



AUDIT

OF

UNDP INDONESIA

**Support Facility for the Institutional Setup of the Peat Restoration Agency
(Directly Implemented Project No. 96630, Output No. 100586)**

Report No. 2107

Issue Date: 18 July 2019

**Report on the Audit of UNDP Indonesia
Support Facility for the Institutional Setup of the Peat Restoration Agency
(Project No. 96630, Output No. 100586)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through BDO LLP (the audit firm), from 17 to 29 May 2019, conducted an audit of Support Facility for the Institutional Setup of the Peat Restoration Agency (Project No. 96630, Output No. 100586) (the Project), which is directly implemented and managed by the UNDP Country Office in Indonesia (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 statement¹ 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. 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
5,940	Unmodified


*Expenses recorded in the Combined Delivery Report were \$6,341,741.60. Excluded from the audit scope were transactions that relate to expenses incurred at the "responsible party" level (\$402,023.33).

The audit 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.



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