

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



*Empowered lives.  
Resilient nations.*

**AUDIT**  
  
**OF**  
  
**UNDP INDIA**

**IMPROVING EFFICIENCY OF VACCINATION SYSTEMS IN MULTIPLE STATES OF INDIA**  
**(Directly Implemented Project No. 78163, Output No. 88568)**

**Report No. 1848**  
**Issue Date: 22 August 2017**

**Report on the Audit of UNDP India**  
**Improving Efficiency of Vaccination Systems in Multiple States of India**  
**(Project No. 78163, Output No. 88568)**  
**Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Deloitte Haskins & Sells LLP (the audit firm), from 2 to 23 May 2017 conducted an audit of Improving Efficiency of Vaccination Systems in Multiple States of India, Project No. 78163 Output No.88568 (the Project), which is directly implemented and managed by the UNDP Country Office in India (the Office). The last audit of the Project was conducted by OAI in 2016 and covered project expenditure from 1 January to 31 December 2016.

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, and the Statement of Assets as of 31 December 2016. 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). 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*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
13,049	Unqualified	16	Unqualified

*\*Expenditures recorded in the Combined Delivery Report were \$16,308,724. The audit firm reported expenditures amounting to \$3,259,312 were excluded from the audit scope that relate to expenditures processed and approved in locations outside of the country (such as other UNDP offices or UNDP Headquarters). However, some excluded expenditures relate to facilities and administration costs (\$1,067,620) and direct project costs (\$401,787) which were processed and managed by the Office during the audit period. Therefore, in OAI's view, these expenditures should have been included in the audit scope*

In the accompanying notes to the financial statements, under the basis of accounting section, the audit firm stated that, "The project Combined Delivery Report was prepared in accordance to the UNDP accounting policies and the expenses accounted for on actual basis which is based on Purchase Orders (PO) raised (PO raised based on threshold defined i.e. exceeding US\$ 2,500 excluding travel and employee reimbursements on which no PO raised)." However, the audit firm's reference to the purchase order is UNDP's procurement policy and not UNDP's accounting policy. The project Combined Delivery Report was prepared on an accrual basis of accounting in

<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) undepreciated 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.

accordance with the International Public Sector Accounting Standards and UNDP's Financial Regulations and Rules.

At the time of the audit, OAI was conducting an investigation on activities relating to the Project but on the basis of expenditures recorded prior to 1 January 2016 with no material impact on the auditor's opinion.

The audit did not result in any recommendations.

**Implementation status of previous OAI audit recommendations:** Report No. 1625, 6 June 2016).

Total recommendations: 4

Implemented: 4

### Management comments and action plan

Management comments and/or additional information provided have been incorporated into the report, where appropriate.



Helge S. Ostveiten  
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Office of Audit and Investigations