



AUDIT

OF

LOCAL CLIMATE ADAPTIVE LIVING

(Directly Implemented Project Nos. 89175, 112602, 112971, 117516, 122181, 122608, 123837, 124043, 125649, 126336, 126821, 128083, 129147, 129998 and 101488, and their outputs)

IMPLEMENTED BY THE

UNITED NATIONS CAPITAL DEVELOPMENT FUND

Report No. 2395

Issue Date: 14 September 2021

**Report on the audit of Local Climate Adaptive Living
(Project Nos. 89175, 112602, 112971, 117516, 122181, 122608, 123837, 124043, 125649, 126336, 126821,
128083, 129147, 129998 and 101488, and their outputs) directly implemented by the United Nations
Capital Development Fund
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through PKF Littlejohn LLP (the audit firm), from 14 June to 6 September 2021, conducted an audit of 'Local Climate Adaptive Living' (Project Nos. 89175, 112602, 112971, 117516, 122181, 122608, 123837, 124043, 125649, 126336, 126821, 128083, 129147, 129998 and 101488, and their outputs) (the Projects), which are directly implemented and managed by the United Nations Capital Development Fund. This was the first audit of the Projects.

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 Projects' operations. The audit covered the Projects' 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 as well as Statement of Assets. The audit did not include expenses processed and approved in locations outside the project locations (such as UNCDF Regional Centres and UNCDF Headquarters). The audit did not cover the Statement of Cash Positions as no separate bank account was established and maintained for the Projects.

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. This did not have an impact on the audit opinion.

Audit results

Based on the audit report submitted by the audit firm, the results are summarized in the table below:

Project Expenses*		Project Assets	
Amount (in \$'000)	Opinion	Amount (in \$'000)	Opinion
8,732**	Unmodified	62	Unmodified

*Expenses included in the Combined Delivery Reports totalled \$10,552,201. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UNCDF offices outside the project locations amounting to \$1,820,418.

**For Project No. 101488, the total expenses in the Combined Delivery Report totalled \$472,774. Of this amount, only expenses totalling \$15,173 (reported under Activity 'Output 6') were related to the Project.

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 projects; 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.

Helge S. Ostveiten
Director
Office of Audit and Investigations