



AUDIT

OF

UNDP ARMENIA

MODERNISING BORDER CROSSING POINTS
(Directly Implemented Project No. 68950, Output No. 83816)

Report No. 1632

Issue Date: 24 August 2016

**Report on the Audit of UNDP Armenia
Modernising Border Crossing Points (Project No. 68950, Output No. 83816)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), from 28 June to 8 July 2016, conducted an audit of Modernising Border Crossing Points (Project No. 68950, Output No. 83816) (the Project), which is directly implemented and managed by the UNDP Country Office in Armenia (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 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	Amount (in \$ '000)	Opinion
16,806	Unqualified	38	Unqualified

*Expenditures recorded in the Combined Delivery Report totalled \$16,921,000. Excluded from the audit scope were expenditures processed and approved by other UNDP offices outside of the country totalling \$115,000.

Key recommendation: Total = 1, high priority = 0

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, 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." This recommendation includes actions to address the lack of procedures to monitor the actual time spent on the Project by service contract holders.

The recommendation aims to ensure the 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.

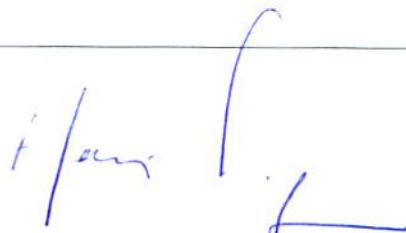
Implementation status of previous OAI audit recommendations: Report No. 1484, 10 August 2015

Total recommendations: 1

Implemented: 1

Management comments and action plan

The UN Resident Coordinator and UNDP Resident Representative accepted the recommendation and is in the process of implementing it. 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

15 August 2016

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

Modernising Border Crossing Points

UNDP Country Office:	Armenia
Atlas Project ID:	68950
Atlas Output number:	83816
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January to 31 December 2015

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EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of Modernising Border Crossing Points (Project ID 68950 and Output 83816 (the project), directly implemented by UNDP Armenia ('the Office') for the year ended 31 December 2015. 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	Unqualified
Statement of Fixed Assets	Unqualified
Statement of Cash Position	Not applicable

As a result of our audit, we have raised one audit finding with no financial impact as summarised below:

No.	Description	Priority	Net financial impact \$
1	Lack of time monitoring procedures	Medium	-
Total			-

The project was audited in the prior year. The implementation status of the recommendation is as follows:

No.	Title	Summary of observation	Summary of recommendation	Recommendation implemented?
1	Procurement process weaknesses	Weaknesses were identified in the procurement process in two procurement cases.	It was recommended that the Office enhances the transparency of the procurement process and ensures it is in line with UNDP policies.	Yes. We noted that the Office performed a restructuring exercise during 2015 in which new staff were hired in the procurement unit.

Mark Henderson
Partner

Moore Stephens LLP
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London EC1A 4AB

15 August 2016

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 2015 and the funds utilization as at 31 December 2015 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 2015. This statement must include all assets available as at 31 December 2015 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.
- Expressing an opinion on whether the statement of cash held by the project presents fairly the cash and bank balance of UNDP project as at 31 December 2015.

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project between 1 January and 31 December 2015. 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 - Modernising Border Crossing Points

Statement of Expenditure

Unqualified Opinion

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement totalling \$16,921,475.54 ("the statement") of the UNDP project 68950 'Modernising Border Crossing Points' for the period from 1 January to 31 December 2015. CDR expenditure not processed or approved by UNDP Country Office Armenia of \$114,977.91 was not within the scope of our audit.

Management is responsible for the preparation of the statement for the 'Modernising Border Crossing Points' 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.

Unqualified Opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement presents fairly, in all material respects, the expenses of \$16,806,497.63 incurred by the project 'Modernising Border Crossing Points' for the period 1 January to 31 December 2015 in accordance with UNDP accounting policies and were i) in conformity with the approved budget; (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.



Mark Henderson
Partner

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15 August 2016

Independent Auditor's Report to UNDP - Modernising Border Crossing Points

Statement of Assets and Equipment

Unqualified Opinion

We have audited the accompanying Statement of Fixed Assets ('the statement') of the UNDP project 68950 'Modernising Border Crossing Points' as at 31 December 2015.

Management is responsible for the preparation of the statement for the 'Modernising Border Crossing Points' 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 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 'Modernising Border Crossing Points' amounting to \$38,230.96 as at 31 December 2015 in accordance with UNDP accounting policies.



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15 August 2016

Independent Auditor's Report to UNDP - Modernising Border Crossing Points

Statement of Cash Position

We noted that the UNDP project 'Modernising Border Crossing Points' did not have a dedicated bank account for DIM project activities subject to audit and accordingly a Statement of Cash Position was not produced.

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 time monitoring procedures
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Observation:

We noted that two staff employed via service contracts worked part time on the project for two months of 2015. In each case, 50 percent of their salary was claimed as project expenditure during this time.

Salary distribution lists showing salary allocations to the project were completed each month. However, these were signed only by the project coordinator and not by the individual or the supervisor. Furthermore, these lists reflected the time allocation rather than the actual amount of time spent by staff working in the project.

We found that no evidence was kept to monitor the amount of time that these two service contract staff spent on project activities. There is therefore a risk that the actual time spent on the project was lower than the amount claimed.

Priority: Medium

Recommendation:

We recommend that time sheets are implemented, which show the actual hours or the percentage of time staff worked on projects. Time sheets should be signed by the employee and their supervisor as evidence of the actual time spent working on the project.

Management comments:

Recommendation accepted. The projects will be instructed to keep time sheets for all staff working part-time and shared by different projects, which will show the actual hours worked and will be signed by the employees and their supervisors.



Mark Henderson
Partner

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15 August 2016

Annexes

Annex 1: Combined Delivery Report



Combined Delivery Report by Activity

UN Development Programme
Report ID: unglcdrb

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Selection Criteria :

Business Unit : ARM10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00083816

Project Id : 00068950 Modernization of Bagratashen,	Period :	Jan-Dec (2015)		
Output # : 00083816 Modernizing Border Cros Points	Impl. Partner :	99999 UNDP		
	Location :	ARMTigranyan11/18		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Activity : ()

Fund : 04000 (Core Programme, UNU Centre)

77660 - Dep Exp Owned -Vehicle	0.00	3,091.02	0.00	3,091.02
Total for Fund 04000	0.00	3,091.02	0.00	3,091.02
Total for Activity	0.00	3,091.02	0.00	3,091.02

Activity : ACTIVITY1 (Civil works quality assurance)

Fund : 30071 (Programme Cost Sharing GOV1)

72105 - Svc Co-Construction & Engineer	0.00	76,096.74	0.00	76,096.74
74599 - UNDP cost recovery chrgs-Bills	0.00	79.23	0.00	79.23
75105 - Facilities & Admin - Implement	0.00	2,285.28	0.00	2,285.28
Total for Fund 30071	0.00	78,461.25	0.00	78,461.25
Total for Activity ACTIVITY1	0.00	78,461.25	0.00	78,461.25

Activity : ACTIVITY2 (Construction works)

Fund : 30071 (Programme Cost Sharing GOV1)

72105 - Svc Co-Construction & Engineer	0.00	8,264,894.61	0.00	8,264,894.61
74599 - UNDP cost recovery chrgs-Bills	0.00	650.71	0.00	650.71
75105 - Facilities & Admin - Implement	0.00	247,966.36	0.00	247,966.36
76125 - Realized Loss	0.00	0.00	0.00	0.00
Total for Fund 30071	0.00	8,513,511.68	0.00	8,513,511.68
Total for Activity ACTIVITY2	0.00	8,513,511.68	0.00	8,513,511.68

Activity : ACTIVITY3 (Gogavan Network Services)

Fund : 30071 (Programme Cost Sharing GOV1)

72105 - Svc Co-Construction & Engineer	0.00	39,142.76	0.00	39,142.76
74599 - UNDP cost recovery chrgs-Bills	0.00	145.76	0.00	145.76
75105 - Facilities & Admin - Implement	0.00	1,178.65	0.00	1,178.65



Combined Delivery Report by Activity

Project Id : 00068950 Modernization of Bagratashen,	Period :	Jan-Dec (2015)		
Output # : 00083816 Modernizing Border Cross Points	Impl. Partner :	99999 UNDP		
	Location :	ARMTigranyan11/18		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Total for Fund 30071 0.00 40,467.17 0.00 40,467.17

Total for Activity ACTIVITY3 0.00 40,467.17 0.00 40,467.17

Activity : ACTIVITY4 (Equipment)

Fund : 30071 (Programme Cost Sharing GOV1)

72105 - Svc Co-Construction & Engineer	0.00	29,522.53	0.00	29,522.53
72210 - Machinery and Equipment	0.00	317,739.63	0.00	317,739.63
72370 - Security related goods and mat	0.00	53,723.28	0.00	53,723.28
72399 - Other Materials and Goods	0.00	0.00	0.00	0.00
72405 - Acquisition of Communic Equip	0.00	5,376,496.22	0.00	5,376,496.22
72445 - Common Services-Communications	0.00	0.00	0.00	0.00
72505 - Stationery & other Office Supp	0.00	4,722.92	0.00	4,722.92
73406 - Maintenance of Equipment	0.00	198,000.00	0.00	198,000.00
74505 - Insurance	0.00	0.00	0.00	0.00
74507 - Warranty Expense	0.00	10,294.62	0.00	10,294.62
74515 - Claims and Adjustments	0.00	10,737.11	0.00	10,737.11
74599 - UNDP cost recovery chrgs-Bills	0.00	1,865.47	0.00	1,865.47
74725 - Other L.T.S.H.	0.00	17,091.11	0.00	17,091.11
75105 - Facilities & Admin - Implement	0.00	180,605.80	0.00	180,605.80
76125 - Realized Loss	0.00	0.00	0.00	0.00
76135 - Realized Gain	0.00	0.00	0.00	0.00

Total for Fund 30071 0.00 6,200,798.69 0.00 6,200,798.69

Total for Activity ACTIVITY4 0.00 6,200,798.69 0.00 6,200,798.69

Activity : ACTIVITY5 (Capacity Development)

Fund : 04000 (Core Programme, UNU Centre)

61205 - Salaries - GS Staff	0.00	0.00	0.00	0.00
61305 - Salaries - IP Staff	0.00	11,380.49	0.00	11,380.49
61310 - Post Adjustment - IP Staff	0.00	11,959.36	0.00	11,959.36
62305 - Dependency Allowances-IP Staff	0.00	2,929.00	0.00	2,929.00
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	9,581.92	0.00	9,581.92
62315 - Contrib. to medical, social in	0.00	627.24	0.00	627.24
62320 - Mobility, Hardship, Non-remova	0.00	5,956.64	0.00	5,956.64
62340 - Annual Leave Expense - IP	0.00	2,455.37	0.00	2,455.37
63335 - Home Leave Trvl & Allow-IP Stf	0.00	1,541.68	0.00	1,541.68
63530 - Contribution to EOS Benefits	0.00	1,584.57	0.00	1,584.57
63535 - Contribution to Security	0.00	1,901.50	0.00	1,901.50
63540 - Contribution to Training	0.00	507.07	0.00	507.07
63545 - Contribution to ICT	0.00	633.82	0.00	633.82
63550 - Contributions to MAIP	0.00	169.01	0.00	169.01
63555 - Contribution to UN JFA	0.00	1,267.65	0.00	1,267.65
63560 - Contributions to Appendix D	0.00	126.75	0.00	126.75



Combined Delivery Report by Activity

Project Id : 00068950 Modernization of Bagratashen,		Period :		Jan-Dec (2015)	
Output # : 00083816 Modernizing Border Cross Points		Impl. Partner :		99999 UNDP	
		Location :		ARMTigranyan11/18	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp	
65115 - Contributions to ASHI Reserve	0.00	3,380.42	0.00	3,380.42	
65135 - Payroll Mgt Cost Recovery ATLA	0.00	257.52	0.00	257.52	
71405 - Service Contracts-Individuals	0.00	27,394.81	0.00	27,394.81	
71410 - MAIP Premium SC	0.00	97.85	0.00	97.85	
71415 - Contribution to Security SC	0.00	1,100.79	0.00	1,100.79	
72105 - Svc Co-Construction & Engineer	0.00	461.65	0.00	461.65	
72415 - Courier Charges	0.00	392.83	0.00	392.83	
74599 - UNDP cost recovery chrgs-Bills	0.00	1,246.89	0.00	1,246.89	
74725 - Other L.T.S.H.	0.00	196.90	0.00	196.90	
76125 - Realized Loss	0.00	4.27	0.00	4.27	
76135 - Realized Gain	0.00	- 3.55	0.00	- 3.55	
Total for Fund 04000	0.00	87,152.45	0.00	87,152.45	
Total for Activity ACTIVITY5	0.00	87,152.45	0.00	87,152.45	
Activity : ACTIVITY6 (Gogavan Access Road and Bridge)					
Fund : 30071 (Programme Cost Sharing GOV1)					
72105 - Svc Co-Construction & Engineer	0.00	1,786,238.43	0.00	1,786,238.43	
74599 - UNDP cost recovery chrgs-Bills	0.00	663.40	0.00	663.40	
75105 - Facilities & Admin - Implement	0.00	53,607.07	0.00	53,607.07	
76125 - Realized Loss	0.00	0.00	0.00	0.00	
Total for Fund 30071	0.00	1,840,508.90	0.00	1,840,508.90	
Total for Activity ACTIVITY6	0.00	1,840,508.90	0.00	1,840,508.90	
Activity : ACTIVITY7 (Project Management)					
Fund : 04000 (Core Programme, UNU Centre)					
61305 - Salaries - IP Staff	0.00	22,589.25	0.00	22,589.25	
61310 - Post Adjustment - IP Staff	0.00	9,620.90	0.00	9,620.90	
62305 - Dependency Allowances-IP Staff	0.00	2,196.75	0.00	2,196.75	
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	7,139.72	0.00	7,139.72	
62315 - Contrib. to medical, social in	0.00	440.89	0.00	440.89	
62320 - Mobility, Hardship, Non-remova	0.00	4,467.48	0.00	4,467.48	
62340 - Annual Leave Expense - IP	0.00	- 1,904.56	0.00	- 1,904.56	
63335 - Home Leave Trvl & Allow-IP Stf	0.00	1,156.26	0.00	1,156.26	
63530 - Contribution to EOS Benefits	0.00	1,207.88	0.00	1,207.88	
63535 - Contribution to Security	0.00	1,449.46	0.00	1,449.46	
63540 - Contribution to Training	0.00	386.52	0.00	386.52	
63545 - Contribution to ICT	0.00	483.15	0.00	483.15	
63550 - Contributions to MAIP	0.00	128.84	0.00	128.84	
63555 - Contribution to UN JFA	0.00	966.30	0.00	966.30	
63560 - Contributions to Appendix D	0.00	96.63	0.00	96.63	
65115 - Contributions to ASHI Reserve	0.00	2,576.81	0.00	2,576.81	
65135 - Payroll Mgt Cost Recovery ATLA	0.00	193.14	0.00	193.14	

Combined Delivery Report by Activity



UN Development Programme
Report ID: unglcdrb

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Project Id : 00068950 Modernization of Bagratashen,		Period :		Jan-Dec (2015)
Output # : 00083816 Modernizing Border Cros Points		Impl. Partner :		99999 UNDP
		Location :		ARMTigranyan11/18
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
71405 - Service Contracts-Individuals	0.00	50,556.46	0.00	50,556.46
71410 - MAIP Premium SC	0.00	174.23	0.00	174.23
71415 - Contribution to Security SC	0.00	1,960.00	0.00	1,960.00
71605 - Travel Tickets-International	0.00	1,622.66	0.00	1,622.66
71615 - Daily Subsistence Allow-Intl	0.00	1,920.01	0.00	1,920.01
71620 - Daily Subsistence Allow-Local	0.00	3,893.62	0.00	3,893.62
71635 - Travel - Other	0.00	936.71	0.00	936.71
72105 - Svc Co-Construction & Engineer	0.00	956.09	0.00	956.09
72210 - Machinery and Equipment	0.00	8,801.35	0.00	8,801.35
72311 - Fuel, petroleum and other oils	0.00	607.98	0.00	607.98
72315 - Food & Textile Products	0.00	261.05	0.00	261.05
72405 - Acquisition of Communic Equip	0.00	350.60	0.00	350.60
72415 - Courier Charges	0.00	2,718.12	0.00	2,718.12
72420 - Land Telephone Charges	0.00	83.13	0.00	83.13
72425 - Mobile Telephone Charges	0.00	473.51	0.00	473.51
72440 - Connectivity Charges	0.00	203.00	0.00	203.00
72505 - Stationery & other Office Supp	0.00	35.16	0.00	35.16
72705 - Hospitality-Special Events	0.00	0.00	0.00	0.00
72815 - Inform Technology Supplies	0.00	96.37	0.00	96.37
72966 - Licenses and other	0.00	130.98	0.00	130.98
73120 - Utilities	0.00	179.38	0.00	179.38
73125 - Common Services-Premises	0.00	4,557.51	0.00	4,557.51
73310 - Maint & Licencing of Software	0.00	3,356.00	0.00	3,356.00
73405 - Rental & Maint-Other Office Eq	0.00	797.09	0.00	797.09
73406 - Maintenance of Equipment	0.00	86.54	0.00	86.54
73410 - Maint, Oper of Transport Equip	0.00	636.23	0.00	636.23
74110 - Audit Fees	0.00	12,130.00	0.00	12,130.00
74205 - Audio Visual Productions	0.00	360.09	0.00	360.09
74210 - Printing and Publications	0.00	552.79	0.00	552.79
74215 - Promotional Materials and Dist	0.00	88.32	0.00	88.32
74220 - Translation Costs	0.00	1,602.08	0.00	1,602.08
74225 - Other Media Costs	0.00	59.65	0.00	59.65
74505 - Insurance	0.00	418.24	0.00	418.24
74507 - Warranty Expense	0.00	0.00	0.00	0.00
74515 - Claims and Adjustments	0.00	0.00	0.00	0.00
74599 - UNDP cost recovery chrgs-Bills	0.00	2,939.53	0.00	2,939.53
74725 - Other L.T.S.H.	0.00	337.09	0.00	337.09
75705 - Learning costs	0.00	443.12	0.00	443.12
76125 - Realized Loss	0.00	18.21	0.00	18.21
76135 - Realized Gain	0.00	-53.94	0.00	-53.94
Total for Fund 04000	0.00	157,484.38	0.00	157,484.38
Fund : 30071 (Programme Cost Sharing GOV1)				
72105 - Svc Co-Construction & Engineer	0.00	0.00	0.00	0.00
72405 - Acquisition of Communic Equip	0.00	0.00	0.00	0.00
74599 - UNDP cost recovery chrgs-Bills	0.00	0.00	0.00	0.00
75105 - Facilities & Admin - Implement	0.00	0.00	0.00	0.00
Total for Fund 30071	0.00	0.00	0.00	0.00
Total for Activity ACTIVITY7	0.00	157,484.38	0.00	157,484.38




Project Id : 00068950 Modernization of Bagratashen,	Period :	Jan-Dec (2015)		
Output # : 00083816 Modernizing Border Cros Points	Impl. Partner :	99999 UNDP		
	Location :	ARMTigranyan11/18		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp


Total for Output : 00083816	0.00	16,921,475.54	0.00	16,921,475.54
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Project Total :	0.00	16,921,475.54	0.00	16,921,475.54
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Mark Henderson
Partner
Moore Stephens LLP
15/08/2016

MOORE STEPHENS

Signed By :  UNDP Deputy RR Date : 11.03.2016

Signed By :  MBBC National Project Coordinator Date : 11.03.2016





Selection Criteria :

Business Unit : ARM10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00083816

Project Id : ALL	Period : Jan-Dec (2015)				
Output # : ALL	Impl. Partner :				
	Location :				
		Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
53404 - Armenia - Dem. Governance		0.00	16,921,475.54	0.00	16,921,475.54



Funds Utilization

Selection Criteria :

Business Unit : ARM10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00083816

Project/Award: 00068950 Modernization of Bagratashen,

Period : As Of Dec31,2015

Output #	00083816	Impl. Partner :99999 UNDP	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			27,046.38
Inventory			0.00
Prepayments			363,211.90
Commitments			299,437.48

Annex 2: Statement of Assets and Equipment

**Statement of Assets and Equipment
as at 31 December 2015**

UNDP Country Office: Armenia	
Project title: "Modernization of Bagratashen, Bavra and Gogavan Border Crossing Points of the RA"	
Project ID:	00068950
Output ID:	00083816
Period covered from inception of project: as at 31 December 2015	

TAG NO.	ACQUISITION DATE	ITEM DESCRIPTION (make and model)	PROJECT No.	FUND	CONDITION	RESPONS. PERSON/ENTITY	ITEM LOCATION	MANUFACTURER	US\$ VALUE	SERIAL NO.	REMARKS
867	17-Oct-12	Toyota Land Cruiser 150 2.7 Li	00083816	4000	working	Tigran Ayvazyan	UN parking lot	Toyota	38,230.96	JTEBX3FJ10K098980	
								TOTAL VALUE	38,230.96		

Signed by:
Name: Gagik Shahinyan
Title: Asset Focal point
Date: 01.03.2016

Signed by:
Name: Ara Ashjian
Title: National Project Coordinator
Date: 01.03.2016

Signed by: signature
Name:
Title: UNDP RR or DRR
Date: 01.03.2016

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



Mark Henderson
Partner
Moore Stephens LLP

15 August 2016

MOORE STEPHENS

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. |