



AUDIT

OF

UNDP BRAZIL

Capacity Support for South-South Cooperation
(Directly Implemented Project, Output No. 70613)

Report No. 1358

Issue Date: 25 September 2014

Report on the audit of UNDP Brazil Capacity Support for South-South Cooperation, Output No. 70613 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 Capacity Support for South-South Cooperation, Output No. 70613 (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 2009 to 31 December 2013 and the accompanying Funds Utilization statement¹ as of 31 December 2013. The audit did not include expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). 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*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
6,003	Unqualified	-	n/a

*Expenditures recorded in the Combined Delivery Report were \$13,070,658. Excluded from the audit scope were expenditures not processed or approved at the Office level (\$7,067,102). These pertain to the payroll costs processed by UNDP OHR in Copenhagen.

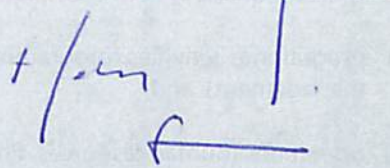
The audit firm issued an unqualified opinion on the Funds Utilization statement.

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.

Management comments and action plan

The Resident Representative accepted the recommendation and is in the process of implementing it. Comments and/or additional information provided had been incorporated in the report, where appropriate.

Issues with less significance (not included in this report) have been discussed directly with management and actions have been initiated to address them.



Helge S. Ostveiten
Director
Office of Audit and Investigations