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

# AUDIT

# OF

# SUPPORT TO SECURITY AND JUSTICE SECTOR GOVERNANCE IN IRAQ
## (Directly Implemented Project No. 115890, Output No. 113282)

# IN

# UNDP IRAQ

**Report No. 2512**

**Issue Date: 17 August 2022**

**Report on the Audit of Support to Security and Justice Sector Governance in Iraq Implemented by UNDP Iraq (Project No. 115890, Output No. 113282)**
**Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Talal Abu-Ghazaleh & Co. (the audit firm), from 12 to 26 June 2022, conducted an audit of 'Support to Security and Justice Sector Governance in Iraq' (Project No. 115890, Output No. 113282) (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 Talal Abu-Ghazaleh & Co. in 2021 and covered project expenses from 1 January to 31 December 2020.

The audit was conducted in accordance with the International Standards of Auditing (ISA), the 700 series. The audit work covered financial transactions as well as internal controls and systems for the purpose of expressing an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations, as well as assess compliance with UNDP regulations, rules, policies and procedures and donor agreements. The audit covered the Project's Combined Delivery Report, which includes expenses for the period from 1 January to 31 December 2021 and the accompanying Funds Utilization statement[1] as of 31 December 2021 as well as Statement of Assets as of 31 December 2021. It also reviewed the relevant systems, procedures, and practices in place as they relate to the Project, in the areas of governance, programme, and operations. The audit did not include activities and expenses incurred or undertaken at the "responsible party" level, or expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters. 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* of The Institute of Internal Auditors (The IIA).

**Overall audit rating**

Based on the audit report submitted by the audit firm, OAI assessed the management of the Project as **fully satisfactory**, which means, "The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area." The details of the audit results are presented in the table below:

| Project Expenses* | | Project Assets | |
|---|---|---|---|
| **Amount (in $ '000)** | **Opinion** | **Amount (in $'000)** | **Opinion** |
| 5,275 | Unmodified | 230 | Unmodified |

*Expenses recorded in the Combined Delivery Report were $7,203,941. Excluded from the audit scope were expenses processed and approved by other UNDP offices outside of the country ($1,908,013). Also excluded were expenses incurred at the "responsible party" level ($21,246)

The audit did not result in any recommendations.

[1] The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) undepreciated fixed assets used at the project level; (c) inventory held at the project level; (d) prepayments made by the project; and (e) outstanding commitments held at the project level.

**Implementation status of previous OAI audit recommendations**:

The previous audit (Report No. 2351, issued on 27 August 2021) 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
2022.08.17
12:23:47 -04'00'

Helge S. Osttveiten
Director
Office of Audit and Investigations

**United Nations Development Programme**
**(UNDP)**

# Combined Financial Audit and audit of Internal Controls and Systems of Directly Implemented Project Managed by UNDP Country Office in Iraq

**"Support to Security and Justice Sector Governance in Iraq"**
**(Project ID 115890 - Output ID 113282)**
**For the period from 1 January to 31 December 2021**

**1 July 2022**

**Talal Abu–Ghazaleh & Co. International**
**Certified Public Accountants**

## TABLE OF CONTENTS

**1. PART I – EXECUTIVE SUMMARY ..... 1**

1.1. Executive Summary: ..... 1

1.2. Audit Objectives ..... 3

1.3. Scope of the Audit: ..... 4

**2. PART II – FINANCIAL AUDIT REPORTS ..... 6**

2.1. Auditor's Report on Financial Position ..... 6

2.2. Combined Delivery Report (CDR) and Funds Utilization statement: ..... 8

2.3. Auditors Report on the Statement of Fixed Assets: ..... 13

2.4. Statement of Fixed Assets: ..... 15

# 1. PART I – EXECUTIVE SUMMARY

## 1.1. Executive Summary:

This report represents the results of the Combined financial audit and audit of Internal Controls and Systems conducted by Talal Abu – Ghazaleh & Co. of Project ID 115890 – Output ID 113282 "Support to Security and Justice Sector Governance" (the project), directly implemented by UNDP country office in Iraq for the period from 1 January to 31 December 2021.

The audit was undertaken on behalf of UNDP, Office of Audit and Investigations (OAI) and mandated in accordance with the Contract for Professional Services Number UNDP/OAI/LTA-12-2020-DIM-TAGI (471) signed between UNDP and Talal Abu–Ghazaleh & Co. on 1 March 2021.

**- Audit Opinions:**

The following is the summary of the audit opinions provided:

| Report on | Type of Opinion | Note |
|---|---|---|
| **Financial Position** | Unmodified | No issues were identified |
| **Statement of Fixed Assets** | Unmodified | No issues were identified |
| **Statement of Cash** | Not applicable | There was no separate bank account for the project under audit, therefore, no audit opinion is to be provided on the Statement of Cash. |

**- Audit of Internal Controls and Systems**

We have assessed the reliability and integrity of the project's financial and operational information, effectiveness and efficiency of the project's operations, safeguarding of project's assets and compliance with legislative mandates, regulations and rules, policies and procedures as well as with the donor agreement.

The following is the summary of the project internal controls assessment in the following areas:

| Report on | Rating |
|---|---|
| **Organization and Staffing** | Fully Satisfactory |
| **Programme and project management** | Fully Satisfactory |
| **Human Resources** | Fully Satisfactory |
| **Finance** | Fully Satisfactory |
| **Procurement** | Fully Satisfactory |
| **Asset Management** | Fully Satisfactory |
| **Cash Management** | Fully Satisfactory |
| **Information Systems** | Fully Satisfactory |
| **General Administration** | Fully Satisfactory |
| **Follow-up on previous audits** | Not Applicable |

Based on our assessment of the above areas, the overall rating of the Internal Controls and Systems is assesed as **Fully Satisfactory.**

**- Audit Findings:**

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:**

Project ID 115890 - Output ID 113282 "Support to Security and Justice Sector Governance in Iraq" was audited in the prior year (Report No. 2351 issued on 27 August 2021). The previous audit report did not result in any recommenations.

Sincerely yours,

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

**Talal Abu –Ghazaleh & Co. International**
**License No. 201/2022**
**Ramallah - Palestine, 19 June 2022**

## 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 2021 and the funds utilization, the accounts receivable and the accounts payable as at 31 December 2021 were fairly presented in accordance with UNDP's 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 2021. This statement should include all assets available as at 31 December 2021 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.
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 2021. 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.

C. The objective of the assessment of Internal Controls and Systems is to assess the reliability and integrity of the project's financial and operational information, effectiveness and efficiency of the project's operations, safeguarding of project's assets and compliance with legislative mandates, regulations and rules, policies and procedures as well as with the donor agreement.

The financial audit was conducted in accordance with the International Standards on Auditing (ISA), the 700 series.

## 1.3. Scope of the Audit:

A. 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 2021.

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 country office.

B. Audit of Internal Controls and Systems

Conduct the necessary audit steps to cover the project's internal controls and systems in order to assess:

(a) Reliability and integrity of project financial and operational information;
(b) Effectiveness and efficiency of project operations;
(c) Safeguarding of project assets;
(d) Compliance with legislative mandates, regulations and rules, policies and procedures, as well as donor agreements.

Assess the internal controls <u>with regard to the audited project</u> in the following areas:

(i) <u>Organization and Staffing</u>: Assess the overall project structure for effective work flows and management arrangements, including assignment of authority, accountability and responsibility to staff.
(ii) <u>Programme and project management</u>: Assess the management aspects in terms of approval of the project, financial management of project funds, and monitoring of implementation towards achievement of project objectives. This includes reporting to the, Steering Committee, Project Board and/or Donors.
(iii) <u>Human Resources</u>: Assess competitiveness and transparency of the recruitment process; and effectiveness of the management of project personnel, including contract administration, performance evaluation and payment of salaries and allowances.
(iv) <u>Finance</u>: Assess the compliance with UNDP policies with respect to the safe custody and adequate management of cash, commitment of expenditures against approved budget, disbursement or payments against liabilities and cash advances to field offices, project staff, etc.
(v) <u>Procurement</u>: Assess whether goods, services and civil works for the project are procured competitively and in a transparent manner in accordance with UNDP policies and procedures. This includes management of obligations and appropriate assessment of goods or services delivered and monitoring performance of the contractors, before payment.
(vi) <u>Asset Management</u>: Assess whether project assets are adequately recorded, safeguarded, monitored, including periodic physical verification of their use and existence.

(vii) Cash Management: Review the safeguarding of all cash (including bank accounts) held separately for the purposes of the project either in the UNDP country office or at the project field offices, including cash held as advances or imprest in any sub-office or field office.

(viii) Information Systems: Assess the efficiency and security of the information systems established and maintained from project funds and their adequacy to meet the management and reporting requirements of the projects.

(ix) General Administration: These include areas of operations not specifically covered above and for which expenses are charged to the project covering such areas as: travel of project staff, use and maintenance of project vehicles, lease and maintenance of office premises.

(x) Follow-up on previous audits: As may be applicable, assess the status of implementation of the previous year's audit recommendations.

## 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 115890 – Output ID 113282**
**"Support to Security and Justice Sector Governance in Iraq"**

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

We have audited the financial position of UNDP Project ID 115890 - Output ID 113282 "Support to Security and Justice Sector Governance in Iraq" for the period from 1 January to 31 December 2021, 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 at a total amount of US$ 7,203,941.11, are comprised of expenditures directly incurred by the UNDP country office in Iraq for an amount of US$ 5,274,682.07 and expenditures incurred by entities other than the Country Office for an amount of US$ 1,929,259.04. Our audit only covered the expenditures directly incurred by the UNDP Country Office in Iraq amounting to US$ 5,274,682.07.

**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$ 5,274,682.07 directly incurred by the UNDP Country Office in Iraq and charged to Project ID 115890 - Output ID 113282 "Support to Security and Justice Sector Governance in Iraq" for the period from 1 January to 31 December 2021 in accordance with UNDP's 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 are necessary to enable the preparation of a CDR and Funds Utilization statement that are free from material misstatement, whether due to fraud or error.

**Auditor's 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)**

Jamal J. Milhem 22

**Talal Abu –Ghazaleh & Co. International**
**License No. 201/2022**
**Ramallah - Palestine, 19 June 2022**

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

**"Support to Security and Justice Sector Governance in Iraq"**
**(Project ID 115890 - Output ID 113282)**
**For the period from 1 January to 31 December 2021**

**Combined Delivery Report By Project**

UN Development Programme
Report ID: unglodrp

Page 1 of 6
Run Time: 14-02-2022 09:02:04

**Selection Criteria :**

**Business Unit :** IRQ10
**Period :** Jan-Dec (2021)
**Selected Project Id :** 00115890
**Selected Fund Code :** ALL
**Selected Dept. IDs :** B0450
**Selected Outputs :** 00113282

| Project Id : 00115890 Support to Security &Justice S | Period : | Jan-Dec (2021) |
|---|---|---|
| Output # : 00113282 Support to Security & Justice | Impl. Partner : | 99999 UNDP |
| | Location : | UNDP IRAQ |

**Dept:** 45001 (Iraq - Central)

**Fund :** 30000 (PROGRAMME COST SHARING)

| | Govt Exp | UNDP Exp | UN Agencies Exp | Total Exp |
|---|---|---|---|---|
| 61305 - Salaries - IP Staff | 0.00 | 99,550.23 | 0.00 | 99,550.23 |
| 61310 - Post Adjustment - IP Staff | 0.00 | 33,548.49 | 0.00 | 33,548.49 |
| 62310 - Contrib to Jt Staff Pens Fd-IP | 0.00 | 35,422.42 | 0.00 | 35,422.42 |
| 62315 - Contrib. to medical, social in | 0.00 | 306.00 | 0.00 | 306.00 |
| 62320 - Mobility, Hardship, Non-remova | 0.00 | 21,339.96 | 0.00 | 21,339.96 |
| 62330 - Rental Supplements - IP Staff | 0.00 | - 5,103.20 | 0.00 | - 5,103.20 |
| 62335 - Hazard Duty Station Allow-IP | 0.00 | 20,933.80 | 0.00 | 20,933.80 |
| 62340 - Annual Leave Expense - IP | 0.00 | - 2,433.74 | 0.00 | - 2,433.74 |
| 63330 - Ed Grt Incl Trvl&Allow-IP Stf | 0.00 | 12,000.00 | 0.00 | 12,000.00 |
| 63335 - Home Leave Trvl & Allow-IP Stf | 0.00 | 700.00 | 0.00 | 700.00 |
| 63340 - Proc trips/Rest & Recup-IP Stf | 0.00 | 9,750.00 | 0.00 | 9,750.00 |
| 63350 - Reimb of Income Tax-IP Staff | 0.00 | 3,660.18 | 0.00 | 3,660.18 |
| 63365 - Special Oper Living Allow-IP | 0.00 | 7,500.00 | 0.00 | 7,500.00 |
| 63530 - Contribution to EOS Benefits | 0.00 | 4,658.52 | 0.00 | 4,658.52 |
| 63535 - Contribution to Security | 0.00 | 6,649.30 | 0.00 | 6,649.30 |
| 63540 - Contribution to Training | 0.00 | 465.90 | 0.00 | 465.90 |
| 63545 - Contribution to ICT | 0.00 | 1,996.47 | 0.00 | 1,996.47 |
| 63550 - Contributions to MAIP | 0.00 | 66.57 | 0.00 | 66.57 |
| 63555 - Contribution to UN JFA | 0.00 | 3,102.99 | 0.00 | 3,102.99 |
| 63560 - Contributions to Appendix D | 0.00 | 332.79 | 0.00 | 332.79 |
| 64310 - Separations - IP Staff | 0.00 | 1,663.71 | 0.00 | 1,663.71 |
| 64397 - Services to projects -CO staff | 0.00 | 29,897.17 | 0.00 | 29,897.17 |
| 65115 - Contributions to ASHI Reserve | 0.00 | 13,243.35 | 0.00 | 13,243.35 |
| 65135 - Payroll Mgt Cost Recovery ATLA | 0.00 | 772.56 | 0.00 | 772.56 |
| 71205 - Intl Consultants-Sht Term-Tech | 0.00 | 440,522.64 | 0.00 | 440,522.64 |
| 71211 - Intl Consult Security Charge | 0.00 | 17,012.19 | 0.00 | 17,012.19 |
| 71305 - Local Consult.-Sht Term-Tech | 0.00 | 88,329.11 | 0.00 | 88,329.11 |
| 71405 - Service Contracts-Individuals | 0.00 | 510,577.69 | 0.00 | 510,577.69 |
| 71410 - MAIP Premium SC | 0.00 | 175.78 | 0.00 | 175.78 |
| 71415 - Contribution to Security SC | 0.00 | 18,257.16 | 0.00 | 18,257.16 |
| 71460 - Int Personnel Srvcs Agreement | 0.00 | 277,603.75 | 0.00 | 277,603.75 |
| 71470 - Natl Personnel Srvcs Agreement | 0.00 | 23,789.04 | 0.00 | 23,789.04 |
| 71505 - UN Volunteers-Stipend & Allow | 0.00 | 3,787.26 | 0.00 | 3,787.26 |
| 71520 - UNV_Volunteer_Learning | 0.00 | 71.13 | 0.00 | 71.13 |
| 71525 - UNV-Hazard Pay | 0.00 | 851.01 | 0.00 | 851.01 |
| 71535 - UNV-Medical Insurance | 0.00 | 212.47 | 0.00 | 212.47 |
| 71540 - UNV-Global Charges | 0.00 | 137.91 | 0.00 | 137.91 |
| 71541 - UNVs-Contribution to security | 0.00 | 170.20 | 0.00 | 170.20 |
| 71550 - UNV RSA / Exit Allowance | 0.00 | 239.39 | 0.00 | 239.39 |
| 71590 - UNV Development Effectiveness | 0.00 | 40.00 | 0.00 | 40.00 |
| 71592 - UNV_COST_RECOVERY_RECURRING | 0.00 | 591.57 | 0.00 | 591.57 |
| 71605 - Travel Tickets-International | 0.00 | 272.00 | 0.00 | 272.00 |
| 71615 - Daily Subsistence Allow-Intl | 0.00 | 15,444.21 | 0.00 | 15,444.21 |
| 71620 - Daily Subsistence Allow-Local | 0.00 | 499.20 | 0.00 | 499.20 |

**Combined Delivery Report By Project**

UN Development Programme
Report ID: unglcdrp

Page 2 of 6
Run Time: 14-02-2022 09:02:04

| | | | |
|---|---|---|---|
| **Project Id : 00115890 Support to Security &Justice S** | **Period :** | **Jan-Dec (2021)** | |
| **Output # : 00113282 Support to Security & Justice** | **Impl. Partner :** | **99999 UNDP** | |
| | **Location :** | **UNDP IRAQ** | |

| | Govt Exp | UNDP Exp | UN Agencies Exp | Total Exp |
|---|---|---|---|---|
| 71630 - Shipment | 0.00 | 708.00 | 0.00 | 708.00 |
| 71635 - Travel - Other | 0.00 | 4,907.28 | 0.00 | 4,907.28 |
| 72105 - Svc Co-Construction & Engineer | 0.00 | 192,192.77 | 0.00 | 192,192.77 |
| 72130 - Svc Co-Transportation Services | 0.00 | 234.26 | 0.00 | 234.26 |
| 72165 - Svc Co-Social Svcs, Social Sci | 0.00 | 127,957.50 | 0.00 | 127,957.50 |
| 72215 - Transporation Equipment | 0.00 | 1,078.80 | 0.00 | 1,078.80 |
| 72405 - Acquisition of Communic Equip | 0.00 | 33.79 | 0.00 | 33.79 |
| 72425 - Mobile Telephone Charges | 0.00 | 17,225.56 | 0.00 | 17,225.56 |
| 72430 - Postage and Pouch | 0.00 | 174.54 | 0.00 | 174.54 |
| 72440 - Connectivity Charges | 0.00 | 20,527.08 | 0.00 | 20,527.08 |
| 72445 - Common Services-Communications | 0.00 | 11,851.56 | 0.00 | 11,851.56 |
| 72505 - Stationery & other Office Supp | 0.00 | 104.19 | 0.00 | 104.19 |
| 72605 - Grants to Instil & other Benef | 0.00 | 10,000.00 | 0.00 | 10,000.00 |
| 72615 - Micro Capital Grants-Other | 0.00 | 9,672.00 | 0.00 | 9,672.00 |
| 72805 - Acquis of Computer Hardware | 0.00 | 7,530.00 | 0.00 | 7,530.00 |
| 72810 - Acquis of Computer Software | 0.00 | 8,684.40 | 0.00 | 8,684.40 |
| 72815 - Inform Technology Supplies | 0.00 | 27,156.00 | 0.00 | 27,156.00 |
| 72966 - Licenses and other | 0.00 | 4,658.00 | 0.00 | 4,658.00 |
| 73104 - Leased Building | 0.00 | 98,269.14 | 0.00 | 98,269.14 |
| 73105 - Rent | 0.00 | 57,944.64 | 0.00 | 57,944.64 |
| 73125 - Common Services-Premises | 0.00 | 53,026.53 | 0.00 | 53,026.53 |
| 73310 - Maint & Licencing of Software | 0.00 | 17,348.00 | 0.00 | 17,348.00 |
| 73410 - Maint, Oper of Transport Equip | 0.00 | 3,243.10 | 0.00 | 3,243.10 |
| 74110 - Audit Fees | 0.00 | 3,703.00 | 0.00 | 3,703.00 |
| 74210 - Printing and Publications | 0.00 | 1,079.95 | 0.00 | 1,079.95 |
| 74325 - Contrib.To CO Common Security | 0.00 | 126,606.11 | 0.00 | 126,606.11 |
| 74507 - Warranty Expense | 0.00 | 70.00 | 0.00 | 70.00 |
| 74510 - Bank Charges | 0.00 | 60.00 | 0.00 | 60.00 |
| 74520 - Storage | 0.00 | 55.85 | 0.00 | 55.85 |
| 74596 - Services to projects -GOE | 0.00 | 3,321.91 | 0.00 | 3,321.91 |
| 74710 - Land Transport | 0.00 | 58.58 | 0.00 | 58.58 |
| 74725 - Other L.T.S.H. | 0.00 | 1,512.51 | 0.00 | 1,512.51 |
| 75105 - Facilities & Admin - Implement | 0.00 | 423,505.59 | 0.00 | 423,505.59 |
| 75705 - Learning costs | 0.00 | 1,667,643.18 | 0.00 | 1,667,643.18 |
| 75706 - Learning - ticket costs | 0.00 | 58,790.50 | 0.00 | 58,790.50 |
| 75707 - Learning – subsistence allowan | 0.00 | 274,549.02 | 0.00 | 274,549.02 |
| 76125 - Realized Loss | 0.00 | 0.00 | 0.00 | 0.00 |
| 77305 - Salaries - IP Staff-TA | 0.00 | 302,031.09 | 0.00 | 302,031.09 |
| 77306 - Appoint-Tk cost-IP Staff-TA | 0.00 | 5,195.00 | 0.00 | 5,195.00 |
| 77307 - Appoint-Sub Allow-IP Staff-TA | 0.00 | 12,540.00 | 0.00 | 12,540.00 |
| 77309 - Appoint-shipment-IP Staff-TA | 0.00 | 2,400.00 | 0.00 | 2,400.00 |
| 77310 - Post Adjustment - IP Staff-TA | 0.00 | 101,784.44 | 0.00 | 101,784.44 |
| 77315 - Contrib-Med,Socins-IP Staff-TA | 0.00 | 5,024.93 | 0.00 | 5,024.93 |
| 77320 - Assg hardship & mob allow-TA | 0.00 | 74,699.88 | 0.00 | 74,699.88 |
| 77335 - Hazard Duty Stat Allow-IP-TA | 0.00 | 13,641.88 | 0.00 | 13,641.88 |
| 77345 - Dep Allowances-IP Staff-TA | 0.00 | 24,007.03 | 0.00 | 24,007.03 |
| 77350 - Rental Supplements-IP Staff-TA | 0.00 | - 10,987.48 | 0.00 | - 10,987.48 |
| 77353 - Reimb of Income Tax – IP-TA | 0.00 | 13,061.63 | 0.00 | 13,061.63 |
| 77357 - Repat. Grt/Comm Ann Lv-IP-TA | 0.00 | 12,957.18 | 0.00 | 12,957.18 |
| 77365 - Spec Oper Living Allow-IP-TA | 0.00 | 59,650.29 | 0.00 | 59,650.29 |
| 77375 - Contrib-Jt Staff Pens Fd-IP-TA | 0.00 | 105,660.94 | 0.00 | 105,660.94 |
| 77385 - Contribution to Security | 0.00 | 29,005.24 | 0.00 | 29,005.24 |
| 77386 - Contribution to ICT_TA | 0.00 | 7,200.57 | 0.00 | 7,200.57 |
| 77395 - MAIP Premium TA/IP | 0.00 | 201.95 | 0.00 | 201.95 |

**Combined Delivery Report By Project**

UN Development Programme
Report ID: unglcdrp


Run Time: 14-02-2022 09:02:04

| Project Id : 00115890 Support to Security &Justice S | Period : | Jan-Dec (2021) |
|---|---|---|
| Output # : 00113282 Support to Security & Justice | Impl. Partner : | 99999 UNDP |
| | Location : | UNDP IRAQ |

| | Govt Exp | UNDP Exp | UN Agencies Exp | Total Exp |
|---|---|---|---|---|
| 77396 - PAYROLL MGT COST RECOVERY | 0.00 | 3,090.24 | 0.00 | 3,090.24 |
| 77397 - Appendix D TA/IP | 0.00 | 1,009.43 | 0.00 | 1,009.43 |
| 77660 - Dep Exp Owned -Vehicle | 0.00 | 21,061.74 | 0.00 | 21,061.74 |
| **Total for Fund 30000** | **0.00** | **5,717,326.50** | **0.00** | **5,717,326.50** |
| **Fund : 32045 (JPN-Partnership Devt. Pgm. PCF)** | | | | |
| 62335 - Hazard Duty Station Allow-IP | 0.00 | 9,053.96 | 0.00 | 9,053.96 |
| 63340 - Proc trips/Rest & Recup-IP Stf | 0.00 | 5,250.00 | 0.00 | 5,250.00 |
| 71205 - Intl Consultants-Sht Term-Tech | 0.00 | 125,369.73 | 0.00 | 125,369.73 |
| 71211 - Intl Consult Security Charge | 0.00 | 5,164.00 | 0.00 | 5,164.00 |
| 71305 - Local Consult.-Sht Term-Tech | 0.00 | 0.00 | 0.00 | 0.00 |
| 71405 - Service Contracts-Individuals | 0.00 | 735,457.00 | 0.00 | 735,457.00 |
| 71460 - Int Personnel Srvcs Agreement | 0.00 | 168,763.07 | 0.00 | 168,763.07 |
| 71615 - Daily Subsistence Allow-Intl | 0.00 | 2,202.63 | 0.00 | 2,202.63 |
| 71620 - Daily Subsistence Allow-Local | 0.00 | 187.20 | 0.00 | 187.20 |
| 71635 - Travel - Other | 0.00 | 487.14 | 0.00 | 487.14 |
| 72105 - Svc Co-Construction & Engineer | 0.00 | 148,253.00 | 0.00 | 148,253.00 |
| 72401 - Prefab structure/other buildin | 0.00 | 184,170.25 | 0.00 | 184,170.25 |
| 72405 - Acquisition of Communic Equip | 0.00 | 23.00 | 0.00 | 23.00 |
| 72430 - Postage and Pouch | 0.00 | 37.87 | 0.00 | 37.87 |
| 72620 - Joint Programming Expenditure | 0.00 | 62.40 | 0.00 | 62.40 |
| 73125 - Common Services-Premises | 0.00 | 0.00 | 0.00 | 0.00 |
| 74205 - Audio Visual Productions | 0.00 | 15,240.00 | 0.00 | 15,240.00 |
| 75105 - Facilities & Admin - Implement | 0.00 | 110,119.61 | 0.00 | 110,119.61 |
| 75705 - Learning costs | 0.00 | 0.00 | 0.00 | 0.00 |
| 75706 - Learning - ticket costs | 0.00 | 0.00 | 0.00 | 0.00 |
| 77305 - Salaries - IP Staff-TA | 0.00 | 0.00 | 0.00 | 0.00 |
| 77310 - Post Adjustment - IP Staff-TA | 0.00 | 0.00 | 0.00 | 0.00 |
| 77315 - Contrib-Med,Soclns-IP Staff-TA | 0.00 | - 50.40 | 0.00 | - 50.40 |
| 77320 - Assg hardship & mob allow-TA | 0.00 | 0.00 | 0.00 | 0.00 |
| 77345 - Dep Allowances-IP Staff-TA | 0.00 | 0.00 | 0.00 | 0.00 |
| 77350 - Rental Supplements-IP Staff-TA | 0.00 | 0.00 | 0.00 | 0.00 |
| 77353 - Reimb of Income Tax – IP-TA | 0.00 | - 1,956.69 | 0.00 | - 1,956.69 |
| 77357 - Repat. Grt/Comm Ann Lv-IP-TA | 0.00 | - 6,182.13 | 0.00 | - 6,182.13 |
| 77365 - Spec Oper Living Allow-IP-TA | 0.00 | - 5,050.29 | 0.00 | - 5,050.29 |
| 77375 - Contrib-Jt Staff Pens Fd-IP-TA | 0.00 | 0.00 | 0.00 | 0.00 |
| 77385 - Contribution to Security | 0.00 | - 8,843.25 | 0.00 | - 8,843.25 |
| 77386 - Contribution to ICT_TA | 0.00 | - 1,143.49 | 0.00 | - 1,143.49 |
| 77395 - MAIP Premium TA/IP | 0.00 | 0.00 | 0.00 | 0.00 |
| 77396 - PAYROLL MGT COST RECOVERY | 0.00 | 0.00 | 0.00 | 0.00 |
| 77397 - Appendix D TA/IP | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total for Fund 32045** | **0.00** | **1,486,614.61** | **0.00** | **1,486,614.61** |
| **Total for Dept : 45001** | **0.00** | **7,203,941.11** | **0.00** | **7,203,941.11** |
| **Total for Output : 00113282** | **0.00** | **7,203,941.11** | **0.00** | **7,203,941.11** |

**Combined Delivery Report By Project**

UN Development Programme
Report ID: ungicdrp

Page 4 of 6
Run Time: 14-02-2022 09:02:04

| | | | |
|---|---|---|---|
| Project Id : 00115890 Support to Security &Justice S | Period : | Jan-Dec (2021) | |
| Output # : 00113282 Support to Security & Justice | Impl. Partner : | 99999 UNDP | |
| | Location : | UNDP IRAQ | |

| | Govt Exp | UNDP Exp | UN Agencies Exp | Total Exp |
|---|---|---|---|---|
| Project Total : | 0.00 | 7,203,941.11 | 0.00 | 7,203,941.11 |

United Nations Development Programme Iraq

Talal Abu-Ghazaleh & Co. International

Initiated for identification purposes only

Signed By : Finn Bernth Andersen, SSR OIC Date : 14-02-2022

Signed By : Zena Ali Ahmad, Resident Representative, UNDP Iraq Date : 2 Mar 2022

**Combined Delivery Report By Project**

UN Development Programme
Report ID: unglcdrp

Page 5 of 6
Run Time: 14-02-2022 09:02:04

**Selection Criteria :**

**Business Unit : IRQ10**
**Period : Jan-Dec (2021)**
**Selected Project Id : 00115890**
**Selected Fund Code : ALL**
**Selected Dept. IDs : B0450**
**Selected Outputs : 00113282**

| Project Id : ALL | Period : Jan-Dec (2021) | | | |
|---|---|---|---|---|
| Output # : ALL | Impl. Partner : Location : | | | |
| | Govt Exp | UNDP Exp | UN Agencies Exp | Total Exp |
| 45001 - Iraq - Central | 0.00 | 7,203,941.11 | 0.00 | 7,203,941.11 |

**Combined Delivery Report By Project**

UN Development Programme
Report ID: unglcdrp

Page 6 of 6
Run Time: 14-02-2022 09:02:08

**Funds Utilization**

**Selection Criteria :**

**Business Unit : IRQ10**
**Period : Jan-Dec (2021)**
**Selected Project Id : 00115890**
**Selected Fund Code : ALL**
**Selected Dept. IDs : B0450**
**Selected Outputs : 00113282**

**Project/Award: 00115890 Support to Security &Justice S** — **Period : As at Dec 31, 2021**

| Output # 00113282 Impl. Partner :99999 UNDP | UNDP AMOUNT |
|---|---|
| Outstanding NEX advances | 0.00 |
| Undepreciated Fixed Assets | 229,924.12 |
| Unamortized Intangible Assets | 0.00 |
| Inventory | 0.00 |
| Prepayments | 0.00 |
| Commitments | 330,974.55 |

## 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 115890 – Output ID 113282**
**"Support to Security and Justice Sector Governance in Iraq"**

**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 UNDP Project ID 115890 - Output ID 113282 "Support to Security and Justice Sector Governance in Iraq" as at 31 December 2021.

### Unmodified Opinion

In our opinion, the accompanying statement of fixed assets presents fairly in all material respects the assets status of Project ID 115890 - Output ID 113282 amounting to US$ 229,924.12 as at 31 December 2021 in accordance with UNDP's 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 are 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 controls that we identified during our audit.

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

**Talal Abu –Ghazaleh & Co. International**
**License No. 201/2022**
**Ramallah – Palestine, 19 June 2022**

## 2.4. Statement of Fixed Assets:

**"Support to Security and Justice Sector Governance in Iraq"**
**(Project ID 115890 - Output ID 113282)**
**for the period from 1 January to 31 December 2021**

UNDP

**Asset Management Detail Report**

IRQ CO
UN Development Programme
Project ID: 113282
End Year 2021 Dec

| Business unit | Business unit | Operating Unit | Asset ID | Profile ID | Description | TAG Number | Serial Number | Model | Location | Acquisition Date | In Service Date | Cost,USD | Net Book Valu | Quantity | Departm | Impl Agend | Donor | Project | Fund code |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| IRQ10 | IRQ10 | IRQ | 000000002110 | MTRV5 | Toyota Land Cruiser Armored Ve | 301-30 | JTMHV01J005050119 | Land Cruiser 200 | IRQBAGHDAD | 23/12/2020 | 23/12/2020 | 126,370.50 | 114,962.06 | 1 | 45001 | 001981 | 00182 | 00113282 | 30000 |
| IRQ10 | IRQ10 | IRQ | 000000002111 | MTRV5 | Toyota Land Cruiser Armored Ve | 301-31 | JTMHV01J005051321 | Land Cruiser 200 | IRQBAGHDAD | 23/12/2020 | 23/12/2020 | 126,370.50 | 114,962.06 | 1 | 45001 | 001981 | 00182 | 00113282 | 30000 |
| | | | | | | | | | | | | Total | 229,924.12 | | | | | | |

Authorizing Resident Representative):

DocuSigned by:
Zena Ali Ahmad
Signature: [redacted]

Name: Zena Ali Ahmad

Title: Resident Representative

Date: Dec/31/2021

United Nations Development Programme Iraq

Talal Abu-Ghazaleh & Co. International

Initiated for identification purposes only

**Definition of Standard Audit Ratings to audit report covering the audit of internal controls and systems**

| | |
|---|---|
| ▪ **Fully Satisfactory** | The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area. |
| ▪ **Satisfactory / Some Improvement Needed** | The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area. |
| ▪ **Partially Satisfactory / Major Improvement Needed** | The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area. |
| ▪ **Unsatisfactory** | The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area. |