

AUDIT

OF

**PROJECT NAME: SOUTH AFRICAN DEVELOPMENT COMMUNITY (SADC)
GROUNDWATER AND DROUGHT MANAGEMENT PROJECT
(Atlas Project ID #00047805)**

At UNOPS International Waters Cluster

**Report No. IAIG/2212
Issue Date: 19 September 2012**

Report on the audit of South African Development Community (SADC) Groundwater and Drought Management Office (Atlas ID Project 00047805)**Executive Summary**

The Internal Audit and Investigations Group (IAIG) of the United Nations Office for Project Services (UNOPS), through RSM Betty and Dickson Johannesburg (the audit firm), conducted an audit of project 'South African Development Community (SADC) Groundwater and Drought Management Project' (the Project). 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 totaling USD 2,477,209 during the period from 1 January 2011 to 30 June 2012. The project was funded by the World Bank, acting as an implementing agency of the Global Environment Facility.

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 **satisfactory**¹. The details of the audit results are presented in Tables 1 and 2.

Table 1: Summary results of the financial audit

Period	Project Expenditure		Project non expendable property		Overall rating on internal controls
	Amount (in USD)	Opinion	Amount (USD)	Opinion	
01 January 2011 to 30 June 2012	2,477,209	Unqualified	Nil	Unqualified	Satisfactory

¹ See definitions in Annex 1

Table 2: Internal controls ratings summary

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

Key recommendations

The audit raised 2 recommendations which are considered to be of low priority.

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.