



AUDIT

OF

UNDP SOUTH SUDAN

SUPPORT TO PUBLIC ADMINISTRATION NATIONAL AND STATE INSTITUTIONS
(Directly Implemented Project No. 72642, Output No. 85700)

Report No. 1968
Issue Date: 16 July 2018

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

The UNDP Office of Audit and Investigations (OAI), through Deloitte Haskins & Sells LLP (DHS) (the audit firm), from 7 May to 18 May 2018, conducted an audit of Support to Public Administration National and State Institutions (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 through the audit firm in 2017 and covered project expenses from 1 January to 31 December 2016.

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 expenses for the period from 1 January to 31 December 2017 and the accompanying Funds Utilization statement¹ as of 31 December 2017 as well as Statement of Assets as of 31 December 2017. The audit did not include 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 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 Expenses*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
4,325	Unmodified**	54	Unmodified

*Expenses recorded in the Combined Delivery Report were \$4,440,341. Excluded from the audit scope were expenses processed and approved by other UNDP offices outside of the country (\$115,562).

**Unmodified = unqualified or clean opinion

Key recommendations: Total = 2, high priority = 0

The audit did not result in any high (critical) priority recommendations. There are two medium (important) priority recommendations, which means, "Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP." These recommendations include actions to address long outstanding commitments, and a lack of a valid contract for insurance services offered from January to October 2017.

¹ The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) undepreciated 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 two recommendations aim to ensure the following: (a) the reliability and integrity of financial and operational information (Recommendation 1), and (b) compliance with legislative mandates, regulations and rules, policies and procedures (Recommendation 2).

Implementation status of previous OAI audit recommendations: (Report No. 1822, 14 August 2017).

Total recommendations: 1

Implemented: 1

Management comments and action plan

The UNDP Resident Representative accepted both recommendations and is in the process of implementing them. Comments and additional information provided have been incorporated into the report, where appropriate.



Antoine Khoury
Officer-in-Charge
Office of Audit and Investigations