

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP SOUTH SUDAN

EXPANDING AND ENHANCING QUALITY TUBERCULOSIS PREVENTION, CARE AND
CONTROL SERVICES IN SOUTH SUDAN
(Directly Implemented Project No. 90124, Output No. 96034)

Report No. 1725
Issue Date: 23 September 2016

Report on the Audit of UNDP South Sudan
Expanding and Enhancing Quality Tuberculosis Prevention, Care and Control Services in South Sudan
(Project No. 90124, Output No. 96034)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), from 6 to 24 June 2016, conducted an audit of “Expanding and Enhancing Quality Tuberculosis Prevention, Care and Control Services in South Sudan” (Project No. 90124, Output No. 96034) (the Project), which is directly implemented and managed by the UNDP Country Office in South Sudan (the Office) as the Principal Recipient, since the Project was funded by the Global Fund to Fight AIDS, Tuberculosis and Malaria. This was the first audit of the Project.

The audit firm conducted a financial audit 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 expenditure for the period from 1 July 2015 to 31 December 2015 and the accompanying Funds Utilization statement¹ as of 31 December 2015. The audit did not include activities and expenses incurred or **undertaken at the “responsible party” level, or expenses processed and approved in locations outside of the country** (such as UNDP Regional Centres and UNDP Headquarters). The audit did not cover the Statement of Assets as no assets were purchased 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*.

Audit results

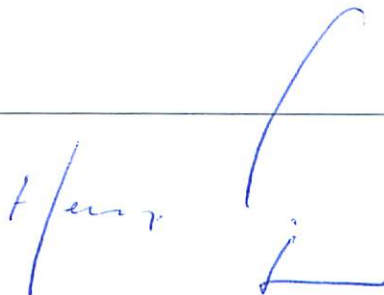
Based on the audit report and corresponding management letter submitted by the audit firm, the results are summarized in the table below:

Project Expenditure*	
Amount (in \$ '000)	Opinion
1,195	Unqualified

* Expenditures recorded in the Combined Delivery Report were \$1,584,223. Excluded from the audit scope were transactions that relate to expenditures incurred at the **“responsible party” level** (\$389,166), which were subject to a separate audit conducted by external auditors that resulted in an unqualified opinion.

¹ 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.

The audit did not result in any recommendations.



Helge S. Ostveiten
Director
Office of Audit and Investigations

**UNITED NATIONS DEVELOPMENT PROGRAMME
(UNDP)**

DRAFT AUDIT REPORT

1 SEPTEMBER 2016

**FINANCIAL AUDIT OF THE UNDP DIRECTLY
IMPLEMENTED (DIM) PROJECT**

Project name:	Expanding and Enhancing Quality Tuberculosis Prevention, Care and Control Services in South Sudan
UNDP Country Office:	South Sudan
Atlas Project ID:	00090124
Atlas Output number:	00096034
Auditor:	Moore Stephens LLP
Period subject to audit:	1 July to 31 December 2015

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Table of acronyms and abbreviations

CDR	Combined Delivery Report
DIM	Direct Implementation Modality
UNDP	United Nations Development Programme
US\$	United States Dollars

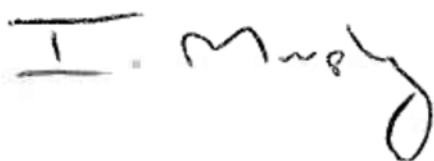
EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of Expanding and Enhancing Quality Tuberculosis Prevention, Care and Control Services in South Sudan (Project ID 00090124 and Output 00096034) (the project), directly implemented by UNDP South Sudan for the period from 1 July to 31 December 2015. The audit was undertaken on behalf of UNDP, Office of Audit and Investigations (OAI).

We have issued audit opinions as summarised in the table below and as detailed in the next section:

Statement of Expenditure	Unqualified
Statement of Fixed Assets	Not applicable
Statement of Cash Position	Not applicable

As a result of our audit, we have not raised any audit findings.



Ian Murphy
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

1 September 2016

THE AUDIT ENGAGEMENT

Audit Objectives and Scope

The objective of the financial audit was to express an opinion on the Direct Implementation project's financial statements which include:

- Expressing an opinion on whether the financial expenses incurred by the project between 1 July and 31 December 2015 and the funds utilization as at 31 December 2015 are fairly presented in accordance with UNDP accounting policies and that the expenses 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; and (iv) supported by properly approved vouchers and other supporting documents.
- Expressing an opinion on whether the statement of fixed assets presents fairly the balance of assets of the UNDP project, as cost value, as at 31 December 2015. This statement must include all assets available as at 31 December 2015 and not only those purchased in a given period. Where a Direct Implementation project does not have any assets or equipment, it will not be necessary to express such an opinion.
- Expressing an opinion on whether the statement of cash held by the project presents fairly the cash and bank balance of UNDP project as at 31 December 2015.

The scope of the audit relates only to transactions concluded and recorded against the UNDP DIM project between 1 July and 31 December 2015. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of "responsible parties", unless the inclusion of these expenses is specifically required in the request for proposal; and
- Expenses processed and approved in locations outside the country such as UNDP Regional Centres and UNDP Headquarters and where the supporting documentation is not retained at the level of the UNDP country office.

Profile of Global Fund Grants

Grant No.	Output No.	Description	Start Date	End Date	Budget (in US\$)	Funds Received as at 31 Dec 2015 (in US\$)	Implementation Rate	Audited Expenditures as of 31 Dec 2015 (in US\$)	Global Fund Rating at 31 Dec 2015
SSD-T-UNDP	00096034	Expanding and Enhancing Quality Tuberculosis Prevention, Care and Control Services in South Sudan	01-Jul-15	31-Dec-17	15,512,451.67	5,884,899.00	11.14%	1,195,057.85	NA

AUDIT OPINIONS

Independent Auditor's Report to UNDP - Expanding and Enhancing Quality Tuberculosis Prevention, Care and Control Services in South Sudan

Statement of Expenditure

Unqualified Opinion

We have audited the accompanying Combined Delivery Report (CDR) and Funds Utilization statement totalling US\$ 1,584,223.37 ("the statement") of the UNDP project 00090124 'Expanding and Enhancing Quality Tuberculosis Prevention, Care and Control Services in South Sudan' for the period from 1 July to 31 December 2015. Combined Delivery Report (CDR) expenditure totalling US\$ 389,165.52, comprised of expenditure not processed or approved by UNDP Country Office South Sudan, was not within the scope of our audit.

Management is responsible for the preparation of the statement for the Expanding and Enhancing Quality Tuberculosis Prevention, Care and Control Services in South Sudan and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

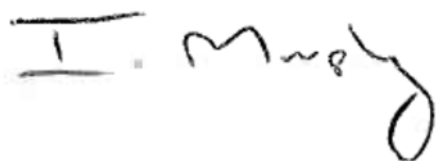
Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Unqualified Opinion

In our opinion, the attached Combined Delivery Report (CDR) and Funds Utilization statement presents fairly, in all material respects, the expenses of US\$ 1,195,057.85 incurred by the project 00090124 'Expanding and Enhancing Quality Tuberculosis Prevention, Care and Control Services in South Sudan' for the period from 1 July to 31 December 2015 in accordance with UNDP accounting policies and were (i) in conformity with the approved budget; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UNDP; and (iv) supported by properly approved vouchers and other supporting documents.

A handwritten signature in black ink, appearing to read 'I. Murphy', with a horizontal line above the first few letters.

Ian Murphy
Partner

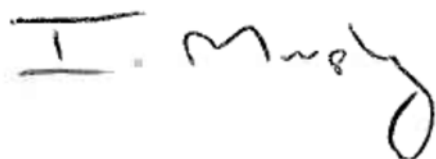
Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

1 September 2016

Independent Auditor's Report to UNDP - Expanding and Enhancing Quality Tuberculosis Prevention, Care and Control Services in South Sudan

Statement of Assets and Equipment

We noted that the UNDP project 'Expanding and Enhancing Quality Tuberculosis Prevention, Care and Control Services in South Sudan' had no assets or equipment and accordingly a Statement of Fixed Assets was not produced.

A handwritten signature in black ink, appearing to read 'I. Murphy'.

Ian Murphy
Partner

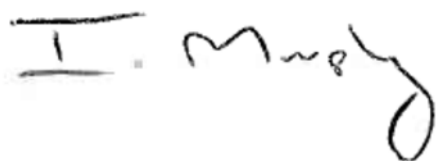
Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

1 September 2016

Independent Auditor's Report to UNDP - Expanding and Enhancing Quality Tuberculosis Prevention, Care and Control Services in South Sudan

Statement of Cash Position

We noted that the UNDP project 'Expanding and Enhancing Quality Tuberculosis Prevention, Care and Control Services in South Sudan' did not have a dedicated bank account for Direct Implementation project activities subject to audit and accordingly a Statement of Cash Position was not produced.

A handwritten signature in black ink, appearing to read 'I. Murphy', with a horizontal line above the first part of the name.

Ian Murphy
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

1 September 2016

MANAGEMENT LETTER

There were no findings related to the audit of the financial statements.

Annexes

Annex 1: Combined Delivery Report



UN Development Programme
Report ID: unglcrp

Combined Delivery Report By Project

Page 1 of 4
Run Time: 29-02-2016 14:02:15

Selection Criteria:

Business Unit : SSD10
Period : Jan-Dec (2015)
Selected Project id : 00090124
Selected Fund Code : ALL
Selected Dept. IDs : B0471
Selected Outputs : 00096034

Project id : 00090124 GFATM - NFM - SSD-T-UNDP	Period :	Jan-Dec (2015)		
Output # : 00096034 TB Prevention Care & Control I	Impl. Partner :	99999 UNDP		
	Location :	UNDP SOUTH SUDAN		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp

Dept: 47101 (South Sudan - Central)

Fund : 30078 (Global Fund to fight AIDS Tube)

72445 - Common Services-Communications	0.00	0.00	0.00	0.00
Total for Fund 30078	0.00	0.00	0.00	0.00
Total for Dept : 47101	0.00	0.00	0.00	0.00

Dept: 47130 (South Sudan - Global Fund Unit)

Fund : 30078 (Global Fund to fight AIDS Tube)

61105 - Salaries - NP Staff	0.00	9,003.54	0.00	9,003.54
61305 - Salaries - IP Staff	0.00	47,271.85	0.00	47,271.85
61310 - Post Adjustment - IP Staff	0.00	20,888.99	0.00	20,888.99
62105 - Dependency Allowance-NP Staff	0.00	1,341.16	0.00	1,341.16
62110 - Contrib Joint Staff Pension-NP	0.00	1,471.16	0.00	1,471.16
62115 - Contrib to Med,SocIns-NP Staff	0.00	351.15	0.00	351.15
62120 - Hazard Duty Station Allow-NP	0.00	854.25	0.00	854.25
62140 - Annual Leave Expense - NO	0.00	711.81	0.00	711.81
62205 - Dependency Allow - GS Staff	0.00	15.90	0.00	15.90
62210 - Contrib to Jt Staff Pens Fd-GS	0.00	364.02	0.00	364.02
62305 - Dependency Allowances-IP Staff	0.00	3,685.68	0.00	3,685.68
62310 - Contrib to Jt Staff Pens Fd-IP	0.00	14,570.51	0.00	14,570.51
62315 - Contrib. to medical, social in	0.00	1,836.10	0.00	1,836.10
62320 - Mobility, Hardship, Non-remova	0.00	9,451.81	0.00	9,451.81
62335 - Hazard Duty Station Allow-IP	0.00	10,483.46	0.00	10,483.46
62340 - Annual Leave Expense - IP	0.00	2,531.24	0.00	2,531.24
63335 - Home Leave Trvl & Allow-IP Stf	0.00	1,404.57	0.00	1,404.57
63340 - Proc Trips/Rest & Recup-IP Stf	0.00	4,545.90	0.00	4,545.90
63365 - Special Oper Living Allow-IP	0.00	23,748.03	0.00	23,748.03
63530 - Contribution to EOS Benefits	0.00	2,941.52	0.00	2,941.52
63535 - Contribution to Security	0.00	4,751.82	0.00	4,751.82
63540 - Contribution to Training	0.00	1,180.19	0.00	1,180.19
63545 - Contribution to ICT	0.00	1,176.64	0.00	1,176.64
63550 - Contributions to MAIP	0.00	313.78	0.00	313.78
63555 - Contribution to UN JFA	0.00	2,353.25	0.00	2,353.25
63560 - Contributions to Appendix D	0.00	235.34	0.00	235.34
65115 - Contributions to ASHI Reserve	0.00	6,275.34	0.00	6,275.34
65135 - Payroll Mgt Cost Recovery ATLA	0.00	545.58	0.00	545.58
71405 - Service Contracts-Individuals	0.00	124,250.57	0.00	124,250.57
71410 - MAIP Premium SC	0.00	333.22	0.00	333.22
71415 - Contribution to Security SC	0.00	5,416.99	0.00	5,416.99
71505 - UN Volunteers-Stipend & Allow	0.00	945.00	0.00	945.00
71535 - UNV-Medical Insurance	0.00	19.50	0.00	19.50



UN Development Programme
Report ID: unglcdp

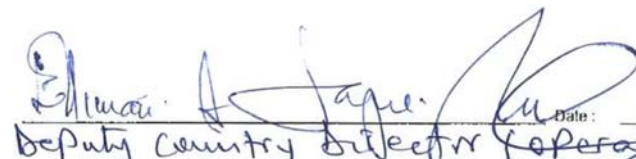
Combined Delivery Report By Project


Page 2 of 4
Run Time: 10-06-2016 13:06:34

Project Id : 00090124 GFATM - NFM - SSD-T-UNDP	Period :	Jan-Dec (2015)
Output # : 00096034 TB Prevention Care & Control I	Impl. Partner :	99999 UNDP
	Location :	UNDP SOUTH SUDAN

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
71540 - UNV-Global Charges	0.00	15.49	0.00	15.49
71560 - UNV-Intl Appoint/Sep incl Trvl	0.00	600.00	0.00	600.00
71605 - Travel Tickets-International	0.00	12,217.88	0.00	12,217.88
71610 - Travel Tickets-Local	3,600.00	27,758.66	0.00	31,358.66
71615 - Daily Subsistence Allow-Intl	0.00	12,855.00	0.00	12,855.00
71620 - Daily Subsistence Allow-Local	9,289.19	26,411.20	0.00	35,700.39
71630 - Shipment	0.00	4,850.00	0.00	4,850.00
71635 - Travel - Other	0.00	1,292.00	0.00	1,292.00
71810 - Contractual Svcs-indiv ImpPtnr	298,110.00	149,297.40	0.00	447,407.40
72210 - Machinery and Equipment	0.00	3,824.26	0.00	3,824.26
72215 - Transportation Equipment	0.00	3,360.00	0.00	3,360.00
72220 - Furniture	0.00	66,387.10	0.00	66,387.10
72330 - Medical Products	0.00	78,326.98	0.00	78,326.98
72405 - Acquisition of Communic Equip	0.00	12,309.00	0.00	12,309.00
72410 - Acquisition of Audio Visual Eq	0.00	372.00	0.00	372.00
72425 - Mobile Telephone Charges	0.00	4,255.48	0.00	4,255.48
72440 - Connectivity Charges	0.00	2,115.00	0.00	2,115.00
72445 - Common Services-Communications	0.00	14,221.85	0.00	14,221.85
72505 - Stationery & other Office Supp	0.00	20,394.07	0.00	20,394.07
72510 - Publications	0.00	7,889.06	0.00	7,889.06
72515 - Print Media	0.00	23,290.32	0.00	23,290.32
72815 - Inform Technology Supplies	0.00	5,458.00	0.00	5,458.00
73115 - Moving Expenses	0.00	23,491.00	0.00	23,491.00
73125 - Common Services-Premises	15,563.92	4,369.36	0.00	19,933.28
73405 - Rental & Maint-Other Office Eq	0.00	22,165.64	0.00	22,165.64
73406 - Maintenance of Equipment	0.00	5,147.41	0.00	5,147.41
73410 - Maint, Oper of Transport Equip	62,602.41	73,355.23	0.00	135,957.64
74210 - Printing and Publications	0.00	9,870.97	0.00	9,870.97
74505 - Insurance	0.00	3,286.02	0.00	3,286.02
74510 - Bank Charges	0.00	1,361.58	0.00	1,361.58
74525 - Sundry	0.00	1,352.00	0.00	1,352.00
74705 - Port Operation	0.00	3,853.22	0.00	3,853.22
75105 - Facilities & Admin - Implement	0.00	103,640.80	0.00	103,640.80
75705 - Learning costs	0.00	71,702.00	0.00	71,702.00
75707 - Learning - subsistence allowan	0.00	2,112.00	0.00	2,112.00
75709 - Learning - training of counter	0.00	86,519.99	0.00	86,519.99
76110 - Foreign Exch Translation Loss	0.00	0.01	0.00	0.01
Total for Fund 30078	389,165.52	1,195,057.85	0.00	1,584,223.37
Total for Dept : 47130	389,165.52	1,195,057.85	0.00	1,584,223.37
Total for Output : 00096034	389,165.52	1,195,057.85	0.00	1,584,223.37

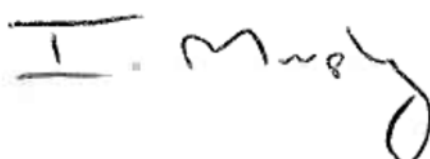
Project Total :	389,165.52	1,195,057.85	0.00	1,584,223.37
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Signed By:  Date: _____
 Signed By: Deputy Country Director (Operations) Date: _____



UNITED NATIONS
DEVELOPMENT PROGRAMME
SOUTH SUDAN

Signed



Ian Murphy (Partner)
Moore Stephens

30 August 2016



UN
 DP UN Development Programme
 Report ID: unglcdrp

Combined Delivery Report By Project

Page 3 of 4
 Run Time: 29-02-2016 14:02:17

Selection Criteria :

Business Unit : SSD10
 Period : Jan-Dec (2015)
 Selected Project Id : 00090124
 Selected Fund Code : ALL
 Selected Dept. IDs : B0471
 Selected Outputs : 00096034

Project Id : ALL	Period : Jan-Dec (2016)			
Output # : ALL	Impl. Partner :			
	Location :			
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
47101 - South Sudan - Central	0.00	0.00	0.00	0.00
47130 - South Sudan - Global Fund Unit	389,165.52	1,195,057.85	0.00	1,584,223.37



UN Development Programme
Report ID: unglodrp

Combined Delivery Report By Project

Page 4 of 4
Run Time: 29-02-2016 14:02:18

Funds Utilization

Selection Criteria :

Business Unit : SSD10
 Period : Jan-Dec (2015)
 Selected Project Id : 00090124
 Selected Fund Code : ALL
 Selected Dept. IDs : B0471
 Selected Outputs : 00096034

Project/Award: 00090124 GFATM - NFM - SSD-T-UNDP	Period : As at Dec 31, 2015
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Output #	Impl. Partner :99999 UNDP	UNDP AMOUNT
	Outstanding NEX advances	35,183.83
	Undepreciated Fixed Assets	0.00
	Inventory	171,922.04
	Prepayments	0.00
	Commitments	257,259.62

Annex 2: Statement of Assets and Equipment

UNDP project 'Expanding and Enhancing Quality Tuberculosis Prevention, Care and Control Services in South Sudan' had no assets or equipment and accordingly a Statement of Fixed Assets was not produced.

Annex 3: Statement of Cash Position

UNDP project 'Expanding and Enhancing Quality Tuberculosis Prevention, Care and Control Services in South Sudan' did not have a dedicated bank account for DIM project activities subject to audit and accordingly a Statement of Cash Position was not produced.

Annex 4: Audit finding priority ratings

The following categories of priorities are used:

High (Critical) Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP.

Medium (Important) Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP.

Low Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the Office management, either during the exit meeting or through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in this report.