



SEVILLIA AUDIT LLC

Special purpose and confidential report

AUDITOR'S REPORT

**STRENGTHENING REPRESENTATIVE
BODIES IN MONGOLIA PROJECT
(PROJECT: MON/17/101)**

**The Financial Statements for the period from
January 01, 2017 to December 31, 2017**

**ULAANBAATAR
March 2018**

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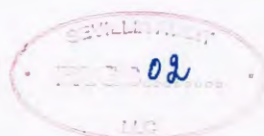
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ABBREVIATIONS AND ACRONYMS

CRH	Citizen's Representative Hural
GOM	Government of Mongolia
IP	Implementing Partner
ISA	International Standards on Auditing
PS	Parliament Secretariat
MP	Member of Parliament of Mongolia
PIU	Project Implementing Unit
AWP	Annual Work Plan
ToT	Trainers' Training
LDF	Local Development Fund
MNT	Mongolian National Currency Togrogs (local currency)
HACT	Harmonized Approach to Cash Transfer
NEX	National Execution
NIM	National Implementation Modality
NPD	National Project Director
NPC	National Project Coordinator
PIT	Personal Income Tax
SDC	Swiss Agency for Development and Cooperation
TRAC	Target for Resource Assignments from the Core
UNDP	United Nations Development Programme
UNDP CO	United Nations Development Programme Country Office
USD	United States Dollars

BRIEF INFORMATION

Project ID	96426
Project Title	Strengthening Representative Bodies in Mongolia Project MON/17/101
Commencement Date	January 2017
Closing Date	December 2020
Funding Agencies	Swiss Agency for Development and Cooperation United Nations Development Programme
Implementing Partner	Parliament of Mongolia, Parliament Secretariat, Mongolia
Management arrangement	National Implementation
Project Sites	Citizens Representative Hurals of the capital city, 9 districts, 21 aimags, and 330 soums
National Project Director	Ts.Tsolmon, General Secretary of the Parliament Secretariat
Project Address	UNDP Mongolia, The UN House 5 th floor, Sukhbaatar District Ulaanbaatar 14201, Mongolia
Audit company	Sevillia Audit LLC 501, 5 th floor, Jiguur Grand Office Center, 2 nd khoroo, Teeverchdiin Street 18, Sukhbaatar District, Ulaanbaatar, Mongolia Telephone: 976-7014-8878 Fax: 976-7014-8899 Cell Phone: 976-9911-8886 E mail: davaa1973@yahoo.com





INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF EXPENDITURES

To: **Ms. Daniela Gasparikova, Deputy Resident Representative, UNDP**
Mr. Tsolmon Tsedev, National Project Director, General Secretary of the Parliament Secretariat

We have audited the accompanying Statement of Expenditures ("the statement") of Strengthening Representative Bodies in Mongolia Project MON/17/101 for the period from January 01, 2017 to December 31, 2017.

Unmodified Opinion

In our opinion, the accompanying Statement of Expenditures presents fairly, in all material respects, the expense of **USD 1,029,522.53** incurred by Strengthening Representative Bodies in Mongolia Project for the period from January 01, 2017 to December 31, 2017 in accordance with the agreed upon procedures under the requirements implemented by the applicable laws and regulations of Mongolia and were (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant UNDP regulations and rules, policies and procedures of the Government and UNDP; 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 statement of expenses section of our report. We are independent of UNDP 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. Based on the audit procedures performed under the Terms of Reference, we concluded that the Project complied within the required rules, policies, and procedures as well as relevant laws of Mongolia.

Management's responsibility

Management is responsible for the preparation and fair presentation of the statement of Strengthening Representative Bodies in Mongolia Project in accordance with the project document and Mongolian accounting rules, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF EXPENDITURES
(CONTD.)**

Auditors' responsibility

Our objectives are to obtain reasonable assurance about whether the statement of expenses 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.

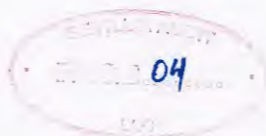
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of expenses, 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.

Emphasis of Matter

In the reporting period total amount of **USD 1,029,522.53** were directly paid by UNDP. Out of this, expenditures amounting to **USD 279,098.80** were excluded from the scope of audit, as they were made by UNDP as part of support activity. The detail is illustrated in Note 4 (b) of this report.



UNITED NATIONS DEVELOPMENT PROGRAMME
STRENGTHENING REPRESENTATIVE BODIES IN MONGOLIA

STATEMENT OF EXPENDITURE

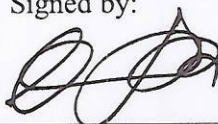
For the period from January 01, 2017 to December 31, 2017

(In USD)

<u>Activities</u>	<u>Notes</u>	<u>For FY 2017</u>
Activity 0	5	0.00
Activity 1-Legal framework	6	41,089.46
Activity 2-Improved CRH capacity	7	86,075.85
Activity 3-National Training Programme	8	751,116.78
Activity 4-Capacity of Parliament Secretariat	9	50,505.51
Activity 5-Project management	10	100,734.93
Total	4	1,029,522.53

The accompanying notes are integral part of this statement.

Signed by:

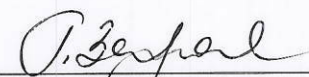


Name: Ts. Tsolmon

Title: National Project Director

Date: 2018.04.06

Signed by:



Name: G. Zoljargal

Title: Project Coordinator

Date: 2018, 04.05

Signed by:


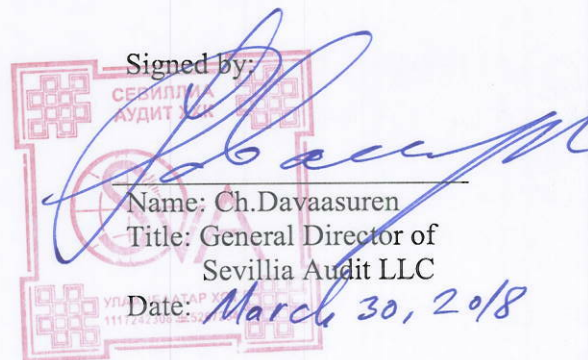


Name: Daniela Gasparikova

Title: Deputy Resident
Representative, UNDP

Date: 09/04/2018

Signed by:



Name: Ch. Davaasuren

Title: General Director of
Sevillia Audit LLC

Date: March 30, 2018



INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF ASSETS AND EQUIPMENT

To: **Ms. Daniela Gasparikova, Deputy Resident Representative, UNDP**
Mr. Tsolmon Tsedev, National Project Director, General Secretary of the Parliament Secretariat

We have audited the accompanying Statement of Assets and Equipment ("the statement") of Strengthening Representative Bodies in Mongolia Project MON/17/101 as at December 31, 2017.

Unmodified Opinion

In our opinion, the accompanying Statement of Assets and Equipment presents fairly, in all material respects, the assets and equipment status of Strengthening Representative Bodies in Mongolia Project amounting to **USD 60,036.73** as at December 31, 2017 in accordance with the agreed upon procedures under the requirements implemented by the applicable laws and regulations of Mongolia.

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 assets and equipment. We are independent of UNDP 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.

Management's responsibility

Management is responsible for the preparation of the statement of assets and equipment of Strengthening Representative Bodies in Mongolia Project, and for such internal control as management determines is necessary to enable the preparation of a statement of assets and equipment that is free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF ASSETS AND EQUIPMENT (CONTD.)

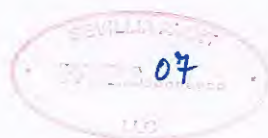
Auditors' responsibility

Our objectives are to obtain reasonable assurance about whether the statement of assets and equipment 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of assets and equipment, 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.



UNITED NATIONS DEVELOPMENT PROGRAMME
STRENGTHENING REPRESENTATIVE BODIES IN MONGOLIA

STATEMENT OF ASSETS AND EQUIPMENT
As at December 31, 2017
(In USD)

Description	Notes	At Dec 31, 2017
Assets and Equipment		
Vehicle	15	37,324.45
Computer and Accessories	15	17,612.25
Other Assets	15	5,100.03
Total Assets and Equipment	15	60,036.73

Note: The lists of the assets and equipment are attached to this report.

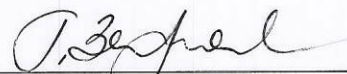
The accompanying notes are integral part of this statement.

Signed by:



Name: Ts. Tsolmon
Title: National Project Director
Date: 2018.04.06

Signed by:



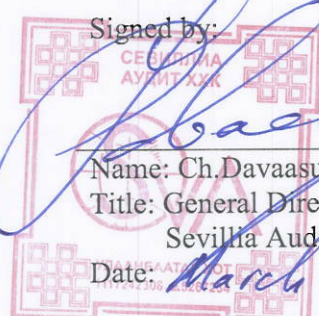
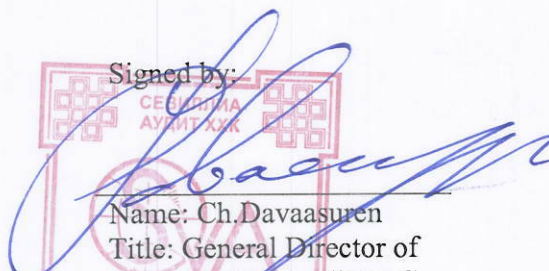
Name: G. Zoljargal
Title: Project Coordinator
Date: 2018.04.05

Signed by:



Name: Daniela Gasparikova
Title: Deputy Resident
Representative, UNDP
Date: 09/04/2018

Signed by:



Name: Ch. Davaasuren
Title: General Director of
Sevilla Audit LLC
Date: March 30, 2018



INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF CASH POSITION

To: **Ms. Daniela Gasparikova, Deputy Resident Representative, UNDP**
Mr. Tsolmon Tsedev, National Project Director, General Secretary of the Parliament Secretariat

We have audited the accompanying Statement of Cash Position ("the statement") of Strengthening Representative Bodies in Mongolia Project MON/17/101 for the period from January 01, 2017 to December 31, 2017.

Unmodified Opinion

In our opinion, the accompanying Statement of Cash Position presents fairly, in all material respects, the cash and bank balances of Strengthening Representative Bodies in Mongolia Project amounting to **USD 0.00 (Nil)** as at December 31, 2017 in accordance with the agreed upon procedures under the requirements implemented by the applicable laws and regulations of Mongolia.

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 cash position section of our report. We are independent of UNDP 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.

Management's responsibility

Management is responsible for the preparation of the statement of cash position of the project, and for such internal control as management determines is necessary to enable the preparation of a statement of cash position that is free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF CASH POSITION (CONTD.)

Auditors' responsibility

Our objectives are to obtain reasonable assurance about whether the statement of cash position 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of cash position, 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.
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SEVILLIA AUDIT LLC
Ulaanbaatar, Mongolia

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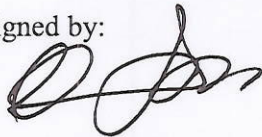
UNITED NATIONS DEVELOPMENT PROGRAMME
STRENGTHENING REPRESENTATIVE BODIES IN MONGOLIA

STATEMENT OF CASH POSITION
As at December 31, 2017

Description	For FY 2017	
	In MNT	In USD
A. Opening Fund Balance		
Cash in petrol card	0.00	0.00
Petty cash	0.00	0.00
Total	0.00	0.00
B. Advance received from UNDP during the year	2,517,680,468.39	1,029,522.53
C. Total Funds Available (A+B) for the year	2,517,680,468.39	1,029,522.53
D. Payments/Expenditures for the year	(2,516,123,236.29)	(1,028,657.42)
E. Bank charges for the year	0.00	0.00
F. Bank interest income	0.00	0.00
G. Exchange Gain/Loss	0.00	(865.11)
H. Closing Fund Balance (C-D-E+F+G)	1,557,232.10	0.00
I. Closing Fund Balance		
Cash in petrol card	1,557,232.10	0.00
Petty cash	0.00	0.00
Total	1,557,232.10	0.00

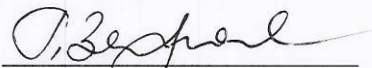
The accompanying notes are integral part of this statement.

Signed by:



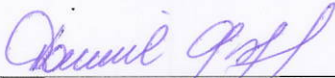
Name: Ts. Tsolmon
Title: National Project Director
Date: 2018.04.06

Signed by:



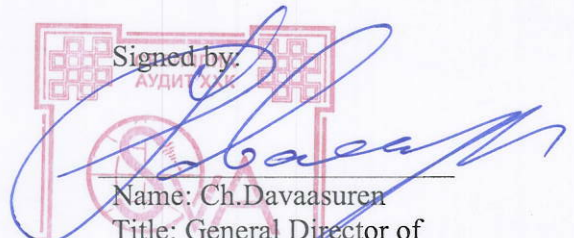
Name: G. Zoljargal
Title: Project Coordinator
Date: 2018.04.05

Signed by:



Name: Daniela Gasparikova
Title: Deputy Resident
Representative, UNDP
Date: 09/04/2018

Signed by:



Name: Ch. Davaasuren
Title: General Director of
Sevillia Audit LLC
Date: March 30, 2018

NOTE 1. PROJECT BRIEF

The Project Document was jointly signed by the State Great Hural of Mongolia and United Nations Development Programme on October 03, 2016 to implement Strengthening Representative Bodies in Mongolia Project (MON/17/101) during the years 2017-2020.

The goal of the project is to improve the capacity of local Hurals to implement their decision-making, oversight and representative functions more effectively and to translate recent laws and policies into concrete actions aimed at creating opportunities for meaningful citizen participation in decision-making.

Total budget for the project is as follows:

Swiss Agency for Cooperation and Development	USD	3,300,000.00
UNDP TRAC	USD	500,000.00
Total budget	USD	3,800,000.00

The project outputs:

1. Legal framework for local governance is improved.
2. Citizens' Representative Hurals have improved organizational capacity.
3. National training programme for local elected representatives is institutionalized.
4. Improved capacity of Parliament Secretariat to support representative bodies.

The Project Board

The Project Board consists of 12 members who represent the state institutions, NGOs, academia and direct beneficiaries, Citizens' Representative Hurals. The Board meets in every six months.

Management arrangement

The project implementing organization is the Parliament Secretariat of Mongolia. The project payments are made under direct payment modality by UNDP upon request of National project director.

Main activities in 2017:

OUTPUT 1. IMPROVED LEGAL FRAMEWORK FOR LOCAL GOVERNANCE

Support to the development of proposals to improve the legal framework for local governance

Series (five) of Experts' Consultations on specific aspects of local governance were held with the following objectives: promote theoretical and practical debate among researchers; enable them to exchange ideas and share knowledge; create common understanding in the area of local governance; identify further research topics in the area; assess the research capacity needs, and convey the researchers findings to policy makers.

In the scope of implementation of the Law on Legal Status of Cities and Villages, a consultation on "Legal status of the village and priority issues" was organized in Tunkhel village, Selenge aimag, in cooperation with the Government Cabinet Secretariat.

As outcome of the consultation, the Government Cabinet Secretariat has adopted an Action Plan for further measures while identifying the priority issues of cities and villages and solution options.

Organizing regional thematic consultations on the relevant amendments to the Constitution of Mongolia and the legal priority issues of local governance

In December 2017, in cooperation with the Parliament Standing Committee on State Structure and the Citizens' Representatives Hurals (CRHs), a number of consultations were held in Selenge, Darkhan-Uul, Bulgan, Orkhon, Sukhbaatar, Khentii, Dornod, Uvs, Khovd and Bayan-Ulgii aimags.

OUTPUT 2. CITIZENS' REPRESENTATIVE HURALS HAVE IMPROVED ORGANIZATIONAL CAPACITY

Develop and approve standard procedures for CRHs

A call for consulting services of an institution was announced, and a contractor was selected in accordance with open bidding rules and regulations, which would assess the current situation of the CRHs procedures and identify existing challenges and the cases that shall not be regulated by the current meeting procedures, conduct a comparative study of existing CRHs procedures, explore good practices and develop recommendations for better procedures for common use.

The consulting service to conduct "Comparative study of the CRHs meeting procedures and development of the standard procedures for CRHs" was completed in accordance with ToR and reflected all the recommendations given by the Taskforce; therefore, the Taskforce has accepted the final product.

Development of a handbook for the implementation of the General Administrative Law and comply with in CRHs functioning

Taking into account of a need to prepare necessary manuals and develop required rules and regulations to fulfill obligations given to the CRHs for issuing acts of administrative norms, the project announced a call for a consultancy service.

Grant program for CRHs for promoting their good practices of representational and oversight functions

In order to promote CRHs good practices of representational and oversight functions, the project announced a grant program in April 2017; as response, 104 proposals were received from 20 aimags, 5 districts and 86 soums. A Task Force, which established by the Order 279 of Secretary-General of the Parliament Secretariat has reviewed all the proposals and selected 20 best proposals, each of them was awarded with a grant of a 4 million togrogs.

As a result of 2017 Grant Program to support the CRHs, 16 procedural guidelines and four types of program were developed by the CRHs.

Grant program for Non-governmental organizations with aim of strengthening the CRHs functioning

All 14 proposals were received from NGOs. The Bidding Committee that established by the Order of Secretary-General of Parliament Secretariat has assessed all the proposals and selected best six proposals, which aimed at developing methodologies that suit local needs, proposing innovative methodologies to address or solve existing challenges and meet further sustainability criteria. And, a total of six NGOs received grant of up to 6 million togrogs each.

Development and maintenance of web site- www.khural.mn

The website www.khural.mn was handed over to the Cabinet Secretariat of the Government of Mongolia: At the meeting of the Project Board, a decision was made that the website www.khural.mn; a component of the project should be taken over by the Cabinet Secretariat as one of its primary functions of providing professional and methodological support to the CRHs. Local government and coordination department (LGCD) and Information and technology division (ITD) of the Cabinet Secretariat have taken over the website on 10 May 2017, and they will be fully responsible for the system maintenance.

The assigned officers of IT Division of the Cabinet Secretariat are making initiatives in improving the website and working with over 360 sub site administrators providing them with day to day instructions, guidance on technical aspects of maintaining the sub site and ensuring sustainable use of the website.

Training for District sub site administrators: A training for the sub site developers of the Districts of Ulaanbaatar was organized at Mongolica Resort on 24-25 March 2017. Two trainees from each of nine districts of Ulaanbaatar, two administrators from Selenge



aimag and two officers from IT Division of the Cabinet Secretariat, who could not participate in previous trainings, in total, 22 sub site administrators attended the training.

A contest for development of sub-site: A contest for development of the sub-site was announced among web site administrators and developers of aimags, soums and districts in November 2017 with aims of improving the development and maintenance of sub-sites, actualizing and habitual use of the standards, ensuring transparency of functioning of the CTHs and sustainability of website operation. As a result of the contest, the number of uploads on the sub-site has increased substantially, the content of information have significantly improved, that may have had some impact on improvement of transparency of the functioning of CRHs.

OUTPUT 3. NATIONAL TRAINING PROGRAMME FOR LOCAL ELECTED REPRESENTATIVES IS INSTITUTIONALIZED

Induction training for representatives of CRHs at all level

Election of CRHs of aimags and the capital city was held in June 2016; and election of CRHs of soums was held in October 2016, whereas over 60 percent of newly elected representatives of CRHs were elected for the first time.

During the period to April 2017, trainings were held for representatives of CRHs of soums of 12 aimags and nine districts of Ulaanbaatar. The Secretariats of CRHs of aimags and districts were responsible for organizing trainings with advisory support and guidance from the project implementation unit.

Monitoring and evaluation of trainings:

Officials from the Parliament Secretariat, UNDP and Project staff members have participated in two days trainings held in Uvurkhangai, Darkhan-Uul, Bayan-Ulgii, Govi-Altai, Dundgovi and Tuv aimags and districts of the Capital. Furthermore, pre- and post- training feedback surveys were collected from the trainees.

A brief of training outcomes:

43 percent of representatives, 35 percent of the Chairpersons of CPM of baghs and 20 percent of Chairman of soum CRHs were with secondary education. In addition, over 60 percent of aimag, the Capital and district representatives and 56 percent of soum representatives were first-time electees to the CRHs. The new comers usually have limited understanding about roles and responsibilities of the representatives as well as Citizens Representatives Hurals, and the induction training is crucial for them to earn basic knowledge and information.

Induction training for Chairperson of Citizens' Public Meeting of Baghs

Development of training program and handbooks:

The training module contained 18-hour sessions with the following six specific topics: legal basis of Citizens' Public Meeting; conferencing; presidium; bagh self-governance and citizen participation; decision making and its enforcement monitoring; and

identification and analysis of critical issues. Two types of Handbooks were developed by the content development team, one for Trainers and one for Chairpersons of CPM of baghs.

Organization of training for Chairpersons of CPM of baghs:

The training for capacity building of Chairpersons of CPM of baghs was organized in all aimags during the period from October to November 2017. During the preparation period for the training, a baseline study on CPM of baghs was carried out first time ever, and baseline information were obtained. In total, Chairpersons of 1612 bags are in place in Mongolia.

Leadership training for Representatives of CRHs

Improving the leadership training for local elected representatives:

Within the framework of reforming the Leadership Program for local elected representatives, in 2016, a post of an International consultant to design and develop Leadership training for local elected representatives was announced by UNDP and Ms. Mari Davis, Consultant of Local Governance Association of Great Britain was recruited.

She visited Mongolia and met representatives of the Capital, districts, aimags and soums hurals and conducted leadership training needs assessment while discussing with the representatives about the program content and their needs. Based on her assessment, she has developed a training module. Initially, she has facilitated a Training for Trainers involving trainers from Academy of Management, Local Governance NGOs and aimag CRHs, as a result, 25 trainers were trained. The consultant, Mari Davis, arrived in Mongolia again in May 2017 and facilitated a rehearsal Training for Trainers.

Using the training module prepared by the International Consultant, a Taskforce comprised of national trainers designed a new training module, specifically for the representatives of CRHs' in conformity with the specifics of the country and with the modern leadership theories and practices.

Promoting and developing national trainers network

This year were held four trainings for national trainers.

№	Date	Purposes of trainings	Number of Trainers
1	3 Mar-1 April, 2017	Concluding of trainings for representatives of CRHs, improving training methodologies	62
2	25-26 May 2017	Training for Leadership Trainers	25
3	5-7 October 2017	Rehearsal Training for Leadership Trainers	25
4	9-11 October 2017	Training for Trainers for training for Chairpersons of CPM of Baghs	60

Modification of training modules and handouts for female representatives

The training modules and handouts were developed specifically for elected female representatives during the first phase of the project, and over 2,000 female representatives have been trained. As per 2016 local elections, 59.8 percent of the all elected 2164 female representatives were first-time comers. Therefore, these new representatives will need a proper training. In this context, the content of the training module for female representatives is being updated reflecting latest legislative acts and suggestions from previous training participants.

The project sustainability plan and cooperation with other projects supported by SDC

Sustainable continuation or institutionalization of the project outcomes is one of the main goals of the project and is the fundamental condition of the Donor. Therefore, the Project Implementation Unit has developed a Sustainability Plan to ensure sustainability of the project results. The Sustainability Plan addresses the specific outcomes from the project in collaboration with the relevant agencies to incorporate them in mandate or functions of those organizations. For example, the training modules for elected representatives will be taken over by the Academy of Management, www.khural.mn webpage is to be maintained by the Cabinet Secretariat of the Government of Mongolia, and hural standard procedures and methodologies to be followed by the CRHs, law making, guidelines on monitoring and evaluation of law enforcement is to be institutionalized within the Parliament Secretariat mandate.

The first steps have been already made. The project has signed a Memorandum of Understanding (MoU) with the Academy of Management on 18 July 2017 and as per the MoU, the Induction Training Module for Representatives of CRHs and its managing task will be handed over to the Academy of Management step by step; furthermore, the Academy of Management will be fully responsible for it from 2020. In this regard, the Academy of Management conducted training needs assessment in accordance with the MOU in 2017 and developed and piloted four topics in scope of two training modules. In addition, the Academy of Management has allocated and approved the required budgets for training for secretaries of all Soum CRHs and senior staff of districts CRHs showing its commitment of taking over new responsibilities for strengthening the capacity of hurals.

The www.khural.mn website is also taken over by the Local government and coordination department and Information and technology division of the Cabinet Secretariat of the Government of Mongolia since 10 May 2017. Focal staff member of IT division of the Cabinet Secretariat is fully engaged in working with over 360 local sub site administrators providing them with day-to-day guidance, instructions on frequent update and improvements, and making invaluable contribution to the sustainable use of the website.

In the frame of collaboration with other projects and programs, supported by SDC, the project cooperated with the "Green Gold and Animal Health" project in advocating the role of CRHs in pasture land management and in developing guidelines and procedures that could be used for the hurals.

OUTPUT 4. IMPROVED CAPACITY OF THE PARLIAMENT SECRETARIAT TO SUPPORT REPRESENTATIVE BODIES

In collaboration with the German Organization for Technical Cooperation (GIZ) the project send six senior advisors of the Legal Department and the Legal Research Department of the Parliament Secretariat to Federal Republic of Germany for training during 4-12 June 2017. As outcome of the training, we expect that the quality and effectiveness of professional services and support provided by the Parliament Secretariat to the Parliament could be improved; consequently, gaps, duplication and contradiction of legislative acts could be diminished.

Delegates from the Parliament Secretariat of Swiss Confederation paid a visit to Mongolia from 27 November to 1 December 2017 and exchanged mutual experiences with their Mongolian peers on the parliamentary legislative and oversight functions.

Staff members of the Parliament Secretariat who have participated in the seminar feedback survey assessed the seminar as an important event that enabled attendees to exchange experiences. Specifically noted that information about Swiss experiences of the parliament oversight functions was impressive and useful.

Support to the relevant Standing Committee of the Parliament in organizing public hearings on a draft law

During the first phase of the project, the sets of video conference equipment were installed in all 21 aimags. Using the device, the public consultation was held twice.

- As part of a public consultation on draft amendments to the Constitution, an online conference was held on 18 July 2017, including parliament members, senior officials of aimag and the Capital government departments and local self-governing bodies.
- Standing Committee on Petitions of the Parliament of Mongolia met on 13 December and discussed the implementation status of the Resolution N5 "A guidance to the Government of Mongolia" issued by the Standing Committee on Petitions of the Parliament of Mongolia in 2016 about enforcement of legal acts regarding rehabilitation of the damaged land due to mining activities and the compensation of damages.

Provision of technical and methodological support to the strengthening of the capacity of Parliament Secretariat in the law-making process

A Handbook on law making, which can be used by Advisors of Parliament Secretariat is under development with support of consultancy services.

With regard to improving capacity of advisors of Legal Division of Parliament Secretariat in working on a draft law, a training was conducted with support of professional researchers on specific issues, such as, preparation of an outline of the law or law drafting, use of legal terms and techniques in law making, current trends, correction of incorrect legal terms and language errors that occur in approved legal documents, so on.

Project progress

All planned activities for the year 2017 except for Activity 1.3, "Study visit on local governance" were implemented in line with the Revised Annual Work Plan.

The Implementation Rate of the Work Plan was as follows as at December 31, 2017;

	Planned outputs	Number of insufficient performance	Progress rate
Output 1	4	1	75%
Output 2	9	0	100%
Output 3	12	0	100%
Output 4	7	0	100%
Output 5	7	0	100%
Total	39	1	97.4%

2.6% of total work was shifted to the fiscal year of 2018.

Human Resources

In 2017, the Project operated with six employees including Project manager, monitoring and evaluation officer, administrative and finance officer, Swiss-funded international UN volunteer, support officer and driver.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting basis of presentation

The financial statements, expressed in US Dollars, have been prepared on a modified cash basis of accounting. Under the cash basis of accounting, the receipts are recognized when cash received or direct payments to creditors are made rather than when earned and disbursements are recognized when paid rather than when incurred.

Under the accrual basis of accounting, revenues are recognized when they are earned expenses are recognized when they are occurred.

2.2 Reporting currency

The United States Dollars (USD) is used as a reference and measurement currency as per requirements to report to the funding organization.

2.3 Accounting software

The Combined Delivery Report (CDR) is prepared using an in-house accounting software package called ATLAS. ATLAS, internet based system contributes to timely, efficient delivery of activities and effective financial monitoring to manage projects and the UNDP programme. The Statement of Cash Position, and Statement of Assets and Equipment are prepared using MS Excel.

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2.4 Foreign currency conversion

The project accounting is maintained in local currency Mongolian Togrogs ("MNT"). The financial statements were prepared in US Dollars and transactions in currencies other than US Dollars during the reporting period have been translated into US Dollars at official rates monthly determined by the UN.

The exchange rate of MNT to the USD used in the preparation of the financial statements for FY 2017 was as follows;

Months	Description	Rates in MNT
January 2017	UN Exchange rate: 1USD =	MNT 2,487.00
February 2017	UN Exchange rate: 1USD =	MNT 2,457.50
March 2017	UN Exchange rate: 1USD =	MNT 2,468.50
April 2017	UN Exchange rate: 1USD =	MNT 2,451.50
May 2017	UN Exchange rate: 1USD =	MNT 2,419.88
June 2017	UN Exchange rate: 1USD =	MNT 2,402.50
July 2017	UN Exchange rate: 1USD =	MNT 2,350.00
August 2017	UN Exchange rate: 1USD =	MNT 2,439.00
September 2017	UN Exchange rate: 1USD =	MNT 2,439.00
October 2017	UN Exchange rate: 1USD =	MNT 2,463.02
November 2017	UN Exchange rate: 1USD =	MNT 2,454.24
December 2017	UN Exchange rate: 1USD =	MNT 2,443.95

2.5 Recognition of income and expenses

Income recognized when cash is deposited. Expense is recognized when fund is disbursed for intended activities.

2.6 Cash and cash equivalents

Cash and cash equivalents consist of petty cash and cash in petrol card. The Direct Payment modality procedure under the National Implementation Modality guidelines are used in the year 2017 and the project submits requests for direct payments to UNDP for processing and all payments are processed by UNDP at the request for the National project director in the year 2017.

2.7 Inventory and Assets

Inventory consists of supply materials and stationeries. Inventory is recorded at cost and expensed by weighted average cost method based on its disbursement.

Equipment and other long-lived assets are stated at cost less accumulated depreciation. They are depreciated on a straight-line basis over their estimated useful lives as follows:

Vehicle	10 years
Computer and Accessories	5 years
Other Assets	5 years

2.8 Taxes

a. Indirect taxes and duties

As for the reporting period of the Project, Value added taxes had been reimbursed for VAT paid on their transactions. For the purpose of the reimbursement, project submits to the UNDP CO a list of VAT paid on a monthly basis. The UNDP CO forwards the List to the General Department of Taxation. Upon receipt of the reimbursements from the Ministry of Finance, the relevant VAT amounts are credited to the corresponding budget lines of the project.

b. Personal income tax withholding and social insurance premium

The Project withholds and pays personal income taxes and social insurance premiums from the payroll and similar employment fees paid to contracted employees and individuals as stipulated in the rules approved by Decree No. 196, the Minister of Finance dated on July 10, 2015 and Order No. 176, Government of Mongolia dated on March 28, 2016.

NOTE 3. PROCUREMENT

As per the NIM guidelines, the Project procurement is conducted following “Law of Mongolia on Procurement of Goods, Works and Services with State and Local Funds”, the law valid from December 01, 2005.

The Law allows procurement procedures such as open tendering, restrictive tendering, comparison and direct contracting.

Open bidding: It is the default method for all public procurements of goods and works. Standard bidding documents for goods and works which is approved by the Minister of Finance in 2012. The tender documents should incorporate all the data required for the tender participant, information and all the requirements for tender participants, guidance for their attention, criteria and methodology for the selection of the tender evaluated as ‘the best,’ the contract conditions for an contract proposed by customer, the technical definitions, designs and charts, the tender specimen, and for the consulting service, shall also include the work plan. Deadline for receiving tenders should be 30 days or more from the day of tender announcement. Tender participants bidding for procurement of goods, works with more than MNT10 million and consulting services with more than MNT100 million to submit tender guarantee.

Comparison: Price quotations used where the cost estimate of the goods, works and services does not exceed the maximum values of MNT50 million, 80 million and 50 million respectively. Standard bidding documents of request for quotation, no less than 5 working days from the day the invitation was delivered.

Direct contracting: Procuring goods, works and services with value lower than MNT10 million allowed through direct contracting. Direct contracting applied:

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- When it results unsuccessful tendering after the procuring entity had conducted open bidding 2 times;
- given additional supplies do not exceed 20% of the value of the initial contract, and there is a need of replacing, repairing and making additional supplies of some parts of the goods and equipment provided under the initial agreement;
- some special medicines, medical equipment relating to ensuring public health security
- as a result of unforeseeable and force major circumstances.

Consulting service: An individual and legal entity may provide consulting services. After preparing the TOR and making cost estimations, the procuring entity posts an invitation to submit proposals to be listed as potential consultants through daily and other mass media and then draws up a shortlist from the general list consisting of three or more consultants that satisfy the requirements. The consultant prepares technical and financial proposals separately. The procuring entity negotiates with the consultant who scores the highest. Standard bidding documents for consultancy services which is approved by the Minister of Finance in 2012.

Community participation: Within a local budget framework, procurement of goods, works and services with value of up to MNT20 million should be undertaken with community participation.

In accordance with the Law, the Project advertises the invitation to particular participant in the tender in a mass circulation daily newspaper, other forms of mass media and where appropriate, the invitation to tender must be advertised by displaying the details on the notice board of the Procuring entity concerned. For work contracts whose value exceeds MNT 10 million and goods contracts whose value exceeds MNT 100 million, the advertisement are placed in a publication for wide international circulation or on international language.

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Table below shows information of the Project's procurement classified by methods and its budget versus performance for 2017:

			Direct purchase	Comparison method	Bidding	Total (In thous.tog)
Budget	Goods	Quantity	-	23	-	23
		Amount	-	29,276	-	29,276
	Service	Quantity	-	-	-	-
		Amount	-	-	-	-
Work	Quantity	-	-	5	5	
	Amount	-	-	138,371	138,371	
Total	Quantity	-	23	5	28	
	Amount	-	29,276	138,371	167,647	
Performance	Goods	Quantity	-	23	-	23
		Amount	-	17,400	-	17,400
	Service	Quantity	-	-	-	-
		Amount	-	-	-	-
Work	Quantity	-	-	5	5	
	Amount	-	-	83,306	83,306	
Total	Quantity	-	23	5	28	
	Amount	-	17,400	83,306	100,706	
Variance	TOTAL	Quantity	-	-	-	-
		Amount	-	11,876	55,065	66,941

NOTE 4. TOTAL EXPENDITURE PER EXPENSE ITEM

a) Expenditure detail by accounts

Account No.	Account name	For FY 2017		
		Gov exp.	UNDP exp.	Total
64397	Services to projects -CO staff		56,325.27	56,325.27
64399	Expert Advisory Service-HQ Staff		3,000.00	3,000.00
	Sub-total		59,325.27	59,325.27
71205	Intl Consultants-Sht Term-Tech		19,709.00	19,709.00
71211	Intl Consult Security Charge		837.64	837.64
71305	Local Consult-Sht Term-Tech		34,995.96	34,995.96
71310	Local Consult.-Short Term-Supp		12,023.64	12,023.64
71360	Local Consult-Security		92.91	92.91
71405	Service Contracts-Individuals		60,149.97	60,149.97
71410	MAIP Premium SC		132.03	132.03
71415	Contribution to Security SC		2,244.86	2,244.86

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71505	UN Volunteers-Stipend & Allow	12,006.90	12,006.90
71510	UNV Settling-In-Grant	4,088.11	4,088.11
71520	UNV-Language Allowance	291.94	291.94
71535	UNV-Medical Insurance	710.28	710.28
71540	UNV-Global Charges	704.97	704.97
71541	UNVs-Contribution to security	510.28	510.28
71545	UNV-Home Leave Travel & Allowance	46.71	46.71
71550	UNV-Resettlement Allowance	1,167.74	1,167.74
71560	UNV-Intl Appoint/Sep incl Trvl	1,800.00	1,800.00
71590	UNV Development Effectiveness	3,497.39	3,497.39
71605	Travel Tickets-International	8,669.92	8,669.92
71610	Travel Tickets-Local	439.60	439.60
71615	Daily Subsistence Allow-Intl	19,957.45	19,957.45
71620	Daily Subsistence Allow-Local	1,414.32	1,414.32
71625	Daily Subsist Allow-Mtg Partic	2,199.52	2,199.52
71635	Travel - Other	5,176.66	5,176.66
71810	Contractual Svcs-indiv ImpPtr	7,099.76	7,099.76
72105	Svc Co-Construction & Engineer	39,724.96	39,724.96
72125	Svc Co-Studies & Research Serv	10,739.28	10,739.28
72135	Svc Co-Communications Service	381.31	381.31
72205	Office Machinery	9,504.36	9,504.36
72420	Land Telephone Charges	216.88	216.88
72430	Postage and Pouch	143.47	143.47
72440	Connectivity Charges	65.19	65.19
72505	Stationery & other Office Supp	1,248.07	1,248.07
73105	Rent	10,603.62	10,603.62
73410	Maint, Oper of Transport Equip	6,350.11	6,350.11
74110	Audit Fees	1,760.35	1,760.35
74210	Printing and Publications	754.63	754.63
74525	Sundry	(2,105.66)	(2,105.66)
74596	Services to projects -GOE	2,208.27	2,208.27
75105	Facilities & Admin - Implement	52,164.13	52,164.13
75705	Learning costs	635,684.13	635,684.13
75709	Learning - training of counter	(80.84)	(80.84)
76110	Foreign Exch Translation Loss	2.33	2.33
76125	Realized Loss	879.89	879.89
76135	Realized Gain	(14.78)	(14.78)
Sub-total		970,197.26	970,197.26
GRAND TOTAL		1,029,522.53	1,029,522.53

- (i) The Government expenditure column item shows the expenditures directly disbursed from PIU.
- (ii) The UNDP expenditure column shows UNDP CO support service costs for the project implementation and expenditures disbursed from the UNDP's account to supplier/vendor's account directly upon request of the NPD.

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b) Expenses of UNDP Supported activity

Account No.	Account name	Amount
64397	Services to projects -CO staff	56,325.27
64399	Expert Advisory Serv-HQ Staff	3,000.00
	Sub-total	59,325.27
71205	Intl Consultants-Sht Term-Tech	19,709.00
71211	Intl Consult Security Charge	837.64
71305	Local Consult.-Sht Term-Tech	3,101.36
71310	Local Consult.-Short Term-Supp	3.32
71405	Service Contracts-Individuals	60,149.97
71410	MAIP Premium SC	132.03
71415	Contribution to Security SC	2,244.86
71505	UN Volunteers-Stipend & Allow	12,006.90
71510	UNV Settling-In-Grant	4,088.11
71520	UNV-Language Allowance	291.94
71535	UNV-Medical Insurance	710.28
71540	UNV-Global Charges	704.97
71541	UNVs-Contribution to security	510.28
71545	UNV-Home Leave Travel & Allowa	46.71
71550	UNV-Resettlement Allowance	1,167.74
71560	UNV-Intl Appoint/Sep incl Trvl	1,800.00
71590	UNV Development Effectiveness	3,497.39
71615	Daily Subsistence Allow-Intl	168.09
71620	Daily Subsistence Allow-Local	214.83
71625	Daily Subsist Allow-Mtg Partic	416.16
71635	Travel - Other	249.03
72105	Svc Co-Construction & Engineer	39,724.96
72125	Svc Co-Studies & Research Serv	(178.00)
72505	Stationery & other Office Supp	(6.93)
73105	Rent	10,603.62
74110	Audit Fees	1,760.35
74525	Sundry	514.65
74596	Services to projects -GOE	2,208.27
75105	Facilities & Admin - Implement	52,164.13
75705	Learning costs	64.43
76110	Foreign Exch Translation Loss	2.33
76125	Realized Loss	879.89
76135	Realized Gain	(14.78)
	Sub-total	219,773.53
	GRAND TOTAL	279,098.80

c) Total expenditure by donors

Donors	Amount
United Nations Development Programme	324,456.64
Swiss Agency for Development and Cooperation	705,065.89
Total	1,029,522.53

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NOTE 5. ACTIVITY 0

There were no advance payments made to the Project because all payments of the Project are directly processed by UNDP upon request of the National project director as mentioned above in the Management arrangement section above.

NOTE 6. ACTIVITY 1-LEGAL FRAMEWORK

a) Expenditure detail by accounts

Account No.	Account name	For FY 2017		
		Gov exp.	UNDP exp.	Total
64399	Expert Advisory Serv-HQ Staff		3,000.00	3,000.00
71605	Travel Tickets-International		1,950.94	1,950.94
71615	Daily Subsistence Allow-Intl		1,112.00	1,112.00
71620	Daily Subsistence Allow-Local		274.00	274.00
72105	Svc Co-Construction & Engineer		16,818.67	16,818.67
72125	Svc Co-Studies & Research Serv		8,964.08	8,964.08
74525	Sundry		15.02	15.02
75105	Facilities & Admin - Implement		3,042.67	3,042.67
75705	Learning costs		5,913.59	5,913.59
76135	Realized Gain		(1.51)	(1.51)
Total			41,089.46	41,089.46

b) Expenditure detail by donors

Donors	Amount
United Nations Development Programme	15.02
Swiss Agency for Development and Cooperation	41,074.44
Total	41,089.46

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NOTE 7. ACTIVITY 2-IMPROVED CRH CAPACITY

a) Expenditure detail by accounts

Account No.	Account name	For FY 2017		
		Gov exp.	UNDP exp.	Total
71305	Local Consult.-Sht Term-Tech		10,454.24	10,454.24
71310	Local Consult.-Short Term-Supp		6,766.53	6,766.53
71360	Local Consult-Security		1.43	1.43
72205	Office Machinery		2,224.98	2,224.98
74210	Printing and Publications		667.49	667.49
75105	Facilities & Admin - Implement		6,335.65	6,335.65
75705	Learning costs		59,153.27	59,153.27
76125	Realized Loss		483.32	483.32
76135	Realized Gain		(11.06)	(11.06)
	Total		86,075.85	86,075.85

b) Expenditure detail by donors

Donors	Amount
United Nations Development Programme	72.27
Swiss Agency for Development and Cooperation	86,003.58
Total	86,075.85

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NOTE 8. ACTIVITY 3-NATIONAL TRAINING PROGRAMME

a) Expenditure detail by accounts

Account No.	Account name	For FY 2017		
		Gov exp.	UNDP exp.	Total
64397	Services to projects -CO staff		53,981.38	53,981.38
71205	Intl Consultants-Sht Term-Tech		19,709.00	19,709.00
71211	Intl Consult Security Charge		837.64	837.64
71305	Local Consult.-Sht Term-Tech		13,089.52	13,089.52
71310	Local Consult.-Short Term-Supp		3.32	3.32
71360	Local Consult-Security		91.48	91.48
71505	UN Volunteers-Stipend & Allow		12,006.90	12,006.90
71510	UNV Settling-In-Grant		4,088.11	4,088.11
71520	UNV-Language Allowance		291.94	291.94
71535	UNV-Medical Insurance		710.28	710.28
71540	UNV-Global Charges		704.97	704.97
71541	UNVs-Contribution to security		510.28	510.28
71545	UNV-Home Leave Travel & Allowa		46.71	46.71
71550	UNV-Resettlement Allowance		1,167.74	1,167.74
71560	UNV-Intl Appoint/Sep incl Trvl		1,800.00	1,800.00
71590	UNV Development Effectiveness		3,497.39	3,497.39
71610	Travel Tickets-Local		439.60	439.60
71615	Daily Subsistence Allow-Intl		168.09	168.09
71620	Daily Subsistence Allow-Local		1,081.21	1,081.21
71625	Daily Subsist Allow-Mtg Partic		2,199.52	2,199.52
71635	Travel - Other		4,725.40	4,725.40
72105	Svc Co-Construction & Engineer		22,906.29	22,906.29
72125	Svc Co-Studies & Research Serv		1,775.20	1,775.20
72135	Svc Co-Communications Service		381.31	381.31
73410	Maint, Oper of Transport Equip		551.92	551.92
74210	Printing and Publications		81.02	81.02
74596	Services to projects -GOE		2,208.27	2,208.27
75105	Facilities & Admin - Implement		36,788.79	36,788.79
75705	Learning costs		565,005.01	565,005.01
75709	Learning - training of counter		(80.84)	(80.84)
76125	Realized Loss		349.33	349.33
	Total		751,116.78	751,116.78

b) Expenditure detail by donors

Donors	Amount
United Nations Development Programme	254,119.60
Swiss Agency for Development and Cooperation	496,997.18
Total	751,116.78



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NOTE 9. ACTIVITY 4-CAPACITY OF PARLIAMENT SECRETARIAT

a) Expenditure detail by accounts

Account No.	Account name	For FY 2017		
		Gov exp.	UNDP exp.	Total
71305	Local Consult.-Sht Term-Tech		10,305.96	10,305.96
71310	Local Consult.-Short Term-Supp		5,253.79	5,253.79
71605	Travel Tickets-International		6,718.98	6,718.98
71615	Daily Subsistence Allow-Intl		18,677.36	18,677.36
71635	Travel - Other		451.26	451.26
75105	Facilities & Admin - Implement		3,740.93	3,740.93
75705	Learning costs		5,354.41	5,354.41
76125	Realized Loss		2.82	2.82
	Total		50,505.51	50,505.51

b) Expenditure detail by donors

Donors	Amount
United Nations Development Programme	0.00
Swiss Agency for Development and Cooperation	50,505.51
Total	50,505.51



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NOTE 10. ACTIVITY 5-PROJECT MANAGEMENT

a) Expenditure detail by accounts

Account No.	Account name	For FY 2017		
		Gov exp.	UNDP exp.	Total
64397	Services to projects -CO staff		2,343.89	2,343.89
71305	Local Consult.-Sht Term-Tech		1,146.24	1,146.24
71405	Service Contracts-Individuals		60,149.97	60,149.97
71410	MAIP Premium SC		132.03	132.03
71415	Contribution to Security SC		2,244.86	2,244.86
71620	Daily Subsistence Allow-Local		59.11	59.11
71810	Contractual Svcs-indiv ImpPtr		7,099.76	7,099.76
72205	Office Machinery		7,279.38	7,279.38
72420	Land Telephone Charges		216.88	216.88
72430	Postage and Pouch		143.47	143.47
72440	Connectivity Charges		65.19	65.19
72505	Stationery & other Office Supp		1,248.07	1,248.07
73105	Rent		10,603.62	10,603.62
73410	Maint, Oper of Transport Equip		5,798.19	5,798.19
74110	Audit Fees		1,760.35	1,760.35
74210	Printing and Publications		6.12	6.12
74525	Sundry		(2,120.68)	(2,120.68)
75105	Facilities & Admin - Implement		2,256.09	2,256.09
75705	Learning costs		257.86	257.86
76110	Foreign Exch Translation Loss		2.33	2.33
76125	Realized Loss		44.42	44.42
76135	Realized Gain		(2.22)	(2.22)
	Total		100,734.93	100,734.93

b) Expenditure detail by donors

Donors	Amount
United Nations Development Programme	70,249.75
Swiss Agency for Development and Cooperation	30,485.18
Total	100,734.93

NOTE 11. SUBSEQUENT EVENTS

The implementing partner is not aware of any events that occurred after the end of the reporting period until the date the statements were approved for release, which would have any material impact on these statements.

NOTE 12. BUDGET ANALYSIS

	Budget	Performance	Variance	%
Activity 1-Legal Framework	80,000.00	41,089.46	38,910.54	49%
Activity 2-Improved CRH capacity	103,612.00	86,075.85	17,536.15	17%
Activity 3-National Training Programme	740,988.00	751,116.78	(10,128.78)	(1%)
Activity 4-Capacity of Parliament Secretariat	79,000.00	50,505.51	28,494.49	36%
Activity 5-Project Management	116,400.00	100,734.93	15,665.07	13%
Total	1,120,000.00	1,029,522.53	90,477.47	1.14

Source: Annual Work Plan 2017 was signed by National Project Director, National Project Coordinator, UNDP Deputy Resident Representative, and UNDP Programme Analyst on August 31, 2017.

Positive percentages represent budget saving, whereas negative percentages represent budget exceed.

- Budget for Activity 1 was saved by 49% or amounts of USD 38,910.54. Out of this USD 20,000.00 was referred to Study visit on local governance under Activity 1.3 but the activity has not been implemented. The remaining amounts of USD 18,910.54 were arisen from exchange differences and price savings.
- Budget for Activity 2 was saved by 17% but all planned activities were performed.
- Budget for Activity 4 was saved by 36% or amounts of USD 28,494.49. National consultant Ms. Tserendulam was hired from June 2017 so the budget of Activity 4.7 was saved by amounts of USD 4,865.94. The remaining amounts of USD 23,628.55 was actual savings.

NOTE 13. INTERNAL CONTROL

Human resources

We conducted an audit of human resources procedures and the financial data in accordance with the agreed upon procedures under the requirements implemented by the applicable laws and regulations of Mongolia. The objective of the audit was to assess human resources legal and financial compliance in the areas: i) internal control; ii) compliance with relevant laws, procedures and rules of Mongolia and UNDP; iii) staff (consultant) hiring processes; iv) performance evaluation and bonus policy and financial data. Based on the procedures per agreed upon procedures and applicable laws and regulations, we concluded that the Project human resource management and control system have adequately established as at December 31, 2017 in the following context:

- Project implemented competitiveness, transparent and effectiveness of the recruitment and hiring of employees and consultants;



UNITED NATIONS DEVELOPMENT PROGRAMME
STRENGTHENING REPRESENTATIVE BODIES IN MONGOLIA

- Staff performance evaluation made in compliant with the applicable laws and procedures of Mongolia (Government of Mongolia, Resolution #176 of March 28, 2016) and policy and rules of UNDP;
- Financial control and management have properly set in staff attendance control, calculation of salaries and entitlements, payroll preparation, payments and documentations.

Finance

We performed audit procedures in accordance with the agreed upon procedures under the requirements implemented by the applicable laws and regulations of Mongolia for the Project's financial management and control system including authorization processes, budget control and IT system. Based on the audit procedures performed on the authorization levels, procedures, receipts and disbursement of funds, documentations as well as the expenses schedules, Project has established an adequate financial management control, reporting and IT system according to the rules, procedures and laws of Mongolia and UNDP.

Procurement

Our audit covered contracting and procurement of the Project involving need of procurements were valid and certified by the authorization and evaluation and award procedures followed in line with the relevant criteria. Based on the audit procedures in accordance with the agreed upon procedures under the requirements implemented by the applicable laws and regulations of Mongolia, we concluded the Project has designed proper controls for the procurement of goods and services where the procurement procedures conducted in compliance with the applicable laws and regulations (Law on Procurement of Goods, Works and Services with State and Local Fund of December 01, 2005) of Mongolia in the areas: i) Authorization process, procurement thresholds, call for bids and proposals, evaluation of bids and proposals and approvals of contracts and purchase orders; ii) Project's assets have maintained under responsible custody and managed proper financial control.

Asset Management

Based on the review conducted in accordance with the agreed upon procedures under the requirements implemented by the applicable laws and regulations of Mongolia, assets maintained under adequate control and custody. Its financial reporting and documentations made in accordance with the required laws, procedures and rules.

Cash management

Project's cash management, control and financial reporting have adequately set and sufficiently supported by the supporting documents. In relation to the end of the reporting period as at December 31, 2017, the outstanding balance of Petty cash account has been transferred to the UNDP account on December 27, 2017.



General Administration

In addition to our financial procedures, compliance requirements of travel activities, vehicle management, shipping services and office management, communications and IT systems, as well as records maintenance have also been covered. We have reviewed in accordance with the agreed upon procedures under the requirements implemented by the applicable laws and regulations of Mongolia, whether these general administration procedures have followed the applicable laws and regulations. As result,

- Travel activities conducted in line with the criteria set by applicable laws and regulations as well policy and rules of UNDP in the processes of contracting, DSA tariff, fuel cost, and accommodation cost, vehicle types, location, payments have all supported by documents.
- The Project occupied an office place in the UNDP building during its term and office was structured and managed effectively.

Project developed a hural.mn webpage to share information regarding the project activities and general local governance information. The webpage have efficiently managed and updated timely.

NOTE 14. TRANSLATION

These financial reports and notes are prepared both in Mongolian and English languages. In case of discrepancy between the two versions, the English version shall prevail.

UNITED NATIONS DEVELOPMENT PROGRAMME
STRENGTHENING REPRESENTATIVE BODIES IN MONGOLIA

NOTE 15. LIST OF ASSETS AND EQUIPMENT

A. List of Assets with value of more than 1,000 USD per item

TAG No.	Acquisition date	Description	Project ID	Fund	Condition	Responsible person/entity	Item Location	Supplier	Value in USD	Serial No./Types
	Jan 01, 2017	Landcruiser 200	96426	3000	Good	S.Altangerel	UNDP garage	Toyota Corporation	37,324.45	Toyota Landcruiser 200
SRBM 17/12	Dec 28, 2016	Multifunctional printer	96426	3000	Good	Ts.Odgerel	UNDP #511	IT Zone LLC	3,631.19	Canon F190800, (21)WMM00956
17/01	Dec 28, 2016	Laptop	96426	3000	Good	Ts.Odgerel	UNDP #511	Newsonic LLC	1,604.88	Lenovo ThinkPad T560, R9-OMSW4G 17/02
17/02	Dec 28, 2016	Laptop	96426	3000	Good	M.Myagmargarmaa	UNDP #511	Newsonic LLC	1,604.88	Lenovo ThinkPad T560, R9-OMSW4H 17/02
17/03	Dec 28, 2016	Laptop	96426	3000	Good	G.Zoljargal	UNDP #511	Newsonic LLC	1,604.88	Lenovo ThinkPad T560, R9-OMSW4K 17/02
17/04	Dec 28, 2016	Laptop	96426	3000	Good	T.Chuluuntsetseg	UNDP #511	Newsonic LLC	1,604.88	Lenovo ThinkPad T560, R9-OMSW4L 17/02
17/05	Dec 28, 2016	Laptop	96426	3000	Good	Camille Barras	UNDP #511	Newsonic LLC	1,604.88	Lenovo ThinkPad T560, R9-OMSW4F 17/02
17/06	Dec 28, 2016	Laptop	96426	3000	Good	G.Zoljargal	UNDP #511	Newsonic LLC	1,604.88	Lenovo ThinkPad T560, R9-OMSW4J 17/02
17/28	Jun 20, 2017	Air conditioner	96426	3000	Good	G.Zoljargal	UNDP #511	AERIS LLC	1,562.29	IQ Air HealthPro 250NE, S/n 071445400
17/29	Jun 20, 2017	Air conditioner	96426	3000	Good	Ts.Odgerel	UNDP #511	AERIS LLC	1,562.29	IQ Air HealthPro 250NE, S/n 071445377
17/11	Dec 28, 2016	Projector	96426	3000	Good	M.Myagmargarmaa	UNDP #511	BSB Trading LLC	1,477.41	NEC NP-M403H, 6640031RC
17/35	Jul 20, 2017	I PAD, Apple	96426	3000	Good	Ts.Tsolmon	Parliament Secretariat	Tim Top Zone	1,411.99	SN: DLXQK1JSGMW5, 12.9 inch, 128, Apple
TOTAL VALUE									56,598.90	

UNITED NATIONS DEVELOPMENT PROGRAMME
STRENGTHENING REPRESENTATIVE BODIES IN MONGOLIA

B. List of Assets with value of less than 1,000 USD per item

TAG No.	Acquisition date	Description	Project ID	Fund	Condition	Responsible person/entity	Item Location	Supplier	Value in USD	Serial No./Types
17/13	May 15, 2017	Camera	96426	3000	Good	S.Altangerel	UNDP #511	IT Zone LLC	649.54	Canon EOS 750D, S/n 238032004296
17/34	Mar 16, 2017	GPS	96426	3000	Good	S.Altangerel	UNDP #511	Doctor Auto Chain LLC	534.00	Garmin Nuvi Cam, 42Y003738
17/33	Jun 30, 2017	Laptop	96426	3000	Good	S.Altangerel	UNDP #511	IT Zone LLC	497.97	Dell inspiron 3467 Turis
17/32	Jun 30, 2017	Color printer	96426	3000	Good	Ts.Odgerel	UNDP #511	IT Zone LLC	233.09	Canon PIXMA G44000
17/07	Dec 28, 2016	Monitor-Lenovo	96426	3000	Good	Ts.Odgerel	UNDP #511	Newsonic LLC	182.83	ThinkVision 23",1S60F2 HCR2CA4OBOBLWW
17/08	Dec 28, 2016	Monitor-Lenovo	96426	3000	Good	M.Myagmar-garmaa	UNDP #511	Newsonic LLC	182.83	ThinkVision 23",1S60F2 HCR2CA4OBOBM2R
17/09	Dec 28, 2016	Monitor-Lenovo	96426	3000	Good	G.Zoljargal	UNDP #511	Newsonic LLC	182.83	ThinkVision 23",1S60F2 HCR2CA4OBOBLYL
17/10	Dec 28, 2016	Monitor-Lenovo	96426	3000	Good	Camille Barras	UNDP #511	Newsonic LLC	182.83	ThinkVision 23",1S60F2 HCR2CA4OBOBLWL
17/30	Jun 20, 2017	Air cooler	96426	3000	Good	G.Zoljargal	UNDP #511	GENTLE LLC	99.90	Tornado, AD-100U
17/31	Jun 20, 2017	Air cooler	96426	3000	Good	Ts.Odgerel	UNDP #511	GENTLE LLC	99.90	Tornado, AD-100U
17/16	May 15, 2017	Tent	96426	3000	Good	Ts.Tsolmon	Parliament Secretariat	Planet International	90.85	Neveland, 5 people
17/17	May 15, 2017	Tent	96426	3000	Good	S.Altangerel	UNDP #511	Planet International	90.85	Neveland, 5 people
17/14	May 15, 2017	Voice recorder	96426	3000	Good	M.Myagmar-garmaa	UNDP #511	IT Zone LLC	78.89	Sony ICD-PX333, S/n 2592952
17/15	May 15, 2017	Headphone	96426	3000	Good	G.Zoljargal	UNDP #511	IT Zone LLC	55.22	Logitech H600, S/n 1605ML003FS9

UNITED NATIONS DEVELOPMENT PROGRAMME
STRENGTHENING REPRESENTATIVE BODIES IN MONGOLIA

<i>B. List of Assets with value of less than 1,000 USD per item-Continued-1</i>										
17/23	May 15, 2017	Travel mattress	96426	3000	Good	Ts.Tsolmon	Parliament Secretariat	Planet International	29.30	Neveland
17/24	May 15, 2017	Travel mattress	96426	3000	Good	G.Zoljargal	UNDP #511	Planet International	29.30	Neveland
17/25	May 15, 2017	Travel mattress	96426	3000	Good	Ts.Odgerel	UNDP #511	Planet International	29.30	Neveland
17/26	May 15, 2017	Travel mattress	96426	3000	Good	M.Myagmar-garmaa	UNDP #511	Planet International	29.30	Neveland
17/27	May 15, 2017	Travel mattress	96426	3000	Good	S.Altangerel	UNDP #511	Planet International	29.30	Neveland
17/18	May 15, 2017	Travel blanket	96426	3000	Good	Ts.Tsolmon	Parliament Secretariat	Planet International	25.96	Neveland
17/19	May 15, 2017	Travel blanket	96426	3000	Good	G.Zoljargal	UNDP #511	Planet International	25.96	Neveland
17/20	May 15, 2017	Travel blanket	96426	3000	Good	Ts.Odgerel	UNDP #511	Planet International	25.96	Neveland
17/21	May 15, 2017	Travel blanket	96426	3000	Good	M.Myagmar-garmaa	UNDP #511	Planet International	25.96	Neveland
17/22	May 15, 2017	Travel blanket	96426	3000	Good	S.Altangerel	UNDP #511	Planet International	25.96	Neveland
TOTAL VALUE									3,437.83	
GRAND TOTAL									60,036.73	

C. Changes in the Assets and Equipment

Description	Beginning balances	Added during the period		Decreased during the current period	Ending balances
		Transferred from the previous project	Purchased during the current period		
Assets and Equipment					
Vehicle	0.00	37,324.45	0.00	(0.00)	37,324.45
Computer and Accessories	0.00	15,469.20	2,143.05	(0.00)	17,612.25
Other Assets	0.00	0.00	5,100.03	(0.00)	5,100.03
Total Assets and Equipment	0.00	52,793.65	7,243.08	(0.00)	60,036.73

UNITED NATIONS DEVELOPMENT PROGRAMME
STRENGTHENING REPRESENTATIVE BODIES IN MONGOLIA

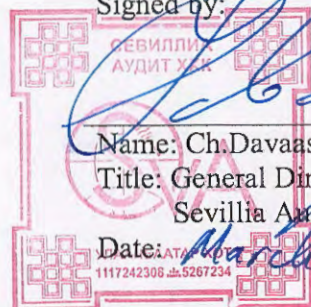
REPORT ON THE AUDIT OF THE UNDP CDR

UNDP Combined Delivery Report (CDR)

For the period from January 01, 2017 to December 31, 2017

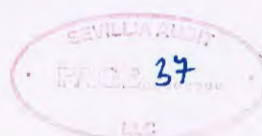
Project No.	Output No.	Amount audited and certified (in USD)	Audit opinion (Unmodified, qualified, adverse, disclaimer)	Total amount of qualification of audit opinion (if qualified, adverse or disclaimer opinion)	Reason (s) for qualification of audit opinion and breakdown of NFI amount (in USD)	Observation (s) that had impact on qualification of audit opinion (list observation number (s) and page of audit report/management letter)
96426	100364	1,029,522.53	Unmodified	N/A	N/A	N/A

Signed by:



Name: Ch.Davaasuren
Title: General Director of
Sevilla Audit LLC

Date: *March 30, 2018*



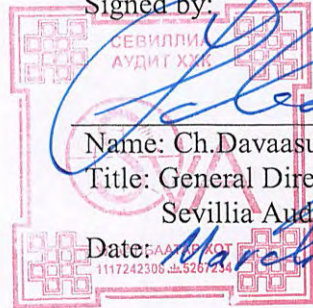
UNITED NATIONS DEVELOPMENT PROGRAMME
STRENGTHENING REPRESENTATIVE BODIES IN MONGOLIA

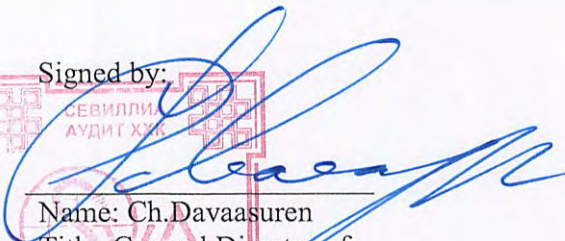
REPORT ON THE AUDIT OF THE STATEMENT OF ASSETS AND EQUIPMENT

Statement of Assets and Equipment
As at December 31, 2017

Project No.	Output No.	Value of Assets and Equipment in USD	Audit opinion (Unmodified, qualified, adverse, disclaimer)	Total amount of qualification of audit opinion (if qualified, adverse or disclaimer opinion)
96426	100364	60,036.73	Unmodified	N/A

Signed by:




Name: Ch.Davaasuren
Title: General Director of
Sevillia Audit LLC

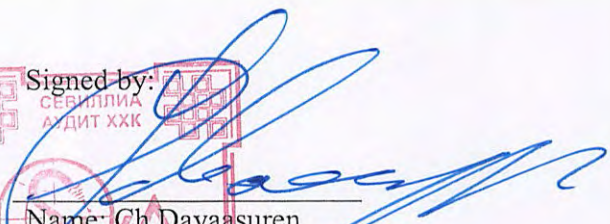

Date: March 30, 2018

UNITED NATIONS DEVELOPMENT PROGRAMME
STRENGTHENING REPRESENTATIVE BODIES IN MONGOLIA

REPORT ON THE AUDIT OF THE STATEMENT OF CASH POSITION

Statement of Cash Position
As at December 31, 2017

Project No.	Output No.	Value of Cash Position in USD	Audit opinion (Unmodified, qualified, adverse, disclaimer)	Total amount of qualification of audit opinion (if qualified, adverse or disclaimer opinion)
96426	100364	0.00	Unmodified	N/A

Signed by: 

 Name: Ch. Davaasuren
 Title: General Director of
 Sevilla Audit LLC
 Date: March 30, 2018

UNITED NATIONS DEVELOPMENT PROGRAMME
STRENGTHENING REPRESENTATIVE BODIES IN MONGOLIA

CURRENT YEAR AUDIT OBSERVATION AND RECOMMENDATIONS

Project No. 96426

Output No. MON /17/101

№	Audit observation	Recommendation	Audit area	Risk Severity	Project/CO Mngmt. Comments
1	<p><u>VAT exemption</u> When purchasing goods, works, and services, the Project pays VAT together with the purchase price then the statement of those paid VAT are filed or submitted to General Taxation Authority, and receives refund of VAT from the Ministry of Finance. However, the current practice of refunding VAT is rather time consuming technical operations and more risk for making errors.</p>	<p>In cooperating with UNDP, the Project should send the request to the Ministry of Finance in order to be included in the Listings of the projects and programmes, which are exempted from VAT imposition.</p>	Finance	Low	<p><i>Project Management Comments</i> The PIU issued a request to the Ministry of Finance but has not received reply from the Ministry. We will review and inform it back.</p> <p><i>UNDP Comments</i> Recommendation is accepted. We will organize the measures for including the listings of VAT exemption as issued request to the Ministry of Finance in the year 2018.</p>
2	<p><u>Expense classification</u> Food expense amounts of USD 2,224.98 was incorrectly recorded in Account No. 72205, "Office Machinery" on April 21, 2017.</p>	<p>PIU shall correctly classify expenses in CDR.</p>	Finance	Low	<p><i>Project Management Comments</i> Although the expense was correctly reported in the financial statements, which consolidated at Parliament Secretariat, it was wrongly classified in the performance report, that is prepared by ATLAS software of UNDP. Further the issues will be considered.</p>



UNITED NATIONS DEVELOPMENT PROGRAMME
STRENGTHENING REPRESENTATIVE BODIES IN MONGOLIA

3	<p><u>Code for types of insured in the return of social insurance charges</u> Social insurance premiums withheld from the fees of the persons, who performed service outside of his/her principal work position, were reported in the return of social insurance premiums as codified No. 01. As a result, Social insurance premiums were withheld and paid by 10% for contribution of employees and 11% for contribution of employer or the Project.</p>	<p>PIU shall clarify every fee-based staff whether they have another or principal work position, if so, the social insurance premiums should be estimated and paid by 9.8% for contribution of employees (insured) and 10.8% for contribution of employer (the Project) instead of 10% and 11%, respectively for the year 2017 in accordance with Article 4.2.6 of Social insurance law.</p>	Finance	Low	<p><i>Project Management Comments</i> We will review the related legislation and implement it.</p>
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Name and position of Auditor: **Ch.Davaasuren,
General Director**

Signature of Auditor:



Date:

March 30, 2018

Name and Stamp of Audit Firm: **Sevilla Audit LLC**





UN Development Programme

Report ID: unglcdrb

Combined Delivery Report by Activity

Page 1 of 6

Run Time: 01-03-2018 10:03:17

Selection Criteria :

Business Unit : MNG10
 Period : Jan-Dec (2017)
 Selected Project Id : ALL
 Selected Fund Code : ALL
 Selected Dept. IDs : ALL
 Selected Outputs : 00100364

Project Id : 00096426	Strengthening Representative B	Period :	Jan-Dec (2017)
Output # : 00100364	Strengthening Representative B	Impl. Partner :	02142 Secretariat of the Parliamen
		Location :	Mongolia

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Activity : 1 (Legal framework)				
Fund : 04000 (Core Programme, UNU Centre)				
74525 - Sundry	0.00	15.02	0.00	15.02
Total for Fund 04000	0.00	15.02	0.00	15.02
Fund : 30000 (PROGRAMME COST SHARING)				
64399 - Expert Advisory Serv-HQ Staff	0.00	3,000.00	0.00	3,000.00
71605 - Travel Tickets-International	0.00	1,950.94	0.00	1,950.94
71615 - Daily Subsistence Allow-Intl	0.00	1,112.00	0.00	1,112.00
71620 - Daily Subsistence Allow-Local	0.00	274.00	0.00	274.00
72105 - Svc Co-Construction & Engineer	0.00	16,818.67	0.00	16,818.67
72125 - Svc Co-Studies & Research Serv	0.00	8,964.08	0.00	8,964.08
75105 - Facilities & Admin - Implement	0.00	3,042.67	0.00	3,042.67
75705 - Learning costs	0.00	5,913.58	0.00	5,913.58
76135 - Realized Gain	0.00	- 1.50	0.00	- 1.50
Total for Fund 30000	0.00	41,074.44	0.00	41,074.44
Total for Activity 1	0.00	41,089.46	0.00	41,089.46
Activity : 2 (Improved CRH capacity)				
Fund : 04000 (Core Programme, UNU Centre)				
71305 - Local Consult.-Sht Term-Tech	0.00	45.38	0.00	45.38
71310 - Local Consult.-Short Term-Supp	0.00	26.89	0.00	26.89
Total for Fund 04000	0.00	72.27	0.00	72.27
Fund : 30000 (PROGRAMME COST SHARING)				
71305 - Local Consult.-Sht Term-Tech	0.00	10,408.86	0.00	10,408.86
71310 - Local Consult.-Short Term-Supp	0.00	6,739.64	0.00	6,739.64
71360 - Local Consult-Security	0.00	1.43	0.00	1.43
72205 - Office Machinery	0.00	2,224.98	0.00	2,224.98
74210 - Printing and Publications	0.00	667.49	0.00	667.49
75105 - Facilities & Admin - Implement	0.00	6,335.65	0.00	6,335.65
75705 - Learning costs	0.00	59,153.27	0.00	59,153.27
76125 - Realized Loss	0.00	483.32	0.00	483.32
76135 - Realized Gain	0.00	- 11.06	0.00	- 11.06
Total for Fund 30000	0.00	86,003.58	0.00	86,003.58





Combined Delivery Report by Activity

Project Id : 00096426 Strengthening Representative B	Period :	Jan-Dec (2017)
Output # : 00100364 Strengthening Representative B	Impl. Partner :	02142 Secretariat of the Parliamen
	Location :	Mongolia

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Total for Activity 2	0.00	86,075.85	0.00	86,075.85
Activity : 3				
(National Training Programme)				
Fund : 04000 (Core Programme, UNU Centre)				
71305 - Local Consult.-Sht Term-Tech	0.00	69.88	0.00	69.88
71610 - Travel Tickets-Local	0.00	217.09	0.00	217.09
71620 - Daily Subsistence Allow-Local	0.00	343.40	0.00	343.40
71635 - Travel - Other	0.00	788.93	0.00	788.93
72125 - Svc Co-Studies & Research Serv	0.00	1,775.20	0.00	1,775.20
75705 - Learning costs	0.00	250,924.19	0.00	250,924.19
76125 - Realized Loss	0.00	0.91	0.00	0.91
Total for Fund 04000	0.00	254,119.60	0.00	254,119.60
Fund : 30000 (PROGRAMME COST SHARING)				
64397 - Services to projects -CO staff	0.00	53,981.38	0.00	53,981.38
71205 - Intl Consultants-Sht Term-Tech	0.00	19,709.00	0.00	19,709.00
71211 - Intl Consult Security Charge	0.00	837.64	0.00	837.64
71305 - Local Consult.-Sht Term-Tech	0.00	13,019.64	0.00	13,019.64
71310 - Local Consult.-Short Term-Supp	0.00	3.32	0.00	3.32
71360 - Local Consult-Security	0.00	91.48	0.00	91.48
71505 - UN Volunteers-Stipend & Allow	0.00	12,006.90	0.00	12,006.90
71510 - UNV Settling-In-Grant	0.00	4,088.11	0.00	4,088.11
71520 - UNV-Language Allowance	0.00	291.94	0.00	291.94
71535 - UNV-Medical Insurance	0.00	710.28	0.00	710.28
71540 - UNV-Global Charges	0.00	704.97	0.00	704.97
71541 - UNVs-Contribution to security	0.00	510.28	0.00	510.28
71545 - UNV-Home Leave Travel & Allowa	0.00	46.71	0.00	46.71
71550 - UNV-Resettlement Allowance	0.00	1,167.74	0.00	1,167.74
71560 - UNV-Intl Appoint/Sep incl Trvl	0.00	1,800.00	0.00	1,800.00
71590 - UNV Development Effectiveness	0.00	3,497.39	0.00	3,497.39
71610 - Travel Tickets-Local	0.00	222.51	0.00	222.51
71615 - Daily Subsistence Allow-Intl	0.00	168.09	0.00	168.09
71620 - Daily Subsistence Allow-Local	0.00	737.81	0.00	737.81
71625 - Daily Subsist Allow-Mtg Partic	0.00	2,199.52	0.00	2,199.52
71635 - Travel - Other	0.00	3,936.47	0.00	3,936.47
72105 - Svc Co-Construction & Engineer	0.00	22,906.29	0.00	22,906.29
72135 - Svc Co-Communications Service	0.00	381.31	0.00	381.31
73410 - Maint, Oper of Transport Equip	0.00	551.92	0.00	551.92
74210 - Printing and Publications	0.00	81.02	0.00	81.02
74596 - Services to projects -GOE	0.00	2,208.27	0.00	2,208.27
75105 - Facilities & Admin - Implement	0.00	36,788.79	0.00	36,788.79
75705 - Learning costs	0.00	314,080.82	0.00	314,080.82
75709 - Learning - training of counter	0.00	-80.84	0.00	-80.84
76125 - Realized Loss	0.00	348.42	0.00	348.42
Total for Fund 30000	0.00	496,997.18	0.00	496,997.18

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Combined Delivery Report by Activity

UN Development Programme
Report ID: unglcdrb

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Run Time: 01-03-2018 10:03:17

Table with 4 columns: Project Id, Output #, Period, Impl. Partner, Location, and Total Exp. Includes details for Project Id: 00096426 and Output #: 00100364.

Total for Activity 3 0.00 751,116.78 0.00 751,116.78

Activity : 4 (Capacity of Parl. Secretariat)

Fund : 30000 (PROGRAMME COST SHARING)

Table listing expenses for Fund 30000, including items like Local Consult.-Sht Term-Tech, Travel Tickets-International, and Learning costs.

Total for Fund 30000 0.00 50,505.51 0.00 50,505.51

Total for Activity 4 0.00 50,505.51 0.00 50,505.51

Activity : 5 (Project management)

Fund : 04000 (Core Programme, UNU Centre)

Table listing expenses for Fund 04000, including items like Local Consult.-Sht Term-Tech, Service Contracts-Individuals, and Office Machinery.

Total for Fund 04000 0.00 70,249.75 0.00 70,249.75

Fund : 30000 (PROGRAMME COST SHARING)

Table listing expenses for Fund 30000, including items like Services to projects -CO staff, Local Consult.-Sht Term-Tech, and Office Machinery.



Combined Delivery Report by Activity



UN Development Programme

Report ID: unglcdrb

Page 4 of 6

Run Time: 01-03-2018 10:03:17

Project Id : 00096426 Strengthening Representative B	Period :	Jan-Dec (2017)		
Output # : 00100364 Strengthening Representative B	Impl. Partner :	02142 Secretariat of the Parliamen		
	Location :	Mongolia		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
73105 - Rent	0.00	10,603.62	0.00	10,603.62
73410 - Maint, Oper of Transport Equip	0.00	3,352.03	0.00	3,352.03
74110 - Audit Fees	0.00	1,760.35	0.00	1,760.35
74210 - Printing and Publications	0.00	6.12	0.00	6.12
74525 - Sundry	0.00	1,312.14	0.00	1,312.14
75105 - Facilities & Admin - Implement	0.00	2,256.09	0.00	2,256.09
75705 - Learning costs	0.00	257.86	0.00	257.86
76125 - Realized Loss	0.00	30.32	0.00	30.32
76135 - Realized Gain	0.00	-2.22	0.00	-2.22
Total for Fund 30000	0.00	30,485.18	0.00	30,485.18
Total for Activity 5	0.00	100,734.93	0.00	100,734.93
Total for Output : 00100364	0.00	1,029,522.53	0.00	1,029,522.53
Project Total :	0.00	1,029,522.53	0.00	1,029,522.53

Signed by:
 Daniela Gasparikova (Deputy Resident Representative, UNDP)

Date: 09/04/2018

Signed by:
 Ts. Tsolmon (National Project Director)

Date: 2018.04.06

Signed by:
 Ch. Davaasuren (General Director of Sevilla Audit LLC)

Date: March 30, 2018



Combined Delivery Report by Activity



UN
DP UN Development Programme
Report ID: unglcdrv

Page 5 of 6
Run Time: 01-03-2018 10:03:20

Selection Criteria :

Business Unit : MNG10
Period : Jan-Dec (2017)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00100364

Project Id : ALL	Period :	Jan-Dec (2017)		
Output # : ALL	Impl. Partner :			
	Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

41804 - Mongolia - Dem. Governance	0.00	1,029,522.53	0.00	1,029,522.53
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Combined Delivery Report by Activity



UN
DP UN Development Programme
Report ID: unglcdrb

Page 6 of 6
Run Time: 01-03-2018 10:03:23

Funds Utilization

Selection Criteria :

Business Unit : MNG10
Period : Jan-Dec (2017)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00100364

Project/Award: 00096426 Strengthening Representative B

Period : As Of Dec31,2017

Output #	00100364	Impl. Partner :02142 Secretariat of the Parliamen	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			0.00
Unamortized Intangible Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			20,844.59





SEVILLIA AUDIT LLC

Special purpose and confidential report

MANAGEMENT LETTER

**STRENGTHENING REPRESENTATIVE
BODIES IN MONGOLIA PROJECT
(PROJECT: MON/17/101)**

**The Financial Statements for the period from
January 01, 2017 to December 31, 2017**

**ULAANBAATAR
March 2018**

CONTENT

	Pages
Management Letter	1
Current Year Observation	2



Date: March 30, 2018

Ref No. 2018-01/057

Ulaanbaatar city

**TO: Ms. Daniela Gasparikova, Deputy Resident Representative, UNDP
Mr. Tsolmon Tsedev, National Project Director, General Secretary of the
Parliament Secretariat**

SUBJECT; MANAGEMENT LETTER

Dear Madam/Sir,

This management letter includes some findings observed during the financial statements auditing of "Strengthening Representative Bodies in Mongolia Project MON/17/101" (herein, after referred to as the "Project") for the period from January 01, 2017 to December 31, 2017 as well as proposed recommendation for improving the accounting procedures and internal accounting controls.

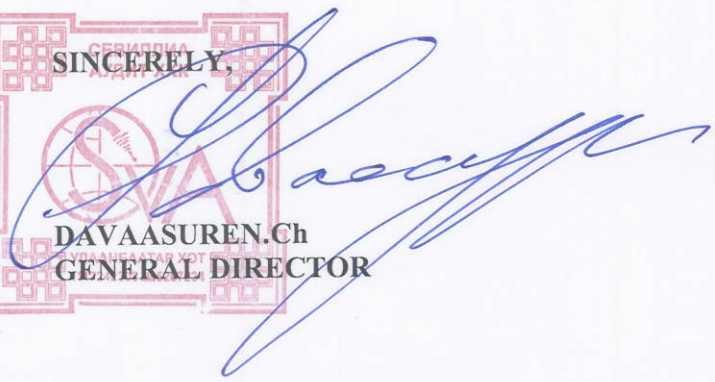
Our review of the internal accounting control system was limited to obtaining an understanding of the control environment in connection with our audit of the Project's financial statements which comprise Statement of Expenditures, Statement of Assets and Equipment, and Statement of Cash Position as at December 31, 2017 and for the period then ended.

This letter is solely intended for the use of the management of the Project and is not intended for any other purposes.

We hope that you will consider these matters and take appropriate measures for correcting them.

If you have any questions and clarification in connection with this letter of management, please don't hesitate to contact with us.

Finally we would like to thank the Project's management and members of staff for the courtesies and cooperation extended during the course of our work.

SINCERELY,

DAVAASUREN.Ch
GENERAL DIRECTOR

CURRENT YEAR OBSERVATION

1. VAT exemption

Condition

When purchasing goods, works, and services, the Project pays VAT together with the purchase price then the statement of those paid VAT are filed or submitted to General Taxation Authority, and receives refund of VAT from the Ministry of Finance. However, the current practice of refunding VAT is rather time consuming technical operations and more risk for making errors.

Criteria

The Minister of Finance issues a decree and approves the list of projects and Programmes, which are exempted from VAT imposition according to Article 13.1.3 of VAT law. As included in this listings of the Minister, the Project can pay the purchase price of goods, works, and services excluding VAT or exempted from VAT imposition.

Risk-Low

It needs more technical operations and risky for making errors.

Recommendation

In cooperating with UNDP, the Project should send the request to the Ministry of Finance in order to be included in the Listings of the projects and programmes, which are exempted from VAT imposition.

Project Management Comments

The PIU issued a request to the Ministry of Finance but has not received reply from the Ministry. We will review and inform it back.

UNDP Comments

Recommendation is accepted. We will organize the measures for including the listings of VAT exemption as issued request to the Ministry of Finance in the year 2018.



2. Expense classification

Condition

Food expense amounts of USD 2,224.98 was incorrectly recorded in Account No. 72205, "Office Machinery" on April 21, 2017.

Criteria

Expenses shall be recorded in the correct accounts.

Risk-Low

Expense classification is wrong.

Recommendation

PIU shall correctly classify expenses in CDR.

Project Management Comments

Although the expense was correctly reported in the financial statements, which consolidated at Parliament Secretariat, it was wrongly classified in the performance report, that is prepared by ATLAS software of UNDP. Further the issues will be considered.

3. Code for types of insured in the return of social insurance charges

Condition

Social insurance premiums withheld from the fees of the persons, who performed service outside of his/her principal work position, were reported in the return of social insurance premiums as codified No. 01. As a result, Social insurance premiums were withheld and paid by 10% for contribution of employees and 11% for contribution of employer or the Project.

Criteria

If a person, who renders services to the Project on fee-based contract, has another or principal work position, unemployment insurance premium shall not be withheld and paid by the Project to the social insurance office.

Risk-Low

Social insurance premiums shall be over-estimated and paid by the Project to the social insurance offices.

Recommendation

PIU shall clarify every fee-based staff whether they have another or principal work position, if so, the social insurance premiums should be estimated and paid by 9.8% for contribution of employees (insured) and 10.8% for contribution of employer (the Project) instead of 10% and 11%, respectively for the year 2017 in accordance with Article 4.2.6 of Social insurance law.

Project Management Comments

We will review the related legislation and implement it.