



AUDIT

OF

UNDP EGYPT

STRENGTHENING OF THE DEMOCRATIC PROCESS IN EGYPT
(Directly Implemented Project No. 79914)

Report No. 1253

Issue Date: 21 February 2014

**Report on the audit of UNDP Egypt
Strengthening of the Democratic Process in Egypt (Project No. 79914)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), from 29 September to 9 October 2013, through Talal Abu - Ghazaleh & Co. (the audit firm), conducted an audit of Strengthening of the Democratic Process in Egypt, Project No. 79914 (the Project), which is directly implemented and managed by the UNDP Country Office in Egypt (the Office). The last audit of the Office was conducted by OAI in 2009.

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 Statement of Expenditure (Combined Delivery Report) for the period from 1 January to 31 December 2012 and Statement of Assets as of 31 December 2012. The

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		Cash	
Amount (in \$ '000)	Opinion	Amount (in \$'000)	Opinion	Amount (in \$'000)	Opinion
4,901	Unqualified	22	Unqualified	N/A	N/A

* The Combined Delivery Report contained total expenditure of \$9.914 million, of which \$5.013 million pertained to non-locally incurred expenditure which was not part of the scope of this audit.

Key recommendations

The audit did not result in any recommendation.



Helge S. Ostveiten
Director
Office of Audit and Investigations

Auditor's Report

Financial audit of “Strengthening of the Democratic Process in Egypt” (The Project) implemented by “United Nation Development Programme UNDP” - Egypt for the Year Ended 31 December 2012.

PROJECT TITLE AND ID

Title: “Strengthening of the Democratic Process in Egypt”

IDs: (Atlas Award ID: 62430, project ID: 79914)

FUNDED BY

Australia, Austria, Germany, Belgium, Ireland, Japan, the Netherlands, Norway, Romania, Sweden, Switzerland and UNDP

Talal Abu - Ghazaleh & Co.

Certified Public Accountants



Financial audit of the locally incurred costs in the “Combined Delivery Report (CDR)” of the Project No: 79914 titled “Strengthening of the Democratic Process in Egypt”, for the year ended 2012

Funded by: Australia, Austria, Germany, Belgium, Ireland, Japan, the Netherlands, Norway, Romania, Sweden, Switzerland and UNDP

Implemented by: United Nation Development Programme (UNDP) in Egypt

“Strengthening of the Democratic Process in Egypt”

Implemented By

“United Nation Development Programme UNDP”

Egypt

Funded by: Australia, Austria, Germany, Belgium, Ireland, Japan, the Netherlands, Norway, Romania, Sweden, Switzerland and UNDP

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To: Director

Office of Audit and Investigations (OAI)

United Nations Development Programme (UNDP)

Dear Mr. Helge Osttveiten,

This report represents the results of our financial audit of the locally incurred costs in the "Combined Delivery Report (CDR)" of the Project ID: 79914 titled "Strengthening of the Democratic Process in Egypt", for the Year ended 31 December 2012.

This Financial audit was mandated in accordance with the Audit contract for professional service with UNDP/OAI Ref. 2013/04 dated 20 September 2013.

Sincerely yours,

Jamal Milhem, CPA

Certified Accountant License # (100/98)

Executive Director

Talal Abu- Ghazaleh & Co.

Ramallah - Palestine, 9 October 2013.



MEMBER OF THE

FORUM OF FIRMS

TAGI is a full member of the Forum of Firms .The Forum conducts its business through its executive arm , the Transnational Auditors Committee (TAC) , which is also a committee of the International Federation of Accountants (IFAC) . www.ifac.org/forum_of_firms .

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بناية البرج الاخضر، شارع الشهيد نزيه قوره، ص ب: ١١١٠ رام الله، الضفة الغربية

Financial audit of the locally incurred costs in the “Combined Delivery Report (CDR)” of the Project No: 79914 titled “Strengthening of the Democratic Process in Egypt”, for the year ended 2012

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Implemented by: United Nation Development Programme (UNDP) in Egypt

1. PART I – EXECUTIVE SUMMARY

The Executive Summary summarizes the important issues raised in the financial audit of the above mentioned award.

1.1. Background Information about Project

On 14 November 2011, UNDP Egypt signed the Strengthening of the Democratic Process project document with the Egyptian government, in yet another step in its support to Egypt. The project document spells out UNDP assistance in building the country’s national capacities, in addition to backing national efforts to strengthen the efficiency and transparency of Egypt’s electoral institutions and processes - with the goal of enhancing credibility and acceptance of election results.

With respect to these objectives, the project was designed to: a) strengthen public outreach and voter information on the parliamentary elections; b) strengthen technical and operational capacity of national electoral authorities; c) incorporate lessons learned and best practices of the 2011 elections in the subsequent elections processes, and; d) increase access of women and rural dwellers to their citizenship rights in the 2011 and future elections.

The total budget of the grant for the year 2012 is USD 10,492,266. The financial audit covered the amount of USD 4,901,312 of total expenditures incurred locally during the period from 1 January to 31 December 2012.

The audit did not cover the expenditures of USD 5,013,006. The amount represented non-locally incurred costs, and thus was out of the audit scope. The payments were done directly by UNDP Headquarters Offices, which retained all original documents related to those transactions.

1.2. Project Identification information

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

Table 1:

Project Name	Award Number	Project Number	2012 Budget (USD)	2012 locally Incurred Expenditure (USD)
Strengthening the Democratic process in Egypt	62430	79914	10,492,266	4,901,312

Financial audit of the locally incurred costs in the “Combined Delivery Report (CDR)” of the Project No: 79914 titled “Strengthening of the Democratic Process in Egypt”, for the year ended 2012

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1.3. Audit Objective

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

- 1) Expressing an opinion on whether the expenses incurred by the project during year ended 2012 and the funds utilization as at 31 December 2012 are 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) is the mandatory and official statements upon which the audit opinion should be expressed.
- 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 2012. This statement must include all assets available as at 31 December 2012 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.
- 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 a given date. 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 Financial audit will be conducted in accordance with the international standards of auditing (ISA), the 700 series.

Financial audit of the locally incurred costs in the “Combined Delivery Report (CDR)” of the Project No: 79914 titled “Strengthening of the Democratic Process in Egypt”, for the year ended 2012

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Scope of Audit:

We performed our audit in accordance with the International Standards of Auditing (ISA) and in compliance with the UNDP rules and regulations. We also reviewed the internal controls and compliance with procurement guidelines issued by UNDP and submitted the necessary recommendations to management.

The scope of the audit includes various audit steps that have been performed on a sample basis, obtaining adequate and sufficient coverage based on the audit objectives and comfort required.

This audit covers the local direct and indirect costs incurred in Egypt for the total amount of USD 4,901,312. This report does not cover amounts disbursed during other periods and does not include any amounts received or disbursed under any other agreements with UNDP.

The following are the main steps performed and followed as the basis for preparing the audit programs. They are not considered all-inclusive or restrictive in nature and do not constitute relief from exercising due professional care and judgment. The steps were modified to correspond with local conditions and specific project design, implementation procedures, and contract provisions which may vary from project to project.

- 1- Performing pre-audit steps which include reviewing project documents, UNDP’s internal manual procedures and UNDP policies;
- 2- Evaluating the program implementation actions and accomplishments;
- 3- Obtaining a sufficient understanding of the internal control structure related to the agreement’s different activities, internal environment, assessing the control risks, monitoring controls, control over compliance, and information and communication;
- 4- Identifying areas where fraud and illegal acts have occurred or likely to have occurred as a result of inadequate controls;
- 5- Examining the Combined Delivery Report (CDR) and related notes, this includes testing expenditures, bank account and related budgets; and
- 6- Performing tests of compliance with agreement’s terms and applicable laws and regulations related to UNDP programs.

Financial audit of the locally incurred costs in the “Combined Delivery Report (CDR)” of the Project No: 79914 titled “Strengthening of the Democratic Process in Egypt”, for the year ended 2012

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The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project over a given period. The scope of the audit does not include:

- Activities and expenses incurred or undertaken at the level of “responsible parties”, unless the inclusion of these expenses is specifically required in the request for proposal; 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 country office.

The audit Covered:

- All activities of the project 79914 - Egypt / Strengthening of the Democratic Process in Egypt during the period from 1 January to 31 December 2012; and
- Include a review of project reports and records located at the UNDP Programme of Assistance to the Egypt office, and, as applicable, field offices of the project/programme and other field locations.

Specifically, the audit covered the following:

- a) The expenses incurred and recorded in the Combined Delivery Reports (CDR) for the project 79914 during the period from 1 January to 31 December 2012, as reported by UNDP Office in Egypt;
- b) If applicable, the value and existence of the fixed assets held by the project 79914 as at 31 December 2012; and
- c) If applicable, the value and existence of cash held by the project 79914 as at 31 December 2012, either as cash at hand or in the bank account (Statement of Cash is required only if there is separate bank account for the DIM project under review).

Financial audit of the locally incurred costs in the “Combined Delivery Report (CDR)” of the Project No: 79914 titled “Strengthening of the Democratic Process in Egypt”, for the year ended 2012

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1.4. Summary of the work done and audit results:

1.4.1. Work Done:

This summary represents the results of our financial audit of the locally incurred costs in the “Combined Delivery Report (CDR)” of the Project ID: 79914 titled “Strengthening of the Democratic Process in Egypt”, for the year ended

31 December 2012.

The total costs incurred locally by United Nation Development Programme (UNDP) in Egypt on the above mentioned project is USD 4,901,312 of which we approximately covered 70% in substantive test of details. As shown in the following table:

Table 2:

Project Location	No. of Samples	Total Expenditures (USD)	Total Expenditures subject to Audit (USD)	Total Expenditures Tested (USD)	Percentage
Egypt	103	9,914,318	4,901,312	3,448,790	70%
Total	103	9,914,318	4,901,312	3,448,790	70%

Financial audit of the locally incurred costs in the "Combined Delivery Report (CDR)" of the Project No: 79914 titled "Strengthening of the Democratic Process in Egypt", for the year ended 2012

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1.4.2. Results of Audit:

- **The Combined Delivery Report (CDR)**

The review didn't disclose any financial errors in the Project's CDR. Accordingly; the "Combined Delivery Report" fairly presents, in all material respects, Project's incurred costs in accordance with the terms of the agreement and in conformity with the basis of accounting described in Note (1) to "Combined Delivery Report".

- **The Statement of Fixed Assets**

The results of our review didn't disclose any material misstatement that, from our opinion of view, could affect the statement of assets presentation for year ended 31 December 2012.

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

Given that no dedicated bank account is opened for the Project, therefore no statement of cash held by the Project was prepared.

Jamal Milhem, CPA

Certified Accountant License # (100/98).

Executive Director

Talal Abu - Ghazaleh & Co.

Ramallah - Palestine, 9 October 2013.



2. PART II – AUDITOR’S REPORT WITH OPINION

2.1. Auditor’s Report

REPORT OF THE INDEPENDENT AUDITORS TO UNDP DIM PROJECT
“STRENGTHENING OF THE DEMOCRATIC PROCESS IN EGYPT”

To: Mr. Helge Ostveiten
Director
UNDP Office of Audit and Investigation (OAI)

Report on the Project Financial Statement

We have audited the accompanying Combined Delivery Report (CDR) (“the Statement”) of the UNDP Project “Atlas Award ID: 62430”, “Strengthening of the Democratic Process in Egypt”, for the period from 1 January to 31 December 2012.

Management’s Responsibility

Management is responsible for the preparation and fair presentation of the statement for “Strengthening of the Democratic Process in Egypt” Project 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.



Financial audit of the locally incurred costs in the "Combined Delivery Report (CDR)" of the Project No: 79914 titled "Strengthening of the Democratic Process in Egypt", for the year ended 2012

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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) presents fairly in all material respects the expenditure of USD 4,901,312 incurred by the project "Atlas Award ID: 62430", "Strengthening of the Democratic Process in Egypt" for the period 1 January to 31 December 2012 in accordance with UNDP accounting policies and basis of the accounting used in note (1) to Combined Delivery Report.

Jamal Milhem, CPA

Certified Accountant License # (100/98)



Executive Director

Talal Abu - Ghazaleh & Co.

Ramallah - Palestine, 9 October 2013.

Financial audit of the locally incurred costs in the “Combined Delivery Report (CDR)” of the Project No: 79914 titled “Strengthening of the Democratic Process in Egypt”, for the year ended 2012

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Implemented by: United Nation Development Programme (UNDP) in Egypt

2.2. 2012 CDR Project No. 79914



Selection Criteria :

Business Unit : EGY10
Period : Jan-Dec (2012)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00079914

Project Id : 00062430 Strengthening National Capacit	Period :	Jan-Dec (2012)
Output # : 00079914 Strengthen Dem. Process in Egy	Impl. Partner :	99999 UNDP
	Location :	Programme Unit
	Govt Exp	UNDP Exp
	UN Agencies Exp	Total Exp

Dept: 44804 (Egypt - Dem. Governance)

Fund : 26960 (CPR TTF-Conflict-Country S)

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
61305 - Salaries - IP Staff	0.00	39,999.78	0.00	39,999.78
61310 - Post Adjustment - IP Staff	0.00	15,813.25	0.00	15,813.25
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	14,078.64	0.00	14,078.64
62315 - Contrib. to medical, social in	0.00	90.48	0.00	90.48
62340 - Annual Leave Expense - IP	0.00	4,044.75	0.00	4,044.75
63335 - Home Leave Trvl & Allow-IP Stf	0.00	346.86	0.00	346.86
63530 - Contribution to EOS Benefits	0.00	1,395.34	0.00	1,395.34
63535 - Contribution to Security	0.00	2,232.50	0.00	2,232.50
63540 - Contribution to Training	0.00	558.14	0.00	558.14
63545 - Contribution to ICT	0.00	837.20	0.00	837.20
63550 - Contributions to MAIP	0.00	111.62	0.00	111.62
63555 - Contribution to UN JFA	0.00	1,004.64	0.00	1,004.64
63560 - Contributions to Appendix D	0.00	167.44	0.00	167.44
65115 - Contributions to ASHI Reserve	0.00	3,627.84	0.00	3,627.84
65135 - Payroll Mgt Cost Recovery ATLA	0.00	289.68	0.00	289.68
71205 - Intl Consultants-Sht Term-Tech	0.00	30,963.77	0.00	30,963.77
71305 - Local Consult.-Sht Term-Tech	0.00	80,360.85	0.00	80,360.85
71405 - Service Contracts-Individuals	0.00	30,282.31	0.00	30,282.31
71605 - Travel Tickets-International	0.00	37,184.92	0.00	37,184.92
71610 - Travel Tickets-Local	0.00	3,442.62	0.00	3,442.62
71615 - Daily Subsistence Allow-Intl	0.00	40,261.97	0.00	40,261.97
71620 - Daily Subsistence Allow-Local	0.00	6,446.89	0.00	6,446.89
71635 - Travel - Other	0.00	912.00	0.00	912.00
72135 - Svc Co-Communications Service	0.00	49,413.00	0.00	49,413.00
72215 - Transporation Equipment	0.00	493.37	0.00	493.37
72399 - Other Materials and Goods	0.00	2,601,647.85	0.00	2,601,647.85
72705 - Hospitality-Special Events	0.00	1,625.79	0.00	1,625.79
72815 - Inform Technology Supplies	0.00	81.97	0.00	81.97
73105 - Rent	0.00	4,172.35	0.00	4,172.35
73107 - Rent - Meeting Rooms	0.00	16,532.71	0.00	16,532.71
73505 - Reimb to UNDP for Supp Svcs	0.00	44,226.79	0.00	44,226.79
74220 - Translation Costs	0.00	1,276.95	0.00	1,276.95
74525 - Sundry	0.00	0.00	0.00	0.00
74725 - Other L.T.S.H.	0.00	212,210.00	0.00	212,210.00
74965 - Low value equipment	0.00	1,172.96	0.00	1,172.96
75115 - Facilities & Admin - OH & Ind	0.00	230,793.66	0.00	230,793.66
75709 - Learning - training of counter	0.00	3,934.43	0.00	3,934.43
76135 - Realized Gain	0.00	0.00	0.00	0.00
77305 - Salaries - IP Staff-TA	0.00	19,999.88	0.00	19,999.88
77310 - Post Adjustment - IP Staff-TA	0.00	7,959.95	0.00	7,959.95
77315 - Contrib-Med,Soclns-IP Staff-TA	0.00	45.24	0.00	45.24
77357 - Repat. Grt/Comm Ann Lv-IP-TA	0.00	1,928.25	0.00	1,928.25
77375 - Contrib-Jt Staff Pens Fd-IP-TA	0.00	7,039.32	0.00	7,039.32
77385 - Contribution to Security	0.00	1,118.40	0.00	1,118.40



Combined Delivery Report By Project

Project Id : 00062430 Strengthening National Capacit	Period :	Jan-Dec (2012)
Output # : 00079914 Strengthen Dem. Process in Egy	Impl. Partner :	99999 UNDP
	Location :	Programme Unit

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
77386 - Contribution to ICT_TA	0.00	419.40	0.00	419.40
77395 - MAIP Premium TA/IP	0.00	55.92	0.00	55.92
77396 - PAYROLL MGT COST RECOVERY	0.00	144.85	0.00	144.85
77397 - Appendix D TA/IP	0.00	83.88	0.00	83.88
77630 - Dep Exp Owned - ITC	0.00	11.13	0.00	11.13
Total for Fund 26960	0.00	3,520,841.54	0.00	3,520,841.54

Fund : 30000 (PROGRAMME COST SHARING)

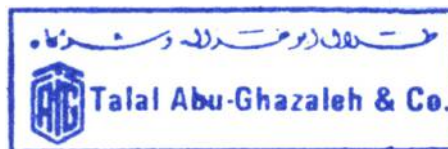
61305 - Salaries - IP Staff	0.00	43,363.85	0.00	43,363.85
61310 - Post Adjustment - IP Staff	0.00	2,878.87	0.00	2,878.87
62215 - Contrib. to Medical, social In	0.00	16.33	0.00	16.33
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	2,541.97	0.00	2,541.97
63310 - Repat. Grant -IP	0.00	695.75	0.00	695.75
63515 - Security-related Costs	0.00	2,866.46	0.00	2,866.46
66105 - Overtime & Night Differential	0.00	197.49	0.00	197.49
71205 - Intl Consultants-Sht Term-Tech	0.00	207,826.39	0.00	207,826.39
71305 - Local Consult.-Sht Term-Tech	0.00	189,252.55	0.00	189,252.55
71405 - Service Contracts-Individuals	0.00	47,910.28	0.00	47,910.28
71605 - Travel Tickets-International	0.00	87,075.61	0.00	87,075.61
71615 - Daily Subsistence Allow-Intl	0.00	173,917.95	0.00	173,917.95
71620 - Daily Subsistence Allow-Local	0.00	4,394.69	0.00	4,394.69
71630 - Shipment	0.00	5,649.11	0.00	5,649.11
71635 - Travel - Other	0.00	1,260.12	0.00	1,260.12
72105 - Svc Co-Construction & Engineer	0.00	422,672.15	0.00	422,672.15
72130 - Svc Co-Transportation Services	0.00	12,005.72	0.00	12,005.72
72135 - Svc Co-Communications Service	0.00	266,547.90	0.00	266,547.90
72205 - Office Machinery	0.00	184.25	0.00	184.25
72215 - Transportation Equipment	0.00	1,237.15	0.00	1,237.15
72220 - Furniture	0.00	1,050.75	0.00	1,050.75
72399 - Other Materials and Goods	0.00	2,776,159.35	0.00	2,776,159.35
72405 - Acquisition of Communic Equip	0.00	3,092.04	0.00	3,092.04
72505 - Stationery & other Office Supp	0.00	7,313.53	0.00	7,313.53
72705 - Hospitality-Special Events	0.00	17,378.37	0.00	17,378.37
72710 - Hospitality-Vouchered Expenses	0.00	3,119.48	0.00	3,119.48
72805 - Acquis of Computer Hardware	0.00	1,036.61	0.00	1,036.61
72815 - Inform Technology Supplies	0.00	1,220.25	0.00	1,220.25
73105 - Rent	0.00	10,670.25	0.00	10,670.25
73107 - Rent - Meeting Rooms	0.00	0.00	0.00	0.00
73110 - Custodial & Cleaning Services	0.00	1,243.78	0.00	1,243.78
73115 - Moving Expenses	0.00	1,003.32	0.00	1,003.32
73120 - Utilities	0.00	296.35	0.00	296.35
73125 - Common Services-Premises	0.00	27,618.65	0.00	27,618.65
73405 - Rental & Maint-Other Office Eq	0.00	81.97	0.00	81.97
73505 - Reimb to UNDP for Supp Svcs	0.00	97,241.52	0.00	97,241.52
74205 - Audio Visual Productions	0.00	8,703.67	0.00	8,703.67
74210 - Printing and Publications	0.00	170,745.65	0.00	170,745.65
74220 - Translation Costs	0.00	18,099.79	0.00	18,099.79
74225 - Other Media Costs	0.00	15,011.88	0.00	15,011.88
74525 - Sundry	0.00	9,126.17	0.00	9,126.17
74696 - PP&E Expensed Items	0.00	113,246.30	0.00	113,246.30
74725 - Other L.T.S.H.	0.00	48,920.00	0.00	48,920.00
74965 - Low value equipment	0.00	59,120.46	0.00	59,120.46



Combined Delivery Report By Project

Project Id : 00062430 Strengthening National Capacit	Period :	Jan-Dec (2012)		
Output # : 00079914 Strengthen Dem. Process in Egy	Impl. Partner :	99999 UNDP		
	Location :	Programme Unit		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
75105 - Facilities & Admin - Implement	0.00	353,555.80	0.00	353,555.80
75709 - Learning - training of counter	0.00	0.00	0.00	0.00
76125 - Realized Loss	0.00	1.78	0.00	1.78
76135 - Realized Gain	0.00	- 0.01	0.00	- 0.01
77305 - Salaries - IP Staff-TA	0.00	87,566.52	0.00	87,566.52
77310 - Post Adjustment - IP Staff-TA	0.00	34,644.81	0.00	34,644.81
77315 - Contrib-Med.SocIns-IP Staff-TA	0.00	160.80	0.00	160.80
77357 - Repat. Grt/Comm Ann Lv-IP-TA	0.00	8,462.29	0.00	8,462.29
77375 - Contrib-Jt Staff Pens Fd-IP-TA	0.00	43,007.62	0.00	43,007.62
77385 - Contribution to Security	0.00	4,888.47	0.00	4,888.47
77386 - Contribution to ICT_TA	0.00	1,833.19	0.00	1,833.19
77395 - MAIP Premium TA/IP	0.00	244.42	0.00	244.42
77396 - PAYROLL MGT COST RECOVERY	0.00	836.94	0.00	836.94
77397 - Appendix D TA/IP	0.00	366.61	0.00	366.61
77630 - Dep Exp Owned - ITC	0.00	4,010.41	0.00	4,010.41
77640 - Dep Exp Owned - F&F	0.00	0.00	0.00	0.00
77670 - Dep Exp-Hvy Mac & Equip	0.00	10.63	0.00	10.63
Total for Fund 30000	0.00	5,403,585.01	0.00	5,403,585.01
Fund : 32045 (JPN-Partnership Devt. Pgm. PCF)				
71305 - Local Consult.-Sht Term-Tech	0.00	9,314.21	0.00	9,314.21
72135 - Svc Co-Communications Service	0.00	20,000.00	0.00	20,000.00
72399 - Other Materials and Goods	0.00	767,697.80	0.00	767,697.80
73505 - Reimb to UNDP for Supp Svcs	0.00	18,050.35	0.00	18,050.35
74725 - Other L.T.S.H.	0.00	110,070.00	0.00	110,070.00
75105 - Facilities & Admin - Implement	0.00	64,759.27	0.00	64,759.27
Total for Fund 32045	0.00	989,891.63	0.00	989,891.63
Total for Dept : 44804	0.00	9,914,318.18	0.00	9,914,318.18
Total for Output : 00079914	0.00	9,914,318.18	0.00	9,914,318.18
Project Total :	0.00	9,914,318.18	0.00	9,914,318.18

Jamal J. Malhi



Signed By :

Project Coordinator

Date :

15/11/2014

Signed By :

COUNTRY DIRECTOR

Date :

15/01/2014



Selection Criteria :

Business Unit : EGY10
Period : Jan-Dec (2012)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00079914

Project Id : ALL	Period :	Jan-Dec (2012)			
Output # : ALL	Impl. Partner :				
	Location :				
		Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
44804 - Egypt - Dem. Governance		0.00	9,914,318.18	0.00	9,914,318.18

Financial audit of the locally incurred costs in the "Combined Delivery Report (CDR)" of the Project No: 79914 titled "Strengthening of the Democratic Process in Egypt", for the year ended 2012

Funded by: Australia, Austria, Germany, Belgium, Ireland, Japan, the Netherlands, Norway, Romania, Sweden, Switzerland and UNDP

Implemented by: United Nation Development Programme (UNDP) in Egypt

PROJECT ID: 79914 TITLED "STRENGTHENING OF

THE DEMOCRATIC PROCESS IN EGYPT",

FOR THE YEAR ENDED 2012

NOTE TO THE COMBINED DELIVERY REPORT (CDR)

Note (1) Basis of Accounting:

The Combined Delivery Report (CDR) was prepared on the Cash Basis of accounting. According to this basis, expenditures are recognized when paid rather than when incurred.

Note (2) Project Duration:

The project duration is 38 months started from November 2011 till December 2014, the project location is in Zamalek, Cairo.

3. CERTIFICATION FOR STATEMENT OF FIXED ASSETS - 2012

CERTIFICATION FOR STATEMENT OF FIXED ASSETS

To Mr. Helge Osttveiten

Director

UNDP Office of Audit and Investigation (OAI)

Report on the Project Financial Statement

We have audited the accompanying Statement of Fixed Assets ("the statement") of the UNDP project 79914, titled "Strengthening of the Democratic Process in Egypt" for the year ended 2012.

Management's Responsibility

Management is responsible for the preparation of the statement for the project titled: "Strengthening of the Democratic Process in Egypt" 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.



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Ramallah Office: Tel.: (+970) 229 88 220/ 1 , Fax: (+970) 229 88 219

مكتب رام الله: هاتف: ٢٢٩ ٨٨ ٢٢٠ / ١ (+٩٧٠) ، فاكس: ٢٢٩ ٨٨ ٢١٩ (+٩٧٠)

Green Tower Bld., Al-Shaheed Nazeq Qurah Street P.O. Box: 1110 Ramallah, The West Bank

بناية البرج الاخضر، شارع الشهيد نزيه قوره، ص ب: ١١١٠ رام الله، الضفة الغربية

Financial audit of the locally incurred costs in the "Combined Delivery Report (CDR)" of the Project No: 79914 titled "Strengthening of the Democratic Process in Egypt", for the year ended 2012

Funded by: Australia, Austria, Germany, Belgium, Ireland, Japan, the Netherlands, Norway, Romania, Sweden, Switzerland and UNDP

Implemented by: United Nation Development Programme (UNDP) in Egypt

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

Unmodified Opinion

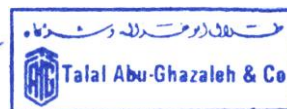
In our opinion, the attached Statement of Assets presents fairly, in all material respects, the balance of fixed assets of the UNDP project "Strengthening of the Democratic Process in Egypt" by the amount of USD 22,074 as at 31 December 2012 in accordance with UNDP accounting policies.

Talal Abu - Ghazaleh & Co.

Jamal Milhem, CPA



Executive Director



Ramallah - Palestine, 9 October 2013.

Financial audit of the locally incurred costs in the “Combined Delivery Report (CDR)” of the Project No: 79914 titled “Strengthening of the Democratic Process in Egypt”, for the year ended 2012

Funded by: Australia, Austria, Germany, Belgium, Ireland, Japan, the Netherlands, Norway, Romania, Sweden, Switzerland and UNDP

Implemented by: United Nation Development Programme (UNDP) in Egypt

3.1 Statement of Fixed Assets - 2012

**STRENGTHENING OF THE DEMOCRATIC PROCESS IN EGYPT
STATEMENT OF FIXED ASSETS
AS AT 31 DECEMBER 2012**

Category	Amount USD
Computer Printers	1,614
Notebook Computers	17,978
Projectors	672
Hydro Electric generators	1,276
Firewall Security Equipment	534
Total Fixed assets	22,074



Asset Management Detail Report

Business Unit: EGY10 Country: Egypt
 Operating Unit: Department: Impl Agency: Donor: Amount >=0
 From/To date: 01-JAN-2012 - 31-DEC-2012
 Project: 00079914 Profile ID: Fund Code:

Business unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location	Acquisition Date
EGY10	000000000486	ITC4	A) Computer printers	CP0001	CHRTG6P0M6	HP LaserJet M3027	ELEC-08	2012-02-28
Currency	Cost	Quantity	Operating Unit	Department	Impl Agency	Donor	Project	Fund code
USD	1613.98	1.00	EGY	44804	001981	00117	00079914	30000
Business unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location <td>Acquisition Date</td>	Acquisition Date
EGY10	000000000487	ITC1	A) Notebook computers	NC0001	DZ0N3R1	DELL Latitude E6320	ELEC-01	2012-02-28
Currency	Cost	Quantity	Operating Unit	Department	Impl Agency	Donor	Project	Fund code
USD	1502.49	1.00	EGY	44804	001981	00117	00079914	30000
Business unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location <td>Acquisition Date</td>	Acquisition Date
EGY10	000000000497	ITC1	A) Notebook computers	NC0003	BVBDWM1	DELL Latitude E6320	ELEC-01	2012-02-28
Currency	Cost	Quantity	Operating Unit	Department	Impl Agency	Donor	Project	Fund code
USD	1502.49	1.00	EGY	44804	001981	00117	00079914	30000
Business unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location <td>Acquisition Date</td>	Acquisition Date
EGY10	000000000498	ITC1	A) Notebook computers	NC0004	72DDWM1	DELL Latitude E6320	ELEC-06	2012-02-28
Currency	Cost	Quantity	Operating Unit	Department	Impl Agency	Donor	Project	Fund code
USD	1502.49	1.00	EGY	44804	001981	00117	00079914	30000
Business unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location <td>Acquisition Date</td>	Acquisition Date
EGY10	000000000499	ITC1	A) Notebook computers	NC0005	GHRM3R1	DELL Latitude E6320	ELEC-06	2012-02-28
Currency	Cost	Quantity	Operating Unit	Department	Impl Agency	Donor	Project	Fund code
USD	1502.49	1.00	EGY	44804	001981	00117	00079914	30000
Business unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location <td>Acquisition Date</td>	Acquisition Date
EGY10	000000000500	ITC1	A) Notebook computers	NC0006	JTSM3R1	DELL Latitude E6320	ELEC-09	2012-02-28
Currency	Cost	Quantity	Operating Unit	Department	Impl Agency	Donor	Project	Fund code
USD	1502.49	1.00	EGY	44804	001981	00117	00079914	30000
Business unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location <td>Acquisition Date</td>	Acquisition Date
EGY10	000000000503	ITC1	A) Notebook computers	NC0008	787N201	DELL Latitude E6320	ELEC-07	2012-05-17
Currency	Cost	Quantity	Operating Unit	Department	Impl Agency	Donor	Project	Fund code
USD	1490.88	1.00	EGY	44804	001981	00134	00079914	30000

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 IGNACIO AREBA
 COUNTRY DIRECTOR

[Signature]

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Asset Management Detail Report

Business Unit: EGY10 Country: Egypt Department: A) Notebook computers
 Operating Unit: ITC1 Profile ID: ITC1 Quantity: 1.00
 Category: In Service Impl Agency: TAG Number: NC0010 Department: NC0010
 Project Type: Development Donor: FRMDWM1
 Amount >=0 Fund Code: 001981
 From/To date: 01-JAN-2012 - 31-DEC-2012
 Project: 00079914 Profile ID: 001981

Business unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location	Acquisition Date
EGY10	00000000510	ITC1	A) Notebook computers	NC0009	617N2Q1	DELL Latitude E6320	ELEC-09	2012-05-17
Currency	Cost	Quantity	Operating Unit	Department	Impl Agency	Donor	Project	Fund code
USD	1490.88	1.00	EGY	44804	001981	00134	00079914	30000

Business unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location	Acquisition Date
EGY10	00000000513	ITC1	A) Notebook computers	NC0010	FRMDWM1	DELL Latitude E6320	ELEC-05	2012-02-28
Currency	Cost	Quantity	Operating Unit	Department	Impl Agency	Donor	Project	Fund code
USD	1502.49	1.00	EGY	44804	001981	00117	00079914	30000

Business unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location	Acquisition Date
EGY10	00000000518	ITC1	A) Notebook computers	NC0011	J0BDMW1	DELL Latitude E6320	ELEC-05	2012-02-28
Currency	Cost	Quantity	Operating Unit	Department	Impl Agency	Donor	Project	Fund code
USD	1502.49	1.00	EGY	44804	001981	00117	00079914	30000

Business unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location	Acquisition Date
EGY10	00000000519	ITC1	A) Notebook computers	NC0012	8FSM3R1	DELL Latitude E6320	ELEC-06	2012-02-28
Currency	Cost	Quantity	Operating Unit	Department	Impl Agency	Donor	Project	Fund code
USD	1502.49	1.00	EGY	44804	001981	00117	00079914	30000

Business unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location	Acquisition Date
EGY10	00000000520	ITC1	A) Notebook computers	NC0013	7HRM3R1	DELL Latitude E6320	ELEC-05	2012-02-28
Currency	Cost	Quantity	Operating Unit	Department	Impl Agency	Donor	Project	Fund code
USD	1502.49	1.00	EGY	44804	001981	00117	00079914	30000

Business unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location	Acquisition Date
EGY10	00000000591	ITC1	A) Notebook computers	NC0014	9Q68DS1	DELL Latitude E6320	ELEC-01	2012-12-18
Currency	Cost	Quantity	Operating Unit	Department	Impl Agency	Donor	Project	Fund code
USD	1473.77	1.00	EGY	44804	001981	00231	00079914	30000

Business unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location	Acquisition Date
EGY10	00000000592	ITC10	A) Projectors	UNPROJ003E	DA2330071	Panasonic PT-LX 268	ELEC-02	2012-12-18
Currency	Cost	Quantity	Operating Unit	Department	Impl Agency	Donor	Project	Fund code
USD	672.13	1.00	EGY	44804	001981	00231	00079914	30000

Business unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location	Acquisition Date
EGY10	00000000593	HYMEL	A) Hydro electric generators	GEN001	720040606	BRAVA Gasoline Engine 13 HP	ELEC-03	2012-12-18
Currency	Cost	Quantity	Operating Unit	Department	Impl Agency	Donor	Project	Fund code
USD	1275.57	1.00	EGY	44804	001981	00231	00079914	30000

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Asset Management Detail Report

Business Unit: EGY10 Country: Egypt
Operating Unit: ITC14 Department: A) Firewall security equipment
Category: In Service TAG Number: FW0001
Impl Agency: 44804 Project Type: Development Serial Number: BSSA2B7000008
Donor: 001981 Model: D-LINK DFL 166
Amount >=0 Fund Code: 00061
From/To date: 01-JAN-2012 - 31-DEC-2012
Project: 00079914 Profile ID: 2012-12-18
Acquisition Date: 2012-12-18
Fund code: 26960

Business unit	Asset ID	Profile ID	Description	Operating Unit	Quantity	Cost	Currency	Department	Impl Agency	Serial Number	Model	Donor	Location	Acquisition Date
EGY10	000000000594	ITC14	A) Firewall security equipment	EGY	1.00	534.43	USD	44804	001981	BSSA2B7000008	D-LINK DFL 166	00061	ELEC-04	2012-12-18
													00079914	26960

Count: 16 Total Value: 22,074.11 (USD)



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Handwritten signature: Jamal J. Mutha

Handwritten signature: Ahmad Khan

Financial audit of the locally incurred costs in the “Combined Delivery Report (CDR)” of the Project No: 79914 titled “Strengthening of the Democratic Process in Egypt”, for the year ended 2012

Funded by: Australia, Austria, Germany, Belgium, Ireland, Japan, the Netherlands, Norway, Romania, Sweden, Switzerland and UNDP

Implemented by: United Nation Development Programme (UNDP) in Egypt

STRENGTHENING OF THE DEMOCRATIC PROCESS IN EGYPT NOTES TO THE STATEMENT OF FIXED ASSETS

1) Basis of Accounting:

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

2) Depreciation expense:

In year 2012, UNDP started applying IPSAS and CDR attached included fixed assets depreciation expense.

3.2 Certification for Statement of Cash Position-2012**CERTIFICATION FOR STATEMENT OF CASH POSITION**

To Mr. Helge Osttveiten

Director

UNDP Office of Audit and Investigation (OAI)

The Statement of Cash Position for the Project "Atlas Award ID:62430", "Strengthening of the Democratic Process in Egypt" for the period from 1 January to 31 December 2012" is not applicable due to not establishing a separate bank account for the project's purposes. Accordingly, the statement of cash position of the project as at 31 December 2012 is not prepared by the project management and no expression of opinion on the statement of cash position is stated.

Talal Abu - Ghazaleh & Co.

Jamal Milhem, CPA



Executive Director

Ramallah - Palestine, 9 October 2013.



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4. PART III - MANAGEMENT LETTER

We have not identified reportable condition during our auditing “Strengthening of the Democratic Process in Egypt” (The Project) implemented by “United Nation Development Programme UNDP” - Egypt for the Year Ended 31 December 2012. However, we noted certain immaterial matters involving internal control and its operation that we have reported to the management of UNDP Egypt, in a separate letter dated 9 October 2013.



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