



AUDIT

OF

UNDP BRAZIL

PARCERIAS CONFERENCIA ORGANIZAÇÃO DAS NAÇÕES UNIDAS RIO + 20
(Directly Implemented Project, Output No. 80162)

Report No. 1359

Issue Date: 31 July 2014

Report on the audit of UNDP Brazil
Parcerias Conferencia Organização das Nações Unidas Rio + 20 (Output No. 80162)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), from 12 to 31 May 2014, through Moore Stephens LLP (the audit firm), conducted an audit of Parcerias Conferencia Organização das Nações Unidas Rio + 20, Output No. 80162 (the Project), which is directly implemented and managed by the UNDP Country Office in Brazil (the Office).

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 Combined Delivery Report, which includes expenditure for the period from 1 January 2011 to 31 December 2013 and the accompanying Funds Utilization statement¹ as of 31 December 2013. The audit did not cover the Statement of Assets as no assets were purchased by the Project. In addition, the audit did not cover the Statement of Cash Position as of 31 December 2013 as no separate bank account was established and maintained for the Project.

The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

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		Cash	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
\$42,367	Unqualified	-	n/a	-	n/a

The audit firm issued an unqualified opinion on the Funds Utilization statement.

Key recommendation: Total = 1, high priority = 0

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, which means, "Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP." The recommendation calls for the use of timesheets in order to justify the costs amounting to \$639,000 that have been charged to the Project for the salaries and benefits of 11 personnel. Considering that the Project is already closed, the implementation of this recommendation is no longer applicable for this Project in particular. Instead, OAI encourages the Office to take this recommendation into consideration, as and when applicable, for other ongoing projects.

¹ The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) depreciated fixed assets used at the project level; (c) inventory held at the project level; (d) prepayments made by the project; and (e) outstanding commitments held at the project level.

Management comments and action plan

The UN Resident Coordinator/UNDP Resident Representative accepted the recommendation and will take it into consideration for future projects. Comments and/or additional information provided have been incorporated into the report, where appropriate.

A handwritten signature in blue ink, appearing to read 'Antoine Khoury', enclosed within a rectangular box.

Antoine Khoury
Officer-in-Charge
Office of Audit and Investigations