

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



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**AUDIT**  
  
**OF**  
  
**UNDP BANGLADESH**

**Urban Partnerships for Poverty Reduction**  
**(Project No. 11492, Output No. 58224)**

**Report No. 1471**  
**Issue Date: 10 September 2015**

**Report on the Audit of UNDP Bangladesh  
Urban Partnerships for Poverty Reduction  
(Project No. 11492, Output No. 58224)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), from 23 June to 9 July 2015, through Moore Stephens (the audit firm), conducted an audit of Urban Partnerships for Poverty Reduction (Project No. 11492, Output No. 58224) (the Project), which is nationally implemented<sup>1</sup> with direct support services provided by the UNDP Country Office in Bangladesh (the Office). The scope of the audit covered the expenditures incurred by the Office as direct support services to the Project. The last audit of the Project was conducted by OAI in 2014 and covered project expenditure from 1 January to 31 December 2013.

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>2</sup> The audit did not include activities and expenses incurred or undertaken at the "responsible party" level, or expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters), or where the supporting documentation was not retained at the UNDP Country Office level. 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*	
Amount (in \$ '000)	Opinion
5,265	Unqualified

\*Expenditures recorded in the Combined Delivery Report were \$13,711,949. Excluded from the audit scope were transactions totalling \$8,447,182 that relate to expenditures of other United Nations agencies (\$4,311,559) and expenditures processed and approved by other UNDP offices outside of the country (\$3,641,169). Also excluded were expenditures incurred by the Government (\$494,454) during the period January to December 2014 that were subject to a separate audit and an unqualified audit opinion.

The audit did not result in any recommendations.

<sup>1</sup> The audit of nationally implemented projects, or NIM projects, is the responsibility of the respective UNDP Country Office. However, this NIM project was audited by OAI due to the extensive direct administrative support that the Country Office is providing to the Project.

<sup>2</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.

**Implementation status of previous OAI audit recommendations:** Report No. 1386, 9 October 2014.

Total recommendations: 2

Implemented: 2



Antoine Khoury  
Officer-in-Charge  
Office of Audit and Investigations