



**AUDIT**

**OF**

**UNDP KYRGYZSTAN**

**BORDER MANAGEMENT IN CENTRAL ASIA**

**(Directly Implemented Project**

**Nos. 59333, 59334, 63069, 63070, 63071, 63072, 63073,  
63074, 79452, 79454, 79455, 79456, 79457 and 79458)**

**Report No. 1122**

**Issue Date: 21 March 2013**

**Report on the audit of Border Management in Central Asia – BOMCA (Project IDs 59333, 59334, 63069, 63070, 63071, 63072, 63073, 63074, 79452, 79454, 79455, 79456, 79457 and 79458)**  
**Executive Summary**

From 4 September to 2 November 2012, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through Moore Stephens LLP, United Kingdom (the audit firm), conducted an audit of 14 Border Management in Central Asia projects (the Projects), which are directly implemented and managed by the UNDP Country Office in Kyrgyzstan (Project IDs 63069, 63070, 79452 and 79454), Kazakhstan (Project IDs 63071 and 79455), Tajikistan (Project IDs 59333, 63072 and 79456), Turkmenistan (Project IDs 59334, 63073 and 79457) and Uzbekistan (Project IDs 63074 and 79458) and coordinated on a regional level by the UNDP Country Office in Kyrgyzstan. 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 \$3.4 million during the period from 1 January to 31 December 2011. The following donors contributed to the Project: European Union and UNDP.

**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.

**Audit results**

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

Country	Project ID	Project Expenditure		Project Assets		Cash*	
		Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
Kyrgyzstan	63069	440	Unqualified	127	Unqualified	-	Not applicable
Kyrgyzstan	63070	128	Unqualified	-	Not applicable	-	Not applicable
Kyrgyzstan	79452	290	Unqualified	-	Not applicable	-	Not applicable
Kyrgyzstan	79454	252	Unqualified	-	Not applicable	-	Not applicable
Kazakhstan	63071	116	Unqualified	-	Not applicable	-	Not applicable
Kazakhstan	79455	239	Unqualified	52	Unqualified	-	Not applicable
Tajikistan	59333	20	Unqualified	-	Not applicable	-	Not applicable
Tajikistan	63072	461	Unqualified	-	Not applicable	-	Not applicable
Tajikistan	79456	277	Unqualified	92	Unqualified	-	Not applicable
Turkmenistan	59334	16	Unqualified	-	Not applicable	-	Not applicable
Turkmenistan	63073	214	Unqualified	38	Unqualified	-	Not applicable
Turkmenistan	79457	173	Unqualified	-	Not applicable	-	Not applicable
Uzbekistan	63074	528	Unqualified	-	Not applicable	-	Not applicable
Uzbekistan	79458	207	Unqualified	58	Unqualified	-	Not applicable

\* No separate bank accounts were held by the projects

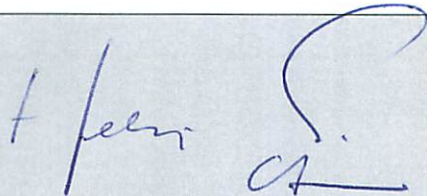
**Key issues and recommendations**

The audit raised 12 issues and resulted in 12 recommendations, of which one (8 percent) was ranked high (critical) priority, meaning "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 and may affect the organization at the global level."

Project Management (Project ID 63074: BOMCA Phase 7 in Uzbekistan) Construction work not transferred to the final beneficiary. Construction work was not transferred to the final beneficiary 17 months after the termination of the contract with the supplier. OAI recommends that partially completed work should be transferred to the final beneficiary and the project staff should ensure that all procedures are carried out in a timely manner.

**Management's comments**

The Resident Representatives in all five countries accepted all the recommendations and are in the process of implementing them.



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Director  
Office of Audit and Investigations