



**AUDIT**

**OF**

**UNDP GUATEMALA**

**PROGRAMA DE DESARROLLO METROPOLITANO**  
**(Nationally Implemented Project No. 36408, Output Nos. 39570, 46679, and 46682)**

**Report No. 2235**

**Issue Date: 24 July 2020**

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**Report on the Audit of UNDP Guatemala**  
**Programa de Desarrollo Metropolitano (Project No. 36408, Output Nos. 39570, 46679, and 46682)**  
**Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through KPMG SA (the audit firm), from 8 to 30 June 2020, conducted an audit of *Programa de Desarrollo Metropolitano* (Project No. 36408, Output Nos. 39570, 46679, and 46682) (the Project), which is nationally implemented<sup>1</sup> with support services provided by UNDP Guatemala (the Office). The project was not audited through the direct implementation modality regime in the prior year and therefore there are no recommendations to follow up on. This was due to the fact that the Project was audited in 2018 following the Harmonized Approach to Cash Transfer/National Implementation Modality regime, whereas this audit report is based on the recorded expenditures relating to UNDP Guatemala exclusively that followed the direct implementation modality audit regime.

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 2019 to 31 December 2019 and the accompanying Funds Utilization statement<sup>2</sup> as of 31 December 2019.

The audit did not include activities and expenses incurred or undertaken at the "responsible party" level. 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:

Amount (in \$ '000)	Opinion
17,773	Unmodified

*\*Expenses recorded in the Combined Delivery Report were \$18,244,481. Excluded from the audit scope were expenses incurred at the "responsible party" level \$471,554, which were subject to a separate audit conducted by external auditors that resulted in an unmodified opinion.*

The audit did not result in any recommendations.

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<sup>1</sup> 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.

<sup>2</sup> 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.



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### Management comments and action plan

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

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Officer-in-Charge  
Office of Audit and Investigations