

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP BANGLADESH

Comprehensive Disaster Management Programme Phase II
(Project No. 58919, Output Nos. 73416)

Report No. 1472

Issue Date: 10 September 2015

**Report on the Audit of UNDP Bangladesh
Comprehensive Disaster Management Programme Phase II
(Project No. 58919, Output No. 73416)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), from 23 June to 6 July 2015, through Moore Stephens LLP (the audit firm), conducted an audit of the Comprehensive Disaster Management Programme Phase II (Project No. 58919, Output No. 73416) (the Project), which is nationally implemented¹ with direct support services by the UNDP Country Office in Bangladesh (the Office). The scope of the audit covered the expenditure incurred by the Office as direct support services to the Project. The last audit of the Project covering expenditures incurred through the Office's support services was conducted by OAI in 2014 and covered project expenditure from 1 January to 31 December 2013.

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 2014 and the accompanying Funds Utilization statement.² The audit did not include activities and expenses incurred or undertaken at the "responsible party" level, or expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters), or where supporting documentation was not retained at the UNDP Country Office level. 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 submitted by the audit firm, the results are summarized in the table below:

| Project Expenditure* | |
|-----------------------|-------------|
| Amount (in \$'000) | Opinion |
| 2,016 | Unqualified |

*Expenditures recorded in the Combined Delivery Report were \$13.3 million. Excluded from the audit scope were transactions that relate to Government expenditures (\$8.2 million) and expenditures processed and approved by other UNDP offices outside of the country (\$3.1 m). Government expenditures incurred between January and December 2014 were subject to a separate audit conducted by external auditors. This audit identified excessive payments made to contractors that OAI considered being an overstatement of expenditure by \$252,000.

The audit did not result in any recommendations.

¹ The audit of nationally implemented projects, or NIM projects, is the responsibility of the respective UNDP Country Office. However, this NIM project was audited by OAI due to the extensive direct administrative support that the Country Office is providing to the Project.

² 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.

Implementation status of previous OAI audit recommendations

The previous audit (Report No. 1388, issued on 16 September 2014), did not result in any recommendations.

A handwritten signature in blue ink is enclosed in a black rectangular box. The signature is stylized and appears to read 'Antoine Khoury'.

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