

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP AFGHANISTAN

MINISTRY OF INTERIOR AFFAIRS AND POLICE DEVELOPMENT
(Nationally Implemented Project No. 101479, Output Nos. 103909 and 103912)

Report No. 1956

Issue Date: 22 August 2018

**Report on the Audit of UNDP Afghanistan
Ministry of Interior Affairs and Police Development
(Project No. 101479, Output Nos. 103909 and 103912)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Deloitte (the audit firm), from 7 May to 28 May 2018, conducted an audit of Ministry of Interior Affairs and Police Development (Project No. 101479, Output Nos. 103909 and 103912) (the Project), which is nationally implemented¹ with direct support services by the UNDP Country Office in Afghanistan (the Office). The last audit of the Project was conducted by OAI, through Deloitte in 2017 and covered project expenses from 1 January to 31 December 2016.

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 expenses for the period from 1 January to 31 December 2017 and the accompanying Funds Utilization statement² as of 31 December 2017 as well as Statement of Assets as of 31 December 2017. The audit did not include activities and expenses incurred or undertaken by the Government, or expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). 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 Expenses*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
12,434	Unmodified**	1,280	Unmodified**

*Expenses recorded in the Combined Delivery Report were \$14,087,498.50. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UNDP offices outside of the country (\$1,653,232.66).

**Unmodified = unqualified or clean opinion

The audit did not result in any recommendations.

Implementation status of previous OAI audit recommendations: Report No. 1847, 23 August 2017

Total recommendations: 3

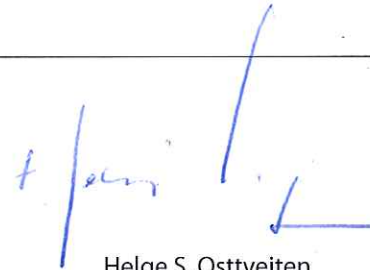
Implemented: 3

¹ The responsible units in UNDP facilitate the audits of nationally implemented (NIM) projects. However, this NIM project was audited by OAI due to the significant involvement of the Country Office in its implementation, and the subsequent materiality of the amount expended by UNDP.

² The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) undepreciated 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

Comments and/or additional information provided have been incorporated into the report, where appropriate.

A handwritten signature in blue ink is enclosed within a black rectangular box. The signature is stylized and appears to read 'H. Ostveiten'.

Helge S. Ostveiten
Director
Office of Audit and Investigations