UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

23 December 2014

PROJECT NAME: IMPLEMENTATION OF THE SULU-Celebes Sea Sustainable Fisheries Management Project

PROJECT NUMBER: 00072595

COUNTRIES: Indonesia, Malaysia and the Philippines

AUDITOR: Moore Stephens LLP

PERIOD SUBJECT TO AUDIT: 17 December 2009 until 30 September 2014
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### Acronyms and abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAIG</td>
<td>Internal Audit and Investigations Group</td>
</tr>
<tr>
<td>IPSAS</td>
<td>International Public Sector Accounting Standards</td>
</tr>
<tr>
<td>OC</td>
<td>Operations Centre</td>
</tr>
<tr>
<td>PC</td>
<td>Project Centre</td>
</tr>
<tr>
<td>TOR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>UNOPS</td>
<td>United Nations Office for Project Services</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollars</td>
</tr>
<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
</tr>
</tbody>
</table>
Financial audit report

Audit opinion on the project financial statement

Report of the Independent Auditors to UNOPS

We have audited the accompanying project financial statement for the project “Implementation of the Sulu-Celebes Sea Sustainable Fisheries Management Project” (Atlas project ID 00072595) of UNOPS for the period from 17 December 2009 until 30 September 2014.

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 of, in all material respects, the income and expenditure of the project “Implementation of the Sulu-Celebes Sea Sustainable Fisheries Management Project” (Atlas project ID 00072595), for the period from 17 December 2009 until 30 September 2014 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.
Audit opinion on the statement of non-expendable property

No statement of non-expendable property has been prepared as the project did not own any items eligible to be designated as an asset according to the UNOPS recognition criteria at the reporting date. Accordingly we have not issued an opinion in respect of non-expendable property.

Mark Henderson
Partner
Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

23 December 2014
Responsibility statement by management
This is attached as Annex II to this report.
Annex I – Project financial statement
### Project Atlas id: 00072595

**Project Title:** Sulu-Celebes Sea Sustainable Fisheries Management Project

**Funding:** UNDP/MDTF

All Amounts in US$

**Date:** 14/11/2014

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**INTERIM FINANCIAL STATEMENT AS AT 30 Sep 2014**

#### Opening Balances 2003

#### 1) Award

**Approved Award**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2,890,000.00</td>
</tr>
<tr>
<td>2014</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**TOTAL Approved Award (A):** 2,890,000.00

#### 2) PROJECT EXPENSES

**PERIOD - PRIOR YEARS:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Project Expense</th>
<th>Net Exchange Loss</th>
<th>Management Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>176,497.74</td>
<td>148.40</td>
<td>13,237.34</td>
</tr>
<tr>
<td></td>
<td>189,883.48</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>686,943.05</td>
<td>-64.58</td>
<td>50,821.84</td>
</tr>
<tr>
<td></td>
<td>737,700.31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>588,938.37</td>
<td>120.81</td>
<td>44,170.39</td>
</tr>
<tr>
<td></td>
<td>633,229.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>627,783.71</td>
<td>-193.56</td>
<td>47,099.79</td>
</tr>
<tr>
<td></td>
<td>674,689.94</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**PERIOD - CURRENT YEAR**

<table>
<thead>
<tr>
<th>Year</th>
<th>Project Expense</th>
<th>Net Exchange Gain</th>
<th>Management fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>498,090.18</td>
<td>-100.99</td>
<td>37,356.77</td>
</tr>
<tr>
<td></td>
<td>535,345.96</td>
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<td></td>
</tr>
</tbody>
</table>

**TOTAL PROJECT EXPENSES (B):** 2,770,849.26

- Project Advances (C): -21,19
  - TOTAL PROJECT Budget BALANCE (D) = (A) - (B) - (C): 119,171.93

- Open Purchase Orders (E): 38,686.27
  - 38,686.27

**3) PROJECT Budget BALANCE (F) = (D) - (E):** 80,485.66

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

**Prepared by:** M. Shafia PATCA  
Senior Finance Associate, CSPG IPAS, UNOPS HQ

**Certified by:** Kanit Pukchareon  
Regional Finance Specialist, CSPG IPAS, UNOPS HQ
Annex II – Statement of management responsibility
Responsibility Statement by Management

The United Nations Office for Project Services (UNOPS) management is responsible for the preparation, integrity and fair presentation of the Expenditure Statement of the UNOPS Project ID. 72595 Implementation of the Sulu-Celebes Sea Sustainable Fisheries Management Project. The Statement, presented in Annex I of the audit report, 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 respects, the expenditure of US$ 2,770,849 incurred by the UNOPS office for the period 17 December 2009 to 30 September 2014 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. 72595 Implementation of the Sulu-Celebes Sea Sustainable Fisheries Management Project.

Statement of Inventory of Non-Expendable Equipment

(No statement of non-expendable property has been prepared as the project did not own any items eligible to be designated as an asset according to the UNOPS recognition criteria at the reporting date).

Name: Kirk Bayabos
Manager, SGC, WEC
Region: GPSO
Place: Manila, Philippines
Date: 23/12/2014