



INTERNAL AUDIT AND INVESTIGATIONS GROUP

# UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

## FINANCIAL AUDIT REPORT

**30 January 2017**

<b>PROJECT NAME:</b>	<b>KEEP AFGHANS CONNECTED (KAC)</b>
<b>PROJECT NUMBER:</b>	<b>0085035</b>
<b>COUNTRY:</b>	<b>AFGHANISTAN</b>
<b>AUDITOR:</b>	<b>MOORE STEPHENS LLP</b>
<b>PERIOD SUBJECT TO AUDIT:</b>	<b>22 JANUARY 2013 TO 31 DECEMBER 2016</b>

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## Acronyms and abbreviations

AFN	Afghan Afghani
AFOH	Afghanistan Operational Hub
IAIG	Internal Audit and Investigations Group
IPSAS	International Public Sector Accounting Standards
KAC	Keep Afghans Connected
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 Operational Hub

We have audited the accompanying project financial statement for the project 'Keep Afghans Connected (KAC)' ("the project") (Atlas project ID 00085035), of UNOPS for the period from 22 January 2013 to 31 December 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 'Keep Afghans Connected (KAC)' (Atlas project ID 00085035), for the period from 22 January 2013 to 31 December 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.



Mark Henderson  
Partner

Moore Stephens LLP  
150 Aldersgate Street  
London EC1A 4AB

30 January 2017

**Responsibility statement by management**

This is attached as Annex III to this report.



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## **Annex I – Project financial statement**

January 10, 2017  
Ref: Project No: 00085035  
Funding: DFID

To whom it may Concern,

**Subject: Interim Financial Statement as at 31 Dec 2016**

We enclose the Interim Financial Statement for project **00085035 Keep Afghans Connected (KAC) - Ministry of Public Works Operations and Maintenance Capacity Building**, which commenced in year 2013 and indicates project expenses as at 31 Dec 2016.

We draw your attention to the following:

- › Project expenditure and management fee: **US\$ 5,658,378**
- › Commitments: **US\$ 42,240**
- › Total cash received: **US\$ 6,003,614** including interest earned: **US\$ 20,074**
- › Project fund balance: **US\$ 302,995**

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

Yours sincerely,



Karla Cienfuegos  
Finance Specialist  
CSG IPAS, UNOPS HQ



<b>Project Atlas id:</b>	00085035	<b>Funding</b>	DFID
<b>Project Title :</b>	Keep Afghans Connected (KAC) - Ministry of Public Works Operations and Maintenance Capacity Building		All Amounts in US\$
		<b>Date:</b>	<b>10/01/2017</b>

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

**1) INCOME**

**DEPOSITS**

2013	914,055.00	
2014	3,240,625.00	
2015	1,828,110.00	
2016	0.00	<u>5,982,790.00</u>

**INTEREST**

2013	1,500.31
2014	7,672.51
2015	10,900.92

**TOTAL INTEREST**

20,073.74

**MISCELLANEOUS INCOME**

2014	750.00
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**TOTAL FUNDS (A)**

6,003,613.74

**2) PROJECT EXPENSES**

**PERIOD - PRIOR YEARS:**

2013	Project Expense	624,638.44	
	Net Exchange Gain	0.00	
	Management Fee	0.00	<u>624,638.44</u>
2014	Project Expense	1,738,741.46	
	Net exchange loss	26.62	
	Management fee	456,093.81	<u>2,194,861.89</u>
2015	Project Expense	2,242,811.23	
	Net exchange loss	690.10	
	Management fee	195,133.66	<u>2,438,634.99</u>

**PERIOD - CURRENT YEAR**

2016	Project Expense	284,309.98	
	Net exchange loss	54.05	
	Management fee	115,879.00	<u>400,243.03</u>

**TOTAL PROJECT EXPENSES (B)**

5,658,378.35

Project Advances (C)	<u>0.00</u>	-
Project Capitalised Asset (D)	<u>0.00</u>	-

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

345,235.39

Commitments (F)	<u>42,240.45</u>	<u>42,240.45</u>
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**3) PROJECT FUND BALANCE (G) = (E) - (F)**


302,994.94

*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. Commitments are a combination of Unliquidated Obligations and commitments for UNOPS Personnel contracts. Open POs represents amounts committed against goods/services yet to be delivered/rendered. Fund balance represents cash available for implementation activities.*

Prepared by   
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 CSG IPAS, UNOPS HQ

Certified By   
 Karla Cienfuegos  
 Finance Specialist  
 CSG IPAS, UNOPS HQ



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## **Annex II – Responsibility statement by management**

UNITED NATIONS OFFICE FOR PROJECT SERVICES

Award ID: 00072007 (Project ID 85035) Keep Afghans Connected (KAC)

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 Statement of the UNOPS Award ID. 00071719 (Project ID 85035) Keep Afghans Connected (KAC). 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, set out in Annex I, presents fairly in all material respects, the expenditure of US\$ 5,658,378 incurred by the UNOPS office for the period 22 January 2013 to 31 December 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 Award ID. 00071719 (Project ID 85035) Keep Afghans Connected (KAC).

**Statement of Non-Expendable Property**

No Statement of Non-Expendable Property is prepared as all non-expendable property purchased under the project was transferred to the beneficiaries at the end of the project.

(Signature)

(Signature)

(Signature)



Name:

Ms. Kanit PUKCHAREON  
Regional Financial  
Management Officer  
Region: CSG, IPAS,  
UNOPS HQ

Place: Copenhagen

Date: 30 Jan 17

Name:

Sanjay Mathur  
Regional Director

Region: Asia

Place: Bangkok

Date: 30 Jan 2017

Name:

David Van Horn  
Project Manager  
Head of Programme AFOH  
Region Asia  
UNOPS

Place: Kabul

Date: 25 Jan 17