

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



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNDP UKRAINE**

**COMMUNITY BASED APPROACH – PHASE III**  
**(Directly Implemented Project No. 83522, Output Nos. 91957 and 91960)**

**Report No. 1789**

**Issue Date: 4 August 2017**

**Report on the Audit of UNDP Ukraine  
Community Based Approach – Phase III  
(Project No. 83522, Output Nos. 91957 and 91960)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), from 15 to 26 May 2017, conducted an audit of Community Based Approach – Phase III Project No. 83522, Output Nos. 91957 Local Capacity Development and 91960 Knowledge Management, (the Project), which is directly implemented and managed by the UNDP Country Office in Ukraine (the Office). The last audit of the Project was conducted by P.S.P Audit LLC under HACT audits in 2016 covering the expenditure for the year ended 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 statement<sup>1</sup> as of 31 December 2016, as well as Statement of Assets 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 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 reports and corresponding management letters submitted by the audit firm, the results are summarized in the table below:

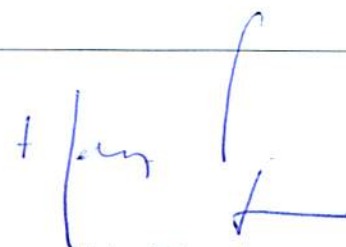
Project Expenditure			Project Assets	
Output Nos.	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
91957	3,051*	Unqualified	0	N/A
91960	3,657**	Unqualified	327	Unqualified

\*Expenditures recorded in the Combined Delivery Report were \$3,053,967. Excluded from the audit scope were expenditures processed and approved by other UNDP offices outside of the country (\$2,547).

\*\*Expenditures recorded in the Combined Delivery Report were \$3,923,578. Excluded from the audit scope were expenditures processed and approved by other UNDP offices outside of the country (\$266,705).

<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.

The audit did not result in any recommendations.

A handwritten signature in blue ink is enclosed within a rectangular box. The signature is stylized and appears to read 'H. Osttveiten'.

Helge S. Osttveiten  
Director  
Office of Audit and Investigations