



AUDIT

OF

UNDP ECUADOR

**PRIMING FINANCIAL AND LAND-USE PLANNING INSTRUMENTS TO REDUCE
EMISSIONS FROM DEFORESTATION**
(Nationally Implemented Project No. 100778, Output No. 103568)

Report No. 2384
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Report on the Audit of UNDP Ecuador
Priming Financial and Land-Use Planning Instruments to Reduce Emissions from Deforestation (Project
No. 100778, Output No. 103568)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through PKF Littlejohn LLP (the audit firm), from 10 to 25 May 2021, conducted an audit of ‘Priming Financial and Land-Use Planning Instruments to Reduce Emissions from Deforestation’ (Project No. 100778, Output No. 103568) (the Project), which is nationally implemented¹ with support services provided by the UNDP Country Office in Ecuador. 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 2020 and the accompanying Funds Utilization statement¹ as of 31 December 2020. 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 submitted by the audit firm, the results are summarized in the table below:

Project Expenses*	
Amount (in \$ '000)	Opinion
6,131	Unmodified

*Expenses recorded in the Combined Delivery Report were \$8,576,331.50. Excluded from the audit scope were transactions that relate to expenses of other United Nations agencies (\$466,124.89). Also excluded were expenses incurred at the “responsible party” level (\$1,611,391.26), which were subject to a separate audit conducted by external auditors that resulted in an unmodified opinion, and government expenses (\$368,081.84).

The audit did not result in any recommendations.

¹The 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

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

Brett Simpson
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