FINANCIAL AUDIT REPORT

9 December 2016

PROJECT NAME: REGIONAL ARTEMISININ RESISTANCE INITIATIVE
PROJECT NUMBER: 00089688
COUNTRY: CAMBODIA
AUDITOR: MOORE STEPHENS LLP
PERIOD SUBJECT TO AUDIT: 1 JANUARY TO 31 DECEMBER 2014
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**Acronyms and abbreviations**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FB</td>
<td>Fund Board</td>
</tr>
<tr>
<td>FMO</td>
<td>Fund Manager's Office</td>
</tr>
<tr>
<td>GF</td>
<td>Global Fund</td>
</tr>
<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>KHOC</td>
<td>Cambodia Operations Centre</td>
</tr>
<tr>
<td>MMOH</td>
<td>Myanmar Operational Hub</td>
</tr>
<tr>
<td>OC</td>
<td>Operations Centre</td>
</tr>
<tr>
<td>PC</td>
<td>Project Centre</td>
</tr>
<tr>
<td>PR</td>
<td>Principal Recipient</td>
</tr>
<tr>
<td>RAI</td>
<td>Regional Artemisinin Resistance Initiative</td>
</tr>
<tr>
<td>RO</td>
<td>Regional Office</td>
</tr>
<tr>
<td>SR</td>
<td>Sub-recipient</td>
</tr>
<tr>
<td>SSF</td>
<td>Single Stream of Funding</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
Regional Artemisinin Resistance Initiative (89688)
1 January to 31 December 2014
Financial Audit Report

Audit opinion on the project financial statement

Report of the Independent Auditors to UNOPS Cambodia Operations Centre

We have audited the accompanying project financial statement for the project ‘Regional Artemisinin Resistance Initiative’ (Atlas project ID 00089688), of UNOPS for the period from 1 January until 31 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 ‘Regional Artemisinin Resistance Initiative’ (Atlas project ID 00089688), for the period from 1 January until 31 December 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

Report of the Independent Auditors to UNOPS Cambodia Operations Centre

We have audited the accompanying statement of non-expendable property of the project ‘Regional Artemisinin Resistance Initiative’ (Atlas project ID 00089688) of UNOPS as at 31 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 ‘Regional Artemisinin Resistance Initiative’ (Atlas project ID 00089688), as at 31 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

9 December 2016
Responsibility statement by management

This is attached as Annex III to this report.
Annex I – Project financial statement
To whom it may Concern,

**Subject: Certified Financial Statement as at 31 Dec 2014**

We enclose the Certified Financial Statement for project 00089688 Principal Recipient for Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) Single-Stream-of-Funding (SSF) malaria grant in Cambodia; RAI Cambodia PR UNOPS, which commenced in year 2014 and indicates project expenses as at 31 Dec 2014.

We draw your attention to the following:

- Project expenditure and management fee: **US$ 2,753,093**
- Project advances: **US$ 399**
- Total cash received: **US$ 4,701,427** including interest earned: **US$ 7,994**
- Project fund balance: **US$ 1,947,935**

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

Yours sincerely,

Kanit Pukhareon
Regional Finance Specialist
CSG IPAS, UNOPS HQ

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PO Box 2695
2100 Copenhagen
Denmark

Tel: + 45 45 33 75 00
Fax: +45 45 33 75 01
E-mail: info@unops.org

www.unops.org
CERTIFIED FINANCIAL STATEMENT AS AT 31 DEC 2014

1) INCOME

**INTEREST**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>2014</td>
<td>7,993.85</td>
</tr>
</tbody>
</table>

**TOTAL INTEREST**

|  | 7,993.85 |

**INTER-PROJECT TRANSFER**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4,693,433.30</td>
</tr>
</tbody>
</table>

**TOTAL FUNDS (A)**

|  | 4,701,427.15 |

2) PROJECT EXPENSES

**PERIOD - PRIOR YEARS:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>2014</td>
<td>Project Expense</td>
<td>2,697,599.48</td>
</tr>
<tr>
<td></td>
<td>Management fee</td>
<td>55,493.79</td>
</tr>
</tbody>
</table>

**TOTAL PROJECT EXPENSES (B)**

|  | 2,753,093.27 |

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Advances (C)</td>
<td>398.50</td>
</tr>
<tr>
<td>Project Capitalised Asset (D)</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**PROJECT CASH BALANCE (E) = (A) - (B) - (C) - (D)**

|  | 1,947,935.38 |

| Commitments (F)              | 0.00     |

3) PROJECT FUND BALANCE (G) = (E) - (F)

|  | 1,947,935.38 |

*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.*

Prepared by: Ave Chan Ko Ko  
Finance Associate  
CSG IPAS, UNOPS HQ

Certified by: Kanit Pukhshareon  
Regional Finance Specialist  
CSG IPAS, UNOPS HQ
Annex II – Statement of non-expendable property
| No. | Received Date | Description of Item | Model / Serial Code | Serial Number | Tag No | Provinces | Locations (Department/ Unit/Service) | Custodian | Funding Source | QTY | Net book Value | Unit Price | Condition | Status | Category | Asset Type | PO No. | Invoice No. | Acquis. Type | Supplier Name | Remarks |
|-----|---------------|---------------------|---------------------|---------------|-------|-----------|-------------------------------------|-----------|----------------|-----|----------------|------------|-----------|--------|----------|------------|--------|-------------|------------|----------------|---------|----------|
| 0001  | 3-Jul-2014    | Laptop: HP 10S UMA 440 | OS UMA 440       | BGQ4210W7F    | RAU/24/PCU-001 | Phnom Penh | Department: UNOPS                | VannakC   | 89668 - RAU | 1   | $ 935.00       | $ 935.00   | Excellent | In Use | Laptop Computer | Laptop | 004513129 | V/14/001417 | Purchase       | Neoka Limited  | N/A    |
| 0002  | 3-Jul-2014    | Laptop: HP 10S UMA 440 | OS UMA 440       | BGQ4210W7F    | RAU/24/PCU-002 | Phnom Penh | Department: UNOPS                | ChansreayY | 89668 - RAU | 1   | $ 935.00       | $ 935.00   | Excellent | In Use | Laptop Computer | Laptop | 004513129 | V/14/001417 | Purchase       | Neoka Limited  | N/A    |
| 0003  | 3-Jul-2014    | Laptop: HP 10S UMA 440 | OS UMA 440       | BGQ4210W7F    | RAU/24/PCU-003 | Phnom Penh | Department: UNOPS                | SambathK  | 89668 - RAU | 1   | $ 935.00       | $ 935.00   | Excellent | In Use | Laptop Computer | Laptop | 004513129 | V/14/001417 | Purchase       | Neoka Limited  | N/A    |
| 0004  | 3-Jul-2014    | HP EliteDesk 8005FF | EliteDesk 800      | SGH2215N12    | RAU/13/PCD-001 | Phnom Penh | Department: UNOPS                | MatherB   | 89668 - RAU | 1   | $ 1,180.00     | $ 1,180.00 | Excellent | In Use | Desktop Computer | Desktop | 004513129 | V/14/001417 | Purchase       | Neoka Limited  | N/A    |

Prepared by: Sathishnantham Koolanathan  
Programme and Finance support Officer  
Date: 25/11/2014

Approved by: Naem DURRAI  
Program Coordinator  
Date: 25.11.2016
Annex III – Statement of management responsibility
UNITED NATIONS OFFICE FOR PROJECT SERVICES

Project ID: 00089688:
Regional Artemisinin Resistance Initiative (PRINCIPAL RECIPIENT) Project

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 Statement of the UNOPS Project ID. 00089688 Regional Artemisinin Resistance Initiative (Principal Recipient) 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$ 2,753,093.27 incurred by the UNOPS office for the period 1 January to 31 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. 00089688 Regional Artemisinin Resistance Initiative (Principal Recipient) project. Please see the notes.

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 31 December 2014 amounting to US$ 3,985 in accordance with the Non-Expendable Inventory listing certified by project management.

(Signature)  (Signature)  (Signature)

Name: K. PURCHAREON  Name: Sanjay Mathur  Name: Naeem Durrani
Regional Financial  Regional Director  Project/Portfolio Manager*
Management Officer

Region: OSG/IPAS  Region: ARO  Region: Asia
Place: COPENHAGEN  Place: BANGKOK  Place: Phnom Penh
Date: 25/11/16  Date: 25 NOV 2016  Date: 25.11.2016