

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



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**Audit**

**of**

**UNDP in the former Yugoslav Republic of Macedonia**

**Municipal Councils Support II**  
**(Directly Implemented Project No. 90463, Output No. 96214)**

**Report No. 1955**

**Issue Date: 10 July 2018**

**Report on the Audit of UNDP in the former Yugoslav Republic of Macedonia  
Municipal Councils Support II (Project No. 90463, Output No. 96214)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG Geneva (the audit firm), from 16 April to 4 May 2018, conducted an audit of Municipal Councils Support II, Project No. 90463, Output No. 96214 (the Project), which is directly implemented and managed by the UNDP Country Office in the former Yugoslav Republic of Macedonia (the Office). This was the first audit of the Project.

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 Reports, which included expenses for the periods from 1 August to 31 December 2016, and from 1 January to 31 December 2017. The audit also covered the accompanying Funds Utilization statements<sup>1</sup> as well as the Statements of Assets and Cash Position, as of 31 December 2016 and 31 December 2017.

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 submitted by the audit firm, the results are summarized in the table below:

Audit period	Project Expenses		Project Assets		Cash	
	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
1 August to 31 December 2016	101	Unmodified	14	Unmodified	764	Unmodified
1 January to 31 December 2017	309	Unmodified	13	Unmodified	1,426	Unmodified

Note: *Unmodified* = unqualified or clean opinion

The audit did not result in any recommendations.

**Management comments and action plan**

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

Helge S. Osttveiten  
Director  
Office of Audit and Investigations

<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.