

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP PERU

**Fortalecimiento de las capacidades del Programa Nacional de Alimentación escolar Qali
Warma del MIDIS para mejorar la atención alimentaria de los niños y niñas de las
instituciones educativas públicas del país
(Directly Implemented Project No. 73717, Output No. 86409)**

Report No. 1663
Issue Date: 29 July 2016

Report on the Audit of UNDP Peru
Fortalecimiento de las capacidades del Programa Nacional de Alimentación escolar Qali Warma del MIDIS para mejorar la atención alimentaria de los niños y niñas de las instituciones educativas públicas del país.
(Project No. 73717, Output No. 86409)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), from 30 May to 10 June 2016, conducted an audit of Fortalecimiento de las capacidades del Programa Nacional de Alimentación escolar Qali Warma del MIDIS para mejorar la atención alimentaria de los niños y niñas de las instituciones educativas públicas del país. (Project 73717, Output 86409) (the Project), which is directly implemented and managed by the UNDP Country Office in Peru (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 2013 to 31 December 2015 and the accompanying Funds Utilization statement¹ 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). The audit did not cover the Statement of Assets and Statement of Cash Position as the Project had no assets and no separate bank account maintained.

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(s) and corresponding management letter(s) submitted by the audit firm, the results are summarized in the table below:

Project Expenditure*	
Amount (in \$ millions)	Opinion
30.74	Unqualified

*Expenditures recorded in the Combined Delivery Report were \$31.09 million. Excluded from the audit scope were transactions that relate to expenditures of other United Nations agencies (\$0.18 million) and expenditures not processed or approved by the Office (\$0.17 million).

Key recommendations: Total = 2, high priority = 0

The audit did not result in any high (critical) priority recommendations. There are two medium (important) priority recommendations, 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." These


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.

recommendations include actions to address (a) the lack of timely preparation of annual and quarterly reports and (b) the unrecovered payments of value-added tax.

The two recommendations aim to ensure the reliability and integrity of financial and operational information.

Management comments and action plan

The UN Resident Coordinator and UNDP Resident Representative accepted both recommendations and are in the process of implementing them. Comments and/or additional information provided have been incorporated into the report, where appropriate.

A blue ink signature of Antoine Khoury is written over a rectangular box. The signature is stylized and cursive.

Antoine Khoury
Officer-In-Charge
Office of Audit and Investigations