

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



*Empowered lives.
Resilient nations.*

AUDIT

OF

UN WOMEN AFGHANISTAN

AFGHANISTAN COUNTRY OFFICE
ELIMINATION OF VIOLENCE AGAINST WOMEN
(Directly Implemented Project No. 88989)

Report No. 1588

Issue Date: 7 January 2016

**Report on the Audit of UN Women Afghanistan
Afghanistan Country Office Elimination of Violence against Women
(Project No. 88989)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG SA (the audit firm), conducted from 20 October to 8 November 2015 an audit of Afghanistan Country Office Elimination of Violence Against Women (Project No. 88989) (the Project), which is directly implemented and managed by the UN Women Country Office in Afghanistan (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 Trial Balance Report, which includes expenditure for the period from 1 January to 31 December 2014 and the Statement of Assets as of 31 December 2014. The audit did not include expenses processed and approved in locations outside of the country (such as the UN Women Regional Office and UN Women Headquarters).

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 reports and corresponding management letter submitted by the audit firm, the results are summarized in the table below:

Project Expenditure*			Project Assets		
Amount (in \$ '000)	Opinion	NFI** (in \$ '000)	Amount (in \$ '000)	Opinion	NFI (in \$ '000)
375	Unqualified	0	4	Unqualified	0

* Expenditures recorded in the Project Trial Balance were \$ 612,000. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UN Women offices outside of the country \$237,000.

**NFI = Net Financial Impact

Key recommendation: Total = 1, high priority = 0

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendations, which means, "Action is required to ensure that UN Women is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UN Women." This recommendation includes actions to address concerns relating to a purchase requisition that was raised and a corresponding purchase order that was issued after the invoice issuance date.

The recommendation aims to ensure the reliability and integrity of financial and operational information.

Management comments and action plan

The Representative of the Office accepted the recommendation and has already implemented corrective actions. Comments and/or additional information provided have been incorporated into the report, where appropriate.

A handwritten signature in blue ink is located inside a rectangular box. The signature is stylized and appears to read 'H. Osttveiten'.

Helge S. Osttveiten
Director
Office of Audit and Investigations



**United Nations Development Programme
(UNDP)**

Report of the Independent Auditor on the United Nations Entity for
Gender Equality and the Empowerment of Women (UN Women)
Directly Implemented (DIM) Project number 00088989
“Afghanistan Country Office Elimination of Violence Against
Women (Donor 00182)”

- Afghanistan –

For the year ended 31 December 2014



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Executive Summary

KPMG Geneva conducted the financial audit of UN Women project number 00088989 “Afghanistan Country Office Elimination of Violence Against Women (Donor 00182)” (the project) for the period 1 January to 31 December 2014. The audit was undertaken on behalf of the Office of Audit and Investigations (OAI), United Nations Development Programme (UNDP).

We have issued audit opinions as summarized in the table below and as detailed in the next section:

Project Trial Balance (PTB) Statement	Unqualified
Statement of Assets and Equipment	Unqualified

Findings as a result of our audit are provided in the management letter on page 8.

KPMG SA

Pierre-Henri Pingeon
Auditor in Charge

Henri Mwaniki

Geneva, 17 December 2015



Audit Objectives and Scope

The objective of the financial audit was to express an opinion on the Directly Implemented (DIM) project's trial balance which includes:

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2014 are fairly presented in accordance with UN Women accounting policies and that the expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UN Women; and (iv) supported by properly approved vouchers and other supporting documents. The Project Trial Balance (PTB) is the mandatory and official Statement upon which the audit opinion should be expressed. Other forms of Statement of expenses that may be prepared by a project office are not accepted.
- Expressing an opinion on whether the Statement of fixed assets presents fairly the balance of assets of the UN Women project as at 31 December 2014. This Statement must include all assets available as at 31 December 2014 and not only those purchased in a given period. Where a DIM project does not have any assets or equipment, it will not be necessary to express such an opinion.

The scope of the audit relates only to transactions concluded and recorded against the UN Women DIM project, between 1 January and 31 December 2014. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of "responsible parties", unless the inclusion of these expenses is specifically required in the request for proposal; and
- Expenses processed and approved in locations outside the country such as UN Women Regional Offices and UN Women Headquarters and where the supporting documentation is not retained at the level of the UN Women country office.



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Independent Auditors' Report Project Trial Balance Statement (PTB)

To: Office of Audit and Investigations (OAI), United Nations Development Programme (UNDP)

Audited Project: "Afghanistan Country Office Elimination of Violence Against Women (Donor 00182)"

Period covered by the audited PTB Statement: From 1 January 2014 to 31 December 2014

Atlas Project Number to identify the PTB: 00088989

Location: Afghanistan

We have audited the accompanying Project Trial Balance (PTB) Statement of the UN Women project number 00088989 "Afghanistan Country Office Elimination of Violence Against Women (Donor 00182)" for the period 1 January to 31 December 2014. The PTB expenditures totalling \$612,027.91 are comprised of audited expenditures of \$375,102.73 under the Directly Implemented Modality (DIM) and expenditures processed and approved outside the UN Women Country office in Afghanistan of \$236,925.18, which were excluded from the scope of our audit.

Management's Responsibility for the Project Trial Balance Statement

Management is responsible for the preparation of the PTB Statement for "Afghanistan Country Office Elimination of Violence Against Women (Donor 00182)" project and for such internal control as management determines is necessary to enable the preparation of a Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the attached Project Trial Balance Report (PTB) Statement presents fairly, in all material respects, the expenses of \$375,102.73 incurred by the project number 00088989 "Afghanistan Country Office Elimination of Violence Against Women (Donor 00182)" for the period 1 January to 31 December 2014 in accordance with UN Women accounting policies and were i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UN Women; and (iv) supported by properly approved vouchers and other supporting documents.

KPMG SA

Pierre-Henri Pingeon
Auditor in Charge

Henri Mwaniki

Geneva, 17 December 2015



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Independent Auditors' Report **Statement of Assets and Equipment**

To: Office of Audit and Investigations (OAI), United Nations Development Programme (UNDP)

Audited Project: "Afghanistan Country Office Elimination of Violence Against Women (Donor 00182)"

Period covered by the Statement of Assets and Equipment: 1 January 2014 to 31 December 2014

Atlas Project Number to identify the PTB: 00088989

Location: Afghanistan

We have audited the accompanying Statement of Assets and Equipment of the UN Women project number 00088989 "Afghanistan Country Office Elimination of Violence Against Women (Donor 00182)" as at 31 December 2014.

Management's Responsibility for the Project Statement of Assets and Equipment

Management is responsible for the preparation of the Statement for the "Afghanistan Country Office Elimination of Violence Against Women (Donor 00182)" project and for such internal control as management determines is necessary to enable the preparation of a Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


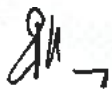


*Report of the Independent Auditor on the United Nations Entity for
Gender Equality and the Empowerment of Women (UN Women)
Directly Implemented (DIM) Project number 00088989
"Afghanistan Country Office Elimination of Violence Against Women (Donor 00182)" - Afghanistan –
For the year ended 31 December 2014*

Opinion

In our opinion, the attached Statement of Assets and Equipment presents fairly, in all material respects, the balance of inventory of the UN Women project number 00088989 "Afghanistan Country Office Elimination of Violence Against Women (Donor 00182)" amounting to \$3,586.46 as at 31 December 2014 in accordance with UN Women accounting policies.

KPMG SA



Pierre-Henri Pingeon
Auditor in Charge



Henri Mwaniki

Geneva, 17 December 2015



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Management Letter

To: Office of Audit and Investigations, United Nations Development Programme

Audited Project: "Afghanistan Country Office Elimination of Violence Against Women (Donor 00182)"

Period covered: 1 January 2014 to 31 December 2014

Atlas Project Number to identify the PTB: 00088989

Location: Afghanistan

We have raised the following finding related to this project as a result of our audit.

Observation

- **Purchase requisition raised and purchase order issued after the invoice date**

As per standard operating procedures for procurement:

- i. Purchase requisition shall be approved based on approved travel plan;
- ii. Quotations shall be called from vendors based on approved purchase requisition;
- iii. Purchase order shall be issued to a selected supplier; and
- iv. The supplier shall issue the invoice along with the delivery of goods/services.

KPMG noted that a payment was made to a vendor (voucher no. 00011547) on account of purchase of tickets for a government partner. For this payment the invoice was issued on 17 June 2014, purchase requisition raised and approved on 08 July 2014 and the purchase order issued on 09 July 2014.

KPMG noted that the travel expense was incurred without prior authorisation and approval, which indicates weak controls over expenditure authorisation.

- **Priority/Grading**

Medium.

- **Recommendation**

KPMG recommends that UN Women country office should comply with the requirements of the standard operating procedures for procurement by ensuring that expenditures are only incurred after proper authorisation and approvals have been obtained.

- **Management Comment and Action Points**



ACCEPTED: We take note of the comment and wish to highlight that measures have been put in place to ensure Purchase Orders are issued well before the receipt of the invoice as required. Processing timelines and workflow processes and timelines have been established and shared with relevant colleagues to facilitate this process. We also wish to point that in the particular case noted by the auditors, the purchase of the ticket was supported by the Approved Travel Authorization (which indicates the cost of the ticket) and the approved comparative bids statement. In some cases such as the one noted, the urgency of requests from Government partners and short period of the validity for the quotation given, might require placing an order in between the process of raising the actual Purchase Order in Atlas.



- **KPMG response (if applicable)**

N/A

KPMG SA



Pierre-Henri Pingeon
Auditor in Charge



Henri Mwaniki

Geneva, 17 December 2015

Annex 1 : Project Trial Balance (PTB) Statement



United Nations Entity for Gender Equality
and the Empowerment of Women

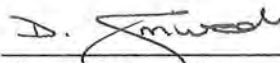
Extract of UN Women Trial Balance as at the 31 December 2014.

Expenditure by Project


Project	Account Number	Account Description	2014 Total Expense
88989	61105	Salaries - NP Staff	9,077.45
	61205	Salaries - GS Staff	74,487.88
	61305	Salaries - IP Staff	21,616.94
	61310	Post Adjustment - IP Staff	12,148.73
	62105	Dependency Allowance-NP Staff	300.00
	62110	Contrib Joint Staff Pension-NP	1,814.69
	62115	Contrib to Med,SocIns-NP Staff	658.13
	62120	Hazard Duty Station Allow-NP	1,076.00
	62140	Annual Leave Expense - NO	353.52
	62205	Dependency Allow - GS Staff	3,125.11
	62210	Contrib to Jt Staff Pens Fd-GS	14,645.24
	62215	Contrib. to Medical, social In	5,596.80
	62225	Hazard Duty Station Allow-GS	15,602.00
	62240	Annual Leave Expense - GS	2,748.62
	62310	Contrib to Jt Staff Pens Fd-IP	7,241.21
	62315	Contrib. to Medical, social In	137.56
	62320	Mobility, Hardship, Non-remova	5,276.26
	62335	Hazard Duty Station Allow-IP	3,200.00
	62340	Annual Leave Expense - IP	(1,464.35)
	63335	Home Leave Trvl & Allow-IP Stf	616.64
	63340	Proc trips/Rest & Recup-IP Stf	5,212.00
	63365	Special Oper Living Allow-IP	2,343.50
	63530	Contribution to EOS Benefits	4,399.95
	63535	Contribution to Security	4,693.29
	63540	Contribution to Training	1,173.28
	63545	Contribution to ICT	4,693.29
	63550	Contributions to MAIP	234.70
	63555	Contribution to UN JFA	2,111.97
	63560	Contributions to Appendix D	352.00
	65115	Contributions to ASHI Reserve	9,386.50
	65135	Payroll Mgt Cost Recovery ATLA	952.22
	71405	Service Contracts-Individuals	33,710.01
	71410	MAIP Premium SC	123.37
	71415	Contribution to Security SC	1,357.68
	71440	Appendix D SC	987.45
	71610	Travel Tickets-Local	1,170.00
	71620	Daily Subsistence Allow-Local	796.47
	72130	Svc Co-Transportation Services	8,865.43
	72135	Svc Co-Communications Service	1,265.17
	72136	ServiceCo-Systems Development	39.03
	72145	Svc Co-Training and Educ Serv	81,276.24
	72155	Svc Co-Public Admin, Politics	101,883.93
	72160	Svc Co-Education & Health Serv	308.65
	72405	Acquisition of Communic Equip	-


Project	Account Number	Account Description	2014 Total Expense
	72415	Courier Charges	154.00
	72425	Mobile Telephone Charges	2,523.72
	72505	Stationery & other Office Supp	328.45
	72815	Inform Technology Supplies	125.00
	73105	Rent	2,304.00
	73120	Utilities	16,706.00
	73125	Common Services-Premises	125,690.97
	73405	Rental & Maint-Other Office Eq	13,218.00
	73410	Maint, Oper of Transport Equip	4,074.77
	74510	Bank Charges	55.61
	74965	Low value equipment	-
	75705	Learning Costs	294.78
	75712	TrnWrkshp&Conf - Honorariums	832.33
	76125	Realized Loss	0.01
	76135	Realized Gain	(7.83)
	77630	Dep Exp Owned - ITC	133.54
88989 Total			612,027.91

I hereby certify that the Trial balance is extracted from UN Womens books and records, which has been audited by the United Nations Board of Audit for the year ended 31 December 2014.


 Donna Grimwade
 Chief of Accounts

29/10/2015
 Date


 Pierre-Henri Pingeon, Partner
 KPMG SA, Geneva
 17 December 2015


 Henri Mwaniki, Senior Manager
 KPMG SA, Geneva
 17 December 2015

Annex 2: Statement of Assets and Equipment



United Nations Entity for Gender Equality
and the Empowerment of Women


Extract of UN Women Trial Balance as at the 31 December 2014.


Project	Account	Account Description	Balance per the Trial Balance	Balance per Asset	
				Schedule	Difference
	88989	18130 Communications & IT Equipm	3,720.00		
		18630 Accumulated Dep - ITC	(133.54)		
88989 Total			3,586.46	3,586.46	-

I hereby certify that the Trial balance is extracted from UN Womens books and records, which has been audited by the United Nations Board of Audit for the year ended 31 December 2014.


 Donna Grimwade
 Chief of Accounts

30-Oct-15
 Date



 Pierre-Henri Pingeon, Partner
 KPMG SA, Geneva
 17 December 2015


 Henri Mwaniki, Senior Manager
 KPMG SA, Geneva
 17 December 2015


Asset Schedule by Project as at the 31 December 2014

Business Operating Unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Mode	Location	Acquisition Date	In Service Date	Cost, USD	Net Book Value	Quantity	Impl Department	Agency	Donor	Project	Fund code	Audit	
AFG30 AFG	000000001327	UNW ICT1	HP Laptop Elite bc	UNW-A-0230	5CG44754SX	820	AFGOFF11	12/23/2014	12/31/2014	1030	1,008.54	1	92501	002001	00182	00088989	W3000	Audit	
AFG30 AFG	000000001308	UNW ICT1	Dell Laptop Latitu	UNW-CAP-0214	JH76K12	E6440	AFGOFF11	11/19/2014	11/30/2014	1345	1,288.96	1	92501	002001	00182	00088989	W3000	Audit	
AFG30 AFG	000000001307	UNW ICT1	Dell Laptop Latitu	UNW-CAP-0213	3576K12	E6440	AFGOFF11	11/19/2014	11/30/2014	1345	1,288.96	1	92501	002001	00182	00088989	W3000	Audit	
												3,586.46							

I hereby certify that the Asset Schedule is extracted from UN Womens books and records, which has been audited by the United Nations Board of Audit for the year ended 31 December 2014.


Dharma Grimwade
Chief of Accounts

30-Oct-15
Date


Frankline Okumu
Asset Focal Point

30-Oct-15
Date


Pierre-Henri Phigeon, Partner
KPMG S.A. Geneva
17 December 2015


Henri Mwaniki, Senior Manager
KPMG S.A. Geneva
17 December 2015

Annex 3: Audit Findings Priority Ratings

The following categories of priorities are used:

- | | |
|-------------------------------|---|
| High
(Critical) | Action is considered imperative to ensure that UN Women is not exposed to high risks. Failure to take action could result in major consequences and issues |
| Medium
(Important) | Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences. |
| Low | Action is considered desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the auditors directly with the Office management, during the exit meeting and through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in the audit report. |