UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations

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:

<table>
<thead>
<tr>
<th>Project Expenditure</th>
<th>Project Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount</strong> (in S’000)</td>
<td><strong>Opinion</strong></td>
</tr>
<tr>
<td>3,767</td>
<td>Unqualified</td>
</tr>
</tbody>
</table>

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.

[Signature]
Helge S. Ostveteiten
Director
Office of Audit and Investigations