



**AUDIT**

**OF**

**UNDP JORDAN**

**MITIGATING THE IMPACT OF THE SYRIAN REFUGEE CRISIS ON  
JORDANIAN VULNERABLE HOST COMMUNITIES**  
**(Directly Implemented Project No. 72487, Output Nos. 85571, 94965 and 98935)**

**Report No. 1793**

**Issue Date: 14 August 2017**

**Report on the Audit of UNDP Jordan**  
**Mitigating the Impact of the Syrian Refugee Crisis on Jordanian Vulnerable Host Communities**  
**(Project No. 72487, Output Nos. 85571, 94965 and 98935)**  
**Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Deloitte (the audit firm), from 14 to 23 May 2017, conducted an audit of Mitigating the Impact of the Syrian Refugee Crisis on Jordanian Vulnerable Host Communities, Project No. 72487, Output Nos. 85571, 94965 and 98935 (the Project), which is directly implemented and managed by the UNDP Country Office in Jordan. 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 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 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 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 reports and corresponding management letter submitted by the audit firm, the results are summarized in the table below:

Output ID	Project Expenditure*		Project Assets	
	Amount (in \$ '000)	Opinion**	Amount (in \$ '000)	Opinion
85571	4,812	Unqualified	10	Unqualified
94965	3,456	Unqualified	19	Unqualified
98935	5,350	Unqualified	28	Unqualified

\*Output No. 85571: Expenditures recorded in the Combined Delivery Report were \$4,843,194. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$31,457).

\*Output No. 94965: Expenditures recorded in the Combined Delivery Report were \$3,483,097. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$27,380).

<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.

*\*Output No. 98935: Expenditures recorded in the Combined Delivery Report were \$5,643,822. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$293,933).*

*\*\*The auditors identified a total overstatement of expenditures of \$5,648 which did not have any impact on the opinion rendered.*

**Key recommendation:** Total = 1, high priority = 0

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, which means, "Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP." This recommendation includes actions to address incorrect calculation and recording of Direct Project Costs.

The one recommendation aims to ensure the following: (a) reliability and integrity of financial and operational information and (b) compliance with legislative mandates, regulations and rules, policies and procedures.

#### Management comments and action plan

The UNDP Resident Representative accepted the recommendation and is in the process of implementing it.

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



Helge S. Ostveit  
Director  
Office of Audit and Investigations