

THE MINISTRY OF EDUCATION AND HIGHER EDUCATION

Partner code: 1155024

Support to R.A.C.E. Lebanon

UNHCR/ LBN01/ 2015/ PILLAR 1/ 0000000268/ 000

Project Financial Report

For the period from 1 January 2015 to 31 December 2015

Confidential- UNHCR property

**Support to R.A.C.E. Lebanon (Project Partnership Agreement Symbol:
UNHCR/ LBN01/ 2015/ PILLAR 1/ 0000000268/ 000)**

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Independent auditors' report – Project Financial Audit: UNQUALIFIED OPINION

Date: 27 April 2016

To: United Nations High Commissioner for Refugees (UNHCR) Representative in Lebanon
Mireille Girard
Deputy Representative
Beirut, Lebanon

CC: Sonia Khoury, Program Manager, The Ministry of Education and Higher Education

Audited project: Support to R.A.C.E. Lebanon.

Period covered by the audited PFR statement: From 1 January 2015 to end of liquidation period (31 January 2016)

Project Partnership Agreement Symbol to identify the PFR: UNHCR/ LBN01/ 2015/ PILLAR 1/ 000000268/ 000

Name of the Partner: The Ministry of Education and Higher Education

Partner Code: 1155024

Location: Beirut, Lebanon

We have audited the above-mentioned accompanying Partner Financial Report (PFR) submitted by The Ministry of Education and Higher Education reflecting cash receipts and disbursements for the above mentioned Project Partnership Agreement relating to the reporting period from 1 January 2015 to 31 December 2015, including the liquidation period up to 31 January 2016.

Management's Responsibility for the Financial Statement

The Ministry of Education and Higher Education's management is responsible for the preparation and fair presentation of the PFR in accordance with the cash receipts and disbursement basis of accounting. This includes determining that the cash receipts and disbursements basis of accounting is an acceptable basis for the preparation of the PFR in the circumstances, and for such internal control as management determine is necessary to enable the preparation of the PFR that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that comply with ethical requirements and plan and perform the audit to obtain reasonable assurances about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the PFR. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the PFR, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the PFR in order to design audit procedures that are appropriate in the circumstances. An audit also includes



evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the PFR.

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

Opinion

In our opinion, the above-mentioned accompanying Project Financial Report presents fairly, in all material respects, the receipts collected and expenses paid by The Ministry of Education and Higher Education during the fiscal year ending 31 December 2015 on the basis of cash receipts and disbursements for the final reporting period and includes any transactions conducted during and up to the authorized liquidation period up to 31 January 2016.

Basis of Accounting

Without modifying our opinion, we draw attention to the Terms of Reference for Audit of UNHCR Funded Projects, which describes the basis of accounting.

The Project Financial Statement is prepared to provide information to UNHCR. As a result, the statement may not be suitable for another purpose.

A handwritten signature in blue ink, appearing to read 'KPMG'.

27 April 2016
Beirut, Lebanon

1. Partner financial report



Project Financial Report # 2

For Partner: 1155024

MINISTRY OF EDUCATION AND HIGH

For Budget Year 2015

Reporting period from: 12/1/2015

to: 12/31/2015

Report Date: 2/15/2015

Operation: LBNARC

BU/Agreement No: LBN01 000000268

Currency: LBP

Rev Date: 19/01/16 02:01

Cost Centre 22101 - LIBANON, BEIRUT; SITUATION 2211 - SYRIA SITUATION RESPONSE; PPG: LIND - SYRIAN REFUGEES AND ASYLUM SEEKERS; GOAL: PB - Emergency response; OBJECTIVE: Q2 - Primary education provided or supported;

Description	Account	REPORTING					REQUIREMENTS (AUTHORIZATIONS)			
		Budget	Instalment(s) released as of 11/30/2015	Accumulative Expenses up to 11/30/2015	Expenses as % of Budget 11/30/2015	Budget Balance	New Expenses	Unaud Instalment	New Instalment Request	Authorized For Release (UNHCR Use)
		A	B	C	D	E= A-C	F	G=B-D-F	H	I
Cost Centre: 22101 - LIBANON, BEIRUT										
4204Q Primary education provided or supported										
REGISTRATION, TUITION, RELATED FEES	61220	25,679,805,900	0	11,302,860,409.68	32	24,336,945,490	24,472,641,574.32			
IMPLEMENTING PARTNER NATIONAL PERSONNEL COSTS	614020	162,000,000	0	125,659,400.00	84	26,345,600	18,168,000.00			
TOTAL 610-6104@		25,841,805,900	0	11,428,519,809.68	33	24,363,291,090	24,490,809,574.32	112,518,484.60		
43030 Initiatives to improve primary education quality & learning achievement implemented										
BOOKS (GENERAL AND REFERENCE)	608020	604,400,000	0	604,400,000	0	604,400,000	476,180,589.00	128,219,411.00		
TOTAL 610-6104@		604,400,000	0	604,400,000	0	604,400,000	476,180,589.00	128,219,411.00		
TOTAL For Cost Centre 22101		26,446,205,900	0	11,438,514,809.68	33	24,967,491,090.32	24,967,000,163.32	690,927.00	0.00	0.00
GRAND TOTAL		26,446,205,900.00	0.00	11,438,514,809.68	31.42	24,967,491,090.32	24,967,000,163.32	690,927.00	0.00	0.00

Income and Expense Summary

ACCOUNT	ACCOUNT DESCRIPTION	EXPENSES
617000	INSTALLMENT PAYMENT TO IMPLEMENTING PARTNER	36,406,205,900.00
618000	EXPENSES AGAINST INSTALLMENTS	(11,438,514,809.68)
Grand Total:		24,967,691,090.32

1. Partner financial report (continued)

For completion by the Partner

- (A) Last instalment received from UNHCR:
- (B) Previous instalments received from UNHCR:
- (C) Interest earned:
- (D) Miscellaneous Income:
- (E) Total Income: (A + B + C + D)

34,406,703,900.00	(F) Less: Total Expenses:
	(G) Balance due to UNHCR:
	(H) Balance due from UNHCR:
	(I) Acquisition value of Assets under the Partner's custody (List Attached)
34,406,703,900.00	

34,406,703,900.00
680,417.00
0.00

If expenses are incurred in a currency other than the currency in which the instalment has been remitted, please indicate exchange rate(s) used and attach copies of the relevant bank slips.

CERTIFICATION BY PARTNER

I hereby certify that the information provided in this report is based on the Partner's books of accounts and truly reflects the financial situation of its Budget. I also confirm that any UNHCR assets in the Partner's custody are safeguarded. I am aware that any ineligible or unauthorized expense examination, when required, for the period of six years from the provision of funds.

Name:	<input type="text"/>	Signature:	<input type="text"/>
Title:	<input type="text"/>	Date:	<input type="text"/>
Place:	<input type="text"/>		

A) For Completion by the UNHCR Verifying Officer

I have verified this financial report as to its completeness, accuracy, consistency with delivered performance and compliance with the Project Par Partner. I have reasonable assurance that the financial information submitted by the Partner is reliable, that funds provided by UNHCR

**Support to R.A.C.E. Lebanon (Project Partnership Agreement Symbol:
UNHCR/ LBN01/ 2015/ PILLAR 1/ 0000000268/ 000)**

2. Notes to the partner financial report
Status and operations

The United Nations High Commissioner for Refugees (UNHCR) entered into a partnership agreement no. UNHCR/ LBN01/ 2015/ PILLAR 1/ 0000000268/ 000 for the period from 1 January 2015 to 31 December 2015 with The Ministry of Education and Higher Education for the execution of the Project.

The Ministry launched its “Reaching All Children with Education” (RACE) plan. Race aims to meet the needs of refuge children from Syria, as defined in the No Lost Generation Strategy, while also contributing to the development objectives of the Lebanese education system.

The project aims to provide financial and technical support to the Ministry of Education in the framework to expand capacities in public schools for Grade 1 to 9 students and support the Project Management Unit. It complements support provided by UNICEF as well as the Emergency Education System Stabilization Project (EESSP) project supported by WB/DFID.

The objectives are to : Ensure access to certified education for 41,800 refugee children in public schools, support the Ministry of Education in the oversight and management to provide safe and quality education and contribute to ensuring that the quality of education in public schools in not compromised by the increase of absorption capacity. Is also expected that this support will pave the way for a more systematic planning and enhanced predictability of the Back to School Campaign.

Intended impacts are as follows: 6300 children supported in first shift with marginal costs covered by UNHCR; 35,500 children enrolled in second shift with full cost covered by UNHCR; Improved monitoring at school level; improved dialogue within schools to foster safe and quality education.

The Agency did not exceed each approved budget category by more than 15% which is the maximum allowable.

Basis of accounting

The statement of cash receipts and disbursements has been prepared in accordance with the cash receipts and disbursements basis. On this basis, funds are recognized when received and expenses are recognized when paid.

Presentation currency

The Project’s statement of cash receipts and disbursements is presented in Lebanese Pounds (LBP).



Project Financial Report # 2
For Partner 1155024
MINISTRY OF EDUCATION AND HIGH
For Budget Year 2015

Reporting period from: 12/11/2015 to: 12/31/2015
Report Debit

Operations: LBN ABC -
Currency: LBP
Run Date: 19/01/16 02:01:03

Cost Centre: 32101 - LEBANON, BEIRUT, SITUATION 1121 - SYRIA SITUATION RESPONSE, PPE: LEND - SYRIAN REFUGEES AND ASYLUM SEEKERS; GOAL: PE - Emergency response; OBJECTIVE: 430 - Primary education provided or supported;
BU/Agreement No: LBN01 000000268
11/30/2015 2/15/2018

Description	Account	REPORTING					REQUESTS / AUTHORIZATIONS (for planning purposes only)						
		A	B	C	D	E	F	G	H	I			
Cost Centre: 32101 - LEBANON, BEIRUT													
420A0 REGISTRATION, TUITION, RELATED FEES	612230	35,639,805,900	0	11,302,860,409,68	32	24,336,945,490	24,972,643,574,32						
420B0 IMPLEMENTING PARTNER NATIONAL PERSONNEL COSTS	614020	162,000,000	0	135,654,400,00	84	26,345,600	38,168,000,00						
TOTAL for 420A0		35,801,805,900	35,801,805,900	11,438,514,809,68	32	24,363,291,090	24,960,809,574,32						
420B8 Measures to improve primary education quality & learning achievement (Implementation)	608070	604,400,000	0	604,400,000	0	604,400,000	476,130,589,00						
TOTAL for 420B8		604,400,000	604,400,000	604,400,000	0	604,400,000	476,130,589,00						
TOTAL for Cost Centre 32101		36,406,205,900	36,406,205,900	11,438,514,809,68	31	24,967,691,090	24,967,000,163,32						
GRAND TOTAL		36,406,205,900.00	36,406,205,900.00	11,438,514,809.68	31.42	24,967,691,090.32	24,967,000,163.32	0.00	0.00	0.00	0.00	0.00	0.00

Income and Expenditure Summary
ACCOUNT: 617000 INSTANT PAYMENT TO IMPLEMENTING PARTNER
618000 IP EXPENDITURES AGAINST INSTALLMENTS
Grand Total: 24,967,691,090.32

EXPENSES	35,406,514,923.00
(A) Last Instalment received from UNHCR:	35,406,514,923.00
(B) Previous instalments received from UNHCR:	690,927.00
(C) Interest Earned:	0.00
(D) Miscellaneous Income:	0.00
(E) Total Income: (A + B + C + D)	36,097,431,846.00
(F) Less: Total Expenses:	11,438,514,809.68
(G) Balance due to UNHCR:	24,658,917,036.32
(H) Balance due from UNHCR:	0.00
(I) Acquisition value of Assets under the Partner's custody (List Attached)	0.00

For completion by the Partner
Elias Bou Saab
Minister of Education and Higher Education
Beirut

(A) Last Instalment received from UNHCR:
(B) Previous instalments received from UNHCR:
(C) Interest Earned:
(D) Miscellaneous Income:
(E) Total Income: (A + B + C + D)
(F) Less: Total Expenses:
(G) Balance due to UNHCR:
(H) Balance due from UNHCR:
(I) Acquisition value of Assets under the Partner's custody (List Attached)

If expenses are incurred in a currency other than the currency in which the instalment has been remitted, please indicate exchange rates(s) used and attach copies of the relevant bank slips.

CERTIFICATION BY PARTNER
I hereby certify that the information provided in this report is based on the Partner's books of accounts and truly reflects the financial situation of the project. I confirm that all UNHCR funds have been used for the intended purposes and in accordance with the Project Partnership Agreement and its Budget. I also confirm that any UNHCR assets in the Partner's custody are safeguarded. I am aware that any ineligible or unauthorized expenditure may be rejected by UNHCR and the Agency concerned. The detailed accounting documents for these expenditures can be made available for examination, when required, for the period of six years from the provision of funds.

Name: Elias Bou Saab
Signature: [Signature]
Title: Minister of Education and Higher Education
Date: 02/17/2016
Place: Beirut

A) For Completion by the UNHCR Verifying Officer

I have verified this financial report as to its completeness, accuracy, consistency with delivered performance and compliance with the Project Partnership Agreement and its Budget, and have noted any exceptions/the exceptions mentioned below. I have also checked the assets in custody of the Partner. I have reasonable assurance that the financial information submitted by the Partner is reliable, that funds provided by UNHCR have been used for the intended purposes, that UNHCR assets are safeguarded, and that the project being/has been implemented as planned.

Please tick the appropriate box below:



Project Financial Report # 2
 For Partner 1155024
 MINISTRY OF EDUCATION AND HIGH

For Budget Year 2015

Reporting period from: 12/01/2015 to: 12/31/2015
 Report Date: 2/15/2016

Operation: LBN ABC -

BU/Agreement No: LBN01 0000000268

Currency: LBP
 Run Date: 19/01/16 02:01:00

Cost Centre: 32101 - LEBANON, BEIRUT; SITUATION: 1321 - SYRIA SITUATION RESPONSE; PPG: ILEND - SYRIAN REFUGEES AND ASYLUM SEEKERS; GOAL: PB - Emergency response; OBJECTIVE: 420 - Primary education provided or supported;

Description	Account	Budget	Installment(s) released as at 30/11/2015	Cumulative Expenses up to 30/11/2015	Expenses as % of Budget 30/11/2015	Budget Balance	New Expenses	Unused Installment	REQUESTS / AUTHORIZATIONS (for planning purposes only)	
									H	I
		A	B	C	D	E=A-C	F	G=B-C-F	New Installment Request	Authorized for Release (UNHCR Use)

Cost Centre: 32101 - LEBANON, BEIRUT

A) For Completion by the UNHCR Verifying Officer

I have verified this financial report as to its completeness, accuracy, consistency with delivered performance and compliance with the Project Partnership Agreement and its Budget, and have noted no exceptions/the exceptions mentioned below. I have also checked the assets in custody of the Partner. I have reasonable assurance that the financial information submitted by the Partner is reliable, that funds provided by UNHCR have been used for the intended purposes, that UNHCR assets are safeguarded, and that the project being/has been implemented as planned.

Please tick the appropriate box below:

- 1. I recommend that the disbursements reported by the Partner, except for an amount of _____, be accepted as UNHCR project expenditure and that a further instalment/a final payment of _____ be remitted to the Partner.
- 2. I recommend that the expenditure reported by the Partner not to be accepted and further improvement/adjustments or verification to be made.
- 3. I recommend that an amount of 630,927 USD be recovered from the Partner.

Comments:

a verifiable visit conducted, Wf attached, PFE to be updated into HSRP and refund of unspent balance of USD 630,927 to be recovered

Name: Naimon hadad signature: [Signature]
 Title: Sm psych officer Date: 29/2/2016
 Place: Beirut

Insident Ayoub



Project Financial Report # 2
 For Partner 1.155024
MINISTRY OF EDUCATION AND HIGH
 For Budget Year 2015

Operation: LBN ABC - Reporting period from: 12/01/2015 to: 12/31/2015 Currency: LBP
 Report Date: 2/15/2016 Run Date: 19/01/16 02:01:00
 BU/Agreement No: LBN01 0000000268
 Cost Centre: 32101 - LEBANON, BEIRUT; SITUATION: 1321 - SYRIA SITUATION RESPONSE; PKG: 1LBND - SYRIAN REFUGEES AND ASYLUM SEEKERS; GOAL: PB - Emergency response; OBJECTIVE: 420 - Primary education provided or supported;

Description	Account	REPORTING						REQUESTS / AUTHORIZATIONS (for planning purposes only)		
		Budget A	Instalment(s) released as at 30/11/2015 B	Accumulative Expenses up to 30/11/2015 C	Expenses as % of Budget 30/11/2015 D	Budget Balance E=A-C	New Expenses F	Unused Instalment G=B-C-F	New Instalment Request H	Authorized for Release (UNHCR Use) I

Cost Centre: 32101 - LEBANON, BEIRUT
 B) For Completion by the UNHCR Certifying Officer

I have reviewed this financial report, supporting documents, related performance monitoring report(s), partner's compliance with Partnership Agreement and its Budget and related reports, as well as the recommendations and comments of the verifying staff and based on the availability of funds and cash:

Please tick the appropriate box below:

- 1. I concur with results and recommendations that the expenditure reported by the Partner, except for the amount 690,927 be accepted as UNHCR Project.
- 2. I concur with recommendation that the amount of 690,927 be recovered from the Partner.
- 3. I request further review be made to reconcile my observations and that of the Verifying Staff.
- 4. I recommend subsequent instalment of - be remitted to the Partner.
- 5. I have informed the Partner about the results of the Verification and certification.

Comments:

Name: Khalida Abu Ghaleb Signature: [Signature]
 Title: pg. off. a/c Date: 1/3/16
 Place: Beirut



Project Financial Report # 2
 For Partner 1155024
MINISTRY OF EDUCATION AND HIGH

Reporting period from: 12/01/2015 to: 12/31/2015
 Report Date: 2/15/2016
 For Budget Year 2015
 Currency: LBP
 Run Date: 19/01/16 02:01:0

Operation: LBN ABC -

BU/Agreement No: LBN01 0000000268

Cost Centre: 32101 - LEBANON, BEIRUT; SITUATION: 1321 - SYRIA SITUATION RESPONSE; PPG: ILBND - SYRIAN REFUGEES AND ASYLUM SEEKERS; GOAL: PB - Emergency response; OBJECTIVE: 420 - Primary education provided or supported;

Description	Account	REPORTING						REQUESTS / AUTHORIZATIONS (for planning purposes only)		
		Budget A	Instalment(s) released as at 30/11/2015 B	Accumulative Expenses up to 30/11/2015 C	Expenses as % of Budget 30/11/2015 D	Budget Balance E=A-C	New Expenses F	Unused Instalment G=B-C-F	New Instalment Request H	Authorized for Release (UNHCR Use) I

Cost Centre: 32101 - LEBANON, BEIRUT
 C) For Completion by the UNHCR Approving Officer

- 1. I approve the recording in UNHCR accounts, of the disbursements reported by the Partner, in the amount of 24,967,000,603.32
- 2. I approve the remittance of --- as a further instalment's final payment to the Partner.
- 3. I instruct that an amount of 680,927 be recovered from the Partner.

Name: AM GAZALI Signature: [Signature]
 Title: Assist. Rep (RIG) Date: 1/6/16
 Place: Beirut