

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



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNDP IRAQ**

**LOCAL AREA DEVELOPMENT PROGRAMME**  
**(Directly Implemented Project No. 86812, Output No. 94013)**

**Report No. 1792**

**Issue Date: 2 August 2017**

**Report on the Audit of UNDP Iraq  
Local Area Development Programme  
(Project No. 86812, Output No. 94013)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), from 4 to 19 June 2017, conducted an audit of Local Area Development Programme, Project No. 86812, Output No. 94013 (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 Deloitte and covered project expenditure from 1 January to 31 December 2015.

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 expenditure for the period from 1 January to 31 December 2016 and the accompanying Funds Utilization statement<sup>1</sup> as of 31 December 2016 as well as Statement of Assets as of 31 December 2016. The audit did not include activities and expenses undertaken at the level of the "responsible party" and 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 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 and corresponding management letter submitted by the audit firm, the results are summarized in the table below:

Project Expenditure*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
3,153	Unqualified	264	Unqualified

\*Expenditures recorded in the Combined Delivery Report were \$3,932,337. Excluded from the audit scope were transactions that relate to expenditures of other United Nations agencies \$764,798 and expenditures processed and approved by other UNDP offices outside of the country \$14,168.

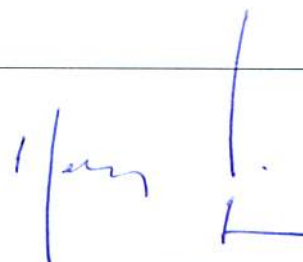
The audit did not result in any recommendations.

<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) depreciated 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:** Report No. 1641, 29 June 2016

Total recommendations: Three

Implemented: Three



Helge S. Ostveiten  
Director  
Office of Audit and Investigations