

**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**Office of Audit and Investigations**



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNDP SYRIAN ARAB REPUBLIC**

**DAMAGED ROTOR REHABILITATION**  
**(Directly Implemented Project No. 113007, Output No. 104698)**

**Report No.2257**  
**Issue Date: 9 July 2020**

**Report on the Audit of UNDP Syrian Arab Republic  
Damaged Rotor Rehabilitation (Project No. 113007, Output No. 104698)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Talal Abu-Ghazaleh & Co. (the audit firm), from 14 May to 2 June 2020, conducted an audit of Damaged Rotor Rehabilitation (Project No. 113007, Output No. 104698) (the Project), which is directly implemented and managed by the UNDP Country Office in the Syrian Arab Republic (the Office). This was the first audit of the Project.

The audit firm conducted a financial audit to express an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations. The audit covered the Project's Combined Delivery Report, which includes expenses for the period from 1 January to 31 December 2019 and the accompanying Funds Utilization statement<sup>1</sup> 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 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**

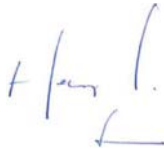
Based on the audit report submitted by the audit firm, the results are summarized in the table below:

Project Expenses	
Amount (in \$ '000)	Opinion
4,313	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 Osttveiten  
2020.07.09  
09:26:26 -04'00'

Helge S. Osttveiten  
Director  
Office of Audit and Investigations

<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.

**United Nations Development Programme  
(UNDP)**

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

**" Damaged Rotor Rehabilitation"  
(Project ID 00113007- Output ID 00104698)  
For the Year Ended 31 December 2019**

**5 July 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 00113007 - Output ID 00104698 “Damaged Rotor Rehabilitation” (the project), directly implemented by UNDP Country Office in Syria 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 are no fixed assets or equipment, therefore, no audit opinion to be provided on the statement of fixed assets.
Statement of Cash	Not applicable	There was no separate bank account for the project under audit therefore, no audit opinion to be provided on the Statement of Cash.

### Audit findings:

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

### Follow-up on Previous year audit recommendations:

The Project ID 113007 - Output ID 104698 “Damaged Rotor Rehabilitation” was not audited in prior years.

Sincerely yours,

**Jamal Milhem, CPA**  
**Certified Accountant License # (100/98)**



**Talal Abu –Ghazaleh & Co.**  
**License No. 251/1997**  
**Ramallah - Palestine, 5 July 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 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 period 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 accounts 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 00113007 - Output ID 00104698  
“Damaged Rotor Rehabilitation”**

**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 00113007 - output ID 00104698 “ Damaged Rotor Rehabilitation”, 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 accompanying Combined Delivery Report (CDR) and Funds Utilization Statement present fairly, in all material respects the total expenses of US\$ 4,313,121.71 directly incurred by the UNDP Country Office in Syria and charged to the project ID 00113007 – Output ID 00104698 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's 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 for the Audit

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 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, 2 June 2020**





## 2.2. Combined Delivery Report (CDR) and Fund Utilization Statement

### "Damaged Rotor Rehabilitation" (Project ID 00113007 - Output ID 00104698) For the Year Ended 31 December 2019



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UN Development Programme  
Report ID: unglcdrp

Combined Delivery Report By Project

Page 1 of 5  
Run Time: 17-05-2020 09:05:09

Selection Criteria :

Business Unit : SYR10  
Period : Jan-Dec (2019)  
Selected Project Id : ALL  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : 00104698

Project Id : 00113007 Job Creation for Resilience Bu	Period :	Jan-Dec (2019)		
Output # : 00104698 Damaged Rotor Rehabilitation	Impl. Partner :	99999 UNDP		
	Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Dept: 47201 (Syria - Central)

Fund : 30000 (PROGRAMME COST SHARING)

71615 - Daily Subsistence Allow-Intl	0.00	1,298.88	0.00	1,298.88
75105 - Facilities & Admin - Implement	0.00	103.91	0.00	103.91
Total for Fund 30000	0.00	1,402.79	0.00	1,402.79
Total for Dept : 47201	0.00	1,402.79	0.00	1,402.79

Dept: 47203 (Syria - Crisis Prev & Rcvry)

Fund : 30000 (PROGRAMME COST SHARING)

72815 - Inform Technology Supplies	0.00	1,558.75	0.00	1,558.75
75105 - Facilities & Admin - Implement	0.00	124.70	0.00	124.70
Total for Fund 30000	0.00	1,683.45	0.00	1,683.45
Total for Dept : 47203	0.00	1,683.45	0.00	1,683.45

Dept: 47217 (Syria-Damascus(FINANCE Only))

Fund : 30000 (PROGRAMME COST SHARING)

61105 - Salaries - NP Staff	0.00	2,754.25	0.00	2,754.25
62105 - Dependency Allowance-NP Staff	0.00	39.00	0.00	39.00
62110 - Contrib Joint Staff Pension-NP	0.00	444.85	0.00	444.85
62115 - Contrib to Med,SocIns-NP Staff	0.00	199.68	0.00	199.68
62120 - Hazard Duty Station Allow-NP	0.00	362.17	0.00	362.17
62140 - Annual Leave Expense - NO	0.00	316.58	0.00	316.58
63335 - Home Leave Trvl & Allow-IP Stf	0.00	700.00	0.00	700.00
63530 - Contribution to EOS Benefits	0.00	103.29	0.00	103.29
63535 - Contribution to Security	0.00	169.39	0.00	169.39
63540 - Contribution to Training	0.00	9.64	0.00	9.64
63545 - Contribution to ICT	0.00	41.31	0.00	41.31
63550 - Contributions to MAIP	0.00	1.38	0.00	1.38
63555 - Contribution to UN JFA	0.00	82.63	0.00	82.63
63560 - Contributions to Appendix D	0.00	6.89	0.00	6.89
64110 - Separations - NP Staff	0.00	55.09	0.00	55.09
65115 - Contributions to ASHI Reserve	0.00	274.05	0.00	274.05
65135 - Payroll Mgt Cost Recovery ATLA	0.00	22.41	0.00	22.41
71305 - Local Consult.-Sht Term-Tech	0.00	230.41	0.00	230.41
71405 - Service Contracts-Individuals	0.00	5,612.32	0.00	5,612.32
71410 - MAIP Premium SC	0.00	1.86	0.00	1.86



UN Development Programme  
Report ID: unglcdrp

Combined Delivery Report By Project

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Run Time: 17-05-2020 09:05:09

Project Id : 00113007 Job Creation for Resilience Bu		Period :		Jan-Dec (2019)
Output # : 00104698 Damaged Rotor Rehabilitation		Impl. Partner :		99999 UNDP
		Location :		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
71415 - Contribution to Security SC	0.00	227.61	0.00	227.61
71615 - Daily Subsistence Allow-Intl	0.00	6,848.64	0.00	6,848.64
71620 - Daily Subsistence Allow-Local	0.00	117,550.56	0.00	117,550.56
72155 - Svc Co-Public Admin, Politics	0.00	0.92	0.00	0.92
72415 - Courier Charges	0.00	12.70	0.00	12.70
74725 - Other L.T.S.H.	0.00	57.60	0.00	57.60
75105 - Facilities & Admin - Implement	0.00	10,897.51	0.00	10,897.51
75705 - Learning costs	0.00	93.32	0.00	93.32
76125 - Realized Loss	0.00	0.01	0.00	0.01
Total for Fund 30000	0.00	147,116.07	0.00	147,116.07
Total for Dept : 47217	0.00	147,116.07	0.00	147,116.07
Dept: 47218 (Syria-Homs(FINANCE Only))				
Fund : 30000 (PROGRAMME COST SHARING)				
71625 - Daily Subst Allow-Mtg Partic	0.00	17,782.95	0.00	17,782.95
72105 - Svc Co-Construction & Engineer	0.00	3,600.00	0.00	3,600.00
72155 - Svc Co-Public Admin, Politics	0.00	78.80	0.00	78.80
72210 - Machinery and Equipment	0.00	3,801,770.00	0.00	3,801,770.00
74510 - Bank Charges	0.00	999.20	0.00	999.20
74705 - Port Operation	0.00	894.94	0.00	894.94
75105 - Facilities & Admin - Implement	0.00	307,795.67	0.00	307,795.67
75706 - Learning - ticket costs	0.00	22,320.00	0.00	22,320.00
76135 - Realized Gain	0.00	-48.22	0.00	-48.22
Total for Fund 30000	0.00	4,155,193.34	0.00	4,155,193.34
Total for Dept : 47218	0.00	4,155,193.34	0.00	4,155,193.34
Dept: 47219 (Syria-Tartus(FINANCE Only))				
Fund : 30000 (PROGRAMME COST SHARING)				
71305 - Local Consult.-Sht Term-Tech	0.00	1,036.87	0.00	1,036.87
71635 - Travel - Other	0.00	640.14	0.00	640.14
74520 - Storage	0.00	1,991.66	0.00	1,991.66
74705 - Port Operation	0.00	444.70	0.00	444.70
75105 - Facilities & Admin - Implement	0.00	329.07	0.00	329.07
76125 - Realized Loss	0.00	0.00	0.00	0.00
76135 - Realized Gain	0.00	-6.06	0.00	-6.06
Total for Fund 30000	0.00	4,436.38	0.00	4,436.38
Total for Dept : 47219	0.00	4,436.38	0.00	4,436.38
Dept: 47222 (Syria-Hama(FINANCE Only))				
Fund : 30000 (PROGRAMME COST SHARING)				



UN Development Programme  
Report ID: unglcdp

Combined Delivery Report By Project

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Run Time: 17-05-2020 09:05:10

Project Id : 00113007 Job Creation for Resilience Bu		Period :		Jan-Dec (2019)	
Output # : 00104698 Damaged Rotor Rehabilitation		Impl. Partner :		99999 UNDP	
		Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp	
74210 - Printing and Publications	0.00	3,046.00	0.00	3,046.00	
75105 - Facilities & Admin - Implement	0.00	243.68	0.00	243.68	
Total for Fund 30000	0.00	3,289.68	0.00	3,289.68	
Total for Dept : 47222	0.00	3,289.68	0.00	3,289.68	
Total for Output : 00104698	0.00	4,313,121.71	0.00	4,313,121.71	
Project Total :	0.00	4,313,121.71	0.00	4,313,121.71	



DocuSigned by:

Signed By :

Ramla Khalidi



Date :

5/17/2020

Signed By :

Date :



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Report ID: unglcdrp

Combined Delivery Report By Project

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Run Time: 17-05-2020 09:05:10

Selection Criteria :

Business Unit : SYR10  
Period : Jan-Dec (2019)  
Selected Project Id : ALL  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : 00104698

Project Id : ALL	Period : Jan-Dec (2019)			
Output # : ALL	Impl. Partner : Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
47201 - Syria - Central	0.00	1,402.79	0.00	1,402.79
47203 - Syria - Crisis Prev & Rcvry	0.00	1,683.45	0.00	1,683.45
47217 - Syria-Damascus(FINANCE Only)	0.00	147,116.07	0.00	147,116.07
47218 - Syria-Homs(FINANCE Only)	0.00	4,155,193.34	0.00	4,155,193.34
47219 - Syria-Tartus(FINANCE Only)	0.00	4,436.38	0.00	4,436.38
47222 - Syria-Hama(FINANCE Only)	0.00	3,289.68	0.00	3,289.68



UN Development Programme  
Report ID: unglcdrp

Combined Delivery Report By Project

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Run Time: 17-05-2020 09:05:14

**Funds Utilization**

Selection Criteria :

Business Unit : SYR10  
Period : Jan-Dec (2019)  
Selected Project Id : ALL  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : 00104698

Project/Award: 00113007 Job Creation for Resilience Bu

Period : As at Dec 31, 2019

Output #	Impl. Partner :99999 UNDP	UNDP AMOUNT
Outstanding NEX advances		0.00
Undepreciated Fixed Assets		0.00
Unamortized Intangible Assets		0.00
Inventory		0.00
Prepayments		0.00
Commitments		72,860.00