



**AUDIT**

**OF**

**UNDP SOUTH SUDAN**

**THE COMMUNITY SECURITY AND ARMS CONTROL PROJECT**  
**(Directly Implemented Project No. 77737)**

**Report No. 1093**  
**Issue Date: 29 April 2013**

## Report on the audit of UNDP South Sudan Community Security and Arms Control Project (Project No. 77737) Executive Summary

From 8 to 19 October 2012, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP), through Ernst & Young, Nairobi (the audit firm), conducted an audit of the Community Security and Arms Control Project (Project No. 77737) which was directly implemented and managed by the UNDP Country Office in South Sudan (the Office). The audit firm was under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

The project reported expenditure totaling \$5.1 million during the period from 1 January to 31 December 2011. The following donors contributed to the Project: the Netherlands, Department of Foreign Affairs and International Trade Canada, Department for International Development, United States, Canadian International Development Agency and Norway.

### Audit scope and objectives

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 results of the Project's operations, as well as assess compliance with UNDP regulations, rules, policies and procedures and donor agreements. The audit covered the review of the Project's Statement of Expenditure (Combined Delivery Report) for the period from 1 January to 31 December 2011 and Statement of Assets of 31 December 2011. 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.

### Audit rating

Based on the audit report submitted by the audit firm, OAI assessed the management of the Project as **satisfactory**, which means "Internal controls, governance and risk management processes 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 Figure 1 and 2.

Figure 1: Summary results of the financial audit

Project Expenditure		Project Assets		Cash	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
5,054	Unqualified	525	Unqualified	-	Not Applicable*

\*No separate bank account was held by the project

Figure 2: Internal controls and systems audit ratings summary

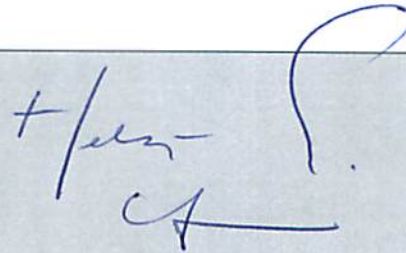
Audit Areas	Not Assessed/ Not Applicable	Unsatisfactory	Partially Satisfactory	Satisfactory
1. Organization and staffing				
2. Project management				
3. Human resources				
4. Finance				
5. Procurement				
6. Asset management				
7. Information systems				
8. General administration				

### Key issues and recommendations

The audit raised one issue and resulted in one recommendation which was ranked as “medium” (important) priority, which means “Action is required to ensure that UNDP is not exposed to significant risks. Failure to take action could result in negative consequences for UNDP.” The medium (important) priority recommendation includes actions to strengthen procedures over the movement of assets in and out of the UNDP compound.

### Management’s comments

The UN Resident Coordinator and UNDP Resident Representative accepted the recommendation and are in the process of implementing it.



Helge S. Ostveiten  
Director  
Office of Audit and Investigations

UNITED NATIONS DEVELOPMENT PROGRAMME SOUTH SUDAN

PROJECT TITLE: COMMUNITY SECURITY AND ARMS CONTROL

IMPLEMENTED BY UNDP THROUGH THE DIRECT IMPLEMENTATION MODALITY (DIM)

AWARD NUMBER: 00061383

PROJECT NUMBER: 00077737

AUDIT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

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## **1. INTRODUCTION**

### **1.1. BACKGROUND**

#### **1.1.1. UNDP Country Office**

UNDP supports priorities of the Government of South Sudan by implementing the Country Programme Action Plan (CPAP). This is mainly done by supporting projects that are directly implemented by UNDP on behalf of the Government through the Direct Implementation Modality (DIM). Under the DIM, UNDP assumes overall management responsibility and accountability for the projects.

UNDP works with the Government, UN agencies, civil society and development partners in four broad programmatic areas; democratic governance, economic development, social and human development, and conflict prevention and security.

#### **1.1.2. Project background**

One of the legacies of the 40 years of civil war in Southern Sudan since 1961 is significant influx of weapons, both through the direct conflict of the two former antagonists, the Government of Sudan and the Sudan People's Liberation Army (SPLA), as well as through neighboring countries. These weapons are used to meet individual and/ or community needs for protection from other neighboring communities against aggression, cattle theft and/or other perceived threats. These same weapons have been used for offensive and predatory raiding and criminality by and against civilians, leading to cyclical violence and revenge attacks. The UN Joint Assessment Mission (JAM) recognized that easy access to weapons and the proliferation of small arms have contributed to increasingly violent and entrenched clashes. The JAM findings highlighted that demilitarization of areas of return is a necessary precondition, as is the training of civil authorities in the promotion and protection of human rights for all. Recovery programmes can address the proliferation of small arms and light weapons by encouraging community involvement in and responsibility for disarmament.

Community Security and Arms Control Project (CSAC) is an integral part of the United Nations' support to the Government of Southern Sudan's efforts to build confidence, stability and security for communities in Southern Sudan as a key contribution towards more responsive governance, strengthened rule of law and improved recovery/development in South Sudan. The project is implemented in selected and insecure states of South Sudan. The project was first designed as part of the 2009-2012 Country Programme Action Plan (CPAP) and was operating based on Annual Work Plans prepared at the beginning of each year. The project is currently part of the new CPAP 2012-2013 and operating based on AWP. Project is implemented across states of South Sudan.

**Project Objective:**

Improved security environment allows for development at the community level with specific attention to women's security needs.

The project had the following key outputs:

- Policy and Implementation Strategy on small arms and light weapons control developed.
- Capacity of Bureau state offices strengthened.
- Capacity of civil authorities in each County in the new target States strengthened.
- Conflict sensitive development projects implemented.
- Capacity of Community Representatives, Traditional/Tribal Authorities, County Level Steering Committees and County Administrations strengthened to collectively support peace building, conflict transformation and mitigation.
- Empowered to effectively engage with government on community security through concretization and public awareness.

**1.1.3. Sources of Funding for the Project**

The project was funded by the following donors:

Donor	Amount (US\$)
Netherlands	5,096,637
Norwegian Government	9,029
The Government of United States of America (USA)	1,534,679
Canadian International Development Agency (CIDA)	160,000
The United Kingdom Government Department for International Development (DFID)	2,131,260
Department of Foreign Affairs and International Trade Canada (DFAIT)	2,131,317
<b>Total</b>	<b>11,062,922</b>

**1.1.4. Project Audit**

Ernst & Young was contracted to carry out the audit of the Community Security and Arms Control, project number 00077737 for the period from 1 January 2011 to 31 December 2011. We conducted the field work from 8 October 2012 to 19 October 2012.

## 1.2. AUDIT OBJECTIVES

The objective of the audit is to determine the regularity of the receipt, custody, expenditure, and accounting for UNDP resources and assess the overall operational and internal control system for management of the project.

The specific objectives of the audit were:

- Express an opinion on whether the Combined Delivery Reports (statement of expenditure), including disbursements and encumbrances of the Project for the audit period presents fairly, in all material respects, expenditures incurred on the project; and whether these expenditures were incurred:
  - i) in conformity with the approved project budgets;
  - ii) for the approved purposes of the project;
  - iii) in compliance with the relevant regulations and rules, policies and procedures of UNDP;
  - iv) in accordance with donor grant terms; and
  - v) Supported by properly approved vouchers and other supporting documents.
- Express an opinion on whether the projects' statement of assets as at 31 December 2011 presents fairly, in all material respects, the balance of inventory of the projects.
- Express an opinion on whether the projects' Statement of Cash Position as at 31 December 2011 presents fairly, in all material respects, the cash and bank balances of the projects. (Statement of Cash Position is required only if there was a separate bank account for the project)..
- Provide an overall assessment of the operational and internal control systems that are in place for the management of the Project(s) so that related transactions are processed in accordance with UNDP policies and procedures and for the achievement of the projects objectives.

## 1.3. SCOPE OF AUDIT

We conducted our audit in accordance with International Standards on Auditing. The scope of the audit was limited to the expenditure incurred by UNDP directly in implementation of the project which is defined as including all UNDP disbursements and encumbrances listed in the Combined Delivery Report.

The audit covered the overall project's management system, monitoring and evaluation system, financial and accounting system as well as follow-up on previous audit recommendations. The audit work included the review of all project reports and records which includes:

- The Combined Delivery Report (CDR)/ Statement of Expenditure of the project for the year ended 31 December 2011.



- The Statement of Assets of the project as at 31 December 2011.
- The Statement of Cash Position of the project as at 31 December 2011. (Statement of Cash Position was required only if there was a separate bank account for the DIM project).

In order to achieve the audit objectives as well as cover the operations mentioned above, we covered the following areas as they are performed at the project level:

**Organization and Staffing:**

We assessed the organization structure of the project in terms of its effectiveness and efficiency for the management of the project, taking into account the framework of authorities, workflows, staffing level and necessary internal controls including the different levels of delegated authority for different operational functions and distribution of project management responsibilities to achieve project goals while ensuring appropriate segregation of duties in general so as to minimize risks.

**Programme and project management:**

We assessed the management aspects in terms of project approvals (including incorporating Local Project Appraisal Committee recommendations into the project document), work plans, budget formulation, project resources, monitoring and evaluation of implementation towards achievement of project objectives including constitution and functioning of project Board, field visits, review meetings and the coordination and consultation mechanisms with the stakeholders, and periodic project progress reporting against planned objectives and work plans. In addition, we reviewed:

- i) the areas of coverage of such authorization;
- ii) business unit capacity assessment for implementation of DIM projects;
- iii) Exit strategy and national capacity building;
- iv) Identifying and recovering costs attributable to implementing the project.

**Human Resources:**

We assessed the timeliness of recruitment of competent personnel for clearly defined tasks and responsibilities through a competitive and transparent process and the continued management of project personnel including review of their performance, and the payment of salaries and allowances in accordance with UNDP HR policies. In respect of casual or other staff not subject to UNDP HR policies and who are temporarily loaned or seconded from the local authorities for engagement at the field level, we reviewed the control of their assignments and the appropriateness of the salary, allowances and benefits paid.

**Finance:**

We assessed the adequacy of the accounting and reporting systems used for the management of project resources; and the adequacy of internal controls for compliance with UNDP policies with respect to the safe custody and adequate management of cash, commitment of expenditures against approved budget,

disbursement or payments against liabilities and cash advances to field offices as well as project staff.

**Procurement:**

We assessed whether goods (supplies, equipment) and services for the project are procured competitively and in a transparent manner in accordance with UNDP policies and procedures; and these are of a quality and quantity that are actually required for the project. Our review covered:

- the integrity of the entire procurement process from the initial identification of needs;
- the formulation of specifications;
- solicitation of bids/tenders/proposals from vendors;
- evaluation of vendor offers in response to solicitations;
- the award of contracts;
- the appropriate assessment of goods or services delivered and the payment for received goods or services; and;
- Monitoring performance of the contractors.

**Assets Management:**

We assessed whether project assets are adequately recorded, safeguarded, monitored, including periodic physical verification of their use and existence, and controlled to ensure that the assets are adequately used and only for project purposes. Assets are defined as all items with an acquisition value exceeding \$1,000 (such as vehicles and office equipment), or, for attractive items, exceeding \$400, the costs of which are charged to the project expenditure or which are received in kind as donations from third parties.

**Cash Management:**

We reviewed the safeguarding of all cash (including bank accounts) held separately for the purposes of the project either in the UNDP country office or at the project field offices, including cash held as advances or imprest in any sub-office or field office, where applicable.

**Information Systems:**

We assessed the efficiency and security of the information systems established and maintained from project funds and their adequacy to meet the management and reporting requirements of the project.

**General Administration:**

We assessed other relevant areas of operations for which expenditures are charged to the project covering such areas as: travel of project staff, use and maintenance of project vehicles, shipping services, lease and maintenance of office premises and facilities, communications, and records maintenance.

**Follow up on previous audits:**

We assessed the status of implementation of the previous audits' recommendations done within the last three years, where applicable.

**Scope limitation:**

The scope of our audit was limited to the UNDP Disbursements and Encumbrances columns of the Combined Delivery Report. Government and other UN Agencies' disbursements were not included in the audit scope. Such scope limitation will not be a reason for issuing a modified opinion.

**1.4. AUDIT METHODOLOGY**

The audit was performed using the Ernst & Young Global Audit methodology (GAM), which requires general planning and identification of areas of audit significance, as well as evaluating risk inherent in significant accounts. This approach addresses the established internal control standards of UNDP and International Standards of Auditing (ISA).

## **1.5. EXECUTIVE SUMMARY**

### **a) Statement of Expenditure/ Combined Delivery Report (CDR)**

We verified the expenditure incurred by UNDP South Sudan through the Direct Implementation Modality as reported in the Combined Delivery Report. Refer to section 3 of this report for details.

### **b) Statement of assets**

We obtained a listing of assets purchased under the project and on a sample basis; we physically verified some of the material assets. The assets held under the project as at 31 December 2011 were worth US\$ 524,861. Refer to section 5 of this report for details.

### **c) Statement of cash position**

We did not give an opinion on the statement of cash position of the project since there was no separate bank account as at 31 December 2011.

### **d) Management Letter**

Refer to section 6 of this report.

### **e) Follow up on prior year audit recommendations**

The project has not been audited under the audit of DIM projects in the past three year; therefore there are no recommendations for follow-up.

2. CERTIFICATION OF THE STATEMENT OF EXPENDITURE – COMBINED DELIVERY REPORT (CDR)

Auditor's report to:

The Chief, Regional Audit Centre for Eastern and Southern Africa and;  
The Resident Representative, UNDP South Sudan

We have audited the accompanying statement of expenditure ("the statement") of the UNDP project number 00077737, Community Security and Arms Control for the period from 1 January 2011 to 31 December 2011.


The statement is the responsibility of the management of the project. Our responsibility is to express an opinion on the statement based on our audit.

We conducted our audit in accordance with International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement.

We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the attached statement of expenditure presents fairly, in all material respects, the expenditure of US\$ 5,053,850 incurred by the project, Community Security and Arms Control for the period from 1 January 2011 to 31 December 2011 in accordance with the accounting policies set out in the notes to the statement. The expenditures incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNDP; (iv) in accordance with donor grant terms; and (v) supported by properly approved vouchers and other supporting documents.

Auditor's Name: Ernst & Young

Auditor's Signature: 

Date: 

Address: Tongping  
Vivacell/SPLM Driveway  
Off Airport Road  
Juba, South Sudan.

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3. STATEMENT OF EXPENDITURE (CDR)  
FOR THE PERIOD 1 JANUARY 2011 TO 31 DECEMBER 2011

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**Selection Criteria :**

Business Unit : SSD10  
Period : Jan-Dec (2011)  
Selected Award Id : ALL  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Projects : 00077737

Award Id : 00061383 COMMUNITY SECURITY AND ARMS CO	Period : Jan-Dec (2011)				
Project # : 00077737 IMPROVED SECURITY ENVIRONMENT	Impl. Partner : 02885 UNDP (Direct Execution)				
	Location : Sudan (Juba)				
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Ex

Dept: 47101 (South Sudan - Central)

Fund : 30000 (Programme Cost Sharing)

75105 - Facilities & Admin - Implement	0.00	166.90	0.00	0.00	166.90
75709 - Learning - training of counter	0.00	2,384.33	0.00	0.00	2,384.33
<b>Total for Fund 30000</b>	<b>0.00</b>	<b>2,551.23</b>	<b>0.00</b>	<b>0.00</b>	<b>2,551.23</b>
<b>Total for Dept : 47101</b>	<b>0.00</b>	<b>2,551.23</b>	<b>0.00</b>	<b>0.00</b>	<b>2,551.23</b>

Dept: 47103 (South Sudan - Crisis Prev&Rcvr)

Fund : 04000 (TRAC (Lines 1.1.1 and 1.1.2))

63365 - Special Oper Living Allow-IP	0.00	14,970.00	0.00	0.00	14,970.00
71405 - Service Contracts-Individuals	0.00	16,232.32	0.00	0.00	16,232.32
71505 - UN Volunteers-Stipend & Allow	0.00	6,510.89	0.00	0.00	6,510.89
71530 - UNV-Rest and Recuperation	0.00	9,017.69	0.00	0.00	9,017.69
71620 - Daily Subsistence Allow-Local	0.00	15,789.17	0.00	0.00	15,789.17
71635 - Travel - Other	0.00	51.72	0.00	0.00	51.72
72105 - Svc Co-Construction & Engineer	0.00	411,119.45	0.00	0.00	411,119.45
72215 - Transportation Equipment	0.00	484,764.56	0.00	0.00	484,764.56
72440 - Connectivity Charges	0.00	5,210.34	0.00	0.00	5,210.34
72505 - Stationery & other Office Supp	0.00	269.66	0.00	0.00	269.66
72510 - Publications	0.00	1,530.00	0.00	0.00	1,530.00
73205 - Premises Alterations	29,822.81	0.00	0.00	0.00	29,822.81
73410 - Maint, Oper of Transport Equip	0.00	-36.00	0.00	0.00	-36.00
73505 - Reimb to UNDP for Supp Svcs	0.00	9,953.70	0.00	0.00	9,953.70
74510 - Bank Charges	0.00	278.59	0.00	0.00	278.59
74525 - Sundry	0.00	1,125.00	0.00	0.00	1,125.00
76125 - Realized Loss	0.00	8.63	0.00	0.00	8.63
76130 - Unrealized Gain	0.00	-205.67	0.00	0.00	-205.67
<b>Total for Fund 04000</b>	<b>29,822.81</b>	<b>976,590.05</b>	<b>0.00</b>	<b>0.00</b>	<b>1,006,412.86</b>

Fund : 30000 (Programme Cost Sharing)

61305 - Salaries - IP Staff	0.00	210,479.70	0.00	0.00	210,479.70
61310 - Post Adjustment - IP Staff	0.00	33,329.93	0.00	0.00	33,329.93
62225 - Hazard Duty Station Allow-GS	0.00	239.98	0.00	0.00	239.98
62305 - Dependency Allowances-IP Staff	0.00	40,302.62	0.00	0.00	40,302.62
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	35,216.70	0.00	0.00	35,216.70
62315 - Contrib. to medical, social in	0.00	946.57	0.00	0.00	946.57
62320 - Mobility, Hardship, Non-remova	0.00	14,322.99	0.00	0.00	14,322.99
62335 - Hazard Duty Station Allow-IP	0.00	1,365.00	0.00	0.00	1,365.00
63305 - Installation Allowance-IP Stf	0.00	0.00	0.00	0.00	0.00
63340 - Proc trips/Rest & Recup-IP Stf	0.00	19,346.77	0.00	0.00	19,346.77
63365 - Special Oper Living Allow-IP	0.00	154,179.66	0.00	0.00	154,179.66
63405 - Learning Costs	0.00	1,500.00	0.00	0.00	1,500.00
63505 - Hazard Insurance	0.00	3,300.27	0.00	0.00	3,300.27
63515 - Security-related Costs	0.00	7,495.12	0.00	0.00	7,495.12
63530 - Contribution to Separations	0.00	10,826.99	0.00	0.00	10,826.99
63535 - Contribution to Security	0.00	7,533.73	0.00	0.00	7,533.73
63540 - Contribution to Training	0.00	3,586.09	0.00	0.00	3,586.09



Award Id : 00061383 COMMUNITY SECURITY AND ARMS CO		Period : Jan-Dec (2011)			
Project # : 00077737 IMPROVED SECURITY ENVIRONMENT		Impl. Partner : 02885 UNDP (Direct Execution)		Location : Sudan (Juba)	
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
64308 - Appointments-Lump Sum	0.00	9,737.49	0.00	0.00	9,737.49
65115 - Contributions to ASHI Reserve	0.00	14,943.98	0.00	0.00	14,943.98
65135 - Payroll Mgt Cost Recovery ATLA	0.00	797.54	0.00	0.00	797.54
71105 - Salaries - ALD	0.00	2,279.69	0.00	0.00	2,279.69
71205 - Intl Consultants-Sht Term-Tech	0.00	200,213.89	0.00	0.00	200,213.89
71305 - Local Consult.-Sht Term-Tech	0.00	12,491.91	0.00	0.00	12,491.91
71310 - Local Consult.-Short Term-Supp	0.00	1,379.31	0.00	0.00	1,379.31
71405 - Service Contracts-Individuals	0.00	214,328.21	0.00	0.00	214,328.21
71505 - UN Volunteers-Stipend & Allow	0.00	364,750.09	0.00	0.00	364,750.09
71510 - UNV Settling-In-Grant	0.00	26,006.85	0.00	0.00	26,006.85
71515 - UNV-Security Allowance	0.00	9,273.90	0.00	0.00	9,273.90
71520 - UNV-Language Allowance	0.00	3,236.12	0.00	0.00	3,236.12
71525 - UNV-Hazard Pay	0.00	25,190.56	0.00	0.00	25,190.56
71530 - UNV-Rest and Recuperation	0.00	86,156.53	0.00	0.00	86,156.53
71535 - UNV-Medical Insurance	0.00	9,149.09	0.00	0.00	9,149.09
71540 - UNV-Global Charges	0.00	14,860.25	0.00	0.00	14,860.25
71545 - UNV-Home Leave Travel & Allowa	0.00	2,532.62	0.00	0.00	2,532.62
71550 - UNV-Resettlement Allowance	0.00	10,552.58	0.00	0.00	10,552.58
71560 - UNV-Intl Appoint/Sep incl Trvl	0.00	21,931.72	0.00	0.00	21,931.72
71605 - Travel Tickets-International	0.00	45,773.73	0.00	0.00	45,773.73
71610 - Travel Tickets-Local	0.00	3,551.54	0.00	0.00	3,551.54
71615 - Daily Subsistence Allow-Intl	0.00	-2,398.50	0.00	0.00	-2,398.50
71620 - Daily Subsistence Allow-Local	0.00	123,985.72	0.00	0.00	123,985.72
71625 - Daily Substst Allow-Mtg Partic	0.00	3,581.61	0.00	0.00	3,581.61
71630 - Shipment	0.00	8,252.77	0.00	28,250.00	36,502.77
71635 - Travel - Other	0.00	1,297.85	0.00	0.00	1,297.85
72105 - Svc Co-Construction & Engineer	0.00	414,106.02	0.00	0.00	414,106.02
72205 - Office Machinery	0.00	800.32	0.00	0.00	800.32
72210 - Machinery and Equipment	0.00	90,294.64	0.00	0.00	90,294.64
72215 - Transportation Equipment	0.00	456,609.72	0.00	32,160.00	488,769.72
72220 - Furniture	0.00	10,166.67	0.00	0.00	10,166.67
72399 - Other Materials and Goods	0.00	5,942.93	0.00	0.00	5,942.93
72401 - Prefab structure/other buildin	0.00	117,978.51	0.00	0.00	117,978.51
72402 - Building Maintenance	0.00	152,160.04	0.00	0.00	152,160.04
72405 - Acquisition of Communic Equip	0.00	161,022.50	0.00	0.00	161,022.50
72425 - Mobile Telephone Charges	0.00	2,451.39	0.00	0.00	2,451.39
72505 - Stationery & other Office Supp	0.00	13,396.18	0.00	0.00	13,396.18
72510 - Publications	0.00	2,690.97	0.00	0.00	2,690.97
72520 - Electronic Media	0.00	96.55	0.00	0.00	96.55
73105 - Rent	0.00	-85,606.34	0.00	0.00	-85,606.34
73115 - Moving Expenses	0.00	0.00	0.00	0.00	0.00
73120 - Utilities	0.00	30,328.20	0.00	0.00	30,328.20
73125 - Common Services-Premises	0.00	165,129.00	0.00	0.00	165,129.00
73205 - Premises Alternations	44,582.83	881.33	0.00	0.00	45,464.16
73216 - Construction Cost	0.00	10,823.96	0.00	0.00	10,823.96
73405 - Rental & Maint-Other Office Eq	0.00	121.53	0.00	0.00	121.53
73406 - Maintenance of Equipment	0.00	1,687.52	0.00	0.00	1,687.52
73410 - Maint, Oper of Transport Equip	0.00	17,391.11	0.00	0.00	17,391.11
73505 - Reimb to UNDP for Supp Svcs	0.00	37,345.25	0.00	0.00	37,345.25
74115 - Legal Fees	0.00	85.00	0.00	0.00	85.00
74210 - Printing and Publications	0.00	937.50	0.00	0.00	937.50
74310 - Contributions to JIU	0.00	845.58	0.00	0.00	845.58
74325 - Contrib.To CO Common Security	0.00	56,438.00	0.00	0.00	56,438.00
74505 - Insurance	0.00	4,224.89	0.00	0.00	4,224.89
74510 - Bank Charges	0.00	3,233.41	0.00	0.00	3,233.41
74525 - Sundry	0.00	3,277.74	0.00	0.00	3,277.74
74725 - Other L.T.S.H.	0.00	1,059.31	0.00	0.00	1,059.31
75105 - Facilities & Admin - Implement	0.00	310,918.97	0.00	0.00	310,918.97
75705 - Learning costs	0.00	103,403.12	0.00	0.00	103,403.12
75708 - Learning - subcontracts	0.00	5,155.63	0.00	0.00	5,155.63
75709 - Learning - training of counter	0.00	122,220.72	0.00	0.00	122,220.72
75711 - TrnWrkshp&Conf - Stipends	0.00	37,553.40	0.00	0.00	37,553.40






Award Id : 00061383 COMMUNITY SECURITY AND ARMS CO		Period : Jan-Dec (2011)			
Project # : 00077737 IMPROVED SECURITY ENVIRONMENT		Impl. Partner : 02885 UNDP (Direct Execution)			
		Location : Sudan (Juba)			
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp

75712 - TrnWrkshp&Conf - Honorariums	0.00	2,847.23	0.00	0.00	2,847.23
76125 - Realized Loss	0.00	2,437.95	0.00	0.00	2,437.95
76130 - Unrealized Gain	0.00	- 307.47	0.00	0.00	- 307.47
76135 - Realized Gain	0.00	- 3,829.12	0.00	0.00	- 3,829.12
77270 - Overtime & Night Diff-GS-TA	0.00	150.12	0.00	0.00	150.12
Total for Fund 30000	44,582.83	4,014,299.15	0.00	60,410.00	4,119,291.98
Total for Dept : 47103	74,405.64	4,990,889.20	0.00	60,410.00	5,125,704.84
Total for Project : 00077737	74,405.64	4,993,440.43	0.00	0.00	5,128,256.07

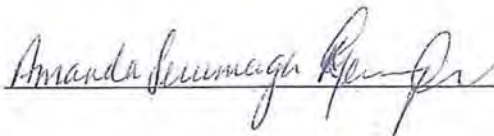
Award Total :	74,405.64	4,993,440.43	0.00	0.00	5,128,256.07
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**Note:**

The scope of Ernst & Young's audit was limited to the UNDP Disbursements and Encumbrances columns of the Combined Delivery Report

  
**ERNST & YOUNG**  
 Certified Public Accountants  
 Tongping  
 Vivacell/SPLM Driveway  
 Off Airport Road  
 Juba, South Sudan

Signed By :



Date :

31/10/12



Selection Criteria:

Business Unit : SSD10  
Period : Jan-Dec (2011)  
Selected Award Id : ALL  
Selected Fund Code : ALL  
Selected Dept. IDs : ALL  
Selected Projects : 00077737

Award Id : 00061383	COMMUNITY SECURITY AND ARMS CO		Period :	Jan-Dec (2011)	
Project # :	IMPROVED SECURITY ENVIRONMENT		Impl. Partner :	None	
			Location :	Sudan (Juba)	
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
47101 - South Sudan - Central	0.00	2,551.23	0.00	0.00	2,551.23
47103 - South Sudan - Crisis Prev&Rcvr	74,405.64	4,990,889.20	0.00	60,410.00	5,125,704.84

### **3.1. Notes to the Statement of Expenditure**

#### **3.1.1. Accounting Policies**

The principal accounting policies adopted by the project management in the preparation of the combined Delivery Report (CDR) are set below:-

##### **i) Basis of Accounting**

The statement of expenditure has been prepared on a cash basis of accounting modified to accrue for outstanding obligations at the end of the financial period. Under this basis of accounting, expenditure is recognized when paid for rather than when incurred and income is recognized when received.

##### **ii) Foreign Currency Transactions**

Transactions in foreign currency are translated into US\$ at the monthly exchange rate. This rate is arrived at through negotiation with the bank at the beginning of every month. Exchange differences arising on the translations are dealt with in the Combined Delivery Report (CDR).

#### 4. CERTIFICATION OF THE STATEMENT OF ASSETS

Auditor's report to:

The Chief, Regional Audit Centre for Eastern and Southern Africa and;  
The Resident Representative, UNDP South Sudan

We have audited the accompanying schedule of assets ("the schedule") of the UNDP project number 00077737, Community Security and Arms Control as at 31 December 2011.

This schedule is the responsibility of the management of the project. Our responsibility is to express an opinion on the statement based on our audit.

We conducted our audit in accordance with International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the attached statement of inventory presents fairly, in all material respects, the balance of inventory of the UNDP project number 00077737, amounting to US\$ 524,861 as at 31 December 2011 in accordance with the accounting policies set out in the note to the schedule.

Auditor's Name: Ernst & Young

Auditor's Signature: .....

Date: .....

Address: Tongping  
Vivacell/SPLM Driveway  
Off Airport Road  
Juba, South Sudan.

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5. STATEMENT OF ASSETS  
AS AT 31 DECEMBER 2011

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### **List of Capitalized and Non-capitalized Assets For CSAC in 2011**

[illegible]

2007	Jan	1	12:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	2	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	3	2:15:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	4	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	5	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	6	1:11:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	7	1:11:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	8	1:00:11	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	9	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	10	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	11	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	12	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	13	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	14	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	15	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	16	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	17	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	18	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	19	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	20	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	21	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	22	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	23	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	24	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	25	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	26	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	27	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	28	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	29	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	30	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	31	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	32	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	33	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	34	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	35	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	36	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	37	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	38	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	39	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	40	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	41	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	42	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	43	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	44	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	45	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	46	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	47	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	48	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	49	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	50	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	51	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	52	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	53	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	54	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	55	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	56	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	57	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	58	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	59	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	60	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	61	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	62	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	63	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	64	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	65	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	66	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	67	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	68	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	69	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	70	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	71	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	72	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	73	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	74	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	75	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	76	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	77	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	78	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	79	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	80	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	81	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	82	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	83	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	84	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	85	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	86	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	87	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	88	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	89	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	90	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	91	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	92	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	93	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	94	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	95	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	96	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	97	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	98	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	99	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
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2007	Jan	102	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	103	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	104	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	105	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	106	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	107	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	108	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	109	00:00	1	47102	0001791	00000	00041710	47102	00031	Jan
2007	Jan	110	00:00	1	47102	000					



## United Nations Development Program (UNDP)

Accession Unit	Accession	Description	Inventory	Serial ID	Model
55015	Thru-hole phone with charger			154261303-009113-8	552319
55016	Cell Laptop + Carrying Case			ON-037376-73116-004-0044	552320
55017	Motorola VNF Radios with charger			57171111628	GP330
55018	Thru-hole phone with charger			154261303-00434779-9	552323
55019	Cell Laptop + Carrying Case			ON-037376-73116-004-0044	552325
55020	Motorola VNF Radios with charger			57171111636	GP330
55021	Motorola VNF Radios with charger			154261303-00434779-9	552325
55022	Motorola VNF Radios with charger			57171111637	GP330
55023	Motorola VNF Radios with charger			154261303-00434779-9	552325
55024	Motorola VNF Radios with charger			57171111638	GP330
55025	Motorola VNF Radios with charger			154261303-00434779-9	552325
55026	Cell Laptop + Carrying Case			ON-037376-73116-004-0044	552325
55027	Cell Laptop + Carrying Case			ON-037376-73116-004-0044	552325
55028	Motorola VNF Radios with charger			57171111639	GP330
55029	Motorola VNF Radios with charger			154261303-00434779-9	552325
55030	Motorola VNF Radios with charger			57171111640	GP330
55031	Motorola VNF Radios with charger			154261303-00434779-9	552325
55032	Motorola VNF Radios with charger			57171111641	GP330
55033	Motorola VNF Radios with charger			154261303-00434779-9	552325
55034	Motorola VNF Radios with charger			57171111642	GP330
55035	Motorola VNF Radios with charger			154261303-00434779-9	552325
55036	Motorola VNF Radios with charger			57171111643	GP330
55037	Motorola VNF Radios with charger			154261303-00434779-9	552325
55038	Motorola VNF Radios with charger			57171111644	GP330
55039	Motorola VNF Radios with charger			154261303-00434779-9	552325
55040	Motorola VNF Radios with charger			57171111645	GP330
55041	Motorola VNF Radios with charger			154261303-00434779-9	552325
55042	Motorola VNF Radios with charger			57171111646	GP330
55043	Motorola VNF Radios with charger			154261303-00434779-9	552325
55044	Motorola VNF Radios with charger			57171111647	GP330
55045	Motorola VNF Radios with charger			154261303-00434779-9	552325
55046	Motorola VNF Radios with charger			57171111648	GP330
55047	Motorola VNF Radios with charger			154261303-00434779-9	552325
55048	Motorola VNF Radios with charger			57171111649	GP330
55049	Motorola VNF Radios with charger			154261303-00434779-9	552325
55050	Motorola VNF Radios with charger			57171111650	GP330
55051	Motorola VNF Radios with charger			154261303-00434779-9	552325
55052	Motorola VNF Radios with charger			57171111651	GP330
55053	Motorola VNF Radios with charger			154261303-00434779-9	552325
55054	Motorola VNF Radios with charger			57171111652	GP330
55055	Motorola VNF Radios with charger			154261303-00434779-9	552325
55056	Motorola VNF Radios with charger			57171111653	GP330
55057	Motorola VNF Radios with charger			154261303-00434779-9	552325
55058	Motorola VNF Radios with charger			57171111654	GP330
55059	Motorola VNF Radios with charger			154261303-00434779-9	552325
55060	Motorola VNF Radios with charger			57171111655	GP330
55061	Motorola VNF Radios with charger			154261303-00434779-9	552325
55062	Motorola VNF Radios with charger			57171111656	GP330
55063	Motorola VNF Radios with charger			154261303-00434779-9	552325
55064	Motorola VNF Radios with charger			57171111657	GP330
55065	Motorola VNF Radios with charger			154261303-00434779-9	552325
55066	Motorola VNF Radios with charger			57171111658	GP330
55067	Motorola VNF Radios with charger			154261303-00434779-9	552325
55068	Motorola VNF Radios with charger			57171111659	GP330
55069	Motorola VNF Radios with charger			154261303-00434779-9	552325
55070	Motorola VNF Radios with charger			57171111660	GP330
55071	Motorola VNF Radios with charger			154261303-00434779-9	552325
55072	Motorola VNF Radios with charger			57171111661	GP330
55073	Motorola VNF Radios with charger			154261303-00434779-9	552325
55074	Motorola VNF Radios with charger			57171111662	GP330
55075	Motorola VNF Radios with charger			154261303-00434779-9	552325
55076	Motorola VNF Radios with charger			57171111663	GP330
55077	Motorola VNF Radios with charger			154261303-00434779-9	552325
55078	Motorola VNF Radios with charger			57171111664	GP330
55079	Motorola VNF Radios with charger			154261303-00434779-9	552325
55080	Motorola VNF Radios with charger			57171111665	GP330
55081	Motorola VNF Radios with charger			154261303-00434779-9	552325
55082	Motorola VNF Radios with charger			57171111666	GP330
55083	Motorola VNF Radios with charger			154261303-00434779-9	552325
55084	Motorola VNF Radios with charger			57171111667	GP330
55085	Motorola VNF Radios with charger			154261303-00434779-9	552325
55086	Motorola VNF Radios with charger			57171111668	GP330
55087	Motorola VNF Radios with charger			154261303-00434779-9	552325
55088	Motorola VNF Radios with charger			57171111669	GP330
55089	Motorola VNF Radios with charger			154261303-00434779-9	552325
55090	Motorola VNF Radios with charger			57171111670	GP330
55091	Motorola VNF Radios with charger			154261303-00434779-9	552325
55092	Motorola VNF Radios with charger			57171111671	GP330
55093	Motorola VNF Radios with charger			154261303-00434779-9	552325
55094	Motorola VNF Radios with charger			57171111672	GP330
55095	Motorola VNF Radios with charger			154261303-00434779-9	552325
55096	Motorola VNF Radios with charger			57171111673	GP330
55097	Motorola VNF Radios with charger			154261303-00434779-9	552325
55098	Motorola VNF Radios with charger			57171111674	GP330
55099	Motorola VNF Radios with charger			154261303-00434779-9	552325
55100	Motorola VNF Radios with charger			57171111675	GP330
55101	Motorola VNF Radios with charger			154261303-00434779-9	552325
55102	Motorola VNF Radios with charger			57171111676	GP330
55103	Motorola VNF Radios with charger			154261303-00434779-9	552325
55104	Motorola VNF Radios with charger			57171111677	GP330
55105	Motorola VNF Radios with charger			154261303-00434779-9	552325
55106	Motorola VNF Radios with charger			57171111678	GP330
55107	Motorola VNF Radios with charger			154261303-00434779-9	552325
55108	Motorola VNF Radios with charger			57171111679	GP330
55109	Motorola VNF Radios with charger			154261303-00434779-9	552325
55110	Motorola VNF Radios with charger			57171111680	GP330
55111	Motorola VNF Radios with charger			154261303-00434779-9	552325
55112	Motorola VNF Radios with charger			57171111681	GP330
55113	Motorola VNF Radios with charger			154261303-00434779-9	552325
55114	Motorola VNF Radios with charger			57171111682	GP330
55115	Motorola VNF Radios with charger			154261303-00434779-9	552325
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55128	Motorola VNF Radios with charger			57171111689	GP330
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55130	Motorola VNF Radios with charger			57171111690	GP330
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55149	Motorola VNF Radios with charger			154261303-00434779-9	552325
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55168	Motorola VNF Radios with charger			57171111709	GP330
55169	Motorola VNF Radios with charger			154261303-00434779-9	552325
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55194	Motorola VNF Radios with charger			57171111722	GP330
55195	Motorola VNF Radios with charger			154261303-00434779-9	552325
55196	Motorola VNF Radios with charger			57171111723	GP330
55197	Motorola VNF Radios with charger			154261303-00434779-9	552325
55198	Motorola VNF Radios with charger			57171111724	GP330
55199	Motorola VNF Radios with charger			154261303-00434779-9	552325
55200	Motorola VNF Radios with charger			57171111725	GP330
55201	Motorola VNF Radios with charger			154261303-00434779-9	552325
55202	Motorola VNF Radios with charger			57171111726	GP330
5					

[illegible]

Upper Southern Sudan - Juba

## List of Cancellations and Non-cancellations

## List of Capitalized and Non-capitalized Assets For CSAC In 2011

[illegible]



United Nations Development Program (UNDP)  
UNDP Southern Sudan - Juba  
List of Capitalized and Non-capitalized Assets For CSAG in 2011

Subject Unit	Asset ID	Description	TAG Number	Serial ID	Model
SS010	CD 74 00155	TOYOTA L/C V8-2009 STATION WAGON		ITEC8011-301027911	Toyota LandCruiser
SS010	SS 74 UN 054	TOYOTA L/C-2007 HARDTOP		ITEC8011-301007125	Toyota LandCruiser
SS010	SS 74 UN 377	TOYOTA L/C-2004 STATION WAGON		ITEC8011-300024456	Toyota LandCruiser
SS010		Modern zain connect without Simcard			Zain E1699
SS010		Modern zain connect without Simcard			Zain E1690

Location	Acq Date	Currency	Cost	Quantity	Depreciation	Emp Agency	Emp Agent	Emp Owner	Project	Project ID	Fund	Status	Remarks
Juba	2010	USD	67,095.89	1	47103	0001981	001981	30000	00081133		00551	Active	
Juba	2007	USD	41,785.80	1	47103	0001981	001981	30000	00081133		00551	Active	
Juba	2004	USD	52,010.00	1	47103	0001981	001981	30000	00081133		00551	Active	Formerly RRP KAP/Team
Bor	2009	SDP	360.00	1	47103	0001981	001981	30000	00081133		00551	Active	Project
Bor	2012	SDP	730.00	1	47103	0001981	001981	30000	00081133		00187	Active	Received from M. H. H. on 20 July 2012

Physical Verification Team:

The physical verification of assets conducted according to instruction given in Information page.

Cleared by:

(Asset Focal Point)

Fatuma Hassan

I certify that the information in the table is correct and based on Atlas I certify that the information in the table is correct and based on Atlas Asset Development in Service Report.

Approved by:

(Project Manager)

Sam Muhumure

The information is correct on this table on project assets.

Cleared by:

Head of unit

Amanuel Gebremedhin

Cleared by:

(Asset Unit)

Anthony Abugo

Approved by:

(CCD-O)

Mulugeta Abebe

**ERNST & YOUNG**  
Certified Public Accountants  
Tongping  
Vivacell/SPLM Driveway  
Off Airport Road  
Juba, South Sudan

**5.1. NOTE TO THE STATEMENT OF ASSETS**

The assets and equipments purchased under the project are expensed in the year of acquisition. An asset register indicating all the assets purchased is usually maintained for the purpose of monitoring the assets. The status of the assets is updated on the asset register on completion of a physical verification exercise.

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6. MANAGEMENT LETTER

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**PRIVATE AND CONFIDENTIAL**

Our ref: 60814827/10/vn/303

08 November 2012

The Chief, Regional Audit Centre for Eastern and Southern Africa and;  
The Resident Representative, UNDP South Sudan

Dear Sirs,

**MATTERS ARISING DURING THE AUDIT OF THE COMMUNITY SECURITY AND ARMS  
CONTROL PROJECT FOR THE YEAR ENDED 31 DECEMBER 2011**

In accordance with our Terms of Reference, we report to you matters arising during our normal audit of the Community Security and Arms Control Project for the year ended 31 December 2011.

The management of the project is responsible for establishing and maintaining an internal control structure. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected.

Our review of the Project's systems of internal control is carried out as per the Terms of Reference to assist us in expressing an opinion on the Project's Statement of Expenditure (CDR), Statement of Assets and Statement of Cash Position. This work is not primarily directed towards the discovery of weaknesses, the detection of fraud or other irregularities (other than those which would influence us in forming an opinion) and should not, therefore, be relied upon to show that no other weaknesses or areas that require attention exist. Accordingly, the comments in this letter refer only to those matters, which have come to our attention during the course of our normal audit work and do not attempt to indicate all possible improvements, which a special review might develop.

In this letter, we bring to your attention the weaknesses, which we have discovered in the hope that you may derive a tangible benefit from this part of our audit.

**A) Background**

We have set out issues identified during the course of our normal audit work and have not attempted to indicate all possible improvements which a special review might develop. The management letter covers the following topics/issues:

- A general review of a project's progress and timeliness in relation to progress milestones and the planned completion date, both of which should be stated in the project document or Annual Work Plan (AWP);
- An assessment of a project's internal control system with equal emphasis on:
  - i) The effectiveness of the system in providing the project management with useful and timely information for the proper management of the project; and
  - ii) The general effectiveness of the internal control system in protecting the assets and resources of the project.
- A description of any specific internal control weaknesses noted in the financial management of the

project and the audit procedures followed to address or compensate for the weaknesses. Recommendations to resolve/eliminate the internal control weaknesses noted have been included.

**B) 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 UNDP country office management is to address the issues.

The following categories of priorities are used:

**High:** Action is considered imperative to ensure that UNDP is not exposed to high risks. Failure to take action could result in major consequences and issues.

**Medium:** Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.

**Low:** Action is considered desirable and should result in enhanced control or better value for money.

C) Categories of possible causes of audit findings	D) Categories of risks
<p>The cause statement explains the underlying reason behind the identified problem/weakness. The cause is probably the most critical attribute of the finding.</p>	<p>The audit issues identified are classified in accordance to the following categories of risk:</p>
<p>The following is the listing of the pre-established cause statements that UNDP South Sudan has provided in the terms of references:</p>	<p><b>Environmental:</b>          This pertains to natural disasters, pollution incidents and social and cultural, security and safety, and economic risks.</p>
<p>i) Lack of or inadequate corporate policies or procedures          ii) Lack of or inadequate country office policies or procedures          iii) Lack of or inadequate guidance or supervision at country office level          iv) Inadequate oversight by Headquarters bureaux          v) Lack of or insufficient resources (specify: financial, human, or technical resources)          vi) Inadequate planning          vii) Inadequate training          viii) Human error          ix) Intentional overriding of internal controls          x) Inadequate management structure</p>	<p><b>Financial:</b>          This pertains to external economic factors (such as interest rates, exchange rate fluctuation, inflation) and internal economic factors (such as co-financing difficulties, use of financing mechanisms, funding, reserve adequacy, currency, receivables, accounting/financial reporting, budget allocation and management, cash management/reconciliation, pricing/cost recovery).</p>
	<p><b>Organizational:</b>          This pertains to institutional arrangements; institutional/execution capacity; implementation arrangements; country office capacity; governance; culture, code of conduct and ethics; accountability and compensation; succession planning and talent management; human resources processes and procedures.</p>



**Operational:**

This pertains to process efficiency, operations-related human error/incompetence, internal controls, internal and external fraud, compliance and legal, procurement, technology, physical assets, infrastructure failure, and safety being compromised.

**Programmatic:**

This pertains to risks relating to complex project design (size, larger/multi-country projects, technical complexity, innovativeness, and multiple funding sources), project management, programme-/project-related human error/incompetence, poor monitoring and evaluation, delivery, and programme management.

**Political:**

This pertains to corruption, government commitment, political will, political instability, change in government, armed conflict and instability, adverse public opinion/media intervention.

**Regulatory:**

This pertains to new unexpected regulations and policies; critical policies or legislation fails to pass or progress in the legislative process.

**Strategic:**

This pertains to partnerships falling to deliver; strategic vision, planning and communication; leadership and management; programme alignment; competition; stakeholder relations; UNDP reputation; UN coordination; UN reform.

**E) Standard audit ratings**

Each of the audit areas covered is rated in accordance to the definition of standard audit ratings below:

**Standard Rating**

**Definition**

**Satisfactory:**

Internal controls and risk management practices were adequately established and functioning well. No high risk areas were identified. Overall, the office objectives are likely to be achieved.

**Partially Satisfactory:**

Internal controls and risk management practices were generally established and functioning, but needed improvement. One or more high and medium risk areas were

United Nations Development Programme South Sudan  
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Implemented by UNDP through the Direct Implementation Modality (DIM)  
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identified that may impact on the achievement of office objectives.

**Unsatisfactory:**

Internal controls and risk management practices were either not established or not functioning well. The majority of issues identified were high risk. Hence, the overall office objectives are not likely to be achieved.



**F) Summary of points arising from current year's audit**

Ref	Summary of the findings	Overall rating
6.1	Organization and Staffing No exceptions noted	Satisfactory
6.2	Programme and project management No exceptions noted	Satisfactory
6.3	Human Resources No exceptions noted	Satisfactory
6.4	Finance No exceptions noted	Satisfactory
6.5	Procurement No exceptions noted	Satisfactory
6.6	Assets Management	Partially Satisfactory
6.6.1	Weak controls over asset movement	

Ref	Summary of the findings	Overall rating
6.7	Cash Management No exceptions noted	Satisfactory
6.8	Information Systems No exceptions noted	Satisfactory
6.9	General Administration No exceptions noted	Satisfactory
6.10	Follow up on previous audits There were no prior year recommendations for follow-up.	N/A

## 6.6. Assets Management

### 6.6.1. Weak controls over asset movement

Observation	Cause	Risk	Recommendation	Management Comments	Location: UNDP
We noted that the controls over the movement of assets in and out of the UNDP South Sudan Country Office are weak. Physical checks or registration of assets such as laptops is not done for persons entering or leaving the compound.	Inadequate supervision at country office level	Operational	Management should strengthen procedures over the movement of assets in and out of the UNDP compound. For example persons entering or leaving the compound should record any laptops or assets that they have.	<p><u>Preventive measures:</u> UNDP will continue to tighten security measures to prevent unauthorised exit of general office assets, security arrangements to ensure personal and UNDP-issued items of staff are also be in place. In order to effectively prevent such incidents in the future, UNDP will ensure our doors, windows, drawers and safes are properly locked at the end of the day as well as during staff absence from the office. If there is any suspicion that keys have been compromised, then staff members are responsible to report the incidence and ensure that locks are replaced immediately. Unit safes can also be used to keep sensitive/valued items.</p> <p><u>Control of Office Keys:</u> UNDP will ensure that staff/units to submit their office keys (labelled) to security at the reception at the end of the day; unless otherwise decided by the Unit Head. This procedure will also</p>	<p>Priority: Medium</p>

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Observation	Cause	Risk	Recommendation	Management Comments	Location: UNDP
				<p>ensure that in times of an emergency: fire etc, access to the office by security is possible. Keys to safes/drawers should however be carried by authorised unit staff. UNDP Security will maintain a key register to record the issue and receipt of keys. For staff working in Government offices, UNDP advises staff to always ensure your valued items are kept either in a safe or on hand.</p> <p><b>Staff Accountability:</b> Staff are personally accountable for UNDP-issued items and may therefore be financially liable in the event that it is ascertained that the loss was as a result of negligence</p>	<p>Expected Completion Date: November 30, 2012</p>

We would be grateful if you could keep us informed of changes that are made to existing systems from time to time.

We take this opportunity to express our gratitude to you and your staff for the co-operation and assistance, which we received during the course of our audit.

Yours faithfully,



Ernst & Young  
Tongping  
Vivacell/SPLM Driveway  
Off Airport Road  
Juba, South Sudan.