UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

24 July 2017

PROJECT NAME: SECOND CUSTOMS REFORM AND TRADE FACILITATION PROJECT (SCRTFP)
PROJECT NUMBER: 00075434
COUNTRY: AFGHANISTAN
AUDITOR: MOORE STEPHENS LLP
PERIOD SUBJECT TO AUDIT: 22 DECEMBER 2015 TO 28 NOVEMBER 2016
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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
SCRTFP  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 (SCRTFP)’ (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 (SCRTFP)’ (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.
Annex I – Project financial statement
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 (SCRTFP), 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,

[Signature]
Karla Cienfuegos
Finance Specialist
CSG IPAS, UNOPS HQ
INTERIM FINANCIAL STATEMENT AS AT 28 Nov 2016

Opening Cash Balances on 22 Dec 2015 1,346,868.76

1) INCOME

DEPOSITS
2015 2,500,000.00 2,500,000.00

INTEREST
2015 (106,772.39) (106,772.39)

MISCELLANEOUS INCOME
2015 0.27 0.27

TOTAL FUNDS (A) 3,740,096.64

2) PROJECT EXPENSES

PERIOD - PRIOR YEARS:

<table>
<thead>
<tr>
<th>Year</th>
<th>Project Expense</th>
<th>Management fee</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>741,900.64</td>
<td>31,360.97</td>
<td>773,261.61</td>
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</tbody>
</table>

PERIOD - CURRENT YEAR

<table>
<thead>
<tr>
<th>Year</th>
<th>Project Expense</th>
<th>Management fee</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2,217,017.30</td>
<td>71,217.36</td>
<td>2,288,234.66</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Commitments (F)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>150,526.36</td>
<td>150,526.36</td>
</tr>
</tbody>
</table>

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 Que Rueda
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 (SCRTFP)

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 (SCRTFP). 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 (SCRTFP).

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

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

(Signature)  
David Van Horn  
Project Manager  
Region: Asia  
Place: Kabul  
Date: 28 Jun 17