



*Russell  
Bedford*

**Auditor's Report and Management Letter  
MDGF Dahshour Development PA in Egypt  
Atlas Award No. 00048469 from 1 January  
2012 through 31 December 2012**



U N  
D P

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## Independent auditor's report

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

### a) Certification of Statement of Expenditure

We have audited the accompanying Statement of Expenditure (the statement) of the UNDP project atlas award no. 00048469 and project no 00058644 for the period from 1 January 2012 through 31 December 2012 represented in the Combined Delivery Report (CDR) of MDGF Dahshour Development PA as implemented by National Execution.

Management is responsible for the preparation of the statement of expenditures for Dahshour Development PA'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 \$23,309 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 \$311,941 incurred by the UNDP project MDGF Dahshour Development PA 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 no00048469 and project no 00058644 as at 31 December 2012 represented in the statement of assets and equipments of the MDGF Dahshour Development PA as implemented by National Execution.

Management is responsible for the preparation of the statement of assets for MDGF Dahshour Development PA'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 MDGF Dahshour Development PA amounting to \$11,760 as at 31 December 2012 in accordance with the UNDP accounting policies.

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

We have audited the accompanying Statement of Cash Position (the statement) of the UNDP project atlas award no00048469 and project no 00058644, MDGF Dahshour Development PA as implemented by National Execution at 31 December 2012.

Management is responsible for the preparation of the statement of cash for MDGF Dahshour'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 MDGF Dahshour Development PA amounting to \$24,690 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 , MDGF Dahshour Development PA 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 Sheriff Dabbous  
Cairo, Egypt.  
10 April 2013  
3, Mamar Behlar, Downtown, Cairo  
Tel/Fax: +2 (02) 23934133 - 23934226



**Combined Delivery Report By Project**



**UNDP UN Development Programme**  
Report ID: unglcdrp

Page 1 of 5  
Run Time: 25-03-2013 13:03:05

**Selection Criteria :**

Business Unit : EGY10  
Period : Jan-Dec (2012)  
Selected Project Id : 00048469  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : ALL

Project Id : 00048469 MDGF DAHSHOUR DEVELOPMENT PA	Period :	Jan-Dec (2012)
Output # : 00058644 MDGF DAHSHOUR DEVELOPMENT	Impl. Partner :	01048 National Execution
	Location :	Main

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
<b>Dept: 44802 (Egypt - UN Dev Coord)</b>				
<b>Fund : 30000 (PROGRAMME COST SHARING)</b>				
74525 - Sundry	0.00	8,542.71	0.00	8,542.71
75105 - Facilities & Admin - Implement	0.00	597.99	0.00	597.99
<b>Total for Fund 30000</b>	<b>0.00</b>	<b>9,140.70</b>	<b>0.00</b>	<b>9,140.70</b>
<b>Total for Dept : 44802</b>	<b>0.00</b>	<b>9,140.70</b>	<b>0.00</b>	<b>9,140.70</b>
<b>Dept: 44808 (Egypt - Poverty Reduction)</b>				
<b>Fund : 30000 (PROGRAMME COST SHARING)</b>				
71405 - Service Contracts-Individuals	0.00	40,728.15	0.00	40,728.15
71610 - Travel Tickets-Local	0.00	124.96	0.00	124.96
71620 - Daily Subsistence Allow-Local	0.00	426.23	0.00	426.23
71635 - Travel - Other	0.00	7,785.12	0.00	7,785.12
72120 - Svc Co-Trade and Business Serv	57,500.00	0.00	0.00	57,500.00
72220 - Furniture	0.00	257.57	0.00	257.57
72335 - Pharmaceutical Products	0.00	20.79	0.00	20.79
72415 - Courier Charges	0.00	9.15	0.00	9.15
72420 - Land Telephone Charges	0.00	116.65	0.00	116.65
72425 - Mobile Telephone Charges	0.00	1,062.09	0.00	1,062.09
72435 - E-mail-Subscription	0.00	47.26	0.00	47.26
72440 - Connectivity Charges	0.00	399.74	0.00	399.74
72505 - Stationery & other Office Supp	0.00	620.15	0.00	620.15
72510 - Publications	0.00	2,292.01	0.00	2,292.01
72610 - Micro Capital Grants-Credit	157,043.39	0.00	0.00	157,043.39
72710 - Hospitality-Vouchered Expenses	0.00	750.90	0.00	750.90
72815 - Inform Technology Supplies	0.00	63.97	0.00	63.97
73105 - Rent	0.00	5,831.16	0.00	5,831.16
73110 - Custodial & Cleaning Services	0.00	2,537.62	0.00	2,537.62
73120 - Utilities	0.00	578.39	0.00	578.39
73125 - Common Services-Premises	0.00	11.90	0.00	11.90
73405 - Rental & Maint-Other Office Eq	0.00	163.23	0.00	163.23
73505 - Reimb to UNDP for Supp Srvs	0.00	2,940.28	0.00	2,940.28
74510 - Bank Charges	138.08	0.00	0.00	138.08
74525 - Sundry	0.00	990.33	0.00	990.33
75105 - Facilities & Admin - Implement	0.00	19,770.73	0.00	19,770.73
76120 - Unrealized Loss	0.00	594.36	0.00	594.36
76125 - Realized Loss	0.00	0.77	0.00	0.77
76135 - Realized Gain	0.00	-5.01	0.00	-5.01
<b>Total for Fund 30000</b>	<b>214,681.47</b>	<b>88,118.50</b>	<b>0.00</b>	<b>302,799.97</b>

Combined Delivery Report By Project



**UNDP** UN Development Programme  
Report ID: unglcdrp

Page 2 of 5  
Run Time: 25-03-2013 13:03:05

Project Id : 00048469 MDGF DAHSHOUR DEVELOPMENT PA	Period :	Jan-Dec (2012)
Output # : 00058644 MDGF DAHSHOUR DEVELOPMENT	Impl. Partner :	01048 National Execution
	Location :	Main

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Total for Dept : 44808	214,681.47	88,118.50	0.00	302,799.97
Total for Output : 00058644	214,681.47	97,259.20	0.00	311,940.67
<b>Project Total :</b>	<b>214,681.47</b>	<b>97,259.20</b>	<b>0.00</b>	<b>311,940.67</b>

Project Management

Name : Wael Arafa  
Title : Project Manger  
Signature: *Wael Arafa*

UNDP CO Management

Name : Ignacio Antaza  
Title : Country Director  
Signature: *Ignacio Antaza*

Audit Firm

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



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

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

**Combined Delivery Report By Project**



**UNDP** UN Development Programme  
Report ID: unglcdrp

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Run Time: 25-03-2013 13:03:06

**Selection Criteria :**

Business Unit : EGY10  
Period : Jan-Dec (2012)  
Selected Project Id : 00048469  
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
44802 - Egypt - UN Dev Coord	0.00	9,140.70	0.00	9,140.70
44808 - Egypt - Poverty Reduction	214,681.47	88,118.50	0.00	302,799.97

**Project Management**

Name : Wael Arafa  
Title : Project Manger  
Signature: *Wael Arafa*

**UNDP CO Management**

Name : Ignacio Artaza  
Title : Country Director  
Signature: *Ignacio Artaza*

**Audit Firm**

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







Funds Utilization

Selection Criteria :

Business Unit : EGY10  
Period : Jan-Dec (2012)  
Selected Project Id : 00048469  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : ALL

Project/Award: 00048469 MDGF DAHSHOUR DEVELOPMENT PA

Period : As at Dec 31, 2012

Output #	00058644	Impl. Partner :01048 National Execution	UNDP AMOUNT
Outstanding NEX advances			24,690.45
Undepreciated Fixed Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			0.00

Project Management

Name : Wael Arafa  
Title : Project Manger  
Signature: *Wael Arafa*

UNDP CO Management

Name : Ignacio Antaza  
Title : Country Director  
Signature: *Ignacio Antaza*

Audit Firm

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



Combined Delivery Report By Project



UN  
DP UN Development Programme  
Report ID: unglcdrp

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Run Time: 25-03-2013 13:03:08

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

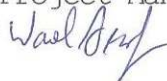
Selection Criteria :

Business Unit : EGY10  
Selected Project(s): 00048469  
Selected Fund Code : ALL  
Selected Output(s): ALL

Project Id : ALL					
Output # :					
Impl. Partner : NONE					
Description	Account	Fund	Donor	Amount	

No Data found for the Selection Criteria

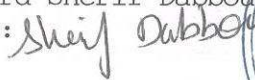
Project Management

Name : Wael Arafa  
Title : Project Manger  
Signature: 

UNDP CO Management

Name : Ignacio Artaza  
Title : Country Director  
Signature: 

Audit Firm

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



**MIDGF Dahshour Development PA**  
**Atlas Award No. 00048469**  
**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 01/01/11</u> <u>31/12/11</u>	<u>From 01/01/12</u> <u>to 31/12/12</u>	<u>Cost as of</u> <u>31/12/12</u>
	U.S.\$	U.S.\$	U.S.\$
Assets and Equipments	0	11,760	11,760
Foreign Currency Exchange Difference	0	0	0
<b>Total</b>	<b>0</b>	<b>11,760</b>	<b>11,760</b>

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

Project Management:

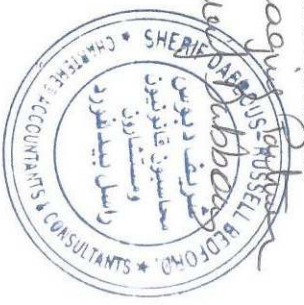
Name: **Wael Arafa**  
 Title: **Project Manager**  
 Signature: *Wael Arafa*

UN CO Management

Name: **Ignacio Artaza**  
 Title: **Country Director**  
 Signature: *Ignacio Artaza*

Audit Firm

Name: **Russell Bedford Sheriff Dabbous**  
 Title: **Manager**  
 Signature: *Russell Bedford Sheriff Dabbous*



**MDGF Dahshour Development PA**  
**Atlas Award No. 00048469**  
**Funded by United Nations for Development Programme**  
**Statement Of Cash Position**  
**From 1 January 2012 through 31 December 2012**


<u>Description</u>	<u>Actual Expenditures</u>		
	<u>Govt Disb</u>	<u>UNDP Disb</u>	<u>Total</u>
	<u>From 01/01/12 to 31/12/12</u>	<u>From 01/01/12 to 31/12/12</u>	<u>From 01/01/12 to 31/12/12</u>
<u>Funds Received</u>			
Fund Balance as at 31 December 2011	\$0	\$0	\$0
Funds Advanced to Project During Audited Period	239,543	0	239,543
UNDP Direct Payments	0	97,259	97,259
<b>Total Funds Available</b>	<b>\$239,543</b>	<b>\$97,259</b>	<b>\$336,802</b>
<u>Expenditures Elements</u>			
71400 Contractual Services - Individuals	\$0	\$40,728	\$40,728
71600 Travel	0	8,336	8,336
72100 Contractual Services - Companies	57,500	0	57,500
72200 Equipments and Furniture	0	258	258
72300 Materials and Goods	0	21	21
72400 Communication and Reporting	0	1,635	1,635
72500 Supplies	0	2,912	2,912
72600 Micro Capital Grants - Credit	157,043	0	157,043
72700 Hospitality	0	751	751
72800 Information Technology Equipment	0	64	64
73100 Rental and Maintenance - Premises	0	8,959	8,959
73400 Rental and Maintenance - Equipments	0	163	163
73500 Reimbursements For UNDP Support Services	138	2,940	3,078
74500 Miscellaneous	0	9,533	9,533
75100 Facilities and Administration	0	20,369	20,369
76100 Foreign Currency Exchange (Gain) Loss	0	590	590
<b>Sub Total</b>	<b>\$214,681</b>	<b>\$97,259</b>	<b>\$311,940</b>
Exchange Difference	172	0	172
<b>Total</b>	<b>\$214,853</b>	<b>\$97,259</b>	<b>\$312,112</b>
<b>Fund Balance as at 31 December 2012</b>	<b>\$24,690</b>	<b>\$0</b>	<b>\$24,690</b>
<u>Less: Cash Book Balance</u>			
Bank Book Balance as at 31 December 2012			\$24,690
Petty Cash Balance as at 31 December 2012			0
<b>Total Cash Book Balance as at 31 December 2012</b>			<b>\$24,690</b>
<b>Difference (If any)</b>			<b>\$0</b>

- 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: Wael Arafa

Title: Project Manger

Signature: **UNDP CO Management**

Name: Ignacio Artaza

Title: Country Director

Signature: **Audit Firm**

Russell Bedford Sherif Dabbous

Name: Sherif Dabbous

Title: Managing Partner

Sig: 

# Notes to the statements

## 31 December 2012

### 1. Introduction and Background

#### A. Project Main Information

MDGF Dahshour Development PA was initiated under the UNDP Atlas award no. 00048469 .

The project is implemented by National Execution.

As per the budget revision dated 18 March 2012, the project start date is year 2009 and end date is year 2013. The project approved budget is \$ 1,048,160. The project budget for year 2012 and beyond is \$555,715 distributed as \$29,000 from UNDP/TRAC,\$10,000 from ILO, \$25,000 from UNESCO, \$7,000 from UNIDO, \$11,000 from WTO and \$473,715 from UNDP(JPAA) Cost Sharing.

#### B. Project Background and Objectives:

This project aims to provide training to enable rural communities to find employment outside agriculture, open job opportunities in heritage /cultural creative industries, and enhance the ability of the community to engage in organized social action to improve their condition.

Emphasis will be placed on training and employment of unemployed young graduates (reportedly 50%) and woman especially those who head households.

### 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 (L.E) 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 MDGF Dahshour Development PA funded by the UNDP through Atlas award no. 00048469 as implemented by National Execution 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 10 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 MDGF Dahshour Development PA 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, MDGF Dahshour Development PA 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 did not conduct a follow up on prior audit findings as this was the first year audit for the project.

#### **Current Year Management Issues and Findings**

##### **Project Progress and Timelines**

The project's rate of delivery as of 31 December 2012 was 69 % calculated as follows:-

Total Expenditures for the year ended 31 December 2012/Project budget revision as of 18 March 2012

Without considering this is a finding the results of our review of the project progress identified certain conditions related to the delay and /or postpone in project activities initially scheduled during year 2012. The main concern was the frequent change in the governors as well as head of governmental authorities in governorates

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

**Appendix A**  
**Detailed Inventory List as of 31 December 2012**

48469

Dahshour Project

Assets List 2012

Ser. No.	Description	Quantity	Location	Supplier's Name	Item Value in LE	Total Value in LE	Account code
1	Laptop Dell	3	PMU	Beta Technology Egypt	5,399.00	16197	72205
2	Black Printer+ Scanner+Copier Laser Jet HP M1120 MFP	1	PMU	Beta Technology Egypt	2,435.00	2435	72405
3	Black Printer Laser Jet HP P2055dn	1	PMU	Beta Technology Egypt	1,500.00	1500	72805
4	555	1	PMU	Beta Technology Egypt	555.00	555	72205
5	Rexel ( Office thema Binder T40	1	PMU	Office Mix	650	650	72205
6	Digital Video Camera Sony	1	PMU	Beta Technology Egypt	1,499.00	1499	72205
7	Air Conditioners Unionalr	3	PMU	MIRACO Deevlopment SERVICES& TRADING Co.S.A.E	2,910.00	8730	72205
8	Voice Recorder (Olympus)	1	PMU	Radioshak+batteries	638.00	638	72405
9	Monitor Samsung LED 20"	1	PMU	Beta Technology Egypt	825	825	72805
10	Mobile Samsung C212	1	PMU	Adryan for Trading&Manufacturing	700.00	700	72205
11	Mobile LG KS660	1	PMU	Salama Electrical Devices Store	999.00	999	72205
12	Fax + Copier samsung Ink Jet SF370	1	PMU	Computer shop	666.00	666	72205
13	Water Cooler	1	PMU	Radio Mohamed Tahaat	1200	1200	72505
14	Small Cooker Universal	1	PMU	Al Tawhid&EI Nour	481.5	481.5	72505
15	Black Berry	1	PMU	Mobile Shop	1699	1699	72405
16	Monitor Samsung LED 20"	1	PMU	Beta Technology Egypt	825	825	72805
17	HP Printer color (7000)	1	PMU	Beta Technology Egypt	1200	1200	72805
18	Mobile Nokia X1-01	1	PMU	Adryan for Trading&Manufacturing	270	270	72205
19	Manager Desk + side + 3 drawer unit	1	PMU	Dream Office Furniture	3600	3600	72220
20	wooden Library elevated,2 Door Leaf + 2glass leaf	1	PMU	Dream Office Furniture	1600	1600	72220
21	wooden Library elevated,2 Door Leaf	1	PMU	Dream Office Furniture	1600	1600	72220
22	Coffee Table wood base	2	PMU	Dream Office Furniture	360	720	72220
23	High Dynamic Chair-H207	1	PMU	Dream Office Furniture	1600	1600	72220
24	Waiting Chair	2	PMU	Dream Office Furniture	450	900	72220
25	Desk 160 cm + side	1	PMU	Dream Office Furniture	870	870	72220
26	The inclusion of mobile unit 3 drawer	1	PMU	Dream Office Furniture	450	450	72220
27	Shannon Wood 3 drawer	2	PMU	Dream Office Furniture	1360	2720	72220
28	wooden Library elevated,2 Door Leaf (Synior Wood)	2	PMU	Dream Office Furniture	950	1900	72220
29	Meeting Table	1	PMU	Dream Office Furniture	2450	2450	72220
30	Black Chair-271	10	PMU	Dream Office Furniture	500	5000	72220
31	Leather Sofa, 2 seat	2	PMU	Dream Office Furniture	2500	5000	72220
32	Kitchen pieces 2 leaf	1	PMU	EI Tawhid&EI Nour	625	625	7220
33	Nouvel fan	1	PMU	EI Tawhid&EI Nour	144	144	72210
34	Nouvel fan	1	PMU	EI Tawhid&EI Nour	218.00	218	72220
35	Ideal Fridge	1	PMU	EI Tawhid&EI Nour	1,267.00	1267	72220
Total						71733.5	

M. A. Yousif

31/10/2012

**Appendix B**  
**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 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)
00048469	58644	Amount audited and certified \$311,941	Unqualified	NA	NA	NA

<p><b>Implementing Partner (IP)</b></p> <p>Signature of IP Official: <u>Wael Arafa</u></p> <p>Name and title (print): Wael Arafa, Project Manager</p> <p>Date: <u>16/11/2013</u></p>	<p><b>UNDP Country Office</b></p> <p>Signature of UNDP Official: <u>[Signature]</u></p> <p>Name and title (print): Ignacia Artaza, Country Director</p> <p>Date: <u>08/05/2013</u></p>	<p><b>Government Auditors/Audit Firm</b></p> <p>Signature of Audit firm Official: <u>Sheif Dabbous</u></p> <p>Name and title (print): Sherif Dabbous, Managing Partner Russell Bedford Sherif Dabbous</p> <p>Date: <u>10/11/2013</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\$)
00048469	58644	\$24,690	Unqualified	NA

**Implementing Partner (IP)**

Signature of IP Official: *Wael Arafa*  
 Name and title (print): Wael Arafa , Project  
 Manager

Date: *16/11/2013*

**UNDP Country Office**

Signature of UNDP Official: *[Signature]*  
 Name and title (print): Ignacia Artaza , Country  
 Director

Date: *02/05/2013*

**Government Auditors/Audit Firm**

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

Date: *10/11/2013*

Stamp and Seal of audit firm

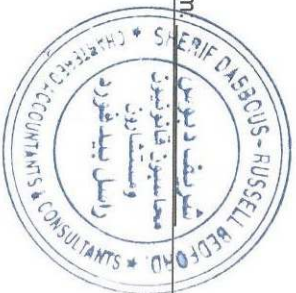


Table 3- Audit of the statement of assets and equipments

Statement of Assets and Equipment as at 31 December 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\$)
00048469	58644	\$11,760	Unqualified	NA

<p><b>Implementing Partner (IP)</b>                  Signature of IP Official: <u><i>Wael Arafa</i></u>                  Name and title (print): Wael Arafa , Project Manager                  Date: <u>6/14/2013</u></p>	<p><b>UNDP Country Office</b>                  Signature of UNDP Official: <u><i>[Signature]</i></u>                  Name and title (print): Ignacia Artaza , Country Director                  Date: <u>08/05/2013</u></p>	<p><b>Government Auditors/Audit Firm</b>                  Signature of Audit firm Official: <u><i>Sherif Dabbous</i></u>                  Name and title (print): Sherif Dabbous, Managing Partner                  Russell Bedford Sherif Dabbous                  Date: <u>10/16/2013</u></p>
Stamp and Seal of audit firm:		

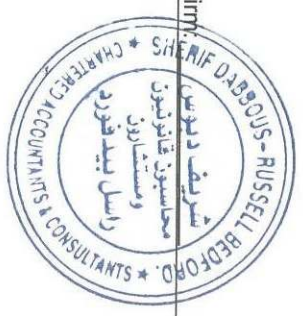


Table 4- Report on audit observations and recommendations

Project No.	Output No.	Observ. No	Audit Observation	Recommendation	Audit Area	Risk Severity	Project/CO Mngmt. Comments
00048469	58644		The current audit did not identify any findings in connection with client operations				

<p><b>Implementing Partner (IP)</b>                  Signature of IP Official: <u>Wael Arafa</u>                  Name and title (print): Wael Arafa, Project Manager                  Date: <u>16/4/2013</u></p>	<p><b>UNDP Country Office</b>                  Signature of UNDP Official: <u>[Signature]</u>                  Name and title (print): Ignacia Arfaza, Country Director                  Date: <u>08/05/2013</u></p>	<p><b>Government Auditors/Audit Firm</b>                  Signature of Audit firm Official: <u>[Signature]</u>                  Name and title (print): Sherif Dabbous, Managing Partner                  Russell Bedford Sherif Dabbous                  Date: <u>10/4/2013</u></p>
Stamp and Seal of audit firm		

