UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

19 October 2018

PROJECT NAME: CITIES ALLIANCE PARTNERSHIP, CITIES ALLIANCE core funds
PROJECT NUMBER: 87761
COUNTRY: SWITZERLAND
AUDITOR: MOORE STEPHENS LLP
PERIOD SUBJECT TO AUDIT: 1 JANUARY 2016 TO 31 DECEMBER 2017
Contents

Acronyms and abbreviations .................................................................................................................. 3

Financial audit report ............................................................................................................................. 4
  Audit opinion on the project financial statement .................................................................................. 4
  Audit opinion on the statement of non-expendable property ............................................................... 6

Annex I – Project financial statement

Annex II – Statement of non-expendable property

Annex III – Responsibility statement by management
# Acronyms and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAIG</td>
<td>Internal Audit and Investigations Group</td>
</tr>
<tr>
<td>IESBA</td>
<td>International Ethics Standards Board for Accountants</td>
</tr>
<tr>
<td>IPSAS</td>
<td>International Public Sector Accounting Standards</td>
</tr>
<tr>
<td>ISA</td>
<td>International Standards on Auditing</td>
</tr>
<tr>
<td>UNOPS</td>
<td>United Nations Office for Project Services</td>
</tr>
<tr>
<td>US$</td>
<td>United States Dollars</td>
</tr>
</tbody>
</table>
Financial audit report

Audit opinion on the project financial statement

Unmodified opinion

We have audited the accompanying project financial statement for the project ‘Cities Alliance Partnership, Cities Alliance Core Funds’ (the project) (OneUNOPS project ID. 87761), which is implemented and managed by the UNOPS Office in Switzerland, for the period from 1 January 2016 to 31 December 2017.

In our opinion, the financial statement gives a true and fair view of, in all material respects, the income and expenditure of the project ‘Cities Alliance Partnership, Cities Alliance Core Funds’ (the project) (OneUNOPS project ID. 87761), for the period from 1 January 2016 to 31 December 2017 in conformity with the terms of the agreements and in accordance with International Public Sector Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the ‘Auditor’s responsibility for the audit of the project financial statement’ section of this report.

We are independent of UNOPS in accordance with the IESBA Code of Ethics for Professional Accountants. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 for the audit of the project financial statement

The objectives of our audit are set out in the terms of reference for the audits of UNOPS projects, as issued by the Internal Audit and Investigations Group (IAIG) of UNOPS, and include obtaining reasonable assurance about whether the project financial statement is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the project financial statement.
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also identify and assess the risks of material misstatement of the project financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Project financial statement**

This is attached as Annex I to this report.
Audit opinion on the statement of non-expendable property

Unmodified opinion

We have audited the accompanying statement of non-expendable property of the project ‘Cities Alliance Partnership, Cities Alliance Core Funds’ (OneUNOPS project ID. 87761) of UNOPS as at 31 December 2017.

In our opinion, the statement of non-expendable property presents fairly, in all material respects, the status of non-expendable property of the project ‘Cities Alliance Partnership, Cities Alliance Core Funds’ (OneUNOPS project ID. 87761), as at 31 December 2017 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

19 October 2018
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 Interim Financial Statement for project 00087761 Cities Alliance Partnership; Cities Alliance CORE funds, which commenced in year 2013 and indicates project expenses as at 31 December 2016.

We draw your attention to the following:

› Project expenditure and management fee: US$ 17,349,259
› Project Advances: US$ 2,895
› Total income received: US$ 29,430,678 including interest earned US$ 250,439
› Project Cash balance: US$ 12,078,524

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

Yours sincerely,

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

Project: 87761 - Cities Alliance CORE funds
Partner(s): 1013 - Cities Alliance

As on: 31-Dec-2016

| Income: Contributions | 2013   | 9,442,020.41 |
|                       | 2014   | 6,905,314.97 |
|                       | 2015   | 5,243,807.85 |
|                       | 2016   | 7,485,905.71 |

| Interest              | 2014   | 45,340.82    |
|                       | 2015   | 66,206.67    |
|                       | 2016   | 134,931.41   |

| Total Income          | A      | 29,438,677.84 |

Less: Project Expenses
Period-Years

| 2013 Project(s) Expense | 1,221,209.77 |
| Management Fees         | 97,150.27    |
| Net Exchange Gain/Loss  | 903.59       |

| 2014 Project(s) Expense | 3,894,700.87 |
| Management Fees         | 289,095.04   |
| Net Exchange Gain/Loss  | (5,427.85)   |

| 2015 Project(s) Expense | 4,564,485.43 |
| Management Fees         | 286,706.79   |
| Net Exchange Gain/Loss  | (1,192.54)   |

| 2016 Project(s) Expense | 6,593,919.72 |
| Management Fees         | 406,276.89   |
| Net Exchange Gain/Loss  | (2,478.83)   |

| Total Expenditure       | B      | 17,349,259.15 |
| Less: Project Advances  | (C)    | 2,894.84      |
| Less: Project Capitalised Assets | D | 0.00 |

Project Cash Balance = A-B-C-D = 12,078,523.85

*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.

Certified by:
Karla CIENFUEGOS
Finance Specialist
CSG IPAS, UNOPS

Comment:
12/02/2017
Dear Sir/Madam,

Subject: Annual Financial Statement

We enclose the Annual Financial Statement for project 87761 - Cities Alliance CORE funds, which commenced in year 2013 and indicates the incurred expenditure as at 31/12/2017

We draw your attention to the following:

a. Incurred expenditure and management fee: US$ 24,851,453
b. Project advances: US$ 25,819 and open purchase order: US$ 4,671,157
c. Total funds received: US$ 34,977,475 which includes interest earned: US$ 359,103
d. Project Capitalised Asset: US$ 9,955
e. Fund Surplus: US$ 5,419,091

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

YOURS SINCERELY,

MERON MEKURIW
FINANCE SPECIALIST
SSC IPAS, UNOPS HQ
# ANNUAL FINANCIAL STATEMENT

**Project:** 87761 - Cities Alliance CORE funds  
**Partner(s):** 1018 - Cities Alliance  
**As on:** 31-Dec-2017

## Income:

<table>
<thead>
<tr>
<th>Period</th>
<th>Contributions</th>
<th>Interest</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>9,442,020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>6,909,315</td>
<td>49,341</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>5,343,808</td>
<td>66,207</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>7,485,096</td>
<td>134,891</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>5,438,133</td>
<td>108,664</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>34,618,372</strong></td>
<td><strong>359,103</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Less: Project Expenses

<table>
<thead>
<tr>
<th>Period</th>
<th>Project(s) Expense</th>
<th>Management Fees</th>
<th>Net Exchange Gain/Loss</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,221,210</td>
<td>97,150</td>
<td>904</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>3,894,701</td>
<td>289,005</td>
<td>(5,428)</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>4,564,485</td>
<td>286,707</td>
<td>(1,193)</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>6,595,920</td>
<td>408,277</td>
<td>(2,479)</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>7,019,983</td>
<td>480,702</td>
<td>1,509</td>
<td></td>
</tr>
<tr>
<td><strong>Total Project Expenses</strong></td>
<td><strong>7,502,194</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Table: Project Expenditure Summary</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>-----------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>24,851,453</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: <strong>Project Advances</strong></td>
<td><strong>25,819</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: <strong>Project Capitalised Assets</strong></td>
<td><strong>9,955</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Project Cash Balance</strong></td>
<td><strong>10,090,248</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Commitments**</td>
<td><strong>4,671,157</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Project Fund Balance</strong></td>
<td><strong>5,419,091</strong></td>
<td></td>
<td></td>
<td></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.
- The statement is prepared in accordance to IPSAS reporting requirement, the reported figure under commitment is for information and it discloses only the expected utilisation of project funds as of the reporting period, these commitments are not charged as an expense until the goods are delivered or services rendered.
- Project advances include operational advances, prepayments, petty cash, and any VAT payments to suppliers that have yet to be recovered.

**CERTIFIED BY:**
MERON MEKURIAW
FINANCE SPECIALIST
SSC IPAS, UNOPS HQ

**Comment:**

Date: 05 July 2018
Report run on: 03 Jul 2018
Annex II – Statement of non-expendable property
# ASSET LIST as of 31 Dec 2017

**Project ID: 87761 - Cities Alliance CORE funds Project**

<table>
<thead>
<tr>
<th>Asset ID</th>
<th>Description</th>
<th>Location</th>
<th>Status</th>
<th>Asset Details Confirmed &amp; verified</th>
<th>Asset Impairment Required</th>
<th>Cost Center</th>
<th>Work package</th>
<th>Donor ID</th>
<th>Acquisition Cost USD</th>
<th>In Service Date</th>
<th>Useful Life</th>
<th>Asset Group</th>
<th>Accumulated Depreciation</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>53353</td>
<td>Doors</td>
<td>BELBRU01</td>
<td>Good</td>
<td>Y</td>
<td>Y</td>
<td>B5115</td>
<td>87761-ACTIVITY7</td>
<td>1018</td>
<td>8,331</td>
<td>4/5/2016</td>
<td>120</td>
<td>BLDG10</td>
<td>1,458</td>
<td>6,873</td>
</tr>
<tr>
<td>53354</td>
<td>Doors</td>
<td>BELBRU01</td>
<td>Good</td>
<td>Y</td>
<td>Y</td>
<td>B5115</td>
<td>87761-ACTIVITY7</td>
<td>1018</td>
<td>3,736</td>
<td>4/5/2016</td>
<td>120</td>
<td>BLDG10</td>
<td>654</td>
<td>3,082</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>12,067</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>2,112</strong></td>
<td><strong>9,955</strong></td>
</tr>
</tbody>
</table>

Prepared by

Pattanā Jindaprameekul (Mr.)
Associate Portfolio Support Officer
Cities Alliance

Certified by

Mr. Philipp von Waechter
Senior Portfolio Manager
UNOPS Geneva Office
Annex III – Responsibility Statement by Management
UNited Nations Office For Project Services

Project ID: 87761

Cities Alliance CORE funds

Responsibility Statement by Management

The United Nations Office for Project Services (UNOPS) management is responsible for the preparation, integrity and fair presentation of Financial Statement of the UNOPS Project ID. 87761 - Cities Alliance CORE funds Project. The Statement, presented under 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 presents fairly in all material respects, the expenditure of US$ 14,503,912 incurred by the UNOPS office for the period 1 January 2016 to 31 December 2017 in accordance with UNOPS accounting policies and in conformity with approved activities and budgets of UNOPS Project ID. 87761 - Cities Alliance CORE funds Project.

Statement of non-expandable property

The statement of non-expandable property presents fairly, in all material respects, the non-expandable property balance as at 31 December 2017 amounting to US$ 9,955 as net book Value with the Non-Expandable listing certified by project management.

(Signature)
Meron Mekuriaw
Finance Specialist
Region: SSC / IPAS
Place: UNOPS HQ, Copenhagen
Date: 02 October 2018

(Signature)
Moin Karim
Regional Director
Region: ECR
Place: Geneva
Date: 02 October 2018

(Signature)
Philipp von Waechter
Senior Portfolio Manager
Region: ECR
Place: Geneva
Date: 02 October 2018