

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



*Empowered lives.
Resilient nations.*

AUDIT

OF

UNDP COLOMBIA

Desarrollo Económico Incluyente Urbano
(Directly Implemented Project, Project No. 77717, Output No. 88328)

Report No. 1534

Issue Date: 11 September 2015

[REDACTED]

Report on the audit of UNDP Colombia
Desarrollo Económico Incluyente Urbano, Project No. 77717, Output No. 88328
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), conducted from 22 June to 3 July 2015 an audit of Desarrollo Económico Incluyente Urbano (Project No. 77717, Output No. 88328) (the Project), which is directly implemented and managed by the UNDP Country Office in Colombia (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 Combined Delivery Report, which includes expenditure for the period from 1 January to 31 December 2014 and the accompanying Funds Utilization statement¹ as of 31 December 2014 as well as Statement of Assets as of 31 December 2014. The audit did not include activities and expenses incurred or undertaken at the "responsible party" level, or expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters), or where supporting documentation was not retained at the UNDP Country Office level. In addition, the audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Project.

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 Expenditure*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
3,969	Unqualified	2	Unqualified

*Expenditures recorded in the Combined Delivery Report were \$4,609,202. Excluded from the audit scope were expenditures processed and approved by other UNDP offices outside of the country (\$640,117).

Key recommendations: Total = 2, high priority = 0

The audit did not result in any high (critical) priority recommendations. There are two medium (important) priority recommendations, which means, "Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP." These recommendations include actions to address weaknesses in project monitoring and the settlement of questionable project expenditures with a responsible party.

Notwithstanding the above, OAI wishes to draw attention to one of the auditors' observations under finding No. 1: "During our visit to the partner in Santa Marta we reviewed the list of payments charged to the project and

¹ The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) depreciated fixed assets used at the project level; (c) Inventory held at the project level; (d) prepayments made by the project; and (e) outstanding commitments held at the project level.

identified a number of consultants who never worked for the project, for a total of COP 18,262,500 (\$8,917 approximately). It is possible that this issue is more widespread." OAI believes that this particular matter calls for close follow-up by the Office so as to properly address this irregularity without delays.

The two recommendations aim to ensure the reliability and integrity of financial and operational information.

Management comments and action plan

The UN Resident Coordinator/UNDP Resident Representative accepted both recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated into the report, where appropriate.



Antoine Khoury
Officer-in-Charge
Office of Audit and Investigations

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

AUDIT REPORT

03 September 2015

**FINANCIAL AUDIT OF THE UNDP DIRECTLY IMPLEMENTED (DIM)
PROJECT**

DESARROLLO ECONOMICO INCLUYENTE URBANO

Project name:	Desarrollo Economico Incluyente Urbano
UNDP Country Office:	Colombia
Atlas Project ID:	0077717
Atlas Output number:	0088328
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January to 31 December 2014

Table of Contents

EXECUTIVE SUMMARY	3
THE AUDIT ENGAGEMENT	4
AUDIT OPINIONS	5
STATEMENT OF EXPENDITURE	5
STATEMENT OF ASSETS AND EQUIPMENT	6
STATEMENT OF CASH POSITION	7
MANAGEMENT LETTER	8
ANNEXES	12
ANNEX 1: COMBINED DELIVERY REPORT	12
ANNEX 2: STATEMENT OF ASSETS AND EQUIPMENT	20
ANNEX 3: AUDIT FINDING PRIORITY RATINGS	23

Table of acronyms and abbreviations

<i>CDR</i>	<i>Combined Delivery Report</i>
<i>COP</i>	<i>Colombian Pesos</i>
<i>DIM</i>	<i>Direct Implementation Modality</i>
<i>DPS</i>	<i>Departamento para la Prosperidad Social</i>
<i>GMS</i>	<i>General Management Services</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>ISAs</i>	<i>International Standards on Auditing</i>
<i>NFI</i>	<i>Net Financial Impact</i>
<i>OAI</i>	<i>Office of Audit and Investigations</i>
<i>PCA</i>	<i>Project Coordination Agreement</i>
<i>RP</i>	<i>Responsible Party</i>
<i>SICEM</i>	<i>Sistema de Información y Monitoreo de los Centros de Empleo y Emprendimiento</i>
<i>UNDP</i>	<i>United Nations Development Programme (the Office)</i>

EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of "Desarrollo Economico Incluyente Urbano" (Project ID 00077717 and Output 00088328) ("the project"), implemented by UNDP Colombia (the Office) following the Direct Implementation Modality (DIM) for the year ended 31 December 2014. The audit was undertaken on behalf of UNDP, Office of Audit and Investigations (OAI).

We have issued audit opinions as summarised in the table below and as detailed in the next section:

Statement of Expenditure	Unqualified
Statement of Fixed Assets	Unqualified
Statement of Cash Position	Not applicable

As a result of our audit, we have raised two audit findings with a net financial impact totalling \$37,135.25, as summarised below:

No.	Description	Priority	Net financial impact \$
1	Weaknesses in project monitoring	Medium	8,917.24
2	Delay in the implementation of the restitution schedule [REDACTED]	Medium	28,218.01
Total			37,135.25



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB
03 September 2015

THE AUDIT ENGAGEMENT

Audit Objectives and Scope

The objective of the financial audit was to express an opinion on the DIM project's financial statements which include:

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2014 and the funds utilization as at 31 December 2014 are fairly presented in accordance with UNDP 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 UNDP; and (iv) supported by properly approved vouchers and other supporting documents.
- Expressing an opinion on whether the statement of fixed assets presents fairly the balance of assets of the UNDP project as at 31 December 2014. This statement must include all assets available as at 31 December 2014 and not only those purchased in a given period. Where a DIM project does not have any assets or equipment, it will not be necessary to express such an opinion.
- Expressing an opinion on whether the statement of cash held by the project presents fairly the cash and bank balance of UNDP project as at 31 December 2014.

The scope of the audit relates only to transactions concluded and recorded against the project between 1 January and 31 December 2014. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of “responsible parties”, unless the inclusion of these expenses is specifically required in the request for proposal; and
- Expenses processed and approved in locations outside the country such as UNDP Regional Centres and UNDP Headquarters and where the supporting documentation is not retained at the level of the UNDP country office, as follows:

Account #	Account Description	Amount \$
71405	Service Contracts	614,597.95
71410	MAIP Premium SC	2,535.45
71415	Contribution to Security SC	22,819.72
77630	Dep Exp Owned - ITC	164.66
	Total	640,117.78

AUDIT OPINIONS

Independent Auditor’s Report to UNDP – “Desarrollo Economico Incluyente Urbano”

Statement of Expenditure

Unqualified Opinion

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement totalling \$4,609,202.42 (“the statement”) of the UNDP project 00077717 ‘Desarrollo Economico Incluyente Urbano’ for the period from 1 January to 31 December 2014. CDR expenditure totalling \$640,117.78, comprised of expenditure not processed or approved by UNDP Colombia Country Office was not within the scope of our audit.

Management is responsible for the preparation of the statement for the ‘Desarrollo Economico Incluyente Urbano’ project and for such internal control 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected 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 estimates made by 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.

Unqualified Opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement presents fairly, in all material respects, the expenses of \$3,969,084.64 incurred by the project ‘Desarrollo Economico Incluyente Urbano’ for the period 1 January to 31 December 2014 in accordance with UNDP accounting policies and were i) in conformity with the approved budget; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNDP; and (iv) supported by properly approved vouchers and other supporting documents.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB
03 September 2015

Independent Auditor's Report to UNDP - 'Desarrollo Economico Incluyente Urbano'

Statement of Assets and Equipment

Unqualified Opinion

We have audited the accompanying Statement of Fixed Assets ('the statement') of the UNDP project 00077717 'Desarrollo Economico Incluyente Urbano' as at 31 December 2014.

Management is responsible for the preparation of the statement for 'Desarrollo Economico Incluyente Urbano' project and for such internal control 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected 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 schedule 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 estimates made by 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.

Unqualified Opinion

In our opinion, the attached Statement of Assets presents fairly, in all material respects, the balance of inventory of the project 'Desarrollo Economico Incluyente Urbano', amounting to \$2,337.72, as at 31 December 2014 in accordance with UNDP accounting policies.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

03 September 15

Independent Auditor’s Report to UNDP - ‘Desarrollo Economico Incluyente Urbano’

Statement of Cash Position

We noted that the project ‘Desarrollo Economico Incluyente Urbano’ did not have a dedicated bank account for DIM project activities subject to audit and accordingly a Statement of Cash Position was not produced.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

03 September 15

MANAGEMENT LETTER

The findings related to the audit of the financial statements are discussed in our management letter below:

Finding n°: 1	Title: Weaknesses in project monitoring
----------------------	--

Observation:

During our audit, and following the visits to the Responsible Parties (RPs) in Barranquilla and Santa Marta, we noted the following weaknesses in the monitoring process by the Office:

- The financial reports presented by the RPs in Barranquilla and Santa Marta did not show any evidence of receipt, review or approval by Office project staff;
- The financial information required from the RPs did not include data about the goods and equipment purchased and not yet delivered to the final beneficiaries as at the end of each reporting period. Furthermore, the RPs were not required to have these goods insured in case of disaster or theft;
- The PCAs signed with the different RPs did not establish uniform or consistent reporting periods regarding the presentation of financial information, adding a factor of difficulty for the Office in monitoring different RPs with different dates and frequency deadlines for reporting; and
- There was an absence of meaningful financial information in the reports and other document submissions presented by the RPs, such as actual amount spent, remaining cash balances, value of inventory not yet delivered, etc. Therefore it was more difficult for the Office to effectively monitor the utilization of funding tranches by the RP.

We also noted the following weaknesses in financial management by the RPs:

- Quarterly financial reports were not produced and submitted to the Office with the frequency and the terms stated in the Project Cooperation Agreement (PCA) signed with each RP. We did not see evidence that any of the financial reports were submitted in a timely manner;
- Some project partners did not present fiscal invoices when they received funds for the project. Under Colombian tax legislation it is necessary to issue a fiscal invoice rather than only a “cuenta de cobro”; and
- During our visit to the partner in Santa Marta we reviewed the list of payments charged to the project and identified a number of consultants who never worked for the project, for a total of COP 18,262,500 (\$8,917 approximately). It is possible that this issue is more widespread.

The monitoring reports of the RPs are important tools for the Office in assessing progress of activity implementation. The usefulness of the monitoring reports is reduced by the issues noted above, particularly as we did not see evidence of the weaknesses in the RP monitoring reports being noted by the Office or communicated to the RPs. In particular, the lack of any financial information in the RP monitoring reports means they are not useful in assessing when the RP needs its next funding tranche or how funds are being actually managed.

Where areas of non-compliance are noted, the potential effect of non-compliance should be considered and a decision on any further action should be documented by UNDP.

Priority: Medium

Recommendation:

- We recommend that the review of RP monitoring reports should include a documented assessment of compliance with the terms of the PCAs, including the timely presentation of

financial reports. Areas of non-compliance should be notified to the RPs.

- We recommend that the M&E plan be updated to require that RPs submit financial information in their monitoring report (at a minimum the funding received to date, funding spent to date, the remaining funding due, detail of transactions and payments made during the period and inventory of goods purchased and not yet delivered to final beneficiaries under their custody).

Management comments:

Even though the project has opportunities for improvement in financial monitoring, programme monitoring is strong, robust and it combines diverse tools for gathering quantitative, as well as qualitative information of the operations and results achieved. We are asking to our RPs weekly monitoring reports, a monthly monitoring indicators board, web-based information system updates including evidence of attention and monthly targeting matrix updates (please see attached reports).

According to our POPP a RP “is defined as an entity that has been selected to act on behalf of the implementing partner on the basis of a written agreement or contract to purchase goods or provide services using the project budget”. In addition, UNDP uses a RP “in order to take advantage of their specialized skills, to mitigate risk and to relieve administrative burdens”. To be selected as a RP before subscribing the agreement we made a complete assessment to all partners including:

- Capacity assessment.
- Risk assessment.
- Micro-evaluation within HACT assurance.

Within the assessment, cash flow, accounting policies and procedures, financial internal auditing and procurement procedures and internal control system were assessed.

Regarding opportunities for improvement in financial monitoring, we will complement the financial report template used according to the recommendation made by this audit including funding received to date and remaining balance. Funding spend to date is already asked by the report.

Finding n°: 2**Title:** Delay in the implementation of the restitution schedule [REDACTED]**Observation:**

On 1 March 2014 the [REDACTED] signed a PCA with the Office for the execution of the project in that city with an initial budget of COP 56,500,000 (approx. \$ 27,588). Through three amendments the budget was later increased by COP 924,350,000 (\$ 451,343) totaling COP 980,850,000 equivalent to approximately \$ 478,931.

In the second half of 2014, some irregularities in the management of the funds and the procurement processes were detected, mainly evidenced by claims and petitions filed by users and beneficiaries, and evidenced by the project Office technical team in November 2014; this situation led to the temporary suspension of the agreement and the appointment of an external auditor to review the allegations and documentation and to provide an opinion on the transparency in the implementation and management of the financial resources provided to the [REDACTED] under the agreement signed between the Office and DPS (Departamento para la Prosperidad Social). A firm of auditors was appointed by the Office for this purpose, establishing an amount ineligible of COP 57,790,492, circa \$ 28,218.

The auditor also reported about field visits confirming cases where prices charged were over market levels, the goods actually delivered were inferior in quality and price of those allegedly purchased, or simply were not the goods requested by the beneficiaries, identifying 100 cases which needed attention and recovery of funds.

After a series of meetings and communications with the [REDACTED], which experienced a reorganization process and change in management, a series of actions and commitments were agreed, including the appointment of three professionals in charge of reviewing all the cases observed by the auditors and determining the indemnities or restitutions required. UNDP took charge of the procurement and purchase process for the beneficiaries remaining unattended, and the partner agreed to return in the shortest term possible the amounts unused or deemed ineligible.

A schedule of actions was agreed establishing terms and dates for specific stages. We reviewed the implementation of the schedule as at the time of our audit, determining the delay in three of the activities: i) Scanning of 36 files and registration of them in SICEM (Sistema de Información y Monitoreo de los Centros de Empleo y Emprendimiento) system; ii) Refund to the Office of the funds determined as ineligible; and, iii) Establishment of restitution committees.

Priority: Medium**Recommendations:**

Given the sensitivity of the issue, we recommend diligence in demanding and monitoring compliance from the RP over the steps, activities and measures agreed in order to resolve the matters outstanding.

Management comments:

The [REDACTED] has proven its commitment to resolve the situation taking a series of measures including:

- i. Reintegration of the financial resources (agreed between the parties).
- ii. Repair of affected beneficiaries (devolutions and replacement of goods).
- iii. Replacement of management staff.
- iv. Internal auditing.
- v. Financial compensation for overrun.

It is important to note that the [REDACTED] agreed the exact amount of the remaining balance, after the first reimbursement. The amount is intended for covering the remaining balance of the purchases of goods not delivered to the final beneficiaries, at the

moment of suspension of the agreement ([REDACTED] paid an advance of 50% of the total value to their suppliers).

Considering this, the reintegration of the remaining balance and the financial compensation for overruns only will be possible after completion of the final beneficiaries' process of repair; and after completion of an evaluation that the Office is still making of the inventory of goods purchased and not yet delivered to beneficiaries. This evaluation considers three criteria: i) quality of goods ii) cost paid vs market prices and iii) technical viability according to the business unit. We agreed a work plan with [REDACTED], strictly followed by UNDP, which will go through the end of September 2015. In this sense, the exact amount of reimbursement can only be determined after completion of the whole process.

Auditors' response:

We note the Office's response but maintain this finding until the situation is resolved.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

03 September 15

Annexes

Annex 1: Combined Delivery Report



UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 1 of 8
Run Time: 01-03-2015 21:03:01

Selection Criteria :

Business Unit : COL10
Period : Jan-Dec (2014)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00088328

Project Id : 00077717 Desarrollo Económico Incluyent		Period :	Jan-Dec (2014)	
Output # : 00088328 DEI URBANO		Impl. Partner :	99999 UNDP	
		Location :	Colombia	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Activity : ()

Fund : 30071 (Programme Cost Sharing GOV1)

75105 - Facilities & Admin - Implement	0.00	8.23	0.00	8.23
76110 - Foreign Exch Translation Loss	0.00	49.50	0.00	49.50
77630 - Dep Exp Owned - ITC	0.00	164.66	0.00	164.66
Total for Fund 30071	0.00	222.39	0.00	222.39

Total for Activity 0.00 222.39 0.00 222.39

Activity : ACTIVITY.1 (1.FORT INST EMPLEO)

Fund : 11888 (Country Co-Financing CS)

71405 - Service Contracts-Individuals	0.00	54,643.35	0.00	54,643.35
71410 - MAIP Premium SC	0.00	225.49	0.00	225.49
71415 - Contribution to Security SC	0.00	2,029.35	0.00	2,029.35
71610 - Travel Tickets-Local	0.00	- 462.90	0.00	- 462.90
72105 - Svc Co-Construction & Engineer	0.00	90.55	0.00	90.55
76135 - Realized Gain	0.00	0.00	0.00	0.00
Total for Fund 11888	0.00	56,525.84	0.00	56,525.84

Fund : 30071 (Programme Cost Sharing GOV1)

71305 - Local Consult.-Sht Term-Tech	0.00	104,805.22	0.00	104,805.22
71405 - Service Contracts-Individuals	0.00	559,954.60	0.00	559,954.60
71410 - MAIP Premium SC	0.00	2,309.96	0.00	2,309.96
71415 - Contribution to Security SC	0.00	20,790.37	0.00	20,790.37
71605 - Travel Tickets-International	0.00	1,439.62	0.00	1,439.62
71610 - Travel Tickets-Local	0.00	39,235.38	0.00	39,235.38
71620 - Daily Subsistence Allow-Local	0.00	70,041.25	0.00	70,041.25
71630 - Shipment	0.00	243.44	0.00	243.44
71635 - Travel - Other	0.00	4,977.56	0.00	4,977.56
72105 - Svc Co-Construction & Engineer	0.00	11,414.65	0.00	11,414.65
72205 - Office Machinery	0.00	578.91	0.00	578.91
72215 - Transportation Equipment	0.00	459.24	0.00	459.24
72220 - Furniture	0.00	1,317.15	0.00	1,317.15
72415 - Courier Charges	0.00	147.93	0.00	147.93
72505 - Stationery & other Office Supp	0.00	4,928.29	0.00	4,928.29
72605 - Grants to Instit & other Benef	0.00	- 193,745.51	0.00	- 193,745.51
72615 - Micro Capital Grants-Other	0.00	47,324.21	0.00	47,324.21
72810 - Acquis of Computer Software	0.00	29,131.38	0.00	29,131.38
73104 - Leased Building	0.00	3,931.09	0.00	3,931.09



UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 2 of 8
Run Time: 01-03-2015 21:03:01

Project Id : 00077717 Desarrollo Económico Incluyente		Period :	Jan-Dec (2014)	
Output # : 00088328 DEI URBANO		Impl. Partner :	99999 UNDP	
		Location :	Colombia	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
73105 - Rent	0.00	9,956.80	0.00	9,956.80
73110 - Custodial & Cleaning Services	0.00	11.23	0.00	11.23
73120 - Utilities	0.00	19,540.44	0.00	19,540.44
73125 - Common Services-Premises	0.00	819.42	0.00	819.42
73305 - Maint & Licensing of Hardware	0.00	264.34	0.00	264.34
74205 - Audio Visual Productions	0.00	5,099.32	0.00	5,099.32
74525 - Sundry	0.00	532.69	0.00	532.69
75105 - Facilities & Admin - Implement	0.00	40,298.55	0.00	40,298.55
75705 - Learning costs	0.00	60,462.00	0.00	60,462.00
76110 - Foreign Exch Translation Loss	0.00	2,015.38	0.00	2,015.38
76120 - Unrealized Loss	0.00	187.33	0.00	187.33
76125 - Realized Loss	0.00	13.54	0.00	13.54
76135 - Realized Gain	0.00	- 244.65	0.00	- 244.65
Total for Fund 30071	0.00	848,241.13	0.00	848,241.13
Total for Activity ACTIVITY.1	0.00	904,766.97	0.00	904,766.97
Activity : ACTIVITY.12 (12.DEI NEIVA)				
Fund : 30071 (Programme Cost Sharing GOV1)				
72615 - Micro Capital Grants-Other	0.00	86,563.57	0.00	86,563.57
75105 - Facilities & Admin - Implement	0.00	4,328.17	0.00	4,328.17
Total for Fund 30071	0.00	90,891.74	0.00	90,891.74
Total for Activity ACTIVITY.12	0.00	90,891.74	0.00	90,891.74
Activity : ACTIVITY.13 (13.DEI TUMACO)				
Fund : 30071 (Programme Cost Sharing GOV1)				
72605 - Grants to Instit & other Benef	0.00	- 148,507.32	0.00	- 148,507.32
72615 - Micro Capital Grants-Other	0.00	120,767.28	0.00	120,767.28
75105 - Facilities & Admin - Implement	0.00	- 1,387.01	0.00	- 1,387.01
Total for Fund 30071	0.00	- 29,127.05	0.00	- 29,127.05
Total for Activity ACTIVITY.13	0.00	- 29,127.05	0.00	- 29,127.05
Activity : ACTIVITY.14 (14.DEI PTO ASIS)				
Fund : 30000 (PROGRAMME COST SHARING)				
72615 - Micro Capital Grants-Other	0.00	13,073.77	0.00	13,073.77
Total for Fund 30000	0.00	13,073.77	0.00	13,073.77



UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 4 of 8
Run Time: 01-03-2015 21:03:01

Project Id : 00077717 Desarrollo Económico Incluyente		Period :	Jan-Dec (2014)	
Output # : 00088328 DEI URBANO		Impl. Partner :	99999 UNDP	
		Location :	Colombia	
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Fund : 30071 (Programme Cost Sharing GOV1)				
72605 - Grants to Instit & other Benef	0.00	175,613.70	0.00	175,613.70
72615 - Micro Capital Grants-Other	0.00	396,278.78	0.00	396,278.78
75105 - Facilities & Admin - Implement	0.00	28,594.63	0.00	28,594.63
76110 - Foreign Exch Translation Loss	0.00	30.90	0.00	30.90
Total for Fund 30071	0.00	600,518.01	0.00	600,518.01
Total for Activity ACTIVITY.2	0.00	600,518.01	0.00	600,518.01
Activity : ACTIVITY.20 (20.DEI GIRON)				
Fund : 30071 (Programme Cost Sharing GOV1)				
72615 - Micro Capital Grants-Other	0.00	73,024.15	0.00	73,024.15
75105 - Facilities & Admin - Implement	0.00	3,651.21	0.00	3,651.21
Total for Fund 30071	0.00	76,675.36	0.00	76,675.36
Total for Activity ACTIVITY.20	0.00	76,675.36	0.00	76,675.36
Activity : ACTIVITY.3 (3.DEI BARRANQUILLA)				
Fund : 30071 (Programme Cost Sharing GOV1)				
72615 - Micro Capital Grants-Other	0.00	883,762.33	0.00	883,762.33
75105 - Facilities & Admin - Implement	0.00	44,188.12	0.00	44,188.12
76135 - Realized Gain	0.00	- 157.45	0.00	- 157.45
Total for Fund 30071	0.00	927,793.00	0.00	927,793.00
Total for Activity ACTIVITY.3	0.00	927,793.00	0.00	927,793.00
Activity : ACTIVITY.4 (4.DEI SINCELEJO)				
Fund : 30071 (Programme Cost Sharing GOV1)				
72605 - Grants to Instit & other Benef	0.00	64,352.02	0.00	64,352.02
72615 - Micro Capital Grants-Other	0.00	68,272.14	0.00	68,272.14
75105 - Facilities & Admin - Implement	0.00	6,631.22	0.00	6,631.22
Total for Fund 30071	0.00	139,255.38	0.00	139,255.38
Total for Activity ACTIVITY.4	0.00	139,255.38	0.00	139,255.38

Project Id : 00077717	Desarrollo Económico Incluyent	Period :	Jan-Dec (2014)
Output # : 00088328	DEI URBANO	Impl. Partner :	99999 UNDP
		Location :	Colombia
	Govt Exp	UNDP Exp	UN Agencies Exp
			Total Exp

Activity : ACTIVITY.5 (5.DEI PASTO)

Fund : 30071 (Programme Cost Sharing GOV1)

72605 - Grants to Instit & other Benef	0.00	123,438.56	0.00	123,438.56
72615 - Micro Capital Grants-Other	0.00	442,134.15	0.00	442,134.15
75105 - Facilities & Admin - Implement	0.00	28,278.63	0.00	28,278.63
Total for Fund 30071	0.00	593,851.34	0.00	593,851.34

Total for Activity ACTIVITY.5	0.00	593,851.34	0.00	593,851.34
--------------------------------------	------	------------	------	------------

Activity : ACTIVITY.6 (6.DEI STA MARTA)

Fund : 30071 (Programme Cost Sharing GOV1)

72605 - Grants to Instit & other Benef	0.00	78,203.46	0.00	78,203.46
72615 - Micro Capital Grants-Other	0.00	345,086.74	0.00	345,086.74
73120 - Utilities	0.00	372.75	0.00	372.75
75105 - Facilities & Admin - Implement	0.00	21,183.14	0.00	21,183.14

Total for Fund 30071	0.00	444,846.09	0.00	444,846.09
----------------------	------	------------	------	------------

Total for Activity ACTIVITY.6	0.00	444,846.09	0.00	444,846.09
-------------------------------	------	------------	------	------------

Activity : ACTIVITY.7 (7.DEI RIOHACHA)

Fund : 30071 (Programme Cost Sharing GOV1)

72605 - Grants to Instit & other Benef	0.00	24,239.24	0.00	24,239.24
72615 - Micro Capital Grants-Other	0.00	91,720.46	0.00	91,720.46
73104 - Leased Building	0.00	2,552.57	0.00	2,552.57
75105 - Facilities & Admin - Implement	0.00	5,925.61	0.00	5,925.61

Total for Fund 30071	0.00	124,437.88	0.00	124,437.88
-----------------------------	-------------	-------------------	-------------	-------------------

Total for Activity ACTIVITY.7	0.00	124,437.88	0.00	124,437.88
-------------------------------	------	------------	------	------------

Activity : ACTIVITY.8 (8.DEI V/DPAR)

Fund : 30071 (Programme Cost Sharing GOV1)

72615 - Micro Capital Grants-Other	0.00	6,163.93	0.00	6,163.93
75105 - Facilities & Admin - Implement	0.00	308.20	0.00	308.20

Total for Fund 30071	0.00	6,472.13	0.00	6,472.13
----------------------	------	----------	------	----------



UN
DP UN Development Programme
Report ID: ungicdrb

Combined Delivery Report by Activity

Page 6 of 8
Run Time: 01-03-2015 21:03:01

Project Id : 00077717 Desarrollo Económico Incluyente	Period :	Jan-Dec (2014)		
Output # : 00088328 DEI URBANO	Impl. Partner :	99999 UNDP		
	Location :	Colombia		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Total for Activity ACTIVITY.8	0.00	6,472.13	0.00	6,472.13
Activity : ACTIVITY.9 (9.DEI IBAGUE)				
Fund : 30071 (Programme Cost Sharing GOV1)				
72605 - Grants to Instit & other Benef	0.00	80,960.92	0.00	80,960.92
72615 - Micro Capital Grants-Other	0.00	368,867.15	0.00	368,867.15
75105 - Facilities & Admin - Implement	0.00	22,491.41	0.00	22,491.41
Total for Fund 30071	0.00	472,319.48	0.00	472,319.48
Total for Activity ACTIVITY.9	0.00	472,319.48	0.00	472,319.48
Total for Output : 00088328	0.00	4,609,202.42	0.00	4,609,202.42
Project Total :	0.00	4,609,202.42	0.00	4,609,202.42

Signed By :

Date :

Signed By :

Date :

Mark Henderson
Partner
Moore Stephens LLP
03 September 2015



UN
DP UN Development Programme
Report ID: unglcdirb

Combined Delivery Report by Activity

Page 7 of 8
Run Time: 01-03-2015 21:03:02

Selection Criteria :

Business Unit : COL10
Period : Jan-Dec (2014)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00088328

Project Id : ALL	Period : Jan-Dec (2014)			
Output # : ALL	Impl. Partner :			
	Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
49201 - Colombia - Central	0.00	407.24	0.00	407.24
49208 - Colombia - Poverty Reduction	0.00	4,511,865.66	0.00	4,511,865.66
49210 - Colombia - Finance	0.00	96,929.52	0.00	96,929.52



UN
DP UN Development Programme
Report ID: unglcdrb

Combined Delivery Report by Activity

Page 8 of 8
Run Time: 01-03-2015 21:03:03

Funds Utilization

Selection Criteria :

Business Unit : COL10
Period : Jan-Dec (2014)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00088328

Project/Award: 00077717 Desarrollo Económico Incluyent

Period : As Of Dec31,2014

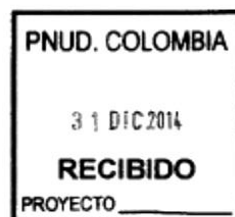
Output #	00088328	Impl. Partner :99999 UNDP	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			2,337.72
Inventory			0.00
Prepayments			0.00
Commitments			147,932.74


Annex 2: Statement of Assets and Equipment

Página 3 de 3

Item	Descripción	Ubicación	Unidades	Marca	Responsable	Net Book Value	Serie No.	Dep. Id.	Agencia de Implementación	No. Factura	Created By	Item Type	Path
70	Portable Hewlett Packard, ProBook 5330m.	Bogotá	1	DELL	Asistente Administrativo	USD 1,168.96	CMU234BLW0	1981	PNUD	76003	DAYANA QUINTERO	Item	Lists/Inventario_DEX
98	Portable Hewlett Packard, ProBook 5330m.	Bogotá	1	DELL	Angelica Cherry	USD 1,168.96	CMU2399C95 - FCN#3F110110103.	1981	PNUD	76003	DAYANA QUINTERO	Item	Lists/Inventario_DEX
TOTAL ACTIVOS						USD 2,337.92							


DIANA ALEXANDRA GUTIÉRREZ
 Coordinadora Nacional
 Proyecto Desarrollo Económico Incluyente




Mark Henderson
 Partner
 Moore Stephens LLP
 03 September 2015



AM in Service Report

UN Development Programme

Report ID: UNAM500

Business Unit: COL10

Operating Unit: COL

Country:

Department: 49210

Category: In Service

Impl Agency: 001981

Project Type: All

Donor: 00012

Amount: +1500

Fund Code: 65100

As of Date: 12/31/2014

Project: 00020305 Profile ID:

Page 18 of 29

Run Time: 19-01-2015 20:01:01

Business unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001170	ITC2	PORTATIL Hp	000000001170	CNU234R/MD		COLBMDV1	2012-12-13
In Service Date			Cost,USD	Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-12-13			1,597.27	1,168.86	1.0000	49208	001981	11893	0008325
Business unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001171	ITC1	PROCESO 12531 AI Notebook com	000000001171	6/7410161		COLB082207	2012-12-13
In Service Date			Cost,USD	Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-12-13			1,597.27	1,168.86	1.0000	49208	001981	94392	00082207
Business unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001172	ITC1	Notebook 2cm	000000001172	CNU2399C95		COLBMDV1	2012-12-13
In Service Date			Cost,USD	Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-12-13			1,597.27	1,168.86	1.0000	49208	001981	11660	00081438
Business unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001173	ITC2	Desktop compu	000000001173	CNU234BLNR		COLB082207	2012-12-17
In Service Date			Cost,USD	Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-12-17			2,420.01	1,770.95	1.0000	49208	001981	11893	00083324
Business unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001174	ITC2	AI Desktop computera	000000001174	MXL2131793		COLB082207	2012-12-19
In Service Date			Cost,USD	Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-12-19			2,611.38	1,911.00	1.0000	49208	001981	11898	00083216
Business unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001176	ITC1	Notebook com	000000001176	CNU239926P		COLBMDV1	2012-12-13
In Service Date			Cost,USD	Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-12-13			1,597.27	1,168.86	1.0000	49208	001981	11660	00081438
Business unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001178	MTS04	AUTOMOVIL	000000001178	MB00031PC00891068		COLVLL1100	2012-12-17
In Service Date			Cost,USD	Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-12-17			33,076.08	27,066.05	1.0000	49208	001981	10712	00082865
Business unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001179	ITC1	Notebook	000000001179	CNU239927F		COLVLL1100	2012-12-13
In Service Date			Cost,USD	Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-12-13			1,597.27	1,168.86	1.0000	49208	001981	10712	00082865

 AM In Service Report									
UN Development Programme Report ID: UNAM609 Business Unit: COL10 Operating Unit: COL									
Country: Colombia Department: 43210 Category: In Service Impl Agency: 001981 Project Type: All Donor: 00011 Amount: 1500 Fund Code: 66100 As of Date: 12/31/2014 Project: 00020305 Profile ID:									
Page 9 of 29 Run Time: 19-01-2015 22:01:01									
Business Unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001142	ITC1	Notebook computer	000000001142	CNS67W1		COLBVOCL101	2012-11-12
In Service Date		Cost,USD		Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-11-12		2,996.00		1,427.33	1.0000	49201	001985	00021	00083039
Business Unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001157	ITC1	Notebook comp	000000001157	SXN7AL00730801DA3200		COLBFDEM4	2012-12-13
In Service Date		Cost,USD		Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-12-13		1,974.68		1,445.06	1.0000	49204	001981	11787	00080232
Business Unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001159	ITC4	IMPRESORA HP LASER JET	000000001159	JPG1811851		COLBFAV43205	2012-11-10
In Service Date		Cost,USD		Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-11-10		3,623.81		2,630.09	1.0000	40432	001981	00012	00087772
Business Unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001161	ITC1	Notebook comp	000000001161	CNU239920P		COLCFAV432	2012-12-12
In Service Date		Cost,USD		Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-12-13		1,597.27		1,168.86	1.0000	49204	001981	11787	00080232
Business Unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001162	ITC1	PORTATIL	000000001162	CNU239920P		COLBFAV432	2012-12-13
In Service Date		Cost,USD		Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-12-13		1,597.27		1,168.86	1.0000	49204	001981	09535	00080232
Business Unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001166	ITC1	Notebook comp	000000001166	CNU2399279		COLBFAV432	2012-12-13
In Service Date		Cost,USD		Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-12-13		1,597.27		1,168.86	1.0000	49208	001981	11660	00081435
Business Unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001169	ITC1	PROCESO 12531 A) Notebook com	CNU239920P	PENPDP11032013		COLBFAV432	2012-12-13
In Service Date		Cost,USD		Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-12-13		1,597.27		1,168.86	1.0000	49208	001981	11833	00080232
Business Unit	Operating Unit	Asset ID	Profile ID	Description	Tag Number	Serial Number	Model	Location	Acquisition Date
COL10	COL	000000001169	ITC2	Desktop comput	000000001169	CNU234BLM8		COLBFAV432	2012-12-17
In Service Date		Cost,USD		Net Book Value	Quantity	Department	Impl Agency	Donor	Fund code
2012-12-17		2,426.02		2,770.25	1.0000	49208	001981	11933	00083324

Annex 3: Audit finding priority ratings

The following categories of priorities are used:

High (Critical)	Action is considered imperative to ensure that UNDP is not exposed to high risks. Failure to take action could result in major consequences and issues.
Medium (Important)	Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
Low	Action is considered desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the Auditors directly with the Office management, during the exit meeting and through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in the audit report.