

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP ARMENIA

MODERNIZING BORDER CROSS POINTS
(Directly Implemented Project No. 68950, Output No. 83816)

Report No. 1786

Issue Date: 4 August 2017

**Report on the Audit of UNDP Armenia
Modernizing Border Cross Points (Project No. 68950, Output No. 83816)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG (the audit firm), from 22 May to 5 June 2017, conducted an audit of Modernization of Bagratashen, Brava, Project No. 68950, Output No. 83816 – Modernizing Border Cross Points (the Project), which is directly implemented and managed by the UNDP Country Office in Armenia (the Office). The last audit of the Project was conducted by OAI through Moore Stephens LLP in 2016 and covered project expenditure from 1 January to 31 December 2015.

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 2016 and the accompanying Funds Utilization statement¹ as of 31 December 2016 as well as Statement of Assets as of 31 December 2016. 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
5,978	Unqualified	33	Unqualified

*NFM= Net Financial Misstatement

The audit did not result in any recommendations.

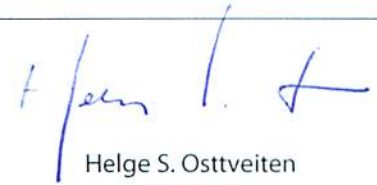
At the time of finalizing the audit, OAI was investigating a complaint related to a vendor.

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.

Implementation status of previous OAI audit recommendations: Report No. 1632, 24 August 2016.

Total recommendations: 1

Implemented: 1

A handwritten signature in blue ink, appearing to read 'Helge S. Osttveiten', enclosed within a rectangular box.

Helge S. Osttveiten
Director
Office of Audit and Investigations