

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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Resilient nations.*

AUDIT

OF

UNDP IRAQ

IRAQ CRISIS RESPONSE AND RESILIENCE PROGRAMME (ICRRP)
(Directly Implemented Project No. 85156)
(Resilience Building in Iraq II, Output No. 105146 and
Integrated Recovery Support, Output No. 105112)

Report No. 2149

Issue Date: 16 August 2019

**Report on the Audit of UNDP Iraq
Iraq Crisis Response and Resilience Programme (ICRRP) (Project No. 85156)
Resilience Building in Iraq II (Output No. 105146) and
Integrated Recovery Support, Output No. 105112)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG (the audit firm), from 9 to 23 June 2019, conducted an audit of the Iraq Crisis Response and Resilience Programme (ICRRP), Project No. 85156 (Resilience Building in Iraq II, Output No. 105146, and Integrated Recovery Support, Output No. 105112) (the Project), which is directly implemented and managed by the UNDP Country Office in Iraq (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 as well as Statement of Assets as of 31 December 2018. The audit did not include activities and expenses incurred or undertaken at the "responsible party" level. The audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Project.

The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Audit results

Based on the audit reports submitted by the audit firm, the results are summarized in the table below:

Output no.	Project Expenses*		Project Assets	
	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
105146	5,489	Unmodified	42	Unmodified
105112	13,449	Unmodified	6	Unmodified

* For Output No. 105146: Expenses recorded in the Combined Delivery Report were \$8,628,838. Excluded from the audit scope were expenses incurred at the "responsible party" level (\$3,139,495), which were subject to a separate audit conducted by external auditors that resulted in an unmodified opinion.

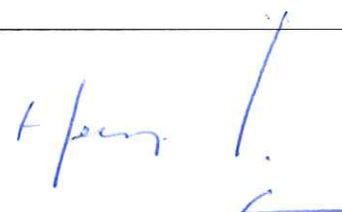
* For Output No. 105112: Expenses recorded in the Combined Delivery Report were \$14,855,046. Excluded from the audit scope were expenses incurred at the "responsible party" level (\$1,406,291), which were subject to a separate audit conducted by external auditors that resulted in an unmodified opinion.

The audit did not result in any recommendations.

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

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

A handwritten signature in blue ink is enclosed in a black rectangular box. The signature is stylized and appears to read 'H. Ostveiten'.

Helge S. Ostveiten
Director
Office of Audit and Investigations



**United Nations Development Programme
(UNDP)**

Report of the Independent Auditor on
The United Nations Development Programme (UNDP)
Directly Implemented (DIM) Project Id 0085156 Iraq Crisis
Response and Resilience Programme (ICRRP) – Output
no. 00105146 Resilience Building in Iraq II
- Erbil, Republic of Iraq -
For the period from 1 January to 31 December 2018



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Executive Summary

KPMG Geneva conducted the financial audit of UNDP Project Id 00085156 - Output no. 00105146 for the period from 1 January to 31 December 2018. The audit was undertaken on behalf of the Office of Audit and Investigations (OAI) United Nations Development Programme (UNDP).

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

Financial Position	Unmodified
Statement of Fixed Assets	Unmodified
Statement of Cash	Not Applicable

There were no reportable findings with a medium or high priority rating consequently we do not issue a management letter. This Project Id 00085156 - Output no. 00105146 was not audited in the prior year.

KPMG SA

Pierre-Henri Pingeon
Partner

Henri Mwaniki
Senior Manager

Geneva, 30 July 2019

Audit Objectives and Scope

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

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2018 as well as the Fund Utilization statement, the accounts receivable and the 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. The Combined Delivery Report (CDR) and the accompanying Funds Utilization statement are the mandatory and official Statements. Other forms of Statements of expenses that may be prepared by a project office are not accepted.
- 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 between 1 January and 31 December 2018. The opinion is rendered on the Net Book value balance of the Assets. Where a DIM project does not have any assets or equipment, it will not be necessary to express such an opinion; and
- 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 2018. Disbursements made against a DIM project are usually financed from 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 audit firm is required to express an opinion on the Statement of Cash only where a dedicated bank account 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.
- As may be applicable, provide the progress made in implementing the recommendations raised in a previous year audit report.

The Financial Audit was conducted in accordance with the International Standards of Auditing (ISA), the 700 series.

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.



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Independent Auditors' Report

Opinion on Financial Position

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 00085156 Iraq Crisis Response and Resilience Programme (ICRRP) – Output no. 00105146 Resilience Building in Iraq II for the period from 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 totaling USD 8,628,837.94, is comprised of expenditure directly incurred by the UNDP Country Office in The Republic of Iraq for an amount of USD 5,489,342.88 and expenditure incurred by entities other than the Country Office for an amount of USD 3,139,495.06. Our audit only covered the expenditure directly incurred by the UNDP Country Office in The Republic of Iraq of USD 5,489,342.88.

Unmodified Opinion

In our opinion, the attached CDR and the Funds Utilization statement present fairly, in all material respects, the expenses of USD 5,489,342.88 directly incurred by the UNDP Country Office in The Republic of Iraq and charged to the project for the period from 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 unmodified 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 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 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.

KPMG SA

Pierre-Henri Pingeon
Partner

Henri Mwaniki
Senior Manager

Geneva, 30 July 2019



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Independent Auditors' Report

Certification of Statement of Fixed Assets

**To: The Director of the Office of Audit and Investigations (OAI),
United Nations Development Programme (UNDP)**

We have audited the accompanying statement of fixed assets of the UNDP Project Id 00085156 Iraq Crisis Response and Resilience Programme (ICRRP) – Output no. 00105146 Resilience Building in Iraq II as at 31 December 2018.

Unmodified Opinion

In our opinion, the accompanying statement of fixed assets presents fairly, in all material respects, the assets status of the UNDP Project Id 00085156 – Output no. 00105146 amounting to USD 42,197.77 as at 31 December 2018 in accordance with UNDP accounting policies.

Basis for unmodified 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 statement of fixed assets. 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 responsibilities

Management is responsible for the preparation of the statement of fixed assets of the project, and for such internal control as management determines is necessary to enable the preparation of a statement of fixed assets 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 statement of fixed assets is 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 statement of fixed assets, 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.

KPMG SA

Pierre-Henri Pingeon
Partner

Henri Mwaniki
Senior Manager

Geneva, 30 July 2019

Annexes:

Annex 1: Combined Delivery Report and Funds Utilization Statement – Output no. 00105146 (USD)



Combined Delivery Report By Project

UN Development Programme
Report ID: unglcdrp

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Run Time: 07-02-2019 07:02:19

Selection Criteria :

Business Unit : IRQ10
Period : Jan-Dec (2018)
Selected Project Id : 00085156
Selected Fund Code : ALL
Selected Dept. IDs : B0450
Selected Outputs : 00105146

Table with 4 columns: Project Id, Output #, Period, Impl. Partner, Location, UN Agencies Exp, Total Exp. Row 1: 00085156 ICRRP, 00105146 Resilience Building in Iraq_II, Jan-Dec (2018), 99999 UNDP, 99999 UNDP, 99999 UNDP

Dept: 45001 (Iraq - Central)

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

Main data table with 5 columns: Description, Govt Exp, UNDP Exp, UN Agencies Exp, Total Exp. Lists various staff and service categories with their respective costs.





Combined Delivery Report By Project

Project id : 00085166 IGRRP		Period :		Jan-Dec (2018)	
Output # : 00105146 Resilience Building in Iraq_II		Impl. Partner :		99999 UNDP	
		Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp	
71610 - Travel Tickets-Local	0.00	1,364.56	0.00	1,364.56	
71615 - Daily Subsistence Allow-Intl	0.00	10,054.62	0.00	10,054.62	
71620 - Daily Subsistence Allow-Local	0.00	26,544.84	0.00	26,544.84	
71630 - Shipment	0.00	4,490.00	0.00	4,490.00	
71635 - Travel - Other	9,343.22	19,596.03	0.00	28,939.25	
72105 - Svc Co-Construction & Engineer	856,643.12	1,698,656.54	0.00	2,555,299.66	
72120 - Svc Co-Trade and Business Serv	0.00	4,860.00	0.00	4,860.00	
72130 - Svc Co-Transportation Services	0.00	24.15	0.00	24.15	
72145 - Svc Co-Training and Educ Serv	0.00	117,668.00	0.00	117,668.00	
72170 - Svc Co-Humanitarian Aid & Relf	1,751,447.11	358,015.69	0.00	2,109,462.80	
72205 - Office Machinery	49,300.00	0.00	0.00	49,300.00	
72210 - Machinery and Equipment	0.00	270.13	0.00	270.13	
72220 - Furniture	0.00	34,677.00	0.00	34,677.00	
72311 - Fuel, petroleum and other oils	0.00	861.11	0.00	861.11	
72350 - Medical Kits	0.00	272.50	0.00	272.50	
72402 - Building Maintenance	900.00	1,310.97	0.00	2,210.97	
72405 - Acquisition of Communic Equip	0.00	199,760.00	0.00	199,760.00	
72425 - Mobile Telephone Charges	535.00	1,793.88	0.00	2,328.88	
72430 - Postage and Pouch	0.00	100.59	0.00	100.59	
72440 - Connectivity Charges	0.00	5,427.27	0.00	5,427.27	
72505 - Stationery & other Office Supp	720.00	866.71	0.00	1,586.71	
72510 - Publications	0.00	1,655.00	0.00	1,655.00	
72605 - Grants to Instit & other Benef	110,000.00	0.00	0.00	110,000.00	
72815 - Inform Technology Supplies	0.00	37,579.48	0.00	37,579.48	
73104 - Leased Building	0.00	79,505.14	0.00	79,505.14	
73105 - Rent	7,045.24	6,781.46	0.00	13,826.70	
73107 - Rent - Meeting Rooms	0.00	3,286.61	0.00	3,286.61	
73110 - Custodial & Cleaning Services	0.00	5,623.02	0.00	5,623.02	
73120 - Utilities	0.00	2,670.00	0.00	2,670.00	
73125 - Common Services-Premises	0.00	2,824.41	0.00	2,824.41	
73410 - Maint, Oper of Transport Equip	0.00	840.55	0.00	840.55	
74105 - Management and Reporting Srvs	26,049.00	0.00	0.00	26,049.00	
74110 - Audit Fees	0.00	8,537.14	0.00	8,537.14	
74115 - Legal Fees	0.00	150.00	0.00	150.00	
74210 - Printing and Publications	0.00	393.37	0.00	393.37	
74215 - Promotional Materials and Dist	4,149.91	0.00	0.00	4,149.91	
74225 - Other Media Costs	0.00	1,682.70	0.00	1,682.70	
74405 - Charge for Doubtful Accounts	0.00	0.60	0.00	0.60	
74510 - Bank Charges	1,600.00	31,538.66	0.00	33,138.66	
74525 - Sundry	0.00	158.11	0.00	158.11	
74710 - Land Transport	0.00	189.61	0.00	189.61	
74725 - Other L.T.S.H.	0.00	1,150.00	0.00	1,150.00	
75105 - Facilities & Admin - Implement	0.00	639,173.14	0.00	639,173.14	
75705 - Learning costs	226,990.44	462,340.50	0.00	689,330.94	
75706 - Learning - ticket costs	0.00	22,456.30	0.00	22,456.30	
75710 - Participation of counterparts	0.00	17,729.82	0.00	17,729.82	
77630 - Dep Exp Owned - ITC	0.00	106.68	0.00	106.68	
77660 - Dep Exp Owned -Vehicle	0.00	3,055.56	0.00	3,055.56	
Total for Fund 32045	3,139,495.06	5,489,342.88	0.00	8,628,837.94	
Total for Dept : 45001	3,139,495.06	5,489,342.88	0.00	8,628,837.94	



Project Id : 00085156 ICRRP	Period : Jan-Dec (2018)			
Output # : 00105146 Resilience Building in Iraq_II	Impl. Partner : 99999 UNDP			
	Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Total for Output : 00105146	3,139,495.06	5,489,342.88	0.00	8,628,837.94
Project Total :	3,139,495.06	5,489,342.88	0.00	8,628,837.94

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Pierre-Henri Pigeon, Partner
KPMG SA, Geneva
30 July 2019

[Handwritten signature]

Henri Mwaniki, Senior Manager
KPMG SA, Geneva
30 July 2019



Signed By : Zubair Murshed Date : 12.3.2019
ICRRP Programme Manager a.i.

Signed By : [Handwritten signature] Date : _____
Vakhtang Svandnize, Officer in Charge- UNDP Iraq



Selection Criteria :

Business Unit : IRQ10
Period : Jan-Dec (2018)
Selected Project Id : 00085156
Selected Fund Code : ALL
Selected Dept. IDs : B0450
Selected Outputs : 00105146

Project Id : ALL	Period : Jan-Dec (2018)
Output # : ALL	Impl. Partner :
	Location :

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
45001 - Iraq - Central	3,139,495.06	5,489,342.88	0.00	8,628,837.94



Funds Utilization

Selection Criteria :

Business Unit : IRQ10
Period : Jan-Dec (2018)
Selected Project Id : 00085156
Selected Fund Code : ALL
Selected Dept. IDs : B0450
Selected Outputs : 00105146

Project/Award: 00085156 ICRRP

Period : As at Dec 31, 2018

Output#	00105146	Impl. Partner :99999 UNDP	UNDP AMOUNT
Outstanding NEX advances			89,935.81
Undepreciated Fixed Assets			42,197.77
Unamortized Intangible Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			285,535.53

Annex 2: Statement of Fixed Assets



Asset Management Detail Report
UN Development Programme 2018
Project ID :00105146

Operating Unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Location	Acquisition Date
IRQ	000000001937	ITC4	A Printer Xerox SC2020	000000001937	3040007015	IRQSULI	11/23/2016
IRQ	000000002001	MTRV4	A Toyota Prado TXL 4.0 L	000000002001	JTEBU9FJ1J5079678	IRQBAGHDAD	3/7/2018

In Service Date	Cost,USD	Net Book V	Quantity	Department	Impl Agency	Donor	Project	Fund code
11/23/2016	1,600.00	1,253.33		1 45001	001981	00141	00105146	32045
3/7/2018	44,000.00	40,944.44		1 45001	001981	00141	00105146	32045

TOTAL 45,600.00 42,197.77

Saz Baban
31/12/2018
i.k.h.
Asset management
Ferial point



Pierre-Henri Pingeon, Partner
KPMG SA, Geneva
30 July 2019

Henri Mwaniki, Senior Manager
KPMG SA, Geneva
30 July 2019



**United Nations Development Programme
(UNDP)**

Report of the Independent Auditor on
The United Nations Development Programme (UNDP)
Directly Implemented (DIM) Project Id 00085156 Iraq Crisis
Response and Resilience Programme (ICRRP) – Output
no. 00105112 Integrated Recovery Support
- Erbil, Republic of Iraq -
For the period from 1 January 2018 to 31 December 2018



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Executive Summary

KPMG Geneva conducted the financial audit of UNDP Project Id 00085156 - Output no. 00105112 for the period from 1 January to 31 December 2018. The audit was undertaken on behalf of the Office of Audit and Investigations (OAI) United Nations Development Programme (UNDP).

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

Financial Position	Unmodified
Statement of Fixed Assets	Unmodified
Statement of Cash	Not Applicable

There were no reportable findings with a medium or high priority rating consequently we do not issue a management letter. This Project Id 00085156 - Output no. 00105112 was not audited in the prior year.

KPMG SA

Pierre-Henri Pingeon
Partner

Henri Mwaniki
Senior Manager

Geneva, 30 July 2019

Audit Objectives and Scope

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

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2018 as well as the Fund Utilization statement, the accounts receivable and the 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. The Combined Delivery Report (CDR) and the accompanying Funds Utilization statement are the mandatory and official Statements. Other forms of Statements of expenses that may be prepared by a project office are not accepted.
- 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 between 1 January and 31 December 2018. The opinion is rendered on the Net Book value balance of the Assets. Where a DIM project does not have any assets or equipment, it will not be necessary to express such an opinion; and
- 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 2018. Disbursements made against a DIM project are usually financed from 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 audit firm is required to express an opinion on the Statement of Cash only where a dedicated bank account 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.
- As may be applicable, provide the progress made in implementing the recommendations raised in a previous year audit report.

The Financial Audit was conducted in accordance with the International Standards of Auditing (ISA), the 700 series.

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.



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Independent Auditors' Report

Opinion on Financial Position

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 00085156 Iraq Crisis Response and Resilience Programme (ICRRP) – Output no. 00105112 Integrated Recovery Support for the period from 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 totaling USD 14,855,045.63, is comprised of expenditure directly incurred by the UNDP Country Office in The Republic of Iraq for an amount of USD 13,448,754.37 and expenditure incurred by entities other than the Country Office for an amount of USD 1,406,291.26. Our audit only covered the expenditure directly incurred by the UNDP Country Office in The Republic of Iraq of USD 13,448,754.37.

Unmodified Opinion

In our opinion, the attached CDR and the Funds Utilization statement present fairly, in all material respects, the expenses of USD 13,448,754.37 directly incurred by the UNDP Country Office in The Republic of Iraq and charged to the project for the period from 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 unmodified 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 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 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.

KPMG SA



Pierre-Henri Pingeon
Partner



Henri Mwaniki
Senior Manager

Geneva, 30 July 2019



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Independent Auditors' Report

Certification for Statement of Fixed Assets

**To: The Director of the Office of Audit and Investigations (OAI),
United Nations Development Programme (UNDP)**

We have audited the accompanying statement of fixed assets of the UNDP Project Id 00085156 Iraq Crisis Response and Resilience Programme (ICRRP) – Output no. 00105112 Integrated Recovery Support as at 31 December 2018.

Unmodified Opinion

In our opinion, the accompanying statement of fixed assets presents fairly, in all material respects, the assets status of the UNDP Project Id 00085156 – Output no. 00105112 amounting to USD 6,162.08 as at 31 December 2018 in accordance with UNDP accounting policies.

Basis for unmodified 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 statement of fixed assets. 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 responsibilities

Management is responsible for the preparation of the statement of fixed assets of the project, and for such internal control as management determines is necessary to enable the preparation of a statement of fixed assets 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 statement of fixed assets is 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 statement of fixed assets, 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.

KPMG SA



Pierre-Henri Pingeon
Partner



Henri Mwaniki
Senior Manager

Geneva, 30 July 2019

Annexes:

Annex 1: Combined Delivery Report and Funds Utilization Statement – Output no. 00105112 (USD)



Selection Criteria :

Business Unit : IRQ10
Period : Jan-Dec (2018)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : B0450
Selected Outputs : 00105112

Project Id : 00085156 ICRRP	Period : Jan-Dec (2018)
Output # : 00105112 Integrated Recovery Support	Impl. Partner : 99999 UNDP
	Location :
	Govt Exp UNDP Exp UN Agencies Exp Total Exp

Dept: 45001 (Iraq - Central)

Fund : 30000 (PROGRAMME COST SHARING)

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
61205 - Salaries - GS Staff	0.00	29,253.39	0.00	29,253.39
61305 - Salaries - IP Staff	0.00	228,678.78	0.00	228,678.78
61310 - Post Adjustment - IP Staff	0.00	52,025.62	0.00	52,025.62
62120 - Hazard Duty Station Allow-NP	0.00	231.00	0.00	231.00
62205 - Dependency Allow - GS Staff	0.00	30.58	0.00	30.58
62210 - Contrib to Jt Staff Pens Fd-GS	0.00	5,155.93	0.00	5,155.93
62215 - Contrib. to Medical, social in	0.00	1,028.00	0.00	1,028.00
62240 - Annual Leave Expense - GS	0.00	2,025.89	0.00	2,025.89
62305 - Dependency Allowances-IP Staff	0.00	19,841.90	0.00	19,841.90
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	42,295.76	0.00	42,295.76
62315 - Contrib. to medical, social in	0.00	5,071.45	0.00	5,071.45
62320 - Mobility, Hardship, Non-remova	0.00	27,742.23	0.00	27,742.23
62330 - Rental Supplements - IP Staff	0.00	-565.24	0.00	-565.24
62335 - Hazard Duty Station Allow-IP	0.00	7,310.32	0.00	7,310.32
62340 - Annual Leave Expense - IP	0.00	-2,306.97	0.00	-2,306.97
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	32,996.96	0.00	32,996.96
63335 - Home Leave Trvl & Allow-IP Stf	0.00	7,862.46	0.00	7,862.46
63340 - Proc trips/Rest & Recup-IP Stf	0.00	5,250.00	0.00	5,250.00
63350 - Reimb of Income Tax-IP Staff	0.00	9,060.28	0.00	9,060.28
63360 - Medical Exams(incl Pre-empl)	0.00	228.20	0.00	228.20
63365 - Special Oper Living Allow-IP	0.00	34,650.00	0.00	34,650.00
63530 - Contribution to EOS Benefits	0.00	7,746.22	0.00	7,746.22
63535 - Contribution to Security	0.00	12,910.32	0.00	12,910.32
63540 - Contribution to Training	0.00	826.35	0.00	826.35
63545 - Contribution to ICT	0.00	3,098.56	0.00	3,098.56
63550 - Contributions to MAIP	0.00	206.55	0.00	206.55
63555 - Contribution to UN JFA	0.00	6,713.47	0.00	6,713.47
63560 - Contributions to Appendix D	0.00	516.45	0.00	516.45
64210 - Separations - GS Staff	0.00	521.68	0.00	521.68
64310 - Separations - IP Staff	0.00	2,526.73	0.00	2,526.73
64322 - Reassignmnts-Subsistence Allow	0.00	5,850.00	0.00	5,850.00
64323 - Reassignments-Lump Sum	0.00	9,623.90	0.00	9,623.90
65115 - Contributions to ASHI Reserve	0.00	20,036.94	0.00	20,036.94
65135 - Payroll Mgt Cost Recovery ATLA	0.00	1,665.72	0.00	1,665.72
71205 - Intl Consultants-Sht Term-Tech	0.00	113,449.75	0.00	113,449.75
71211 - Intl Consult Security Charge	0.00	312.50	0.00	312.50
71305 - Local Consult.-Sht Term-Tech	0.00	286,273.31	0.00	286,273.31
71360 - Local Consult-Security	0.00	337.50	0.00	337.50
71405 - Service Contracts-Individuals	0.00	371,185.54	0.00	371,185.54
71410 - MAIP Premium SC	0.00	248.34	0.00	248.34
71415 - Contribution to Security SC	0.00	15,521.38	0.00	15,521.38
71505 - UN Volunteers-Stipend & Allow	0.00	10,945.75	0.00	10,945.75
71520 - UNV-Language Allowance	0.00	345.00	0.00	345.00
71525 - UNV-Hazard Pay	0.00	3,014.95	0.00	3,014.95




Combined Delivery Report By Project


Project id : 00085156 ICRRP	Period :	Jan-Dec (2018)
Output # : 00105112 Integrated Recovery Support	Impl. Partner :	99999 UNDP
	Location :	

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
71535 - UNV-Medical Insurance	0.00	389.76	0.00	389.76
71540 - UNV-Global Charges	0.00	512.40	0.00	512.40
71541 - UNVs-Contribution to security	0.00	427.13	0.00	427.13
71550 - UNV-Resettlement Allowance	0.00	843.52	0.00	843.52
71590 - UNV Development Effectiveness	0.00	1,718.10	0.00	1,718.10
71605 - Travel Tickets-International	0.00	3,664.28	0.00	3,664.28
71610 - Travel Tickets-Local	0.00	699.85	0.00	699.85
71615 - Daily Subsistence Allow-Intl	0.00	2,172.72	0.00	2,172.72
71620 - Daily Subsistence Allow-Local	0.00	6,065.96	0.00	6,065.96
71630 - Shipment	0.00	1,750.00	0.00	1,750.00
71635 - Travel - Other	0.00	9,199.84	0.00	9,199.84
72105 - Svc Co-Construction & Engineer	1,101,614.98	8,245,045.87	0.00	9,346,660.85
72170 - Svc Co-Humanitarian Aid & Relf	304,676.28	158,671.89	0.00	463,348.17
72210 - Machinery and Equipment	0.00	605.00	0.00	605.00
72311 - Fuel, petroleum and other oils	0.00	2,162.01	0.00	2,162.01
72350 - Medical Kits	0.00	152.60	0.00	152.60
72399 - Other Materials and Goods	0.00	363,850.00	0.00	363,850.00
72401 - Prefab structure/other buildin	0.00	34,500.00	0.00	34,500.00
72405 - Acquisition of Communic Equip	0.00	9,012.64	0.00	9,012.64
72425 - Mobile Telephone Charges	0.00	5,443.46	0.00	5,443.46
72435 - E-mail-Subscription	0.00	35.00	0.00	35.00
72440 - Connectivity Charges	0.00	4,825.79	0.00	4,825.79
72505 - Stationery & other Office Supp	0.00	2,425.64	0.00	2,425.64
72815 - Inform Technology Supplies	0.00	3,255.00	0.00	3,255.00
73104 - Leased Building	0.00	65,386.75	0.00	65,386.75
73105 - Rent	0.00	15,149.06	0.00	15,149.06
73125 - Common Services-Premises	0.00	6,713.31	0.00	6,713.31
73205 - Premises Alternations	0.00	1,607,580.90	0.00	1,607,580.90
73406 - Maintenance of Equipment	0.00	218,535.00	0.00	218,535.00
74115 - Legal Fees	0.00	206.50	0.00	206.50
74210 - Printing and Publications	0.00	240.00	0.00	240.00
74220 - Translation Costs	0.00	280.00	0.00	280.00
74325 - Contrib.To CO Common Security	0.00	182,584.22	0.00	182,584.22
74510 - Bank Charges	0.00	4,814.03	0.00	4,814.03
74720 - Distribution Cost	0.00	300.00	0.00	300.00
75105 - Facilities & Admin - Implement	0.00	1,100,373.69	0.00	1,100,373.69
75710 - Participation of counterparts	0.00	6,664.00	0.00	6,664.00
77630 - Dep Exp Owned - ITC	0.00	755.00	0.00	755.00
Total for Fund 30000	1,406,291.26	13,448,754.37	0.00	14,855,045.63
Total for Dept : 45001	1,406,291.26	13,448,754.37	0.00	14,855,045.63
Total for Output : 00105112	1,406,291.26	13,448,754.37	0.00	14,855,045.63

Project Total :	1,406,291.26	13,448,754.37	0.00	14,855,045.63
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Signed By: 
Zubair Murshed- ICRRP Programme Manager a.i.

Date: 2.4.2019

Signed By: 
Vakhliang Svandnize, Officer in Charge- UNDP Iraq

Date: _____





Pierre-Henri Pigeon, Partner
KPMG SA, Geneva
30 July 2019



Henri Mwaniki, Senior Manager
KPMG SA, Geneva
30 July 2019





UN

DIP

UN Development Programme
Report ID: unglcdrp

Combined Delivery Report By Project

Page 3 of 4
Run Time: 02-08-2019 23:08:19

Selection Criteria :

Business Unit : IRQ10
Period : Jan-Dec (2018)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : B0450
Selected Outputs : 00105112

Project Id : ALL	Period : Jan-Dec (2018)				
Output# : ALL	Impl. Partner :				
	Location :				
		Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
45001 - Iraq - Central		1,406,291.26	13,448,754.37	0.00	14,855,045.63





Combined Delivery Report By Project

UN Development Programme
Report ID: ungidcrp

Page 4 of 4
Run Time: 02-08-2019 23:08:19

Funds Utilization

Selection Criteria :

Business Unit : IRQ10
Period : Jan-Dec (2018)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : B0450
Selected Outputs : 00105112

Project/Award: 00085156 ICRRP Period : As at Dec 31, 2018

Output #	Impl. Partner	UNDP AMOUNT
00105112	99999 UNDP	
Outstanding NEX advances		2,257.60
Undepreciated Fixed Assets		6,162.08
Unamortized Intangible Assets		0.00
Inventory		0.00
Prepayments		0.00
Commitments		7,119,478.92



Annex 2: Statement of Fixed Assets



Asset Management Detail Report
UN Development Programme 2018
Project ID :00105112

Operating Unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Location	Acquisition Date
IRQ	000000001940	ITC4	A Printer Xerox SC2020	000000001940	3040006817	IRQDHQ	11/23/2016
IRQ	000000001957	ITC5	A Photocopiers	000000001957	3913894536	IRQERB	4/13/2017

In Service Date	Cost,USD	Net Book V	Quantity	Department	Impl Agency	Donor	Project	Fund code
11/23/2016	1,600.00	1,253.33		145001	001981	10283	00105112	30000
4/13/2017	5,950.00	4,908.75		145001	001981	10283	00105112	30000

TOTAL 7,550.00 6,162.08

Saz Basan
31/12/2018
Asset management
Focal point



Pierre-Henri Pigeon, Partner
KPMG SA, Geneva
30 July 2019

Henri Mwaniki, Senior Manager
KPMG SA, Geneva
30 July 2019