

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



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNDP BOSNIA AND HERZEGOVINA**

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

**Report No. 2074**

**Issue Date: 23 July 2019**

**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 SA (the audit firm), from 13 to 31 May 2019, 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 d.o.o. Sarajevo in 2018 and covered project expenses from 1 January to 31 December 2017.

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 expenses for the period from 1 January to 31 December 2018 and the accompanying Funds Utilization statement<sup>1</sup> as of 31 December 2018 as well as Statement of Cash as of 31 December 2018. The audit did not include activities and expenses incurred or undertaken at the "responsible party" level. The audit did not cover the Statement of Assets as no assets were held 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 submitted by the audit firm, the results are summarized in the table below:

Project Expenses*		Cash	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
1,152	Unmodified	1,623**	Unmodified

\*Expenses recorded in the Combined Delivery Report were \$2,581,235. Excluded from the audit scope were expenses incurred at the level of the "responsible party" (\$1,429,363) and which are included in the Office annual plan for the audit of responsible parties.

\*\*The amount is the equivalent to BAM 2,777,930 (converted at the UN Operational Rates of Exchange rate as of 31 December 2018).

The audit did not result in any recommendations.

**Implementation status of previous OAI audit recommendations:**

The previous audit (Report No. 1938, issued on 6 July 2018) did not result in any recommendations.

<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.

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**Management comments and action plan**

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

A handwritten signature in blue ink is enclosed in a black rectangular box. The signature is stylized and appears to read 'Antoine Khoury'.

Antoine Khoury  
Officer-in-Charge  
Office of Audit and Investigations