



**AUDIT**

**OF**

**UN WOMEN COUNTRY OFFICE**

**IN**

**SOUTH SUDAN**

**Report No. 1221**  
**Issue Date: 31 October 2013**

## Report on the audit of UN Women South Sudan Executive Summary

From 15 April to 4 May 2013, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP) conducted an audit of the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) Country Office in South Sudan (the Office). The audit covered the activities of the Office during the period from 1 January 2012 to 28 February 2013. During the period reviewed, the Office recorded programme and management expenses totalling \$1.6 million. This was the first audit of the Office.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. These Standards require that OAI plan and perform the audit to obtain reasonable assurance on the adequacy and effectiveness of the governance, risk management and control processes. The audit includes reviewing and analysing, on a test basis, information that provides the basis for the conclusions and audit results.

### Audit rating

OAI assessed the Office as **partially satisfactory**, which means “Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity.” This rating was mainly due to the need for improvements in project formulation and implementation (including the need for development projects for building the capacity of Implementing Partners), improper expense allocation, inadequate documents to support disbursements, weaknesses in the procurement process, and weaknesses in the recording and management of fixed assets. Ratings per audit area and sub-areas are summarized below.

Audit Areas	Not Assessed/ Not Applicable	Unsatisfactory	Partially Satisfactory	Satisfactory
<b>1. Governance and strategic management</b>				
1.1 Organizational structure and delegations of authority	Satisfactory			
1.2 Leadership, ethics and values	Satisfactory			
1.3 Risk management, planning, monitoring and reporting	Partially Satisfactory			
<b>2. Programme activities</b>				
2.1 Programme and project management	Unsatisfactory			
2.2 Partnerships and resource mobilization	Satisfactory			
<b>3. Operations</b>				
3.1 Human resources	Satisfactory			
3.2 Finance	Unsatisfactory			
3.3 Procurement	Unsatisfactory			
3.4 Information and communication technology	Partially Satisfactory			
3.5 General administration	Partially Satisfactory			
3.6 Safety and security	Satisfactory			
3.7 Operational support provided by UNDP	Satisfactory			
3.8 Asset management	Unsatisfactory			
3.9 Leave management	Partially Satisfactory			

## Key issues and recommendations

The audit raised 10 issues and resulted in 10 recommendations, of which 4 (40 percent) were ranked high (critical) priority, meaning “Prompt action is required to ensure that UN Women is not exposed to high risks. Failure to take action could result in major negative consequences for UN Women and may affect the organization at the global level.”

The high priority recommendations are as follows:

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| Programme and project management (Issue 2) | <p><u>Inadequate project formulation and implementation.</u> The Office had not prepared project documents, used Implementing Partners that did not have adequate capacity to efficiently deliver on its projects, and was implementing projects that included construction activities without the support of personnel with knowledge for monitoring and implementing such activities. In addition, the staff were unfamiliar with the UN Women procedures for engaging with partners. OAI recommends that the Office strengthen its programme and project processes and activities by: (a) ensuring compliance with the Programme and Operations Manual regarding project formulation, including the preparation of project documents and work plans and ongoing monitoring and oversight; (b) performing capacity assessments for all Implementing Partners and using the gaps noted to determine the manner of partnering and the levels of monitoring and capacity building required for those partners; (c) providing training to ensure that all staff are familiar with the Programme and Operations Manual and the appropriate procurement, contracting and programming modalities approved for use when engaging assistance from third parties; and (d) recalculating the budgets for all projects which include a construction element to allocate funds to permit engagement of professional services to manage and monitor the construction in compliance with the procurement rules.</p> |
| (Issue 3)                                  | <p><u>Inadequate number of projects in support of capacity development of Implementing Partners.</u> The Office did not have any projects targeting the capacity of Implementing Partners although the capacity of partners were deemed as inadequate and external assessments confirmed that partners’ capacities needed improvement. OAI recommends that the Office improve its capacity development strategy for Implementing Partners by: (a) ensuring that during project design, capacity building activities based on the weaknesses identified during the capacity assessment of the Implementing Partners are built into the project; and (b) liaising with the Division of Management and Administration regarding the types and volume of support documentation required from Implementing Partners for Funding and Certification of Expenditures forms, and ensuring that this is formally communicated to the Implementing Partner.</p>   |
| Finance (Issue 4)                          | <p><u>Improper allocation of expenditures and inadequate filing of supporting documents.</u> From a sample of 48 disbursement vouchers totalling \$1.1 million, OAI noted that 13 vouchers totalling \$0.3 million were incorrectly posted and subsequently corrected. One voucher for \$6,000 related to a different Country Office disbursement and 28 vouchers totalling \$0.5 million did not have adequate original documents to support the decision taken. OAI recommends that the Office ensure compliance with the Financial Regulations and the accuracy of its reporting by ensuring that: (a) original invoices and delivery documentation are required to support voucher preparation to reduce the possibility of</p>  |

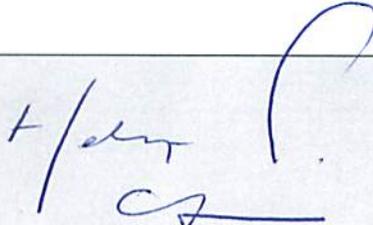
duplicate payments and to validate that goods or services were received and/or the agreed upon results were achieved; and (b) staff are adequately trained to accurately allocate expenditures to Atlas project accounts.

Procurement  
(Issue 5)

Weaknesses in the procurement process. The procurement process in the Office was weak due to insufficient procurement planning, inadequate procurement skills among staff, the lack of adequate documentation, and a lack of clarity in the terms of reference for the Local Acquisition Management Review Committee. OAI recommends that the Office improve the procurement process and comply with the Programme and Operations Manual by: (a) ensuring that a comprehensive procurement plan is developed, used, monitored and updated regularly; (b) requiring that staff with buyer profiles and the chairperson of the procurement review committee are procurement certified; (c) ensuring that the Local Acquisition Management Review Committee is created and that the members have terms of reference which delineate their role and responsibilities; (d) developing a system to ensure that adequate documentation is received, reviewed, reconciled and maintained as outlined in the administration section of the manual; and (e) taking steps to improve contract management by monitoring the services procured.

#### Management comments and action plan

The Country Representative accepted all 10 recommendations and is in the process of implementing them. Overall, management commented that many of the recommendations are being addressed in the context of the new Regional Architecture, strengthening of field presence and decentralizing decision-making. It also expressed its commitment to strengthening the capacity in UN Women South Sudan.



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