

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UN WOMEN COUNTRY OFFICE IN AFGHANISTAN

AFGHANISTAN COUNTRY OFFICE POLITICAL AND ECONOMIC EMPOWERMENT PILLAR
(Directly Implemented Project No. 91906)

Report No. 1862

Issue Date: 12 September 2017

**Report on the Audit of UN Women Afghanistan
Afghanistan Country Office Political and Economic Empowerment Pillar
(Project No. 91906)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Deloitte (the audit firm), from 11 to 23 June 2017, conducted an audit of Afghanistan Country Office Political and Economic Empowerment Pillar, Project No. 91906 (the Project), which is directly implemented and managed by the UN Women Country Office in Afghanistan (the Office). This was the first DIM 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 expenses for the period from 1 January 2016 to 31 December 2016 and the Statement of Assets as of 31 December 2016. The audit did not include expenses processed and approved outside of the office (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 report and corresponding management letter 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
744	Unqualified	4	Unqualified

* Expenses recorded in the Project Trial Balance were \$1,227,319. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UN Women offices outside of the country in the amount of \$483,815.

The audit did not result in any recommendations.

Management comments

Management 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 FINANCIAL AUDIT OF
UNITED NATIONS ENTITY FOR GENDER EQUALITY AND THE EMPOWERMENT OF
WOMEN (UN WOMEN)
DIRECTLY IMPLEMENTED PROJECT**

**AFGHANISTAN COUNTRY OFFICE POLITICAL AND ECONOMIC EMPOWERMENT
PILLAR**

PROJECT NUMBER 91906

FOR THE PERIOD JANUARY 01, 2016 TO DECEMBER 31, 2016

ISSUED AUGUST 28, 2017

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FINANCIAL AUDIT OF THE UN WOMEN AFGHANISTAN DIRECTLY IMPLEMENTED PROJECT AFGHANISTAN COUNTRY OFFICE POLITICAL AND ECONOMIC EMPOWERMENT PILLAR, PROJECT NUMBER: 91906, FOR THE PERIOD JANUARY 01, 2016 TO DECEMBER 31, 2016

PART 1 EXECUTIVE SUMMARY

We have conducted the financial audit of UN Women Afghanistan DIM Project "ACO PEEP Political and Economic Empowerment Pillar" (Project number: 91906) for the period from January 01, 2016 to December 31, 2016. The audit was undertaken on behalf of Office of Audit and Investigations (OAI), United Nations Development Programme (UNDP).

1.1 Project Background

With the generous support of the Governments of Belgium, Iceland, Norway and Sweden among others, UN Women is implementing the ACO programme in Afghanistan. The United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) Afghanistan Country Office (ACO) devised the country programme for Afghanistan including the Development Results Framework and the Operations Effectiveness and Efficiency Framework. The overall development goal of the ACO programme is to attain women's empowerment and gender equality.

1.2 Audit Objective

The objective of the financial audit is to express an opinion on the project's financial statements which include:

- a) Expressing an opinion on whether the financial expenses incurred by the project for the period from January 01, 2016 to December 31, 2016 and the funds utilization as at December 31, 2016 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.
- b) Expressing an opinion on whether the statement of fixed assets presents fairly the balance of assets of the UN Women project as at December 31, 2016. This statement includes all assets available as at December 31, 2016 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.
- c) As may be applicable, provide the progress made in implementing the recommendations raised in a previous year audit report.

The Financial Audit was conducted in accordance with the International Standards of Auditing (ISA), the 800 series.

1.3 Scope of Audit

The scope of the audit relates only to transactions concluded and recorded against the UN Women DIM project for the period from January 01, 2016 to December 31, 2016. 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.
- a) The audit covered all activities of project number 91906 "ACO PEEP Political and Economic Empowerment", during the period from January 01, 2016 to December 31, 2016; and included review of project reports and records located at the UN Women country office in Kabul, Afghanistan.
- b) Specifically, the audit covered the expenses incurred and recorded in the Project Expenditure Trial Balance of project number 91906 during the period from January 01 to December 31, 2016 as reported by the Office in Afghanistan; and the value and existence of the fixed assets held by project 91906 as at December 31, 2016; and
- c) Follow-up on previous audit:

No audit was carried out in the prior year, no follow-up procedures were performed.

1.3 Summary of audit opinions

Summary Number	Subject Matter	Type of opinion issued
i)	Project Expenditure Trial Balance	Unqualified
ii)	Statement of Fixed Assets	Unqualified

We wish to express our appreciation for the cooperation extended to our representatives during the course of their work.

Deloitte Yousuf Adil

Chartered Accountants



Shahzad Ali
Partner

Dated: August 28, 2017
Kabul

The Director
Office of Audit and Investigations (OAI)
United Nations Development Programme (UNDP)

Dear Sir

Part 2 – FINANCIAL AUDIT REPORTS

2.1 Report on the Project Expenditure Trial Balance

Opinion

We have audited the accompanying Project Expenditure Trial Balance of the UN Women project, project number: 91906 ACO PEEP Political and Economic Empowerment Pillar (the Project) for the period from January 1, 2016 to December 31, 2016.

Project Expenditure totaling US\$ 1,227,319, is comprised of (i) expenditure directly incurred by the UN Women Country Office in Afghanistan amounting to US\$ 743,504 and (ii) expenditure incurred by entities other than the Country Office amounting to US\$ 483,815. Our audit only covered the expenditure directly incurred by the UN Women Country Office in Afghanistan amounting to US\$ 743,504.

In our opinion, the attached Project Expenditure Trial Balance presents fairly, in all material respects, the expenditure of US\$ 743,504 directly incurred by the UN Women Country Office in Afghanistan and charged to the project for the period from January 1, 2016 to December 31, 2016 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the Project Expenditure Trial Balance section of our report. We are independent of UN Women in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Deloitte

Responsibilities of Management for the Project Expenditure Trial Balance

Management is responsible for the preparation of the Project Expenditure Trial Balance, and for such internal control as management determines is necessary to enable the preparation of the Project Expenditure Trial Balance that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for audit of the Project Expenditure Trial Balance

Our objectives are to obtain reasonable assurance about whether the Project Expenditure Trial Balance is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Project Expenditure Trial Balance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Younsur Adil
Chartered Accountants
Engagement Partner
Shahzad Ali
Date: *August 28, 2017*
Kabul



The Director

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

Dear Sir

Part 2 – FINANCIAL AUDIT REPORTS

2.2 Report on the Statement of Fixed Assets

Opinion

We have audited the accompanying Statement of Fixed Assets of the UN Women project number: 91906, ACO PEEP Economic Empowerment (the Project) as at December 31, 2016.

In our opinion, the accompanying Statement of Fixed Assets presents fairly, in all material respects, the assets status of the UN Women project amounting to US\$ 3,942 as at December 31, 2016 in accordance with UN Women accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the Statement of Fixed Assets. We are independent of UN Women in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Statement of Fixed Assets

Management is responsible for the preparation of the Statement of Fixed Assets of the Project, and for such internal control as management determines is necessary to enable the preparation of the statement of fixed assets that is free from material misstatement, whether due to fraud or error.

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Deloitte

Auditor's Responsibilities for the audit of the Statement of Fixed Assets

Our objectives are to obtain reasonable assurance about whether the statement of fixed assets is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of fixed assets, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Yousuf Adel.

Chartered Accountants

Engagement Partner

Shahzad Ali

Date: *August 28, 2017*

Kabul





United Nations Entity for Gender Equality
and the Empowerment of Women

Extract of UN Women Trial balance as at the 31 December 2016.

Expenditure by Project

Sum of Net Amount

Project	Account	Acc Desc	Donor report classification	Total per GL	Total Per Asset Schedule	Difference:
91906	18130	Communications & IT Equipments	Assets	4,810.98		
91906	18630	Accumulated Dep - ITC	Assets	(888.65)		
91906			Assets - Total	3,942.33	3,942.33	-
91906	61105	Salaries - NP Staff	Expenses	16,200.32		
91906	62105	Dependency Allowance-NP Staff	Expenses	322.99		
91906	62110	Contrib Joint Staff Pension-NP	Expenses	3,242.93		
91906	62115	Contrib to Med,SocIns-NP Staff	Expenses	1,458.00		
91906	62120	Hazard Duty Station Allow-NP	Expenses	1,739.53		
91906	62140	Annual Leave Expense - NO	Expenses	(524.03)		
91906	62210	Contrib to Jt Staff Pens Fd-GS	Expenses	(99.93)		
91906	62335	Hazard Duty Station Allow-IP	Expenses	736.00		
91906	63530	Contribution to EOS Benefits	Expenses	607.50		
91906	63535	Contribution to Security	Expenses	648.02		
91906	63540	Contribution to Training	Expenses	161.99		
91906	63545	Contribution to ICT	Expenses	648.02		
91906	63550	Contributions to MAIP	Expenses	32.39		
91906	63555	Contribution to UN JFA	Expenses	291.60		
91906	63560	Contributions to Appendix D	Expenses	48.59		
91906	65115	Contributions to ASHI Reserve	Expenses	1,296.02		
91906	66135	Payroll Mgt Cost Recovery ATLA	Expenses	179.28		
91906	71205	Intl Consultants-Sht Term-Tech	Expenses	67,671.00		
91906	71305	Local Consult-Sht Term-Tech	Expenses	31,950.00		
91906	71405	Service Contracts-Individuals	Expenses	218,007.39		
91906	71410	MAIP Premium SC	Expenses	789.32		
91906	71415	Contribution to Security SC	Expenses	8,683.30		
91906	71440	Appendix D SC	Expenses	6,315.23		
91906	71605	Travel Tickets-International	Expenses	59,523.00		
91906	71610	Travel Tickets-Local	Expenses	5,599.75		
91906	71615	Daily Subsistence Allow-Intl	Expenses	93,507.00		
91906	71620	Daily Subsistence Allow-Local	Expenses	9,009.08		
91906	71635	Travel - Other	Expenses	1,251.84		
91906	72105	Svc Co-Construction & Engineer	Expenses	301,940.66		
91906	72115	Svc Co-Natural Resources & Env	Expenses	1,313.50		
91906	72120	Svc Co-Trade and Business Serv	Expenses	275.72		
91906	72125	Svc Co-Studies & Research Serv	Expenses	-		
91906	72130	Svc Co-Transportation Services	Expenses	102,873.24		
91906	72145	Svc Co-Training and Educ Serv	Expenses	2,827.68		
91906	72155	Svc Co-Public Admin, Politics	Expenses	6,862.80		
91906	72165	Svc Co-Social Svcs, Social Sci	Expenses	2,800.00		
91906	72311	Fuel, petroleum and other oils	Expenses	-		
91906	72405	Acquisition of Communic Equip	Expenses	1,539.55		
91906	72715	Hospitality Catering	Expenses	11,885.04		
91906	72815	Inform Technology Supplies	Expenses	30,793.00		
91906	73105	Rent	Expenses	(791.00)		
91906	73167	Rent - Meeting Rooms	Expenses	17,241.80		
91906	73410	Maint, Oper of Transport Equip	Expenses	(650.00)		
91906	74205	Audio Visual Productions	Expenses	65,564.37		
91906	74210	Printing and Publications	Expenses	14,391.82		
91906	74220	Translation Costs	Expenses	6,627.22		
91906	74225	Other Media Costs	Expenses	(132.27)		
91906	74510	Bank Charges	Expenses	676.92		
91906	74525	Sundry	Expenses	984.28		
91906	75115	Facilities & Admin - OH & Ind	Expenses	124,656.10		
91906	75705	Learning Costs	Expenses	3,893.57		
91906	75706	Learning - ticket costs	Expenses	-		
91906	75709	Learning - training of counter	Expenses	1,537.11		
91906	76125	Realized Loss	Expenses	109.84		
91906	77650	Dep Exp Owned - ITC	Expenses	801.83		
91906			Expenses Total	1,227,313.91		
91906 Total				1,291,261.24		

I hereby certify that the Trial Balance is extracted from UN-Women's books and records which have been audited by the United Nations Board of Audit for the year ended 31 December 2016

Donna Grimwade
Chief of Accounts

Date

16-May-17

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United Nations Entity for Gender Equality and the Empowerment of Women

Asset Schedule by Project as at the 31 December 2016

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	Dim Audit	
AFG30	AFG	2625	UMW_ICT4	HP Color laserjet M750dn	UNW-A-0300	CNDX163L7K	M750dn	4 AFGOFF11	12/29/2015	12/29/2015	4,810.98	3,942.33	1	92501	2001	555	91906	W3000	91906 91906	
											<u>4,810.98</u>	<u>3,942.33</u>								

I hereby certify that the Asset Schedule is extracted from UN-Women's books and records, which have been audited by the United Nations Board of Audit for the year ended 31 December 2016

[Signature]

Dorna Ghiswaini
Chief of Accounts

15-May-17
Date

[Signature]

Frankline Otumnu
Asset Focal Point

15-May-17
Date

