



*Russell
Bedford*

**Auditor's Report and Management Letter
Supporting National Telecom Regulatory
Authority "NTRA", Atlas Award No.
00045618 from 1 January 2012 through
31 December 2012**



UN
DP

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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 Expenditure

We have audited the accompanying Statement of Expenditure (the statement) of the UNDP project atlas award no. 00045618 and project no 00053916 for the period from 1 January 2012 through 31 December 2012 represented in the Combined Delivery Report (CDR) of the Supporting National Telecom Regulatory Authority "NTRA" as implemented by the Ministry of Communication and Information Technology.

Management is responsible for the preparation of the statement of expenditures for NTRA'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.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures elected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation of the statement 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 project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimated made by the management, as well as evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We did not audit UNDP Support Services expenditures of \$37,585 and UN Agencies expenditures of \$ 0 reported in the CDR for the year ended 31 December 2012.

In our opinion, the attached statement of expenditure present fairly, in all material respects the expenditure of \$654,327 incurred by the UNDP project Supporting National Telecom Regulatory Authority "NTRA" for the period from 1 January 2012 to 31 December 2012 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.

b) Certification of Statement of Assets and Equipments

We have audited the accompanying Statement of Assets and Equipments (the statement) of the UNDP atlas award no. 00045618 and project no 00053916 as at 31 December 2012 represented in the statement of assets and equipments of the Supporting National Telecom Regulatory Authority "NTRA" as implemented by the Ministry of Communication and Information Technology.

Management is responsible for the preparation of the statement of assets for NTRA'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.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures elected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation of the statement 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 project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimated made by the management, as well as evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the attached statement of assets and equipments present fairly, in all material respects the balance of inventory of the UNDP project Supporting National Telecom Regulatory Authority "NTRA" amounting to \$155,943 as at 31 December 2012 in accordance with the UNDP accounting policies.

c) Certification of Statement of Cash Position

d)

We have audited the accompanying Statement of Cash Position (the statement) of the UNDP project atlas award no. . 00045618 and project no 00053916 , Supporting National Telecom Regulatory Authority "NTRA" as implemented by the Ministry of Communication and Information Technology as at 31 December 2012.

Management is responsible for the preparation of the statement of cash for NTRA'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.

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures elected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation of the statement 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 project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimated made by the management, as well as evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the attached statement of cash position present fairly, in all material respects the cash and bank balance of the UNDP project Supporting National Telecom Regulatory Authority "NTRA" amounting to \$0 as at 31 December 2012 in accordance with the UNDP accounting policies.

This report is intended solely for the information and use of the United Nations Development Programme (UNDP) , Government of Arab Republic of Egypt , the Supporting National Telecom Regulatory Authority "NTRA" 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.

Sherif Dabbous
 Russell Bedford Sherif Dabbous
 Cairo, Egypt.
 6 April 2013
 3, Mamar Behlar, Down Town, Cairo
 Tel/Fax: +2 (02) 23951133 - 23934226



Combined Delivery Report By ProjectSelection Criteria :

Business Unit : EGY10
 Period : Jan-Dec (2012)
 Selected Project Id : 00045618
 Selected Fund Code : ALL
 Selected Dept. IDs : ALL
 Selected Outputs : ALL

Project Id : 00045618 Supporting NTRA	Period :	Jan-Dec (2012)		
Output # : 00053916 Supporting NTRA	Impl. Partner :	01035 Ministry Of Communication & Main		
	Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Dept: 44804 (Egypt - Dem. Governance)

Fund : 30071 (Programme Cost Sharing GOV1)

76130 - Unrealized Gain 0.00 -1,442.76 0.00 -1,442.76

Total for Fund 30071 0.00 -1,442.76 0.00 -1,442.76

Total for Dept : 44804 0.00 -1,442.76 0.00 -1,442.76

Dept: 44805 (Egypt - Energy & Envirnmnt)

Fund : 30071 (Programme Cost Sharing GOV1)

76130 - Unrealized Gain 0.00 -514.53 0.00 -514.53

Total for Fund 30071 0.00 -514.53 0.00 -514.53

Total for Dept : 44805 0.00 -514.53 0.00 -514.53

Dept: 44807 (Egypt - ICT for Development)

Fund : 30071 (Programme Cost Sharing GOV1)

71405 - Service Contracts-Individuals	55,595.07	0.00	0.00	55,595.07
71605 - Travel Tickets-International	0.00	128,627.42	0.00	128,627.42
71615 - Daily Subsistence Allow-Intl	0.00	394,954.84	0.00	394,954.84
72140 - Svc Co-Information Technology	0.00	8,237.23	0.00	8,237.23
72145 - Svc Co-Training and Educ Serv	0.00	3,185.00	0.00	3,185.00
72705 - Hospitality-Special Events	0.00	8,369.32	0.00	8,369.32
72805 - Acquis of Computer Hardware	0.00	16,152.06	0.00	16,152.06
73505 - Reimb to UNDP for Supp Srvs	0.00	6,377.60	0.00	6,377.60
74110 - Audit Fees	0.00	1,563.72	0.00	1,563.72
75115 - Facilities & Admin - OH & Ind	0.00	31,206.98	0.00	31,206.98
76120 - Unrealized Loss	0.00	2,279.83	0.00	2,279.83
76125 - Realized Loss	0.00	0.00	0.00	0.00
76130 - Unrealized Gain	0.00	-216.63	0.00	-216.63
76135 - Realized Gain	0.00	-48.18	0.00	-48.18

Total for Fund 30071 55,595.07 600,689.19 0.00 656,284.26

Total for Dept : 44807 55,595.07 600,689.19 0.00 656,284.26

Dept: 44808 (Egypt - Poverty Reduction)



Combined Delivery Report By Project

Project Id : 00045618 Supporting NTRA	Period :	Jan-Dec (2012)		
Output # : 00053916 Supporting NTRA	Impl. Partner :	01035 Ministry Of Communication & Main		
	Location :	Main		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Fund : 30071 (Programme Cost Sharing GOV1)				
71615 - Daily Subsistence Allow-Intl	0.00	0.00	0.00	0.00
Total for Fund 30071	0.00	0.00	0.00	0.00
Total for Dept : 44808	0.00	0.00	0.00	0.00
Total for Output : 00053916	55,595.07	598,731.90	0.00	654,326.97
Project Total :	55,595.07	598,731.90	0.00	654,326.97


Project Management

Name : Dina Kabil
 Title : National Project Director
 Signature : 

UNDP CO Management

Name : Ignacio Artaza
 Title : Country Director
 Signature: 

Audit Firm

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



Signed By : _____ Date : _____

Signed By : _____ Date : _____

Combined Delivery Report By ProjectSelection Criteria :

Business Unit : EGY10
 Period : Jan-Dec (2012)
 Selected Project Id : 00045618
 Selected Fund Code : ALL
 Selected Dept. IDs : ALL
 Selected Outputs : ALL

Project Id : ALL	Period :	Jan-Dec (2012)			
Output # : ALL	Impl. Partner :				
	Location :				
		Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
44804 - Egypt - Dem. Governance		0.00	- 1,442.76	0.00	- 1,442.76
44805 - Egypt - Energy & Environmnt		0.00	- 514.53	0.00	- 514.53
44807 - Egypt - ICT for Development		55,595.07	600,689.19	0.00	656,284.26
44808 - Egypt - Poverty Reduction		0.00	0.00	0.00	0.00

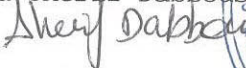
Project Management

Name : Dina Kabil
 Title : National Project Director
 Signature : 

UNDP CO Management

Name : Ignacio Artaza
 Title : Country Director
 Signature : 

Audit Firm

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





Funds Utilization

Selection Criteria :

Business Unit : EGY10
Period : Jan-Dec (2012)
Selected Project Id : 00045618
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : ALL

Project/Award: 00045618 Supporting NTRA

Period : As at Dec 31, 2012

Output #	00053916	Impl. Partner :01035 Ministry Of Communication &	UNDP AMOUNT
Outstanding NEX advances			-0.01
Undepreciated Fixed Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			0.00

Project Management

Name : Dina Kabil
Title : National Project Director
Signature :

UNDP CO Management

Name : Ignacio Artaza
Title : Country Director
Signature:

Audit Firm

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





Schedule to Combined Delivery Report
IPSAS Adjustments as at 1 January 2012

Selection Criteria :


Business Unit : EGY10
Selected Project(s): 00045618
Selected Fund Code : ALL
Selected Output(s): ALL

Project Id : ALL
Output # :
Impl. Partner : NONE

Description	Account	Fund	Donor	Amount
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No Data found for the Selection Criteria

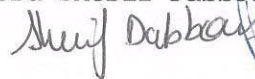
Project Management

Name : Dina Kabil
Title : National Project Director
Signature : 

UNDP CO Management

Name : Ignacio Artaza
Title : Country Director
Signature: 

Audit Firm

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



Supporting National Telecom Regulatory "NTRA"
Atlas Award No. 00045618
Funded by United Nations for Development Programme
Statement Of Assets and Equipments
From 1 January 2012 through 31 December 2012

	<u>Cost</u>									
	<u>From 01/01/07 to 31/12/07</u>	<u>From 01/01/08 to 31/12/08</u>	<u>Cost as of 31/12/08</u>	<u>From 01/01/09 to 31/12/09</u>	<u>From 01/01/10 to 31/12/10</u>	<u>From 01/01/11 to 31/12/11</u>	<u>Cost as of 31/12/11</u>	<u>From 01/01/12 to 31/12/12</u>	<u>Cost as of 31/12/12</u>	<u>Aaa</u>
	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$
Assets and Equipments	217	164,931	164,931	0	0	0	164,931	0	164,931	
Foreign Currency Exchange Difference	(12)	(9,193)	(9,205)	0	0	0	(9,205)	0	(9,205)	
Total	205	155,738	155,943	0	0	0	155,943	0	155,943	

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

Project Management:

Name: Dina Kabil

Title: National Project Director

Signature: 

UN CO Management

Name: Ignacio Artaza

Title: Country Director

Signature: 

Audit Firm

Russell Bedford Sherif Dabbous

Name: Sherif Dabbous

Title: Manager

Sg: Sherif Dabbous



Supporting National Telecom Regulatory "NTRA"
Atlas Award No. 00045618
Funded by United Nations for Development Programme
Statement Of Cash Position
From 1 January 2012 through 31 December 2012

Description	Actual Expenditures		
	Govt Disb	UNDP Disb	Total
	From 01/01/12 to 31/12/12	From 01/01/12 to 31/12/12	From 01/01/12 to 31/12/12
Funds Received			
Fund Balance as at 31 December 2011	\$1,687	\$0	\$1,687
Funds Advanced to Project During Audited Period	54,022	0	54,022
UNDP Direct Payments	0	598,732	598,732
Total Funds Available	\$55,709	\$598,732	\$654,441
Expenditures Elements			
71400 Contractual Services - Individuals	\$55,595	\$0	\$55,595
71600 Travel	0	523,582	523,582
72100 Contractual Services - Companies	0	11,422	11,422
72700 Hospitality	0	8,369	8,369
72800 Information Technology Equipment	0	16,152	16,152
73500 Reimbursements For UNDP Support Services	0	6,378	6,378
74100 Professional Services	0	1,564	1,564
75100 Facilities and Administration	0	31,207	31,207
76100 Foreign Currency Exchange (Gain) Loss	0	58	58
Sub Total	\$55,595	\$598,732	\$654,327
Exchange Difference	114	0	114
Total	\$55,595	\$598,732	\$654,441
Fund Balance as at 31 December 2012	\$0	\$0	\$0
Less: Cash Book Balance			
Bank Book Balance as at 31 December 2012			\$0
Petty Cash Balance as at 31 December 2012			0
Total Cash Book Balance as at 31 December 2012			\$0
Difference (If any)			\$0

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

Project Management:

Name: Dina Kabil

Title: National Project Director

Signature: **UNDP CO Management**

Name: Ignacio Artaza

Title: Country Director

Signature: **Audit Firm**

Russell Bedford Sherif Dabbous

Name: Sherif Dabbous

Title: Managing Partner

Sig: Sherif Dabbous



Notes to the statements

31 December 2012

1. Introduction and Background

A. Project Main Information

Supporting National Telecom Regulatory Authority "NTRA" was initiated under the UNDP Altas award no. 00045618.

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

As per the budget revision dated 25 June 2012, the project start date is year 2007 and end date is year 2010 further extended till 2013. The project approved budget is \$ 6,165,000. The approved budget for year 2012 and beyond is \$2,150,474 distributed among \$7.95 from UNDP/TRAC and \$2,150,466 from GOE Cost Sharing.

B. Project Background and Objectives:

The National Telecommunications Regulatory Authority "NTRA" was established in accordance with the provision of law no. 10 for the year 2003. The telecommunications Regulatory law was created to regulate the telecommunication market and to enhance and deploy services in compliance with the latest technologies, with the most affordable process to satisfy the end-user. Accordingly, increasing and improving access to telecommunications are two important objectives of NTRA.

Five outputs are identified to achieve the above mentioned objectives as follows:-

- A) Telecom services as per agreed quality standard delivered.
- B) A conducive environment for the development of telecom sector in Egypt enhanced
- C) Advanced and adequate telecommunication services at affordable process provided and universal service ensured
- D) A framework for convergence and its infrastructure established
- E) Regional divide in the Arab World and African World bridged

2. Significant Accounting Policies

A. Description of the Statements

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

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

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

2. Statement of Assets and Equipments

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

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

3. Statement of Cash Position

The statement of cash position identifies the project's funds received, total expenditures incurred during the period from 1 January 2012 through 31 December 2012 and the project's fund balance as at 31 December 2012.

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

The "Actual Expenditures" column identifies the costs incurred by the project from 1 January 2012 through 31 December 2012 under Government expenditures column and the direct payment disbursed by the UNDP provided that the expenditures are in agreement with expenditures reported in the combined delivery report.

B. Basis of Accounting

1. Statement of Combined Delivery Report (CDR)

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

2. Statement of Assets and Equipments

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

3. Statement of Cash Position

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

C. Foreign Currency Exchange:

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

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

2. For the Assets and Equipments

For the purpose of preparing the statement of assets and equipments, cost of assets and equipments in L.E as at 31 December 2012 was translated to U.S.\$ at the year end exchange rate which was \$1 equivalent L.E 6.1. This translation is prepared for reporting purposes only.

3. For the Statement of Cash Position

For the purpose of preparing the statement of cash position and reconciling the project's fund balance in U.S.\$ with the cash and bank book balance denominated in L.E. The project's fund balance in L.E as at 31 December 2012 was translated to U.S.\$ at the year end exchange rate which was \$1 equivalent L.E 6.1 Resulting translation differences were charged to a separate line item in the statement of cash position. This translation is prepared for reporting purposes only.

Management Letter

We have completed our financial audit of the financial reports of The Supporting National Telecom Regulatory Authority "NTRA" Project funded by the UNDP through Altas award no. 00045618 as implemented by Ministry of Communication and Information Technology during the period from 1 January 2012 through 31 December 2012. We have issued our reports on the statement of expenditure for the year ended 31 December 2012, statement of assets and equipment and statement of cash position as of 31 December 2012 dated 6 April 2013.

In planning and performing our audit of the financial reports and in accordance with the Terms of Reference (2012 NIM audit), 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 Supporting National Telecom Regulatory Authority "NTRA" 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 Supporting National Telecom Regulatory Authority "NTRA" 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.

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

We have conducted a follow up on the audit report dated 18 March 2012 covering the year ended 31 December 2011. We have followed up on the prior audit findings and the corrective actions undertaken by management to address these findings. Our methodology in this section is to write in details the prior audit finding, the possible causes, the risk severity, recommendation suggested to management, management comment and finally our audit comment. In the auditor comment, we clearly identify whether the finding is closed or still recurring. If management properly addressed the prior audit finding, then we report the finding as closed, thus no further action plan is required from management. If management did not take proper corrective action, we report the finding as an outstanding finding where management still have to prepare an action plan to address it.

Internal Control Assessment

A. Financial Management

1. Misclassification of accounts

Condition:

During our audit, we noted that certain travel expenditures incurred by project yet disbursed by UNDP Country Office "UNDP disbursement" during the financial year ended 31 December 2011 was reported in the Combined Delivery Report (CDR) under the Contracted Services Individuals account code 71400 instead of Travel Costs under account code 71600. The matter that represents non compliance with UNDP financial reporting guidelines and chart of account resulting in misclassification between accounts and misrepresentation of each account balance in the Combined Delivery Report (CDR)

Risk Severity: Low

Recommendation:

We recommended the project management to adequately review the CDR on periodic basis to promptly identify entry human errors and take corrective action on timely manner to ensure adherence to UNDP financial reporting guideline and chart of account.

Management Comments:

Management agreed with our findings. Proper corrective action will be followed in year 2012.

Auditors Comments:

The results of our current year audit not identify any similar incident. There the finding is considered **Closed** .

Current Year Management Issues and Findings**Project Progress and Timelines**

The project's rate of delivery as of 31 December 2012 was 87% calculated as follows:-

Total Expenditures for the year ended 31 December 2012/ budget revision as of 25 June 2012

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

بيان بالاصول الخاصة بمشروع الامم المتحدة الانماني رقم 53916 لدى الجهاز القومي لتنظيم الاتصالات 31/12/2012

الاصول

رقم	تاريخ	المصدر	النوع	عدد	رقم الفاتورة	المبلغ بالجنية
1	04/08/2007	شركة أوجيدا	خزينة	1	2373	1250
2	23/09/2008	ATSI	نظام اتصال متكامل لمركز الاتصالات بالمواصفات والمكونات طبقا للبيان المرفق	1	83	950000
3						
4						
5						
6						
7						
			اجمالي			951250

مازن محمد



مسئول مالي اول

مدير مشروع البرنامج الانماني للامم المتحدة

Ashraf Hosni

Samir

QTY	Item	Unit Price	Extended
1	Basic Server	49880	49,880
1	Interaction Recorder	21750	21,750
1	Advanced Fax Services	21750	21,750
1	Microsoft CRM Connector	11600	11,600
1	Switchover Clone	21750	21,750
Access Licenses			
15	Contact Center level 2	6670	100,050
15	Interaction Recorder Add-On	2204	33,060
15	Microsoft CRM Integration Add-On	1798	26,970
15	Unified Messaging Add-On	87	1,305
15	Desktop Faxing Add-On	58	870
2	Interaction Supervisor add-on	3625	7,250
2	Reports Page Add-on	812	1,624
2	Interaction Supervisor - System Status Monitoring	870	1,740
Port Licenses			
25	External call port	3045	76,125
Server Add-Ons			
1	Basic Language - US English	0	0
1	Additional Language - Arabic	6090	6,090
Media Resources			
30	Intel HMP Voice	70	2,088
12	Intel HMP Conference	278	3,341
30	Intel HMP RTP Audio G.711 only	58	1,749
10	Intel HMP Fax	522	5,220
15	Intel HMP Enhanced G.729/723	278	4,178
30	Switchover - Intel HMP Voice	35	1,044
12	Switchover - Intel HMP Conference	139	1,670
30	Switchover - Intel HMP RTP Audio G.711 only	29	870
10	Switchover - Intel HMP Fax	261	2,610
15	Switchover - Intel HMP Enhanced G.729/723	130	2,088
CIC Software Total			406,661
MICROSOFT DYNAMICS CRM SOFTWARE			
2	CRM Professional Server Lic/SA Pack OLP NL GOVT Qualified	8500	17,000
20	CRM Professional CAL Lic/SA Pack OLP NL GOVT User CAL		85,000
1	CRM External Connector Lic/SA OLP NL GOVT qualified	62000	62,000
0	CRM Media Kit	175	0
MICROSOFT Server O/S & SQL LICENCES			
5	Windows Svr Ent Lic/SA Pack OLP NL GOVT		97,495
2	SQL Svr Enterprise EdIn Win32 Lic/SA Pack OLP NL GOVT Qualified		
CRM Total			261,495
Total Software			668,156

HP Servers

2	HP DL380 G5 CIC	35,133	70,265
2	HP DL380 G5 MS CRM	31,280	62,550
1	HP DL380 G5 Recorder	33,868	33,868
Cisco Routers/Switches			
2	2821 Voice Bundle,PVDM2-32,SP Serv,64F/256D	29,954	59,908
2	1-Port RJ-48 Multiflex Trunk - E1	8,294	16,588

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 2/1/06 Cisco [Signature] [Signature]

2	24-Port Gigabit Ethernet Managed Switch with PoE	25,520	51,040
1	Dataprobe Switch	17,400	17,400
IP Phones & Headsets			
15	Polycom IP 301 Soundpoint	1,160	17,400
2	Polycom IP 301 Soundpoint - spares	1,160	2,320
15	GN Netcom GN 2000 IP Headsets	447	6,699
2	GN Netcom GN 2000 IP Headsets - spares	447	893
Rack			
1	HP T17600 ITL Rackmount Keyboard Monitor	11,385	11,385
1	Rittal Rack, 24U TE 7000 with Fan Unit & Socket (Power) Strip	4,345	4,345
Total Hardware			354,671

Total Software & Hardware

1,022,827

Discount 0%

0%

After Discount

1,022,827

SERVICES AND SUPPORT

CIC CONTACT CENTRE SERVICES			
1	CIC EXTENDED WARRANTY & SUPPORT YEAR 1	73,199	73,199
1	HARDWARE EXTENDED WARRANTY SERVICES	49,654	49,654
15	Professional Services Package (days)	1,800	27,000
CIC SERVICES SUBTOTAL			149,853
MICROSOFT DYNAMICS CRM SERVICES			
1	Implementation and configuration for Microsoft CRM 3.0 as per above scope in NTRA data center.	14,375	14,375
1	Customization of call flow and routing.	28,750	28,750
1	Documentation.	14,375	14,375
1	Basic Silver Support Pack:	29,900	29,900
1	2 Class A Incident, 10 Class B&C Incidents, and 6 Proactive Visits		
1	Support Package (Hardware and Software) Year 1 and Yearly		
MS CRM SERVICES SUBTOTAL			87,400
SERVICES TOTAL			237,253

TRAINING SERVICES

The requested training covers the following topics:			
Agents training program:			
2 days	Contact Center system		
3 days	Help Desk System		
System Administrator Program:			
5 days	Contact center & help desk		
Technical Staff training			

FOC

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1 day	Solution overview		
2 days	System Installation		
2 days	System trouble shooting		
2 days	System troubleshooting hands on		
8	Microsoft CRM Standard operations workshop for agents	1,500	12,000
4	Microsoft CRM Installation and Configuration (3 Days)	2,600	10,400
3	Microsoft CRM troubleshooting, and backup and disaster recovery scenario's workshop for system administrators	3,000	9,000
2	CIC Agent Training	1,800	3,600
2	CIC Admin and Troubleshooting	1,800	3,600
Total Training			38,600

SERVICES AND SUPPORT - 2 year support option

2	CIC EXTENDED WARRANTY & SUPPORT YEAR 1	73,199	146,398
2	HARDWARE EXTENDED WARRANTY SERVICES	49,654	99,308
2	Basic Silver Support Pack	29,900	59,800
	2 Class A incident, 10 Class B&C Incidents, and 6 Proactive Support Package (Hardware and Software) Year 1 and Yearly		
Total Services & Support 2 Years			305,506

Grand Total Before Discount

1,604,186

Discount

59.2201%

Grand Total After Discount

950,000.00

محمد بن راشد آل مكتوم
 محمد بن راشد آل مكتوم
 محمد بن راشد آل مكتوم

النظام مكونة من مكونات العمل بكفاءة والمكونات
 من خوادم وبرامج في عهدة ادارة تكنولوجيا
 المعلومات بالهناج


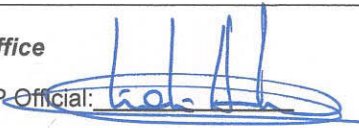
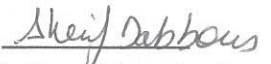
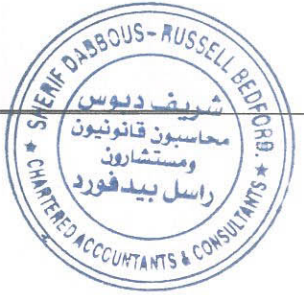
محمد بن راشد

Appendix B
Certified Follow Up Action Plan

Follow Up Action Plan – Year 2011 audit data and observations

Award No:		00045618	Output No:		53916	Opinion Type:		Unqualified				
Obs No	Observation	Recommendation	Audit Area	Risk Severity	Proj/CO Mgt Comm.	Action(s) Planned	Target Impl. Date	Action Unit	Person Respsble. for Action	Updated Status	Actual Impl. Date	Descri. of Status Update
1	During our audit, we noted that certain travel expenditures incurred by project yet disbursed by UNDP Country Office “UNDP disbursements” during the financial year ended 31 December 2011 was reported in the Combined Delivery Report (CDR) under the Contracted Services Individuals account code 71400 instead of Travel Costs under account code 71600. The matter that represents non compliance with UNDP financial reporting	We recommend the project management to adequately review the CDR on periodic basis to promptly identify entry human errors and take corrective action on timely manner to ensure adherence to UNDP financial reporting guidelines and chart of account.	Financial Management	Low	Management agreed with our finding. Proper corrective action will be followed in year 2012.	Proper corrective action will be followed in year 2012.	2012	Financial Management	Financial Manager	Closed	2012	The results of our current year audit not identify any similar incident. There the finding is considered Closed .

<p>guidelines and chart of account resulting in misclassification between accounts and misrepresentation of each account balance in the Combined Delivery Report (CDR)</p>										
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<p>Implementing Partner (IP)</p> <p>Signature of IP Official: </p> <p>Name and title (print): Dina Kabil, National Project Director</p> <p>Date: <u>2/14/2013</u></p>	<p>UNDP Country Office</p> <p>Signature of UNDP Official: </p> <p>Name and title (print): Ignacio Artaza, Country Director</p> <p>Date: <u>08/05/2013</u></p>	<p>Government Auditors/Audit Firm</p> <p>Signature of Audit firm Official: </p> <p>Name and title (print): Sherif Dabbous, Managing Partner Russell Bedford Sherif Dabbous</p> <p>Date: <u>6/4/2013</u></p> <p>Stamp and Seal of audit firm: </p>
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Appendix C
Current Action Plan – Year 2012

Certification of Action Plan – Year 2012 audit data and observations

Table 1- Audit of the UNDP CDR

UNDP Combined Delivery Report (CDR) as at 31 December 2012							
1.	Project No.	Output No.	Amount audited and certified (US\$)	Audit opinion (unqualified, qualified, adverse, disclaimer)	Total amount of qualification of audit opinion (if qualified, adverse or disclaimer opinion)	Reason(s) for qualification of audit opinion and breakdown of NFI amount (US)	Observation(s) that had impact on qualification of audit opinion (list observation number(s) and page of audit report/management letter)
	00045618	53916	Amount audited and certified \$654,3267	Unqualified	NA	NA	NA


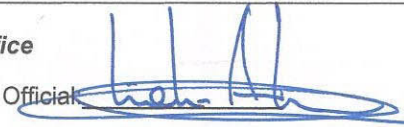
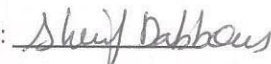

<p>Implementing Partner (IP)</p> <p>Signature of IP Official: </p> <p>Name and title (print): Dina Kabil, National Project Director</p> <p>Date: <u>21/4/2013</u></p>	<p>UNDP Country Office</p> <p>Signature of UNDP Official: </p> <p>Name and title (print): Ignacio Artaza, Country Director</p> <p>Date: <u>08/05/2013</u></p>	<p>Government Auditors/Audit Firm</p> <p>Signature of Audit firm Official: </p> <p>Name and title (print): Sherif Dabbous, Managing Partner Russell Bedford Sherif Dabbous</p> <p>Date: <u>6/6/2013</u></p> <p>Stamp and Seal of audit firm: </p>
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Table 2- Audit of the statement of cash position

Statement of Cash Position as at 31 December 2012				
Project No.	Output No.	Value of Cash Position Statement as of 31 December 2012 (US\$)	Audit Opinion Statement of Cash Position	Total amount of qualification Statement of Cash Position (US\$)
00045618	53916	\$0	Unqualified	NA


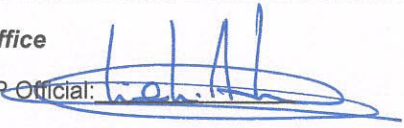
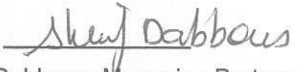

<p>Implementing Partner (IP)</p> <p>Signature of IP Official: </p> <p>Name and title (print): Dina Kabil, National Project Director</p> <p>Date: <u>21/6/2013</u></p>	<p>UNDP Country Office</p> <p>Signature of UNDR Official: </p> <p>Name and title (print): Ignacio Artaza, Country Director</p> <p>Date: <u>28/05/2013</u></p>	<p>Government Auditors/Audit Firm</p> <p>Signature of Audit firm Official: </p> <p>Name and title (print): Sherif Dabbous, Managing Partner Russell Bedford Sherif Dabbous</p> <p>Date: <u>6/6/2013</u></p> <p>Stamp and Seal of audit firm: </p>
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Table 3- Audit of the statement of assets and equipments

Statement of Assets and Equipment as at 31 December 2012				
Project No.	Output No.	Value of Assets and Equipments as of 31 December 2012 (Cumulative from project start date) (US\$)	Audit Opinion Statement of Assets and Equipment	Total amount of qualification on the Statement of Assets and Equipment (US\$)
00045618	53916	\$155,943	Unqualified	NA



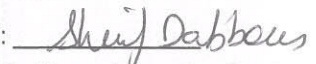




Implementing Partner (IP)		UNDP Country Office		Government Auditors/Audit Firm	
Signature of IP Official: 		Signature of UNDP Official: 		Signature of Audit firm Official: 	
Name and title (print): Dina Kabil, National Project Director		Name and title (print): Ignacio Artaza, Country Director		Name and title (print): Sherif Dabbous, Managing Partner Russell Bedford Sherif Dabbous	
Date: <u>21/6/2013</u>		Date: <u>08/05/2013</u>		Date: <u>6/6/2013</u>	
				Stamp and Seal of audit firm:	



Table 4- Report on audit observations and recommendations

Project No.	Output No.	Observ. No	Audit Observation	Recommendation	Audit Area	Audit Cause	Risk Severity	Project/CO Mngmt. Comments
00045618	53916		The current audit did not identify any findings in connection with client operations					

<p>Implementing Partner (IP)</p> <p>Signature of IP Official: </p> <p>Name and title (print): Dina Kabil, National Project Director</p> <p>Date: <u>21/6/2013</u></p>	<p>UNDP Country Office</p> <p>Signature of UNDP Official: </p> <p>Name and title (print): Ignacio Artaza, Country Director</p> <p>Date: <u>08/05/2013</u></p>	<p>Government Auditors/Audit Firm</p> <p>Signature of Audit firm Official: </p> <p>Name and title (print): Sherif Dabbous, Managing Partner Russell Bedford Sherif Dabbous</p> <p>Date: <u>6/6/2013</u></p> <p>Stamp and Seal of audit firm: </p>
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