



AUDIT

OF

UNDP COUNTRY OFFICE

IN

SOUTH SUDAN

Report No. 2596
Issue Date: 4 December 2023

Report on the Audit of UNDP South Sudan Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP South Sudan (the Office) from 4 to 22 September 2023. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes relating to the following areas and sub-areas:

- (a) Governance
- (b) Development activities
- (c) Operations – procurement, finance, human resources, administrative services, information, and communication technology (ICT)

In addition, OAI assessed the performance of the Office in the following areas and sub areas: Operations – Finance and Procurement.

Performance auditing is an independent, objective, and reliable examination of an entity or process to assess whether economy, efficiency, and effectiveness in the employment of available resources is being achieved.

- (a) Finance:
 - i. Were financial transactions processed timely and accurately?
- (b) Procurement:
 - i. Were procurement processes conducted efficiently, effectively, and in a timely manner?

The audit covered the activities of the Office from 1 January 2022 to 30 June 2023. The Office recorded programme and management expenses of approximately \$161.7 million. The last audit of the Office was conducted by OAI in 2020.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors (The IIA).

Overall audit rating

OAI issued an audit rating for the Office of **satisfactory/some improvement needed**, which means “The assessed governance arrangements, risk management practices and controls were generally established and functioning but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.” This rating was mainly due to long outstanding Government Contributions to Local Office Costs (GLOC), and due to the Office not submitting the annual in-kind contributions certification.

Conclusions on the performance audit areas reviewed: The results of the performance auditing conducted in finance and procurement revealed that (a) payments were processed accurately and in a timely manner, and (b) purchase orders were processed accurately, effectively and efficiently. These findings have been incorporated in the overall auditing rating.

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. Failure to take action could result in negative consequences for UNDP."

The recommendation aims to ensure compliance with legislative mandates, regulations and rules, policies, and procedures.

Implementation status of previous OAI audit recommendations: Report No. 2224, 19 August 2020.

Total recommendations: 2

Implemented: 2

Management comments and action plan.

The Resident Representative accepted the one audit recommendation and is in the process of implementing it. Comments and/or additional information provided have been incorporated in the report, where appropriate.

Low risk issues (not included in this report) have been discussed directly with management and actions have been initiated to address them.

A handwritten signature in black ink, appearing to read 'Guillermo Munoz'. The signature is stylized and enclosed within a rectangular box.

Guillermo Munoz
Deputy Director (Audit) a.i.
Office of Audit and Investigations