

AUDIT

OF

**PROJECT NAME: DARFUR URBAN WATER SUPPLY PROJECT
(Atlas Project ID # 00076613)**

At UNOPS SUDAN PROJECT CENTRE

**Report No. IAIG/2214
Issue Date: 2 OCTOBER 2012**

**Report on the audit of ‘Darfur Urban Water Supply Project’
(Atlas Award ID 00076613)**

Executive Summary

The Internal Audit and Investigations Group (IAIG) of the United Nations Office for Project Services (UNOPS), through PricewaterhouseCoopers Kenya (the audit firm), conducted an audit of project ‘Darfur Urban Water Supply Project’ (Atlas Project ID 00076613) (The Project) in Sudan Project 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 totaling USD 2,121,877 during the period from 1 November 2010 to 31 December 2011. The project was funded by the United Kingdom Department for International Development (DFID).

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 audit

Period	Project Expenditure		Project non expendable property		Overall rating on internal controls
	Amount (in USD)	Opinion	Amount (USD)	Opinion	
01 November 2010 to 31 December 2011	2,121,877	Unqualified	221,586	Unqualified	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	Partially Satisfactory	
General administration (incl. assets management)	Satisfactory	
Overall rating of Internal control	Satisfactory	

Key recommendations

The audit raised four recommendations, of which three were considered medium priority and one was considered to be low priority. Medium priority recommendations included actions to address compliance issues with the Memorandum of Understanding (MOU); fast track activities that are lagging behind schedule; and formalisation of the existing arrangement for use of project assets.

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.