

AUDIT

OF

UNDP PROGRAMME OF ASSISTANCE TO THE PALESTINIAN PEOPLE

GAZA DEBRIS MANAGEMENT
EMERGENCY CASH ASSISTANCE SIDA
RECONSTRUCTION OF HOUSES
NORTH AND SOUTH RUBBLE REMOVAL
EMERGENCY EMPLOYMENT SW
CASH ASSISTANCE FOR RECONSTRUCTION
(Directly Implemented Project No. 50123, Output Nos. 91916, 92145, 92457, 92895,
94619, 93992)

Report No. 1647
Issue Date: 30 September 2016

Report on the Audit of UNDP Programme of Assistance to the Palestinian People
Gaza Debris Management
Emergency Cash Assistance SIDA
Reconstruction of Houses
North and South Rubble Removal
Emergency Employment SW
Cash Assistance for Reconstruction
(Project No. 50123, Output Nos. 91916, 92145, 92457, 92895, 94619, 93992)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), from 13 to 25 July 2016, conducted an audit of Project No. 50123, Emergency Supply and Advanced Plan for Early Recovery - Gaza, Gaza Debris Management (Output No. 91916), Emergency Cash Assistance SIDA (Output No. 92145), Reconstruction of Houses (Output No. 92457), North and South Rubble Removal (Output No. 92895), Emergency Employment SW (Output No. 94619), and Cash Assistance for Reconstruction (Output No. 93992) (the Project), which is directly implemented and managed by the UNDP Programme of Assistance to the Palestinian People (the Office). The last audit of the Project (Output No. 92145) was conducted by OAI in 2015 and covered project expenditure from 1 January to 31 December 2014.

The audit firm conducted a financial audit to express an opinion on whether the financial statements present fairly, in all material aspects, **the Project's operations. The audit covered the Project's Combined Delivery Report**, which includes expenditure for the period from 1 January to 31 December 2015 and the accompanying Funds Utilization statement¹ as of 31 December 2015 as well as Statement of Assets as of 31 December 2015. 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 reports and corresponding management letters submitted by the audit firm, the results are summarized in the table below:

Output ID	Project Expenditure		Project Assets	
	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
91916	3,307	Unqualified	1.6	Unqualified
92145	5,286	Unqualified	3.9	Unqualified
92457	9,234	Unqualified	7	Unqualified
92895	3,943	Unqualified	27	Unqualified
94619	3,469	Unqualified	N/A	N/A
93992	2,960	Unqualified	N/A	N/A

OAI decided to include in the audit scope the expenditures incurred by the responsible parties totalling \$230,150 for Output No. 92145 and \$3.1 million for Output No. 94619 because they were processed and

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.

approved at the level of the Office. The audit firm reported that all supporting documents were available in the Office and were reviewed by them.

Key recommendations: Total = 2, high priority = 0

The audit did not result in any high (critical) priority recommendations. There are two medium (important) priority recommendations (Output Nos. 91916 and 92895), which means, "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." These recommendations include actions to address the incorrect recording of fund commitments).

The two recommendations aim to ensure reliability and integrity of financial and operational information.

Implementation status of previous OAI audit recommendations: Report No. 1507, 11 August 2015

Total recommendations: 2

Implemented: 1

In progress: 1

The pending recommendation pertains to inadequate classification of expenditures. Its implementation was assessed as in progress during the audit fieldwork.

Management comments and action plan

The Special 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

15 September 2016

**FINANCIAL AUDIT OF THE UNDP DIRECTLY
IMPLEMENTED (DIM) PROJECT**

Gaza Debris Management

UNDP Office:	Programme of Assistance to the Palestinian People
Atlas Project ID:	50123
Atlas Output ID:	91916
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January to 31 December 2015

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EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of 'Gaza Debris Management' (Project ID 50123 - Output 91916 (the project), directly implemented by UNDP Programme of Assistance to the Palestinian People (PAPP, 'the Office') for the year ended 31 December 2015. 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	Unqualified
Statement of Fixed Assets	Unqualified
Statement of Cash Position	Not applicable

As a result of our audit, we have raised one audit finding with no financial impact as summarised below:

No.	Description	Priority	Net financial impact \$
1	Commitments balance incorrectly stated	Medium	-

This output ID 91916 "Gaza Debris Management" was not audited in the prior year.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

15 September 2016

THE AUDIT ENGAGEMENT

Audit Objectives and Scope

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 2015 and the funds utilization as at 31 December 2015 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 2015. This statement must include all assets available as at 31 December 2015 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 2015. In cases where the audited DIM project does not have a dedicated bank account for the project and the cash transactions are made through the country office bank accounts, this type of opinion is not required.

The Financial Audit was conducted in accordance with the International Standards of Auditing (ISA), 700 series.

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project between 1 January and 31 December 2015. The scope of the audit did not include:

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

Independent Auditor's Report to UNDP – Gaza Debris Management

Statement of Expenditure

**To the director of the Office of Audit and Investigations
United Nations Development Programme**

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement totalling \$3,307,361.58 (the statement) of the UNDP output ID 91916 'Gaza Debris Management' for the period from 1 January to 31 December 2015.

Management's Responsibility for the Statement of Expenditure

Management is responsible for the preparation of the statement for the 'Gaza Debris Management' 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.

Unqualified Opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement presents fairly, in all material respects, the expenses of \$3,307,361.58 incurred by the project 'Gaza Debris Management' for the period 1 January to 31 December 2015 in accordance with UNDP accounting policies and were i) in conformity with the approved budget; (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.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

15 September 2016

Independent Auditor's Report to UNDP – Gaza Debris Management

Statement of Assets and Equipment

**To the director of the Office of Audit and Investigations
United Nations Development Programme**

We have audited the accompanying Statement of Fixed Assets (the statement) of the UNDP output ID 91916 'Gaza Debris Management' as at 31 December 2015.

Management's Responsibility for the Statement of Assets and Equipment

Management is responsible for the preparation of the statement for 'Gaza Debris Management' 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 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.

Unqualified Opinion

In our opinion, the attached Statement of Assets presents fairly, in all material respects, the balance of inventory of the UNDP project 'Gaza Debris Management' amounting to \$1,558.33 as at 31 December 2015 in accordance with UNDP accounting policies.



Mark Henderson
Partner

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15 September 2016

Independent Auditor's Report to UNDP – Gaza Debris Management

Statement of Cash Position

We noted that the UNDP output ID 91916 'Gaza Debris Management' did not have a dedicated bank account for DIM project activities subject to audit and accordingly a Statement of Cash Position was not produced.

MANAGEMENT LETTER

The finding related to the audit of the financial statements is discussed in our management letter below:

Finding n°: 1	Title: Commitments balance incorrectly stated
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Observation:

Under the International Public Sector Accounting Standards (IPSAS) adopted for the project financial reporting, for any purchase orders (PO) created in Atlas, a matching 'commitment' balance is systematically recorded in the funds utilization statement in the project combined delivery report (CDR).

Whenever a 'receipt' is issued in the system (upon receipt of goods or services), the PO and commitment balance should be adjusted accordingly. The adjustment to the commitment can be partial if the PO total amount is split in various receipts of goods / services and payments.

As part of the year-end procedures, the Office's procurement unit should review all POs still open in the system to ensure that the POs for which transactions have been completed (i.e. expensed and recorded in the CDR) are closed so that the commitments recorded in the funds utilization statement are correct.

We noted that at 31 December 2015, the project's funds utilization statement showed commitments totalling \$215,750.00. However, all the transactions had already been completed and paid for during the year 2015, and were included in the 2015 CDR. Details of the relevant transactions are shown below:

PO ID	Commitment \$	Amount expensed in 2015 \$	Transaction ID on 2015 CDR
15077	170,000.00	34,000.00 53,269.74 61,712.89 <u>21,017.37</u> 170,000.00	87189 87954 88819 89260
14464	44,050.00	44,049.04	83684
14678	1,700.00	1,700.00	84990
TOTAL	215,750.00	215,749.04	

The above transactions were incorrectly recorded as commitments at 31 December 2015 because their respective POs were still open in the system. The review of the POs by the procurement unit, which should have been performed as part of the year-end procedures, was only done in February 2016.

Priority: Medium

Recommendation: The review of all outstanding POs should be undertaken as part of the year-end procedures to ensure that the funds utilization statement at 31 December only includes commitment balances in relation to transactions that have not yet been completed and for which expenditure is expected to be incurred during the following financial year.

Management comments:

Procurement has further investigated the source of the issue raised, and found out that it is actually because the user has set the receiving required mode to 'optional' or 'no receipt required' within the PO in the system. UNDP confirms agreement to audit recommendation in this connection, and

willingness to setup needed actions as part of the year end procedure to ensure that a matching commitment balance is systematically recorded in the funds utilization statement in the project combined delivery report.



Mark Henderson
Partner

Moore Stephens LLP
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15 September 2016

Annexes

Annex 1: Combined Delivery Report



Selection Criteria:

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00091916

Project Id : 00050123	Emergency Supp. & Advanced Pla	Period : Jan-Dec (2015)
Output # : 00091916	Gaza Debris Management	Impl. Partner : 02388 UNDP - PAPP
		Location :
	Govt Exp	UNDP Exp
	UN Agencies Exp	Total Exp

Dept: 70001 (PAPP - Central)

Fund : 30000 (PROGRAMME COST SHARING)

71405 - Service Contracts-Individuals	0.00	225,411.14	0.00	225,411.14
71410 - MAIP Premium SC	0.00	602.14	0.00	602.14
71415 - Contribution to Security SC	0.00	9,784.10	0.00	9,784.10
71420 - Payroll Mgt Cost Recovery SC	0.00	55,800.00	0.00	55,800.00
71505 - UN Volunteers-Stipend & Allow	0.00	59,751.31	0.00	59,751.31
71520 - UNV-Language Allowance	0.00	3,193.89	0.00	3,193.89
71535 - UNV-Medical Insurance	0.00	6,834.85	0.00	6,834.85
71540 - UNV-Global Charges	0.00	2,488.51	0.00	2,488.51
71541 - UNVs-Contribution to security	0.00	3,883.87	0.00	3,883.87
71550 - UNV-Resettlement Allowance	0.00	4,979.35	0.00	4,979.35
71565 - UNV-Natl Appoint/Sep incl Trvl	0.00	23.24	0.00	23.24
71590 - UNV Development Effectiveness	0.00	7,671.01	0.00	7,671.01
71615 - Daily Subsistence Allow-Intl	0.00	553.61	0.00	553.61
71620 - Daily Subsistence Allow-Local	0.00	4,314.06	0.00	4,314.06
71635 - Travel - Other	0.00	155.88	0.00	155.88
72105 - Svc Co-Construction & Engineer	0.00	2,570,752.80	0.00	2,570,752.80
72510 - Publications	0.00	103.69	0.00	103.69
72815 - Inform Technology Supplies	0.00	250.00	0.00	250.00
73410 - Maint, Oper of Transport Equip	0.00	352.66	0.00	352.66
74105 - Management and Reporting Srvs	0.00	51.11	0.00	51.11
74210 - Printing and Publications	0.00	20,000.00	0.00	20,000.00
74505 - Insurance	0.00	2,647.85	0.00	2,647.85
74515 - Claims and Adjustments	0.00	503.10	0.00	503.10
74525 - Sundry	0.00	57,826.01	0.00	57,826.01
74696 - PP&E Expensed Items	0.00	4,770.00	0.00	4,770.00
75105 - Facilities & Admin - Implement	0.00	264,612.72	0.00	264,612.72
76125 - Realized Loss	0.00	7.65	0.00	7.65
76135 - Realized Gain	0.00	-104.64	0.00	-104.64
77630 - Dep Exp Owned - ITC	0.00	141.67	0.00	141.67
Total for Fund 30000	0.00	3,307,361.58	0.00	3,307,361.58
Total for Dept : 70001	0.00	3,307,361.58	0.00	3,307,361.58
Total for Output : 00091916	0.00	3,307,361.58	0.00	3,307,361.58

Project Total :	0.00	3,307,361.58	0.00	3,307,361.58
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Signed By :

Amran El Khawarizmy

Date :

Project manager

10-July 2016

Signed By :

Basil Nasser (Head of Gaza office)

Date :

San Nasser

10-July 2016

Mark Henderson
Partner
Moore Stephens LLP

MOORE STEPHENS



Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00091916

Project Id : ALL	Period : Jan-Dec (2015)			
Output # : ALL	Impl. Partner :			
	Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
70001 - PAPP - Central	0.00	3,307,361.58	0.00	3,307,361.58



Funds Utilization

Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00091916

Project/Award: 00050123 Emergency Supp. & Advanced Pla

Period : As at Dec 31, 2015

Output #	00091916	Impl. Partner :02388 UNDP - PAPP	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			1,558.33
Inventory			0.00
epayments			0.00
Commitments			215,750.00

Annex 2: Statement of Assets and Equipment

STATEMENT OF ASSETS			
AS AT 31 DECEMBER 2015 - Project # PAL10 - 91916			
Category	Location	Value USD	Book Value
Camera Canon EOS 70D(W) +Bag + Tripod + Memory Card	UNDP Gaza	1,700	
Total Value		1,700	1558.33 \$

Handwritten signature/initials

Assets Management

Project Name : Debris Management Project

Date : 2015
City : Gaza
UNDP/ PAPP

UNDP COUNTRY OFFICE XXXXX PROJECT ASSETS PHYSICAL VERIFICATION 2015

PROFILE ID (electricals, vehicles etc)	Detailed Description (Model type / if available)	Serial Number	Quantity (should always be 1)	Acquisition Cost	Price in US Dollar	Location (Consisting of room number - floor number and city name) Ex : (Room2: Floor 3 - Jerusalem)	ACQUISITION_ DATE	BUSINESS_ UNIT	OPERATIN G_ UNIT	FUND_ CODE	Implementing Agent	Donor	PROJECT_ID	DEPTID (expenditu re)	Activity	Net book value USD
Camera Canon 70D	Canon EOS 70D(W) +Bag + Tripod + Memory Card	DS125411	1	ILS 6.582.40	\$1,700.00	ROOM # .6-th floor Gaza	14/5/2015	PAL10	PAL	30000	001981	10480	00091916	70001	ACTIVITY1	1,558.33

Prepared by : Dalila abu Knail
Project Manager: Amran El Khairouby
Pr. Analyst: Husam Tubail

Dalia Abu Knail - project assistant 1/9/2016
[Signature]
Geni Khamr Head of office 1/9/2016
[Signature]

Mark Henderson
Partner
Moore Stephens LLP
15 September 2016

MOORE STEPHENS

Annex 3: Audit finding priority ratings

The following categories of priorities are used:

High (Critical)	Action is considered imperative to ensure that UNDP is not exposed to high risks. Failure to take action could result in major consequences and issues.
Medium (Important)	Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
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.

**UNITED NATIONS DEVELOPMENT PROGRAMME
(UNDP)**

AUDIT REPORT

30 September 2016

**FINANCIAL AUDIT OF THE UNDP DIRECTLY
IMPLEMENTED (DIM) PROJECT**

Emergency Cash Assistance SIDA

UNDP Office:	Programme of Assistance to the Palestinian People
Atlas Project ID:	50123
Atlas Output ID:	92145
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January to 31 December 2015

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EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of 'Emergency Cash Assistance SIDA' (Project ID 50123 - Output ID 92145) (the project), directly implemented by UNDP Programme of Assistance to the Palestinian People (PAPP, 'the Office') for the year ended 31 December 2015. 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	Unqualified
Statement of Fixed Assets	Unqualified
Statement of Cash Position	Not applicable

As a result of our audit, we have not raised any audit findings.

The output ID 92145 "Emergency Cash Assistance SIDA" was audited in the prior year and the implementation status of the recommendations is as follows:

No.	Title	Summary of observation	Summary of recommendation	Recommendation implemented?
1	Inadequate classification of expenditures	UNDP expenditures totalling \$2m were recorded as government expenditures in the Combined Delivery Report.	The Office should correctly record expenditures and classify them under the correct relevant category.	No. UNDP expenditures totalling \$230,151 were recorded as government expenditures in the Combined Delivery Report for the year ended 31 December 2015. This finding is considered low priority and therefore has not been recorded separately in this report.
2	General Management Support fees not charged to the project.	General Management support fees amounting to \$0.2 million were not charged to the project in 2014.	The Office should collect the General Management Support fees as stipulated in the donor agreement.	Yes. General Management Support fees for 2014 have been charged to the project during the year. In addition, General Management Support fees for 2015 have also been charged.



Mark Henderson
Partner

Moore Stephens LLP
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30 September 2016

THE AUDIT ENGAGEMENT

Audit Objectives and Scope

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 2015 and the funds utilization as at 31 December 2015 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 2015. This statement must include all assets available as at 31 December 2015 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 2015. In cases where the audited DIM project does not have a dedicated bank account for the project and the cash transactions are made through the country office bank accounts, this type of opinion is not required.

The Financial Audit was conducted in accordance with the International Standards of Auditing (ISA), the 700 series.

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project between 1 January and 31 December 2015. The scope of the audit did not include:

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

Independent Auditors' Report to UNDP – Emergency Cash Assistance SIDA

Statement of Expenditure

To the director of the Office of Audit and Investigations United Nations Development Programme

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement totalling \$5,286,483.14 (the statement) of the UNDP output ID 92145 'Emergency Cash Assistance SIDA' for the period from 1 January to 31 December 2015.

Management's Responsibility for the Statement of Expenditure

Management is responsible for the preparation of the statement for the Emergency Cash Assistance SIDA 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.

Unqualified Opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement presents fairly, in all material respects, the expenses of \$5,286,483.14 incurred by the project Emergency Cash Assistance SIDA for the period 1 January to 31 December 2015 in accordance with UNDP accounting policies and were i) in conformity with the approved budget; (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



Mark Henderson
Partner

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30 September 2016

Independent Auditor's Report to UNDP – Emergency Cash Assistance SIDA

Statement of Assets and Equipment

To the director of the Office of Audit and Investigations United Nations Development Programme

We have audited the accompanying Statement of Fixed Assets ('the statement') of the UNDP output ID 92145 'Emergency Cash Assistance SIDA' as at 31 December 2015.

Management's Responsibility for the Statement of Assets and Equipment

Management is responsible for the preparation of the statement for Emergency Cash Assistance SIDA 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 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.

Unqualified Opinion

In our opinion, the attached Statement of Assets presents fairly, in all material respects, the balance of inventory of the UNDP project 'Emergency Cash Assistance SIDA' amounting to \$3,944.05 as at 31 December 2015 in accordance with UNDP accounting policies.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

30 September 2016

Independent Auditor's Report to UNDP – Emergency Cash Assistance SIDA

Statement of Cash Position

We noted that the UNDP output ID 92145 'Emergency Cash Assistance SIDA' did not have a dedicated bank account for DIM project activities subject to audit and accordingly a Statement of Cash Position was not produced.

MANAGEMENT LETTER

As a result of our audit, we have not raised any audit findings.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

30 September 2016

Annexes

Annex 1: Combined Delivery Report



Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00092145

Project Id : 00050123 Emergency Supp. & Advanced Pla	Period :	Jan-Dec (2015)		
Output # : 00092145 Emergency Cash Assistance Sida	Impl. Partner :	02388 UNDP - PAPP		
	Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Ex

Dept: 70001 (PAPP - Central)

Fund : 30000 (PROGRAMME COST SHARING)

71305 - Local Consult.-Sht Term-Tech	0.00	44,857.47	0.00	44,857.47
71405 - Service Contracts-Individuals	0.00	60,857.87	0.00	60,857.87
71410 - MAIP Premium SC	0.00	36.21	0.00	36.21
71415 - Contribution to Security SC	0.00	6,048.57	0.00	6,048.57
71505 - UN Volunteers-Stipend & Allow	0.00	36,795.14	0.00	36,795.14
71520 - UNV-Language Allowance	0.00	3,185.93	0.00	3,185.93
71535 - UNV-Medical Insurance	0.00	6,784.37	0.00	6,784.37
71540 - UNV-Global Charges	0.00	2,467.31	0.00	2,467.31
71541 - UNVs-Contribution to security	0.00	3,828.80	0.00	3,828.80
71550 - UNV-Resettlement Allowance	0.00	4,908.64	0.00	4,908.64
71565 - UNV-Natl Appoint/Sep incl Trvl	0.00	24.76	0.00	24.76
71590 - UNV Development Effectiveness	0.00	7,646.22	0.00	7,646.22
71615 - Daily Subsistence Allow-Intl	0.00	1,561.51	0.00	1,561.51
71620 - Daily Subsistence Allow-Local	0.00	1,036.43	0.00	1,036.43
71635 - Travel - Other	0.00	227.60	0.00	227.60
72105 - Svc Co-Construction & Engineer	192.00	0.00	0.00	192.00
72120 - Svc Co-Trade and Business Serv	0.00	4,280,122.50	0.00	4,280,122.50
72170 - Svc Co-Humanitarian Aid & Relf	229,958.50	0.00	0.00	229,958.50
72220 - Furniture	0.00	3,971.09	0.00	3,971.09
72405 - Acquisition of Communic Equip	0.00	4,990.00	0.00	4,990.00
72420 - Land Telephone Charges	0.00	2,890.00	0.00	2,890.00
72425 - Mobile Telephone Charges	0.00	1,366.86	0.00	1,366.86
72435 - E-mail-Subscription	0.00	300.00	0.00	300.00
72505 - Stationery & other Office Supp	0.00	1,535.03	0.00	1,535.03
72805 - Acquis of Computer Hardware	0.00	10,784.96	0.00	10,784.96
72815 - Inform Technology Supplies	0.00	1,974.00	0.00	1,974.00
73105 - Rent	0.00	5,780.00	0.00	5,780.00
73406 - Maintenance of Equipment	0.00	1,733.32	0.00	1,733.32
73410 - Maint, Oper of Transport Equip	0.00	1,678.48	0.00	1,678.48
73420 - Leased Vehicles	0.00	2,380.01	0.00	2,380.01
74110 - Audit Fees	0.00	11,875.92	0.00	11,875.92
74505 - Insurance	0.00	512.70	0.00	512.70
74525 - Sundry	0.00	2,015.62	0.00	2,015.62
75105 - Facilities & Admin - Implement	0.00	542,121.08	0.00	542,121.08
76125 - Realized Loss	0.00	0.07	0.00	0.07
76135 - Realized Gain	0.00	- 21.38	0.00	- 21.38
77660 - Dep Exp Owned -Vehicle	0.00	55.55	0.00	55.55
Total for Fund 30000	230,150.50	5,056,332.64	0.00	5,286,483.14
Total for Dept : 70001	230,150.50	5,056,332.64	0.00	5,286,483.14

Ramzy Khachar - project Manager *[Signature]* 28-2-2016
 Helmut El-Khay - Deputy Head of instrument - *[Signature]* 28/2/2016
 Imran Al Hussein - Program Specialist *[Signature]* 28/2/2016



Project Id : 00050123 Emergency Supp. & Advanced Pla	Period :	Jan-Dec (2015)
Output # : 00092145 Emergency Cash Assistance Sida	Impl. Partner :	02388 UNDP - PAPP
	Location :	
	Govt Exp	UNDP Exp
	UN Agencies Exp	Total Exp

Total for Output : 00092145 230,150.50 5,056,332.64 0.00 5,286,483.14

Project Total :	230,150.50	5,056,332.64	0.00	5,286,483.14
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Mark Henderson
Partner
Moore Stephens LLP
30 September 2016

MOORE STEPHENS

Ramzy Khader - project Manager -
28-2-2016

Signed By: Helwan El Khay - Deputy Head of information unit Date: 28/2/2016

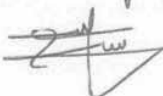
Signed By: Iman Al Hussein - Prog Specialist Date: 28/2/2016

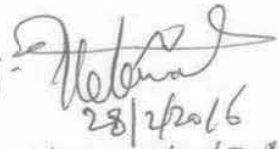



Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00092145

Project Id : ALL	Period : Jan-Dec (2015)			
Output # : ALL	Impl. Partner :			
	Location :			
		Govt Exp	UNDP Exp	UN Agencies Exp
				Total Exp
70001 - PAPP - Central		230,150.50	5,056,332.64	0.00
				5,286,483.14

Ramzy Khader - project manager
 28-2-2016

Helmut El Khay - Deputy Head of Infrastructure
 28/2/2016

Iman Al Hussein - Program Specialist  28/2/2016



Funds Utilization

Selection Criteria :

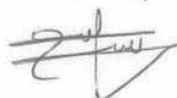
Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00092145

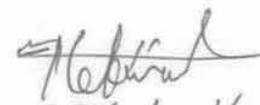
Project/Award: 00050123 Emergency Supp. & Advanced Pla

Period : As at Dec 31, 2015

Output #	00092145	Impl. Partner :02388 UNDP - PAPP	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			3,944.05
Inventory			0.00
Prepayments			0.00
Commitments			58,009.34

Ramzy Khader - project Manager

 28-2-2016

Hekmat El-Khary - Deputy Head of infrastructure unit.  28/2/2016

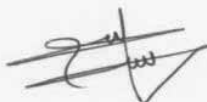
Iman Al Hussein - Program Specialist  28/2/2016

Annex 2: Statement of Assets and Equipment


STATEMENT OF ASSETS				
AS AT 31 DECEMBER 2015 - Project # PAL10 - 92145				
Category	Location	Original Amount USD (A)	Depreciated Amount USD (B)	NET Book Value Amount USD (C=A-B)
Volkswagen vehicle (TIGUAN 4 TSI(180 HP)	Gaza	3999.6	55.55	3944.05
Total Value		3999.6	55.55	3944.05

Prepared By: Majda Shofars

Project Manager: Ramzy Khader

 28-2-2016

Deputy Head of Infrastructure Unit -Hekmat El Khairy

 28/2/2016

Program Specialist: Iman Hussein

 28/2/2016

Mark Henderson
Partner
Moore Stephens LLP
30 September 2016

MOORE STEPHENS

Annex 3: Audit finding priority ratings

The following categories of priorities are used:

High (Critical)	Action is considered imperative to ensure that UNDP is not exposed to high risks. Failure to take action could result in major consequences and issues.
Medium (Important)	Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
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.

**UNITED NATIONS DEVELOPMENT PROGRAMME
(UNDP)
AUDIT REPORT**

30 September 2016

**FINANCIAL AUDIT OF THE UNDP DIRECTLY
IMPLEMENTED (DIM) PROJECT**

Reconstruction of houses

UNDP Office:	Programme of Assistance to the Palestinian People
Atlas Project ID:	50123
Atlas Output ID:	92457
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January to 31 December 2015

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EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of 'Reconstruction of houses' (Project ID 50123 - Output ID 92457) (the project), directly implemented by UNDP Programme of Assistance to the Palestinian People (PAPP, 'the Office') for the year ended 31 December 2015. 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	Unqualified
Statement of Fixed Assets	Unqualified
Statement of Cash Position	Not applicable

As a result of our audit, we have not raised any audit findings.

The output ID 92457 "Reconstruction of houses" was not audited in the prior year.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

30 September 2016

THE AUDIT ENGAGEMENT

Audit Objectives and Scope

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 2015 and the funds utilization as at 31 December 2015 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 2015. This statement must include all assets available as at 31 December 2015 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 2015. In cases where the audited DIM project does not have a dedicated bank account for the project and the cash transactions are made through the country office bank accounts, this type of opinion is not required.

The Financial Audit was conducted in accordance with the International Standards of Auditing (ISA), the 700 series.

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project between 1 January and 31 December 2015. The scope of the audit did not include:

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

Independent Auditors' Report to UNDP – Reconstruction of houses

Statement of Expenditure

To the director of the Office of Audit and Investigations United Nations Development Programme

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement totalling \$9,234,312.41 ("the statement") of the UNDP output ID 92457 'Reconstruction of houses' for the period from 1 January to 31 December 2015.

Management's Responsibility for the Statement of Expenditure

Management is responsible for the preparation of the statement for the Reconstruction of homes 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.

Unqualified Opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement presents fairly, in all material respects, the expenses of \$9,234,312.41 incurred by the project Reconstruction of homes for the period 1 January to 31 December 2015 in accordance with UNDP accounting policies and were (i) in conformity with the approved budget; (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.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

30 September 2016

Independent Auditors' Report to UNDP – Reconstruction of houses

Statement of Assets and Equipment

To the director of the Office of Audit and Investigations United Nations Development Programme

We have audited the accompanying Statement of Fixed Assets ('the statement') of the UNDP output ID 92457 'Reconstruction of houses' as at 31 December 2015.

Management's Responsibility for the Statement of Assets and Equipment

Management is responsible for the preparation of the statement for Reconstruction of houses 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 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.

Unqualified Opinion

In our opinion, the attached Statement of Assets presents fairly, in all material respects, the balance of inventory of the UNDP project Reconstruction of houses amounting to \$6,959.43 as at 31 December 2015 in accordance with UNDP accounting policies.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

30 September 2016

Independent Auditor's Report to UNDP – Emergency Cash Assistance SIDA

Statement of Cash Position

We noted that the UNDP output ID 92457 'Reconstruction of houses' did not have a dedicated bank account for DIM project activities subject to audit and accordingly a Statement of Cash Position was not produced.

MANAGEMENT LETTER

As a result of our audit, we have not raised any audit findings.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

30 September 2016

Annexes

Annex 1: Combined Delivery Report



Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00092457

Project Id : 00050123 Emergency Supp. & Advanced Pla		Period :	Jan-Dec (2015)	
Output # : 00092457 Re-construction of houses		Impl. Partner :	02388 UNDP - PAPP	
		Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Dept: 70001 (PAPP - Central)

Fund : 30000 (PROGRAMME COST SHARING)

71305 - Local Consult.-Sht Term-Tech	0.00	4,000.00	0.00	4,000.00
71405 - Service Contracts-Individuals	0.00	69,135.67	0.00	69,135.67
71410 - MAIP Premium SC	0.00	83.14	0.00	83.14
71415 - Contribution to Security SC	0.00	1,350.87	0.00	1,350.87
71505 - UN Volunteers-Stipend & Allow	0.00	26,889.63	0.00	26,889.63
71520 - UNV-Language Allowance	0.00	1,350.00	0.00	1,350.00
71535 - UNV-Medical Insurance	0.00	1,736.97	0.00	1,736.97
71540 - UNV-Global Charges	0.00	1,083.36	0.00	1,083.36
71541 - UNVs-Contribution to security	0.00	1,747.86	0.00	1,747.86
71550 - UNV-Resettlement Allowance	0.00	2,240.82	0.00	2,240.82
71590 - UNV Development Effectiveness	0.00	3,240.00	0.00	3,240.00
71615 - Daily Subsistence Allow-Intl	0.00	784.69	0.00	784.69
71620 - Daily Subsistence Allow-Local	0.00	153.24	0.00	153.24
72105 - Svc Co-Construction & Engineer	0.00	- 101,025.88	0.00	- 101,025.88
72120 - Svc Co-Trade and Business Serv	0.00	8,894,943.36	0.00	8,894,943.36
72220 - Furniture	0.00	2,824.50	0.00	2,824.50
72311 - Fuel, petroleum and other oils	0.00	899.03	0.00	899.03
72402 - Building Maintenance	0.00	1,185.37	0.00	1,185.37
72420 - Land Telephone Charges	0.00	1,200.00	0.00	1,200.00
72425 - Mobile Telephone Charges	0.00	1,618.47	0.00	1,618.47
72445 - Common Services-Communications	0.00	641.24	0.00	641.24
72505 - Stationery & other Office Supp	0.00	417.02	0.00	417.02
72805 - Acquis of Computer Hardware	0.00	172.03	0.00	172.03
73105 - Rent	0.00	2,400.00	0.00	2,400.00
73406 - Maintenance of Equipment	0.00	1,023.46	0.00	1,023.46
73410 - Maint. Oper of Transport Equip	0.00	318.51	0.00	318.51
73420 - Leased Vehicles	0.00	7,373.10	0.00	7,373.10
74120 - Capacity Assessment	0.00	107.53	0.00	107.53
74210 - Printing and Publications	0.00	105.68	0.00	105.68
74220 - Translation Costs	0.00	395.00	0.00	395.00
74505 - Insurance	0.00	1,878.45	0.00	1,878.45
74507 - Warranty Expense	0.00	360.00	0.00	360.00
74510 - Bank Charges	0.00	135.00	0.00	135.00
74525 - Sundry	0.00	3,198.84	0.00	3,198.84
75105 - Facilities & Admin - Implement	0.00	300,237.56	0.00	300,237.56
76125 - Realized Loss	0.00	22.39	0.00	22.39
76135 - Realized Gain	0.00	- 12.52	0.00	- 12.52
77660 - Dep Exp Owned -Vehicle	0.00	98.02	0.00	98.02
Total for Fund 30000	0.00	9,234,312.41	0.00	9,234,312.41
Total for Dept : 70001	0.00	9,234,312.41	0.00	9,234,312.41

Ramzy Khader - project Manager *[Signature]* 28-2-2016
 Hebaat El-Khairy - Deputy Head of infrastructure unit. *[Signature]* 28/2/2016
 Dina Al Hussein - Program Specialist *[Signature]* 28/2/2016



Project Id : 00050123 Emergency Supp. & Advanced Pla	Period :	Jan-Dec (2015)
Output # : 00092457 Re-construction of houses	Impl. Partner :	02388 UNDP - PAPP
	Location :	
	Govt Exp	UNDP Exp
	UN Agencies Exp	Total Exp

Total for Output : 00092457	0.00	9,234,312.41	0.00	9,234,312.41
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Project Total :	0.00	9,234,312.41	0.00	9,234,312.41
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Mark Henderson
Partner
Moore Stephens LLP
30 September 2016

MOORE STEPHENS

Helmut EL Khay - Deputy Head of information unit - Helmut 28/2/2016

Signed By : Ramzy Khader - project Manager Date : 28-2-2016


Signed By : Iman Al Hussein - program Specialist Date : 28/2/2016





Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00092457

Project Id : ALL	Period : Jan-Dec (2015)		
Output # : ALL	Impl. Partner :		
	Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp
			Total Exp
70001 - PAPP - Central	0.00	9,234,312.41	0.00
			9,234,312.41

Ramzy Khader - project Manager 
28-2-2016

Hekmat El-Khairy - Deputy Head of Infrastructure unit  28/2/2016

Iman Al Huseini - Program Specialist  28/2/2016



Funds Utilization

Selection Criteria :

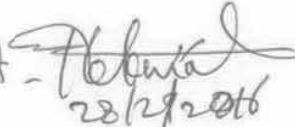
Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00092457

Project/Award: 00050123 Emergency Supp. & Advanced Pla

Period : As at Dec 31, 2015

Output #	00092457	Impl. Partner :02388 UNDP - PAPP	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			6,959.43
Inventory			0.00
Prepayments			0.00
Commitments			0.00

Ramzy Khader - project Manager  28-2-2016

Hekmat El-Chamy - Deputy Head of Administration -  28/2/2016

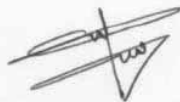
Iman Al Hussein: - Program Specialist -  28/2/2016

Annex 2: Statement of Assets and Equipment

STATEMENT OF ASSETS				
AS AT 31 DECEMBER 2015 - Project # PAL10 - 92457				
Category	Location	Original Amount USD (A)	Depreciated Amount USD (B)	NET Book Value Amount USD (C=A-B)
Volkswagen vehicle (TIGUAN 4 TSI(180 HP)	Gaza	7057.45	98.02	6959.43
Total Value		7057.45	98.02	6959.43

Prepared By: Majda Shofars

Project Manager: Ramzy Khader



28-2-2016

Deputy Head of Infrastructure Unit -Hekmat El Khairy



28/2/2016

Program Specialist: Iman Hussein



28.2.2016



Mark Henderson
Partner
Moore Stephens LLP
30 September 2016

MOORE STEPHENS

Annex 3: Audit finding priority ratings

The following categories of priorities are used:

High (Critical)	Action is considered imperative to ensure that UNDP is not exposed to high risks. Failure to take action could result in major consequences and issues.
Medium (Important)	Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
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.

**UNITED NATIONS DEVELOPMENT PROGRAMME
(UNDP)**

AUDIT REPORT

15 September 2016

**FINANCIAL AUDIT OF THE UNDP DIRECTLY
IMPLEMENTED (DIM) PROJECT**

North and South Rubble Removal

UNDP Office:	Programme of Assistance to the Palestinian People
Atlas Project ID:	50123
Atlas Output ID:	92895
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January to 31 December 2015

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EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of 'North and South Rubble Removal' (Project ID 50123 – Output ID 92895 (the project), directly implemented by UNDP Programme of Assistance to the Palestinian People (PAPP, 'the Office') for the year ended 31 December 2015. 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	Unqualified
Statement of Fixed Assets	Unqualified
Statement of Cash Position	Not applicable

As a result of our audit, we have raised one audit finding with no financial impact as summarised below:

No.	Description	Priority	Net financial impact \$
1	Commitments balance incorrectly stated	Medium	-
Total			-

This output ID 92895 'North and South Rubble Removal' was not audited in the prior year.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

15 September 2016

THE AUDIT ENGAGEMENT

Audit Objectives and Scope

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 2015 and the funds utilization as at 31 December 2015 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 2015. This statement must include all assets available as at 31 December 2015 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 2015. In cases where the audited DIM project does not have a dedicated bank account for the project and the cash transactions are made through the country office bank accounts, this type of opinion is not required.

The Financial Audit was conducted in accordance with the International Standards of Auditing (ISA), 700 series.

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project between 1 January and 31 December 2015. The scope of the audit did not include:

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

Independent Auditor's Report to UNDP – North and South Rubble Removal

Statement of Expenditure

To the director of the Office of Audit and Investigations United Nations Development Programme

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement totalling \$3,943,434.75 (the statement) of the UNDP output ID 92895 'North and South Rubble Removal' for the period from 1 January to 31 December 2015.

Management's Responsibility for the Statement of Expenditure

Management is responsible for the preparation of the statement for the North and South Rubble Removal 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.

Unqualified Opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement presents fairly, in all material respects, the expenses of \$3,943,434.75 incurred by the project 'North and South Rubble Removal' for the period 1 January to 31 December 2015 in accordance with UNDP accounting policies and were i) in conformity with the approved budget; (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.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

15 September 2016

Independent Auditor’s Report to UNDP – North and South Rubble Removal

Statement of Assets and Equipment

To the director of the Office of Audit and Investigations United Nations Development Programme

We have audited the accompanying Statement of Fixed Assets (‘the statement’) of the UNDP output ID 92895 ‘North and South Rubble Removal’ as at 31 December 2015.

Management’s Responsibility for the Statement of Assets and Equipment

Management is responsible for the preparation of the statement for North and South Rubble Removal 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 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.

Unqualified Opinion

In our opinion, the attached Statement of Assets presents fairly, in all material respects, the balance of inventory of the UNDP project ‘North and South Rubble Removal’ amounting to \$27,108.19 as at 31 December 2015 in accordance with UNDP accounting policies.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

15 September 2016

Independent Auditor’s Report to UNDP – North and South Rubble Removal

Statement of Cash Position

We noted that the UNDP output ID 92895 ‘North and South Rubble Removal’ did not have a dedicated bank account for DIM project activities subject to audit and accordingly a Statement of Cash Position was not produced.

MANAGEMENT LETTER

The finding related to the audit of the financial statements is discussed in our management letter below:

Finding n°: 1	Title: Commitments balance incorrectly stated
----------------------	--

Observation:

Under the International Public Sector Accounting Standards (IPSAS) adopted for the project financial reporting, for any purchase orders (PO) created in Atlas, a matching 'commitment' balance is systematically recorded in the funds utilization statement in the project combined delivery report (CDR).

Whenever a 'receipt' is issued in the system (upon receipt of goods or services), the PO and commitment balance should be adjusted accordingly. The adjustment to the commitment can be partial if the PO total amount is split in various receipts of goods / services and payments.

As part of the year-end procedures, the Office's procurement unit should review all POs still open in the system to ensure that the POs for which transactions have been completed (i.e. expensed and recorded in the CDR) are closed so that the commitments recorded in the funds utilization statement are correct.

We noted that at 31 December 2015, the project's funds utilization statement showed commitments totalling \$74,210. However, all the related transactions had already been completed and paid for during the year 2015, and were included in the 2015 CDR. Details of the relevant transactions are shown below:

PO ID	Commitment \$	Amount expensed in 2015 \$	Transaction ID on 2015 CDR
14666	71,360	71,360	86835
14465	2,850	2,850	83685
TOTAL	74,210	74,210	

The above transactions were incorrectly recorded as commitments at 31 December 2015 because their respective POs were still open in the system. The review of the POs by the procurement unit, which should have been performed as part of the year-end procedures, was only done in February 2016.

Priority: Medium

Recommendation:

The review of all outstanding POs should be undertaken as part of the year-end procedures to ensure that the funds utilization statement at 31 December only includes commitment balances in relation to transactions that have not yet been completed and for which expenditure is expected to be incurred during the following financial year.

Management comments:

Procurement has further investigated the source of the issue raised, and found out that it is actually because the user has set the receiving required mode to 'optional' or 'no receipt required' within the PO in the system. UNDP confirms agreement to audit recommendation in this connection, and willingness to setup needed actions as part of the year end procedure to ensure that a matching commitment balance is systematically recorded in the funds utilization statement in the project combined delivery report.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

15 September 2016

Annexes

Annex 1: Combined Delivery Report



Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00092895

Project Id : 00050123	Emergency Supp. & Advanced Pla	Period : Jan-Dec (2015)		
Output # : 00092895	North and south Rubble Removal	Impl. Partner : 02388 UNDP - PAPP		
		Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Dept: 70001 (PAPP - Central)

Fund : 30000 (PROGRAMME COST SHARING)

71305 - Local Consult.-Sht Term-Tech	0.00	17,669.42	0.00	17,669.42
71405 - Service Contracts-Individuals	0.00	123,203.15	0.00	123,203.15
71410 - MAIP Premium SC	0.00	342.22	0.00	342.22
71415 - Contribution to Security SC	0.00	47,920.30	0.00	47,920.30
71420 - Payroll Mgt Cost Recovery SC	0.00	29,600.00	0.00	29,600.00
71505 - UN Volunteers-Stipend & Allow	0.00	81,709.04	0.00	81,709.04
71520 - UNV-Language Allowance	0.00	4,360.82	0.00	4,360.82
71535 - UNV-Medical Insurance	0.00	5,630.22	0.00	5,630.22
71540 - UNV-Global Charges	0.00	3,310.46	0.00	3,310.46
71541 - UNVs-Contribution to security	0.00	5,311.16	0.00	5,311.16
71550 - UNV-Resettlement Allowance	0.00	6,809.14	0.00	6,809.14
71565 - UNV-Natl Appoint/Sep incl Trvl	0.00	71.76	0.00	71.76
71590 - UNV Development Effectiveness	0.00	10,466.00	0.00	10,466.00
71615 - Daily Subsistence Allow-Intl	0.00	626.54	0.00	626.54
71620 - Daily Subsistence Allow-Local	0.00	2,649.99	0.00	2,649.99
72105 - Svc Co-Construction & Engineer	0.00	3,218,861.33	0.00	3,218,861.33
72401 - Prefab structure/other buildin	0.00	71,685.41	0.00	71,685.41
72405 - Acquisition of Communic Equip	0.00	7,850.00	0.00	7,850.00
74105 - Management and Reporting Svcs	0.00	103.09	0.00	103.09
74525 - Sundry	0.00	12,121.57	0.00	12,121.57
74696 - PP&E Expensed Items	0.00	681.35	0.00	681.35
75105 - Facilities & Admin - Implement	0.00	292,109.18	0.00	292,109.18
76125 - Realized Loss	0.00	8.81	0.00	8.81
76135 - Realized Gain	0.00	-48.02	0.00	-48.02
77660 - Dep Exp Owned -Vehicle	0.00	381.81	0.00	381.81
Total for Fund 30000	0.00	3,943,434.75	0.00	3,943,434.75
Total for Dept : 70001	0.00	3,943,434.75	0.00	3,943,434.75
Total for Output : 00092895	0.00	3,943,434.75	0.00	3,943,434.75

Project Total :	0.00	3,943,434.75	0.00	3,943,434.75
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[Signature]
10 July 2016

Signed By: Amran EL Khrouby (Project manager) Date: _____

Signed By: Basil Nasser (Head of Gaza office) Date: _____

[Signature] 10 July 2016

[Signature]

Mark Henderson
Partner
Moore Stephens LLP

MOORE STEPHENS



Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00092895

Project Id : ALL		Period : Jan-Dec (2015)		
Output # : ALL		Impl. Partner : Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
70001 - PAPP - Central	0.00	3,943,434.75	0.00	3,943,434.75



Funds Utilization

Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00092895

Project/Award: 00050123 Emergency Supp. & Advanced Pla

Period : As at Dec 31, 2015

Output #	Impl. Partner	UNDP AMOUNT
00092895	02388 UNDP - PAPP	
Outstanding NEX advances		0.00
Undepreciated Fixed Assets		27,108.19
Inventory		0.00
Prepayments		0.00
Commitments		74,210.00

Annex 2: Statement of Assets and Equipment

STATEMENT OF ASSETS			
AS AT 31 DECEMBER 2015 - Project # PAL10 - 92895			
Category	Location	Value USD	Book Value
(5) Hp Elite Book Folio 1040 G1	UNDP Gaza	7,850	
Armored vehicle (TIGUAN 2.0 TSI(180 HP)		27,490	
Total Value		35,340.00	27,108.19\$



Date : 2015
City : Gaza
UNDP / PAOP

Assets Management

Project Name : Debris Management Project

UNDP COUNTRY OFFICE XXXXX PROJECT ASSETS PHYSICAL VERIFICATION 2015

PROFILE ID (electricals, vehicles etc)	Detailed Description (Model type / if available)	Serial Number	Quantity (should always be 1)	Acquisition Cost	Price in US Dollar	Location (Consisting of room number, floor, building (city name) Ex : (Room2- Floor 3 - Jerusalem)	ACQUISITION DATE	BUSINESS UNIT	OPERATING UNIT	FUND CODE	Implementing Agent	Donor	PROJECT_ID	DEPTID (expenditu re)	Activity
ITC - Laptop	Hp Elite Book Folio 1040 G1	8CGS1107BQ	1	ILS 6,201.50	\$1,570.00	ROOM # , 6-th floor, Gaza	3/3/2015	PAL10	PAL	30000	001981	10480	00082895	70001	ACTIVITY1
ITC - Laptop	Hp Elite Book Folio 1040 G1	8CGS1107BM	1	ILS 6,201.50	\$1,570.00	ROOM # , 6-th floor, Gaza	3/3/2015	PAL10	PAL	30000	001981	10480	00082895	70001	ACTIVITY1
ITC - Laptop	Hp Elite Book Folio 1040 G1	8CGS1107BK1	1	ILS 6,201.50	\$1,570.00	ROOM # , 6-th floor, Gaza	3/3/2015	PAL10	PAL	30000	001981	10480	00082895	70001	ACTIVITY1
ITC - Laptop	Hp Elite Book Folio 1040 G1	8CGS0608SB	1	ILS 6,201.50	\$1,570.00	ROOM # , 6-th floor, Gaza	3/3/2015	PAL10	PAL	30000	001981	10480	00082895	70001	ACTIVITY1
ITC - Laptop	Hp Elite Book Folio 1040 G1	8CGS0608SD	1	ILS 6,201.50	\$1,570.00	ROOM # , 6-th floor, Gaza	3/3/2015	PAL10	PAL	30000	001981	10480	00082895	70001	ACTIVITY1
Armored vehicle	TIGUAN 2.0 TSI (180 HP)	SNZ0N9	1	ILS 106,633.71	\$27,490.00	Gaza Office Rubble Project	4/2/2015	PAL11	PAL	30000	001982	141	00082896	70001	ACTIVITY5

Total \$ 35,340.00
Total net book value \$ 27,108.19

Prepared by : Dalia abu Kmail
Project Manager: Amran El Khrouby

Signature: Dalia Abu Kmail 1/9/2016
Signature: Amran El Khrouby 1/9/2016
Signature: [illegible]

Mark Henderson
Partner
Moore Stephens LLP

MOORE STEPHENS

15 September 2016

Annex 3: Audit finding priority ratings

The following categories of priorities are used:

High (Critical)	Action is considered imperative to ensure that UNDP is not exposed to high risks. Failure to take action could result in major consequences and issues.
Medium (Important)	Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
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.

**UNITED NATIONS DEVELOPMENT PROGRAMME
(UNDP)**

AUDIT REPORT

27 September 2016

**FINANCIAL AUDIT OF THE UNDP DIRECTLY
IMPLEMENTED (DIM) PROJECT**

Emergency Employment SW

UNDP Office:	Programme of Assistance to the Palestinian People
Atlas Project ID:	50123
Atlas Output ID:	94619
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January to 31 December 2015

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EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of 'Emergency Employment SW' (Project ID 50123 - Output ID 94619) (the project), directly implemented by UNDP Programme of Assistance to the Palestinian People (PAPP, the Office) for the year ended 31 December 2015. 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	Unqualified
Statement of Fixed Assets	Not applicable
Statement of Cash Position	Not applicable

We did not raise any findings as a result of our audit.

This output ID 94619 "Emergency Employment SW" was not audited in the prior year.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

27 September 2016

THE AUDIT ENGAGEMENT

Audit Objectives and Scope

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 2015 and the funds utilization as at 31 December 2015 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 2015. This statement must include all assets available as at 31 December 2015 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 2015. In cases where the audited DIM project does not have a dedicated bank account for the project and the cash transactions are made through the country office bank accounts, this type of opinion is not required.

The Financial Audit was conducted in accordance with the International Standards of Auditing (ISA), 700 series.

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project between 1 January and 31 December 2015. The scope of the audit did not include:

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

Independent Auditor's Report to UNDP - Emergency Employment SW

Statement of Expenditure

**To the director of the Office of Audit and Investigations
United Nations Development Programme**

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement totalling \$3,468,994.19 (the statement) of the UNDP output ID 94619 'Emergency Employment SW' for the period from 1 January to 31 December 2015. CDR expenditure totalling \$3,100,000.00 was processed and approved by an implementing partner rather than the Office, therefore our audit testing was limited to testing controls and validating payments at the level of the Office.

Management's Responsibility for the Statement of Expenditure

Management is responsible for the preparation of the statement for the Emergency Employment SW 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.

Unqualified Opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement presents fairly, in all material respects, the expenses of \$3,468,994.19 incurred by the project 'Emergency Employment SW' for the period 1 January to 31 December 2015 in accordance with UNDP accounting policies and were (i) in conformity with the approved budget; (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.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

27 September 2016

Independent Auditor's Report to UNDP - Emergency Employment SW

Statement of Assets and Equipment

We noted that the UNDP output ID 94619 'Emergency Employment SW' had no assets or equipment and accordingly a Statement of Fixed Assets was not produced.

Independent Auditor’s Report to UNDP - Emergency Employment SW

Statement of Cash Position

We noted that the UNDP output ID 94619 ‘Emergency Employment SW’ did not have a dedicated bank account for DIM project activities subject to audit and accordingly a Statement of Cash Position was not produced.

MANAGEMENT LETTER

We did not raise any findings as a result of our audit.



Mark Henderson
Partner
Moore Stephens LLP
27 September 2016

Annexes

Annex 1: Combined Delivery Report



Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00094619

Project Id : 00050123	Emergency Supp. & Advanced Pla	Period :	Jan-Dec (2015)	
Output # : 00094619	Emergency Employment SW	Impl. Partner :	02388 UNDP - PAPP	
		Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Dept: 70001 (PAPP - Central)

Fund : 32045 (JPN-Partnership Devt. Pgm. PCF)

71405 -Service Contracts-Individuals	0.00	45,000.00	0.00	45,000.00
71615 -Daily Subsistence Allow-Intl	0.00	113.96	0.00	113.96
71620 -Daily Subsistence Allow-Local	0.00	1,081.31	0.00	1,081.31
71635 -Travel - Other	0.00	60.52	0.00	60.52
72105 -Svc Co-Construction & Engineer	0.00	64,601.96	0.00	64,601.96
72155 -Svc Co-Public Admin, Politics	844,419.62	0.00	0.00	844,419.62
72170 -Svc Co-Humanitarian Aid & Relf	1,255,580.38	1,000,000.00	0.00	2,255,580.38
72435 -E-mail-Subscription	0.00	300.00	0.00	300.00
74120 -Capacity Assessment	0.00	159.97	0.00	159.97
74525 -Sundry	0.00	713.12	0.00	713.12
75105 -Facilities & Admin - Implement	0.00	256,962.46	0.00	256,962.46
76125 -Realized Loss	0.00	1.05	0.00	1.05
76135 -Realized Gain	0.00	-0.16	0.00	-0.16
Total for Fund 32045	2,100,000.00	1,368,994.19	0.00	3,468,994.19
Total for Dept : 70001	2,100,000.00	1,368,994.19	0.00	3,468,994.19
Total for Output : 00094619	2,100,000.00	1,368,994.19	0.00	3,468,994.19

Project Total :	2,100,000.00	1,368,994.19	0.00	3,468,994.19
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Mark Henderson
Partner
Moore Stephens LLP
27 September 2016

MOORE STEPHENS

Signed By : Prima Abumiddalin Barghouti Date : 26/9/2016

Signed By : Amran El Kharoubi Date : _____

Programme Manager

[Signature]
July 10, 2016



Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00094619

Project id : ALL	Period : Jan-Dec (2015)			
Output # : ALL	Impl. Partner :			
	Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
70001 - PAPP - Central	2,100,000.00	1,368,994.19	0.00	3,468,994.19



Combined Delivery Report By Project

UNDP UN Development Programme
Report ID: unglcdrp

Page 3 of 3
Run Time: 03-07-2016 09:07:10

Funds Utilization

Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00094619

Project/Award: 00050123 Emergency Supp. & Advanced Pla

Period : As at Dec 31, 2015

Output #	00094619	Impl. Partner	02388 UNDP PAPP	UNDP AMOUNT
Outstanding NEX advances				0.00
Undepreciated Fixed Assets				0.00
Inventory				0.00
Prepayments				0.00
Commitments				0.00

Annex 2: Audit finding priority ratings

The following categories of priorities are used:

High (Critical)	Action is considered imperative to ensure that UNDP is not exposed to high risks. Failure to take action could result in major consequences and issues.
Medium (Important)	Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
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.

**UNITED NATIONS DEVELOPMENT PROGRAMME
(UNDP)**

AUDIT REPORT

30 September 2016

**FINANCIAL AUDIT OF THE UNDP DIRECTLY
IMPLEMENTED (DIM) PROJECT**

Cash Assistance for Reconstruction

UNDP Office:	Programme of Assistance to the Palestinian People
Atlas Project ID:	50123
Atlas Output ID:	93992
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January to 31 December 2015

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EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of 'Cash Assistance for Reconstruction' (Project ID 50123 - Output ID 93992) (the project), directly implemented by UNDP Programme of Assistance to the Palestinian People (PAPP, 'the Office') for the year ended 31 December 2015. 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	Unqualified
Statement of Fixed Assets	Not applicable
Statement of Cash Position	Not applicable

As a result of our audit, we have not raised any audit findings.

This output ID 93992 'Cash Assistance for Reconstruction' was not audited in the prior year.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

30 September 2016

THE AUDIT ENGAGEMENT

Audit Objectives and Scope

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 2015 and the funds utilization as at 31 December 2015 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 2015. This statement must include all assets available as at 31 December 2015 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 2015. In cases where the audited DIM project does not have a dedicated bank account for the project and the cash transactions are made through the country office bank accounts, this type of opinion is not required.

The Financial Audit was conducted in accordance with the International Standards of Auditing (ISA), the 700 series.

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project between 1 January and 31 December 2015. The scope of the audit did not include:

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

Independent Auditors' Report to UNDP – Cash Assistance for Reconstruction

Statement of Expenditure

To the director of the Office of Audit and Investigations United Nations Development Programme

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement totalling \$2,959,940.44 (the statement) of the UNDP output ID 93992 'Cash Assistance for Reconstruction' for the period from 1 January to 31 December 2015.

Management's Responsibility for the Statement of Expenditure

Management is responsible for the preparation of the statement for the Cash Assistance for Reconstruction 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.

Unqualified Opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement presents fairly, in all material respects, the expenses of \$2,959,940.44 incurred by the project Cash Assistance for Reconstruction for the period 1 January to 31 December 2015 in accordance with UNDP accounting policies and were (i) in conformity with the approved budget; (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



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

30 September 2016

Independent Auditors' Report to UNDP – Cash Assistance for Reconstruction

Statement of Assets and Equipment

We noted that the UNDP output ID 93992 'Cash Assistance for Reconstruction' had no assets or equipment and accordingly a Statement of Fixed Assets was not produced.

Independent Auditor's Report to UNDP – Cash Assistance for Reconstruction

Statement of Cash Position

We noted that the UNDP output ID 93992 'Cash Assistance for Reconstruction' did not have a dedicated bank account for DIM project activities subject to audit and accordingly a Statement of Cash Position was not produced.

MANAGEMENT LETTER

As a result of our audit, we have not raised any audit findings.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

30 September 2016

Annexes

Annex 1: Combined Delivery Report



Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00093992

Project Id : 00050123 Emergency Supp. & Advanced Pla		Period :	Jan-Dec (2015)	
Output # : 00093992 Cash Assistance for Recons.		Impl. Partner :	02388 UNDP - PAPP	
		Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Dept: 70001 (PAPP - Central)

Fund : 30000 (PROGRAMME COST SHARING)

71405 - Service Contracts-Individuals	0.00	61,679.85	0.00	61,679.85
71410 - MAIP Premium SC	0.00	11.31	0.00	11.31
71415 - Contribution to Security SC	0.00	183.78	0.00	183.78
71505 - UN Volunteers-Stipend & Allow	0.00	10,974.88	0.00	10,974.88
71520 - UNV-Language Allowance	0.00	572.58	0.00	572.58
71535 - UNV-Medical Insurance	0.00	1,267.12	0.00	1,267.12
71540 - UNV-Global Charges	0.00	448.28	0.00	448.28
71541 - UNVs-Contribution to security	0.00	698.23	0.00	698.23
71550 - UNV-Resettlement Allowance	0.00	895.14	0.00	895.14
71590 - UNV Development Effectiveness	0.00	1,374.20	0.00	1,374.20
71615 - Daily Subsistence Allow-Intl	0.00	113.96	0.00	113.96
71620 - Daily Subsistence Allow-Local	0.00	1,511.76	0.00	1,511.76
72120 - Svc Co-Trade and Business Serv	0.00	2,648,364.03	0.00	2,648,364.03
72220 - Furniture	0.00	1,043.96	0.00	1,043.96
72402 - Building Maintenance	0.00	774.79	0.00	774.79
72445 - Common Services-Communications	0.00	76.47	0.00	76.47
72505 - Stationery & other Office Supp	0.00	1,783.73	0.00	1,783.73
72515 - Print Media	0.00	41.32	0.00	41.32
72805 - Acquis of Computer Hardware	0.00	3,748.85	0.00	3,748.85
72815 - Inform Technology Supplies	0.00	862.00	0.00	862.00
73406 - Maintenance of Equipment	0.00	619.83	0.00	619.83
73410 - Maint, Oper of Transport Equip	0.00	634.35	0.00	634.35
73420 - Leased Vehicles	0.00	1,386.69	0.00	1,386.69
74505 - Insurance	0.00	864.90	0.00	864.90
74507 - Warranty Expense	0.00	63.41	0.00	63.41
74525 - Sundry	0.00	681.72	0.00	681.72
75105 - Facilities & Admin - Implement	0.00	219,254.16	0.00	219,254.16
76125 - Realized Loss	0.00	19.36	0.00	19.36
76135 - Realized Gain	0.00	- 10.22	0.00	- 10.22
Total for Fund 30000	0.00	2,959,940.44	0.00	2,959,940.44
Total for Dept : 70001	0.00	2,959,940.44	0.00	2,959,940.44
Total for Output : 00093992	0.00	2,959,940.44	0.00	2,959,940.44

Project Total :	0.00	2,959,940.44	0.00	2,959,940.44
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Hekmat El-Khary - Deputy Head of Infrastructure unit *28/2/2016*
Signed By : *Ramzy Khader - project Manager* *28/2/2016*
Signed By : *Ima Al Hussein - Program Specialist* *28/2/2016*



Combined Delivery Report By Project

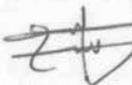
UNDP UN Development Programme
Report ID: unglcdrp

Page 2 of 3
Run Time: 28-02-2016 15:02:53

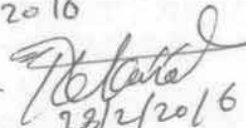
Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00093992

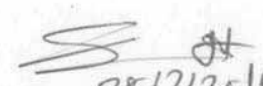
Project Id : ALL	Period : Jan-Dec (2015)		
Output # : ALL	Impl. Partner : Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp
	Total Exp		
70001 - PAPP - Central	0.00	2,959,940.44	0.00
			2,959,940.44

Ramzy Nhadar - project Manager 

28-2-2016

Habib El-Khairy - Deputy Head of Infrastructure Unit - 

28/2/2016

Iman Al Hussein - Program Specialist 

28/2/2016



Funds Utilization

Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00093992

Project/Award: 00050123 Emergency Supp. & Advanced Pla

Period : As at Dec 31, 2015

Output #	00093992	Impl. Partner :02388 UNDP - PAPP	UNDP AMOUNT
	Outstanding NEX advances		0.00
	Undepreciated Fixed Assets		0.00
	Inventory		0.00
	Prepayments		0.00
	Commitments		0.00

Ramzy Khader - project Manager

28-2-2016

Helmut El-Khairy - Deputy Head of infrastructure unit

28/2/2016

Iman Al Hussein - Program Specialist

28/2/2016

Annex 2: Audit finding priority ratings

The following categories of priorities are used:

High (Critical)	Action is considered imperative to ensure that UNDP is not exposed to high risks. Failure to take action could result in major consequences and issues.
Medium (Important)	Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
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.