



SEVILLIA AUDIT LLC

Special purpose and confidential report

MANAGEMENT LETTER

**UN-REDD MONGOLIA NATIONAL PROGRAMME
(PROJECT: 86253 MON/15/301)**

**The Financial Statement for the period from
January 01, 2018 to December 31, 2018**

**ULAANBAATAR
March 2019**

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Date: March 25, 2019

Ref No. 2019-01/042

Ulaanbaatar city

**To: Mr. Vineet Mathur, Assistant Resident Representative (Operations), UNDP
Ms. B.Oyunsanaa, National Project Director**

SUBJECT; MANAGEMENT LETTER

Dear Sir/Madam,

This management letter includes some findings observed during the financial statements auditing of "UN-REDD Reducing Emissions from Deforestation and Forest Degradation Project MON/15/301" (herein, after referred to as the "Project") for the period from January 01, 2018 to December 31, 2018 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, 2018 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. Social insurance charges not paid within the stipulated period

Condition

Social insurance charges for the first six months of the year 2018 were paid but delayed than the time period stipulated in the law. For example; social insurance charge for January 2018 shall be paid within that month or before January 31, 2018. However, that social insurance charge was paid on March 15, 2018.

According to our estimation, penalty on undue payment of the social insurance charges for the year is approximately amounts of 1.9 million togrogs.

Criteria

Social insurance charges shall be paid within that month.

Risk-Low

The social insurance charge was not paid within the due period.

Recommendation

As said in Article 16 of Social Insurance Law of Mongolia, the monthly social insurance charges shall be paid within that month. In addition, penalty is estimated by 0.3% per delayed day on the unpaid or undue social insurance charges according to Article 20 of Social Insurance Law of Mongolia.

Therefore, the Project shall estimate and pay the social insurance charges within the time period stipulated in the law.

Project Management Comments

The recommendations were accepted and will be adhered in the future.

2. Rental payments of the equipment

Condition

The Project rents translation equipment and headphone from individual M.Odgerel. As said in the Rental agreement of the equipment, personal income tax was withheld from the rental fee by 10%. Personal income taxes total amounts of 337,500 togrogs were withheld and paid during the year 2018.

Criteria

Individual, who earns rental income, shall himself determine its taxable income as deducting the related cost and pay tax on net income.

Risk-Low

The Project has withheld 10% tax from total rental income.

Recommendation

As said in Article 19.1.1 of the Personal Income Tax Law of Mongolia, individual, who earns rental income, shall himself determine its taxable income as deducting the related cost of rents from the rental income. In addition, the individual shall pay 10% tax on that taxable income and shall submit to the tax office in accordance with Article 23.2.4 and 27.2 of the law.

Therefore, the Project is not responsible for deducting the taxes from the rental payments.

Project Management Comments

According to the contract established with M. Odgerel, it was agreed that income tax of 10% should be deducted from total payment. The contractor had an option to have operational expenses to be deducted from his taxable income in the contract.

The Article 18 of the Personal Income Tax Law of Mongolia states” when Determining taxable income from activities, if deductible expenses are not documented they shall not be deducted from taxable income”. As M. Odgerel, did not provide documents for deductible expenses, 10% was deducted from his total payment.

18.2. If expenses specified in paragraph 18.1 are not documented, not related to the activities, or are expended for personal use of a taxpayer, they shall not be deducted from taxable income.

We will adhere the recommendation in the future when concluding similar contracts.

3. Physical counting of fixed assets

Condition

We have conducted the physical counting of fixed assets on March 01, 2019 in order to check the physical existence of the assets and assess the quality condition of them within the scope of auditing. As a result of the counting, we have revealed that one chair that put into usage on December 28, 2015 and with historical cost amounts of 87.69 US Dollars was not physically

existed, other 7 assets were broken out and remaining 131 assets were in normal quality condition from total 139 assets recorded. These 8 assets were shown below;

1. One chair – not existed
2. Color printer - broken
3. Remote control - broken
4. Camera - broken
5. Coffee boiler - broken
6. Headphone - broken
7. Portable hard drive - broken
8. Binder tool - broken

Criteria

All recorded assets shall be consistent with the physically existed assets.

Risk-Low

The asset may be misplaced.

Recommendation

The broken 7 assets have been used for 2-3 years so it could be considered as normal deterioration of the assets. However, one chair should be found and replace into the project office or if not it shall be paid for appropriate market price.

Project Management Comments

The missing chair with serial number 15/34 was a chair that was broken when used by Programme Officer Bilguun. As the chair was broken, it was placed in the meeting room and Bilguun used one of the chairs from the meeting room instead.

The meeting room was quite often used by the ministry staff for meeting purposes as there is limited spaces in the ministry premise, and they used to bring different chairs from their rooms as there were lack of chairs.

It was not possible to monitor every single entry to the meeting room; we are not in position to be able to give comments about the missing chair.

We checked with logistics officer of the Ministry and could not see it in their warehouse. It is not clear who shall compensate the chair.

Other broken items were damaged while we were using them normally.



SEVILLIA AUDIT LLC

Special purpose and confidential report

AUDITOR'S REPORT

**UN-REDD MONGOLIA NATIONAL
PROGRAMME**

(PROJECT: 86253 MON/15/301)

**The Financial Statements for the period from
January 01, 2018 to December 31, 2018**

**ULAANBAATAR
March 2019**

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ABBREVIATIONS AND ACRONYMS

AWP	Annual Work Plan
CDR	Combined Delivery Report
FAO	Food and Agriculture Organisation
FUG	Forest user group
GIZ	German Corporation for International Cooperation
HACT	Harmonized Approach to Cash Transfer
HSIP	Health and Social Insurance Premium
ISA	International Standards on Auditing
IP	Implementing Partner
MET	Ministry of Environment and Tourism
MNT	Mongolian National Currency Togrogs (local currency)
NIM	National Implementation Modality
NPC	National Project Coordinator
NPD	National Project Director
PIT	Personal Income Tax
PIU	Project Implementing Unit
SIP	Social Insurance Premium
TWG	Technical Working Group
UN	United Nations
UNEP	United Nations Environment Programme
UNDP	United Nations Development Programme
UNDP CO	United Nations Development Programme Country Office
UN-REDD	United Nations-Reducing Emissions from Deforestation and Forest Degradation
UNFCCC	United Nations Framework Convention on Climate Change
UNV	United Nations Volunteers
USD	United States Dollars
VAT	Value Added Tax

BRIEF INFORMATION

Project ID 86253 MON/15/301
Project Title UN-REDD Mongolia National Programme

Commencement Date September 01, 2015
Closing Date March 31, 2019

Funding Agencies United Nations Development Programme
Food and Agriculture Organisation
United Nations Environment Programme

Implementing Partner Ministry of Environment and Tourism, Mongolia

National Project Director B.Oyunsanaa, Forest Policy and Coordination
Department, Ministry of Environment and Tourism

National Project Coordinator B.Khishigjargal

Project Address Government Building II, United Nations Street-5/2,
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Teeverchdiin Street 18, Sukhbaatar District,
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INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF EXPENDITURES

To: **Mr. Vineet Mathur, Assistant Resident Representative (Operations), UNDP**
Mr. B.Oyunsanaa, National Project Director

We have audited the accompanying Statement of Expenditures ("the statement") of UN-Reducing Emissions from Deforestation and Forest Degradation National Programme (further referred as "Project") MON/15/301 for the period from January 01, 2018 to December 31, 2018.

Unmodified Opinion

In our opinion, the accompanying Statement of Expenditures presents fairly, in all material respects, the expense of **USD 1,010,878.23** incurred by UN-Reducing Emissions from Deforestation and Forest Degradation National Programme for the period from January 01, 2018 to December 31, 2018 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 UN-Reducing Emissions from Deforestation and Forest Degradation National Programme 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.)

Auditor's 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 1,010,878.23** were directly paid by UNDP. Out of this, expenditures amounting to **USD 269,437.52** were excluded from the scope of audit, as they were made by UNDP as part of supported activity. The detail is illustrated in Note 4 (b) of this report.



SEVILLIA AUDIT LLC
Ulaanbaatar, Mongolia

STATEMENT OF EXPENDITURE

For the period from January 01, 2018 to December 31, 2018

(In USD)

Activities	Notes	For FY 2018
Activity 1. National REDD+Taskforce	6	53,749.80
Activity 2. Programme Management Unit	7	335,789.34
Activity 3. CSO/LC forum	8	68,610.45
Activity 4. Public Awareness	9	133,879.23
Activity 5. Consultation and Participation Plan	10	82,619.68
Activity 6. National FPIC guidelines	11	28,736.42
Activity 8. REDD+Policies and measures	12	187,806.07
Activity 9. National Fund Management & Mechanism	13	41,625.58
Activity 12. REDD+Social & Environment safeguard	14	12.46
Activity 13. National REDD+Strategy	15	22,946.76
Activity 18. Safeguards Information system established	16	55,102.44
Total	4	1,010,878.23

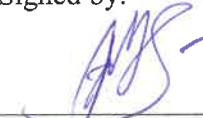
The accompanying notes are integral part of this statement.

Signed by:



Name: B. Oyunsanaa
Title: National Project Director
Date: April 01, 2019

Signed by:



Name: B. Khishigjargal
Title: National Project Manager
Date: 26.03.2019

Signed by:



Name: Vincet Mathur
Title: Assistant Resident Representative (Operations), UNDP
Date: 28-3-2019
By

Signed by:



Name: Ch. Davaasuren
Title: General Director of Sevilla Audit LLC
Date: March 25, 2019



INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF ASSETS AND EQUIPMENT

**To: Mr. Vineet Mathur, Assistant Resident Representative (Operations), UNDP
Mr. B.Oyunsanaa, National Project Director**

We have audited the accompanying Statement of Assets and Equipment ("the statement") of UN-Reducing Emissions from Deforestation and Forest Degradation National Programme (further referred as "Project") MON/15/301 as at December 31, 2018.

Unmodified Opinion

In our opinion, the accompanying Statement of Assets and Equipment presents fairly, in all material respects, the assets and equipment status of UN-Reducing Emissions from Deforestation and Forest Degradation National Programme amounting to **USD 25,387.10** as at December 31, 2018 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 UN-Reducing Emissions from Deforestation and Forest Degradation National Programme, 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.)

Auditor's 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.



SEVILLIA AUDIT LLC
Ulaanbaatar, Mongolia

STATEMENT OF ASSETS AND EQUIPMENT
As at December 31, 2018
(In USD)

<u>Description</u>	<u>Notes</u>	<u>At Dec 31, 2018</u>
Assets and Equipment		
Furniture and Fixtures	21	6,158.34
Office equipment, including computers	21	18,137.34
Other Assets	21	1,091.42
Total Assets and Equipment	21	25,387.10

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

The accompanying notes are integral part of this statement.

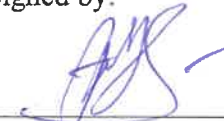
Signed by:



Name: B. Oyunsanaa
Title: National Project Director
Date:

April 01, 2019

Signed by:



Name: B. Khishigjargal
Title: National Project Manager
Date:

26.03.2019

Signed by:

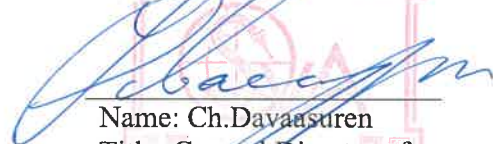


Name: Vineet Mathur
Title: Assistant Resident
Representative (Operations), UNDP
Date:

28-3-2019

BU

Signed by:



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

Date: *March 25, 2019*



INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF CASH POSITION

To: **Mr. Vineet Mathur, Assistant Resident Representative (Operations), UNDP**
Mr. B.Oyunsanaa, National Project Director

We have audited the accompanying Statement of Cash Position ("the statement") of UN-Reducing Emissions from Deforestation and Forest Degradation National Programme (further referred as "Project") MON/15/301 for the period from January 01, 2018 to December 31, 2018.

Unmodified Opinion

In our opinion, the accompanying Statement of Cash Position presents fairly, in all material respects, the cash and bank balances of UN-Reducing Emissions from Deforestation and Forest Degradation National Programme amounting to **USD 16.69 (sixteen dollars and sixty-nine cents, only)** as at December 31, 2018 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 UN-Reducing Emissions from Deforestation and Forest Degradation National Programme, 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.)

Auditor's 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.
- 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.



[Handwritten signature]
SEVILLIA AUDIT LLC
Ulaanbaatar, Mongolia

STATEMENT OF CASH POSITION
As at December 31, 2018

Description	For FY 2018	
	In MNT	In USD
A. Opening Fund Balance		
Petty cash	6,252.21	2.56
Cash in bank account	0.00	0.00
Total	6,252.21	2.56
B. Advance received from UNDP during the year	6,031,080.00	2,457.53
C. Total Funds Available (A+B) for the year	6,031,080.00	2,457.53
D. Payments/Expenditures for the year	(5,993,883.00)	(2,429.51)
E. Bank charges for the year		
F. Bank interest income		
G. Exchange Gain/Loss		(13.89)
H. Closing Fund Balance (C-D-E+F+G)	(5,993,883.00)	2,443.40
I. Closing Fund Balance		
Petty cash	43,449.21	16.69
Cash in bank account	0.00	0.00
Total	43,449.21	16.69

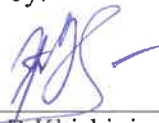
The accompanying notes are integral part of this statement.

Signed by:



Name: B. Oyunsanaa
Title: National Project Director
Date: April 01, 2019

Signed by:



Name: B. Khishigjargal
Title: National Project Manager
Date: 26.03.2019

Signed by:



Name: Vineet Mathur
Title: Assistant Resident Representative (Operations), UNDP
Date: 28-3-2019.

Bu

Signed by:



Name: Ch. Davaasuren
Title: General Director of Sevilla Audit LLC
Date: March 25, 2019

UNITED NATIONS DEVELOPMENT PROGRAMME
UN-REDD MONGOLIA NATIONAL PROGRAMME

UPDATED ACTION PLANS FOR PRIOR YEAR AUDIT OBSERVATIONS AND RECOMMENDATIONS

№.	Observation	Recommendation	Output No.: MON/15/301			Opinion Type			
			Audit area	Risk	Mngt Comments	Action planned	Traget Impl. Date	Action unit	Person Respon sible for Action
1	<p><u>Wrong reporting of the fees in the return of Personal income tax</u></p> <p>The Project has estimated to pay the service fees amounts of MNT 2,250,000.00 on October 31, 2017 and MNT 3,700,000.00 on December 13, 2017, respectively to individual BAYARTSETSEG.A for translation. Sum of these fees or total service fees were amounts of MNT 5,950,000.00 and the related personal income taxes (PIT) to be withheld from the fees were amounts of 548,500.00 togrogs.</p> <p>However, the project wrongly reported total service fees in the Return of Personal income tax (Form TT-11-2) or by the amounts MNT 8,200,000.00.</p> <p>As reported in the return of Personal Income Tax (Form TT-11) for the quarter of the year 2017 or on annual incremental basis, total amounts of "salaries, bonuses, incentives and other similar employment income" were 232,267,185.00 togrogs, including the above mentioned Bayartsetseg's services fees amounts of 8,200,000.00 togrogs.</p> <p>In addition, personal income taxes, estimated from those salaries and other similar employment income amounts of 232,267,185.00 togrogs and to be paid for the year 2017, were amounts of 21,179,073.90 togrogs. However, the personal income taxes, paid by the project during the year 2017 and reported in the return of Personal income taxes, were amounts of 22,311,918.18 togrogs and amounts of 21,793,588.18 togrogs as shown in CDR.</p>	<p>As recorded in the CDR, the project has overpaid personal income tax amounts of 614,514.28 togrogs for the year 2017. Although those overpaid taxes, which reported in the return of Personal income tax, can be withheld for the next accounting periods, the taxes, overestimated and paid due to incorrect reporting of salaries and other similar employment income, haven not been reported as Receivables or could not be withheld. Therefore, the overpaid taxes in connection with Bayartsetseg's service fees, need to be re-reported as adjusted.</p>	<p>Finance</p> <p>Low</p> <p>The return of Personal income tax for the year 2017 was over reported with the fee applicable for 2,250,000.00 togrogs. A request was sent to Chingeltei district's tax office to adjust the return of PIT. The return of PIT will be corrected according to the proposed recommendation.</p>	<p>To submit to the tax office.</p> <p>2018 year</p> <p>Finance</p> <p>B.Naran-tsatsral</p> <p>Implemented</p> <p>2018 year</p> <p>A request was sent to Chingeltei district's tax office and the return of PIT was adjusted according to the recom-mendation.</p> <p>In further we will consider the recom-mendation.</p>					

**UNITED NATIONS DEVELOPMENT PROGRAMME
UN-REDD MONGOLIA NATIONAL PROGRAMME**

<p>2</p> <p><u>Underpayment of the Social Insurance Premium (SI) and Personal Income Tax (PIT)</u></p> <p>The Project has paid the fees to individual Dugatjav.Ch but the personal income tax and social insurance premiums were underestimated or underpaid.</p>	<p>According to Articles 11.1, 17, 23.1, and 26 of Personal income tax law and Articles 4 and 32 of Social insurance law, the Project shall estimate and pay the SI and PIT from the service fees paid to individuals. In addition, the underreported service fees should be reported in returns of Social insurance premiums and Personal Income Taxes and those returns of SI and PIT need to be correctly prepared and filed.</p>	<p>Finance Low</p> <p>Social insurance premiums and personal income taxes were withheld and paid from the services fees of Ch.Dugatjav.</p> <p>The second fee was omitted unintentionally. The fees will be captured in the re-submission of the returns of social insurance premiums and personal income taxes.</p> <p>In further, we will consider the recommendation in our tax and social insurance filing.</p>	<p>Re-submit 2018 year</p> <p>Finance B.Naran-tsatsral</p> <p>Implemented 2018 year</p> <p>This payroll re-submitted as including in the returns of social insurance premiums and personal income taxes.</p> <p>In further we will consider the recommendation.</p>
<p>3</p> <p><u>Deferred reporting of the Social Insurance Premium (SI) and Personal Income Tax (PIT)</u></p> <p>The Project has sometimes delayed the reporting of the SI and PIT.</p>	<p>The Project shall pay the social insurance premiums within every month as per Article 15 of Social insurance law and file the return of Social insurance premiums within the 5th day of next month as per Article 16 of the law.</p> <p>Personal income taxes, withheld from the service fees paid to individuals, should be paid within the 10th day of the next month as per Article 26.3 of Personal income tax law.</p>	<p>Finance Low</p> <p>According to the proposed recommendation, the returns will be filed every month.</p>	<p>To pay within the reporting period.</p> <p>Finance B.Naran-tsatsral</p> <p>Implemented 2018 year</p> <p>Social insurance premiums and personal income taxes of the contracted individuals are being reported within the stipulated time period.</p> <p>In further we will consider the recommendation.</p>

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<p>4</p> <p>Code for the types of insured reported in the return of Social Insurance Premium</p> <p>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>PTU 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>	<p>Finance Low</p> <p>Social insurance premiums will be filed as per the proposed recommendation.</p> <p>Types of the insured will be correctly codified.</p> <p>2018 year</p> <p>Finance</p> <p>B.Naran-itsatsral</p> <p>Imple-mented</p> <p>2018 year</p> <p>Social insurance premiums withheld from the fees of the persons, who performed service outside of his/her principal work position, are being classified according to the appropriate classification.</p> <p>In further we will consider the recom-mendation.</p>
<p>Implementing partner National Project Director: B.Oyunsanaa Signature: Date: April 01, 2019</p>	<p>UNDP Country office Assistant Resident Representative (Operations), UNDP Mr. Vineet Mathur Signature: Date: 28-3-2019</p>
<p>Sevillia Audit LLC General Director Ch.Davaasuren Signature: Date: March 25, 2019</p>	<p>By</p>

NOTE 1. PROJECT BRIEF

The Project Document was jointly signed on September 18, 2015 by Ministry of Environment and Green Development and Tourism and United Nations Development Programme to implement United Nation Collaborative Initiative on Reducing Emissions from Deforestation and Forest Degradation National Programme during the years from 2015 to 2018.

The UN-REDD Programme is the United Nations Collaborative Initiative on Reducing Emissions from Deforestation and Forest Degradation (REDD+) in developing countries. The Programme was launched in 2008 and builds on the convening role and technical expertise of the Food and Agriculture Organisation (FAO), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP).

Main goal of the programme is to support Government of Mongolia in designing and implementing its National REDD+ Strategy and in meeting the requirements under the UNFCCC Warsaw Framework to receive results-based payments.

Total budget for the project is as follows:

Government of Mongolia:	USD 2,000,000 (for the Roadmap for Implementation)
UN-REDD MPTF	USD 3,996,450
GIZ	USD 1,400,000
FAO	USD 900,000

The projects outputs and goals

1. National REDD+Management arrangements established and improved Stakeholder awareness and effective stakeholder engagement.
2. National REDD+Strategy prepared.
3. Forest reference levels prepared.
4. National forest monitoring system and safeguards information system developed.

Main activities in 2018:

Outcome 1: NATIONAL REDD+ Management Arrangements Established And Improved Stakeholder Awareness And Effective Stakeholder Engagement

Output 1: A broad-based, multi-stakeholder National REDD+ Taskforce established

- When a Briefing Paper on Options for the REDD+Taskforce was discussed PEB meetings held in the previous year, it was agreed that the Taskforce would only be formed after the approval of the REDD+National Program and Action Plan therefore, a decision on establishing a REDD+Taskforce has been made by the Programme Executive Board.
- A Sustainable Forest Development Council-consisting of representatives (18) from 3 key technical working groups, FUGs /Forest user groups/, NGOs and private entities-was established and operated.
- The key REDD+National Programme and its Action Plan draft were further updated in 2018 with participation of relevant stakeholders and was discussed at a National Forum. The National Forum was attended by 72 participants representing provincials and Ulaanbaatar government and non-government organisations, research institutions, FUGs and private entities.

Output 3: CSO/LC forum established

- Until 30 December 2018, 4 quarterly meetings of the CSO Forum were conducted to self-assess and review operation and function of the Forum in general, and to assess the progress against activities planned by CSO Forum.
- One member of the Council is part of Programme Executive Board and 2 members of the council were part of technical working groups of the UN-REDD Mongolia National Programme participating workshops, meetings and seminars under each TWG.
- The forum members were trained in REDD+ Basic Training of Trainers and consequently more than 200 members of the Forum at local levels were trained by the Forum trainers. Thus, the Forum and its members are now able to provide inputs to the sub-national planning of forest and climate change mitigation/adaptation.

Output 4: Public awareness raised

Activity 4.1. Target group: decision makers-Implement public awareness raising strategy and stakeholder engagement plan

- Organised forums, workshops and trainings in cooperation with MET, Fresh Water and Environment Conservation Center and other NGOs.
- Produced and broadcasted TV programmes, short videos and animations on specific themes via media and social media networks.
- Produced and broadcasted TV interviews involving stakeholders.

Activity 4.2. Target group: General public-Implement public awareness raising strategy and stakeholder engagement plan

- Took part in inception event of "Green passport-throughout Mongolia" campaign and delivered training on Mongolian forests and soil to over 300 students of eco-clubs of secondary schools.
- Developed and printed advocacy materials dedicated to increase awareness and knowledge of the younger generation;
- Published news and articles in daily newspaper, magazine and news portals;
- Facilitated a targeted media tour group consisting of journalist and photographer to travel around Khentii, Selenge and Khuvsgul provinces and to document interviews and articles clarifying economic, social and environmental benefits of forests;

Activity 4.3. Target group: FUGs/Local forums – Implement public awareness raising strategy and stakeholder engagement plan

- Facilitated a targeted media tour group consisting of journalist and photographer to travel around Khentii, Selenge and Khuvsgul provinces and to document interviews and articles clarifying economic, social and environmental benefits of forests;
- Published news and articles in daily newspaper, magazine and news portals. Produced and broadcasted TV programmes via 4-5 TVs and mass media channels.
- Organised photo and essay writing contests among students of secondary schools of 21 provinces and 6 districts of the capital city, and set up an exhibition displaying selected photos and essays in the light of the International Children's Day and the World Environment Day and publicised the exhibition via mass media.

Output 5: Consultation and participation plan developed

- In line with stakeholder engagement plan and annual workplan, organised consultation and awareness raising activities were undertaken for government and non-government organisations, local forest specialists, communities, Forest Sustainable Development Council, TWGs, Board members and other stakeholders.
- REDD+Academy educations journals were published in Mongolian and Training of Trainers was delivered for relevant stakeholders and next level trainings were organised in rural and local areas via Forest Sustainable Development Council channels.

Output 6: Stakeholder Engagement Operational Guidelines, adapted to Mongolian context, developed and considered for institutionalization

- Developed a plan, capacity building training modules and handbook for “Gender responsive and socially inclusive stakeholder engagement for REDD+ in Mongolia”. The modules and handbook were reviewed by experts and tested in via piloted trainings and tested in Selenge province, involving respective stakeholders.
- The capacity building training modules and handbook for “Gender responsive and socially inclusive stakeholder engagement for REDD+ in Mongolia is being developed and finalised for printing. They will be ready for distribution within 3rd week of January 2019.

Outcome 2: NATIONAL REDD+ Strategy Prepared

Output 8: REDD+ policies and measures (PAMs) identified and prioritized

- REDD+Policies and Measure were drafted with 12 generic areas along with respective indicators and all other relevant information.
- The reports of the consultancy work on sub-national action plan for REDD+ for Tuv, Bulgan and Umnugobi provinces were discussed and reviewed on 10 October 2018. From the discussion, it was agreed to get the reports discussed by Councils under provincial governors.
- Consultancy work on “Re-establishing methodology to define ecological and economic values of Mongolian forests” has been completed. The consultancy work report was discussed with participation of the stakeholders on 03 October 2018. During the discussion, specific recommendations related to improving the renewed methodology, terminologies were suggested. Following the suggestions, the improved and updated version of the report was received and handed over to the Department of the Forest Policy and Coordination of the MET.
- Assessment of Wood Product Value Chain and Recommendations for the Mongolian Wood Processing sector was completed and report was circulated to MET, MOFALI, research institution and private entities.
- Background technical studies that feed into development of Policies and Measure have been completed in the reporting period. As part of the Action Plan for REDD+ National Programme, sub-action plans for 3 provinces were drafted. Plus, Khentii and Selenge provinces came under the plan development.

Output 9: Options for National REDD+ Funding Mechanism is developed

- A study on forest sector finance mechanisms was completed and identifies potential financing sources to implement the REDD+ National Programme. The report of the study was discussed and handed over to the Department of the Forest Policy and Coordination of the MET.
- An assessment of forest sector corruption risks was conducted and finalised following up recommendations given.

Output 10: Capacity-building plans developed for key institutions for REDD+ Readiness

- Training of trainers dedicated to educate 40 professionals from 12 provinces on REDD+ and climate changes issues was held. The trainers who attended the ToT further replicated the same training to 400 people from local organisations, forest user groups, forest entities and raised their knowledge on REDD+.
- An advanced training on “Forest and Climate Change” was delivered to REDD+ stakeholders during the period from 8 to 19 January 2018. The training was attended by 200 participants representing provincials and Ulaanbaatar government and non-government organisations, research institutions, FUGs and private entities. The National University of Mongolia, the University of Science and Technology and the University of Life Sciences have developed specific modules on “Forest and Climate Change” as integral part of their compulsory and selective curricula programme for forestry area students and published textbooks under the topic. Students can choose this module as part of their bachelor and master level studies.
- Organised capacity building training on data entry to the Environment Information Centre under MET, for 60 environment and forest sector professionals from all 21 provinces.

Output 12: REDD+ social and environmental safeguard policy framework developed

- Organised workshops with key stakeholders in order to define SIS objectives, architecture, roles and responsibilities of institutes in March, June and September 2018.
- Mongolia’s national safeguards clarification was finalised and presenting a set of national safeguards elements to clarify their content for Mongolia. These elements were also mapped against IFC performance standards.
- Findings and recommendations of PLR review were fed into several subsequent processes, including through a set of recommendations submitted to the Ministry of Environment and Tourism for consideration in their review of environmental legislation in 2018. Critical PLR gaps identified by this process should be tracked through upcoming amendments to environmental and other legislation; remaining gaps that are not covered in PLR reforms or require quicker solutions may require other measures. For more information, please see Background report on Policies, laws and regulations relevant to the Cancun Safeguards in Mongolia.
- Design of Safeguard Information System was finalised and presented to the DFPC of the MET.

Output 13: National REDD+ Strategy prepared through the collation of technical outputs from Outcomes 1-4

- REDD+ NP development Technical Working Group held 4 meetings until 30 December 2018 with presence of respective stakeholders.

- Sun-national Action Plan drafts for Tuv, Bulgan and Umnugobi provinces were further reviewed and developed via NP development TWG meetings and workshop in May and June 2018. The meetings and workshops were attended by 40 participants representing provincial government and non-government organisations, FUGs and forest private entities.

Outcome 3: Forest Reference Levels /FRL/ Developed

Output 14: Capacity built for the development of FRLs

- Quarterly TWG meeting was held 4 times in 2018.
- FRL Methodology developed and refined.

Output 15: FRLs methodologies developed and tested

- Revised and refined version of FREL/FRL report was re-submitted to UNFCCC. Comments from technical assessment team appointed by UNFCCC were received and we are working to give responses to the comments, recommendations and feedbacks.

Outcome 4: National Forest Monitoring System And Safeguards Information System Developed

Output 16: NFMS and Forest Information System (FIS) development process managed.

- A range of technical trainings delivered to organisations that are to provide information to Forest Monitoring system
- NFMS institutionalization document has been translated http://eic.mn/index_forest.php

Output 17: REDD+ MRV system developed

- Beta version of REDD+ SLMS portal developed and operational with updated MRV data.
- Forest inventory data collection methodology refinement and incorporation have been finalised.
- Completed piloting and testing of method on conducting saxaul forest inventory and assessment to meet international standard, with satisfactory statistical details.

Output 18: Safeguards Information System (SIS) established.

- REDD+ SIS development work has been initiated. Information systems and source were assessed. The results of the assessment were presented to TWG meeting held on 19 June 2018.
- In September 2018, TWG core group meeting was organised to discuss and clarify Institutional roles, function and arrangements determined; operational

requirement for SIS. As a result of the meeting, SIS design was designed. Further SIS design report was finalised.

Project progress:

All planned activities for year 2018 were implemented in line with the Annual Work Plan; except the following activities have been delayed, which are:

Outcome 1: NATIONAL REDD+ Management arrangements established and improved stakeholder awareness and effective stakeholder engagement

- Activity 1.1. “Formalisation of REDD+ Taskforce for National Program” was not implemented and the budget dedicated for this activity was spent for TWG member’s capacity building.
- Activity 3.1.3 “Meeting with Minister” this activity was suggested by Sustainable Forest Development Council to be implemented in 2018. However, due to lack of capacity of the Council to enforce the activity independently, lack of motivation initiative and efficiency to promote the importance of the activity to the National Programme Director.

Outcome 2: NATIONAL REDD+ Strategy Prepared

- Activity 8.7.1 “Institutional Capacity and Staffing Needs Assessment for REDD+” (this activity was recommended by previous National Programme Director, but due to her absence for 5 months, it was not clear who will implement this and with appointment of National Programme Director, the activity was left behind.)
- Activity 9.3 “National Consultant for Cost Benefit Analysis of REDD+ Strategy” and 9.4. “International Consultant for Cost Benefit Analysis of REDD+ Strategy” were not implemented as the REDD+ National Programme development has not been finalised and approved yet.

The Implementation Rate of the Work Plan was as follows as at December 31, 2018;

	Planned outputs	Number of insufficient performance	Progress rate
Outcome 1	39	3	94.00%
Outcome 2	21	1	95.20%
Outcome 3	4		99.00%
Outcome 4	16		98.00%
Total	80	4	96.55%

The remaining part of the planned activities was shifted to implement within March 2019.

Human Resources:

In 2018, the Project operated with 7 employees including Project coordinator, National consultant for capacity building, Chief Technical Advisor, Administrative and Finance Officer, Communication Officer, Governance officer, and Secretary/Translator. The Project was adequately staffed in the reporting year under review.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting basis of presentation

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

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

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.

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 2018 was as follows:

Months	Description	Rates in MNT
January 2018	UN Exchange rate: 1USD =	MNT 2,427.16
February 2018	UN Exchange rate: 1USD =	MNT 2,420.02
March 2018	UN Exchange rate: 1USD =	MNT 2,394.00
April 2018	UN Exchange rate: 1USD =	MNT 2,399.00
May 2018	UN Exchange rate: 1USD =	MNT 2,401.00
June 2018	UN Exchange rate: 1USD =	MNT 2,408.75
July 2018	UN Exchange rate: 1USD =	MNT 2,462.26
August 2018	UN Exchange rate: 1USD =	MNT 2,462.26
September 2018	UN Exchange rate: 1USD =	MNT 2,462.75
October 2018	UN Exchange rate: 1USD =	MNT 2,535.64
November 2018	UN Exchange rate: 1USD =	MNT 2,561.93
December 2018	UN Exchange rate: 1USD =	MNT 2,602.72

2.5 Recognition of income and expense

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 consists only petty cash. The Direct Payment modality procedure under the National Implementation Modality guidelines are used in the year 2018 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 2018.

2.7 Inventory and assets

As required by UNDP, the project classified its assets by their value as over and at/under USD 1,000.

Asset management

Asset management of the PIU was sufficient. All assets and equipments reviewed during the audit were in good condition.

2.8 Taxes

a. Indirect taxes and duties

According to Decree No.91, the Minister of Finance dated on March 01, 2016 the Project was included in "the Lists of projects and programs, exempted from VAT" and since then the Project are being exempted from VAT, without paying VAT included in the purchase prices of goods, works and services provided by suppliers.

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 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

Goods, works and services are procured in accordance with the Guidelines for Procurement under National Implementation Modality (NIM) Manual issued by the UNDP. The following general principles are given due consideration when exercising the procurement functions under UNDP- supported project.

- Best value for money
- Impartiality, integrity and transparency
- Effective competition
- Acquisition ethics
- Environmental considerations

Goods, works and services are procured under contracts awarded on a basis of the following methods in accordance with the Procurement Guideline:

- Local shopping
- Request for Quotation
- Request for Proposal
- Invitation to Bid (ITB)

Project procurement

As the project engaged with the National Implementation Modality, all goods, works and services are procured in compliance with the appendix to Order No. 68 of the Government of Mongolia from 2013, "Threshold price that is followed when choosing the procedures to be followed in the procurement of goods, works and services" in accordance with the "Law of Mongolia on Procurement of Goods, Works and Services with State and Local Funds".

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Table below shows information of the Project's procurement classified by methods and its budget versus performance for 2018:

			Direct purchase	Comparison method	Bidding	Total (In thous.tog)
Budget	Goods	Quantity	0	0	0	0
		Amount	0	0	0	0
	Service	Quantity	6	12	5	23
		Amount	30,250	207,500	40,000	277,750
	Work	Quantity	0	0	0	0
		Amount	0	0	0	0
	Total	Quantity	6	12	5	23
		Amount	30,250	207,500	40,000	277,750
Performance	Goods	Quantity	0	0	0	0
		Amount	0	0	0	0
	Service	Quantity	7	21	3	31
		Amount	27,683	205,918	37,396	270,997
	Work	Quantity	0	0	0	0
		Amount	0	0	0	0
	Total	Quantity	7	21	3	31
		Amount	27,683	205,918	37,396	270,997
Variance	TOTAL	Quantity	(1)	(9)	2	(8)
		Amount	2,567	1,582	2,604	6,753

NOTE 4. TOTAL EXPENDITURE PER EXPENSE ITEM

a) Expenditure detail by accounts

Account No.	Account name	For FY 2018	
		Gov exp.	UNDP exp. Total
61305	Salaries - IP Staff		35,215.87 35,215.87
61310	Post Adjustment - IP Staff		11,027.06 11,027.06
62305	Dependency Allowances-IP Staff		5,237.87 5,237.87
62310	Contrib to Jt Staff Pens Fd-IP		11,720.10 11,720.10
62315	Contrib. to medical, social in		1,205.34 1,205.34
62320	Mobility, Hardship, Non-remova		4,066.19 4,066.19
62330	Rental Supplements - IP Staff		1,799.32 1,799.32
62340	Annual Leave Expense - IP		3,973.99 3,973.99
63330	Ed Grt Incl Trvl&Allow-IP Stf		4,914.78 4,914.78
63335	Home Leave Trvl & Allow-IP Stf		1,541.65 1,541.65
63350	Reimb of Income tax-IP Staff		2,321.41 2,321.41
63530	Contribution to EOS Benefits		1,734.10 1,734.10
63535	Contribution to Security		1,965.34 1,965.34
63540	Contribution to Training		184.96 184.96
63545	Contribution to ICT		693.65 693.65
63550	Contributions to MAIP		46.25 46.25
63555	Contribution to UN JFA		1,502.91 1,502.91
63560	Contributions to Appendix D		115.59 115.59
64310	Separations - IP Staff		647.42 647.42
64397	Services to projects -CO staff		45,148.73 45,148.73
65115	Contributions to ASHI Reserve		4,485.57 4,485.57
65135	Payroll Mgt Cost Recovery ATLA		386.28 386.28
71205	Intl Consultants-Sht Term-Tech		154,711.17 154,711.17
71210	Intl Consultants-Sht Term-Supp		26,964.00 26,964.00
71211	Intl Consult Security Charge		1,468.17 1,468.17
71305	Local Consult.-Sht Term-Tech		74,573.07 74,573.07
71360	Local Consult-Security		398.67 398.67
71405	Service Contracts-Individuals		52,327.89 52,327.89
71410	MAIP Premium SC		37.98 37.98
71415	Contribution to Security SC		1,613.64 1,613.64
71605	Travel Tickets-International		2,093.37 2,093.37
71615	Daily Subsistence Allow-Intl		9,319.67 9,319.67
71620	Daily Subsistence Allow-Local		4,999.31 4,999.31
71635	Travel - Other		65,944.55 65,944.55
71810	Contractual Svcs-indiv ImpPtr		56,569.19 56,569.19
72105	Svc Co-Construction & Engineer		33,910.43 33,910.43
72115	Svc Co-Natural Resources & Env		29,559.66 29,559.66
72125	Svc Co-Studies & Research Serv		57,768.10 57,768.10
72135	Svc Co-Communications Service		64,422.17 64,422.17
72145	Svc Co-Training and Educ Serv		29,206.34 29,206.34
72155	Svc Co-Public Admin, Politics		7,158.75 7,158.75
72205	Office Mashinery		12.36 12.36

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72440	Connectivity Charges	2,002.20	2,002.20
72505	Stationery & other Office Supp	5,663.78	5,663.78
72510	Publications	21,079.10	21,079.10
72520	Electronic Media	2,070.86	2,070.86
73105	Rent	492.51	492.51
73125	Common Services-Premises	20.66	20.66
73405	Rental & Maint-Other Office Eq	1,389.95	1,389.95
74110	Audit Fees	4,501.88	4,501.88
74205	Audio Visual Productions	1,308.82	1,308.82
74210	Printing and Publications	12,824.36	12,824.36
74225	Other Media Costs	208.42	208.42
74525	Sundry	679.32	679.32
74596	Services to projects -GOE	8,140.89	8,140.89
74720	Distribution Cost	475.65	475.65
75105	Facilities & Admin - Implement	66,644.55	66,644.55
75705	Learning costs	71,268.13	71,268.13
76125	Realized Loss	787.79	787.79
76135	Realized Gain	(1,673.51)	(1,673.51)
Total		1,010,878.23	1,010,878.23

- (i) 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.

b) Expenses of UNDP Supported activity

Account No.	Account name	Amount
61305	Salaries - IP Staff	35,215.87
61310	Post Adjustment - IP Staff	11,027.06
62305	Dependency Allowances-IP Staff	5,237.87
62310	Contrib to Jt Staff Pens Fd-IP	11,720.10
62315	Contrib. to medical, social in	1,205.34
62320	Mobility, Hardship, Non-remova	4,066.19
62330	Rental Supplements - IP Staff	1,799.32
62340	Annual Leave Expense - IP	3,973.99
63330	Ed Grt Incl Trvl&Allow-IP Stf	4,914.78
63335	Home Leave Trvl & Allow-IP Stf	1,541.65
63350	Reimb of Income tax-IP Staff	2,321.41
63530	Contribution to EOS Benefits	1,734.10
63535	Contribution to Security	1,965.34
63540	Contribution to Training	184.96
63545	Contribution to ICT	693.65
63550	Contributions to MAIP	46.25
63555	Contribution to UN JFA	1,502.91
63560	Contributions to Appendix D	115.59
64310	Separations - IP Staff	647.42
64397	Services to projects -CO staff	45,148.73
65115	Contributions to ASHI Reserve	4,485.57
65135	Payroll Mgt Cost Recovery ATLA	386.28
71205	Intl Consultants-Sht Term-Tech	1,468.17
71211	Intl Consult Security Charge	1,468.17
71305	Local Consult.-Sht Term-Tech	81.62
71360	Local Consult-Security	398.67
71405	Service Contracts-Individuals	42,661.06
71410	MAIP Premium SC	37.98
71415	Contribution to Security SC	1,613.64
71605	Travel Tickets-International	2,093.37
71615	Daily Subsistence Allow-Intl	3,933.61
71635	Travel - Other	1,030.02
72510	Publications	(90.23)
74596	Services to projects -GOE	8,140.89
75105	Facilities & Admin - Implement	66,666.17
Total		269,437.52

c) Total expenditure by donors

Donors	Amount
United Nations Development Programme	1,010,878.23
Total	1,010,878.23

NOTE 5. ACTIVITY 0

There was no advance made to the Project for the period ended December 31, 2018 because all payments directly processed by UNDP upon request of the National project director.

NOTE 6. ACTIVITY 1-NATIONAL REDD+TASKFORCE

a) Expenditure detail by accounts

Account No.	Account name	For FY 2018		
		Gov exp.	UNDP exp.	Total
71305	Local Consult.-Sht Term-Tech		3,018.34	3,018.34
71605	Travel Tickets-International		1,120.61	1,120.61
71615	Daily Subsistence Allow-Intl		1,555.00	1,555.00
71635	Travel-Other		2,937.48	2,937.48
71810	Contractual Svcs-indiv ImpPtr		4,321.07	4,321.07
72105	Svc Co-Construction & Engineer		10,821.53	10,821.53
72135	Svc Co-Communications Service		7,344.99	7,344.99
72145	Svc Co-Training and Educ Serv		10,141.01	10,141.01
72505	Stationery & other Office Supp		171.62	171.62
72510	Publications		179.39	179.39
73405	Rental & Maint-Other Office Equipment		631.42	631.42
74210	Printing and Publications		260.48	260.48
74525	Sundry		25.96	25.96
74720	Distribution Cost		91.72	91.72
75105	Facilities & Admin - Implement		3,515.57	3,515.57
75705	Learning costs		7,602.25	7,602.25
76125	Realized Loss		87.22	87.22
76135	Realized Gain		(75.86)	(75.86)
Total			53,749.80	53,749.80

b) Expenditure detail by donors

Donors	Amount
United Nations Development Programme	53,749.80
Total	53,749.80

NOTE 8. ACTIVITY 2- PROGRAMME MANAGEMENT UNIT

a) Expenditure detail by accounts

Account No.	Account name	For FY 2018		
		Gov exp.	UNDP exp.	Total
61305	Salaries - IP Staff		35,215.87	35,215.87
61310	Post Adjustment - IP Staff		11,027.06	11,027.06
62305	Dependency Allowances-IP Staff		5,237.87	5,237.87
62310	Contrib to Jt Staff Pens Fd-IP		11,720.10	11,720.10
62315	Contrib. to medical, social in		1,205.34	1,205.34
62320	Mobility, Hardship, Non-remova		4,066.19	4,066.19
62330	Rental Supplements - IP Staff		1,799.32	1,799.32
62340	Annual Leave Expense - IP		3,973.99	3,973.99
63330	Ed Grt Incl Trvl&Allow-IP Stf		4,914.78	4,914.78
63335	Home Leave Trvl & Allow-IP Stf		1,541.65	1,541.65
63350	Reimb of Income tax-IP Staff		2,321.41	2,321.41
63530	Contribution to EOS Benefits		1,734.10	1,734.10
63535	Contribution to Security		1,965.34	1,965.34
63540	Contribution to Training		184.96	184.96
63545	Contribution to ICT		693.65	693.65
63550	Contributions to MAIP		46.25	46.25
63555	Contribution to UN JFA		1,502.91	1,502.91
63560	Contributions to Appendix D		115.59	115.59
64310	Separations - IP Staff		647.42	647.42
64397	Services to projects -CO staff		28,846.00	28,846.00
65115	Contributions to ASHI Reserve		4,485.57	4,485.57
65135	Payroll Mgt Cost Recovery ATLA		386.28	386.28
71205	Intl Consultants-Sht Term-Tech		101,318.17	101,318.17
71211	Intl Consult Security Charge		1,468.17	1,468.17
71305	Local Consult.-Sht Term-Tech		6,911.40	6,911.40
71405	Service Contracts-Individuals		42,661.06	42,661.06
71410	MAIP Premium SC		37.98	37.98
71415	Contribution to Security SC		1,613.64	1,613.64
71615	Daily Subsistence Allow-Intl		2,990.00	2,990.00
71810	Contractual Svcs-indiv ImpPtnr		19,675.00	19,675.00
72135	Svc Co-Communications Service		738.58	738.58
72205	Office Mashinery		12.36	12.36
72440	Connectivity Charges		1,458.17	1,458.17
72505	Stationery & other Office Supp		2,792.64	2,792.64
72510	Publications		156.28	156.28
72520	Electronic Media		14.13	14.13
73105	Rent		492.51	492.51
73125	Common Services-Premises		20.66	20.66
74110	Audit Fees		4,501.88	4,501.88
74205	Audio Visual Productions		426.84	426.84
74525	Sundry		486.09	486.09
74596	Services to projects -GOE		1,154.00	1,154.00

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74720	Distribution Cost	100.97	100.97
75105	Facilities & Admin - Implement	21,975.40	21,975.40
75705	Learning costs	1,272.25	1,272.25
76125	Realized Loss	3.53	3.53
76135	Realized Gain	(124.02)	(124.02)
Total		335,789.34	335,789.34

b) Expenditure detail by donors

Donors	Amount
United Nations Development Programme	335,789.34
Total	335,789.34

NOTE 8. ACTIVITY 3-CSO/LC FORUM

a) Expenditure detail by accounts

Account No.	Account name	For FY 2018		
		Gov exp.	UNDP exp.	Total
64397	Services to projects -CO staff		16,302.73	16,302.73
71305	Local Consult.-Sht Term-Tech		710.91	710.91
71605	Travel Tickets-International		972.76	972.76
71615	Daily Subsistence Allow-Intl		1,452.00	1,452.00
71620	Daily Subsistence Allow-Local		1,215.57	1,215.57
71635	Travel - Other		9,303.88	9,303.88
71810	Contractual Svcs-indiv ImpPtr		179.22	179.22
72115	Svc Co-Natural Resources & Env		1,165.27	1,165.27
72125	Svc Co-Studies & Research Serv		6,164.79	6,164.79
72135	Svc Co-Communications Service		1,237.44	1,237.44
72145	Svc Co-Training and Educ Serv		968.79	968.79
72505	Stationery & other Office Supp		128.33	128.33
74210	Printing and Publications		58.55	58.55
74596	Services to projects -GOE		6,986.89	6,986.89
74720	Distribution Cost		3.05	3.05
75105	Facilities & Admin - Implement		4,495.79	4,495.79
75705	Learning costs		17,375.54	17,375.54
76125	Realized Loss		3.51	3.51
76135	Realized Gain		(114.57)	(114.57)
	Total		68,610.45	68,610.45

b) Expenditure detail by donors

Donors	Amount
United Nations Development Programme	68,610.45
Total	68,610.45

NOTE 9. ACTIVITY 4-PUBLIC AWARENESS

a) Expenditure detail by accounts

Account No.	Account name	For FY 2018	
		Gov exp.	UNDP exp. Total
71305	Local Consult.-Sht Term-Tech		6,133.43 6,133.43
71405	Service Contracts-Individuals		6,816.15 6,816.15
71615	Daily Subsistence Allow-Intl		308.87 308.87
71620	Daily Subsistence Allow-Local		1,090.19 1,090.19
71635	Travel - Other		3,472.53 3,472.53
71810	Contractual Svcs-indiv ImpPtr		13,268.41 13,268.41
72125	Svc Co-Studies & Research Serv		6,093.17 6,093.17
72135	Svc Co-Communications Service		51,356.94 51,356.94
72145	Svc Co-Training and Educ Serv		4,085.04 4,085.04
72155	Svc Co-Public Admin, Politics		7,158.75 7,158.75
72440	Connectivity Charges		544.03 544.03
72505	Stationery & other Office Supp		539.91 539.91
72510	Publications		11,025.06 11,025.06
72520	Electronic Media		2,056.73 2,056.73
74210	Printing and Publications		7,351.50 7,351.50
74225	Other Media Costs		208.42 208.42
74525	Sundry		139.67 139.67
74720	Distribution Cost		33.03 33.03
75105	Facilities & Admin - Implement		8,764.62 8,764.62
75705	Learning costs		3,527.05 3,527.05
76125	Realized Loss		48.24 48.24
76135	Realized Gain		(142.51) (142.51)
	Total		133,879.23 133,879.23

b) Expenditure detail by donors

Donors	Amount
United Nations Development Programme	133,879.23
Total	133,879.23

NOTE 10. ACTIVITY 5-CONSULTATION AND PARTICIPATION PLAN

a) Expenditure detail by accounts

Account No.	Account name	For FY 2018		
		Gov exp.	UNDP exp.	Total
71615	Daily Subsistence Allow-Intl		3,013.80	3,013.80
71635	Travel - Other		21,401.30	21,401.30
72125	Svc Co-Studies & Research Serv		35,339.46	35,339.46
72145	Svc Co-Training and Educ Serv		12,811.00	12,811.00
72510	Publications		3,316.46	3,316.46
75105	Facilities & Admin - Implement		5,377.77	5,377.77
75705	Learning costs		943.40	943.40
76125	Realized Loss		520.95	520.95
76135	Realized Gain		(104.46)	(104.46)
Total			82,619.68	82,619.68

b) Expenditure detail by donors

Donors	Amount
United Nations Development Programme	82,619.68
Total	82,619.68

NOTE 11. ACTIVITY 6-NATIONAL FPIC GUIDELINES

a) Expenditure detail by accounts

Account No.	Account name	For FY 2018		
		Gov exp.	UNDP exp.	Total
71305	Local Consult.-Sht Term-Tech		1,964.67	1,964.67
71405	Service Contracts-Individuals		152.76	152.76
71635	Travel - Other		997.73	997.73
72105	Svc Co-Construction & Engineer		23,067.28	23,067.28
72505	Stationery & other Office Supp		61.02	61.02
74720	Distribution Cost		3.33	3.33
75105	Facilities & Admin - Implement		1,886.80	1,886.80
75705	Learning costs		707.29	707.29
76135	Realized Gain		(104.46)	(104.46)
Total			28,736.42	28,736.42

b) Expenditure detail by donors

Donors	Дүн
United Nations Development Programme	28,736.42
Total	28,736.42

NOTE 12. ACTIVITY 8-REDD+POLICIES AND MEASURES

a) Expenditure detail by accounts

Account No.	Account name	For FY 2018		
		Gov exp.	UNDP exp.	Total
71205	Intl Consultants-Sht Term-Tech		53,393.00	53,393.00
71305	Local Consult.-Sht Term-Tech		25,879.40	25,879.40
71405	Service Contracts-Individuals		1,062.42	1,062.42
71620	Daily Subsistence Allow-Local		2,693.55	2,693.55
71635	Travel - Other		22,823.72	22,823.72
71810	Contractual Svcs-indiv ImpPtr		689.20	689.20
72115	Svc Co-Natural Resources & Env		27,166.87	27,166.87
72125	Svc Co-Studies & Research Serv		10,170.68	10,170.68
72135	Svc Co-Communications Service		3,744.22	3,744.22
72145	Svc Co-Training and Educ Serv		1,200.50	1,200.50
72505	Stationery & other Office Supp		693.09	693.09
72510	Publications		4,934.01	4,934.01
73405	Rental & Maint-Other Office Eq		583.09	583.09
74210	Printing and Publications		16.37	16.37
74720	Distribution Cost		223.27	223.27
75105	Facilities & Admin - Implement		12,331.25	12,331.25
75705	Learning costs		20,887.43	20,887.43
76125	Realized Loss		67.34	67.34
76135	Realized Gain		(753.34)	(753.34)
Total			187,806.07	187,806.07

b) Expenditure detail by donors

Donors	Amount
United Nations Development Programme	187,806.07
Total	187,806.07

NOTE 13. ACTIVITY 9-NATIONAL FUND MANAGEMENT & MECHANISM

a) Expenditure detail by accounts

Account No.	Account name	For FY 2018		
		Gov exp.	UNDP exp.	Total
71210	Intl Consultants-Sht Term-Supp		26,964.00	26,964.00
71305	Local Consult.-Sht Term-Tech		7,742.38	7,742.38
71360	Local Consult-Security		59.34	59.34
72505	Stationery & other Office Supp		32.64	32.64
72510	Publications		1,249.06	1,249.06
73405	Rental & Maint-Other Office Eq		167.09	167.09
74205	Audio Visual Productions		473.26	473.26
74210	Printing and Publications		1,131.96	1,131.96
75105	Facilities & Admin - Implement		2,726.90	2,726.90
75705	Learning costs		1,136.01	1,136.01
76135	Realized Gain		(57.06)	(57.06)
Total			41,625.58	41,625.58

b) Expenditure detail by donors

Donors	Amount
United Nations Development Programme	41,625.58
Total	41,625.58

NOTE 14. ACTIVITY 12-REDD+SOCIAL & ENVIRONMENT SAFEGUARD

a) Expenditure detail by accounts

Account No.	Account name	For FY 2018		
		Gov exp.	UNDP exp.	Total
71305	Local Consult.-Sht Term-Tech		0.00	0.00
71810	Contractual Svcs-indiv ImpPtr		0.00	0.00
74210	Printing and Publications		0.00	0.00
74525	Sundry		0.00	0.00
75105	Facilities & Admin - Implement		0.00	0.00
76135	Realized Loss		12.46	12.46
Total			12.46	12.46

b) Expenditure detail by donors

Donors	Amount
United Nations Development Programme	12.46
Total	12.46

NOTE 15. ACTIVITY 13-NATIONAL REDD+STRATEGY

a) Expenditure detail by accounts

Account No.	Account name	For FY 2018		
		Gov exp.	UNDP exp.	Total
71305	Local Consult.-Sht Term-Tech		2,688.42	2,688.42
71405	Service Contracts-Individuals		1,635.50	1,635.50
71635	Travel - Other		138.32	138.32
71810	Contractual Svcs-indiv ImpPtr		8,358.50	8,358.50
72505	Stationery & other Office Supp		64.04	64.04
73405	Rental & Maint-Other Office Eq		8.35	8.35
74210	Printing and Publications		3,694.35	3,694.35
75105	Facilities & Admin - Implement		1,502.07	1,502.07
75705	Learning costs		4,871.05	4,871.05
76125	Realized Loss		31.68	31.68
76135	Realized Gain		(45.52)	(45.52)
	Total		22,946.76	22,946.76

b) Expenditure detail by donors

Donors	Amount
United Nations Development Programme	22,946.76
Total	22,946.76

NOTE 16. ACTIVITY 18-SAFEGUARDS INFORMATION SYSTEM

a) Expenditure detail by accounts

Account No.	Account name	For FY 2018		
		Gov exp.	UNDP exp.	Total
71305	Local Consult.-Sht Term-Tech		19,524.12	19,524.12
71360	Local Consult-Security		339.33	339.33
71635	Travel - Other		4,869.59	4,869.59
71810	Contractual Svcs-indiv ImpPtr		10,077.79	10,077.79
72115	Svc Co-Natural Resources & Env		1,227.52	1,227.52
72505	Stationery & other Office Supp		1,180.49	1,180.49
72510	Publications		218.84	218.84
74205	Audio Visual Productions		408.72	408.72
74210	Printing and Publications		311.15	311.15
74525	Sundry		27.60	27.60
74720	Distribution Cost		20.28	20.28
75105	Facilities & Admin - Implement		4,090.00	4,090.00
75705	Learning costs		12,945.86	12,945.86
76125	Realized Loss		12.86	12.86
76135	Realized Gain		(151.71)	(151.71)
	Total		55,102.44	55,102.44

b) Expenditure detail by donors

Donors	Amount
United Nations Development Programme	55,102.44
Total	55,102.44

NOTE 17. SUBSEQUENT EVENTS

The Project management is not aware of any events that occurred after the end of the reporting period until the date the auditor's report was issued, which would have any material impact on these statements.

NOTE 18. BUDGET ANALYSIS

Activity	Budget	Performance	Variance	%
Activity 1. National REDD+Taskforce	64,738.00	53,749.80	10,988.20	17%
Activity 2. Programme Management Unit	340,665.00	335,789.34	4,875.66	1%
Activity 3. CSO/LC forum	70,941.00	68,610.45	2,330.55	3%
Activity 4. Public Awareness	129,727.00	133,879.23	(4,152.23)	-3%
Activity 5. Consultation and Participation Plan	66,875.00	82,619.68	(15,744.68)	-24%
Activity 6. National FPIC guidelines	40,249.00	28,736.42	11,512.58	29%
Activity 8. REDD+Policies and measures	236,158.00	187,806.07	48,351.93	20%
Activity 9. National Fund Management & Mechanism	112,845.00	41,625.58	71,219.42	63%
Activity 12. REDD+Social & Environment safeguard	0.00	12.46	(12.46)	0%
Activity 13. National REDD+Strategy	21,400.00	22,946.76	(1,546.76)	-7%
Activity 18. Safeguards Information system established	55,100.00	55,102.44	(2.44)	0%
Total	1,138,698.00	1,010,878.23	127,819.77	11%

Source: Annual Work Plan was revised and signed by National Programme Manager, National Programme Director, Programme Analyst, and UNDP Deputy Resident Representative on February 26, 2018.

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

- Budget for Activity 1 was saved by 17% or actually the budgeted funds have not been disbursed because the establishment of a REDD+Taskforce was delayed by the decision of the Programme Executive Board until the Taskforce is formed and related activities for building capacities have not been made.
- Budget for Activity 5 was exceeded by 24% because the actual cost of international tour was higher than the budgeted amounts.
- Budget for Activity 6 was saved by 29% or actually the budgeted funds have not been disbursed because the activity for conducting training in rural areas using the manuals was cancelled due to time pressure for developing the manuals in both English and Mongolian languages, edition, and publication of them.
- Budget for Activity 8 was saved by 20% because the fees of international and domestic consultants have been over-budgeted and Activity under 8.7.1 has not been completed.
- Budget for Activity 9 was saved by 63% or actually the budgeted funds have not been disbursed because Activities under 9.3 and 9.4 have not been implemented.
- Budget for Activity 13 was exceeded by 7% because draft REDD+National Program and Action Plan have been discussed by the parties for rather long time compared with the planned period.

NOTE 19. INTERNAL CONTROL

Human resources

We conducted an audit of human resources procedures and the financial data at the Project office. The objective of the audit was to assess human resources legal and financial compliant 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.

We concluded based on the current procedures and legislations in place that the Project human resource management and control system have being adequately established as of December 31, 2018 in the following context:

- Project applied the principles of competitiveness, transparent and effectiveness in the recruitment and selection the project staff and consultants.
- 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 being properly conducted 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.

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,

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DSA tariff, fuel cost, and accommodation cost, vehicle types, location, payments have all supported by documents.

- The Project occupied an office place in the Government building during its term and office was structured and managed effectively.

NOTE 20. 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.

NOTE 21. 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.
UNREDD 15/1	Dec 17, 2015	Laptop	86572	30000	Good	Khishigiargal	Gov.Buil-2	IT Zone LLC	1,412.59	DELL Latitude E6440
15/2	Dec 17, 2017	Laptop	86572	30000	Good	Narantsatsral	Gov.Buil-2	IT Zone LLC	1,412.59	DELL Latitude E6440
15/47	Dec 29, 2015	Multifunctional printer	86572	30000	Medium	Narantsatsral	Gov.Buil-2	IT Zone LLC	1,933.30	Canon iR2520
16/87	May 25, 2016	Laptop	86572	30000	Good	Narantsatsral	Gov.Buil-2	IT Zone LLC	1,109.75	Dell Latitude E5470
TOTAL VALUE									5,868.23	

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.
Furniture and equipment										
15/5	Dec 17, 2015	Mouse	86572	30000	Good	Khishigiargal	Gov.Buil-2	IT Zone LLC	13.84	Dell, Wireless
15/6	Dec 17, 2015	Mouse	86572	30000	Good	Narantsatsral	Gov.Buil-2	IT Zone LLC	13.84	Dell, Wireless
15/7	Dec 17, 2015	Color printer	86572	30000	Broken	Narantsatsral	Gov.Buil-2	IT Zone LLC	50.25	MG2970 Canon
15/8	Dec 28, 2015	Processor	86572	30000	Medium	Narantsatsral	Gov.Buil-2	IT Zone LLC	629.97	DELL Optiplex 7020
15/9	Dec 28, 2015	Processor	86572	30000	Medium	Dulamjav	Gov.Buil-2	IT Zone LLC	629.97	DELL Optiplex 7020
15/10	Dec 28, 2015	Processor	86572	30000	Medium	Narantsatsral	Gov.Buil-2	IT Zone LLC	629.97	DELL Optiplex 7020
15/11	Dec 28, 2015	Monitor & mouse	86572	30000	Good	Khishigiargal	Gov.Buil-2	IT Zone LLC	104.61	DELL 18,5" Wide HD
15/12	Dec 28, 2015	Monitor & mouse	86572	30000	Good	Dulamjav	Gov.Buil-2	IT Zone LLC	104.61	DELL 18,5" Wide HD
15/13	Dec 28, 2015	Monitor & mouse	86572	30000	Good	Narantsatsral	Gov.Buil-2	IT Zone LLC	104.61	DELL 18,5" Wide HD
15/14	Dec 28, 2015	Monitor	86572	30000	Good	Khishigiargal	Gov.Buil-2	IT Zone LLC	168.57	LG, 23" IPS, HDMI
15/15	Dec 28, 2015	Monitor	86572	30000	Good	Narantsatsral	Gov.Buil-2	IT Zone LLC	168.57	LG, 23" IPS, HDMI
15/16	Dec 28, 2015	Table	86572	30000	Good	Khishigiargal	Gov.Buil-2	BSB Trading LLC	348.12	1800*900*750
15/17	Dec 28, 2015	Table	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	348.12	1800*900*750

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List of Assets with value of less than 1,000 USD per Item-Continued-1

15/18	Dec 28, 2015	Table with draw	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	217.44	1800*900*750
15/19	Dec 28, 2015	Table with draw	86572	30000	Good	Dulamjav	Gov.Buil-2	BSB Trading LLC	217.44	LGDBTABMAIN140W
15/20	Dec 28, 2015	Table with draw	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	217.44	LGDBTABMAIN140W
15/21	Dec 28, 2015	Table with draw	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	217.44	LGDBTABMAIN140W
15/22	Dec 28, 2015	Table with draw	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	217.44	LGDBTABMAIN140W
15/23	Dec 28, 2015	Table with draw	86572	30000	Good	Khongor	Gov.Buil-2	BSB Trading LLC	217.44	LGDBTABMAIN140W
15/24	Dec 28, 2015	Drawer	86572	30000	Good	Khishigjargal	Gov.Buil-2	BSB Trading LLC	158.99	LGDBCABMEDS751
15/25	Dec 28, 2015	Drawer	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	158.99	LGDBCABMEDS751
15/26	Dec 28, 2015	Top screen	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	105.73	FW14EG 1400*300*15
15/27	Dec 28, 2015	Top screen	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	105.73	FW14EG 1400*300*16
15/28	Dec 28, 2015	Top screen	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	117.78	FW16EG 1400*300*17
15/29	Dec 28, 2015	Chair	86572	30000	Medium	Khishigjargal	Gov.Buil-2	BSB Trading LLC	95.67	CHRHIGH5510HFA
15/30	Dec 28, 2015	Chair	86572	30000	Medium	Narantsatsral	Gov.Buil-2	BSB Trading LLC	95.67	CHRHIGH5510HFA
15/31	Dec 28, 2015	Chair	86572	30000	Medium	Narantsatsral	Gov.Buil-2	BSB Trading LLC	87.69	CHRLowMGL MESH
15/32	Dec 28, 2015	Chair	86572	30000	Medium	Dulamjav	Gov.Buil-2	BSB Trading LLC	87.69	CHRLowMGL MESH
15/33	Dec 28, 2015	Chair	86572	30000	Medium	Narantsatsral	Gov.Buil-2	BSB Trading LLC	87.69	CHRLowMGL MESH
15/34	Dec 28, 2015	Chair	86572	30000	N/A	Narantsatsral	Gov.Buil-2	BSB Trading LLC	87.69	CHRLowMGL MESH
15/35	Dec 28, 2015	Chair	86572	30000	Medium	Narantsatsral	Gov.Buil-2	BSB Trading LLC	87.69	CHRLowMGL MESH
15/36	Dec 28, 2015	Chair	86572	30000	Medium	Khongor	Gov.Buil-2	BSB Trading LLC	87.69	CHRLowMGL MESH
15/37	Dec 28, 2015	Wardrobe	86572	30000	Good	Dulamjav	Gov.Buil-2	BSB Trading LLC	130.46	900*400*1850
15/38	Dec 28, 2015	Table for meeting	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	193.38	OVAL, 2400*1200*750
15/39	Dec 28, 2015	Meeting chair	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	43.83	CHRVIS 200FA,
15/40	Dec 28, 2015	Meeting chair	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	43.83	CHRVIS 200FA,
15/41	Dec 28, 2015	Meeting chair	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	43.83	CHRVIS 200FA,
15/42	Dec 28, 2015	Meeting chair	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	43.83	CHRVIS 200FA,
15/43	Dec 28, 2015	Meeting chair	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	43.83	CHRVIS 200FA,
15/44	Dec 28, 2015	Meeting chair	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	43.83	CHRVIS 200FA,
15/45	Dec 28, 2015	Meeting chair	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	43.83	CHRVIS 200FA,
15/46	Dec 28, 2015	Meeting chair	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	43.83	CHRVIS 200FA,
15/48	Dec 30, 2015	HDD	86572	30000	Medium	Khishigjargal	Gov.Buil-2	IT Zone LLC	73.09	External 1TB Transcend
15/49	Dec 31, 2015	HDD	86572	30000	Medium	Narantsatsral	Gov.Buil-2	IT Zone LLC	73.14	External 1TB Transcend
16/50	Jan 06, 2016	Projector	86572	30000	Medium	Narantsatsral	Gov.Buil-2	BSB Electronics	639.52	NEC PROJIM311XG
16/51	Jan 12, 2016	Wardrobe	86572	30000	Medium	Narantsatsral	Gov.Buil-2	BSB Trading LLC	136.47	900*400*1850
16/52	Jan 12, 2016	Drawer	86572	30000	Good	Dulamjav	Gov.Buil-2	BSB Trading LLC	153.79	LGDBCABMED S750,
16/53	Jan 13, 2016	HD box	86572	30000	Good	Narantsatsral	Gov.Buil-2	Univision LLC	50.14	Univision equip
16/54	Jan 13, 2016	Smart box	86572	30000	Good	Narantsatsral	Gov.Buil-2	Univision LLC	25.07	Univision equip
16/58	Jan 21, 2016	Rack for printer	86572	30000	Good	Narantsatsral	Gov.Buil-2	Chrisdengo LLC	45.58	Wooden 55*55*45
16/59	Feb 23, 2016	Voice recorder	86572	30000	Medium	Dulamjav	Gov.Buil-2	BCT LLC	99.7	SONY UX533

UNITED NATIONS DEVELOPMENT PROGRAMME
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List of Assets with value of less than 1,000 USD per item-Continued-2

16/60	Feb 23, 2016	Presenter	86572	30000	Broken	Dulamjav	Gov.Buil-2	BCT LLC	38.52	Logitech R400
16/61	Feb 23, 2016	Headset	86572	30000	Medium	Narantsatsral	Gov.Buil-2	Summit Electronics	17.43	Logitech HI50
16/62	Feb 29, 2016	IP Phone with charger	86572	30000	Good	Dulamjav	Gov.Buil-2	Orgil Stream LLC	143.56	Grandstream, GXP2140
16/63	Feb 29, 2016	IP Phone with charger	86572	30000	Good	Dulamjav	Gov.Buil-2	Orgil Stream LLC	49.01	Grandstream
16/64	Feb 29, 2016	IP Phone with charger	86572	30000	Good	Khongor	Gov.Buil-2	Orgil Stream LLC	49.01	Grandstream
16/65	Feb 29, 2016	IP Phone with charger	86572	30000	Good	Narantsatsral	Gov.Buil-2	Orgil Stream LLC	49.01	Grandstream
16/66	Feb 29, 2016	IP Phone with charger	86572	30000	Good	Narantsatsral	Gov.Buil-2	Orgil Stream LLC	49.01	Grandstream
16/67	Feb 29, 2016	IP Phone with charger	86572	30000	Good	Khishigiargal	Gov.Buil-2	Orgil Stream LLC	66.83	Grandstream
16/68	Feb 29, 2016	IP Phone with charger	86572	30000	Good	Narantsatsral	Gov.Buil-2	Orgil Stream LLC	47.03	Grandstream
16/69	Feb 29, 2016	IP Phone with charger	86572	30000	Good	Narantsatsral	Gov.Buil-2	Orgil Stream LLC	47.03	Grandstream
16/70	Feb 29, 2016	Switch	86572	30000	Good	Narantsatsral	Gov.Buil-2	Orgil Stream LLC	59.41	TPLINK 16 port
16/71	Feb 29, 2016	IPP Box	86572	30000	Good	Narantsatsral	Gov.Buil-2	Orgil Stream LLC	351.49	Grandstream
16/72	Feb 29, 2016	Rack	86572	30000	Good	Narantsatsral	Gov.Buil-2	Orgil Stream LLC	48.51	6U
16/73	Mar 14, 2016	Hanger	86572	30000	Medium	Narantsatsral	Gov.Buil-2	Astra Od LLC	31.75	Bosoo, Khuren
16/74	Apr 14, 2016	Camera	86572	30000	Broken	Narantsatsral	Gov.Buil-2	BCT LLC	589.97	Nikon D5300
16/75	Apr 20, 2016	Monitor	86572	30000	Good	Narantsatsral	Gov.Buil-2	IT Zone LLC	175.89	Dell 23", Wide FHD
16/76	Apr 20, 2016	Processor	86572	30000	Good	Khishigiargal	Gov.Buil-2	IT Zone LLC	672.47	Dell, Optiplex 7020
16/85	May 06, 2016	Coffee maker	86572	30000	Broken	Narantsatsral	Gov.Buil-2	Next Electronics	41.35	HD7431/20 Philips
16/86	May 18, 2016	Headset	86572	30000	Broken	Narantsatsral	Gov.Buil-2	Next Electronics	27.25	Sony, MDR
16/88	May 25, 2016	Mouse	86572	30000	Good	Narantsatsral	Gov.Buil-2	IT Zone LLC	17.67	Dell wireless WM126
16/89	May 25, 2016	Water boiler	86572	30000	Good	Narantsatsral	Gov.Buil-2	IT Zone LLC	74.69	Panasonic, NCEH40P, 4lt
16/90	May 25, 2016	Safebox	86572	30000	Good	Dulamjav	Gov.Buil-2	Lois Invest LLC	235.09	OSSD
16/91	May 27, 2016	Water dispenser	86572	30000	Good	Narantsatsral	Gov.Buil-2	Standard Us LLC	174.39	WFD360
16/92	May 30, 2016	HDD	86572	30000	Medium	Narantsatsral	Gov.Buil-2	Sart Planet LLC	79.72	Seagate 1TB usb 3.0
16/93	May 30, 2016	HDD	86572	30000	Broken	Dulamjav	Gov.Buil-2	Sart Planet LLC	79.72	Seagate 1TB usb 3.1
16/94	May 30, 2016	Monitor	86572	30000	Good	Narantsatsral	Gov.Buil-2	Sart Planet LLC	249.13	Dell Crystal 24"
16/95	May 30, 2016	Powershred	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Computers	96.89	Fellowes 60Cs
16/96	Jun 10, 2016	Docking Station	86572	30000	Good	Khishigiargal	Gov.Buil-2	Sart Planet LLC	249.13	Dell EPort Replicator
16/97	Jun 10, 2016	Docking Station	86572	30000	Good	Narantsatsral	Gov.Buil-2	Sart Planet LLC	249.13	Dell EPort Replicator
16/98	Jul 20, 2016	Headset	86572	30000	Medium	Khishigiargal	Gov.Buil-2	BCT LLC	8.72	Philips, SHM1500
16/99	Jul 20, 2016	Headset	86572	30000	Medium	Narantsatsral	Gov.Buil-2	BCT LLC	8.72	Philips, SHM1500
16/100	Jul 20, 2016	Headset	86572	30000	Medium	Narantsatsral	Gov.Buil-2	BCT LLC	8.72	Philips, SHM1500
16/101	Jul 20, 2016	Headset	86572	30000	Medium	Narantsatsral	Gov.Buil-2	BCT LLC	10.65	KX 101
16/102	Jul 25, 2016	Rack for newspaper	86572	30000	Medium	Narantsatsral	Gov.Buil-2	IECHT LLC	24.21	thin, bosoo
16/106	Oct 12, 2016	Air freshener	86572	30000	Medium	Narantsatsral	Gov.Buil-2	BSB Megastore	378.25	Panasonic, FVXK 704
16/107	Oct 12, 2016	Air freshener	86572	30000	Medium	Khishigiargal	Gov.Buil-2	BSB Megastore	378.25	Panasonic, FVXK 704
16/108	Dec 02, 2016	Color printer	86572	30000	Good	Narantsatsral	Gov.Buil-2	Next Electronics	223.75	EPSON L455
17/109	Feb 20, 2017	IP hand set	86572	30000	Good	Narantsatsral	Gov.Buil-2	Orgil Stream LLC	41.10	GXP1610
17/110	Feb 20, 2017	IP hand set	86572	30000	Good	Narantsatsral	Gov.Buil-2	Orgil Stream LLC	41.10	GXP1610

UNITED NATIONS DEVELOPMENT PROGRAMME
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List of Assets with value of less than 1,000 USD per item-Continued-3

17/111	Feb 20, 2017	IP hand set	86572	30000	Good	Narantsatsral	Gov.Buil-2	Ongil Stream LLC	41.10	GXP1610
17/112	Feb 20, 2017	Drawer	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	218.18	1400*800*750
17/113	Feb 20, 2017	Drawer	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	195.99	1200*800*750
17/114	Feb 20, 2017	Drawer	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	195.99	1200*800*750
17/115	Feb 20, 2017	Desktop bracket	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	96.18	FW 1400*370
17/116	Feb 20, 2017	Chair with wheel	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	88.75	MG-L Mesh chair
17/117	Feb 20, 2017	Chair with wheel	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	88.75	MG-L Mesh chair
17/118	Feb 20, 2017	Chair with wheel	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	88.75	MG-L Mesh chair
17/119	Feb 20, 2017	Drawer with wheel	86572	30000	Good	Khishigiargal	Gov.Buil-2	BSB Trading LLC	112.79	LGD M3 Mobile pedestal
17/120	Feb 20, 2017	Drawer with wheel	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	112.79	LGD M3 Mobile pedestal
17/121	Feb 20, 2017	Drawer with wheel	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	112.79	LGD M3 Mobile pedestal
17/122	Mar 27, 2017	Glass bracket	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	90.23	FW12EG
17/123	Mar 27, 2017	Glass bracket	86572	30000	Good	Narantsatsral	Gov.Buil-2	BSB Trading LLC	90.23	FW12EG
17/124	Apr 04, 2017	Laptop	86572	30000	Good	Tungalag	Gov.Buil-2	Cyber Com LLC	769.70	Dell Inspiron 5567
17/125	Apr 04, 2017	Laptop	86572	30000	Good	Narantsatsral	Gov.Buil-2	Cyber Com LLC	769.70	Dell Inspiron 5567
17/126	Apr 04, 2017	Processor	86572	30000	Good	Narantsatsral	Gov.Buil-2	Cyber Com LLC	514.48	Dell Optiplex 3046n
17/127	Apr 04, 2017	Monitor	86572	30000	Good	Narantsatsral	Gov.Buil-2	Cyber Com LLC	129.63	Dell E2316H
17/128	Apr 04, 2017	UPS	86572	30000	Good	Narantsatsral	Gov.Buil-2	Cyber Com LLC	112.62	APC BX1100LI-MS
17/129	Apr 04, 2017	Headset	86572	30000	Medium	Narantsatsral	Gov.Buil-2	Cyber Com LLC	9.72	Logitech H110
17/130	Apr 04, 2017	Headset	86572	30000	Medium	Narantsatsral	Gov.Buil-2	Cyber Com LLC	9.72	Logitech H110
17/131	Apr 04, 2017	Headset	86572	30000	Medium	Narantsatsral	Gov.Buil-2	Cyber Com LLC	9.72	Logitech H110
17/132	Apr 04, 2017	Portable hard drive	86572	30000	Medium	Narantsatsral	Gov.Buil-2	Cyber Com LLC	66.44	Toshiba 1TB USB 3.0
17/133	Apr 04, 2017	Portable hard drive	86572	30000	Medium	Narantsatsral	Gov.Buil-2	Cyber Com LLC	66.44	Toshiba 1TB USB 3.0
17/134	Apr 04, 2017	Keyboard & Mouse	86572	30000	Good	Narantsatsral	Gov.Buil-2	Cyber Com LLC	20.26	Logitech MK270
17/135	Apr 04, 2017	Keyboard & Mouse	86572	30000	Good	Narantsatsral	Gov.Buil-2	Cyber Com LLC	20.26	Logitech MK270
17/136	Apr 04, 2017	RAM	86572	30000	Good	Narantsatsral	Gov.Buil-2	Cyber Com LLC	31.19	4G DDR3 Kingston 1600MHz
17/137	Apr 17, 2017	Air condition	86572	30000	Medium	Narantsatsral	Gov.Buil-2	Sinus Dochi Co	802.12	MCA2-18HR, /ceiling/
17/138	Apr 17, 2017	Air condition	86572	30000	Medium	Narantsatsral	Gov.Buil-2	Sinus Dochi Co	424.00	MCA2-18HR, /wall/
Sub-total									18,427.45	

REPORT ON THE AUDIT OF THE UNDP CDR

UNDP Combined Delivery Report (CDR)

For the period from January 01, 2018 to December 31, 2018

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)
86253	MON/15/301	1,010,878.23	Unmodified	N/A	N/A	N/A

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

Date: *March 25, 2019*

REPORT ON THE AUDIT OF THE STATEMENT OF ASSETS AND EQUIPMENT

Statement of Assets and Equipment

As at December 31, 2018

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)
86253	MON/15/301	25,387.10	Unmodified	N/A

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

Date: *March 25, 2019*

REPORT ON THE AUDIT OF THE STATEMENT OF CASH POSITION

Statement of Cash Position
 As at December 31, 2018

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)
86253	MON/15/301	16.69	Unmodified	N/A

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

Date: *March 25, 2019*

CURRENT YEAR AUDIT OBSERVATION AND RECOMMENDATIONS

Project No. 86253 Output No. MON /15/301

№	Audit observation	Recommendation	Audit area	Risk Severity	Project/CO Mngmt. Comments
1	<p><u>Social insurance charges not paid within the stipulated period</u></p> <p>Social insurance charges for the first six months of the year 2018 were paid but delayed than the time period stipulated in the law. For example; social insurance charge for January 2018 shall be paid within that month or before January 31, 2018. However, that social insurance charge was paid on March 15, 2018.</p> <p>According to our estimation, penalty on undue payment of the social insurance charges for the year is approximately amounts of 1.9 million togrogs.</p>	<p>As said in Article 16 of Social Insurance Law of Mongolia, the monthly social insurance charges shall be paid within that month. In addition, penalty is estimated by 0.3% per delayed day on the unpaid or undue social insurance charges according to Article 20 of Social Insurance Law of Mongolia.</p> <p>Therefore, the Project shall estimate and pay the social insurance charges within the time period stipulated in the law.</p>	Finance	Low	The recommendations were accepted and will be adhered in the future.

<p>2</p>	<p><u>Rental payments of the equipment</u></p> <p>The Project rents translation equipment and headphone from individual M.Odgerel. As said in the Rental agreement of the equipment, personal income tax was withheld from the rental fee by 10%. Personal income taxes total amounts of 337,500 togrogs were withheld and paid during the year 2018.</p>	<p>As said in Article 19.1.1 of the Personal Income Tax Law of Mongolia, individual, who earns rental income, shall himself determine its taxable income as deducting the related cost of rents from the rental income. In addition, the individual shall pay 10% tax on that taxable income and shall submit to the tax office in accordance with Article 23.2.4 and 27.2 of the law.</p> <p>Therefore, the Project is not responsible for deducting the taxes from the rental payments.</p>	<p>Finance</p>	<p>Low</p>	<p>According to the contract established with M. Odgerel, it was agreed that income tax of 10% should be deducted from total payment. The contractor had an option to have operational expenses to be deducted from his taxable income in the contract.</p> <p>The Article 18 of the Personal Income Tax Law of Mongolia states” when Determining taxable income from activities, if deductible expenses are not documented they shall not be deducted from taxable income”. As M. Odgerel, did not provide documents for deductible expenses, 10% was deducted from his total payment.</p> <p><i>18.2. If expenses specified in paragraph 18.1 are not documented, not related to the activities, or are expended for personal use of a taxpayer, they shall not be deducted from taxable income.</i></p>
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UNITED NATIONS DEVELOPMENT PROGRAMME
UN-REDD MONGOLIA NATIONAL PROGRAMME

	<p>3 <u>Physical counting of fixed assets</u></p> <p>We have conducted the physical counting of fixed assets on March 01, 2019 in order to check the physical existence of the assets and assess the quality condition of them within the scope of auditing. As a result of the counting, we have revealed that one chair that put into usage on December 28, 2015 and with historical cost amounts of 87.69 US Dollars was not physically existed, other 7 assets were broken out and remaining 131 assets were in normal quality condition from total 139 assets recorded. These 8 assets were shown below;</p> <ol style="list-style-type: none"> 1. One chair – not existed 2. Color printer - broken 3. Remote control - broken 4. Camera - broken 5. Coffee boiler - broken 6. Headphone - broken 7. Portable hard drive - broken 8. Binder tool - broken 		Finance	Low	<p>We will adhere the recommendation in the future when concluding similar contracts.</p> <p>The missing chair with serial number 15/34 was a chair that was broken when used by Programme Officer Bilguun. As the chair was broken, it was placed in the meeting room and Bilguun used one of the chairs from the meeting room instead.</p> <p>The meeting room was quite often used by the ministry staff for meeting purposes as there is limited spaces in the ministry premise, and they used to bring different chairs from their rooms as there were lack of chairs.</p> <p>It was not possible to monitor every single entry to the meeting room; we are not in position to be able to give comments about the missing chair.</p>
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					<p>We checked with logistics officer of the Ministry and could not see it in their warehouse. It is not clear who shall compensate the chair.</p> <p>Other broken items were damaged while we were using them normally.</p>
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Name and position of Auditor:

Ch. Davaasuren,
General Director

Signature of Auditor:

Date:

March 25, 2019

Name and Stamp of Audit Firm: Sevilla Audit LLC



Combined Delivery Report by Activity



UN Development Programme
Report ID: unglcdrb

Page 1 of 9
Run Time: 19-02-2019 06:02:13

Selection Criteria :

Business Unit : MNG10
Period : Jan-Dec (2018)
Selected Project Id : 00086253
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : ALL

Project Id : 00086253 UN-REDD National Programme Mon	Period :	Jan-Dec (2018)
Output # : 00093549 UN-REDD National Programme Mon	Impl. Partner :	02124 Ministry Of Nature And Envir Mongolla
	Location :	

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
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Activity : ACTIVITY 1 (National REDD+ Taskforce)

Fund : 30000 (PROGRAMME COST SHARING)

71305 - Local Consult.-Sht Term-Tech	0.00	3,018.34	0.00	3,018.34
71605 - Travel Tickets-International	0.00	1,120.61	0.00	1,120.61
71615 - Daily Subsistence Allow-Intl	0.00	1,555.00	0.00	1,555.00
71635 - Travel - Other	0.00	2,937.48	0.00	2,937.48
71810 - Contractual Svcs-indiv ImpPtr	0.00	4,321.07	0.00	4,321.07
72105 - Svc Co-Construction & Engineer	0.00	10,821.53	0.00	10,821.53
72135 - Svc Co-Communications Service	0.00	7,344.99	0.00	7,344.99
72145 - Svc Co-Training and Educ Serv	0.00	10,141.01	0.00	10,141.01
72505 - Stationery & other Office Supp	0.00	171.62	0.00	171.62
72510 - Publications	0.00	179.39	0.00	179.39
73405 - Rental & Maint-Other Office Eq	0.00	631.42	0.00	631.42
74210 - Printing and Publications	0.00	260.48	0.00	260.48
74525 - Sundry	0.00	25.96	0.00	25.96
74720 - Distribution Cost	0.00	91.72	0.00	91.72
75105 - Facilities & Admin - Implement	0.00	3,515.57	0.00	3,515.57
75705 - Learning costs	0.00	7,602.25	0.00	7,602.25
76125 - Realized Loss	0.00	87.22	0.00	87.22
76135 - Realized Gain	0.00	-75.86	0.00	-75.86
Total for Fund 30000	0.00	53,749.80	0.00	53,749.80

Total for Activity ACTIVITY 1 0.00 53,749.80 0.00 53,749.80

Activity : ACTIVITY 12 (REDD+ Social&Envi.safeguard)

Fund : 30000 (PROGRAMME COST SHARING)

71305 - Local Consult.-Sht Term-Tech	0.00	0.00	0.00	0.00
71810 - Contractual Svcs-indiv ImpPtr	0.00	0.00	0.00	0.00
74210 - Printing and Publications	0.00	0.00	0.00	0.00
74525 - Sundry	0.00	0.00	0.00	0.00
75105 - Facilities & Admin - Implement	0.00	0.00	0.00	0.00
76125 - Realized Loss	0.00	12.46	0.00	12.46
Total for Fund 30000	0.00	12.46	0.00	12.46

Total for Activity ACTIVITY 12 0.00 12.46 0.00 12.46

Activity : ACTIVITY 13 (National REDD+ Strategy)



Combined Delivery Report by Activity



UN Development Programme
Report ID: unglcdrb

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Project Id : 00086253 UN-REDD National Programme Mon	Period : Jan-Dec (2018)
Output # : 00093549 UN-REDD National Programme Mon	Impl. Partner : 02124 Ministry Of Nature And Envir
	Location : Mongolia

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
62315 - Contrib. to medical, social in	0.00	1,205.34	0.00	1,205.34
62320 - Mobility, Hardship, Non-remova	0.00	4,066.19	0.00	4,066.19
62330 - Rental Supplements - IP Staff	0.00	1,799.32	0.00	1,799.32
62340 - Annual Leave Expense - IP	0.00	3,973.99	0.00	3,973.99
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	4,914.78	0.00	4,914.78
63335 - Home Leave Trvl & Allow-IP Stf	0.00	1,541.65	0.00	1,541.65
63350 - Reimb of Income Tax-IP Staff	0.00	2,321.41	0.00	2,321.41
63530 - Contribution to EOS Benefits	0.00	1,734.10	0.00	1,734.10
63535 - Contribution to Security	0.00	1,965.34	0.00	1,965.34
63540 - Contribution to Training	0.00	184.96	0.00	184.96
63545 - Contribution to ICT	0.00	693.65	0.00	693.65
63550 - Contributions to MAIP	0.00	46.25	0.00	46.25
63555 - Contribution to UN JFA	0.00	1,502.91	0.00	1,502.91
63560 - Contributions to Appendix D	0.00	115.59	0.00	115.59
64310 - Separations - IP Staff	0.00	647.42	0.00	647.42
64397 - Services to projects -CO staff	0.00	28,846.00	0.00	28,846.00
65115 - Contributions to ASHI Reserve	0.00	4,485.57	0.00	4,485.57
65135 - Payroll Mgt Cost Recovery ATLA	0.00	386.28	0.00	386.28
71205 - Intl Consultants-Sht Term-Tech	0.00	101,318.17	0.00	101,318.17
71211 - Intl Consult Security Charge	0.00	1,468.17	0.00	1,468.17
71305 - Local Consult.-Sht Term-Tech	0.00	6,911.40	0.00	6,911.40
71405 - Service Contracts-Individuals	0.00	42,661.06	0.00	42,661.06
71410 - MAIP Premium SC	0.00	37.98	0.00	37.98
71415 - Contribution to Security SC	0.00	1,613.64	0.00	1,613.64
71615 - Daily Subsistence Allow-Intl	0.00	2,990.00	0.00	2,990.00
71810 - Contractual Svcs-indiv ImpPtr	0.00	19,675.00	0.00	19,675.00
72135 - Svc Co-Communications Service	0.00	738.58	0.00	738.58
72205 - Office Machinery	0.00	12.36	0.00	12.36
72440 - Connectivity Charges	0.00	1,458.17	0.00	1,458.17
72505 - Stationery & other Office Supp	0.00	2,792.64	0.00	2,792.64
72510 - Publications	0.00	156.28	0.00	156.28
72520 - Electronic Media	0.00	14.13	0.00	14.13
73105 - Rent	0.00	492.51	0.00	492.51
73125 - Common Services-Premises	0.00	20.66	0.00	20.66
74110 - Audit Fees	0.00	4,501.88	0.00	4,501.88
74205 - Audio Visual Productions	0.00	426.84	0.00	426.84
74525 - Sundry	0.00	486.09	0.00	486.09
74596 - Services to projects -GOE	0.00	1,154.00	0.00	1,154.00
74720 - Distribution Cost	0.00	100.97	0.00	100.97
75105 - Facilities & Admin - Implement	0.00	21,975.40	0.00	21,975.40
75705 - Learning costs	0.00	1,272.25	0.00	1,272.25
76125 - Realized Loss	0.00	3.53	0.00	3.53
76135 - Realized Gain	0.00	- 124.02	0.00	- 124.02
Total for Fund 30000	0.00	335,789.34	0.00	335,789.34
Total for Activity ACTIVITY 2	0.00	335,789.34	0.00	335,789.34

Activity : ACTIVITY 3 (CSO/LC forum)
Fund : 30000 (PROGRAMME COST SHARING)

Combined Delivery Report by Activity



UN Development Programme
Report ID: unglcdrb

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Run Time: 19-02-2019 06:02:14

Project Id : 00086253 UN-REDD National Programme Mon	Period :	Jan-Dec (2018)		
Output # : 00093549 UN-REDD National Programme Mon	Impl. Partner :	02124 Ministry Of Nature And Envr		
	Location :	Mongolia		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
64397 - Services to projects -CO staff	0.00	16,302.73	0.00	16,302.73
71305 - Local Consult.-Sht Term-Tech	0.00	710.91	0.00	710.91
71605 - Travel Tickets-international	0.00	972.76	0.00	972.76
71615 - Daily Subsistence Allow-Intl	0.00	1,452.00	0.00	1,452.00
71620 - Daily Subsistence Allow-Local	0.00	1,215.57	0.00	1,215.57
71635 - Travel - Other	0.00	9,303.88	0.00	9,303.88
71810 - Contractual Svcs-indiv ImpPtnr	0.00	179.22	0.00	179.22
72115 - Svc Co-Natural Resources & Env	0.00	1,165.27	0.00	1,165.27
72125 - Svc Co-Studies & Research Serv	0.00	6,164.79	0.00	6,164.79
72135 - Svc Co-Communications Service	0.00	1,237.44	0.00	1,237.44
72145 - Svc Co-Training and Educ Serv	0.00	968.79	0.00	968.79
72505 - Stationery & other Office Supp	0.00	128.33	0.00	128.33
74210 - Printing and Publications	0.00	58.55	0.00	58.55
74596 - Services to projects -GOE	0.00	6,986.89	0.00	6,986.89
74720 - Distribution Cost	0.00	3.05	0.00	3.05
75105 - Facilities & Admin - Implement	0.00	4,495.79	0.00	4,495.79
75705 - Learning costs	0.00	17,375.54	0.00	17,375.54
76125 - Realized Loss	0.00	3.51	0.00	3.51
76135 - Realized Gain	0.00	- 114.57	0.00	- 114.57
Total for Fund 30000	0.00	68,610.45	0.00	68,610.45
Total for Activity ACTIVITY 3	0.00	68,610.45	0.00	68,610.45
Activity : ACTIVITY 4 (Public awareness)				
Fund : 30000 (PROGRAMME COST SHARING)				
71305 - Local Consult.-Sht Term-Tech	0.00	6,133.43	0.00	6,133.43
71405 - Service Contracts-Individuals	0.00	6,816.15	0.00	6,816.15
71615 - Daily Subsistence Allow-Intl	0.00	308.87	0.00	308.87
71620 - Daily Subsistence Allow-Local	0.00	1,090.19	0.00	1,090.19
71635 - Travel - Other	0.00	3,472.53	0.00	3,472.53
71810 - Contractual Svcs-indiv ImpPtnr	0.00	13,268.41	0.00	13,268.41
72125 - Svc Co-Studies & Research Serv	0.00	6,093.17	0.00	6,093.17
72135 - Svc Co-Communications Service	0.00	51,356.94	0.00	51,356.94
72145 - Svc Co-Training and Educ Serv	0.00	4,085.04	0.00	4,085.04
72155 - Svc Co-Public Admin, Politics	0.00	7,158.75	0.00	7,158.75
72440 - Connectivity Charges	0.00	544.03	0.00	544.03
72505 - Stationery & other Office Supp	0.00	539.91	0.00	539.91
72510 - Publications	0.00	11,025.06	0.00	11,025.06
72520 - Electronic Media	0.00	2,056.73	0.00	2,056.73
74210 - Printing and Publications	0.00	7,351.50	0.00	7,351.50
74225 - Other Media Costs	0.00	208.42	0.00	208.42
74525 - Sundry	0.00	139.67	0.00	139.67
74720 - Distribution Cost	0.00	33.03	0.00	33.03
75105 - Facilities & Admin - Implement	0.00	8,764.62	0.00	8,764.62
75705 - Learning costs	0.00	3,527.05	0.00	3,527.05
76125 - Realized Loss	0.00	48.24	0.00	48.24
76135 - Realized Gain	0.00	- 142.51	0.00	- 142.51
Total for Fund 30000	0.00	133,879.23	0.00	133,879.23

Combined Delivery Report by Activity



UN Development Programme

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Project id : 00086253 UN-REDD National Programme Mon	Period : Jan-Dec (2018)
Output # : 00093549 UN-REDD National Programme Mon	Impl. Partner : 02124 Ministry Of Nature And Envir
	Location : Mongolia

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
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Total for Activity ACTIVITY 4	0.00	133,879.23	0.00	133,879.23
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Activity : ACTIVITY 5 (Consult&Participation plan)

Fund : 30000 (PROGRAMME COST SHARING)

71615 - Daily Subsistence Allow-Intl	0.00	3,013.80	0.00	3,013.80
71635 - Travel - Other	0.00	21,401.30	0.00	21,401.30
72125 - Svc Co-Studies & Research Serv	0.00	35,339.46	0.00	35,339.46
72145 - Svc Co-Training and Educ Serv	0.00	12,811.00	0.00	12,811.00
72510 - Publications	0.00	3,316.46	0.00	3,316.46
75105 - Facilities & Admin - Implement	0.00	5,377.77	0.00	5,377.77
75705 - Learning costs	0.00	943.40	0.00	943.40
76125 - Realized Loss	0.00	520.95	0.00	520.95
76135 - Realized Gain	0.00	- 104.46	0.00	- 104.46

Total for Fund 30000	0.00	82,619.68	0.00	82,619.68
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Total for Activity ACTIVITY 5	0.00	82,619.68	0.00	82,619.68
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Activity : ACTIVITY 6 (National FPIC guidelines)

Fund : 30000 (PROGRAMME COST SHARING)

71305 - Local Consult.-Sht Term-Tech	0.00	1,964.67	0.00	1,964.67
71405 - Service Contracts-Individuals	0.00	152.76	0.00	152.76
71635 - Travel - Other	0.00	997.73	0.00	997.73
72105 - Svc Co-Construction & Engineer	0.00	23,067.28	0.00	23,067.28
72505 - Stationery & other Office Supp	0.00	61.02	0.00	61.02
74720 - Distribution Cost	0.00	3.33	0.00	3.33
75105 - Facilities & Admin - Implement	0.00	1,886.80	0.00	1,886.80
75705 - Learning costs	0.00	707.29	0.00	707.29
76135 - Realized Gain	0.00	- 104.46	0.00	- 104.46

Total for Fund 30000	0.00	28,736.42	0.00	28,736.42
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Total for Activity ACTIVITY 6	0.00	28,736.42	0.00	28,736.42
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Activity : ACTIVITY 8 (REDD+ policies&measures)

Fund : 30000 (PROGRAMME COST SHARING)

71205 - Intl Consultants-Sht Term-Tech	0.00	53,393.00	0.00	53,393.00
71305 - Local Consult.-Sht Term-Tech	0.00	25,879.40	0.00	25,879.40
71405 - Service Contracts-Individuals	0.00	1,062.42	0.00	1,062.42
71620 - Daily Subsistence Allow-Local	0.00	2,693.55	0.00	2,693.55
71635 - Travel - Other	0.00	22,823.72	0.00	22,823.72

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Report ID: unglcdrb

Project Id : 00086253 UN-REDD National Programme Mon	Period :	Jan-Dec (2018)
Output # : 00093549 UN-REDD National Programme Mon	Impl. Partner :	02124 Ministry Of Nature And Envir
	Location :	Mongolia


	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
71810 - Contractual Svcs-indiv ImpPtr	0.00	689.20	0.00	689.20
72115 - Svc Co-Natural Resources & Env	0.00	27,166.87	0.00	27,166.87
72125 - Svc Co-Studies & Research Serv	0.00	10,170.68	0.00	10,170.68
72135 - Svc Co-Communications Service	0.00	3,744.22	0.00	3,744.22
72145 - Svc Co-Training and Educ Serv	0.00	1,200.50	0.00	1,200.50
72505 - Stationery & other Office Supp	0.00	693.09	0.00	693.09
72510 - Publications	0.00	4,934.01	0.00	4,934.01
73405 - Rental & Maint-Other Office Eq	0.00	583.09	0.00	583.09
74210 - Printing and Publications	0.00	16.37	0.00	16.37
74720 - Distribution Cost	0.00	223.27	0.00	223.27
75105 - Facilities & Admin - Implement	0.00	12,331.25	0.00	12,331.25
75705 - Learning costs	0.00	20,887.43	0.00	20,887.43
76125 - Realized Loss	0.00	67.34	0.00	67.34
76135 - Realized Gain	0.00	- 753.34	0.00	- 753.34
Total for Fund 30000	0.00	187,806.07	0.00	187,806.07
Total for Activity ACTIVITY 8	0.00	187,806.07	0.00	187,806.07
Activity : ACTIVITY 9 (National fund Manag&Mechanism)				
Fund : 30000 (PROGRAMME COST SHARING)				
71210 - Intl Consultants-Sht Term-Supp	0.00	26,964.00	0.00	26,964.00
71305 - Local Consult.-Sht Term-Tech	0.00	7,742.38	0.00	7,742.38
71360 - Local Consult-Security	0.00	59.34	0.00	59.34
72505 - Stationery & other Office Supp	0.00	32.64	0.00	32.64
72510 - Publications	0.00	1,249.06	0.00	1,249.06
73405 - Rental & Maint-Other Office Eq	0.00	167.09	0.00	167.09
74205 - Audio Visual Productions	0.00	473.26	0.00	473.26
74210 - Printing and Publications	0.00	1,131.96	0.00	1,131.96
75105 - Facilities & Admin - Implement	0.00	2,726.90	0.00	2,726.90
75705 - Learning costs	0.00	1,136.01	0.00	1,136.01
76135 - Realized Gain	0.00	- 57.06	0.00	- 57.06
Total for Fund 30000	0.00	41,625.58	0.00	41,625.58
Total for Activity ACTIVITY 9	0.00	41,625.58	0.00	41,625.58
Total for Output : 00093549	0.00	1,010,878.23	0.00	1,010,878.23




Combined Delivery Report by Activity

Project Id : 00086253 UN-REDD National Programme Mon	Period :	Jan-Dec (2018)
Output # : 00093549 UN-REDD National Programme Mon	Impl. Partner :	02124 Ministry Of Nature And Envir
	Location :	Mongolia

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Project Total :	0.00	1,010,878.23	0.00	1,010,878.23

Signed by: 
 Vineet Mathur, Assistant Resident Representative (Operations), UNDP
BY

Date: 28-3-2019.

Signed by: 
 B. Oyunsanaa (National Project Director)

Date: April 01, 2019

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

Date: March 25, 2019





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UN Development Programme
Report ID: unglcdrb

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Selection Criteria :

Business Unit : MNG10
Period : Jan-Dec (2018)
Selected Project Id : 00086253
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : ALL

Project Id : ALL	Period : Jan-Dec (2018)
Output # : ALL	Impl. Partner :
	Location :
	Govt Exp UNDP Exp UN Agencies Exp Total Exp

41801 - Mongolia - Central	0.00	330.49	0.00	330.49
41805 - Mongolia - Energy & Envirnmnt	0.00	1,010,547.74	0.00	1,010,547.74



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UN Development Programme
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Funds Utilization

Selection Criteria :

Business Unit : MNG10
Period : Jan-Dec (2018)
Selected Project Id : 00086253
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : ALL

Project/Award: 00086253 UN-REDD National Programme Mon

Period : As Of Dec31,2018

Output #	00093549	Impl. Partner :02124 Ministry Of Nature And Envir	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			0.00
Unamortized Intangible Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			979.49