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**Observation No:** 19  
**Audit area:** Asset Management  
**Issue title:** Missing Assets/Inventory items

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### Condition

During the course of our physical verification of assets, we noted that some of the assets, which were appearing in Statement of Assets, were not physically present. Further, we noted an instance where electronic sound system was also missing. Upon our inquiry from the concerned staff member, we were given understanding that the same was issued for a marriage party of a staff member.

Detailed instances of missing assets are as follows;

Description	Code/Tag #	Date of purchase	Amount USD	Physical existence
Sound system Audionic	UNDP/LOTFA/ 03/92	11-Feb-11	130	×
Printer HP 3005N	UNDP/LOTFA/ 02/34	15-May-09	580	×
Dining table with 8 chairs	UNDP/LOTFA/ 02/46	01-Dec-2005	850	×

### Criteria

As per the requirements of UNDP procurement manual "*Country Offices and Headquarters Units are also required to ensure that adequate controls are in place, so that the non-expendable assets are properly maintained and safeguarded*".

### Cause

Lack of/or inadequate guidance/supervision at project level

### Impact or risk

Ineffective controls over management of assets may result in misappropriation of assets.

### Recommendation

We recommend that controls over management of assets should be properly implemented and instances of missing assets should be investigated along with the corrective actions.

### Priority

Medium

### Management comments

- Item 1: Point noted, warning letter to person in charge for asset is issued.
- Item 2: Printer was used at MoI Finance unit by EPS team during physical verification, the verification team did not visit MoI finance department.
- Item 3: In inventory list the item was recorded twice.