



AUDIT

OF

UNDP PROGRAMME OF ASSISTANCE TO THE PALESTINIAN PEOPLE (PAPP)

Wastewater Pollution Control
(Directly Implemented Project No. 99404, Output No. 102692)

Report No. 2251
Issue Date: 17 August 2020

**Report on the Audit of UNDP Programme of Assistance to the Palestinian People (PAPP)
Wastewater Pollution Control
(Project No. 99404, Output No. 102692)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Talal Abu-Ghazaleh & Co. (the audit firm), from 1 to 29 June 2020, conducted an audit of Wastewater Pollution Control (Project No. 99404, Output No. 102692) (the Project), which is directly implemented and managed by the UNDP Programme of Assistance to the Palestinian People (the Office). This was the first audit of the Project.

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. The audit did not cover the Statement of Assets as no assets were held by the Project. In addition, the audit did not cover the Statement of Cash as no separate bank account was established and maintained for the Project.

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

Audit results

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

Project Expenses	
Amount (in \$ '000)	Opinion
4,608	Unmodified

The audit did not result in any recommendations.

Management comments and action plan

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

Helge S. Osttveiten
Director
Office of Audit and Investigations

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.

**United Nations Development Programme
(UNDP)**

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

**“Wastewater Pollution Control”
(Project ID 99404 - Output ID 102692)
For the period from 1 January to 31 December 2019**

5 August 2020

Talal Abu – Ghazaleh & Co.
Certified Public Accountants



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1. PART I – EXECUTIVE SUMMARY

1.1. Executive Summary:

This report represents the results of the financial audit conducted by Talal Abu – Ghazaleh & Co. of the project ID 99404 – output ID 102692 “Wastewater Pollution Control” (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	Not applicable	There were no fixed assets or equipment. Therefore, no audit opinion to be provided on a statement of fixed assets.
Statement of Cash	Not applicable	There was no a separate bank account for the project under audit. Therefore, no audit opinion to be provided on a statement of cash.

- Audit Finding:

There were no reportable findings were with medium or high priority rating consequently we do not issue a management letter.

- Follow-up of Previous Year Audit Recommendations:

The project ID 99404 – output ID 102692 “Wastewater Pollution Control” was not audited in the prior years.

Sincerely yours,

Jamal Milhem, CPA

Certified Accountant License # (100/98)

Talal Abu –Ghazaleh & Co.

License No. 251/1997

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 include:

- 1) Expressing an opinion on whether the 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”, 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 Centers and UNDP Headquarters and where the supporting documentation is not retained at the level of the UNDP PAPP 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 99404 – Output ID 102692
“Wastewater Pollution Control”**

**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 99404 - output ID 102692 “Wastewater Pollution Control”, for the period from 1 January to 31 December 2019, which include: (a) the accompanying Combined Delivery Report (CDR); (b) the Funds Utilization Statement (the statement); and (c) the project-related accounts receivable and accounts payable.

Unmodified Opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization Statement present fairly, in all material respects, the total expenses of US\$ 4,608,246.29 directly incurred by the UNDP PAPP and charged to the project ID 99404 - output ID 102692 “Transboundary Wastewater Pollution Control” 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 (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 is 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.

Jamal Milhem, CPA

Certified Accountant License # (100/98)



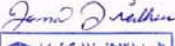


Talal Abu –Ghazaleh & Co.

License No. 251/1997

Ramallah - Palestine, 30 June 2020



<div>  UN Development Programme Report ID: ungicdrb </div> <div> Combined Delivery Report by Activity </div> <div> Page 2 of 5 Run Time: 25-02-2020 13:02:09 </div>				
Project Id : 00099404 Wastewater Management Output # : 00102692 Wastewater pollution control		Period : Jan-Dec (2019) Impl. Partner : 02388 UNDP - PAPP Location : Palestine		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
71305 - Local Consult.-Sht Term-Tech	0.00	3,279.61	0.00	3,279.61
71405 - Service Contracts-Individuals	0.00	252,953.47	0.00	252,953.47
71410 - MAIP Premium SC	0.00	108.17	0.00	108.17
71415 - Contribution to Security SC	0.00	8,975.06	0.00	8,975.06
71610 - Travel Tickets-Local	0.00	2,180.00	0.00	2,180.00
71625 - Daily Subsist Allow-Mtg Partic	0.00	3,770.00	0.00	3,770.00
71635 - Travel - Other	0.00	841.61	0.00	841.61
72135 - Svc Co-Communications Service	0.00	4,510.00	0.00	4,510.00
72311 - Fuel, petroleum and other oils	0.00	887.80	0.00	887.80
72405 - Acquisition of Communic Equip	0.00	67.39	0.00	67.39
72425 - Mobile Telephone Charges	0.00	3,081.16	0.00	3,081.16
72440 - Connectivity Charges	0.00	146.36	0.00	146.36
72445 - Common Services-Communications	0.00	572.23	0.00	572.23
72505 - Stationery & other Office Supp	0.00	200.76	0.00	200.76
72715 - Hospitality Catering	0.00	147.39	0.00	147.39
73101 - Leased/rented land	0.00	2,424.17	0.00	2,424.17
73104 - Leased Building	0.00	7,924.28	0.00	7,924.28
73110 - Custodial & Cleaning Services	0.00	48.39	0.00	48.39
73120 - Utilities	0.00	1,689.86	0.00	1,689.86
73125 - Common Services-Premises	0.00	2,549.83	0.00	2,549.83
73410 - Maint, Oper of Transport Equip	0.00	2,559.20	0.00	2,559.20
74210 - Printing and Publications	0.00	153.56	0.00	153.56
74225 - Other Media Costs	0.00	283.30	0.00	283.30
74325 - Contrib. To CO Common Security	0.00	8,912.00	0.00	8,912.00
74505 - Insurance	0.00	807.95	0.00	807.95
74596 - Services to projects -GOE	0.00	18,435.63	0.00	18,435.63
75105 - Facilities & Admin - Implement	0.00	26,220.33	0.00	26,220.33
76125 - Realized Loss	0.00	3.62	0.00	3.62
76135 - Realized Gain	0.00	-1.09	0.00	-1.09
Total for Fund 30000	0.00	353,977.04	0.00	353,977.04
Total for Activity MANAGEMENT	0.00	353,977.04	0.00	353,977.04
Activity : PWA (transboundary arrangement) Fund : 30000 (PROGRAMME COST SHARING)				
71205 - Intl Consultants-Sht Term-Tech	0.00	4,375.00	0.00	4,375.00
71211 - Intl Consult Security Charge	0.00	181.56	0.00	181.56
71305 - Local Consult.-Sht Term-Tech	0.00	10,878.00	0.00	10,878.00
72105 - Svc Co-Construction & Engineer	0.00	109,107.06	0.00	109,107.06
74596 - Services to projects -GOE	0.00	2,391.40	0.00	2,391.40
75105 - Facilities & Admin - Implement	0.00	10,154.64	0.00	10,154.64
Total for Fund 30000	0.00	137,087.66	0.00	137,087.66
Total for Activity PWA	0.00	137,087.66	0.00	137,087.66
Activity : TRAINING (improving operational capacity)				
<div> Project Manager <i>Taghreed Najjar</i> <i>Taghreed</i> Programme Analyst <i>Husam tubail</i> </div> <div>  15 June 2020 15 June 2020 <i>Feroz D. Rathun</i>  Total Abu-Gharach & Co. Initiated for identification purposes only </div>				



UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

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Project Id : 00099404 Wastewater Management	Period :	Jan-Dec (2019)		
Output # : 00102692 Wastewater pollution control	Impl. Partner :	02388 UNDP - PAPP		
	Location :	Palestine		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Fund : 30000 (PROGRAMME COST SHARING)				
71305 - Local Consult.-Sht Term-Tech	0.00	5,350.00	0.00	5,350.00
72145 - Svc Co-Training and Educ Serv	0.00	18,800.00	0.00	18,800.00
74210 - Printing and Publications	0.00	136.05	0.00	136.05
75105 - Facilities & Admin - Implement	0.00	1,942.88	0.00	1,942.88
Total for Fund 30000	0.00	26,228.93	0.00	26,228.93
Total for Activity TRAINING	0.00	26,228.93	0.00	26,228.93
Total for Output : 00102692	0.00	4,608,246.29	0.00	4,608,246.29
Project Total :	0.00	4,608,246.29	0.00	4,608,246.29

Signed By: Project Manager Taghreed Majjaj Date: 10/6/2020
 Signed By: Programme Analyst Husam Tubaid Date: 10 June 2020

 
 Jemal D. Nathan
 Total Abu-Gharabeh & Co.
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UNDP UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

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Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2019)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00102692

Project Id : ALL Output # : ALL	Period : Jan-Dec (2019)	Impl. Partner :	Location :	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
70001 - PAPP - Central	0.00	4,605,663.58	0.00	4,605,663.58
70013 - PAPP - Procmt & Travel	0.00	2,582.71	0.00	2,582.71

Programme Analyst *Husam Tubail* 10 June 2020 *Husam*

Project Manager *Taghreed Najjar* 10 June 2020 *Taghreed*



Tawal Abu-Ghazaleh & Co.
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UN Development Programme
Report ID: unglcdrv

Combined Delivery Report by Activity

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Funds Utilization

Selection Criteria :

Business Unit : PAL10
Period : Jan-Dec (2019)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00102692

Project/Award: 00099404 Wastewater Management

Period : As Of Dec31,2019

Output #	00102692	Impl. Partner :02388 UNDP - PAPP	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			0.00
Unamortized Intangible Assets			0.00
Inventory			0.00
Prepayments			23,056.00
Commitments			501,955.10

Programme Analyst Husam Tubail

Husam Tubail

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by Husam tubail
Date: 2020.08.05
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10 June 2020

Project Manager Taghreed Najjar

10 June 2020

Taghreed Najjar

