UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

22 October 2018

PROJECT NAME: Rural Access Improvement Project (RAIP) IV
PROJECT NUMBER: 11809-001
COUNTRY: Afghanistan
AUDITOR: Moore Stephens LLP
PERIOD SUBJECT TO AUDIT: 1 November 2016 to 31 December 2017
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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>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 ‘Rural Access Improvement Project (RAIP) IV’ ("the project") (oneUNOPS project ID 11809-001), which is implemented and managed by the UNOPS Office in Afghanistan, for the period from 1 November 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 ‘Rural Access Improvement Project (RAIP) IV’ ("the project") (oneUNOPS project ID 11809-001), for the period from 1 November 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 ‘Rural Access Improvement Project (RAIP) IV’ (oneUNOPS project ID 11809-001) 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 ‘Rural Access Improvement Project (RAIP) IV’ (oneUNOPS project ID 11809-001), 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

22 October 2018
Responsibility statement by management

This is attached as Annex III to this report.
Annex I – Project financial statement
Date: July 19, 2018
Ref. Project No: 11809-001
Funding: SIDA Swedish International Development Cooperation Agency (Sida)

Mr Niklas Eklund
Programme Manager/Specialist Private Sector Development
Afghanistan Unit
Department for Asia, North Africa and Human Assistance
Swedish International Development Cooperation Agency (Sida)
SE-105 25 Stockholm, Sweden

Dear Sir/Madam,

Subject: Annual Financial Statement

We enclose the Annual Financial Statement for project 11809-001 - Rural Access Improvement Project Phase IV (RAIP IV), which commenced in year 2016 and indicates the incurred expenditure as at 31/12/2017

We draw your attention to the following:

a. Incurred expenditure and management fee: US$ 6,291,937
b. Project advances: US$ 11,925 and open purchase order: US$ 4,132,625
c. Total funds received: US$ 14,006,942 which includes interest earned: US$ 49,364
d. Project Capitalised Asset: US$ 216,294
e. Fund Surplus: US$ 3,354,161

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

Yours sincerely,

MERON MEKURIAW
FINANCE SPECIALIST
SSC IPAS, UNOPS HQ

PO Box 2695
2100 Copenhagen
Denmark

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

www.unops.org
### ANNUAL FINANCIAL STATEMENT

**Project:** 11809-001 - Rural Access Improvement Project Phase IV (RAIP IV)

**Partner(s):** 1108 - SIDA Swedish International Development Cooperation Agency (Sida)

**As on:** 31-Dec-2017

#### Income:

<table>
<thead>
<tr>
<th>Contributions</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,034,080</td>
<td>8,910,118</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>13,944,198</strong></td>
<td><strong>13,944,198</strong></td>
</tr>
</tbody>
</table>

#### Interest:

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,469</td>
<td>42,895</td>
</tr>
<tr>
<td><strong>Total Interest</strong></td>
<td><strong>49,364</strong></td>
</tr>
</tbody>
</table>

#### Miscellaneous Revenue:

<table>
<thead>
<tr>
<th>2017</th>
<th>13,380</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Miscellaneous Revenue</strong></td>
<td><strong>13,380</strong></td>
</tr>
</tbody>
</table>

**Total Income** = **14,006,942**

#### Less: Project Expenses

#### Period-Years

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project(s) Expense</td>
<td>433,255</td>
</tr>
<tr>
<td>Management Fees</td>
<td>23,829</td>
</tr>
<tr>
<td>Net Exchange Gain/Loss</td>
<td>(347)</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>456,737</strong></td>
</tr>
</tbody>
</table>

**Total Expenditure** = **6,291,937**

#### Less: Project Advances

| C | 11,925 |

#### Less: Project Capitalised Assets

| D | 216,294 |

#### Project Cash Balance

| A-B-C-D | 7,486,786 |

#### Less: Commitments**

| E | 4,132,625 |

**Project Fund Balance** = **3,354,161**

**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: [Signature]

**Comment:**
Annex II – Statement of non-expendable property
### United Nations Office for Project Services (UNOPS)

**Project:** Rural Access Improvement Project Phase IV (RAIP IV, Project ID: 11809-001)  
**Funded by:** Swedish International Development Cooperation Agency (Sida)

**Statement of non-expendable property (Individual unit procured cost more than USD 2,500)**

*For the period from 01 November 2016 to 31 December 2017*

<table>
<thead>
<tr>
<th>Note:</th>
<th>2017 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Opening Balance as at 01 Nov 2016**

<table>
<thead>
<tr>
<th>Add:</th>
<th></th>
</tr>
</thead>
</table>
| 1    | Assets and equipment transferred from RAIP-III and purchased during 1 Nov 2016-31 Dec 2017 capitalized asset  
Refer Annex A | 243,366 |

<table>
<thead>
<tr>
<th>Less:</th>
<th></th>
</tr>
</thead>
</table>
| 1    | Accumulated depreciation cost of assets transferred from RAIP III and assets purchased during 01 Nov 2016-31 Dec 2017  
Refer Annex A | 27,072 |

**Closing balance as at 31 December 2017**

216,294

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*Signature*

*Project Manager*

*Noorullah Hakimy*

*Project Logistic Associate*
<table>
<thead>
<tr>
<th>SN</th>
<th>Asset ID</th>
<th>Profile ID</th>
<th>Description</th>
<th>QTY</th>
<th>TAG Number</th>
<th>Serial Number</th>
<th>Location</th>
<th>Acquisition Date</th>
<th>Cost,USD</th>
<th>Departm ent</th>
<th>Donor</th>
<th>Project</th>
<th>Accumulate d Dep cost Dec 2017</th>
<th>NBV Dec 2017 (USD)</th>
<th>Status</th>
<th>Asset Details Confirmed Y/N</th>
<th>Custodian</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0000000011688</td>
<td>OPS_BLDG9</td>
<td>Refurbished container 40FT</td>
<td>1</td>
<td>11688</td>
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<td>18-05-15</td>
<td>4,920</td>
<td>05101</td>
<td>1108</td>
<td>11809-001</td>
<td>633</td>
<td>4,287</td>
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<td>Y</td>
<td>Mohammad Nasser SEDDIQ</td>
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<tr>
<td>2</td>
<td>0000000011678</td>
<td>OPS_ICT3</td>
<td>ArcGIS Software</td>
<td>1</td>
<td>11678</td>
<td>N/A</td>
<td>AFGMZE01</td>
<td>29-04-15</td>
<td>2,701</td>
<td>05101</td>
<td>1108</td>
<td>11809-001</td>
<td>1,951</td>
<td>750</td>
<td>Good Condition</td>
<td>Y</td>
<td>Mohammad Nasser SEDDIQ</td>
</tr>
<tr>
<td>3</td>
<td>0000000011677</td>
<td>OPS_ICT3</td>
<td>Work Station 24&quot; Dell Screen (Server)</td>
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<td>11677</td>
<td>N/A</td>
<td>AFGMZE01</td>
<td>31-08-15</td>
<td>1,647</td>
<td>05101</td>
<td>1108</td>
<td>11809-001</td>
<td>1,048</td>
<td>599</td>
<td>Good Condition</td>
<td>Y</td>
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</tr>
<tr>
<td>4</td>
<td>0000000011689</td>
<td>OPS_BLDG9</td>
<td>Leasehold Improvement (Renovation works in Mazari)</td>
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<td>15-06-15</td>
<td>13,147</td>
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<td>1108</td>
<td>11809-001</td>
<td>1,659</td>
<td>11,488</td>
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<td>Y</td>
<td>Mohammad Nasser SEDDIQ</td>
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<tr>
<td>5</td>
<td>106567</td>
<td>TRIV</td>
<td>TOYOTA Land Cruiser Armoured</td>
<td>1</td>
<td>106567</td>
<td>JTMHV0319H423707</td>
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<td>20-10-17</td>
<td>148,331</td>
<td>05101</td>
<td>1108</td>
<td>11809-001</td>
<td>7,417</td>
<td>140,914</td>
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<td>Y</td>
<td>Mohammad Nasser SEDDIQ</td>
</tr>
<tr>
<td>6</td>
<td>104600</td>
<td>TRIVS</td>
<td>TOYOTA Land Cruiser Armoured</td>
<td>1</td>
<td>104600</td>
<td>JTMHV0319H4302462</td>
<td>AFGKBE02</td>
<td>01-01-17</td>
<td>70,000</td>
<td>05101</td>
<td>1108</td>
<td>11809-001</td>
<td>14,000</td>
<td>56,000</td>
<td>Good Condition</td>
<td>Y</td>
<td>Mohammad Nasser SEDDIQ</td>
</tr>
<tr>
<td>7</td>
<td>104514</td>
<td>N/A</td>
<td>Dell Precision 7510 Mobile Workstation with 24&quot; Dell LED Monitor</td>
<td>1</td>
<td>104514</td>
<td>L1GKHBE02</td>
<td>AFGKBE02</td>
<td>13-08-17</td>
<td>2,620</td>
<td>05101</td>
<td>1108</td>
<td>11809-001</td>
<td>364</td>
<td>2,256</td>
<td>Good Condition</td>
<td>Y</td>
<td>Mohammad Rahim Nazarif</td>
</tr>
</tbody>
</table>

Total: 243,166

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Annex III – Responsibility Statement by Management
UNited Nations Office for Project Services

Project ID: 11809-001, "Rural Access Improvement Project Phase IV (RAIP IV)"

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 ("Statement") of the UNOPS Project ID 11809-001, "Rural Access Improvement Project Phase IV (RAIP IV)" ("the Project"). The statement presented has been prepared in accordance with the requirements of 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 aspects, the expenditure of US$ 6,291,937 incurred by the UNOPS office for the period from 1 November 2016 to 31 December 2017 in accordance with the accounting policies set out in the Notes to the Statement and in conformity with approved activities and budget of UNOPS Project ID 11809-001, "Rural Access Improvement Project Phase IV (RAIP IV)" ("the 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 1 November 2016 to 31 December 2017 of the Project amounting to US$ 216,294 in accordance with the Non-Expendable Inventory listing certified by project management.

Name: Meron Mekuriaw
Finance Specialist
SSC, IPAS, UNOPS HQ
Region:
Place: Copenhagen, Denmark
Date: 28 August 2018

Name: Sanjay Mathur
Regional Director
Region: Asia
Place: Bangkok, Thailand
Date: 13 September 2018

Name: Shekhar K. Shrestha
Project Manager
Region: Asia
Place: Mazar, Afghanistan
Date: 27/08/2018