



AUDIT

OF

UNDP INDONESIA

**Support to the Establishment of Indonesia REDD+
Infrastructure and Capacity: Interim Phase
(Directly Implemented Project No. 75619, Output No. 87421)**

Report No. 1627

Issue Date: 11 July 2016

**Report on the Audit of UNDP Indonesia
Support to the Establishment of Indonesia REDD+
Infrastructure and Capacity: Interim Phase
Project No. 75619, Output No. 87421
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), from 9 to 18 May 2016, conducted an audit of Support to the Establishment of Indonesia REDD+ Infrastructure and Capacity: Interim Phase (Project No. 75619, Output No. 87421) (the Project), which is directly implemented and managed by the UNDP Country Office in Indonesia (the Office). The last audit of the project was conducted by OAI in 2015 and covered project expenditure from 1 January to 31 December 2014.

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 2015 and the accompanying Funds Utilization statement¹ as of 31 December 2015 as well as Statement of Assets as of 31 December 2015. 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). The audit did not cover the Statement of Cash Position as no separate bank account was 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
5,948	Unqualified	119	Unqualified

*Expenditure recorded in the Combined Delivery Report was \$6,070,118. Excluded from the audit scope were transactions that relate to expenditures not processed or approved by the Office (\$122,181).

Implementation status of previous OAI audit recommendations: Report No. 1468, 16 July 2015.

Total recommendations: 1

Implemented: 1

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.

The current audit did not result in any recommendations.

A handwritten signature in blue ink, enclosed within a rectangular box. The signature is stylized and appears to read 'Antoine Khoury'.

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