

# UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

## INTERNAL AUDIT REPORT

<b>PROJECT NAME:</b>	<b>SMALL GRANTS PROGRAMME (SGP) – OPERATIONAL PHASE 6</b>
<b>ONEUNOPS PROJECT NUMBER:</b>	<b>11960-009</b>
<b>COUNTRY:</b>	<b>COLOMBIA</b>
<b>AUDITOR:</b>	<b>MOORE STEPHENS LLP</b>
<b>PERIOD SUBJECT TO AUDIT:</b>	<b>1 JANUARY 2016 TO 31 MARCH 2018</b>

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## Acronyms and abbreviations

AI	Administrative Instructions
BU	Business Unit
CBA	Community-based Adaptation
CBO	Community-based Organisation
CD	Country Director
DCD	Deputy Country Director
CO	Country Office
COA	Chart of Account (oneUNOPS)
COB	Country Operating Budget
CPMT	Central Programme Management Team
CPS	Country Programme Strategy
DOA	Delegation of Authority
ERP	Enterprise Resource Planning (oneUNOPS)
FTA	Fixed-Term Appointments
GEF	Global Environment Facility
GLA	General Ledger Account
GLJE	General Ledger Journal Entry
ICF	Internal Control Framework
IPSAS	International Public Sector Accounting Standards
LOA	Letter of Agreement
MOA	Memorandum of Agreement
MOSS	Minimum Operating Security Standards
MOU	Memorandum of Understanding
NC	National Coordinator
NFP	National Focal Person
NGO	Non-governmental Organisation
NHI	National Host Institution
NSC	National Steering Committee
OD	Organisational Directive
OI	Operational Instructions
OP	Operational Phase
PA	Programme Assistant
PO	Purchase Order (oneUNOPS)
PRINCE2	Projects in Controlled Environments 2
REQ	Requisition (oneUNOPS)
RFP	Request for Payment
RR (Res. Rep.)	Resident Representative
SC	Service Contracts
SOP	Standard Operating Procedures
SGC	Small Grants Cluster (The UNOPS SGP team)
SGP	GEF Small Grants Programme
TAG	Technical Advisory Group
TOR	Terms of Reference
UN	United Nations
UNDP	United Nations Development Programme
UNDSS	United Nations Department of Safety and Security
UNOPS	United Nations Office for Project Services
US\$	United States Dollars

## Executive summary

### The engagement context

From 1 to 5 October 2018, the Internal Audit and Investigations Group (IAIG) of the United Nations Office for Project Services (UNOPS), through Moore Stephens LLP (“the audit firm”), conducted an audit of Small Grants Programme (SGP), Operational Phase 6 (OP6) in Colombia, (one UNOPS Project reference 11960-009) (“the project”), which is implemented and managed by UNDP SGP Office in Colombia on behalf of the Global Environment Facility (GEF). The audit firm was under the general supervision of IAIG in conformance with the International Standards for the Professional Practice of Internal Auditing.

The project reported expenditure amounting to US\$ 267,047 during the period from 1 January 2016 to 31 March 2018. This project was funded by the Global Environment Facility (GEF).

The UNOPS-Small Grants Cluster (SGC), in conjunction with the Central Programme Management Team (CPMT), adopted a risk-based approach to form the audit plan, through which the SGP Colombia programme was selected to be audited.

### Audit objectives

The overall objective of the audit was to assess the management of the project operations to obtain reasonable assurance towards the achievement of the project objectives. The areas of focus included:

- a) Effective, efficient and economical use of resources;
- b) Reliability of reporting;
- c) Safeguarding of assets; and
- d) Compliance with applicable legislation.

The purpose of the audit was to provide reasonable assurance that:

- a) Client/donor contributions and project expenditure are properly accounted for;
- b) Project expenditure was incurred in accordance with the contribution agreement, and is supported by adequate documentation; and
- c) The related financial statements prepared by UNOPS for the period under review present a fair view of the operations.

In particular, the audit firm provided an overall assessment of the operational and internal control systems that are in place for the management of the project so that related transactions are processed in accordance with UNOPS policies and procedures to achieve the project’s objectives.

### Audit scope

The audit firm conducted the audit in accordance with International Standards on Auditing issued by the IASSB and UNOPS internal audit practices, and in consideration of the requirements of International Public Sector Accounting Standards (IPSAS).

## Audit rating

Based on the audit report and corresponding management letter submitted by the audit firm, IAIG assessed the management of the project as satisfactory which means “The assessed governance arrangements, risk management practices 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.”

The details of the audit results are presented in Tables 1 and 2.

**Table 1: Summary results of the financial audit**

Project title		Period	Project no.
Small Grants Programme – Operational Phase 6, Colombia		1 January 2016 – 31 March 2018	11960-009
Financial statement		Asset listing <sup>1</sup>	
Amount US\$	Opinion	Amount US\$	Opinion
267,047	Unmodified	6,530	n/a

**Table 2: Internal control rating summary for project**

Rating summary by functional area		
Functional area	Rating	
Grant management	Satisfactory	
Financial monitoring and processes	Satisfactory	
oneUNOPS processes	Satisfactory	
Document Management – filing and archiving	Satisfactory	
Asset management	Satisfactory	
<b>Overall rating of internal control</b>	<b>Satisfactory</b>	

## Key issues and recommendations

We have not raised any recommendations.

<sup>1</sup> All assets procured under the SGP programme are fully expensed at the time of purchase. They do not, therefore, appear on a separate statement of non-expendable property and an audit opinion is not required. The asset listing is provided as Annex II of this report.

## Annex I - Definitions

### Standard Audit Ratings for overall performance of internal control system

Effective 1 January 2017, the internal audit services of UNDP, UNFPA, UNICEF, UNOPS and WFP adopted harmonized audit rating definitions, as described below. IAIG assesses the entity under review as a whole as well as the specific audit areas within the audited entity:

- (a) satisfactory (effective),
- (b) partially satisfactory (some improvement needed),
- (c) partially satisfactory (major improvement needed), and
- (c) unsatisfactory (ineffective).

The elements of the rating system take into account the audited office's internal control system, risk management practices, and their impact on the achievement of office objectives.

The definitions of the ratings are, as follows:

Standard rating	Definition
<b>Satisfactory (effective)</b>	The assessed governance arrangements, risk management practices 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.
<b>Partially satisfactory (some improvement needed)</b>	The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
<b>Partially satisfactory (major improvement needed)</b>	The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
<b>Unsatisfactory (ineffective)</b>	The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity.

### Categories for priorities of audit recommendations

The audit observations are categorized according to the priority of the audit recommendations and the possible causes of the issues. The categorized audit observation provides a basis by which the UNOPS country office management is to address the issues.

The following categories of **priorities** are used:

Categories	Definition
<b>High</b>	Prompt action is considered imperative to ensure that UNOPS is not exposed to high risks (that is, where failure to take action could result in critical or major consequences for the organization).
<b>Medium</b>	Action is considered necessary to avoid exposure to significant risks (that is, where failure to take action could result in significant consequences).
<b>Low</b>	Action is considered desirable and should result in enhanced control or better value for money.

### Possible causes

The following categories of **possible causes** are used:

Rating	Definition
Compliance	Failure to comply with prescribed regulations, rules and procedures
Guidelines	Absence of written procedures to guide staff in the performance of their functions
Guidance	Inadequate or lack of supervision by supervisors
Human errors	Mistakes committed by staff entrusted to perform assigned functions
Resources	Lack of or inadequate resources (funds, skills, staff, etc.) to carry out an activity or function

### List of functional areas

The following categories of **functional areas** are used:

- Grant Management
- Financial Monitoring and Processes
- oneUNOPS processes
- Document Management – Filing and Archiving
- Asset Management

SGP EQUIPMENT INVENTORY DATABASE - Template

North America Office (NAO)

List of equipment as of (date)										
No	Category	Sub-Category	Description	Unit	Quantity	Unit price US\$	Total US\$	Location -users	Acquisition date	Status
1	Audio Visual	Camera	Cámara Sony A-58	No	1	\$ 615	\$ 615	SGP Country Colombia	9/23/2015	Working
2	IT Equipment	Laptop	Equipo portátil Toshiba Portege Z30-B C7	No	1	\$ 1.792	\$ 1.792	SGP Country Colombia	9/25/2015	Working
3	IT Equipment	Monitor	Monitor Samsung 20" LED	No	1	\$ 121	\$ 121	SGP Country Colombia	9/25/2015	Working
4	IT Equipment	Laptop	Equipo portátil HP 840	No	1	\$ 1.402	\$ 1.402	SGP Country Colombia	12/19/14	Working
5	IT Equipment	Monitor	Monitor Samsung T24D310LB TV 23,6 in LED	No	1	\$ 189	\$ 149	SGP Country Colombia	12/19/14	Working
6	IT Equipment	Video Beam	Video proyector LG MINI Beam Tipo LED	No	1	442	442	SGP Country Colombia	12/1/2015	Working
7	IT Equipment	Storage Device	Disco Duro de 1 TB externo CANVIO BASICS PORTABLE	No	1	\$ 75	\$ 75	SGP Country Colombia	12/1/2015	Working
8	IT Equipment	Router	Router de 5 Puertos	No	1	\$ 84	\$ 84	SGP Country Colombia	4/16/2016	Working
9	IT Equipment	Printer	Impresora multiusos Xerox multifuncional W6505	No	1	\$ 1.022	\$ 1.022	SGP Country Colombia	5/11/2015	Working
10	IT Equipment	Radio	Radio Motoría MOTOTRBO DGP8550 VHF	No	1	\$ 828	\$ 828	SGP Country Colombia	17/07/2016	Working
						\$	6.530			

Todos los activos enumerados no están capitalizados y ya han sido reportados como gastos en el momento de la compra, por lo tanto no se reflejan en un libro mayor .  
Este listado de bienes es correcto. 31 de marzo de 2018

*Ana Beatriz Barona C*

Ana Beatriz Barona Colmenares  
Coordinadora Nacional

*Tulia Henry Rivas*

Tulia Henry Rivas  
Asistente de Programa