

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP MYANMAR

Improved Livelihood & Social Cohesion
(Directly Implemented Project, Output No. 86669)

Report No. 1391

Issue Date: 15 August 2014

**Report on the audit of UNDP Myanmar
Improved Livelihood & Social Cohesion, Output No. 86669
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), from 6 to 16 May 2014, through Moore Stephens LLP (the audit firm), conducted an audit of the Improved Livelihood and Social Cohesion, Output No. 86669 (the Project), which is directly implemented and managed by the UNDP Country Office in Myanmar (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 to 31 December 2013 and the accompanying Funds Utilization statement¹ as of 31 December 2013 as well as Statement of Assets as of 31 December 2013. 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 supporting documentation was retained at the UNDP Country Office level. The audit did not cover the Statement of Cash Position as of 31 December 2013 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	Net Financial Impact (in \$ '000)	Amount (in \$'000)	Opinion
5,460*	Qualified	35	190	Unqualified

*Expenditures recorded in the Combined Delivery Report was \$5,874,323. Excluded from the audit scope were transactions that are not processed or approved at the Office level (\$414,088).

The audit firm qualified its opinion on project expenditure and the Funds Utilization statement due to unsupported transactions amounting to \$34,694 and entailing potential financial irregularities. The audit firm was unable to assess the extent of the possible impact of this issue. This matter was referred to the Investigations Section of OAI for further assessment and appropriate action.

Key recommendations: Total =6, high priority = 5

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.

For high (critical) priority recommendations, prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP. All high (critical) priority recommendations are presented below:

Lack of supporting documentation (Issue 1)	<p>Supporting documents for two payments totalling \$34,694 were not available. As efforts to trace the documents from the originating field offices were not successful, the Office suspected that these transactions may involve financial irregularities.</p> <p><u>Recommendation:</u> Enhance controls over payments, including: (a) an in-depth analysis to identify the reasons for the unsupported payments and addressing the related control weaknesses; (b) identifying the transactions that may be subject to the suspected financial irregularities (including payments made on behalf of other UN agencies) and taking corrective action; and (c) attributing responsibility and taking appropriate action.</p>
<i>Corporate Issue</i> ² Recognition of micro capital grant expenditure prior to payment and activity implementation (Issue 2)	<p>In December 2013, the Office approved payment of micro-capital grants to implementing partners amounting to \$2.8 million. This amount was recorded as expenditure incurred during 2013, even though this was not actually paid to the implementing partners until January 2014. The 2013 Combined Delivery Report would therefore be misleading as not all the expenditure was incurred for activities in 2013. However, the UNDP 'Guidance on Micro Capital Grants does not give guidance on accounting for micro-capital grants.</p> <p><u>Recommendation:</u> Consider the limitations of the current method of recognising grant expenditure at the point of approval of payment and review the recognition criteria for micro-capital grant payments; and include guidance for accounting for micro-capital grants in an updated and expanded version of the 'Guidance on Micro Capital Grants' document.</p>
Weaknesses in the evaluation procedures for call for proposals (Issue 3)	<p>A Call for Proposals was made by the Office in September 2013. In one state, all six proposals received were accepted by the Office despite cases of non-compliance with the Call for Proposals. The Office had also not established criteria for specific scores to be awarded in any of the assessed categories.</p> <p><u>Recommendation:</u> Include a documented assessment of compliance with the terms of the Call for Proposals in the review of proposals; standardize consequences of non-compliance; establish criteria for award of scores under each of the assessment criteria and standardize and document all procedures so that all implementing partners are treated equally and the evaluation process is transparent.</p>
Weaknesses in project monitoring (Issue 4)	<p>There was inadequate monitoring by the project, as noted in one of the states. The weaknesses noted included: participant lists not signed by the participants; quality of monthly reports not consistent for all implementing partners; monthly and quarterly reports not signed; financial information not included in the monthly reports; and no evidence of review of Implementing Partners reports by UNDP staff.</p> <p><u>Recommendation:</u> Include a documented assessment of compliance with the Monitoring and Evaluation plan in the review of the implementing partners' monitoring reports and</p>

² Corporate issue requires action by UNDP headquarters.

update this plan to require submission of financial information by the implementing partners in their monitoring reports.

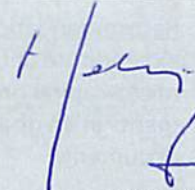
Inconsistent grant agreements and lack of information on the review of fund utilization (Issue 5)

There were inconsistencies on grant agreements on the conditions of payments to implementing partners of the 2nd tranche. Requests by implementing partners for the 2nd tranche did not give financial information on how the previous tranche was spent.

Recommendation: Apply a standard percentage of utilization of the first tranche of funding to all grant agreements and request implementing partners to include basic financial information in their payment requests.

Management comments and action plan

The Resident Representative and the Chief, Accounts and Client Services Division of the Office of Financial Resources Management accepted all the recommendations and are in the process of implementing them. Comments and/or additional information provided have been incorporated into the report, where appropriate.



Helge S. Osttveiten
Director
Office of Audit and Investigations

**UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
AUDIT REPORT**

7 August 2014

**FINANCIAL AUDIT OF THE UNDP DIRECTLY IMPLEMENTED (DIM)
PROJECT**

IMPROVED LIVELIHOOD & SOCIAL COHESION

Project name:	Improved Livelihood & Social Cohesion
UNDP Country Office:	Myanmar
Atlas Project number:	00074124
Atlas Output number:	00086669
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January to 31 December 2013

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EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of Improved Livelihood & Social Cohesion (Project ID 00074124 and Output no. 00086669) (the project), directly implemented by UNDP Myanmar for the year ended 31 December 2013. The audit was undertaken on behalf of UNDP, Office of Audit and Investigations (OAI).

We have issued audit opinions as summarised in the table below and as detailed in the next section:

Statement of Expenditure	Qualified opinion
Statement of Fixed Assets	Unqualified

As a result of our audit, we have raised six audit findings with a financial impact totalling \$ 34,693.65 as summarised below:

No.	Description	Priority rating	Amount \$
1	Lack of supporting documentation	High	34,693.65
2	Recognition of micro capital grant expenditure prior to payment and activity implementation	High	-
3	Weaknesses in the evaluation procedures for call for proposals	High	-
4	Weaknesses in project monitoring	High	-
5	Inconsistent grant agreements and lack of information on and review of fund utilisation	High	-
6	Micro capital grant agreement issued in excess of \$150,000 limit	Medium	-
Total			34,693.65



Mark Henderson
Partner

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7 August 2014

THE AUDIT ENGAGEMENT

Audit Objectives and Scope

The objective of the financial audit was to express an opinion on the DIM project's financial statements which include:

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2013 and the funds utilization as at 31 December 2013 are fairly presented in accordance with UNDP accounting policies and that the expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNDP; and (iv) supported by properly approved vouchers and other supporting documents.
- Expressing an opinion on whether the statement of fixed assets presents fairly the balance of assets of the UNDP project as at 31 December 2013. This statement must include all assets available as at 31 December 2013 and not only those purchased in a given period. Where a DIM project does not have any assets or equipment, it will not be necessary to express such an opinion.

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project between 1 January and 31 December 2013. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of "responsible parties", unless the inclusion of these expenses is specifically required in the request for proposal; and
- Expenses processed and approved in locations outside the country such as UNDP Regional Centres and UNDP Headquarters and where the supporting documentation is not retained at the level of the UNDP country office.

AUDIT OPINIONS

Independent Auditor's Report to UNDP Improved Livelihood & Social Cohesion Project Statement of Expenditure

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement totalling \$ 5,874,323 ("the statement") of the UNDP project 00074124 'Improved Livelihood & Social Cohesion' for the period from 1 January to 31 December 2013. The CDR expenditure totalling \$ 414,088, comprised of expenditure not processed or approved by UNDP Country Office Myanmar was not within the scope of our audit.

Management is responsible for the preparation of the statement for the Improved Livelihood & Social Cohesion project and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

We noted two transactions totalling \$ 34,693.65 that were not supported by any documentation. The UNDP Myanmar Country Office suspects that these transactions may be the subject of potential financial irregularities.

We are unable to assess the extent of the possible impact of this issue on the transactions which were not part of our audit sample, over and above the \$34,693.65 (0.64% of the total expenditure audited) which we have already considered as being ineligible.

Qualified opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement, except for the possible effects of the matter described in the paragraph above, presents fairly in all material respects the expenditure of \$ 5,460,235 incurred by the project for the period 1 January to 31 December 2013 in accordance with UNDP accounting policies.

Independent Auditor's Report to UNDP
Improved Livelihood & Social Cohesion Project
Statement of Fixed Assets

We have audited the accompanying Statement of Fixed Assets ('the statement') of the UNDP project 00074124 'Improved Livelihood & Social Cohesion' as at 31 December 2013.

Management is responsible for the preparation of the statement for Improved Livelihood & Social Cohesion and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Unqualified opinion

In our opinion, the attached Statement of Assets presents fairly, in all material respects, the balance of inventory of the UNDP project Improved Livelihood & Social Cohesion amounting to \$ 190,445 as at 31 December 2013 in accordance with UNDP accounting policies.

MANAGEMENT LETTER

The findings related to the audit of the financial statements are discussed in our management letter below:

Finding n°: 1	Title: Lack of supporting documentation
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Observation:

UNDP project should maintain books and records that are accurate, complete, up to date and clearly identify all transactions. UNDP is required to maintain original documentation including bills, invoices, receipts and any other relevant documentation.

However, supporting documents were not available for the following transactions which were selected as part of our audit sample,:

Transaction Id	Date Posted	Account	Account Description	Amount MMK	Amount USD
MMR10-00089300-1-1-ACCR-DST	28/07/13	73405	RENTAL MAINT-OTHER OFFICE EQ	4,806,150.00	4,904.23
MMR10-00091276-1-1-ACCR-DST	12/10/13	72605	GRANTS TO INSTI OTHER BENEF	29,000,000.00	29,789.42
Total				33,806,150.00	34,693.65

Efforts to trace the documents from the originating field offices were not successful and the Country Office suspects that these transactions may be the subject of potential financial irregularities. The Country Office initiated an analysis of 2013 payments to establish any other documents that may be missing and the reasons thereof. The final results of this analysis were not available at the date of this report.

We find the total of the two unsupported invoices of \$ 34,693.65 to be ineligible. We are unable to assess the extent of the possible impact of this issue on the transactions which were not part of our audit sample.

Priority: High

Recommendations:

We recommend that UNDP Myanmar Country Office enhance its controls over payments. This should include (a) an in-depth analysis to identify the reasons for the unsupported payments and addressing the related control weaknesses (b) identifying the transactions that may be subject to the suspected financial irregularities (including payments made on behalf of other UN agencies) and taking corrective action; and (c) attributing responsibility and taking appropriate action.

Management comments:

As recommended we have begun analysing the reasons behind the payments subject to potential financial irregularities and identifying other transactions that may be subject to similar issues. As we coordinate with our Office for Audit and Investigation and analyse the circumstances and existing documentation, it is clear that it will take time to elucidate the issues in-depth in order to take all necessary and appropriate actions.

A preliminary analysis of the cases leads us to believe that remedial actions to prevent these sort of cases, in addition to those you have mentioned, involve improving budget management so that budget owners more carefully supervise expenditures. In this regard we have undertaken actions by clarifying expenditure approval roles in an Office Memo. In addition we also believe that in spite of a restrictive banking environment making it often necessary to handle cashing of checks, a review of the current process to cash checks is necessary.

Finding n°: 2	Title: Recognition of micro capital grant expenditure prior to payment and activity implementation
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Observation:

To deliver a package of livelihood assistance at village level, micro capital grants (MCGs) were awarded by the project to implementing partners and social cohesion committees across Myanmar. We noted that MCGs account for \$ 4,363,216 of total project expenditure of \$ 5,874,323 recorded in the CDR (74.3% of total expenditure).

Payments of MCGs were typically paid in three tranches with the second tranche being the largest payment (typically 60% of the MCG total). We noted that many of the second tranche of MCG payments were made throughout December 2013 with these payments totalling around \$ 2.8m (almost half of total project expenditure on the CDR). These payments were recognised as expenditure in Atlas as soon as the AP voucher was approved and posted by the UNDP CO finance department. This is in line with UNDP accounting policies.

However, through testing a sample of MCG payments, we noted that some payments recorded as expenditure in December 2013 were not paid until January 2014, usually because there was a delay whilst the representative of the implementing partner (IP) receiving the MCG came to UNDP CO to pick up the cheque. Therefore in these cases, expenditure has been recorded in 2013 even though payment was not made until 2014.

Also, the IPs generally were not able to carry out any activities until they had received their funding tranche and so, in most cases, no actual activity implementation in respect of the tranche 2 payments actually occurred in 2013 (instead it funded work that took place in January to March 2014). Therefore in these cases, despite the expenditure being recorded in accordance with UNDP policies, there is little evidence that the expenditure was actually incurred in 2013.

The CDR as it stands could be considered misleading as the reader would think that \$ 5,874,323 of expenditure has been incurred on activities in 2013, even though the actual amount incurred would be considerably lower. This scenario has arisen due to the timing of recognition of MCG payments as described above.

Although the payment of micro capital grants can be done relatively quickly and easily by a small number of large tranche payments, the activities funded by each tranche are often complex and can cover several months as well as straddling different accounting periods. However, despite the complexity of funded activities, we noted that specific UNDP guidance on micro capital grants is limited to the 'Guidance on Micro Capital Grants' document issued by the UNDP Bureau for Development Policy in July 2008, which does not give any guidance on accounting for micro capital grants. Furthermore, we were told by UNDP Myanmar CO finance department staff that accounting for MCG payments should be carried out in the same way as standard payments to suppliers.

We recognise that the issues raised in this finding relate to UNDP policies at the corporate level and cannot be addressed solely by the Myanmar country office.

Priority: High

Recommendations:

The following recommendations are made to UNDP at the corporate level:

- We recommend that UNDP consider the limitations as described above of the current method of recognising grant expenditure at the point of approval of payment and review the recognition criteria for MCG payments.
 - We recommend that guidance for accounting for MCGs should be included in an updated and expanded version of the 'Guidance on Micro Capital Grants' document.
-

Management comments:

The Office of Financial Recourses Management (OFRM) indicated that recognizing varied situations or practices in the field offices where grants are issued in tranches and/or used by grantees over more than one reporting period, and UNDP agrees to the recommendation to develop an expanded guidance of the MCGs to differentiate situations where such disbursements could be considered as advances until utilized or expended immediately as the case may be.

Finding n°: 3	Title: Weaknesses in the evaluation procedures for call for proposals
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Observation:

In order to implement the project activities set out in the project work plan, implementing partners were required in each state. A Call for Proposals (CfP) was made by UNDP in September 2013 and in response a number of proposals were received from prospective implementing partners (IPs).

In Kayah state, six proposals were received and all six were accepted by UNDP. In Kayah state we noted the following cases of non-compliance:

- The CfP set a budget limit of \$141,960 but the total budget proposed by two prospective IPs exceeded this amount (although in both cases the budgets were below the limit of \$150,000 set out in the 'UNDP Guidance on Micro Capital Grants' document);
- A list of villages to be served by the IP was required to be attached to the proposal but such a list was not attached in four of six proposals;
- The number of pages in the proposal was not to exceed six but all proposals reviewed were noted to be in excess of six pages;
- None of the proposals reviewed appeared to have been signed by the IP, therefore there was a lack of evidence that the proposals were the final authorised versions;
- Authorisation to operate in the targeted state was required to be attached to the proposals but this was not attached in all cases;
- Legal evidence of registration of IPs was required to be attached to the proposals but in all cases this was not provided.

A panel of three comprising the UNDP Area Coordinator, a senior member of UN Habitat and a member of the local government reviewed all proposals received from IPs and accepted all six of them, with scores ranging from 57 to 72 out of 100. We noted weaknesses in the evaluation of the proposals as discussed below:

- There was no evidence of any criteria or basis for specific scores to be awarded in any of the assessed categories.
- A minimum score was not established below which an IP's proposal would not be eligible for selection.

The scores awarded did not immediately suggest that any of the proposals were not suitable for acceptance. However, we noted that six IPs were required in order to cover all 40 villages earmarked for project assistance and that six proposals were received.

There are serious potential consequences to the issues set out above such as:

- Implementing partners may be selected who do not have the capability or legal authority to carry out the grant activities;
- Implementing partners may not be treated equally or fairly or the evaluation process may be seen to be non-transparent leaving UNDP open to disputes or legal claims.

We noted that the CfP review process was carried out very quickly with a view to getting activity implementation started as quickly as possible and believe this may have contributed to the above weaknesses.

Priority: High

Recommendations:

We recommend :

- The review of proposals by UNDP should include a documented assessment of compliance with the terms of the Call for Proposals;
 - Consequences of non-compliance should be standardised: non-compliance with a fundamental requirement should result in the rejection of a proposal; non-compliance with a less critical
-

requirement should result in a clarification request to the implementing partner.

- Prior to review of proposals, criteria should be established to set out the conditions under which specific marks should be awarded under each of the assessment criteria. A minimum score should be discussed and established under which a proposal cannot be accepted.
- All procedures should be standardised and documented so that all implementing partners are treated equally and the evaluation process is transparent.

Management comments:

Duly noted for further strengthening due diligence in the future.

Finding n°: 4	Title: Weaknesses in project monitoring
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Observation:

In November 2013, UNDP Myanmar Country Office Field Implementation Unit (FIU) created a monitoring and evaluation (M&E) plan for Pillar I Output 5. This plan states that IPs must submit reports monthly and quarterly, both within 5 days of the period end. The UNDP Area Office must submit its own monthly and quarterly report to FIU within 10 days of the period end.

We noted the following weaknesses in the monitoring process in Kayah state:

- IPs were to submit forms detailing participant lists and register summaries of training sessions, meetings and workshops (Forms C1 and C2). We noted instances of these forms not being signed by participants and otherwise appearing only partially completed;
- The quality of monthly reports varied between IPs. Some were comprehensive whilst others were brief, in some cases to the extent that they consisted of a small number of partially complete forms and as such did not really look like reports at all;
- None of the monthly or quarterly reports submitted by IPs were dated so it was not possible to check whether reports were submitted within five days after the end of the relevant month or quarter as required;
- There was an absence of any financial information in all IP monthly reports and other document submissions. Therefore it was not possible for UNDP to monitor the utilization of funding tranches by the IP; The IPs informed they can provide financial information in their monitoring reports;
- A quarterly report was only produced once by IPs, at the end of the project in March 2014. Given that the start date of the work was October or November 2013, a quarterly report as at 31 December 2013 would have been useful;
- The IP reports did not show any sign of review/approval by UNDP staff; and
- The UNDP area office was unable to present the monthly reports submitted to the FIU covering November and December 2013 (although it was able to provide the October 2013 report and a quarterly report as at 31 December 2013).

The monitoring reports of the IPs are important tools for the UNDP Area Office in assessing progress of activity implementation, and the reports of UNDP Area Office are important tools for FIU and CO for the same reason. The usefulness of the monitoring reports is reduced by the issues noted above, particularly as we did not see evidence of the weaknesses in the IP monitoring reports being noted by UNDP Area Office or communicated to the IPs. In particular, the lack of any financial information in the IP monitoring reports means they are not useful in assessing when the IP needs its next funding tranche.

Priority: High

Recommendations:

- We recommend that the review of IP monitoring reports by UNDP Area Offices should include a documented assessment of compliance with the terms of the M&E plan. Where areas of non-compliance are noted, the potential effect of non-compliance should be considered and a decision on any further action should be documented by UNDP. Areas of non-compliance should be notified to implementing partners.
- We recommend that the M&E plan be updated to require that IPs submit financial information in their monitoring report (at a minimum the funding received to date, funding spent to date and the remaining funding due).

Management comments:

Duly noted for further strengthening due diligence in the future. On the financial information, as per ToR, the IPs were requested to submit monthly narrative reports, whereas the financial reports were scheduled against the 3 tranche payments. In this respect, this was not an aberration from the process, but we take note that it would have been useful to also monitor the consumption of funding.

Finding n°: 5	Title: Inconsistent grant agreements and lack of information on and review of fund utilisation
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Observation:

On acceptance of proposals, micro capital grants were awarded to IPs and formalised via a grant agreement signed by both the IP and UNDP. On review of a sample of grant agreements, we noted that payments to implementing partners were split into three tranches. The second tranche, 60% of the project budget, was payable upon a number of conditions being met, one of these being that a certain percentage of the first tranche had to have been spent before the second tranche would be paid.

We understand from FIU staff that in all cases, 80% of the first tranche should be spent before the second tranche can be paid. However, we noted that the grant agreements were inconsistent on this matter and stated either 80%, 70% or 30%.

Furthermore, we noted that the payment requests submitted by IPs for their second funding tranche detailed the activities that had been carried out but did not give any specific financial information on how the previous tranche was spent.

From discussions with FIU staff, we understand that there is an assumption that the first payment has been fully spent. However, an absence of financial information in the payment requests does not allow this assumption to be assessed and furthermore does not allow the grant agreement requirement for a set percentage of the first tranche to have been spent to be verified either.

Priority: High

Recommendations:

- We recommend that a standard percentage of utilisation of the first tranche of funding to have been spent should be applied to all grant agreements. Where differing percentages are required, the reasons should be documented.
- We also recommend that IPs include basic financial information in their payment requests (at a minimum the funding received to date, funding spent to date and the remaining funding due).

Management comments:

Duly noted for further strengthening due diligence in the future.

Finding n°: 6	Title: Micro capital grant agreement issued in excess of \$150,000 limit
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Observation:

The UNDP 'Guidance on Micro Capital Grants' document states that micro capital grants can be awarded up to a maximum of \$150,000 per IP. However, the money available in each state was much greater than that, so villages were clustered together so that each IP would cover the cluster and receive \$150,000 or less. However, some clusters could not be served by any IPs and so no grants were awarded to IPs. Instead, grants were given to Livelihood and Social Cohesion Committees or Community Based Organisations (CBOs) at township level.

We noted that an amount of MWK 165,887,000 (\$ 170,402.67) was paid to a CBO in Rakhine state. This CBO was part of the pilot project activities which started prior to the main phase of project activities which occurred at the end of 2013 and in 2014. A Memorandum of Understanding (MOU) rather than a grant agreement was signed between the CBO and UNDP. The format of the MOU followed the format of MOUs given under the previous Country Plan and these activities were directly implemented by UNDP staff with the assistance of the CBO, rather than the CBO implementing the activities and being monitored by UNDP (as is normally the case).

We noted that the payment above was not considered a micro capital grant by UNDP. Nonetheless, a grant was clearly made and grants made to CBOs are specifically mentioned in the UNDP Guidance on Micro-Capital grants. This guidance also states that a micro capital grant may not exceed \$ 150,000 and the amount paid to the CBO in this case exceeds that limit.

Priority: Medium

Recommendation:

We recommend that micro capital grants are not issued in excess of the limit of \$150,000 and the Office follow the other guidance set out in the UNDP 'Guidance on Micro Capital Grants' document.

Management comments:

Duly noted. Based on our understanding, this was not considered a MCGA, and from that basis, the ceilings were not respected.



Mark Henderson
Partner

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7 August 2014

Annexes

Annex 1: Combined Delivery Report



Combined Delivery Report By Project

Selection Criteria :

Business Unit : MMR10
Period : Jan-Dec (2013)
Selected Project Id : 00074124
Selected Fund Code : 04000,04180,30000
Selected Dept. IDs : B0420
Selected Outputs : 00086669

Project Id : 00074124 Livelihood Support & Social Co	Period : Jan-Dec (2013)
Output # : 00086669 Livelihood Support & Social Co	Impl. Partner : 02198 United Nations Development P
	Location : UNDP-Myanmar

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
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Dept: 42004 (Myanmar - Dem. Governance)

Fund : 04000 (Core Programme, UNU Centre)

71405 - Service Contracts-Individuals	0.00	- 950.47	0.00	- 950.47
73105 - Rent	0.00	- 767.67	0.00	- 767.67
Total for Fund 04000	0.00	- 1,718.14	0.00	- 1,718.14

Fund : 30000 (PROGRAMME COST SHARING)

71405 - Service Contracts-Individuals	0.00	- 1,949.01	0.00	- 1,949.01
73105 - Rent	0.00	- 5,898.88	0.00	- 5,898.88
73410 - Maint, Oper of Transport Equip	0.00	0.00	0.00	0.00
75105 - Facilities & Admin - Implement	0.00	- 549.35	0.00	- 549.35
Total for Fund 30000	0.00	- 8,397.24	0.00	- 8,397.24

Total for Dept : 42004

0.00 - 10,115.38 0.00 - 10,115.38

Dept: 42008 (Myanmar - Poverty Reduction)

Fund : 04000 (Core Programme, UNU Centre)

63540 - Contribution to Training	0.00	0.00	0.00	0.00
66105 - Overtime & Night Differential	0.00	166.42	0.00	166.42
71305 - Local Consult.-Sht Term-Tech	0.00	1,345.00	0.00	1,345.00
71405 - Service Contracts-Individuals	0.00	7,322.42	0.00	7,322.42
71410 - MAIP Premium SC	0.00	31.46	0.00	31.46
71505 - UN Volunteers-Stipend & Allow	0.00	6,018.58	0.00	6,018.58
71510 - UNV Settling-In-Grant	0.00	4,584.00	0.00	4,584.00
71520 - UNV-Language Allowance	0.00	59.35	0.00	59.35
71535 - UNV-Medical Insurance	0.00	395.16	0.00	395.16
71540 - UNV-Global Charges	0.00	527.06	0.00	527.06
71545 - UNV-Home Leave Travel & Allowa	0.00	23.74	0.00	23.74
71550 - UNV-Resettlement Allowance	0.00	445.16	0.00	445.16
71560 - UNV-Intl Appoint/Sep incl Trvl	0.00	1,825.00	0.00	1,825.00
71605 - Travel Tickets-International	0.00	3,524.24	0.00	3,524.24
71610 - Travel Tickets-Local	0.00	4,121.85	0.00	4,121.85
71615 - Daily Subsistence Allow-Intl	0.00	4,696.16	0.00	4,696.16
71620 - Daily Subsistence Allow-Local	0.00	6,468.98	0.00	6,468.98
71635 - Travel - Other	0.00	368.37	0.00	368.37
72120 - Svc Co-Trade and Business Serv	0.00	2,112.51	0.00	2,112.51
72311 - Fuel, petroleum and other oils	0.00	16.80	0.00	16.80
72415 - Courier Charges	0.00	67.62	0.00	67.62
72420 - Land Telephone Charges	0.00	25.49	0.00	25.49
72425 - Mobile Telephone Charges	0.00	345.71	0.00	345.71

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Combined Delivery Report By Project



UN Development Programme
Report ID: unglcdrp

Page 2 of 6
Run Time: 21-03-2014 08:03:22

Project Id : 00074124 Livelihood Support & Social Co	Period : Jan-Dec (2013)
Output # : 00086669 Livelihood Support & Social Co	Impl. Partner : 02198 United Nations Development P
	Location : UNDP-Myanmar

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
72445 - Common Services-Communications	0.00	2,891.56	0.00	2,891.56
72505 - Stationery & other Office Supp	0.00	70.04	0.00	70.04
72605 - Grants to Instit & other Benef	0.00	17,258.58	0.00	17,258.58
72615 - Micro Capital Grants-Other	0.00	787,991.45	0.00	787,991.45
73104 - Leased Building	0.00	6,734.69	0.00	6,734.69
73107 - Rent - Meeting Rooms	0.00	1,050.00	0.00	1,050.00
73125 - Common Services-Premises	0.00	2,616.00	0.00	2,616.00
73405 - Rental & Maint-Other Office Eq	0.00	5,958.06	0.00	5,958.06
73410 - Maint, Oper of Transport Equip	0.00	1,035.19	0.00	1,035.19
73505 - Reimb to UNDP for Supp Srvs	0.00	47.07	0.00	47.07
74225 - Other Media Costs	0.00	369.31	0.00	369.31
74510 - Bank Charges	0.00	332.82	0.00	332.82
74525 - Sundry	0.00	9,760.40	0.00	9,760.40
75705 - Learning costs	0.00	50,000.00	0.00	50,000.00
75706 - Learning - ticket costs	0.00	429.00	0.00	429.00
75707 - Learning - subsistence allowan	0.00	4,054.40	0.00	4,054.40
75710 - Participation of counterparts	0.00	9,393.40	0.00	9,393.40
76125 - Realized Loss	0.00	0.02	0.00	0.02
76135 - Realized Gain	0.00	-3.02	0.00	-3.02
77630 - Dep Exp Owned -ITC	0.00	890.98	0.00	890.98
77660 - Dep Exp Owned -Vehicle	0.00	1,140.52	0.00	1,140.52
Total for Fund 04000	0.00	946,511.55	0.00	946,511.55

Fund : 04180 (TRAC3 - EARLY RECOVERY)

61305 - Salaries - IP Staff	0.00	41,919.12	0.00	41,919.12
61310 - Post Adjustment - IP Staff	0.00	18,896.71	0.00	18,896.71
62305 - Dependency Allowances-IP Staff	0.00	509.57	0.00	509.57
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	12,345.87	0.00	12,345.87
62315 - Contrib. to medical, social in	0.00	426.53	0.00	426.53
62320 - Mobility, Hardship, Non-remova	0.00	11,771.95	0.00	11,771.95
62330 - Rental Supplements - IP Staff	0.00	1,077.99	0.00	1,077.99
62340 - Annual Leave Expense - IP	0.00	14,684.11	0.00	14,684.11
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	3,070.00	0.00	3,070.00
63335 - Home Leave Trvl & Allow-IP Stf	0.00	1,849.98	0.00	1,849.98
63530 - Contribution to EOS Benefits	0.00	2,177.13	0.00	2,177.13
63535 - Contribution to Security	0.00	2,322.28	0.00	2,322.28
63540 - Contribution to Training	0.00	580.57	0.00	580.57
63545 - Contribution to ICT	0.00	870.86	0.00	870.86
63550 - Contributions to MAIP	0.00	116.10	0.00	116.10
63555 - Contribution to UN JFA	0.00	1,045.03	0.00	1,045.03
63560 - Contributions to Appendix D	0.00	174.16	0.00	174.16
64306 - Appointment-Ticket Costs	0.00	653.00	0.00	653.00
64307 - Appointment-Subsistence Allow	0.00	5,370.00	0.00	5,370.00
64308 - Appointments-Lump Sum	0.00	9,302.00	0.00	9,302.00
64309 - Appointment-Shipments	0.00	10,500.00	0.00	10,500.00
64340 - Staff related Cost-Others	0.00	99.59	0.00	99.59
65115 - Contributions to ASHI Reserve	0.00	4,644.60	0.00	4,644.60
65135 - Payroll Mgt Cost Recovery ATLA	0.00	386.28	0.00	386.28
71610 - Travel Tickets-Local	0.00	7,193.25	0.00	7,193.25
71620 - Daily Subsistence Allow-Local	0.00	5,790.46	0.00	5,790.46
71635 - Travel - Other	0.00	119.93	0.00	119.93
72605 - Grants to Instit & other Benef	0.00	8,978.82	0.00	8,978.82



UN Development Programme

Report ID: unglcdrp

Combined Delivery Report By Project

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Run Time: 21-03-2014 08:03:22

Project Id : 00074124 Livelihood Support & Social Co	Period : Jan-Dec (2013)
Output # : 00086669 Livelihood Support & Social Co	Impl. Partner : 02198 United Nations Development P
	Location : UNDP-Myanmar

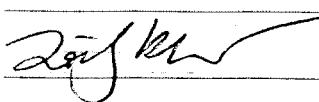
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
74510 - Bank Charges	0.00	20.37	0.00	20.37
74525 - Sundry	0.00	1,866.12	0.00	1,866.12
75705 - Learning costs	0.00	20,177.46	0.00	20,177.46
75708 - Learning - subcontracts	0.00	10,843.72	0.00	10,843.72
76135 - Realized Gain	0.00	- 0.33	0.00	- 0.33
Total for Fund 04180	0.00	199,783.23	0.00	199,783.23
Fund : 30000 (PROGRAMME COST SHARING)				
61105 - Salaries - NP Staff	0.00	8,660.85	0.00	8,660.85
62105 - Dependency Allowance-NP Staff	0.00	130.00	0.00	130.00
62110 - Contrib Joint Staff Pension-NP	0.00	1,689.30	0.00	1,689.30
62115 - Contrib to Med,SocIns-NP Staff	0.00	627.90	0.00	627.90
62140 - Annual Leave Expense - NO	0.00	766.96	0.00	766.96
63530 - Contribution to EOS Benefits	0.00	324.75	0.00	324.75
63535 - Contribution to Security	0.00	346.45	0.00	346.45
63545 - Contribution to ICT	0.00	129.90	0.00	129.90
63550 - Contributions to MAIP	0.00	17.30	0.00	17.30
63555 - Contribution to UN JFA	0.00	155.90	0.00	155.90
63560 - Contributions to Appendix D	0.00	26.00	0.00	26.00
65115 - Contributions to ASHI Reserve	0.00	692.90	0.00	692.90
65135 - Payroll Mgt Cost Recovery ATLA	0.00	112.05	0.00	112.05
66105 - Overtime & Night Differential	0.00	225.34	0.00	225.34
71305 - Local Consult.-Sht Term-Tech	0.00	35,442.04	0.00	35,442.04
71310 - Local Consult.-Short Term-Supp	0.00	300.00	0.00	300.00
71405 - Service Contracts-Individuals	0.00	182,800.92	0.00	182,800.92
71410 - MAIP Premium SC	0.00	799.03	0.00	799.03
71505 - UN Volunteers-Stipend & Allow	0.00	42,598.31	0.00	42,598.31
71510 - UNV Settling-In-Grant	0.00	22,920.00	0.00	22,920.00
71520 - UNV-Language Allowance	0.00	326.73	0.00	326.73
71535 - UNV-Medical Insurance	0.00	2,239.24	0.00	2,239.24
71540 - UNV-Global Charges	0.00	2,926.26	0.00	2,926.26
71545 - UNV-Home Leave Travel & Allowa	0.00	130.69	0.00	130.69
71550 - UNV-Resettlement Allowance	0.00	2,450.64	0.00	2,450.64
71560 - UNV-Intl Appoint/Sep incl Trvl	0.00	10,950.00	0.00	10,950.00
71590 - UNV HQ use only	0.00	8,454.23	0.00	8,454.23
71610 - Travel Tickets-Local	0.00	23,431.49	0.00	23,431.49
71615 - Daily Subsistence Allow-Intl	0.00	191.32	0.00	191.32
71620 - Daily Subsistence Allow-Local	0.00	91,195.51	0.00	91,195.51
71635 - Travel - Other	0.00	8,014.26	0.00	8,014.26
72145 - Svc Co-Training and Educ Serv	0.00	133.60	0.00	133.60
72205 - Office Machinery	0.00	319.94	0.00	319.94
72220 - Furniture	0.00	303.64	0.00	303.64
72311 - Fuel, petroleum and other oils	0.00	489.15	0.00	489.15
72399 - Other Materials and Goods	0.00	7,533.81	0.00	7,533.81
72402 - Building Maintenance	0.00	4,519.77	0.00	4,519.77
72415 - Courier Charges	0.00	1,133.27	0.00	1,133.27
72420 - Land Telephone Charges	0.00	1,428.30	0.00	1,428.30
72425 - Mobile Telephone Charges	0.00	5,172.45	0.00	5,172.45
72430 - Postage and Pouch	0.00	203.89	0.00	203.89
72440 - Connectivity Charges	0.00	11,553.89	0.00	11,553.89
72445 - Common Services-Communications	0.00	3,361.72	0.00	3,361.72
72505 - Stationery & other Office Supp	0.00	4,722.38	0.00	4,722.38



Combined Delivery Report By Project

Project Id : 00074124 Livelihood Support & Social Co	Period :	Jan-Dec (2013)
Output # : 00086669 Livelihood Support & Social Co	Impl. Partner :	02198 United Nations Development P
	Location :	UNDP-Myanmar

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
72515 - Print Media	0.00	1.21	0.00	1.21
72520 - Electronic Media	0.00	477.66	0.00	477.66
72605 - Grants to Instit & other Benef	0.00	286,273.42	0.00	286,273.42
72615 - Micro Capital Grants-Other	0.00	3,262,713.91	0.00	3,262,713.91
72815 - Inform Technology Supplies	0.00	8,200.33	0.00	8,200.33
73104 - Leased Building	0.00	49,844.87	0.00	49,844.87
73105 - Rent	0.00	308.80	0.00	308.80
73107 - Rent - Meeting Rooms	0.00	9,900.00	0.00	9,900.00
73110 - Custodial & Cleaning Services	0.00	1,964.98	0.00	1,964.98
73125 - Common Services-Premises	0.00	6,472.88	0.00	6,472.88
73305 - Maint & Licensing of Hardware	0.00	70.03	0.00	70.03
73405 - Rental & Maint-Other Office Eq	0.00	56,469.50	0.00	56,469.50
73410 - Maint, Oper of Transport Equip	0.00	15,505.38	0.00	15,505.38
73505 - Reimb to UNDP for Supp Srvs	0.00	1,349.34	0.00	1,349.34
74215 - Promotional Materials and Dist	0.00	669.34	0.00	669.34
74510 - Bank Charges	0.00	1,273.82	0.00	1,273.82
74525 - Sundry	0.00	37,697.72	0.00	37,697.72
74605 - Prepaid Project Expenses	0.00	0.00	0.00	0.00
74696 - PP&E Expensed Items	0.00	14,246.48	0.00	14,246.48
74725 - Other L.T.S.H.	0.00	241.59	0.00	241.59
75105 - Facilities & Admin - Implement	0.00	310,101.86	0.00	310,101.86
75705 - Learning costs	0.00	71,383.11	0.00	71,383.11
75707 - Learning - subsistence allowan	0.00	23,023.84	0.00	23,023.84
75708 - Learning - subcontracts	0.00	0.00	0.00	0.00
76110 - Foreign Exch Translation Loss	0.00	148.69	0.00	148.69
76125 - Realized Loss	0.00	337.32	0.00	337.32
76135 - Realized Gain	0.00	-172.23	0.00	-172.23
77305 - Salaries* IP Staff-TA	0.00	39,097.02	0.00	39,097.02
77310 - Post Adjustment - IP Staff-TA	0.00	19,354.10	0.00	19,354.10
77315 - Contrib-Med,SocIns-IP Staff-TA	0.00	554.53	0.00	554.53
77320 - Assg hardship & mob allow-TA	0.00	6,218.62	0.00	6,218.62
77345 - Dep Allowances-IP Staff-TA	0.00	1,425.20	0.00	1,425.20
77357 - Repat. Grt/Comm Ann Lv-IP-TA	0.00	5,956.00	0.00	5,956.00
77375 - Contrib-Jt Staff Pens Fd-IP-TA	0.00	12,355.66	0.00	12,355.66
77385 - Contribution to Security	0.00	2,338.04	0.00	2,338.04
77386 - Contribution to ICT TA	0.00	876.76	0.00	876.76
77395 - MAIP Premium TA/IP	0.00	116.91	0.00	116.91
77396 - PAYROLL MGT COST RECOVERY	0.00	386.28	0.00	386.28
77397 - Appendix D TA/IP	0.00	175.36	0.00	175.36
77630 - Dep Exp Owned - ITC	0.00	833.74	0.00	833.74
Total for Fund 30000	0.00	4,738,144.15	0.00	4,738,144.15
Total for Dept : 42008	0.00	5,884,438.93	0.00	5,884,438.93
Total for Output : 00086669	0.00	5,874,323.55	0.00	5,874,323.55
Project Total :	0.00	5,874,323.55	0.00	5,874,323.55

Signed By : 

Mark Henderson
Partner
Moore Stephens LLP
07 August 2014

Date : 

Date : 29/11/14



Combined Delivery Report By Project

Selection Criteria :

Business Unit : MMR10
Period : Jan-Dec (2013)
Selected Project Id : 00074124
Selected Fund Code : 04000,04180,30000
Selected Dept. IDs : B0420
Selected Outputs : 00086669

Project Id : ALL	Period :	Jan-Dec (2013)			
Output # : ALL	Impl. Partner :				
	Location :				
		Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
42004 - Myanmar - Dem. Governance		0.00	- 10,115.38	0.00	- 10,115.38
42008 - Myanmar - Poverty Reduction		0.00	5,884,438.93	0.00	5,884,438.93

Combined Delivery Report By Project



UN
DIP UN Development Programme
Report ID: unglcdrp

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Run Time: 21-03-2014 08:03:22

Funds Utilization

Selection Criteria :

Business Unit : MMR10
Period : Jan-Dec (2013)
Selected Project Id : 00074124
Selected Fund Code : 04000,04180,30000
Selected Dept. IDs : B0420
Selected Outputs : 00086669

Project/Award: 00074124 Livelihood Support & Social Co

Period : As at Dec 31, 2013

Output #	00086669	Impl. Partner :02198 United Nations Development P	UNDP AMOUNT
	Outstanding NEX advances		0.00
	Depreciated Fixed Assets		166,026.59
	Inventory		0.00
	Prepayments		658.78
	Commitments		73,784.39

Annex 2: Statement of Assets and Equipment

Statement of Asset and Equipment at as of May 2014

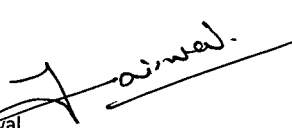
UNDP Country Office: Myanmar

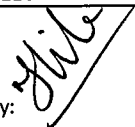
Project title: Pillar 1 Output 5 Livelihood Support & Social Cohesion Project


Project ID: 00086669

Form Asset Net book value a minimum of US\$500/- per item


Asset ID	Description	TAG Number	New Tag Number	Serial Number	Location	Acquisition Date	Cost,USD	Project
000000771	A Notebook computers Lenovo	CDRTPUTCP21	P1PUT12CP21	QB03932438	MMR10/MKN	1/25/2012	909	00086669
000000772	A Photocopiers	CD/FAL/OE73	P1FAL12OE73	DQT14430	MMR10/HAKA	1/18/2012	1,100.00	00086669
000000773	A Desktop computers Lenovo Br	CDRTMACCP15	P1MAC12CP15	ES09077352	MMR10/MKN	2/8/2012	723.64	00086669
000000774	A Desktop computers Lenovo Br	CDRTTEDCP110	P1TED12CP110	ES09077252	MMR10/MKN	2/8/2012	723.64	00086669
000000779	A Notebook computers Lenovo	CDRTMKNCP21	P1MKN12CP21	QB03969650	MMR10/MKN	1/25/2012	909	00086669
000000780	A Notebook computers Lenovo	CDRTTANCP21	P1TAN12CP21	QB03969596	MMR10/MKN	1/25/2012	909	00086669
000000781	A Notebook computers Lenovo	CDRTKMRCP21	P1KMR12CP21	QB03969610	MMR10/HAKA	1/25/2012	909	00086669
000000782	A Notebook computers Lenovo	CDRTKANCP21	P1KAN12CP21	QB03969608	MMR10/MDAT	1/25/2012	909	00086669
000000783	A Notebook computers Lenovo	CDRTMRACP21	P1MRA12CP21	QB03969642	MMR10/MBYA	1/25/2012	909	00086669
000000784	A Photocopiers	CDRTHAKOE72	P1THAK12OE72	DQT13372	MMR10/HAKA	1/18/2012	1,100.00	00086669
000000785	A Photocopiers	CDRTTEDOE73	P1TTED12OE73	DQT14672	MMR10/HAKA	1/18/2012	1,100.00	00086669
000000786	A Desktop computers Lenovo Br	CDRTMAUCP18	P1MAU12CP18	ES09077322	MMR10/MDAW	2/8/2012	723.64	00086669
000000787	A Desktop computers Lenovo Br	CDRTMINCP115	P1MIN12CP115	ES09077336	MMR10/MDAT	2/8/2012	723.64	00086669
000000788	A Desktop computers Lenovo Br	CDRTFALCP17	P1FAL12CP17	ES09077130	MMR10/HAKA	2/8/2012	723.64	00086669
000000789	A Desktop computers Lenovo Br	CDRTTHLCP110	P1THL12CP110	ES09077231	MMR10/HAKA	2/8/2012	723.64	00086669
000000794	A Notebook computers Lenovo	CDRTWAICP21	P1WAI12CP21	QB03969637	MMR10/MKN	1/25/2012	909	00086669
000000795	A Notebook computers Lenovo	CDRTPALCP21	P1PAL12CP21	QB03969614	MMR/SITWE	1/25/2012	909	00086669
000000796	A Photocopiers	CDRTNRSOE73	P1TNRS12OE73	DQT14436	MMR10/MDAW	1/18/2012	1,100.00	00086669
000000797	A Desktop computers Lenovo Br	CDRTPUTCP15	P1PUT12CP15	ES09077237	MMR10/PTAO	2/8/2012	723.64	00086669
000000798	A Desktop computers Lenovo Br	CDRTMINCP117	P1MIN12CP117	ES09077333	MMR10/MDAT	2/8/2012	723.64	00086669
000000801	A Notebook computers IdeaPad	GIRIYGNC2/1	GIRIYGNC2/1	CB16590256	MMR10/JIT-FIU	5/2/2012	1,239.00	00086669
000000802	A Notebook computers Lenovo	CDRTMANCP21	P1MAN12CP21	QB03633301	MMR10/MOM	1/25/2012	909	00086669
000000803	A Notebook computers Lenovo	CDRTMONCP21	P1MON12CP21	QB03969647	MMR10/MOM	1/25/2012	909	00086669
000000804	A Notebook computers Lenovo	CDRTBILCP21	P1BIL12CP21	QB03969580	MMR10/MAWL	1/25/2012	909	00086669
000000805	A Notebook computers Lenovo	CDRTHAKCP21	P1HAK12CP21	QB03633233	MMR10/HAKA	1/25/2012	909	00086669
000000806	A Notebook computers Lenovo	CDRTTEDCP22	P1TED12CP22	QB03969585	MMR10/HAKA	1/25/2012	909	00086669
000000807	A Notebook computers Lenovo	CDRTMINCP21	P1MIN12CP21	QB03932403	MMR/SITWE	1/25/2012	909	00086669
000000809	A Photocopiers	CDRTMACOE71	P1TMAC12OE71	DQT13309	MMR10/MDAW	1/18/2012	1,100.00	00086669

Signed by: 
 Name: Jitendra Jaiswal
 Title: Management Specialist
 FIU Unit

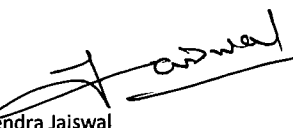
Signed by: 
 Name: Thiha Naing
 Title: Admin Associate

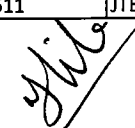
Certified by: 
 Name:
 Title:
 Name of the Audit Firm:
 Date:


Mark Henderson
 Partner
 Moore Stephens LLP
 07 August 2014


 PPV/in
 22 May 14


0000000816	A Notebook computers Lenovo	CDRTTONCP21	P1TON12CP21	QB03969639	MMR10/HAKA	1/25/2012	909	00086669
0000000817	A Notebook computers Lenovo	CDRTKYACP21	P1KYA12CP21	QB03969633	MMR/SITWE	1/25/2012	909	00086669
0000000818	A Photocopiers	CDRTPALOE72	P1TPAL12OE72	DQT14670	MMR10/MBYA	1/18/2012	1,100.00	00086669
0000000819	A Desktop computers Lenovo Br	CDRTTONCP112	P1TON12CP112	ES09077339	MMR10/HAKA	2/8/2012	723.64	00086669
0000000820	A Notebook computers Lenovo	CDRTKHTCP21	P1KHT12CP21	QB03932382	MMR10/MAWL	1/25/2012	909	00086669
0000000821	A Notebook computers Lenovo	CDRTMATCP21	P1MAT12CP21	QB03969627	MMR10/MDAT	1/25/2012	909	00086669
0000000822	A Notebook computers Lenovo	CDRTFALCP21	P1FAL12CP21	QB03969599	MMR10/HAKA	1/25/2012	909	00086669
0000000823	A Notebook computers Lenovo	CDRTYGNCP26	P1YGN12CP26	QB03969634	MMR10/FIU	1/25/2012	909	00086669
0000000825	A Photocopiers	CDRTKYAOE72	P1TKYA12OE72	DQT13370	MMR10/MBY	1/18/2012	1,100.00	00086669
0000000826	A Desktop computers Lenovo Br	CDRTMAUCP110	P1MAU12CP110	ES09077359	MMR10/MDAW	2/8/2012	723.64	00086669
0000000827	A Notebook computers Lenovo	CDRTTHLCP21	P1THL12CP21	QB03932389	MMR10/HAKA	1/25/2012	909	00086669
0000000828	A Notebook computers Lenovo	CDRTYGNCP27	P1YGN12CP27	QB03969629	MMR10/FIU	1/25/2012	909	00086669
0000000829	A Photocopiers	CDRTBUTOE7/21	P1TBUT12OE7/21	DQT14432	MMR10/MDAW	1/18/2012	1,100.00	00086669
0000000830	A Desktop computers Lenovo Br	CDRTMACCP17	P1MAC12CP17	ES09077361	MMR10/MDAW	2/8/2012	723.64	00086669
0000000831	A Desktop computers Lenovo Br	CDRTMAUCP112	P1MAU12CP112	ES09077238	MMR10/MDAW	2/8/2012	723.64	00086669
0000000832	A Desktop computers Lenovo Br	CDRTFALCP15	P1FAL12CP15	ES09077157	MMR10/HAKA	2/8/2012	723.64	00086669
0000000833	A Desktop computers Lenovo Br	CDRTTHLCP18	P1THL12CP18	ES09077245	MMR10/HAKA	2/8/2012	723.64	00086669
0000000837	A Photocopiers	CDRTMAUOE73	P1TMAU12OE73	DQT14321	MMR10/MDAW	1/18/2012	1,100.00	00086669
0000000839	Photocopiers Multi Function	GRI/YGNCP7/1	GRI/YGNCP7/1	EYV03180	MMR10/FIU	3/15/2012	880	00086669
0000000842	Auto Voltage Regulator	000000000842	000000000842	UPT00900	MMR10/YESB	7/10/2012	576.69	00086669
0000000869	A Notebook computers	MFYGNCP23	MFYGNCP23	CB17673580	MMR10/TTA	10/31/2012	1,240.56	00086669
0000000874	A Notebook computers	MFYGNCP22	MFYGNCP22	CB17348698	MMR10/IT	10/31/2012	1,240.56	00086669
0000000890	A Desktop computers for CDRT	CDRTBILCP134	P1BIL12CP134	ES09441746	MMR10/MAWL	11/19/2012	716	00086669
0000000892	A Desktop computers for CDRT	CDRTHPAANCP1	P1HPAAN12CP1	ES09441571	MMR10/HPAN	11/19/2012	716	00086669
0000000894	A Desktop computers for CDRT	CDRTKHTCP154	P1KHT12CP154	ES09441437	MMR10/HPAN	11/19/2012	716	00086669
0000000900	A Desktop computers for CDRT	CDRTKMRCP136	P1KMR12CP136	ES09441654	MMR10/HPAN	11/19/2012	716	00086669
0000000907	A Station wagons- UN 2/33	DEXYGNVH4612	DEXYGNVH4612	JTEBD9FJ10K11784	MMR10/HAKA	12/19/2012	38,000.04	00086669
0000000912	Land Cruiser Prado -UN2/34	DEXYGNVH4611	DEXYGNVH4611	JTEBD9FJ40K011	MMR10/YGN	12/19/2012	38,000.04	00086669

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Name: Jitendra Jaiswal
Title: Management Specialist
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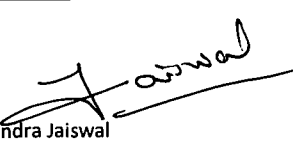
Signed by: 
Name: Thiha Naing
Title: Admin Associate

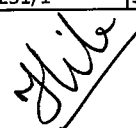
Certified by: 
Name:
Title:
Name of the Audit Firm:
Date:

Mark Henderson
Partner
Moore Stephens LLP
07 August 2014



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000000926	Boat Engine Yamaha	CDRT/BUT49/8	P1/BUT12/49/8	6H2K-1014422	MMR10/SITWE	12/5/2012	6,491.00	00086669
000000956	Panasonic DMC-GF6 Camera	YGN/13OE17/1	YGN/13OE17/1	FR3SA301001	MMR10/FIU	10/21/2013	629.69	00086669
000000957	Panasonic DMC-GF6 Camera	YGN13/OE17/2	YGN13/OE17/2	FR3SA301002	MMR10/FIU	10/21/2013	629.69	00086669
000000958	Panasonic DMC-GF6 Camera	MDY13/OE17/1	MDY13/OE17/1	FR3SA301003	MMR10/MDY	10/21/2013	629.69	00086669
000000959	Panasonic DMC-GF6 Camera	TGN13/OE17/1	TGN13/OE17/1	FR3SA301004	MMR10/TAUN	10/21/2013	629.69	00086669
000000960	Panasonic DMC-GF6 Camera	LSO13/OE17/1	LSO13/OE17/1	FR3SA301105	MMR10/LAR	10/21/2013	629.69	00086669
000000961	Panasonic DMC-GF6 Camera	LKW13/OE17/1	LKW13/OE17/1	FR3SA301106	MMR10/LOIK	10/21/2013	629.69	00086669
000000962	Panasonic DMC-GF6 Camera	HPN13/OE17/1	HPN13/OE17/1	FR3SA301107	MMR10/HPAN	10/21/2013	629.69	00086669
000000963	Panasonic DMC-GF6 Camera	MLM13/OE17/1	MLM13/OE17/1	FR3SA301108	MMR10/MAWL	10/21/2013	629.69	00086669
000000964	Panasonic DMC-GF6 Camera	MDT13/OE17/1	MDT13/OE17/1	FR3SA301109	MMR10/MDAT	10/21/2013	629.69	00086669
000000965	Panasonic DMC-GF6 Camera	HKA13/OE17/1	HKA13/OE17/1	FR3SA301110	MMR10/HAKA	10/21/2013	629.69	00086669
000000966	Panasonic DMC-GF6 Camera	SIT13/OE/171	SIT13/OE/171	FR3SA301111	MMR/SITWE	10/21/2013	629.69	00086669
000000967	Panasonic DMC-GF6 Camera	MIN13/OE17/1	MIN13/OE17/1	FR3SA301112	MMR10/MBYA	10/21/2013	629.69	00086669
000000968	Panasonic DMC-GF6 Camera	MAU13/OE17/1	MAU13/OE17/1	FR3SA301045	MMR10/MDAW	10/21/2013	629.69	00086669
000000969	Panasonic DMC-GF6 Camera	MKN13/OE17/1	MKN13/OE17/1	FR3SA301047	MMR10/MKN	10/21/2013	629.69	00086669
000000970	Panasonic DMC-GF6 Camera	PUT13/OE17/1	PUT13/OE17/1	FRA3SA301047	MMR10/PUTA	10/21/2013	629.69	00086669
000000971	Panasonic DMC-GF6 Camera	MOM13/OE17/1	MOM13/OE17/1	FR3SA301048	MMR10/MOM	10/21/2013	629.69	00086669
000000987	A Notebook computers	P1YGN13CP23	P1YGN13CP23	PK1M2M2	MMR10/PIL1	12/12/2013	1,289.00	00086669
000000988	A Notebook computers	P1YGN13CP24	P1YGN13CP24	PK1M2LZ	MMR10/PIL1	12/12/2013	1,289.00	00086669
000000989	A Desktop computers	HPA13/CP1/9	HPA13/CP1/9	PBK8CC2	MMR10/HPAN	12/11/2013	600	00086669
000000990	A Desktop computers	MDY13/CP1/4	MDY13/CP1/4	PBK8BK7	MMR10/MDY	12/11/2013	600	00086669
000000991	SamsungGalaxyNotell	P1SIT13/OE51/1	P1SIT13/OE51/1	914335/7	MMR/SITWE	12/16/2013	515	00086669
000000992	A Notebook computers	P1YGN13CP25	P1YGN13CP25	PK1M2LL	MMR10/PIL1	12/12/2013	1,289.00	00086669
000000993	A Notebook computers	P1MKN13CP26	P1MKN13CP26	PK1M2M7	MMR10/MKN	12/12/2013	1,289.00	00086669
000000994	A Notebook computers	P1MDY13CP27	P1MDY13CP27	PK1M2LV	MMR10/MDY	12/12/2013	1,289.00	00086669
000000995	A Notebook computers	P1TGY13CP28	P1TGY13CP28	PK1M2L6	MMR10/TGY	12/12/2013	1,289.00	00086669
000000996	A Notebook computers	P1LKW13CP29	P1LKW13CP29	PK1M2MF	MMR10/LOIK	12/12/2013	1,289.00	00086669
000000997	A Desktop computers	MOM13/CP1/2	MOM13/CP1/2	PBK8BY4	MMR10/MOM	12/11/2013	600	00086669
000000998	A Desktop computers	MLM13/CP1/10	MLM13/CP1/10	PBK8BN7	MMR10/MAWL	12/11/2013	600	00086669
000000999	SamsungGalaxyNotell	MLM13/OE51/1	MLM13/OE51/1	914354/8	MMR10/MAWL	12/16/2013	515	00086669
000001000	SamsungGalaxyNotell	MOM13/OE51/1	MOM13/OE51/1	992233 9	MMR10/MOM	12/16/2013	515	00086669

Signed by: 
Name: Jitendra Jaiswal
Title: Management Specialist
FIU Unit

Signed by: 
Name: Thiha Naing
Title: Admin Associate

Certified by :
Name:
Title:
Name of the Audit Firm:
Date:


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Partner
Moore Stephens LLP
07 August 2014


PPW/n
23 May 14

00001002	A Notebook computers	P1HPA13CP212	P1HPA13CP212	PK1M2LS	MMR10/HPAN	12/12/2013	1,289.00	00086669
00001005	A Desktop computers	MDT13/CP1/14	MDT13/CP1/14	PBK8CC3	MMR10/MDAT	12/11/2013	600	00086669
00001006	SamsungGalaxyNotell	MKN13/OE51/1	MKN13/OE51/1	914353/0	MMR10/MKN	12/16/2013	515	00086669
00001007	SamsungGalaxyNotell	MIN13/OE51/1	MIN13/OE51/1	992203/2	MMR10/MDAT	12/16/2013	515	00086669
00001009	A Notebook computers	P1MLM13CP213	P1MLM13CP213	PK1M2L5	MMR10/MAWL	12/12/2013	1,289.00	00086669
00001010	A Notebook computers	P1LSO13CP214	P1LSO13CP214	PK1M2LA	MMR10/PUT	12/12/2013	1,289.00	00086669
00001011	A Desktop computers	HKA13/CP1/7	HKA13/CP1/7	PBK8CF6	MMR10/HAKA	12/11/2013	600	00086669
00001013	A Notebook computers	P1MOM13CP215	P1MOM13CP215	PK1M2M8	MMR10/MOM	12/12/2013	1,289.00	00086669
00001014	A Notebook computers	P1LSO13CP216	P1LSO13CP216	PK1M2M6	MMR10/LAR	12/12/2013	1,289.00	00086669
00001015	A Desktop computers	LKW13/CP1/6	LKW13/CP1/6	PBK8BK9	MMR10/LOIK	12/11/2013	600	00086669
00001016	A Desktop computers	LSO13/CP1/13	LSO13/CP1/13	PBK8BX8	MMR10/LAR	12/11/2013	600	00086669
00001017	A Desktop computers	MIN/13/CP116	MIN/13/CP116	PBK8BH2	MMR10/MBYA	12/11/2013	600	00086669
00001018	A Desktop computers	YGN/13/CP1/2	YGN/13/CP1/2	PBK8BP1	MMR10/PIL1	12/11/2013	600	00086669
00001019	SamsungGalaxyNotell	HPN/13/OE51/1	HPN/13/OE51/1	914309/2	MMR10/HPAN	12/16/2013	515	00086669
00001020	SamsungGalaxyNotell	MDT13/OE51/1	MDT13/OE51/1	992222/2	MMR10/MDAT	12/16/2013	515	00086669
00001021	SamsungGalaxyNotell	LSO13/OE51/1	LSO13/OE51/1	914348/0	MMR10/LAR	12/16/2013	515	00086669
00001023	A Notebook computers	P1YGN13CP2/2	P1YGN13CP2/2	PK1M2LK	MMR10/PIL1	12/12/2013	1,289.00	00086669
00001024	A Notebook computers	P1YGN13CP2/1	P1YGN13CP2/1	PK1M2LR	MMR10/PIL1	12/12/2013	1,289.00	00086669
00001025	A Notebook computers	P1MDT13CP2/17	P1MDT13CP2/17	PK1M2LH	MMR10/MDAT	12/12/2013	1,289.00	00086669
00001026	A Notebook computers	P1MDW13CP2/18	P1MDW13CP2/18	PK1M2M9	MMR10/MDAW	12/12/2013	1,289.00	00086669
00001027	A Notebook computers	P1MIM13CP2/19	P1MIM13CP2/19	PK1M2M4	MMR10/MBYA	12/12/2013	1,289.00	00086669
00001031	A Desktop computers	P1LSO13CP1/11	P1LSO13CP1/11	PBK8BZ5	MMR10/PUT	12/11/2013	600	00086669
00001032	A Desktop computers	P1MKN13CP1/13	P1MKN13CP1/13	PBK8BP7	MMR10/MKN	12/11/2013	600	00086669
00001033	SamsungGalaxyNotell	P1TGN13/OE51/1	P1TGN13/OE51/1	914308/4	MMR10/TAUN	12/16/2013	515	00086669

Signed by:

Name: Jitendra Jaiswal

Title: Management Specialist

FIU Unit

Signed by:

Name: Thiha Naing

Title: Admin Associate

Certified by :

Name:

Title:

Name of the Audit Firm:

Date:

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Partner

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07 August 2014

PPK/in
23 May 14

006000001034	A Notebook computers	P1MKN13CP2/20	P1MKN13CP2/20	PK1M2L9	MMR10/MKN	12/12/2013	1,289.00	00086669
006000001035	A Notebook computers	P1TGY13CP2/21	P1TGY13CP2/21	PK1M2MG	MMR10/TGY	12/12/2013	1,289.00	00086669
006000001036	A Notebook computers	P1LKW13CP2/22	P1LKW13CP2/22	PK1M2LM	MMR10/LOIK	12/12/2013	1,289.00	00086669
006000001037	A Notebook computers	P1HKA13CP2/23	P1HKA13CP2/23	PK1M2MI	MMR10/HAKA	12/12/2013	1,289.00	00086669
006000001038	A Notebook computers	P1SIT13CP2/24	P1SIT13CP2/24	PK1M2ML	MMR/SITWE	12/12/2013	1,289.00	00086669
006000001040	A Desktop computers	TGY13/CP1/5	TGY13/CP1/5	PBK8CB6	MMR10/TAUN	12/11/2013	600	00086669
006000001041	A Desktop computers	P1YGN13CP1/17	P1YGN13CP1/17	PBK8CB3	MMR10/PIL1	12/11/2013	600	00086669
006000001042	A Desktop computers	SIT13/CP1/8	SIT13/CP1/8	PBK8BL2	MMR/SITWE	12/11/2013	600	00086669
006000001043	SamsungGalaxyNotell	MAU13/OE51/1	MAU13/OE51/1	914352/2	MMR10/MDAW	12/16/2013	515	00086669
006000001044	SamsungGalaxyNotell	MDY13/OE51/1	MDY13/OE51/1	914342/3	MMR10/MDY	12/16/2013	515	00086669
006000001045	SamsungGalaxyNotell	LKW13/OE51/1	LKW13/OE51/1	914313/4	MMR10/LOIK	12/16/2013	515	00086669
006000001047	A Notebook computers	P1HPA13CP2/25	P1HPA13CP2/25	PK1M2LF	MMR10/HPAN	12/12/2013	1,289.00	00086669
006000001048	A Notebook computers	P1MLM13CP2/26	P1MLM13CP2/26	PK1M2LE	MMR10/MAWL	12/12/2013	1,289.00	00086669
006000001049	A Notebook computers	P1SIT13CP2/11	P1SIT13CP2/11	PK1M2LT	MMR/SITWE	12/12/2013	1,289.00	00086669
006000001050	A Notebook computers	P1HKA13CP2/10	P1HKA13CP2/10	PK1M2MK	MMR10/HAKA	12/12/2013	1,289.00	00086669
006000001052	A Desktop computers	YGN13/CP/1/1	YGN13/CP/1/1	PBK8CD9	MMR10/PIL1	12/11/2013	600	00086669
006000001053	SamsungGalaxyNotell	HKA13OE/51/1	HKA13OE/51/1	192383/0	MMR10/HAKA	12/16/2013	515	00086669

Signed by:

Name: Jitendra Jaiswal
Title: Management Specialist
FIU Unit

Signed by:

Name: Thiha Naing
Title: Admin Associate

Certified by :

Name:
Title:
Name of the Audit Firm:
Date:

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Annex 3: Audit finding priority ratings

The following categories of priorities are used:

- High (Critical)** Action is considered imperative to ensure that UNDP is not exposed to high risks. Failure to take action could result in major consequences and issues.
- Medium (Important)** Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
- Low** Action is considered desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the Auditors directly with the Office management, during the exit meeting and through a separate memo subsequent to the fieldwork. **Therefore, low priority recommendations are not included in the audit report.**