



AUDIT

OF

REINCORPORACION INTEGRAL EN ENTORNOS PRODUCTIVOS
(Directly Implemented Project No. 109718, Output Nos. 108976, 108977, 114359,
120030, and 120031)

IN

UNDP COLOMBIA

Report No. 2382

Issue Date: 15 July 2021

**Report on the Audit of
'Reincorporación integral en entornos productivos' (Project No. 109718, Output Nos. 108976, 108977,
114359, 120030, and 120031) in UNDP Colombia
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through PKF Littlejohn LLP (the audit firm), from 3 May to 8 June 2021, conducted an audit of *Reincorporación integral en entornos productivos* (Project No. 109718, Output Nos. 108976, 108977, 114359, 120030, and 120031) (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 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 2018 to 31 December 2020 and the accompanying Funds Utilization statement¹ as of 31 December 2020. 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
4,125	Unmodified

Key recommendation: Total = 1, high priority = 0

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, 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." This recommendation includes actions to address weaknesses in project budget monitoring by activity.

The recommendation aims to ensure 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 the recommendation and is in the process of implementing it. Comments and/or additional information provided have been incorporated into the report, where appropriate.

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