



AUDIT

OF

SUPPORTING LEBANESE HOSTING COMMUNITIES
(Directly Implemented Project No. 65799, Output No. 84708)

IN

UNDP LEBANON

Report No. 2352
Issue Date: 31 August 2021

**Report on the Audit of Supporting Lebanese Hosting Communities
implemented by UNDP Lebanon
(Project No. 65799, Output No. 84708)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Talal Abu-Ghazaleh & Co. (the audit firm), from 1 to 23 July 2021, conducted an audit of ‘Supporting Lebanese Hosting Communities’ (Project No. 65799, Output No. 84708) (the Project), which is directly implemented and managed by the UNDP Country Office in Lebanon (the Office). The last audit of the Project was conducted by OAI, through BDO LLP in 2020 and covered project expenses from 1 January to 31 December 2019.

The audit firm conducted a financial audit in accordance with the International Standards of Auditing (ISA), the 700 series, 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 2020 and the accompanying Funds Utilization statement¹ as of 31 December 2020 as well as Statement of Assets as of 31 December 2020. The audit did not include activities and expenses incurred or undertaken at the “responsible party” level, or 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 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
19,550	Unmodified	267	Unmodified

*Expenses recorded in the Combined Delivery Report were \$19,868,831. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UNDP offices outside of the country (\$263,569). Also excluded were expenses incurred at the “responsible party” level (\$55,283).

The Commitments balance, amounting to \$13,154,893, consisted of 96 purchase orders that were not, or only partly, delivered by 31 December 2020.

The audit did not result in any recommendations.

Implementation status of previous OAI audit recommendations: Report No. 2242, 27 August 2020.

Total recommendations: 1

Implemented: 1

¹ 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
Director
Office of Audit and Investigations