



**UNITED NATIONS ENTITY FOR GENDER EQUALITY AND THE
EMPOWERMENT OF WOMEN
(UN WOMEN)**

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 81114

Project name:	Promoting Women's Participation
Award ID:	81114
Country Office:	South Sudan
Auditor:	Deloitte Haskins & Sells LLP
Period subject to audit:	1 January to 31 December 2017

ISSUED 17 November 2018

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PART 1: EXECUTIVE SUMMARY

1.1 The audit engagement

Deloitte Haskins & Sells LLP (DHS) through Deloitte East Africa, Certified Public Accountants (Kenya) conducted a financial audit of project number 81114: "Promoting Women's Participation" ('the Project'), directly implemented by UN Women Country Office in South Sudan ('the Country Office') for the year ended 31 December 2017. The audit was undertaken on behalf of UN Women's Independent Evaluation and Audit Services (IEAS).

1.2 Audit objectives

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

- Expressing an opinion on whether the financial expenses incurred by the Project between 1 January and 31 December 2017 and the fund utilization as at 31 December 2017 are fairly presented in accordance with UN Women's 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 at the Financial Management Section of the Management and Administration Division at headquarters is the mandatory and official statement upon which the audit opinion is expressed.
- 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 2017. This statement must include all assets available as at 31 December 2017 and not only those purchased in a given period. The statement of fixed assets as at 31 December 2017, certified by the UN Women Chief of Accounts at the Financial Management Section of the Management and Administration Division at headquarters, is the mandatory and official statement upon which the audit opinion is expressed. Where a DIM project does not have any assets or equipment, an opinion is not expressed.
- As applicable, provide the progress made in implementing any recommendations raised in the previous audit report.

REPORT ON THE FINANCIAL AUDIT OF THE UN WOMEN SOUTH SUDAN DIRECTLY IMPLEMENTED PROJECT PROMOTING WOMEN'S PARTICIPATION IN SOUTH SUDAN (PROJECT NUMBER 81114), FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2017

1.3 Audit scope

The scope of the audit relates only to transactions concluded and recorded against the UN Women DIM Project between 1 January to 31 December 2017. The scope of the audit does not include:

- Activities and expenses incurred or undertaken at the level of responsible parties¹, unless the inclusion of these expenses is specifically required in the request for proposal.
- Expenses processed and approved in locations outside the country such as expenses initiated at other UN Women Regional or Country Offices and UN Women headquarters for which the supporting documentation is not retained at the level of the UN Women Country Office².

Specifically the audit covered the following:

- a) The expenses incurred and recorded in the Project Trial Balance (PTB) during the year 2017.
- b) The net book value and existence of the fixed assets held by the project as at 31 December 2017.

1.4 Audit results

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, the findings were as follows:

- Purchase orders raised after expiry of consultancy contracts (*Refer to finding 3.1.1*)
- Non-retention of supporting documents for expenditure reported on FACE forms (*Refer to finding 3.1.2*).

This project was audited in the prior year. Refer to Part 4 of this report for the status of implementation of the recommendations.

Acknowledgement

We wish to express our appreciation for the courtesy and cooperation extended to the representatives during the course of the audit.



Certified Public Accountants (Kenya)
Nairobi, Kenya
17 November 2018

¹ "Responsible Parties", (RPs) in the context of UN Women implemented projects, refers to governmental, NGO or CSO entities who have received funding through the respective UN Women Country Office to undertake specific elements of the Project's activities. These activities are governed by a Project Cooperation Agreement, or similar, signed by the entity and UN Women, along with the associated budget. Expenditure incurred by these RPs is reported to the UN Women Country Office on a quarterly basis, where it is subject to review and approval prior to being recorded within the Project's financial records. UN Women headquarters provide for such expenditure to be audited separately, with the individual projects and RPs selected on the basis of a risk assessment applied on a global level. While it is not certain that any or all of the RPs who reported expenditure on a project selected for a DIM audit will necessarily have been audited for the period under review, the provision for such audits, within the remit of the internal audit function of UN Women, means that the expenditure does not need to be included as part of the DIM project audit scope.

² Project financial records may include items which are not directly posted by the Country Office, such as centrally managed payroll costs or year-end journals or allocations. Such transactions fall within the remit of UN Women's internal and external auditors, and are therefore not re-audited within the scope of the DIM project.

REPORT OF THE INDEPENDENT AUDITOR TO THE INDEPENDENT EVALUATION AND AUDIT SERVICES OF UN WOMEN FOR THE UN WOMEN SOUTH SUDAN DIRECTLY IMPLEMENTED (DIM) PROJECT:

“PROMOTING WOMEN’S PARTICIPATION IN SOUTH SUDAN” (ID: 81114)

PART 2: FINANCIAL AUDIT REPORTS WITH AUDIT OPINIONS

2.1 REPORT ON THE PROJECT TRIAL BALANCE

We have audited the accompanying Project Trial Balance (PTB) – statement of expenditures of the UN Women South Sudan directly implemented project number 81114, “Promoting Women’s Participation”, for the period 1 January to 31 December 2017.

The Project Trial Balance expenditure totalling US\$ 1,035,679.39 is comprised of expenditure directly incurred by the UN Women Country Office in South Sudan in the amount of US\$ 551,131.39, and expenditure incurred by entities other than the Country Office for an amount of US\$ 484,548³. Our audit only covered the expenditure directly incurred by the UN Women Country Office in South Sudan of US\$ 551,131.39.

Opinion

In our opinion the accompanying project trial balance presents fairly, in all material respects, the expenses of US\$ 551,131.39 directly incurred by the UN Women Country Office in South Sudan and charged to the Project for the period 1 January to 31 December 2017 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 UN Women regulations and rules, policies and procedures.
- (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.

³ Expenditure incurred by other entities other than the Country Office of US\$ 484,548 relates to expenditure processed at UN Women headquarters relating to payroll and depreciation of US\$ 266,984 and expenditure incurred by responsible parties of US\$ 217,564.

REPORT ON THE FINANCIAL AUDIT OF THE UN WOMEN SOUTH SUDAN DIRECTLY IMPLEMENTED PROJECT PROMOTING WOMEN'S PARTICIPATION IN SOUTH SUDAN (PROJECT NUMBER 81114), FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2017

Management responsibilities

Management is responsible for preparation of the Project Trial Balance, and for such internal control as management determines is necessary to enable the preparation of the Project Trial Balance that is free from material misstatement, whether due to fraud or error.

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

17 November 2018

2.2 CERTIFICATION FOR STATEMENT OF FIXED ASSETS

We have audited the accompanying statement of fixed assets of the UN Women South Sudan directly implemented project number 81114, "Promoting Women's Participation", as at 31 December 2017.

Opinion

In our opinion the accompanying statement of fixed assets presents fairly, in all material respects, the asset status of UN Women Project 81114 amounting to US\$ 66,501.12 as at 31 December 2017 in accordance with UN Women accounting policies.

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 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.

Responsibilities of Management for the Statement of Fixed Assets

Management is responsible for preparation of the Project's statement of fixed assets, 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 of Statement of Fixed Assets

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.

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.

REPORT ON THE FINANCIAL AUDIT OF THE UN WOMEN SOUTH SUDAN DIRECTLY IMPLEMENTED PROJECT PROMOTING WOMEN'S PARTICIPATION IN SOUTH SUDAN (PROJECT NUMBER 81114), FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2017

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

17 November 2018

REPORT ON THE FINANCIAL AUDIT OF THE UN WOMEN SOUTH SUDAN DIRECTLY IMPLEMENTED PROJECT PROMOTING WOMEN'S PARTICIPATION IN SOUTH SUDAN (PROJECT NUMBER 81114), FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2017

PART 3: MANAGEMENT LETTER

3.1 Results of the Audit

3.1.1 Purchase orders raised after expiry of consultancy contracts

UN Women Programme and Operations Manual on Contract and Procurement Management states that a post-facto situation occurs when a contract has expired and no amendments have been issued, but the supplier is still working without a contract. Business units should make every effort to avoid post-facto cases. However, if this does occur, the business unit should provide:

- An explanation of the circumstances resulting in the post-facto situation.
- Reasonableness and acceptability of the procurement activity.
- Confirmation that no financial loss has occurred to UN Women.

Of a sample of 12 purchase orders, with a total value of US\$ 77,801.36, there were two instances where purchase orders were raised after the expiry date of consultancy contracts as detailed below:

Purchase order date	Contract expiry date	Amount
15 May 2017	22 March 2017	\$15,000.00
19 December 2017	30 September 2017	\$6,300.00

The Country Office indicated that these instances of non-compliance with the guidelines were an oversight by the management. This issue was raised in the previous audit and the Country Office has since introduced a mechanism to ensure the issue does not recur. However, the instances above show that the system in place has not fully addressed the issue and the issue has reoccurred due to oversight by management.

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

Priority

Medium

Recommendation

Management should enhance the implemented procedure to ensure that post facto cases of purchase orders are avoided.

Management comments and action plan

It was indeed an oversight and the UN Women Country Office will do its best not to repeat such instances.

REPORT ON THE FINANCIAL AUDIT OF THE UN WOMEN SOUTH SUDAN DIRECTLY IMPLEMENTED PROJECT PROMOTING WOMEN'S PARTICIPATION IN SOUTH SUDAN (PROJECT NUMBER 81114), FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2017

3.1.2 Non-retention of supporting documents for expenditure reported on FACE forms

UN Women POM on Cash Advances and other Cash Transfers to partners states that upon receipt of the original expenditure documents, the UN Women Project Manager should stamp each individual receipt and invoice to ensure that they are marked as having been processed. The Project Manager then returns the supporting documentation to the implementing partner for storage. Photocopied or preferably scanned copies of the sampled originals must be retained at the Country Office along with the FACE form and evidence of sample selection and results.

Of a sample of four cases totalling US\$ 52,665, there were two cases totalling US\$ 42,460 in which the Country Office did not retain the photocopies or scanned copies of the sampled originals along with the FACE form from the partners. The management indicated this was an oversight.

The original supporting documents were however provided by the partner for review during the audit. Based on the samples audited, we noted that the expenditure on the FACE forms was adequately supported.

Priority

Medium

Recommendation

Management to ensure that copies of the partner's original expenditure supporting documents are retained along with the FACE form.

Management comments and action plan

UN Women Country Office started making copies of the FACE supporting documents in late 2017 and will comply with the recommendations going forward.

REPORT ON THE FINANCIAL AUDIT OF THE UN WOMEN SOUTH SUDAN DIRECTLY IMPLEMENTED PROJECT PROMOTING WOMEN’S PARTICIPATION IN SOUTH SUDAN (PROJECT NUMBER 81114), FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2017

PART 4: FOLLOW UP ON PRIOR YEAR AUDIT FINDINGS

From inquiry and review of the status of implementation of prior year audit recommendations, we noted that not all the audit recommendations had been implemented. See the table below for details:

Finding	Recommendation	Status of implementation
Purchase orders were raised after the receipt of the invoices from suppliers.	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.	The Country Office stated that, as at 2 November 2017, it has put in place a mechanism to ensure that purchase orders are raised before any goods or services are delivered. However, as shown in finding 3.1.1 of this audit report the issue continues to reoccur.

**REPORT ON THE FINANCIAL AUDIT OF THE UN WOMEN SOUTH SUDAN DIRECTLY
IMPLEMENTED PROJECT PROMOTING WOMEN'S PARTICIPATION IN SOUTH SUDAN
(PROJECT NUMBER 81114), FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2017**

APPENDICES

REPORT ON THE FINANCIAL AUDIT OF THE UN WOMEN SOUTH SUDAN DIRECTLY IMPLEMENTED PROJECT PROMOTING WOMEN'S PARTICIPATION IN SOUTH SUDAN (PROJECT NUMBER 81114), FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2017

Statement of Fixed Assets: Project 81114

APPENDIX II STATEMENT OF FIXED ASSETS AS AT 31 DECEMBER 2017

As of Date: 31-12-17

Business unit	Operating Unit	Asset ID	Description	TAG Number	Serial		Location	Acquisition Date	In Service		Cost,USD	Net Book Value
					Number	Model			Date	Date		
SSD30	SSD	00000000383	Wooden office Desks	00000000562	N/A		S.SUDAN-12	22-08-12	31-12-12		1,213.11	442.27
SSD30	SSD	00000000391	Lenovo T530 Laptop	00000000740	R9T9X2N		S.SUDAN-02	30-04-13	30-04-13		1,500.00	62.5
SSD30	SSD	00000000392	Lenovo T530 Laptop	00000000741	R9YYE0A		S.SUDAN-02	30-04-13	30-04-13		1,500.00	62.5
SSD30	SSD	00000000393	HP LASERJET 600 M602DN	00000000742	X13-12056(1)		S.SUDAN-02	30-04-13	30-04-13		1,300.00	243.74
SSD30	SSD	00000000394	HP LASERJET 600 M602DN	00000000743	X13-12056(2)		S.SUDAN-02	30-04-13	30-04-13		1,300.00	243.74
SSD30	SSD	00000000395	Lenovo T530 Laptop	00000000805	R9T9X0A		S.SUDAN-06	30-04-13	30-04-13		1,500.00	62.5
SSD30	SSD	00000000396	Lenovo T530 Laptop	00000000809	R9T9X1H		S.SUDAN-06	30-04-13	30-04-13		1,500.00	62.5
SSD30	SSD	00000000398	Lenovo T530 Laptop	00000000813	R9T9X3T		S.SUDAN-06	30-04-13	30-04-13		1,500.00	62.5
SSD30	SSD	00000000400	Lenovo T530 Laptop	00000000816	R9T9WZY		S.SUDAN-02	30-04-13	30-04-13		1,500.00	62.5
SSD30	SSD	00000000406	Toyota Land Cruiser Pickup	UN16/ 5RSS	JTELB71J507104610		S.SUDAN-15	18-07-13	18-07-13		42,287.10	14,263.51
SSD30	SSD	00000000407	Toyota Land Cruiser Hardtop	UN16/ 4RSS	JTEEB71J207019068		S.SUDAN-15	18-07-13	18-07-13		27,523.30	9,283.65
SSD30	SSD	00000000800	Events Tent	00000000800	N/A		SSD30	25-08-14	25-08-14		1,950.00	617.5
SSD30	SSD	00000000801	Events Tent	00000000801	N/A		SSD30	25-08-14	25-08-14		1,950.00	617.5
SSD30	SSD	00000000802	Events Tent	00000000802	N/A		SSD30	25-08-14	25-08-14		1,950.00	617.5
SSD30	SSD	00000000803	Wooden Conferencing table /set	00000000803	N/A		SSD30	21-08-14	31-08-14		7,096.77	4,065.85
SSD30	SSD	00000000894	Cisco MX300 Telepresence	00000000894	ETT181601JV		SSD30	07-05-15	07-05-15		42,895.00	23,830.55
SSD30	SSD	00000000905	12 Volt electronic winch/exten	00000000905			SSD30	30-06-16	31-10-16		2,010.00	1,507.50
SSD30	SSD	00000000911	Heavy duty T13 stallion bulbar	00000000911	N/A		SSD30	30-06-16	31-10-16		1,780.00	1,335.00
SSD30	SSD	00000001232	Conferencing tables /set	00000001232	N/A		SSD30	10-10-17	10-10-17		9,350.00	9,057.81
											151,605.28	66,501.12

I hereby certify that this list details the assets per this project.



Donna Grimwade
Chief of Accounts

Date: 5 April 2018