



AUDIT

OF

UNDP SYRIAN ARAB REPUBLIC

**EMERGENCY EMPLOYMENT THROUGH WASTE AND DEBRIS MANAGEMENT; AND
REHABILITATION OF SOCIO-ECONOMIC INFRASTRUCTURE
(Directly Implemented Project No. 104846, Output No. 108835)**

Report No. 2079

Issue Date: 23 July 2019

**Report on the Audit of UNDP Syrian Arab Republic
Emergency Employment through Waste and Debris Management;
and Rehabilitation of Socio-Economic Infrastructure
(Project No. 104846, Output No. 108835)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Talal Abu-Ghazaleh & Co. (the audit firm), from 5 to 29 May 2019, conducted an audit of Emergency Employment through Waste and Debris Management; and Rehabilitation of Socio-Economic Infrastructure (Project No. 104846, Output No. 108835) (the Project), which is directly implemented and managed by the UNDP Country Office in the Syrian Arab Republic (the Office). This was the first audit of the Project.

The audit firm conducted a financial audit to express an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations. The audit covered the Project's Combined Delivery Report, which includes expenses for the period from 1 January to 31 December 2018 and the accompanying Funds Utilization statement¹ as of 31 December 2018. 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 submitted by the audit firm, the results are summarized in the table below:

Project Expenses	
Amount (in \$ '000)	Opinion
2,644	Unmodified

The audit did not result in any recommendations.

¹ 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.

Management comments and action plan

Comments and/or additional information provided have been incorporated into the report, where appropriate.



Antoine Khoury
Officer-in-Charge
Office of Audit and Investigations

**United Nations Development Programme
(UNDP)**

**Financial Audit of Directly Implemented Project Managed by
UNDP Country Office in Syria**

**"Emergency Employment through Waste and Debris Management; and
Rehabilitation of Socio-Economic Infrastructure"
(Project ID 104846 - Output ID 108835)
For the period from 1 January to 31 December 2018**

18 July 2019

**Talal Abu Ghazaleh & Co.
Member of Talal Abu Ghazaleh & Co. International, TAGI
Certified Public Accountants**



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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 104846 - Output ID 108835 “Emergency Employment through Waste and Debris Management; and Rehabilitation of Socio-Economic Infrastructure” (the project), directly implemented by UNDP Country Office in Syria for the period from 1 January to 31 December 2018.

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 5 April 2019.

– Audit Opinions:

The following is the summary of the audit opinions provided:

Report on	Type of opinion	Note
Financial Position	Unmodified	
Statement of Fixed Assets	Not applicable	There are no fixed assets or equipment, therefore, no audit opinion is provided on the statement of fixed assets.
Statement of Cash	Not applicable	There was no separate bank account for the project under audit therefore, no audit opinion is provided on the Statement of Cash.

– Audit findings:

No findings have been identified as a result of our audit.

– Follow-up of Previous year audit recommendations:

The project ID 104846 - output ID 108835 “Emergency Employment through Waste and Debris Management; and Rehabilitation of Socio-Economic Infrastructure” was not audited in the previous years.

Sincerely yours,

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

Talal Abu –Ghazaleh & Co.
License No. 251/1997
Ramallah - Palestine, 18 July 2019



1.2.Audit Objectives

- A. The objective of the financial audit is to express an opinion on the project’s financial position which include:
- 1) Expressing an opinion on whether the financial expenses incurred by the Project from 1 January to 31 December 2018 and the Funds Utilization statement, the accounts receivable and the accounts payable as at 31 December 2018 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 will 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 2018. This statement should include all assets available as at 31 December 2018 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 2018. 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 2018.

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 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 104846 - Output ID 108835
“Emergency Employment through Waste and Debris Management; and
Rehabilitation of Socio-Economic Infrastructure”**

**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 104846 - output ID 108835 “ Emergency Employment through Waste and Debris Management; and Rehabilitation of Socio-Economic Infrastructure”, for the period from 1 January to 31 December 2018, 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.

Unmodified Opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization Statement present fairly, in all material respects, the expenses of USD 2,643,682 directly incurred by UNDP Country Office in Syria and charged to the project ID 104846 - output ID 108835 “ Emergency Employment through Waste and Debris Management; and Rehabilitation of Socio-Economic Infrastructure” for the period from 1 January to 31 December 2018 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 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 Statement section of our report. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities

Management is responsible for the preparation 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

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 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, 31 May 2019



2.2. Combined Delivery Report (CDR) and Funds Utilization Statement:

"Emergency Employment through Waste and Debris Management; and Rehabilitation of Socio-Economic Infrastructure" (Project ID 104846 - Output ID 108835) for the period from 1 January to 31 December 2018



UN Development Programme
Report ID: ung/cdrp

Combined Delivery Report By Project

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Run Time: 22-04-2019 13:04:47

Selection Criteria :

Business Unit : SYR10
Period : Jan-Dec (2018)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00108835

Project Id : 00104846 Rehabilitation & Foster the Re	Period : Jan-Dec (2018)
Output # : 00108835 Infra emergency employment	Impl. Partner : 99999 UNDP
	Location :

Dept: 47203 (Syria - Crisis Prev & Rcvry)

Fund : 30000 (PROGRAMME COST SHARING)

71405	Service Contracts-Individuals	0.00	304,553.15	0.00	304,553.15
71605	Travel Tickets-International	0.00	375.00	0.00	375.00
71620	Daily Subsistence Allow-Local	0.00	5,899.68	0.00	5,899.68
71635	Travel - Other	0.00	5,083.00	0.00	5,083.00
72105	Svc Co-Construction & Engineer	0.00	7,701.15	0.00	7,701.15
72155	Svc Co-Public Admin, Politics	0.00	453.01	0.00	453.01
72160	Svc Co-Education & Health Serv	0.00	406,575.73	0.00	406,575.73
72170	Svc Co-Humanitarian Aid & Relf	0.00	645,785.40	0.00	645,785.40
72210	Machinery and Equipment	0.00	41,803.60	0.00	41,803.60
72215	Transportation Equipment	0.00	157,732.72	0.00	157,732.72
72305	Agri & Forestry Products	0.00	11,598.54	0.00	11,598.54
72311	Fuel, petroleum and other oils	0.00	843.32	0.00	843.32
72315	Food & Textile Products	0.00	26,457.71	0.00	26,457.71
72399	Other Materials and Goods	0.00	88,686.36	0.00	88,686.36
72402	Building Maintenance	0.00	189,945.54	0.00	189,945.54
72405	Acquisition of Communic Equip	0.00	- 1,293.08	0.00	- 1,293.08
72505	Stationery & other Office Supp	0.00	3,706.16	0.00	3,706.16
72805	Grants to Instit & other Benef	0.00	147,584.50	0.00	147,584.50
73125	Common Services-Premises	0.00	1,267.00	0.00	1,267.00
73410	Maint, Oper of Transport Equip	0.00	64,530.30	0.00	64,530.30
74120	Capacity Assessment	0.00	8,580.00	0.00	8,580.00
74210	Printing and Publications	0.00	1,123.27	0.00	1,123.27
74215	Promotional Materials and Dist	0.00	3,412.50	0.00	3,412.50
74220	Translation Costs	0.00	1,759.80	0.00	1,759.80
74225	Other Media Costs	0.00	4,136.13	0.00	4,136.13
74505	Insurance	0.00	163.00	0.00	163.00
74725	Other L.T.S.H.	0.00	52,565.17	0.00	52,565.17
75105	Facilities & Admin - Implement	0.00	174,482.30	0.00	174,482.30
76125	Realized Loss	0.00	0.07	0.00	0.07
76135	Realized Gain	0.00	- 0.08	0.00	- 0.08
Total for Fund 30000		0.00	2,355,510.95	0.00	2,355,510.95

Total for Dept : 47203 0.00 2,355,510.95 0.00 2,355,510.95

Dept: 47217 (Syria-Damascus(FINANCE Only))

Fund : 30000 (PROGRAMME COST SHARING)

72399	Other Materials and Goods	0.00	8,105.99	0.00	8,105.99
74220	Translation Costs	0.00	42.30	0.00	42.30
75105	Facilities & Admin - Implement	0.00	651.86	0.00	651.86

Financial Audit of Directly Implemented Project ID 104846 - Output ID 108835 "Emergency Employment through Waste and Debris Management; and Rehabilitation of Socio-Economic Infrastructure" for the year ended 31 December 2018



UN Development Programme
Report ID: ungtdrp

Combined Delivery Report By Project

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Project Id : 00104846 Rehabilitation & Foster the Re		Period :	Jan-Dec (2018)		
Output # : 00108835 Infra emergency employment		Impl. Partner :	99999 UNDP		
		Location :			
		Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Total for Fund 30000		0.00	8,800.15	0.00	8,800.15
Total for Dept : 47217		0.00	8,800.15	0.00	8,800.15
Dept: 47218 (Syria-Homs(FINANCE Only))					
Fund : 30000 (PROGRAMME COST SHARING)					
71405 - Service Contracts-Individuals		0.00	1,476.03	0.00	1,476.03
72105 - Svc Co-Construction & Engineer		0.00	0.92	0.00	0.92
72155 - Svc Co-Public Admin, Politics		0.00	17.05	0.00	17.05
72170 - Svc Co-Humanitarian Aid & Relf		0.00	2,670.50	0.00	2,670.50
72315 - Food & Textile Products		0.00	1,838.71	0.00	1,838.71
72399 - Other Materials and Goods		0.00	9,513.37	0.00	9,513.37
72402 - Building Maintenance		0.00	54,734.90	0.00	54,734.90
73216 - Construction Cost		0.00	3,797.24	0.00	3,797.24
74210 - Printing and Publications		0.00	1,768.43	0.00	1,768.43
75105 - Facilities & Admin - Implement		0.00	6,065.38	0.00	6,065.38
78125 - Realized Loss		0.00	0.02	0.00	0.02
Total for Fund 30000		0.00	81,882.55	0.00	81,882.55
Total for Dept : 47218		0.00	81,882.55	0.00	81,882.55
Dept: 47220 (Syria-Daraa(FINANCE Only))					
Fund : 30000 (PROGRAMME COST SHARING)					
71615 - Daily Subsistence Allow-Intl		0.00	51.20	0.00	51.20
71620 - Daily Subsistence Allow-Local		0.00	256.20	0.00	256.20
74220 - Translation Costs		0.00	8.99	0.00	8.99
74225 - Other Media Costs		0.00	459.57	0.00	459.57
75105 - Facilities & Admin - Implement		0.00	62.08	0.00	62.08
Total for Fund 30000		0.00	838.04	0.00	838.04
Total for Dept : 47220		0.00	838.04	0.00	838.04
Dept: 47223 (Syria-AI-Hasakah(FINANCE Only))					
Fund : 30000 (PROGRAMME COST SHARING)					
71405 - Service Contracts-Individuals		0.00	66,122.23	0.00	66,122.23
72105 - Svc Co-Construction & Engineer		0.00	361.52	0.00	361.52
72210 - Machinery and Equipment		0.00	594.47	0.00	594.47
72215 - Transportation Equipment		0.00	11,894.24	0.00	11,894.24
72399 - Other Materials and Goods		0.00	2,187.10	0.00	2,187.10
72505 - Stationery & other Office Supp		0.00	1,696.36	0.00	1,696.36
73410 - Maint, Oper of Transport Equip		0.00	39,509.22	0.00	39,509.22
74225 - Other Media Costs		0.00	98.16	0.00	98.16

Financial Audit of Directly Implemented Project ID 104846 - Output ID 108835 "Emergency Employment through Waste and Debris Management; and Rehabilitation of Socio-Economic Infrastructure" for the year ended 31 December 2018



UN Development Programme
Report ID: ungcdpr

Combined Delivery Report By Project

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Project Id : 00104846 Rehabilitation & Foster the Re		Period : Jan-Dec (2018)			
Output # : 00108835 Infra emergency employment		Impl. Partner : 99999 UNDP			
		Location :			
		Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
75105	- Facilities & Admin - Implement	0.00	9,797.06	0.00	9,797.06
76135	- Realized Gain	0.00	- 0.01	0.00	- 0.01
Total for Fund 30000		0.00	132,260.35	0.00	132,260.35
Total for Dept : 47223		0.00	132,260.35	0.00	132,260.35
Dept: 47228 (Syria-Rif Dimashq(FINANCEOnly))					
Fund : 30000 (PROGRAMME COST SHARING)					
72210	- Machinery and Equipment	0.00	24,153.23	0.00	24,153.23
74225	- Other Media Costs	0.00	919.14	0.00	919.14
75105	- Facilities & Admin - Implement	0.00	2,005.79	0.00	2,005.79
76135	- Realized Gain	0.00	- 0.01	0.00	- 0.01
Total for Fund 30000		0.00	27,078.15	0.00	27,078.15
Total for Dept : 47228		0.00	27,078.15	0.00	27,078.15
Dept: 47230 (Syria - Aleppo (FINANCE Only))					
Fund : 30000 (PROGRAMME COST SHARING)					
72155	- Svc Co-Public Admin, Politics	0.00	78.35	0.00	78.35
72170	- Svc Co-Humanitarian Aid & Relf	0.00	17,499.51	0.00	17,499.51
72315	- Food & Textile Products	0.00	1,155.05	0.00	1,155.05
72399	- Other Materials and Goods	0.00	14,900.00	0.00	14,900.00
74210	- Printing and Publications	0.00	414.75	0.00	414.75
74725	- Other L.T.S.H.	0.00	500.00	0.00	500.00
75105	- Facilities & Admin - Implement	0.00	2,763.81	0.00	2,763.81
76125	- Realized Loss	0.00	0.00	0.00	0.00
Total for Fund 30000		0.00	37,311.47	0.00	37,311.47
Total for Dept : 47230		0.00	37,311.47	0.00	37,311.47
Total for Output : 00108835		0.00	2,643,681.66	0.00	2,643,681.66
Project Total :		0.00	2,643,681.66	0.00	2,643,681.66

Signed By :

Date :

Signed By :

Date :

29-04-19



Jamal J. Milhem
2019
Tajal Abu-Ghazaleh & Co.

Financial Audit of Directly Implemented Project ID 104846 - Output ID 108835 "Emergency Employment through Waste and Debris Management; and Rehabilitation of Socio-Economic Infrastructure" for the year ended 31 December 2018



UN Development Programme
Report ID: ungldrp

Combined Delivery Report By Project

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Selection Criteria :

Business Unit : SYR10
Period : Jan-Dec (2018)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00108835

Project Id : ALL		Period : Jan-Dec (2018)			
Output # : ALL		Impl. Partner : Location :			
		Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
47203	Syria - Crisis Prev & Rcvry	0.00	2,355,510.95	0.00	2,355,510.95
47217	Syria-Damascus(FINANCE Only)	0.00	8,800.15	0.00	8,800.15
47218	Syria-Homs(FINANCE Only)	0.00	81,882.55	0.00	81,882.55
47220	Syria-Daraa(FINANCE Only)	0.00	838.04	0.00	838.04
47223	Syria-Al-Hasakah(FINANCE Only)	0.00	132,260.35	0.00	132,260.35
47228	Syria-Rif Dimashq(FINANCE Only)	0.00	27,078.15	0.00	27,078.15
47230	Syria - Aleppo (FINANCE Only)	0.00	37,311.47	0.00	37,311.47

Financial Audit of Directly Implemented Project ID 104846 - Output ID 108835 "Emergency Employment through Waste and Debris Management; and Rehabilitation of Socio-Economic Infrastructure" for the year ended 31 December 2018



UN Development Programme
Report ID: unglodrp

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Funds Utilization	
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Selection Criteria :

Business Unit : SYR10
Period : Jan-Dec (2018)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00108835

Project/Award: 00104846	Rehabilitation & Foster the Re	Period : As at Dec 31, 2018
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Output #	Impl. Partner	UNDP AMOUNT
00108835	99999 UNDP	
Outstanding NEX advances		0.00
Undepreciated Fixed Assets		0.00
Unamortized Intangible Assets		0.00
Inventory		0.00
Prepayments		0.00
Commitments		750,691.39