

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP PHILIPPINES

Support to Peacebuilding and Normalization Programme
(Directly Implemented Project No. 107421, Output No. 107729)

Report No. 2106
Issue Date: 20 August 2019

**Report on the Audit of UNDP Philippines
Support to Peacebuilding and Normalization Programme
(Project No. 107421, Output No. 107729)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through BDO LLP (the audit firm), from 13 to 23 May 2019, conducted an audit of Support to Peacebuilding and Normalization Programme (Project No. 107421, Output No. 107729) (the Project), which is directly implemented and managed by the UNDP Country Office in Philippines (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 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 Centres and UNDP Headquarters). 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 and corresponding management letter submitted by the audit firm, the results are summarized in the table below:

Project Expenses*	
Amount (in \$ '000)	Opinion
1,203	Unmodified

*Expenses recorded in the Combined Delivery Report were \$2,024,223.88. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UNDP offices outside of the country (\$28,547.26). Also excluded were expenses incurred at the "responsible party" level (\$792,590.52)

Key recommendations: Total = 2, high priority = 2

The two recommendations aim to (a) ensure the reliability and integrity of financial and operational information (Recommendation 1) and (b) compliance with legislative mandates, regulations and rules, policies and procedures (Recommendation 2).

For high (critical) priority recommendations, prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP. Both high (critical) priority recommendations are presented below:

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.

Outstanding
responsible party
advances (Issue 1)

Significant advances (\$2,573,284.25) were paid to responsible parties by the Project during the implementation period on signing the Responsible Party Agreements; however, despite not being fully utilised by the responsible parties, the outstanding amounts had not been returned beyond the due date provided by the agreements.

Recommendation: The Office should request that the unutilised advances are returned from the responsible parties, in line with the Responsible Party Agreement. Where there are difficulties in requesting the return of these funds, the donor should be made aware and involved in the process. Advances to responsible parties should be made for required amounts of cash in smaller batches, to limit the balance of funds held by the responsible parties.

Inadequate due
diligence of responsible
parties (Issue 2)

Adequate due diligence was not performed on responsible parties including missing micro-assessments, requests for information, capacity assessment checklists and risk analysis.

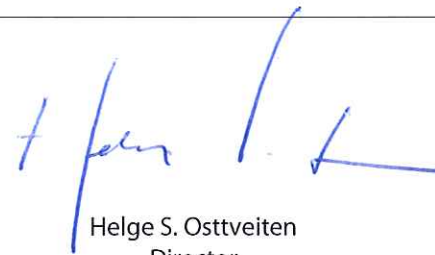
Recommendation: The Office should perform adequate due diligence on all responsible parties prior to their selection.

Project management should perform a Capacity Assessment Checklist (CACHE) of responsible parties as part of the due diligence procedures. Only partners meeting the minimum capacity assessment requirements as detailed in the 'UNDP Programme and Operations Policies and Procedures' should be selected.

Project management should also perform risk assessments as part of the due diligence process. Risk mitigation strategies should be designed and implemented during the process of selection. All due diligence procedures performed on both selected and rejected responsible parties should be kept on file for documentation purposes.

Management comments and action plan

The UNDP Resident Representative accepted both recommendations and is in the process of implementing them. 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 (UNDP)

FINAL AUDIT REPORT

Financial audit of the UNDP directly implemented Project 107421
Output 107729 “Support to Peacebuilding and Normalization
Programme”

The Philippines

IDENTIFICATION

Project name:	Support to Peacebuilding and Normalization Programme
UNDP Country Office:	The Philippines
Atlas Project ID:	107421
Atlas Output ID:	107729
Auditor:	BDO LLP
Period subject to audit:	1 January to 31 December 2018

Table of Contents

IDENTIFICATION	2
EXECUTIVE SUMMARY	4
AUDIT OPINIONS	4
MANAGEMENT LETTER SUMMARY	4
PRIOR YEAR AUDIT	4
THE AUDIT ENGAGEMENT	5
AUDIT OPINIONS.....	6
PROJECT FINANCIAL POSITION	6
STATEMENT OF FIXED ASSETS	8
STATEMENT OF CASH POSITION.....	8
MANAGEMENT LETTER.....	9
ANNEXES.....	13
ANNEX 1: COMBINED DELIVERY REPORT	13
ANNEX 2: AUDIT FINDING PRIORITY RATINGS	21

EXECUTIVE SUMMARY

BDO LLP conducted the financial audit of “Support to Peacebuilding and Normalization Programme” (Project ID 107421 and Output ID 107729) (the project), directly implemented by UNDP Philippines for the year ended 31 December 2018. The audit was undertaken on behalf of UNDP, Office of Audit and Investigations (OAI).

Audit opinions

We have issued audit opinions as summarised in the table below and as detailed in the next section:

Project Financial Position	Unmodified
Statement of Fixed Assets	Not applicable
Statement of Cash Position	Not applicable

Management letter summary

As a result of our audit, we have raised two audit findings with a net financial impact of nil as summarised below:

No.	Title	Priority	Net financial impact \$
1	Outstanding Responsible Party advances	High	-
2	Inadequate due diligence of Responsible Parties	High	-
Total			-

Prior year audit

The project was not audited in the prior year.



Mark Henderson
Partner

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8 August 2019



THE AUDIT ENGAGEMENT

Audit Objectives and Scope

The objective of the financial audit was to express an opinion on the DIM project's financial position which includes:

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2018 in the Combined Delivery Report (CDR), the Funds Utilization statement as at 31 December 2018 and the accounts receivable and accounts payable as at 31 December 2018 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.
- 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 must include all assets available as at 31 December 2018 and not only those purchased in a given period.

Where a DIM project does not have any assets or equipment, it is not necessary to express such an opinion.

- Expressing an opinion on whether the Statement of Cash Position held by the project presents fairly the cash and bank balance of the UNDP project as at 31 December 2018.

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.

The Financial Audit was conducted in accordance with the International Standards of Auditing (ISA), the 700 series. As applicable, the audit report provides the progress made in implementing the recommendations raised in the previous year's audit report.

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project between 1 January and 31 December 2018. The scope of the audit did 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 Centres and UNDP Headquarters and where the supporting documentation is not retained at the level of the UNDP country office.

AUDIT OPINIONS

Independent Auditor's Report to UNDP - Support to Peacebuilding and Normalization Programme

Project Financial Position

To the Director of the Office and Audit and Investigations, United Nations Development Programme

We have audited the financial position of the UNDP project ID 107421, Support to Peacebuilding and Normalization Programme output ID 107729, for the period 1 January to 31 December 2018 which includes: (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 totalling \$2,024,223.88, is comprised of expenditure directly incurred by the UNDP Country Office in The Philippines for an amount of \$ 1,203,086.10 and expenditure incurred by entities other than the Country Office for an amount of \$ 821,137.78. Our audit only covered the expenditure directly incurred by the UNDP Country Office in The Philippines of \$ 1,203,086.10

Unmodified opinion

In our opinion, the attached CDR and Funds Utilization statement present fairly, in all material respects, the expenses of \$ 1,203,086.10 directly incurred by the UNDP Country Office in The Philippines and charged to the project for the period 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. Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities' section of this report.

We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management 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 are 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the CDR and the 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.



Mark Henderson
Partner

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8 August 2019



Independent Auditor's Report to UNDP - Support to Peacebuilding and Normalization Programme

Statement of Fixed Assets

We noted that the UNDP project Support to Peacebuilding and Normalization Programme had no assets.

Independent Auditor's Report to UNDP - Support to Peacebuilding and Normalization Programme

Statement of Cash Position

We noted that the UNDP project Support to Peacebuilding and Normalization Programme did not have a dedicated bank account for DIM project activities subject to audit and accordingly a Statement of Cash Position was not produced.

MANAGEMENT LETTER

The audit findings and recommendations arising from the financial audit of the project are set out in our management letter below:

Finding n°: 1	Title: Outstanding Responsible Party advances
<p>Observation:</p> <p>UNDP Programme and Operations Policies and Procedures states:</p> <p><i>Senior Management will lead, with input from programme and operations staff, the operationalization of CSO/NGO engagement through the establishment of appropriate contractual relationships and review progress regularly. Accountabilities towards NGOs/CSOs shall be vested in the head of the Business Unit, with final decisions on modalities and formalities resting on the Head of the Officer or his/her designee.</i></p> <p>Article 2.7 of the Responsible Party Agreement signed with each of the Partners states:</p> <p><i>Unless otherwise agreed in writing by UNDP, the CSO shall return all unspent funds and income (including interest) to UNDP within one (1) month of completion of the Activities or termination of this Agreement, whichever is earlier.</i></p> <p>Significant advances were paid to responsible parties by the SPAN project during the implementation period on signing the Responsible Party Agreements; however, despite not being fully utilised by the Responsible Parties, the outstanding amounts have not been returned. An extension for the return of funds was granted until 31 March 2019, however, in total US\$ 2,573,284.25 remains outstanding across 18 different Responsible Parties, as confirmed by the NEX advances report as at 30 April 2019.</p> <p>The project team confirmed these amounts remain outstanding at the closing meeting for the audit fieldwork conducted on 23 May 2019, a total of 53 days after the end of the project and exceeding the one-month limit set out in the Responsible Party Agreement.</p> <p>The sensitive nature of the peace building project involving rebel groups has created difficulties when requesting that funds are returned. These factors should be considered by UNDP when completing the due diligence and risk assessments of the Responsible Parties, as well as deciding the funding timetable. Please refer to Finding 2 for more details.</p>	
<p>Priority: High</p>	
<p>Recommendation:</p> <p>We recommend that project management requests that the unutilised advances are returned from the Responsible Parties, in line with the Responsible Party Agreement. Where there are difficulties in requesting the return of these funds, the donor should be made aware and involved in the process.</p> <p>We recommend that the project team only advances to Responsible Parties the required amounts of cash in smaller batches, to limit the balance of funds held by the Responsible Parties.</p>	
<p>Management comments:</p> <p>The Management agrees with the recommendation. UNDP had in fact sought OPAPP concurrence to have the funds returned from RPs. We attempted to explain the importance of this as prudent fiscal management, irrespective of certain contextual difficulties faced by OPAPP. Due to leadership and staff changes within OPPAP, the incoming administration that took office in January 2019 took time to familiarise themselves with the SPAN programme and were unable to immediately provide their concurrence and subsequently requested the programme be put on hold, including UNDP's management of the RPs. The Project management team has been replaced.</p> <p>The Management agrees with the Auditors recommendation to make the cash advances in smaller batched to limit the amount of unspent funds held by the RPs over the quarter period.</p>	

Finding n°: 2**Title: Inadequate due diligence of Responsible Parties****Observation:**

We noted that the project team did not perform adequate due diligence on Responsible Parties (RPs), which subsequently led to difficulties with recovering outstanding advances from RPs, as described in Finding 1.

Lack of Due Diligence - Micro-Assessments

Article 6 (c) of the Harmonized Approach on Cash Transfers of the POPP on the Financial threshold to be applied for selection of IP/RP for micro assessments states:

For UNDP, any Implementing Partner or Responsible Party who is expected to receive cash transfers of more than \$300,000 in a programme cycle is presumed to present a material risk to UNDP and will require a HACT micro assessment by a qualified third party service provider. Below the \$300,000 threshold, a micro assessment is not required unless, at the discretion of the office, a micro assessment is deemed necessary due to other risk considerations, e.g. the office has no previous experience with the Partner or the operating environment is considered high risk.

The cash transferred to each Responsible Party is detailed in their Responsible Party Agreements and depicted in the table of Audit Finding 1. Of the two Responsible Parties where cash was transferred exceeding US\$ 300,000, only one had a corresponding micro assessment provided during the audit. We were not provided with a micro assessment for the other Responsible Party who was transferred US\$ 367,910 on 15 December 2018.

Lack of due diligence - Missing requests for information

The first step of the Main Procedure for Engaging CSOs and NGOs as Responsible Parties of the POPP is to send a request for information. The request for information is a standard questionnaire sent to the RP to gain an understanding of the organisation and provide information for a risk assessment to be performed.

We identified that 3 of the 21 RPs were missing requests for information on file.

Without sufficiently detailed information regarding the organisation of the RPs, project management is unable to make an informed decision on their suitability.

Lack of due diligence - Missing Capacity Assessment Checklist (CACHE)

Article 6 of the Engaging CSO/NGO as responsible parties Policy of the POPP states:

The decision to select NGOs/CSOs as Implementing Partner (IPs) or as a Responsible Party (RPs) shall be based on the result of a capacity assessment and risk management framework.

The third and fourth step of the Main Procedure for Engaging a CSO or NGO as a Responsible Party of the POPP is to send a Capacity Assessment Checklist (CACHE) and conduct a capacity assessment. The CACHE and related assessment allows UNDP to perform a capacity assessment of the RP.

However, we noted that one RP did not have a CACHE on file.

If an adequate capacity assessment is not performed, the project team may select a responsible party which is unable to carry out the project activities.

Lack of due diligence - Missing risk analysis

Article 8.2 and 8.4 of the Select Responsible Parties and Grantees Section of the POPP states:

Engaging civil society organizations as responsible parties based on a justifiable collaborative advantage or a competitive quality-based fixed budget selection can only occur under a DIM project or when UNDP provides COS to a NIM project. The process is subject to corporate assurance measures.

Engagement of a corporate foundation or state-owned enterprise as a responsible party must involving completing relevant Due Diligence.

The fifth step of the Main Procedure for Engaging CSO NGO as a Responsible Party of the POPP is to conduct a general risk analysis. The risk analysis is an assessment based on a variety of components along with their mitigation measures. This allows project management to assess the general risks for

UNDP in engaging with the RPs with an identified risk level based on actual current scenarios and post mitigation strategy scenarios. This assessment should be used to assess the maximum financial ceiling that can be used for funding the RP.

We identified that 12 of the 21 RPs did not have risk analyses on file. If a risk analysis is not performed, then project management may not identify and implement suitable risk mitigation strategies to allow for rapid responses to any identified risks. UNDP may also have excessive financial exposure to a specific RP.

No due diligence on file

Article 5 of the Engaging CSO/NGO as responsible parties Policy of the POPP states:

All collaborative relationships with NGOs/CSOs involving engagement of NGOs/CSOs as Implementing Partners or as Responsible Parties (including Grantees) are subject to a vetting process, which requires a mapping exercise followed by programmatic engagement or strategic selection.

We identified that 2 of the 21 RPs did not have any due diligence on file. Without performing adequate due diligence, the project risks partnering with Responsible Parties who are unable or unwilling to deliver the required activities due to a lack of capacity or reliability.

Priority: High

Recommendation:

We recommend that the project management team performs adequate due diligence on all RPs prior to their selection. While the donor can suggest Responsible Parties for partnership, these partners should undergo UNDP's due diligence procedure as detailed in the POPP. It is also imperative that project management ensures that there are no undeclared conflicts of interest or related parties between the partner, the donor, or any of the project team.

Project management should perform a Capacity Assessment Checklist (CACHE) of Responsible Parties as part of the due diligence procedures. Only partners meeting the minimum capacity assessment requirements as detailed in the POPP should be selected.

In addition, project management should perform risk assessments as part of the due diligence process. Risk mitigation strategies should be designed and implemented during the process of selection. All due diligence procedures performed on both selected and rejected Responsible Parties should be kept on file for documentation purposes.

Management comments:

Management takes note of the Auditors finding and recommendations. UNDP has agreed with the incoming Administration of OPAPP that irrespective of certain political factors and peace dividend imperatives, there will be no further engagement with RPs without sufficient due diligence. An ad hoc Committee will be established to vet the selection of RPs. Following the visit of the audit team, 2 additional CSOs that received more than \$300,000 were micro assessed in compliance with the HACT framework. The Project management team has been replaced.

Auditors' response:

We have reviewed the micro assessment for the remaining CSO provided as part of the adversary procedures. The audit firm dated the micro assessment 21 December 2018, indicating that the micro assessment had been performed but that the project team had problems locating the relevant documentation during the audit field visit.



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8 August 2019



Annexes

Annex 1: Combined Delivery Report



UN Development Programme
Report ID: unglodib

Combined Delivery Report by Activity

Page 1 of 8
Run Time: 20-02-2019 04:02:28

Selection Criteria:

Business Unit : PHL10
Period : Jan-Dec (2018)
Selected Project Id : 00107421
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00107729

Project Id: 00107421 Support to Peacebuilding and N		Period: Jan-Dec (2018)		
Output #: 00107729 Peacebuilding & Normalization		Impl: Partner		
		Location: 99999 UNDP Philippines		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Activity : 0

Fund : 30071 (Programme Cost Sharing GOV1)

76120 - Unrealized Loss	0.00	5,690.03	0.00	5,690.03
76130 - Unrealized Gain	0.00	-78,772.14	0.00	-78,772.14
Total for Fund 30071	0.00	-73,082.11	0.00	-73,082.11
Total for Activity	0.00	-73,082.11	0.00	-73,082.11

Activity : ACTIVITY 1 (Information management and M&E)

Fund : 30071 (Programme Cost Sharing GOV1)

64397 - Services to projects -CO staff	0.00	1,398.44	0.00	1,398.44
71610 - Travel Tickets-Local	0.00	11,355.82	0.00	11,355.82
71615 - Daily Subsistence Allow-Intl	0.00	716.45	0.00	716.45
71635 - Travel - Other	0.00	81.37	0.00	81.37
73125 - Common Services-Premises	0.00	0.00	0.00	0.00
74210 - Printing and Publications	0.00	28,294.90	0.00	28,294.90
74596 - Services to projects -GOE	0.00	599.32	0.00	599.32
75105 - Facilities & Admin - Implement	0.00	1,341.52	0.00	1,341.52
75705 - Learning costs	0.00	2,271.08	0.00	2,271.08
76125 - Realized Loss	0.00	51.18	0.00	51.18
76135 - Realized Gain	0.00	-68.62	0.00	-68.62
Total for Fund 30071	0.00	46,041.46	0.00	46,041.46
Total for Activity ACTIVITY 1	0.00	46,041.46	0.00	46,041.46

Activity : ACTIVITY 2 (Strengthened capacities of TSM)

Fund : 30071 (Programme Cost Sharing GOV1)

64397 - Services to projects -CO staff	0.00	1,369.22	0.00	1,369.22
71305 - Local Consult-Short Term-Tech	0.00	5,910.15	0.00	5,910.15
71310 - Local Consult-Short Term-Supp	74,162.05	0.00	0.00	74,162.05
71360 - Local Consult-Security	0.00	211.92	0.00	211.92
71405 - Service Contracts-Individuals	9,156.98	0.00	0.00	9,156.98
71605 - Travel Tickets-International	0.00	1,188.73	0.00	1,188.73
71610 - Travel Tickets-Local	0.00	42,761.54	0.00	42,761.54
71615 - Daily Subsistence Allow-Intl	0.00	966.77	0.00	966.77
71620 - Daily Subsistence Allow-Local	0.00	1,990.21	0.00	1,990.21



UN Development Programme
Report ID: unglodrb

Combined Delivery Report by Activity

Page 2 of 8
Run Time: 28-02-2019 04:02:28

Project ID: 00107421: Support to Peacebuilding and N		Period: 01-Jan-2016 to 31-Dec-2016	Jah: Dec (2016)	
Output #: 00107729: Peacebuilding & Normalization		Imp. Partner: UNDP	9999 UNDP	
		Location: Philippines		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

71635 - Travel - Other	12,266.54	1,175.00	0.00	13,441.54
72120 - Svc Co-Trade and Business Serv	0.00	458.50	0.00	458.50
72160 - Svc Co-Education & Health Serv	0.00	18,424.28	0.00	18,424.28
72210 - Machinery and Equipment	953.86	2,352.20	0.00	3,306.05
72220 - Furniture	0.00	5,534.82	0.00	5,534.82
72311 - Fuel, petroleum and other oils	0.00	244.59	0.00	244.59
72399 - Other Materials and Goods	0.00	18,477.55	0.00	18,477.55
72406 - Acquisition of Communc Equip	0.00	25,427.63	0.00	25,427.63
72415 - Courier Charges	0.00	838.70	0.00	838.70
72425 - Mobile Telephone Charges	877.54	0.00	0.00	877.54
72445 - Common Services-Communications	0.00	20,219.42	0.00	20,219.42
72505 - Stationery & other Office Supp	2,097.05	210.61	0.00	2,307.66
72715 - Hospitality Catering	0.00	28,212.65	0.00	28,212.65
72810 - Acquis of Computer Software	0.00	3,549.80	0.00	3,549.80
72815 - Inform Technology Supplies	0.00	7,239.61	0.00	7,239.61
73104 - Leased Building	781.21	0.00	0.00	781.21
73410 - Maint, Oper of Transport Equip	3,147.71	2,536.52	0.00	5,684.23
74205 - Audio Visual Productions	0.00	7,508.80	0.00	7,508.80
74210 - Printing and Publications	0.00	17.57	0.00	17.57
74215 - Promotional Materials and Dist	0.00	34,782.80	0.00	34,782.80
74525 - Sundry	0.00	44.56	0.00	44.56
74595 - Services to projects - GOE	0.00	586.85	0.00	586.85
74720 - Distribution Cost	0.00	955.66	0.00	955.66
75105 - Facilities & Admin - Implement	0.00	17,463.46	0.00	17,463.46
75705 - Learning costs	100,273.22	145,200.83	0.00	245,474.05
76110 - Foreign Exch Translation Loss	0.00	300.77	0.00	300.77
76125 - Realized Loss	0.00	1,782.70	0.00	1,782.70
76135 - Realized Gain	0.00	-703.68	0.00	-703.68
Total for Fund 30071	203,716.15	397,242.54	0.00	600,958.69
Total for Activity ACTIVITY 2	203,716.15	397,242.54	0.00	600,958.69

Activity : ACTIVITY 3 (Enhanced capacities of S&I)

Fund : 30071 (Programme Cost Sharing GOV1)

64397 - Services to projects - CO staff	0.00	18.01	0.00	18.01
71305 - Local Consult-Sht Term-Tech	0.00	9,688.95	0.00	9,688.95
71360 - Local Consult-Security	0.00	247.83	0.00	247.83
71405 - Service Contracts-Individuals	5,511.76	0.00	0.00	5,511.76
71605 - Travel Tickets-International	0.00	263.99	0.00	263.99
71610 - Travel Tickets-Local	247.19	1,512.59	0.00	1,759.76
71615 - Daily Subsistence Allow-Intl	0.00	478.57	0.00	478.57
71620 - Daily Subsistence Allow-Local	269.75	315.34	0.00	585.10
71635 - Travel - Other	0.00	337.30	0.00	337.30
72505 - Stationery & other Office Supp	24.65	95.34	0.00	119.99
72605 - Grants to Instit & other Benef	0.00	17,193.29	0.00	17,193.29
74210 - Printing and Publications	0.00	1,907.71	0.00	1,907.71
74595 - Services to projects -GOE	0.00	7.72	0.00	7.72
75105 - Facilities & Admin - Implement	0.00	1,442.07	0.00	1,442.07
75705 - Learning costs	0.00	9,949.14	0.00	9,949.14



UN Development Programme
Report ID: unglodr

Combined Delivery Report by Activity

Page 3 of 8
Run Time: 28-02-2019 04:02:28

Project ID : 00107421 Support to Peacebuilding and N	Period :	Jan-Dec (2013)	
Output ID : 00107729 Peacebuilding & Normalization	Imp. Partner :	9999% UNDP	
	Location :	Philippines	
	Govt Exp	UNDP Exp	UN Agencies Exp
76125 - Realized Loss	0.00	16,766.55	0.00
76135 - Realized Gain	0.00	- 1.32	0.00
Total for Fund 30071	6,053.38	60,223.11	0.00
Total for Activity ACTIVITY 3	6,053.38	60,223.11	0.00
Activity : ACTIVITY 4 (Increased access to basic serv)			
Fund : 30071 (Programme Cost Sharing GOV1)			
71610 - Travel Tickets-Local	0.00	958.70	0.00
72605 - Grants to Insit & other Benef	0.00	88,620.43	0.00
75105 - Facilities & Admin - Implement	0.00	2,717.32	0.00
75705 - Learning costs	0.00	1,000.00	0.00
76125 - Realized Loss	0.00	23.15	0.00
76135 - Realized Gain	0.00	- 613.35	0.00
Total for Fund 30071	0.00	92,704.25	0.00
Total for Activity ACTIVITY 4	0.00	92,704.25	0.00
Activity : ACTIVITY 5 (Capacities in CSPP)			
Fund : 30071 (Programme Cost Sharing GOV1)			
71305 - Local Consult-Sht Term-Tech	22,615.84	16,258.37	0.00
71360 - Local Consult-Security	0.00	243.45	0.00
71405 - Service Contracts-Individuals	16,222.96	0.00	0.00
71605 - Travel Tickets-International	0.00	84.13	0.00
71610 - Travel Tickets-Local	0.00	28,531.33	0.00
71615 - Daily Subsistence Allow-Intr	0.00	1,627.95	0.00
71620 - Daily Subsistence Allow-Local	158.82	1,945.16	0.00
71635 - Travel - Other	22,960.61	2,052.54	0.00
72311 - Fuel, petroleum and other oils	0.00	39.64	0.00
72420 - Land Telephone Charges	418.51	0.00	0.00
72425 - Mobile Telephone Charges	1,066.79	0.00	0.00
72505 - Stationery & other Office Supp	15,076.64	0.00	0.00
72815 - Inform Technology Supplies	3,880.23	0.00	0.00
73105 - Rent	242.77	0.00	0.00
74205 - Audio Visual Productions	658.47	0.00	0.00
74505 - Insurance	6.66	0.00	0.00
74510 - Bank Charges	- 260.56	0.00	0.00
74725 - Other L.T.S.H.	0.00	584.87	0.00
75105 - Facilities & Admin - Implement	0.00	13,491.23	0.00
75705 - Learning costs	146,721.03	189,171.52	0.00
76125 - Realized Loss	0.00	594.54	0.00
76135 - Realized Gain	0.00	- 515.34	0.00
Total for Fund 30071	229,968.79	233,309.39	0.00
Total for Activity ACTIVITY 5	229,968.79	233,309.39	0.00



UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 4 of 8
Run Time: 28-02-2019 04:02:28

Project ID: 00107421: Support to Peacebuilding and Normalization	Period: Jan-Dec (2018)
Output #: 00107729: Peacebuilding & Normalization	Impl. Partner: 99999 UNDP
	Location: Philippines

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Total for Activity ACTIVITY 5	229,968.79	233,309.39	0.00	463,278.18
Activity: ACTIVITY 6 (Access for vulnerable sectors)				
Fund: 30071 (Programme Cost Sharing GOV1)				
71305 - Local Consult.-Shrt Term-Tech	1,840.94	4,168.55	0.00	6,009.79
71310 - Local Consult.-Short Term-Supp	50,716.35	0.00	0.00	50,716.35
71360 - Local Consult.-Security	0.00	107.21	0.00	107.21
71405 - Service Contracts-Individuals	66,055.18	40.14	0.00	66,095.32
71610 - Travel Tickets-Local	419.70	14,801.99	0.00	15,221.69
71615 - Daily Subsistence Allow-Intr	0.00	264.83	0.00	264.83
71620 - Daily Subsistence Allow-Local	783.35	0.00	0.00	783.35
71635 - Travel - Other	6,357.06	95.00	0.00	6,452.06
72205 - Office Machinery	1,722.25	0.00	0.00	1,722.25
72220 - Furniture	132.59	0.00	0.00	132.59
72311 - Fuel, petroleum and other oils	0.00	14.06	0.00	14.06
72399 - Other Materials and Goods	8,208.23	0.00	0.00	8,208.23
72405 - Acquisition of Communic Equip	716.25	0.00	0.00	716.25
72410 - Acquisition of Audio Visual Eq	333.75	0.00	0.00	333.75
72420 - Land Telephone Charges	155.73	0.00	0.00	155.73
72425 - Mobile Telephone Charges	885.81	0.00	0.00	885.81
72805 - Stationery & other Office Supp	5,008.04	299.80	0.00	5,307.84
72805 - Grants to Instit & other Benef	10,783.06	0.00	0.00	10,783.06
72805 - Acquis of Computer Hardware	2,549.08	0.00	0.00	2,549.08
72815 - Inform Technology Supplies	218.43	0.00	0.00	218.43
73105 - Rent	3,295.06	0.00	0.00	3,295.06
73110 - Custodial & Cleaning Services	858.47	0.00	0.00	858.47
73120 - Utilities	619.38	0.00	0.00	619.38
73410 - Maint, Oper of Transport Equip	0.00	2,575.49	0.00	2,575.49
74215 - Promotional Materials and Dist	0.00	2,770.03	0.00	2,770.03
74505 - Insurance	869.88	0.00	0.00	869.88
74525 - Sundry	476.93	0.00	0.00	476.93
74530 - Staff Welfare	323.81	0.00	0.00	323.81
75105 - Facilities & Admin - Implement	0.00	12,853.16	0.00	12,853.16
75705 - Learning costs	175,692.65	63,978.57	0.00	239,671.22
75706 - Learning - subcontracts	0.00	298.61	0.00	298.61
76125 - Realized Loss	0.00	2,487.65	0.00	2,487.65
76135 - Realized Gain	0.00	- 59.86	0.00	- 59.86
Total for Fund 30071	339,023.04	104,695.55	0.00	443,718.59
Total for Activity ACTIVITY 6	339,023.04	104,695.55	0.00	443,718.59

Activity: ACTIVITY 7 (Peacebuilding-Social Healing)

Fund: 30071 (Programme Cost Sharing GOV1)

71306 - Local Consult.-Shrt Term-Tech	0.00	44,302.35	0.00	44,302.35
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UN Development Programme
Report ID: unglodrb

Combined Delivery Report by Activity

Page 5 of 8
Run Time: 28-02-2019 04:02:20

Project Id : 05107421: Support to Peacebuilding and N	Period: Jan-Dec (2018)			
Output # : 05107729: Peacebuilding & Normalization	Impl. Partner : 99999 UNDP			
	Location : Philippines			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
71390 - Local Consult-Security	0.00	231.33	0.00	231.33
71405 - Service Contracts-Individuals	2,861.56	0.00	0.00	2,861.56
71605 - Travel Tickets-International	0.00	861.28	0.00	861.28
71610 - Travel Tickets-Local	0.00	1,153.07	0.00	1,153.07
71615 - Daily Subsistence Allow-Intl	0.00	260.43	0.00	260.43
71620 - Daily Subsistence Allow-Local	0.00	734.27	0.00	734.27
71635 - Travel - Other	0.00	235.00	0.00	235.00
72210 - Machinery and Equipment	16,504.51	0.00	0.00	16,504.51
72311 - Fuel, petroleum and other oils	0.00	629.66	0.00	629.66
72399 - Other Materials and Goods	1,546.61	0.00	0.00	1,546.61
72415 - Courier Charges	0.00	154.38	0.00	154.38
72425 - Mobile Telephone Charges	0.00	50.82	0.00	50.82
72430 - Postage and Pouch	0.00	44.54	0.00	44.54
72505 - Stationery & other Office Supp	0.00	184.74	0.00	184.74
72715 - Hospitality Catering	0.00	0.00	0.00	0.00
73104 - Leased Building	0.00	5,272.51	0.00	5,272.51
73105 - Rent	1,002.67	0.00	0.00	1,002.67
73120 - Utilities	0.00	1,042.10	0.00	1,042.10
73125 - Common Services-Premises	0.00	678.71	0.00	678.71
73410 - Maint. Oper of Transport Equip	0.00	3,067.20	0.00	3,067.20
74125 - Investment Management Fees	0.00	154.63	0.00	154.63
74525 - Sundry	0.00	22.60	0.00	22.60
75105 - Facilities & Admin - Implement	0.00	4,165.21	0.00	4,165.21
75705 - Learning costs	2,518.17	55,327.43	0.00	57,845.60
76125 - Realized Loss	0.00	390.05	0.00	390.05
76135 - Realized Gain	0.00	-348.60	0.00	-348.60
Total for Fund 38071	24,433.52	118,613.71	0.00	143,047.23
Total for Activity ACTIVITY 7	24,433.52	118,613.71	0.00	143,047.23
Activity : ACTIVITY 8 (Project Management)				
Fund : 38071 (Programme Cost Sharing GOV1)				
64397 - Services to projects -OO staff	0.00	31,492.61	0.00	31,492.61
71305 - Local Consult-5ht Term-Tech	0.00	23,676.47	0.00	23,676.47
71360 - Local Consult-Security	0.00	103.08	0.00	103.08
71405 - Service Contracts-Individuals	0.00	27,321.91	0.00	27,321.91
71410 - MAIP Premium SC	0.00	26.12	0.00	26.12
71415 - Contribution to Security SC	0.00	1,236.76	0.00	1,236.76
71605 - Travel Tickets-International	0.00	3,279.30	0.00	3,279.30
71610 - Travel Tickets-Local	0.00	8,327.26	0.00	8,327.26
71615 - Daily Subsistence Allow-Intl	0.00	7,881.62	0.00	7,881.62
71620 - Daily Subsistence Allow-Local	0.00	29,173.62	0.00	29,173.62
71635 - Travel - Other	0.00	5,530.23	0.00	5,530.23
72215 - Transportation Equipment	0.00	3,498.41	0.00	3,498.41
72311 - Fuel, petroleum and other oils	0.00	264.67	0.00	264.67
72405 - Acquisition of Communic Equip	0.00	5,769.03	0.00	5,769.03
72415 - Courier Charges	0.00	58.91	0.00	58.91
72425 - Mobile Telephone Charges	0.00	76.69	0.00	76.69
72505 - Stationery & other Office Supp	0.00	283.61	0.00	283.61



UN Development Programme
Report ID: unglodrb

Combined Delivery Report by Activity

Page 6 of 8
Run Time: 28-02-2019 04:02:28

Project Id : 00107421 Support to Peacebuilding and N		Period : Jan-Dec (2018)		
Output # : 00107729 Peacebuilding & Normalization		Impl. Partner : 99999 UNDP		
		Location : Philippines		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
72810 - Acquis of Computer Software	0.00	608.28	0.00	608.28
73105 - Rent	0.00	58,798.00	0.00	58,798.00
73125 - Common Services-Premises	0.00	141.61	0.00	141.61
73410 - Maint, Oper of Transport Equip	0.00	3,116.13	0.00	3,116.13
73440 - Lease Heavy equip/other equip	0.00	1,255.67	0.00	1,255.67
74120 - Capacity Assessment	0.00	5,440.36	0.00	5,440.36
74596 - Services to projects -GCE	0.00	10,049.59	0.00	10,049.59
74725 - Other L.T.S.H.	0.00	1,867.31	0.00	1,867.31
75105 - Facilities & Admin - Implement	0.00	7,025.95	0.00	7,025.95
75705 - Learning costs	0.00	4,829.56	0.00	4,829.56
75707 - Learning - subsistence allowan	0.00	92.06	0.00	92.06
76125 - Realized Loss	0.00	180.01	0.00	180.01
76135 - Realized Gain	0.00	- 123.74	0.00	- 123.74
Total for Fund 30071	0.00	241,281.09	0.00	241,281.09
Total for Activity ACTIVITY 8	0.00	241,281.09	0.00	241,281.09
Total for Output : 00107729	803,194.88	1,221,028.99	0.00	2,024,223.87
Project Total :	803,194.88	1,221,028.99	0.00	2,024,223.87

Mark Henderson
Partner

BDO LLP
150 Aldersgate Street
London EC1A 4AB
8 August 2019



Signed By: Mr. Chetan Kumar, RPBU Team Leader

Date: 02 AUG 2019

Signed By: Mr. Enrico Gavegila, Deputy Resident Representative, OIC

Date: 1-1



UN Development Programme
Report ID: unglodrb

Combined Delivery Report by Activity

Page 7 of 8
Run Time: 28-02-2019 04:02:29

Selection Criteria :

Business Unit : PHL10
Period : Jan-Dec (2018)
Selected Project Id : 00107421
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00107729

Project Id : ALL	Period : Jan-Dec (2018)			
Output # : ALL	Impl. Partner : Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
42801 - Philippines - Central	0.00	1,953.20	0.00	1,953.20
42803 - Philippines - Crisis Prev & Rcvy	803,194.88	1,200,471.15	0.00	2,003,666.03
42804 - Philippines - Dem. Governance	0.00	12,526.66	0.00	12,526.66
42807 - Philippines - ICT for Developmt	0.00	6,077.98	0.00	6,077.98



UN Development Programme
Report ID: unglodrb

Combined Delivery Report by Activity

Page 8 of 8
Run Time: 28-02-2019 04:02:32

Funds Utilization

Selection Criteria :

Business Unit : PHL10
Period : Jan-Dec (2018)
Selected Project Id : 00107421
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00107729

Project/Award: 00107421 - Support to Peacebuilding and N

Period : As Of Dec31,2018

Output #	00107729	Impl. Partner : 0000 UNDP	UNDP AMOUNT
Outstanding NEX advances			2,573,284.25
Undepreciated Fixed Assets			0.00
Unamortized Intangible Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			174,982.89

Signed by: 
Enrico Gavaglia
Deputy Resident Representative
AUG 02 2019



Mark Henderson
Partner

BDO LLP
150 Aldersgate Street
London EC1A 4AB
8 August 2019



Annex 2: Audit finding priority ratings

The following categories of priorities are used:

High (Critical)	Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP.
Medium (Important)	Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP.
Low	Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the Office management, either during the exit meeting or through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in this report.

FOR MORE INFORMATION:

BDO LLP International Institutions and Donor Assurance team

<https://www.bdo.co.uk/en-gb/services/advisory/consulting/international-institutions-and-donor-assurance>

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