



**AUDIT**

**OF**

**UNDP PROGRAMME OF ASSISTANCE TO THE PALESTINIAN PEOPLE**

**RIGHT TO EDUCATION IN THE GAZA STRIP**  
**(Directly Implemented Project No. 87840, Output No. 94739)**

**Report No. 1947**  
**Issue Date: 22 June 2018**

**Report on the Audit of UNDP Programme of Assistance to the Palestinian People  
Right to Education in the Gaza Strip  
(Project No. 87840, Output No. 94739)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Talal Abu-Ghazaleh Co. (the audit firm), from 30 April to 8 May 2018, conducted an audit of Right to Education in the Gaza Strip (Project No. 87840, Output No. 94739) (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 was conducted by OAI through Deloitte in 2017 and covered project expenses from 1 January to 31 December 2016.

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 expenses for the period from 1 January to 31 December 2017 and the accompanying Funds Utilization statement<sup>1</sup> as of 31 December 2017. The audit did not cover the Statement of Assets as no assets were held by the Project. In addition, the audit did not cover the Statement of Cash Position, as no separate bank account was established and maintained for the Project.

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

**Audit results**

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

Project Expenses*		
Amount (in \$ '000)	Opinion	NFM** (in \$ '000)
9,606	Qualified	98

\*Included in the audit scope were transactions that relate to expenses incurred at the "responsible party" level (\$237,599) as these were not covered under HACT audits and all related supporting documents were available for review at the level of UNDP PAPP.

\*\*NFM= Net Financial Misstatement

The audit firm qualified its opinion on project expenses due to incorrect recording of prepayments to a contractor as expenses.

**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. Failure to take action could result in negative consequences for UNDP." This recommendation includes actions to address the incorrect recording of prepayments as expenses (issue 1). The recommendation aims to ensure the reliability and integrity of financial and operational information.

<sup>1</sup> The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) undepreciated 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.

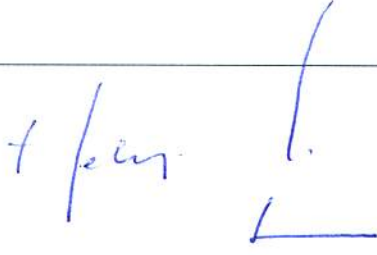
**Implementation status of previous OAI audit recommendations:** Report No. 1800, 7 September 2017.

Total recommendations: 1

Implemented: 1

**Management comments and action plan**

The Special Representative of the Administrator 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 is located above the printed name. The signature appears to be 'H. Ostveiten' with a large, stylized flourish extending upwards and to the right.

Helge S. Ostveiten  
Director  
Office of Audit and Investigations

**United Nations Development Programme**

**Financial Audit of Directly Implemented Project Managed by  
UNDP- Programme of Assistance to the Palestinian People (PAPP)**

**“Right to Education in the Gaza Strip”  
(Project ID: 87840 - Output ID: 94739)  
For the Year Ended 31 December 2017**

**21 June 2018**

**Talal Abu – Ghazaleh & Co.**  
**"Certified Public Accountants"**



---

## TABLE OF CONTENTS

---

<b>1. PART I – Executive Summary</b> .....	1
1.1. Executive Summary.....	1
1.2. Audit Objectives.....	3
1.3. Scope of Audit:.....	4
<b>2. PART II – Financial Audit Reports</b> .....	5
2.1. Auditor’s Report on Financial Position.....	5
2.2 Combined Delivery Report CDR:.....	7
<b>3. PART III – Management letter</b> .....	11
3.1 Current year audit findings and recommendations .....	11-14

## 1. PART I – EXECUTIVE SUMMARY

### 1.1. Executive Summary:

This report represents the results of the financial audit conducted by Talal Abu –Ghazaleh & Co. of the project ID 87840 - output ID 94739 “Right to Education in the Gaza Strip” (the project), directly implemented by UNDP Programme of Assistance to the Palestinian People (PAPP) for the period from 1 January to 31 December 2017.

The audit was undertaken on behalf of UNDP, Office of Audit and Investigations (OAI) and mandated in accordance with the Contract for Professional Services signed between UNDP and Talal Abu –Ghazaleh & Co on 29 March 2018.

#### Audit Opinions:

The following is the summary of the audit opinions provided:

Report on	Type of Opinion	Note
Financial Position	Qualified	– Recording prepayments to contractor as expenses.
Statement of Fixed Assets	Not applicable	There are no fixed assets or equipment therefore, no audit opinion to be provided on the Statement of fixed assets.
Statement of Cash Position	Not applicable	There was no separate bank account for the project under audit therefore, no audit opinion to be provided on the Statement of Cash Position.

#### Audit Finding:

As a result of our audit, the following findings were included in the management letter:

Summary of Audit Finding	Priority	Net Financial Impact USD
Recording prepayments to contractor as expenses	Medium (Important)	97,920.30

**Follow-up on Previous year audit recommendations:**

The output ID 94739 “Right to Education in the Gaza Strip” was audited in the prior year. The previous year’s audit report No. 1800 issued on 7 September 2017 for the project ID 87840 – output ID 94739 “Right to Education in the Gaza Strip” for the period from 1 January to 31 December 2016 resulted in one recommendation. The recommendation raised and its implementation status are as follows:

Recommendation title	Implementation
The office should fully implement and follow proper accounting treatments for recording of prepayments as required by POPP	<p>Implemented.</p> <p>The recommendation was considered and followed up during the year 2018 and all advances for contractors recorded as prepayments in accordance with the POPP (Program and Operations Policies and Procedures).</p> <p>However, during the year 2017, the recommendation was not implemented and prepayments to contractors were recorded as expenses.</p>

Sincerely yours,

**Jamal Milhem, CPA**  
**Certified Accountant License # (100/98)**

**Talal Abu-Ghazaleh & Co.**  
**License No. 251/1997**  
**Ramallah - Palestine, 21 June 2018**



## **1.2. Audit Objectives**

- A. The objective of the financial audit is to express an opinion on the project’s financial position which includes:
- 1) Expressing an opinion on whether the expenses incurred by the Project from 1 January to 31 December 2017 and the funds utilization, the accounts receivable and the accounts payable as at 31 December 2017 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, at net book value, presents fairly the balance of depreciated assets of the UNDP Project as at 31 December 2017. This statement should include all assets available as at 31 December 2017 and not only those purchased in the period under audit. Where a DIM project does not have any assets or equipment it will not be necessary to express such an opinion; and
  - 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 2017. Disbursements made against directly implemented project, DIM projects 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. It is required to express an opinion on the Statement of Cash only where a dedicated bank accounts 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.
- B. Providing the progress made in implementing the recommendations raised in a previous year audit report (if any).

The financial audit was conducted in accordance with the International Standards on Auditing (ISA), the 700 series.

### **1.3. 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 to 31 December 2017.

The scope of the audit did not include:

- Expenses processed and approved in locations outside the country such as UNDP Regional Centers and UNDP Headquarters and where the supporting documentation is not retained at the level of the UNDP office.

## 2. PART II – FINANCIAL AUDIT REPORTS

### 2.1. Auditor's Report on Financial Position

#### **Independent Auditor's Report on the Project Financial Position of UNDP DIM Project ID 87840 – Output ID 94739 “Right to Education in the Gaza Strip”**

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

We have audited the financial position of the UNDP project ID 87840 – output ID 94739 “Right to Education in the Gaza Strip”, for the period from 1 January to 31 December 2017, which include: (a) the accompanying Combined Delivery Report (CDR); (b) the Funds Utilization Statement (the statement); and (c) the project- related accounts receivable and accounts payable.

#### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the basis for opinion section of our report, the accompanying Combined Delivery Report (CDR) and Funds Utilization Statement present fairly, in all material respects, the expenses of USD 9,605,761.86 directly incurred by UNDP PAPP and charged to the project ID 87840 – output 94739 for the period from 1 January to 31 December 2017 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.

#### **Basis for Qualified Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the CDR and Funds Utilization section of our report. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code.

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

- Based on the sample selected, for 2 of the payments made by UNDP to contractors based on signed contract, the UNDP recorded the payments as an expense in full in instead of recording it as prepayments and reversing later for the actual expenses incurred by the contractors. This treatment which is not in line with the UNDP accounting policies resulted in overstating the expenses reported within the CDR by USD 90,666.95.

- The aforementioned overstatements of the CDR expenses, led to overstating the indirect costs (Facilities and Admin – Implement) - which is calculated at 8% of the total expenses reported within the CDR - by USD 7,253.35.

### **Management’s Responsibilities**

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

### **Auditor’s Responsibilities for the Audit**

Our objectives are to obtain reasonable assurance about whether the CDR and the Funds Utilization statement are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

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

- Identify and assess the risks of material misstatement of the CDR and Funds Utilization statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization’s internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Jamal Milhem, CPA**

**Certified Accountant License # (100/98)**

**Talal Abu – Ghazaleh & Co.**

**License No. 251/1997**

**Ramallah – Palestine, 21 June 2018**



## 2.2 Combined Delivery Report (CDR) and Fund Utilization Statement

### "Right to Education in the Gaza Strip" (Project ID: 87840 - Output ID: 94739) As at 31 December 2017



UN Development Programme  
Report ID: unglodrp

#### Combined Delivery Report By Project

Page 1 of 4  
Run Time: 26-02-2018 20:02:57

#### Selection Criteria :

Business Unit : PAL10  
Period : Jan-Dec (2017)  
Selected Project ID : ALL  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : 00094739

Project ID : 00087840 Right to Education in the Gaza	Period : Jan-Dec (2017)
Output # : 00094739 Right to Education in Gaza	Impl. Partner : 02388 UNDP - PAPP
	Location : Palestine

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Dept: 70001 (PAPP - Central)				
Fund : 30000 (PROGRAMME COST SHARING)				
64397 - Services to projects -CO staff	0.00	22,764.00	0.00	22,764.00
64398 - Direct Project Cost-Staff	0.00	1,603.00	0.00	1,603.00
71305 - Local Consult.-Sht Term-Tech	0.00	51,100.00	0.00	51,100.00
71360 - Local Consult-Security	0.00	650.25	0.00	650.25
71405 - Service Contracts-Individuals	0.00	266,144.59	0.00	266,144.59
71410 - MAIP Premium SC	0.00	592.42	0.00	592.42
71415 - Contribution to Security SC	0.00	14,809.71	0.00	14,809.71
71505 - UN Volunteers-Stipend & Allow	0.00	62,540.08	0.00	62,540.08
71520 - UNV-Language Allowance	0.00	3,174.19	0.00	3,174.19
71525 - UNV-Hazard Pay	0.00	15,793.45	0.00	15,793.45
71535 - UNV-Medical Insurance	0.00	6,542.13	0.00	6,542.13
71540 - UNV-Global Charges	0.00	3,771.54	0.00	3,771.54
71541 - UNVs-Contribution to security	0.00	3,908.77	0.00	3,908.77
71550 - UNV-Resettlement Allowance	0.00	5,223.37	0.00	5,223.37
71590 - UNV Development Effectiveness	0.00	15,807.49	0.00	15,807.49
72105 - Svc Co-Construction & Engineer	0.00	7,694,485.51	0.00	7,694,485.51
72145 - Svc Co-Training and Educ Serv	237,598.89	73,380.66	0.00	310,979.55
72165 - Svc Co-Social Svcs, Social Sci	0.00	8,443.16	0.00	8,443.16
72210 - Machinery and Equipment	0.00	28,288.00	0.00	28,288.00
72220 - Furniture	0.00	139,900.50	0.00	139,900.50
72311 - Fuel, petroleum and other oils	0.00	1,011.55	0.00	1,011.55
72405 - Acquisition of Communic Equip	0.00	112,950.00	0.00	112,950.00
72425 - Mobile Telephone Charges	0.00	1,779.16	0.00	1,779.16
72430 - Postage and Pouch	0.00	89.44	0.00	89.44
72505 - Stationery & other Office Supp	0.00	69,216.31	0.00	69,216.31
72705 - Hospitality-Special Events	0.00	-8,820.57	0.00	-8,820.57
73410 - Maint, Oper of Transport Equip	0.00	2,489.88	0.00	2,489.88
73420 - Leased Vehicles	0.00	544.18	0.00	544.18
74210 - Printing and Publications	0.00	11,432.54	0.00	11,432.54
74225 - Other Media Costs	0.00	5,360.00	0.00	5,360.00
74325 - Contrib.To CO Common Security	0.00	30,030.00	0.00	30,030.00
74505 - Insurance	0.00	1,092.74	0.00	1,092.74
74596 - Services to projects -GOE	0.00	9,757.00	0.00	9,757.00
74598 - Direct Project Costs - GOE	0.00	687.44	0.00	687.44
75105 - Facilities & Admin - Implement	0.00	711,531.29	0.00	711,531.29
76125 - Realized Loss	0.00	97.09	0.00	97.09
76135 - Realized Gain	0.00	-7.90	0.00	-7.90
Total for Fund 30000	237,598.89	9,368,162.97	0.00	9,605,761.86
Total for Dept : 70001	237,598.89	9,368,162.97	0.00	9,605,761.86

Mohammad Abu Mezayad  
Iman Al Hussein

Project manager 24-4-2018  
Program Specialist 24-4-2018





UN Development Programme  
Report ID: unglcdrp

Combined Delivery Report By Project

Page 2 of 4  
Run Time: 26-02-2018 20:02:57

Project Id : 00087840 Right to Education in the Gaza	Period :	Jan-Dec (2017)
Output # : 00094739 Right to Education in Gaza	Impl. Partner :	02388 UNDP - PAPP
	Location :	Palestine
	Govt Exp	UNDP Exp
	UN Agencies Exp	Total Exp

Total for Output : 00094739	237,598.89	9,368,162.97	0.00	9,605,761.86
-----------------------------	------------	--------------	------	--------------

Project Total :	237,598.89	9,368,162.97	0.00	9,605,761.86
-----------------	------------	--------------	------	--------------

Signed By: Mohammed Abu Khazad Date: 24-4-2018  
Signed By: Iman Al Hussein Date: 24/4/2018





UN Development Programme  
Report ID: unglcdp

Combined Delivery Report By Project

Page 3 of 4  
Run Time: 26-02-2018 20:02:59

Selection Criteria :

Business Unit : PAL10  
Period : Jan-Dec (2017)  
Selected Project Id : ALL  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : 00094739

Project Id : ALL		Period : Jan-Dec (2017)		
Output # : ALL		Impl. Partner : Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
70001 - PAPP - Central	237,598.89	9,368,162.97	0.00	9,605,761.86

Mohammad Abu Mez Yed . project manager 24-4-2018  
Iman Al Hussein: Program Specialist 24/4/2018





UN Development Programme  
Report ID: unglcdrp

Combined Delivery Report By Project

Page 4 of 4  
Run Time: 26-02-2018 20:02:01

**Funds Utilization**

Selection Criteria :

Business Unit : PAL10  
Period : Jan-Dec (2017)  
Selected Project Id : ALL  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : 00094739

Project/Award: 00087840 Right to Education in the Gaza

Period : As at Dec 31, 2017

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

Mohammad Mezayad project manager 24-4-2018  
Iman Al Hussein Program Specialist 24/4/2018



### 3. PART III: MANAGEMENT LETTER

#### 3.1 Current year audit findings and recommendations

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

##### Introduction

Under International Standards on Auditing, auditors are encouraged to report various matters concerning an entity's internal control structure noted during their audit and are required to report certain of those matters. Matters that are required to be reported are "significant deficiencies in the design or operation of the internal control structure that, in the auditor's judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements."

As part of our audit of the Project's financial position of the Project ID 87840, output ID 94739 "Right to Education in the Gaza Strip" for the period from 1 January to 31 December 2017, we considered UNDP's internal control structure and compliance with its accounting policies in determining the scope of our audit procedures for the purpose of rendering an opinion on the financial statements. Our purpose was not to provide assurance on the internal control structure.

We emphasize that the responsibility for a sound system of internal controls rests with management and work performed by external audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of irregularity should there be any, although our audit procedures have been designed so that any material irregularity has a reasonable probability of discovery.

The matters raised in this part are those which came to our attention during the audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be needed. Recommendations for improvements should be assessed by management for their full commercial impact before they are implemented. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

##### Acknowledgment

We wish to express our appreciation for the courtesy and cooperation extended to our representatives during the course of their work.

Jamal Milhem, CPA

Certified Accountant License # (100/98)

Talal Abu-Ghazaleh & Co.

License No. 251/1997

Ramallah – Palestine, 21 June 2018

*Jamal J. Milhem*  
طال أبو غزالة وشركاه  
Talal Abu-Ghazaleh & Co.

## Finding 1:

**Title:** Recording Prepayments to Contractors as Expenses to the Year 2017.

### Criteria:

Per Programme and Operations Policies and procedures (POPP), prepayments made to contractors are recorded by the Office as prepayments, and reversing later the prepayments for the actual expenses incurred by the contractors after obtaining the related supporting documents of the expenses incurred by the contractors.

### Observation:

During the audit, we noticed that two of the payments made by UNDP to contractors based on signed contract, the office recorded the payments as an expense in full instead of recording it as prepayments and reversing later the prepayments for the actual expenses incurred by the contractors.

Journal ID	Journal Date	Description	Amount USD
AP06946692	10 April 2017	Adv.Paym-Moh.Khatib Com-inv.#3	163,000
AP06948533	12 April 2017	Adv.Paym.- GEMCO Com.-	117,142
<b>Total</b>			<b>280,142</b>

And the financial impact for the above prepayments was as follow:

Amount	Recovery	Balance	Date Closed
163,000.00	133,000.00	30,000.00	26/2/2018
117,142.00	56,475.05	60,666.95	17/1/2018
<b>Total</b>		<b>90,666.95</b>	
Admin Costs: 90,666.95 * 8%		7,253.35	
<b>Financial Impact</b>		<b>97,920.30</b>	

This was caused by not implementing proper accounting treatment for recording the prepayments Per Programme and Operations Policies and procedures (POPP)

This led to overstatement of expenses recorded within the CDR by USD 90,666.95 representing the amount of the prepayments made to the contractors.

In addition, aforementioned overstatement led to overstating the indirect costs (Facilities and Admin – Implement) - which is calculated at 8% of the total expenses reported within the CDR – by USD 7,253.35.

The net financial impact of this observation including the overstatement in indirect costs (Facilities and Admin – Implement) is USD 97,920.3.

Non-compliance with UNDP POPP and recording payments to contractors as expense instead of prepayments may result in reporting inaccurate expenses on CDR.

### Priority:

Medium (Important)

**Recommendation:**

The Office should fully implement and follow proper accounting treatments for recording the prepayments as required by POPP.

**Management’s Response:**

The decision taken to record advances and prepayments as expenses was granted on the necessity to meet corporate UNDP plans that focused on increased resource alignment and delivery before the closing of the financial year. UNDP/PAPP followed a robust risk analysis and solid mitigation measured. To address specifically the audit recommendation of recording advances and prepayments as expenses, senior management clearly started implementing and follows proper accounting treatments. In conclusion, we trust that the years of 2016 and 2017 were an exceptional case for PAPP for certain factors and pressure and office management to ensure recording all advances and prepayments as per the POPP as of this year of 2018.

**Auditor’s Comment:**

UNDP country office management accepted the observation. The recommendation was considered and followed up during the year 2018 according to previous year’s audit recommendations and all advances for contractors recorded as prepayments in accordance with the POPP (Program and Operations Policies and Procedures).

No further audit procedures required.

### **Priorities of Audit Recommendations**

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