UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

20 September 2017

PROJECT NAME: PALESTINIAN MATURITY PROGRAM
PROJECT NUMBER: 96457
COUNTRY: ISRAEL
AUDITOR: MOORE STEPHENS LLP
PERIOD SUBJECT TO AUDIT: 1 JANUARY TO 31 DECEMBER 2016
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Acronyms and abbreviations

UNOPS  United Nations Office for Project Services
Financial audit report

Audit opinion on the project financial statement

Report of the Independent Auditors to UNOPS Jerusalem

We have audited the accompanying project financial statement for the project ‘Palestinian Maturity Program’ (Atlas project ID 96457), of UNOPS for the period from 1 January until 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 ‘Palestinian Maturity Programme’ (Atlas project ID 96457), for the period from 1 January until 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.
Audit opinion on the statement of non-expendable property

Report of the Independent Auditors to UNOPS Jerusalem

We have audited the accompanying statement of non-expendable property of the project ‘Palestinian Maturity Program’ (Atlas project ID 96457) of UNOPS as at 31 December 2016.

Unqualified opinion

In our opinion, the statement of non-expendable property presents fairly, in all material respects, the status of non-expendable property of the project ‘Palestinian Maturity Program’ (Atlas project ID 96457), as at 31 December 2016 is in conformity with the terms of the agreements and in accordance with International Public Sector Accounting Standards.

Statement of non-expendable property

This is attached as Annex II to this report.

Mark Henderson
Partner
Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB
20 September 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: Certified Financial Statement as at 31 Dec 2016

We enclose the Certified Financial Statement for project 00096457 Support to the Ministry of Interior for the Palestinian Maturity Program, which commenced in year 2015 and indicates project expenses as at 31 Dec 2016.

We draw your attention to the following:

› Project expenditure and management fee: US$ 4,599,109
› Project advances US$ 3,131 and Commitments US$ 145,823
› Project capitalized Assets US$ 1,859
› Total cash received: US$ 5,240,839 including Interest US$ 14,092
› Project fund balance: US$ 490,917

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

Yours sincerely,

[Signature]

Karla Cienfuegos
Finance Specialist
CSG IPAS, UNOPS HQ
**ANNUAL FINANCIAL REPORT**

- **Project:** 96457 - Support to the Ministry of Interior for the Palestinian Maturity Program
- **Partner(s):** 1144 - UK
- **As on:** 31-Dec-2016

### Income:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>2,746,177</td>
<td>2,480,395</td>
<td>5,226,572</td>
</tr>
<tr>
<td>Interest</td>
<td></td>
<td>14,092</td>
<td>14,092</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td></td>
<td>175</td>
<td>175</td>
</tr>
</tbody>
</table>

**Total Income**

A 5,240,839

### Less: Project Expenses

<table>
<thead>
<tr>
<th>Period-Years</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project(s) Expense</td>
<td>1,520,889</td>
<td>3,078,220</td>
</tr>
</tbody>
</table>

**Total Expenditure**

B 4,599,109

<table>
<thead>
<tr>
<th>Less: Project Advances</th>
<th>C 3,131</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Project Capitalised Assets</td>
<td>D 1,859</td>
</tr>
</tbody>
</table>

**Project Cash Balance**

A-B-C-D 636,740

<table>
<thead>
<tr>
<th>Less: Commitments</th>
<th>E 145,823</th>
</tr>
</thead>
</table>

**Project Fund Balance**

A-B-C-D-E 490,917

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

Certified By:

Karla CIENFUEGOS
Finance Specialist,
CSG IPAS, UNOPS HQ

Date: 05/09/2017

Report run on: 07 Jul 2017
Annex II – Statement of non-expendable property
Jerusalem Operations Centre  
Project 96457 Asset Details  
As on 31 Dec 2016

### Capitalized Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Project ID</th>
<th>SERIAL_ID</th>
<th>ACQUISITION_DT</th>
<th>COST (USD)</th>
<th>Accumulated depreciation until NVB as per 31/12/2016</th>
<th>Value as per CFS 31/12/2016 *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laser printers</td>
<td>00096457</td>
<td>L7L511S895</td>
<td>2/16/2016</td>
<td>2,677</td>
<td>818</td>
<td>1,859</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>2,677</strong></td>
<td><strong>818</strong></td>
<td><strong>1,859</strong></td>
</tr>
</tbody>
</table>

### Non-Capitalized Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Project ID</th>
<th>SERIAL_ID</th>
<th>ACQUISITION_DT</th>
<th>COST (USD)</th>
<th>Accumulated depreciation until NVB as per 31/12/2016</th>
<th>Value as per CFS 31/12/2016 *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jetta 1.4 TSI</td>
<td>00096457</td>
<td>23-063-21</td>
<td>6/4/2012</td>
<td>12,050</td>
<td>12,050</td>
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<tr>
<td>Laptop Dell Latitude E7450</td>
<td>00096457</td>
<td>SN56F72</td>
<td>1/12/2016</td>
<td>2,255</td>
<td>2,255</td>
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<tr>
<td>Laptop HP Elitebook 840 G2</td>
<td>00096457</td>
<td>SCGS42CPFT</td>
<td>32/21/2015</td>
<td>1,107</td>
<td>1,107</td>
<td>-</td>
</tr>
<tr>
<td>Laptop HP Elitebook 840 G2</td>
<td>00096457</td>
<td>SCGS42POZ</td>
<td>32/21/2015</td>
<td>1,107</td>
<td>1,107</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>28,134</strong></td>
<td><strong>28,134</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

**Note on Asset Value Reported in the Financial Statement**

* The value presented under the Statement of inventory includes Non-expendable & Capitalized Assets. Non-expendable property are items with an acquisition cost of $300 but below $2,500. Capitalized Assets are items with a value of USD 2,500 or more.

** Assets purchased prior to January 2015 (prior to UNOPS bringing PPE into its books in full compliance with IPSAS 17) have already been reported as expense to the client at the time of purchase, and thus these will not be reflected in the general ledger. As agreed with UNOPS external auditors, UNOPS has revised previous statements at a corporate level to avoid restatement of client reports. Details of the NBV are maintained in the asset register for reference.

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Name: Yazed Eideh  
Title: Project Manager  
Date: 11 September 2017

Name: Gaby Alrini  
Title: Finance Officer  
Date: 11 September 2017
Annex III – Responsibility statement by management
Annex III
UNITED NATIONS OFFICE FOR PROJECT SERVICES
Palestinian Maturity Program-UNOPS Project numbers 96457
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 Palestinian Maturity Program-UNOPS Project numbers 96457. The Statement presented in Annex I, has been prepared in accordance with the UNOPS regulations and rules.

We do hereby state that, in our opinion:

Financial Statement

The Financial Statement as reported in Annex I, presents fairly in all material aspects, the expenditure of US$ 4,599,109 incurred by the UNOPS office for the period 01 April 2015 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. 96457 Palestinian Maturity Program-UNOPS Project.

Statement of Inventory of Non-Expendable Equipment

The Statement of Non-Expendable Equipment presents fairly, in all material respects, the Non-Expendable Equipment balance procured during the period from 01 April 2015 to 31 December 2016 of the project amounting to US$ 1,859 in accordance with the Non-Expendable Inventory listing certified by project management.

(Signature)          (Signature)          (Signature)

Name: Karla Cienfuegos Name: Bana Kaloti Name: Yazen Eideh
Regional Financial Regional Director Project Manager
Management Officer
Region: CSG/IPAS,HQ Region: Middle East Region: Middle East
Place: Copenhagen Place: Amman Place: Jerusalem
Date: 11 September 2017 Date: 11 September 2017 Date: 11 September 2017