

**United Nations Entity for Gender Equality and
the Empowerment of Women
(UN Women)**

**Report of the Independent Auditor on the
United Nations Entity for Gender Equality and the Empowerment of Women
(UN Women)
Directly Implemented (DIM) Project 95582:**

**“Prioritizing Education of Girls and Young Women as a Key to Empowerment,
Inclusive Growth and Social Transformation in Egypt”**

10 June 2018

Talal Abu – Ghazaleh & Co.
"Certified Public Accountants"



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1. PART I – EXECUTIVE SUMMARY

1.1. Executive Summary:

This report represents the results of the financial audit conducted by Talal Abu – Ghazaleh & Co. of the UN Women project 95582, “Prioritizing Education of Girls and Young Women as a Key to Empowerment, Inclusive Growth and Social Transformation in Egypt” (the project), directly implemented by UN Women Country Office in Egypt for the year ended 31 December 2017.

The audit was undertaken on behalf of UN Women Internal Audit Service (IAS) of the Independent Evaluation and Audit Services (IEAS).

– **Audit opinions:**

- An unmodified audit opinion was issued on the project trial balance (statement of expenditures).
- An unmodified audit opinion was issued on statement of fixed assets.

– **Audit findings:**

No findings have been identified as a result of our audit.

Sincerely yours,

Jamal Milhem, CPA
Certified Accountant License # (100/98)



Talal Abu – Ghazaleh & Co.
License No. 251/1997
Ramallah - Palestine, 10 June 2018

1.2. Audit Objectives

- A. The objective of the financial audit was to express an opinion on the directly implemented (DIM) project's financial statements which include:
- 1) Expressing an opinion on whether the financial expenses incurred by the project for the period from 1 January to 31 December 2017 and the funds utilization as at 31 December 2017 are fairly presented in accordance with UN Women accounting policies and that the expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UN Women; and (iv) supported by properly approved vouchers and other supporting documents. The project trial balance, certified by the UN Women Chief of Accounts at the Financial Management Section of the Management and Administration Division at the Headquarters, is the mandatory and official statement upon which the audit opinion is expressed.
 - 2) Expressing an opinion on whether the statement of fixed assets presents fairly the balance of assets of the UN Women project as at 31 December 2017. This statement should include all assets available as at 31 December 2017 and not only those purchased in the period under audit. The statement of fixed assets as at 31 December 2017, certified by the UN Women Chief of Accounts at the Financial Management Section of the Management and Administration Division at the Headquarters, is the mandatory and official statement upon which the audit opinion is expressed. Where a DIM project does not have any assets or equipment, an opinion is not expressed.

The financial audit was conducted in accordance with the International Standards on Auditing (ISAs).

1.3. Scope of Audit:

The scope of the audit relates only to transactions concluded and recorded by the Country Office in Egypt and recorded against the UN Women DIM project for the period from 1 January to 31 December 2017.

The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of “responsible parties”¹; and
- Expenses processed and approved in locations outside the country such as expenditures initiated at UN Women Regional Offices and at UN Women Headquarters, where the supporting documentation is not retained at the level of the UN Women country office².

¹ Responsible Parties (RPs), in the context of UN Women directly implemented projects, refer to governmental, non-governmental organization (NGO) or civil society organization (CSO) entities who have received funding through the respective UN Women country office to undertake specific elements of the project’s activities. These activities are governed by a Project Cooperation Agreement, or similar, signed by the entity and UN Women, along with the associated budget. Expenditures incurred by these RPs is reported to the UN Women country office on a quarterly basis, where it is subject to review and approval prior to being recorded in the project’s financial records.

² The project financial records may include items which are not directly posted by the country office, such as centrally-managed payroll costs or year-end journals or allocations. Such transactions fall within the remit of the UN Board of Auditors and are therefore not re-audited within the scope of the DIM project audit.

2. PART II – FINANCIAL AUDIT REPORTS

2.1. Independent auditor’s report

Report of the independent auditor to the Independent Evaluation and Audit Services of UN Women for the UN Women Egypt directly implemented (DIM) project “Prioritizing Education of Girls and Young Women as a Key to Empowerment, Inclusive Growth and Social Transformation in Egypt” (ID: 95582)

We have audited the accompanying Project Trial Balance – Statement of Expenditures (PTB) of the UN Women Egypt directly implemented (DIM) project 95582, “Prioritizing Education of Girls and Young Women as a Key to Empowerment, Inclusive Growth and Social Transformation in Egypt”, for the year ended 31 December 2017.

The expenditure in the Project Trial Balance totaling US\$ 1,751,963.46 is comprised of expenditure directly incurred by the UN Women Country Office in Egypt for an amount of US\$ 757,973.07 and expenditure incurred by responsible parties for an amount of US\$ 993,990.39³. Our audit only covered the expenditure directly incurred by the UN Women Country Office in Egypt of US\$ 757,973.07.

Unmodified Opinion

In our opinion, the accompanying project trial balance – statement of expenditures of the UN Women project presents fairly, in all material respects, the expenses of US\$ 757,973.07 directly incurred by the UN Women Country Office in Egypt and charged to the project ID 95582 for the period from 1 January to 31 December 2017 in accordance with UN Women 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 regulations and rules, policies and procedures of UN Women; 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 Project Trial Balance’ section of this report. We are independent of UN Women in accordance with the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants, 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.

³ The expenditure outside of the scope of the audit, comprised of amounts incurred by “responsible parties” of US\$ 993,990.39

Responsibilities of UN Women

Management is responsible for the preparation and fair presentation of the project trial balance for the project “Prioritizing Education of Girls and Young Women as a Key to Empowerment, Inclusive Growth and Social Transformation in Egypt” and for such internal control as management determines is necessary to enable the preparation of a project trial balance that is free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities for the audit of the project trial balance

Our objectives are to obtain reasonable assurance about whether the project trial balance 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 reported project expenditure, 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.

Jamal Milhem, CPA
Certified Accountant License # (100/98)



Talal Abu –Ghazaleh & Co.
License No. 251/1997
Ramallah - Palestine, 10 June 2018



2.2 Project Trial Balance Statement

Project trial balance of Project ID: 95582 for the year ended 31 December 2017.



Extract of UN Women Trial balance as at the 31 December 2017

Expenditure by Project

Project	Account Number	Account Description	2017 Total Expenses
99598	71305	Local Consult.-Sht Term-Tech	164,121.88
	71405	Service Contracts-Individuals	223,450.33
	71410	MAIP Premium SC	330.99
	71415	Contribution to Security SC	3,640.76
	71440	Appendix D SC	2,647.83
	71605	Travel Tickets-International	795.38
	71610	Travel Tickets-Local	40,079.79
	71615	Daily Subsistence Allow-Intl	770.44
	71620	Daily Subsistence Allow-Local	6,735.63
	71635	Travel - Other	5,096.38
	72105	Svc Co-Construction & Engineer	227,882.10
	72120	Svc Co-Trade and Business Serv	217,673.46
	72125	Svc Co-Studies & Research Serv	34,694.46
	72145	Svc Co-Training and Educ Serv	242.19
	72205	Office Machinery	4,527.91
	72399	Other Materials and Goods	7,068.75
	72402	Building Maintenance	256,166.51
	72505	Stationery & other Office Supp	21,382.99
	72715	Hospitality Catering	177.73
	73107	Rent - Meeting Rooms	7,013.27
	73120	Utilities	102,746.91
	73420	Leased Vehicles	8.08
	74110	Audit Fees	6,900.00
	74205	Audio Visual Productions	132,506.10
	74210	Printing and Publications	1,356.59
	74225	Other Media Costs	92,944.95
	74525	Sundry	168.45
	75105	Facilities & Admin - Implement	67,219.86
	75705	Learning costs	115,583.68
	76125	Realized Loss	1,808.17
	76135	Realized Gain	(234.92)
	77630	Dep Exp Owned - ITC	1,949.21
	77650	Dep Exp Owned - LHP	4,507.60
Total Expenses			1,751,963.46

I hereby certify that the above figures are based on UN Womens Trial Balance for the period ended 31 December 2017.


 Donna Grimwade
 Chief of Accounts

5-Apr-18



2.3 Independent auditor's report on the Statement of Fixed Assets

Report of the independent auditor on the statement of Fixed Assets of the UN Women directly implemented (DIM) project ID 95582

**To the Independent Evaluation and Audit Services of UN Women for the UN Women Egypt directly implemented (DIM) project
“Prioritizing Education of Girls and Young Women as a Key to Empowerment, Inclusive Growth and Social Transformation in Egypt” (ID: 95582)**

We have audited the accompanying statement of fixed assets of the UN Women project ID 95582 “Prioritizing Education of Girls and Young Women as a Key to Empowerment, Inclusive Growth and Social Transformation in Egypt”, as at 31 December 2017.

Unmodified Opinion

In our opinion, the accompanying statement of fixed assets presents fairly, in all material respects, the balance of assets of the UN Women project “Prioritizing Education of Girls and Young Women as a Key to Empowerment, Inclusive Growth and Social Transformation in Egypt” amounting to US\$ 25,236,85 as at 31 December 2017 in accordance with UN Women 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 section of this report. We are independent of UN Women in accordance with the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants 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’s Responsibilities

Management is responsible for the preparation of the statement of fixed assets of the project, and for such internal control as management determines is necessary to enable the preparation of the statement of fixed assets 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 fixed assets 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 the statement of fixed assets.

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 fixed assets, 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.

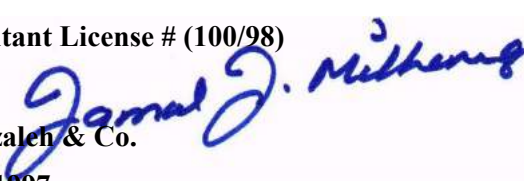
Jamal Milhem, CPA

Certified Accountant License # (100/98)

Talal Abu -Ghazaleh & Co.

License No. 251/1997

Ramallah – Palestine, 10 June 2018



2.4 Statement of Fixed Assets

“Prioritizing Education of Girls and Young Women as a Key to Empowerment, Inclusive Growth and Social Transformation in Egypt”

project ID 95582 – output ID 99598

as at 31 December 2017

AM In Service Report: Project 99598

As of Date: 12/31/2017

Business unit	Operating Unit	Asset ID	Description	TAG Number	Serial Number	Model	Location	Acquisition Date	In Service Date	Cost,USD	Net Book Value
EGY30	EGY	00000000093	A Notebook computers	00000000093	2YXP562		EGY30	7/5/2016	7/5/2016	2,206.37	1,544.46
EGY30	EGY	00000000096	A Notebook computers	00000000096	88H1262		EGY30	7/5/2016	7/5/2016	2,206.37	1,544.46
EGY30	EGY	00000000720	A Leasehold Improvement LP	00000000720			EGY30	10/18/2016	10/18/2016	22,537.99	16,903.49
EGY30	EGY	00000000789	A Computer printers	00000000789	SMF00861		EGY30	12/26/2016	12/26/2016	6,400.00	5,244.44
										33,350.73	25,236.85

I hereby certify that this list details the assets per this project.


Donna Grimwade
 Chief of Accounts

Date: 5 April 2018

3. PART III: MANAGEMENT LETTER

3.1 Current year audit findings and recommendations

No findings have been identified as a result of our audit.