



INTERNAL AUDIT AND INVESTIGATIONS GROUP

# UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

## FINANCIAL AUDIT REPORT

**24 July 2017**

<b>PROJECT NAME:</b>	<b>SECOND CUSTOMS REFORM AND TRADE FACILITATION PROJECT (SCRTP)</b>
<b>PROJECT NUMBER:</b>	<b>00075434</b>
<b>COUNTRY:</b>	<b>AFGHANISTAN</b>
<b>AUDITOR:</b>	<b>MOORE STEPHENS LLP</b>
<b>PERIOD SUBJECT TO AUDIT:</b>	<b>22 DECEMBER 2015 TO 28 NOVEMBER 2016</b>

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## Acronyms and abbreviations

IAIG	Internal Audit and Investigations Group
IPSAS	International Public Sector Accounting Standards
PC	Project Centre
RO	Regional Office
SCRTEP	Second Customs Reform and Trade Facilitation Project
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 Operations Centre

We have audited the accompanying project financial statement for the project 'Second Customs Reform and Trade Facilitation Project Afghanistan (SCRTEFP)' (Atlas project ID 00075434) of UNOPS for the period from 22 December 2015 to 28 November 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 'Second Customs Reform and Trade Facilitation Project Afghanistan (SCRTEFP)' (Atlas project ID 00075434), for the period from 22 December 2015 to 28 November 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

24 July 2017

**Responsibility statement by management**

This is attached as Annex II to this report.



INTERNAL AUDIT AND INVESTIGATIONS GROUP

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

December 12, 2016  
Ref: Project No: 00075434  
Funding: IBRD

To whom it may Concern,

**Subject: Interim Financial Statement as at 28 Nov 2016**

We enclose the Interim Financial Statement for project **00075434 Second Customs Reform & Trade Facilitation Project (SCRTEP)**, which commenced in year 2011 and indicates project expenses as at 28 Nov 2016.

We draw your attention to the following:

- › Project expenditure and management fee: **US\$ 3,061,496**
- › Project advances: **US\$ 000** and commitments: **US\$ 150,526**
- › Total cash received: **US\$ 3,740,097** including interest earned: **US\$ -106,772**
- › Project fund balance: **US\$ 528,074**

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

Yours sincerely,



Karla Cienfuegos  
Finance Specialist  
CSG IPAS, UNOPS HQ



Funding

IBRD

Project Atlas id: 00075434  
 Project Title : Second Customs Reform & Trade  
 Facilitation Project (SCRTFP)

All Amounts in US\$

Date: 12/12/2016

**INTERIM FINANCIAL STATEMENT AS AT 28 Nov 2016**

Opening Cash Balances on 22 Dec 2015

**1,346,868.76**

**1) INCOME**

**DEPOSITS**

2016

2,500,000.00

2,500,000.00

**INTEREST**

2015

(106,772.39)

**TOTAL INTEREST**

(106,772.39)

**MISCELLANEOUS INCOME**

2016

0.27

0.27

**TOTAL FUNDS (A)**

**3,740,096.64**

**2) PROJECT EXPENSES**

**PERIOD - PRIOR YEARS:**

2015

Project Expense

741,900.64

Management fee

31,360.97

773,261.61

**PERIOD - CURRENT YEAR**

2016

Project Expense

2,217,017.30

Management fee

71,217.36

2,288,234.66

**TOTAL PROJECT EXPENSES (B)**

**3,061,496.27**

Project Advances (C)

0.00

-

Project Capitalised Asset (D)

0.00

-

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

**678,600.37**

Commitments (F)

150,526.36

150,526.36

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

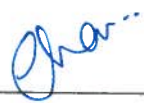
**528,074.01**

*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.*

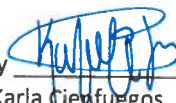
*The Statement is following IPSAS reporting requirements, Management Fee is calculated and recorded against Project Expenses (Disbursements + Receipt Accruals)*

*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

  
 Aye Chan Ko Ko  
 Finance Associate  
 CSG IPAS, UNOPS HQ

Certified By

  
 Karla Cienfuegos  
 Finance Specialist  
 CSG IPAS, UNOPS HQ

## **Annex II – Statement of management responsibility**

UNITED NATIONS OFFICE FOR PROJECT SERVICES

Award ID: 00060068 (Project ID 75434) Second Customs Reform & Trade Facilitation Project (SCRTP)

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 00060068 (Project ID 75434) Second Customs Reform & Trade Facilitation Project (SCRTP). 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\$ 3,061,496.27 incurred by the UNOPS office for the period 22 December 2015 to 28 Nov 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. 00060068 (Project ID 75434) Second Customs Reform & Trade Facilitation Project (SCRTP).

The project bank account is dedicated and maintained in Afghanistan. No interest should be credited under this project, but the system had calculated USD 106,772.39 which was reversed resulting in negative interest in 2015 as shown in the interim financial statement as at 28 November 2016, however the net effect is correct.

**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 before the end of the project.


(Signature)



Name:

Ms. Kani PUKCHAREON  
Regional Financial  
Management Officer  
Region: CSG, IPAS,  
UNOPS HQ  
Place: Copenhagen  
Date: 21 Jun 17

(Signature)



Name:

Sanjay Mathur  
Regional Director  
Region: Asia  
Place: Bangkok  
Date: 20 July 2017

(Signature)



Name:

David Van Horn  
Project Manager  
Region: Asia  
Place: Kabul  
Date: 20 Jun 17