



AUDIT

OF

COVID-19 RESPONSE IN PALESTINIAN CAMPS
(Directly Implemented Project No. 131623, Output No. 124622)

IN

UNDP LEBANON

Report No. 2519
Issue Date: 15 August 2022

**Report on the Audit of UNDP Lebanon
COVID-19 Response in Palestinian Camps (Project No. 131623, Output No. 124622)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through BDO LLP (the audit firm), from 17 to 22 June 2022, conducted an audit of COVID-19 Response in Palestinian Camps (Project No. 131623, Output No. 124622) (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 was conducted in accordance with the International Standards of Auditing (ISA), the 700 series. The audit work covered financial transactions as well as internal controls and systems for the purpose of expressing an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations, as well as assess compliance with UNDP regulations, rules, policies and procedures and donor agreements. The audit covered the Project's Combined Delivery Report, which includes expenses for the period from 1 January to 31 December 2021 and the accompanying Funds Utilization statement¹ as of 31 December 2021 as well as Statement of Assets as of 31 December 2021. It also reviewed the relevant systems, procedures and practices in place as they relate to the Project, in the areas of: governance, programme, and operations. 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*.

Overall audit rating

Based on the audit report submitted by the audit firm, OAI assessed the management of the Project as **fully satisfactory**, which means, "the assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area." The details of the audit results are presented in the table below:

Project Expenses*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
3,698	Unmodified	6	Unmodified

**Included in the audit scope were transactions that relate to expenses incurred at the "responsible party" level \$611,329 as these were not covered under HACT audits and all related supporting documents were available for review at the level of UNDP Country Office in Lebanon.*

The audit firm assessed the Project's internal controls and systems as fully satisfactory

The audit did not result in any recommendations.

At the time this report was being issued, OAI was investigating allegations relating to the Project.

Management comments and action plan

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.



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

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