South Sudan

<table>
<thead>
<tr>
<th>(in $'000)</th>
<th>Opinion</th>
<th>(in $'000)</th>
<th>Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>14</td>
</tr>
</tbody>
</table>

0

actions to
Management comments and action plan

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

Brett Simpson
Officer-in-Charge
Office of Audit and Investigations
REPORT ON THE FINANCIAL AUDIT OF UN WOMEN SOUTH SUDAN DIRECTLY IMPLEMENTED PROJECT, PROMOTING WOMEN’S PARTICIPATION SOUTH SUDAN PROJECT NUMBER: 81114 FOR THE PERIOD 1 JANUARY 2016 TO 31 DECEMBER 2016

LIST OF ABBREVIATIONS

IESBA  International Ethics Standards Board of Accountants’ Code of Ethics for Professional Accountants
ISA    International Standards on Auditing
OAI    Office of Audit and Investigations
PTB    Project Trial Balance
TOR    Term of Reference
UNDP   United Nations Development Programme
US$    United States Dollar
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PART 1 EXECUTIVE SUMMARY

Deloitte Haskins & Sells LLP (DHS) through Deloitte East Africa, Certified Public Accountants (Kenya) conducted a financial audit of Promoting Women’s Participation (Project number 81114) (‘the project’), directly implemented by UN Women South Sudan (‘the office’) for the year ended 31 December 2016. The audit was undertaken on behalf of the Office of Audit and Investigations (OAI), United Nations Development Programme (UNDP).

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

<table>
<thead>
<tr>
<th>Statement</th>
<th>意见</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement of Expenditure</td>
<td>Unqualified</td>
</tr>
<tr>
<td>Statement of Assets and Equipment</td>
<td>Qualified</td>
</tr>
</tbody>
</table>

The findings as a result of our audit were as follows:

- Errors in the Assets included in the statement of fixed assets *(Refer to finding 3.1.1)*;
- Failure to comply with the procurement guidelines *(Refer to finding 3.1.2)*; and
- Purchase orders raised after the receipt of invoices *(Refer to finding 3.1.3)*.

The project was not audited in the prior year.

Yours faithfully,

Certified Public Accountants (Kenya)

Nairobi, Kenya

30 August 2017
Dear Sir,

The Director
Office of Audit and Investigations (OAI)
United Nations Development Programme (UNDP)

PART 2: FINANCIAL AUDIT REPORTS WITH AUDIT OPINIONS

2.1 Report of independent auditors’ on the audit of the Project Trial Balance of UN Women South Sudan project, Promoting Women’s Participation, Project number: 81114

We have audited the accompanying Project Trial Balance (PTB) of the UN Women project number 81114, Promoting Women’s Participation, directly implemented by UN Women Country Office in South Sudan for the period 1 January 2016 to 31 December 2016.

The Project Trial Balance expenditure totalling US$ 1,390,234 is comprised of expenditure directly incurred by the UN Women Country Office in South Sudan in the amount of US$ 1,012,093.36, and expenditure incurred by entities other than the Country Office for an amount of US$ 378,140.55. Our audit only covered the expenditure directly incurred by the UN Women Country Office in South Sudan of US$ 1,012,093.36.

Opinion

In our opinion, the attached Project Trial Balance presents fairly, in all material respects, the expenses of US$ 1,012,093.36 directly incurred by the UN Women Country Office in South Sudan and charged to the project for the period 1 January 2016 to 31 December 2016 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor’s responsibilities for the audit of the Project Trial Balance section of our report. We are independent of UN Women in accordance with the International Ethics Standards Board of Accountants’ Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management responsibilities

Management is responsible for the preparation of the Project Trial Balance of the project, and for such internal control as management determines is necessary to enable the preparation of a Project Trial Balance that is free from material misstatement, whether due to fraud or error.
2.1 Independent auditors’ report (Continued)

Auditor’s responsibilities

Our objectives are to obtain reasonable assurance about whether the Project Trial Balance is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Project Trial Balance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization’s internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Certified Public Accountants (Kenya)

Nairobi, Kenya

30 August 2017
The Director  
Office of Audit and Investigations (OAI)  
United Nations Development Programme (UNDP)  

Dear Sir,  

2.2 Report of independent auditors’ on the Statement of Fixed Assets of UN Women South Sudan project, Promoting Women’s Participation (Project number 81114)  

We have audited the accompanying Statement of Fixed Assets of the UN Women project number 81114, Promoting Women’s Participation directly implemented by UN Women Country Office in South Sudan as at 31 December 2016.  

Opinion  
In our opinion, except for the effects of the matter described in the Basis of opinion section of our report, the accompanying statement of fixed assets presents fairly, in all material respects, the assets status of the UN Women project 81114 amounting to US$ 98,548.45 as at 31 December 2016 in accordance with UN Women accounting policies.  

Basis for qualified opinion  
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor’s responsibilities for the audit of the statement of fixed assets. We are independent of UN Women in accordance with the International Ethics Standards Board of Accountants’ Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.  

As described in section 3.1.1 of this report, the value of the assets recorded in the statement of fixed assets is overstated by US$ 14,018.  

Management responsibilities  
Management is responsible for the preparation of the Statement of Fixed Assets of the project, and for such internal control as management determines is necessary to enable the preparation of a statement of fixed assets that is free from material misstatement, whether due to fraud or error.  

Auditor’s responsibilities for the audit  
Our objectives are to obtain reasonable assurance about whether the Statement of Fixed Assets is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.
2.2 Independent auditors’ report (Continued)

Auditor’s responsibilities for the audit (Continued)
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of fixed assets, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 organization’s internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte & Touche

Certified Public Accountants (Kenya)

Nairobi, Kenya

30 August 2017
PART 3: MANAGEMENT LETTER

3.1 Results of the Audit

3.1.1 Errors in the Assets included in the statement of fixed assets

UN Women Programme and Operations Manual (POM) on asset management provides that UN Women has control of an asset when it can use or otherwise benefit from the assets in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Two container storage tanks with a cost of US$ 12,237 and a net book value of US$ 6,338 were included in the list of assets held and in use by the project. The assets are located in a different compound which was used by UN Women South Sudan until 2013, but which has since been under the control of the Government of South Sudan. UN Women has not been able to recover custody of the two tanks. Therefore, the UN Women Country Office in South Sudan is not in control of the assets and per the UN Women Programme and Operations Manual (POM) on asset management action should be taken to correct the Statement of Assets for the project.

In addition, a Codan HF Mobile Radio with a value of $ 7,680 that was purchased under a different project (number 94751) was erroneously capitalised under project number 81114 during the period 1 January to 31 December 2016.

As a result of the items noted above, the value of the assets recorded in the Project Trial Balance is overstated by US$ 14,018 leading to a qualified audit opinion on the fixed assets as per section 2.2 of this report.

Priority

Medium

Recommendation

UN Women Country Office in South Sudan should seek approval of the transactions necessary to correct the Statement of Assets for the project, transferring the asset and corresponding accumulated depreciation for the Mobile Radio to project 94751 and writing off the two storage tanks for which they do not have control.

Management comments and action plan

The UN Women South Sudan CO acknowledges and accepts the observation relating to Asset Management. The country office will take the necessary actions to correct the asset registry and to write off the two water storage tanks as part of the July 2017 Asset verification exercise.
3.1 Results of the Audit (Continued)

3.1.2 Failure to comply with procurement guidelines

UN Women Contract and Procurement Management Programme and Operations Manual Section 6.2 (solicitation methods) requires that for goods, works and services with a value above US$ 5,000 and below US$ 50,000, requests for quotation shall be sent to at least 5 bidders indicating the specifications or terms of reference.

UN Women Country Office in South Sudan requested three quotations for the procurement of goods and services with a total value of US$ 32,857 as detailed below:

<table>
<thead>
<tr>
<th>Nature of procurement</th>
<th>Quotations required</th>
<th>Quotations obtained</th>
<th>Amount (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply of Motor vehicle parts</td>
<td>5</td>
<td>3</td>
<td>16,454</td>
</tr>
<tr>
<td>Supply of drivers uniforms</td>
<td>5</td>
<td>3</td>
<td>7,800</td>
</tr>
<tr>
<td>Consultancy services for Training of facilitators for the</td>
<td>5</td>
<td>3</td>
<td>8,603</td>
</tr>
<tr>
<td>National Transformation Learning institute</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>32,857</strong></td>
</tr>
</tbody>
</table>

The UN Women South Sudan office indicated that the instances of non-compliance with UN Women Procurement policy and guidelines were an oversight by the management.

Non-compliance with the procurement policy may result in UN Women’s failure to realise value for money.

**Priority**

Medium

**Recommendation**

Management should implement appropriate controls that would ensure compliance with the procurement policies, including the requirement for public advertisement of the procurement notice when at least five bidders are not available, for procurements between US $5,000 and $10,000.

**Management comments and action plan**

UN Women South Sudan acknowledges and agrees with this observation and will strive to adhere to the procurement guidelines regarding the requirement to solicit quotations from at least 5 bidders. However, the CO would also like to highlight that the markets in South Sudan are still highly limited, such that sometimes it is difficult or not possible to find five suppliers of some goods and services.
3.1 Results of the Audit (Continued)

3.1.3 Purchase orders raised after receipt of invoices

UN Women Programme and Operations manual, Contract and Procurement Management Article 2 (Organization of procurement), the procurement process flow and Atlas steps requires that UN Women raises and issues purchase orders prior to the receipt of the goods or services.

There were three instances where purchase orders were raised after the receipt of the invoices from the suppliers as detailed below:

<table>
<thead>
<tr>
<th>Transaction reference</th>
<th>Details</th>
<th>Amount</th>
<th>Purchase order date</th>
<th>Invoice date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSD 30-1201</td>
<td>Provision of driver’s uniforms</td>
<td>19,800</td>
<td>08 March 2016</td>
<td>18 February 2016</td>
</tr>
<tr>
<td>SSD 30-0899</td>
<td>Provision of printing services</td>
<td>19,559</td>
<td>9 May 2016</td>
<td>4 May 2016</td>
</tr>
<tr>
<td>SSD 30-0895</td>
<td>Provision of travel services</td>
<td>18,540</td>
<td>10 March 2016</td>
<td>4 March 2016</td>
</tr>
</tbody>
</table>

The UN Women South Sudan office indicated that the instances of non-compliance with the guidelines were an oversight by the management.

Non-compliance with UN Women policy regarding the timing for raising of purchase orders results in inaccurate reporting to management of financial commitments and may result in overspending of project funds.

Priority
Medium

Recommendation
The management of UN Women Country Office in South Sudan should ensure that purchase orders are raised in compliance with the UN Women Programme and Operations Manual and Procurement policies and before any goods are delivered or services rendered to ensure that all procurements are recorded and reported against the approved work plans and budgets in a timely manner.

Management comments and action plan

UN Women South Sudan acknowledges and agrees with this recommendation. The Country Office will immediately put a mechanism in place to ensure purchase orders are raised before any goods/services are delivered.
APPENDIX 1 PROJECT TRIAL BALANCE
FOR THE YEAR ENDED 31 DECEMBER 2016
### REPORT ON THE FINANCIAL AUDIT OF UN WOMEN SOUTH SUDAN DIRECTLY IMPLEMENTED PROJECT PROMOTING WOMEN’S PARTICIPATION SOUTH SUDAN PROJECT NUMBER 81114 FOR THE PERIOD 1 JANUARY 2016 TO 31 DECEMBER 2016

<table>
<thead>
<tr>
<th>Project Account</th>
<th>Amount</th>
<th>Description</th>
<th>Donor Report Classification</th>
<th>Total per EL</th>
<th>Schedule</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>81226</td>
<td>18310</td>
<td>Communications &amp; IT Equipments</td>
<td>Assets</td>
<td>61,233.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>81226</td>
<td>18349</td>
<td>Furnitures and Fixtures</td>
<td>Assets</td>
<td>8,609.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>81226</td>
<td>18356</td>
<td>Vehicles</td>
<td>Assets</td>
<td>19,832.40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>81226</td>
<td>18574</td>
<td>Tobacco Vehicls/Equipment</td>
<td>Assets</td>
<td>16,857.40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>81226</td>
<td>18490</td>
<td>Security Equipment</td>
<td>Assets</td>
<td>11,470.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>81226</td>
<td>18208</td>
<td>Accumulated Dep - FG</td>
<td>Assets</td>
<td>21,926.91</td>
<td></td>
<td></td>
</tr>
<tr>
<td>81226</td>
<td>18464</td>
<td>Acc Dep-Fac &amp; Facilities</td>
<td>Assets</td>
<td>7,740.62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>81226</td>
<td>18560</td>
<td>Acc Dep-Vehicles</td>
<td>Assets</td>
<td>231,940.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>81226</td>
<td>18579</td>
<td>Acc Dep-Hygiene Mat &amp; Equip</td>
<td>Assets</td>
<td>676.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>81226</td>
<td>18583</td>
<td>Acc Dep-Security Equip</td>
<td>Assets</td>
<td>(771.00)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>81226</td>
<td>18524</td>
<td>Total</td>
<td></td>
<td>160,452.60</td>
<td>59,548.45</td>
<td>100.73</td>
</tr>
</tbody>
</table>

**Note:** The report is subject to further audit and verification by the relevant authorities.
APPENDIX II STATEMENT OF FIXED ASSETS
AS AT 31 DECEMBER 2016
REPORT ON THE FINANCIAL AUDIT OF UN WOMEN SOUTH SUDAN DIRECTLY IMPLEMENTED PROJECT PROMOTING WOMEN’S PARTICIPATION SOUTH SUDAN PROJECT NUMBER 81114 FOR THE PERIOD 1 JANUARY 2016 TO 31 DECEMBER 2016