

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP SOUTH SUDAN

SUPPORT TO PUBLIC ADMINISTRATION
(Directly Implemented Project No. 72642, Output No. 85700)

Report No. 1491

Issue Date: 31 August 2015

**Report on the Audit of UNDP South Sudan
Support to Public Administration (Project No. 72642, Output No. 85700)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through TMK & Company Certified Public Accountants (the audit firm), conducted from 8 to 19 June 2015 an audit of Support to Public Administration (Project No. 72642, Output No. 85700) (the Project), which is directly implemented and managed by the UNDP Country Office in South Sudan (the Office). The last audit of the Project was conducted by OAI in 2014 and covered project expenditure from 1 January 2012 to 31 December 2013.

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 to 31 December 2014 and the accompanying Funds Utilization statement¹ as of 31 December 2014 as well as Statement of Assets as of 31 December 2014. 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 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*.

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:

Project Expenditure		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
2,882	Unqualified	232	Unqualified

Key recommendation: Total = 1, high priority = 0

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, which means, "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." The recommendation aims to safeguard assets by recommending that asset certification reports are submitted on time.

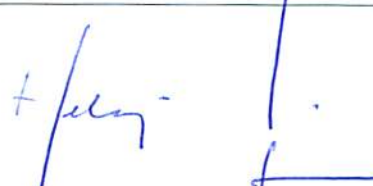
¹ The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) depreciated fixed assets used at the project level; (c) inventory held at the project level; (d) prepayments made by the project; and (e) outstanding commitments held at the project level.

Implementation status of previous OAI audit recommendations

The previous audit (Report No. 1342, issued on 23 September 2014) did not result in any recommendations.

Management comments and action plan

The United Nations Resident Coordinator and UNDP Resident Representative accepted the recommendation and is in the process of implementing it. Comments and/or additional information provided have been incorporated into the report, where appropriate.

A handwritten signature in blue ink, appearing to read 'Helge S. Ostveiten', is written over a rectangular box. The signature is stylized and includes a large loop at the end.

Helge S. Ostveiten
Director
Office of Audit and Investigations