



AUDIT

OF

UNDP ARGENTINA

PABA + 40

(Nationally Implemented Project No. 113917, Output No. 112170)

Report No. 2232

Issue Date: 23 July 2020

**Report on the Audit of UNDP Argentina
PABA+40¹ (Project No. 113917, Output No. 112170)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG SA (the audit firm), from 8 to 30 June 2020, conducted an audit of PABA + 40 (Project No. 113917, Output No. 112170) (the Project), which is nationally implemented² with support services provided by UNDP Argentina (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 expenses for the period from 1 January 2018 to 31 December 2019 and the accompanying Funds Utilization statement³ as of 31 December 2019.

The audit did not include activities and expenses incurred or undertaken at the "responsible party" level. The audit did not cover the Statement of Assets as no assets were held by the Project. 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 submitted by the audit firm, the results are summarized in the table below:

Amount (in \$ '000)	Opinion
7,157*	Unmodified

*Expenses recorded in the Combined Delivery Report were \$7,239.169; excluded from the audit scope were transactions that relate to expenses incurred at the "responsible party" level (\$82,049)

The audit did not result in any recommendations.

Management comments and action plan

Comments and/or additional information provided have been incorporated into the report, where appropriate.

¹ Second High-level United Nations Conference on South-South Cooperation (known as BAPA+40 Conference)

² The responsible units in UNDP facilitate the audits of nationally implemented (NIM) projects. However, this NIM project was audited by OAI due to the significant involvement of the Country Office in its implementation, and the subsequent materiality of the amount expended by UNDP.

³ The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) undepreciated 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.



Moncef Ghib

Moncef Ghib
Officer-in-Charge
Office of Audit and Investigations



**United Nations Development Programme
(UNDP)**

Report of the Independent Auditor on
the United Nations Development Programme (UNDP)
National Implemented (NIM) Project – with support services
provided by UNDP
Project ID 00113917 “PABA + 40” –
Output no. 00112170
Buenos Aires, Argentina
For the period from 1 January 2018 to 31 December 2019



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Executive Summary

KPMG Geneva conducted the financial audit of NIM Project ID 00113917 “PABA + 40” – Output no. 00112170, for which UNDP Argentina provides direct and significant support in its implementation, for the period from 1 January 2018 to 31 December 2019. The audit was undertaken on behalf of the Office of Audit and Investigations (OAI) United Nations Development Programme (UNDP).

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

Financial Position	Unmodified
Statement of Fixed Assets	Not Applicable because the project did not have any assets.
Statement of Cash	Not Applicable because the project did not maintain a separate bank account.

There were no reportable findings with a medium or high priority rating consequently we do not issue a management letter.

The Project ID 00113917 “PABA + 40” – Output ID 00112170 was not audited in the prior year and therefore no recommendations to follow up on.

KPMG SA

Pierre-Henri Pingeon
Partner

Henri Mwaniki
Senior Manager

Geneva, 20 July 2020



Audit Objectives and Scope

The objective of the financial audit was to express an opinion on the project financial position which includes:

- Expressing an opinion on whether the financial expenses incurred by the project over a specified period as well as the Fund Utilization statement, the accounts receivable and the accounts payable as at the end of a specified period 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, at Net Book Value, presents fairly the balance of depreciated assets of the UNDP project as at 31 December 2019. This Statement must include all assets available as at 31 December 2019 and not only those purchased in a given period. The opinion is rendered on the Net Book value balance of the Assets. Where a 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 the project as at 31 December 2019. Disbursements made against a project are usually financed from regular country office bank accounts. Exceptionally, a dedicated account may be opened and used solely for the cash transactions of a project, e.g. if the project is in a remote location. The audit firm is required to express an opinion on the Statement of Cash only where a dedicated bank account for the project has been established. In cases where the cash transactions of the audited project are made through the country office bank accounts this type of opinion is not required.
- As maybe applicable, provide the progress made in implementing the recommendations raised in previous year audit report.

The Financial Audit was conducted in accordance with the International Standards of Auditing (ISA), the 700 series.

The scope of the audit relates only to transactions concluded and recorded against the UNDP project, between 1 January 2018 and 31 December 2019. 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.



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Independent Auditors' Report

Opinion on Financial Position

**To: The Director of the Office of Audit and Investigations (OAI)
United Nations Development Programme (UNDP)**

We have audited the financial position of the UNDP Project ID 00113917 – Output ID 00112170 “PABA + 40” for the period from 1 January 2018 to 31 December 2019 which includes: (a) the accompanying Combined Delivery Report (CDR); and (b) the project related accounts receivable and accounts payable.

The CDR expenditure totaling USD 7,239,169.26 (2018: USD 62,689.51; 2019: USD 7,176,479.75) is comprised of expenditure directly incurred by the UNDP Country Office in Argentina for an amount of USD 7,157,120.50 and expenditure incurred by entities other than the Country Office for an amount of USD 82,048.76. Our audit only covered the expenditure directly incurred by the UNDP Country Office in Argentina of USD 7,157,120.50.

Unmodified Opinion

In our opinion, the attached CDR and the Funds Utilization statement present fairly, in all material respects, the expenses of USD 7,157,120.50 directly incurred by the UNDP Country Office in Argentina and charged to the project for the period from 1 January 2018 to 31 December 2019 in accordance with UNDP 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 UNDP; and (iv) supported by properly approved vouchers and other supporting documents.

Basis for unmodified 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 CDR and Funds Utilization section of our report. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), 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 responsibilities

Management is responsible for the preparation of the CDR and the Funds Utilization statement of the project, and for such internal control as management determines is necessary to enable the preparation of a CDR and Funds Utilization statement that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the CDR and the Funds Utilization statement are 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the CDR and Funds Utilization statement, 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.

KPMG SA



Pierre-Henri Pingeon
Partner



Henri Mwaniki
Senior Manager

Geneva, 20 July 2020

Annex:

Annex 1: 2018 Combined Delivery Report and Funds Utilization Statement – Output ID 00112170
(USD)



Selection Criteria:

Business Unit : ARG10
Period : Jan-Dec (2018)
Selected Project Id : 00113917
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : ALL

Project Id : 00113917:PABA - 40	Period : Jan-Dec (2018)		
Output # : 00112170:PABA - 40	Proj. Partner : 00204 Dir. Gral. Coop. Int. MREC		
	Location : Argentina		
	Govt Exp	UNDP Exp	UN Agencies Exp
			Total Exp

Activity : ACTIVITY1 (ACTIVITY1)

Fund : 30084 (Prog Resources from 11888)

64397 - Services to projects -CO staff	0.00	46,604.85	0.00	46,604.85
72125 -Svc Co-Studies & Research Serv	0.00	2,921.07	0.00	2,921.07
72135 -Svc Co-Communications Service	0.00	581.76	0.00	581.76
74596 - Services to projects -GOE	0.00	12,581.83	0.00	12,581.83
Total for Fund 30084	0.00	62,689.51	0.00	62,689.51
Total for Activity ACTIVITY1	0.00	62,689.51	0.00	62,689.51
Total for Output : 00112170	0.00	62,689.51	0.00	62,689.51


Project Total	0.00	62,689.51	0.00	62,689.51
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Lic. Ana CINTI
Directora General
de Cooperación Internacional
MREC


Valentin Gonzalez
Representante Residente Adjunto

Signed By : _____ Date : _____

Signed By : _____ Date : _____


Pierre-Henri Pingeon, Partner
KPMG SA, Geneva
20 July 2020


Henri Mwaniki, Senior Manager
KPMG SA, Geneva
20 July 2020


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Selection Criteria :

Business Unit : ARG10
Period : Jan-Dec (2018)
Selected Project Id : 00113917
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : ALL

Project Id : ALL	Period : Jan-Dec (2018)	Impl Partner	Location	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Output # : ALL							
48004 - Argentina - Dem. Governance				0.00	62,689.51	0.00	62,689.51


 Lic. Ana Ciuri
 Directora General
 de Cooperación Internacional
 MREC


 Valentín González
 Representante Residente Adjunto


 Pierre-Henri Pingeon, Partner
 KPMG SA, Geneva
 20 July 2020


 Henri Mwaniki, Senior Manager
 KPMG SA, Geneva
 20 July 2020



Funds Utilization

Selection Criteria :

Business Unit : ARG10
Period : Jan-Dec (2018)
Selected Project Id : 00113917
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : ALL

No Data found for the Selection Criteria


Lic. Ana Ciuri
Directora General
de Cooperación Internacional
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Valentin Gonzalez
Representante Residente Adjunto



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KPMG SA, Geneva
20 July 2020



Henri Mwaniki, Senior Manager
KPMG SA, Geneva
20 July 2020

Annex 2: 2019 Combined Delivery Report and Funds Utilization Statement – Output ID 00112170
(USD)



Selection Criteria :

Business Unit : ARG10
Period : Jan-Dec (2019)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00112170

Project Id : 00113917 PABA + 40	Period : Jan-Dec (2019)
Output # : 00112170 PABA + 40	Impl. Partner : 00204 Dir. Gral. Coop. Int. MREC Location : Argentina
	Govt Exp UNDP Exp UN Agencies Exp Total Exp

Activity : ACTIVITY1 (ACTIVITY1)

Fund : 30071 (Programme Cost Sharing GOV1)

71605 - Travel Tickets-International	0.00	107,387.26	0.00	107,387.26
71615 - Daily Subsistence Allow-Intl	0.00	14,386.00	0.00	14,386.00
71635 - Travel - Other	0.00	2,498.00	0.00	2,498.00
72505 - Stationery & other Office Supp	0.00	4,724.52	0.00	4,724.52
74220 - Translation Costs	0.00	906.42	0.00	906.42
74505 - Insurance	0.00	283.75	0.00	283.75
74510 - Bank Charges	0.00	1.25	0.00	1.25
75105 - Facilities & Admin - Implement	0.00	279,020.44	0.00	279,020.44
75705 - Learning costs	0.00	1,517,757.36	0.00	1,517,757.36
75708 - Learning - subcontracts	0.00	19,409.86	0.00	19,409.86
75711 - TrnWrkshp&Conf - Stipends	0.00	171,108.00	0.00	171,108.00
76125 - Realized Loss	0.00	-0.01	0.00	-0.01

Total for Fund 30071 0.00 2,117,482.85 0.00 2,117,482.85

Fund : 30084 (Prog Resources from 11888)

64397 - Services to projects -CO staff	0.00	107,845.82	0.00	107,845.82
71305 - Local Consult.-Sht Term-Tech	0.00	0.00	0.00	0.00
71605 - Travel Tickets-International	0.00	49,073.97	0.00	49,073.97
71615 - Daily Subsistence Allow-Intl	0.00	192,328.43	0.00	192,328.43
71635 - Travel - Other	0.00	26,442.00	0.00	26,442.00
72505 - Stationery & other Office Supp	0.00	670.08	0.00	670.08
74215 - Promotional Materials and Dist	0.00	213.26	0.00	213.26
74220 - Translation Costs	0.00	150.02	0.00	150.02
74510 - Bank Charges	0.00	54.96	0.00	54.96
74596 - Services to projects -GOE	0.00	27,502.50	0.00	27,502.50
74725 - Other L.T.S.H.	0.00	727.54	0.00	727.54
75105 - Facilities & Admin - Implement	0.00	139,148.17	0.00	139,148.17
75705 - Learning costs	0.00	4,384,317.86	0.00	4,384,317.86

Total for Fund 30084 0.00 4,928,474.61 0.00 4,928,474.61

Fund : 59010 (TF Promotion of South Coop)

71605 - Travel Tickets-International	0.00	109,849.82	0.00	109,849.82
71610 - Travel Tickets-Local	0.00	3,440.00	0.00	3,440.00
71635 - Travel - Other	0.00	500.00	0.00	500.00
72505 - Stationery & other Office Supp	0.00	5,539.14	0.00	5,539.14
74220 - Translation Costs	0.00	1,525.00	0.00	1,525.00
75105 - Facilities & Admin - Implement	0.00	9,668.31	0.00	9,668.31
75705 - Learning costs	0.00	0.00	0.00	0.00
76125 - Realized Loss	0.00	0.02	0.00	0.02

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Combined Delivery Report by Activity

Project Id : 00113917 PABA + 40	Period :	Jan-Dec (2019)		
Output # : 00112170 PABA + 40	Impl. Partner :	00204 Dir. Gral. Coop. Int. MREC		
	Location :	Argentina		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Total for Fund 59010	0.00	130,522.29	0.00	130,522.29
Total for Activity ACTIVITY1	0.00	7,176,479.75	0.00	7,176,479.75
Total for Output : 00112170	0.00	7,176,479.75	0.00	7,176,479.75
Project Total :	0.00	7,176,479.75	0.00	7,176,479.75

VALENTIN GONZALEZ LEON
REPRESENTANTE RESIDENTE ADJUNTO

19-May-2020

Signed By : _____ Date : _____

Signed By : _____ Date : _____

Pierre-Henri Pingeon, Partner
KPMG SA, Geneva
20 July 2020

Henri Mwaniki, Senior Manager
KPMG SA, Geneva
20 July 2020

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Selection Criteria :

Business Unit : ARG10
Period : Jan-Dec (2019)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00112170

Project Id : ALL	Period : Jan-Dec (2019)
Output # : ALL	Impl. Partner : Location :
	Govt Exp UNDP Exp UN Agencies Exp Total Exp

48001 - Argentina - Central	0.00	-0.01	0.00	-0.01
48004 - Argentina - Dem. Governance	0.00	7,157,881.40	0.00	7,157,881.40
48008 - Argentina - Poverty Reduction	0.00	18,598.36	0.00	18,598.36



Funds Utilization

Selection Criteria :

Business Unit : ARG10
Period : Jan-Dec (2019)
Selected Project Id : ALL
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00112170

Project/Award: 00113917 PABA + 40

Period : As Of Dec31,2019

Output #	00112170	Impl. Partner :00204 Dir. Gral. Coop. Int. MREC	UNDP AMOUNT
	Outstanding NEX advances		0.00
	Undepreciated Fixed Assets		0.00
	Unamortized Intangible Assets		0.00
	Inventory		0.00
	Prepayments		0.00
	Commitments		0.00

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