Office of Audit and Investigations

AUDIT

OF

UNDP PERU

MEJORAMIENTO DEL SERVICIO DE COMERCIALIZACION DEL GRAN MERCADO DE BELEN - IQUITOS
(Directly Implemented Project No. 88902, Output No. 95376)

Report No. 2125
Issue Date: 10 July 2019
Report on the Audit of UNDP Peru
Mejoramiento del Servicio de Comercialización del Gran Mercado de Belén – Iquitos
(Project No. 88902, Output No. 95376)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through BDO LLP (the audit firm), from 20 to 31 May 2019, conducted an audit of Mejoramiento del Servicio de Comercialización del Gran Mercado de Belén – Iquitos (Project No. 88902, Output No. 95376) (the Project), which is nationally implemented\(^1\) with direct support services provided by the UNDP Country Office in Peru (the Office). The last audit of the Project was conducted by OAI, through Moore Stephens LLP in 2017 and covered project expenses from 1 January 2015 to 31 December 2016.

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 expenses for the period from 1 January 2017 to 31 December 2018 and the accompanying Funds Utilization statement\(^2\) as of 31 December 2018. 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) or expenses of other United Nations agencies. 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*.

Audit results

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

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<tr>
<th>Project Expenses*</th>
<th>Amount (in $’000)</th>
<th>Opinion</th>
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<tr>
<td></td>
<td>4,672</td>
<td>Unmodified</td>
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\(^*\)Excluded from the audit scope were transactions that relate to expenses processed and approved by other UNDP offices outside of the country and transactions that relate to expenses of other United Nations agencies ($350,163.30).

The audit did not result in any recommendations.

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\(^1\) Nationally implemented projects, or NIM projects, are audited by the responsible unit in UNDP. 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.

\(^2\) 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.
   Total recommendations: 2
   Implemented: 2

Management comments and action plan

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

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