



AUDIT

OF

UNDP COLOMBIA

PROYECTO FORTALECIMIENTO DE LA JUSTICIA
(Directly Implemented Project No. 48240, Output No. 58286)

Report No. 1657

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**Report on the Audit of UNDP Colombia
Proyecto Fortalecimiento de la Justicia
(Project No. 48240, Output No. 58286)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), from 7 to 17 June 2016, conducted an audit of *Proyecto Fortalecimiento de la Justicia* (Project No. 48240, Output No. 58286) (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 2015 and the accompanying Funds Utilization statement¹ as of 31 December 2015 as well as Statement of Assets and Statement as of 31 December 2015. 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). 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
3,596	Unqualified	1	Unqualified

*Expenditures recorded in the Combined Delivery Report were \$3,652,100. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country of \$55,494.

Key recommendation: Total = 1, high priority = 0

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, 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." The recommendation includes actions to address gaps due to insufficient supporting documentation on payments, and weaknesses in the preparation of documents supporting expenditures related to events and workshops. The deficiencies did not have an impact on the audit opinion.

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.

The recommendation aims to ensure the reliability and integrity of financial and operational information.

Management comments and action plan

The UNDP Resident Representative a.i. accepted the recommendation and is in the process of implementing it. Comments and/or additional information provided have been incorporated into the report, where appropriate.



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Director
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