

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP LEBANON

**CEDRO IV: COMMUNITY ENERGY DEVELOPMENT 4 AND
SUSTAINABLE ENERGY ACTIVITIES**
(Directly Implemented Project No. 77650, Output Nos. 88302 and 90039)

Report No. 1798

Issue Date: 8 August 2017

**Report on the Audit of UNDP Lebanon
CEDRO IV: Community Energy Development 4
and Sustainable Energy Activities
(Project No. 77650, Output Nos. 88302 and 90039)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), from 3 to 18 May 2017, conducted an audit of CEDRO IV, Project No. 77650, Community Energy Development 4 (Output No. 88302) and Sustainable Energy Activities (Output No. 90039) (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 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 statement¹ as of 31 December 2016 as well as Statement of Fixed 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). 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 reports and corresponding management letters 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
88302	2,392	Unqualified	19	Unqualified
90039	2,107	Unqualified	28	Unqualified

Output No. 88302: * Expenditures recorded in the Combined Delivery Report were \$2,399,693. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$7,758). ** The total fixed asset values were recorded at \$66,650 (acquisition) and \$19,017 (net book value).

Output No. 90039: * Expenditures recorded in the Combined Delivery Report were \$2,109,704. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$2,894). ** The total fixed asset values were recorded at \$34,725 (acquisition) and \$28,456 (net book value).

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) 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.



Helge S. Osttveiten
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