The pending recommendation pertains to the incorrect classification of expenses.
United Nations Development Programme (UNDP)


- Afghanistan -

For the year ended 31 December 2015
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Executive Summary

KPMG Geneva conducted the financial audit of UN Women project number 00086906 “Ending Violence Against Women-Afghan Women Protection” (the project) for the period 1 January to 31 December 2015. 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:

<table>
<thead>
<tr>
<th>Project Trial Balance (PTB) Statement</th>
<th>Unqualified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Statement of Fixed Assets</td>
<td>Unqualified</td>
</tr>
</tbody>
</table>

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

KPMG SA

Pierre-Henri Pingeon   Henri Mwaniki
Auditor in Charge

Audit Objectives and Scope

The objective of the financial audit was to express an opinion on the Directly Implemented Modality (DIM) project statements which include:

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2015 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) certified by the UN Women Chief of Accounts 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 acceptable.

- Expressing an opinion on whether the Project Statement of Fixed Assets presents fairly the balance of assets of the UN Women project as at 31 December 2015. This Statement must include all assets available as at 31 December 2015 and not only those purchased in the period. The Project Statement of Fixed Assets as at 31 December 2015, certified by the UN Women Chief of Accounts, is the mandatory and official Statement upon which the audit opinion should be expressed. Other forms of Project Statement of Fixed Assets that may be prepared by a project office are not acceptable. 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 2015. 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 Office responsible for the project, such as expenditures initiated at UN Women Regional Offices and UN Women Headquarters for which the supporting documentation is not retained at the level of the UN Women country office.
Independent Auditors’ Report

Project Trial Balance (PTB) Statement

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

Audited Project: “Ending Violence Against Women-Afghan Women Protection”
Period covered by the audited PTB Statement: From 1 January 2015 to 31 December 2015
Atlas Project Number to identify the PTB: 00086906
Location: Afghanistan

We have audited the accompanying Project Trial Balance (PTB) Statement of the UN Women project number 00086906 “Ending Violence Against Women-Afghan Women Protection” for the period 1 January to 31 December 2015. The PTB expenditures totalling $2,652,810.11 are comprised of audited expenditures of $2,413,077.09 under the Directly Implemented Modality (DIM) and expenditures processed and approved outside the UN Women Country office in Afghanistan of $239,733.02, 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 “Ending Violence Against Women-Afghan Women Protection” 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 $2,413,077.09 incurred by the project number 00086906 “Ending Violence Against Women-Afghan Women Protection” for the period 1 January to 31 December 2015 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  Henri Mwaniki
Auditor in Charge

Independent Auditors’ Report

Project Statement of Fixed Assets

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

Audited Project: “Ending Violence Against Women-Afghan Women Protection”
Period covered by the Project Statement of Fixed Assets: 1 January 2015 to 31 December 2015
Atlas Project Number to identify the PTB: 00086906
Location: Afghanistan

We have audited the accompanying Project Statement of Fixed Assets of the UN Women project number 00086906, “Ending Violence Against Women-Afghan Women Protection” as at 31 December 2015.

Management’s Responsibility for the Project Statement of Fixed Assets
Management is responsible for the preparation of the Statement for the “Ending Violence Against Women-Afghan Women Protection” 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 Statement of Fixed Assets present fairly, in all material respects, the balance of inventory of the UN Women project number 00086906 “Ending Violence Against Women-Afghan Women Protection” with a Net Book Value of $11,267.87 as at 31 December 2015 in accordance with UN Women accounting policies.

KPMG SA

Pierre-Henri Pingeon
Auditor in Charge

Henri Mwaniki

Management Letter

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

Audited Project: “Ending Violence Against Women-Afghan Women Protection”
Period covered: 1 January 2015 to 31 December 2015
Atlas Project Number to identify the PTB: 00086906
Location: Afghanistan

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

Observation 1

- Expenses accounted for under incorrect accounting codes

The approved budget provides account codes against which expenses should be reported. From our review of 90 expenditure samples, we noted five instances where expenses amounting to $138,708 as detailed below were not booked in the correct accounting codes.

<table>
<thead>
<tr>
<th>Voucher No.</th>
<th>Description</th>
<th>Date</th>
<th>Total Amount (USD)</th>
<th>Amount should be charged to correct account code (USD)</th>
<th>Charged account Code</th>
<th>Description</th>
<th>Correct account Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFG30-0001300 0-1-3-ACCR-DST</td>
<td>Final reimbursement of Humanitarian Assistance for Women and Children of Afghanistan for project Kabul’s Women Protection center on account of program cost which includes food, detergents, medical expenses, heating during winter, stationery, electricity cost and fuel for generator.</td>
<td>8-Oct-15</td>
<td>20,214</td>
<td>20,214</td>
<td>72510</td>
<td>Publicati</td>
<td>72505</td>
<td>Stationery and other office supplies</td>
</tr>
<tr>
<td>AFG30-0001278 7-1-4-ACCR-DST</td>
<td>Advance clearance of 2nd installment of AAWAW of project Kabul WPC on account of supplies cost which includes Telephone charges, internet and shelter rent.</td>
<td>9-Aug-15</td>
<td>58,310</td>
<td>58,310</td>
<td>72505</td>
<td>Stationer</td>
<td>72420 and 73105</td>
<td>Land Telephone Charges Rent</td>
</tr>
<tr>
<td>Voucher No.</td>
<td>Description</td>
<td>Date</td>
<td>Total Amount (USD)</td>
<td>Amount should be charged to correct account code (USD)</td>
<td>Charged to account Code</td>
<td>Description</td>
<td>Correct account Code</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>-------------</td>
<td>------------</td>
<td>--------------------</td>
<td>------------------------------------------------------</td>
<td>-------------------------</td>
<td>-------------</td>
<td>----------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>AFG30-0001293 3-1-4-ACCR-DST</td>
<td>Advance clearance of 1st installment paid to Afghan Women Skills Development Center (AWSDC) for project Jawzjan &amp; Samangan) Women protection center on account of equipment’s (furniture for shelter, computer, printer).</td>
<td>29-Sep-15</td>
<td>6,084</td>
<td>6,084</td>
<td>72505</td>
<td>Stationery and other office supplies</td>
<td>72210</td>
<td>Machinery and Equipment</td>
</tr>
<tr>
<td>AFG30-0001313 6-1-3-ACCR-DST</td>
<td>Advance clearance of 1st installment of Humanitarian Assistance for Women and Children of Afghanistan for project Kabul's Women Protection center on account of programme cost.</td>
<td>8-Nov-15</td>
<td>31,550</td>
<td>28,027</td>
<td>72145</td>
<td>Svc Co-Training and Education Services</td>
<td>72155</td>
<td>Svc Co-Public Admin, Politics</td>
</tr>
<tr>
<td>AFG30-0001291 5-1-3-ACCR-DST</td>
<td>Advance partial clearance of 1st installment of Afghan Women for Afghan Women for project Kabul's Women Protection center on account of programme cost.</td>
<td>27-Sep-15</td>
<td>28,695</td>
<td>26,073</td>
<td>72145</td>
<td>Svc Co-Training and Education Services</td>
<td>72155</td>
<td>Svc Co-Public Admin, Politics</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>138,708</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The error above was caused due to inadequate review of costs posted to the account codes.

Though no impact to the overall expenses was noted, there is a risk that controls over the recording of expenses to the appropriate account codes may not be operating effectively which could potentially lead to future impacts on budgets as activities may not be implemented as planned.

- **Priority/Grading**
  
  Medium
• **Recommendation**

No recommendation was proposed as a similar recommendation was made in the prior year (report dated 17 December 2015, observation no. 1), the status of which is “in progress” based on the Office of Audit and Investigation’s assessment in CARDS (dated 2 August 2016).

• **Management Comment and Action Points**

Not Applicable.

KPMG SA

Pierre-Henri Pingeon  \[Signature\]  Henri Mwaniki

*Auditor in Charge*

Annex 1: Project Trial Balance (PTB) Statement
<table>
<thead>
<tr>
<th>Project Account</th>
<th>Acc Desc</th>
<th>Donor Report Classification</th>
<th>Total Per GL</th>
<th>Total per asset schedule</th>
<th>Difference:</th>
</tr>
</thead>
<tbody>
<tr>
<td>86906</td>
<td>18692 Furniture - Contra Asset</td>
<td>Undepreciated Asset</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>86906</td>
<td>18116 Communications &amp; IT Equip</td>
<td>Undepreciated Asset</td>
<td>12,480.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>86906</td>
<td>81670 Vehicles</td>
<td>Undepreciated Asset</td>
<td>1,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>86906</td>
<td>18170 Heavy Machinery/Equipment</td>
<td>Undepreciated Asset</td>
<td>(2,987.47)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>86906</td>
<td>86906 Accumulated Dep - ITC</td>
<td>Undepreciated Asset</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>86906</td>
<td>18670 Acc Dep Heavy Mac &amp; Equip</td>
<td>Undepreciated Asset</td>
<td>(30.00)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Undepreciated Assets</td>
<td></td>
<td>11,267.86</td>
<td>11,267.87</td>
<td>0.00</td>
</tr>
</tbody>
</table>

86906 62335 Hazard Duty Station Allow-Allow-IP Expenses - 45,928.30
86906 62339 Special Oper Living Allow-Allow-IP Expenses - 18,000.00
86906 71205 Intl Consultants-Shi Term-Tech Expenses - 5,154.02
86906 71305 Local Consult-Shi Term-Tech Expenses - 19.77
86906 71405 Service Contracts-Individuals Expenses - 217.62
86906 71410 MAIP Premium SC Expenses - 186.28
86906 71415 Contribution to Security SC Expenses - 1,140.00
86906 71440 Appendix D SC Expenses - 5,872.00
86906 71605 Travel Tickets-International Expenses - 502.00
86906 71615 Daily Subsistence Allow-Ind Expenses - 14,300.00
86906 71635 Travel-Other Expenses - 94,708.39
86906 71675 Svc Co-Urban, Rural & Regional Expenses - 33,768.82
86906 71685 Svc Co-Education & Health Serv Expenses - 2,474.62
86906 71685 Svc Co-Information Technology Expenses - 459.77
86906 71685 Svc Co-Training and Educ Serv Expenses - 597,884.21
86906 71685 Svc Co-Public Admin. Politics Expenses - 947,290.24
86906 71705 Svc Co-Transportation Services Expenses - 3,552.37
86906 71715 Svc Co-Health Services Expenses - 32,554.65
86906 71725 Svc Co-Urban, Rural & Regional Expenses - 43,450.52
86906 71725 Svc Co-Urban, Rural & Regional Expenses - (1,657.13)
86906 71735 Svc Co-Education & Health Serv Expenses - 358.03
86906 71735 Svc Co-Education & Health Serv Expenses - 1,082.35
86906 71735 Svc Co-Information Technology Expenses - 45.42
86906 71735 Svc Co-Transportation Services Expenses - 21,515.14
86906 71735 Svc Co-Transportation Services Expenses - 133,516.54
86906 71735 Svc Co-Transportation Services Expenses - 21,129.91
86906 71735 Svc Co-Transportation Services Expenses - 3,000.00
86906 71735 Svc Co-Transportation Services Expenses - 319,393.79
86906 71735 Svc Co-Transportation Services Expenses - 741,110.00
86906 71735 Svc Co-Transportation Services Expenses - 22,500.00
86906 71735 Svc Co-Transportation Services Expenses - 112.38
86906 71735 Svc Co-Transportation Services Expenses - 24,190.41
86906 71735 Svc Co-Transportation Services Expenses - 12,893.01
86906 71735 Svc Co-Transportation Services Expenses - 250,593.81
86906 71735 Svc Co-Transportation Services Expenses - 197.98
86906 71735 Svc Co-Transportation Services Expenses - 22,825.17
86906 71735 Svc Co-Transportation Services Expenses - (1,375.88)
86906 71735 Svc Co-Transportation Services Expenses - 7,612.53
86906 71735 Svc Co-Transportation Services Expenses - 30.00

86906 Total Expenses 2,652,810.11

I hereby certify that the Trial balance is extracted from UN Women's books and records, which has been audited by the United Nations Board of Audit for the year ended 31 December 2015.

Donna Griegade Date 24-May-16
Chief of Accounts

Pierre-Henri Pingeon, Partner
KPMG SA, Geneva
25 August 2016

Henri Masuku, Senior Manager
KPMG SA, Geneva
25 August 2016
Annex 2: Project Statement of Fixed Assets
Asset Schedule by Project as at the 31 December 2015

<table>
<thead>
<tr>
<th>Business unit</th>
<th>Operating Unit</th>
<th>Asset ID</th>
<th>Profile ID</th>
<th>Description</th>
<th>TAG Number</th>
<th>Serial Number</th>
<th>Model</th>
<th>Location</th>
<th>Acquisition Date</th>
<th>In Service Date</th>
<th>Cost (US$)</th>
<th>Net Book Value</th>
<th>Quantity</th>
<th>Department</th>
<th>Implantation Agency</th>
<th>Donor</th>
<th>Project</th>
<th>Fund code</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFG10</td>
<td>AFG</td>
<td>00000001188</td>
<td>UNW_ICT14</td>
<td>CISCO Network Switch 2960 48 P</td>
<td>FCIC7121X11T</td>
<td>2960 48 Port</td>
<td>AFGDFFKB4B8</td>
<td>9/1/2014</td>
<td>9/1/2014</td>
<td>1,797,17</td>
<td>1,367,70</td>
<td>9/1/2014</td>
<td>1,797,17</td>
<td>1,367,70</td>
<td>1</td>
<td>92501</td>
<td>002001</td>
<td>11234</td>
</tr>
<tr>
<td>AFG10</td>
<td>AFG</td>
<td>00000001186</td>
<td>UNW_ICT14</td>
<td>CISCO Network Switch 2960 48 P</td>
<td>FCIC7121X966</td>
<td>2960 48 Port</td>
<td>AFGDFFKB4B8</td>
<td>9/1/2014</td>
<td>9/1/2014</td>
<td>1,797,17</td>
<td>1,367,70</td>
<td>9/1/2014</td>
<td>1,797,17</td>
<td>1,367,70</td>
<td>1</td>
<td>92501</td>
<td>002001</td>
<td>11234</td>
</tr>
<tr>
<td>AFG10</td>
<td>AFG</td>
<td>00000001188</td>
<td>UNW_ICT14</td>
<td>CISCO Catalyst 3750 X Switch</td>
<td>UNW-2960-29</td>
<td>2960 48 Port</td>
<td>AFGDFFKB4B8</td>
<td>9/1/2014</td>
<td>9/1/2014</td>
<td>1,797,17</td>
<td>1,367,70</td>
<td>9/1/2014</td>
<td>1,797,17</td>
<td>1,367,70</td>
<td>1</td>
<td>92501</td>
<td>002001</td>
<td>11234</td>
</tr>
</tbody>
</table>

I hereby certify that the Asset Schedule is extracted from UN Women's books and records, which has been audited by the United Nations Board of Audit for the year ended 31 December 2015.

Donna Grimwade
Chief of Accounts
25-May-16

Frankine Okumu
Asset Focal Point
25-May-16

Pierre-Henri Pingeon, Partner
KPMG S.A., Geneva
25 August 2016

Henri Mwamiki, Senior Manager
KPMG S.A., Geneva
25 August 2016
Annex 3: Audit Findings Priority Ratings
Annex 3: Audit finding 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.** |