UNUNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

19 October 2017

PROJECT NAME:  GLOBAL FUND REGIONAL ARTEMISININ INITIATIVE (RAI) – MYANMAR - PRINCIPAL RECIPIENT - UNOPS
PROJECT NUMBER:  00089550
COUNTRY:  MYANMAR
AUDITOR:  MOORE STEPHENS LLP
PERIOD SUBJECT TO AUDIT:  1 JANUARY TO 31 DECEMBER 2016
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Acronyms and abbreviations

GF       Global Fund  
PR       Principal Recipient  
RAI      Regional Artemisinin Initiative  
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 Myanmar Operational Hub

We have audited the accompanying project financial statement for the project ‘Global Fund Regional Artemisinin Initiative (RAI) – Myanmar – Principal Recipient – UNOPS’ (oneUNOPS project ID 00089550) 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 ‘Global Fund Regional Artemisinin Initiative (RAI) – Myanmar – Principal Recipient – UNOPS’ (oneUNOPS project ID 00089550), 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


We have audited the accompanying statement of non-expendable property of the project ‘Global Fund Regional Artemisinin Initiative (RAI) – Myanmar - Principal Recipient – UNOPS’ (Atlas project ID 00089550) 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 ‘Global Fund Regional Artemisinin Initiative (RAI) – Myanmar - Principal Recipient – UNOPS’ (oneUNOPS project ID 00089550) as at 31 December 2016 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
19 October 2017
Responsibility statement by management

This is attached as Annex III to this report.
Annex I – Project financial statement

June 15, 2017
Ref: Project No: 00089550
Funding: GFATM

To whom it may Concern,

Subject: Certified Financial Statement as at 31 December 2016

We enclose the Certified Financial Statement for project 00089550 UNOPS_RAI_PR_001, which commenced in year 2014 and indicates project expenses as at 31 December 2016.

We draw your attention to the following:

» Project expenditure and management fee: USS 3,826,945
» Project advances: USS 757 and Commitments: USS 4,023
» Total Income: USS 4,137,699 including interest earned at USS 110,502
» Project fund balance: USS 305,974

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

Yours sincerely,

Karla CIENFUEGOS
Finance Specialist
CSG IPAS, UNOPS

PO Box 2695
2100 Copenhagen
Denmark

Tel: +45 45 33 75 00
Fax: +45 45 33 75 01
E-mail: info@unops.org
## ANNUAL FINANCIAL REPORT

**Project:** 89550 - UNOPS_RAI_PR_001  
**Partner(s):** GFATM Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)

**As on:** 31/12/2016

### Income:

<table>
<thead>
<tr>
<th>Contributions</th>
<th>2014</th>
<th>33,236,126</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>38,005,396</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>17,120,738</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>88,362,260</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest</th>
<th>2014</th>
<th>24,191</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>43,523</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>42,790</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>110,502</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transfers</th>
<th>2014</th>
<th>(31,335,440)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>(34,003,700)</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>(38,945,923)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>(94,335,063)</strong></td>
</tr>
</tbody>
</table>

### Total Income

| A             | 4,137,699 |

### Less: Project Expenses

#### Period-Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Project(s) Expense</th>
<th>Management Fees</th>
<th>Net Exchange Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>800,184</td>
<td>32,202</td>
<td>(7)</td>
</tr>
<tr>
<td>2015</td>
<td>1,322,690</td>
<td>48,055</td>
<td>166</td>
</tr>
<tr>
<td>2016</td>
<td>1,561,693</td>
<td>60,678</td>
<td>684</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,871,511</strong></td>
<td><strong>1,623,055</strong></td>
<td><strong>2,555,369</strong></td>
</tr>
</tbody>
</table>

### Total Expenditure

| B             | 3,826,945 |

### Less: Project Advances

| C             | 757 |

### Less: Project Capitalised Assets

| D             | 0   |
INTERNAL AUDIT AND INVESTIGATIONS GROUP

UNOPS Internal Audit and Investigations Group
Financial audit report
GF RAI – PR (00089550), Myanmar
1 January to 31 December 2016

ANNUAL FINANCIAL REPORT
Project: 89550 - UNOPS RAI PR_001
Partner(s): 1448 - GFATM Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)

As on: 31/12/2016

<table>
<thead>
<tr>
<th>Project Cash Balance</th>
<th>A-B-C-D</th>
<th>309,997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Commitments</td>
<td>E</td>
<td>4,023</td>
</tr>
<tr>
<td>Project Fund Balance</td>
<td>A-B-C-D-E</td>
<td>305,974</td>
</tr>
</tbody>
</table>

Notes:
* All amounts are in USD. Transactions in non-USD have been converted to USD at the UN operational rate of exchange as on the date of the transaction.
* Project advances include operational advances, prepayments, petty cash, and any VAT payments to suppliers that have yet to be recovered.
* 2016 Expenditure reflects an adjustment of USD -1,860.00 recorded in 2017.
* 2016 Management Fees reflect an adjustment of USD -93.00 recorded in 2017
* Figures reported as 2014 contribution differ from prior year reports due to correction of inter-project transfer initially recorded under contributions. To correctly reflect the contribution received and internal transfer between projects, USD 27,762,953 have been reclassified from Transfer to Contribution in this report. This does not affect Total Income amount.

Certified by:
Karla Cienfuegos
Finance Specialist
CSG PAS, UNOPS

Date: 15/06/2017

Report run on: 15 June 2017
## Annex II – Statement of non-expendable property

<table>
<thead>
<tr>
<th>Description</th>
<th>Model</th>
<th>Unit</th>
<th>Quantity</th>
<th>Total Cost</th>
<th>Total Value</th>
<th>Unit Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer</td>
<td>Model A</td>
<td>Unit</td>
<td>Quantity</td>
<td>Total Cost</td>
<td>Total Value</td>
<td>Unit Value</td>
</tr>
<tr>
<td>Printer</td>
<td>Model B</td>
<td>Unit</td>
<td>Quantity</td>
<td>Total Cost</td>
<td>Total Value</td>
<td>Unit Value</td>
</tr>
<tr>
<td>Projector</td>
<td>Model C</td>
<td>Unit</td>
<td>Quantity</td>
<td>Total Cost</td>
<td>Total Value</td>
<td>Unit Value</td>
</tr>
<tr>
<td>Scanner</td>
<td>Model D</td>
<td>Unit</td>
<td>Quantity</td>
<td>Total Cost</td>
<td>Total Value</td>
<td>Unit Value</td>
</tr>
</tbody>
</table>

*Note: The table above shows the statement of non-expendable property for UNOPS Internal Audit and Investigations Group.*
<table>
<thead>
<tr>
<th>Date</th>
<th>Code</th>
<th>Page</th>
<th>Year</th>
<th>Title</th>
<th>Amount</th>
<th>Project</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 January 2016</td>
<td>PR-RAI</td>
<td>1</td>
<td>2016</td>
<td>Financial audit report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L/C</td>
<td>IC Code</td>
<td>Register Account</td>
<td>A/C</td>
<td>Balance 1</td>
<td>Balance 2</td>
<td>No. of Days</td>
<td>Gross Amount</td>
</tr>
<tr>
<td>------</td>
<td>---------</td>
<td>------------------</td>
<td>-----</td>
<td>-----------</td>
<td>-----------</td>
<td>-------------</td>
<td>--------------</td>
</tr>
<tr>
<td>MF01</td>
<td>114552</td>
<td>2016203095</td>
<td>PR</td>
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<tr>
<td>MF02</td>
<td>114552</td>
<td>2016203095</td>
<td>PR</td>
<td>2016203095</td>
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<td></td>
</tr>
<tr>
<td>MF03</td>
<td>114552</td>
<td>2016203095</td>
<td>PR</td>
<td>2016203095</td>
<td>2016203095</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MF04</td>
<td>114552</td>
<td>2016203095</td>
<td>PR</td>
<td>2016203095</td>
<td>2016203095</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL**

|                  | 84,033.00 | 18,773.00 |
Annex III – Responsibility statement by management

UNITED NATIONS OFFICE FOR PROJECT SERVICES

Project ID: 08089550

UNOPS RAI PR 001 (PR – GFATM RAI Grant)

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 Project ID 00089550, Project name UNOPS RAI PR 001 (PR – GFATM RAI Grant). 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, as set out in Annex I, presents fairly in all material respects, the expenditure of USD 1,623,054.81 incurred by the UNOPS office for the period 1 January 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 00089550, Project name UNOPS RAI PR 001 (PR – GFATM RAI Grant).

Statement of Inventory of Non-Expendable Equipment

The Statement of Non-Expendable Equipment presents fairly, in all material respects, the Non-Expendable Equipment balance as at 31 December 2016 amounting to USD 19,775.50 in accordance with the Non-Expendable Inventory listing certified by project management.

ACCEPTED AND CERTIFIED:

Name: Dr. Attila Molnár
Programme Director

Name: Karla Cienfuegos
Regional Financial Management Officer

Name: Suboty Mathur
Regional Director

Project/PR: GFATM

Region: UNOPS Asia Region

Place: Myanmar
Date: 3 August 2017

Region: IPAS Finance

Place: Denmark
Date: 03 August 2017

Region: UNOPS Asia Region

Place: Thailand
Date: 8 Aug 2017

* The value presented under the Statement of Inventory includes: Non-expendable & Capitalized Assets. Non-expendable property are items with an acquisition cost of USD 2,000 or less. Capitalized Assets are items with a value of USD 2,000 or more.

** Assets purchased prior to January 2010 (prior to UNOPS bringing PR to full compliance with IPSAS 17) have been capitalized 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, UNOPS has revised previous statements at a corporate level to avoid restatement of client reports. Details of the NEV are maintained in the asset register for reference.