



AUDIT

OF

UNDP IRAQ

FUNDING FACILITY FOR STABILIZATION
(Directly Implemented Project No. 89459, Output No. 95684)

Report No. 2240

Issue Date: 28 September 2020

**Report on the Audit of UNDP Iraq
Funding Facility for Stabilization
(Project No. 89459, Output No. 95684)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Talal Abu-Ghazaleh & Co. (the audit firm), from 16 July to 20 August, conducted an audit of Funding Facility for Stabilization (Project No. 89459, Output No. 95684) (the Project), which is directly implemented and managed by the UNDP Country Office in Iraq (the Office). The last audit of the Project was conducted by OAI, through KPMG in 2019 and covered project expenses from 1 January to 31 December 2018.

The audit firm conducted a financial audit, in accordance with the International Standards of Auditing (ISA), the 700 series, 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 2019 and the accompanying Funds Utilization statement¹ as of 31 December 2019 as well as Statement of Assets as of 31 December 2019. The audit did not include activities and expenses incurred or undertaken at the "responsible party" level; expensed processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters); and expenses of other United Nations agencies. 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*			Project Assets	
Amount (in \$ '000)	Opinion	NFM** (in \$ '000)	Amount (in \$ '000)	Opinion
277,331	Qualified	(12,897)	1,163	Unmodified

*Expenses recorded in the Combined Delivery Report were \$283,158,771. Excluded from the audit scope were transactions that relate to expenses of other United Nations agencies (\$175,365) and expenses processed and approved by other UNDP offices outside of the country (\$5,560,915). Also excluded were expenses incurred at the "responsible party" level (\$91,020).

**NFM= Net Financial Misstatement

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

The audit firm issued a qualified opinion on the project expenses due to 2018 expenditures recorded in 2019, and 2019 expenses recorded in 2020. The resulting financial impact was a material understatement of the financial statements in the amount of \$12,896,562, including the corresponding GMS, that represented 4.7 percent of the expenditures directly incurred by the Office as at 31 December 2019.

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.

Key recommendation: Total = **1**, high priority = **0**

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendations, which means, “Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP.” The recommendation includes actions to address the lack of recording of the Project’s expenditure in the correct reporting period.

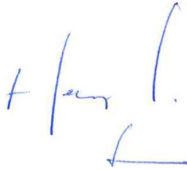
The recommendation aims to ensure the reliability and integrity of financial and operational information (Recommendation 1).

Implementation status of previous OAI audit recommendations:

The previous audit (Report No. 2147, issued on 16 August 2019) did not result in any recommendations.

Management comments and action plan

The Resident Representative accepted the recommendation and is in the process of implementing it. Comments and/or additional information provided have been incorporated into the report, where appropriate.



Helge
Ostveiten
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Helge S. Ostveiten
Director
Office of Audit and Investigations

**United Nations Development Programme
(UNDP)**

**Financial Audit of Directly Implemented Project Managed by
UNDP- Country Office in Iraq**

**“Funding Facility for Stabilization”
(Project ID 89459 - Output ID 95684)
For the period from 1 January to 31 December 2019**

23 September 2020

**Talal Abu-Ghazaleh & Co.
Member of Talal Abu-Ghazaleh & Co. International, TAGI
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 89459 - output ID 95684 “Funding Facility for Stabilization” (the project), directly implemented by UNDP country office in Iraq for the period from 1 January to 31 December 2019.

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 20 April 2020.

Audit Opinions:

The following is the summary of the audit opinions provided:

Report on	Type of Opinion	Note
Financial Position	Modified (Qualified)	Not recording the expenses in the correct accounting period caused net financial understatement US\$ 12,896,562.21 *
Statement of Fixed Assets	Unmodified	None
Statement of Cash	Not applicable	There was no separate bank account for the project under audit. Therefore, no audit opinion to be provided on a Statement of Cash.

***Breakdown per account, of total net financial misstatement of FY2019 CDR:**

Account	Account description	Amount USD	Net Financial Misstatement on FY2019 CDR
71305	LOCAL CONSULT.-SHT TERM-TECH	89,373.64	Overstatement
72105	SVC CO-CONSTRUCTION ENGINEER	(388,545.75)	Understatement
72210	MACHINERY AND EQUIPMENT	674,052.27	Overstatement
72402	BUILDING MAINTENANCE	(12,316,141.47)	Understatement
	Net Impact	(11,941,261.31)	Understatement
		(955,300.90)	GMS was overstated as a result of these transactions by 8%
	Total Net Financial Misstatement of FY2019 CDR (understatement)	(12,896,562.21)	

Audit Finding:

As a result of our audit, the following findings were included in the management letter:

Ref No.	Summary of Audit Finding	Priority	Net Financial Misstatement
1	<p>The current Combined Delivery Report (CDR) is overstated with an amount of US\$ 763,425.91 due to the recognition of expense amounts in the current CDR related to the previous year.</p> <p>In addition, the current Combined Delivery Report (CDR) is understated with an amount of US\$ 12,704,687.22 due to the recording of 2019 related expenses in 2020.</p> <p>The net financial misstatement was understatement of 2019 expenses in the CDR by US\$ 11,941,261.31 understatement.</p> <p>This also led to the understatement of the General Management Support (GMS) (Facilities and Admin) amount in the current CDR by US\$ 955,300.90.</p>	Medium (Important)	Understatement of the expenses in the current CDR with an amount of US\$ 12,896,562.21.

Follow-up on previous year’s audit recommendations:

The project ID 89459 - Output ID 95684 “Funding Facility for Stabilization” was audited in the prior year (audit ID 2147 issued on 16 August 2019). The previous audit report did not include any recommendations.

Sincerely yours,

Jamal Milhem, CPA

Certified Accountant License # (100/98)

Talal Abu – Ghazaleh & Co.

License No. 251/1997

Ramallah – Palestine,

21 September 2020



1.2. Audit Objectives

A. The objective of the financial audit is to express an opinion on the project’s financial position which include:

- 1) Expressing an opinion on whether the financial expenses incurred by the project for the period from 1 January to 31 December 2019 and the funds utilization, the accounts receivable and the accounts payable as at 31 December 2019 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.
 - 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 2019. This statement should include all assets available as at 31 December 2019 and not only those purchased in the year 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 2019. 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.
- B. As applicable providing 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 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 2019.

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 89459 – Output ID 95684 “Funding Facility for Stabilization”

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

Report on the Project Financial position

We have audited the financial position of the UNDP project ID 89459 - output ID 95684 “Funding Facility for Stabilization” for the period from 1 January to 31 December 2019, 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 expenditures totaling US\$ 283,158,770.86, is comprised of expenditures directly incurred by the UNDP country office in Iraq for an amount of US\$ 277,331,471.07 and expenditures incurred by entities other than the Country Office for an amount of US\$ 5,827,299.79. Our audit only covered the expenditure directly incurred by the UNDP Country Office in Iraq of US\$ 277,331,471.07.

Modified (Qualified) Opinion

In our opinion, except for the effects of the matter described in the basis for opinion section of our report, the accompanying Combined Delivery Report (CDR) and Funds Utilization Statement present fairly, in all material respects the total expenses of USD 277,331,471.07 directly incurred by the UNDP Country Office in Iraq and charged to the project ID 89459 – Output 95684 for the period from 1 January to 31 December 2019 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 Modified (Qualified) Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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.

- The current 2019 CDR included US\$ 763,425.91 related to 2018 expenses and the project 2019 unrecorded expenses were US\$ 12,704,687.22, which were found recorded in 2020 CDR; The net financial misstatement was understating 2019 CDR with the amount US\$ 11,941,261.31 (the total misstatement with the GMS was US\$ 12,896,562.21).

Management’s Responsibility

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 is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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 ISA 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 ISA, 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 controls.
- Obtain an understanding of internal controls 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 controls.

We communicated 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 controls that we identified during our audit.

Jamal Milhem, CPA

Certified Accountant License # (100/98)

Talal Abu – Ghazaleh & Co.

License No. 251/1997

Ramallah – Palestine, 19 August 2020



2.2. Combined Delivery Report (CDR) and Funds Utilization statement:

"Funding Facility for Stabilization" (Project ID 89459 - Output ID 95684) for the period from 1 January to 31 December 2019



UN Development Programme
Report ID: ung/cdrp

Combined Delivery Report By Project

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Selection Criteria :

Business Unit : IRQ10
Period : Jan-Dec (2019)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00095684

Project Id : 00089459 Funding Facility for stabiliza	Period :	Jan-Dec (2019)		
Output # : 00095684 Fund Facility for Stabilization	Impl. Partner :	99999 UNDP		
	Location :	UNDP IRAQ		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Dept: 45001 (Iraq - Central)

Fund : 02300 (RR Prog Sppt Country Offices)

72505 - Stationery & other Office Supp	0.00	- 6,900.00	0.00	- 6,900.00
Total for Fund 02300	0.00	- 6,900.00	0.00	- 6,900.00

Fund : 16010 (Proj Level Common Services)

77660 - Dep Exp-Owned -Vehicle	0.00	- 1,736.11	0.00	- 1,736.11
Total for Fund 16010	0.00	- 1,736.11	0.00	- 1,736.11

Fund : 30000 (PROGRAMME COST SHARING)

61105 - Salaries - NP Staff	0.00	84,491.06	0.00	84,491.06
61205 - Salaries - GS Staff	0.00	88,960.31	0.00	88,960.31
61305 - Salaries - IP Staff	0.00	2,191,811.63	0.00	2,191,811.63
61310 - Post Adjustment - IP Staff	0.00	594,007.48	0.00	594,007.48
62105 - Dependency Allowance-NP Staff	0.00	3,338.98	0.00	3,338.98
62110 - Contrib Joint Staff Pension-NP	0.00	15,891.32	0.00	15,891.32
62115 - Contrib to Med,SocIns-NP Staff	0.00	6,205.88	0.00	6,205.88
62120 - Hazard Duty Station Allow-NP	0.00	19,152.40	0.00	19,152.40
62140 - Annual Leave Expense - NO	0.00	- 2.55	0.00	- 2.55
62205 - Dependency Allow - GS Staff	0.00	2,396.03	0.00	2,396.03
62210 - Contrib to Jt Staff Pens Fd-GS	0.00	15,740.89	0.00	15,740.89
62215 - Contrib. to Medical, social In	0.00	4,639.34	0.00	4,639.34
62225 - Hazard Duty Station Allow-GS	0.00	7,740.90	0.00	7,740.90
62240 - Annual Leave Expense - GS	0.00	4,592.13	0.00	4,592.13
62305 - Dependency Allowances-IP Staff	0.00	120,600.45	0.00	120,600.45
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	537,713.12	0.00	537,713.12
62315 - Contrib. to medical, social In	0.00	41,113.33	0.00	41,113.33
62320 - Mobility, Hardship, Non-remova	0.00	414,438.44	0.00	414,438.44
62330 - Rental Supplements - IP Staff	0.00	86,013.87	0.00	86,013.87
62335 - Hazard Duty Station Allow-IP	0.00	165,791.20	0.00	165,791.20
62340 - Annual Leave Expense - IP	0.00	28,024.00	0.00	28,024.00
63330 - Ed Gnt Incl Trvl&Allow-IP Stf	0.00	277,955.58	0.00	277,955.58
63335 - Home Leave Trvl & Allow-IP Stf	0.00	45,317.00	0.00	45,317.00
63340 - Proc trips/Rest & Recup-IP Stf	0.00	97,859.60	0.00	97,859.60
63350 - Reimb of Income Tax-IP Staff	0.00	97,008.40	0.00	97,008.40
63360 - Medical Exams(incl Pre-empl)	0.00	1,157.99	0.00	1,157.99
63365 - Special Oper Living Allow-IP	0.00	314,991.53	0.00	314,991.53
63530 - Contribution to EOS Benefits	0.00	86,766.76	0.00	86,766.76
63535 - Contribution to Security	0.00	141,745.12	0.00	141,745.12
63540 - Contribution to Training	0.00	8,102.59	0.00	8,102.59
63545 - Contribution to ICT	0.00	34,706.38	0.00	34,706.38
63550 - Contributions to MAIP	0.00	1,160.42	0.00	1,160.42



UN Development Programme
Report ID: ungldp

Combined Delivery Report By Project

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Project ID : 00089459 Funding Facility for stabiliza		Period : Jan-Dec (2019)		
Output # : 00089584 Fund Facilityfor Stabilization		Impl. Partner : 89998 UNDP		
		Location : UNDP IRAQ		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
63555 - Contribution to UN JFA	0.00	69,431.88	0.00	69,431.88
63560 - Contributions to Appendix D	0.00	5,784.32	0.00	5,784.32
64110 - Separations - NP Staff	0.00	1,564.07	0.00	1,564.07
64210 - Separations - GS Staff	0.00	1,596.08	0.00	1,596.08
64306 - Appointment-Ticket Costs	0.00	15,310.30	0.00	15,310.30
64307 - Appointment-Subsistence Allow	0.00	22,395.00	0.00	22,395.00
64308 - Appointments-Lump Sum	0.00	42,760.24	0.00	42,760.24
64309 - Appointment-Shipments	0.00	57,279.28	0.00	57,279.28
64310 - Separations - IP Staff	0.00	30,180.67	0.00	30,180.67
64321 - Reassignment-Ticket Costs	0.00	3,833.50	0.00	3,833.50
64322 - Reassignmnts-Subsistence Allow	0.00	7,879.80	0.00	7,879.80
64323 - Reassignments-Lump Sum	0.00	14,382.42	0.00	14,382.42
64324 - Reassignments-Shipments	0.00	19,500.00	0.00	19,500.00
64397 - Services to projects -CO staff	0.00	467,922.50	0.00	467,922.50
65115 - Contributions to ASHI Reserve	0.00	230,202.70	0.00	230,202.70
65135 - Payroll Mgt Cost Recovery ATLA	0.00	18,555.57	0.00	18,555.57
71205 - Intl Consultants-Sht Term-Tech	0.00	264,233.53	12,704.00	276,937.53
71210 - Intl Consultants-Sht Term-Supp	0.00	300.00	0.00	300.00
71211 - Intl Consult Security Charge	0.00	3,246.17	0.00	3,246.17
71305 - Local Consult -Sht Term-Tech	0.00	13,980,347.34	0.00	13,980,347.34
71310 - Local Consult-Short Term-Supp	0.00	1,592.80	0.00	1,592.80
71360 - Local Consult-Security	0.00	2,440.81	0.00	2,440.81
71405 - Service Contracts-Individuals	0.00	1,990,857.90	79,775.37	2,070,633.27
71410 - MAIP Premium SC	0.00	703.19	0.00	703.19
71416 - Contribution to Security SC	0.00	87,324.46	0.00	87,324.46
71440 - Appendix D SC	0.00	0.00	715.28	715.28
71505 - UN Volunteers-Slpend & Allow	0.00	544,875.13	0.00	544,875.13
71510 - UNV Settling-In-Grant	0.00	9,003.18	0.00	9,003.18
71520 - UNV-Language Allowance	0.00	8,586.38	0.00	8,586.38
71525 - UNV-Hazard Pay	0.00	174,714.79	0.00	174,714.79
71530 - UNV-Rest and Recuperation	0.00	49,500.00	0.00	49,500.00
71535 - UNV-Medical Insurance	0.00	30,570.66	0.00	30,570.66
71540 - UNV-Global Charges	0.00	25,873.94	0.00	25,873.94
71541 - UNVs-Contribution to security	0.00	32,305.84	0.00	32,305.84
71545 - UNV-Home Leave Travel & Allowa	0.00	2,073.20	0.00	2,073.20
71550 - UNV-Resettlement Allowance	0.00	52,247.88	0.00	52,247.88
71560 - UNV-Intl Appoint/Sep incl Trvt	0.00	13,300.00	0.00	13,300.00
71591 - UNV_Cost_Recovery_Deployment	0.00	9,850.00	0.00	9,850.00
71592 - UNV_COST_RECOVERY_RECURRING	0.00	152,543.07	0.00	152,543.07
71605 - Travel Tickets-International	0.00	49,683.27	0.00	49,683.27
71610 - Travel Tickets-Local	0.00	26,197.74	0.00	26,197.74
71615 - Daily Subsistence Allow-Intl	0.00	67,673.01	0.00	67,673.01
71620 - Daily Subsistence Allow-Local	0.00	217,947.24	0.00	217,947.24
71630 - Shipment	0.00	469,300.62	0.00	469,300.62
71635 - Travel - Other	0.00	26,221.18	7,722.78	33,943.96
72105 - Svc Co-Construction & Engineer	0.00	6,737,776.63	0.00	6,737,776.63
72120 - Svc Co-Trade and Business Serv	0.00	15,096.14	0.00	15,096.14
72125 - Svc Co-Studies & Research Serv	0.00	5,718.62	0.00	5,718.62
72130 - Svc Co-Transportation Services	0.00	314,366.38	0.00	314,366.38
72135 - Svc Co-Communications Service	0.00	24,493.78	0.00	24,493.78
72170 - Svc Co-Humanitarian Aid & Relf	0.00	0.00	0.00	0.00
72210 - Machinery and Equipment	0.00	8,119,012.74	0.00	8,119,012.74
72215 - Transporation Equipment	0.00	6,088,284.38	0.00	6,088,284.38
72220 - Furniture	0.00	1,973,417.00	0.00	1,973,417.00



UN Development Programme
Report ID: unglcdp

Combined Delivery Report By Project

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Project Id : 00089459 Funding Facility for stabilization		Period : Jan-Dec (2019)		
Output # : 00095684 Fund Facility for Stabilization		Impl. Partner : UNDP		
		Location : UNDP IRAQ		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
72311 - Fuel, petroleum and other oils	0.00	46,941.23	2,140.00	49,081.23
72330 - Medical Products	0.00	8,610.45	0.00	8,610.45
72350 - Medical Kits	0.00	308,832.56	0.00	308,832.56
72399 - Other Materials and Goods	0.00	113,465.00	0.00	113,465.00
72401 - Prefab structure/other buildin	0.00	1,148,341.80	0.00	1,148,341.80
72402 - Building Maintenance	0.00	152,359,010.49	0.00	152,359,010.49
72405 - Acquisition of Communic Equip	0.00	152,370.50	0.00	152,370.50
72415 - Courier Charges	0.00	34,422.15	0.00	34,422.15
72420 - Land Telephone Charges	0.00	348.60	0.00	348.60
72425 - Mobile Telephone Charges	0.00	73,544.19	2,419.39	75,963.58
72430 - Postage and Pouch	0.00	3,157.61	0.00	3,157.61
72440 - Connectivity Charges	0.00	85,558.05	0.00	85,558.05
72445 - Common Services-Communications	0.00	4,219.32	0.00	4,219.32
72505 - Stationery & other Office Supp	0.00	61,812.43	127.18	61,939.61
72510 - Publications	0.00	0.00	224.70	224.70
72520 - Electronic Media	0.00	1,200.00	0.00	1,200.00
72805 - Acquis of Computer Hardware	0.00	26,499.82	0.00	26,499.82
72810 - Acquis of Computer Software	0.00	8,277.00	0.00	8,277.00
72815 - Inform Technology Supplies	0.00	670,568.71	0.00	670,568.71
72883 - Copyrights	0.00	256.41	0.00	256.41
73104 - Leased Building	0.00	113,723.53	0.00	113,723.53
73105 - Rent	0.00	61,793.17	0.00	61,793.17
73107 - Rent - Meeting Rooms	0.00	14,849.00	0.00	14,849.00
73110 - Custodial & Cleaning Services	0.00	11,027,551.49	0.00	11,027,551.49
73115 - Moving Expenses	0.00	3,559.52	0.00	3,559.52
73120 - Utilities	0.00	11,800,773.82	0.00	11,800,773.82
73125 - Common Services-Premises	0.00	108,937.99	0.00	108,937.99
73216 - Construction Cost	0.00	602,250.86	0.00	602,250.86
73305 - Maint & Licensing of Hardware	0.00	600.00	0.00	600.00
73310 - Maint & Licencing of Software	0.00	24,331.00	0.00	24,331.00
73406 - Maintenance of Equipment	0.00	1,220,195.41	271.96	1,220,467.37
73410 - Maint, Oper of Transport Equip	0.00	92,057.02	98.88	92,155.90
74105 - Management and Reporting Svcs	0.00	0.00	0.00	0.00
74110 - Audit Fees	0.00	164,833.00	0.00	164,833.00
74115 - Legal Fees	0.00	21,333.98	0.00	21,333.98
74210 - Printing and Publications	0.00	6,231.24	2,033.00	8,264.24
74220 - Transtation Costs	0.00	0.00	1,951.68	1,951.68
74325 - Contrib.To CO Common Security	0.00	357,012.57	0.00	357,012.57
74505 - Insurance	0.00	3,663.56	0.00	3,663.56
74510 - Bank Charges	0.00	88,894.45	441.91	89,336.36
74520 - Storage	0.00	9,987.84	0.00	9,987.84
74525 - Sundry	0.00	174.69	1,659.86	1,834.55
74596 - Services to projects -GOE	0.00	93,584.50	0.00	93,584.50
74599 - UNDP cost recovery chrgs-Bills	0.00	35,000.00	142.03	35,142.03
74710 - Land Transport	0.00	7,254.05	478.38	7,732.43
74720 - Distribution Cost	0.00	564,830.15	0.00	564,830.15
74725 - Other L.T.S.H.	0.00	111,484.77	0.00	111,484.77
74910 - Gain/Loss Disposal Fixed Asset	0.00	2,810.55	0.00	2,810.55
75105 - Facilities & Admin - Implement	0.00	18,458,680.85	0.00	18,458,680.85
75705 - Learning costs	0.00	111,003.35	0.00	111,003.35
75710 - Participation of counterparts	91,020.00	17,853.03	0.00	108,873.03
75711 - TrnVrkshp&Conf - Stipends	0.00	0.00	4,547.50	4,547.50
76120 - Unrealized Loss	0.00	444.80	0.00	444.80
76125 - Realized Loss	0.00	59,829.95	0.00	59,829.95



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Combined Delivery Report By Project

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Project Id : 00089489 Funding Facility for stabilize		Period : Jan-Dec (2019)		
Output # : 00088884 Fund Facilityfor Stabilization		Impl. Partner : 99999 UNDP		
		Location : UNDP IRAQ		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
76135 - Realized Gain	0.00	- 48,654.23	194.09	- 48,670.14
77105 - Salaries - NP Staff-TA	0.00	0.00	24,108.46	24,108.46
77197 - Appendix D TA/NO	0.00	0.00	241.08	241.08
77205 - Salaries - GS Staff-TA	0.00	0.00	19,398.50	19,398.50
77297 - Appendix D TA/GS	0.00	0.00	193.98	193.98
77305 - Salaries - IP Staff-TA	0.00	179,119.37	0.00	179,119.37
77306 - Appoint-Tk cost-IP Staff-TA	0.00	3,161.00	0.00	3,161.00
77307 - Appoint-Sub Allow-IP Staff-TA	0.00	6,900.00	0.00	6,900.00
77309 - Appoint-shipment-IP Staff-TA	0.00	3,038.44	0.00	3,038.44
77310 - Post Adjustment - IP Staff-TA	0.00	68,188.54	0.00	68,188.54
77315 - Contrib-Med,SocIns-IP Staff-TA	0.00	5,726.62	0.00	5,726.62
77320 - Assg hardship & mob allow-TA	0.00	44,337.06	0.00	44,337.06
77335 - Hazard Duty Stat Allow-IP-TA	0.00	420.80	0.00	420.80
77345 - Dep Allowances-IP Staff-TA	0.00	10,022.65	0.00	10,022.65
77350 - Rental Supplements-IP Staff-TA	0.00	- 1,406.71	0.00	- 1,406.71
77353 - Reimb of Income Tax - IP-TA	0.00	5,058.68	0.00	5,058.68
77357 - Repat. Gr/Comm Ann Lv-IP-TA	0.00	1,424.65	0.00	1,424.65
77365 - Spec Oper Living Allow-IP-TA	0.00	37,259.35	13,774.53	51,032.88
77375 - Contrib-Jt Staff Pens Fd-IP-TA	0.00	60,868.31	0.00	60,868.31
77385 - Contribution to Security	0.00	15,214.13	0.00	15,214.13
77386 - Contribution to ICT_TA	0.00	3,666.22	0.00	3,666.22
77395 - MAIP Premium TA/IP	0.00	122.71	0.00	122.71
77396 - PAYROLL MGT COST RECOVERY	0.00	2,704.16	0.00	2,704.16
77397 - Appendix D TA/IP	0.00	611.41	0.00	611.41
77630 - Dep Exp Owned - ITC	0.00	11,143.89	0.00	11,143.89
77660 - Dep Exp Owned -Vehicle	0.00	115,966.46	0.00	115,966.46
77670 - Dep Exp-Hvy Mac & Equip	0.00	0.00	0.00	0.00
Total for Fund 30000	91,020.00	248,937,138.88	175,384.54	249,203,523.42
Fund : 30079 (EUROPEAN COMMISSION)				
61105 - Salaries - NP Staff	0.00	12,227.52	0.00	12,227.52
61305 - Salaries - IP Staff	0.00	230,600.80	0.00	230,600.80
61310 - Post Adjustment - IP Staff	0.00	81,750.80	0.00	81,750.80
62105 - Dependency Allowance-NP Staff	0.00	247.34	0.00	247.34
62110 - Contrib Joint Staff Pension-NP	0.00	2,271.22	0.00	2,271.22
62115 - Contrib to Med,SocIns-NP Staff	0.00	345.36	0.00	345.36
62120 - Hazard Duty Station Allow-NP	0.00	2,119.00	0.00	2,119.00
62140 - Annual Leave Expense - NO	0.00	- 1,024.41	0.00	- 1,024.41
62225 - Hazard Duty Station Allow-GS	0.00	1,029.00	0.00	1,029.00
62305 - Dependency Allowances-IP Staff	0.00	- 9,494.05	0.00	- 9,494.05
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	74,154.66	0.00	74,154.66
62315 - Contrib. to medical, social in	0.00	2,101.71	0.00	2,101.71
62320 - Mobility, Hardship, Non-remova	0.00	42,693.06	0.00	42,693.06
62330 - Rental Supplements - IP Staff	0.00	- 4,376.53	0.00	- 4,376.53
62335 - Hazard Duty Station Allow-IP	0.00	25,695.60	0.00	25,695.60
62340 - Annual Leave Expense - IP	0.00	14,894.69	0.00	14,894.69
63330 - Ed Grt Incl Trvl&Allow-IP Stf	0.00	28,229.32	0.00	28,229.32
63335 - Home Leave Trvl & Allow-IP Stf	0.00	3,115.00	0.00	3,115.00
63340 - Proc trips/Rest & Recup-IP Stf	0.00	13,472.80	0.00	13,472.80
63350 - Reimb of Income Tax-IP Staff	0.00	13,243.66	0.00	13,243.66
63365 - Special Oper Living Allow-IP	0.00	30,929.31	0.00	30,929.31
63530 - Contribution to EOS Benefits	0.00	11,454.21	0.00	11,454.21



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Project Id : 00089459 Funding Facility for stabilize		Period : Jan-Dec (2019)		
Output # : 00095684 Fund Facilityfor Stabilization		Impl. Partner : 99999 UNDP		
		Location : UNDP IRAQ		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
63535 - Contribution to Security	0.00	17,910.29	0.00	17,910.29
63540 - Contribution to Training	0.00	1,069.11	0.00	1,069.11
63545 - Contribution to ICT	0.00	4,581.70	0.00	4,581.70
63550 - Contributions to MAIP	0.00	152.75	0.00	152.75
63555 - Contribution to UN JFA	0.00	9,163.26	0.00	9,163.26
63560 - Contributions to Appendix D	0.00	763.65	0.00	763.65
64110 - Separations - NP Staff	0.00	222.82	0.00	222.82
64310 - Separations - IP Staff	0.00	4,120.29	0.00	4,120.29
65115 - Contributions to ASH Reserve	0.00	30,391.56	0.00	30,391.56
65135 - Payroll Mgt Cost Recovery ATLA	0.00	2,137.17	0.00	2,137.17
71305 - Local Consult -Sht Term-Tech	0.00	43,324.73	0.00	43,324.73
71405 - Service Contracts-Individuals	0.00	789,372.11	0.00	789,372.11
71410 - MAIP Premium SC	0.00	282.79	0.00	282.79
71415 - Contribution to Security SC	0.00	34,889.45	0.00	34,889.45
71505 - UN Volunteers-Stipend & Allow	0.00	180,893.39	0.00	180,893.39
71510 - UNV Settling-In-Grant	0.00	2,869.84	0.00	2,869.84
71520 - UNV-Language Allowance	0.00	1,728.33	0.00	1,728.33
71525 - UNV-Hazard Pay	0.00	18,290.22	0.00	18,290.22
71530 - UNV-Rest and Recuperation	0.00	3,000.00	0.00	3,000.00
71535 - UNV-Medical Insurance	0.00	5,596.81	0.00	5,596.81
71540 - UNV-Global Charges	0.00	3,440.80	0.00	3,440.80
71541 - UNVs-Contribution to security	0.00	3,664.52	0.00	3,664.52
71545 - UNV-Home Leave Travel & Allowa	0.00	140.62	0.00	140.82
71550 - UNV-Resettlement Allowance	0.00	5,398.27	0.00	5,398.27
71560 - UNV-Intl Appoint/Sep Incl Trvl	0.00	1,900.00	0.00	1,900.00
71592 - UNV_COST_RECOVERY_RECURRING	0.00	13,834.54	0.00	13,834.54
71605 - Travel Tickets-International	0.00	12,530.28	0.00	12,530.28
71610 - Travel Tickets-Local	0.00	4,300.37	0.00	4,300.37
71615 - Daily Subsistence Allow-Intl	0.00	16,250.92	0.00	16,250.92
71620 - Daily Subsistence Allow-Local	0.00	32,519.96	0.00	32,519.96
71630 - Shipment	0.00	25,734.19	0.00	25,734.19
71635 - Travel - Other	0.00	6,944.00	0.00	6,944.00
72105 - Svc Co-Construction & Engineer	0.00	86,839.68	0.00	86,839.68
72130 - Svc Co-Transportation Services	0.00	633.92	0.00	633.92
72135 - Svc Co-Communications Service	0.00	4,241.17	0.00	4,241.17
72210 - Machinery and Equipment	0.00	2,009,252.30	0.00	2,009,252.30
72215 - Transportation Equipment	0.00	585,302.37	0.00	585,302.37
72220 - Furniture	0.00	969,062.80	0.00	969,062.80
72311 - Fuel, petroleum and other oils	0.00	34.19	0.00	34.19
72350 - Medical Kits	0.00	103.48	0.00	103.48
72401 - Prefab structure/other buildin	0.00	242,377.00	0.00	242,377.00
72402 - Building Maintenance	0.00	15,354,904.36	0.00	15,354,904.36
72415 - Courier Charges	0.00	1,998.00	0.00	1,998.00
72425 - Mobile Telephone Charges	0.00	9,850.45	0.00	9,850.45
72440 - Connectivity Charges	0.00	9,765.51	0.00	9,765.51
72445 - Common Services-Communications	0.00	1,809.84	0.00	1,809.84
73104 - Leased Building	0.00	1,748.04	0.00	1,749.04
73105 - Rent	0.00	1,828.00	0.00	1,828.00
73115 - Moving Expenses	0.00	100.00	0.00	100.00
73120 - Utilities	0.00	7,765,590.00	0.00	7,765,590.00
73125 - Common Services-Premises	0.00	323,767.61	0.00	323,767.61
73218 - Construction Cost	0.00	211,543.04	0.00	211,543.04
73406 - Maintenance of Equipment	0.00	143,766.00	0.00	143,766.00
73410 - Maint. Oper of Transport Equip	0.00	292.90	0.00	292.90



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Project ID : 00089459 Funding Facility for stabiliza	Period : Jan-Dec (2019)
Output # : 00095684 Fund Facilityfor Stabilization	Impl. Partner : 39999 UNDP
	Location : UNDP IRAQ

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
74205 - Audio Visual Productions	0.00	5,536.77	0.00	5,536.77
74210 - Printing and Publications	0.00	3,350.00	0.00	3,350.00
74220 - Translation Costs	0.00	13,164.43	0.00	13,164.43
74325 - Contrib.To CO Common Security	0.00	164,549.52	0.00	164,549.52
74505 - Insurance	0.00	14,500.00	0.00	14,500.00
74510 - Bank Charges	0.00	50.00	0.00	50.00
74710 - Land Transport	0.00	1,171.54	0.00	1,171.54
74720 - Distribution Cost	0.00	51,213.29	0.00	51,213.29
74725 - Other L.T.S.H.	0.00	778,445.54	0.00	778,445.54
75105 - Facilities & Admin - Implement	0.00	2,152,978.94	0.00	2,152,978.94
75705 - Learning costs	0.00	321.72	0.00	321.72
75711 - TrnWrkshp&Conf - Stipends	0.00	233.22	0.00	233.22
76125 - Realized Loss	0.00	0.01	0.00	0.01
76135 - Realized Gain	0.00	- 8.74	0.00	- 8.74
77265 - Hazard Duty Stal Allow-GS-TA	0.00	84.00	0.00	84.00
77305 - Salaries - IP Staff-TA	0.00	63,767.75	0.00	63,767.75
77310 - Post Adjustment - IP Staff-TA	0.00	24,221.02	0.00	24,221.02
77315 - Contrib-Med,SocIns-IP Staff-TA	0.00	657.35	0.00	657.35
77320 - Assg hardship & mob allow-TA	0.00	17,439.96	0.00	17,439.96
77350 - Rental Supplements-IP Staff-TA	0.00	- 2,694.82	0.00	- 2,694.82
77353 - Reimb of Income Tax - IP-TA	0.00	1,821.38	0.00	1,821.38
77357 - Repat. Gr/Comm Ann Lv-IP-TA	0.00	3,782.04	0.00	3,782.04
77365 - Spec Oper Living Allow-IP-TA	0.00	7,500.00	0.00	7,500.00
77375 - Contrib-Jt Staff Pens Fd-IP-TA	0.00	21,848.72	0.00	21,848.72
77385 - Contribution to Security	0.00	5,411.27	0.00	5,411.27
77386 - Contribution to ICT_TA	0.00	1,319.84	0.00	1,319.84
77395 - MAIP Premium TA/IP	0.00	43.99	0.00	43.99
77396 - PAYROLL MGT COST RECOVERY	0.00	772.56	0.00	772.56
77397 - Appendix D TA/IP	0.00	219.98	0.00	219.98
Total for Fund 30079	0.00	32,909,811.95	0.00	32,909,811.95

Fund : 30084 (Prog Resources from 11888)

71405 - Service Contracts-Individuals	0.00	0.00	0.00	0.00
71410 - MAIP Premium SC	0.00	0.00	0.00	0.00
71415 - Contribution to Security SC	0.00	0.00	0.00	0.00
71505 - UN Volunteers-Stipend & Allow	0.00	0.00	0.00	0.00
71520 - UNV-Language Allowance	0.00	0.00	0.00	0.00
71525 - UNV-Hazard Pay	0.00	0.00	0.00	0.00
71535 - UNV-Medical Insurance	0.00	0.00	0.00	0.00
71540 - UNV-Global Charges	0.00	0.00	0.00	0.00
71541 - UNVs-Contribution to security	0.00	0.00	0.00	0.00
71545 - UNV-Home Leave Travel & Allowa	0.00	0.00	0.00	0.00
71550 - UNV-Resettlement Allowance	0.00	0.00	0.00	0.00
71592 - UNV_COST_RECOVERY_RECURRING	0.00	0.00	0.00	0.00
75105 - Facilities & Admin - Implement	0.00	0.00	0.00	0.00
Total for Fund 30084	0.00	0.00	0.00	0.00

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

64309 - Appointment-Shipments	0.00	6,575.72	0.00	6,575.72
71405 - Service Contracts-Individuals	0.00	41,586.18	0.00	41,586.18



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Project Id : 0009459 Funding Facility for stabilization		Period : Jan-Dec (2019)		
Output # : 00095884 Fund Facility for Stabilization		Impl. Partner : 99999 UNDP		
		Location : UNDP IRAQ		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
71410 - MAIP Premium SC	0.00	15.64	0.00	15.64
71415 - Contribution to Security SC	0.00	1,821.05	0.00	1,821.05
71610 - Travel Tickets-Local	0.00	250.70	0.00	250.70
71615 - Daily Subsistence Allow-Intl	0.00	978.00	0.00	978.00
71620 - Daily Subsistence Allow-Local	0.00	745.36	0.00	745.36
71630 - Shipment	0.00	-15,980.00	0.00	-15,980.00
71635 - Travel - Other	0.00	542.22	0.00	542.22
72105 - Svc Co-Construction & Engineer	0.00	-10,800.00	0.00	-10,800.00
72130 - Svc Co-Transportation Services	0.00	81,962.91	0.00	81,962.91
72210 - Machinery and Equipment	0.00	-236,751.58	0.00	-236,751.58
72350 - Medical Kits	0.00	127.10	0.00	127.10
72401 - Prefab structure/other buildin	0.00	0.00	0.00	0.00
72402 - Building Maintenance	0.00	-61,497.64	0.00	-61,497.64
72425 - Mobile Telephone Charges	0.00	512.82	0.00	512.82
72440 - Connectivity Charges	0.00	4,952.52	0.00	4,952.52
73110 - Custodial & Cleaning Services	0.00	464,263.02	0.00	464,263.02
73120 - Utilities	0.00	437,022.50	0.00	437,022.50
73216 - Construction Cost	0.00	0.00	0.00	0.00
74325 - Contrib To CO Common Security	0.00	257,750.72	0.00	257,750.72
74510 - Bank Charges	0.00	30.00	0.00	30.00
74720 - Distribution Cost	0.00	0.00	0.00	0.00
75105 - Facilities & Admin - Implement	0.00	78,079.38	0.00	78,079.38
77630 - Dep Exp Owned - ITC	0.00	1,785.00	0.00	1,785.00
Total for Fund 32045	0.00	1,054,071.60	0.00	1,054,071.60
Total for Dept : 45901	91,020.00	282,892,388.32	175,364.54	283,168,770.86
Total for Output : 00095884	91,020.00	282,892,388.32	175,364.54	283,168,770.86
Project Total :	91,020.00	282,892,388.32	175,364.54	283,168,770.86

Signed By : Jim Sawatzky - FFS Programme Manager a.i.

Date

12 Feb 2020

Signed By : Zena Ali Ahmed - UNDP Resident Representative

Date

13/2/2020



Initiated for identification purposes only



UN Development Programme
Report ID: ungdpr

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Selection Criteria :

Business Unit : IRQ10
Period : Jan-Dec (2019)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00095684

Project Id : ALL	Period : Jan-Dec (2019)
Output # : ALL	Impl. Partner : Location :
</	



UN Development Programme
Report ID: ungdpr

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Funds Utilization

Selection Criteria :

Business Unit : IRQ10
Period : Jan-Dec (2019)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00095684

Project/Award: 00089459	Funding Facility for stabliza	Period : As at Dec 31, 2019
Output # : 00095684	Impl. Partner : 99999 UNDP	UNDP AMOUNT
Outstanding NEX advances		0.00
Undepreciated Fixed Assets		1,162,795.72
Unamortized Intangible Assets		0.00
Inventory		5,900.00
Prepayments		0.00
Commitments		175,021,250.96

2.3. Auditors Report on the Statement of Fixed Assets:**Independent Auditor's Report on the Statement of Fixed Assets
of UNDP DIM Project ID 89459 – Output ID 95684
“Funding Facility for Stabilization”**

**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 89459 - output ID 95684 “Funding Facility for Stabilization” as at 31 December 2019.

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 89459 - output ID 95684 “Funding Facility for Stabilization” amounting to US\$ 1,162,795.72 as at 31 December 2019 in accordance with UNDP accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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's Responsibility

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 the 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 ISA 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 ISA, we exercise professional judgment and maintain professional skepticism 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 controls.
- Obtain an understanding of internal controls 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 communicated 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 controls that we identified during our audit.

Jamal Milhem, CPA

Certified Accountant License # (100/98)



Talal Abu – Ghazaleh & Co.

License No. 251/1997

Ramallah – Palestine

19 August 2020

2.4. Statement of Fixed Assets:

“Funding Facility for Stabilization” (Project ID 89459 - Output ID 95684) for the period from 1 January to 31 December 2019



Asset Management Detail Report
UN Development Programme
Project ID:FFS (95684)
RUN 31/12/2019

Business unit	Operating Unit	Asset ID	Profile ID	Description	Serial Number	Location	Acquisition Date	Cost USD	Net Book Value	Quantity	Department	Impl Agency	Donor	Project	Fund code
IRQ10	IRQ	000000001819	MTRV4	Land Cruiser GX.R L140L	JTMH00914F5104540	IRQBAGHDAD	11/22/2015	44,000.00	28,722.21	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000001822	ITC4	A Computer printers	CNDVGC04V	IRQERB	12/1/2015	8,990.00	5,319.08	1	145001	001981	00137	00095684	30000
IRQ10	IRQ	000000001825	ITC1	A Notebook computers	JQL8082	IRQERB	12/20/2015	1,635.20	800.57	1	145001	001981	10480	00095684	30000
IRQ10	IRQ	000000001826	ITC1	A Notebook computers	JQL9082	IRQERB	12/20/2015	1,635.20	800.57	1	145001	001981	10480	00095684	30000
IRQ10	IRQ	000000001829	ITC1	A Notebook computers	JQM082	IRQERB	12/20/2015	1,635.20	800.57	1	145001	001981	10480	00095684	30000
IRQ10	IRQ	000000001830	ITC1	A Notebook computers	JQM082	IRQERB	12/20/2015	1,635.20	800.57	1	145001	001981	10480	00095684	30000
IRQ10	IRQ	000000001832	ITC1	A Notebook computers	JQLC082	IRQERB	12/20/2015	1,635.20	800.57	1	145001	001981	10480	00095684	30000
IRQ10	IRQ	000000001833	ITC1	A Notebook computers	JQL8082	IRQERB	12/20/2015	1,635.20	800.57	1	145001	001981	10480	00095684	30000
IRQ10	IRQ	000000001836	ITC1	A Notebook computers	JQM082	IRQERB	12/20/2015	1,635.20	800.57	1	145001	001981	10480	00095684	30000
IRQ10	IRQ	000000001841	MTRV5	Armored Toyota Land Cruiser	JTMH013030F4109764	IRQBAGHDAD	2/15/2016	196,821.30	132,581.02	1	145001	001981	10480	00095684	30000
IRQ10	IRQ	000000001842	ITC1	Notebook Dell Latitude E 7450	18D0562	IRQERB	2/9/2016	1,735.00	885.57	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000001844	ITC1	Notebook Dell Latitude E 7450	9YV072	IRQERB	2/9/2016	1,735.00	885.57	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000001847	ITC1	Notebook Dell Latitude E 7450	FOG0562	IRQERB	2/9/2016	1,735.00	885.57	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000001855	ITC1	Notebook Dell Latitude E 7450	6300562	IRQERB	2/9/2016	1,735.00	885.57	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000001857	ITC1	Notebook Dell Latitude E 7450	40FW72	IRQERB	2/9/2016	1,735.00	885.57	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000001860	ITC1	Notebook Dell Latitude E 7450	JEDV72	IRQERB	2/9/2016	1,735.00	885.57	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000001864	ITC1	Notebook Dell Latitude E 7450	35GD162	IRQERB	2/9/2016	1,735.00	885.57	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000001925	ITC5	A Photocopiers/Xerox WorkCent	3919630589	IRQERB	7/19/2016	4,030.00	3,900.00	1	145001	001981	00187	00095684	30000
IRQ10	IRQ	000000001927	ITC13	A Videoconferencing systems	8216044540FC9V	IRQERB	7/19/2016	2,419.78	2,360.13	1	145001	001981	12113	00095684	30000
IRQ10	IRQ	000000001928	ITC5	A Photocopiers/Xerox WorkCent	891981170	IRQBAGHDAD	7/19/2016	6,090.00	5,900.00	1	145001	001981	00187	00095684	30000
IRQ10	IRQ	000000001935	MTRV5	Toyota land cruiser	JTMH0090914089287	IRQERB	1/11/2017	84,359.67	63,269.75	0.5	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000001935	MTRV5	Toyota land cruiser	JTMH0090914089287	IRQERB	1/11/2017	84,359.67	63,269.75	0.5	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000001936	ITC8	A Uninterruptible power suppl	QS1552170147	IRQERB	11/23/2016	2,175.00	1,715.83	1	145001	001981	00204	00095684	30000
IRQ10	IRQ	000000001938	ITC14	SWITCH CISCO CATALYST 2960	FOC2015551R	IRQERB	11/23/2016	4,514.06	3,799.34	1	145001	001981	00204	00095684	30000
IRQ10	IRQ	000000001941	ITC9	SERVER RACK	SDN161010425	IRQBAGHDAD	11/23/2016	1,797.17	1,322.92	1	145001	001981	00204	00095684	30000
IRQ10	IRQ	000000001949	MTRV6	TOYOTA LANDCRUISER	JTMH0116H4136457	IRQBAGHDAD	1/16/2017	63,000.00	47,250.00	1	145001	001981	00204	00095684	30000
IRQ10	IRQ	000000001951	ITC1	A Notebook Computers	JVRLQF2	IRQERB	3/21/2017	1,525.00	984.9	1	145001	001981	00187	00095684	30000
IRQ10	IRQ	000000001952	ITC1	A Notebook Computers	2NRLQF2	IRQERB	3/21/2017	1,525.00	984.9	1	145001	001981	00187	00095684	30000
IRQ10	IRQ	000000001953	ITC1	A Notebook Computers	GWNLQF2	IRQERB	3/21/2017	1,525.00	984.9	1	145001	001981	00187	00095684	30000
IRQ10	IRQ	000000001954	ITC4	A Computer printers	3923655887	IRQERB	4/13/2017	5,950.00	4,313.75	1	145001	001981	00141	00095684	32045
IRQ10	IRQ	000000001955	ITC4	A Computer printers	3923655887	IRQERB	4/13/2017	5,950.00	4,313.75	1	145001	001981	00141	00095684	32045
IRQ10	IRQ	000000001956	ITC4	A Computer printers	3923655887	IRQERB	4/13/2017	5,950.00	4,313.75	1	145001	001981	00141	00095684	32045
IRQ10	IRQ	000000001979	MTRV5	Armored Vehicle Toyota LC 200	JTMH0110G5081886	IRQERB	1/31/2017	139,206.00	104,404.50	1	145001	001981	00187	00095684	30000
IRQ10	IRQ	000000001981	MTRV5	Armored Vehicle Toyota LC 200	JTMH009125053997	IRQBAGHDAD	1/31/2017	142,368.00	106,776.00	1	145001	001981	00187	00095684	30000
IRQ10	IRQ	000000001984	MTRV5	Armored Vehicle Toyota LC 200	JTMH009125053997	IRQBAGHDAD	1/31/2017	139,206.00	104,404.50	1	145001	001981	00187	00095684	30000
IRQ10	IRQ	000000001988	ITC4	A Computer printers	3923655887	IRQERB	11/13/2017	5,950.00	4,660.83	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000001991	ITC4	A Computer printers	3923655887	IRQERB	11/13/2017	5,950.00	4,660.83	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000002002	MTRV4	A Toyota Prado TXL 4.0 L	TEBU0FJ25579687	IRQBAGHDAD	3/7/2018	44,000.00	37,277.77	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000002005	MTRV4	A Toyota Prado TXL 4.0 L	TEBU0FJ25579687	IRQBAGHDAD	3/7/2018	44,000.00	37,277.77	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000002018	MTRV5	Level VRT Armoured Vehicle as	JTMH0112H5038503	IRQBAGHDAD	5/30/2018	136,759.00	117,764.70	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000002020	ITC4	HP Laserjet Printer 700 Color	CNTH7G1JFX	IRQBAGHDAD	1/7/2018	1,850.00	1,480.00	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000002026	ITC1	A Notebook computers E7480	CLB86M2	IRQBAGHDAD	4/11/2018	1,945.00	1,519.53	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000002029	ITC1	A Notebook computers E7480	DB70P12	IRQBAGHDAD	4/11/2018	1,945.00	1,519.53	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000002031	ITC1	A Notebook computers E7480	9M880M2	IRQBAGHDAD	4/11/2018	1,945.00	1,519.53	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000002032	ITC1	A Notebook computers E7480	4RT86M2	IRQBAGHDAD	4/11/2018	1,945.00	1,519.53	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000002036	ITC1	A Notebook computers E7480	FTT86M2	IRQBAGHDAD	4/11/2018	1,945.00	1,519.53	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000002037	ITC1	A Notebook computers E7480	QRB86M2	IRQBAGHDAD	4/11/2018	1,945.00	1,519.53	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000002039	ITC1	A Notebook computers E7480	1ZB86M2	IRQBAGHDAD	4/11/2018	1,945.00	1,519.53	1	145001	001981	00117	00095684	30000
IRQ10	IRQ	000000002040	MTRV5	Level VRT Toyota Armoured Vehi	JTMH0112H43232177	IRQERB	8/17/2018	136,759.00	120,613.84	1	145001	001981	10283	00095684	30000
IRQ10	IRQ	000000002041	MTRV5	Level VRT Toyota Armoured Vehi	JTMH0112H43232183	IRQERB	8/17/2018	136,759.00	120,613.84	1	145001	001981	10283	00095684	30000
IRQ10	IRQ	000000002042	ITC1	A Notebook computers	HANCV19014943F	IRQBAGHDAD	9/17/2018	2,312.00	1,926.67	1	145001	001981	00551	00095684	30000
IRQ10	IRQ	000000002048	ITC13	Polycom Video Tele Conferen	EG173747CA51CV	IRQ EBL ST	10/18/2017	6,445.41	5,308.03	1	145001	001981	00117	00095684	30000

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IRQ10	IRQ	000000002040	ITC1	Notebook Dell Latitude E 7450	9YV072	IRQBAGHDAD	2/9/2016	2,321.02	883.76	1	145001	001981	00117	00095684	30000
								Total amount	150,753.47	1,162,795.72					

Tajir D. Hattar
Tajir Abu-Ghazaleh & Co.
Initiated for identification purposes only

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Raj KAMAL
Programme Manager, FFS



3. PART III: MANAGEMENT LETTER**3.1 Current year audit findings and recommendations**

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

Introduction

Under International Standards on Auditing, auditors are encouraged to report various matters concerning an entity's internal controls structure noted during their audit and are required to report certain of those matters. Matters that are required to be reported are "significant deficiencies in the design or operation of the internal controls structure that, in the auditor's judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements".

As part of our audit of the Project's financial position of the Project ID 89459 - output ID 95684 "Funding Facility for Stabilization" for the period from 1 January to 31 December 2019, we considered UNDP's internal controls structure and compliance with its accounting policies in determining the scope of our audit procedures for the purpose of rendering an opinion on the financial statements. Our purpose was not to provide assurance on the internal controls structure.

We emphasize that the responsibility for a sound system of internal controls rests with management and work performed by external audit should not be relied upon to identify all strengths and weaknesses that may exist, neither should our work be relied upon to identify all circumstances of irregularity should there be any, although our audit procedures have been designed so that any material irregularity has a reasonable probability of discovery.

The matters raised in this part are those which came to our attention during the audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be needed. Recommendations for improvements should be assessed by management for their full business impact before they are implemented. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal controls system.

Acknowledgment

We wish to express our appreciation for the courtesy and cooperation extended to our representatives during the course of their work.

Jamal Milhem, CPA

Certified Accountant License # (100/98)

Talal Abu – Ghazaleh & Co.

License No. 251/1997

Ramallah – Palestine

19 August 2020

Finding No. 1:

Title: Not Charging Project’s Expenditure in the Correct Reporting Period.

Criteria:

In accordance with IPSAS, UNDP expenses policy follows the accrual basis of accounting, under which transactions and events are recognized as they occur (and not only when cash or its equivalent is received or paid). The transaction and events are recorded in the accounting records and recognized in the financial statements of the periods to which they relate when goods or services are received and accepted by UNDP and a corresponding liability to pay is created.

As UNDP have to comply with IPSAS, Offices should ensure any anticipated expenses before closing the year are recorded through accrual system using the correct accounting year. Further, in accordance with UNDP POPP, it is important that the receipts be entered promptly in ATLAS when the goods and services are actually received. It is mandatory to enter receipts in ATLAS within 48 hours of actual receipt of goods and services, so that the expense and asset recognition is done correctly in accordance with UNDP accounting policy.

Observation

The office recorded the amount of US\$ 763,425.91 in 2019 CDR although this amount represents expenses that related to FY2018 CDR, which also led to overstatement of the GMS (Facilities and Admin.) included in the current CDR by US\$ 61,074.07.

Details are shown in the following table:

Date of the invoice	Transaction ID from 2019 books	Description	Amount US\$
8/1/2019	IRQ10-00083992-1-1-ACCR-DST.	The provision of the Senior Civil Engineer for the period of December 2018.	6,781.10
9/1/2019	IRQ10-00084078-1-1-ACCR-DST.	The provision of the Senior Engineer for the period of December 2018.	6,781.10
30/12/2018	IRQ10-00084886-1-1-ACCR-DST.	The provision of the Area Coordinator in Mosul for the period of October and November 2018.	10,103.10
22/1/2019	IRQ10-00084887-1-1-ACCR-DST.	The provision of the Anbar Stabilization Media Specialist for the period of November and December	8,026.63

		2018.	
4/2/2019	IRQ10-00085012-1-1-ACCR-DST.	The provision of the Senior Engineer for the period of December 2018.	6,781.10
9/1/2019	IRQ10-00085046-1-1-ACCR-DST.	The provision of the Electrical Engineer for the period of December 2018.	10,367.69
22/1/2019	IRQ10-00085349-1-1-ACCR-DST.	The provision of the Area Coordinator for the period of October, November and December 2018.	10,794.42
11/11/2018	IRQ10-00085386-1-1-ACCR-DST.	The provision of the Civil Engineer for Mosul for the period of August and September 2018.	8,043.87
10/2/2019	IRQ10-00085875-1-1-ACCR-DST.	The provision of the Field Monitoring Specialist for Mosul for the period of November and December 2018.	6,853.60
10/2/2019	IRQ10-00086135-1-1-ACCR-DST.	The provision of the Site Engineer for the period of December 2018.	5,183.83
22/1/2019	IRQ10-00086144-1-1-ACCR-DST.	The provision of the Senior Civil Engineer for the period of June and July 2018.	7,415.20
15/4/2019	IRQ10-00087781-1-1-ACCR-DST.	Air tickets, DSA, and Terminals from Erbil to Baghdad were for the period of October and November 2018.	2,242.00
22/3/2017	IRQ10-00093061-5-1-ACCR-DST.	MACHINERY AND EQUIPMENT ,INV#B17000038-PO#4336.	91,234.97
30/12/2018	IRQ10-00084724-1-1-ACCR-DST.	MACHINERY AND EQUIPMENT, 0704-60% Payment-P/AM530/18.	582,817.30
	Total of Entries		763,425.91

UNDP Office explained that this issue occurred because they did not want to raise the receipts in 2018 as supporting documents were not available yet. The office raised the receipts in Atlas only after receiving the supporting documents in January 2019.

Not charging project’s expenditures to correct accounting period FY2018 led to overstatement of the expenses in the current CDR (FY2019) with an amount of US\$ 763,425.91. Since the 2018 and 2019 books are already closed, adjustment entries entered following closure will not correct the overstatement in the CDR of FY2019. Not recording 2018 expenses in the correct accounting period led to overstating the current CDR with a total amount of US\$ 824,499.98.

We also noticed through the subsequent events review that expenses with an amount of US\$ 12,704,687.22 were recorded in 2020 CDR while they are related to FY2019 CDR. Not charging project’s expenditures to correct accounting period FY2020 led to understatement of the expenses in the current CDR (FY2019).

The following transactions were found in 2020 books while they are related to 2019 expenses:

Date of occurrence of the expenses	Transaction ID from 2019 books	Amount US\$
During 2019	IRQ10-00095338-1-1-ACCR-DST	227,655.20
During 2019	IRQ10-00095151-1-1-ACCR-DST	105,500.00
During 2019	IRQ10-00095163-1-1-ACCR-DST	278,169.00
During 2019	IRQ10-00095164-1-1-ACCR-DST	314,086.70
During 2019	IRQ10-00095164-1-1-ACCR-DST	110,376.75
During 2019	IRQ10-00095166-1-1-ACCR-DST	654,046.40
During 2019	IRQ10-00095182-1-1-ACCR-DST	334,127.46
During 2019	IRQ10-00095270-1-1-ACCR-DST	2,004,363.20
During 2019	IRQ10-00095328-1-1-ACCR-DST	616,839.10
During 2019	IRQ10-00095331-1-1-ACCR-DST	294,618.60
During 2019	IRQ10-00095405-1-1-ACCR-DST	298,794.30
During 2019	IRQ10-00095478-1-1-ACCR-DST	1,263,505.67
During 2019	IRQ10-00095541-1-1-ACCR-DST	3,569,607.96
During 2019	IRQ10-00095639-1-1-ACCR-DST	2,632,997.13

Total	12,704,687.22
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Although the net financial misstatement on 2019 CDR is US\$ 11,941,261.31 Understatement (Total net effect with GMS of 8% is 12,896,562.21), we think this case is important.

Priority

Medium (Important)

Recommendation

UNDP should improve the recording of expenses by:

- a) Processing the recognition of the expenses during the correct accounting period.
- b) Consulting with Office of Financial Resources Management, how best to process this type of transactions in future, given the unique development situation and country context of Iraq, to ensure UNDP complies with IPSAS and UNDP expenses policy that follows the accrual basis of accounting.

Management’s Response:

UNDP Iraq has maintained consistently high levels of performance in processing payments in a timely manner. As per UNDP’s standard payment terms, payments shall be processed within thirty (30) days of the date of their receipt and acceptance by UNDP. UNDP shall affect payments after acceptance and upon achievement of the corresponding milestones. Therefore, for invoices received during the final months of the year, and for complex projects under the Stabilization Portfolio (such as FFS) where several supporting documents are required, and several levels of approvals are needed to ensure quality and accuracy of payments, and given the financial closure deadlines, some payments realistically get processed in the following year.

It must be noted that based on Financial Year end instruction UNDP globally has a cut-off date for processing payments in mid-December, after which date no payments can be processed.

Payments to contractors who are contracted through a third-party are paid based on a certified timesheet at the last working day of each month. After certification from the relevant supervisor the request is sent to third party to process the payment to the contractor. After the monthly salary is paid UNDP is invoiced for the respective amount, based on which the payment is processed. The thirty-day limit for processing payment starts after receiving and accepting the invoice from the third-party.

Without supporting documents confirming that goods and services has been delivered it would not be possible to raise receipt in Atlas. The office will define the minimum documents required to raise the receipt as per the following categories.

- a) Infrastructure rehabilitation:
- b) Individual contracts & Technical Consultants
- c) Goods/Equipment
- d) Professional Services

Auditor’s Response:

Management response is noted, however the office should comply with IPSAS and UNDP expenses policy that follows the accrual basis of accounting, therefore transactions and events are should be recognized when occurred and not only when cash or its equivalent is received or paid.

In this case the expenses shown in the report included expenses incurred out of the period of the report (FY2019) and missed 2019 expenses; causing a net understatement of the FY2019 expense. Therefore, the finding is retained and valid.

Priorities of Audit Recommendations

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.