



AUDIT

OF

UNDP MOLDOVA

BIOMASS HEATING SYSTEM
(Directly Implemented Project No. 77341)

Report No. 1197
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**Report on the audit of UNDP Moldova
Biomass Heating System (Project No. 77341)
Executive Summary**

From 17 June to 5 July 2013, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through Deloitte Audit s.r.o. (the audit firm), conducted an audit of Biomass Heating System, Project No. 77341 (the Project), which is directly implemented and managed by the UNDP Office in Moldova (the Office). The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*. The last audit of the Office was conducted by OAI in 2012.

The Project reported expenditure totalling \$7.2 million during the period from 1 January to 31 December 2012. The Project was funded by the European Commission.

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 2012 and Statement of Assets as of 31 December 2012.

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
7,208	Unqualified	1	Unqualified

The Statement of Assets included eight assets procured prior to 2012 that were fully expensed and not capitalized, and therefore a depreciation charge was not applicable to them. The acquisition cost of these assets was \$52,000.

Key issues and recommendations

The audit did not raise any reportable issues.



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