



**AUDIT**

**OF**

**UN WOMEN COUNTRY OFFICE IN JORDAN**

**PROMOTING SOCIAL COHESION THROUGH WOMEN'S ECONOMIC EMPOWERMENT AND  
PROTECTION INITIATIVES IN IRBID AND ZARQA  
(Directly Implemented Project No. 96450)**

**Report No. 1864**  
**Issue Date: 20 September 2017**

**Report on the Audit of UN Women  
Promoting Social Cohesion through Women's Economic Empowerment and Protection Initiatives  
in Irbid and Zarqa (Project No. 96450)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Deloitte (the audit firm), from 12 to 19 June 2017, conducted an audit of Promoting Social Cohesion through Women's Economic Empowerment and Protection Initiatives in Irbid and Zarqa (Project No. 96450 (the Project)), which is directly implemented and managed by the UN Women Country Office in Jordan (the Office). This was the first audit of the Project.

The audit firm conducted a financial audit to express an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations. The audit covered the Project's Trial Balance Report, which includes expenses for the period from 1 January to 31 December 2016. The audit did not cover the Statement of Assets as there were no assets held by the Project as of 31 December 2016. In addition, the audit did not include expenses incurred or undertaken at the level of "responsible party" and expenses processed and approved in locations outside of the country (such as UN Women Regional Centres and UN Women Headquarters).

The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

**Audit results**

Based on the audit report and corresponding management letter submitted by the audit firm, the results are summarized in the table below:

Project Expenses*		
Amount (in \$ '000)	Opinion	NFM** (in \$ '000)
1,488	Qualified	0

\*Expenses recorded in the Project Trial Balance were \$1,558,483. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UN Women offices outside of the country (\$70,563).

\*\*NFM= Net Financial Misstatement. The qualified amount did not result in a net financial misstatement.

The audit firm qualified its opinion on project expenses due to misclassification of expenses amounting to \$783,904. This did not have an impact on the amount of the total expenses reported for 2016 (refer to issue 1) and consequently the qualified amount did not result in any net financial misstatement.

**Key recommendation:** Total = 1, high priority = 1

The recommendation aims to ensure compliance with legislative mandates, regulations and rules, policies and procedures.

For high (critical) priority recommendations, prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP. The high (critical) priority recommendation is presented below:

Improper classification of expenses (Issue 1)	The Office improperly classified expenses amounting to \$783,904 and charged to construction and engineering account (code #72105) although these expenses pertained to various consultancy and training activities.
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Recommendation: The Office should consult with Headquarters Procurement Division on how to properly modify the default account generated in Atlas when creating the Purchase Order/Voucher and to regularly review the classification of expenses.

#### Management comments and action plan

The Representative of the Office concerned accepted the recommendation and has implemented corrective actions. Management comments and/or additional information provided have been incorporated into the report, where appropriate.



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Director  
Office of Audit and Investigations