



**AUDIT**

**OF**

**UNDP PROGRAMME OF ASSISTANCE TO THE PALESTINIAN PEOPLE**

**SUPPORTING THE RULE OF LAW AND ACCESS TO JUSTICE,  
HEBRON COURTHOUSE BUILDING**  
**(Directly Implemented Project No. 57409, Output No. 77024)**

**Report No. 2249**  
**Issue Date: 17 August 2020**

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**Report on the Audit of UNDP Programme of Assistance to the Palestinian People (PAPP)  
Supporting the Rule of Law and Access to Justice,  
Hebron Courthouse Building  
(Project No. 57409, Output No. 77024)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Talal Abu-Ghazaleh & Co. (the audit firm), from 16 to 29 June 2020, conducted an audit of Supporting the Rule of Law and Access to Justice, Project No. 57409, Hebron Courthouse Building, Output No. 77024 (the Project), which is directly implemented and managed by the UNDP Programme of Assistance to the Palestinian People (the Office). The last audit of the Project was conducted by OAI, through Talal Abu-Ghazaleh & Co. 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 statement<sup>1</sup> as of 31 December 2019 as well as Statement of Assets as of 31 December 2019. The audit did not cover the Statement of Cash as no separate bank account was established and maintained for the Project.

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

### **Audit results**

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

Project Expenses		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$'000)	Opinion
2,233	Unmodified	5	Unmodified

The audit did not result in any recommendations.

**Implementation status of previous OAI audit recommendations:** Report No. 2069, 14 August 2019).

Total recommendations: 2

Implemented: 2

### **Management comments and action plan**

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

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<sup>1</sup> 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.



Helge S. Ostveiten  
Director  
Office of Audit and Investigations

**United Nations Development Programme  
(UNDP)**

**Financial Audit of Directly Implemented Project Managed by  
UNDP Programme of Assistance to the Palestinian People (PAPP)**

**“Supporting the Rule of Law and Access to Justice,  
Hebron Courthouse Building”  
(Project ID 57409 - Output ID 77024)  
For the period from 1 January to 31 December 2019**

**5 August 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 project ID 57409 “Supporting the Rule of Law and Access to Justice” – output ID 77024 “Hebron Courthouse Building” (the project), directly implemented by UNDP Programme of Assistance to the Palestinian People (PAPP) 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	Unmodified	
Statement of Fixed Assets	Unmodified	
Statement of Cash	Not applicable	There was no a separate bank account for the project under audit, therefore no audit opinion is provided on a Statement of Cash.

#### - Audit Finding:

There were no reportable findings with medium or high priority ratings, consequently we did not issue a management letter.

#### - Follow-up on previous year’s audit recommendations:

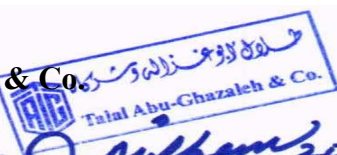
The project ID 57409 “Supporting the Rule of law and Access to Justice” - Output ID 77024 “, Hebron Courthouse Building” was audited in the prior year (audit ID 2069 issued on 14 August 2019). The previous audit report included two recommendations.

The recommendations raised and its implementation status are as follows:

Recommendation Title	Implementation
Understatement of the 2018 CDR; The Combined Delivery Report (CDR) is understated due to refunding of expenses from other projects.	Implemented.
Weakness in the fixed assets transfer process; Acquisition of transferred fixed asset from another project without prior approval from the donor.	Implemented.

Sincerely yours,

**Talal Abu –Ghazaleh & Co.**  
**License No. 251/1997**



**Jamal Milhem, CPA**  
**Certified Accountant License # (100/98)**  
**Ramallah - Palestine, 5 August 2020**

## **1.2. Audit Objectives**

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

- 1) Expressing an opinion on whether the 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. It 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 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 57409 – Output ID 77024  
“Supporting the Rule of Law and Access to Justice,  
Hebron Courthouse Building”**

**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 57409 “Supporting the Rule of Law and Access to Justice” - output ID 77024 “Hebron Courthouse Building” 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.

#### **Unmodified Opinion**

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization Statement present fairly, in all material respects, the expenses of US\$ 2,232,840.17 directly incurred by the UNDP PAPP and charged to the project 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 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.

#### **Management's Responsibility**

Management is responsible for the preparation of the CDR and the Funds Utilization Statement of the project and for such internal controls 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 control that we identified during our audit.

**Talal Abu –Ghazaleh & Co.**  
**License No. 251/1997**




*Jamal Milhem*

**Jamal Milhem, CPA**  
**Certified Accountant License # (100/98)**  
**Ramallah - Palestine, 30 June 2020**



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

### "Supporting the Rule of Law and Access to Justice, Hebron Courthouse Building" (Project ID 57409 - Output ID 77024) for the period from 1 January to 31 December 2019



**UNDP** UN Development Programme  
Report ID: unglcdp

Combined Delivery Report By Project

Page 1 of 4  
Run Time: 28-02-2020 09:02:40

Selection Criteria :

Business Unit : PAL10  
Period : Jan-Dec (2019)  
Selected Project Id : 00057409  
Selected Fund Code : ALL  
Selected Dept. IDs : B0700  
Selected Outputs : 00077024


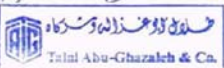
Project Id : 00057409 Supporting the Rule of Law and Output # : 00077024 Hebron Courthouse Building	Period : Jan-Dec (2019)	Impl. Partner : 02386 UNDP (Direct Execution)	Location :	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Dept: 70001 (PAPP - Central)  
Fund : 30000 (PROGRAMME COST SHARING)

61105 - Salaries - NP Staff	0.00	5,746.96	0.00	5,746.96
61205 - Salaries - GS Staff	0.00	6,354.31	0.00	6,354.31
62105 - Dependency Allowance-NP Staff	0.00	67.30	0.00	67.30
62110 - Contrib Joint Staff Pension-NP	0.00	1,170.59	0.00	1,170.59
62115 - Contrib to Med.SocIns-NP Staff	0.00	340.89	0.00	340.89
62140 - Annual Leave Expense - NO	0.00	-999.98	0.00	-999.98
62205 - Dependency Allow - GS Staff	0.00	179.75	0.00	179.75
62210 - Contrib to Jt Staff Pens Fd-GS	0.00	1,302.50	0.00	1,302.50
62215 - Contrib. to Medical, social In	0.00	475.94	0.00	475.94
62220 - Language Allowance - GS Staff	0.00	182.28	0.00	182.28
62240 - Annual Leave Expense - GS	0.00	-421.94	0.00	-421.94
63530 - Contribution to EOS Benefits	0.00	453.84	0.00	453.84
63535 - Contribution to Security	0.00	502.23	0.00	502.23
63540 - Contribution to Training	0.00	42.38	0.00	42.38
63545 - Contribution to ICT	0.00	181.55	0.00	181.55
63550 - Contributions to MAIP	0.00	6.08	0.00	6.08
63555 - Contribution to UN JFA	0.00	363.03	0.00	363.03
63560 - Contributions to Appendix D	0.00	30.24	0.00	30.24
64110 - Separations - NP Staff	0.00	114.93	0.00	114.93
64210 - Separations - GS Staff	0.00	127.08	0.00	127.08
64397 - Services to projects -CO staff	0.00	28,835.81	0.00	28,835.81
65115 - Contributions to ASHl Reserve	0.00	1,204.07	0.00	1,204.07
65135 - Payroll Mgt Cost Recovery ATLA	0.00	69.32	0.00	69.32
71305 - Local Consult.-Shr Term-Tech	0.00	21,227.00	0.00	21,227.00
71360 - Local Consult-Security	0.00	132.05	0.00	132.05
71405 - Service Contracts-Individuals	0.00	502,906.82	0.00	502,906.82
71410 - MAIP Premium SC	0.00	216.68	0.00	216.68
71415 - Contribution to Security SC	0.00	17,987.31	0.00	17,987.31
71635 - Travel - Other	0.00	0.00	0.00	0.00
72105 - Svc Co-Construction & Engineer	0.00	1,464,661.19	0.00	1,464,661.19
72136 - ServiceCo-Systems Development	0.00	3,000.00	0.00	3,000.00
72425 - Mobile Telephone Charges	0.00	3,762.20	0.00	3,762.20
72435 - E-mail-Subscription	0.00	300.00	0.00	300.00
73405 - Rental & Maint-Other Office Eq	0.00	-829.00	0.00	-829.00
73406 - Maintenance of Equipment	0.00	1,734.00	0.00	1,734.00
73410 - Maint. Oper of Transport Equip	0.00	1,244.64	0.00	1,244.64
74110 - Audit Fees	0.00	2,457.00	0.00	2,457.00
74210 - Printing and Publications	0.00	163.08	0.00	163.08
74325 - Contrib.To CO Common Security	0.00	12,305.00	0.00	12,305.00
74525 - Sundry	0.00	8,006.65	0.00	8,006.65
74596 - Services to projects -GOE	0.00	3,621.00	0.00	3,621.00
75105 - Facilities & Admin - Implement	0.00	142,531.66	0.00	142,531.66
75706 - Learning - ticket costs	0.00	0.00	0.00	0.00
76125 - Realized Loss	0.00	5.23	0.00	5.23

Programme Analyst  
Nader Atta  
22 June 2020

Project Manager  
Taries Awad  
22 June 2020

Tajal Abu-Ghazaleh & Co.  
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Financial audit of Directly implemented Project ID 57409 "Supporting the Rule of Law and Access to Justice" - Output ID 77024 "Hebron Courthouse Building" for the period from 1 January to 31 December 2019.



UNDP UN Development Programme  
Report ID: unglcdp

# Combined Delivery Report By Project

Page 2 of 4  
Run Time: 26-02-2020 09:02:40

Project Id : 00057409 Supporting the Rule of Law and	Period :	Jan-Dec (2019)		
Output # : 00077024 Hebron Courthouse Building	Impl. Partner :	02386 UNDP (Direct Execution)		
	Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
76135 - Realized Gain	0.00	- 0.87	0.00	- 0.87
77630 - Dep Exp Owned - ITC	0.00	1,079.37	0.00	1,079.37
Total for Fund 30000	0.00	2,232,840.17	0.00	2,232,840.17
Total for Dept : 70001	0.00	2,232,840.17	0.00	2,232,840.17
Total for Output : 00077024	0.00	2,232,840.17	0.00	2,232,840.17
Project Total :	0.00	2,232,840.17	0.00	2,232,840.17

*Jamal D. Alkhatib*



Initiated for identification purposes only

Signed By :

*Programme Analyst Nader Atta*

Date :

*22 June 2020*

Signed By :

*Project Manager Jiries Awad*

Date :


*22 June 2020*

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Financial audit of Directly implemented Project ID 57409 "Supporting the Rule of Law and Access to Justice" - Output ID 77024 "Hebron Courthouse Building" for the period from 1 January to 31 December 2019.



**UNDP** UN Development Programme  
Report ID: unglcdrp

Combined Delivery Report By Project

Page 3 of 4  
Run Time: 28-02-2020 09:02:40

Selection Criteria :


Business Unit : PAL10  
Period : Jan-Dec (2019)  
Selected Project Id : 00057409  
Selected Fund Code : ALL  
Selected Dept. IDs : B0700  
Selected Outputs : 00077024

Project Id : ALL	Period : Jan-Dec (2019)			
Output # : ALL	Impl. Partner : Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
70001 - PAPP - Central	0.00	2,232,840.17	0.00	2,232,840.17


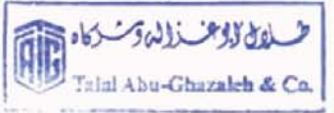
Programme Analyst

Nader Atta

22 June 2020



*Jamal D. Raikhan*

Taha Abu-Ghazaleh & Co.

Initiated for identification purposes only


Project Manager

Tamir Awad <sup>01</sup>

22 June 2020

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**UN Development Programme**  
Report ID: unglcdp

Combined Delivery Report By Project

Page 4 of 4  
Run Time: 28-02-2020 09:02:44

**Funds Utilization**

**Selection Criteria :**

Business Unit : PAL10  
 Period : Jan-Dec (2019)  
 Selected Project Id : 00057409  
 Selected Fund Code : ALL  
 Selected Dept. IDs : B0700  
 Selected Outputs : 00077024


Project/Award: 00057409 Supporting the Rule of Law and      Period : As at Dec 31, 2019

Output # 00077024      Impl. Partner :02386 UNDP (Direct Execution)

	UNDP AMOUNT
Outstanding NEX advances	0.00
Undepreciated Fixed Assets	4,594.61
Unamortized Intangible Assets	0.00
Inventory	0.00
Prepayments	0.00
Commitments	551,778.81

*Programme Analyst*  
Nader Atta


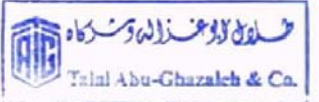
22 June 2020



*Project Manager*  
Tarek Awad

22 June 2020

*Tarek Abu-Ghazaleh*

Initiated for identification purposes only

### 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 57409 – Output ID 77024  
“Supporting the Rule of Law and Access to Justice,  
Hebron Courthouse Building”**

**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 57409 “Supporting the Rule of Law and Access to Justice” - output ID 77024 – “Hebron Courthouse Building” 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 57409 - Output ID 77024 amounting to US\$ 4,594.61 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 controls 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 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 control that we identified during our audit.

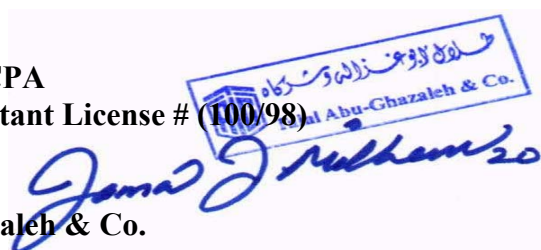
**Jamal Milhem, CPA**

**Certified Accountant License # (100/98)**

**Talal Abu –Ghazaleh & Co.**

**License No. 251/1997**

**Ramallah – Palestine, 30 June 2020**





## 2.4. Statement of Fixed Assets:

**"Supporting the Rule of Law and Access to Justice,  
Hebron Courthouse Building"  
(Project ID 57409 - Output ID 77024)  
as at 31 December 2019**

Statement of Assets					
As of 31 December 2019					
Project No. 00057409 - Supporting the Rule of Law					
Output 00077024 - Hebron Courthouse Building					
Category	Year	Location	Original Amount	Depreciated Amount	Net Book Value
			USD	USD	USD
HP FOLIO	2014	Hebron	1,590.00	1,060.00	530.00
HP ELITE BOOK FOLIO	2015	Hebron	1,573.96	934.54	639.42
A Desktop Computers	2017	Jerusalem	493.39	128.48	364.91
Laptop - Dell	2018	Hebron	1,985.05	454.91	1530.14
Laptop - HP	2018	Hebron	1,985.05	454.91	1530.14
<b>Total Value</b>			<b>7,627.45</b>	<b>3,032.84</b>	<b>4,594.61</b>

Programme Analyst:

Nader Atta

Date

22-Jun-20

Project Manager:

Jiries Awad

Date

22-Jun-20



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