

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



*Empowered lives.
Resilient nations.*

AUDIT

OF

UNDP PROGRAMME OF ASSISTANCE TO THE PALESTINIAN PEOPLE

EMERGENCY SUPPORT AND ADVANCED PLAN FOR EARLY RECOVERY - GAZA
(Directly Implemented Project No. 50123, Output Nos. 92145, 92457, and 92895)

Report No. 1801

Issue Date: 7 September 2017

**Report on the Audit of UNDP Programme of Assistance to the Palestinian People
Emergency Support and Advanced Plan for Early Recovery - Gaza
(Project No. 50123, Output Nos. 92145, 92457, and 92895)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Deloitte (the audit firm), from 6 June to 3 July 2017, conducted an audit of Emergency Support and Advanced Plan for Early Recovery – Gaza, Project No. 50123, Output Nos. 92145, 92457, and 92895 (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 in 2016 and covered project expenditure from 1 January to 31 December 2015.

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 2016 and the accompanying Funds Utilization statement¹ as of 31 December 2016 as well as Statement of Assets for Output No. 92457 as of 31 December 2016. The audit did not cover the Statement of Assets for Output Nos. 92145 and 92895, as no assets were held by the outputs. 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(s) and corresponding management letter(s) submitted by the audit firm, the results are summarized in the table below:

Output ID	Project Expenditure		Project Assets	
	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
92145	2,586	Unqualified	N/A	N/A
92457	2,009	Unqualified	51	Unqualified
92895	5,538	Unqualified	N/A	NA

*NFM= Net Financial Misstatement

Key recommendations: Total = 1, high priority = 0

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendations, 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 a misstatement in the commitments balance.

The recommendation aims to ensure the reliability and integrity of financial and operational information.

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.

Implementation status of previous OAI audit recommendations: Report No. 1647, 30 September 2016).

Total recommendations²: two

Implemented: one

In progress: one

Management comments and action plan

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



Brett Simpson
Officer-in-Charge
Office of Audit and Investigations

² Report No. 1647 contained two recommendations in total, out of which one was relevant to Output No. 92895, and it was assessed by the auditors as I in progress as of 31 December 2016.