

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



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNDP BANGLADESH**

**INCEPTION PHASE - NATIONAL URBAN POVERTY REDUCTION PROGRAMME**  
**(Project No. 84928, Output No. 92722)**

**Report No. 2103**

**Issue Date: 28 June 2019**

**Report on the Audit of UNDP Bangladesh  
Inception Phase - National Urban Poverty Reduction Programme  
(Project No. 84928, Output No. 92722)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG SA (the audit firm), from 6 to 24 May 2019, conducted an audit of Inception Phase - National Urban Poverty Reduction Programme (Project No. 84928, Output No. 92722) (the Project), which is nationally implemented<sup>1</sup> with direct support services provided by the UNDP Country Office in Bangladesh (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 Report, which includes expenses for the period from 1 January to 31 December 2018 and the accompanying Funds Utilization statement<sup>2</sup> as of 31 December 2018. The audit did not include activities and expenses incurred or undertaken by the Government, or expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). The audit did not cover the Statement of Assets as no assets were held by the Project. 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 Expenses*	
Amount (in \$ '000)	Opinion
1,952	Unmodified

\*Expenses recorded in the Combined Delivery Report were \$5,130,542.89. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UNDP offices outside of the country (\$423,065.59). Also excluded were expenses incurred by the Government (\$2,755,635.32).

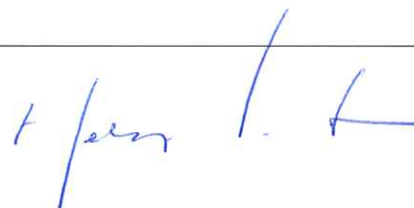
The audit did not result in any recommendations.

<sup>1</sup> Nationally implemented projects, or NIM projects, are audited by the responsible unit in UNDP. However, this NIM project was audited by OAI due to the significant involvement of the Country Office in its implementation, and the subsequent materiality of the amount expensed by UNDP.

<sup>2</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.

### **Management comments and action plan**

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



Helge S. Osttveiten  
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