



**AUDIT**

**OF**

**UNDP BOSNIA AND HERZEGOVINA**

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

**Report No. 2260**

**Issue Date: 18 August 2020**

**Report on the Audit of UNDP Bosnia and Herzegovina  
Municipal Economic and Environmental Governance  
(Project No. 80522, Output No. 90162)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through BDO LLP (the audit firm), from 24 June to 21 July 2020, conducted an audit of Municipal Economic and Environmental 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 KPMG SA in 2019 and covered project expenses from 1 January to 31 December 2018.

The audit firm conducted a financial audit, in accordance with the International Standards of Auditing (ISA), the 700 series, 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 2019 and the accompanying Funds Utilization statement<sup>1</sup> as of 31 December 2019 as well as Statement of Cash as of 31 December 2019. 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 and corresponding management letter submitted by the audit firm, the results are summarized in the table below:

Project Expenses*		Cash	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
1,395	Unmodified	1,426**	Unmodified

\*Expenses recorded in the Combined Delivery Report were \$2,776,529. Excluded from the audit scope were expenses incurred at the "responsible party" level (\$1,381,693).

\*\*The amount is the equivalent to BAM 2,497,932 (converted at the UN Operational Rates of Exchange rate as of 31 December 2019).

The audit did not result in any recommendations.

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

The previous audit (Report No. 2074, issued on 23 July 2019) 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.

Helge S. Ostveiten  
Director  
Office of Audit and Investigations