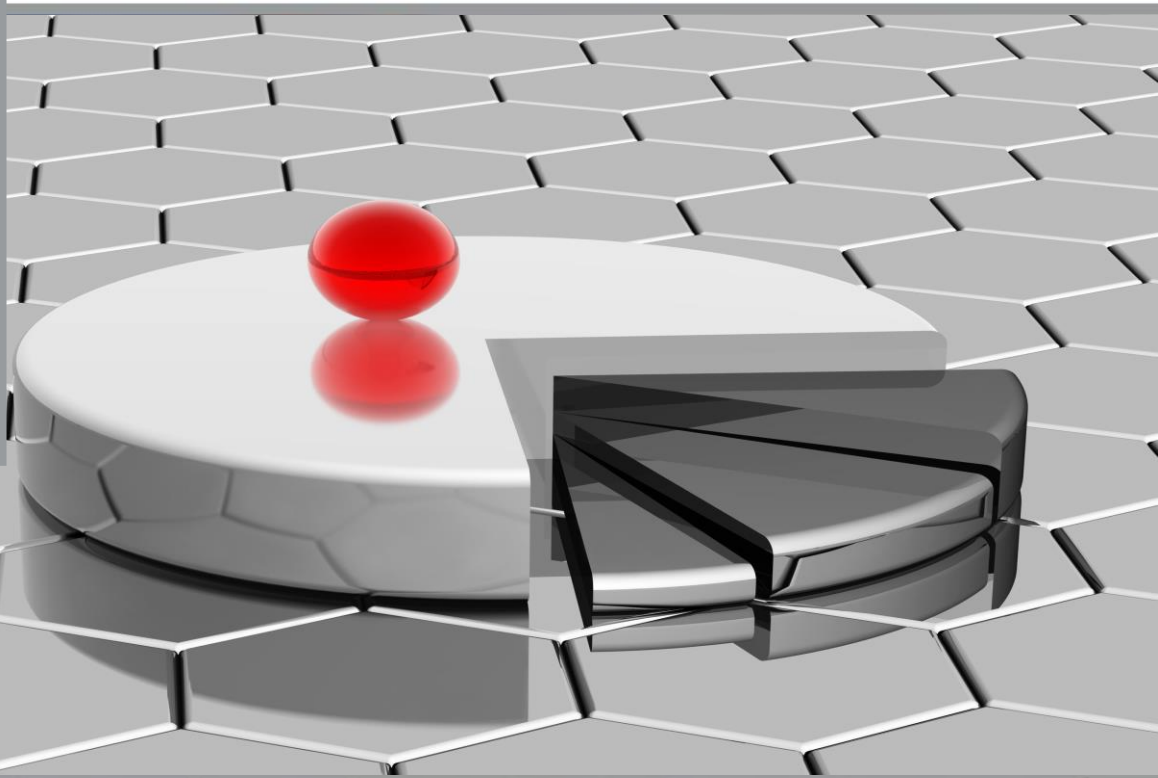


United Nations Development Programme



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Financial Audit Report 2018

**Mainstreaming global environmental priorities into
national policies and programmes in Palau
{Project Id: 00087532 (Output No.: 00094498)}**

08 April 2019

Lochan & Co.
Chartered Accountants

Head Office

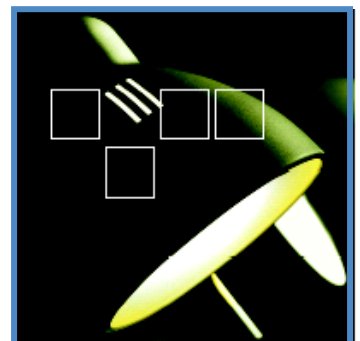
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The Financial report is for special purpose and confidential report.

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Template for audit data and observations

Table 1: Template for NGO / NIM auditors to report on the audit of the UNDP CDR

UNDP Combined Delivery Report (CDR) as at 31 December 2015,2016,2017 and 2018						
Project No.	Output No.	Amount audited and certified (in USD)	Audit opinion (unmodified, qualified, adverse, disclaimer)	Total amount of qualification of audit opinion (if qualified, adverse or disclaimer opinion) (in USD)	Reason(s) for qualification of audit opinion and breakdown of NFM amount (in USD)	Observation(s) that had impact on qualification of audit opinion (list observation number(s) and page of management letter)
00087532	00094498	280,853.75	Unmodified	NA	NA	NA

* Out of total expenditure of USD 339,424.64 for the project, UNDP expenditure of USD 58,570.89 is out of scope, hence not audited. Therefore, the audit and certified figure is USD 280,853.75.

Table 2: Template for NGO / NIM auditors to report on the audit of the Statement of Cash Position

Statement of Cash Position				
Project No.	Output No.	Value of Cash Position Statement as at 31 December 2018 (in USD)	Audit Opinion – Statement of Cash Position	Total amount of qualification - Statement of Cash Position (in US \$)
00087532	00094498	N.A.	N.A.	N.A.

Table 3: Template for NGO / NIM auditors to report on the audit of the Statement of Assets and Equipment

Statement of Assets and Equipment				
Project No.	Output No.	Value of Assets and equipment as at 31 December 2018 (cumulative from project start date) (in USD)	Audit Opinion – Statement of Asset and Equipment	Total amount of qualification on the Statement of Assets and Equipment (in USD)
00087532	00094498	11,666.00	Qualified	6,698.67

Name and Position of Auditor: Sharad Agarwal, Partner

Signature of Auditor:

Name and stamp of Audit Firm: Lochan & Co (Chartered Accountants)

Date: 08 April 2019

United Nations Development Programme



SECTION - I Executive Summary

Lochan & Co.
Chartered Accountants

SECTION – I

1.1 Executive Summary

1.1.1 Background

The purpose of the audit undertaken by Lochan & Co of the project titled “**Mainstreaming global environmental priorities into national policies and programmes in Palau**” [Project Id: 00087532 (Output No.:00094498)] is to:

- provide an assurance that there exist an adequate operational and internal control systems to ensure that the project is properly managed in accordance with the policies and procedures of UNDP for the achievement of its objectives with due regard for economy and efficiency;
- express an opinion on whether the CDR / financial report of the Project for the period from 01 April 2015 to 31 December 2018 presents fair view of the expenditure incurred on the project and whether the expenditure was incurred according to the approved budgets, for the approved purposes of the project and were incurred according to the UNDP policies and guidelines and were supported by properly approved vouchers and invoices;
- express an opinion on the Statement of asset and equipments of the project as on date whether the statement of asset and equipments presents fair view of the balance of the inventory of the project as at 31 December 2018 in all material respects; and
- Express an opinion on the Statement of cash position of the project as on date whether the Statement of cash position reported by the project is fairly and adequately presented as at 31 December 2018.

1.1.2 Audit Highlights

Audit Issues and Recommendations

In the audit report, the audit firm has summarized five issues. The audit firm has prioritized its recommendations in respect of its observations, as given below

Risk Severity	Number of recommendations
High	-
Medium	3
Low	2

The audit report contains five recommendations, of which 60% are of medium and 40% are of low priority. (Refer to **section 5.4** for definitions of the risk severity.)

The overall summary of observations is mentioned below:

Programme Management

The audit firm found the IP’s programme management to be satisfactory. No audit observation has been raised in this respect.

Human Resources

The audit firm found the IP’s human resource function to be satisfactory. No audit observation has been raised in this respect.

Finance

The audit firm found the IP’s finance function to be satisfactory. However, the audit has revealed the following observations:

Obs. No.	Subject Title	Recommendation	Priority
1	Supporting documents not stamped “PAID”	IP should consistently apply the practice of affixing stamp “PAID” on payment release advice as well as supporting invoice to indicate the invoices paid from UNDP fund	Low

Cash Management

The IP does not maintain any separate project bank account; hence this section is not applicable.

Procurement

The audit firm found the IP's procurement function to be partially satisfactory. The audit has revealed the following observations:

Obs. No.	Subject Title	Recommendation	Priority
2	Insufficient competitive procurement procedures	<ul style="list-style-type: none"> • The IP should ensure adherence towards all rules and policies prescribed. It should comply with procurement rules for amount exceeding specified limit to ensure competitive procurement. • The IP should ensure that the procurement related documents are attached with the expenditure vouchers for reference. 	Medium

Asset Management

The audit firm found the IP's asset management to be partially satisfactory. The audit has revealed the following observations:

Obs. No.	Subject Title	Recommendation	Priority
3	Assets not included in the asset Register	The IP should ensure that assets purchased from the fund of UNDP should be incorporate in the asset register so as to keep a check on asset usage.	Medium
4	Discrepancy in the asset register	The IP should ensure that information relating to any change in the condition and location should be regularly update in the asset register.	Medium
5	No documentation for physical verification of assets conducted by IP	IP should initiate a practice of documenting report for physical verification of project assets and equipment.	Low

General Administration

The audit firm found the IP's General Administration function to be satisfactory. No audit observation has been raised in this respect.

1.2 Scope of Audit & Scope Limitations

1.2.1 Scope of Audit

The scope of audit exercise has been as per Terms of Reference (ToR) and concentrated on the following aspects:

- To certify, express an opinion, and quantify the financial impact on each of the following:
 - Statement of Expenditure (CDR / financial reports / FACE).
 - Status of assets and equipment as at 31 December 2018; and
- To indicate the risks associated with their findings and provide a categorization by risk severity: High, Medium or Low.
- To classify the possible causes of audit findings.
- Assessment of the rate of delivery, project progress and implementation.
- Financial accounting, monitoring and reporting system.
- Management systems for recording, documenting and reporting on resources utilization.
- Procurement system, assets management, cash management and Information system.
- Management structure, including the adequacy of appropriate internal control and record keeping mechanisms.

1.2.2 Scope Limitations

- 1.2.2.1 The audit firm has restricted the work to Terms of Reference. The audit firm understands that the procedure to be performed is considered to be sufficient for UNDP purposes in connection with project namely "**Mainstreaming global environmental priorities into national policies and programmes in Palau**" [Project Id: 00087532 (Output No.:00094498)].
- 1.2.2.2 This is financial audit report with recommendations and being submitted to UNDP Palau Country Office after incorporating the management response and audit firm's comments on the same.
- 1.2.2.3 The audit firm has undertaken the financial audit as per International Standards on Auditing (ISAs).
- 1.2.2.4 In performing the work, the audit firm has relied entirely on:
- Financial reports and expenditure report for the year 2015,2016,2017 and 2018 provided by the Management.
 - Financial information provided by the management project unit and UNDP.
 - Discussion with the management regarding the present operations of project namely "Mainstreaming global environmental priorities into national policies and programmes in Palau" [Project Id: 00087532 (Output No.:00094498)]
 - Other supporting information, schedules, reports and explanations provided by the management and general administrative guidelines of Government of Palau.
- 1.2.2.5 As per ToR, UNDP support services are outside the scope of audit. Thus, the expenditure of USD 58,570.89 is not covered within the audit scope.
- 1.2.2.6 The audit firm has tested the trustworthiness of the accounting system or controls or otherwise corroborated the information contained in the report.
- 1.2.2.7 The audit firm's audit opinion is limited to the issues and risks arising out of financial matters and monitoring of the project. The audit firm has not covered the technical issues of the project, which may have arisen out of project transactions entered into by Project Unit / UNDP.
- 1.2.2.8 The audit firm's review of the documents of the project and the relevant records is limited to those document and records provided to us. While performing the work, the audit firm has assumed the substance of all signatures, the authenticity of all original documents.

- 1.2.2.9 The working papers, prepared in conjunction with the work are the property of the firm, constitute confidential and proprietary information and will be retained by the audit firm in accordance with firm's policies and procedures.
- 1.2.2.10 The audit firm has undertaken the evaluation of I.T. capability of the implementing partner as per the request of UNDP country office. However, in this respect, the audit firm has relied on the information provided by project unit and physically verified the equipments. The audit firm has not undertaken the technical evaluation.
- 1.2.2.11 The audit firm has no responsibility to update the report for events and circumstances occurring after the date of report.

1.3 Independent Auditor's Report 2018 to The UNDP Resident Representative

1.3.1 Independent Auditor's Report on Statement of Expenses – UNDP Combined Delivery Report (CDR)

Report of Independent Auditors to UNDP "Mainstreaming global environmental priorities into national policies and programmes in Palau" [Project Id: 00087532 (Output No.:00094498)]

We have audited the accompanying Statement of Expenses ("the Statement") (annexure 5.1) of the project "Mainstreaming global environmental priorities into national policies and programmes in Palau", for the period 1 April 2015 to 31 December 2018.

Opinion (Unmodified Opinion)

In our opinion, the attached statement of expenses presents fairly, in all material respects, the expense of **USD 280,853.75** incurred by the project "Mainstreaming global environmental priorities into national policies and programmes in Palau" for the period 1 April 2015 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 and fair presentation of the statement for "Mainstreaming global environmental priorities into national policies and programmes in Palau" and for such internal control 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 judgement 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.



Sharad Agarwal, Partner
Membership Number: 088861

[Lochan & Co](#)

Chartered Accountants

Firm Registration Number: 008019N

Date: 08 April 2019

Place: Delhi (India)

1.3.2 Independent Auditor's Opinion on Statement of Assets and Equipment

We have audited the accompanying Statement of Assets and Equipment ("**the Statement**") (annexure 5.2) of the project "**Mainstreaming global environmental priorities into national policies and programmes in Palau**" [Project Id: 00087532 (Output No.:00094498)] as at 31 December 2018.

Opinion (Qualified Opinion)

In our opinion, except for the effects of the matter described in the Basis of Opinion section of our report, the accompanying statement of assets and equipment presents fairly, in all material respects, the assets and equipment status of the project "Mainstreaming global environmental priorities into national policies and programmes in Palau" amounting to **USD 11,666.00** 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.

Following is the basis of qualification of opinion of Statement of Asset and Equipment:

- Assets not included in the asset register of **USD 6,698.67**.

Management Responsibilities

Management is responsible for the preparation of the statement of assets and equipment of the project "Mainstreaming global environmental priorities into national policies and programmes in Palau" and for such internal control 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 judgement 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.



Sharad Agarwal, Partner
Membership Number: 088861

[Lochan & Co](#)

Chartered Accountants

Firm Registration Number: 008019N

Date: 08 April 2019

Place: Delhi (India)

1.3.3 Independent Auditor's Report on Statement of Cash Position

The IP does not maintain any separate project bank account for the project; hence this section is not applicable.

United Nations Development Programme



SECTION - II Management Letter

Lochan & Co.
Chartered Accountants

SECTION – II

2.0 Management Letter

This management letter contains our findings / observations and summarized recommendations for improvements in the project's accounting system, procedures and internal controls. The recommendations have been suggested to strengthen the processes so as to improve the effectiveness of overall management of project.

2.1 Review of Project Progress

The audit firm has reviewed annual and quarterly work plans, quarterly and annual financial reports, and requests for direct payments and assess in terms of their timeliness and their compliance with the project document or the AWP, and the UNDP Programme Operations Policies and Procedures (POPP) on Results Management, reviewed the quarterly progress reports prepared by the implementing partner, if any and assess in terms of compliance with UNDP guidelines and whether UNDP and the implementing partner met their responsibilities for monitoring described in the project document or AWP, reviewed the pace of project progress and comment on the causes for delays.

The audit firm found the activities progress to be satisfactory.

2.2 Human Resources

The audit firm has conducted the audit of human resource part of the project and reviewed the competitiveness, transparency and effectiveness of the recruitment and hiring of personnel and covered performance appraisal, attendance control, calculation of salaries and entitlements, payroll preparation and payment, and management of personnel records .

The audit firm found the Human resource function to be satisfactory.

2.3 Finance

The audit firm has reviewed the existence of and adherence to financial policies and procedures manuals by IP. The audit firm has reviewed the accounting records maintained by IP and assessed their adequacy for maintaining accurate and complete records of receipts and disbursements of cash and for supporting the financial reports. The audit covered the adequacy of the accounting and financial operations and reporting systems which include budget control, cash management, certification and approving authority, receipt of funds, commitment of expenses against approved budget and disbursement of funds, recording of all financial transactions in expenses reports, records maintenance and control, cash advances to field offices, IP's staff etc.

The audit firm found the finance function to be partially satisfactory. However, the audit has revealed the following observations:

Project Id / Output No.	Observation number	Audit Observation	Recommendation	Audit Area / Risk Severity	Project / Country Office Management Comments
00087532/	1	<u>Supporting documents not stamped "PAID"</u>	IP should	Finance/ Low	<u>UNDP Comments:</u>

Project Id / Output No.	Observation number	Audit Observation	Recommendation	Audit Area / Risk Severity	Project / Country Office Management Comments
00094498		<p>As per ToR the supporting documents are to be stamped "PAID by UNDP funds" to indicate the agency funding the transaction.</p> <p>It was observed that the payment release advice (PRA) is not affixed with the "PAID" stamp.</p> <p>Impact / Potential Risk:</p> <p>There is a risk of payments being disbursed more than once for the same payment release advice.</p>	consistently apply the practice of affixing stamp "PAID" on payment release advice as well as supporting invoice to indicate the invoices paid from UNDP fund		The practice of affixing stamp "PAID" on payment vouchers and documentations is good accounting practice. However, if this is not implemented at the National Level, then at least to be applied at the project level once payments have been made to Vendors.

2.4 Cash Management

The IP does not maintain any separate project bank account for the project; hence this section is not applicable.

2.5 Procurement

In its audit work, the audit firm has covered the competitiveness, transparency and effectiveness of the procurement activities of the project in order to ensure that the equipment and services purchased meet the requirement of either the government or UNDP and include the following:

- As applicable, delegations of authorities, procurement thresholds, call for bids and proposals, evaluation of bids and proposals and approval / signature of contracts and purchase orders;
- Receiving and inspection procedures to determine the conformity of equipment with the agreed specifications and, when applicable, the use of independent experts to inspect the delivery of highly technical and expensive equipment;
- Evaluation of the procedures established to mitigate the risk of purchasing equipment that do not meet specifications or is later proven to be defective; and
- Management and control over the variation orders.

The audit firm has also evaluated the use of consulting firms and the adequacy of procedures to obtain fully qualified and experienced personnel.

The audit firm found the procurement function to be partially satisfactory. The audit has revealed the following observations:

Project Id / Output No.	Observation number	Audit Observation	Recommendation	Audit Area / Risk Severity	Project / Country Office Management Comments
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Project Id / Output No.	Observation number	Audit Observation	Recommendation	Audit Area / Risk Severity	Project / Country Office Management Comments
00087532/ 00094498	2	<p><u>Insufficient competitive procurement procedures</u></p> <ul style="list-style-type: none"> • Chapter III Procurement and Safeguard Action Domain of RPPM property control policies and procedure (Page no 15) states" Small purchases under \$5,000.00 but over \$2,500 may be made after obtaining two (2) written price quotations, with the exception that for event hosting services, only one (1) price quotation may be required, provided that reasonable justification exists, A written documentation of the quote(s), the vendor(s) submitting the quote(s), and the basis for selection shall be maintained in the purchase order file". • As reviewed IP done the procurement of various assets, and consumables • We noted that in some of the instance's procurement procedure has not been followed by the IP. The details are as follows: <ul style="list-style-type: none"> - Quotation are not invited from 3 vendors in some of the instances as required by the policy. As informed by IP, there are not more than 2 vendors who provide the services which is required. However, no note to file or approval for the same was there for the same. - Quotation requested did not match with the purchase order in one case. - Invoice issued before the issue of the purchase order in one case. - Quotation received are dated before the date of request for quotation. - Quotation obtained in the month of February 2018 used for the items to be procured in June 2018. • The details of the above shortcomings is provided in Annexure 1 <p><u>Impact / Potential Risk:</u> Failure to implement competitive procedures for the</p>	<ul style="list-style-type: none"> • The IP should ensure adherence towards all rules and policies prescribed. It should comply with procurement rules for amount exceeding specified limit to ensure competitive procurement. • The IP should ensure that the procurement related documents are attached with the expenditure vouchers for reference. 	Procurement/ Medium	<p><u>UNDP Comments:</u> UNDP emphasizes the importance of following the national procurement guidelines and procedures. However, if there are limitations regarding obtaining quotes and invoices due to lack of suppliers or vendors in providing the same goods or services, then proper documentations are to be prepared, for instance like the Note to File to explain or justify why payment was made to that vendor or why the project went for a higher quote etc; to be attached together with that payment request for proper records.</p>

Project Id / Output No.	Observation number	Audit Observation	Recommendation	Audit Area / Risk Severity	Project / Country Office Management Comments
		procurement of goods or services risks inefficient use of project funds as it cannot be demonstrated that the most economical option has been enacted.			

2.6 Asset Management

The audit firm has covered the procedures of receipt, storage, updations and disposal of equipment (typically technical equipment's, vehicles and office equipment's) purchased from project funds for use in the project.

The audit firm found the asset management to be partially satisfactory. The audit has revealed the following observations:

Project Id / Output No.	Observation number	Audit Observation	Recommendation	Audit Area / Risk Severity	Project / Country Office Management Comments												
00087532/ 00094498	3	<p><u>Assets not included in the asset Register</u></p> <ul style="list-style-type: none"> Clause 8.1(f) of the Internal Control Manual issued by the Republic of Palau National Government states that the control objectives relating to the recording of new assets. It states that "All assets coming into the control of government are recorded in the asset records of both the Property Section and the holding agency" During the sample check it was noticed that IP procure the assets of USD 6,698.67 during the year 2016 & 2017 but None of the assets are recorded in the assets register maintained for the palaris office. <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>Amount (USD)</th> </tr> </thead> <tbody> <tr> <td>31-Aug-2016</td> <td>MASTER ELECTRON-Acer Monitor</td> <td>549.00</td> </tr> <tr> <td>06-Mar-2017</td> <td>WCTC - OFFICE S-3 Computer Dell,1 Monitor Asus and 1 monitor of Samsung</td> <td>3,299.82</td> </tr> <tr> <td>20-Sep-2017</td> <td>WCTC - OFFICE S-3 Computer Dell and 3 Monitors HP</td> <td>2,849.85</td> </tr> </tbody> </table>	Date	Particulars	Amount (USD)	31-Aug-2016	MASTER ELECTRON-Acer Monitor	549.00	06-Mar-2017	WCTC - OFFICE S-3 Computer Dell,1 Monitor Asus and 1 monitor of Samsung	3,299.82	20-Sep-2017	WCTC - OFFICE S-3 Computer Dell and 3 Monitors HP	2,849.85	The IP should ensure that assets purchased from the fund of UNDP should be incorporate in the asset register so as to keep a check on asset usage.	Asset Management/ Medium	<p><u>UNDP Comments:</u> UNDP has the template for Asset Listing whereby IP should always update every time the assets are bought. This is to ensure that all project assets are recorded as and when they are bought, properly tagged before they use or distribute the asset.</p>
Date	Particulars	Amount (USD)															
31-Aug-2016	MASTER ELECTRON-Acer Monitor	549.00															
06-Mar-2017	WCTC - OFFICE S-3 Computer Dell,1 Monitor Asus and 1 monitor of Samsung	3,299.82															
20-Sep-2017	WCTC - OFFICE S-3 Computer Dell and 3 Monitors HP	2,849.85															

Project Id / Output No.	Observation number	Audit Observation	Recommendation	Audit Area / Risk Severity	Project / Country Office Management Comments			
		<table border="1"> <tr> <td></td> <td>Total</td> <td>6,698.67</td> </tr> </table> <p>Impact / Potential Risk: Increased risk of misappropriation of the assets for the personal use.</p>		Total	6,698.67			
	Total	6,698.67						
00087532/ 00094498	4	<p>Discrepancy in the asset register</p> <ul style="list-style-type: none"> Clause 8.1(e) of the Internal Control Manual issued by the Republic of Palau National Government states that "there exists a dual responsibility for recording of assets. The ROPNG Property Section has responsibility for maintaining the overall records of government assets. In addition, each agency has responsibility for maintaining its own set of asset records". IP maintains the asset register and there are total of 12 assets in the assets register and during the review following discrepancies has been noted: <ul style="list-style-type: none"> Condition of the asset mentioned is not correct in two instances. Location mentioned is not correct in 7 instances. Details of the cases has been attached in Annexure 2. <p>Impact / Potential Risk: Due to weak internal control over assets management, there is control risk of utilization of assets and equipment.</p>	The IP should ensure proper maintenance of asset register. Information relating to any change in the condition and location should be regularly update in the asset register.	Asset Management/ Medium	UNDP Comments: PMU should ensure that the information provided in the Asset Listing is correct and has to be updated accordingly to the conditions or movement of the Asset. Discrepancy mentioned in the findings should be corrected in the Asset Listing and updated accordingly to reflect the true and accurate information. This updated listing is to be sent to UNDP for their records.			
00087532/ 00094498	5	<p>No documentation for physical verification of assets conducted</p> <ul style="list-style-type: none"> As per General Condition of the project document signed between UNDP and IP, the IP is responsible for managing financial and administrative aspects of project assets, maintain registers for inventory of non-expendable equipment and ensure that the equipment is safe 	IP should initiate a practice of documenting report for physical verification of project assets and equipment.	Asset Management/ Low	UNDP Comments: UNDP Asset Listing should be updated and provided to the National Procurement Officer to be used as a basis for physical verification of Assets.			

Project Id / Output No.	Observation number	Audit Observation	Recommendation	Audit Area / Risk Severity	Project / Country Office Management Comments
		<p>and in proper working condition, providing regular updates to inform further implementation.</p> <ul style="list-style-type: none"> As informed by IP, Procurement Officer conducts the physical verification of assets and equipment on yearly basis. However, we noted that the IP doesn't prepare any documented report for physical verification conducted for the project assets for the year 2015, 2016 and 2018. <p>Impact / Potential Risk: In the absence of proper inventory records, there is an increased risk of theft or misappropriation of assets</p>			<p>This has to be signed off by both the Project Admin and Finance Officer together with the National Procurement Officer once physical verification of Assets are done. For future projects, UNDP will ensure that this practice is done and followed so that it ensures that the Project keeps an updated version of the Asset Registers and also to note that the physical verification of asset is done on a quarterly or semi-annually basis.</p>

2.7 General Administration

The audit firm has checked the upkeep and maintenance of accounting and other records, process of travel activities, offices premises and lease management, office communications and IT systems.

The audit firm found the general administration to be satisfactory.

Annexure 1

Incompetitive procurement procedures followed

Date	Particulars	Amount (USD)	Remarks
06-03-2017	WCTC - OFFICE S-3 Computer Dell, 1 Monitor Asus and 1 monitor of Samsung	3,299.82	Quotation is incomplete not asked for screens in the quotation but yes ordered screen and also purchase order is cut with pen and rectified not new order inserted
19-04-2017	P.I.E. PRINTING for printing of reports-SOE & SDG	4,905.50	Only one quotation is attached
06-08-2018	PIE PRINTING &-Printing for SDG	3,360.00	Quotation are only from one vendor, two quotation of Feb month attached for the quotation done in June
06-09-2018	Surangel and Sons- Purchase of WAVE bottle, VAC Bottle, Thermo Flask, Water bottles and Sticker Logo	6,119.95	Quotation received before the request for quotation and only two quotations.
29-09-2018	SALVADORTELLAM-Live broad cast and Filming service	400.00	Invoice is before the date of purchase order

Annexure 2

Discrepancies in the asset register

Purchase Date	Total Cost	Description	Asset Tag	Condition / Location	Remarks
22 July 2016	549	Notebook, ASUS 15.6", PC, 2.16GHZ, Intel Celeron N2830 Processor	MP-27016	CAN'T FIND	Condition is damaged, asset with the store for fixing
14 Sept 2017	1,240	Computer, Dell, I3668-5175 I5 W10 with HP Monitor V244A, 23.8" LED	MP-27814	NEW L@NEPC UNIT	Location is incorrect. Asset is at Bureau of Agriculture
14 Sept 2017	1,164	Computer, Dell Optiplex 3040 W10 WITH HP Monitor V244H, 23.8" LED	MP-27815	NEW L@NEPC UNIT	Location is incorrect. Asset is at Bureau of Agriculture
14 Sept 2017	1,164	Computer, Dell Optiplex 3040 W10 with HP Monitor V244H, 23.8" LED	MP-27816	NEW L@NEPC UNIT	Location is incorrect. Asset is at Bureau of Agriculture
06 Sept 2017	300	Printer, HP Officejet PRO 8725	MP-27811	NEW L@NEPC UNIT	Location is incorrect. Asset is at Bureau of Agriculture

Purchase Date	Total Cost	Description	Asset Tag	Condition / Location	Remarks
06 Sept 2017	300	Printer, HP Officejet PRO 8725	MP-27812	NEW L@NEPC UNIT	Location is incorrect. Asset is at Capitol/Amand
06 Sept 2017	300	Printer, HP Officejet PRO 8725	MP-27813	NEW L@NEPC UNIT	Location is incorrect. Asset is at Bureau of Agriculture
29 March 2017	1,100	Laptop, Dell 15559-7081, 17, 15.6"	MP-27356	NEW L@PALARIS-CAPITOL/AMAND	Condition is damaged, asset with the store for fixing
21 March 2017	350	Printer, HP, Laserjet Pro M452NW	MP-27350	NEW L@PALARIS-CAPITOL/AMAND	The asset is with the Charlene not Amand

United Nations Development Programme



SECTION - III Follow up Action Plan

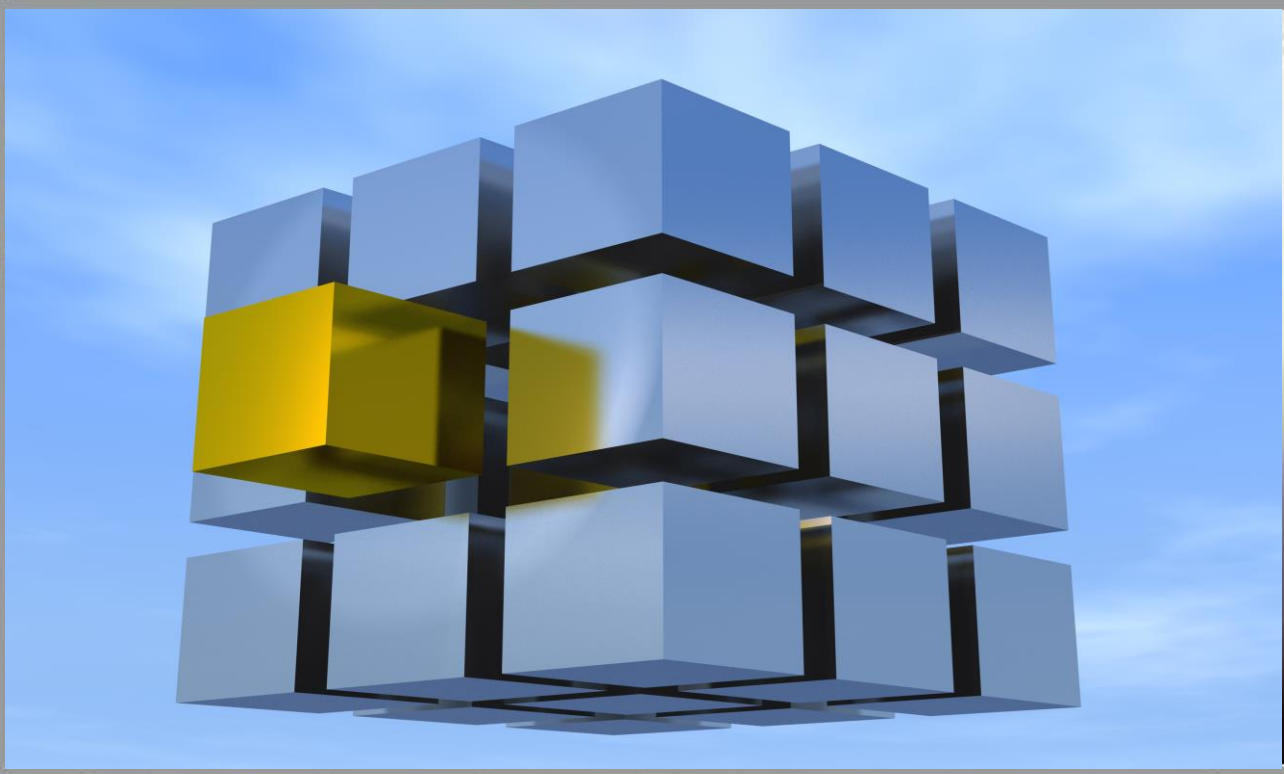
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SECTION – III

3.0 Follow up Action Plan

No audit has been conducted for the project earlier, hence this section is not applicable.

United Nations Development Programme



SECTION - IV Project Background and Audit Methodology

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SECTION – IV

4.0 Project Background and Audit Methodology

4.1 Introduction

In terms of the scope of work identified in Terms of Reference (ToR) attached to **United Nations Development Programme (UNDP)** contract with **Lochan & Co** ("the audit firm"), the audit firm has carried out an audit of the transactions pertaining to the Project titled "**Mainstreaming global environmental priorities into national policies and programmes in Palau**" [Project Id: 00087532 (Output No.:00094498)], financed by UNDP for the period from 1 April 2015 to 31 December 2018. Office of Environmental Response and Coordination (OERC) is implementing the Project.

4.2 Brief Background of the Project

4.2.1 A brief background of the project (as extracted from the Project Document) is provided in the subsequent paragraphs:

This project is in line with the following CCCD Programme Objectives:

- i) CD 2 to generate, access and use information and knowledge; and
- ii) CD 5 to enhance capacities to monitor and evaluate environmental impacts and trends. It is also aligned with the first objective of the GEF-6 CCCD strategy that is to integrate global environmental needs into management information and monitoring systems.
- iii) It is a direct response to the GEF-funded National Capacity Self-Assessment (NCSA) project conducted in Palau during the period of 2006-2007, which identified environmental information as a constraint for good environmental decision-making and that there was a need for more comprehensive datasets to be made available to stakeholders including decision-makers and also a greater capacity of stakeholders for analyzing and using this information in related policy and programme making.
- iv) Through a learning-by-doing process, this project will harmonize existing information systems, and integrate internationally accepted measurement standards and methodologies, as well as consistent reporting on the status of the environment in Palau. It will target the development of capacities at the individual and organizational level, strengthening technical skills to manage data and transform this information into knowledge.

4.2.2 Project Information

a)	Project Id	00087532
b)	Output No.	00094498
c)	Project Title	Mainstreaming global environmental priorities into national policies and programmes in Palau
d)	Actual Start Date	1 April 2015
e)	Estimated End Date	30 June 2019
f)	Funding Agency	GEF
g)	Executing Agency	Office of Environmental Response and Coordination
h)	Implementing Entity	Office of Environmental Response and Coordination
i)	Budget for the year 2015 to 2018	USD 275,335.32
j)	Actual Expenditure for the year (as per CDR)	
	2015	USD 29,359.73
	2016	USD 94,532.94
	2017	USD 90,803.10
	2018	USD 124,688.87

4.3 Audit Methodology Adopted

4.3.1 Lochan & Co has adopted the following methodology to undertake the project audit:

- Understand the purpose for which the funds are intended, the context of project, objectives as well as in terms of the specific budget for the project.
- Understand the organization structure and map the critical linkage in the flow of financial information and also analyze qualitative aspects of financial statement of IP.
- Understand the project operations through following documents, information / manuals and reports:
 - Project Agreement between IP;
 - Approved annual work plan and budget;
 - IP procurement (bidding) regulations;
 - Project's Operational Manual;
 - Project's financial and physical progress reports;
 - Description of the accounting systems;
 - Certification statements;
 - Policies and procedures adopted in procurement; and
 - Procedures followed in the receipt, storage and distribution of goods and materials.
- Ensure the adequacy and timeliness of financial, management and operational information.
- Perform test checks on accounts and documents.
- Review of internal control system to establish its existence effectiveness and adequacy.
- Ensure that financial reports are prepared and submitted in accordance with procedures outlined by UNDP and existence of proper internal control system in preparation of financial reports.
- **Procedures were evaluated for:**
 - safeguarding of assets and its proper utilization;
 - adequate distribution of responsibilities with delegation of power;
 - adequacy and timeliness in recording of transactions;
 - Verifying the eligibility of reimbursement of advances.
- **The audit was conducted after obtaining sufficient supporting evidence:**
 - Verifying the adherence of procurement methods and procedures adopted by implementing partner;
 - Identify the types of potential material misstatements that could occur in financial statements prepared for specific use and risk involved;
 - Ascertain whether project document signed by all parties before implementation starts; project management plan and budget(s) in place;
 - Ensuring the project implementation is within the parameters of project need;
 - Check the copy of Project Document, implementing partner grant agreement, work plan and original budget;
 - Review minutes of tripartite meetings;
 - Review the minutes of Executive Committee and review correspondence between UNDP, implementing partner and responsible parties;
 - Review project budget;
 - Check periodic financial reports submitted by implementing partner to UNDP;
 - Review various financial reports / FACE to determine whether they are submitted within time or not;
 - Review the vouchers to determine if they were adequately supported and approved;
 - Review advances given for sub contracts and other activities;
 - Review records to determine that all transactions are legitimately recorded;
 - Review the procurement system of non-expendable properties;
 - Physical verification of fixed assets at office to determine whether assets purchased are included in inventory list or not, all assets are in good condition within offices premises;
 - Any other documentation that may be necessary for the effective audit.

- Express an opinion on implementing partner's compliance with the terms of the Project Agreement and applicable laws and regulations.
- Express an opinion on the Project Financial Statement that they are prepared in accordance with consistently applied accounting standards and give a true and fair view of the financial position.
- Express an opinion on whether the supplementary financial information for the project is fairly presented in all material respects.

4.3.2 The audit firm has carried out the financial audit in conformity with the provisions of the programme support document, generally accepted common auditing standards, principle and procedures prescribed for United Nations with respect to funds obtained from or through UNDP. The audit, accordingly, includes such tests of accounting records, internal controls, and other procedures as are considered essential for the due performance of this audit.

4.3.3 Discussions on management and accountability are held with the UNDP programme and finance personnel, the government coordinating authority, IP and the concerned line ministries, wherever possible.

4.3.4 The audit firm has visited the office of implementing partner in Palau for the records of the project kept and maintained for the purpose of conducting the financial audit.

4.4 Structure of the Report

This report has been structured as follows:

Section I	:	1.1	Executive Summary
		1.2	Scope of Audit & Scope Limitations
		1.3	Independent Auditor's Report
Section II	:	2.0	Management Letter
Section III	:	3.0	Follow up Action Plan
Section IV	:	4.1	Introduction
		4.2	Brief Background of the Project
		4.3	Audit Methodology Adopted
		4.4	Structure of the Report
Section V	:	5.1	Signed Statement of Expenses (Combined Delivery Report)
		5.2	Signed Statement of Assets and Equipment
		5.3	Organization Chart
		5.4	Definition of Risk Severities and Functional Area ratings
		5.5	Abbreviations and Acronyms

United Nations Development Programme



SECTION - V Annexures

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SECTION – V

5.1 Signed Statement of Expenses (Combined Delivery Report)

Year: 2015

Combined Delivery Report by Activity

UN Development Programme
Report ID: unglodrb

Page 1 of 3
Run Time: 22-02-2019 08:02:42

Section Criteria :

Business Unit : FJI10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00094498

Project Id : 00087532 Palau CB2/CCCD	Period : Jan-Dec (2015)
Output # : 00094498 PLW CB/CCCD	Impl. Partner : 01243 Palau Automated Land & RIS Location : Fiji

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Activity : ACTIVITY1 (Improved management info system)				
Fund : 62000 (GEF Voluntary Contribution)				
71305 - Local Consult.-Sht Term-Tech	0.00	28,229.84	0.00	28,229.84
Total for Fund 62000	0.00	28,229.84	0.00	28,229.84
Total for Activity ACTIVITY1	0.00	28,229.84	0.00	28,229.84
Activity : ACTIVITY3 (Improved decision making)				
Fund : 62000 (GEF Voluntary Contribution)				
74599 - UNDP cost recovery chrgs-Bills	0.00	30.64	0.00	30.64
75710 - Participation of counterparts	0.00	1,099.25	0.00	1,099.25
Total for Fund 62000	0.00	1,129.89	0.00	1,129.89
Total for Activity ACTIVITY3	0.00	1,129.89	0.00	1,129.89
Total for Output : 00094498	0.00	29,359.73	0.00	29,359.73
Project Total :	0.00	29,359.73	0.00	29,359.73

Prepared By: *[Signature]* Date: 2/27/19

Prepared By: *Ken Petrus* Date: 3/27/19

For Lochan & Co
Chartered Accountants

[Signature]
Partner



08/04/2019



UN
DP UN Development Programme
Report ID: unglodrb

Combined Delivery Report by Activity

Page 2 of 3
Run Time: 22-02-2019 08:02:42

Selection Criteria :

Business Unit : FJ10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00094498

Project Id : ALL	Period : Jan-Dec (2015)			
Output # : ALL	Impl. Partner :			
	Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
42301 - Palau - Cty Pgmm	0.00	29,359.73	0.00	29,359.73



UN
DP UN Development Programme
Report ID: unglodrb

Combined Delivery Report by Activity

Page 3 of 3
Run Time: 22-02-2019 08:02:43

Funds Utilization

Selection Criteria :

Business Unit : FJ10
Period : Jan-Dec (2015)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00094498

Project/Award: 00087532 Palau CB2/CCCD

Period : As Of Dec31,2015

Output #	00094498	Impl. Partner :01243 Palau Automated Land & RIS	UNDP AMOUNT
	Outstanding NEX advances		9,836.83
	Undepreciated Fixed Assets		0.00
	Unamortized Intangible Assets		0.00
	Inventory		0.00
	Prepayments		0.00
	Commitments		0.00

Combined Delivery Report by Activity

UN Development Programme
Report ID: unglcdrb

Page 2 of 4
Run Time: 22-02-2019 08:02:56

Project ID : 00087532 Palau CB2/CCCD	Period :	Jan-Dec (2016)		
Output # : 00094498 PLW CB/CCCD	Impl. Partner :	01243 Palau Automated Land & RIS		
	Location :	Fiji		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
fund : 62000 (GEF Voluntary Contribution)				
64398 - Direct Project Cost-Staff	0.00	93.40	0.00	93.40
71605 - Travel Tickets-International	287.65	0.00	0.00	287.65
71625 - Daily Subsid Allow-Mtg Partic	0.00	1,326.00	0.00	1,326.00
72505 - Stationery & other Office Supp	108.60	0.00	0.00	108.60
74525 - Sundry	0.00	1,873.74	0.00	1,873.74
74598 - Direct Project Costs - GOE	0.00	40.03	0.00	40.03
76125 - Realized Loss	0.00	0.00	0.00	0.00
total for Fund 62000	396.25	3,333.17	0.00	3,729.42
total for Activity ACTIVITY3	396.25	3,333.17	0.00	3,729.42
Activity : ACTIVITY4 (Project management)				
fund : 62000 (GEF Voluntary Contribution)				
64398 - Direct Project Cost-Staff	0.00	23.21	0.00	23.21
71405 - Service Contracts-Individuals	21,264.60	0.00	0.00	21,264.60
71630 - Shipment	0.00	97.50	0.00	97.50
72505 - Stationery & other Office Supp	145.35	0.00	0.00	145.35
74105 - Management and Reporting Svcs	71.63	0.00	0.00	71.63
74598 - Direct Project Costs - GOE	0.00	9.95	0.00	9.95
75705 - Learning costs	0.00	302.49	0.00	302.49
total for Fund 62000	21,481.58	433.15	0.00	21,914.73
total for Activity ACTIVITY4	21,481.58	433.15	0.00	21,914.73
total for Output : 00094498	81,536.96	13,035.98	0.00	94,572.94
Project Total :	81,536.96	13,035.98	0.00	94,572.94

Prepared By: [Signature] Date: 2/27/19
 Prepared By: [Signature: Ken Petrus] Date: 3/27/19

For Lochan & Co
Chartered Accountants

 Partner

 08/04/2019



UN
DP UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 3 of 4
Run Time: 22-02-2019 08:02:57

Selection Criteria :

Business Unit : FJ10
Period : Jan-Dec (2016)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00094498

Project Id : ALL	Period : Jan-Dec (2016)			
Output # : ALL	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
42301 - Palau - Cty Pgmm	81,536.96	13,035.98	0.00	94,572.94



UN
DP UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 4 of 4
Run Time: 22-02-2019 08:02:57

Funds Utilization

Selection Criteria :

Business Unit : FJI10
Period : Jan-Dec (2016)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00094498

Project/Award: 00087532 Palau CB2/CCCD

Period : As Of Dec31,2016

Output #	00094498	Impl. Partner :01243 Palau Automated Land & RIS	UNDP AMOUNT
Outstanding NEX advances			24,590.96
Undepreciated Fixed Assets			1,217.12
Unamortized Intangible Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			0.00



UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 2 of 4
Run Time: 22-02-2019 01

Project Id : 00087532 Palau CB2/CCCD	Period :	Jan-Dec (2017)		
Output # : 00094498 PLW CB/CCCD	Impl. Partner :	01243 Palau Automated Land & RiS		
	Location :	Fiji		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Total for Activity ACTIVITY2	39,251.16	11,659.08	0.00	50,910.24
Activity : ACTIVITY3 (Improved decision making)				
Fund : 62000 (GEF Voluntary Contribution)				
71305 - Local Consult.-Sht Term-Tech	892.34	0.00	0.00	892.34
71405 - Service Contracts-Individuals	5,088.46	0.00	0.00	5,088.46
72505 - Stationery & other Office Supp	2,332.68	0.00	0.00	2,332.68
72510 - Publications	0.00	11.71	0.00	11.71
75709 - Learning - training of counter	526.60	0.00	0.00	526.60
76135 - Realized Gain	0.00	-0.06	0.00	-0.06
Total for Fund 62000	8,840.08	11.65	0.00	8,851.73
Total for Activity ACTIVITY3	8,840.08	11.65	0.00	8,851.73
Activity : ACTIVITY4 (Project management)				
Fund : 62000 (GEF Voluntary Contribution)				
74525 - Sundry	403.36	0.00	0.00	403.36
Total for Fund 62000	403.36	0.00	0.00	403.36
Total for Activity ACTIVITY4	403.36	0.00	0.00	403.36
Total for Output : 00094498	77,678.37	13,124.73	0.00	90,803.10
Project Total :	77,678.37	13,124.73	0.00	90,803.10

Signed By :

[Handwritten Signature]

Date :

Signed By :

[Handwritten Signature]

Date :

29/3/19

For Lochan & Co
Chartered Accountants

[Handwritten Signature]
Partner



08/04/2019



UN Development Programme
Report ID: unglodrb

Combined Delivery Report by Activity

Page 3 of 4
Run Time: 22-02-2019 08:02:40

Selection Criteria :

Business Unit : FJI10
Period : Jan-Dec (2017)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00094498

Project Id : ALL	Period : Jan-Dec (2017)				
Output # : ALL	Impl. Partner :				
	Location :				
		Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
42301 - Palau - Cty Pgmm		77,678.37	13,124.73	0.00	90,803.10



UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 4 of 4
Run Time: 22-02-2019 08:02:42

Funds Utilization

Selection Criteria :

Business Unit : FJI10
Period : Jan-Dec (2017)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00094498

Project/Award: 00087532 Palau CB2/CCCD Period : As Of Dec31,2017

Output #	00094498	Impl. Partner :01243 Palau Automated Land & RIS	UNDP AMOUNT
Outstanding NEX advances			0.22
Undepreciated Fixed Assets			1,054.84
Unamortized Intangible Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			0.00

Year: 2018



UN
DP UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 1 of 4
Run Time: 22-02-2019 08:02:06

Selection Criteria :

Business Unit : FJ110
Period : Jan-Dec (2018)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00094498

Project Id : 00087532 Palau CB2/CCCD	Period : Jan-Dec (2018)
Output # : 00094498 PLW CB/CCCD	Impl. Partner : 01243 Palau Automated Land & RIS Location : Fiji

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Activity : ()				
Fund : 62000 (GEF Voluntary Contribution)				
77630 - Dep Exp Owned - ITC	0.00	67.60	0.00	67.60
Total for Fund 62000	0.00	67.60	0.00	67.60
Total for Activity	0.00	67.60	0.00	67.60
Activity : ACTIVITY1 (Improved managemnt info system)				
Fund : 62000 (GEF Voluntary Contribution)				
64397 - Services to projects -CO staff	0.00	-55.18	0.00	-55.18
71305 - Local Consult -Shi Term-Tech	16,362.10	0.00	0.00	16,362.10
71405 - Service Contracts-Individuals	14,171.52	0.00	0.00	14,171.52
71630 - Shipment	0.00	238.88	0.00	238.88
72505 - Stationery & other Office Supp	2,063.56	0.00	0.00	2,063.56
74525 - Sundry	2,645.65	0.00	0.00	2,645.65
74596 - Services to projects -GOE	0.00	-13.70	0.00	-13.70
74597 - DPC to recover waived GMS	0.00	-9.95	0.00	-9.95
76135 - Realized Gain	0.00	-6.74	0.00	-6.74
Total for Fund 62000	35,242.83	153.31	0.00	35,396.14
Total for Activity ACTIVITY1	35,242.83	153.31	0.00	35,396.14
Activity : ACTIVITY2 (Strengthn techncal capacity)				
Fund : 62000 (GEF Voluntary Contribution)				
63335 - Home Leave Trvl & Allow-IP Stf	0.00	0.00	0.00	0.00
64397 - Services to projects -CO staff	0.00	-191.86	0.00	-191.86
71405 - Service Contracts-Individuals	30,726.66	0.00	0.00	30,726.66
71605 - Travel Tickets-International	0.00	5,724.08	0.00	5,724.08
71615 - Daily Subsistence Allow-Intl	0.00	2,094.40	0.00	2,094.40
71635 - Travel - Other	26,215.91	1,360.08	0.00	27,575.99
72815 - Inform Technology Supplies	0.00	2,344.66	0.00	2,344.66
74525 - Sundry	500.60	0.00	0.00	500.60
74596 - Services to projects -GOE	0.00	0.00	0.00	0.00
74597 - DPC to recover waived GMS	0.00	-82.22	0.00	-82.22
75705 - Learning costs	0.00	4,202.53	0.00	4,202.53
75709 - Learning - training of counter	11,843.00	0.00	0.00	11,843.00

Combined Delivery Report by Activity

UN Development Programme
Report ID: unglodrb

Page 2 of 4
Run Time: 22-02-2019 08:1

Project ID : 00087532 Palau CB2/CCCD Output # : 00094498 PLW CB/CCCD	Period : Impl. Partner : Location :	Jan-Dec (2018) 01243 Palau Automated Land & RIS Fiji	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
76135 - Realized Gain	0.00	- 22.97	0.00			- 22.97
Total for Fund 62000	69,286.17	15,428.70	0.00			84,714.87
Total for Activity ACTIVITY2	69,286.17	15,428.70	0.00			84,714.87
Activity : ACTIVITY3 (Improved decision making)						
Fund : 62000 (GEF Voluntary Contribution)						
64397 - Services to projects -CO staff	0.00	- 93.40	0.00			- 93.40
71620 - Daily Subsistence Allow-Local	0.00	3,268.00	0.00			3,268.00
71635 - Travel - Other	0.00	451.20	0.00			451.20
74597 - DPC to recover waived GMS	0.00	- 40.03	0.00			- 40.03
74599 - UNDP cost recovery chrgs-Bills	0.00	- 30.64	0.00			- 30.64
Total for Fund 62000	0.00	3,555.13	0.00			3,555.13
Total for Activity ACTIVITY3	0.00	3,555.13	0.00			3,555.13
Activity : ACTIVITY4 (Project management)						
Fund : 62000 (GEF Voluntary Contribution)						
64397 - Services to projects -CO staff	0.00	472.64	0.00			472.64
74596 - Services to projects -GOE	0.00	70.38	0.00			70.38
74597 - DPC to recover waived GMS	0.00	132.20	0.00			132.20
74599 - UNDP cost recovery chrgs-Bills	0.00	30.64	0.00			30.64
75705 - Learning costs	0.00	254.65	0.00			254.65
76135 - Realized Gain	0.00	- 5.38	0.00			- 5.38
Total for Fund 62000	0.00	955.13	0.00			955.13
Total for Activity ACTIVITY4	0.00	955.13	0.00			955.13
Total for Output : 00094498	104,529.00	20,159.87	0.00			124,688.87
Project Total :	104,529.00	20,159.87	0.00			124,688.87

Prepared By: *[Signature]* Date: 2/27/19
 Reviewed By: *[Signature]* Date: 3/28/19

For Lochan & Co
Chartered Accountants
[Signature]
Partner
08/04/2019





UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 3 of 4
Run Time: 22-02-2019 08:02:06

Selection Criteria :

Business Unit : FJ10
Period : Jan-Dec (2018)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00094498

Project Id : ALL	Period : Jan-Dec (2018)			
Output # : ALL	Impl. Partner :			
	Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
42301 - Palau - Cty Pgmm	104,529.00	20,159.87	0.00	124,688.87



UNDP UN Development Programme
Report ID: unglcdb

Combined Delivery Report by Activity

Page 4 of 4
Run Time: 22-02-2019 08:02:06

Funds Utilization

Selection Criteria :

Business Unit : FJ10
Period : Jan-Dec (2018)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00094498

Project/Award: 00087532 Palau CB2/CCCD Period : As Of Dec31,2018

Output #	00094498	Impl. Partner :01243 Palau Automated Land & RIS	UNDP AMOUNT
Outstanding NEX advances			16,873.80
Undepreciated Fixed Assets			0.00
Unamortized Intangible Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			0.00

5.2 Signed Statement of Assets and Equipment

PALARIIS

MINISTRY	BUREAU	DIVISION	PO#	PURCHASE DATE	TOTAL COST	DESCRIPTION	MODEL	SERIAL	ASSET TAG	ORG CLASS	FUND CODE	CONDITION	LOCATION
MCF	BBP	PAL	L61536	Friday, July 22, 2016	869.00	NOTEBOOK, ASUS 15.6", PC, 2.18GHZ, INTEL CELERON N2830 PROCESSOR,	Q6W835	Y340LA	MP-27016	88237013	3601001	01	CANTI FND
MCF	BBP	PAL	L61536	Friday, July 22, 2016	869.00	COMPUTER, ACER ASPIRE 4TH GENERATION INTEL CORE I3 PROCESSOR,	ASPIRE X0-T05	662001461	MP-27017	88237011	3601002	02	GOOD L&P/PALARIIS-CAPITOLAMAND
MCF	BBP	PAL	L71785	Thursday, September 14, 2017	1,240.00	COMPUTER, DELL I5869-9175 B W10 WITH HP MONITOR V24H, 23.8" LED	INSPIRON 9886	5970C12	MP-27814	88237011	3601001	01	NEW L&NEPC UNIT
MCF	BBP	PAL	L71785	Thursday, September 14, 2017	1,164.00	COMPUTER, DELL OPTIPLEX 3040 W10 WITH HP MONITOR V24H, 23.8" LED	OPTIPLEX 3040	289YD12	MP-27815	88237011	3601001	01	NEW L&NEPC UNIT
MCF	BBP	PAL	L71785	Thursday, September 14, 2017	1,164.00	COMPUTER, DELL OPTIPLEX 3040 W10 WITH HP MONITOR V24H, 23.8" LED	OPTIPLEX 3040	289YD12	MP-27816	88237011	3601001	01	NEW L&NEPC UNIT
MCF	BBP	PAL	L71860	Wednesday, September 06, 2017	360.00	PRINTER, HP OFFICEJET PRO 8725	OFFICEJET PRO 8725	CH86CF9018	MP-27811	88237038	3601001	01	NEW L&NEPC UNIT
MCF	BBP	PAL	L71860	Wednesday, September 06, 2017	360.00	PRINTER, HP OFFICEJET PRO 8725	OFFICEJET PRO 8725	CH86CF9004	MP-27812	88237038	3601001	01	NEW L&NEPC UNIT
MCF	BBP	PAL	L71860	Wednesday, September 06, 2017	360.00	PRINTER, HP OFFICEJET PRO 8725	OFFICEJET PRO 8725	CH86CF9010	MP-27813	88237038	3601001	01	NEW L&NEPC UNIT
MCF	BBP	PAL	L70076	Monday, May 05, 2017	2,360.00	LAPTOP, RAZER BLADE STEALTH, 12.5" QHD TOUCHSCREEN ULTRABOOK, 7TH GEN	R228-9194	8Y170M3A300608	MP-27410	88237013	3601001	01	NEW L&PALARIIS
MCF	BBP	PAL	L70076	Monday, May 05, 2017	2,360.00	LAPTOP, RAZER BLADE STEALTH, 12.5" QHD TOUCHSCREEN ULTRABOOK, 7TH GEN	R228-9196	8Y170M3A300645	MP-27691	88237013	3601001	01	NEW L&PALARIIS
MCF	BBP	PAL	L70978	Wednesday, March 29, 2017	1,180.00	LAPTOP, DELL I5669-7081, I7, 15.6"	INSPIRON 5000 SERIES	5HJL6C2	MP-27336	88237013	3601001	01	NEW L&PALARIIS-CAPITOLAMAND
MCF	BBP	PAL	L70990	Tuesday, March 21, 2017	360.00	PRINTER, HP, LASERJET PRO M4526W	LASERJET PRO M4526W	VJ83C1348	MP-27350	88237038	3601001	01	NEW L&PALARIIS-CAPITOLAMAND

Agency Accountable officer: AMANDA ALEXANDER
Print and Sign

Procurement officer: _____
Print and Sign

Sign by: [Signature]
8 April 2019

NAME: VINEET BHATIA

TITLE: RESIDENT REPRESENTATIVE a.i.

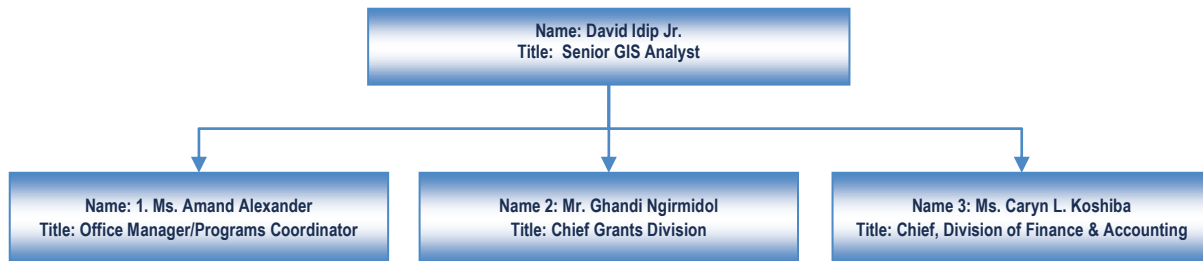
For Lochan & Co
Chartered Accountants

[Signature]
Partner



08/04/2019

5.3 Organization Chart



5.4 Definition of Risk Severities and Functional Area ratings

Categorization of audit findings by risk severity

Rating	Definition
High	Prompt action is required to ensure that UNDP is not exposed to high risks, i.e. failure to take action could result in major negative consequences and issues.
Medium	Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP.
Low	Action is desirable and should result in enhanced control or better value for money.

Categorization of internal control ratings

Rating	Definition
Satisfactory	Internal controls and risk management practices were adequately established and functioning well. No high-risk areas were identified. Overall, the IP/Sub IPs objectives are likely to be achieved.
Partially Satisfactory	Internal controls and risk management practices were generally established and functioning but needed improvement. One or more high and medium risk areas were identified that may impact on the achievement of the IP/Sub IPs objectives
Unsatisfactory	Internal controls and risk management practices were either not established or not functioning well. The majority of issues identified were high risk. Hence, the overall IP/Sub IPs objectives are not likely to be achieved.

5.5 Abbreviations and Acronyms

AWP	:	Annual Work Plan
CDR	:	Combined Delivery Report
FACE	:	Funding Authorization and Certificate of Expenditures
GEF	:	Global Environment Facility
HR	:	Human Resource
IESBA	:	International Ethics Standards Board of Accountants
IP	:	Implementing Partner
ISAs	:	International Standards on Auditing
NFM	:	Net Financial Misstatement
NGO	:	Non-Government Organization
INBAC	:	National Institute for Biodiversity and Protected Areas
NIM	:	National Implementation
PMU	:	Project Management Unit
POPP	:	Programme Operations Policies and Procedures
PRA	:	Payment Release Advice
PSC	:	Project Steering Committee
ToR	:	Terms of Reference
UNDP	:	United Nations Development programme
USD	:	United States Dollars



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