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Observation No: 9  
Audit area: Finance  
Issue title: Differences in budgeted amounts as per Annual work plan and Annual progress report

**Condition**

During the course of our audit we noted certain instances where budgeted amounts of expenditure reported in annual progress report were different from budgeted amounts of expenditure as per approved annual work plan. Detailed instances are as follows:

Project Output	Budgeted amount as per Annual progress report	Budgeted amount as per AWP	Difference Excess/ (Under)
	US\$		
Police Remuneration	549,613,520	542,283,091	7,330,429
CPD Remuneration	15,642,445	15,226,054	416,391
Electronic payroll system	510,000	910,000	(400,000)
Procurement of non-lethal equipments	2,247,650	6,247,560	3,999,910
Police infrastructure	2,209,132	5,555,951	(3,346,819)

**Criteria**

As per project document UNDP (LOTFA) Phase-VI UNDP will closely monitor the project in line with its Results Based Management principles, using relevant tools and technical assessments done by other projects and partners. The progress and quality of the deliverables being produced will be assessed based on the quality criteria established in the indicators, targets and benchmarks as per the planned schedule.

Furthermore, an annual project progress report will be produced with clear focus on the extent to which results were achieved against pre-defined annual targets at the output level.

**Cause**

Intentional overriding of internal controls and or human error

**Impact or risk**

Provision of inaccurate information to the stakeholders may result in reaching inaccurate decisions in respect of project activities.

**Recommendation**

We recommend that budgeted amounts in all activities as per approved Annual Work Plan should be reflected in Annual Progress Report to express and compare and achieve the desired outcomes defined therein. Moreover, we also recommend that all communication made with and reporting submitted to the stakeholders should highlight adequate and approved amounts to ensure consistency in financial figures.

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**Priority**

Medium

**Management comments**

The APR is reconciled with AWP pillar wise, will make sure to have it activity wise as well in the future.

**Responsible Manager**

**Expected Completion Date**