

**UNITED NATIONS OFFICE FOR PROJECT SERVICES
(UNOPS)****INTERNAL AUDIT REPORT****14 May 2025**

PROJECT NAME:	SUPPORT FOR STRENGTHENING SYSTEMS TO PROTECT AND UPLIFT WOMEN
PROJECT NUMBER:	24252-001
COUNTRY:	NEPAL
AUDITOR:	BDO LLP
PERIOD SUBJECT TO AUDIT:	19 JANUARY TO 31 DECEMBER 2024

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Acronyms and abbreviations

ADB	Asian Development Bank
IAASB	International Auditing and Assurance Standards Board
IAIG	Internal Audit and Investigations Group
IESBA	International Ethics Standards Board for Accountants
IPSAS	International Public Standard Accounting System
ISA	International Standards on Auditing
PIU	Project Implementation Unit
PMU	Project Management Unit
TA	Technical Assistance
UN	United Nations
UNOPS	United Nations Office for Project Services
US\$	United States Dollars

Executive summary

The engagement context

The Internal Audit and Investigations Group (IAIG) of the United Nations Office for Project Services (UNOPS), through BDO LLP (“the audit firm”), conducted an audit of the project ‘Support for Strengthening Systems to Protect and Uplift Women’ (“the project”) (oneUNOPS project ID 24252-001), which is implemented and managed by the UNOPS Office in Nepal. The audit firm was under the general supervision of IAIG in conformance with the International Standards for the Professional Practice of Internal Auditing.

The project reported expenditure amounting to US\$ 276,047 during the period from 19 January to 31 December 2024. The donor who contributed to the project is the Asian Development Bank.

Audit objectives

The overall objective of the audit was to assess the management of the project operations to obtain reasonable assurance towards the achievement of the project objectives.

The areas of focus included:

- a) Effective, efficient and economical use of resources;
- b) Reliability of reporting;
- c) Safeguarding of assets; and
- d) Compliance with applicable legislation.

The purpose of the audit was to provide reasonable assurance that:

- a) Client/donor contributions and project expenditure are properly accounted for;
- b) Project expenditure was incurred in accordance with the contribution agreement, and is supported by adequate documentation; and
- c) The related financial statements prepared by UNOPS for the year under review present a fair view of the operations.

In particular, the audit firm provided an overall assessment of the operational and internal control systems that are in place for the management of the project so that related transactions are processed in accordance with UNOPS policies and procedures to achieve the project’s objectives.

Audit scope

The audit firm conducted the audit in accordance with International Standards on Auditing issued by the IAASB and UNOPS internal audit practices, and in consideration of the requirements of International Public Sector Accounting Standards (IPSAS).

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, which means, “The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area”. The details of the audit results are presented in Tables 1 and 2.

Table 1: Summary results of the financial audit

Project title		Period	Project no.
Support for Strengthening Systems to Protect and Uplift Women		19 January to 31 December 2024	24252-001
Financial statement		Statement of non-expendable property	
Amount US\$	Opinion	Amount US\$	Opinion
276,047	Unmodified	-	Not applicable

Table 2: Internal control rating summary for project

Rating summary by functional area		
Functional area	Rating	
Project management	Satisfactory	
Finance	Satisfactory	
Procurement and supply chain	Satisfactory	
Human resources	Satisfactory	
General administration	Satisfactory	
Information and Communications Technology	Satisfactory	
Overall rating of internal control	Satisfactory	

Key issues and recommendations

The internal audit report has not raised any recommendations.



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14 May 2025

Operational overview

The project 'Support for Strengthening Systems to Protect and Uplift Women' was financed by a grant from the Asian Development Bank (ADB) to the Federal Ministry of Women, Children and Senior Citizens of the Government of Nepal (the 'Executing Agency'). The Executing Agency has a Project Management Unit that has the overall responsibility for project implementation. Moreover, several ministries are involved as province-level Implementing Agencies: Ministry of Women, Children, Youth and Sports, Madhesh Province (Implementing Agency 1); Ministry of Social Development, Lumbini Province (Implementing Agency 2); Ministry of Social Development, Sudurpaschim Province (Implementing Agency 3); and Department of Urban Development and Building Construction, Ministry of Urban Development (Implementing Agency 4). The Implementing Agencies formed a Project Implementation Unit within each ministry, which is responsible for timely implementation of the assigned project outputs in the respective provinces.

UNOPS supports the Project Management Unit (PMU) and Project Implementation Units (PIUs) by supervising the implementation of civil works and providing advice during procurement activities. UNOPS also provides technical backstopping in these areas. UNOPS' roles and responsibilities for each area of support are as follows:

a. Procurement support – UNOPS (i) supports the preparation of bidding documents by the PMU; (ii) provides necessary clarifications and assistance during the bid evaluation process, including the preparation of draft evaluation reports to be approved by the PMU and ADB; (iii) provides the necessary assistance up to the contract award stage; and (iv) participates in site verification jointly with the contractors.

b. Supervision support - UNOPS will undertake the supervision of all civil works implemented by the Implementing Agencies during the technical assistance (TA) period. During the TA period, UNOPS will (i) support mobilization of contractors ; (ii) support the PMU and the PIUs in the management and monitoring of complex multi-location worksites; (iii) coordinate and work with other individual consultants engaged by the PMU and the PIUs; (iv) support the preparation and submission of monthly, quarterly and annual reports; (v) supervise the works and provide instruction to the contractors, to assist the contractor in providing quality construction as per the design; (vi) work to resolve any construction issues quickly; (vii) undertake periodic reporting and monitoring of civil works progress; (viii) certify progress of works and inform the Implementing Agencies regarding the payment; (ix) recommend variation orders if deemed necessary; and (x) issue the takeover certificate confirming that the works have been executed in a timely manner and in compliance with the contract specifications.

In addition, UNOPS will perform other tasks as specified in the list of activities defined under 'Administrative Arrangement' signed between UNOPS and ADB.

The contract entered into force on 18 January 2024 for a period of 30 months, ending on 30 June 2027 for a total amount of US\$ \$1,229,244.

The audit team extends its appreciation to the management and staff members of the UNOPS Office in Nepal for their full cooperation during the audit.

Annex I - Definitions

Standard audit ratings for overall performance of internal control system

Effective 1 January 2017, the internal audit services of UNDP, UNFPA, UNICEF, UNOPS and WFP adopted harmonized audit rating definitions, as described below. IAIG assesses the entity under review as a whole as well as the specific audit areas within the audited entity:

- (a) satisfactory (effective),
- (b) partially satisfactory (some improvement needed),
- (c) partially satisfactory (major improvement needed), and
- (d) unsatisfactory (ineffective).

The elements of the rating system take into account the audited office's internal control system, risk management practices, and their impact on the achievement of office objectives.

The definitions of the ratings are, as follows:

Standard rating	Definition
Satisfactory (effective)	The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
Partially satisfactory (some improvement needed)	The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
Partially satisfactory (major improvement needed)	The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
Unsatisfactory (ineffective)	The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity.

Categories for priorities of audit recommendations

The audit observations are categorized according to the priority of the audit recommendations and the possible causes of the issues. The categorized audit observation provides a basis by which the UNOPS country office management is to address the issues.

The following categories of **priorities** are used:

Categories	Definition
High	Prompt action is considered imperative to ensure that UNOPS is not exposed to high risks (that is, where failure to take action could result in critical or major consequences for the organization).
Medium	Action is considered necessary to avoid exposure to significant risks (that is, where failure to take action could result in significant consequences).
Low	Action is considered desirable and should result in enhanced control or better value for money.

Possible causes

The following categories of **possible causes** are used:

- **Guidelines:** absence of written procedures to guide staff in performing their functions;
 - Lack of or inadequate corporate policies or procedures
 - Lack of or inadequate RO/OC/PC policies or procedures
 - Inadequate planning
 - Inadequate risk management processes
 - Inadequate management structure
- **Guidance:** inadequate or lack of supervision by supervisors;
 - Lack of or inadequate guidance or supervision at the RO/OC/PC level
 - Inadequate oversight by Headquarters
- **Resources:** insufficient resources (funds, skill, staff) to carry out an activity or function;
 - Lack of or insufficient resources (financial, human, or technical resources)
 - Inadequate training
- **Human error:** Un-intentional mistakes committed by staff entrusted to perform assigned functions;
- **Intentional:** intentional overriding of internal controls;
- **Other:** Factors beyond the control of UNOPS.