

**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**Office of Audit and Investigations**



*Empowered lives.  
Resilient nations.*

**AUDIT**  
  
**OF**  
  
**UNDP BRAZIL**

**Support to the Organization of the 2013 Confederations Cup  
and the FIFA World Cup 2014 in Brasilia  
(Directly Implemented Project No. 72804, Output No. 85841)**

**Report No. 1532**  
**Issue Date: 22 September 2015**

**Report on the Audit of UNDP Brazil**  
**Support to the Organization of the 2013 Confederations Cup and the FIFA World Cup 2014 in Brasilia**  
**(Project No. 72804, Output No. 85841)**  
**Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), conducted from 8 to 17 July 2015, an audit of Support to the Organization of the 2013 Confederations Cup and the FIFA World Cup 2014 in Brasilia (Project No. 72804, Output No. 85841) (the Project), which is directly implemented and managed by the UNDP Country Office in Brazil (the Office). This was the first audit of the Project.

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 2014 and the accompanying Funds Utilization statement<sup>1</sup> as of 31 December 2014. 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 and corresponding management letter submitted by the audit firm, the results are summarized in the table below:

Project Expenditure	
Amount (in \$ '000)	Opinion
12,518	Unqualified

**Key recommendations:** Total = 5, high priority = 0

The audit did not result in any high (critical) priority recommendations. There are five medium (important) priority recommendations, which means, "Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP." These recommendations include actions to address transactions not recorded in the correct accounting period, Value-Added Tax incorrectly claimed, lack of a time-management system in place, advances recorded not in accordance with signed agreements, and inconsistencies noted in a Long Term Agreement for the provision of services.

The five recommendations aim to ensure reliability and integrity of financial and operational information.

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<sup>1</sup> 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.

### Management comments and action plan

The UN Resident Coordinator/UNDP Resident Representative accepted all of the recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated into the report, where appropriate.



Helge S. Osttveiten  
Director  
Office of Audit and Investigations

# UNITED NATIONS DEVELOPMENT PROGRAMME

Financial Audit Report of the Directly  
Implemented Project:

Support to the organization of the 2013  
Confederations Cup and the FIFA World Cup 2014  
in Brasília

00072804 BRA/13/003

September 2015

**UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**  
**AUDIT REPORT**

**8 September 2015**

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

**Support to the organization of the 2013 Confederations Cup and  
the FIFA World Cup 2014 in Brasília**

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Project name:	Support to the organization of the 2013 Confederations Cup and the FIFA World Cup 2014 in Brasília
UNDP Country Office:	Brazil
Atlas Project ID:	00072804 BRA/13/003
Atlas Output number:	00085841 BRA/13/003
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January to 31 December 2014

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## Table of Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>3</b>
<b>THE AUDIT ENGAGEMENT.....</b>	<b>4</b>
<b>AUDIT OPINIONS .....</b>	<b>5</b>
STATEMENT OF EXPENDITURE .....	5
STATEMENT OF ASSETS AND EQUIPMENT .....	6
STATEMENT OF CASH POSITION .....	7
<b>MANAGEMENT LETTER .....</b>	<b>8</b>
<b>ANNEXES .....</b>	<b>17</b>
ANNEX 1: COMBINED DELIVERY REPORT .....	17
ANNEX 2: AUDIT FINDING PRIORITY RATINGS .....	23

### Table of acronyms and abbreviations

<i>CDR</i>	<i>Combined Delivery Report</i>
<i>DIM</i>	<i>Direct Implementation Modality</i>
<i>GMS</i>	<i>General Management Services</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>ISA</i>	<i>International Standards on Auditing</i>
<i>NFI</i>	<i>Net Financial Impact</i>
<i>OAI</i>	<i>Office of Audit and Investigations</i>
<i>UNDP</i>	<i>United Nations Development Programme</i>
<i>UNOPS</i>	<i>United Nations Office for Project Services</i>
<i>UNDP Brazil</i>	<i>The Office</i>
<i>USD</i>	<i>United States Dollars</i>
<i>BRL</i>	<i>Brazilian Real</i>

## EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of "Support to the organization of the 2013 Confederations Cup and the FIFA World Cup 2014 in Brasília" (Project ID 00072804 BRA/13/003 and Output 00085841 BRA/13/003) (the project), directly implemented by UNDP Brazil (the Office) for the year ended 31 December 2014. 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:

<b>Statement of Expenditure</b>	Unqualified
<b>Statement of Fixed Assets</b>	Not applicable
<b>Statement of Cash Position</b>	Not applicable

As a result of our audit, we have raised 6 audit findings with a net financial impact totalling \$931.71 as summarised below:

No.	Description	Priority	Net financial impact
1	Cut-off error	M	-
2	Value-Added Tax (VAT) incorrectly claimed	M	\$870.76
3	Indirect costs incorrectly calculated	M	\$60.95
4	No specific "time-management system" in place*	M	-
5	Transferred amount different from that stated in the 6 <sup>th</sup> and 7 <sup>th</sup> Amendment of the UNDP – UNOPS*	M	-
6	Inconsistency related to Long Term Agreement for the Provision of Services (LTA) N° BRA 0008/2014	M	-
<b>Total</b>			<b>\$931.71</b>



Ian Murphy  
Partner

Moore Stephens LLP  
150 Aldersgate Street  
London EC1A 4AB  
8 September 2015

## 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 2014 and the funds utilization as at 31 December 2014 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.
- Expressing an opinion on whether the statement of fixed assets presents fairly the balance of assets of the UNDP project as at 31 December 2014. This statement must include all assets available as at 31 December 2014 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 2014.

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project between 1 January and 31 December 2014. 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 - Support to the organization of the 2013 Confederations Cup and the FIFA World Cup 2014 in Brasília

#### Statement of Expenditure

#### Unqualified Opinion

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement totalling \$12,517,886.80 ("the statement") of the UNDP project 00072804 BRA/13/003 'Support to the organization of the 2013 Confederations Cup and the FIFA World Cup 2014 in Brasília' for the period from 1 January to 31 December 2014. CDR expenditure totalled \$12,517,886.80.

Management is responsible for the preparation of the statement for Support to the organization of the 2013 Confederations Cup and the FIFA World Cup 2014 in Brasília 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. 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 from 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 (CDR) and Funds Utilization statement presents fairly, in all material respects, the expenses of \$12,517,886.80 incurred by the UNDP project 'Support to the organization of the 2013 Confederations Cup and the FIFA World Cup 2014 in Brasilia' for the period 1 January to 31 December 2014 in accordance with UNDP accounting policies



Ian Murphy  
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8 September 2015

## Independent Auditor's Report to UNDP

### *'Support to the organization of the 2013 Confederations Cup and the FIFA World Cup 2014 in Brasília'*

#### Statement of Assets and Equipment

We noted that the UNDP project 'Support to the organization of the 2013 Confederations Cup and the FIFA World Cup 2014 in Brasília' had no assets or equipment and accordingly a Statement of Fixed Assets was not produced.

## Independent Auditor’s Report to UNDP

### *‘Support to the organization of the 2013 Confederations Cup and the FIFA World Cup 2014 in Brasília’*

#### Statement of Cash Position

We noted that the UNDP project ‘Support to the organization of the 2013 Confederations Cup and the FIFA World Cup 2014 in 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

The findings related to the audit of the financial statements are discussed in our management letter below:

<b>Finding n°: 1</b>	<b>Title: Cut-off error</b>
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### Observation:

The Office signed a Letter of Agreement with UNOPS with respect to the provision of services to support UNDP Project BRA/13/2013 – Support to the Organization of the Confederation CUP 2013 and Preparation for the FIFA World Cup 2014 in Brasilia.

This agreement was signed on 8<sup>th</sup> March 2013 and 8 amendments were added between the periods of 11<sup>th</sup> April 2013 until 19<sup>th</sup> December 2014. The purpose of these amendments was to increase the budget. The total amount of the agreement with amendment was \$3,877,564.

This agreement is due to finish in 2015 and did not end within the period covered by the audit (between 1 January and 31 December 2014). Due to this fact, we have noted services which were received over an extended period of time and may not have been fully delivered by 31 December 2014.

We have noted that the total amounts expended for the UNOPS's agreement were less than the total amount transferred. The table below summarizes this information:

Year	Total transferred to UNOPS	Total income generated by UNOPS	Total Project Expenses	Cash Balance
	[a]	[b]	[c]	[a] + [b] - [c]
Year 2013	\$2,653,843.00	\$4,832.19	\$1,986,175.43	\$672,499.76
Year 2014	\$1,163,601.00	\$183.31	\$1,262,106.65	\$(98,322.34)
Total	\$3,817,444.00	\$5,015.50	\$3,248,282.08	\$574,177.42

[a] According to ATLAS registration;

[b] and [c] According to the Interim Financial Report issued by UNOPS.

Thus, there is a remaining amount of \$574,177.42 which was not use prior to the year end - 31<sup>st</sup> December 2014.

**Priority:** Medium

**Recommendation:** See our final recommendation on 'Auditors' response'.

### Management comments:

The implementation of the Agreement signed between UNDP and UNOPS does not fall under the concept of advance. As per the POPP guidelines, advances occur when UNDP transfers cash for an implementing partner for the implementation of a project, under NIM modality. As per POPP's provisions under the DIM Implementation Modality section, sub item "CDR", the concept of advance and its related recording in CDR "are not expected to form part of the DIM modality; and thus reference to these items under this modality is not applicable."

The Letter of Agreement signed between UNDP and UNOPS is an UN to UN agreement, where UNDP is the Implementing Partner of the DIM project and UNOPS is a Responsible Party identified and approved by the Project Appraisal Committee - PAC. As per POPP'S Guidance note on transferring contributions from one UN Agency to another "for the purpose of

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programmatic activities, in the framework of one programme or project. In such arrangements, the "contributing agency" is accountable to the donor(s) and the "recipient agency" is accountable to the "contributing agency" for use of the funds."

The related financial reports to be presented by the Recipient Agency (UNOPS) is defined before the signing of the Agreement and listed under this provision.

Under the applicable rules, it is important to notice that the Recipient Agency will not pre-finance activities. If the contribution, or any part of it, is not received in a timely manner, the activities may be reduced or suspended by the Recipient Agency with immediate effect.

The Agreement signed with UNOPS follows the corporate template. The agreement itself establishes the form of transfer of resources and its reporting and adjustments by the end of the Agreement. Please consider the articles below:

**"I. COMPLETION OF THE ACTIVITIES**

The Recipient Agency will notify the Contributing Agency when all Activities have been completed.

The Recipient Agency will continue to hold any part of the Contribution that is unutilized at completion of the Activities until all commitments and liabilities incurred in the carrying out of the Activities have been satisfied and all arrangements associated with the Activities have been brought to an orderly conclusion.

**REFUNDS OF UNSPENT BALANCES**

1. Upon termination of this Agreement and following the submission of the final financial report, any unspent balance from the Contribution will be returned to the Contributing Agency, unless otherwise agreed in writing by the two Agencies.

Upon signature of this letter of agreement and pursuant to the budget of the project document and the work plan, the implementing partner agrees that UNDP headquarters will advance funds to the United Nations agency, according to the schedule of payments specified in Attachment 2: Schedule of services, facilities and payments."

Considering the comments above, the CO understand that the concept of a cut-off error is not applicable to the implementation of the Agreement between UNDP and UNOPS, which follows all UNDP's applicable rules and regulations.

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**Auditors' response:**

The total expenses presented on the CDRs, year 2013 and 2014, related to the Agreement signed between UNDP and UNOPS does not reflect the actual expenses undertaken by UNOPS during these periods. The CDRs as it stands could be considered misleading as the reader would consider that \$3,817,444.00 (years 2013 and 2014) were the total expenses incurred from this Agreement, even though the actual amount incurred for these periods would be \$3,248,282.08. The concept of cut-off relates to whether transactions and events has been recorded in the correct accounting period. We understand that the allocation of the remaining amount of \$574,177.42 will only take place in the year 2015 and its recognition should be reflected on the CDR 2015 and not on CDRs 2013 & 2014

We understand and agree that this Agreement does not fall under the concept of advance payments. As such we accept the explanations provided by the Country Office and have classified this 'cut off' finding as having a \$Nil value in our audit certificate given that we are conducting our DIM audit procedures to UNDP Rules and Regulations as embodied in the

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POPP.

We recommend that the remaining amount of \$574,177.42 is due to be used in activities performed by UNOPS in the year 2015 and any unspent balance should be returned to the UNDP, unless otherwise agreed in writing by the two Agencies.

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<b>Finding n°: 2</b>	<b>Title:</b> Value-Added Tax (VAT) incorrectly claimed
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**Observation:** We found that some costs were reported as project costs inclusive of VAT on the CDR forms. However, we noted that the Office is VAT registered and has the intention to reclaim the VAT incurred on expenditure. The transactions identified on which VAT has been incorrectly claimed during 2014 are as follows:

Voucher N°	Account	Vendor Id	Invoice N°	Date	Ex.Rate	ICMS / VAT (BRL)	ICMS / VAT (\$)
278310	72420	101022	518299926	06/06/2014	2.2110	982.51	444.38
284569	72425	101022	523435903	06/07/2014	2.2480	958.51	426.38
						1,941.02	870.76

Thus, there is a total amount of \$870,76 subject to recovery.

We also noted that the annually the Office Certified Statement of Accounts showing the status of the funds issued by UNOPS on the 2<sup>nd</sup> March 2015, includes VAT payments to suppliers that have yet to be recovered. Because we do not know the extent of any future recover, we cannot quantify the amount for this Financial Finding.

**Priority:** Medium

**Recommendation:** If VAT can be recovered then it should not be reported as a project cost in the CDR form.

**Management comments:**

The CO takes not of the recommendation and informs that the claiming of the reimbursement of VAT for the referred invoices in in process. It can take up to one year to be concluded. The amount recovered will be registered properly in the Project financial budget.

**Auditors' response:**

No further comments.

<b>Finding n°: 3</b>	<b>Title:</b> Indirect costs incorrectly calculated
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**Observation:**

Paragraph 4 of the 'Financial Management Arrangement' in the Project Document (Prodoc) states that:

"Indirect Cost incurred by the structure of the UNDP's headquarters and local offices for the provision of support service for Management. To cover these costs, will be charged on the contribution a rate of 7%".

Additionally paragraph 1 of Article IV of the Cost-Sharing Agreement between UNPD and Terracap (donor) states that:

"the Grant shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the Grant shall be charged a fee equal to 7%".

As a result of finding 2, the support costs claimed for the project exceed the indirect costs rate stated in the agreements signed with the donor. Consequently, an adjustment is required to the indirect costs claimed calculated as follows:

	<b>Amount</b>
Total financial impact of findings 1 to 2	\$870.76
Indirect costs adjustments 7%	\$60.95

**Priority:** Medium

**Recommendation:** N/A

**Management comments:**

In light of the considerations above, the CO understands that GMS was correctly calculated and in line with the current UNDP methodology (Gross CDR amount minus Gain & Loss minus GMS = NET CDR AMOUNT X GMS%) as detailed below:

YEAR	2014							
OUTPUT	CDR TOTAL	CDR GMS	LOSS	GAIN	NETAMOUNT	GMS %	CALCULATED GMS	DIFF
85841	12,517,886.80	818,858.67	1,002.14	(53.57)	11,698,079.56	7%	818,865.57	(6.90)

\*Difference pointed out in the final column is originated from the rounding of decimals.

Future returns of unspent balance from UNOPS or VAT reimbursements (findings 1 and 2) will be registered accordingly in the financial records of the project and GMS costs will be recalculated.

**Auditors' response:**

The VAT should be recorded in the correct accounting period. For further information refer to 'Auditor's response' for finding n°: 2. Accordingly, we have adjusted the GMS costs to reflect the value of Finding No. 2.



<b>Finding n°: 4</b>	<b>Title: Lack of internal staff timesheets</b>
<p><b>Observation:</b></p> <p>Paragraph 5 of the 'Financial Management Arrangement' in the Project Document (Prodoc) states that:</p> <p>"Direct Cost incurred for the provision of support service for implementation by UNDP. These cost must be related to specific activities and transactional services clearly identifiable and related to the particular budget line".</p> <p>We noted that during the execution of the project activities, salary costs plus social charges related to 4 employees were included in project expenditure. According to the Office the criteria used to allocate time invested per employee was an estimation and not on an actual basis.</p> <p>Based on the payroll report provided by the Office, we were able to verify that the amounts charged to the project were actual salary cost plus social charges. However, we noted that the time allocated was not supported by timesheets and the basis of apportionment was not justified.</p> <p>We have not raised a financial finding as we have verified activity outputs such as evidence of travels and reports and have therefore verified proof of work in relation to the project for employees. Furthermore we noticed that no costs have been claimed for finance.</p>	
<p><b>Priority:</b> Medium</p>	
<p><b>Recommendation:</b></p> <p>The Office should ensure that the amount charged to each project reflect the actual cost. In order to identify and allocate the actual cost we recommend that the Office's staff use timesheets, demonstrating the hours spent on each project.</p>	
<p><b>Management comments:</b></p> <p>Due to national legal restrictions, UNDP Brazil cannot allow to distribute direct costs to NIM projects. Consequently, UNDP CO In Brazil applies the UNDP Cost recovery policies to DIM projects (direct costs) in order to ensure the implementation of corporate financial management framework.</p> <p>Since January 2015, UNDP management has negotiated with the Government of Brazil to make effective the distribution of direct project costs among all projects (NIM and DIM). As part of this exercise, the CO has been working on a methodology to allocate properly the staff costs based on the corporate workload survey.</p> <p>Therefore we take note of your observation and will implement the recommendation as soon as legally possible.</p>	
<p><b>Auditors' response:</b></p> <p>No further comments.</p>	

<b>Finding n°: 5</b>	<b>Title:</b> Transferred amount different from that stated in the 6 <sup>th</sup> and 7 <sup>th</sup> Amendment of the UNDP – UNOPS Letter of Agreement.
<p><b>Observation:</b> For the "6th Amendment to the UNOPS - UNDP Letter of Agreement (LoA) Subject: BRA/13/003 - Support to the Organization of the Confederations Cup 2013 and Preparation for the FIFA Cup 2014" signed on 16<sup>th</sup> July 2014, we noted that amendment was signed for \$119,472.00, however the transfer was made and registered in ATLAS for \$60,000.00.</p> <p>For the "7th Amendment to the UNOPS - UNDP Letter of Agreement (LoA) Subject: BRA/13/003 - Support to the Organization of the Confederations Cup 2013 and Preparation for the FIFA Cup 2014" signed on 11<sup>th</sup> December 2014, we noted that amendment was signed for \$85,762.00, however the transfer was made and registered for \$252,213.00.</p> <p>Considering both amendments and both transfers, we note that there is a net amount of \$106,979.00 which was transferred without a corresponding amendment. We have not raised this as a Financial Finding because there was a Letter issued on the 14<sup>th</sup> November 2014 attached to the Amendment informing that the transfer would be of \$252,213.00 for the future hiring of project staff.</p> <p>We acknowledge that the contractual relationship is between two UN Agencies (UNDP and UNOPS). However, we consider it to be good practice to formalise matters by having contract amendments in place prior to and in agreement with all fund transfers.</p>	
<b>Priority:</b> Medium	
<p><b>Recommendation:</b> In order to ensure appropriate control over the Letter of Agreement UNDP - UNOPS funds, and to comply with the terms of the Amendment, the Office should ensure that advances are registered according to the amount stated therein.</p>	
<p><b>Management comments:</b></p> <p>The CO takes note of this observation and will implement the recommendation.</p>	
<p><b>Auditors' response:</b></p> <p>No further comments.</p>	

<b>Finding n°: 6</b>	<b>Title:</b> Inconsistencies related to Long Term Agreement (LTA) for the Provision of Services N° BRA 0008/2014
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**Observation:** For the "Contract for Professional Consulting Services" (CPCS), N° BRA 10-29793/2014 signed on 7<sup>th</sup> May 2014 between the Office and a supplier for a total price of BRL2,500,000 (\$932,488\*) signed under the Long Term Agreement (LTA) for the Provision of Services N° BRA 0008/2014 signed on 3<sup>rd</sup> April 2014 between the parties for a total price of BRL4,338,153 (\$1,618,110\*), the following issue: the unitary prices for the items 6 and 11, purchased according to the CPCS, were not in accordance with the discount prices and technical proposal listed in Annex 3 of the LTA.

According to Article 1 of the LTA: "The prices shall remain in effect for a period of 2 (two) years from the entry into force of this Agreement". Also Article 2 states: "In the event of any advantageous technical changes and/ or downward pricing of the services during the duration of this agreement, the contractor shall notify the Office immediately. The Office shall consider the impact of any such event and may request an amendment to the Agreement.

The details of the items and unitary prices included in the LTA are as follow:

LTA						
Item	Description	Quantity	Total Price BRL	Unit Price BRL	Total Price	Unit Price
		A	B	C = B / A		
6	Cooled Module - Fixed - 40 feef	4	46,463	11,616	\$20,917	\$5,229
11	Toilet module (PSN)	30	368,844	12,295	\$166,047	\$5,535

The details of the items and unitary prices included in the CPCS is as follow:

CPCS						
Item	Description	Quantity	Total Price BRL	Unit Price BRL	Total Price	Unit Price
		d	E	f = e / d		
6	Cooled Module - Fixed - 40 feef	2	37,153	18,576	\$16,726	\$8,363
11	Toilet module (PSN)	24	349,239	14,552	\$157,222	\$6,551

The details of the different between of the LTA and the CPCS is as follow:

Item	Description	Overprice per Unit	Total BRL	Total
		g = f - c	d * g	
6	Cooled Module - Fixed - 40 feef	6,961	13,921	\$6,267
11	Toilet module (PSN)	2,257	54,163	\$24,384
Total amount exceeded				\$30,651

\* UN Exchange rate on 31st December 2014

**Priority:** Medium

#### **Recommendation:**

UNDP should ensure that their supplies comply with the prices agreed on the Long Term Agreements.

#### **Management comments:**

The CO takes note of this observation and will implement the recommendation.

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**Auditors' response:**

No further comments.

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A handwritten signature in black ink, appearing to read "Ian Murphy". The signature is written in a cursive style with a horizontal line above the first part of the name.

Ian Murphy  
Partner

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8 September 2015

## Annex 1: Combined Delivery Report



18

*Financial Audit report of the UNDP DIM project "Support to the organization of the 2013 Confederations Cup and the FIFA World Cup 2014 in Brasília"*



UN Development Programme  
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 3 of 6  
Run Time: 02-03-2015 16:03:41

Project Id : 00072804 BRA/13/003 - Apoio Organizaçao	Period : Jan-Dec (2014)			
Output # : 00085841 BRA/13/003 - Apoio Organizaçao	Impl. Partner : 00423 DIRECT EXECUTION			
	Location : Brazil			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Total for Fund 30072	0.00	5,802,542.33	0.00	5,802,542.33
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Total for Activity ACTIVITY4.1	0.00	5,802,542.33	0.00	5,802,542.33
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Activity : ACTIVITY4.2 (Serviços de TV)

Fund : 30072 (Programme cost sharing - GOV2)

72370 - Security related goods and mat	0.00	563,689.44	0.00	563,689.44
72405 - Acquisition of Communic Equip	0.00	568,257.64	0.00	568,257.64
72425 - Mobile Telephone Charges	0.00	125.89	0.00	125.89
75105 - Facilities & Admin - Implement	0.00	79,245.11	0.00	79,245.11

Total for Fund 30072	0.00	1,211,318.08	0.00	1,211,318.08
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Total for Activity ACTIVITY4.2	0.00	1,211,318.08	0.00	1,211,318.08
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Activity : ACTIVITY4.3 (Serviços de TI)

Fund : 30072 (Programme cost sharing - GOV2)

72445 - Common Services-Communications	0.00	863,161.49	0.00	863,161.49
75105 - Facilities & Admin - Implement	0.00	60,421.31	0.00	60,421.31
76125 - Realized Loss	0.00	889.67	0.00	889.67

Total for Fund 30072	0.00	924,472.47	0.00	924,472.47
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Total for Activity ACTIVITY4.3	0.00	924,472.47	0.00	924,472.47
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Activity : ACTIVITY4.4 (Serviços de Segurança)

Fund : 30072 (Programme cost sharing - GOV2)

71310 - Local Consult.-Short Term-Supp	0.00	4,908.53	0.00	4,908.53
72815 - Inform Technology Supplies	0.00	199.00	0.00	199.00
73405 - Rental & Maint-Other Office Eq	0.00	856,008.00	0.00	856,008.00
74525 - Sundry	0.00	770.05	0.00	770.05
75105 - Facilities & Admin - Implement	0.00	60,331.99	0.00	60,331.99

Total for Fund 30072	0.00	922,217.57	0.00	922,217.57
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Total for Activity ACTIVITY4.4	0.00	922,217.57	0.00	922,217.57
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Activity : ACTIVITY4.5 (Serviços de Produção e Eventos)



Financial Audit report of the UNDP DIM project "Support to the organization of the 2013 Confederations Cup and the FIFA World Cup 2014 in Brasília"



UN Development Programme  
Report ID: unglodrb

Combined Delivery Report by Activity

Page 4 of 6  
Run Time: 02-03-2015 16:03:41

Project Id : 00072804 BRA/13/003 - Apoio Organização	Period : Jan-Dec (2014)
Output # : 00085841 BRA/13/003 - Apoio Organização	Impl. Partner : 00423 DIRECT EXECUTION
	Location : Brazil

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
<b>Fund : 30072 (Programme cost sharing - GOV2)</b>				
72402 - Building Maintenance	0.00	4,016.06	0.00	4,016.06
72705 - Hospitality-Special Events	0.00	602,123.09	0.00	602,123.09
73108 - Leased office equip and furnit	0.00	1,005,891.40	0.00	1,005,891.40
74525 - Sundry	0.00	936.23	0.00	936.23
75105 - Facilities & Admin - Implement	0.00	112,907.72	0.00	112,907.72
<b>Total for Fund 30072</b>	<b>0.00</b>	<b>1,725,875.30</b>	<b>0.00</b>	<b>1,725,875.30</b>
<b>Total for Activity ACTIVITY4.5</b>	<b>0.00</b>	<b>1,725,875.30</b>	<b>0.00</b>	<b>1,725,875.30</b>
<b>Activity : ACTIVITY4.6 (Serviços Acessórios)</b>				
<b>Fund : 30072 (Programme cost sharing - GOV2)</b>				
72215 - Transportation Equipment	0.00	8,760.11	0.00	8,760.11
72425 - Mobile Telephone Charges	0.00	4,406.82	0.00	4,406.82
72515 - Print Media	0.00	990.30	0.00	990.30
72710 - Hospitality-Vouchered Expenses	0.00	69.53	0.00	69.53
73110 - Custodial & Cleaning Services	0.00	2,049.68	0.00	2,049.68
74525 - Sundry	0.00	1,608.90	0.00	1,608.90
75105 - Facilities & Admin - Implement	0.00	1,251.98	0.00	1,251.98
76125 - Realized Loss	0.00	4.51	0.00	4.51
76135 - Realized Gain	0.00	-1.39	0.00	-1.39
<b>Total for Fund 30072</b>	<b>0.00</b>	<b>19,140.44</b>	<b>0.00</b>	<b>19,140.44</b>
<b>Total for Activity ACTIVITY4.6</b>	<b>0.00</b>	<b>19,140.44</b>	<b>0.00</b>	<b>19,140.44</b>
<b>Total for Output : 00085841</b>	<b>0.00</b>	<b>12,517,886.80</b>	<b>0.00</b>	<b>12,517,886.80</b>
<b>Project Total :</b>	<b>0.00</b>	<b>12,517,886.80</b>	<b>0.00</b>	<b>12,517,886.80</b>

Signed By :

*M. Teresa*

Date :

Signed By :

*Caroline Brito Fernandes*  
Chefe de Finanças para o Brasil

Date :

*04/03/15*

*I. Mury*

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Financial Audit report of the UNDP DIM project "Support to the organization of the 2013 Confederations Cup and the FIFA World Cup 2014 in Brasília"



UN Development Programme  
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 5 of 6  
Run time: 02-03-2015 16:03:42

Selection Criteria :

Business Unit : BRA10  
Period : Jan-Dec (2014)  
Selected Project Id : 00072804  
Selected Fund Code : 30072  
Selected Dept. IDs : B0488  
Selected Outputs : 00085841

Project Id : ALL		Period : Jan-Dec (2014)		
Output # : ALL		Impl. Partner : Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
48801 - Brazil - Central	0.00	12,517,886.80	0.00	12,517,886.80



UN Development Programme  
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 6 of 6  
Run Time: 02-03-2015 16:03:43

Funds Utilization

Selection Criteria :

Business Unit : BRA10  
Period : Jan Dec (2014)  
Selected Project Id : 00072804  
Selected Fund Code : 30072  
Selected Dept. IDs : B0488  
Selected Outputs : 00085841

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

Period : As Of Dec31,2014

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:

<b>High (Critical)</b>	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.
<b>Medium (Important)</b>	Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
<b>Low</b>	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. <b>Therefore, low priority recommendations are not included in the audit report.</b>

