



AUDIT

OF

UNDP BOSNIA AND HERZEGOVINA

**STRENGTHENING THE ROLE OF LOCAL COMMUNITIES,
REVITALIZING LOCAL COMMUNITIES**
(Directly Implemented Project No. 80525, Output No. 90164)

Report No. 2075

Issue Date: 23 July 2019

**Report on the Audit of UNDP Bosnia and Herzegovina
Strengthening the Role of Local Communities,
Revitalizing Local Communities
(Project No. 80525, Output No. 90164)
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 Strengthening the Role of Local Communities, Project No. 80525, Revitalizing Local Communities, Output No. 90164 (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 statement¹ as of 31 December 2018 as well as Statement of Assets and Statement of Cash as of 31 December 2018.

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		Project Assets		Cash	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
2,333	Unmodified	33	Unmodified	1,428*	Unmodified

*The amount is the equivalent to BAM 2,443,893 (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. 1937, issued on 6 July 2018) 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) 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.

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, appearing to read 'Antoine Khoury', is enclosed within a black rectangular box.

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