



*Russell  
Bedford*

**Auditor's Report and Management Letter  
ICT for Comprehensive Community  
Development , Atlas Award  
No. 00069985 from 1 January 2018  
through 31 December 2018**



**U N  
D P**

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## Independent auditor's report

To: National Project Director and  
Resident Representative - United Nations Development Programme (UNDP)  
Cairo, Egypt

### **a) Certification of Statement of Expenses (UNDP CDR)**

We have audited the accompanying Statement of Expenses (the statement) of the UNDP project atlas award no. 00069985 and project no 00085935 & 00105699, the ICT for Comprehensive Community Development as implemented by the Ministry of Communication and Information Technology for the period from 1 January 2018 through 31 December 2018.

### **Opinion**

In our opinion, the attached statement of Expenses present fairly, in all material respects the expenditure of \$487,063 (excluding UNDP Support Services expenditures of \$30,504) incurred by the UNDP project ICT for Comprehensive Community Development for the period from 1 January 2018 to 31 December 2018 in accordance with agreed upon accounting policies and were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant UNDP regulations and rules, policies and procedures; and (iv) supported by properly approved vouchers and other supporting documents.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the statement of expenses section of our report. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Management Responsibilities**

Management is responsible for the preparation of the statement of Expenses for ICT's project and for such internal controls as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibilities**

Our objectives are to obtain reasonable assurance about whether the statement of expenses is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of expenses, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **b) Certification of Statement of Assets and Equipment**

We have audited the accompanying Statement of Assets and Equipment (the statement) of the UNDP atlas award no. 00069985 and project no 00085935 & 00105699 , the ICT for Comprehensive Community Development as implemented by the Ministry of Communication and Information Technology as at 31 December 2018.

## **Opinion**

In our opinion, the attached statement of assets and equipment present fairly in all material respects, the assets and equipment status of the ICT for Comprehensive Community Development project amounting to \$109,408 as at 31 December 2018 in accordance with agreed upon accounting policies.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's

responsibilities for the audit of the statement of assets and equipment. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management Responsibilities**

Management is responsible for the preparation of the statement of assets for ICT's project and for such internal controls as management determines is necessary to enable the preparation of a statement of assets and equipment that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities for the audit**

Our objectives are to obtain reasonable assurance about whether the statement of assets and equipment is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of assets and equipment, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **c) Certification of Statement of Cash Position**

We have audited the accompanying Statement of Cash Position (the statement) of the UNDP project atlas award no. 00069985 and project no 00085935 & 00105699, ICT for Comprehensive Community Development as implemented by the Ministry of Communication and Information Technology as at 31 December 2018.

## **Opinion**

In our opinion, the attached statement of cash position present fairly, in all material respects the cash and bank balance of the UNDP project ICT for Comprehensive Community Development amounting to \$2,402 as at 31 December 2018 in accordance with agreed upon accounting policies.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the statement of cash position section of our report. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Management Responsibilities**

Management is responsible for the preparation of the statement of cash for ICT's project and for such internal controls as management determines is necessary to enable the preparation of a statement of cash position that is free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibilities**


Our objectives are to obtain reasonable assurance about whether the statement of cash position is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

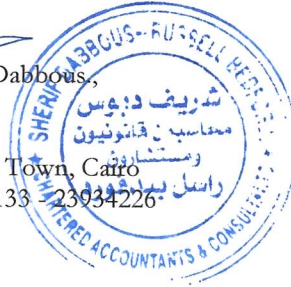
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of cash position, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report is intended solely for the information and use of the United Nations Development Programme (UNDP), Government of Arab Republic of Egypt, ICT for Comprehensive Community Development project's management and others within the organization. However, upon release by the UNDP, this report is a matter of public record and its distribution is not limited.

  
Russell Bedford Sherif Dabbous,  
Cairo, Egypt.  
18 March 2019  
3, Mamar Behlar, Down Town, Cairo  
Tel/Fax: +2 (02) 23951133 23934226











Combined Delivery Report By Project

Selection Criteria :

Business Unit : EGY10  
Period : Jan-Dec (2018)  
Selected Project Id : 00069985  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : ALL

Project Id : ALL	Period : Jan-Dec (2018)			
Output # : ALL	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
44805 - Egypt - Energy & Environmt	0.00	- 277.55	0.00	- 277.55
44807 - Egypt - ICT for Development	377,216.46	140,627.90	0.00	517,844.36

Project Management:

Name: Dr. Hoda Dahroug  
Title: National Project Director  
Signature:

UNDP CO Management

Name: Sylvain Merlen   
Title: UNDP Deputy Resident Representative  
Signature:

Audit Firm

Name: Sherif Dabbous  
Title : Managing Partner  
Russell Bedford Sherif Dabbous  
Signature:





Combined Delivery Report By Project

UN Development Programme  
Report ID: unglcdrp

Page 4 of 4  
Run Time: 17-02-2019 12:02:26

Funds Utilization

Selection Criteria :

Business Unit : EGY10  
Period : Jan-Dec (2018)  
Selected Project Id : 00069985  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : ALL

Project/Award: 00069985 ICT for Comprehensive Communit

Period : As at Dec 31, 2018

Output #	00085935	Impl. Partner :01035 Ministry Of Communication &	UNDP AMOUNT
Outstanding NEX advances			2,401.55
Undepreciated Fixed Assets			0.00
Unamortized Intangible Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			0.00

Output #	00105699	Impl. Partner :01035 Ministry Of Communication &	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			0.00
Unamortized Intangible Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			0.00

Project Management:

Name: Dr. Hoda Dahroug  
Title: National Project Director  
Signature: *Hoda Dahroug*

UNDP CO Management

Name: Sylvain Merlen *Merlen*  
Title: UNDP Deputy Resident Representative  
Signature:

Audit Firm

Name: Sherif Dabbous  
Title : Managing Partner  
Russell Bedford Sherif Dabbous  
Signature: *Sherif Dabbous*



**ICT for Comprehensive Community Development**  
**Atlas Award No. 00069985**  
**Funded by United Nations for Development Programme**  
**Statement Of Assets and Equipments**  
**As at 31 December 2018**

	<b>COST</b>					Cost as of 31/12/18
	From 01/01/13 to 31/12/13	From 01/01/14 to 31/12/14	From 01/01/15 to 31/12/15	From 01/01/16 to 31/12/16	From 01/01/17 to 31/12/17	
	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$
Assets and Equipments	0	24,196	33,616	265	5,595	103,570
Assets Transferred from UNDP Project "ICT & Japan Project"	101,557	0	0	0	0	101,557
Foreign Currency Exchange Difference	(62,219)	(14,542)	(18,925)	2	(35)	(95,719)
<b>Total</b>	<b>39,338</b>	<b>9,654</b>	<b>14,691</b>	<b>267</b>	<b>5,560</b>	<b>109,408</b>

• The accompanying notes are integral part of the statement of assets and equipments

**Project Management:**

Name: Dr. Hoda Dahroug

Title: National Project Director

Signature: **UN CO Management**

Name: Sylvain Merlen

Title: UNDP Deputy Resident Representative

Signature: **Audit Firm**

Name : Sherif Dabbous

Title : Managing Partner

Russell Bedford Sherif Dabbous


Signature: 

**ICT for Comprehensive Community Development**  
**Atlas Award No. 00069985**  
**Funded by United Nations for Development Programme**  
**Statement Of Cash Position**  
**From 1 January 2018 through 31 December 2018**

Description	Actual Expenditures		
	Govt Disb From 01/01/18 to 31/12/18	UNDP Disb From 01/01/18 to 31/12/18	Total From 01/01/18 to 31/12/18
<b>Funds Received</b>			
Fund Balance as at 31 December 2017	\$13,279	\$0	\$13,279
Funds Advanced to Project During Audited Period	366,138	0	366,138
UNDP Direct Payments	0	140,351	140,351
<b>Total Funds Available</b>	<b>\$379,417</b>	<b>\$140,350</b>	<b>\$519,768</b>
<b>Expenditures Elements</b>			
64300 Direct Project Cost – Staff	\$0	\$3,647	\$3,647
71300 Local Consultants	9,227	0	9,227
71600 Travel	1,457	17,483	18,940
71800 Contractual Services Individuals	349,677	0	349,677
72100 Contractual Services - Companies	0	8,427	8,427
72200 Equipments and Furniture	0	40,009	40,009
72400 Communication and Reporting	0	150	150
72500 Supplies	95	15,899	15,994
72700 Hospitality	0	2,492	2,492
73100 Common Services – Premises	0	6,880	6,880
73300 Maintenance & Licensing of Software	122	4,095	4,217
73400 Rental and Maintenance - Equipment	6,377	7,265	13,642
74100 Professional Services	7,395	0	7,395
74200 Audio Visual & Print Production Costs	0	335	335
74500 Miscellaneous	2,235	2,991	5,226
75100 Facilities and administration	0	25,295	25,295
75700 Learning Costs	631	5,591	6,222
76100 Foreign Currency Exchange (Gain) Loss	0	(208)	(208)
<b>Sub Total</b>	<b>\$377,216</b>	<b>\$140,351</b>	<b>\$517,567</b>
Exchange Difference	(203)	0	(203)
<b>Total</b>	<b>\$377,014</b>	<b>\$140,351</b>	<b>517,365</b>
Fund Balance as at 31 December 2018	\$2,402	0	\$2,402
<b>Less: Cash Book Balance</b>			
Bank Book Balance as at 31 December 2018			\$2,402
Petty Cash Balance as at 31 December 2018			0
<b>Total Cash Book Balance as at 31 December 2018</b>			<b>\$2,402</b>
Difference (If any)			(\$0)

- The accompanying notes are integral part of the statement of cash position
- The statement do not include the UN Agencies disbursements and/or Encumbrance

**Project Management:**

Name: Dr. Hoda Dahroug  
Title: National Project Director  
Signature: 

**UN CO Management**

Name: Sylvain Merlen  
Title: UNDP Deputy Resident Representative  
Signature: 

**Audit Firm**

Name : Sherif Dabbous  
Title : Managing Partner  
Russell Bedford Sherif Dabbous  
Signature: 



## Notes to the statements

### 31 December 2018

#### 1. Introduction and Background

##### A. Project Main Information

ICT for Comprehensive Community Development was initiated under the UNDP Atlas award no. 00069985.

The project is implemented by the Ministry of Communication and Information Technology.

As per the project document dated 29 July 2018, the project start date is year 2013 and end date is 2019. The award approved budget is \$ 12,482,702. The approved budget for year 2018 and beyond is \$ 8,895,589 distributed among is \$6,969,921 from MCIT Cost Sharing – GOV1, \$11,617 from UNDP(JPAA) cost Sharing, \$300,000 from JPN-Partnership Devt Pgm PCF, \$1,431,730 from ICT TF for Egypt, \$92,262 from GIZ Programme Cost Sharing and \$90,059 from UNDP/TRAC.

##### B. Project Background and Objectives:

Utilizing the developed resources, the gained experience and the learnt lessons the ICT-TF project ICT for Comprehensive Community Development (ICT4CCD) will strengthen the impacts of the comprehensive development on citizens' lives using ICTs. The project supports the national plan through achieving two main outcomes. 1) Local economic development in Egypt is strengthened. II) Active Citizenship and social communities are empowered. ECT4CCD adapts four main objectives to foster the comprehensive development process in Egypt I) Enhance the growth of SMEs & social Entrepreneurs and build the capacity of youth to support the creation of a healthy competitive business environment for micro, small and medium enterprises (M/SME), encourage social entrepreneurship, and increase jobs and incomes using ICT solutions. II) Provide integrated health, educations, community development and environment services to urban and rural communities to build a knowledge society for the prosperity and well being of Egyptian citizens using ICTs. III) Create private sector employment opportunities for youth to foster income Generation through increasing self-employment and private sectors employability opportunities for youth. IV) Build Partnerships for Best Practices : to establish partnerships with the private sector, foster existing partnerships with developmental institutions, and promote South-South cooperation with a special focus on collaboration with African nations as well as middle east countries.

## **2. Significant Accounting Policies**

### **A. Description of the Statements**

#### **1. Statement of Expenditures - Combined Delivery Report (CDR)**

The CDR combines the project expenditures from three disbursement sources for a calendar year. The three disbursement sources include:

- a. The implementing partner disbursements are recorded in the Government disbursement column in the CDR
- b. UNDP disbursements are recorded in UNDP disbursement column in the CDR. These disbursement includes the Direct Payment which the implementing partner is responsible for the expenditure but requesting UNDP to effect payments to vendors/consultant on its behalf, and UNDP Support Services which is the project expenditures that UNDP is fully responsible and accountable for.
- c. The UN agencies expenditures related to the project are recorded in the UN agencies column in the CDR.

#### **2. Statement of Assets and Equipments**

The statement of assets and equipment is prepared based on actual delivery schedule of assets and equipments. Assets and equipments are recorded in the statement upon delivery and receipt of asset/equipment by the project. Assets /equipments are recorded at their historical cost.

The UNDP office retains the ownership title of all assets/equipment acquired through UNDP funds till project close-out. Upon close-out, the project management prepares a detailed list to be submitted to UNDP to obtain a final determination on the transfer of title to the implementing partner or delivery of assets to the UNDP office.

#### **3. Statement of Cash Position**

The statement of cash position identifies the project's funds received, total expenditures incurred during the period from 1 January 2018 through 31 December 2018 and the project's fund balance as at 31 December 2018.

The statement of cash position is based on the detailed expenditures report received from the UNDP country office and agreed with the financial reports submitted by the project's management to UNDP country office.

The "Actual Expenditures" column identifies the costs incurred by the project from 1 January 2018 through 31 December 2018 under Government expenditures column and the direct payment disbursed by the UNDP provided that the expenditures are in agreement with expenditures reported in the combined delivery report.

## **B. Basis of Accounting**

### **1. Statement of Combined Delivery Report (CDR)**

The Combined Delivery Report (CDR) was prepared on the basis of cash receipts and disbursements. Consequently, revenues are recognized when they are actually received and expenditures are recognized and considered incurred when they are actually paid.

### **2. Statement of Assets and Equipments**

The statement of assets and equipments was prepared on the basis of actual delivery of assets and equipments when assets and equipments are actually received by the project. Assets and equipments are recorded at cost based on actual suppliers invoice.

### **3. Statement of Cash Position**

The statement of cash position was prepared on the basis of cash receipts and disbursements. Consequently, revenues are recognized when they are actually received and expenditures are recognized and considered incurred when they are actually paid.

## **C. Foreign Currency Exchange:**

### **1. For the Statement of Expenditures (Combined Delivery Report)**

For funds disbursed in U.S.\$, transactions are recorded and reported in U.S.\$. For funds disbursed in Egyptian Pounds (L.E), the project records all transactions in Egyptian pound. However, for UNDP reporting purposes , the project funds received and expenditures paid in Egyptian pounds (LE) have been converted to U.S.\$ at fixed monthly exchange rate determined by the UNDP country office. The resulted foreign currency exchange differences is charged to foreign currency exchange loss or gain account.

### **2. For the Assets and Equipments**

For the purpose of preparing the statement of assets and equipments , cost of assets and equipments in L.E as at 31 December 2018 was translated to U.S.\$ at the year end exchange rate which was \$1 equivalent L.E 17.922. This translation is prepared for reporting purposes only.

### **3. For the Statement of Cash Position**

For the purpose of preparing the statement of cash position and reconciling the project's fund balance in U.S.\$ with the cash and bank book balance denominated in L.E. The project's fund balance in L.E as at 31 December 2018 was translated to U.S.\$ at the year end exchange rate which was \$1 equivalent L.E 17,922. Resulting translation differences were charged to a separate line item in the statement of cash position. This translation is prepared for reporting purposes only.



## Management Letter

We have completed our financial audit of the financial reports of the ICT for Comprehensive Community Development Project funded by the UNDP through Atlas award no. 00069985 as implemented by the Ministry of Communication and Information Technology during the period from 1 January 2018 through 31 December 2018. We have issued our reports on the statement of expenditure for the year ended 31 December 2018, statement of assets and equipment and statement of cash position as of 31 December 2018 dated 18 March 2019

In planning and performing our audit of the financial reports and in accordance with the Terms of Reference , we considered the general review of the project progress and the assessment of the project internal controls in order to determine the general compliance with broad project document covenants as well as our auditing procedures for the purpose of expressing our opinion on the financial reports and not to provide assurance on the internal control structure and/or compliance with specific covenants relating to specific performance criteria /output.

In addition and in accordance with annex 1 to the terms reference, we have assessed the overall management of the project's implementation, review work plans, progress reports, project budget, project expenditures, project delivery, recruitment, operations, financial closing and disposal /transfer of assets.

The management of ICT for Comprehensive Community Development is responsible for management and implementation of project's agreed upon activities as well as establishing and maintaining an adequate monitoring, evaluation and reporting system that measures and reports project's timelines in relation to progress milestones and planned completion date. Also, ICT for Comprehensive Community Development ' management is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by the management are required to assess the expected benefits and related costs of internal control structure policies and procedures.

The objectives of monitoring, evaluation and reporting system is to provide management with reasonable, but not absolute, assurance that project management has a results oriented reporting system which provided financial and performance results, actual results were in the same format as the budget, variances between budgeted and actual amounts were accounted for, meaningful measurements of actual performances were provided, accurate and timely performance reports were provided, and information necessary to periodically evaluate the cost versus benefits of the project were provided.

While the objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and in accordance with the terms and agreements; and transactions are recorded properly to permit the preparation of the financial reports in conformity with the basis of accounting described in Note 2 to the financial reports.

Because of the inherent limitations in any internal control structure, errors or irregularities may, nevertheless occur and not be detected.

Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial reports described in the first paragraph, we obtained an understanding of the internal control structure. However, our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses

During our audit, we noted certain issues involving the project internal control structure which we believe, are necessary to be highlighted to the project management.

### **Internal Control Assessment**

We had conducted a general assessment of Internal Controls in accordance to the established internal control standards. Our assessment was conducted as part of our audit of the UNDP NIM project's and not for the expressing opinion on it. The procedures included the following:

- Reviewing the expenses made by the implementing partner and assess whether they are in accordance with the project document, Annual Work Plan (AWP) and budgets and in compliance with the UNDP Programme and Operations Policies and Procedures (POPP) on results and accountability.
- Review the process for procurement/ contracting and asses whether it was transparent and competitive.
- Reviewing the use and control and disposal of non expendable equipment and assess whether it is in compliance with UNDP POPP on results and accountability and also whether the equipment procured met the identified needs and whether its use was in-line with intended purposes.
- Review the process for recruiting project personal and consultants and assess whether it was transparent and competitive
- Review the implementing partner accounting records and assess their adequacy for maintaining accurate and complete records of receipts and disbursements.
- Reviewing that the requests for direct payments and ensure that they were signed by the authorized governmental officials.

### **Available Facilities and Right of Access**

The project maintain proper filing of its records which includes electronic filing and hard copies expenditures with its proper back up documents. Assets register with proper project tagging of the assets. We had access to all available documents.

In addition, we have considered the prior audit findings while performing our audit and we have followed up with management on the proper corrective action taken to address those findings, if any.

### **Follow up on Prior Audit Findings**

The 2017 financial year was not subjected to audit due. Therefore, there is no prior audit findings.

## Current Year Management Issues and Findings

### Project Progress and Timelines

For reviewing of project progress, we undertake the following procedures:

- Reviewing the annual and quarterly work plan, quarterly and annual financial reports, and requests for direct payments and assets terms of their timely nes and their compliance with the project document or the AWP , and the UNDP Programme Operations Policies and Procedures (POPP) on Results Management.
- Reviewing the annual project report prepared by the implementing Partner and assets in terms of compliance with UNDP guidelines.
- Reviewing whether the decisions and/or recommendation of the above activities have been followed through by the implementation partner.
- Reviewing the of project progress.
- Reviewing whether implementation services of the UN Agency were provided in line with the project document or AWP.

Which arrived to the following:-

The project start date is year 2013 and end date is 2019.

The award approved budget is \$ 12,482,702. The approved budget for year 2018 and beyond is \$ 8,895,589 distributed among is \$6,969,921 from MCIT Cost Sharing – GOV1, \$11,617 from UNDP(JPAA) cost Sharing, \$300,000 from JPN- Partnership Devt Pgm PCF, \$1,431,730 from ICT TF for Egypt, \$92,262 from GIZ Programme Cost Sharing and \$90,059 from UNDP/TRAC.

The project's rate of delivery as of 31 December 2018 was 102% calculated as follows:-

Total Expenditures for the year ended 31 December 2018/Budget Revision as of 27 July 2018

The results of our review did not identify any other material condition related to the project progress, monitoring, evaluation and reporting system.

**Appendix A**  
**Detailed Inventory List as of 31 December 2018**

Quantity	DESCRIPTION	SERIAL NUMBER	MODEL	LOCATION	ACQUISITION	COST	CURRENCY	Total Price
					DATE			
1	Storage -Et DX60 S4 Base "2.5	SN: 4601739475	Fujitsu	Amr Khaled Ezz El Din	2/10/2018	151470	EGY	694450.00
1	Disks – 24 x DX60 HD SAS 900GB 10K 2.5 x 1	For HD Serials: "W401CLX6- W401CLNC- W401CLCR- W401CLEL- W4101CLJ- W401CLVJ" W401CM1K- W401CLKB-" W401CLTR- 401CL29- "W401CLGZ- W401CKN8 W401CLTF- W401CLS7-" W401CLKF- W401CL9J- "W401CL9Z- w401CLK0 W401CLYG- W401CKMX-" W401CKZK" W401CLAH- W401CL7A- W401CLVM	Fujitsu			103245		
1	SAN Switch -2 FC- Switch 6505 12/24p OSFP SUS 1Y	"S/N:- EZL 1902P00Z" Base "S/N:- EZL 1902P016"	Fujitsu			307735		
6	2 Channel 8Gbit/s FC Controller PCI intergace : PCIe 2.0 x 8 ; Backwards compatible to PCIe Gen1 Optics: 8Gb short wave Lasers with LC type connectore	S/N RFD1314K48420 S/N RFD1314K48060 S/N RFD1326M58416 S/N RFD1348R63850 S/N RFD1348R64479 S/N RFD1348R62472	Fujitsu			132000		

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Quantity	DESCRIPTION	SERIAL NUMBER	MODEL	LOCATION	ACQUISITION	COST	CURRENCY	Total Price
					DATE			
1	Carrier air conditioning – Five horse Power	42QHE36-708F 38QHE36-708	Carrier	Mohamed Atef	26/4/2018	20600	EGY	20600
1	Wheeled Steel cart (Color Black)			Mohamed Megahed	16/7/2017		EGY	99653.03
2	2-Led 23 HD screen	H24cl7a1306 9t2 H24CL7A130 75T2		Mohamed Megahed	16/7/2017			
1	3-Processing Unit	CN-07K2G0WSC0 0- 715001V		Mohamed Megahed	16/7/2017			
1	4- HD Web cam	02045019941 54		Mohamed Megahed	16/7/2017			
1	5- Video grabber 30 FPS VGA to USB			Mohamed Megahed	16/7/2017			
1	6- Scanner	CN67PDAOJC		Mohamed Megahed	16/7/2017			
1	7- UPS	3B1621x1949 7		Mohamed Megahed	16/7/2017			
1	8- Digital Camera	21413063000 836		Mohamed Megahed	16/7/2017			
1	9- Flash USB			Mohamed Megahed	16/7/2017			
2	10- HD Cable			Mohamed Megahed	16/7/2017			
1	11- Derma Scope			Mohamed Megahed	16/7/2017			
1	12- Oto-scope			Mohamed Megahed	16/7/2017			
1	H.D	WX71A14401 54	W.D H.D 2 TR	Mohamed Atef	2/2/2016	740	EGY	740
1	H.D	WXQ1E25AW 8DT	W.D H.D 1 TR	Mahmoud Rabee	2/2/2016	575	EGY	575
1	Camera	AQU5C9AF60 02PM	Samsung HD / WB35F	Amgad	22/11/2016	1300	EGY	1300
1	Scanner	CN64B10MC	HP 200	Hatem Mostafa	22/11/2016	1084.07	EGY	2168.14
1	Scanner	CN63B10Jo	HP 200	Hatem Mostafa	22/11/2016	1084.07	EGY	
4	Computer Servers		System 76	Mohamed Atef	06-01-2015	263199.99	EGY	263199.99
2	Samsung WB30F		Samsung	Amgad	04-05-2014	1025	EGY	5090
1	Nikkor lens 55-300 VR		Nikkor			2490	EGY	
1	T80 Led Light		Led Light			550	EGY	
1	hiteknofal cable cat 6 305m			Amr Khaled	02-05-2014	940	EGY	1100
1	face plate crimp					60	EGY	

*Ahmed Mohamed*

*Summit* 3

*Mohamed Mostafa*

Quantity	DESCRIPTION	SERIAL NUMBER	MODEL	LOCATION	ACQUISITION	COST	CURRENCY	Total Price
					DATE			
	Taiwan							
1	Air Condition		Miraco Carrie	Mohamed Attef	22-06-2014	9181.82	EGY	10100
4	LED TV		Samsung	Hatem El Doh	20-11-2014	2999	EGY	90072.6
4	Laptop		HP			3999		
4	HD Camera		Logitech HD Pro Webcam C920			1099		
4	Steel Stand model No TM02/14 UPS		Steel Stand SOLLATEK ULTIMATE 1000 VA UPS			6199		
2	EPIPHAN converter		EPIPHAN converter			3999		
2	Scanner		HP Scan Jet G4010 scanner			1100		
2	Derma scope HD Dermatology cam		Derma scope			3500		
2	Otoscope HD E.N.T cam		Otoscope			3500		
20	N- Computing L-Series for v space L300		N- Computing	جمعيات أسوان	25-11-2014	1318.182	EGY	29000
2	PC-dell 9020 Core i7 3,8Ghz quad Processor, 8GB RAM, 1 TB HD, raid support, (350W) high end power supply, 2GB VGA, Windows7 license, warranty3years+keyboard+mouse			جمعيات أسوان	08-12-2014			
22	Display Screen		Samsung 19 inch					
22	Mouse		Laser, USB(Microsoft					
22	Key board		USB(Microsoft					
2	UPS APC Smart-UPS, 500 - 670 Watts /1000 VA,Input 230V /Output 230V, Interface PortDB-9 RS-232, Smart Slot, USB, Rack Height 2 U							
2	Network Switch D-LINK -24 PORT 10/100MBPS			جمعيات أسوان	08-12-2014			37665 { Mohamed Mgahd &

*Handwritten signature: Abdelhameed*

*Handwritten signature: Hatem Doh*

Quantity	DESCRIPTION	SERIAL NUMBER	MODEL	LOCATION	ACQUISITION	COST	CURRENCY	Total Price	
					DATE				
2	Network Rack 6U							Moahmed Atef & Amgd)	
2	HP -4500 WIRELESS LaserJet Pro M1217nfw, Laser Printer /Copier 18 ppm, 600dpi, 64MB Fax 33.6, Flatbed Scanner, ADF, USB 2.0, Ethernet, Wireless Connectivity, 8000ppm								
20	Headsets								
2	Speakers								
24	PDU 6 ports, 220 V HIGH QUALITY								
1	utp								
1	R1								
1	Network toolkit Cable Tester crimp Crimper								
2	Ram								
2	H.D								
1	battery								
1	tester								
2	VGA								
5	Server		Del	Mohamed Atef	10-06-13	59021.3	EGY		354780
1	Rack& KVM Switch		KVM	Mohamed Atef	10-06-13	27421.1	EGY		
3	Cisco switch SG 300.28 port Giadgit	SRW202 4KG-EU	Cisco	Amr Khaled	14-01-13	3709.09	EGY	12240	
1	All connect systems 27u Rack			Amr Khaled	26-06-13	2672.73	EGY	119675	
10	intelnert PDV 6way			Amr Khaled	26-06-13	336.36	EGY		
5	intellenet 550710 network IP camera			Amr Khaled	26-06-13	963.64	EGY		
30	crepi access raised floor			Amr Khaled	26-06-13	718.18	EGY		
1	Metal cable tray			Amr Khaled	26-06-13	1636.36	EGY		
1	Access control system proximity			Amr Khaled	26-06-13	5281.82	EGY		
1	APC smart UPS			Amr Khaled	26-06-13	67272.7	EGY		
11	Baser tray for raised floor area			Amr Khaled	26-06-13	22.73	EGY		

Charla Mohamed

Smid

5

Mohamed Atef



Quantity	DESCRIPTION	SERIAL NUMBER	MODEL	LOCATION	ACQUISITION	COST	CURRENCY	Total Price	
					DATE				
1	Alarm bell			Amr Khaled	26-06-13	454.55	EGY		
1	Rambs Iron			Amr Khaled	26-06-13	1090.91	EGY		
1	vimyl (130*130)cm			Amr Khaled	26-06-13	409.1	EGY		
5	سكينة 3 فاز مارلين جرين 32 امبير			Amr Khaled	16-06-13	156	EGY		
1	لوحة وتر بروف كاملة 6 خط			Amr Khaled	16-06-13	577	EGY	10611	
1	لوحة وتر بروف كاملة 8 خط			Amr Khaled	16-06-13	621	EGY		
1	لوحة وتر بروف كاملة خط 12			Amr Khaled	16-06-13	709	EGY		
7	مفتاح سركت بريك مفرد 25 امبير			Amr Khaled	16-06-13	22	EGY		
10	بريزة صاروخ سنجل 32 امبير			Amr Khaled	16-06-13	130	EGY		
1	لفة سلك 10مم سويدي			Amr Khaled	16-06-13	1100	EGY		
4	7ways PDU KUPP			Amr Khaled	16-06-13	550	EGY		
4	PATCH PANEL 24 PORT-CAT6			Amr Khaled	16-06-13	530	EGY		
1	M300 Cat6 Color كبل شبكات			Amr Khaled	16-06-13	1050	EGY		
1	Apple I mac 21.5 15 2.7ghz\4gb\1tb radeon HD 6770M 512mb a/e kbd	sc17jr9bhdnc r	Apple I Mac os	Amgad	06-02-13	12199	EGY		12199
1	Nikon Digital SLR Camera نجلاء صديق	D 3100	Nikon Digital SLR Camera 03100	Naglaa Sdeek	2012	4520	EGY		6120
1	Cary Bag for Nikon Dogital D3100 camera		Nikon	Naglaa Sdeek	2012	222.73	EGY		
1	Ram 8GB Kingston for Nikon Digital D3100 camera		Kingstone	Naglaa Sdeek	2012	204.55	EGY		
4	Laptop HP 630	5CB2163Z23 5CB2163yz9 5CB2163ySG 5CD203356S		ICT Trust fund	2012	2409.09	EGY	31870	
1	SWITCH LINKSYS 24 PORT	W2024EU		Amr Khaleed	2012	3245.46	EGY		
1	Laptop Dell XP 1521788750 HD			Mohamed Atef	2012	7363.64	EGY		
1	MAC BOOK PRO13 pIN: MC700LL	CO2HWEFHD TX3		Data Center – Ibrahim Hassan	2012	8727.27	EGY		
1	HD 1. Tera External	1787-9/7/11		Amgad	2012	535	EGY	535	

Amr Khaled

Amr Khaled

Amr Khaled

Quantity	DESCRIPTION	SERIAL NUMBER	MODEL	LOCATION	ACQUISITION	COST	CURRENCY	Total Price
					DATE			
	USB WD							
1	Laptop HP 65306 C ORE2DVOP8600 2.4 GHZ 2GB 160GB	PN:KV398ES		Telecenter	30-10-08	8980	EGY	8980
2	Daewoo 1- Blue -- Motor 398653- model 2008 2-motor 398327 model 2008			Mohamed Salah & Ghazi Said Mohamed	24-08-09	69500	EGY	139000
1	Mac Book 2.0 GHZ 2GB RAM/HD 160 GB SATA 5400RPM		Apple Laptop	ICT Trust Fund	15-04-09	9000	EGY	9000

*Abdel Mohamed Samir*


*Abdel Razaq*

# **Appendix B**

## **Certified Follow Up Action Plan**

# Follow Up Action Plan – Year 2017 audit data and observations

Award No:	00069985	Output No:	00085935 & 105699	Opinion Type:	Qualified						
Obs No	Observation	Recommendation	Audit Area	Risk Severity	Proj/CO Mgt Comm.	Action Unit	Target Impl. Date	Person Respsble. for Action	Updated Status	Actual Impl. Date	Descri. of Status Update
	The 2017 financial year was not subjected to audit due. Therefore, there is no prior audit findings.										

<p><b>Implementing Partner (IP)</b>            Signature of IP Official: <u>Meda Dahroug</u>            Name and title (print): Dr. Hoda Dahroug            National Project Manager</p> <p>Date: _____</p>	<p><b>UNDP Country Office</b>            Signature of UNDP Official: <u>Verlen S</u>            Name and title (print): Sylvain Merlen, UNDP Deputy Resident Representative</p> <p>Date: <u>26/3/19</u></p>	<p><b>Government Auditors/Audit Firm</b>            Signature of Audit firm Official: <u>Sherif Dabbous</u>            Name and title (print): Sherif Dabbous, Managing Partner            Russell Bedford Sherif Dabbous</p> <p>Date: <u>18/3/2019</u></p>
<p>Stamp and Seal of audit firm:</p> 		

# **Appendix C**

## **Current Action Plan – Year 2018**

# Certification of Action Plan – Year 2018 audit data and observations

Table 1- Audit of the UNDP CDR

UNDP Combined Delivery Report (CDR) as at 31 December 2018					
1. Project No.	Output No.	Amount audited and certified (US\$)	Audit opinion (unqualified, qualified, adverse, disclaimer)	Total amount of qualification of audit opinion and breakdown of NFI amount (US)	Observation(s) that had impact on qualification of audit opinion (list observation number(s) and page of audit report/ management letter)
00069985	00085935 & 000105699	Amount audited and certified \$487,063	Unqualified	NA	NA


<b>Implementing Partner (IP)</b> Signature of IP Official: <u>[Signature]</u> Name and title (print): Dr. Hoda Dahroug National Project Manager Date: _____	<b>UNDP Country Office</b> Signature of UNDP Official: <u>[Signature]</u> Name and title (print): Sylvain Merleau-UNDP Deputy Resident Representative Date: <u>26/3/2019</u>	<b>Government Auditors/Audit Firm</b> Signature of Audit firm Official: <u>[Signature]</u> Name and title (print): Sherif Dabbous- Managing Partner Russell Bedford Sherif Dabbous Date: <u>18/3/2019</u> Stamp and Seal of audit firm: <div style="text-align: center;">  </div>
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Table 2- Audit of the statement of cash position

Statement of Cash Position as at 31 December 2018			
Project No.	Output No.	Value of Cash Position Statement as of 31 December 2018 (US\$)	Audit Opinion Statement of Cash Position
00069985	00085935 & 000105699	\$2,402	Unqualified
			Total amount of qualification Statement of Cash Position (US\$)
			NA

**Implementing Partner (IP)**

Signature of IP Official: Mohammed Dahroug  
 Name and title (print): Dr. Hoda Dahroug  
 National Project Manager

Date: \_\_\_\_\_

**UNDP Country Office**

Signature of UNDP Official: Sylvain Merlen  
 Name and title (print): Sylvain Merlen, UNDP Deputy  
 Resident Representative

Date: 18/3/2019

**Government Auditors/Audit Firm**

Signature of Audit firm Official: Sherif Dabbous  
 Name and title (print): Sherif Dabbous, Managing Partner  
 Russell Bedford Sherif Dabbous

Date: 18/3/2019

Stamp and Seal of audit firm:

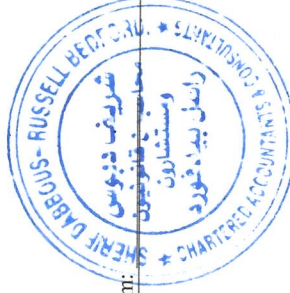


Table 3- Audit of the statement of assets and equipments


Statement of Assets and Equipment as at 31 December 2018			
Project No.	Output No.	Value of Assets and Equipments as of 31 December 2018 (Cumulative from project start date ) (US\$)	Audit Opinion Statement of Assets and Equipment
00069985	00085935 & 000105699	\$109,408	Unqualified
			Total amount of qualification on the Statement of Assets and Equipment (US\$)
			NA

**Implementing Partner (IP)**

Signature of IP Official:   
Name and title (print): Dr. Hoda Dahroug  
National Project Manager

Date: \_\_\_\_\_

**UNDP Country Office**

Signature of UNDP Official:   
Name and title (print): Sylvain Merleir, UNDP Deputy  
Resident Representative

Date: 26/3/2019

**Government Auditors/Audit Firm**

Signature of Audit firm Official:   
Name and title (print): Sherif Dabbous, Managing Partner  
Russell Bedford Sherif Dabbous

Date: 18/3/2019

Stamp and Seal of audit firm:

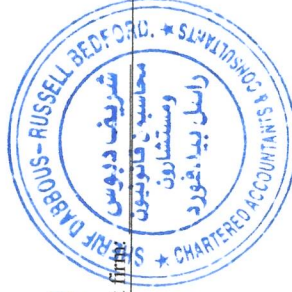





Table 4- Report on audit observations and recommendations

Project No.	Output No.	Observ. No	Audit Observation	Recommendation	Audit Area	Risk Severity	Project/CO Mngmt. Comments
000699985	00085935 & 000105699	1					
The current audit did not identify any findings in connection with client operations							

<p><b>Implementing Partner (IP)</b></p> <p>Signature of IP Official: <i>Hoda Dahroug</i></p> <p>Name and title (print): Dr. Hoda Dahroug National Project Manager</p> <p>Date: _____</p>		<p><b>UNDP Country Office</b></p> <p>Signature of UNDP Official: <i>Sylvain Merlen</i></p> <p>Name and title (print): Sylvain Merlen, UNDP Deputy Resident Representative</p> <p>Date: <u>8/9/2019</u></p>		<p><b>Government Auditors/Audit Firm</b></p> <p>Signature of Audit firm Official: <i>Sherif Dabbous</i></p> <p>Name and title (print): Sherif Dabbous, Managing Partner Russell Bedford Sherif Dabbous</p> <p>Date: <u>18/3/2019</u></p>			
Stamp and Seal of audit firm:							

## **Appendix D**

### **Foreign Exchange Disclosure**

**ICT for Comprehensive Community Development**  
**Atlas Award No. 00069985**  
**Funded by United Nations for Development Programme**  
**Foreign exchange Disclosure**

<b><u>Advances</u></b>	EGP	US\$	US\$ Av. Rate
Outstanding Advance as at 1/1/2018	236,502	13,279	17.810
Advances within 2018	6,528,007	366,138	17.829
Total Advance Available	<u>6,764,509</u>	<u>379,417</u>	17.829
<b><u>Expenditures</u></b>	EGP	US\$	US\$ Av. Rate
Actual Expenditures	6,721,469	377,216	17.818
Expenditures Using Advances average Rate	6,721,469	377,003	17.829
Foreign Exchange on Expenditures "Gain"	<u>0</u>	<u>213</u>	
<b><u>Foreign Exchange on Outstanding NEX advances</u></b>	EGP	US\$	US\$ Av. Rate
Outstanding NEX advances using advances average Rate	43,041	2,412	17.829
Outstanding NEX advances as per CDR	43,041	2,402	17.922
Foreign Exchange on Outstanding NEX advances "loss"	<u>0</u>	<u>10</u>	
<b><u>Total Foreign Exchange</u></b>			
Foreign Exchange on Expenditures "Gain"		213	
Foreign Exchange on Outstanding NEX advances "loss"		(10)	
<b>Total Foreign Exchange (Gain)</b>		<u><u>203</u></u>	

Note the rates have been rounded to the nearest cent.