



AUDIT

OF

UN WOMEN SOUTH SUDAN

LEADERSHIP AND PARTICIPATION
(Directly Implemented Project No. 80824)

Report No. 1709
Issue Date: 16 September 2016

**Report on the Audit of UN Women
Leadership and Participation
(Project No. 80824)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), from 27 June to 5 July 2016, conducted an audit of 'Leadership and Participation' (Project No. 80824) (the Project), which is directly implemented and managed by the UN Women Country Office in South Sudan (the Office). 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 Trial Balance Report, which includes expenditure for the period from 1 January to 31 December 2015 and the Statement of Assets as of 31 December 2015. The audit did not include expenditures processed and approved outside of the country (such as UN Women Regional Centres and UN Women Headquarters).

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
635	Unqualified	4	Unqualified

* Expenditures recorded in the Project Trial Balance were \$837,904. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UN Women offices outside of the country of \$203,286.

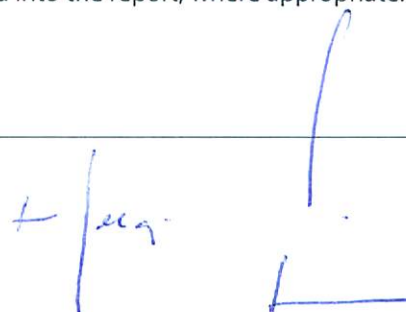
Key recommendation: Total = 1, high priority = 0

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 UN Women is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UN Women." This recommendation includes actions to address compliance with UN Women policies and procedures requiring the issuance of purchase orders for all transactions above \$2,500.

The recommendation aims to enhance effectiveness and efficiency of operations and ensure the reliability and integrity of financial and operational information.

Management comments and action plan

The Representative of the Office accepted the recommendation and has implemented corrective actions. Comments and/or additional information provided have been incorporated into the report, where appropriate.

A handwritten signature in blue ink is enclosed within a rectangular box. The signature appears to be 'H. Osttveiten'.

Helge S. Osttveiten
Director
Office of Audit and Investigations

**UNITED NATIONS DEVELOPMENT PROGRAMME
(UNDP)**

FINAL AUDIT REPORT

Report of the Independent Auditor on the United Nations Entity for
Gender Equality and the Empowerment of Women (UN Women) Directly
Implemented (DIM) Project 00080824:

“Leadership and Participation”

Project name:	“Leadership and Participation”
Award ID:	000080824
Country Office:	South Sudan
Auditor:	Moore Stephens LLP
Period subject to audit:	1 January to 31 December 2015

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1. EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of the "Leadership and Participation", ID: 000080824 (the project), directly implemented by UN Women South Sudan for the year ended 31 December 2015. The audit was undertaken on behalf of UNDP's Office of Audit and Investigations (OAI).

We have issued audit opinions as summarised in the table below and as detailed in the next section:

Project Trial Balance - Statement of Expenditure	Unqualified
Statement of Fixed Assets	Unqualified

As a result of our audit, we have raised one audit finding, with a net financial impact of US\$ Nil, as summarised below:

Table 1.1 – Summary of audit results

No.	Description	Priority	Net financial impact USD
1	Inadequacies in procurement processes	Medium	-
Total			-



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB
30 August 2016

2. THE AUDIT ENGAGEMENT

Audit Objectives and Scope

The objective of the financial audit was to express an opinion on the Directly Implemented (DIM) project's financial statements which include:

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2015 and the funds utilization as at 31 December 2015 are fairly presented in accordance with UN Women accounting policies and that the expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UN Women; and (iv) supported by properly approved vouchers and other supporting documents. The Project Trial Balance (PTB) certified by the UN Women Chief of Accounts is the mandatory and official Statement upon which the audit opinion is expressed. Other forms of Statement of expenses that may be prepared by a project office are not acceptable.
- Expressing an opinion on whether the statement of fixed assets presents fairly the balance of assets of the UN Women project as at 31 December 2015. This statement must include all assets available as at 31 December 2015 and not only those purchased in a given period. The Statement of Fixed Assets as at 31 December 2015, certified by the UN Women Chief of Accounts, is the mandatory and official Statement upon which the audit opinion is expressed. Other forms of Statement of Fixed Assets that may be prepared by a project office are not acceptable. Where a DIM project does not have any assets or equipment, an opinion is not expressed.

The scope of the audit relates only to transactions concluded and recorded against the UN Women DIM project between 1 January and 31 December 2015. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of "responsible parties", unless the inclusion of these expenses is specifically required in the request for proposal; and
- Expenses processed and approved in locations outside the country such as UN Women Regional Offices and UN Women Headquarters and for which the supporting documentation is not retained at the level of the UN Women country office.

3. AUDIT OPINIONS

INDEPENDENT AUDITORS' REPORT

Certification for Project Trial Balance - Statement of Expenditures

REPORT OF THE INDEPENDENT AUDITORS TO THE OFFICE OF AUDIT AND INVESTIGATIONS(OAI), UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP) FOR UN WOMEN DIRECTLY IMPLEMENTED (DIM), PROJECT: "LEADERSHIP AND PARTICIPATION" IN SOUTH SUDAN (ID: 000080824)

We have audited the accompanying Project Trial Balance – Statement of Expenditures (PTB), "the Statement", of the UN Women Directly Implemented (DIM) project 000080824, "Leadership and Participation" for the period 1 January to 31 December 2015. The PTB expenditures totalling \$ 837,904 are comprised of audited expenditures of \$ 634,618 under the Directly Implemented Modality (DIM) and expenditures processed and approved outside the UN Women Country Office in South Sudan of \$ 203,286, which were excluded from the scope of our audit.

Management is responsible for the preparation of the Statement for the project "Leadership and Participation" and for such internal controls as management determines are necessary to enable the preparation of a Statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to management's preparation of the Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Unqualified Opinion

In our opinion, the attached Project Trial Balance – Statement of Expenditures of the UN Women project presents fairly, in all material respects, the expenditure of US\$ 634,618 incurred by the project "Leadership and Participation" under the Directly Implemented Modality for the period from 1 January to 31 December 2015 in accordance with UN Women accounting policies and were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UN Women; and (iv) supported by properly approved vouchers and other supporting documents.

INDEPENDENT AUDITORS' REPORT

Certification for Statement of Assets

We have audited the accompanying Statement of Assets ("the statement") of the UN Women project number 80824, "Leadership and Participation" as at 31 December 2015.

Management is responsible for the preparation of the Statement for the project "Leadership and Participation" and for such internal controls as management determines are necessary to enable the preparation of a Statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the project's preparation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Unqualified Opinion

In our opinion, the attached Statement of Assets presents fairly, in all material respects, the balance of inventory of the UN Women project "Leadership and Participation" amounting to \$US 3,514.11 as at 31 December 2015 in accordance with UN Women accounting policies.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

Date: 30 August 2016

4. MANAGEMENT LETTER

The findings related to the audit of the financial statements are discussed in our management letter below:

Internal control findings

Internal control finding 1	
Title:	Inadequacies in procurement process
Priority:	Medium
Amount SSP	15,090
Amount US\$:	4,868

Description

The contract and procurement chapter of the Programme and Operation Manual (POM) Article 6.2.1 states that "procurement order creation is mandatory for all goods, services, and small works valued above US\$ 2,500"

We noted, however, that a purchase order was not raised for payment reference no. 1075 dated 17 February 2015 for printing and publications amounting to US\$ 4,868. We note that this amount is more than the required threshold of US\$ 2,500 above which a purchase order must be created.

Recommendation

We recommend that management should ensure that purchase orders are created for all payments above US\$ 2,500 as required by the contract and procurement chapter of the POM.

Management comments and action plan

The UN Women South Sudan CO acknowledges the observation relating to the requirements in the POM concerning the threshold for which POs should be raised. We note however that after the clarification provided from HQ on 26th August 2015 on USD 2,500 threshold the CO remained compliant. Prior to this the threshold was USD 5,000.

Auditor's response

Even though the clarification was not provided until 26 August 2015, the prevailing threshold at the date that payment reference 1075 was raised was USD 2,500 as acknowledged by the country office in their response. As such the finding stands.

**ANNEX I – PROJECT TRIAL BALANCE – STATEMENT OF
EXPENDITURES**

Extract of UN Women Trial Balance as at the 31 December 2015.
Expenditure by Project

Sum of Debit - Credit		Donor Report Classification	Total Per GL	Total Per Asset Schedule	Difference:
Project	Account Acc Desc				
80824	18130 Communications & IT Equipments	Undepreciated Asset	7,902.14		
80824	18630 Accumulated Dep - ITC	Undepreciated Asset	(4,387.70)		
		Total Undepreciated Assets	3,514.44	3,514.44	-
80824	61305 Salaries - IP Staff	Expenses	31,136.02		
80824	61310 Post Adjustment - IP Staff	Expenses	16,969.14		
80824	62225 Hazard Duty Station Allow-GS	Expenses	1,377.60		
80824	62305 Dependency Allowances-IP Staff	Expenses	3,619.17		
80824	62310 Contrib to Jt Staff Pens Fd-IP	Expenses	9,567.36		
80824	62315 Contrib. to Medical, social In	Expenses	900.33		
80824	62320 Mobility, Hardship, Non-remova	Expenses	8,838.02		
80824	62335 Hazard Duty Station Allow-IP	Expenses	5,208.90		
80824	62340 Annual Leave Expense - IP	Expenses	4,887.80		
80824	63335 Home Leave Trvl & Allow-IP Stf	Expenses	3,083.32		
80824	63340 Proc trips/Rest & Recup-IP Stf	Expenses	8,430.00		
80824	63365 Special Oper Living Allow-IP	Expenses	7,866.24		
80824	63530 Contribution to EOS Benefits	Expenses	1,803.94		
80824	63535 Contribution to Security	Expenses	1,924.20		
80824	63540 Contribution to Training	Expenses	481.04		
80824	63545 Contribution to ICT	Expenses	1,924.20		
80824	63550 Contributions to MAIP	Expenses	96.21		
80824	63555 Contribution to UN JFA	Expenses	865.91		
80824	63560 Contributions to Appendix D	Expenses	144.31		
80824	65115 Contributions to ASHI Reserve	Expenses	3,848.41		
80824	65135 Payroll Mgt Cost Recovery ATLA	Expenses	386.28		
80824	71205 Intl Consultants-Sht Term-Tech	Expenses	93,713.00		
80824	71210 Intl Consultants-Sht Term-Supp	Expenses	5,951.00		
80824	71305 Local Consult.-Sht Term-Tech	Expenses	41,788.71		
80824	71405 Service Contracts-Individuals	Expenses	158,698.40		
80824	71410 MAIP Premium SC	Expenses	574.95		
80824	71415 Contribution to Security SC	Expenses	6,324.38		
80824	71440 Appendix D SC	Expenses	4,599.29		
80824	71505 UN Volunteers-Stipend & Allow	Expenses	10,793.86		
80824	71520 UNV-Language Allowance	Expenses	200.00		
80824	71525 UNV-Hazard Pay	Expenses	3,280.00		
80824	71535 UNV-Medical Insurance	Expenses	474.64		
80824	71540 UNV-Global Charges	Expenses	477.22		
80824	71545 UNV-Home Leave Travel & Allowa	Expenses	32.00		
80824	71550 UNV-Resettlement Allowance	Expenses	700.00		
80824	71590 UNV Development Effectiveness	Expenses	2,320.00		
80824	71605 Travel Tickets-International	Expenses	31,860.10		
80824	71610 Travel Tickets-Local	Expenses	5,548.80		
80824	71615 Daily Subsistence Allow-Intl	Expenses	30,929.48		
80824	71620 Daily Subsistence Allow-Local	Expenses	24,059.71		
80824	71625 Daily Subsist Allow-Mtg Partic	Expenses	73,207.67		
80824	71630 Shipment	Expenses	725.81		
80824	71635 Travel - Other	Expenses	6,192.55		
80824	72205 Office Machinery	Expenses	6,983.87		
80824	72210 Machinery and Equipment	Expenses	1,483.87		
80824	72220 Furniture	Expenses	-		
80824	72311 Fuel, petroleum and other oils	Expenses	14,312.60		
80824	72402 Building Maintenance	Expenses	1,554.84		
80824	72425 Mobile Telephone Charges	Expenses	4,581.18		
80824	72440 Connectivity Charges	Expenses	924.24		
80824	72445 Common Services-Communications	Expenses	1,006.45		
80824	72505 Stationery & other Office Supp	Expenses	6,438.06		
80824	72715 Hospitality Catering	Expenses	15,212.90		
80824	73107 Rent - Meeting Rooms	Expenses	8,098.06		
80824	73108 Leased office equip and furnit	Expenses	967.74		
80824	73120 Utilities	Expenses	7,189.34		
80824	73310 Maint & Licencing of Software	Expenses	3,938.00		
80824	73405 Rental & Maint-Other Office Eq	Expenses	322.58		
80824	73406 Maintenance of Equipment	Expenses	241.94		
80824	73410 Maint, Oper of Transport Equip	Expenses	130.63		
80824	73420 Leased Vehicles	Expenses	725.07		
80824	73505 Reimb to UNDP for Supp Svcs	Expenses	15,233.51		
80824	74210 Printing and Publications	Expenses	12,130.64		
80824	74510 Bank Charges	Expenses	18.00		
80824	74520 Storage	Expenses	12,779.02		
80824	74525 Sundry	Expenses	7,681.93		
80824	75705 Learning Costs	Expenses	97,938.36		
80824	76135 Realized Gain	Expenses	(11.29)		
80824	77270 Overtime & Night Diff-GS-TA	Expenses	946.23		
80824	77630 Dep Exp Owned - ITC	Expenses	1,266.41		
80824 Total			837,904.15		

I hereby certify that the Trial balance is extracted from UN Womens books and records, which has been audited by the United Nations Board of Audit for the year ended 31 December 2015.

Donna Grimwade
Chief of Accounts

Date

24-May-16

Mark Henderson
Partner

Moore Stephens LLP

Date 30/8/2016

ANNEX II – STATEMENT OF ASSETS



United Nations Entity for Gender Equality
and the Empowerment of Women

Asset Schedule by Project as at the 31 December 2015

Business Unit	Operating Unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location	Acquisition Date	In-Service Date	Cost USD	Net Book Value	Quantity	Department	Impl Agency	Donor	Project	Fund code
ESA30	SSD	000000000166	UNW ICT12	Satellite phone	0000000000166	35697802-13613838-8	SG-2520	KEN30-01	1/25/2013	1/25/2013	1,105.00	486.19	1	93131	002001	00095	00080824	W3000
SSD30	SSD	000000000384	UNW ICT4	KYOCERA MITA FSC-2026 MFP	0000000000645	NN52604693		SUDAN-01	2/1/2013	2/1/2013	2,377.14	1,083.49	1	93131	002001	00095	00080824	W3000
SSD30	SSD	000000000386	UNW ICT12	THURAYA PHONE	0000000000648	IMEI-35697802-151162		SUDAN-02	1/25/2013	1/25/2013	1,105.00	486.19	1	93131	002001	00095	00080824	W3000
SSD30	SSD	000000000387	UNW ICT12	THURAYA PHONE	0000000000649	IMEI-35697802-148017		SUDAN-02	1/25/2013	1/25/2013	1,105.00	486.19	1	93131	002001	00095	00080824	W3000
SSD30	SSD	000000000389	UNW ICT12	THURAYA PHONE	0000000000654	IMEI-35697802-151500		SUDAN-02	1/25/2013	1/25/2013	1,105.00	486.19	1	93131	002001	00095	00080824	W3000
SSD30	SSD	000000000390	UNW ICT12	THURAYA PHONE	0000000000655	IMEI-35697802-151394		SUDAN-02	1/25/2013	1/25/2013	1,105.00	486.19	1	93131	002001	00095	00080824	W3000
													3514.44					

I hereby certify that the Asset Schedule is extracted from UN Womens books and records, which has been audited by the United Nations Board of Audit for the year ended 31 December 2015.

Donna Grimwade
Chief of Accounts

25-May-16
Date

Frankline Okumu
Asset Focal Point

25-May-16
Date

Mark Henderson

Partner

Moore Stephens LLP

Date 30/8/2016

ANNEX III – PRIORITIES OF AUDIT RECOMMENDATIONS

The audit observations are categorized according to the priority of the audit recommendations and the possible causes of the issues. The categorized audit observation provides a basis by which the UN Women country office management is to address the issues.

The following categories of priorities are used:

High (critical)	Action is considered imperative to ensure that UN Women is not exposed to high risks. Failure to take action could result in major consequences and issues.
Medium (important)	Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
Low	Action is considered desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the Auditors directly with the Office management, during the exit meeting and through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in the audit report.