

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



*Empowered lives.
Resilient nations.*

AUDIT

OF

UNDP IRAQ

LOCAL AREA DEVELOPMENT PROGRAM PHASE II
(Directly Implemented Project No. 66352, Output No. 82552)

Report No. 1483

Issue Date: 15 September 2015

Report on the Audit of UNDP Iraq Local Area Development Program Phase II (Project No. 66352, Output No. 82552) Executive Summary

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), conducted from 14 to 18 June 2015 an audit of Local Area Development Program Phase II (Project No. 66352, Output No. 82552) (the Project), which is directly implemented and managed by the UNDP Country Office in Iraq (the Office). This was the first audit of the Project.

The audit firm conducted a financial audit to express an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations. The audit covered the Project's Combined Delivery Report, which includes expenditure for the period from 01 January to 31 December 2014 and the accompanying Funds Utilization statement¹ as of 31 December 2014 as well as Statement of Assets as of 31 December 2014. The audit did not include activities and expenses incurred or undertaken at the "responsible party" level, or expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). In addition, the audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Project.

The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Audit results

Based on the audit report and corresponding management letter submitted by the audit firm, the results are summarized in the table below:

Project Expenditure*			Project Assets		
Amount (in \$ '000)	Opinion	NFI** (in \$ '000)	Amount (in \$ '000)	Opinion	NFI (in \$ '000)
2,043	Qualified	216	106	Qualified	6

*Expenditures recorded in the Combined Delivery Report were \$2.73 million. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$0.68 million).

**NFI = Net Financial Impact

The audit firm qualified its opinion on project expenditure and project assets due to lack of supporting documents for expenditures and assets.

Key recommendations: Total = 2, high priority = 1

The audit resulted in two recommendations, which aim to ensure the following: (a) reliability and integrity of financial and operational information (Recommendation 1); and (b) safeguarding of assets (Recommendation 2).

The medium priority recommendation aims to address lack of supporting documents for assets valued at \$6,000.

¹ The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) depreciated fixed assets used at the project level; (c) inventory held at the project level; (d) prepayments made by the project; and (e) outstanding commitments held at the project level.

For high (critical) priority recommendations, prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP. The high (critical) priority recommendation is presented below:

Lack of supporting
documentation
(Issue 1)

The Office did not provide supporting documents as evidence that expenditures amounting to \$215,666 were incurred for project purposes and in accordance with UNDP regulations. The Office's Finance Unit had staff turnover and finance personnel that were not familiar with the Atlas system. Furthermore, some project documents were kept outside of the Country and the retrieval process was difficult.

Recommendation: The Office should ensure that adequate supporting documents are maintained by having proper handover between exiting and joining staff, providing adequate Atlas training to finance personnel, and maintaining adequate records of documents that are kept outside of the country.

Management comments and action plan

The Resident Representative accepted both recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated into the report, where appropriate.



Helge S. Osttveiten
Director
Office of Audit and Investigations

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
AUDIT REPORT

7 September 2015

**FINANCIAL AUDIT OF THE UNDP DIRECTLY IMPLEMENTED (DIM)
PROJECT**
Local Area Development Programme Phase II

Project name:	Local Area Development Programme Phase II
UNDP Country Office:	Iraq
Atlas Project ID:	00066352
Atlas Output ID:	00082552
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January to 31 December 2014

Table of Contents

1. EXECUTIVE SUMMARY	3
2. THE AUDIT ENGAGEMENT	4
3. BACKGROUND INFORMATION ABOUT THE PROJECT	5
4. AUDIT REPORT WITH OPINIONS	8
4.1 STATEMENT OF EXPENDITURE	8
4.2 STATEMENT OF ASSETS AND EQUIPMENT	10
4.3 STATEMENT OF CASH POSITION	12
5. MANAGEMENT LETTER	13
ANNEXES	16
ANNEX 1: COMBINED DELIVERY REPORT	16
ANNEX 2: STATEMENT OF ASSETS AND EQUIPMENT	23
ANNEX 3: AUDIT FINDING PRIORITY RATINGS	25

1. EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of Local Area Development Programme Phase II (Project ID 00066352 and Output ID 00082552) (the project), directly implemented by UNDP Iraq for the year ended 31 December 2014. The audit was undertaken on behalf of UNDP, Office of Audit and Investigations (OAI).

We have issued audit opinions as summarised in the table below and as detailed in the next section:

Statement of Expenditure	Qualified
Statement of Fixed Assets	Qualified
Statement of Cash Position	Not applicable

As a result of our audit, we have raised two of audit findings with a net financial impact of \$221,848, as summarised below:

No.	Description	Priority	Net financial impact \$
1	No supporting documentation (expenditure)	High	215,666
2	No supporting documentation (assets and equipment)	Medium	6,182
Total			221,848



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

7 September 2015

2. THE AUDIT ENGAGEMENT

Audit Objective

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

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2014 and the funds utilization as at 31 December 2014 are fairly presented in accordance with UNDP accounting policies and that the expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNDP; and (iv) supported by properly approved vouchers and other supporting documents.
- Expressing an opinion on whether the statement of fixed assets presents fairly the balance of assets of the UNDP project as at 31 December 2014. This statement must include all assets available as at 31 December 2014 and not only those purchased in a given period. Where a DIM project does not have any assets or equipment, it will not be necessary to express such an opinion.
- Expressing an opinion on whether the statement of cash held by the project presents fairly the cash and bank balance of UNDP project as at 31 December 2014. Our audit firm is required to express an opinion on the Statement of Cash only where a dedicated bank account for the DIM project has been established. In cases where the cash transactions of the audited DIM project are made through the country office bank accounts, this type of opinion is not required.

Scope of Audit

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project between 1 January and 31 December 2014. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of "responsible parties", unless the inclusion of these expenses is specifically required in the request for proposal; and
- Expenses processed and approved in locations outside the country such as UNDP Regional Centres and UNDP Headquarters and where the supporting documentation is not retained at the level of the UNDP country office.

The audit covers all activities of the project 66352 "Area Based Development Program" during the period from 1 January to 31 December 2014; and includes a review of project reports and records located at the UNDP country office in Iraq, and, as applicable, field offices of the project/programme and other field locations.

Specifically, the audit covers the following:

- (a) The expenses incurred and recorded in the Combined Delivery Reports (CDR) of the project 66352 during the period from 1 January to 31 December 2014 and the Funds Utilization statement as at 31 December 2014, as reported by the Office in Iraq;
- (b) The value and existence of the fixed assets held by the project 00066352 as at 31 December 2014; and
- (c) The value and existence of cash held by the project 00066352 as at 31 December 2014, either as cash at hand or in the bank account (Statement of Cash is required only if there is separate bank account for the DIM project under review).

3. BACKGROUND INFORMATION ABOUT THE PROJECT

Output(s): Under SIDA and KRG (see next section below)

Output 1: Improved capacities at district level to develop and implement strategies for accelerated achievement of localised National Development Plan (NDP) social priorities and Millennium Development Goals (MDG) targets

Output 2: Production of 18 Development Plans with district level inputs through enhanced national, regional, and governorate capacity and mechanisms and mainstreaming NDP social priorities/MDG strategies into Local Development and Service Delivery (LDSD), and through integrated knowledge management and public access to information

Output 3: Improved capacity of civil society to advocate for citizens' rights, representation and participation, and ability to partner with government for improved Local Development and Service Delivery (LDSD)

Output 4: Women-specific needs and youth-specific needs addressed through the development and implementation of responsive strategies and innovative projects with a focus on key social and economic issues such as job creation, voice and participation in governance, and access to basic services

Output 5: Strengthened capacity of Iraqi institutions to establish linkages nationally and globally for local development, in particular with the Diaspora

Outputs: Under Shell component (see next section below)

Output 1: Inclusive participatory processes in local area planning and decision-making are institutionalized. Local communities are given a key role in influencing development priorities and in turn contribute to further stability and reconciliation.

Output 2: Institutional capacity and technical capability at national and sub national level to support local inclusive development and service delivery established.

Implementing Partner: N/A

Major Project stakeholders:

Ministry of Planning GoI, Ministry of Planning KRG, Local Governorates, Sub-district authorities

Project Location(s): 18 Governorates in Iraq (i.e. nationwide)

Acronyms

UNDAF	UN Development Assistance Framework
CP	UNDP Country Programme
CPAP	UNDP Country Programme Action Plan
GoI	Government of Iraq
SIDA	Swedish International Development Cooperation Agency
KRG	Kurdistan Regional Government

Background for SIDA's and KRG's components:

The Local Area Development Programme (LADP) Phase II is a multi-agency, multi-year (three years) programme which aims to ensure that all Iraqi citizens – especially women, youth and the most vulnerable groups – benefit from effective inclusive local development processes and have access to quality essential services. The programme thus aligns itself with the UNDAF outcomes #4 and #5 (*#4: Increased access to quality essential services; #5: Investment in human capital and empowerment of women, youth and children*), as well as the CPAP outcome (*#4: GoI has the institutional framework to*

develop and implement MDG based pro-poor, equitable and inclusive socio-economic and environmental policies and strategies.)

LADP Phase II consciously builds on the lessons from the Phase I and the Bridging to Phase II which represented the first decentralised joint United Nations multi-sectoral initiative and supported the elaboration of 12 inclusive multi-sectoral district plans in five governorates and five Integrated Provincial Annual Plans developed by local government with the participation of local stakeholders and communities. In Phase II the programme will continue to support the elaboration of inclusive, multi-sectoral Integrated Provincial Annual Plans, as well as Provincial Development Strategies by engaging key stakeholders and localising the objectives of Iraqi Government's National Development Plan (NDP) and the Millennium Development Goals (MDG) specifically ensuring that the needs of women, youth and the vulnerable are met.

The programme focuses on building the capacity of an increased number of district and governorate authorities to lead participatory planning, effective service delivery, public accountability and performance measurement of Local Development and Service Delivery (LDSD). It supports building capacity for gender-informed and gender-mainstreamed planning, as well as increased inclusion of women in planning processes. LADP II also strengthens the capacity of civil society actors to network and partner effectively with local government, as well as establishes linkages with national and international institutions, including through the Iraqi Diaspora, to support sustainable local development.

Intended objectives: Improved service delivery and more efficient, transparent and inclusive local development at subnational levels, to benefit the people in Iraq, especially the women, youth and the most vulnerable.

Intended beneficiaries: Governorates of Iraq, Iraqi citizens, especially women, youth and the most vulnerable. Due to funding constraints, the programme will target selected governorates, and will target all of the governorates when adequate funds are mobilized as planned.

Implementing arrangements: Currently the programme is implemented by UNDP in partnership with local counterparts, with contracted consulting services supported by national governorates' coordinators. More UN agencies will participate in the implementation when the comprehensive plan for the rest of the country is established.

Background for Shell's component:

In line with both the United Nations Development Assistant Framework (UNDAF) for the Government of Iraq, with ongoing efforts to partner with the Government of Iraq (GoI) in the enhancement of the Iraqi private sector, and in accordance with the contract awarded to Shell by the GoI to exclusively carry out exploration, development and production of oil and gas resources in southern Iraq, UNDP Iraq's Inclusive Growth & Economic Empowerment (IGEE) cluster entered into a partnership with Shell Iraq Petroleum Development B.V. (Shell). The partnership aims to participate in and support the implementation of community development initiatives in the Majnoon Oil Field Area.

On 20th December 2011, Shell and UNDP signed a Memorandum of Understanding (MoU) focused on increasing local area development activities in the Majnoon area and the wider Basrah Province, promoting local business development activities, and strengthening the private sector in diverse local industries.

Intended objectives: Following the signing of the contract awarded to Shell by the GoI to exclusively carry out exploration, development and production of oil and gas resources in the Majnoon Field area, Shell commissioned an impact assessment that identified a number of villages in proximity to the Majnoon site that were deemed as impacted and were to be considered as top priority by Shell for inclusion in their community development programme.

The partnership aims to Increase local area development activities in Majnoon communities by improving access to quality essential services based in the priorities identified by the communities, and promoting local business development activities to strengthen the private sector in diverse local industries.

Intended beneficiaries: The intended beneficiaries are members of the communities of the impacted villages in close proximity to the Shell-operated Majnoon oil field, which are the sub-districts of Al Nashwah and Al Dair. Within the communities, UNDP retained the organization's special interest in a human rights based approach that safeguards access to equitable and essential services for all citizens and to provide a space for all stakeholders, incling vulnerable and marginalized groups to voice their views and priorities, and participate in local development decision making. Gender-balanced participatory processes are also encouraged in the analysis of challenges and constraints to local development and poverty alleviation and in formulating local development initiatives and delivery of essential services. The programme is also advocating for women's equal access to public financial resources and decision-making power.

Implementing arrangements: Long Term Service Agreements have been used to enable third party companies to deploy individual specialists and tailor-made teams to operate on the ground. These modalities have permitted UNDP to remotely manage project activities and also allow increased flexibility to respond to Shell's needs for delivery on the ground. UNDP will increase its presence in Basrah and Southern Iraq through the newly established UNDP hub in Basrah.

4. AUDIT REPORT WITH OPINIONS

Independent Auditor's Report to UNDP - Local Area Development Programme Phase II (output ID 00082552)

4.1 Statement of Expenditure

Qualified Opinion

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

Report on the Project Financial Statement

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement totalling \$2,727,750, ("the statement") of the UNDP output ID 00082552 Local Area Development Programme Phase II for the period from 1 January to 31 December 2014. CDR expenditure totalling \$684,303, comprised of expenditure not processed or approved by UNDP Country Office Iraq, was not within the scope of our audit.

Management's Responsibility

Management is responsible for the preparation of the statement for the Local Area Development Programme Phase II and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

We have made financial findings totalling \$ 215,666, as set out in the Management Letter section of our report, which represent amounts included in the Combined Delivery Report (CDR) and Funds Utilization statement presented to us for audit which, in our opinion, were not supported by properly approved vouchers and other supporting documents. These findings represent 10.6 percent of the total expenditure amount reported and are therefore considered material in the context of our audit.

Qualified Opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement, except for the matter described in the Basis for Qualified Opinion paragraph, presents fairly in all material respects the expenditure of \$2,043,447 incurred by the UNDP project Local Area Development Programme Phase II for the period 1 January to 31 December 2014 in accordance with UNDP accounting policies.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

7 September 2015

Independent Auditor's Report to UNDP - Local Area Development Programme Phase II (output ID 00082552)

4.2 Statement of Assets and Equipment

Qualified Opinion

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

We have audited the accompanying Statement of Fixed Assets ('the statement') of the UNDP output ID 00082552 Local Area Development Programme Phase II as at 31 December 2014.

Management's Responsibility

Management is responsible for the preparation of the statement for Local Area Development Programme Phase II and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error. Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

Auditor's Responsibility

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

We have made financial findings totalling \$6,182, as set out in the Management Letter section of our report, which represents the excess of the total recorded in the Statement of Assets and Equipment presented to us for audit over the total of assets held by the project as at 31 December 2014. These findings represent 5.8 percent of the total assets reported by the project and are therefore considered material in the context of our audit.

Qualified Opinion

In our opinion, the attached Statement of Assets, except for the matter described in the Basis for Qualified Opinion paragraph, presents fairly in all material respects the balance of inventory of the UNDP project Local Area Development Programme Phase II amounting to \$106,247 as at 31 December 2014 in accordance with UNDP accounting policies.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

7 September 2015

Independent Auditor's Report to UNDP - Local Area Development Programme Phase II (output ID 00082552)

4.3 Statement of Cash Position

We noted that the UNDP output ID 00082552- Local Area Development Programme Phase II did not have a dedicated bank account for DIM project activities subject to audit and accordingly a Statement of Cash Position was not produced.

5. MANAGEMENT LETTER

The findings related to the audit of the financial statements are discussed in our management letter below:

Issue 1	No supporting documentation (expenditure)
----------------	---

Criteria:

Article 22.01 and 122.02 of the UNDP financial rules and regulations states that “all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received, and that payments have not previously been made.”

Observation:

We note that expenditures amounting to \$ 215,666 were not supported by any supporting documents. We were therefore not provided with evidence that the costs were incurred in accordance with UNDP regulations for project purposes.

The relevant items are shown in the table below:

Transaction reference	Description	Payment period	Amount \$
0005494229	IRAQ_To reverse the cost of Implementation Coordinator to the correct COA	2014-07	29,566
0005494229	IRAQ_To reverse the cost of Implementation Coordinator to the correct COA	2014-07	22,175
0005494229	IRAQ_To reverse the cost of Implementation Coordinator to the correct COA	2014-07	22,150
0005494229	IRAQ_To reverse the cost of Implementation Coordinator to the correct COA	2014-07	7,018
00054660	UNITED NATIONS ASSISTANCE MISSION FOR IR	2014-07	2,457
00055026	Tha'ir Sultan SHRAIDEH	2014-08	5,046
00055437	Saad Abdelghani Al-Kadhimi	2014-11	4,000
0005715467	Re-attribute the charge of SHELL Procurement Analyst to the correct COA in 2014 January-February	2014-11	20,081
00056052	E) Prefabricated Storage sheds	2014-11	9,872
0005550557	Charge Common services cost for the budgeted year 2014.	2014-08	39,282
0005362062	Charging projects for life support costs project 8353 to be credit in line with Senior Management approval.	2014-03	3,846
0005410673	Replenish Communication Project with 2014 Comm. Projects Charges based on approved projects amounts.	2014-05	19,787
0005425659	Charge Security for the budgeted year 2014.	2014-05	30,386
Total			215,666

We noted that UNDP Iraq encountered the following challenges which contributed to the missing documentation detailed above:

- The finance officer only started working on the project in 2015. The 2014 finance team who were responsible for the project in 2014 have all left;
- The finance team did not appear to have a good knowledge of Atlas, and were unable to provide us with a breakdown of the Funds Utilization Balances in the CDR; and
- Certain project documents were based in Jordan and the process of obtaining these in Iraq proved difficult for UNDP Iraq to facilitate.

Priority: High (critical)

Recommendation 1:

To ensure compliance with UNDP financial rules and regulations, UNDP should ensure that

adequate supporting documents are maintained to support all costs declared in the Combined Delivery Report (CDR) and Funds Utilization statement.

To deal with the challenges faced by the finance team which contributed to the missing documentation:

- Full and detailed handovers should take place between exiting and joining staff. If at all possible, the departure of entire teams of staff at the same time should be avoided to reduce knowledge loss;
- The finance team should receive full training on the use of Atlas;
- Document locations should be well documented to aid quick transfer, and project documentation being kept outside of Erbil should be avoided where possible.

Management comments:

- Relocating UNDP Iraq programme from Jordan to Iraq resulted in the departure of almost the entire finance team amid security concerns. This development further aggravated by another relocation, this time from Baghdad in June 2014 after the rise of ISIS, has resulted in multiple challenges and difficulties for the CO in managing respective spectrum of issues.
 - The office is recruiting a filing and archiving staff member to ensure supporting documents are well organised and can be easily retrieved.
-

Issue 2	No supporting documentation (assets and equipment)
----------------	--

Criteria:

Article 22.01 and 122.02 of the UNDP financial rules and regulations states that “all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received, and that payments have not previously been made.”

Observation:

We did not see, and therefore were not able to physically verify, assets amounting to \$ 6,182 purchased prior to 2014, as listed in the table below. Also, the assets were not supported by properly approved vouchers and other supporting documents (purchase invoices, ownership/registration documents, photos etc.). Therefore, no evidence was provided to confirm the existence of these assets and use on the project, or to justify the inclusion of these assets in the project Statement of Assets.

The relevant assets are shown in the table below:

Description	Amount \$
Notebook computer 2011	1,590
Notebook computer 2011	1,590
Notebook computer 2012	1,501
Notebook computer 2012	1,501
Total	6,182

Priority: Medium (important)

Recommendation 2:

Adequate supporting documents should be maintained by the Office to support all costs declared in the Statement of Assets.

Management comments:

All the mentioned assets were purchased in 2011 and 2012 before the project started in 2013, and the mentioned assets been transferred from other projects previously completed.

Further auditor comments:

We maintain our finding as we were not able to verify the existence of these assets.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

7 September 2015

Annexes

Annex 1: Combined Delivery Report



UN Development Programme

Page 1 of 6
Run Time: 25-02-2015 09:02:21

Business Unit : IRQ10
Period : Jan-Dec (2014)
Selected Project Id : 00066352
Selected Fund Code : 04000,30000,30071
Selected Dept. IDs : B0450
Selected Outputs : 00082552

Dept: 45001 (Iraq - Central)

Fund : 04000 (Core Programme, UNU Centre)

61305 - Salaries - IP Staff	0.00	12,454.71	0.00	12,454.71
61310 - Post Adjustment - IP Staff	0.00	16,003.11	0.00	16,003.11
62305 - Dependency Allowances-IP Staff	0.00	1,170.68	0.00	1,170.68
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	11,139.87	0.00	11,139.87
62315 - Contrib. to medical, social in	0.00	393.00	0.00	393.00
62320 - Mobility, Hardship, Non-remova	0.00	6,885.37	0.00	6,885.37
62340 - Annual Leave Expense - IP	0.00	3,551.60	0.00	3,551.60
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	769.92	0.00	769.92
63335 - Home Leave Trvl & Allow-IP Stf	0.00	1,578.64	0.00	1,578.64
63340 - Proc trips/Rest & Recup-IP Stf	0.00	990.00	0.00	990.00
63365 - Special Oper Living Allow-IP	0.00	7,240.09	0.00	7,240.09
63530 - Contribution to EOS Benefits	0.00	1,865.84	0.00	1,865.84
63535 - Contribution to Security	0.00	3,234.07	0.00	3,234.07
63540 - Contribution to Training	0.00	597.06	0.00	597.06
63545 - Contribution to ICT	0.00	746.29	0.00	746.29
63550 - Contributions to MAIP	0.00	248.78	0.00	248.78
63555 - Contribution to UN JFA	0.00	1,144.35	0.00	1,144.35
63560 - Contributions to Appendix D	0.00	149.30	0.00	149.30
64321 - Reassignment-Ticket Costs	0.00	7.04	0.00	7.04
64322 - Reassignmnts-Subsistence Allow	0.00	3,542.88	0.00	3,542.88
65115 - Contributions to ASHI Reserve	0.00	3,980.43	0.00	3,980.43
65135 - Payroll Mgt Cost Recovery ATLA	0.00	320.88	0.00	320.88
71205 - Intl Consultants-Sht Term-Tech	0.00	24,012.55	0.00	24,012.55
71305 - Local Consult.-Sht Term-Tech	0.00	19,422.33	0.00	19,422.33
71605 - Travel Tickets-International	0.00	6,839.38	0.00	6,839.38
71610 - Travel Tickets-Local	0.00	2,124.76	0.00	2,124.76
71615 - Daily Subsistence Allow-Intl	0.00	11,171.20	0.00	11,171.20
71620 - Daily Subsistence Allow-Local	0.00	4,882.15	0.00	4,882.15
71625 - Daily Subsist Allow-Mtg Partic	0.00	9,685.00	0.00	9,685.00
71635 - Travel - Other	0.00	8,029.92	0.00	8,029.92
72125 - Svc Co-Studies & Research Serv	0.00	20,340.00	0.00	20,340.00
72145 - Svc Co-Training and Educ Serv	0.00	1,432.24	0.00	1,432.24
72311 - Fuel, petroleum and other oils	0.00	25.64	0.00	25.64
72315 - Food & Textile Products	0.00	550.00	0.00	550.00
72330 - Medical Products	0.00	3,850.00	0.00	3,850.00
72401 - Prefab structure/other buildin	0.00	9,872.00	0.00	9,872.00
72415 - Courier Charges	0.00	336.13	0.00	336.13
72425 - Mobile Telephone Charges	0.00	98.38	0.00	98.38
72430 - Postage and Pouch	0.00	199.00	0.00	199.00
72440 - Connectivity Charges	0.00	259.40	0.00	259.40
72445 - Common Services-Communications	0.00	32,060.00	0.00	32,060.00
72505 - Stationery & other Office Supp	0.00	1,540.00	0.00	1,540.00
72510 - Publications	0.00	1,640.00	0.00	1,640.00
72815 - Inform Technology Supplies	0.00	110.00	0.00	110.00



Combined Delivery Report By Project

UNDP UN Development Programme

Report ID: unglcdrp

Page 2 of 6

Run Time: 25-02-2015 09:02:21

Project Id : 00066352 Area Based Development Program	Period :	Jan-Dec (2014)
Output # : 00082552 Area Based Development Program	Impl. Partner :	99999 UNDP
	Location :	UNDP Iraq (Amman Office)
	Govt Exp	UNDP Exp
	UN Agencies Exp	Total Exp

73104 - Leased Building	0.00	7,216.00	0.00	7,216.00
73410 - Maint, Oper of Transport Equip	0.00	150.00	0.00	150.00
73510 - Reimb to UN for Supp Srvs	0.00	3,846.25	0.00	3,846.25
74215 - Promotional Materials and Dist	0.00	6,843.53	0.00	6,843.53
74325 - Contrib. To CO Common Security	0.00	8,000.00	0.00	8,000.00
74505 - Insurance	0.00	1,196.00	0.00	1,196.00
74510 - Bank Charges	0.00	1,791.90	0.00	1,791.90
74525 - Sundry	0.00	36.54	0.00	36.54
75705 - Learning costs	0.00	2,840.00	0.00	2,840.00
77670 - Dep Exp-Hvy Mac & Equip	0.00	833.87	0.00	833.87

Total for Fund 04000	0.00	269,248.08	0.00	269,248.08
-----------------------------	-------------	-------------------	-------------	-------------------

Fund : 30000 (PROGRAMME COST SHARING)

61305 - Salaries - IP Staff	0.00	168,144.00	0.00	168,144.00
61310 - Post Adjustment - IP Staff	0.00	59,466.45	0.00	59,466.45
62225 - Hazard Duty Station Allow-GS	0.00	157.80	0.00	157.80
62305 - Dependency Allowances-IP Staff	0.00	2,846.87	0.00	2,846.87
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	40,522.42	0.00	40,522.42
62315 - Contrib. to medical, social in	0.00	2,162.25	0.00	2,162.25
62320 - Mobility, Hardship, Non-remova	0.00	18,890.41	0.00	18,890.41
62335 - Hazard Duty Station Allow-IP	0.00	26,351.98	0.00	26,351.98
62340 - Annual Leave Expense - IP	0.00	1,983.26	0.00	1,983.26
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	1,996.98	0.00	1,996.98
63335 - Home Leave Trvl & Allow-IP Stf	0.00	4,880.94	0.00	4,880.94
63340 - Proc trips/Rest & Recup-IP Stf	0.00	2,647.50	0.00	2,647.50
63360 - Medical Exams(incl Pre-empl)	0.00	51.27	0.00	51.27
63365 - Special Oper Living Allow-IP	0.00	25,249.50	0.00	25,249.50
63515 - Security-related Costs	0.00	2,457.23	0.00	2,457.23
63530 - Contribution to EOS Benefits	0.00	6,944.44	0.00	6,944.44
63535 - Contribution to Security	0.00	10,495.47	0.00	10,495.47
63540 - Contribution to Training	0.00	2,222.25	0.00	2,222.25
63545 - Contribution to ICT	0.00	2,777.69	0.00	2,777.69
63550 - Contributions to MAIP	0.00	925.89	0.00	925.89
63555 - Contribution to UN JFA	0.00	4,259.25	0.00	4,259.25
63560 - Contributions to Appendix D	0.00	555.49	0.00	555.49
64321 - Reassignment-Ticket Costs	0.00	12.76	0.00	12.76
64322 - Reassignmnts-Subsistence Allow	0.00	17,971.47	0.00	17,971.47
64323 - Reassignments-Lump Sum	0.00	10,969.94	0.00	10,969.94
64324 - Reassignments-Shipent	0.00	10,000.00	0.00	10,000.00
65115 - Contributions to ASHI Reserve	0.00	14,814.79	0.00	14,814.79
65135 - Payroll Mgt Cost Recovery ATLA	0.00	1,085.67	0.00	1,085.67
71205 - Intl Consultants-Sht Term-Tech	0.00	134,681.95	0.00	134,681.95
71305 - Local Consult.-Sht Term-Tech	0.00	537,707.70	0.00	537,707.70
71405 - Service Contracts-Individuals	0.00	101,342.35	0.00	101,342.35
71410 - MAIP Premium SC	0.00	448.65	0.00	448.65
71415 - Contribution to Security SC	0.00	5,735.59	0.00	5,735.59
71605 - Travel Tickets-International	0.00	33,385.57	0.00	33,385.57
71610 - Travel Tickets-Local	0.00	3,968.24	0.00	3,968.24
71615 - Daily Subsistence Allow-Intl	0.00	64,864.49	0.00	64,864.49
71620 - Daily Subsistence Allow-Local	0.00	48,103.23	0.00	48,103.23
71625 - Daily Substist Allow-Mtg Partic	0.00	22,201.40	0.00	22,201.40
71635 - Travel - Other	0.00	24,756.19	0.00	24,756.19



Combined Delivery Report By Project

UN
DP

UN Development Programme

Report ID: unglcdrp

Page 3 of 6

Run Time: 25-02-2015 09:02:21

Project Id : 00066352 Area Based Development Program		Period : Jan-Dec (2014)		
Output # : 00082552 Area Based Development Program		Impl. Partner : 99999 UNDP		
		Location : UNDP Iraq (Amman Office)		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
72105 - Svc Co-Construction & Engineer	0.00	284,092.50	0.00	284,092.50
72120 - Svc Co-Trade and Business Serv	0.00	8,843.53	0.00	8,843.53
72135 - Svc Co-Communications Service	0.00	147.90	0.00	147.90
72401 - Prefab structure/other buildin	0.00	86,550.00	0.00	86,550.00
72402 - Building Maintenance	0.00	15,399.69	0.00	15,399.69
72425 - Mobile Telephone Charges	0.00	161.32	0.00	161.32
72505 - Stationery & other Office Supp	0.00	2,760.00	0.00	2,760.00
72510 - Publications	0.00	2,640.00	0.00	2,640.00
72705 - Hospitality-Special Events	0.00	1,297.47	0.00	1,297.47
73104 - Leased Building	0.00	202,784.00	0.00	202,784.00
73120 - Utilities	0.00	1,500.00	0.00	1,500.00
73125 - Common Services-Premises	0.00	46,431.49	0.00	46,431.49
73510 - Reimb to UN for Supp Srvs	0.00	7,096.25	0.00	7,096.25
74205 - Audio Visual Productions	0.00	8,574.16	0.00	8,574.16
74215 - Promotional Materials and Dist	0.00	21,984.00	0.00	21,984.00
74220 - Translation Costs	0.00	910.00	0.00	910.00
74325 - Contrib.To CO Common Security	0.00	51,700.17	0.00	51,700.17
74425 - Provision for ASHI	0.00	0.00	0.00	0.00
74505 - Insurance	0.00	25,960.04	0.00	25,960.04
74510 - Bank Charges	0.00	20.00	0.00	20.00
74525 - Sundry	0.00	802.54	0.00	802.54
74725 - Other L.T.S.H.	0.00	1,400.00	0.00	1,400.00
75105 - Facilities & Admin - Implement	0.00	146,747.17	0.00	146,747.17
75705 - Learning costs	0.00	4,152.02	0.00	4,152.02
75708 - Learning - subcontracts	0.00	10,250.00	0.00	10,250.00
77305 - Salaries - IP Staff-TA	0.00	37,899.73	0.00	37,899.73
77310 - Post Adjustment - IP Staff-TA	0.00	12,779.14	0.00	12,779.14
77315 - Contrib-Med,Soclns-IP Staff-TA	0.00	1,481.61	0.00	1,481.61
77345 - Dep Allowances-IP Staff-TA	0.00	4,012.78	0.00	4,012.78
77357 - Repat. Grt/Comm Ann Lv-IP-TA	0.00	2,756.66	0.00	2,756.66
77375 - Contrib-Jt Staff Pens Fd-IP-TA	0.00	8,120.45	0.00	8,120.45
77385 - Contribution to Security	0.00	1,762.16	0.00	1,762.16
77386 - Contribution to ICT_TA	0.00	587.34	0.00	587.34
77395 - MAIP Premium TA/IP	0.00	195.80	0.00	195.80
77396 - PAYROLL MGT COST RECOVERY	0.00	352.80	0.00	352.80
77397 - Appendix D TA/IP	0.00	117.51	0.00	117.51
77630 - Dep Exp Owned - ITC	0.00	676.65	0.00	676.65
Total for Fund 30000	0.00	2,420,986.21	0.00	2,420,986.21
Fund : 30071 (Programme Cost Sharing GOV1)				
63360 - Medical Exams(incl Pre-empl)	0.00	162.39	0.00	162.39
71305 - Local Consult.-Sht Term-Tech	0.00	3,931.20	0.00	3,931.20
71605 - Travel Tickets-International	0.00	95.47	0.00	95.47
71620 - Daily Subsistence Allow-Local	0.00	1,610.02	0.00	1,610.02
71635 - Travel - Other	0.00	292.00	0.00	292.00
72105 - Svc Co-Construction & Engineer	0.00	31,425.00	0.00	31,425.00
Total for Fund 30071	0.00	37,516.08	0.00	37,516.08
Total for Dept : 45001	0.00	2,727,750.37	0.00	2,727,750.37



Combined Delivery Report By Project

UNDP UN Development Programme

Report ID: unglcdrp

Page 4 of 6

Run Time: 25-02-2015 09:02:21

Project Id : 00066352 Area Based Development Program		Period :	Jan-Dec (2014)		
Output # : 00082552 Area Based Development Program		Impl. Partner :	99999 UNDP		
		Location :	UNDP Iraq (Amman Office)		
		Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Total for Output : 00082552	0.00	2,727,750.37	0.00	2,727,750.37
-----------------------------	------	--------------	------	--------------

Project Total :	0.00	2,727,750.37	0.00	2,727,750.37
-----------------	------	--------------	------	--------------

Signed By :  Date : 25/02/2015

Signed By :  Date : 7 September 2015

Mark Henderson (Partner)
Moore Stephens LLP



UN Development Programme

Page 5 of 6
Run Time: 25-02-2015 09:02:22

Business Unit : IRQ10
Period : Jan-Dec (2014)
Selected Project Id : 00066352
Selected Fund Code : 04000,30000,30071
Selected Dept. IDs : B0450
Selected Outputs : 00082552

Project Id : ALL		Period :	Jan-Dec (2014)	
Output # : ALL		Impl. Partner :		
		Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
45001 - Iraq - Central	0.00	2,727,750.37	0.00	2,727,750.37



Funds Utilization

Selection Criteria :

Business Unit : IRQ10
Period : Jan-Dec (2014)
Selected Project Id : 00066352
Selected Fund Code : 04000,30000,30071
Selected Dept. IDs : B0450
Selected Outputs : 00082552

Project/Award: 00066352	Area Based Development Program	Period : As at Dec 31, 2014
-------------------------	--------------------------------	-----------------------------

Output #	00082552	Impl. Partner :99999 UNDP	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			102,749.76
Inventory			0.00
Prepayments			210,000.00
Commitments			798,840.38

Annex 2: Statement of Assets and Equipment

Asset Management Detail ReportBusiness Unit: IRQ10
Operating Unit: IRQCountry: Iraq
Department: 45001Category: In Service
Impl Agency: 001981Project Type: All
Donor:Amount >=0
Fund Code:From/To date: 01-JAN-2010 ~ 31-DEC-2014
Project: 00082552 Profile ID:

<u>Business unit</u>	<u>Asset ID</u>	<u>Profile ID</u>	<u>Description</u>	<u>TAG Number</u>	<u>Serial Number</u>	<u>Model</u>	<u>Location</u>	<u>Acquisition Date</u>
IRQ10	000000001334	ITC1	A) Notebook computers	000000001334	4TKB2Q1		IRQERB	2011-11-04
<u>Currency</u>	<u>Cost</u>	<u>Quantity</u>	<u>Operating Unit</u>	<u>Department</u>	<u>Impl Agency</u>	<u>Donor</u>	<u>Project</u>	<u>Fund code</u>
USD	1590.00	1.00	IRQ	45001	001981	11790	00082552	30000
<u>Business unit</u>	<u>Asset ID</u>	<u>Profile ID</u>	<u>Description</u>	<u>TAG Number</u>	<u>Serial Number</u>	<u>Model</u>	<u>Location</u>	<u>Acquisition Date</u>
IRQ10	000000001388	ITC1	A) Notebook computers	2RLB2Q1	OK00NP-12691-16E-04D		IRQAMM22L2	2011-07-31
<u>Currency</u>	<u>Cost</u>	<u>Quantity</u>	<u>Operating Unit</u>	<u>Department</u>	<u>Impl Agency</u>	<u>Donor</u>	<u>Project</u>	<u>Fund code</u>
USD	1590.00	1.00	IRQ	45001	001981	00555	00082552	30000
<u>Business unit</u>	<u>Asset ID</u>	<u>Profile ID</u>	<u>Description</u>	<u>TAG Number</u>	<u>Serial Number</u>	<u>Model</u>	<u>Location</u>	<u>Acquisition Date</u>
IRQ10	000000001416	ITC1	A) Notebook computers	C8TXBS1	0M3MT51296126001A0A0	E6430	IRQAMM22R1	2012-09-12
<u>Currency</u>	<u>Cost</u>	<u>Quantity</u>	<u>Operating Unit</u>	<u>Department</u>	<u>Impl Agency</u>	<u>Donor</u>	<u>Project</u>	<u>Fund code</u>
USD	1501.00	1.00	IRQ	45001	001981	11790	00082552	30000
<u>Business unit</u>	<u>Asset ID</u>	<u>Profile ID</u>	<u>Description</u>	<u>TAG Number</u>	<u>Serial Number</u>	<u>Model</u>	<u>Location</u>	<u>Acquisition Date</u>
IRQ10	000000001432	ITC1	A) Notebook computers	16ZYDV1	0M3MT512961260018EA0	LATITUDE E6430	IRQAMM33L2	2012-09-12
<u>Currency</u>	<u>Cost</u>	<u>Quantity</u>	<u>Operating Unit</u>	<u>Department</u>	<u>Impl Agency</u>	<u>Donor</u>	<u>Project</u>	<u>Fund code</u>
USD	1501.00	1.00	IRQ	45001	001981	11790	00082552	30000
<u>Business unit</u>	<u>Asset ID</u>	<u>Profile ID</u>	<u>Description</u>	<u>TAG Number</u>	<u>Serial Number</u>	<u>Model</u>	<u>Location</u>	<u>Acquisition Date</u>
IRQ10	000000001573	HYME1	A) Diesel generators	25068E15TAG2	NGBF5083U11984		IRQBASRAH	2014-11-16
<u>Currency</u>	<u>Cost</u>	<u>Quantity</u>	<u>Operating Unit</u>	<u>Department</u>	<u>Impl Agency</u>	<u>Donor</u>	<u>Project</u>	<u>Fund code</u>
USD	63365.00	1.00	IRQ	45001	001981	00012	00082552	04000
<u>Business unit</u>	<u>Asset ID</u>	<u>Profile ID</u>	<u>Description</u>	<u>TAG Number</u>	<u>Serial Number</u>	<u>Model</u>	<u>Location</u>	<u>Acquisition Date</u>
IRQ10	000000001575	HYME1	A) Diesel generators	0001747200	EDIOA322429		IRQBASRAH	2014-11-16
<u>Currency</u>	<u>Cost</u>	<u>Quantity</u>	<u>Operating Unit</u>	<u>Department</u>	<u>Impl Agency</u>	<u>Donor</u>	<u>Project</u>	<u>Fund code</u>
USD	36700.00	1.00	IRQ	45001	001981	00012	00082552	04000

Count:

6

Total Value:

106,247.00 (USD)

Mark Henderson
Partner
Moore Stephens LLP
7 September 2015

Annex 3: Audit finding priority ratings

The following categories of priorities are used:

High (Critical)	Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP
Medium (Important)	Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP
Low	Action is considered desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the Auditors directly with the Office management, during the exit meeting and through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in the audit report.