UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations

AUDIT

OF

PROCUREMENT SUPPORT SERVICES TO THE FEDERAL MINISTRY OF HEALTH 2 (PSS2)
(Directly Implemented Project No. 95107, Output No. 125478)

IN

UNDP SUDAN

Report No. 2523

Issue Date: 8 August 2022

Report on the Audit of Procurement Support Services to the Federal Ministry of Health 2 (PSS2) implemented by UNDP Sudan
(Project No. 95107, Output No. 125478)
Executive Summary

The UNDP Office of Audit and Investigations (OAI), through Talal Abu-Ghazaleh & Co. (the audit firm), from 23 May to 5 July 2022, conducted an audit of 'Procurement Support Services to the Federal Ministry of Health 2 (PSS2)', Project No. 95107, Output No. 125478, (the Project), which is directly implemented and managed by the UNDP Country Office in Sudan (the Office). This was the first audit of the Project.

The audit was conducted in accordance with the International Standards of Auditing (ISA), the 700 series. 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 expenses for the period from 1 January to 31 December 2021 and the accompanying Funds Utilization statement[1] as of 31 December 2021. It also reviewed the relevant systems, procedures and practices in place as they relate to the Project, in the areas of governance, programme, and operations. 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 Assets as no assets were held 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* of The Institute of Internal Auditors (The IIA).

Overall audit rating

Based on the audit report submitted by the audit firm, OAI assessed the management of the Project as **fully satisfactory**, which means, "The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area." The details of the audit results are presented in the table below:

Project Expenses*	
Amount (in $ '000)	**Opinion**
5,270	Unmodified

**Expenses recorded in the Combined Delivery Report were $9,459,778. Excluded from the audit scope were expenses processed and approved by other UNDP offices outside of the country ($4,189,738).*

The audit did not result in any recommendations.

[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.

Management comments and action plan

Comments and/or additional information provided have been incorporated into the report, where appropriate.

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