



**AUDIT**

**OF**

**UN WOMEN AFGHANISTAN**

**ENDING VIOLENCE AGAINST WOMEN-AFGHAN WOMEN PROTECTION**

**(Directly Implemented Project No. 86906)**

**Report No. 1702**

**Issue Date: 14 September 2016**

**Report on the Audit of UN Women  
Ending Violence Against Women-Afghan Women Protection  
(Project No. 86906)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG SA (the audit firm), from 19 to 29 June 2016, conducted an audit of 'Ending Violence Against Women-Afghan Women Protection' (Project No. 86906) (the Project), which is directly implemented and managed by the UN Women Country Office in Afghanistan (the Office). The last audit of the Project was conducted in 2015 and covered project expenditure from 1 January to 31 December 2014.

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 2015 and the Statement of Assets as of 31 December 2015. The audit did not include expenditures processed and approved outside of the country (such as by the UN Women Regional Centres 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	Amount (in \$ '000)	Opinion
2,413	Unqualified	11	Unqualified

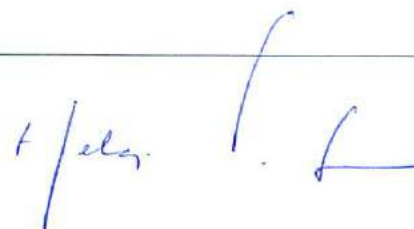
\* Expenditures recorded in the Project Trial Balance were \$2,652,810. Excluded from the audit scope were transactions that relate to expenditures processed and approved outside of the country of \$239,733.

The audit did not result in any recommendations. There was one issue noted regarding incorrect classification of expenses, without any impact on the audit opinion rendered. This issue had also been noted in the previous audit and the status of the recommendation was still in progress at the time of the audit fieldwork, thus no new recommendation was raised in the current audit.

**Implementation status of previous OAI audit recommendations:** Report No. 1586, 7 January 2016.

Total recommendations: 2  
Implemented: 1  
In progress: 1

The pending recommendation pertains to the incorrect classification of expenses.

A handwritten signature in blue ink is enclosed in a black rectangular box. The signature is cursive and appears to read 'H. Ostveiten'.

Helge S. Ostveiten  
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 00086906  
“Ending Violence Against Women-Afghan Women Protection”

- 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:

<b>Project Trial Balance (PTB) Statement</b>	Unqualified
<b>Project Statement of Fixed Assets</b>	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, 25 August 2016



## **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.



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## **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

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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  
*Auditor in Charge*

Henri Mwaniki

Geneva, 25 August 2016



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## **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

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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

Geneva, 25 August 2016



## 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.

Voucher No.	Description	Date	Total Amount (USD)	Amount should be charged to correct account code (USD)	Charged to account		Correct account	
					Code	Description	Code	Description
AFG30-0001300 0-1-3-ACCR-DST	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.	8-Oct-15	20,214	20,214	72510	Publication	72505	Stationery and other office supplies
AFG30-0001278 7-1-4-ACCR-DST	Advance clearance of 2nd installment of AWAW of project Kabul WPC on account of supplies cost which includes Telephone charges, internet and shelter rent.	9-Aug-15	58,310	58,310	72505	Stationery and other office supplies	72420 and 73105	Land Telephone Charges  Rent



Report of the Independent Auditor on the United Nations Entity for Gender Equality  
and the Empowerment of Women (UN Women)  
Directly Implemented (DIM) Project 00086906  
“Ending Violence Against Women-Afghan Women Protection” – Afghanistan –  
For the year ended 31 December 2015

Voucher No.	Description	Date	Total Amount (USD)	Amount should be charged to correct account code (USD)	Charged to account		Correct account	
					Code	Description	Code	Description
AFG30-0001293 3-1-4-ACCR-DST	Advance clearance of 1st installment paid to Afghan Women Skills Development Center (AWSDC) for project Jawzjan & Samangan) Women protection center on account of equipment's (furniture for shelter, computer, printer).	29-Sep-15	6,084	6,084	72505	Stationery and other office supplies	72210	Machinery and Equipment
AFG30-0001313 6-1-3-ACCR-DST	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.	8-Nov-15	31,550	28,027	72145	Svc Co-Training and Education Services	72155	Svc Co-Public Admin, Politics
AFG30-0001291 5-1-3-ACCR-DST	Advance partial clearance of 1st installment of Afghan Women for Afghan Women for project Kabul's Women Protection center on account of programme cost.	27-Sep-15	28,695	26,073	72145	Svc Co-Training and Education Services	72155	Svc Co-Public Admin, Politics
Total				138,708				

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  
*Auditor in Charge*

Henri Mwaniki

Geneva, 25 August 2016

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 2015.**


Expenditure by Project


Sum of Debit - Credit

Project	Account	Acc Desc	Donor Report Classification	Total Per GL	Total Per Asset Schedule	Difference:
86906	18092	Furniture - Contra Asset	Undepreciated Asset	-		
86906	18130	Communications & IT Equipments	Undepreciated Asset	12,480.33		
86906	18160	Vehicles	Undepreciated Asset	-		
86906	18170	Heavy Machinery/Equipment	Undepreciated Asset	1,800.00		
86906	18630	Accumulated Dep - ITC	Undepreciated Asset	(2,982.47)		
86906	18660	Acc Dep -Vehicles	Undepreciated Asset	-		
86906	18670	Acc Dep Heavy Mac & Equip	Undepreciated Asset	(30.00)		
			<b>Total Undepreciated Assets</b>	<b>11,267.86</b>	<b>11,267.87</b>	<b>(0.01)</b>
86906	62335	Hazard Duty Station Allow-IP	Expenses	-		
86906	63365	Special Oper Living Allow-IP	Expenses	-		
86906	71205	Intl Consultants-Sht Term-Tech	Expenses	45,328.30		
86906	71305	Local Consult.-Sht Term-Tech	Expenses	18,000.00		
86906	71405	Service Contracts-Individuals	Expenses	5,164.02		
86906	71410	MAIP Premium SC	Expenses	19.77		
86906	71415	Contribution to Security SC	Expenses	217.62		
86906	71440	Appendix D SC	Expenses	158.28		
86906	71605	Travel Tickets-International	Expenses	1,140.00		
86906	71615	Daily Subsistence Allow-Intl	Expenses	5,872.00		
86906	71635	Travel - Other	Expenses	502.00		
86906	72105	Svc Co-Construction & Engineer	Expenses	14,300.00		
86906	72115	Svc Co-Natural Resources & Env	Expenses	94,708.39		
86906	72125	Svc Co-Studies & Research Serv	Expenses	31,767.73		
86906	72130	Svc Co-Transportation Services	Expenses	73,768.82		
86906	72135	Svc Co-Communications Service	Expenses	24,748.42		
86906	72140	Svc Co-Information Technology	Expenses	459.77		
86906	72145	Svc Co-Training and Educ Serv	Expenses	597,884.21		
86906	72155	Svc Co-Public Admin, Politics	Expenses	947,290.24		
86906	72160	Svc Co-Education & Health Serv	Expenses	3,552.37		
86906	72165	Svc Co-Social Svcs, Social Sci	Expenses	32,554.66		
86906	72175	Svc Co-Urban, Rural & Regional	Expenses	43,459.52		
86906	72205	Office Machinery	Expenses	(1,667.13)		
86906	72210	Machinery and Equipment	Expenses	358.03		
86906	72220	Furniture	Expenses	1,082.35		
86906	72399	Other Materials and Goods	Expenses	45.42		
86906	72420	Land Telephone Charges	Expenses	(21.51)		
86906	72505	Stationery & other Office Supp	Expenses	133,518.94		
86906	72510	Publications	Expenses	21,129.91		
86906	72605	Grants to Instit & other Benef	Expenses	-		
86906	73105	Rent	Expenses	3,000.00		
86906	73125	Common Services-Premises	Expenses	319,389.79		
86906	73410	Maint, Oper of Transport Equip	Expenses	-		
86906	74110	Audit Fees	Expenses	22,500.00		
86906	74510	Bank Charges	Expenses	112.38		
86906	74525	Sundry	Expenses	-		
86906	74906	Gain or Loss on Capital Assets	Expenses	(19,139.41)		
86906	74910	Gain/Loss Disposal Fixed Asset	Expenses	12,891.01		
86906	74965	Low value equipment	Expenses	-		
86906	75115	Facilities & Admin - OH & Ind	Expenses	250,593.81		
86906	76105	Foreign Exch Transaction Loss	Expenses	-		
86906	76125	Realized Loss	Expenses	107.98		
86906	76135	Realized Gain	Expenses	(22,829.17)		
86906	77630	Dep Exp Owned - ITC	Expenses	(1,375.88)		
86906	77660	Dep Exp Owned -Vehicle	Expenses	(7,812.53)		
86906	77670	Dep Exp-Hvy Mac & Equip	Expenses	30.00		
<b>86906 Total</b>				<b>2,652,810.11</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 2015.

  
Donna Grimwade Date 24-May-16  
Chief of Accounts

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

  
Henri Mwaniki, 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

Business unit	Operating Unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location	Acquisition Date	In Service Date	Cost,USD	Net Book Value	Quantity	Department	Impl Agency	Donor	Project	Fund code	
AFG30	AFG	000000001183	UNW_ICT14	CISCO Network Switch 2960 48 P	UNW-CAP-0208	FOC1721X11T	2960 48 Port	AFGOFFB-08	9/1/2014	9/1/2014	1,797.17	1,367.70	1	92501	002001	11234	00086906	W3000	
AFG30	AFG	000000001184	UNW_ICT14	CISCO Network Switch 2960 48 P	UNW-CAP-0209	FOC1719Z46G	CISCO 2960	AFGOFFB-08	9/1/2014	9/1/2014	1,797.17	1,367.70	1	92501	002001	11234	00086906	W3000	
AFG30	AFG	000000001185	UNW_ICT14	CISCO Network Switch 2960 48 P	UNW-CAP-0210	CFW1747A4C0	2960 48 Port	AFGOFFB-08	9/1/2014	9/1/2014	1,797.17	1,367.70	1	92501	002001	11234	00086906	W3000	
AFG30	AFG	000000001186	UNW_ICT14	CISCO Catalyst 3750X Switch	UNW-CAP-0211	FD01718P0T3	3750 48 Port	AFGOFFB-08	9/1/2014	9/1/2014	7,088.83	5,394.77	1	92501	002001	11234	00086906	W3000	
AFG30	AFG	000000002626	UNW_OFCE1	A Office Equipment	UNW-A-0295	00K33K6FA00230X		AFG30	12/15/2015	12/15/2015	1,800.00	1,770.00	1	92501	002001	11234	00086906	W3000	
												<b>11,267.87</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 2015.



**Donna Grimwade**  
Chief of Accounts

25-May-16  
Date



**Frankline Okumu**  
Asset Focal Point

25-May-16  
Date



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



**Henri Mwaniki, Senior Manager**  
KPMG SA, Geneva  
25 August 2016

Annex 3: Audit Findings Priority Ratings

### Annex 3: Audit finding 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>