

**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**Office of Audit and Investigations**



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UN WOMEN AFGHANISTAN**

**IMPLEMENTATION OF AFGHANISTAN COUNTRY OFFICE  
DEVELOPMENT RESULTS FRAMEWORK 2014-2016  
(Directly Implemented Project No. 90741)**

**Report No. 1589**

**Issue Date: 7 January 2016**

**Report on the Audit of UN Women Afghanistan  
Implementation of Afghanistan Country Office Development Results Framework 2014-2016  
(Project No. 90741)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG SA (the audit firm), from 20 October to 8 November 2015, conducted an audit of Implementation of Afghanistan Country Office Development Results Framework 2014-2016 (Project No. 90741) (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 expenditures processed and approved outside of the country (such as by 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)
344	Unqualified	0	75	Unqualified	0

\* Expenditures recorded in the Project Trial Balance were \$588,000. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UN Women offices outside of the country office in the amount of \$244,000.

\*\*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 recommendation, 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 expenditure charged to the Project even though it was incurred prior to the Project's period start 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 is in the process of implementing it. Comments and/or additional information provided have been incorporated into the report, where appropriate.



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 00090741  
“Implementation of Afghanistan Country Office Development  
Results Framework 2014-2016 (Donor 00061)”**

**- 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 00090741 “Implementation of Afghanistan Country Office Development Results Framework 2014-2016 (Donor 00061)” (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:

<b>Project Trial Balance (PTB) Statement</b>	<b>Unqualified</b>
<b>Project Statement of Fixed Assets and Equipment</b>	<b>Unqualified</b>

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:** "Implementation of Afghanistan Country Office Development Results Framework 2014-2016 (Donor 00061)"

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

**Atlas Project Number to identify the PTB:** 00090741

**Location:** Afghanistan

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We have audited the accompanying Project Trial Balance (PTB) Statement of the UN Women project number 00090741 "Implementation of Afghanistan Country Office Development Results Framework 2014-2016 (Donor 00061)" for the period 1 January to 31 December 2014. The PTB expenditures totalling \$587,543.87 are comprised of audited expenditures of \$343,558.54 under the Directly Implemented Modality (DIM) and expenditures processed and approved outside the UN Women Country office in Afghanistan of \$243,985.33, 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 "Implementation of Afghanistan Country Office Development Results Framework 2014-2016 (Donor 00061)" 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 Statements 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 (PTB) Statement presents fairly, in all material respects, the expenses of \$343,558.54 incurred by the project number 00090741 "Implementation of Afghanistan Country Office Development Results Framework 2014-2016 (Donor 00061)" 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:** "Implementation of Afghanistan Country Office Development Results Framework 2014-2016 (Donor 00061)"

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

**Atlas Project Number to identify the PTB:** 00090741

**Location:** Afghanistan

---

We have audited the accompanying Statement of Assets and Equipment of the UN Women project number 00090741 "Implementation of Afghanistan Country Office Development Results Framework 2014-2016 (Donor 00061)" 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 "Implementation of Afghanistan Country Office Development Results Framework 2014-2016 (Donor 00061)" 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 Statements 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 00090741 "Implementation of Afghanistan Country Office Development Results Framework  
2014-2016 (Donor 00061)" - 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 UNDP project number 00090741 "Implementation of Afghanistan Country Office Development Results Framework 2014-2016 (Donor 00061)" amounting to \$75,470.65 as at 31 December 2014 in accordance with UN Women accounting policies.

KPMG SA



Pierre-Henri Pigeon  
*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 (UNDP)

**Audited Project:** "Implementation of Afghanistan Country Office Development Results Framework 2014-2016 (Donor 00061)"

**Period covered:** 1 January 2014 to 31 December 2014

**Atlas Project Number to identify the PTB:** 00090741

**Location:** Afghanistan

---

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

- **Expenditure incurred prior to the Project period start date**

KPMG notes the following per clause 1 of Article II. (Effective Date; Term of Agreement) of the Donor Agreement between UN Women and the Government of Kingdom of Belgium "This Agreement shall take effect on the date both Parties have signed this Agreement or if the Parties have signed it on different dates, the date of the latest signature (the "Effective Date")". The date of the latest signature on the Agreement is 27 May 2014, which is then the Effective Date of the Agreement.

Salary expenses for the Engineering Coordinator for the months of January to March 2014 amounting to \$14,560 and for a Consultant for the months of April and May 2014 amounting to \$3,900 had been charged to this Project per voucher number AFG30-00011970-1-4-ACCR-DST and AFG30-00011971-1-3-ACCR-DST respectively.

As such combined expenditures amounting to \$18,460 were incurred prior to the effective date of the project and hence are considered outside of the project period.

- **Priority/Grading**

Medium.

- **Recommendation**

KPMG recommends that as part of management's review, that the appropriate approving authority thoroughly review all supporting documents to ensure that only expenses which relate to the approved project activities and which have been incurred during the project period are charged to the project.

- **Management Comment and Action Points**

ACCEPTED: Local Office Management will prepare a list of start and end dates for donor agreements corresponding to Atlas project numbers which will facilitate accurate review by the approving authority and reviewer of the expense.



- **KPMG response (if applicable)**  
N/A

KPMG SA



Pierre-Henri Pigeon  
*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

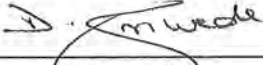
**Extract of UN Women Trial Balance as at the 31 December 2014.**

Expenditure by Project

Project	Account Number	Account Description	2014 Total Expense
90741	61105	Salaries - NP Staff	11,910.26
	61305	Salaries - IP Staff	14,470.00
	61310	Post Adjustment - IP Staff	8,132.14
	62105	Dependency Allowance-NP Staff	422.41
	62110	Contrib Joint Staff Pension-NP	4,853.53
	62115	Contrib to Med,SocIns-NP Staff	1,249.14
	62120	Hazard Duty Station Allow-NP	3,228.00
	62140	Annual Leave Expense - NO	2,036.77
	62305	Dependency Allowances-IP Staff	488.16
	62310	Contrib to Jt Staff Pens Fd-IP	4,604.48
	62315	Contrib. to Medical, social In	135.08
	62320	Mobility, Hardship, Non-remova	5,303.32
	62335	Hazard Duty Station Allow-IP	7,000.60
	62340	Annual Leave Expense - IP	2,597.96
	63365	Special Oper Living Allow-IP	3,486.00
	63530	Contribution to EOS Benefits	1,760.73
	63535	Contribution to Security	1,878.11
	63540	Contribution to Training	469.54
	63545	Contribution to ICT	1,878.11
	63550	Contributions to MAIP	93.90
	63555	Contribution to UN JFA	845.14
	63560	Contributions to Appendix D	140.85
	65115	Contributions to ASHI Reserve	3,756.18
	65135	Payroll Mgt Cost Recovery ATLA	263.22
	71305	Local Consult.-Sht Term-Tech	45,396.00
	71405	Service Contracts-Individuals	50,097.69
	71410	MAIP Premium SC	113.90
	71415	Contribution to Security SC	1,455.84
	71440	Appendix D SC	911.21
	71605	Travel Tickets-International	15,045.00
	71615	Daily Subsistence Allow-Intl	2,637.00
	71620	Daily Subsistence Allow-Local	882.00
	71635	Travel - Other	6,658.77
	72105	Svc Co-Construction & Engineer	21,410.02
	72145	Svc Co-Training and Educ Serv	655.15
	72150	Svc Co-Manufacturing Services	976.03
	72155	Svc Co-Public Admin, Politics	20,958.59
	72210	Machinery and Equipment	97.41
	72220	Furniture	2,896.55
	72311	Fuel, petroleum and other oils	18,678.56
	72370	Security related goods and mat	206.90
	72415	Courier Charges	740.00
	72425	Mobile Telephone Charges	2,006.20
	72440	Connectivity Charges	(4.81)

Project	Account Number	Account Description	2014 Total Expense
	72445	Common Services-Communications	7,350.00
	72505	Stationery & other Office Supp	20,495.59
	72715	Hospitality Catering	5,351.72
	72805	Acquis of Computer Hardware	94.69
	73125	Common Services-Premises	166,483.84
	73405	Rental & Maint-Other Office Eq	9,233.00
	73406	Maintenance of Equipment	344.95
	73410	Maint, Oper of Transport Equip	1,736.66
	73440	Lease Heavy equip/other equip	75.45
	74510	Bank Charges	382.55
	74525	Sundry	1,400.00
	74965	Low value equipment	-
	75115	Facilities & Admin - OH & Ind	100,644.12
	75705	Learning Costs	993.10
	76125	Realized Loss	63.08
	76135	Realized Gain	(12.36)
	77630	Dep Exp Owned - ITC	85.84
<b>90741 Total</b>			<b>587,543.87</b>

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
	90741	18130 Communications & IT Equipm	2,060.00		
		18170 Heavy Machinery/Equipment	73,496.49		
		18630 Accumulated Dep - ITC	(85.84)		
<b>90741 Total</b>			<b>75,470.65</b>	<b>1,974.16</b>	<b>73,496.49</b>


This relates to an Accrual Entry - see Page 3

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



United Nations Entity for Gender Equality and the Empowerment of Women

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	Donor	Project	Fund code	Audit
AFG30 AFG	000000001305	UNW_ICT1	HP Laptop Elitebo UNW-CAP-0216	5CG4441RM1	Elitebr AFG0FFG00	Elitebr AFG0FFG00	11/18/2014	11/18/2014	1030	987.08	1	92501	002001	00061	00090741	W3000	Audit
AFG30 AFG	000000001304	UNW_ICT1	HP Laptop Elitebo UNW-CAP-0215	5CG4441RLR	Elitebr AFG0FFG00	Elitebr AFG0FFG00	11/18/2014	11/18/2014	1030	987.08	1	92501	002001	00061	00090741	W3000	Audit
											<b>1,974.16</b>						

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.

  
**Donia Grimwade**  
 Chief of Accounts

30-Oct-15  
Date

30-Oct-15  
Date



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

**Pierre-Henri Pungeon, Partner**  
 KPMG SA, Geneva  
 17 December 2015



United Nations Entity for Gender Equality and the Empowerment of Women

**Extract of Receipt Accrual Schedule as at the 31 December 2014**  
 Receipt Accruals booked in Dec-2014.

REGION	DEPT_ID	Dept Name	PO BUSINESS UNIT	PO_ID BUSINESS UNIT	Receipting BUSINESS UNIT	Receipt Number	RECV_LN_NBR	USD Amount	Currency	Local Currency Amount	Account
Asia and Pacific	92501	UNWOM Afghanistan	AFG30	0000002540	AFG30	0000002801	3	921.01	AFN	53,400.00	18170 Office Machinery
Asia and Pacific	92501	UNWOM Afghanistan	AFG30	0000002540	AFG30	0000002801	1	1,600.55	AFN	92,800.00	18170 Office Machinery
Asia and Pacific	92501	UNWOM Afghanistan	AFG30	0000002540	AFG30	0000002801	2	106.93	AFN	6,200.00	18170 Office Machinery
Asia and Pacific	92501	UNWOM Afghanistan	AFG30	0000002494	AFG30	0000002802	4	2,551.00	AFN	147,958.00	18170 Office Machinery
Asia and Pacific	92501	UNWOM Afghanistan	AFG30	0000002494	AFG30	0000002802	5	459.00	AFN	26,622.00	18170 Office Machinery
Asia and Pacific	92501	UNWOM Afghanistan	AFG30	0000002494	AFG30	0000002802	3	26,531.00	AFN	1,538,798.00	18170 Office Machinery
Asia and Pacific	92501	UNWOM Afghanistan	AFG30	0000002494	AFG30	0000002802	2	41,327.00	AFN	2,396,966.00	18170 Office Machinery
<b>Total</b>								<b>73,496.49</b>			

I hereby certify that the receipt accrual detail 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 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:

<b>High (Critical)</b>	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
<b>Medium (Important)</b>	Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
<b>Low</b>	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. <b>Therefore, low priority recommendations are not included in the audit report.</b>