UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

25 August 2016

PROJECT NAME: ROADS IN THE EAST OF DRC PHASE 2
PROJECT NUMBER: 00082719
COUNTRY: DEMOCRATIC REPUBLIC OF CONGO
AUDITOR: MOORE STEPHENS LLP
PERIOD SUBJECT TO AUDIT: 1 MAY 2012 TO 31 MAY 2016
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### Acronyms and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAIG</td>
<td>Internal Audit and Investigations Group</td>
</tr>
<tr>
<td>IP</td>
<td>Implementing Partner</td>
</tr>
<tr>
<td>IPSAS</td>
<td>International Public Sector Accounting Standards</td>
</tr>
<tr>
<td>OH</td>
<td>Operational Hub</td>
</tr>
<tr>
<td>PC</td>
<td>Project Centre</td>
</tr>
<tr>
<td>RO</td>
<td>Regional Office</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>
</tbody>
</table>
Financial audit report

Audit opinion on the project financial statement

Report of the Independent Auditors to the UNOPS Congo Operational Hub

We have audited the accompanying project financial statement for the project ‘Roads in the East of DRC Phase 2’ (“the project”) (Project ID 00082719), of UNOPS for the period from 1 May 2012 to 31 May 2016.

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 ‘Roads in the East of DRC Phase 2’ (Project ID 00082719), for the period from 1 May 2012 to 31 May 2016 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

Report of the Independent Auditors to UNOPS Congo Operational Hub

We have audited the accompanying statement of non-expendable property of the project ‘Roads in the East of DRC Phase 2’ (Project ID 00082719) of UNOPS as at 31 May 2016.

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 ‘Roads in the East of DRC Phase 2’ (Project ID 00082719) of UNOPS as at 31 May 2016 in conformity with the terms of the agreements and in accordance with International Public Sector Accounting Standards.

Statements of non-expendable property

These are attached as Annex II to this report.

Responsibility statement by management

This is attached as Annex III to this report.

Mark Henderson
Partner
Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB
25 August 2016
Annex I – Project financial statement
To whom it may Concern,

Subject: Interim Financial Statement as at 31 May 2016

We enclose the Interim Financial Statement for project 00082719 Rehabilitation of roads in eastern Democratic Republic of the Congo on behalf of the United Kingdom Department for International Development (DFID), which commenced in year 2012 and indicates project expenses as at 31 May 2016.

We draw your attention to the following:

› Project expenditure and management fee: US$ 10,155,043
› Project advances: US$ 39,042 and open purchase order: US$ 1,118,727
› Total cash received: US$ 15,222,353 including interest earned: US$ 97,687
› Project fund balance: US$ 3,909,541

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

Yours sincerely,

Kanit Pukchareon
Regional Finance Specialist
CSG IPAS, UNOPS I1Q

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UNOPS is ISO 9001 certified
**Project Atlas id:** 00082719  
**Rehabilitation of roads in eastern Democratic Republic of the Congo on behalf of the United Kingdom Department for International Development (DFID)**

**Date:** 23/06/2016

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**INTERIM FINANCIAL STATEMENT AS AT 31 MAY 2016**

### 1. INCOME

#### DEPOSITS

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5,448,575.87</td>
</tr>
<tr>
<td>2013</td>
<td>2,813,531.09</td>
</tr>
<tr>
<td>2014</td>
<td>5,862,558.86</td>
</tr>
<tr>
<td>2016</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**TOTAL INTEREST**  
- 2012: 5,417.94  
- 2013: 18,376.79  
- 2014: 31,756.33  
- 2015: 42,137.09  

**TOTAL INTEREST:** 97,687.05

**TOTAL FUNDS (A):** 15,222,333.08

### 2. PROJECT EXPENSES

**PERIOD - PRIOR YEARS:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Project Expense</th>
<th>Management Fee</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>906,323.60</td>
<td>0.00</td>
<td>906,323.60</td>
</tr>
<tr>
<td>2013</td>
<td>1,530,190.46</td>
<td>247,113.34</td>
<td>3,777,303.80</td>
</tr>
<tr>
<td>2014</td>
<td>2,786,355.41</td>
<td>258,487.52</td>
<td>3,044,842.93</td>
</tr>
<tr>
<td>2015</td>
<td>1,290,145.43</td>
<td>90,308.66</td>
<td>1,380,054.09</td>
</tr>
</tbody>
</table>

**PERIOD - CURRENT YEAR**

<table>
<thead>
<tr>
<th>Year</th>
<th>Project Expense</th>
<th>Management Fee</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>978,097.78</td>
<td>68,456.72</td>
<td>1,046,554.57</td>
</tr>
</tbody>
</table>

**TOTAL PROJECT EXPENSES (B):** 10,155,043.23

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Advances (C)</td>
<td>39,041.71</td>
</tr>
<tr>
<td>Project Capitalised Asset (D)</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**PROJECT CASH BALANCE (E) = (A) - (B) - (C) - (D):** 5,028,268.14

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Purchase Orders (F)</td>
<td>1,118,726.68</td>
</tr>
</tbody>
</table>

**FUND BALANCE (G) = (E) - (F):** 3,909,541.45

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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 P01s represents amounts committed against goods/services yet to be delivered/rendered. Fund balance represents cash available for implementation activities.

**Prepared by:**  
Lubica Chovanova  
Finance Associate  
CSG IPAS, UNOPS HQ

**Certified by:**  
Kshit Pukhareon  
Regional Finance Specialist  
CSG IPAS, UNOPS HQ
Annex II – Statement of non-expendable property
Annex III – Statement of management responsibility
UNITED NATIONS OFFICE FOR PROJECT SERVICES
Project ID – 00082719 – Roads in the East of DRC Phase 2

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 Statements of the UNOPS Project 00082719 – Roads in the East of DRC Phase 2. The Statement presented in 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 aspects, the expenditure of US$ 10,159,043 incurred by the UNOPS office for the period 1 May 2012 to 31 May 2016 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. 00082719 – Roads in the East of DRC Phase 2.

Statement of Inventory of Non-Expendable Equipment

The Statement of Non-Expendable Equipment presents fairly, in all material aspects, the Non-Expendable Equipment balance at 31 May 2016 of the project amounting to US$ 12,181 in accordance with the Non-Expendable inventory listings certified by the project management.

(Signature) KANIT PUKHALER
Name: KANIT PUKHALER
Regional Financial Management Officer
Regio: CSG/IPAS
Place: COPENHAGEN
Date: 11/8/16

(Signature) GYERMA HOFFA
Name: GYERMA HOFFA
Regional Director
Regio: APR
Place: DAKAR
Date: 12/08/16

(Signature) ABOU DOU RASZAK LAWA
Name: ABOU DOU RASZAK LAWA
Project/Portfolio Manager
Region: AFR CDOH
Place: BUKAVU- SUD-KIVU
Date: 20/08/2016