

UNITED NATIONS DEVELOPMENT PROGRAMME  
Office of Audit and Investigations



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AUDIT  
  
OF  
  
UNDP SOUTH SUDAN

INVESTING TOWARDS IMPACT OF HIV AND AIDS IN SOUTH SUDAN  
(Directly Implemented Project No. 91065, Output No. 96503)

Report No. 1726  
Issue Date: 23 September 2016

Report on the Audit of UNDP South Sudan  
Investing Towards Impact of HIV and AIDS in South Sudan  
(Project No. 91065, Output No. 96503)  
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), from 6 to 24 June 2015, conducted an audit of “Investing towards impact of HIV and AIDS in South Sudan” (Project No. 91065, Output No. 96503) (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 October to 31 December 2015 and the accompanying Funds Utilization statement.<sup>1</sup> 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
476	Unqualified

\*Expenditures recorded in the Combined Delivery Report were \$524,764. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UNDP offices outside of the country (\$48,665).

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.” This recommendation includes actions to address the non-remittance of Personal Income Tax deducted from health worker salaries. 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.

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

### 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. Osttveiten  
Director  
Office of Audit and Investigations