



AUDIT

OF

UNDP BRAZIL

**Apoio à Organização da Copa das Confederações 2013 e
Preparação para a Copa do Mundo FIFA 2014 em Brasília
(Directly Implemented Project, Output No. 85841)**

Report No. 1357
Issue Date: 22 August 2014

Report on the audit of UNDP Brazil
Apoio à Organização da Copa das Confederações 2013 e
Preparação para a Copa do Mundo FIFA 2014 em Brasília, Output No. 85841
Executive Summary

The UNDP Office of Audit and Investigations (OAI), from 12 to 31 May 2014, through Moore Stephens LLP (the audit firm), conducted an audit of Apoio à Organização da Copa das Confederações 2013 e Preparação para a Copa do Mundo FIFA 2014 em Brasília, Output No. 85841 (the Project), which is directly implemented and managed by the UNDP Country Office in Brazil (the Office).

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 Combined Delivery Report, which includes expenditure for the period from 1 January to 31 December 2013 and the accompanying Funds Utilization statement¹ as of 31 December 2013. The audit did not cover the Statement of Assets as no assets were purchased by the Project. In addition, the audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Project.

The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

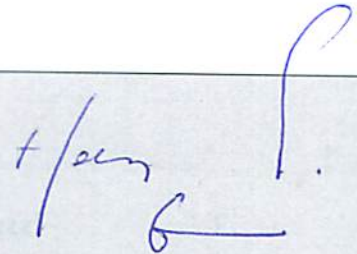
Audit results

Based on the audit report 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
23,613	Unqualified	-	n/a

The audit firm issued an unqualified opinion on the Funds Utilization statement.

The audit did not result in any recommendations.



Helge S. Osttveiten
Director
Office of Audit and Investigations

¹ The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) depreciated fixed assets used at the project level; (c) inventory held at the project level; (d) prepayments made by the project; and (e) outstanding commitments held at the project level.

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

AUDIT REPORT

15 August 2014

**FINANCIAL AUDIT OF THE UNDP DIRECTLY IMPLEMENTED (DIM)
PROJECT**

**APOIO À ORGANIZAÇÃO DA COPA DAS CONFEDERAÇÕES 2013 E
PREPARAÇÃO PARA A COPA DO MUNDO FIFA 2014 EM BRASÍLIA
BRA/13/003**

Project name:	Apoio à Organização da Copa das Confederações 2013 e Preparação para a Copa do Mundo FIFA 2014 em Brasília
UNDP Country Office:	Brazil
Atlas Project number:	00072804
Atlas Output number:	00085841
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January to 31 December 2013

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EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of "Apoio à Organização da Copa das Confederações 2013 e Preparação para a Copa do Mundo FIFA 2014 em Brasília" (Project ID 00072804 and Output 00085841) (the project), directly implemented by UNDP Brazil for the year ended 31 December 2013. The audit was undertaken on behalf of UNDP, Office of Audit and Investigations (OAI).

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

Statement of Expenditure	Unqualified
Statement of Fixed Assets	Not applicable
Statement of Cash Position	Not applicable

We have not raised any findings as a result of our audit.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

15 August 2014

THE AUDIT ENGAGEMENT

Audit Objectives and Scope

The objective of the financial audit was to express an opinion on the 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 2013 and the funds utilization as at 31 December 2013 are fairly presented in accordance with UNDP 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 UNDP; and (iv) supported by properly approved vouchers and other supporting documents. The Combined Delivery Report (CDR) and the accompanying Funds Utilization statement are the mandatory and official statements upon which the audit opinion should be expressed. Other forms of statement of expenses that may be prepared by a project office are not accepted.
- Expressing an opinion on whether the statement of fixed assets presents fairly the balance of assets of the UNDP project as at 31 December 2013. This statement must include all assets available as at 31 December 2013 and not only those purchased in a given period. Where a DIM project does not have any assets or equipment, it will not be necessary to express such an opinion.
- Expressing an opinion on whether the statement of cash held by the project presents fairly the cash and bank balance of UNDP project as at 31 December 2013. Disbursements made against a DIM project are usually financed from the regular country office bank accounts. Exceptionally, a dedicated bank account may be opened and used solely for the cash transactions of a DIM project, e.g. if the project is in a remote location. The audit firm is required to express an opinion on the Statement of Cash only where a dedicated bank account for the DIM project has been established. In cases where the cash transactions of the audited DIM project are made through the country office bank accounts, this type of opinion is not required.

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project between 1 January and 31 December 2013. 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 such as UNDP Regional Centres and UNDP Headquarters and where the supporting documentation is not retained at the level of the UNDP country office.

AUDIT OPINIONS

Independent Auditor's Report to UNDP OAI - Financial Audit

Statement of Expenditure

Unqualified Opinion

We have audited the accompanying Combined Delivery Report and Funds Utilization statement ('the Statement') totalling USD 23,613,022.31 of the UNDP project 00072804 "Apoio à Organização da Copa das Confederações 2013 e Preparação para a Copa do Mundo FIFA 2014 em Brasília" ('the project') for the period from 1 January to 31 December 2013.

Management is responsible for the preparation of the statement for the 00072804 "Apoio à Organização da Copa das Confederações 2013 e Preparação para a Copa do Mundo FIFA 2014 em Brasília" 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.

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with International Standards on Auditing insofar as these standards can be usefully applied in this financial audit and its specific compliance context. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation of the statement 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 project'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 presentation of the statement.

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

Unqualified Opinion

In our opinion, the attached Combined Delivery Report and Funds Utilization statement presents fairly, in all material respects, the expenses of USD 23,613,022.31 incurred by the UNDP project "Apoio à Organização da Copa das Confederações 2013 e Preparação para a Copa do Mundo FIFA 2014 em Brasília" for the period 1 January to 31 December 2013 in accordance with UNDP accounting policies and were i) in conformity with the approved budget; (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.

Independent Auditor's Report to UNDP OAI - Financial Audit

Statement of Assets and Equipment

We noted that the UNDP project Apoio à Organização da Copa das Confederações 2013 e Preparação para a Copa do Mundo FIFA 2014 em Brasília had no assets or equipment and accordingly a Statement of Assets and Equipment was not produced.

Independent Auditor's Report to UNDP OAI - Financial Audit

Statement of Cash Position

We noted that the UNDP project Apoio à Organização da Copa das Confederações 2013 e Preparação para a Copa do Mundo FIFA 2014 em Brasília did not have a dedicated bank account for DIM project activities subject to audit and accordingly a Statement of Cash Position was not produced.

MANAGEMENT LETTER

We have not raised any findings as a result of our audit.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

15 August 2014

Annexes

Annex 1: Combined Delivery Report



UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 1 of 5
Run Time: 13-03-2014 22:03:58

Selection Criteria:

Business Unit : BRA10
Period : Jan-Dec (2013)
Selected Project Id : 00072804
Selected Fund Code : ALL
Selected Dept. IDs : B0488
Selected Outputs : ALL

Project Id : 00072804	BRA/13/003 - Apoio Organização	Period :	Jan-Dec (2013)
Output # : 00085941	BRA/13/003 - Apoio Organização	Impl. Partner :	00423 DIRECT EXECUTION
		Location :	Brazil
Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Activity : ACTIVITY1 (Copa das Confederações -Evento)

Fund : 30072 (Programme cost sharing - GOV2)

71610 - Travel Tickets-Local	0.00	2,200.16	0.00	2,200.16
71620 - Daily Subsistence Allow-Local	0.00	1,011.66	0.00	1,011.66
71635 - Travel - Other	0.00	684.00	0.00	684.00
72105 - Svc Co-Construction & Engineer	0.00	451,063.74	0.00	451,063.74
72130 - Svc Co-Transportation Services	0.00	74.04	0.00	74.04
72135 - Svc Co-Communications Service	0.00	185.93	0.00	185.93
72210 - Machinery and Equipment	0.00	1,049,133.05	0.00	1,049,133.05
72220 - Furniture	0.00	3,602,759.57	0.00	3,602,759.57
72311 - Fuel, petroleum and other oils	0.00	357,299.65	0.00	357,299.65
72330 - Medical Products	0.00	54,255.71	0.00	54,255.71
72370 - Security related goods and mat	0.00	1,370,796.94	0.00	1,370,796.94
72399 - Other Materials and Goods	0.00	3,787,110.17	0.00	3,787,110.17
72401 - Prefab structure/other buildin	0.00	1,891,824.55	0.00	1,891,824.55
72445 - Common Services-Communications	0.00	2,130,153.94	0.00	2,130,153.94
73108 - Leased office equip and furnit	0.00	1,024,626.18	0.00	1,024,626.18
73110 - Custodial & Cleaning Services	0.00	362,680.76	0.00	362,680.76
73125 - Common Services-Premises	0.00	491,815.54	0.00	491,815.54
73216 - Construction Cost	0.00	563,408.43	0.00	563,408.43
73405 - Rental & Maint-Other Office Eq	0.00	1,408,920.52	0.00	1,408,920.52
74210 - Printing and Publications	0.00	38,721.97	0.00	38,721.97
75105 - Facilities & Admin - Implement	0.00	1,301,210.85	0.00	1,301,210.85
76125 - Realized Loss	0.00	13.53	0.00	13.53
76135 - Realized Gain	0.00	- 11,705.79	0.00	- 11,705.79
Total for Fund 30072	0.00	19,878,245.10	0.00	19,878,245.10
Total for Activity ACTIVITY1	0.00	19,878,245.10	0.00	19,878,245.10

Activity : ACTIVITY2 (Preparação para Copa do Mundo)

Fund : 30072 (Programme cost sharing - GOV2)

71310 - Local Consult-Short Term-Supp	0.00	291.55	0.00	291.55
71610 - Travel Tickets-Local	0.00	722.34	0.00	722.34
71620 - Daily Subsistence Allow-Local	0.00	269.03	0.00	269.03
71635 - Travel - Other	0.00	76.00	0.00	76.00
72430 - Postage and Pouch	0.00	2.01	0.00	2.01
74210 - Printing and Publications	0.00	7,159.90	0.00	7,159.90
74220 - Translation Costs	0.00	3,587.48	0.00	3,587.48
75105 - Facilities & Admin - Implement	0.00	6,057.62	0.00	6,057.62
75708 - Learning - subcontracts	0.00	74,429.18	0.00	74,429.18
76125 - Realized Loss	0.00	0.00	0.00	0.00



UN Development Programme
Report ID: unglcdrv

Combined Delivery Report by Activity

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Run Time: 13-03-2014 22:03:58

Project ID : 00072804 BRA/13/003 - Apoio Organização	Period : Jan-Dec (2013)
Output # : 00085841 BRA/13/003 - Apoio Organização	Impl. Partner : 00423 DIRECT EXECUTION
	Location : Brazil

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Total for Fund 30072	0.00	92,595.11	0.00	92,595.11
Total for Activity ACTIVITY2	0.00	92,595.11	0.00	92,595.11
Activity : ACTIVITY3 (Gestão Eficiente do Projeto)				
Fund : 30072 (Programme cost sharing - GOV2)				
61105 - Salaries - NP Staff	0.00	180,795.60	0.00	180,795.60
61205 - Salaries - GS Staff	0.00	90,700.47	0.00	90,700.47
62105 - Dependency Allowance-NP Staff	0.00	1,604.29	0.00	1,604.29
62110 - Contrib Joint Staff Pension-NP	0.00	36,856.75	0.00	36,856.75
62115 - Contrib to Med,SocIns-NP Staff	0.00	8,143.58	0.00	8,143.58
62140 - Annual Leave Expense - NO	0.00	13,547.16	0.00	13,547.16
62205 - Dependency Allow - GS Staff	0.00	1,604.30	0.00	1,604.30
62210 - Contrib to Jt Staff Pens Fd-GS	0.00	17,875.18	0.00	17,875.18
62215 - Contrib. to Medical, social in	0.00	3,537.32	0.00	3,537.32
62240 - Annual Leave Expense - GS	0.00	1,366.99	0.00	1,366.99
63530 - Contribution to EOS Benefits	0.00	10,181.08	0.00	10,181.08
63535 - Contribution to Security	0.00	10,859.81	0.00	10,859.81
63545 - Contribution to ICT	0.00	4,072.44	0.00	4,072.44
63550 - Contributions to MAIP	0.00	542.97	0.00	542.97
63555 - Contribution to UN JFA	0.00	4,886.94	0.00	4,886.94
63560 - Contributions to Appendix D	0.00	814.48	0.00	814.48
65115 - Contributions to ASH Reserve	0.00	21,719.73	0.00	21,719.73
65135 - Payroll Mgt Cost Recovery ATLA	0.00	1,120.50	0.00	1,120.50
71305 - Local Consult.-Shr Term-Tech	0.00	2,696,498.82	0.00	2,696,498.82
71310 - Local Consult.-Short Term-Supp	0.00	743.57	0.00	743.57
71405 - Service Contracts-Individuals	0.00	52,863.33	0.00	52,863.33
71605 - Travel Tickets-International	0.00	1,187.34	0.00	1,187.34
71610 - Travel Tickets-Local	0.00	12,535.78	0.00	12,535.78
71620 - Daily Subsistence Allow-Local	0.00	16,178.53	0.00	16,178.53
71635 - Travel - Other	0.00	2,341.59	0.00	2,341.59
72105 - Svc Co-Construction & Engineer	0.00	3,843.24	0.00	3,843.24
72130 - Svc Co-Transportation Services	0.00	939.77	0.00	939.77
72210 - Machinery and Equipment	0.00	54,891.41	0.00	54,891.41
72315 - Food & Textile Products	0.00	1,892.98	0.00	1,892.98
72399 - Other Materials and Goods	0.00	28,191.63	0.00	28,191.63
72430 - Postage and Pouch	0.00	89.50	0.00	89.50
72445 - Common Services-Communications	0.00	31,492.90	0.00	31,492.90
72505 - Stationery & other Office Supp	0.00	3,474.40	0.00	3,474.40
72515 - Print Media	0.00	229.79	0.00	229.79
73105 - Rent	0.00	0.00	0.00	0.00
73110 - Custodial & Cleaning Services	0.00	7,300.94	0.00	7,300.94
73125 - Common Services-Premises	0.00	54,437.97	0.00	54,437.97
73405 - Rental & Maint-Other Office Eq	0.00	7,968.07	0.00	7,968.07
74210 - Printing and Publications	0.00	6,148.40	0.00	6,148.40
74220 - Translation Costs	0.00	2,738.26	0.00	2,738.26
74525 - Sundry	0.00	6,956.74	0.00	6,956.74
74710 - Land Transport	0.00	6.81	0.00	6.81
74725 - Other L.T.S.H.	0.00	4,198.08	0.00	4,198.08



UN Development Programme
Report ID: unglodrb

Combined Delivery Report by Activity

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Project Id : 00072894 BRA/13/003 - Apoio Organização		Period : Jan-Dec (2013)		
Output # : 00085941 BRA/13/003 - Apoio Organização		Impl. Partner : 00423 DIRECT EXECUTION		
		Location : Brazil		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
76105 - Facilities & Admin - Implement	0.00	238,376.57	0.00	238,376.57
76125 - Realized Loss	0.00	5.87	0.00	5.87
76135 - Realized Gain	0.00	- 1,579.78	0.00	- 1,579.78
Total for Fund 30072	0.00	3,642,182.10	0.00	3,642,182.10
Total for Activity ACTIVITY3	0.00	3,642,182.10	0.00	3,642,182.10
Total for Output : 00085941	0.00	23,613,022.31	0.00	23,613,022.31
Project Total :	0.00	23,613,022.31	0.00	23,613,022.31


Caroline Brito Fernandes
Chefe de Finanças para o Brasil



Mark Henderson
Partner
Moore Stephens LLP
15 August 2014

Signed By : _____ Date : _____

Signed By : _____ Date : _____



UN Development Programme
Report ID: unglcdrt

Combined Delivery Report by Activity

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Run Time: 13-03-2014 22:03:59

Selection Criteria:

Business Unit : BRA10
Period : Jan-Dec (2013)
Selected Project Id : 00072804
Selected Fund Code : ALL
Selected Dept. IDs : B0488
Selected Outputs : ALL

Project Id : ALL		Period : Jan-Dec (2013)		
Output # : ALL		Impl. Partner :		
		Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
48801 - Brazil - Central	0.00	23,613,022.31	0.00	23,613,022.31



UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

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Run Time: 13-03-2014 22:03:10

Funds Utilization

Selection Criteria :

Business Unit : BRA10
Period : Jan-Dec (2013)
Selected Project Id : 00072804
Selected Fund Code : ALL
Selected Dept. IDs : B0488
Selected Outputs : ALL

Project/Award: 00072804 BRA/13/003 - Apoio Organização

Period : As Of Dec31,2013

Output #	Impl. Partner :00423 DIRECT EXECUTION	UNDP AMOUNT
Outstanding NEX advances		0.00
Undepreciated Fixed Assets		0.00
Inventory		0.00
Prepayments		0.00
Commitments		0.00

Annex 2: Audit finding priority ratings

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.
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.