



AUDIT

OF

**SUPPORT TO MINISTRY OF INTERIOR AFFAIRS, AFGHANISTAN IN EFFORTS TO
CONTAIN & RESPOND TO COVID-19 SITUATION FOR AFGHAN NATIONAL POLICE
(Directly Implemented Project No. 126930, Output Nos. 120855, 121192 and 121193)**

IN

UNDP AFGHANISTAN

Report No. 2374

Issue Date: 10 August 2021

Report on the Audit of the Project
Support to Ministry of Interior Affairs, Afghanistan in efforts to contain & respond to COVID-19 situation
for Afghan National Police in UNDP Afghanistan
(Project No. 126930, Output Nos. 120855, 121192 and 121193)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through BDO LLP (the audit firm), from 23 May to 10 June 2021, conducted an audit of ‘Support to Ministry of Interior Affairs, Afghanistan in efforts to contain & respond to COVID-19 situation for Afghan National Police’ (Project No. 126930, Output Nos. 120855, 121192 and 121193) (the Project), which is directly implemented and managed by the UNDP Country Office in Afghanistan (the Office). This was the first audit of the Project.

The audit firm conducted a financial audit in accordance with the International Standards of Auditing (ISA), the 700 series, to express an opinion on whether the financial statements present fairly, in all material aspects, the Project’s operations. The audit covered the Project’s Combined Delivery Report, which includes expenses for the period from 1 January to 31 December 2020 and the accompanying Funds Utilization statement¹ as of 31 December. The audit did not include 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 held by the Project. In addition, the audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Project.

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

Audit results

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

Project Expenses*	
Amount (in \$ '000)	Opinion
4,552	Unmodified

*Expenses recorded in the Combined Delivery Report were \$7,735,451. Excluded from the audit scope were expenses processed and approved by other UNDP offices outside of the country in the amount of \$3,183,260.

The audit did not result in any recommendations.

¹ The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) undepreciated fixed assets used at the project level; (c) inventory held at the project level; (d) prepayments made by the project; and (e) outstanding commitments held at the project level.



Management comments and action plan

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

A handwritten signature in blue ink, appearing to read 'Helge S. Ostveiten', with a horizontal line underneath.

Helge
Ostveiten
2021.08.10
10:38:52 -04'00'

Helge S. Ostveiten
Director
Office of Audit and Investigations



FINAL AUDIT REPORT

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

Financial audit of the UNDP directly implemented project Support to Ministry of Interior Affairs, Afghanistan in efforts to contain & respond to COVID-19 situation for Afghan National Police

Project 126930 Output IDs 120855, 121192 & 121193
Afghanistan

IDENTIFICATION

Project name:	Support to Ministry of Interior Affairs, Afghanistan in efforts to contain & respond to COVID-19 situation for Afghan National Police
Output name:	Emergency Support for Police, Police personnel are protected and MOIA internal Public COVID-19
UNDP Country Office:	Afghanistan
Atlas Project ID:	126930
Atlas Output ID:	120855, 121192 & 121193
Auditor:	BDO LLP
Period subject to audit:	1 January to 31 December 2020

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EXECUTIVE SUMMARY

BDO LLP conducted the financial audit of Support to Ministry of Interior Affairs, Afghanistan in efforts to contain & respond to COVID-19 situation for Afghan National Police, Project ID 126930 and Output IDs 120855, 121192 & 121193 (the project), directly implemented by UNDP Afghanistan ('the Office') for the year ended 31 December 2020. The audit was undertaken on behalf of UNDP, Office of Audit and Investigations (OAI).

AUDIT OPINIONS

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

Project Financial Position	Unmodified
Statement of Fixed Assets	Not applicable
Statement of Cash	Not applicable

MANAGEMENT LETTER SUMMARY

We have not raised any findings or recommendations as a result of our financial audit.

PRIOR YEAR AUDIT

The project was not audited in the prior year.



MARK HENDERSON
PARTNER

BDO LLP
55 Baker Street
London W1U 7EU

29 July 2021



THE AUDIT ENGAGEMENT

AUDIT OBJECTIVES AND SCOPE

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

- ▶ Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2020 in the Combined Delivery Report (CDR), the Funds Utilization statement as at 31 December 2020 and the accounts receivable and accounts payable as at 31 December 2020 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, at net book value, presents fairly the balance of depreciated assets of the UNDP project as at 31 December 2020. This statement must include all assets available as at 31 December 2020 and not only those purchased in a given period. Where a DIM project does not have any assets or equipment, it is not 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 the UNDP project as at 31 December 2020. An opinion on the statement of cash is required only where a dedicated bank account for the DIM project has been established.

The Financial Audit was conducted in accordance with the International Standards on Auditing (ISA), the 700 series. As applicable, the audit report provides the progress made in implementing the recommendations raised in the previous year's audit report.

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project between 1 January and 31 December 2020. 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 - SUPPORT TO MINISTRY OF INTERIOR AFFAIRS, AFGHANISTAN IN EFFORTS TO CONTAIN & RESPOND TO COVID-19 SITUATION FOR AFGHAN NATIONAL POLICE

PROJECT FINANCIAL POSITION

To the Director of the Office and Audit and Investigations, United Nations Development Programme

UNMODIFIED OPINION

We have audited the financial position of the UNDP project ID 126930, Support to Ministry of Interior Affairs, Afghanistan in efforts to contain & respond to COVID-19 situation for Afghan National Police, output IDs 120855, 121192 & 121193, Emergency Support for Police, Police personnel are protected and MOIA internal Public COVID-19, for the period from 1 January to 31 December 2020 which includes: (a) the accompanying Combined Delivery Report (CDR); (b) the Funds Utilization statement ("the statement"); and (c) the project-related accounts receivable and accounts payable.

The CDR expenditure, totalling US\$ 7,735,450.87 is comprised of expenditure directly incurred by the UNDP Country Office in Afghanistan for an amount of \$ 4,552,190.96 and expenditure incurred by entities other than the Country Office for an amount of \$ 3,183,259.91. Our audit only covered the expenditure directly incurred by the UNDP Country Office in Afghanistan of \$ 4,552,190.96.

In our opinion, the accompanying CDR and Funds Utilization statement present fairly, in all material respects, the expenses of US\$ \$ 4,552,190.96 directly incurred by the UNDP Country Office in Afghanistan and charged to the project for the period from 1 January to 31 December 2020 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities' section of this report.

We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants. We have fulfilled our other ethical responsibilities in accordance with these requirements, and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MANAGEMENT RESPONSIBILITIES

Management is responsible for the preparation of the CDR and the Funds Utilization statement of the project and for such internal control as management determines is necessary to enable the preparation of a CDR and Funds Utilization statement that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the CDR and the Funds Utilization statement are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the CDR and the Funds Utilization statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit 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 organization's internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

USE OF THIS REPORT

This report is made solely to UNDP, in accordance with terms of reference defined by UNDP. Our work has been undertaken so that we might state to UNDP those matters we are required to state to it in accordance with UNDP's terms of reference and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than UNDP, for our work, for this report, or for the opinions we have formed.



MARK HENDERSON
PARTNER

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55 Baker Street
London W1U 7EU

29 July 2021



INDEPENDENT AUDITOR'S REPORT TO UNDP - SUPPORT TO MINISTRY OF INTERIOR AFFAIRS, AFGHANISTAN IN EFFORTS TO CONTAIN & RESPOND TO COVID-19 SITUATION FOR AFGHAN NATIONAL POLICE

STATEMENT OF FIXED ASSETS

We noted that the UNDP project Support to Ministry of Interior Affairs, Afghanistan in efforts to contain & respond to COVID-19 situation for Afghan National Police had no assets and accordingly a statement of fixed assets was not produced.

INDEPENDENT AUDITOR'S REPORT TO UNDP - SUPPORT TO MINISTRY OF INTERIOR AFFAIRS, AFGHANISTAN IN EFFORTS TO CONTAIN & RESPOND TO COVID-19 SITUATION FOR AFGHAN NATIONAL POLICE

STATEMENT OF CASH

We noted that the UNDP project Support to Ministry of Interior Affairs, Afghanistan in efforts to contain & respond to COVID-19 situation for Afghan National Police did not have a dedicated bank account for the DIM project activities subject to audit and accordingly a Statement of Cash was not produced.

MANAGEMENT LETTER

We have not raised any findings or recommendations as a result of our financial audit.



MARK HENDERSON
PARTNER

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29 July 2021



ANNEXES

ANNEX I: COMBINED DELIVERY REPORT



Combined Delivery Report By Project

UN Development Programme
Report ID: unglcdrp

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Run Time: 13-06-2021 09:06:09

Selection Criteria :

Business Unit : AFG10
Period : Jan-Dec (2020)
Selected Project Id : 00126930
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : ALL

Project Id : 00126930 COVID-19 MOIA	Period :	Jan-Dec (2020)		
Output # : 00120855 Emergency Support for Police	Impl. Partner :	99999 UNDP		
	Location :	Afghanistan		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Dept: 39003 (TFMU)

Fund : 30000 (Programme Cost Sharing)

64397 - Services to projects -CO staff	0.00	5,454.32	0.00	5,454.32
71305 - Local Consult.-Sht Term-Tech	0.00	32,082.83	0.00	32,082.83
71630 - Shipment	0.00	153,112.63	0.00	153,112.63
72105 - Svc Co-Construction & Engineer	0.00	132,592.06	0.00	132,592.06
72120 - Svc Co-Trade and Business Serv	0.00	2,114.23	0.00	2,114.23
72125 - Svc Co-Studies & Research Serv	0.00	74,947.79	0.00	74,947.79
72165 - Svc Co-Social Svcs, Social Sci	0.00	18,881.94	0.00	18,881.94
72205 - Office Machinery	0.00	24,582.56	0.00	24,582.56
72210 - Machinery and Equipment	0.00	2,083,315.38	0.00	2,083,315.38
72320 - Wood & Paper Products	0.00	67.06	0.00	67.06
72330 - Medical Products	0.00	2,378,832.43	0.00	2,378,832.43
72350 - Medical Kits	0.00	50,598.12	0.00	50,598.12
72399 - Other Materials and Goods	0.00	12,219.16	0.00	12,219.16
72415 - Courier Charges	0.00	8,079.00	0.00	8,079.00
73115 - Moving Expenses	0.00	1,370.00	0.00	1,370.00
74115 - Legal Fees	0.00	824.87	0.00	824.87
74120 - Capacity Assessment	0.00	618.81	0.00	618.81
74505 - Insurance	0.00	2,522.99	0.00	2,522.99
74510 - Bank Charges	0.00	34.00	0.00	34.00
74596 - Services to projects -GOE	0.00	22,881.94	0.00	22,881.94
74725 - Other L.T.S.H.	0.00	33,722.48	0.00	33,722.48
75105 - Facilities & Admin - Implement	0.00	361,291.40	0.00	361,291.40
76125 - Realized Loss	0.00	5,032.21	0.00	5,032.21
76135 - Realized Gain	0.00	-21.61	0.00	-21.61
Total for Fund 30000	0.00	5,405,156.60	0.00	5,405,156.60
Total for Dept : 39003	0.00	5,405,156.60	0.00	5,405,156.60
Total for Output : 00120855	0.00	5,405,156.60	0.00	5,405,156.60

Output # : 00121192 Police personnel are protected	Impl. Partner :	99999 UNDP
	Location :	

Dept: 39003 (TFMU)

Fund : 30000 (Programme Cost Sharing)

64397 - Services to projects -CO staff	0.00	5,454.32	0.00	5,454.32
71305 - Local Consult.-Sht Term-Tech	0.00	32,082.61	0.00	32,082.61
72105 - Svc Co-Construction & Engineer	0.00	19,861.45	0.00	19,861.45



Combined Delivery Report By Project

Project Id : 00126930 COVID-19 MOIA	Period : Jan-Dec (2020)
Output # : 00121192 Police personnel are protected	Impl. Partner : 99999 UNDP
	Location : Afghanistan
	Govt Exp UNDP Exp UN Agencies Exp Total Exp

72125 - Svc Co-Studies & Research Serv	0.00	165,404.41	0.00	165,404.41
72165 - Svc Co-Social Svcs, Social Sci	0.00	18,881.94	0.00	18,881.94
72315 - Food & Textile Products	0.00	1,120,000.00	0.00	1,120,000.00
72325 - Chemical,Glass,NonMetallic Prd	0.00	637,968.16	0.00	637,968.16
72330 - Medical Products	0.00	137,150.68	0.00	137,150.68
74115 - Legal Fees	0.00	824.84	0.00	824.84
74120 - Capacity Assessment	0.00	618.82	0.00	618.82
74505 - Insurance	0.00	810.73	0.00	810.73
74510 - Bank Charges	0.00	34.00	0.00	34.00
74596 - Services to projects -GOE	0.00	13,030.77	0.00	13,030.77
74725 - Other L.T.S.H.	0.00	7,903.49	0.00	7,903.49
75105 - Facilities & Admin - Implement	0.00	151,201.82	0.00	151,201.82
76125 - Realized Loss	0.00	390.52	0.00	390.52
Total for Fund 30000	0.00	2,311,618.56	0.00	2,311,618.56
Total for Dept : 39003	0.00	2,311,618.56	0.00	2,311,618.56
Total for Output : 00121192	0.00	2,311,618.56	0.00	2,311,618.56

Output # : 00121193 MOIA internal public Covid19	Impl. Partner : 99999 UNDP
	Location : Afghanistan

Dept: 39003 (TFMU)

Fund : 30000 (Programme Cost Sharing)

71305 - Local Consult.-Sht Term-Tech	0.00	8,012.96	0.00	8,012.96
72165 - Svc Co-Social Svcs, Social Sci	0.00	9,440.97	0.00	9,440.97
75105 - Facilities & Admin - Implement	0.00	1,221.78	0.00	1,221.78
Total for Fund 30000	0.00	18,675.71	0.00	18,675.71
Total for Dept : 39003	0.00	18,675.71	0.00	18,675.71
Total for Output : 00121193	0.00	18,675.71	0.00	18,675.71

Project Total :	0.00	7,735,450.87	0.00	7,735,450.87
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Mark Henderson
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55 Baker Street
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29 July 2021

Signed By : Surayo Buzurukova, SDRAP Date : 13/06/2021

Signed By : [Signature] Date : _____

Abdalkh Al Dawlati
Resident Representative





Selection Criteria :

Business Unit : AFG10
 Period : Jan-Dec (2020)
 Selected Project Id : 00126930
 Selected Fund Code : ALL
 Selected Dept. IDs : ALL
 Selected Outputs : ALL

Project Id : ALL	Period : Jan-Dec (2020)
Output # : ALL	Impl. Partner : Location :

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
39003 - TFMU	0.00	7,735,450.87	0.00	7,735,450.87



Funds Utilization

Selection Criteria :

Business Unit : AFG10
 Period : Jan-Dec (2020)
 Selected Project Id : 00126930
 Selected Fund Code : ALL
 Selected Dept. IDs : ALL
 Selected Outputs : ALL

Project/Award: 00126930 COVID-19 MOIA

Period : As at Dec 31, 2020

Output #	00120855	Impl. Partner :99999 UNDP	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			0.00
Unamortized Intangible Assets			0.00
Inventory			0.00
Prepayments			132,914.59
Commitments			917,074.21

Output #	00121192	Impl. Partner :99999 UNDP	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			0.00
Unamortized Intangible Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			371,774.11

Output #	00121193	Impl. Partner :99999 UNDP	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			0.00
Unamortized Intangible Assets			0.00
Inventory			0.00
Prepayments			0.00



Funds Utilization

Commitments **22,980.50**

ANNEX II: AUDIT FINDING PRIORITY RATINGS

The following categories of priorities are used:

High (Critical)	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.
Medium (Important)	Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP.
Low	Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the Office management, either during the exit meeting or through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in this report.



FOR MORE INFORMATION:

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