



AUDIT

OF

**REDUCING CLIMATE VULNERABILITY AND FLOOD RISK IN COASTAL URBAN AND
SEMI URBAN AREAS IN CITIES IN LATIN AMERICA**
(Directly Implemented Project No. 117074)

IN

UNDP ECUADOR

Report No. 2768
Issue Date: 18 July 2024

**Report on the Audit of Reducing climate vulnerability and flood risk in coastal urban and semi urban areas in cities in Latin America (Project No. 117074)
Implemented by UNDP Ecuador
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through PKF Littlejohn LLP, (the audit firm), from 3 to 14 June 2024, conducted an audit of ‘Reducing climate change vulnerability and flood risk in coastal urban and semi urban areas in cities in Latin America’ (Project No. 117074) (the Project), which is directly implemented and managed by the UNDP Country Office in Ecuador. The last audit of the Project was conducted by OAI, through PKF Littlejohn LLP in 2022 and covered project expenses from 1 January to 31 December 2021.

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 2022 to 31 December 2023 and the accompanying Funds Utilization statement¹ as of 31 December 2023. 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* of The Institute of Internal Auditors (The IIA).

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
1,309	Unmodified

*Expenses recorded in the Combined Delivery Reports were \$1,446,376.65. Excluded from the audit scope were transactions that relate to expenses incurred at the “responsible party” level (\$137,839.26).

The audit did not result in any recommendations.


The previous audit (Report No. 2492, issued on 29 June 2022) 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.



Management comments and action plan

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



Guillermo Munoz
Deputy Director (Audit) a.i.
Office of Audit and Investigations