



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. 2621
Issue Date: 5 July 2023

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

The UNDP Office of Audit and Investigations (OAI), through PKF Littlejohn LLP (the audit firm), from 5 May to 19 June 2023, 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. The last audit of the Project was conducted by OAI, through PKF Littlejohn LLP in 2022 and covered project expenses from 1 January to 31 December 2021.

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 from 31 December 2022 and the accompanying Funds Utilization statement¹ as of 31 December 2022. 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
45,955	Unmodified

The audit did not result in any recommendations.

The previous audit (Report No. 2493 issued on 22 July 2022 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 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 Ghrib

Moncef Ghrib
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: 28 June 2023

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Report on the Audit of UNDP EI 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 ¹ by UNDP EI Salvador (the Country Office). The duration of the audit was from 5 May to 19 June 2023.

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 (CDR), which includes expenses for the period from 1 January to 31 December 2022 and the accompanying Funds Utilization statements² as at 31 December 2022.

The audit included activities and expenses incurred or undertaken by the project. There were no responsible parties engaged for the implementation of this project. 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
45,954	Unmodified	-	Not applicable

* Expenses recorded in the Combined Delivery Report amounted to USD 45,954,911.99.

There were no commitments recorded in CDR as at 31 December 2022.

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.

¹ 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.

² 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.

**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

Project name:	Tecnología e infraestructura al servicio de la inclusión educativa.
Output name:	Recursos tecnológicos
UNDP Country Office:	El Salvador
Atlas Project ID:	00135311
Atlas Output ID:	00126603
Auditor:	PKF Littlejohn
Period subject to audit:	1 January to 31 December 2022

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 2022. 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 audited in the prior year and there were no recommendations to follow up on.



PKF Littlejohn LLP

28 June 2023

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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 2022 as well as the Funds Utilization statement as at 31 December 2022 and the accounts receivable and accounts payable as at 31 December 2022 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 2022. This statement must include all assets available as at 31 December 2022 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 2022. 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 2022. 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 2022 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 5 May to 19 June 2023.

The CDR expenditure totalling USD 45,954,911.99 is comprised exclusively of expenditure directly incurred by the Office. Our audit covered the expenditure directly incurred by the Country Office of USD 45,954,911.99.

Unmodified opinion

In our opinion, the attached CDRs and Funds Utilization statement present fairly, in all material respects, the expenses of USD 45,954,911.99 directly incurred by the Country Office in El Salvador and charged to the project for the period 1 January to 31 December 2022 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 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

28 June 2023

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**Combined Delivery Report and Funds Utilizations Statements - 2022 – Project No. 00135311
- Output ID 00126603 (USD)**



UNDP UN Development Programme
Report ID: unglcdrp

Combined Delivery Report By Project

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Run Time: 15-05-2023 17:05:35

Selection Criteria :

Business Unit : SLV10
 Period : Jan-Dec (2022)
 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 (2022)		
Output # : 00126603 Recursos tecnológicos y compet	Impl. Partner : 01095 MINISTERIO DE EDUCACION	Location : El Salvador	

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Dept: 50201 (El Salvador - Central)				
Fund : 30071 (Programme cost sharing - GOV1)				
72405 - Acquisition of Communic Equip	0.00	2,727,296.76	0.00	2,727,296.76
75105 - Facilities & Admin - Implement	0.00	109,091.87	0.00	109,091.87
Total for Fund 30071	0.00	2,836,388.63	0.00	2,836,388.63
Total for Dept : 50201	0.00	2,836,388.63	0.00	2,836,388.63
Dept: 50208 (El Salvador - Poverty Reduct'n)				
Fund : 04000 (TRAC (Lines 1.1.1 and 1.1.2))				
74110 - Audit Fees	0.00	90,279.00	0.00	90,279.00
Total for Fund 04000	0.00	90,279.00	0.00	90,279.00
Fund : 30071 (Programme cost sharing - GOV1)				
64397 - Services to projects -CO staff	0.00	245,436.10	0.00	245,436.10
71415 - Contribution to Security SC	0.00	12.13	0.00	12.13
71470 - Natl Personnel Svcs Agreement	0.00	-2,307.41	0.00	-2,307.41
72405 - Acquisition of Communic Equip	0.00	40,701,902.16	0.00	40,701,902.16
74596 - Services to projects -GOE	0.00	428,268.91	0.00	428,268.91
75105 - Facilities & Admin - Implement	0.00	1,654,932.47	0.00	1,654,932.47
Total for Fund 30071	0.00	43,028,244.36	0.00	43,028,244.36
Total for Dept : 50208	0.00	43,118,523.36	0.00	43,118,523.36
Total for Output : 00126603	0.00	45,954,911.99	0.00	45,954,911.99
Project Total :	0.00	45,954,911.99	0.00	45,954,911.99



Signed By: Kryssia Brada, Representante Residente Adjunta Date: 15/05/2023

Signed By: _____ Date: _____

PKF Littlejohn LLP

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Combined Delivery Report By Project

Selection Criteria :

Business Unit : SLV10
Period : Jan-Dec (2022)
Selected Project Id : 00135311
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00126603

Project Id : ALL	Period : Jan-Dec (2022)			
Output # : ALL	Impl. Partner :			
	Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
50201 - El Salvador - Central	0.00	2,836,388.63	0.00	2,836,388.63
50208 - El Salvador - Poverty Reduct'n	0.00	43,118,523.36	0.00	43,118,523.36



Funds Utilization

Selection Criteria :

Business Unit : SLV10
Period : Jan-Dec (2022)
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, 2022

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			0.00

CERTIFICATION FOR 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.

CERTIFICATION OF 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.