



AUDIT

OF

LEBANON LIVELIHOODS SUPPORT PROJECT – INTERNAL SECURITY FORCES
(2LSP-ISF)
(Directly Implemented Project No. 1000108)

IN

UNDP LEBANON

Report No. 2800
Issue Date: 10 September 2024

**Report on the Audit of Lebanon Livelihoods Support Project – Internal Security Forces (2LSP-ISF)
(Project No. 1000108)
Implemented by UNDP Lebanon
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through PKF Littlejohn LLP (the audit firm), from 3 to 13 June 2024, conducted an audit of Lebanon Livelihoods Support Project – Internal Security Forces (2LSP-ISF) (Project No. 1000108) (the Project), which is directly implemented and managed by the UNDP Country Office in Lebanon (the Office). This was the first audit of the Project.

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 2023 and the accompanying Funds Utilization statement¹ as of 31 December 2023. 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 processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). 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* 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 as applicable to the Project’s financial statements 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* | |
|------------------------|------------|
| Amount (in \$ '000) | Opinion |
| 15,326 | Unmodified |

*Expenses recorded in the Combined Delivery Report were \$15,482,056. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UNDP offices outside of the country (\$155,734).


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.



Management comments and action plan

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

 Sean DeBlieck
' 2024.09.10
10:28:00 -04'00'

Sean DeBlieck
Deputy Director (Audit)
Office of Audit and Investigations

**United Nations Development Programme
(UNDP)**

Report of the Independent Auditor on
the United Nations Development Programme (UNDP)
Directly Implemented DIM Project – Implemented by UNDP Lebanon

| | |
|--------------------------|---|
| Project name: | Lebanon Livelihoods Support Project – Internal Security Forces (2LSP-ISF) |
| UNDP Country Office: | Lebanon |
| Project ID: | 01000108 |
| Auditor: | PKF Littlejohn LLP |
| Period subject to audit: | 1 January to 31 December 2023 |

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EXECUTIVE SUMMARY

PKF Littlejohn LLP conducted the combined financial audit and audit of Internal Controls and Systems of UNDP DIM Project ID 01000108, “Lebanon Livelihoods Support Project – Internal Security Forces (2LSP - ISF)” implemented by UNDP Lebanon following the Direct Implementation for the period from 1 January to 31 December 2023. The audit was undertaken on behalf of the Office of Audit and Investigations (OAI) United Nations Development Programme (UNDP).

Audit opinions

We have issued audit opinions as summarized in the table below and as detailed in the next section:

| | |
|----------------------------|--|
| Project Financial Position | Unmodified |
| Statement of Fixed Assets | Not applicable because the project did not maintain fixed assets. |
| Statement of Cash | Not applicable because the project did not maintain a separate bank account. |

- 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 and systems assessment in the following areas and the details will be presented in the next sections of the report:

| 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 assessed as **Fully Satisfactory**.

Management letter summary

There were no reportable findings raised during the course of our audit, consequently we have not issued a management letter.

Prior year audit

The project ID 01000108 "Lebanon Livelihoods Support Project – Internal Security Forces (2LSP - ISF)" was not audited in the prior year and therefore there were no recommendations to follow up on.



PKF Littlejohn LLP

14 August 2024

15 Westferry Circus
Canary Wharf
London
E14 4HD

THE AUDIT ENGAGEMENT

Audit Objectives and Scope

A. Financial audit

The objective of the financial audit was to express an opinion on the DIM project's financial position which includes:

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January to 31 December 2023 as well as the Funds Utilization statement as at 31 December 2023 and the accounts receivable and accounts payable as at 31 December 2023 are 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.
- Expressing an opinion on whether the Statement of Fixed Assets, at net book value, presents fairly the balance of depreciated assets of the project as at 31 December 2023. This statement must include all assets available as at 31 December 2023 and not only those purchased in a given period. Where a project does not have any assets or equipment, it is not necessary to express such an opinion.
- Expressing an opinion on whether the Statement of Cash held by the project presents fairly the cash and bank balance of the project as at 31 December 2023. Disbursements made against a project are usually financed from regular country office bank accounts. Exceptionally, a dedicated account may be opened and used solely for the cash transactions of a project, e.g. if the project is in a remote location. The audit firm is required to express an opinion on the Statement of Cash only where a dedicated bank account for the project has been established. In cases where the cash transactions of the audited project are made through the country office bank accounts this type of opinion is not required.
- As maybe applicable, provide the progress made in implementing the recommendations raised in previous year audit report.
- 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.

The scope of the audit relates only to transactions concluded and recorded against the UNDP project between 1 January to 31 December 2023. 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 Centres and UNDP Headquarters and where the supporting documentation is not retained at the level of the UNDP country office.

B. Internal-control and system review

The scope of the financial audit also comprised of an internal-control and systems audit of the project which was conducted in accordance with the UNDP DIM Audits Terms of Reference.

This included the performance of 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.

In respect of this, the audit firm has assessed the internal controls with regard to the audited project in the following areas:

- (i) Organization and Staffing: Assess the overall project structure for effective workflows and management arrangements, including assignment of authority, accountability and responsibility to staff.
- (ii) Programme and project management: Assess the management aspects in terms of approval of the project, financial management of project funds, and monitoring of implementation towards achievement of the project objectives. This includes reporting to the Steering Committee, Project Board and/or Donors.
- (iii) Human Resources: Assess competitiveness and transparency of the recruitment process; and effectiveness of the management of project personnel, including contract administration, performance evaluation and training and payment of salaries and allowances.
- (iv) Finance: 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) Procurement: 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) Asset Management: 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.

REPORT OF THE INDEPENDENT AUDITORS ON THE PROJECT FINANCIAL POSITION

Lebanon Livelihoods Support Project – Internal Security Forces (2LSP-ISF)

**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 01000108, “Lebanon Livelihoods Support Project – Internal Security Forces (2LSP - ISF)”, for the period 1 January to 31 December 2023 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.

The CDR expenditure totaling US\$ 15,482,056.45, is comprised of expenditure directly incurred by the UNDP Country Office in Lebanon for an amount of US\$ 15,326,322.92 and expenditure incurred by entities other than the Country Office for an amount of US\$ 155,733.53. Our audit only covered the expenditure directly incurred by the UNDP Country Office in Lebanon of US\$ 15,326,322.92.

Unmodified opinion

In our opinion, the attached CDR and Funds Utilization statement present fairly, in all material respects, the expenses of US\$ 15,326,322.92 directly incurred by the UNDP Country Office in Lebanon and charged to the project for the period 1 January 2023 to 31 December 2023 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 unmodified 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 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 are 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 Utilisation 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.



PKF Littlejohn LLP

14 August 2024

15 Westferry Circus
Canary Wharf
London
E14 4HD

COMBINED DELIVERY REPORT AND FUNDS UTILIZATIONS STATEMENTS

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Combined Delivery Report

Project: **LEN-01000108 - 2LSP-ISF**

Country: **Lebanon - Beirut**

Period: **Quarter 4, 2023**

Status: **Pending Release**

Report by Output and Fund

| Account | Description | Government | UNDP | UN Agencies | Total |
|---|---|-------------|----------------------|-------------|----------------------|
| Output: LEN-01000108 - Lebanon Livelihoods Support Project - Internal Security Forces (2LSP-ISF) | | 0.00 | 15,482,056.45 | 0.00 | 15,482,056.45 |
| Fund: 30000 - Programme Cost Sharing | | 0.00 | 15,482,056.45 | 0.00 | 15,482,056.45 |
| 64397 | Direct Project Cost - Services provided by CO Staff | 0.00 | 14,260.00 | 0.00 | 14,260.00 |
| 67305 | Labour Cost - GS Staff | 0.00 | 38,804.17 | 0.00 | 38,804.17 |
| 67405 | Labour Cost - TP Staff | 0.00 | 116,929.36 | 0.00 | 116,929.36 |
| 71205 | International Consultants Expenses - Short-Term Technical Contractors | 0.00 | 214,770.34 | 0.00 | 214,770.34 |
| 71210 | International Consultants Expenses - Short-Term Support Contractors | 0.00 | 20,762.00 | 0.00 | 20,762.00 |
| 71305 | Local Consultants Expenses - Short-Term Technical Contractors | 0.00 | 4,800.00 | 0.00 | 4,800.00 |
| 71460 | International Personnel Services Agreement | 0.00 | 4,509.69 | 0.00 | 4,509.69 |
| 71605 | Travel Tickets - International | 0.00 | 289.50 | 0.00 | 289.50 |
| 71615 | Daily Subsistence Allowance - International | 0.00 | 10,254.80 | 0.00 | 10,254.80 |
| 71620 | Daily Subsistence Allowance - Local | 0.00 | 8,630.40 | 0.00 | 8,630.40 |
| 71635 | Travel Cost - Other | 0.00 | 1,821.21 | 0.00 | 1,821.21 |
| 72105 | Service Cost - Construction and Engineer | 0.00 | -32,290.50 | 0.00 | -32,290.50 |
| 72145 | Service Cost - Training and Education Services | 0.00 | 1,624.00 | 0.00 | 1,624.00 |
| 72170 | Service Cost - Humanitarian Aid and Relief | 0.00 | 13,926,748.50 | 0.00 | 13,926,748.50 |
| 72399 | Other Materials and Goods | 0.00 | 50.00 | 0.00 | 50.00 |
| 72505 | Consumables - Stationery and Other Office Supplies | 0.00 | 9.00 | 0.00 | 9.00 |
| 73410 | Maintenance Cost - Transportation Equipment | 0.00 | 560.00 | 0.00 | 560.00 |
| 74210 | Printing and Publications | 0.00 | 296.00 | 0.00 | 296.00 |
| 74220 | Translation Costs | 0.00 | 985.20 | 0.00 | 985.20 |
| 75105 | Facilities and Administration - Implementation | 0.00 | 1,146,819.03 | 0.00 | 1,146,819.03 |
| 75705 | Learning Costs - Course Fee (non staff) | 0.00 | 1,423.75 | 0.00 | 1,423.75 |
| Project Total: | | 0.00 | 15,482,056.45 | 0.00 | 15,482,056.45 |

Report by Activity and Fund

| Account | Description | Government | UNDP | UN Agencies | Total |
|---|---|-------------|----------------------|-------------|----------------------|
| Output: LEN-01000108 - Lebanon Livelihoods Support Project - Internal Security Forces (2LSP-ISF) | | 0.00 | 15,482,056.45 | 0.00 | 15,482,056.45 |
| Activity: - | | 0.00 | 412.39 | 0.00 | 412.39 |
| Fund: 30000 - Programme Cost Sharing | | 0.00 | 412.39 | 0.00 | 412.39 |
| 71205 | International Consultants Expenses - Short-Term Technical Contractors | 0.00 | 381.84 | 0.00 | 381.84 |
| 75105 | Facilities and Administration - Implementation | 0.00 | 30.55 | 0.00 | 30.55 |
| Activity: Activity 1.1 - Establish the beneficiary master list | | 0.00 | 15,473,220.06 | 0.00 | 15,473,220.06 |
| Fund: 30000 - Programme Cost Sharing | | 0.00 | 15,473,220.06 | 0.00 | 15,473,220.06 |
| 64397 | Direct Project Cost - Services provided by CO Staff | 0.00 | 14,260.00 | 0.00 | 14,260.00 |
| 67305 | Labour Cost - GS Staff | 0.00 | 38,804.17 | 0.00 | 38,804.17 |
| 67405 | Labour Cost - TP Staff | 0.00 | 116,929.36 | 0.00 | 116,929.36 |

| | | | | | |
|--|---|-------------|----------------------|-------------|----------------------|
| 71205 | International Consultants Expenses - Short-Term Technical Contractors | 0.00 | 206,588.50 | 0.00 | 206,588.50 |
| 71210 | International Consultants Expenses - Short-Term Support Contractors | 0.00 | 20,762.00 | 0.00 | 20,762.00 |
| 71305 | Local Consultants Expenses - Short-Term Technical Contractors | 0.00 | 4,800.00 | 0.00 | 4,800.00 |
| 71460 | International Personnel Services Agreement | 0.00 | 4,509.69 | 0.00 | 4,509.69 |
| 71605 | Travel Tickets - International | 0.00 | 289.50 | 0.00 | 289.50 |
| 71615 | Daily Subsistence Allowance - International | 0.00 | 10,254.80 | 0.00 | 10,254.80 |
| 71620 | Daily Subsistence Allowance - Local | 0.00 | 8,630.40 | 0.00 | 8,630.40 |
| 71635 | Travel Cost - Other | 0.00 | 1,821.21 | 0.00 | 1,821.21 |
| 72105 | Service Cost - Construction and Engineer | 0.00 | -32,290.50 | 0.00 | -32,290.50 |
| 72145 | Service Cost - Training and Education Services | 0.00 | 1,624.00 | 0.00 | 1,624.00 |
| 72170 | Service Cost - Humanitarian Aid and Relief | 0.00 | 13,926,748.50 | 0.00 | 13,926,748.50 |
| 72399 | Other Materials and Goods | 0.00 | 50.00 | 0.00 | 50.00 |
| 72505 | Consumables - Stationery and Other Office Supplies | 0.00 | 9.00 | 0.00 | 9.00 |
| 73410 | Maintenance Cost - Transportation Equipment | 0.00 | 560.00 | 0.00 | 560.00 |
| 74210 | Printing and Publications | 0.00 | 296.00 | 0.00 | 296.00 |
| 74220 | Translation Costs | 0.00 | 985.20 | 0.00 | 985.20 |
| 75105 | Facilities and Administration - Implementation | 0.00 | 1,146,164.48 | 0.00 | 1,146,164.48 |
| 75705 | Learning Costs - Course Fee (non staff) | 0.00 | 1,423.75 | 0.00 | 1,423.75 |
| Activity: Activity 1.3 - Create the Masterlist for eligible personnel | | 0.00 | 8,424.00 | 0.00 | 8,424.00 |
| Fund: 30000 - Programme Cost Sharing | | 0.00 | 8,424.00 | 0.00 | 8,424.00 |
| 71205 | International Consultants Expenses - Short-Term Technical Contractors | 0.00 | 7,800.00 | 0.00 | 7,800.00 |
| 75105 | Facilities and Administration - Implementation | 0.00 | 621.00 | 0.00 | 621.00 |
| Project Total: | | 0.00 | 15,482,056.45 | 0.00 | 15,482,056.45 |

Funds Utilization

| | | |
|---|--|--------------------|
| Output: LBN-01000108 - Lebanon Livelihoods Support Project - Internal Security Forces (2LSP-ISF) | | UNDP Amount |
| Implementing Partner: - | | |
| Outstanding NIM Advances: | | 0.00 |
| Undepreciated Fixed Assets: | | 0.00 |
| Unamortized Intangible Assets: | | 0.00 |
| Inventory: | | 0.00 |
| Prepayments: | | 0.00 |
| Commitments: | | 752,868.23 |

Signed on behalf of UNDP:

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Mohammed Salih, Resident Representative a.i

Date: 08-May-2024

Signed on behalf of Implementing Partner:

Date: _____

DocuSigned by:


PKF Littlejohn LLP

PKF Littlejohn LLP
 15 Westferry Circus
 Canary Wharf
 London
 E14 4HD

CERTIFICATION FOR STATEMENT OF FIXED ASSETS

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

The UNDP project ID 01000104 “Lebanon Livelihoods Support Project – Internal Security Forces (2LSP - ISF)”, did not have fixed assets for the DIM project activities subject to audit and accordingly a Statement of Fixed Assets was not produced

CERTIFICATION OF STATEMENT OF CASH

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

The UNDP project ID 01000108 “Lebanon Livelihoods Support Project – Internal Security Forces (2LSP - ISF)”, did not have a dedicated bank account for the DIM project activities subject to audit and accordingly a Statement of Cash was not produced.

INTERNAL-CONTROLS AND SYSTEMS REVIEW

The audit firm, in the assessment of project related Internal-controls and systems review conducted under the UNDP DIM Audits Terms of Reference, has assessed the required areas as follows:

- (i) Organization and Staffing were adequate and in compliance with applicable rules, policies, and procedures.

No issues noted.

- (ii) Programme and project management were adequate and in compliance with applicable rules, policies, and procedures.

No issues noted.

- (iii) Human Resources was adequate and in compliance with applicable rules, policies, and procedures.

No issues noted.

- (iv) Finance was adequate and in compliance with applicable rules, policies and procedures.

No issues noted.

- (v) Procurement was adequate and in compliance with applicable rules, policies and procedures.

No issues noted.

- (vi) Asset Management was adequate and in compliance with applicable rules, policies, and procedures.

No issues noted.

- (vii) Cash Management was effective adequate and in compliance with applicable rules, policies, and procedures.

No issues noted.

- (viii) Information Systems was adequate and in compliance with applicable rules, policies, and procedures.

No issues noted.

- (ix) General Administration was adequate and in compliance with applicable rules, policies, and procedures.

No issues noted.

- (x) Follow-up on previous year:

N/A. There was no previous audit.

MANAGEMENT LETTER

We have not raised any audit findings or recommendations as a result of the combined financial audit and audit of Internal Controls and Systems.

Annex I: 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. |