



AUDIT

OF

UNDP COLOMBIA

**EMPLEABILIDAD Y EMPRENDIMIENTO PARA FAMILIAS RURALES VICTIMAS DEL
CONFLICTO ARMADO**

**(Directly Implemented Project No. 98327,
Output Nos. 101697, 101699, 107454 & 107455)**

Report No. 2128

Issue Date: 15 August 2019

Report on the Audit of UNDP Colombia
Empleabilidad y emprendimiento para familias rurales víctimas del conflicto armado
(Project No. 98327, Output Nos.101697, 101699, 107454 & 107455)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through BDO LLP (the audit firm), from 3 to 14 June 2019, conducted an audit of *Empleabilidad y emprendimiento para familias rurales víctimas del conflicto armado* (Project No. 98327, Output Nos.101697, 101699, 107454 & 107455) (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 expenses for the period from 1 January to 31 December 2018 and the accompanying Funds Utilization statement¹ as of 31 December 2019. 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. 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:

Project Expenses	
Amount (in \$ '000)	Opinion
5,078	Unmodified

Key recommendations: Total = 2, high priority = 0

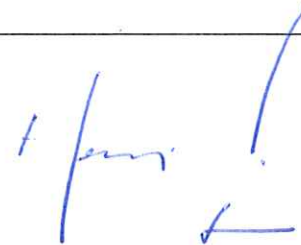
The audit did not result in any high (critical) priority recommendations. There are two medium (important) priority recommendations, which means, "Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP." These recommendations include actions to address insufficient project management monitoring controls, and weaknesses in the monitoring of grants.

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

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.

Management comments and action plan

The Resident Representative accepted both recommendations and is in the process of implementing them.

A handwritten signature in blue ink is enclosed within a black rectangular box. The signature is stylized and appears to read 'H. Osttveiten'.

Helge S. Osttveiten
Director
Office of Audit and Investigations