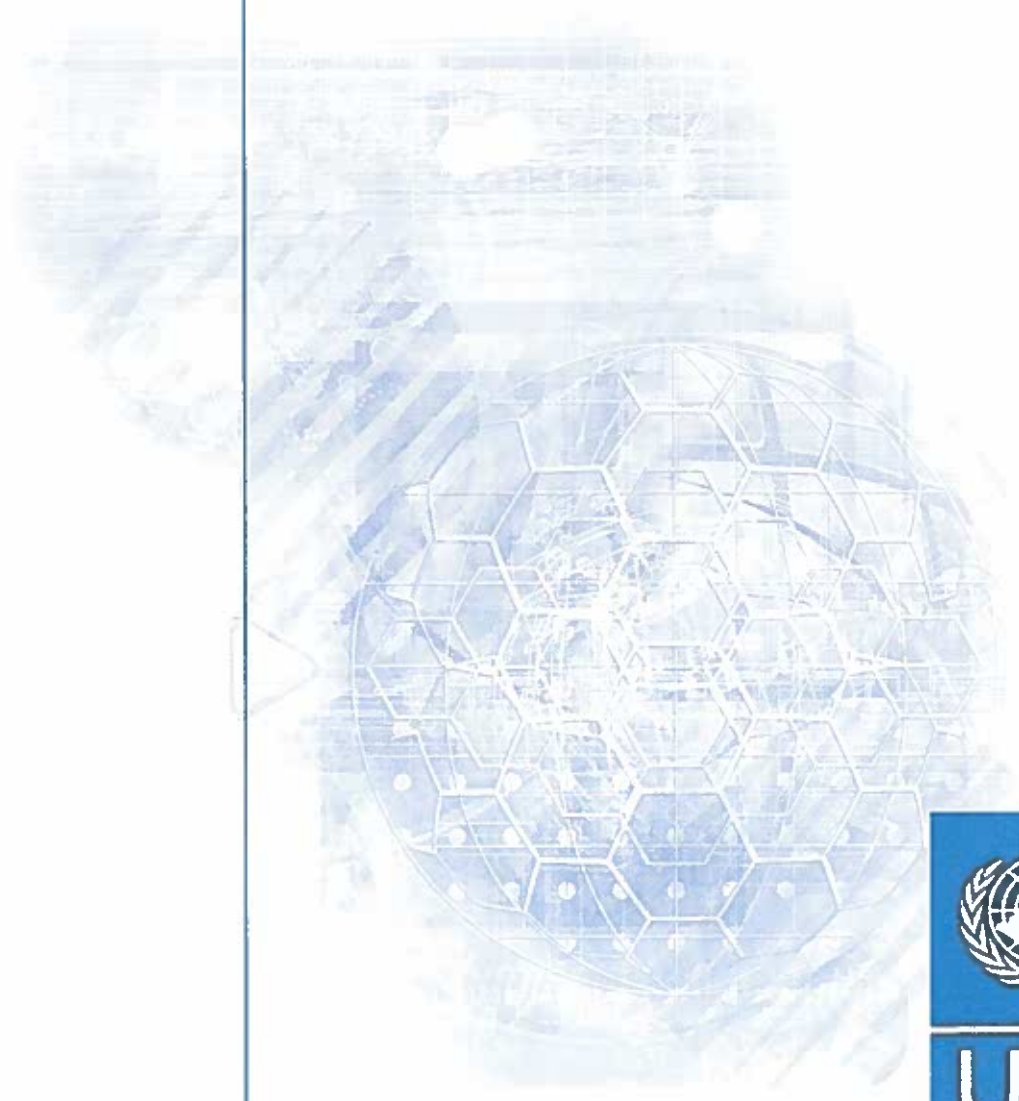




**Auditor's Report and Management Letter**  
**The Aswan Forum for Sustainable Peace**  
**and Development , Atlas Award No. 00120521**  
**from 1 January 2019 through**  
**31 December 2019**



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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. 00120521 and project no 00116701, the Aswan Forum for Sustainable Peace and Development for the period from 1 January 2019 through 31 December 2019 .

### Opinion

In our opinion, the attached statement of Expenses, present fairly, in all material respects the expenditure of \$ 919,611 (excluding UNDP Support Services expenditures of \$73,566) incurred by the UNDP project , the Aswan Forum for Sustainable Peace and Development for the period from 1 January 2019 to 31 December 2019 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 the Aswan Forum for Sustainable Peace and Development'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 Assets and equipment**

We have audited the accompanying Statement of Assets and Equipments (the statement) of the UNDP atlas award no. 00120521 and project no 00116701, the Aswan Forum for Sustainable Peace and Development, as at 31 December 2019

### **Opinion**

In our opinion, the attached statement of assets and equipment present fairly, in all material respects, the assets and equipment status of the Aswan Forum for Sustainable Peace and Development amounting to \$ 6,853 as at 31 December 2019 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 of the Aswan Forum for Sustainable Peace and Development'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 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**

Since all project expenditures are financed through UNDP disbursements, and since the project do not maintain a bank account and/or petty cash balance as of 31 December 2019, therefore we did not issue an audit report on the statement of cash position.

This report is intended solely for the information and use of the United Nations Development Programme (UNDP) , Government of Arab Republic of Egypt , of the Aswan Forum for Sustainable Peace and 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.  
20 March 2020  
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 (2019)  
Selected Project Id : 00120521  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : ALL

<b>Project Id : 00120521 The Aswan Forum for Sustainabl</b>	<b>Period :</b>	<b>Jan-Dec (2019)</b>
<b>Output # : 00118701 The Aswan Forum for Sustainabl</b>	<b>Impl. Partner :</b>	<b>03785 CA Intl Ctr for Peace</b>
	<b>Location :</b>	<b>Egypt</b>
	<b>Govt Exp</b>	<b>UNDP Exp</b>
	<b>UN Agencies Exp</b>	<b>Total Exp</b>

Dept: 44804 (Egypt - Dem. Governance)

Fund : 30000 (PROGRAMME COST SHARING)

71610 - Travel Tickets-Local	0.00	182.98	0.00	182.98
71810 - Contractual Svcs-indiv ImpPtr	0.00	3,230.38	0.00	3,230.38
72120 - Svc Co-Trade and Business Serv	0.00	725,955.41	0.00	725,955.41
72130 - Svc Co-Transportation Services	0.00	12,498.47	0.00	12,498.47
72165 - Svc Co-Social Svcs, Social Sci	0.00	29,397.65	0.00	29,397.65
74210 - Printing and Publications	0.00	34,181.49	0.00	34,181.49
75105 - Facilities & Admin - Implement	0.00	64,435.71	0.00	64,435.71

**Total for Fund 30000**      0.00      869,882.09      0.00      869,882.09

Fund : 30084 (Prog Resources from 11888)

71610 - Travel Tickets-Local	0.00	790.80	0.00	790.80
71810 - Contractual Svcs-indiv ImpPtr	0.00	7,151.28	0.00	7,151.28
72120 - Svc Co-Trade and Business Serv	0.00	61,461.33	0.00	61,461.33
72130 - Svc Co-Transportation Services	0.00	12,817.35	0.00	12,817.35
72165 - Svc Co-Social Svcs, Social Sci	0.00	18,717.89	0.00	18,717.89
72805 - Acquis of Computer Hardware	0.00	965.13	0.00	965.13
72815 - Inform Technology Supplies	0.00	6,228.71	0.00	6,228.71
74210 - Printing and Publications	0.00	5,992.56	0.00	5,992.56
75105 - Facilities & Admin - Implement	0.00	9,130.00	0.00	9,130.00
76125 - Realized Loss	0.00	39.98	0.00	39.98

**Total for Fund 30084**      0.00      123,295.03      0.00      123,295.03

**Total for Dept : 44804**      0.00      993,177.12      0.00      993,177.12

**Total for Output : 00116701**      0.00      993,177.12      0.00      993,177.12

<b>Project Total :</b>	<b>0.00</b>	<b>993,177.12</b>	<b>0.00</b>	<b>993,177.12</b>
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**Project Management:**

Name: Ms. Iman Keira  
Title : CCCPA Program Coordinator  
Signature

**UN CO Management**

Name: Mr. Sylvain Merlen  
Title: Deputy Resident Representative  
Signature: 

**Audit Firm**

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

Signed By :  IMAN KEIRA

Date : 31/03/2020

Signed By : \_\_\_\_\_

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



Combined Delivery Report By Project

Selection Criteria :

Business Unit : EGY10  
Period : Jan-Dec (2019)  
Selected Project Id : 00120521  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : ALL

Project Id : ALL	Period :	Jan-Dec (2019)			
Output # : ALL	Impl. Partner :				
	Location :				
		Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
44804 - Egypt - Dem. Governance		0.00	993,177.12	0.00	993,177.12

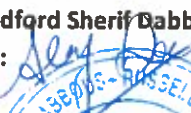
Project Management:

Name: Ms. Iman Keira  
Title : CCCPA Program Coordinator  
Signature: 

UN CO Management

Name: Mr. Sylvain Merlen  
Title: Deputy Resident Representative  
Signature: 

Audit Firm

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







**Funds Utilization**

Selection Criteria :

Business Unit : EGY10  
Period : Jan-Dec (2019)  
Selected Project Id : 00120521  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : ALL

No Data found for the Selection Criteria

Project Management:

Name: Ms. Iman Keira  
Title : CCCPA Program Coordinator  
Signature: 

UN CO Management

Name: Mr. Sylvain Merlen  
Title: Deputy Resident Representative  
Signature: 

Audit Firm

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



**The Aswan Forum for Sustainable Peace and Development  
Atlas Award No. 00120521  
Funded by United Nations for Development Programme  
Statement Of Assets and Equipments  
As of 31 December 2019**

<b>Cost</b>	
<b>Cost as of 31/12/2019</b>	<b>Cost as of 31/12/19</b>
U.S.\$	U.S.\$
<b>Assets and Equipment</b>	<b>6,853</b>
<b>Foreign Currency Exchange Difference</b>	<b>0</b>
<b>Total</b>	<b>6,853</b>

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

**Project Management:**

**Name:** Ms. Iman Keira

**Title :** CCCPA Program Coordinator

**Signature** 

**UN CO Management**

**Name:** Mr. Sylvain Merlen

**Title:** Deputy Resident Representative

**Signature:** 

**Audit Firm**

**Name :** Mr. Sherif Dabbous

**Title :** Managing Partner

**Russell Bedford Sherif Dabbous**

**Signature :** 



# Notes to the statements

## 31 December 2019

### 1. Introduction and Background

#### A. Project Main Information

The Aswan Forum for Sustainable Peace and Development was initiated under the UNDP atlas Award 00120521.

The project is implemented by the CA Intl. Ctr. for Peace.

As per the last budget revision dated 31 December 2019, the project start date is year 2019 and the estimated completion date is 2020. The project approved budget is \$ 2,664,050. The project budget for year 2019 and beyond is \$1,494,466 distributed as \$100,000 from IOM Prog. Cost Sharing, \$308,515 from SWE Prog. Cost Sharing, \$300,000 from EGY Prog. Cost Sharing, \$325,951 from DFATF Prog. Cost Sharing, \$60,000 EFG Hermes Prog. Cost Sharing, \$99,999 from BanqueMisr Prog. Cost Sharing and \$300,00 from UNDP Prog. Resources from 11888.

#### B. Project Background and Objectives:

Africa is home to at least half of the fastest growing global economies. By 2030, one of every five people in the world will live in Africa. Its potential in resources, urbanization, industrialization and economic diversification is unmatched. However, this great potential is under threat as a result of persisting and emerging challenges to peace, security and development, including conflict, terrorism, and forced displacement.

The Last few years have witnessed the evolution of the comprehensive normative framework on sustaining peace and development, including the sustainable development goals (2015), the sustaining peace twin resolutions (2016), and the interlinkages between these two agendas. The same period also saw a renewed interest in conflict prevention and addressing the roots causes of conflict. Missing so far, however, is the operationalization of these normative frameworks, by means of policies, operational guidance, programs and projects.

Acting in its capacity as the Chairman of the African Union, Egypt is taking the initiative to launch the **Aswan Forum for Sustainable Peace and Development**. **The Inaugural of the Forum** will focus on the Africa-specific operationalization of the interlinkages between sustainable development and sustaining peace in practice.

The Forum, to be held in December of every year, will present concrete and action-oriented recommendations to African heads of states and governments, leaders from national governments, regional and international organizations and financial institutions, the private sector, and civil society, that will be captured in “the Aswan Declaration on Sustainable Peace Development.”

## 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.

### 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.

### **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 2019 was translated to U.S.\$ at the period end exchange rate which was \$1 equivalent L.E 16.024. This translation is prepared for reporting purposes only.

## Management Letter

We have completed our financial audit of the financial reports of the Aswan Forum for Sustainable Peace and Development Project funded by the UNDP through Altas award no. 00120521 as implemented by the CA Intl. Ctr for Peace during the period from 1 January 2019 through 31 December 2019. We have issued our reports on the statement of expenditure for the period ended 31 December 2019 dated 9 March 2020.

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 the Adaption to the Aswan Forum for Sustainable Peace and Development Project 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, the Adaption to the Aswan Forum for Sustainable Peace and Development Project's 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 assess 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 project's 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. 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 2018 financial year was not subjected to audit due as the project start year was 2019. 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 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 is implemented by the CA Intl. Ctr. for Peace.

The project start date is year 2019 and the estimated completion date is 2020.

The project approved budget is \$ 2,664,050. The project budget for year 2019 and beyond is \$1,494,466 distributed as \$100,000 from IOM Prog. Cost Sharing, \$308,515 from SWE Prog. Cost Sharing, \$300,000 from EGY Prog. Cost Sharing, \$325,951 from DFATF Prog. Cost Sharing, \$60,000 EFG Hermes Prog. Cost Sharing, \$99,999 from BanqueMisr Prog. Cost Sharing and \$300,00 from UNDP Prog. Resources from 11888.

The project's rate of delivery as of 31 December 2019 was 71% calculated as follows:-

Total Expenditures for the period ended 31 December 2019/Project budget revision as of 31 December 2019

The results of our review identified the following material conditions related to the project progress, monitoring, evaluation and reporting system :

### Internal Control Assessment

#### a) Procurement Procedures

##### 1- Absences Of Documentation For Procurement Process.

#### Condition

The Project did not abide by UNDP procurement procedures when conducting procurement process with an Amount of EGP 20,079,799 For the organization of a Forum In Aswan During period between 11-12<sup>th</sup> Of December. We noted the following:

- 1) There is no Documentation for the collection of the Competitive offers.
- 2) Absence of Requisition Order or a Purchase order (only Notes to a File).



3) Absence of Terms of Reference or a selection criterion.

**Risk Severity** Medium

**Recommendation:**

The Project should have a Procurement Department that follows UNDP rules and procedures. Furthermore, the Project should have an approved supplier Lists. All Tenders Should be advertised on proper Channels. Request Document or Purchase order should be done documenting and explaining the reason for the expenditure and verifying that the service/ item purchased does or cannot be provided by the Project.

**Management Comments**

Since the Aswan Forum was a presidential event with more than one donor (including the Egyptian Government), the selection of the conference services provider was not entirely up to CCCPA; three quotations were received as mentioned in the note for file that was provided to UNDP to explain these special circumstances. This included the fact that CCCPA would not be paying the entire EGP 20,079,799 amount as this would be shared with the Egyptian Government.

**B) Financials Operation**

**1- Book -Keeping**

**A) Misclassification In the combined delivery report (CDR)**

**Condition:**

The UNDP office has transferred an amount of USD 3,986 from Project Award Number 80290 from budget line 72165 to Budget Line 72120 in this project Award Number 00120521 with no Justification

**Risk Severity:** Medium

**Recommendation**

Transfer of Funds Should be justified and reconciled monthly to uncover any errors.

**Management Comment**

UNDP is advised to use the following explanation given that the action was taken by UNDP. Please note that the difference between the total amounts out and the total amounts in is USD 3,985 (for both account code 72120 and 72165). This is a payment made to Mo Four Company for an amount of 65,000.00 EGP charged to 72120 instead of 72165 in the JV's as it is a services company contracted

**B) Miss-classification in budget lines**

**Conditions**

The IP is recording toners and maintenance for hardware as assets on budget line (72805 & 72815) instead of budget line (73305) causing over statement in line (72805 & 72815) with an amount of (USD 460) sequentially and under statement in budget line (73305) with the same amounts.

**Risk Severity** Low

**Recommendation**

The IP should abide by the proper coding provided in the UN guidelines.

**Management Response**

CCCPA considered the toner and maintenance of hardware as an essential element of the fixed asset and therefore charged the payments to budget lines 72805 and 72815 instead of 73305. This will be avoided in the future.

**c) Poor planning Control and Monitoring for the budget process**

**1- Expenditure on non-existing Budgeting Line**

**Condition**

The project has expensed an Amount of USD 40,147 from a Budget line number (74200) which does not exist in the budget revision dated 31/12/2019.

**2- Budget over spending**

**Condition**

The project has expensed more than the set budget in the budget revision set as of 31/12/2019 by an amount of USD 3,226 online budget 72800 funded from 30084 account.

**Risk Severity** Medium

**Recommendation:**

The Project Should ensure that all expenditures are reconciled and expensed according to the proper budget lines

**Management Response**

Due to the nature of the payment, the only appropriate budget lines were 72800 and 74200. This was accepted by UNDP. In the future, CCCPA will ensure that the correct budget lines are charged and will do an additional budget revision if necessary.

**Appendix A**  
**Detailed Inventory List as of 31 December 2019**

Last Updated :

December 31, 2019

## Cairo International Center for Training on Conflict Resolution, Peacekeeping and Peacebuilding- CCCPA

## Fixed Assets - UNDP-Aswan

CCCPA Sr. No.	Description	Purchase Date	Amount L.E	Warrant	Supplier	Brand	Model	Components	S/N	Asset Location	Budget Code
CCCPA/Aswan/125	Lap top	6-May-19	EGP 17,728.00	1 Year	Master for General Training	HP	HP Pavilion Touch Laptop	X360 14-cd1007ne Intel core i7-8565U 12 GB DDR4 1 TB + 128 SSD NVIDIA GeForce MX130 4 GB- Win 10	GND652897V	Project Manager	72815
CCCPA/Aswan/126	Fax	23-Oct-19	EGP 12,800.00	1 Year	Access Technology Egypt	Canon	L-410	Laser I-Sensys	6356B016AA	Admin. Room	72800
CCCPA/Aswan/127	Lap top	5-Nov-19	EGP 14,125.00	1 Year	Access Technology Egypt	HP	HP 15 DA1068NE	H.P15 I5 - 8 G Ram, T H.I.D.D, vega 2 G	CND922058V	CCCPA Office	72800
CCCPA/Aswan/128	Lap top	5-Nov-19	EGP 9,575.00	1 Year	Access Technology Egypt	LENOVO	LENOVO IDEAPAD 330 15 AST	Lenovo Ideard 330 md a4 - 8 g RAM, T.H.D.D CPU AMD 2 G	PF16CSR5	CCCPA Office	72800
CCCPA/Aswan/129	Lap top	5-Nov-19	EGP 9,575.00	1 Year	Access Technology Egypt	LENOVO	LENOVO IDEAPAD 330 15 AST	Lenovo Ideard 330 md a4 - 8 g RAM, T.H.D.D CPU AMD 2 G	PF15QG8N	CCCPA Office	72800
CCCPA/Aswan/130	Lap top	5-Nov-19	EGP 9,575.00	1 Year	Access Technology Egypt	LENOVO	LENOVO IDEAPAD 330 15 AST	Lenovo Ideard 330 md a4 - 8 g RAM, T.H.D.D CPU AMD 2 G	PF15N928	CCCPA Office	72800

CCCPA/Aswan/131	Lap top	5-Nov-19	EGP 9,575.00	1 Year	Access Technology Egypt	LENOVO	LENOVO IDEAPAD 330 15 AST	Lenovo Ideard 330 md a4 - 8 g RAM, T.H.D.D CPU AMD 2 G	PF15MV2J	CCCPA Office	72800
CCCPA/Aswan/132	Lap top	5-Nov-19	EGP 9,575.00	1 Year	Access Technology Egypt	LENOVO	LENOVO IDEAPAD 330 15 AST	Lenovo Ideard 330 md a4 - 8 g RAM, T.H.D.D CPU AMD 2 G	PF169VWS	CCCPA Office	72800
CCCPA/Aswan/133	Kaspersky software	5-Nov-19	EGP 1,200.00	1 Year	Access Technology Egypt	Kaspersky	Internet Security	Internet Security	80359395 - RPSJE-Q12H4-51AZ1-ZXH82	CCCPA Office	72800
CCCPA/Aswan/134	Kaspersky software	5-Nov-19	EGP 1,200.00	1 Year	Access Technology Egypt	Kaspersky	Internet Security	Internet Security	80359395	CCCPA Office	72800
CCCPA/Aswan/135	Internal hard drive	5-Nov-19	EGP 3,190.00	1 Year	Access Technology Egypt	Kingston	Kingston H400 SSD 960 GB	Kingston H400 SSD 960 GB	KS98A584T945	Project coordinator Laptop	72800
CCCPA/Aswan/136	Portable hard drive	24-Nov-19	EGP 1,300.00	1 Year	Access Technology Egypt	Western	Western Digital - My Passport 2 T.B USB H.D.D	Western Digital - My Passport 2 T.B USB H.D.D	WX51A293P3LL	CCCPA Office	72800
CCCPA/Aswan/137	Portable hard drive	24-Nov-19	EGP 1,300.00	1 Year	Access Technology Egypt	Western	Western Digital - My Passport 2 T.B USB H.D.D	Western Digital - My Passport 2 T.B USB H.D.D	WXW1EB83FLZZ	CCCPA Office	72800
CCCPA/Aswan/138	Portable hard drive	24-Nov-19	EGP 1,300.00	1 Year	Access Technology Egypt	Western	Western Digital - My Passport 2 T.B USB H.D.D	Western Digital - My Passport 2 T.B USB H.D.D	WX64A8908FF	CCCPA Office	72800





CCCPA/Aswan/139	Portable hard drive	24-Nov-19	EGP 1,300.00	1 Year	Access Technology Egypt	Western	Western Digital - My Passport 2 T.B USB H.D.D	Western Digital - My Passport 2 T.B USB H.D.D	WX89A21K3GG	CCCPA Office	72800
CCCPA/Aswan/140	Portable hard drive	24-Nov-19	EGP 1,300.00	1 Year	Access Technology Egypt	Western	Western Digital - My Passport 2 T.B USB H.D.D	Western Digital - My Passport 2 T.B USB H.D.D	WX568853SRR	CCCPA Office	72800
CCCPA/Aswan/141	Portable hard drive	24-Nov-19	EGP 1,300.00	1 Year	Access Technology Egypt	Western	Western Digital - My Passport 2 T.B USB H.D.D	Western Digital - My Passport 2 T.B USB H.D.D	WX74T61D3HH	CCCPA Office	72800
CCCPA/Aswan/142	Portable hard drive	24-Nov-19	EGP 1,300.00	1 Year	Access Technology Egypt	Western	Western Digital - My Passport 2 T.B USB H.D.D	Western Digital - My Passport 2 T.B USB H.D.D	WX42554X8JJ	CCCPA Office	72800
CCCPA/Aswan/143	Portable hard drive	24-Nov-19	EGP 1,300.00	1 Year	Access Technology Egypt	Western	Western Digital - My Passport 2 T.B USB H.D.D	Western Digital - My Passport 2 T.B USB H.D.D	WX82F4789DV	CCCPA Office	72800
CCCPA/Aswan/144	Portable hard drive	24-Nov-19	EGP 1,300.00	1 Year	Access Technology Egypt	Western	Western Digital - My Passport 2 T.B USB H.D.D	Western Digital - My Passport 2 T.B USB H.D.D	WX54H64G6TT	CCCPA Office	72800
<b>Total</b>		<b>2019</b>	<b>EGP 109,818.00</b>								



**Appendix B**  
**Certified Follow Up Action Plan**

# Follow Up Action Plan – Year 2018 audit data and observations

Award No:	00120521	Output No:	116701		Opinion Type:		Unqualified			Descri. of Status Update
			Risk Severity	Proj/CO Mgt Comm.	Action(s) Planned	Target Impl. Date	Action Unit	Person Responsible for Action	Updated Status	
Obs No	Observation	Recommen dation	Audit Area							
1	The 2018 financial year was not subjected to audit due as the project start year was 2019. Therefore, there is no prior audit findings.									

<b>Implementing Partner (IP)</b> Signature of IP Official:  Name and title (print): Ms. Iman Keira – CCCPA Program Coordinator Date: 3/03/2020	<b>UNDP Country Office</b> Signature of UNDP Official:  Name and title (print): Mr. Sylvain Merjen, Deputy Resident Representative Date: 3/6/20	<b>Government Auditors/Audit Firm</b> Signature of Audit firm Official:  Name and title (print): Mr. Sherif Dabbous, Managing Partner Partner/Russell Bedford Sherif Dabbous Date: 20/3/2020 Stamp and Seal of audit firm: 
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**Appendix C**  
**Current Action Plan 2019**

# Certification of Action Plan – Year 2019 audit data and observations

Table 1- Audit opinions and amount of qualifications CARDS-FY2019

1.	Project No.	Output No.	Audit opinion on CDR	Amount of qualification US\$ (if opinion is qualified, adverse or disclaimer)	Relevant audit observation No. and audit report page (if opinion is qualified, adverse or disclaimer)	Audit opinion for Statement of Cash Position	Audit opinion for Assets and Equipment
	00120521	116701	Unqualified	NA	NA	NA	Unqualified








<p><b>Implementing Partner (IP)</b></p> <p>Signature of IP Official: </p> <p>Name and title (print): Ms. Iman Keira – CCCPA Program Coordinator</p> <p>Date: 2/10/2020</p>	<p><b>UNDP Country Office</b></p> <p>Signature of UNDP Official: </p> <p>Name and title (print): Mr. Sylvain Merten, Deputy Resident Representative</p> <p>Date: 1/4/20</p>	<p><b>Government Auditors/Audit Firm</b></p> <p>Signature of Audit firm Official: </p> <p>Name and title (print): Mr. Sherif Dabbous, Managing Partner Russell Bedford Sherif Dabbous</p> <p>Date: 20/3/2020</p> <p>Stamp and Seal of audit firm: </p>
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Table 2- Report on audit observations and recommendations

Project No.	Output No.	Observ. No	Audit Observation	Recommendation	Audit Area	Risk Severity	Project/CO Mngmt. Comments
00120521	00116701	1	The Project did not abide by UNDP procurement procedures when conducting procurement process with an Amount of EGP 20,079,799 For the organization of a Forum In Aswan During period between 11-12 <sup>th</sup> Of December. We noted the following: 1- There is no Documentation for the collection of the Competitive offers. 2- Absence of Requisition Order or a Purchase order (only Notes to a File). 3- Absence of Terms of Reference or a selection criterion.	The Project should have a Procurement Department that follows UNDP rules and procedures. Furthermore, the Project should have an approved supplier Lists. All Tenders Should be advertised on proper Channels. Request Document or Purchase order should be done documenting and explaining the reason for the expenditure and verifying that the service/ item purchased does or cannot be provided by the Project.	Procurement management	Medium	Since the Aswan Forum was a presidential event with more than one donor (including the Egyptian Government), the selection of the conference services provider was not entirely up to CCCPA; three quotations were received as mentioned in the note for file that was provided to UNDP to explain these special circumstances. This included the fact that CCCPA would not be paying the entire EGP 20,079,799 amount as this would be shared with the Egyptian Government.
		2	The UNDP office has transferred an amount of USD 3,986 from Project Award Number 80290 from budget line 72165 to Budget Line 72120 in this project Award Number 00120521 with no Justification	Transfer of Funds Should be justified and reconciled monthly to uncover any errors.	Financials management	Medium	UNDP is advised to use the following explanation given that the action was taken by UNDP. Please note that the difference between the total amounts out and the total amounts in is USD 3,985 (for both account code 72120 and 72165). This is a payment made to Mo Four Company for an amount of 65,000.00 EGP charged to 72120 instead of 72165 in the JV's as it is a services company contracted
		3	The IP is recording toners and maintenance for hardware as assets on budget line (72805 & 72815) instead of budget line	The IP should abide by the proper coding provided in the UN guidelines.	Financials management	Low	CCCPA considered the toner and maintenance of hardware as an essential element of the fixed asset and therefore charged

		(73305) causing over statement in line (72805 & 72815) with an amount of (USD 460) sequentially and under statement in budget line (73305) with the same amounts.			the payments to budget lines 72805 and 72815 instead of 73305. This will be avoided in the future.
4		1- The project has expensed an amount of USD 40,147 from a Budget line number (74200) which does not exist in the budget revision dated 31/12/2019 2- The project has expensed more than the set budget in the budget revision set as of 31/12/2019 by an amount of USD 3,226 online budget 72800 funded from 30084 account.	The Project Should ensure that all expenditures are reconciled and expensed according to the proper budget lines	Financials management	Medium
					Due to the nature of the payment, the only appropriate budget lines were 72800 and 74200. This was accepted by UNDP. In the future, CCCPA will ensure that the correct budget lines are charged and will do an additional budget revision if necessary.

<b>Implementing Partner (IP)</b> Signature of IP Official:  Name and title (print): Ms. Inari Keira – CCCPA Program Coordinator Date: 3/03/2020	<b>UNDP Country Office</b> Signature of UNDP Official:  Name and title (print): Mr. Sylvain Menen, Deputy Resident Representative Date: 1/4/20	<b>Government Auditors/Audit Firm</b> Signature of Audit firm Official:  Name and title (print): Mr. Sherif Dabbous, Managing Partner Russell Bedford Sherif Dabbous Date: 20/3/2020 Stamp and Seal of audit firm.
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