

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP LEBANON

**EARLY RECOVERY FOR DISPLACED SYRIANS,
LEBANESE HOSTING COMMUNITIES**
(Directly Implemented Project No. 65799, Output No. 84708)

Report No. 1932

Issue Date: 23 July 2018

**Report on the Audit of UNDP Lebanon
Early Recovery for Displaced Syrians, Lebanese Hosting Communities
(Project No. 65799, Output No. 84708)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), from 7 to 18 May 2018, conducted an audit of Early Recovery for Displaced Syrians, Lebanese Hosting Communities (Project No. 65799, Output No. 84708) (the Project), which is directly implemented and managed by the UNDP Country Office in Lebanon (the Office). The last audit of the Project was conducted by OAI, through the audit firm 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 statement¹ as of 31 December 2017 as well as Statement of Assets as of 31 December 2017. The audit did not include activities and expenses incurred or undertaken at the "responsible party" level. 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*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
19,408	Unmodified**	391	Unmodified

*Expenses recorded in the Combined Delivery Report were \$ 21.2 million. Excluded from the audit scope were expenses incurred at the "responsible party" level (\$1.8 million).

**Unmodified = unqualified or clean audit opinion.

The audit did not result in any recommendations.

The previous audit (Report No. 1795, issued on 10 August 2017) did not result in any recommendations.

At the time this audit report was being issued, OAI was investigating complaints relating to parties involved with the Project.

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

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

Helge S. Ostveiten
Director
Office of Audit and Investigations