

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP SOUTH SUDAN

HIV PREVENTION AND CARE PROGRAMME FOR SOUTH SUDAN
TUBERCULOSIS AND HIV COLLABORATION PROGRAMME
IMPROVING AND EXPANDING TUBERCULOSIS CONTROL IN SOUTH SUDAN
STRENGTHENING HEALTH SYSTEM IN SOUTH SUDAN
(Directly Implemented Project No. 64223, Output Nos. 81101, 81102, 81103 and 81104)

Report No. 1686

Issue Date: 23 September 2016

Report on the Audit of UNDP South Sudan
HIV Prevention and Care Programme for South Sudan
Tuberculosis and HIV Collaboration Programme
Improving and Expanding Tuberculosis Control in South Sudan
Strengthening Health System in South Sudan
(Project No. 64223, Output Nos. 81101, 81102, 81103 and 81104)
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 Project No. 64223, “HIV Prevention and Care Programme for South Sudan” (Output No. 81101), “Tuberculosis and HIV Collaboration Programme” (Output No. 81102), “Improving and Expanding Tuberculosis Control in South Sudan” (Output No. 81103) and “Strengthening Health System in South Sudan” (Output No. 81104) (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. The last audit of the Project was conducted by OAI in 2014 and covered project expenditure from 1 July 2013 to 30 June 2014.

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 2014 to 31 December 2015 and the accompanying Funds Utilization statement¹ as of 31 December 2015 as well as Statement of Assets 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). 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*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
14,032	Unqualified	685	Unqualified

*Expenditures recorded in the Combined Delivery Report were \$22,349,982. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$6,963,271). Also excluded were expenditures incurred at the “responsible party” level (\$1,354,859). Of the expenditures incurred at the “responsible party” level, a portion amounting to \$666,732 was 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.

Key recommendation: Total = 1, high priority = 0

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendations, 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." This recommendation includes actions to address the non-remittance of Personal Income Tax deducted from the salaries of health workers. The issue did not have any impact on the audit opinion rendered. The recommendation aims to ensure compliance with legislative mandates, regulations and rules, policies and procedures.

Implementation status of previous OAI audit recommendations: Report No. 1400, 6 February 2015.

Total recommendations: 4

Implemented: 4

Management comments and action plan

The 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.



Helge S. Ostveiten
Director
Office of Audit and Investigations