



AUDIT

OF

EU4RECOVERY – EMPOWERING COMMUNITIES IN UKRAINE
(Directly Implemented Project No. 133796)

IN

UNDP UKRAINE

Report No. 2812
Issue Date: 23 September 2024

**Report on the Audit of EU4Recovery – Empowering Communities in Ukraine
(Project No. 133796)
Implemented by UNDP Ukraine
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through BDO LLP (the audit firm), from 8 to 16 July 2024, conducted an audit of EU4Recovery – Empowering Communities in Ukraine (Project No. 133796) (the Project), which is directly implemented and managed by the UNDP Country Office in Ukraine (the Office). This was the first audit of the Project.

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 2023 and the accompanying Funds Utilization statement¹ as of 31 December 2023 as well as Statement of Assets as of 31 December 2023. The audit did not include activities and expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters) or expenses of other United Nations agencies. In addition, the audit did not cover the Statement of Cash 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* of The Institute of Internal Auditors (The IIA).

Given the current security situation in Ukraine, the audit was conducted remotely. As advised by the audit firm, there were no scope limitations as a result of the remote audit.

Audit results

Based on the audit report submitted by the audit firm, the results are summarized in the table below:

Project Expenses*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$'000)	Opinion
5,701	Unmodified	150	Unmodified

*Expenses recorded in the Combined Delivery Report were \$9,144,968. Excluded from the audit scope were transactions that relate to expenses of other United Nations agencies (\$1,184,964) and expenses processed and approved by other UNDP offices outside of the country (\$2,259,302). As of 31 December 2023, the outstanding commitment balance was \$1,551,142.08 (27 percent of the project expenses) relating to contractor service costs and six passenger vans purchased.

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.

Sean DeBlieck
Deputy Director (Audit)
Office of Audit and Investigations