



**AUDIT**

**OF**

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

**IN**

**UNDP BOSNIA AND HERZEGOVINA**

**Report No. 2341**  
**Issue Date: 22 July 2021**

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

The UNDP Office of Audit and Investigations (OAI), through BDO LLP (the audit firm), from 6 to 28 April 2021, 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 BDO LLP in 2020 and covered project expenses from 1 January to 31 December 2019.

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 2020 and the accompanying Funds Utilization statement<sup>1</sup> as of 31 December 2020 as well as Statement of Cash as of 31 December 2020. 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<br>(in \$ '000) | Opinion    | Amount<br>(in \$'000) | Opinion    |
| 1,799                  | Unmodified | 608**                 | Unmodified |

\*Expenses recorded in the Combined Delivery Report were \$3,613,845. Excluded from the audit scope were transactions that relate to expenses incurred at the “responsible party” level (\$1,814,481).

\*\*The amount is the equivalent to BAM 969,504 (converted at the UN Operational Rates of Exchange as of 31 December 2020).

The audit did not result in any recommendations.

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

The previous audit (Report No. 2260, issued on 18 August 2020) 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.

*Moncef Ghrib*

Moncef Ghrib  
Officer-in-Charge  
Office of Audit and Investigations