UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

18 JUNE 2015

PROJECT NAME: SECOND CUSTOMS REFORM AND TRADE FACILITATION PROJECT AFGHANISTAN (SCRTFP)

PROJECT NUMBER: 00075434

COUNTRY: AFGHANISTAN

AUDITOR: MOORE STEPHENS LLP

PERIOD SUBJECT TO AUDIT: 22 DECEMBER 2013 TO 21 DECEMBER 2014
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Acronyms and abbreviations

IAIG    Internal Audit and Investigations Group
IPSAS   International Public Sector Accounting Standards
PC      Project Centre
RO      Regional Office
SCRTFP  Second Customs Reform and Trade Facilitation Project
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 Afghanistan Operations Centre

We have audited the accompanying project financial statement for the project ‘Second Customs Reform and Trade Facilitation Project Afghanistan (SCRTFP)’ (Atlas project ID 00075434) of UNOPS for the period from 22 December 2013 to 21 December 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 ‘Second Customs Reform and Trade Facilitation Project Afghanistan (SCRTFP)’ (Atlas project ID 00075434), for the period from 22 December 2013 to 21 December 2014 in conformity with the terms of the agreements and in accordance with International Public Sector Accounting Standards.
Audit opinion on the statement of non-expendable property

Report of the Independent Auditors to UNOPS Afghanistan Operations Centre

We have audited the accompanying statement of non-expendable property of the project 'Second Customs Reform and Trade Facilitation Project Afghanistan (SCRTFP)' (Atlas project ID 00075434) of UNOPS as at 21 December 2014.

Unqualified opinion

In our opinion, the statement of non-expendable property presents fairly, in all material respects, the status of non-expendable property of the project ‘Second Customers Reform and Trade Facilitation Project Afghanistan (SCRTFP)’ (Atlas project ID 00075434) as at 21 December 2014 in conformity with the terms of the agreements and in accordance with International Public Sector Accounting Standards.

Statement of non-expendable property

This is attached as Annex II to this report.

Mark Henderson
Partner
Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB
18 June 2015
Responsibility statement by management

This is attached as Annex III to this report.
Annex I – Project financial statement
United Nations Office for Project Services (UNOPS)  
Second Customs Reform and Trade Facilitation Project (SCRTFP)  
Project No. 00075434

Interim Statement of Receipts and Expenditure **
for the period from 22 December 2013 to 21 December 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>US Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Openig Balance as at 22 December 2013</strong></td>
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<tr>
<td><strong>Grant receipts</strong></td>
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<td>Funds received During the Year from 22 Dec 2013 - 21 Dec 2014</td>
<td><strong>9,468,438.00</strong></td>
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<tr>
<td>Interest</td>
<td><strong>872.02</strong></td>
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<td>2013</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td><strong>2,310.96</strong></td>
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<tr>
<td>Total Fund</td>
<td><strong>12,749,620.15</strong></td>
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<td><strong>Expenditure</strong></td>
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<tr>
<td>Personnel costs</td>
<td><strong>2,716,821.50</strong></td>
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<td>Subcontract services</td>
<td><strong>3,756,227.20</strong></td>
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<tr>
<td>Equipments</td>
<td><strong>989,179.25</strong></td>
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<tr>
<td>Operations costs</td>
<td><strong>690,623.89</strong></td>
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<td>Facilities and administrations</td>
<td><strong>881,758.78</strong></td>
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<td>Grants</td>
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<td><strong>Total Expenditure</strong></td>
<td><strong>9,034,610.62</strong></td>
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<tr>
<td>Closing Balance</td>
<td><strong>3,715,009.53</strong></td>
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<tr>
<td>Closing Balance as per FS</td>
<td><strong>3,715,009.53</strong></td>
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</tbody>
</table>

*The annexed notes 1 to 12 form an integral part of this statement.*

** 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.

Certified by:

[Signature]

Ala'a Nemer  
Regional Finance Practice Advisor  
IPAS UNOPS HQ
Annex II – Statement of non-expendable property
<table>
<thead>
<tr>
<th>#/NO</th>
<th>Equipment Description</th>
<th>Tag No</th>
<th>$/Number</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total price</th>
<th>Location</th>
<th>Date of Purchase</th>
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**Total:** $214,622.26
Annex III – Statement of management responsibility
UNITED NATIONS OFFICE FOR PROJECT SERVICES
Project ID: 00075434
Second Customs Reform and Trade Facilitation Project, Afghanistan
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/Expenditure Statement of the UNOPS Project ID 75434 Second Customs Reform and Trade Facilitation Project. The Statement, presented under Annex I, 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$ 9,034,610.62 incurred by the UNOPS office for the period 22 December 2013 to 21 December 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 75434 Second Customs Reform and Trade Facilitation Project.

Statement of Inventory of Non-Expendable Equipment

The Statement of Non-Expendable Equipment presents fairly, in all material respects, the Non-Expendable Equipment balance as at 21 December 2014 amounting to US$ 214,622 in accordance with the Non-Expendable Inventory listing certified by project management.

(Signature)  (Signature)  (Signature)

Ala'a Nemer  Bruce McCarron  Shahid Meezan
Regional Financial Team Leader & CTA Regional Director (Project Manager, SCRTFP)
Management Officer Region: AEMO Region: AEMO Region: AEMO
Place: Copenhagen Place: Copenhagen Place: Kabul, Afghanistan
Date: 18/06/15 Date: 20/03/15 Date: 18 June, 2015