



AUDIT

OF

UNDP BOSNIA AND HERZEGOVINA

STRENGTHENING THE ROLE OF LOCAL COMMUNITIES
(Directly Implemented Project No. 80525, Output No. 90164)

Report No. 1636
Issue Date: 7 July 2016

**Report on the Audit of UNDP Bosnia and Herzegovina
Strengthening the Role of Local Communities
(Project No. 80525, Output No. 90164)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Deloitte LLP (the audit firm), from 9 May to 20 May 2016, conducted an audit of Strengthening the Role of Local Communities (Project No. 80525, Output No. 90164) (the Project), which is directly implemented and managed by the UNDP Country Office in Bosnia and Herzegovina (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 2015 and the accompanying Funds Utilization statement¹ 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 Assets as no assets were purchased by the Project. In addition, the audit did not cover the Statement of Cash Position as no balance was recorded in the dedicated project bank account as of 31 December 2015.

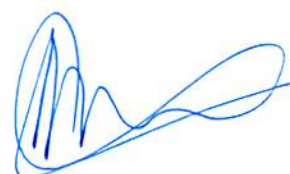
The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Audit results

Based on the audit report and corresponding management letter submitted by the audit firm, the results are summarized in the table below:

Project Expenditure	
Amount (in \$ '000)	Opinion
154	Unqualified

The audit did not result in any recommendations.



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

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.

**FINANCIAL STATEMENTS AUDIT AND
INDEPENDENT AUDITOR'S REPORTS FOR
THE OUTPUT PROJECT NO. 00090164
"STRENGTHENING THE ROLE OF LOCAL
COMMUNITIES"
FOR THE YEAR ENDED 31 DECEMBER 2015**

**Implementing partner:
United Nations Development Programme**

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Part I - Executive Summary of the Output Project no. 00090164 – Strengthening the Role of Local Communities

(All amounts are expressed in USD, unless otherwise stated)

1. EXECUTIVE SUMMARY

1.1. Project information

Output Project "Strengthening the Role of Local Communities/Mjesne zajednice (MZs) in Bosnia and Herzegovina" (hereinafter "the Project") is a joint initiative of the Governments of Switzerland and Sweden, represented by the Swiss Federal Department of Foreign Affairs, acting through the Embassy of Switzerland in Bosnia and Herzegovina/Swiss Agency for Development and Cooperation (SDC) (hereinafter "the SDC"), implemented by United Nations Development Programme (hereinafter "UNDP") country office in Bosnia and Herzegovina (BiH) ("the Office").

The overall objective of the Project is to improve the quality of life of the citizens of BiH, through enhancing local services and increasing democratic accountability and social inclusion.

The Project purpose is to foster the engagement of citizens in municipal decision making, in the provision of municipal quality services and in the implementation of local development initiatives by reinforcing the democratic role of local communities in BiH.

The Project is geared towards strengthening local communities and will empower women and include the marginalized groups into economic, social and political mainstream. The three specific Output Project outcomes are:

- *Outcome 1:* Citizens and governments are committed to realise the jointly agreed upon new inclusive and gender-sensitive vision of local communities in BiH, as foundation for more participatory and accountable local governance in BiH. This project outcome will seek out examples of best practice in local communities in the region, finding the legal and institutional structures that work and the inspirational examples that show people what can be achieved.
- *Outcome 2:* Pro-active, capacitated and inter-connected local communities contribute to downward responsiveness of local governments and improved service delivery. This project outcome will work directly with the leaders and communities that make up local communities, and with the local government officials and administration who are ultimately responsible for most of the public services. It will strengthen leadership, improve organisation, systems and the regulatory framework at the local level, and provide local communities with the tools they need to engage the community, involve women, include the most vulnerable, take joint decisions and put their ideas into effect. It will explore models for local democracy and community participation, building on successful experience and helping communities to find solutions that work for their individual circumstances and needs, tailored to the reality of their leadership aspirations and the local will for community involvement. It will also build capacity in specific areas such as education, health care and social services so that people understand how decisions are made, budgets set and resources allocated, and thus enable them to participate in the process and direct it towards their real needs. Finally, it will support communities to plan and prioritise their own time and resources and to initiate projects that matter to them, with co-financing from the project to help turn strategy into reality.

Part I - Executive Summary of the Output Project no. 00090164 – Strengthening the Role of Local Communities

(All amounts are expressed in USD, unless otherwise stated)

1. EXECUTIVE SUMMARY (CONTINUED)

1.1 Project information (continued)

- *Outcome 3:* A new regulatory framework for functional local communities developed by governments enables more inclusive, gender-sensitive and accountable local governance in BiH. Having analysed carefully how local communities can work best and developed a common vision of the new role they can play in BiH (outcome 1), and worked with local communities, local governments and their communities in translating these ideas into practice (outcome 2), the project will be able to propose a strong legal basis for all local communities in the country to function more effectively. In that light, the third outcome comes to create a new legal structure that fits with the vision across all tiers of government, to create an environment where Local communities can become effective and democratic channels for citizens to participate in their own governance.

Total budget of Phase I amounts to CHF 7,944,419. The geographic coverage includes Bosnia and Herzegovina; 20 Local Governance Units and 120 Local communities.

Project partners are as follows:

- BiH Ministry of Human Rights and Refugees,
- Ministry of Justice of the Federation of BiH,
- Ministry for Administration and Local Self-Government of Republika Srpska,
- Government of Brčko District
- Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina and Republika Srpska
- Local governments, MZs and civil society organizations

1.2. Objective and scope of the financial audit

Following our appointment we have performed an audit in accordance with the International Standards of Auditing.

The objective of the financial audit is to express an opinion on the Project's financial statements, which include:

1. Expressing an opinion on whether the financial expenses incurred by the Project over a specified period and the funds utilization as at the end of a specified period 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.

Part I - Executive Summary of the Output Project no. 00090164 – Strengthening the Role of Local Communities

(All amounts are expressed in USD, unless otherwise stated)

1. EXECUTIVE SUMMARY (CONTINUED)

1.2. Objective and scope of financial audit (continued)

The Combined Delivery Report ("CDR") and the accompanying Funds Utilization statement are the mandatory and official statements upon which the audit opinion should be expressed. Other forms of statement of expenses that may be prepared by a project office are not accepted.

2. Expressing an opinion on whether the statement of fixed assets presents fairly the balance of assets of the Project as at a given date. This statement must include all assets available as at 31 December 2015 and not only those purchased in a given period. Where a Directly Implemented project (hereinafter "DIM project") does not have any assets or equipment, it will not be necessary to express such an opinion.

3. Expressing an opinion on whether the statement of cash held by the Project presents fairly the cash and bank balance of the Project as at a given date. Disbursements made against a DIM project are usually financed from the regular country office bank accounts. Exceptionally, a dedicated bank account may be opened and used solely for the cash transactions of a DIM project, e.g. if the project is in a remote location. The audit firm is required to express an opinion on the Statement of Cash only where a dedicated bank account for the DIM project has been established. In cases where the cash transactions of the audited DIM project are made through the country office bank accounts, this type of opinion is not required.

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project over a given period. The scope of the audit does not include:

1. 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
2. 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.

UNITED NATIONS DEVELOPMENT PROGRAMME

Part I - Executive Summary of the Output Project no. 00090164 – Strengthening the Role of Local Communities

(All amounts are expressed in USD, unless otherwise stated)

1. EXECUTIVE SUMMARY (CONTINUED)

1.3. Work performed

The following table summarizes total reported expenses and total amount of transactions under our examination:

Output Project number	Output number	Output Project name	Total expenses as per CDR (in USD)	Total expenses as per CDR (in CHF)	Total amount under our scope (in USD)	Total amount under our scope (in CHF)	Total amount tested (in USD)	Total amount tested (in CHF)	Amount tested in % of amount under scope
00080522	00090164	Strengthening the Role of Local Communities	154,191	148,332	154,191	148,332	102,751	102,826	67%

Specifically, the audit covered the following:

- The expenses incurred and recorded in the Combined Delivery Reports (CDR) of the Project during the period from 1 January to 31 December 2015 and the Funds Utilization statement as at 31 December 2015 as reported by the Office in Bosnia and Herzegovina;
- The value and existence of the fixed assets held by the Project as at 31 December 2015; and
- The value and existence of cash held by the Project as at 31 December 2015, either as cash at hand or in the bank account (Statement of Cash is required only if there is separate bank account for the DIM project under review).

As reported in the table above, sampling procedures on populations tested were performed by us using Excel Analytics Toolbar in accordance to Deloitte's internal methodologies, guides and risk assessment. Precisely, samples tested are chosen using the statistical Monetary Unit Sampling technique, a type of value-weighted selection.

Fieldwork performed directly on-the-spot in the Office premises in Sarajevo was organized during the period May 9 - 20, 2016. Overall audit timeline was as follows:

Audit phase	Timeline
Planning	May 2 – 6, 2016
Fieldwork	May 9 – 20, 2016
Reporting	May 23 – 27, 2016

Part I - Executive Summary of the Output Project no. 00090164 – Strengthening the Role of Local Communities

(All amounts are expressed in USD, unless otherwise stated)

1. EXECUTIVE SUMMARY (CONTINUED)

1.4. Summary of audit results

Combined Delivery Report:

Our opinion on respective parts of the CDR is included in Part 2 of this report.

For reporting purposes all expenses of the Project are expressed in USD and CHF. Since this particular arrangement with SDC was relatively new and no prescribed policies with regard to conversion to CHF were adopted by UNDP Headquarters in New York or at the local level, conversion into CHF for the Project has been performed using FIFO method (*first in first out*) following the established practice at the country office level for EUR reporting that is based on the FAFA with the EU (Financial and Administrative Framework agreement between the European Commission (hereinafter "EC") and the United Nations (hereinafter "UN")). The FAFA specifies that "...reports to be submitted to the Commission will be in Euro. These reports may be drawn from financial statements denominated in US Dollars as per UN legislative requirements. Where necessary, actual expenditure will be converted into Euro using the rate of exchange at which the EC's contribution was recorded into the UN's accounts."

The preparation of the Standard Operating Procedure (hereinafter "SOP") for the operationalization of the SDC Mandate for project implementation has commenced in September 2015, and the actual finalization and closure of all the issues related to the arrangement, was done during April 2016. One of the issues that was clarified and decided upon was that further reporting in CHF towards SDC will be made using UN Operational Rates of Exchange ("UNORE") at the transaction accounting date. Considering that the Project report for 2015 was due by the end of March 2016, the Project expenses for 2015 were not reported using the transaction method as required by the above mentioned SOP (the SOP is at the moment in final stages of the adoption process).

Based on our performed recalculation, different conversion methods resulted in an understatement of expenses in the amount of USD 3,994 (equivalent to CHF 3,958). The difference is not material and does not have any impact on our opinion

Statement of fixed assets

We did not provide an opinion on whether the Statement of fixed assets presents fairly the balance of assets of the Project, as the Project does not have any assets or equipment as at 31 December 2015.

Statement of cash

The Office has established a dedicated bank account as per the Mandate contract for Output Project implementation purposes. As of 31 December 2015 no cash transactions have been performed through this account as the Office has not defined official operating procedures for managing the account. We have obtained written confirmation of the local bank stating no balance is recorded on this account as of 31 December 2015 and no transactions have been performed up to 31 December 2015.

We did not provide an opinion on whether the statement of cash presents fairly the balance of cash of the project as of 31 December 2015, as no balance has been recorded on dedicated bank account as of 31 December 2015.

Part I - Executive Summary of the Output Project no. 00090164 – Strengthening the Role of Local Communities

(All amounts are expressed in USD, unless otherwise stated)

1. EXECUTIVE SUMMARY (CONTINUED)

1.4. Summary of audit results (continued)

Internal controls

We have obtained an understanding of the design of relevant control policies and procedures and determined whether they have been implemented. We have assessed the control risk in order to determine the level of our substantive procedures for the purpose of expressing our opinion on the project financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Deloitte d.o.o. Sarajevo

Sead Bahtanović, director and licensed auditor



Sabina Softić, partner and licensed auditor



Sarajevo, Bosnia and Herzegovina

22 June 2016

Part II - Auditor report with opinion

(All amounts are expressed in USD, unless otherwise stated)

2. AUDIT REPORT WITH OPINION

2.1. Independent auditor's report

REPORT OF THE INDEPENDENT AUDITOR TO UNDP ON THE STATEMENT OF EXPENSES OF THE OUTPUT PROJECT NO. 00090164 "STRENGTHENING THE ROLE OF LOCAL COMMUNITIES"

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement ("the statement") of the UNDP output project 00090164, "Strengthening the Role of Local Communities" for the period 1 January to 31 December 2015.

Management's responsibility for the financial report

Management is responsible for the preparation of the statement for "Strengthening the Role of Local Communities" output 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.

The auditor's responsibility

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with the 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 statements are 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 statements 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.

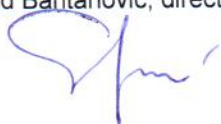
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Unmodified opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement present fairly, in all material respects, the expenses incurred by the Project "Strengthening the Role of Local Communities" in the amount of \$154,191 (equivalent to CHF 148,332) for the period from 1 January to 31 December 2015 in accordance with UNDP accounting policies and 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.

Deloitte d.o.o.

Sead Bahtanović, director and licenced auditor



Sarajevo, Bosnia and Herzegovina
22 June 2016



Sabina Softić, partner and licenced auditor



Part II - Auditor report with opinion

(All amounts are expressed in USD, unless otherwise stated)

2. AUDIT REPORT WITH OPINION (CONTINUED)

2.1. Signed Combined Delivery Report and the accompanying Funds Utilization statement



UN
D.P. UN Development Programme
Report ID: unglodrp

Combined Delivery Report By Project

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Run Time: 07-02-2016 19:02:35

Project Id : 00086725 Social Inclusion in Local Comm		Period :	Jan-Dec (2015)	
Output # : 00096164 Revitalizing Local Communities		Impl Partner :	99998 UNDP	
		Location :	Bosnia-Herzgovina	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Output # : 00090164	Revitalizing Local Communities	Impl. Partner :	99999 UNDP
		Location :	Bosnia-Herzegovina

Dept: 54204 (Bosnia&Herz-Dem. Governance)

Fund : 30000 (PROGRAMME COST SHARING)

61105 - Salaries - NP Staff	0.00	14,259.06	0.00	14,259.06
62105 - Dependency Allowance-NP Staff	0.00	210.41	0.00	210.41
62110 - Contrib Joint Staff Pension-NP	0.00	2,860.79	0.00	2,860.79
62115 - Contrib to Med,Soc/Ins-NP Staff	0.00	566.10	0.00	566.10
62140 - Annual Leave Expense - NO	0.00	-450.93	0.00	-450.93
63530 - Contribution to EOS Benefits	0.00	534.71	0.00	534.71
63535 - Contribution to Security	0.00	641.66	0.00	641.66
63545 - Contribution to ICT	0.00	213.89	0.00	213.89
63550 - Contributions to MAIP	0.00	57.03	0.00	57.03
63555 - Contribution to UN JFA	0.00	427.79	0.00	427.79
63560 - Contributions to Appendix D	0.00	42.76	0.00	42.76
64398 - Direct Project Cost-Staff	0.00	34,111.09	0.00	34,111.09
65115 - Contributions to ASHI Reserve	0.00	1,140.70	0.00	1,140.70
65135 - Payroll Mgt Cost Recovery-ATLA	0.00	98.04	0.00	98.04
71205 - Intl Consultants-Sht Term-Tech	0.00	8,959.57	0.00	8,959.57
71305 - Local Consult.-Sht Term-Tech	0.00	2,868.62	0.00	2,868.62
71405 - Service Contracts-Individuals	0.00	28,274.53	0.00	28,274.53
71410 - MAIP Premium SC	0.00	103.13	0.00	103.13
71415 - Contribution to Security SC	0.00	1,160.25	0.00	1,160.25
71620 - Daily Subsistence Allow-Local	0.00	788.69	0.00	788.69
71635 - Travel - Other	0.00	2,506.94	0.00	2,506.94
72105 - Svc Co-Construction & Engineer	0.00	15,188.15	0.00	15,188.15
72145 - Svc Co-Training and Educ Serv	0.00	76.04	0.00	76.04
72311 - Fuel, petroleum and other oils	0.00	42.79	0.00	42.79
72425 - Mobile Telephone Charges	0.00	705.21	0.00	705.21
72430 - Postage and Pouch	0.00	8.14	0.00	8.14
72440 - Connectivity Charges	0.00	87.46	0.00	87.46
72505 - Stationery & other Office Supp	0.00	1,697.54	0.00	1,697.54
72705 - Hospitality-Special Events	0.00	426.51	0.00	426.51
72710 - Hospitality-Vouchered Expenses	0.00	1,345.18	0.00	1,345.18
72805 - Acquis of Computer Hardware	0.00	10,171.98	0.00	10,171.98
72815 - Inform Technology Supplies	0.00	2,448.91	0.00	2,448.91
73105 - Rent	0.00	861.34	0.00	861.34
73110 - Custodial & Cleaning Services	0.00	28.32	0.00	28.32
73120 - Utilities	0.00	58.52	0.00	58.52
73125 - Common Services-Premises	0.00	1,193.02	0.00	1,193.02
73405 - Rental & Maint-Other Office Ec	0.00	350.00	0.00	350.00
73410 - Maint, Oper of Transport Equip	0.00	113.20	0.00	113.20
74205 - Audio Visual Productions	0.00	457.09	0.00	457.09
74215 - Promotional Materials and Dist	0.00	535.42	0.00	535.42
74220 - Translation Costs	0.00	2,183.67	0.00	2,183.67
74225 - Other Media Costs	0.00	3,861.15	0.00	3,861.15
74510 - Bank Charges	0.00	167.49	0.00	167.49
74525 - Sundry	0.00	246.15	0.00	246.15
74965 - Low value equipment	0.00	296.63	0.00	296.63
75105 - Facilities & Admin - Implement	0.00	11,419.22	0.00	11,419.22



UNITED NATIONS DEVELOPMENT PROGRAMME

Part II - Auditor report with opinion

(All amounts are expressed in USD, unless otherwise stated)

2. AUDIT REPORT WITH OPINION (CONTINUED)

2.2. Signed Combined Delivery Report and the accompanying Funds Utilization statement (continued)



UN Development Programme
Report ID: ungicdrp

Combined Delivery Report By Project

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Run Time: 07-02-2016 19:02:35

Project id : 00000025 Social Inclusion in Local Comm.	Period :	Jan-Dec (2016)		
Output # : 00090164 Revitalizing Local Communities	Impl. Partner :	99999 UNDP		
	Location :	Bosnia-Herzegovina		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
75705 - Learning costs	0.00	290.53	0.00	290.53
75710 - Participation of counterparts	0.00	543.81	0.00	543.81
76125 - Realized Loss	0.00	43.35	0.00	43.35
76135 - Realized Gain	0.00	-11.59	0.00	-11.59
Total for Fund 30000	0.00	154,191.06	0.00	154,191.06
Total for Dept : 54204	0.00	154,191.06	0.00	154,191.06
Total for Output : 00090164	0.00	154,191.06	0.00	154,191.06
Project Total :	0.00	154,191.06	0.00	154,191.06

Signed By :

MAJDA GANIBEGOVIC, *[Signature]*

Date :

26/2/16

Signed By :

Lamira Kulic, *[Signature]*
MOTTO OF POS

Date :

10/02/16



(All amounts are expressed in USD, unless otherwise stated)

2.2. Signed Combined Delivery Report and the accompanying Funds Utilization statement (continued)

0.00 14,020.00

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UNITED NATIONS DEVELOPMENT PROGRAMME

Part II - Auditor report with opinion

(All amounts are expressed in USD, unless otherwise stated)

2. AUDIT REPORT WITH OPINION (CONTINUED)

2.2. Signed Combined Delivery Report and the accompanying Funds Utilization statement (continued)

		Combined Delivery Report by Activity in CHF			
UN Development Programme					
Project Id: 00080525 Social Inclusion in Local Comm		Period: Jan-Dec (2015)			
Output #: 00090164 Revitalizing Local Communities		Impl. Partner: 99999 UNDP			
		Location: Bosnia-Herzegovina			
		Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
71410 - MAIP Premium SC	0.00	51.30	0.00	51.30	
71415 - Contribution to Security SC	0.00	577.18	0.00	577.18	
74225 - Other Media Costs	0.00	150.39	0.00	150.39	
74525 - Sundry	0.00	135.32	0.00	135.32	
75105 - Facilities & Admin - Implement	0.00	1,913.81	0.00	1,913.81	
Total for Fund 30000	0.00	16,848.65	0.00	16,848.65	
Total for Activity ACTIVITY3.1.2	0.00	16,848.65	0.00	16,848.65	
Activity: ACTIVITY3.1.3 (3.1.3. CD/CP5)					
Fund: 30000 (PROGRAMME COST SHARING)					
71405 - Service Contracts-Individuals	0.00	1,104.37	0.00	1,104.37	
71410 - MAIP Premium SC	0.00	4.18	0.00	4.18	
71415 - Contribution to Security SC	0.00	47.07	0.00	47.07	
75105 - Facilities & Admin - Implement	0.00	164.24	0.00	164.24	
Total for Fund 30000	0.00	1,319.86	0.00	1,319.86	
Total for Activity ACTIVITY3.1.3	0.00	1,319.86	0.00	1,319.86	
Activity: ACTIVITY3.1.4 (3.1.4. NLGS)					
Fund: 30000 (PROGRAMME COST SHARING)					
74225 - Other Media Costs	0.00	104.06	0.00	104.06	
75105 - Facilities & Admin - Implement	0.00	14.79	0.00	14.79	
76135 - Realized Gain	0.00	-0.01	0.00	-0.01	
Total for Fund 30000	0.00	118.84	0.00	118.84	
Total for Activity ACTIVITY3.1.4	0.00	118.84	0.00	118.84	
Activity: ACTIVITY3.1.5 (3.1.5. NFO)					
Fund: 30000 (PROGRAMME COST SHARING)					
64398 - Direct Project Cost-Staff	0.00	10,642.12	0.00	10,642.12	
71405 - Service Contracts-Individuals	0.00	8,654.71	0.00	8,654.71	
71410 - MAIP Premium SC	0.00	31.30	0.00	31.30	
71415 - Contribution to Security SC	0.00	352.21	0.00	352.21	
75105 - Facilities & Admin - Implement	0.00	2,688.36	0.00	2,688.36	
Total for Fund 30000	0.00	22,368.69	0.00	22,368.69	
Total for Activity ACTIVITY3.1.5	0.00	22,368.69	0.00	22,368.69	
Activity: ACTIVITY3.1.6 (3.1.6. NTDSS)					
Fund: 30000 (PROGRAMME COST SHARING)					
61105 - Salaries - NP Staff	0.00	6,288.17	0.00	6,288.17	
62105 - Dependency Allowance-NP Staff	0.00	92.79	0.00	92.79	
62110 - Contrib Joint Staff Pension-NP	0.00	1,257.18	0.00	1,257.18	
62115 - Contrib to Med,SocIns-NP Staff	0.00	245.23	0.00	245.23	
62140 - Annual Leave Expense - NO	0.00	624.51	0.00	624.51	
63520 - Contribution to EOS Benefits	0.00	235.81	0.00	235.81	
63535 - Contribution to Security	0.00	282.97	0.00	282.97	
63545 - Contribution to ICT	0.00	94.32	0.00	94.32	

8/11/15
Deloitte


UNITED NATIONS DEVELOPMENT PROGRAMME

Part II - Auditor report with opinion

(All amounts are expressed in USD, unless otherwise stated)

2. AUDIT REPORT WITH OPINION (CONTINUED)

2.2. Signed Combined Delivery Report and the accompanying Funds Utilization statement (continued)

		Combined Delivery Report by Activity in CHF			
UN Development Programme					
Project Id: 00080525 Social inclusion in Local Comm		Period:		Jan-Dec (2015)	
Output #: 00090164 Revitalizing Local Communities		Impl. Partner:		99999 UNDP	
		Location:		Bosnia-Herzegovina	
		Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
63550 - Contributions to MAIP	0.00	25.15	0.00	25.15	
63555 - Contribution to UN JFA	0.00	188.65	0.00	188.65	
63560 - Contributions to Appendix D	0.00	18.86	0.00	18.86	
65115 - Contributions to ASHI Reserve	0.00	503.04	0.00	503.04	
65135 - Payroll Mgt Cost Recovery ATUA	0.00	43.27	0.00	43.27	
75105 - Facilities & Admin - Implement	0.00	1,375.66	0.00	1,375.66	
Total for Fund 30000	0.00	11,275.61	0.00	11,275.61	
Total for Activity ACTIVITY3.1.6	0.00	11,275.61	0.00	11,275.61	
Activity: ACTIVITY3.1.7 (3.1.7. NGA)					
Fund: 30000 (PROGRAMME COST SHARING)					
61105 - Salaries - NP Staff	0.00	7,429.04	0.00	7,429.04	
62105 - Dependency Allowance-NP Staff	0.00	109.62	0.00	109.62	
62110 - Contrib Joint Staff Pension-NP	0.00	1,485.28	0.00	1,485.28	
62115 - Contrib to Med,SocIns-NP Staff	0.00	289.74	0.00	289.74	
62140 - Annual Leave Expense - NC	0.00	-1,058.31	0.00	-1,058.31	
63530 - Contribution to EOS Benefits	0.00	278.59	0.00	278.59	
63535 - Contribution to Security	0.00	334.30	0.00	334.30	
63545 - Contribution to ICT	0.00	111.44	0.00	111.44	
63550 - Contributions to MAIP	0.00	29.72	0.00	29.72	
63555 - Contribution to UN JFA	0.00	222.89	0.00	222.89	
63560 - Contributions to Appendix D	0.00	22.28	0.00	22.28	
65115 - Contributions to ASHI Reserve	0.00	594.31	0.00	594.31	
65135 - Payroll Mgt Cost Recovery ATUA	0.00	51.04	0.00	51.04	
72430 - Postage and Pouch	0.00	4.10	0.00	4.10	
75105 - Facilities & Admin - Implement	0.00	1,313.37	0.00	1,313.37	
76135 - Realized Gain	0.00	-0.14	0.00	-0.14	
Total for Fund 30000	0.00	11,217.27	0.00	11,217.27	
Total for Activity ACTIVITY3.1.7	0.00	11,217.27	0.00	11,217.27	
Activity: ACTIVITY3.6.0 (3.6.0. Local Support)					
Fund: 30000 (PROGRAMME COST SHARING)					
71405 - Service Contracts-Individuals	0.00	3,420.98	0.00	3,420.98	
71410 -MAIP Premium SC	0.00	12.42	0.00	12.42	
71415 - Contribution to Security SC	0.00	139.70	0.00	139.70	
71620 - Daily Subsistence Allow-Local	0.00	49.73	0.00	49.73	
71635 - Travel - Other	0.00	398.67	0.00	398.67	
72311 - Fuel, petroleum and other oils	0.00	41.16	0.00	41.16	
72425 -Mobile Telephone Charges	0.00	678.41	0.00	678.41	
72430 - Postage and Pouch	0.00	4.69	0.00	4.69	
72440 - Connectivity Charges	0.00	84.14	0.00	84.14	
72505 - Stationery & other Office Supp	0.00	1,633.03	0.00	1,633.03	
72805 - Acquis of Computer Hardware	0.00	9,785.44	0.00	9,785.44	
72815 - Inform Technology Supplies	0.00	2,353.93	0.00	2,353.93	
73105 - Rent	0.00	828.61	0.00	828.61	
73110 - Custodial & Cleaning Services	0.00	27.24	0.00	27.24	
73120 - Utilities	0.00	56.30	0.00	56.30	
73125 - Common Services-Premises	0.00	1,147.69	0.00	1,147.69	
73405 - Rental & Maint-Other Office Eq	0.00	336.70	0.00	336.70	
73410 - Maint, Oper of Transport Equip	0.00	108.90	0.00	108.90	
74205 - Audio Visual Productions	0.00	439.72	0.00	439.72	
74220 - Translation Costs	0.00	435.47	0.00	435.47	
74225 - Other Media Costs	0.00	2,837.90	0.00	2,837.90	

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UNITED NATIONS DEVELOPMENT PROGRAMME
BOSNIA AND HERZEGOVINA
SARAJEVO OFFICE

Part II - Auditor report with opinion

(All amounts are expressed in USD, unless otherwise stated)

2. AUDIT REPORT WITH OPINION (CONTINUED)

**2.2. Signed Combined Delivery Report and the accompanying Funds Utilization statement
(continued)**

Combined Delivery Report by Activity in CHF				
UN Development Programme				
Project Id: 00080525 Social Inclusion in Local Comm	Period :		Jan-Dec (2015)	
Output #: 00090164 Revitalising Local Communities	Impl. Partner :		99999 UNDP	
	Location :		Bosnia-Herzegovina	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
74510 - Bank Charges	0.00	161.13	0.00	161.13
74525 - Sundry	0.00	101.47	0.00	101.47
74965 - Low value equipment	0.00	285.36	0.00	285.36
75105 - Facilities & Admin - Implement	0.00	0.00	0.00	0.00
75705 - Learning costs	0.00	279.49	0.00	279.49
76125 - Realized Loss	0.00	3.94	0.00	3.94
76135 - Realized Gain	0.00	-9.93	0.00	-9.93
Total for Fund 30000	0.00	25,642.29	0.00	25,642.29
Total for Activity ACTIVITY3.6.0	0.00	25,642.29	0.00	25,642.29
Activity : ACTIVITY4.1.1 (4.1.1. Analytical report)				
Fund : 30000 (PROGRAMME COST SHARING)				
71205 - Int'l Consultants-Sht Term-Tech	0.00	6,060.60	0.00	6,060.60
71305 - Local Consult-Sht Term-Tech	0.00	2,759.61	0.00	2,759.61
71620 - Daily Subsistence Allow-Local	0.00	708.99	0.00	708.99
71635 - Travel - Other	0.00	2,019.00	0.00	2,019.00
72105 - Svc Co-Construction & Engineer	0.00	14,611.00	0.00	14,611.00
72145 - Svc Co-Training and Educ Serv	0.00	73.15	0.00	73.15
72705 - Hospitality-Special Events	0.00	412.23	0.00	412.23
72710 - Hospitality-Vouchered Expenses	0.00	1,294.06	0.00	1,294.06
74215 - Promotional Materials and Dist	0.00	515.07	0.00	515.07
74220 - Translation Costs	0.00	1,665.22	0.00	1,665.22
74225 - Other Media Costs	0.00	621.48	0.00	621.48
75105 - Facilities & Admin - Implement	0.00	0.00	0.00	0.00
75710 - Participation of counterparts	0.00	523.15	0.00	523.15
76125 - Realized Loss	0.00	37.76	0.00	37.76
76135 - Realized Gain	0.00	-1.07	0.00	-1.07
Total for Fund 30000	0.00	31,294.76	0.00	31,294.76
Total for Activity ACTIVITY4.1.1	0.00	31,294.76	0.00	31,294.76
Total for Output: 00090164	0.00	148,331.80	0.00	148,331.80
Project Total:	0.00	148,331.80	0.00	148,331.80

Signed By:

Loyd L. Project Manager / CTA, MAJOR &
Laurie K. Project Manager / CTA, MAJOR &

Date _____

13/05/16

Signed By:

Samir Khatib, Member of HOS, UCCWA member

Date _____

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Part II - Auditor report with opinion*(All amounts are expressed in USD, unless otherwise stated)***2. AUDIT REPORT WITH OPINION (CONTINUED)****2.2. Signed Combined Delivery Report and the accompanying Funds Utilization statement (continued)**

UN Development Programme
Report ID: unglodrp

Combined Delivery Report By Project

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Run Time: 07-02-2016 19:02:22

Funds Utilization

Output #	00090162	Impl. Partner :99999 UNDP	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			0.00

Project/Award: 00080525	Social Inclusion in Local Comm	Period : As at Dec 31, 2015
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Output #	00090164	Impl. Partner :99999 UNDP	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			0.00

Project/Award: 00081239	UN response to BiH floods 2014	Period : As at Dec 31, 2015
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Output #	00090579	Impl. Partner :99999 UNDP	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			0.00
Inventory			0.00
Prepayments			0.00

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Part III – Management letter

(All amounts are expressed in USD, unless otherwise stated)

3. MANAGEMENT LETTER

In accordance with the Annex II of the Contract we have performed an audit on the project financial statements of the output project no. 00090162 "Municipal Environmental and Economic Governance (MEG)" for the period 1 January to 31 December 2015.

Our work has been carried out primarily for the purpose of expressing an opinion on the Output Project Financial Statements. Consequently, our examination may have not covered all those areas where improvements could be made. The examination was set at a level which, in the given circumstances, was necessary for the audit's purposes.

Usual auditors' practice is to issue Management Recommendation Letter, whose aim is to bring to your attention any significant matters revealed by our audit (if any), and if applicable, to make recommendations.

However, during the course of our audit we have identified no issues that have influence on our audit opinion or would bring any other concerns for our comments or recommendations.

Yours sincerely,

Deloitte d.o.o.

Sead Bahtanović, director and licenced auditor



Sabina Softić, partner and licenced auditor



Sarajevo, Bosnia and Herzegovina

22 June 2016

