

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP BOSNIA AND HERZEGOVINA

MUNICIPAL ENVIRONMENTAL AND ECONOMIC GOVERNANCE
(Directly Implemented Project No. 80522, Output No. 90162)

Report No. 1788

Issue Date: 3 August 2017

**Report on the Audit of UNDP Bosnia and Herzegovina
Municipal Environmental and Economic Governance (Project No. 80522, Output No. 90162)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG (the audit firm), from 29 May to 9 June 2017, conducted an audit of Municipal Environmental and Economic Governance, Project No. 80522, Output No. 90162 (the Project), which is directly implemented and managed by the UNDP Country Office in Bosnia and Herzegovina (the Office). The last audit of the Project was conducted by OAI through Deloitte 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 Cash Position as of 31 December 2016. The audit did not include expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). In addition, the audit did not cover the Statement of Assets as no assets were purchased by 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*		Cash	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
336	Unqualified	2,387	Unqualified

*Expenditures recorded in the Combined Delivery Report were \$363,119. Excluded from the audit scope were expenditures processed and approved by other UNDP offices outside of the country (\$26,898).

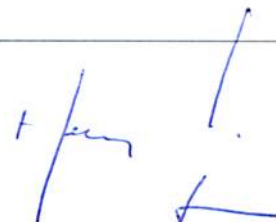
**NFM= Net Financial Misstatement

The audit did not result in any recommendations.

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:

The previous audit (Report No. 1635, issued on 5 July 2016) did not result in any recommendations.



Helge S. Ostveiten
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