

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP BRAZIL

**Capacity Development, Sustainable Economic Justice and Promotion of Best Practices
for the Achievement of the Millennium Development Goals in Brazil
(Directly Implemented Project No. 63852, Output Nos. 80726, 80727, 82515 and 82633)**

Report No. 1528

Issue Date: 22 September 2015

Report on the Audit of UNDP Brazil
Capacity Development, Sustainable Economic Justice and Promotion of Best Practices for the
Achievement of the Millennium Development Goals in Brazil
(Project No. 63852, Output Nos. 80726, 80727, 82515 and 82633)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), conducted from 29 June to 7 July 2015, an audit of Capacity Development, Sustainable Economic Justice and Promotion of Best Practices for the Achievement of the Millennium Development Goals in Brazil (Project No. 63852, Output Nos. 80726, 80727, 82515 and 82633) (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 2013 to 31 December 2014 and the accompanying Funds Utilization statement¹ 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
3,361	Unqualified

Key recommendations: Total = 2, high priority = 0

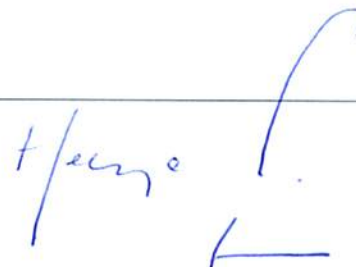
The audit did not result in any high (critical) priority recommendations. There are two medium (important) priority recommendations, which means, "Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP." These recommendations include actions to address the lack of timesheets for staff, and a signed Letter of Agreement not being in accordance with the standard template.

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

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

A handwritten signature in blue ink, which appears to read 'Helge', is written over a rectangular box. The signature is stylized and extends beyond the top and right edges of the box.

Helge S. Osttveiten
Director
Office of Audit and Investigations