



AUDIT

OF

UNDP KUWAIT

**INSTITUTIONAL CAPACITY DEVELOPMENT FOR IMPLEMENTATION
OF THE KUWAIT NATIONAL DEVELOPMENT PLAN
(Directly Implemented Project No. 91562, Output No. 96707)**

Report No. 1794

Issue Date: 8 August 2017

**Report on the Audit of UNDP Kuwait
Institutional Capacity Development for Implementation
of the Kuwait National Development Plan
(Project No. 91562, Output No. 96707)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), from 21 to 25 May 2017, conducted an audit of Institutional Capacity Development for Implementation of the Kuwait National Development Plan, Project No. 91562, Output No. 96707 (the Project), which is nationally implemented¹ with direct support services by the UNDP Country Office in Kuwait (the Office). The last audit of the Project was under a HACT audit conducted by Deloitte & Touche Al-Wazzan & Co. covering project expenditure for the year ended 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 2016 to 31 December 2016 and the accompanying Funds Utilization statement² as of 31 December 2016. The audit did not include activities and expenses incurred or undertaken by the Government, or 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 purchased 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 and corresponding management letter submitted by the audit firm, the results are summarized in the table below:

Project Expenditure*	
Amount (in \$ '000)	Opinion
5,634	Unqualified

*Expenditures recorded in the Combined Delivery Report were \$5,932,544. Excluded from the audit scope were expenditures processed and approved by other UNDP offices outside of the country (\$298,934).

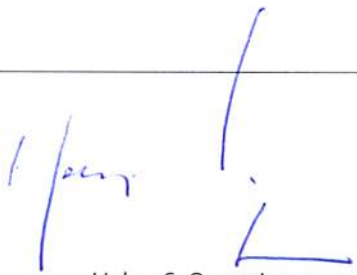
The audit did not result in any recommendations.

¹ Nationally implemented projects, or NIM projects are audited by the responsible unit in UNDP. However, this NIM project was audited by OAI due to the significant involvement of the Country Office in its implementation, and the subsequent materiality of the amount expensed by UNDP. The audit firm is, in its audit report, referring to the Project as a DIM project.

² 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.

Management comments and action plan

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

A handwritten signature in blue ink is visible within a rectangular box. The signature appears to be 'H. Osttveiten' with a large, stylized flourish extending upwards and to the right.

Helge S. Osttveiten
Director
Office of Audit and Investigations