



AUDIT

OF

UNDP MOLDOVA

EUROPEAN UNION BORDER ASSISTANCE MISSION TO MOLDOVA AND UKRAINE
PHASE 8
(Directly Implemented Project No. 76882)

Report No. 1128
Issue Date: 5 February 2013

Report on the audit of UNDP Moldova - European Union Border Assistance Mission to Moldova and Ukraine Phase 8 (Project ID 76882)
Executive Summary

From 1 to 5 October 2012, the Office of Audit and Investigations (OAI) of the United Nations Development Programme, through KPMG, Slovakia (the audit firm), conducted an audit of European Union Border Assistance Mission to Moldova and Ukraine Phase 8, Project ID 76882 (the Project), which is directly implemented and managed by the UNDP Country Office in Moldova (the Office). The audit firm was under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

The Project reported expenditure totalling \$3.8 million during the period from 1 January to 31 December 2011. The Project was funded by the European Union.

Audit scope and objectives

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 Statement of Expenditure (Combined Delivery Report) for the period from 1 January to 31 December 2011 and Statement of Assets as of 31 December 2011.

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	NFI (in \$ '000)
3,767	Unqualified	704	Qualified	63

NFI = Net Financial Impact

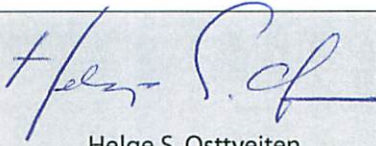
The audit firm qualified its opinion on project assets due to disposal of fixed assets amounting to \$63,000 which occurred in 2009 but were accounted for in the current period.

Key issues and recommendations

The audit raised two issues and resulted in two recommendations, both ranked medium (important) priority, meaning "Action is required to ensure that UNDP is not exposed to significant risks. Failure to take action could result in negative consequences for UNDP." These recommendations include actions to address missing submission to Contracts, Assets and Procurement Committee as well as deficiencies in disposal of fixed assets.

Management's comments

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



Helge S. Osttveiten
Director
Office of Audit and Investigations



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EXECUTIVE SUMMARY

TO THE CONTRACTING AUTHORITY

Director
Office of Audit and Investigations (OAI)
United Nations Development Programme
Daily News Building, 23rd Floor
220 East 42nd Street
New York, NY 10017, USA

17 December 2012

In accordance with the Terms of Reference dated 20 September 2012 and the Contract No. PS 2012/07 dated 20 September 2012 for audit services for the project ID 76882 that you agreed with us, we provide our Auditors' Report with respect to the accompanying Statement of Expenditures and Statement of Assets of the UNDP project the EUBAM 8 Project for the year ending 31 December 2011.

The field work was performed during the period October 2012 and was based on the review of the accounting records and reports of the Project maintained at the UNDP Country office in Moldova.

Objective

Our engagement was to perform financial audit and to express an opinion on the Project's Statement of Expenditures and Statement of Assets which include:

- Expressing an opinion on whether the Statement of Expenditures presents fairly in all material respects, the expenditure incurred by the project over a specified period in accordance with UNDP accounting policies and that the expenditures 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 UNDP; and (iv) supported by properly approved vouchers and other supporting documents; and
- Expressing an opinion on whether the Statement of Assets and equipment presents fairly in all material respects, the asset balance of the UNDP project as at 31 December 2011.



Standard and Ethics

Our engagement was undertaken in accordance with:

- International Standards on Auditing (ISA) as promulgated by the International Federation of Accountants (IFAC);
- The Code of Ethics for Professional Accountants issued by the IFAC.

Summaries of Findings

In summary, we have issued an unqualified opinion on the Statement of Expenditures and qualified opinion on Statement of Assets.

Our findings are summarized below and refer to internal control matters that came to our attention during the normal course of our audit which are also addressed to the management of the UNDP Country Office in Moldova in the Management Letter dated 30 November 2012:

Finding no	Issue Title	Priority
Finding no.1	Fixed assets disposals	Medium
Finding no.2	Missing CAP approvals	Medium

We look forward to discussing our report with you and would be pleased to provide any further information or assistance which may be required.

17 December 2012

Bratislava, Slovak Republic

**UNITED NATIONS
DEVELOPMENT PROGRAMME**

Independent Auditors' Report

**European Union Border Assistance Mission to
Moldova and Ukraine**
Statement of Expenditures and Statement of Assets
for the Period from 1 January 2011
to 31 December 2011

UNITED NATIONS DEVELOPMENT PROGRAMME

European Union Border Assistance Mission to Moldova and Ukraine

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Independent Auditors' Report – Statement of Expenditures

To the Office of Audit and Investigations of UNDP

We have audited the accompanying Statement of Expenditures of the United Nations Development Programme ("UNDP") project #76882 (Atlas ID 00048695), the European Union Border Assistance Mission to Moldova and Ukraine ("EUBAM") for the period from 1 January 2011 to 31 December 2011 and the summary of significant accounting policies and other explanatory information. The Statement of Expenditures has been prepared by management of UNDP in accordance with UNDP accounting policies.

Management's Responsibility for the Statement of Expenditures

Management is responsible for the preparation and fair presentation of this Statement of Expenditures in accordance with UNDP accounting policies, and for such internal control as management determines is necessary to enable the preparation of the Statement of Expenditures that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this Statement of Expenditures based on our audit. We conducted our audit in accordance with 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 of Expenditures is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement of Expenditures. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Statement of Expenditures, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the Statement of Expenditures 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 entity'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 overall presentation of the Statement of Expenditures.



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 Statement of Expenditures presents fairly, in all material respects, the expenditure of USD 3,767,464 incurred by the project for the period from 1 January 2011 to 31 December 2011 in accordance with the UNDP accounting.

Basis of Accounting and Restriction on Use and Distribution

Without modifying our opinion, we draw attention to note 1, the Basis of Presentation accompanying the Statement of Expenditures, which describes the basis of accounting. The Statement of Expenditures has been prepared to assist the entity to comply with the UNDP accounting policies referred to above. As a result, the Statement of Expenditures may not be suitable for another purpose.

KPMG SLOVAKIA

17 December 2012

Bratislava, Slovak Republic



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Independent Auditors' Report – Statement of Assets

To the Office of Audit and Investigations of UNDP

We have audited the accompanying Statement of Assets of the United Nations Development Programme ("UNDP") project #76882 (Atlas ID 00048695), the European Union Border Assistance Mission to Moldova and Ukraine ("EUBAM") for the period from 1 January 2011 to 31 December 2011 and the summary of significant accounting policies and other explanatory information. The Statement of Assets has been prepared by management of UNDP in accordance with UNDP accounting policies.

Management's Responsibility for the Statement of Assets

Management is responsible for the preparation and fair presentation of this Statement of Assets in accordance with UNDP accounting policies, and for such internal control as management determines is necessary to enable the preparation of the Statement of Assets that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this Statement of Assets based on our audit. We conducted our audit in accordance with 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 of Assets is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement of Assets. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Statement of Assets, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the Statement of Assets 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 entity'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 overall presentation of the Statement of Assets.



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

Basis for Qualified Opinion

The Company accounted for a disposal of fixed assets amounting to USD 62,681 in the current period. However, the disposal occurred in the financial year 2009. As a result, had the disposal of fixed assets been recorded in the correct period, the opening balance and the balance of disposals presented in the Statement of Assets for the current period would have been lower by USD 62,681.

Qualified Opinion

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the Statement of Assets presents fairly, in all material respects, the asset balance amounting to USD 704,184 as at 31 December 2011 in accordance with the UNDP accounting policies.

Basis of Accounting and Restriction on Use and Distribution

Without modifying our opinion, we draw attention to note 2, the Basis of Presentation accompanying the Statement of Assets, which describes the basis of accounting. The Statement of Assets has been prepared to assist the entity to comply with the UNDP accounting policies referred to above. As a result, the Statement of Assets may not be suitable for another purpose.

KPMG Slovakia

17 December 2012

Bratislava, Slovak Republic

UNITED NATIONS DEVELOPMENT PROGRAMME

European Union Border Assistance Mission to Moldova and Ukraine

STATEMENT OF EXPENDITURES AS AT 31 DECEMBER 2011 (in US dollars)



UN Development Programme
Report ID: ungl143p

Combined Delivery Report By Project

Page 1 of 3
Run Time: 21-03-2012 09:03:32

Selection Criteria :

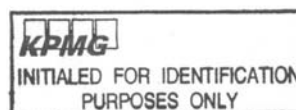
Business Unit : MDA10
Period : Jan-Dec (2011)
Selected Award Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Projects : 00076882

Award Id : 00048695 EUBAM5	Period : Jan-Dec (2011)
Project # : 00076882 EUBAM6	Impl. Partner : 99999 UNDP
	Location :

Dept: 56401 (Moldova Rep- Central)

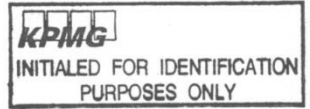
Fund : 30079 (EUROPEAN COMMISSION)

71205 - Intl Consultants-Sht Term-Tech	0.00	978,260.37	0.00	0.00	978,260.37
71305 - Local Consult.-Sht Term-Tech	0.00	483,615.36	0.00	0.00	483,615.36
71310 - Local Consult.-Short Term-Supp	0.00	4,181.77	0.00	0.00	4,181.77
71405 - Service Contracts-Individuals	0.00	43,747.81	0.00	0.00	43,747.81
71605 - Travel Tickets-International	0.00	39,016.12	0.00	0.00	39,016.12
71610 - Travel Tickets-Local	0.00	32,403.17	0.00	0.00	32,403.17
71615 - Daily Subsistence Allow-Intl	0.00	1,267,264.19	0.00	0.00	1,267,264.19
71620 - Daily Subsistence Allow-Local	0.00	192,691.24	0.00	0.00	192,691.24
71625 - Daily Subsist Allow-Mtg Partic	0.00	422.34	0.00	0.00	422.34
71635 - Travel - Other	0.00	4,890.93	0.00	0.00	4,890.93
72105 - Svc Co-Construction & Engineer	0.00	6,594.42	0.00	0.00	6,594.42
72120 - Svc Co-Trade and Business Serv	0.00	962.07	0.00	0.00	962.07
72145 - Svc Co-Training and Educ Serv	0.00	60,827.23	0.00	0.00	60,827.23
72205 - Office Machinery	0.00	2,955.15	0.00	0.00	2,955.15
72210 - Machinery and Equipment	0.00	4,464.93	0.00	0.00	4,464.93
72215 - Transportation Equipment	0.00	-41,759.49	0.00	0.00	-41,759.49
72220 - Furniture	0.00	5,586.77	0.00	567.30	6,154.07
72305 - Agri & Forestry Products	0.00	1,879.34	0.00	0.00	1,879.34
72350 - Medical Kits	0.00	1,909.53	0.00	-536.00	1,373.53
72370 - Security related goods and mat	0.00	20,975.22	0.00	0.00	20,975.22
72399 - Other Materials and Goods	0.00	1,485.10	0.00	0.00	1,485.10
72405 - Acquisition of Communic Equip	0.00	20,762.83	0.00	28,572.00	49,334.83
72410 - Acquisition of Audio Visual Eq	0.00	4,947.49	0.00	8,122.20	13,069.69
72420 - Land Telephone Charges	0.00	3,431.75	0.00	0.00	3,431.75
72425 - Mobile Telephone Charges	0.00	27,819.94	0.00	0.00	27,819.94
72430 - Postage and Pouch	0.00	217.02	0.00	0.00	217.02
72440 - Connectivity Charges	0.00	10,930.14	0.00	0.00	10,930.14
72505 - Stationery & other Office Supp	0.00	12,215.59	0.00	2,661.75	14,877.34
72510 - Publications	0.00	4,915.03	0.00	0.00	4,915.03
72805 - Acquis of Computer Hardware	0.00	12,914.14	0.00	0.00	12,914.14
72810 - Acquis of Computer Software	0.00	1,733.31	0.00	420.00	2,153.31
72815 - Inform Technology Supplies	0.00	15,450.77	0.00	3,760.00	19,210.77
73110 - Custodial & Cleaning Services	0.00	284.60	0.00	0.00	284.60
73120 - Utilities	0.00	4,854.50	0.00	0.00	4,854.50
73205 - Premises Alternations	0.00	4,381.21	0.00	0.00	4,381.21
73305 - Maint & Licensing of Hardware	0.00	706.75	0.00	0.00	706.75
73310 - Maint & Licencing of Software	0.00	862.13	0.00	0.00	862.13
73405 - Rental & Maint-Other Office Eq	0.00	292.29	0.00	0.00	292.29
73410 - Maint, Oper of Transport Equip	0.00	117,225.80	0.00	0.00	117,225.80
74210 - Printing and Publications	0.00	68,449.78	0.00	0.00	68,449.78
74215 - Promotional Materials and Dist	0.00	27,250.60	0.00	0.00	27,250.60
74230 - Audio & Visual Equipment	0.00	48.95	0.00	0.00	48.95
74510 - Bank Charges	0.00	3,537.53	0.00	4.50	3,542.03
74520 - Storage	0.00	1,723.74	0.00	0.00	1,723.74
74525 - Sundry	0.00	-801.59	0.00	0.00	-801.59
75105 - Facilities & Admin - Implement	0.00	243,611.61	0.00	0.00	243,611.61
75705 - Learning costs	0.00	23,638.27	0.00	0.00	23,638.27
76125 - Realized Loss	0.00	1,204.49	0.00	0.00	1,204.49
76135 - Realized Gain	0.00	-808.38	0.00	0.00	-808.38
Total for Fund 30079	0.00	3,724,173.86	0.00	43,571.75	3,767,745.61



UNITED NATIONS DEVELOPMENT PROGRAMME
European Union Border Assistance Mission to Moldova and Ukraine

STATEMENT OF EXPENDITURES
AS AT 31 DECEMBER 2011
(in US dollars)



UN Development Programme
 Report ID: ungl143p

Combined Delivery Report By Project

Page 2 of 3
 Run Time: 21-03-2012 09:03:32

Award Id : 00048695 EUBAM5		Period : Jan-Dec (2011)			
Project # : 00076882 EUBAM8		Impl. Partner : 99999 UNDP			
		Location :			
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
Total for Dept : 56401	0.00	3,724,173.86	0.00	43,571.75	3,767,745.61
Dept: 56410 (Moldova Rep- Finance)					
Fund : 30079 (EUROPEAN COMMISSION)					
74215 - Promotional Materials and Dist	0.00	- 262.75	0.00	0.00	- 262.75
75105 - Facilities & Admin - Implement	0.00	- 18.39	0.00	0.00	- 18.39
Total for Fund 30079	0.00	- 281.14	0.00	0.00	- 281.14
Total for Dept : 56410	0.00	- 281.14	0.00	0.00	- 281.14
Total for Project : 00076882	0.00	3,723,892.72	0.00	0.00	3,767,464.47
Award Total :	0.00	3,723,892.72	0.00	0.00	3,767,464.47

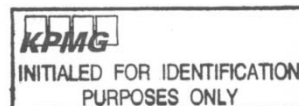
Signed By :

[Signature]

Date :

23.03.2012

UNITED NATIONS DEVELOPMENT PROGRAMME
European Union Border Assistance Mission to Moldova and Ukraine



STATEMENT OF EXPENDITURES
AS AT 31 DECEMBER 2011
(in US dollars)



UN Development Programme
 Report ID: ungl143p

Combined Delivery Report By Project

Page 3 of 3
 Run Time: 21-03-2012 09:03:34

Selection Criteria :

Business Unit : MDA10
 Period : Jan-Dec (2011)
 Selected Award Id : ALL
 Selected Fund Code : ALL
 Selected Dept. IDs : ALL
 Selected Projects : 00076882

Award Id : 00048695 EUBAM5		Period :		Jan-Dec (2011)	
Project # : EUBAM8		Impl. Partner :		None	
		Location :			
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
56401 - Moldova Rep- Central	0.00	3,724,173.86	0.00	43,571.75	3,767,745.61
56410 - Moldova Rep- Finance	0.00	-281.14	0.00	0.00	-281.14

UNITED NATIONS DEVELOPMENT PROGRAMME
European Union Border Assistance Mission to Moldova and Ukraine

STATEMENT OF ASSETS
AS AT 31 DECEMBER 2011
(in US dollars)

Movement of EUBAM's Capital and Non-Capital Assets is as follows:

Opening balance	862 715
Acquisitions during the year	97 470
Disposals	(221 778)
Adjustments	<u>(34 223)</u>
Closing balance	<u>704 184</u>

UNITED NATIONS DEVELOPMENT PROGRAMME
European Union Border Assistance Mission to Moldova and Ukraine

**BASIS OF PRESENTATION FOR THE STATEMENTS OF EXPENDITURES AND
ASSETS FOR THE PERIOD FROM 1 JANUARY 2011 TO 31 DECEMBER 2011**
(in US dollars)

1. STATEMENT OF EXPENDITURES

The Statement of Expenditures is prepared on the cash basis of accounting. The expenditures are recorded on the basis that they are made: (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 UNDP; and (iv) supported by properly approved vouchers and other supporting documents.

The reporting currency is United States dollars ("USD"). Transactions in other currencies are converted to US dollars at the exchange rate established by United Nations at the date of the transaction. The resulting foreign exchange gain/losses are recorded separately in the Statement of Expenditures.

2. STATEMENT OF ASSETS

The management of assets includes all actions necessary for the acquisitions and receipt, custody, maintenance and disposal of non-expendable assets which are controlled and safeguard by UNDP.

Complete and accurate records from acquisition to disposal are maintained for all assets in the Atlas Assets Module under the classification of "capital assets" or "non-capital assets".

Atlas is used to record all items assigned to a staff member, or custodian of the item; update to the asset status is performed when the item is returned, disposed of, or reassigned to another staff member.

For UNDP purposes a capital asset is an item with a minimum life expectancy of three or more years and with a value of USD 1,000 or more.

Cameras, cell phones, projectors and all other items issued to individuals, valued at less than USD 1,000 must be recorded as "non-capital assets" in the Atlas Assets Module.

All project equipment, supplies and other property financed or provided by UNDP belong to UNDP until and unless at such time as its ownership is transferred to a government or an entity designated by UNDP.

Assets are entered on the Statement of Assets at the date of delivery, i.e. when they are in possession of UNDP, and this date may be different from the actual date of purchase, i.e. cash payment, which is mentioned in the Assets Ledger.

The Annual Statement of Assets is comprised of the following:

- In service assets balance (prior year acquisitions) in US Dollars;
- Plus the value of the acquisitions made during the current year in US Dollars;
- Less the value of disposals made during the current year in US Dollars.

UNDP's accounting policy does not depreciate or amortize assets. The value of an item disposed from the Statement of Assets is the same as the original purchase cost.

BU	Over Link	Profile ID (Phase select)	Tag No.	Serial ID	Description	Location (physical)	Custodian Name	Acquisition Date	Quantity (should always be 1)	Acquisition Cost	Currency (Should Always be USD)	Fund Code	Impl Ag	Donor	Project ID	Dept ID	Activity
MDA10	MDA	Furniture and fittings	EUBAM/UNDP/2008/155	n/a	Wardrobe, clothes 400x500x2000 (13 pcs)	MDA-EUBAM02	DURMEIER	1-Feb-08	1	1,322.09 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Heavy Machinery	EUBAM/UNDP/0000265	TE021211	Safe BS-1 900	MDA-EUBAM02	DURMEIER	25-Jul-07	1	1,382.02 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Heavy Machinery	EUBAM/UNDP/2008/209	E&EC-1010007	Power Generator "HONDA" EP5500CCS	MDA-EUBAM03	MROWIEC	12-Feb-08	1	1,455.62 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Heavy Machinery	EUBAM/UNDP/2008/210	E&EC-1016008	Power Generator "HONDA" EP5500CCS	MDA-EUBAM01	IOGI	12-Feb-08	1	1,455.62 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000069	YSP6021561	Netbook Fujitsu Siemens (AMLO PRO V28)	MDA-EUBAM10	NEAGU	27-Nov-05	1	1,569.64 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000070	YSP6021572	Netbook Fujitsu Siemens (AMLO PRO V28)	MDA-EUBAM02	DURMEIER	27-Nov-05	1	1,569.64 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000077	YSP6021581	Netbook Fujitsu Siemens (AMLO PRO V28)	MDA-EUBAM01	STOCK	27-Nov-05	1	1,569.64 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000077	YSP6021580	Netbook Fujitsu Siemens (AMLO PRO V28)	MDA-EUBAM10	NEAGU	27-Nov-05	1	1,569.64 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000088	YSP6021553	Netbook Fujitsu Siemens (AMLO PRO V28)	MDA-EUBAM08	MD RGS	27-Nov-05	1	1,569.64 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000092	YSP6021552	Netbook Fujitsu Siemens (AMLO PRO V28)	MDA-EUBAM08	MD RGS	27-Nov-05	1	1,569.64 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000093	YSP6021548	Netbook Fujitsu Siemens (AMLO PRO V28)	MDA-EUBAM02	DURMEIER	27-Nov-05	1	1,569.64 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000095	YSP6021564	Netbook Fujitsu Siemens (AMLO PRO V28)	MDA-EUBAM02	DURMEIER	27-Nov-05	1	1,569.64 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000109	449139759092244	Security Phone STEWIEE 335	MDA-EUBAM06	STOCK	28-Nov-05	1	4,393.04 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000356	27021	Night Vision Monocular/bag DEBAL45	MDA-EUBAM01	IOGI	3-May-06	1	2,043.65 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000358	27020	Night Vision Monocular/bag DEBAL45	MDA-EUBAM03	MROWIEC	3-May-06	1	2,043.65 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000445	CNORJ272016664KOHIM	Netbook Dell Latitude 120L	MDA-EUBAM03	MROWIEC	16-Jun-06	1	1,594.82 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000446	CNORJ272016664KOHG	Netbook Dell Latitude 120L	MDA-EUBAM02	TURCAN	16-Jun-06	1	1,594.82 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000447	CNORJ272016664KOHG	Netbook Dell Latitude 120L	MDA-EUBAM01	IOGI	16-Jun-06	1	1,594.82 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000448	CNORJ272016664KOHH	Netbook Dell Latitude 120L	MDA-EUBAM02	DURMEIER	16-Jun-06	1	1,594.82 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000523	1630756357	Digital Photo Camera CANON Macro cover 9199001Extension Tube EF 25 II,	MDA-EUBAM03	MROWIEC	6-Jul-06	1	1,036.65 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000524	1630760215	Digital Photo Camera CANON, Macro cover 9199001Extension Tube EF 25 II,	MDA-EUBAM01	IOGI	6-Jul-06	1	1,036.65 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000573	28598	Night Vision Monocular/bag DEBAL45	MDA-EUBAM06	STOCK	16-Jul-06	1	2,051.79 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000582	4931917	Acceffionner DAKIN TRX230	MDA-EUBAM01	IOGI	17-May-06	1	1,308.55 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000583	4921273	Acceffionner DAKIN TRX520VWV	MDA-EUBAM08	MD RGS	25-May-06	1	1,242.18 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000584	E000420	Acceffionner DAKIN TRX520C	MDA-EUBAM03	MROWIEC	22-Jun-06	1	1,219.69 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000585	E002234	Acceffionner DAKIN TRX520C	MDA-EUBAM03	MROWIEC	22-Jun-06	1	1,219.69 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000615	2006	Gas Boiler VAILLANT (system)	MDA-EUBAM03	MROWIEC	10-Jul-06	1	1,612.87 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000656	CNORJ272016666A030N	Netbook Dell Latitude 120L	MDA-EUBAM01	NEAGU	4-Sep-06	1	1,612.48 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000658	CNORJ272016666A03T1	Netbook Dell Latitude 120L	MDA-EUBAM10	NEAGU	4-Sep-06	1	1,612.48 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000700	CNORJ272016666A0399	Netbook Dell Latitude 120L	MDA-EUBAM01	STOCK	4-Sep-06	1	1,612.48 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000701	CN-ORJ272016666A0310	Netbook Dell Latitude 120L	MDA-EUBAM02	VITUC	4-Sep-06	1	1,612.48 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000703	CNORJ272016666A01T4	Netbook Dell Latitude 120L	MDA-EUBAM10	NEAGU	4-Sep-06	1	1,612.48 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000851	P69NIN0795900305	Multimedia projector Kindermann KX016	MDA-EUBAM02	DURMEIER	1-Feb-07	1	1,356.20 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000863	9PN2IC1	Netbook Dell Latitude D820	MDA-EUBAM05	PAYUCOVA	30-Jan-07	1	2,220.89 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000863	4PN2IC1	Netbook Dell Latitude D820	MDA-EUBAM02	DURMEIER	30-Jan-07	1	2,220.89 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000871	8G75IC1	Netbook Dell Latitude D820	MDA-EUBAM02	DURMEIER	30-Jan-07	1	2,047.71 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000871	9G75IC1	Netbook Dell Latitude D820	MDA-EUBAM04	SPRINGS	30-Jan-07	1	2,047.71 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0000935	MY7BH116T	Printer HP Color Laser Jet 2840 All-in-One	MDA-EUBAM02	DURMEIER	31-Jan-07	1	1,090.83 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0001033	617712	AVIUM GSM Monitoring Base terminal with key ABXMM 20136	MDA-EUBAM06	STOCK	14-Nov-07	1	1,308.76 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0001034	617713	AVIUM GSM Monitoring Base terminal with key ABXMM 20136	MDA-EUBAM06	STOCK	14-Nov-07	1	1,308.76 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0001035	617714	AVIUM GSM Monitoring Base terminal with key ABXMM 20136	MDA-EUBAM06	STOCK	14-Nov-07	1	1,308.76 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0001056	PI134C007	Dedbitillator	MDA-EUBAM02	DURMEIER	14-Mar-08	1	2,122.89 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0001059	PI133B093	Dedbitillator	MDA-EUBAM03	MROWIEC	14-Mar-08	1	2,122.89 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0001073	CNUNM446129617BQ6270	Netbook Dell Latitude D820	MDA-EUBAM03	MROWIEC	14-Mar-08	1	1,656.19 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0001074	CNUNM446129617BQ6275	Netbook Dell Latitude D820	MDA-EUBAM03	MROWIEC	14-Mar-08	1	1,656.19 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0001092	CN-UB042-701667B6C0194	Netbook Dell XPS M1330	MDA-EUBAM03	DURMEIER	14-Mar-08	1	2,208.31 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0001098	OGN098710107A70188	Dell server PowerEdge 1300	MDA-EUBAM02	DURMEIER	14-Mar-08	1	1,319.29 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0001098	IS0722011241	Smart UPS XL 3000VA	MDA-EUBAM02	DURMEIER	14-Mar-08	1	1,656.19 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0001126	CN-OWM416-12961-7BQ-6243	Netbook Dell Latitude D630	MDA-EUBAM02	DURMEIER	14-Mar-08	1	1,656.19 USD		30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/UNDP/0001127	CN-OWM416-12961-7BQ-6261	Netbook Dell Latitude D630	MDA-EUBAM12	MROWIEC	14-Mar-08	1	1,656.19 USD		30079	001981	10159	00080406	56401	3

MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/0001128	CN-0WMA16-12961-78G-6272	Notebook Dell Latitude D630	MDAEUBAM02	DURMEIER	14-Mar-08	1	1,655.19 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/0001129	CN-0WMA16-12961-78G-6264	Notebook Dell Latitude D630	MDAEUBAM11	JOGI	14-Mar-08	1	1,655.19 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/0001130	CN-0WMA16-12961-78G-6271	Notebook Dell Latitude D630	MDAEUBAM01	JOGI	14-Mar-08	1	1,655.19 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/0001161	3835401862	MFL XEROX WC M201	MDAEUBAM04	SARGINS	10-Apr-08	1	1,142.90 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/0001172	CNOH33846637AG2245	Notebook Dell 830	MDAEUBAM02	TALCAN	27-Dec-07	1	1,209.24 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/0001173	CNOH33846637AG2408	Notebook Dell 830	MDAEUBAM03	MROWIEC	27-Dec-07	1	1,209.24 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/0001176	CNOH33846637AG2259	Notebook Dell 830	MDAEUBAM01	JOGI	27-Dec-07	1	1,209.24 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2008/268	J14VWVG1	Server DELL PowerEdge Dual Core Xeon 5110	MDAEUBAM01	JOGI	7-Aug-08	1	2,824.52 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2008/269	F14VWVG1	Server DELL PowerEdge Dual Core Xeon 5111	MDAEUBAM03	MROWIEC	7-Aug-08	1	2,824.52 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2008/270	G14VWVG1	Server DELL PowerEdge Dual Core Xeon 5111	MDAEUBAM02	DURMEIER	7-Aug-08	1	2,824.52 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2009/150	SCZC9383WDN	Notebook HP 6930p with docking station & case	MDAEUBAM01	JOGI	11-Jun-09	1	2,191.38 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2009/152	SCZC9383WDH	Notebook HP 6930p with docking station & case	MDAEUBAM03	MROWIEC	11-Jun-09	1	2,191.38 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2009/154	SCZC9383WDL	Notebook HP 6930p with docking station & case	MDAEUBAM02	DURMEIER	11-Jun-09	1	2,191.38 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2010/016	CZC0025NFC	Notebook HP 6930p with docking station & case	MDAEUBAM06	BELCOV	17-Feb-10	1	2,150.00 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2010/130	J5100804548	AFC Smart UPS XL 3000VA 230V (Tower150)	MDAEUBAM01	JOGI	11-Aug-10	1	1,551.00 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2010/173	3963237514	Printer XEROX Phaser 3635 MFP/X	MDAEUBAM02	DURMEIER	14-Dec-10	1	1,299.58 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2010/217	CND0601QIT	Notebook HP Elitebook 8540p with docking station	MDAEUBAM06	BABI	24-Feb-11	1	1,530.00 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2010/230	CND0601VW7	Notebook HP Elitebook 8540p with docking station	MDAEUBAM10	NEGU	24-Feb-11	1	1,530.00 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2010/244	4P26V4I	Desktop Dell Optiplex 980MT Mini tower	MDAEUBAM02	DURMEIER	23-Dec-10	1	1,039.58 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2010/245	CN26V4I	Desktop DELL Optiplex 980MT Mini tower	MDAEUBAM01	JOGI	23-Dec-10	1	1,039.58 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2010/246	BN26V4I	Desktop DELL Optiplex 980MT Mini tower	MDAEUBAM03	MROWIEC	23-Dec-10	1	1,039.58 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2011/105	3QW1J51	Desktop Dell Optiplex 990MT + 2011/113	MDAEUBAM11	JOGI	3-Jun-11	1	1,292.77 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2011/106	7QW1J51	Desktop Dell Optiplex 990MT + 2011/114	MDAEUBAM03	MROWIEC	3-Jun-11	1	1,292.77 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2011/108	4QW1J51	Desktop Dell Optiplex 990MT + 2011/116	MDAEUBAM05	PAVOVA	3-Jun-11	1	1,292.77 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2011/132	3963264835	Printer XEROX Phaser 3635 MFP/X	MDAEUBAM06	BABI	22-Mar-11	1	1,700.00 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2008/212	SALFA28B08H101473	Land Rover, Freelander TD4	MDAEUBAM06	BABI	10-May-07	1	29,522.25 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2008/213	SALFA28B48H101475	Land Rover, Freelander2, 2.7TD4 2008	MDAEUBAM01	JOGI	24-Jun-08	1	36,508.49 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2008/214	SALFA28B18H101420	Land Rover, Freelander2, 2.7TD4 2008	MDAEUBAM01	JOGI	24-Jun-08	1	36,508.49 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2008/215	SALFA28B18H101465	Land Rover, Freelander2, 2.7TD4 2008	MDAEUBAM01	JOGI	24-Jun-08	1	36,508.49 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2008/216	SALFA28B08H101456	Land Rover, Freelander2, 2.7TD4 2008	MDAEUBAM03	MROWIEC	24-Jun-08	1	36,508.49 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2008/217	SALFA28B48H101450	Land Rover, Freelander2, 2.7TD4 2008	MDAEUBAM03	MROWIEC	24-Jun-08	1	36,508.49 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2009/354	SALFA2DB3AH169066	Land Rover, Freelander2, 2.7TD4 2009	MDAEUBAM04	SARGINS	16-Dec-09	1	31,901.01 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2010/040	SALFA2DB0AH179277	Land Rover, Freelander2, 2.7 TD4	MDAEUBAM02	TALCAN	24-Nov-09	1	35,207.48 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2010/051	SALDHMSBAH791479	Land Rover, Defender 110 Station Wagon 2.4L	MDAEUBAM03	MROWIEC	5-Apr-10	1	33,880.02 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2010/052	SALDHMSBAH792036	Land Rover, Defender 110 Station Wagon 2.4L	MDAEUBAM01	JOGI	5-Apr-10	1	33,880.02 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2010/053	SALFA2DB5AH179307	Land Rover, Freelander2, 2.7TD4 2010	MDAEUBAM03	MROWIEC	5-Apr-10	1	36,536.13 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Information and telecom ICT	EUBAM/JNDP/2010/054	SALFA2DBBAH179320	Land Rover, Freelander2, 2.7TD4 2010	MDAEUBAM02	DURMEIER	5-Apr-10	1	36,636.13 USD	30079	001981	10159	00080406	56401	3

MDA10	MDA	Vehicles	EURAM/UNDP/2010/055	SALEA2087AH179356	Land Rover, Freelander2, 2TD4 2010	MDAEURAM02	DURMEER	05-Apr-10	1	36,536.13 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Vehicles	EURAM/UNDP/2010/056	SALEA2089AH179360	Land Rover, Freelander2, 2TD4 2010	MDAEURAM02	DURMEER	05-Apr-10	1	36,536.13 USD	30079	001981	10159	00080406	56401	3
MDA10	MDA	Vehicles	EURAM/UNDP/2011/318	SALEA8G5A455510	Land Rover, Freelander 2.5 V6	MDAEURAM05	BABII	24-May-11	1	42,894.15 USD	30079	001981	10159	00080406	56401	3

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United Nations Development Programme

Project No.76882

Management Letter 2011

30 November 2012





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Director, UNDP Office of Audit and Investigations
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New York, NY 10017,
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30 November 2012

Dear Director,

We have recently completed our fieldwork for the final audit for the year ending 31 December 2011 of the EUBAM 8 Project (Moldova), ATLAS project ID 76882 executed by UNDP Moldova.

The purpose of this letter is to bring to your attention certain matters which were encountered in the course of our work and to offer our comments and recommendations. These comments, by their nature, are critical as they relate solely to weaknesses and do not address the many strong features and controls within the companies systems.

The primary purpose of our examination was expressing an opinion on the Statement of Expenditures and Assets position of the project.

We performed our procedures on the project Combined Delivery Report only to the extent as required by International Standards on Auditing. Our evaluation with respect to these financial systems was not designed to specifically audit internal controls. Such procedures would not necessarily disclose all weaknesses in the systems.

To facilitate your review and follow up, detailed information relating to the major findings is presented on the following pages.

The contents of this letter have been discussed with the responsible management personnel and apply to the controls and procedures in existence during our examination. We have not updated these items since 19 October 2012.

We would be pleased to discuss our comments and recommendations with you and to assist you with their implementation.

We would also like to acknowledge the co-operation and assistance extended to us by the personnel of the companies during the course of our work.

Very truly yours,

Quentin Crossley

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Glossary of terms

CAP	Contracts, Assets and Procurement Committee
CDR	Combined Delivery Report
RACP	Regional Advisory Committee on Procurement
VAT	Value Added Tax

Observation 1

Missing CAP approvals

Observation 1

Missing CAP approvals

Condition:

During our testing we identified one instance of missing CAP committee submission which is a departure from UNDP rules. We have identified one vendor – DAAC HERMES to whom payments exceeded USD 30 thousand, without a CAP submission.

Criteria:

UNDP offices should track the total amounts paid to individual vendors. In the case that the amounts are approaching the threshold, either USD 30 thousand for CAP or USD 100 thousand for RACP, respective submissions should be performed and documented.

Cause:

Human error.

Effect, potential impact or risk:

Late approvals create post facto commitments which are not received prior to approval in accordance with UNDP guidelines.

Priority:

Medium

Recommendation:

We recommend the cumulative amounts of payments made to significant vendors are tracked and reviewed on a regular basis. By this review the UNDP office will ensure that CAP or RACP submissions will be performed in accordance with UNDP's procurement policies and procedures.

Observation 1

Missing CAP approvals

Management comments:

UNDP Moldova and EUBAM has put in place efficient tools for the overall monitoring of thresholds (monthly reports and analysis). POs amounting to less than 30,000 USD are raised and approved entirely within EUBAM by staff exercising the respective roles in ATLAS. As a normal practice, each buyer raising a PO for a certain vendor should verify the cumulative amount of contracts signed with the respective vendor. The mistake was done due to a human mistake, and all measures were taken and monitoring tools established to avoid such cases in future.

Observation 2

Fixed assets disposals

Observation 2

Fixed assets disposals

Condition:

During our audit we identified deficiencies in controls over the disposals of fixed assets. We identified several assets which should have been recorded as having been disposed in 2009, however, they were recorded as disposed in 2011. The total amount of these assets is USD 63 thousand and are included in the table below:

Fixed assets disposals			
Description	Date of disposal	Disposal booked	Acquisition costs (USD thousand)
Land Rover, Defender	7.12.09	2011	21
Land Rover, Defender	7.12.09	2011	21
Land Rover, Defender	7.12.09	2011	21
Total			63

Criteria:

Under UNDP's Asset management policy, assets that are disposed of should also be removed from the Asset Inventory ledger.

Cause:

Human error.

Effect, potential impact or risk:

Increase of risk of incorrect presentation of fixed assets in the CDR.

Priority:

Medium

Observation 2

Fixed assets disposals

Recommendation:

In order to mitigate the risk of improper presentation of disposals, we recommend management performs a year end review of its Asset Inventory Ledger. By performing these reviews management will reconcile movements of fixed assets presented in Asset Inventory ledger to supporting documentation and this will mitigate the risk of an improper presentation of fixed assets

Management comments:

UNDP's Asset Management Policy which was in use prior to 2012 refers to assets under the Management Project. Such assets were recorded in ATLAS as prescribed by POPP and certified on a bi-annual basis. As for Development Projects assets, these were not recorded in ATLAS prior to 2012. Though not mandatory at that time EUBAM decided to record its assets in ATLAS as well and indeed the record was not changed in time to reflect the disposal in ATLAS. However the disposal procedure was fully conforming with UNDP's asset guidelines and all mandatory action was taken. The recording in ATLAS was voluntary and the change of status though desirable did not increase the risk of incorrect presentation of fixed assets, and in CO opinion, the observation is not applicable.

Auditors' comments:

We understand that the assets were sold in the year 2009, therefore according to our opinion these were not supposed to be presented in ATLAS during the following years 2010 and 2011 but rather disposed in 2009 at the time of the sale.

Appendix 1

Definitions of Priorities of Audit Recommendations

Appendix 1

Definitions of Priorities of Audit Recommendations

The audit observations are categorized according to the priority of the audit recommendations and the possible causes of the issues. The categorized audit observations provide a basis by which the UNDP country office management is to address the issues.

The following categories of priorities are used:

High (Critical)

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.

Medium (Important)

Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.



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