

**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**Office of Audit and Investigations**



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNDP INDIA**

**IMPROVING EFFICIENCY OF HEALTH CARE SYSTEMS IN MULTIPLE STATES (WEST  
BENGAL AND HARYANA)**  
**(Directly Implemented Project, Output Nos. 86136 and 86879)**

**Report No.1380**

**Issue Date: 7 August 2014**

**Report on the audit of UNDP India**  
**Improving Efficiency of Health Care Systems in Multiple States (West Bengal and Haryana)**  
**(Output Nos. 86136 and 86879)**  
**Executive Summary**

The UNDP Office of Audit and Investigations (OAI), from 12 to 21 May 2014, through Moore Stephens (the audit firm), conducted an audit of Improving Efficiency of Health Care Systems in Multiple States (West Bengal and Haryana), Output Nos. 86136 and 86879 (the Project), which is directly implemented and managed by the UNDP Country Office in India (the Office). This was the first audit of the Project.

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 to 31 December 2013 and the accompanying Funds Utilization statement<sup>1</sup> as of 31 December 2013 as well as Statement of Assets 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 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	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
11,191	Unqualified	-	Not Applicable


**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." This recommendation includes actions to address donor approval on the use of interest not being obtained.

<sup>1</sup> 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 UNDP Resident Representative accepted the recommendation and is in the process of implementing it. Comments and/or additional information provided have been incorporated into the report, where appropriate.



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Office of Audit and Investigations