

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP CHILE

APOYO A LA REFORMA DEL SISTEMA DE JUSTICIA PENAL MEXICANO
Directly Implemented Project No. 61406

Report No. 1031
Issue Date: 5 February 2013

Report on the audit of UNDP Chile - Apoyo a la Reforma del Sistema de Justicia Penal Mexicano (Project ID 61406) Executive Summary

From 2 July to 3 October 2012, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through ACG Auditores Consultores Gerenciales (the audit firm), conducted an audit of Apoyo a la Reforma del Sistema de Justicia Penal Mexicano, (Project ID 61406) (the Project), which is directly implemented and managed by the UNDP Country Office in Chile (the Office). The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

The Project reported expenditure totalling \$0.73 million during the period from 2 July 2008 to 30 June 2011. The project was funded by the Government of Chile.

Audit scope and objectives

The audit firm conducted a combined financial audit and audit of internal controls and systems to express an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations, as well as assess compliance with UNDP regulations, rules, policies and procedures and donor agreements. The audit covered the Project's Statement of Expenditure (Combined Delivery Report) for the period from 2 July 2008 to 30 June 2011. It also reviewed the relevant systems, procedures and practices in place as they relate to the Project, in the areas of: organization and staffing, project management, human resources management, financial and cash management, procurement, and general administration.

Audit rating

Based on the audit report and corresponding management letter submitted by the audit firm, OAI assessed the management of the Project as **satisfactory**, which means "Internal controls, governance and risk management processes as applicable to the Project's financial statements were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity." The details of the audit results are presented in Figures 1 and 2.

Figure 1: Summary results of the financial audit

Project Expenditure		Project Assets		Cash	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
730.6	Unqualified	-	Not Applicable *	-	Not Applicable **

*The project did not acquire assets and equipment

** No separate bank account and/or petty cash was held by the project

Figure 2: Internal controls and systems audit ratings summary

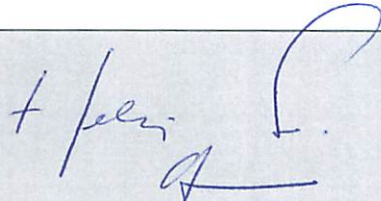
Audit Areas	Not Assessed/ Not Applicable	Unsatisfactory	Partially Satisfactory	Satisfactory
1. Organization and staffing				
2. Project management				
3. Human resources management				
4. Financial and cash management				
5. Procurement				



6. Asset Management				
7. Information systems				
8. General administration				

Key issues and recommendations

The audit did not raise any reportable issues.



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Office of Audit and Investigations