



**AUDIT**

**OF**

**TECNOLOGIA E INFRAESTRUCTURA AL SERVICIO DE LA INCLUSION EDUCATIVA**  
**(Nationally Implemented Project No. 135311, Output No. 126603)**

**IN**

**UNDP EL SALVADOR**

**Report No. 2493**  
**Issue Date: 22 July 2022**

**Report on the Audit of UNDP El Salvador  
Tecnología e Infraestructura al servicio de la inclusión educativa  
(Project No. 135311, Output No. 126603)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through PKF Littlejohn LLP (the audit firm), from 31 May to 28 June 2022, conducted an audit of *Tecnología e Infraestructura al servicio de la inclusión educativa* (Project No. 135311, Output No. 126603) (the Project), which is nationally implemented with support services provided by the UNDP Country Office in El Salvador. This was the first audit of the Project.

The audit firm conducted a financial audit in accordance with the International Standards of Auditing (ISA), the 700 series, 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 to 31 December 2021 and the accompanying Funds Utilization statement<sup>1</sup> as of 31 December 2021. The audit did not include activities and expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). 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* of the Institute of Internal Auditors (The IIA).

**Audit results**

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

Project Expenses*	
Amount (in \$ '000)	Opinion
33,825	Unmodified

\*Expenses recorded in the Combined Delivery Report (CDR) were \$33,897,811. Excluded from the audit scope were transactions and expenses processed and approved by other UNDP offices outside of the country (\$72,893.50).

As of 31 December 2021, the CDR recorded commitments amounting to \$43,438,302, of which \$43,429,199 was recorded as expenses in the first semester of 2022. An Emphasis of Matter statement was raised by the auditors due to the differences between the expenditures recorded in the CDR and the Project's delivery on UNDP's platform that showed commitments in 2021 as project expenditures. This inconsistency was due to purchase orders raised by the Project in 2021 that were not created as multi-annual purchase orders, indicating budget lines and periods in which the goods and services were expected to be received (2021 and 2022). This issue did not impact the audit opinion as the CDR subject of the audit reasonably reflected the project expenditures and commitments as of 31 December 2021.

The audit did not result in any recommendations.

<sup>1</sup> 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.

---

### Management comments and action plan

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

A handwritten signature in blue ink, appearing to read 'B G Simpson', is enclosed within a black rectangular box.

Brett Simpson  
Officer-in-Charge  
Office of Audit and Investigations

**FINAL**

**AUDIT**

**OF**

**UNITED NATIONS DEVELOPMENT PROGRAMME  
EL SALVADOR**

**TECNOLOGIA E INFRAESTRUCTURA AL SERVICIO DE LA INCLUSION  
EDUCATIVA**

**(CO Support to National Implemented Project No. 00135311, Output No.  
00126603)**

**Issue Date: 19 July 2022**

## **INDEX OF CONTENT**

Audit results.....	1
EXECUTIVE SUMMARY.....	1
Audit opinions.....	1
Management letter summary.....	1
Prior year audit .....	1
THE AUDIT ENGAGEMENT .....	2
Audit Objectives and Scope .....	2
INDEPENDENT AUDITOR'S REPORT .....	3
Combined Delivery Report and Funds Utilizations Statements - 2021 – Project No. 00135311 - Output ID 00126603 (USD).....	5
INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF FIXED ASSETS .....	8
INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF CASH .....	9

## Report on the Audit of UNDP El Salvador

### Tecnología e infraestructura al servicio de la inclusión educativa

(Project ID 00135311, Output ID 00126603)

The UNDP Office of Audit and Investigations (OAI), through PKF Littlejohn (the audit firm) conducted the audit of the project “Tecnología e infraestructura al servicio de la inclusión educativa” (Project ID 00135311, Output ID 00126603) (the Project), which is nationally implemented <sup>1</sup> by UNDP El Salvador (the Country Office). The duration of the audit was from 31 May to 28 June 2022.

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 Delivered Report, which includes expenses for the period from 1 January to 31 December 2021 and the accompanying Funds Utilization statements<sup>2</sup> as at 31 December 2021.

The audit did not include activities and expenses incurred or undertaken in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters). In addition, the audit did not cover the Statement of Assets as no assets were held by the Project and 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:

Project Expenses *		Project Assets	
Amount (in \$ ‘000)	Opinion	Amount (in \$ ‘000)	Opinion
33,825	Unmodified	-	Not applicable

\* Expenses recorded in the Combined Delivery Report amounted to USD 33,897,811.45. Transactions related to expenses processed and approved by UNDP, outside of the country for USD 72,893.50 were excluded from the audit scope.

Commitments recorded in CDR as at 31 December 2021 amounted to USD 43,438,301.92. The commitments applicable to our scope were disbursed and recorded as expenses in project records in the first semester of 2022 for USD 43,429,198.92.

During our process of verification of the commitments reflected in the Combined Delivery Report as of 31 December 2021, we were satisfied that those commitments were correctly recognized as expenses in 2022 as reflected in the corresponding Combined Delivery Report

<sup>1</sup> 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 expensed by UNDP.

<sup>2</sup> 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.

However, there was a situation that called for our attention; while the Combined Delivery Report in 2022 at the moment of our audit correctly reflected the commitments as of 31 December 2021 already recognized as project expenditures in 2022 for USD 45,661,399, the Country Office delivery showed an amount of delivery significantly lower not exceeding USD 9 million for the 2022 fiscal year.

The reason behind this inconsistency is because the Country Office, at the time of creating the Purchase Orders corresponding to this project in 2021, did not select the option of multi-annual purchase orders, therefore the total amount of the purchase orders were recorded as delivery in 2021 (despite delivery dates were correctly entered as some goods were expected to be received in 2021 and some others in 2022). As result, figures on Country Office delivery for 2021 and 2022 do not reconcile between the Atlas financial ERP system and the reporting facility known as Stream.

As it is mentioned in the UNDP Programme and Operations Policies and Procedures (POPP), *“purchase orders should reflect budget periods in which the goods and services are expected to be received. Where multi-year contracts are being entered, each PO lines should reflect the applicable budget periods of the goods and services. When raising multi-year PO lines in ATLAS, office must ensure that corresponding multi-year budget and resources are available. For projects where budgets/ASLs are limited to one-year, multi-year PO lines should not be used.”*

This issue was detected early in the year by the Country Office in conjunction with the Regional Bureau for Latin America and the Caribbean early in 2022 at the time of the preparation of the Integrated Work Plan for 2022, but regrettably a solution to amend the Purchase Orders to correct delivery figures for 2021 was not timely taken, This issue did not impact our opinion on the Combined Delivery Report as of 31 December 2021 as the expenditures and commitments subject to the audit were properly recorded; a recommendation on the proper use of Purchase Orders was not raised as the issue had been detected prior to the actual audit, but a timely action not taken.

The commitments applicable to our scope at the time of our audit corresponded to the acquisition of notebook computers for the provision of technological resources to members of the educational community in the country.

The audit did not result in any recommendations.

### **Management comments and action plan**

Comments and/or additional information provided by the Management of the Country Office has been incorporated into the report, where appropriate.

**United Nations Development Programme  
(UNDP)**

Report of the Independent Auditor on  
the United Nations Development Programme (UNDP)  
National Implemented (NIM) Project – Implemented by UNDP as CO support to NIM

<b>Project name:</b>	Tecnología e infraestructura al servicio de la inclusión educativa.
<b>Output name:</b>	Recursos tecnológicos
<b>UNDP Country Office:</b>	El Salvador
<b>Atlas Project ID:</b>	00135311
<b>Atlas Output ID:</b>	00126603
<b>Auditor:</b>	PKF Littlejohn
<b>Period subject to audit:</b>	1 January to 31 December 2021



## EXECUTIVE SUMMARY

PKF Littlejohn conducted the financial audit of UNDP NIM Project ID 00135311 “Tecnología e infraestructura al servicio de la inclusión educativa”- Output 00126603 (the project), implemented by UNDP El Salvador (The Office) following the CO Support to NIM Modality for the period from 1 January to 31 December 2021. The audit was undertaken on behalf of the United Nations Development Programme (UNDP), Office of Audit and Investigations (OAI).

### Audit opinions

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

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

### Management letter summary

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

### Prior year audit

The project ID 00135311 “Tecnología e infraestructura al servicio de la inclusión educativa” - Output ID 00126603 was not audited in the prior year and therefore there were no recommendations to follow up on.



**PKF Littlejohn LLP**

19 July 2022

15 Westferry Circus  
Canary Wharf  
London  
E14 4HD

## THE AUDIT ENGAGEMENT

### Audit Objectives and Scope

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

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January to 31 December 2021 as well as the Funds Utilization statement as at 31 December 2021 and the accounts receivable and accounts payable as at 31 December 2021 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 project as at 31 December 2021. This statement must include all assets available as at 31 December 2021 and not only those purchased in a given period. Where a NIM project does not have any assets or equipment, it is not 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 2021. 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 on Auditing (ISA), the 700 series.

The scope of the audit relates only to transactions concluded and recorded against the UNDP project between 1 January to 31 December 2021. 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.

## **INDEPENDENT AUDITOR'S REPORT**

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

Regional Audit and Investigation Office for Latin America and Caribbean – Panama City,  
Panama

We have audited the financial position of the UNDP project ID 00135311 “Tecnología e infraestructura al servicio de la inclusión educativa”- Output 00126603, for the period 1 January to 31 December 2021 which includes: (a) the accompanying Combined Delivery Report (CDR); (b) the Funds Utilization statement (“the statement”); and (c) the project-related accounts receivable and accounts payable. The audit was carried out from 31 May to 28 June 2022.

The CDR expenditure totalling USD 33,897,811.45 is comprised of expenditure directly incurred by the UNDP Country Office in El Salvador for an amount of USD 33,824,917.95. Transactions related to expenses processed and approved by UNDP, outside of the country for USD 72,893.50 were excluded from the audit scope. Our audit only covered the expenditure directly incurred by the UNDP Country Office in El Salvador of USD 33,824,917.95.

### **Unmodified opinion**

In our opinion, the attached CDRs and Funds Utilization statement present fairly, in all material respects, the expenses of USD 33,824,917.95 directly incurred by the Country Office and charged to the project for the period 1 January to 31 December 2021 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 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.

### **Emphasis of Matter**

We draw attention to the section Audit Results which describe the differences between the Combined Delivery Report and the Country Office delivery recorded in 2021. Our opinion is not modified in respect of this matter.

## **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 the 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.



**PKF Littlejohn LLP**

19 July 2022

15 Westferry Circus  
Canary Wharf  
London  
E14 4HD

# Combined Delivery Report and Funds Utilizations Statements - 2021 – Project No. 00135311 - Output ID 00126603 (USD)

DocuSign Envelope ID: 555EEBE2-FFF0-4606-8CD6-5CC7C316B734



UN Development Programme  
Report ID: unglodrp

## Combined Delivery Report By Project

Page 1 of 3  
Run Time: 09-06-2022 23:06:11

### Selection Criteria :

Business Unit : SLV10  
Period : Jan-Dec (2021)  
Selected Project Id : 00135311  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : 00126603

Project Id : 00135311 Recursos tecnológicos y compet	Period :	Jan-Dec (2021)
Output # : 00126603 Recursos tecnológicos y compet	Impl. Partner :	01095 MINISTERIO DE EDUCACION
	Location :	El Salvador

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
<b>Dept: 50201 (El Salvador - Central)</b>				
<b>Fund : 30071 (Programme cost sharing - GOV1)</b>				
72405 - Acquisition of Communic Equip	0.00	30,502,065.48	0.00	30,502,065.48
75105 - Facilities & Admin - Implement	0.00	1,220,082.62	0.00	1,220,082.62
<b>Total for Fund 30071</b>	<b>0.00</b>	<b>31,722,148.10</b>	<b>0.00</b>	<b>31,722,148.10</b>
<b>Total for Dept : 50201</b>	<b>0.00</b>	<b>31,722,148.10</b>	<b>0.00</b>	<b>31,722,148.10</b>
<b>Dept: 50208 (El Salvador - Poverty Reduct'n)</b>				
<b>Fund : 04000 (TRAC (Lines 1.1.1 and 1.1.2))</b>				
71205 - Intl Consultants-Sht Term-Tech	0.00	70,000.00	0.00	70,000.00
<b>Total for Fund 04000</b>	<b>0.00</b>	<b>70,000.00</b>	<b>0.00</b>	<b>70,000.00</b>
<b>Fund : 30071 (Programme cost sharing - GOV1)</b>				
71470 - Natl Personnel Svcs Agreement	0.00	2,893.50	0.00	2,893.50
72405 - Acquisition of Communic Equip	0.00	2,021,782.80	0.00	2,021,782.80
75105 - Facilities & Admin - Implement	0.00	80,987.05	0.00	80,987.05
<b>Total for Fund 30071</b>	<b>0.00</b>	<b>2,105,663.35</b>	<b>0.00</b>	<b>2,105,663.35</b>
<b>Total for Dept : 50208</b>	<b>0.00</b>	<b>2,175,663.35</b>	<b>0.00</b>	<b>2,175,663.35</b>
<b>Total for Output : 00126603</b>	<b>0.00</b>	<b>33,897,811.45</b>	<b>0.00</b>	<b>33,897,811.45</b>

<b>Project Total :</b>	<b>0.00</b>	<b>33,897,811.45</b>	<b>0.00</b>	<b>33,897,811.45</b>
------------------------	-------------	----------------------	-------------	----------------------

DS



DS  
OM

Signed By : Kryssia Brade DRR

DocuSigned by:  
Kryssia Brade 30/06/2022

Signed By : \_\_\_\_\_ Date : \_\_\_\_\_

PKF Littlejohn LLP

15 Westferry Circus  
Canary Wharf  
London  
E14 4HD



**UNDP** UN Development Programme  
Report ID: unglodrp

### Combined Delivery Report By Project

Page 2 of 3  
Run Time: 09-06-2022 23:06:11

#### Selection Criteria :

Business Unit : SLV10  
Period : Jan-Dec (2021)  
Selected Project Id : 00135311  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : 00126603

Project Id : ALL	Period : Jan-Dec (2021)			
Output # : ALL	Impl. Partner : Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
50201 - El Salvador - Central	0.00	31,722,148.10	0.00	31,722,148.10
50208 - El Salvador - Poverty Reduct'n	0.00	2,175,663.35	0.00	2,175,663.35



Funds Utilization

Selection Criteria :

Business Unit : SLV10  
Period : Jan-Dec (2021)  
Selected Project Id : 00135311  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Outputs : 00126603

Project/Award: 00135311 Recursos tecnológicos y compet

Period : As at Dec 31, 2021

Output #	00126603	Impl. Partner :01095 MINISTERIO DE EDUCACION	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			0.00
Unamortized Intangible Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			43,438,301.92

PKF Littlejohn LLP  
15 Westferry Circus  
Canary Wharf  
London  
E14 4HD

## **INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF FIXED ASSETS**

**To: The Director of the Office of Audit and Investigations (OAI)**

**United Nations Development Programme (UNDP)**

Regional Audit and Investigation Office for Latin America and Caribbean – Panama City,  
Panama

We noted that the project ID 00135311 “Tecnología e infraestructura al servicio de la inclusión educativa”- Output 00126603, did not present balances in the fixed assets accounts and accordingly a Statement of Fixed Assets was not produced.



## **INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF CASH**

**To: The Director of the Office of Audit and Investigations (OAI)**

**United Nations Development Programme (UNDP)**

Regional Audit and Investigation Office for Latin America and Caribbean – Panama City,  
Panama

We noted that the project ID 00135311 “Tecnología e infraestructura al servicio de la inclusión educativa”- Output 00126603, did not have a dedicated bank account for the project subject to audit and accordingly a Statement of Cash was not produced.