

AUDIT

OF

**PROJECT NAME: Project d`Appui au Redressement du Secteur de l`Education (PARSE)
(Atlas Project ID #00071043)**

At UNOPS Congo Operation Centre

**Report No. IAIG/2213
Issue Date: 19 September 2012**

**Report on the audit of Projet d'Appui au Redressement du Secteur de l'Education (PARSE)
Atlas Project ID # 00071043**

Executive Summary

The Internal Audit and Investigations Group (IAIG) of the United Nations Office for Project Services (UNOPS), through PricewaterhouseCoopers Democratic Republic of Congo (the audit firm), conducted an audit of project 'Projet d'Appui au Redressement du Secteur de l'Education' (Atlas Project ID 00071043) (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 totalling USD 11,542,757 during the period from 3 November 2009 to 31 December 2011. The project is funded by the World Bank.

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 financial audit

Period	Project Expenditure		Project non expendable property		Overall rating on internal controls
	Amount (in USD)	Opinion	Amount (USD)	Opinion	
O3 November 2009 to 31 December 2011	11,542,757	Unqualified	41,775	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	Satisfactory	
Procurement and supply chain	Satisfactory	
Human resources	Satisfactory	
General administration (incl. Assets Management)	Partially Satisfactory	
Overall rating of Internal control	Partially Satisfactory	

Key recommendations

The audit raised 4 recommendations which are considered to be of medium priority. Medium priority recommendations include actions to address meeting the deadline agreed with contractors for completion of works, completing formal minutes for documenting the loss of assets, communicating to the beneficiaries the contractual warranty provisions, and the need to use budget lines in the project budget as agreed in the Memorandum of Understanding (MoU).

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.