



AUDIT

OF

UNDP AFGHANISTAN

ACCOUNTABILITY AND TRANSPARENCY PROJECT
(Directly Implemented Project No. 00053687)

Report No. 1088
Issue Date: 6 March 2013

**Report on the audit of UNDP Afghanistan - Accountability and Transparency Project (Project ID 53687)
Executive Summary**

From 23 September to 10 November 2012, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through Ernst & Young Ford Rhodes Sidat Hyder (the audit firm), conducted an audit of Accountability and Transparency Project (Project ID 53687) (the Project), which is directly implemented and managed by the UNDP Country Office in Afghanistan (the Office). The audit firm was under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

The Project reported expenditure totalling \$3.5 million during the period from 1 January to 31 December 2011. The following donors contributed to the Project: Canadian International Development Agency, Department for International Development and Denmark.

Audit scope and objectives

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 Statement of Expenditure (Combined Delivery Report) for the period from 1 January to 31 December 2011 and Statement of Assets as of 31 December 2011. The audit firm did not verify the expenditures amounting to \$0.5 million relating to salaries of international staff processed at UNDP Copenhagen, as they were not included in the audit scope.

Audit results

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

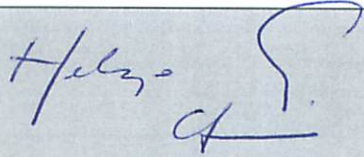
Project Expenditure (audited)		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$'000)	Opinion
3,005	Unqualified	1,277	Unqualified

Key issue and recommendation

The audit raised one issue and resulted in one recommendation, ranked medium (important) priority, which means "Action is required to ensure that UNDP is not exposed to significant risks. Failure to take action could result in negative consequences for UNDP." The recommendation includes actions to address non-maintenance of time sheets by the Service Contract holders.

Management's comments

The Country Director accepted the recommendation and is in the process of implementing it.



Helge S. Ostveiten
Director
Office of Audit and Investigations