



**AUDIT**

**OF**

**UNDP MOLDOVA**

**EUROPEAN UNION BORDER ASSISTANCE MISSION TO MOLDOVA AND UKRAINE**  
**PHASE 8**  
**(Directly Implemented Project No. 76882)**

**Report No. 1128**  
**Issue Date: 5 February 2013**

**Report on the audit of UNDP Moldova - European Union Border Assistance Mission to Moldova and Ukraine Phase 8 (Project ID 76882)  
Executive Summary**

From 1 to 5 October 2012, the Office of Audit and Investigations (OAI) of the United Nations Development Programme, through KPMG, Slovakia (the audit firm), conducted an audit of European Union Border Assistance Mission to Moldova and Ukraine Phase 8, Project ID 76882 (the Project), which is directly implemented and managed by the UNDP Country Office in Moldova (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 \$3.8 million during the period from 1 January to 31 December 2011. The Project was funded by the European Union.

**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:

Project Expenditure		Project Assets		
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion	NFI (in \$ '000)
3,767	Unqualified	704	Qualified	63

NFI = Net Financial Impact

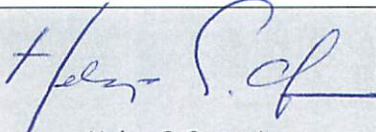
The audit firm qualified its opinion on project assets due to disposal of fixed assets amounting to \$63,000 which occurred in 2009 but were accounted for in the current period.

**Key issues and recommendations**

The audit raised two issues and resulted in two recommendations, both ranked medium (important) priority, meaning "Action is required to ensure that UNDP is not exposed to significant risks. Failure to take action could result in negative consequences for UNDP." These recommendations include actions to address missing submission to Contracts, Assets and Procurement Committee as well as deficiencies in disposal of fixed assets.

**Management's comments**

The Resident Representative accepted both recommendations and is in the process of implementing them.



Helge S. Osttveiten  
Director  
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