

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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Resilient nations.*

AUDIT

OF

UNDP SYRIAN ARAB REPUBLIC

DISRUPTED LIVELIHOODS
(Directly Implemented Project No. 97173, Output No. 101023)

Report No. 1953
Issue Date: 10 July 2018

**Report on the Audit of UNDP Syrian Arab Republic
Disrupted Livelihoods (Project No. 97173, Output No. 101023)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Talal Abu- Ghazaleh & Co. (the audit firm), from 25 April to 21 May 2018, conducted an audit of Disrupted Livelihoods, Project No. 97173, Output No. 101023 (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 included expenses for the period from 1 January to 31 December 2017 and the accompanying Funds Utilization statement¹ as of 31 December 2017. The audit did not include activities and expenses incurred or undertaken at the "responsible party" level, or expenses processed and approved in locations outside of the country (such as UNDP Regional Centers and UNDP Headquarters) or expenses of other United Nations agencies. In addition, the audit did not cover the Statement of Assets as no assets were held by the Project. Lastly, 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
2,321	Unmodified**

* Expenses recorded in the Combined Delivery Report were \$2.88 million. Excluded from the audit scope were transactions that relate to expenses of other United Nations agencies (\$0.56 million).

**Unmodified = unqualified or clean opinion

The audit 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. Osttveiten
Director
Office of Audit and Investigations

United Nations Development Programme

**Financial Audit of Directly Implemented Project managed by
UNDP Country office in Syria**

**“Disrupted Livelihoods”
(Project ID 97173- Output ID 101023)
For the Year Ended 31 December 2017**

1 July 2018

Talal Abu – Ghazaleh & Co.
"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 97173 - output ID 101023 “Disrupted Livelihoods” (the project), directly implemented by UNDP Country office in Syria 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	Unmodified	
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 findings:**

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

– **Follow-up on Previous year’s audit recommendations:**

The output ID 101023 was not audited in the previous year. Accordingly, no follow-up procedures were required to be performed.

Sincerely,

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

Talal Abu – Ghazaleh & Co.
License No. 251/1997
Ramallah – Palestine, 1 July 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:

- 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 country 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 97173 – Output ID 101023 “Disrupted Livelihoods”

**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 97173 – output ID 101023 “Disrupted Livelihoods”, 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.

The CDR expenditure totaling USD 2,882,713, is comprised of expenditure directly incurred by the UNDP Country Office in Syria for an amount of USD 2,321,152 and expenditure incurred by entities other than the Country Office for an amount of USD 561,561. Our audit only covered the expenditure directly incurred by the UNDP Country Office in Syria of USD 2,321,152.

Unmodified Opinion

In our opinion, the attached CDR and Funds Utilization statement present fairly, in all material respects, the expenses of USD 2,321,152 directly incurred by the UNDP Country office in Syria and charged to the project ID 97173 – output ID 00101023 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 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.

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, 1 July 2018



2.2 Combined Delivery Report (CDR) and Funds Utilization Statement



UN Development Programme
Report ID: unglcdrp

Combined Delivery Report By Project

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Selection Criteria :

Business Unit : SYR10
Period : Jan-Dec (2017)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00101023

Project Id : 00097173 Japan Support to livelihoods	Period :	Jan-Dec (2017)
Output # : 00101023 Disrupted Livelihoods	Impl. Partner :	99999 UNDP
	Location :	

Dept: 47201 (Syria - Central)

Fund : 32045 (JPN-Partnership Devt. Pgm. PCF)

71205 - Intl Consultants-Sht Term-Tech	0.00	0.00	19,589.12	19,589.12
71210 - Intl Consultants-Sht Term-Supp	0.00	0.00	3,673.53	3,673.53
71605 - Travel Tickets-International	0.00	0.00	8,013.40	8,013.40
71620 - Daily Subsistence Allow-Local	0.00	98.40	0.00	98.40
72110 - Svc Co-Agricultural Management	0.00	0.00	362,752.30	362,752.30
72145 - Svc Co-Training and Educ Serv	0.00	0.00	26,018.82	26,018.82
72399 - Other Materials and Goods	0.00	0.00	126,344.04	126,344.04
74525 - Sundry	0.00	0.00	15,169.65	15,169.65
75105 - Facilities & Admin - Implement	0.00	44,932.74	0.00	44,932.74
Total for Fund 32045	0.00	45,031.14	561,560.86	606,592.00

Total for Dept : 47201

0.00 45,031.14 561,560.86 606,592.00

Dept: 47203 (Syria - Crisis Prev & Rcvry)

Fund : 32045 (JPN-Partnership Devt. Pgm. PCF)

61105 - Salaries - NP Staff	0.00	2,485.00	0.00	2,485.00
61205 - Salaries - GS Staff	0.00	8,225.92	0.00	8,225.92
61305 - Salaries - IP Staff	0.00	10,000.84	0.00	10,000.84
61310 - Post Adjustment - IP Staff	0.00	3,650.30	0.00	3,650.30
62110 - Contrib Joint Staff Pension-NP	0.00	401.35	0.00	401.35
62115 - Contrib to Med.SocIns-NP Staff	0.00	77.04	0.00	77.04
62120 - Hazard Duty Station Allow-NP	0.00	459.00	0.00	459.00
62140 - Annual Leave Expense - NO	0.00	285.63	0.00	285.63
62205 - Dependency Allow - GS Staff	0.00	656.52	0.00	656.52
62210 - Contrib to Jt Staff Pens Fd-GS	0.00	1,283.65	0.00	1,283.65
62215 - Contrib. to Medical, social In	0.00	596.38	0.00	596.38
62225 - Hazard Duty Station Allow-GS	0.00	1,836.00	0.00	1,836.00
62240 - Annual Leave Expense - GS	0.00	794.66	0.00	794.66
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	3,202.92	0.00	3,202.92
62315 - Contrib. to medical, social in	0.00	111.86	0.00	111.86
62320 - Mobility, Hardship, Non-remova	0.00	2,906.66	0.00	2,906.66
62335 - Hazard Duty Station Allow-IP	0.00	8,490.60	0.00	8,490.60
62340 - Annual Leave Expense - IP	0.00	40.89	0.00	40.89
63325 - Security Evacuation - IP Staff	0.00	27,463.23	0.00	27,463.23
63335 - Home Leave Trvl & Allow-IP Stf	0.00	154.16	0.00	154.16
63340 - Proc trips/Rest & Recup-IP Stf	0.00	3,500.00	0.00	3,500.00
63360 - Medical Exams(incl Pre-empl)	0.00	114.20	0.00	114.20
63365 - Special Oper Living Allow-IP	0.00	1,250.00	0.00	1,250.00
63530 - Contribution to EOS Benefits	0.00	913.58	0.00	913.58
63535 - Contribution to Security	0.00	1,522.63	0.00	1,522.63



ok

10-A



Financial Audit of Directly Implemented Project ID 97173 - Output ID 101023 – “Disrupted Livelihoods” for the year ended 31 December 2017



UN Development Programme
Report ID: unglcdrp

Combined Delivery Report By Project

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Run Time: 22-05-2018 08:05:52

Project Id : 00097173 Japan Support to livelihoods		Period :	Jan-Dec (2017)	
Output # : 00101023 Disrupted Livelihoods		Impl. Partner :	99999 UNDP	
		Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

63540 - Contribution to Training	0.00	194.89	0.00	194.89
63545 - Contribution to ICT	0.00	365.43	0.00	365.43
63550 - Contributions to MAIP	0.00	60.89	0.00	60.89
63555 - Contribution to UN JFA	0.00	791.76	0.00	791.76
63560 - Contributions to Appendix D	0.00	60.89	0.00	60.89
64110 - Separations - NP Staff	0.00	49.70	0.00	49.70
64210 - Separations - GS Staff	0.00	164.52	0.00	164.52
64310 - Separations - IP Staff	0.00	191.12	0.00	191.12
64397 - Services to projects -CO staff	0.00	342,380.71	0.00	342,380.71
65115 - Contributions to ASHI Reserve	0.00	2,363.12	0.00	2,363.12
65135 - Payroll Mgt Cost Recovery ATLA	0.00	240.81	0.00	240.81
66105 - Overtime & Night Differential	0.00	234.90	0.00	234.90
71205 - Intl Consultants-Sht Term-Tech	0.00	3,200.00	0.00	3,200.00
71305 - Local Consult.-Sht Term-Tech	0.00	2,000.00	0.00	2,000.00
71405 - Service Contracts-Individuals	0.00	331,000.01	0.00	331,000.01
71410 - MAIP Premium SC	0.00	2.29	0.00	2.29
71415 - Contribution to Security SC	0.00	57.16	0.00	57.16
71615 - Daily Subsistence Allow-Intl	0.00	14,442.45	0.00	14,442.45
71620 - Daily Subsistence Allow-Local	0.00	20,589.84	0.00	20,589.84
71635 - Travel - Other	0.00	3,587.84	0.00	3,587.84
72105 - Svc Co-Construction & Engineer	0.00	1,437.73	0.00	1,437.73
72210 - Machinery and Equipment	0.00	60,753.00	0.00	60,753.00
72220 - Furniture	0.00	7,934.34	0.00	7,934.34
72305 - Agri & Forestry Products	0.00	224,158.24	0.00	224,158.24
72315 - Food & Textile Products	0.00	1,534.43	0.00	1,534.43
72330 - Medical Products	0.00	1,246.00	0.00	1,246.00
72350 - Medical Kits	0.00	0.00	0.00	0.00
72399 - Other Materials and Goods	0.00	48,556.09	0.00	48,556.09
72415 - Courier Charges	0.00	13.63	0.00	13.63
72425 - Mobile Telephone Charges	0.00	3,936.37	0.00	3,936.37
72505 - Stationery & other Office Supp	0.00	- 797.91	0.00	- 797.91
72515 - Print Media	0.00	0.00	0.00	0.00
72605 - Grants to Instit & other Benef	0.00	637,571.00	0.00	637,571.00
72615 - Micro Capital Grants-Other	0.00	227,789.00	0.00	227,789.00
72805 - Acquis of Computer Hardware	0.00	1,110.00	0.00	1,110.00
72962 - Software-internally developed	0.00	800.00	0.00	800.00
73104 - Leased Building	0.00	12,000.00	0.00	12,000.00
73107 - Rent - Meeting Rooms	0.00	4,333.50	0.00	4,333.50
73410 - Maint, Oper of Transport Equip	0.00	205.73	0.00	205.73
74105 - Management and Reporting Svcs	0.00	1,500.00	0.00	1,500.00
74120 - Capacity Assessment	0.00	4,890.31	0.00	4,890.31
74210 - Printing and Publications	0.00	2,954.06	0.00	2,954.06
74215 - Promotional Materials and Dist	0.00	2,078.28	0.00	2,078.28
74225 - Other Media Costs	0.00	778.86	0.00	778.86
74525 - Sundry	0.00	1,382.94	0.00	1,382.94
74596 - Services to projects -GOE	0.00	23,551.80	0.00	23,551.80
75105 - Facilities & Admin - Implement	0.00	167,099.06	0.00	167,099.06
75705 - Learning costs	0.00	3,049.27	0.00	3,049.27
75709 - Learning - training of counter	0.00	4,257.87	0.00	4,257.87
76125 - Realized Loss	0.00	20,479.33	0.00	20,479.33
76135 - Realized Gain	0.00	- 196.13	0.00	- 196.13
77335 - Hazard Duty Stat Allow-IP-TA	0.00	2,599.40	0.00	2,599.40
77380 - Security Evac - IP Staff-TA	0.00	6,713.00	0.00	6,713.00



OK

N/A





UN Development Programme
Report ID: unglodrp

Combined Delivery Report By Project

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Run Time: 22-05-2018 08:05:52

Project Id : 00097173 Japan Support to livelihoods	Period :	Jan-Dec (2017)		
Output # : 00101023 Disrupted Livelihoods	Impl. Partner :	99999 UNDP		
	Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Total for Fund 32045	0.00	2,276,120.55	0.00	2,276,120.55
Total for Dept : 47203	0.00	2,276,120.55	0.00	2,276,120.55
Total for Output : 00101023	0.00	2,321,151.69	561,560.86	2,882,712.55
Project Total :	0.00	2,321,151.69	561,560.86	2,882,712.55

Signed By :



For Country Director 23/5/2018

Date :

Signed By :

David
Neopyon

Date :

N/A





UNDP UN Development Programme
Report ID: unglcdrp

Combined Delivery Report By Project

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Run Time: 22-05-2018 08:05:52

Selection Criteria :

Business Unit : SYR10
Period : Jan-Dec (2017)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00101023

Project Id : ALL		Period : Jan-Dec (2017)		
Output # : ALL		Impl. Partner : Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
47201 - Syria - Central	0.00	45,031.14	561,560.86	606,592.00
47203 - Syria - Crisis Prev & Rcvry	0.00	2,276,120.55	0.00	2,276,120.55



N.A





UN Development Programme
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Combined Delivery Report By Project

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Funds Utilization

Selection Criteria :

Business Unit : SYR10
Period : Jan-Dec (2017)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00101023

Project/Award: 00097173 Japan Support to livelihoods Period : As at Dec 31, 2017

Output #	Impl. Partner :99999 UNDP	UNDP AMOUNT
Outstanding NEX advances		0.00
Undepreciated Fixed Assets		0.00
Unamortized Intangible Assets		0.00
Inventory		0.00
Prepayments		0.00
Commitments		422,694.50



N/A

