



AUDIT

OF

UNDP EL SALVADOR

FORTALECIMIENTO ISBM
(Nationally Implemented Project No. 88365, Output No. 95074)

Report No. 2234

Issue Date: 4 August 2020

**Report on the Audit of UNDP El Salvador
Fortalecimiento ISBM (Project No. 88365, Output No. 95074)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG SA (the audit firm), from 8 June to 17 July 2020, conducted an audit of *Fortalecimiento ISBM* (Project No. 88365, Output No. 95074) (the Project), which is nationally implemented¹ with support services provided by the UNDP Country Office in El Salvador (the Office). This was the first audit of the Project.

The audit firm conducted a financial audit, in accordance with the International Standards of Auditing (ISA), the 700 series, 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 2019 and the accompanying Funds Utilization statement² as of 31 December 2019. 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 submitted by the audit firm, the results are summarized in the table below:

Project Expenses*	
Amount (in \$ '000)	Opinion
6,581*	Unmodified

** Expenses recorded in the Combined Delivery Report were \$6,823,592. Excluded from the audit scope were transactions relating to medical products (\$242,500, representing 3.6 percent of the total expenditures) that could not be verified due to staff being unable to gain access to the Office to obtain the supporting documentation, as a result of the COVID-19 Pandemic.*

The audit did not result in any recommendations.

Management comments and action plan

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

¹ The responsible units in UNDP facilitate the audits of nationally implemented (NIM) projects. 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 expended 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.



A handwritten signature in blue ink, appearing to read 'B G Simpson', is enclosed within a black rectangular box.

Brett Simpson
Officer-in-Charge
Office of Audit and Investigations