863,60 |
| LBR30 | LBR | 00000000404 | DELL Latutide LaptopE7270 | 5508072 | JZ3GQ92 | | LBR30 | 31/05/2017 | 31/05/2017 | 2 920,00 | 2 530,67 |
| | | | | | | | | | | 10 906,84 | 9 985,07 |

I hereby certify that this list details the assets per this project.


 Donna Grimwade
 Chief of Accounts

Date: 5 April 2018

ANNEX III – PRIORITIES OF AUDIT RECOMMENDATIONS

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

The following categories of priorities are used:

| | |
|---------------------------|--|
| High (critical) | 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. |
| 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. |