

AUDIT

OF

**PROJECT NAME: PROJET D`APPUI A LA RELANCE ET A LA REHABILITATION DU SECTEUR AGRICOLE
(PARRSA)
(Atlas Project ID # 00077040)**

At UNOPS CONGO OPERATIONS CENTRE

**Report No. IAIG/2208
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Report on the audit of ‘Projet D’appui a la relance et a la rehabilitation du secteur agricole’ (Atlas Project ID 00077040)

Executive Summary

The Internal Audit and Investigations Group (IAIG) of the United Nations Office for Project Services (UNOPS), through PricewaterhouseCoopers (PWC), Congo (the audit firm), conducted an audit of the project ‘Projet D’appui a la relance et a la rehabilitation du secteur agricole (PARRSA)’ - Atlas Project ID 00077040 (the Project), in Congo Operations Centre (the Office). The audit firm was under the general supervision by IAIG in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

The Project reported expenditure totalling USD 1,256,032 during the period from 1 January 2011 to 31 December 2011. The World Bank contributed to the Project.

Audit scope and objectives

The audit firm conducted a combined financial audit and audit of internal controls and systems to express an opinion on whether the financial statements present fairly, in all material aspects, the results of the Project’s operations, as well as assess compliance with UNOPS regulations, rules, policies and procedures and donor agreements. The audit covered the review of the Project’s Statement of Expenditure for the above mentioned period and Statement of Non-Expendable Property. It also reviewed the relevant systems, procedures and practices in place as they relate to the Project, in the areas of: project management, finance, human resources management, procurement and supply chain, and general administration (including asset management).

Audit rating







Based on the audit report and corresponding management letter submitted by the audit firm, IAIG assessed the management of the Project as **partially satisfactory**¹. The details of the audit results are presented in Tables 1 and 2.

Table 1: Summary results of the audit

Period	Project Expenditure		Project non expendable property		Overall rating on internal controls
	Amount (in USD)	Opinion	Amount (USD)	Opinion	
01 January to 31 December 2011	USD 1,256,032	Unqualified	USD 162,476	Unqualified	Partially satisfactory

¹ See definitions in Annex 1

Table 2: Internal controls ratings summary

RATING SUMMARY BY FUNCTIONAL AREA		
Functional area	Rating	
Project management	Partially Satisfactory	
Finance	Partially Satisfactory	
Procurement and supply chain	Partially Satisfactory	
Human resources	Partially Satisfactory	
General administration (incl. Assets Management)	Partially Satisfactory	
Overall rating of Internal control	Partially Satisfactory	

Key recommendations

The audit raised 9 recommendations of which 5 were considered to be of high priority, 3 of medium priority and one of low priority.

High priority recommendations include:

Functional area	Recommendation
Project management	Need to accelerate the implementation of the project activities.
	Need for the project management to set out concrete targets, for the period, in the annual work plan.
Finance	Need to strengthen control over accounting imputation and budget monitoring.
	Need for the project to open a bank account in Mbandaka, headquarter of the coordination office.
	Need to ensure proper segregation of duties for petty cash management.

Medium priority recommendations include actions to address: the need to cancel paid invoices; need to ensure the visibility of assets and equipment purchased for the project; and need to return broken items to the supplier within the warranty period.

Low priority recommendation addresses the need to materialise the control of staff attendance in Mbandaka.

Follow up of recommendations

The follow up of the action taken by management to implement the audit recommendations is monitored by IAIG on its web based issue tracking system.