

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



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNDP IRAQ**

**FUNDING FACILITY FOR STABILIZATION**  
**(Directly Implemented Project No. 89459, Output No. 95684)**

**Report No. 2147**

**Issue Date: 16 August 2019**

**Report on the Audit of UNDP Iraq  
Funding Facility for Stabilization (Project No. 89459, Output No. 95684)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG (the audit firm), from 9 to 23 June 2019, conducted an audit of Funding Facility for Stabilization (Project No. 89459, Output No. 95684) (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 (the audit firm) in 2016 and covered project expenditures from 1 June 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 expenses for the period from 1 January to 31 December 2018 and the accompanying Funds Utilization statement<sup>1</sup> as of 31 December 2018 as well as Statement of Assets as of 31 December 2018. The audit did not include expenses of other United Nations agencies. 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 submitted by the audit firm, the results are summarized in the table below:

Project Expenses*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
246,300	Unmodified	1,343	Unmodified

\*Expenses recorded in the Combined Delivery Report were \$246,390,549.73. Excluded from the audit scope were transactions that relate to expenses of other United Nations agencies (\$90,796.01).

The audit did not result in any recommendations.

At the time this report was being issued, OAI was investigating complaints relating to parties involved with the Project; however, this did not relate to the financial expenditures.

**Implementation status of previous OAI audit recommendations:** Report No. 1643, 24 June 2016.

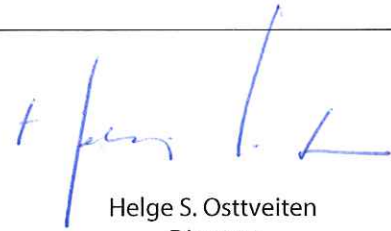
Total recommendations: 3

Implemented: 3

<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) 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.



Helge S. Ostveiten  
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