UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

14 November 2018

PROJECT NAME: ORGANIZATIONAL CAPACITY DEVELOPMENT (OCD) FOR USAID’S LOCAL IMPLEMENTING PARTNERS IN BANGLADESH

PROJECT NUMBER: 91952

COUNTRY: BANGLADESH

AUDITOR: MOORE STEPHENS LLP

PERIOD SUBJECT TO AUDIT: 1 OCTOBER 2014 TO 31 DECEMBER 2017
Contents

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

Financial audit report .................................................................................................................4

Audit opinion on the project financial statement ........................................................................4

Annex I – Project financial statement

Annex II – 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>USAID</td>
<td>United States Agency for International Development</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 ‘Organizational Capacity Development (OCD) for USAID’s Local Implementing Partners in Bangladesh’ (“the project”), (OneUNOPS project ID 91952) which was implemented and managed by the UNOPS Office in Bangladesh, for the period from 1 October 2014 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 ‘Organizational Capacity Development (OCD) for USAID’s Local Implementing Partners in Bangladesh’ (“the project”) (OneUNOPS project ID 91952), for the period from 1 October 2014 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.

Mark Henderson  
Partner  
Moore Stephens LLP  
150 Aldersgate Street  
London EC1A 4AB  
14 November 2018
Responsibility statement by management

This is attached as Annex II to this report.
Annex I – Project financial statement
Date: October 31, 2018  
Ref. Project No: 91952  
Funding: USAID U.S. Agency for International Development (USAID)

Dear Sir/Madam,

Subject: Annual Financial Statement

We enclose the Annual Financial Statement for project 91952 - Organizational Capacity Development (OCD) for USAID’s Local Implementing Partners in Bangladesh, which commenced in year 2014 and indicates the incurred expenditure as at 31/12/2017.

We draw your attention to the following:

a. Incurred expenditure and management fee: US$ 2,949,668  
b. Project advances: US$ (36) and open purchase order: US$ 0  
c. Total funds received: US$ 2,833,824 which includes interest earned: US$ 5,696  
d. Project Capitalised Asset: US$ 0  
e. Shortfall of funds: US$ (115,808)

Yours sincerely,

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

**Project:** 91952 - Organizational Capacity Development (OCD) for USAID’s Local Implementing Partners in Bangladesh  
**Partner(s):** 1112 - USAID U.S. Agency for International Development (USAID)  
**As on:** 31-Dec-2017

## Income:

<table>
<thead>
<tr>
<th>Contributions</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>227,268</td>
<td>754,655</td>
<td>1,423,361</td>
<td>422,844</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>2,828,128</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>245</td>
<td>3,150</td>
<td>1,529</td>
<td>772</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>5,696</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Less: Project Expenses

<table>
<thead>
<tr>
<th>Period-Years</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project(s) Expense</td>
<td>26,824</td>
<td>736,949</td>
<td>1,197,362</td>
<td>754,849</td>
</tr>
<tr>
<td>Management Fees</td>
<td>2,307</td>
<td>63,378</td>
<td>102,973</td>
<td>64,917</td>
</tr>
<tr>
<td>Net Exchange Gain/Loss</td>
<td>(5)</td>
<td>661</td>
<td>(27)</td>
<td>(520)</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>2,949,668</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Less: Project Advances

<table>
<thead>
<tr>
<th></th>
<th>(C)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Less: Project Advances</strong></td>
<td>(36)</td>
</tr>
</tbody>
</table>

## Less: Project Capitalised Assets

<table>
<thead>
<tr>
<th></th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Less: Project Capitalised Assets</strong></td>
<td>0</td>
</tr>
</tbody>
</table>
### ANNUAL FINANCIAL STATEMENT

**Project:** 91952 - Organizational Capacity Development (OCD) for USAID’s **Local Implementing** Partners in Bangladesh  
**Partner(s):** 1112 - USAID U.S. Agency for International Development (USAID)  
**As on:** 31-Dec-2017

<table>
<thead>
<tr>
<th>Project Cash Balance (Deficit)</th>
<th>(A-B-C-D)</th>
<th>(115,808)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Commitments**</td>
<td>E</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Fund Balance (Deficit)</th>
<th>(A-B-C-D-E)</th>
<th>(115,808)</th>
</tr>
</thead>
</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  
**Date:** 31 October 2018
Annex II – Responsibility Statement by Management
United Nations Office for Project Services
OneUNOPS Project ID 91952
Organizational Capacity Development (OCD) for USAID’s Local implementing partners in Bangladesh
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, as set out in Annex I, of the UNOPS Project ID 91952 Organizational Capacity Development for USAID’s Local implementing partners in Bangladesh. 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 aspects, the expenditure of US$2,949,668.00 incurred by the UNOPS office for the period 1 October 2014 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 budgets of UNOPS Project ID 91952.

Name: Meron Mekuriaw
Designation: Finance Specialist
CSG IPAS Finance
Region: Europe
Place: Denmark
Date: Nov 2, 2018

Name: Sanjay Mathur
Designation: Regional Director
Region: Asia
Place: Thailand
Date: Nov 8, 2018

Name: Joy Jakosalem Balane
Designation: Project Manager
Region: Asia
Place: Thailand
Date: Nov 2, 2018