



AUDIT

OF

UN WOMEN SOUTH SUDAN

RESPONDING TO
EMERGENCY NEEDS OF DISPLACED WOMEN AND HOST COMMUNITIES
IMPACTED BY CONFLICT IN FOUR INTERNALLY
DISPLACED PEOPLE CAMPS IN SOUTH SUDAN
(Directly Implemented Project No. 94751)

Report No. 1710
Issue Date: 16 September 2016

**Report on the Audit of UN Women South Sudan
Responding to Emergency Needs of Displaced Women and Host Communities Impacted by Conflict
in Four Internally Displaced People Camps in South Sudan
(Directly Implemented Project No. 94751)**

The UNDP Office of Audit and Investigations (OAI), through Moore Stephens LLP (the audit firm), conducted from 27 June to 5 July 2016 an audit of 'Responding to Emergency Needs of Displaced Women and Host Communities Impacted by Conflict in Four Internally Displaced People Camps in South Sudan' (Project No. 94751) (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
656	Unqualified	59	Unqualified

* Expenditures recorded in the Project's Trial Balance were \$656,381. There were no transactions excluded from the audit scope that were related to expenditures processed and approved by other UN Women offices outside of the country.

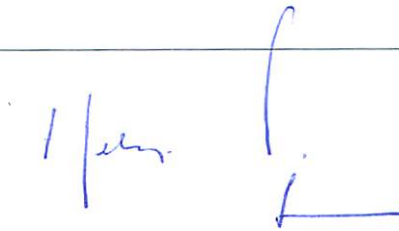
Key recommendation: Total = 1, high priority = 0

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 concerns relating to the failure by the Office to obtain prior authority from the donor for the temporary use of project funds to cover expenditures relating to another project.

The recommendation aims to ensure the reliability and integrity of financial and operational information and compliance with donor agreements. The issue did not have any impact on the audit opinion rendered.

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.



Helge S. Ostveiten
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 00094751:

“Responding to emergency needs of displaced women and host communities impacted by conflict in four Internally Displaced People camps in South Sudan”

Project name:	Responding to emergency needs of displaced women and host communities impacted by conflict in four Internally Displaced People camps in South Sudan
Award ID:	000094751
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 UN Women Project "Responding to emergency needs of displaced women and host communities impacted by conflict in four Internally Displaced People (IDP) camps in South Sudan", ID: 000094751 (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 Expenditures	Unqualified
Statement of Fixed Assets	Unqualified

As a result of our audit, we have raised one audit finding as summarised below:

Table 1.1 – Summary of audit results

No.	Description	Priority	Net financial impact USD
1	Failure to obtain prior authority from the donor for the temporary use of project funds to cover expenditures relating to another project	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. We note that the project did not commence until 1 April 2015 and so no expenditures were recorded before this date. 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 expenditures initiated at UN Women Regional Offices and UN Women Headquarters 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:

"RESPONDING TO EMERGENCY NEEDS OF DISPLACED WOMEN AND HOST COMMUNITIES IMPACTED BY CONFLICT IN FOUR IDP CAMPS IN SOUTH SUDAN" (ID: 000094751)

We have audited the accompanying Project Trial Balance – Statement of Expenditures (PTB), "the Statement" of the UN Women Directly Implemented (DIM) project 000094751, 'Responding to emergency needs of displaced women and host communities impacted by conflict in four IDP camps in South Sudan' for the period 1 January 2015 to 31 December 2015. The PTB expenditures totaling \$ 656,381 are comprised of audited expenditures of \$ 656,381 under the Directly Implemented Modality (DIM) and expenditures processed and approved outside the UN Women Country Office in South Sudan of \$ Nil, which were excluded from the scope of our audit.

Management is responsible for the preparation of the Statement for the project 'Responding to emergency needs of displaced women and host communities impacted by conflict in four IDP camps in South Sudan' and for such internal control as management determines is 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\$ 656,381 incurred by the project "Responding to emergency needs of displaced women and host communities impacted by conflict in four IDP camps in South Sudan" 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 000094751, 'Responding to emergency needs of displaced women and host communities impacted by conflict in four IDP camps in South Sudan' as at 31 December 2015.

Management is responsible for the preparation of the Statement for the project 'Responding to emergency needs of displaced women and host communities impacted by conflict in four IDP camps in South Sudan' 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 'Responding to emergency needs of displaced women and host communities impacted by conflict in four IDP camps in South Sudan' amounting to US\$ 58,797.04 as at 31 December 2015 in accordance with UN Women accounting.



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 project financial statements are discussed, below:

Management Control Finding

Internal control finding 1	
Title:	Failure to obtain prior authority from the donor for the temporary use of project funds to cover expenditures relating to another project.
Priority:	Medium
Amount US\$:	N/A

Description

We reviewed expenditures recorded in the Atlas ledger for the project No. 94751 and noted instances where the project recorded expenditures for activities conducted before the inception of the agreed project period of 1 April 2015. On discussion with the project management team we were informed that the costs related to another project for which the receipt of funding had been delayed but the project activities were on-going. Management had agreed to utilise the available funds from the project 94751 and to refund these costs once funding had been received for the other project.

Further review of the project ledger showed that the costs relating to the other project were later reversed from project 94751 when the funding was received and were not ultimately charged to the donor contributions for project 94751. For this reason no financial finding was raised in relation to this observation.

However, the management did not obtain prior authority from the donor to temporarily use its funds for another project and, as a result, the organisation was in contravention of the terms of agreement.

We have tabulated the expenditures temporarily charged to project 94751 in the table below:

Transaction reference	Payment Date	Description	Amount in USD
00001300	26/05/15	INTL CONSULTANTS-SHT TERM-TECH	13,770.00
00001301	26/05/15	INTL CONSULTANTS-SHT TERM-TECH	15,300.00
00001302	26/05/15	INTL CONSULTANTS-SHT TERM-TECH	22,550.00
00001303	26/05/15	INTL CONSULTANTS-SHT TERM-TECH	24,600.00
00001317	28/05/15	INTL CONSULTANTS-SHT TERM-TECH	24,600.00
TOTAL			100,820.00

Recommendation

We recommend that in the future the organisation obtains prior, written approval from all concerned parties before utilising funds on any activities not expressly approved in the project agreement. This includes the use of donor funds to temporarily cover costs related to another project. The obtaining of prior approval will ensure that the entity avoids any contravention of the terms of the project agreement. We further recommend that as part of the review process, the appropriate approving authority review all supporting documentation to ensure that only expenses which relate to the approved project activities and which have been incurred during the project period are charged to the project.

Management comments and action plan

UN Women South Sudan acknowledges and agrees with this observation and will strive to be in compliance.

ANNEX I – PROJECT TRIAL BALANCE – STATEMENT OF EXPENDITURES

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

Sum of Debit - Credit						
Project	Account	Acc Desc	Donor Report Classification	Total Per GL	Total Per Asset Schedule	Difference:
94751	18130	Communications & IT Equipments	Undepreciated Asset	4,765.00		
94751	18160	Vehicles	Undepreciated Asset	56,425.60		
94751	18630	Accumulated Dep - ITC	Undepreciated Asset	(974.15)		
94751	18660	Acc Dep -Vehicles	Undepreciated Asset	(2,015.20)		
			Total Undepreciated Assets	58,201.25	58,797.04	(595.79) (a)

(a) Asset 894 \$SD purchased on project 94751 in July 2015 and later an APJE completed in Dec-2015 to move the cost to project 81114. The asset was transferred in Dec to 81114 but depreciation charged from Jul to Dec-2015 was moved to the new COA

94751	63340	Proc trips/Rest & Recup-IP Stf	Expenses	21.32		
94751	71168	Other Expenses UN Agy Pers Rel	Expenses	2,500.00		
94751	71205	Intl Consultants-Sht Term-Tech	Expenses	80,502.58		
94751	71305	Local Consult.-Sht Term-Tech	Expenses	49,938.91		
94751	71405	Service Contracts-Individuals	Expenses	113,397.35		
94751	71410	MAIP Premium SC	Expenses	367.67		
94751	71415	Contribution to Security SC	Expenses	4,044.27		
94751	71440	Appendix D SC	Expenses	2,941.07		
94751	71505	UN Volunteers-Stipend & Allow	Expenses	21,260.28		
94751	71520	UNV-Language Allowance	Expenses	400.00		
94751	71525	UNV-Hazard Pay	Expenses	8,000.00		
94751	71535	UNV-Medical Insurance	Expenses	949.28		
94751	71540	UNV-Global Charges	Expenses	987.24		
94751	71545	UNV-Home Leave Travel & Allowa	Expenses	64.00		
94751	71550	UNV-Resettlement Allowance	Expenses	1,600.00		
94751	71590	UNV Development Effectiveness	Expenses	4,640.00		
94751	71605	Travel Tickets-International	Expenses	5,072.00		
94751	71610	Travel Tickets-Local	Expenses	242.88		
94751	71615	Daily Subsistence Allow-Intl	Expenses	67,839.29		
94751	71620	Daily Subsistence Allow-Local	Expenses	11,220.69		
94751	71625	Daily Subsist Allow-Mtg Partic	Expenses	24,244.54		
94751	71635	Travel - Other	Expenses	3,192.76		
94751	72105	Svc Co-Construction & Engineer	Expenses	1,439.06		
94751	72210	Machinery and Equipment	Expenses	759.00		
94751	72215	Transportation Equipment	Expenses	109.00		
94751	72220	Furniture	Expenses	50.39		
94751	72401	Prefab structure/other buildin	Expenses	(80,986.50)		
94751	72402	Building Maintenance	Expenses	22,227.56		
94751	72405	Acquisition of Communic Equip	Expenses	4,563.00		
94751	72415	Courier Charges	Expenses	14,315.58		
94751	72425	Mobile Telephone Charges	Expenses	1,696.77		
94751	72440	Connectivity Charges	Expenses	4,982.35		
94751	72445	Common Services-Communications	Expenses	814.52		
94751	72505	Stationery & other Office Supp	Expenses	(70,293.58)		
94751	72510	Publications	Expenses	3,449.00		
94751	72605	Grants to Instit & other Benef	Expenses	75,131.99		
94751	72705	Hospitality-Special Events	Expenses	447.25		
94751	72715	Hospitality Catering	Expenses	182.16		
94751	73104	Leased Building	Expenses	16,000.00		
94751	73107	Rent - Meeting Rooms	Expenses	17,058.14		
94751	73110	Custodial & Cleaning Services	Expenses	814.52		
94751	73115	Moving Expenses	Expenses	7,569.76		
94751	73120	Utilities	Expenses	(12,817.08)		
94751	73125	Common Services-Premises	Expenses	6,790.99		
94751	73204	Building	Expenses	2,565.00		
94751	73405	Rental & Maint-Other Office Eq	Expenses	404.80		
94751	73406	Maintenance of Equipment	Expenses	(5,700.89)		
94751	73420	Leased Vehicles	Expenses	1,568.60		
94751	73505	Reimb to UNDP for Supp Svcs	Expenses	16,818.91		
94751	74210	Printing and Publications	Expenses	1,046.76		
94751	74225	Other Media Costs	Expenses	2,927.23		
94751	74510	Bank Charges	Expenses	600.70		
94751	74520	Storage	Expenses	2,239.00		
94751	74710	Land Transport	Expenses	1,070.76		
94751	74965	Low value equipment	Expenses	(42,895.00)		
94751	75115	Facilities & Admin - OH & Ind	Expenses	259,259.26		
94751	75705	Learning Costs	Expenses	(12,995.68)		
94751	75709	Learning - training of counter	Expenses	5,109.67		
94751	76135	Realized Gain	Expenses	(527.52)		
94751	77630	Dep Exp Owned - ITC	Expenses	5,144.47		
94751	77660	Dep Exp Owned -Vehicle	Expenses	2,015.20		
94751 Total				656,381.28		

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
SSD30	SSD	000000000897	UNW_LCT1	Lenovo Thinkpad X20	000000000897	SPC045E7U	SSD30	SSD30	8/3/2015	8/3/2015	2,382.50	2,193.32	1	93131	002001	00141	00094751	W3000
SSD30	SSD	000000000898	UNW_LCT1	Lenovo Thinkpad X20	000000000898	SPC045E7T	SSD30	SSD30	8/3/2015	8/3/2015	2,382.50	2,193.32	1	93131	002001	00141	00094751	W3000
SSD30	SSD	000000000900	UNW_MTRV4	Toyota Land Cruiser V8	000000000900	JTMV031-204170640	SSD30	SSD30	10/19/2015	10/19/2015	56,425.60	54,410.40	1	93131	002001	00141	00094751	W3000
												58,797.04						

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.