

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



*Empowered lives.
Resilient nations.*

AUDIT

OF

UNDP IRAQ

SUPPORT TO TB AND HIV PROGRAMS
(Directly Implemented Project No. 47321, Output No. 56801)

Report No. 1654

Issue Date: 19 September 2016

Report on the Audit of UNDP Iraq Support to TB and HIV Programs (Project No. 47321, Output No. 56801) Executive Summary

The UNDP Office of Audit and Investigations (OAI), through Talal Abu- Ghazaleh & Co. (the audit firm), from 12 to 19 June 2016, conducted an audit of Support to TB and HIV Programs (Project No. 47321, Output No. 56801) (the Project), which is directly implemented and managed by the UNDP Country Office in Iraq (the Office) as the Principal Recipient, since the Project was funded by the Global Fund to Fight AIDS, Tuberculosis and Malaria. The last audit of the Project was conducted by OAI in December 2014 and was reported on in 2015. That last audit covered project expenditure from 1 January to 31 December 2013.

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 include activities and expenses incurred or undertaken at the "responsible party" level, or expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). The audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Project.

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

Audit results

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

Project Expenditure*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$'000)	Opinion
3,119	Unqualified	8	Unqualified

*Expenditures recorded in the Combined Delivery Report were \$4,585,504. Excluded from the audit scope were transactions that relate to expenditures incurred by other United Nations agencies (\$1,062,203) and expenditures processed and approved by other UNDP offices outside of the country (\$277,563). Also excluded were expenditures incurred at the "responsible party" level (\$126,560), which were subject to a separate audit conducted by external auditors that resulted in an unqualified opinion.

Key recommendation: Total = 1, high priority = 0

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, 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." This recommendation includes action to address incorrect classification and presentation of expenditures incurred by other United Nations agencies.

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.

The recommendation aims to ensure compliance with legislative mandates, regulations and rules, policies and procedures.

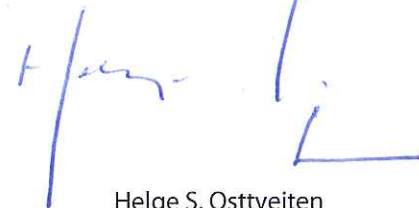
Implementation status of previous OAI audit recommendation: Report No. 1366, 24 March 2015

Total recommendations: 1

Implemented: 1

Management comments and action plan

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

A handwritten signature in blue ink, which appears to read 'H. Osttveiten', is written over a rectangular box.

Helge S. Osttveiten
Director
Office of Audit and Investigations

Auditor's Report

Financial audit of “Support to TB and HIV Programs” (The Project) implemented by UNDP - Iraq for the year ended 31 December 2015.

PROJECT TITLE AND IDs:

Title: “Support to TB and HIV Programs”

IDs: (Atlas Project ID: 00047321, Output ID: 00056801)

FUNDED BY

The Global Fund

Talal Abu – Ghazaleh & Co.

Certified Public Accountants



**Support to TB and HIV Programs
Implemented by UNDP - Iraq
Funded by
The Global Fund**

TABLE OF CONTENTS

1. PART I – EXECUTIVE SUMMARY	2
1.1. Background information about the Project.....	2
1.2. Project identification information	2
1.3. Project budget:	3
1.4. Project duration:.....	3
1.5. Audit objectives	3
1.6. Scope of Audit:.....	4
1.7. Summary of the Audit performed and results:	5
1.7.1 Audit performed:	5
1.7.2 Results of the Audit:	5
2. PART II – AUDITOR’S REPORT WITH OPINION.....	6
2.1 Auditor’s Report.....	6
2.1 CDR Output ID. 00056801 for the year ended 31 December 2015:	8
3. CERTIFICATION OF THE STATEMENT OF FIXED ASSETS - 2015	19
3.1 Statement of Fixed Assets – 2015.....	21
3.2 List of Assets and Equipment:	22
4. PART III – MANAGEMENT LETTER	23

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

This report represents the results of our financial audit of output ID: 00056801 titled "Support to TB and HIV Programs" (the Project), for the year ended 31 December 2015.

This financial audit was mandated in accordance with the audit contract for professional services signed with UNDP/OAI (Ref. DIM audit of UNDP Global Fund Iraq project 00056801 "Support to TB and HIV Programs" dated 6 May 2016).

Sincerely yours,

Talal Abu -Ghazaleh & Co.

License No. 251/1997

Jamal Milhem, CPA

Certified Accountant License # (100/98)

Ramallah - Palestine, 11 September 2016



1. PART I – EXECUTIVE SUMMARY

The Executive Summary recapitulates the important issues raised in the financial audit of the project "Support to TB and HIV Programs".

1.1. Background information about the Project

This Project is a continuation of the Global Fund TB program in Iraq, which commenced in 2008 (Round 6 and then Round 9). The ongoing grant is an allocation under the transition funding approved for the country in 2014. (Duration: July 2015-December 2016). The beneficiary of the Project is the Iraqi National Tuberculosis (TB) Control Program (NTP); with its affiliations at the level of the governorates, in addition to the TB patients all over the country. The Project's aim is to provide technical and financial support to the NTP at both the central and governorates level for achieving its goals in the fight against TB in Iraq.

UNDP is the Principle Recipient (PR) of the grant, responsible for the overall programmatic and financial management of the grant. During 2015 (the year audited) the grant had three Sub-Recipients (SRs) namely:

- The World Health Organization (WHO)-Iraq,
- International Medical Corps (IMC) –Until January 2015
- AMAR International Charitable Foundation (AMAR ICF) Until September 2015.

In addition to the above implementers WHO-Iraq also had one Sub-Sub-Recipient in 2015 (SSR): Iraqi Anti Tuberculosis Association (IATA).

1.2. Project identification information

The following table summarizes the amount of expenditures for the year under review.

Output Name	Atlas Project ID	Atlas Output ID	2015 Budget (USD)	2015 Actual expenditures as per CDR (USD)	2015 expenditures within audit scope (USD)
Support to TB and HIV Programs	00047321	00056801	5,004,243	4,585,504*	3,119,178

* An amount of \$1,466,326 was excluded from our audit scope. This amount includes expenses processed and approved in locations outside the country amounting to \$277,563, transactions relating to expenditures of other United Nations agencies of \$1,062,203 and expenditures incurred at the 'responsible party' level of \$126,560. Our opinion expressed on the Combined Delivery

Report excludes this amount. Our opinion is not qualified in respect of this matter.

1.3. Project budget:

The total budget for the year 2015 was \$ 5,004,243.

1.4. Project duration:

Based on the agreements signed with UNDP, the Project duration is from 1 January 2008 to 31 December 2016.

1.5. Audit objectives

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

- 1) Expressing an opinion on whether the expenses incurred by the Project from 1 January to 31 December 2015 and the funds utilization as at 31 December 2015 were 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. The Combined Delivery Report (CDR) and the accompanying Funds Utilization statement are the mandatory and official statements upon which the audit opinion should be expressed. Other forms of statement of expenses that may be prepared by a project office are not accepted.
- 2) 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 should include all assets available as at 31 December 2015 and not only those purchased in the period under audit.
- 3) 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. Disbursements made against a DIM project are usually financed from the regular country office bank accounts. Exceptionally, a dedicated bank account may be opened and used solely for the cash transactions of a DIM project, e.g. if the project is in a remote location. The audit firm is required to express an opinion on the Statement of Cash only where a dedicated bank account for the DIM project has been established. In cases where the cash transactions of the audited DIM project are made through the country office bank accounts, this type of opinion is not required

We performed our financial audit in accordance with the International Standards on Auditing (ISA 700) and in compliance with the UNDP rules and regulations.

1.6. Scope of Audit:

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

- Activities and expenses incurred or undertaken at the level of "responsible parties"; 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.

Specifically, the audit covered the following:

- a) The expenses incurred and recorded in the Combined Delivery Report (CDR) of the Project ID 00047321 output ID 00056801 "Support to TB and HIV Programs" during the period from 1 January 2015 to 31 December 2015 and the Funds Utilization Statement as at 31 December 2015;
- b) The value and existence of the fixed assets held by the Project ID 00047321- output ID 00056801 "Support to TB and HIV Programs" as at 31 December 2015; and
- c) The value and existence of Cash held by the Project ID 00047321- output ID 00056801 "Support to TB and HIV Programs" as at 31 December 2015 (in the case there was a separate bank account for the DIM project under review).

Accounting principles:

The Combined Delivery Report (CDR) was prepared on the accrual basis accounting system; therefore expenditures were recognized when incurred rather than when paid.

All assets included in the Statement of Fixed Assets were accounted for according to their historical costs, and in compliance with UNDP's Asset Management Guidelines.

Since 2012, UNDP started applying IPSAS and as a result, fixed assets depreciation expenses are included in the CDR.

1.7. Summary of the Audit performed and results:

1.7.1 Audit performed:

This summary represents the results of our financial audit of project ID 00047321- output ID 00056801 titled "Support to TB and HIV Programs" ("the Project") for the year ended 31 December 2015.

The total expenditures incurred by UNDP under our audit scope on the Project are \$3,119,178. The audit tests covered approximately 62 percent of the total expenditures, as shown in the following table:

Project location	No. of samples	Total expenditures under audit scope (USD)	Total expenditures tested (USD)	Percentage
Iraq	41	3,119,178	1,921,672	62%

1.7.2 Results of the Audit:

- **The Combined Delivery Report (CDR) and Funds Utilization Statement**

The review did not disclose any financial errors in the Project's CDR for the period from 1 January to 31 December 2015 and Funds Utilization statement as at 31 December 2015.

- **The Statement of Fixed Assets**

The results of our review did not disclose any material misstatement that could affect the presentation of the statement of fixed assets as at 31 December 2015.

- **The Statement of Cash held by the Project**

In accordance with the Terms of Reference for the audit, we did not issue an opinion on the Statement of Cash Position, as there was no separate bank account for the project under review.

Talal Abu -Ghazaleh & Co.

License No. 251/1997

Jamal Milhem, CPA

Certified Accountant License # (100/98)

Ramallah - Palestine, 19 June 2016



2. PART II – AUDITOR’S REPORT WITH OPINION

2.1 Auditor’s Report

REPORT OF THE INDEPENDENT AUDITORS TO UNDP DIM PROJECT “SUPPORT TO TB AND HIV PROGRAMS”

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

Report on the Project Financial Statement

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization Statement (the Statement) of the UNDP output ID 00056801 “Support to TB and HIV Programs”, for the period from 1 January to 31 December 2015.

Management’s Responsibility

Management is responsible for the preparation and fair presentation of the statement for “Support to TB and HIV Programs” 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 the 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 statements are 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 statements 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.

Unmodified Opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement gives a true and fair view of the expenditures of \$3,119,178 incurred by the "Support to TB and HIV Programs", for the period from 1 January to 31 December 2015 in accordance with UNDP accounting policies and were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNDP; and (iv) supported by properly approved vouchers and other supporting documents.

Talal Abu -Ghazaleh & Co.

License No. 251/1997

Jamal Milhem, CPA

Certified Accountant License # (100/98)

Ramallah - Palestine, 19 June 2016




Implemented by: United Nations Development Programme in Iraq.

My

Financial audit of Output ID: 00056801 titled "Support to TB and HIV Programs" for the year ended 31 December 2015.

Funded by: The Global Fund.

Implemented by: United Nations Development Programme in Iraq.

Combined Delivery Report by Activity				
 UN Development Programme Report ID: unglcdrb		Page 2 of 11 Run Time: 14-02-2016 08:02:41		
Project ID : 00047321 Preparatory Assist.-GFATM prog Output # : 00056801 Support to TB and HIV Programs		Period : Jan-Dec (2015) Impl. Partner : 01127 UNDP - Direct Execution Location : UNDP IRAQ Office Amman		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
72810 - Acquis of Computer Software	0.00	4,940.00	0.00	4,940.00
72815 - Inform Technology Supplies	0.00	1,725.00	0.00	1,725.00
73107 - Rent - Meeting Rooms	0.00	36,009.90	0.00	36,009.90
73510 - Reimb to UN for Supp Svcs	0.00	0.00	0.00	0.00
74210 - Printing and Publications	0.00	39,190.00	0.00	39,190.00
74325 - Contrib. To CO Common Security	0.00	0.00	0.00	0.00
74510 - Bank Charges	0.00	170.34	0.00	170.34
74520 - Storage	0.00	558.91	0.00	558.91
74525 - Sundry	0.00	1,388.97	0.00	1,388.97
74705 - Port Operation	0.00	4,788.00	0.00	4,788.00
74720 - Distribution Cost	0.00	670.00	0.00	670.00
74725 - Other L.T.S.H.	0.00	-44,953.02	0.00	-44,953.02
75105 - Facilities & Admin - Implement	0.00	97,832.74	0.00	97,832.74
75110 - Facilities & Admin - Services	0.00	2,253.36	0.00	2,253.36
75705 - Learning costs	0.00	76,503.61	0.00	76,503.61
75708 - Learning - ticket costs	0.00	4,730.00	0.00	4,730.00
75709 - Learning - subsistence allowan	0.00	265,191.40	0.00	265,191.40
76135 - Realized Gain	0.00	-18,787.65	0.00	-18,787.65
Total for Fund 30078	0.00	1,478,908.96	0.00	1,478,908.96
Total for Activity 000000000000001	0.00	1,478,908.96	0.00	1,478,908.96
Activity : 12 (Interventions for high risk)				
Fund : 30078 (Global Fund to fight AIDS Tube)				
71605 - Travel Tickets-International	0.00	2,153.00	0.00	2,153.00
71610 - Travel Tickets-Local	0.00	830.00	0.00	830.00
71620 - Daily Subsistence Allow-Local	0.00	3,905.00	0.00	3,905.00
71625 - Daily Subsid Allow-Mtg Partic	0.00	3,796.00	0.00	3,796.00
71635 - Travel - Other	0.00	16,606.00	0.00	16,606.00
72125 - Svc Co-Studies & Research Serv	0.00	25.00	0.00	25.00
72160 - Svc Co-Education & Health Serv	0.00	2,880.00	0.00	2,880.00
72311 - Fuel, petroleum and other oils	0.00	99.00	0.00	99.00
72330 - Medical Products	0.00	26,108.69	0.00	26,108.69
72605 - Grants to Instit & other Benef	34,321.69	5,562.31	0.00	39,884.00
74115 - Legal Fees	0.00	824.92	0.00	824.92
74210 - Printing and Publications	92,236.31	0.00	0.00	92,236.31
74505 - Insurance	0.00	23.59	0.00	23.59
74515 - Claims and Adjustments	0.00	18,615.00	0.00	18,615.00
74525 - Sundry	0.00	2.12	0.00	2.12
74725 - Other L.T.S.H.	0.00	544.96	0.00	544.96
75105 - Facilities & Admin - Implement	0.00	20,390.47	0.00	20,390.47
75110 - Facilities & Admin - Services	0.00	60.12	0.00	60.12
75705 - Learning costs	0.00	60,585.00	0.00	60,585.00
75708 - Learning - subcontracts	0.00	1,231.80	0.00	1,231.80
75709 - Learning - training of counter	0.00	20,940.00	0.00	20,940.00
76115 - Foreign Exchange Hedging Loss	0.00	20,468.00	0.00	20,468.00
76135 - Realized Gain	0.00	-904.10	0.00	-904.10
Total for Fund 30078	126,560.00	204,746.88	0.00	331,306.88

Financial audit of Output ID: 00056801 titled "Support to TB and HIV Programs" for the year ended 31 December 2015.

Funded by: The Global Fund.

Implemented by: United Nations Development Programme in Iraq.

Combined Delivery Report by Activity

UN Development Programme
Report ID: unglodrb

Page 3 of 11
Run Time: 14-02-2016 08:02:41

Project Id : 00047321 Preparatory Assist.-GFATM prog	Period : Jan-Dec (2015)
Output # : 00056801 Support to TB and HIV Programs	Impl. Partner : 01127 UNDP - Direct Execution
	Location : UNDP IRAQ Office Amman
Govt Exp	UNDP Exp
UN Agencies Exp	Total Exp

Total for Activity 12	126,560.00	204,746.88	0.00	331,306.88
-----------------------	------------	------------	------	------------

Activity : 13 (Engagement of the non-NTP)

Fund : 30078 (Global Fund to fight AIDS Tube)

71305 - Local Consult.-Sht Term-Tech	0.00	4,796.48	0.00	4,796.48
71605 - Travel Tickets-International	0.00	13,534.00	0.00	13,534.00
71610 - Travel Tickets-Local	0.00	95.00	0.00	95.00
71620 - Daily Subsistence Allow-Local	0.00	5,404.00	0.00	5,404.00
71625 - Daily Subsist Allow-Mtg Partic	0.00	2,510.00	0.00	2,510.00
71635 - Travel - Other	0.00	2,150.00	0.00	2,150.00
72105 - Svc Co-Construction & Engineer	0.00	5,600.00	0.00	5,600.00
72135 - Svc Co-Communications Service	0.00	60.00	0.00	60.00
72505 - Stationery & other Office Supp	0.00	27.47	0.00	27.47
72715 - Hospitality Catering	0.00	0.00	0.00	0.00
74210 - Printing and Publications	0.00	4,500.00	0.00	4,500.00
74510 - Bank Charges	0.00	63.00	0.00	63.00
75105 - Facilities & Admin - implement	0.00	7,352.33	0.00	7,352.33
75705 - Learning costs	0.00	13,729.00	0.00	13,729.00
75711 - TrnWrkshp&Conf - Stipends	0.00	52,564.30	0.00	52,564.30

Total for Fund 30078	0.00	112,385.58	0.00	112,385.58
----------------------	------	------------	------	------------

Total for Activity 13	0.00	112,385.58	0.00	112,385.58
-----------------------	------	------------	------	------------

Activity : 14 (Operation's research)

Fund : 30078 (Global Fund to fight AIDS Tube)

71305 - Local Consult.-Sht Term-Tech	0.00	11,821.00	0.00	11,821.00
71635 - Travel - Other	0.00	1,210.00	0.00	1,210.00
72715 - Hospitality Catering	0.00	0.00	0.00	0.00
75105 - Facilities & Admin - Implement	0.00	1,123.23	0.00	1,123.23
75705 - Learning costs	0.00	1,213.50	0.00	1,213.50
75711 - TrnWrkshp&Conf - Stipends	0.00	1,801.50	0.00	1,801.50

Total for Fund 30078	0.00	17,169.23	0.00	17,169.23
----------------------	------	-----------	------	-----------

Total for Activity 14	0.00	17,169.23	0.00	17,169.23
-----------------------	------	-----------	------	-----------

Activity : 15 (Grant management)

Fund : 30078 (Global Fund to fight AIDS Tube)


61305 - Salaries - IP Staff	0.00	70,508.25	0.00	70,508.25
61310 - Post Adjustment - IP Staff	0.00	31,587.69	0.00	31,587.69

M.M.

Financial audit of Output ID: 00056801 titled "Support to TB and HIV Programs" for the year ended 31 December 2015.

Funded by: The Global Fund.

Implemented by: United Nations Development Programme in Iraq.


 UN Development Programme Report ID: unglc0rb					Combined Delivery Report by Activity					Page 4 of 11 Run Time: 14-02-2016 08:02:41				
Project id : 00047321 Preparatory Assist-GFATM prog Output # : 00056801 Support to TB and HIV Programs					Period : Jan-Dec (2015) Impl. Partner : 01127 UNDP - Direct Execution Location : UNDP IRAQ Office Amman									
					Govt Exp UNDP Exp UN Agencies Exp Total Exp									
62225 - Hazard Duty Station Allow-GS					0.00 557.67 0.00 557.67									
62305 - Dependency Allowances-IP Staff					0.00 10,983.78 0.00 10,983.78									
62310 - Contrib to Jt Staff Pens Fd-IP					0.00 22,359.99 0.00 22,359.99									
62315 - Contrib. to medical, social in					0.00 1,164.06 0.00 1,164.06									
62320 - Mobility, Hardship, Non-remova					0.00 26,017.47 0.00 26,017.47									
62325 - Hazard Duty Station Allow-IP					0.00 7,806.89 0.00 7,806.89									
62340 - Annual Leave Expense - IP					0.00 2,627.94 0.00 2,627.94									
63330 - Fd Grt Incl Trvl&Allow-IP Stf					0.00 39,652.45 0.00 39,652.45									
63335 - Home Leave Trvl & Allow-IP Stf					0.00 8,633.36 0.00 8,633.36									
63340 - Proc trips/Rost & Recup-IP Stf					0.00 2,250.00 0.00 2,250.00									
63365 - Special Oper Living Allow-IP					0.00 15,687.00 0.00 15,687.00									
63530 - Contribution to EOS Benefits					0.00 3,828.60 0.00 3,828.60									
63525 - Contribution to Security					0.00 6,636.24 0.00 6,636.24									
63540 - Contribution to Training					0.00 1,225.16 0.00 1,225.16									
63545 - Contribution to ICT					0.00 1,531.44 0.00 1,531.44									
63550 - Contributions to MAIP					0.00 408.36 0.00 408.36									
63555 - Contribution to UN JFA					0.00 3,062.89 0.00 3,062.89									
63560 - Contributions to Appendix D					0.00 306.27 0.00 306.27									
64308 - Appointments-Lump Sum					0.00 11,210.78 0.00 11,210.78									
65115 - Contributions to ASHI Reserve					0.00 8,167.68 0.00 8,167.68									
65135 - Payroll Mgt Cost Recovery ATLA					0.00 579.42 0.00 579.42									
71205 - Intl Consultants-Sht Term-Tech					0.00 56,277.65 0.00 56,277.65									
71305 - Local Consult-Sht Term-Tech					0.00 25,646.00 0.00 25,646.00									
71405 - Service Contracts-Individuals					0.00 571,794.71 0.00 571,794.71									
71410 - MAIP Premium SC					0.00 840.11 0.00 840.11									
71415 - Contribution to Security SC					0.00 13,653.30 0.00 13,653.30									
71805 - Travel Tickets-International					0.00 14,696.80 0.00 14,696.80									
71810 - Travel Tickets-Local					0.00 1,039.00 0.00 1,039.00									
71815 - Daily Subsistence Allow-Intl					0.00 27,902.80 0.00 27,902.80									
71820 - Daily Subsistence Allow-Local					0.00 31,545.92 0.00 31,545.92									
71825 - Daily Subsist Allow-Mig Partic					0.00 -5,679.52 0.00 -5,679.52									
71835 - Travel - Other					0.00 1,995.29 0.00 1,995.29									
72120 - Svc Co-Trade and Business Serv					0.00 1,510.00 0.00 1,510.00									
72330 - Medical Products					0.00 266.67 0.00 266.67									
72405 - Acquisition of Communic Equip					0.00 380.00 0.00 380.00									
72425 - Mobile Telephone Charges					0.00 3,105.81 0.00 3,105.81									
72430 - Postage and Pouch					0.00 482.00 0.00 482.00									
72440 - Connectivity Charges					0.00 3,933.48 0.00 3,933.48									
72445 - Common Services-Communications					0.00 23,329.00 0.00 23,329.00									
72515 - Print Media					0.00 25.64 0.00 25.64									
72705 - Hospitality-Special Events					0.00 -32,818.50 0.00 -32,818.50									
72715 - Hospitality Catering					0.00 -1,500.00 0.00 -1,500.00									
72805 - Acquis of Computer Hardware					0.00 1,460.00 0.00 1,460.00									
73105 - Rent					0.00 135.00 0.00 135.00									
73120 - Utilities					0.00 72,844.00 0.00 72,844.00									
73125 - Common Services-Premises					0.00 9,257.00 0.00 9,257.00									
73405 - Maintenance of Equipment					0.00 395.00 0.00 395.00									
74105 - Management and Reporting Svcs					0.00 19,262.00 0.00 19,262.00									
74110 - Audit Fees					0.00 85,000.00 0.00 85,000.00									
74120 - Capacity Assessment					0.00 34,255.00 0.00 34,255.00									
74210 - Printing and Publications					0.00 14,604.00 0.00 14,604.00									
74305 - Contributions to CCAQ					0.00 40,641.00 0.00 40,641.00									
74310 - Contributions to JIU					0.00 85.04 0.00 85.04									
74510 - Bank Charges					0.00 3,186.11 0.00 3,186.11									

MM

Financial audit of Output ID: 00056801 titled "Support to TB and HIV Programs" for the year ended 31 December 2015.

Funded by: The Global Fund.


Implemented by: United Nations Development Programme in Iraq.

Combined Delivery Report by Activity				
 UN Development Programme Report ID: unglcdrb		Page 5 of 11 Run Time: 14-02-2016 08:02:41		
Project ID : 00047321 Preparatory Assist.-GFATM prog Output # : 00056801 Support to TB and HIV Programs		Period : Jan-Dec (2015) Impl. Partner : 01127 UNDP - Direct Execution Location : UNDP IRAQ Office Amman		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
74525 - Sundry	0.00	66.00	0.00	66.00
74710 - Land Transport	0.00	0.00	0.00	0.00
75105 - Facilities & Admin - Implement	0.00	106,125.27	0.00	106,125.27
75705 - Learning costs	0.00	- 1,876.00	0.00	- 1,876.00
75707 - Learning - subsistence allowan	0.00	44,319.08	0.00	44,319.08
75709 - Learning - training of counter	0.00	48,180.00	0.00	48,180.00
75710 - Participation of counterparts	0.00	4,874.00	0.00	4,874.00
75711 - TrnWrkshp&Conf - Stipends	0.00	23,812.48	0.00	23,812.48
75712 - TrnWrkshp&Conf - Honorariums	0.00	1,819.00	0.00	1,819.00
76135 - Realized Gain	0.00	0.00	0.00	0.00
77402 - Contrib-Security Share GOE	0.00	98,537.00	0.00	98,537.00
Total for Fund 30078	0.00	1,622,200.53	0.00	1,622,200.53
Total for Activity 15	0.00	1,622,200.53	0.00	1,622,200.53
Activity : 21 (laboratory services for DR-TB)				
Fund : 30078 (Global Fund to fight AIDS Tube)				
71610 - Travel Tickets-Local	0.00	3,270.00	0.00	3,270.00
71630 - Shipment	0.00	336.00	0.00	336.00
71635 - Travel - Other	0.00	32.70	0.00	32.70
72105 - Svc Co-Construction & Engineer	0.00	0.00	0.00	0.00
72125 - Svc Co-Studies & Research Serv	0.00	1,970.00	0.00	1,970.00
72135 - Svc Co-Communications Service	0.00	1,017.00	0.00	1,017.00
72210 - Machinery and Equipment	0.00	353,057.54	0.00	353,057.54
72350 - Medical Kits	0.00	220,006.13	0.00	220,006.13
72399 - Other Materials and Goods	0.00	120.00	0.00	120.00
72405 - Acquisition of Communic Equip	0.00	419.97	0.00	419.97
72430 - Postage and Pouch	0.00	280.00	0.00	280.00
73406 - Maintenance of Equipment	0.00	22,000.00	0.00	22,000.00
74115 - Legal Fees	0.00	1,185.07	0.00	1,185.07
74505 - Insurance	0.00	962.78	0.00	962.78
74510 - Bank Charges	0.00	17.00	0.00	17.00
74515 - Claims and Adjustments	0.00	567.06	0.00	567.06
74725 - Other L.T.S.H.	0.00	15,287.09	0.00	15,287.09
75105 - Facilities & Admin - Implement	0.00	44,669.68	0.00	44,669.68
75705 - Learning costs	0.00	1,620.00	0.00	1,620.00
75707 - Learning - subsistence allowan	0.00	15,990.00	0.00	15,990.00
76125 - Realized Loss	0.00	292.25	0.00	292.25
76135 - Realized Gain	0.00	- 564.30	0.00	- 564.30
Total for Fund 30078	0.00	682,535.97	0.00	682,535.97
Total for Activity 21	0.00	682,535.97	0.00	682,535.97
Activity : 22 (MDR-TB HR development)				
Fund : 30078 (Global Fund to fight AIDS Tube)				

Financial audit of Output ID: 00056801 titled "Support to TB and HIV Programs" for the year ended 31 December 2015.

Funded by: The Global Fund.

Implemented by: United Nations Development Programme in Iraq.

Combined Delivery Report by Activity				
 UN Development Programme Report ID: unglcddb		Page 6 of 11 Run Time: 14-02-2016 08:02:41		
Project Id : 00047321 Preparatory Assist-GFATM prog Output # : 00056801 Support to TB and HIV Programs		Period : Jan-Dec (2015) Impl. Partner : 01127 UNDP - Direct Execution Location : UNDP IRAQ Office Amman		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
71510 - Travel Tickets-Local	0.00	5,486.00	0.00	5,486.00
71535 - Travel - Other	0.00	4,542.35	0.00	4,542.35
72135 - Svc Co-Communications Service	0.00	995.00	0.00	995.00
72210 - Machinery and Equipment	0.00	164.84	0.00	164.84
72350 - Medical Kits	0.00	9,044.28	0.00	9,044.28
72715 - Hospitality Catering	0.00	0.00	0.00	0.00
74505 - Insurance	0.00	10.43	0.00	10.43
75105 - Facilities & Admin - Implement	0.00	7,867.54	0.00	7,867.54
75705 - Learning costs	0.00	19,428.00	0.00	19,428.00
75707 - Learning - subsistence allowan	0.00	71,703.50	0.00	71,703.50
75711 - TrnWrkshp&Cont - Stipends	0.00	1,019.00	0.00	1,019.00
76135 - Realized Gain	0.00	0.00	0.00	0.00
Total for Fund 30078	0.00	120,260.94	0.00	120,260.94
Total for Activity 22	0.00	120,260.94	0.00	120,260.94
Activity : 23 (MDR-TB drug management)				
Fund : 30078 (Global Fund to fight AIDS Tube)				
72330 - Medical Products	0.00	79,500.86	0.00	79,500.86
72430 - Postage and Pouch	0.00	336.00	0.00	336.00
74510 - Bank Charges	0.00	15.34	0.00	15.34
74525 - Sundry	0.00	890.42	0.00	890.42
74725 - Other L.T.S.H.	0.00	14,585.00	0.00	14,585.00
75105 - Facilities & Admin - Implement	0.00	6,672.93	0.00	6,672.93
76125 - Realized Loss	0.00	15.97	0.00	15.97
Total for Fund 30078	0.00	102,016.52	0.00	102,016.52
Total for Activity 23	0.00	102,016.52	0.00	102,016.52
Activity : 24 (M&E for MDR-TB)				
Fund : 30078 (Global Fund to fight AIDS Tube)				
71615 - Daily Subsistence Allow-Intl	0.00	50,838.00	0.00	50,838.00
75105 - Facilities & Admin - Implement	0.00	3,558.66	0.00	3,558.66
Total for Fund 30078	0.00	54,396.66	0.00	54,396.66
Total for Activity 24	0.00	54,396.66	0.00	54,396.66
Activity : 25 (MDR-TB case management)				
Fund : 30078 (Global Fund to fight AIDS Tube)				

M.M

Financial audit of Output ID: 00056801 titled "Support to TB and HIV Programs" for the year ended 31 December 2015.

Funded by: The Global Fund.

Implemented by: United Nations Development Programme in Iraq.

UNDP UN Development Programme
Report ID: unglodrb

Combined Delivery Report by Activity

Page 7 of 11
Run Time: 14-02-2016 08:02:41

Project Id : 00047321 Preparatory Assist.-GFATM prog	Period :	Jan-Dec (2015)		
Output # : 00056801 Support to TB and HIV Programs	Impl. Partner :	01127 UNDP - Direct Execution		
	Location :	UNDP IRAQ Office Amman		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

74210 - Printing and Publications	0.00	7,010.00	0.00	7,010.00
74705 - Port Operation	0.00	2,751.00	0.00	2,751.00
75105 - Facilities & Admin - Implement	0.00	683.27	0.00	683.27
Total for Fund 30078	0.00	10,444.27	0.00	10,444.27
Total for Activity 25	0.00	10,444.27	0.00	10,444.27

Activity : ACITIVITY1 (Preparatory Assist.-GFATM)

Fund : 30078 (Global Fund to fight AIDS Tube)

62225 - Hazard Duty Station Allow-GS	0.00	0.00	0.00	0.00
71605 - Travel Tickets-International	0.00	0.00	0.00	0.00
71615 - Daily Subsistence Allow-Intl	0.00	200.00	0.00	200.00
71620 - Daily Subsistence Allow-Local	0.00	0.00	0.00	0.00
71635 - Travel - Other	0.00	0.00	0.00	0.00
72105 - Svc Co-Construction & Engineer	0.00	0.00	0.00	0.00
72120 - Svc Co-Trade and Business Serv	0.00	0.00	0.00	0.00
74510 - Bank Charges	0.00	76.40	0.00	76.40
74525 - Sundry	0.00	-14.10	0.00	-14.10
75105 - Facilities & Admin - Implement	0.00	32.37	0.00	32.37
75110 - Facilities & Admin - Services	0.00	-39.95	0.00	-39.95
75705 - Learning costs	0.00	200.00	0.00	200.00
Total for Fund 30078	0.00	454.72	0.00	454.72
Total for Activity ACITIVITY1	0.00	454.72	0.00	454.72

Activity : ADMINUNDP (Administration UNDP)

Fund : 30078 (Global Fund to fight AIDS Tube)

71405 - Service Contracts-Individuals	0.00	7,613.22	0.00	7,613.22
71410 - MAIP Premium SC	0.00	140.83	0.00	140.83
71415 - Contribution to Security SC	0.00	2,288.09	0.00	2,288.09
72425 - Mobile Telephone Charges	0.00	0.00	0.00	0.00
74325 - Contrib.To CO Common Security	0.00	0.00	0.00	0.00
74510 - Bank Charges	0.00	0.00	0.00	0.00
75105 - Facilities & Admin - Implement	0.00	702.96	0.00	702.96
75110 - Facilities & Admin - Services	0.00	-2,213.41	0.00	-2,213.41
Total for Fund 30078	0.00	8,531.69	0.00	8,531.69
Total for Activity ADMINUNDP	0.00	8,531.69	0.00	8,531.69


Activity : CCM (CCM)

MM

Financial audit of Output ID: 00056801 titled "Support to TB and HIV Programs" for the year ended 31 December 2015.

Funded by: The Global Fund.

Implemented by: United Nations Development Programme in Iraq.

Combined Delivery Report by Activity				
 UN Development Programme Report ID: ungicorb				
Page 8 of 11 Run Time: 14-02-2016 08:02:41				
Project ID: 00047321 Preparatory Assist-GFATM prog	Period:	Jan-Dec (2015)		
Output #: 00056801 Support to TB and HIV Programs	Impl. Partner:	01127 UNDP - Direct Execution		
	Location:	UNDP IRAQ Office Amman		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Fund : 30000 (PROGRAMME COST SHARING)				
71395 - Local Consult-Sht Term-Tech	0.00	17,927.44	0.00	17,927.44
71635 - Travel - Other	0.00	4,740.00	0.00	4,740.00
72440 - Connectivity Charges	0.00	2,160.00	0.00	2,160.00
72445 - Common Services-Communications	0.00	4,200.00	0.00	4,200.00
72705 - Hospitality-Special Events	0.00	0.00	0.00	0.00
72715 - Hospitality Catering	0.00	0.00	0.00	0.00
74510 - Bank Charges	0.00	0.08	0.00	0.08
74525 - Sundry	0.00	646.00	0.00	646.00
75105 - Facilities & Admin - Implement	0.00	5,025.33	0.00	5,025.33
75705 - Learning costs	0.00	5,408.00	0.00	5,408.00
75707 - Learning - subsistence allowance	0.00	36,174.40	0.00	36,174.40
75712 - TrnWrkshp&Conf - Honorariums	0.00	534.50	0.00	534.50
Total for Fund 30000	0.00	76,815.75	0.00	76,815.75
Fund : 30078 (Global Fund to fight AIDS Tube)				
71635 - Travel - Other	0.00	1,700.00	0.00	1,700.00
72440 - Connectivity Charges	0.00	140.00	0.00	140.00
74510 - Bank Charges	0.00	13.84	0.00	13.84
74525 - Sundry	0.00	- 0.50	0.00	- 0.50
75105 - Facilities & Admin - Implement	0.00	- 2,052.77	0.00	- 2,052.77
75705 - Learning costs	0.00	1,876.00	0.00	1,876.00
75707 - Learning - subsistence allowance	0.00	- 33,054.40	0.00	- 33,054.40
Total for Fund 30078	0.00	- 31,377.83	0.00	- 31,377.83
Total for Activity CCM	0.00	45,437.92	0.00	45,437.92
Activity : IDPS-IATA (IDPs by IATA)				
Fund : 30078 (Global Fund to fight AIDS Tube)				
62225 - Hazard Duty Station Allow-GS	0.00	0.00	0.00	0.00
62335 - Hazard Duty Station Allow-IP	0.00	0.00	0.00	0.00
63340 - Proc trips/Rest & Recup-IP Stf	0.00	0.00	0.00	0.00
71620 - Daily Subsistence Allow-Local	0.00	0.00	0.00	0.00
72125 - Svc Co-Studies & Research Serv	0.00	- 25.00	0.00	- 25.00
72135 - Svc Co-Communications Service	0.00	25.00	0.00	25.00
72311 - Fuel, petroleum and other oils	0.00	0.00	0.00	0.00
72425 - Mobile Telephone Charges	0.00	0.00	0.00	0.00
72805 - Acquis of Computer Hardware	0.00	0.00	0.00	0.00
73510 - Reimb to UN for Supp Srvs	0.00	0.00	0.00	0.00
74510 - Bank Charges	0.00	2.12	0.00	2.12
74525 - Sundry	0.00	- 2.12	0.00	- 2.12
75105 - Facilities & Admin - Implement	0.00	0.00	0.00	0.00
75110 - Facilities & Admin - Services	0.00	- 60.12	0.00	- 60.12
76135 - Realized Gain	0.00	0.00	0.00	0.00

Financial audit of Output ID: 00056801 titled "Support to TB and HIV Programs" for the year ended 31 December 2015.

Funded by: The Global Fund.

Implemented by: United Nations Development Programme in Iraq.



UN Development Programme
Report ID: unglodrb

Combined Delivery Report by Activity

Page 9 of 11
Run Time: 14-02-2016 08:02:41

Project Id : 00047321 Preparatory Assist.-GFATM prog	Period :	Jan-Dec (2015)		
Output # : 00056801 Support to TB and HIV Programs	Impl. Partner :	01127 UNDP - Direct Execution		
	Location :	UNDP IRAQ Office Amman		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Total for Fund 30078	0.00	- 60.12	0.00	- 60.12
Total for Activity IDPS-IATA	0.00	- 60.12	0.00	- 60.12
Total for Output : 00056801	126,560.00	4,458,944.00	0.00	4,585,504.00
Project Total :	126,560.00	4,458,944.00	0.00	4,585,504.00

Signed By : Mokammed Mudawi Date : 14/12/2016

GFATM Project Manager

Signed By : Adam Abdelmoula Date : 15/12/2016

Adam Abdelmoula Country Director

Jamal J. Milhem

Jamal Milhem


Executive Director



Financial audit of Output ID: 00056801 titled "Support to TB and HIV Programs" for the year ended 31 December 2015.

Funded by: The Global Fund.

Implemented by: United Nations Development Programme in Iraq.

				
UN Development Programme				
Report ID: unglcdrib				
Page 10 of 11				
Run Time: 14-02-2016 08:02:42				
Selection Criteria :				
Business Unit : IRO10				
Period : Jan-Dec (2015)				
Selected Project Id : ALL				
Selected Fund Code : ALL				
Selected Dept. IDs : ALL				
Selected Outputs : 00056801				
Combined Delivery Report by Activity				
Project Id : ALL				
Output # : ALL				
Period : Jan-Dec (2015)				
Impl. Partner :				
Location :				
Govt Exp UNDP Exp UN Agencies Exp Total Exp				
45001 - Iraq - Central 126,560.00 4,458,944.00 0.00 4,585,504.00				

Financial audit of Output ID: 00056801 titled "Support to TB and HIV Programs" for the year ended 31 December 2015.

Funded by: The Global Fund.

Implemented by: United Nations Development Programme in Iraq.

UN
DP

UN Development Programme

Report ID: ungleddb

Combined Delivery Report by Activity

Page 11 of 11

Run Time: 14-02-2016 08:02:44

Funds Utilization

Selection Criteria :

Business Unit : IRQ10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00056801

Project/Award: 00047321 Preparatory Assist.-GFATM prog

Period : As Of Dec31,2015

Output #	00056801	Impl. Partner :01127 UNDP - Direct Execution	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			8,219.52
Inventory			0.00
Prepayments			0.00
Commitments			1,212,993.45

MM

3. CERTIFICATION OF THE STATEMENT OF FIXED ASSETS - 2015

To the Director of the Office of Audit and Investigations

United Nations Development Programme

Report on the Statement of Fixed Assets

We have audited the accompanying statement of Fixed Assets (the Statement) of the UNDP output ID: 56801, "Support to TB and HIV Programs", as at 31 December 2015.

Management's Responsibility

Management is responsible for the preparation of the Statement for "Support to TB and HIV Programs" and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the 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.

Unmodified Opinion

In our opinion, the attached Statement of assets presents fairly in all material respects the balance of fixed assets of the UNDP project "Support to TB and HIV Programs" amounting to \$8,220 as at 31 December 2015 in accordance with UNDP accounting policies.

Talal Abu -Ghazaleh & Co.

License No. 251/1997

Jamal Milhem, CPA

Certified Accountant License # (100/98)

Ramallah - Palestine, 19 June 2016



Financial audit of Output ID: 00056801 titled "Support to TB and HIV Programs" for the year ended 31 December 2015.

Funded by: The Global Fund.

Implemented by: United Nations Development Programme in Iraq.

3.1 Statement of Fixed Assets – 2015

Support to TB and HIV Programs
STATEMENT OF FIXED ASSETS
AS AT 31 DECEMBER 2015

Category	No. of Items	Net Book Value USD
Computers	3	3,358
Laptops	6	4,862
Net Book Value	9	8,220

Financial audit of Output ID: 00056801 titled "Support to TB and HIV Programs" for the year ended 31 December 2015.

Funded by: The Global Fund.

Implemented by: United Nations Development Programme in Iraq.

3.2 List of Assets and Equipment:

United Nations Development Programme

برنامج الأمم المتحدة الإنمائي



Assets In Service Report

As of 31 December 2015

Project Title: Support to National TB and HIV/AIDS Programs

Project ID: 00056801

Operating Unit	Asset ID	Description	Serial Number	Location	Acquisition Date	In Service Date	Cost, USD	Net Book Value
IRQ	000000001435	A Notebook computers	71ZDV1	IRQERB	9/12/2012	9/12/2012	1,501.00	837.49
IRQ	000000001440	A Notebook computers	2G1ZDV1	IRQBAGHDAD	9/12/2012	9/12/2012	1,501.00	837.49
IRQ	000000001455	Dell Latitude E6430	FBRH9W1	IRQ EBL ST	1/29/2013	1/29/2013	1,662.00	1,038.75
IRQ	000000001457	Dell Latitude E6430	32SH9W1	IRQBAGHDAD	1/29/2013	1/29/2013	1,662.00	1,038.75
IRQ	000000001465	Dell Latitude E6430	3YVH9W1	IRQERB	1/29/2013	1/29/2013	1,662.00	1,038.75
IRQ	000000001695	LAPTOP DELL LATITUDE E6410	CN04373Y1296112D01E4	IRQ EBL ST	6/8/2011	6/8/2011	1,550.00	661.98
IRQ	000000001696	LAPTOP DELL LATITUDE E6410	CN04373Y1296113502F4	IRQ EBL ST	5/17/2011	5/17/2011	1,727.40	719.75
IRQ	000000001697	LAPTOP DELL MODEL E 4300	CN0020R1296193C24511	IRQ EBL ST	8/6/2009	8/6/2009	1,836.16	363.41
IRQ	000000001765	A Notebook computers	JYMRN32	IRQERB	5/26/2015	5/26/2015	1,836.16	1,683.15

Total 14,937.72 8,219.52

Acting Project Manager
Mohammed Mudawi

24/01/2016



UNDP Iraq, 22/217 Diwan (UN Compound), International Zone, Karada Manyam District, Baghdad, Iraq

4. PART III – MANAGEMENT LETTER

19 June 2016

To Director of Office of Audit and Investigations

United Nations Development Programme

Subject: Letter to Management on auditing Combined Delivery Report (CDR) and Funds Utilization Statement ("the Statement") of the UNDP Project "Atlas Output ID: 00056801".

We have performed an audit of the Combined Delivery Report (CDR) and Funds Utilization Statement ("the Statement") of the UNDP Project "Atlas Output ID: 00056801", "Support to TB and HIV Programs", for the period from 1 January to 31 December 2015 in accordance with International Standards on Auditing and in compliance with the UNDP rules and regulations.

In planning and performing our audit of the project, we considered Socio-Economic Recovery Project's (the Project) internal control structure and compliance with term and condition of the grant contract in order to determine our auditing procedures for expressing our opinion on the Combined Delivery Report (CDR) ("the Statement") and not to provide assurance on the internal control structure. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statement, whether due to fraud or error.

UNDP Iraq Office Management is responsible for the design, implementation and maintenance of the internal control system over the Projects. To execute this obligation, the UNDP Iraq office Managements is required to assess the expected risks and rewards of the policies and procedures for management control.

Our consideration of the internal control structure was for the limited purpose of expressing an opinion on the Combined Delivery Report (CDR) and Funds Utilization Statement, and therefore would not necessary disclosing all matters that might be reportable conditions. In addition, because of inherent limitations in any internal control structure, errors or irregularities may occur and not be detected by such control structure.

Finally, we would like to express our appreciation for the courtesy extended to us by the responsible personnel in UNDP Iraq office management.

Talal Abu -Ghazaleh & Co.

License No. 251/1997

Jamal Milhem, CPA

Certified Accountant License # (100/98)

Ramallah - Palestine, 11 September 2016



4.1 Audit Issues and Recommendations

4.1.1 Expenditures Classification.

Observation

It was noted during the audit that, advances recorded in the CDR and amounting to USD 1,062,203, relating to other UN agencies were included under the heading 'UNDP Expenditures' instead of 'UN Agencies Expenditures'.

Criteria:

According to the UNDP rules and regulations and the guidance provided by the UNDP-GFATM, expenditures relating to other UN agencies should be presented as such in Atlas.

Priority

Medium (Important)

Recommendation

The Office should follow the guidelines set out by the Global Fund and the UNDP rules and regulations and ensure that expenditures relating to other UN agencies are properly presented under the correct heading in Atlas.

Management acceptance:

☒ Yes ☐ No

Management comments and action plan:

Account Activity Analysis (AAA) which mirrors the CDR clearly shows that WHO expenses were recorded in ATLAS using WHO implementing agency code. WHO expenditure appeared under UNDP expenses column in the CDR as corresponding GLJEs were not sourced as PDE at the time of entering the expenses in ATLAS. As 2015 books are already closed nothing can be done to correct the presentation of the CDR. The CO is committed to ensure correct entry of WHO expenses in 2016 CDR.

Auditor's response:

Our recommendation is still valid, and to be followed up next year.