UNIFIED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

27 February 2017

PROJECT NAME: EMERGENCY SUPPORT FOR HEALTH RESPONSE CAPACITY IN UKRAINE
PROJECT NUMBER: 00011980
COUNTRY: SERBIA
AUDITOR: MOORE STEPHENS LLP
PERIOD SUBJECT TO AUDIT: 8 FEBRUARY TO 31 DECEMBER 2016
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### Acronyms and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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</thead>
<tbody>
<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>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 office in Serbia

We have audited the accompanying project financial statement for the project ‘Emergency Support for Health Response Capacity in Ukraine’ (“the project”) (Project ID 00011980), which is implemented and managed by the UNOPS Office in Serbia, for the period from 8 February 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 ‘Emergency Support for Health Response Capacity in Ukraine’ (“the project”) (Project ID 00011980), for the period from 8 February 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

27 February 2017
Responsibility statement by management
This is attached as Annex II to this report.
Annex I – Project financial statement
To whom it may Concern,

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

We enclose the Interim Financial Statement for project 11980-001 Emergency Support for **Health Response Capacity in Ukraine**, which commenced in year 2016 and indicates project expenses as at 31 December 2016.

We draw your attention to the following:

- Project expenditure and management fee: US$ 2,359,293
- Project advances: US$ 726 and Commitments: US$ 112,309
- Total income: US$ 2,500,142
- Project fund balance: US$ 27,815

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

Yours sincerely,

[Signature]

Karla GRIEFUBOS
Finance Specialist
CSG IPAS, UNOPS HQ

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Funding: Japan
All Amounts in US$

Date: 09/01/2017

INTERIM FINANCIAL STATEMENT AS AT 31 DECEMBER 2016

1) INCOME

<table>
<thead>
<tr>
<th>DEPOSITS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2,500,000.00</td>
</tr>
<tr>
<td>MISCELLANEOUS INCOME</td>
<td></td>
</tr>
<tr>
<td>2016 Gain on foreign Exchange</td>
<td>142.31</td>
</tr>
<tr>
<td>TOTAL FUNDS (A)</td>
<td>2,500,142.31</td>
</tr>
</tbody>
</table>

2) PROJECT EXPENSES

<table>
<thead>
<tr>
<th>PERIOD - CURRENT YEAR</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>2016 Project Expense</td>
<td>2,184,530.42</td>
</tr>
<tr>
<td>Management fee</td>
<td>174,762.43</td>
</tr>
<tr>
<td>TOTAL PROJECT EXPENSES (B)</td>
<td>2,359,292.85</td>
</tr>
</tbody>
</table>

| Project Advances (C)                         | 725.78 |
| Project Capitalised Asset (D)                | 0.00   |
| PROJECT CASH BALANCE (E) = (A) - (B) - (C) - (D) | 140,123.68 |

| Commitments (F)                              | 112,309.16 |

3) PROJECT FUND BALANCE (G) = (E) - (F)       | 27,814.51 |

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

Prepared by: Peninah Kihuha
Finance Associate
CSG IPAS, UNOPS HQ

Certified By: Karla CEF, FUEGOS
Finance Specialist
CSG IPAS, UNOPS HQ
Annex II – Statement of management responsibility
UNITED NATIONS OFFICE FOR PROJECT SERVICES

Project ID: 11980-001

Name of the Project: Emergency Support for Health Response Capacity in Ukraine

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 ID. 11980-001, Emergency Support for Health Response Capacity in Ukraine. The Statement presented in Attachment 1 has been prepared in accordance with the Agreement between the Government of Japan, the Government of the Ukraine and the United Nations Office for Project Services concerning Emergency Support for Health Response Capacity in Ukraine Project and the requirements of the applicable UNOPS regulations and rules.

We do hereby state that, in our opinion:

Financial Statement

The Financial Statement as reported (Interim Financial Statement as at 31 December 2016), presents fairly in all material aspects, the expenditure of US$ 2,359,292.85 incurred by the UNOPS office for the period 08 February 2016 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 Project ID. 11980-001, Emergency Support for Health Response Capacity in Ukraine.

(Signature)
Kanit Pukchareon
Name: Kanit Pukchareon
Regional Finance Specialist
Region: CSPG / IPAS
Place: Copenhagen
Date: 24 Feb 17

(Signature)
Moin Karim
Name: Moin Karim
Regional Director Europe and CIS
Region: Europe and CIS
Place: Geneva
Date: 27 February 2017

(Signature)
Graeme Tyndall
Name: Graeme Tyndall
Serbia Operations Center Manager
Region: RSOC
Place: Belgrade
Date: 24 February 2017