



AUDIT

OF

**PROGRAMA DE APOYO PARA LA EFICIENCIA Y LA TRANSPARENCIA DEL PROCESO
DE MODERNIZACION DEL DOCUMENTO NACIONAL DE IDENTIFICACION -
IDENTIFICATE**

(Nationally Implemented Project No. 118949, Output Nos. 115548, 117161, and 117162)

IN

UNDP HONDURAS

Report No. 2389

Issue Date: 16 July 2021

Report on the Audit of

Programa de apoyo para la eficiencia y la transparencia del proceso de modernización del documento de identificación - IDENTIFICATE (Project No. 118949, Output Nos. 115548, 117161, and 117162) in UNDP Honduras Executive Summary

The UNDP Office of Audit and Investigations (OAI), through PKF Littlejohn LLP (the audit firm), from 16 to 29 June 2021, conducted an audit of *Programa de apoyo para la eficiencia y la transparencia del proceso de modernización del documento de identificación - IDENTIFICATE* (Project No. 118949, Output Nos. 115548, 117161, and 117162) (the Project), which is nationally implemented with support services provided by the UNDP Country Office in Honduras. The last audit of the Project was conducted by OAI in 2020 and covered project expenses from 1 July to 31 December 2019.

The audit was conducted in accordance with the International Standards of Auditing (ISA), the 700 series. The audit work covered financial transactions as well as internal controls and systems for the purpose of expressing an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations, as well as assess compliance with UNDP regulations, rules, policies and procedures and donor agreements. 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. It also reviewed the relevant systems, procedures, and practices in place as they relate to the Project, in the areas of governance, programme, and operations. 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*. Due to the COVID-19 pandemic, the audit was conducted remotely.

Overall audit rating

Based on the audit report submitted by the audit firm, OAI assessed the management of the Project as **fully satisfactory**, which means, "The assessed governance arrangements, risk management practices, as applicable to the Project's financial statements, and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area."

Project Expenses*	
Amount (in \$ '000)	Opinion
39,034	Unmodified

The audit did not result in any recommendations.

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.



Implementation status of previous OAI audit recommendations: Report No. 2280, 1 September 2020.

Total recommendations: 2

Implemented: 2

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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