



INTERNAL AUDIT AND INVESTIGATIONS GROUP

UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

27 February 2014

PROJECT NAME:	CONSTRUCTION OF EIGHTEEN LANDING SITES AND THREE ANCHORAGES UNDER THE POST-TSUNAMI COASTAL REHABILITATION AND RESOURCES MANAGEMENT PROGRAMME (IFAD FUNDED) IN SEVEN DISTRICTS OF SRI LANKA
PROJECT NUMBER:	00070213
COUNTRY:	SRI LANKA
AUDITOR:	MOORE STEPHENS LLP
PERIOD SUBJECT TO AUDIT:	27 APRIL 2009 TO 30 SEPTEMBER 2013

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Acronyms and abbreviations

IAIG	Internal Audit and Investigations Group
IFAD	International Fund for Agricultural Development
IP	Implementing Partner
IPSAS	International Public Sector Accounting Standards
LKOC	Sri Lanka Operations Centre
OC	Operations Centre
PC	Project Centre
RO	Regional Office
TOR	Terms of Reference
UNOPS	United Nations Office for Project Services
USD	United States Dollars

Financial audit report

Audit opinion on the project financial statement

Report of the Independent Auditors to UNOPS Sri Lanka Operations Centre

We have audited the accompanying project financial statement for the project 'Construction of Eighteen Landing Sites and Three Anchorages under the Post Tsunami Coastal Rehabilitation and Resources Management Programme (IFAD funded) in Seven Districts of Sri Lanka' (Atlas project ID 00070213) of UNOPS for the period from 27 April 2009 to 30 September 2013.

Management responsibility for the financial statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with International Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statement based upon the results of our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of a financial statement that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's opinion

In our opinion, the financial statement gives a true and fair view, in all material respects, of the income and expenditure of the project 'Construction of Eighteen Landing Sites and Three Anchorages under the Post Tsunami Coastal Rehabilitation and Resources Management Programme (IFAD funded) in Seven Districts of Sri Lanka' (Atlas project ID 00070213), for the period from 27 April 2009 to 30 September 2013 in conformity with the terms of the agreements and in accordance with International Public Sector Accounting Standards.

Project financial statement

This is attached as Annex I to this report.

Statement of non-expendable property

No statement of non-expendable property has been presented as all non-expendable property was transferred to the final beneficiaries, along with the coastal infrastructure facilities, on completion of the project. Accordingly we do not issue an opinion in respect of non-expendable property.



Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

27 February 2014



INTERNAL AUDIT AND INVESTIGATIONS GROUP

Annex I – Project financial statement

January 16, 2014
Ref: Project No: 00070213
Funding: IFAD

To whom it may Concern,

Subject: Restated Interim Financial Statement as at 30 September 2013

We enclose the restated Interim Financial Statement for project **00070213 Post Tsunami Coastal Rehabilitation Program**, which commenced in year 2009 and indicates project expenses as at 30 September 2013.

We draw your attention to the following:

- › Project expenditure and management fee: **US\$ 10,786,088**
- › Project advances: **US\$ 4,498** and open purchase orders: **US\$ 2,067**
- › Total cash received: **US\$ 10,810,237** including interest earned: **US\$ 36,415**
- › Project fund balance: **US\$ 17,584**

If you have any question, please do not hesitate to contact UNOPS

Yours sincerely,



Kanit Pukchareon
Regional Finance Specialist
IPAS, UNOPS HQ

Country: Sri Lanka Funding: IFAD
 Project Atlas id: 00070213 All Amounts in US\$
 Project Title : Post Tsunami Coastal Rehabilitation Program Date: 1/16/2014

RESTATED INTERIM FINANCIAL STATEMENT AS AT 30 SEPTEMBER 2013

1) INCOME

DEPOSITS

2009	2,400,000.00	
2010	1,000,000.00	
2011	3,770,000.00	
2012	3,182,153.00	
2013	419,469.00	<u>10,771,622.00</u>

INTEREST

2009	2,173.47	
2010	6,066.07	
2011	16,572.68	
2012	9,740.80	
2013	1,861.69	<u>36,414.71</u>

MISCELLANEOUS INCOME

2010	2,200.06	
2013	0.00	<u>2,200.06</u>

TOTAL FUNDS (A) 10,810,236.77

2) PROJECT EXPENSES

PERIOD - PRIOR YEARS:

2009	Project Expense	260,742.80	
	Net Exchange Gain	(140.21)	
	Management Fee	18,251.99	<u>278,854.58</u>
2010	Project Expense	2,509,685.78	
	Net Exchange Loss	4.83	
	Management Fee	175,678.00	<u>2,685,368.61</u>
2011	Project Expense	3,458,914.12	
	Net Exchange Loss	113.55	
	Management Fee	241,854.74	<u>3,700,882.41</u>
2012	Project Expense	2,347,094.65	
	Net Exchange Gain	(790.26)	
	Management Fee	164,296.63	<u>2,510,601.02</u>

PERIOD - CURRENT YEAR

2013	Disbursements	1,408,448.35 *	
	Receipt Accruals	92,564.24	
	Net exchange gain	(5,998.65)	
	Management fee	115,367.16	<u>1,610,381.10</u>

TOTAL PROJECT EXPENSES (B) 10,786,087.72

Project Advances (C) 4,498.21 * 4,498.21

PROJECT CASH BALANCE (D) = (A) - (B) - (C) 19,650.84


Open Purchase Orders (E) 2,066.91 2,066.91


3) PROJECT FUND BALANCE (F) = (D) - (E) 17,583.93

This statement is interim and is provided for information purposes only. Figures are not final. Final figures will appear in the certified 2013 financial statement once the 2013 books are closed.

*The Statement is following IPSAS reporting requirements, Management Fee is calculated and recorded against Project Expenses (Disbursements + Receipt Accruals)
 Project Advances represents amounts yet to be either recovered or settled against Project Expenses. Open POs represents amounts committed against goods/services yet to be delivered/rendered. Fund balance represents cash available for implementation activities.*

* The figures reported above is inclusive prepayment advance amount 59,110.97 which was settled on 10/8/2013

Prepared by 
 Jamil Mohammad
 Senior Finance Associate
 IPAS, UNOPS HQ

Certified By 
 Kanit Pukchareon
 Regional Finance Specialist
 IPAS, UNOPS HQ

Annex II – Responsibility statement by management

Annex C (1-Apr-2013 to 30-Sep-2013)
UNITED NATIONS OFFICE FOR PROJECT SERVICES

Project ID: 70213 POST TSUNAMI COASTAL REHABILITATION PROGRAMME

Responsibility Statement by Management

The United Nations Office for Project Services (UNOPS) management is responsible for the preparation, integrity and fair presentation of the Financial/Income/Income-Expenditure Statements of the UNOPS Project ID. 70213 POST TSUNAMI COASTAL REHABILITATION PROGRAMME. The Statement presented has been prepared in accordance with the applicable UNOPS regulations and rules.

We do hereby state that, in our opinion:

Financial Statement

The Financial Statement as reported presents fairly in all material aspects, the expenditure of US\$ 1,235,923 incurred by the UNOPS office for the period 01-Apr-2013 to 30-September-2013 in accordance with the accounting policies set out in the Notes to the Statement and in conformity with approved activities and budgets of UNOPS Project ID. 70213- POST TSUNAMI COASTAL REHABILITATION PROGRAMME.

Statement of Inventory of Non-Expendable Equipment

The Statement of Non-Expendable Equipment presents fairly, in all material respects, the Non-Expendable Equipment balance procured during the period from 01-Apr-2013 to 30-September-2013 of the project amounting to US\$ 0 (zero) in accordance with the Non-Expendable Inventory listing certified by project management.

(Signature)



Name: **K. PUKCHAREON**
 Regional Financial
 Management Officer

Region:

Place:

Date:

(Signature)



Name: **Bruce McCarron**
 Regional Director
 Regional Director

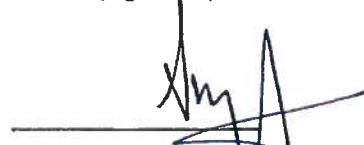


Region: **AEMO**

Place: **COPENHAGEN**

Date: **28 JAN 14**

(Signature)



Name: **S. SRI SUNDARAJITH**
 Project/Portfolio Manager*

Region: **UNOPS - LK04**

Place: **Colombo - Sri Lanka**

Date: **23 - 01 - 2014**

*Please strike off, whichever is not applicable