

**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**Office of Audit and Investigations**



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNDP SOUTH SUDAN**

**SUPPORT TO PUBLIC ADMINISTRATION**  
**(Directly Implemented Project, Output Nos. 81054 and 85700)**

**Report No. 1342**

**Issue Date: 23 September 2014**

**Report on the audit of UNDP South Sudan  
Support to Public Administration (Output Nos. 81054 and 85700)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), from 9 June 2014 to 1 July 2014, through PricewaterhouseCoopers CPA, Kenya (the audit firm), conducted an audit of Support to Public Administration, Output Nos. 81054 and 85700 (the Project), which is directly implemented and managed by the UNDP Country Office in South Sudan (the Office).<sup>1</sup> The last audit of the Project was conducted by Ernst & Young on behalf of OAI in 2012 and covered project expenditure from 1 January to 31 December 2011.

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 expenditure for the period from 1 January 2012 to 31 December 2013 and the accompanying Funds Utilization statement<sup>2</sup> as of 31 December 2013 as well as Statement of Assets. It also reviewed the relevant systems, procedures and practices in place as they relate to the Project, in the areas of: organization and staffing, project management, human resources management, financial and cash management, procurement, asset management, information systems and general administration. The audit did not include activities and expenses incurred or undertaken at the "responsible party" level. In addition, the audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Project as of 31 December 2012 and 2013.

The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

**Overall audit rating**

Based on the audit report and corresponding management letter submitted by the audit firm, OAI assessed the management of the Project as **satisfactory** which means, "Internal controls, governance and risk management processes as applicable to the Project's financial statements were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity." The details of the audit results are presented in the table below:

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<sup>1</sup> The audit report for FY 2012 mentions Project No. 64174, which relates to Output No. 81054. The audit report for FY 2013 mentions Project No. 72642 (formerly 64174), which relates to Output Nos. 81054 and 85700. While there was a change in the output and project numbers, the project objectives remained the same.

<sup>2</sup> The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) depreciated 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.

Year	Project Expenditure		Project Assets	
	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
FY2012	8,256*	Unqualified	112	Unqualified
FY2013	7,971	Unqualified	221	Unqualified

\*Expenditures recorded in the Combined Delivery Report for FY 2012 were \$8,356,045. Excluded from the audit scope were transactions that relate to expenditures incurred by the "responsible party" (\$99,400).

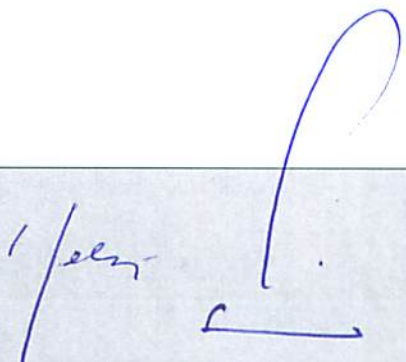
The audit firm issued an unqualified opinion on the Funds Utilization statement.

The audit did not result in any recommendations.

**Implementation status of previous OAI audit recommendations:** Report No. 1118, 29 April 2013.

Total recommendations: 2

Implementation status: 100%



Helge S. Osttveiten  
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