



AUDIT

OF

UNDP UKRAINE

EU BORDER ASSISTANCE MISSION - 9
(Directly Implemented Project No. 79895)

Report No. 1199
Issue Date: 9 December 2013

**Report on the audit of UNDP Ukraine
EU Border Assistance Mission - 9 (Project No. 79895)
Executive Summary**

From 19 August to 30 September 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 EU Border Assistance Mission - 9, Project No. 79895 (the Project), which is directly implemented and managed by the UNDP Country Office in Ukraine (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 2008.

The Project reported expenditure totalling \$16 million during the period from 1 January 2012 to 30 June 2013. 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 2012 to 30 June 2013 and Statement of Assets as of 30 June 2013 and Statement of Cash Position as of 31 December 2012 and 30 June 2013.

Audit results

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

Period	Project Expenditure		Project Assets		Cash	
	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
Jan-Dec 2012	10,839	Unqualified	n/a	n/a	284	Unqualified
Jan-Jun 2013	5,191	Unqualified	202*	Unqualified	74.5	Unqualified

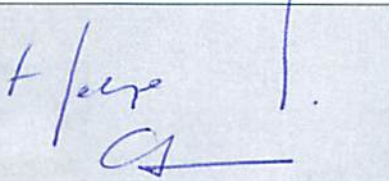
*The acquisition value for the assets in the statement of assets statement is \$1,285,840

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 issues relating to the procurement of low value items and unsigned lists of participants.

Management's comments

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

A handwritten signature in blue ink is written over a light blue rectangular background. The signature appears to be 'Helge S. Osttveiten'.

Helge S. Osttveiten
Director
Office of Audit and Investigations