UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

30 January 2017

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

Acronyms and abbreviations ........................................................................................................3

Financial audit report .....................................................................................................................4
  Audit opinion on the project financial statement ........................................................................4

Annex I  – Project financial statement
Annex II  – Responsibility statement by management
## Acronyms and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFN</td>
<td>Afghan Afghani</td>
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<tr>
<td>AFOH</td>
<td>Afghanistan Operational Hub</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>KAC</td>
<td>Keep Afghans Connected</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 UNOPS Afghanistan Operational Hub

We have audited the accompanying project financial statement for the project ‘Keep Afghans Connected (KAC)’ ("the project") (Atlas r tlgv 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 r tlgv 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.
UNOPS Internal Audit and Investigations Group
Financial audit report
Keep Afghans Connected (KAC) (00085035), Afghanistan
22 January 2013 to 31 December 2016

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.
Annex I – Project financial statement
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
Project Atlas ID: 00085035  
Keep Afghans Connected (KAC) - Ministry of Public Works Operations and Maintenance Capacity Building

Funding: All Amounts in US$

Date: 10/01/2017

INTERIM FINANCIAL STATEMENT AS AT 31 DEC 2016

1) INCOME

DEPOSITS

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>9,4,055.00</td>
</tr>
<tr>
<td>2014</td>
<td>3,240,625.00</td>
</tr>
<tr>
<td>2015</td>
<td>1,838,110.00</td>
</tr>
<tr>
<td>2016</td>
<td>0.00</td>
</tr>
</tbody>
</table>

TOTAL INTEREST

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,500.31</td>
</tr>
<tr>
<td>2014</td>
<td>7,672.51</td>
</tr>
<tr>
<td>2015</td>
<td>10,900.92</td>
</tr>
</tbody>
</table>

TOTAL INTEREST: 20,073.74

MISCELLANEOUS INCOME

2016: 750.00

TOTAL FUNDS (A): 6,003,613.74

2) PROJECT EXPENSES

PERIOD - PRIOR YEARS:

<table>
<thead>
<tr>
<th>Year</th>
<th>Project Expense</th>
<th>Net Exchange Gain</th>
<th>Management Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>624,638.44</td>
<td>0.00</td>
<td>0.00</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>2016</td>
<td>2,242,811.23</td>
<td>690.10</td>
<td>195,133.66</td>
</tr>
</tbody>
</table>

TOTAL PROJECT EXPENSES (B): 5,658,378.35

PROJECT CASH BALANCE (E) = (A) - (B) - (C) - (D): 345,235.39

Commissions (F): 42,240.45

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: Lubica Chovanova  
Certified by: Karla Czerwinski

Finance Associate  
Finance Specialist

CSG IPAS, UNOPS HQ  
CSG IPAS, UNOPS HQ
Annex II – Responsibility statement by management
UNIVERSITY 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$ 5,668,378 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: Name: Name:
Ms. Kanit PUKCHAREON Sanjay Mathur David Van Horn
Regional Financial Regional Director Project Manager
Management Officer
Region: CSG, IPAS, Region: Asia Region: AFG
UNOPS HQ Place: Bangkok Place: Kabul
Place: Copenhagen Date: 30 Jan 2017 Date: 30 Jan 2017 Date: 25 Jan 2017