UNIVERSAL NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

14 May 2020

PROJECT NAME: YSLME Phase 2
PROJECT NUMBER: 91007
COUNTRY: REPUBLIC OF KOREA
AUDITOR: BDO LLP
PERIOD SUBJECT TO AUDIT: 3 July 2014 to 31 December 2019
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## Acronyms and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</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 ‘YSLME Phase 2’ (‘the project’) (oneUNOPS project ID 91007), which is implemented and managed by the UNOPS Office in Republic of Korea, for the period from 3 July 2014 to 31 December 2019.

In our opinion, the financial statement gives a true and fair view of, in all material respects, the expenditure of the project ‘YSLME Phase 2’ (‘the project’) (oneUNOPS project ID 91007), for the period from 3 July 2014 to 31 December 2019 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 and the implementing partner 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 ‘YSLME Phase 2’ (oneUNOPS project ID 91007) of UNOPS as at 31 December 2019.

In our opinion, the statement of non-expendable property presents fairly, in all material respects, the status of non-expendable property of the project ‘YSLME Phase 2’ (oneUNOPS project ID 91007), as at 31 December 2019, 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.

Robert Waters
Partner

BDO LLP
55 Baker Street
London
W1U 7EU

14 May 2020
Responsibility statement by management

This is attached as Annex II to this report.
Annex I – Project financial statement
<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>91007 YSLME Phase</td>
<td>91007-ACTIVITY 1 Sust. Reg. &amp; Nat. Cooperation</td>
<td></td>
<td>220,113</td>
<td>126,251</td>
<td>339,691</td>
<td>611,068</td>
<td>906,645</td>
<td>2,203,768</td>
<td></td>
</tr>
<tr>
<td>91007 ACTIVITY 2</td>
<td>Provisioning services</td>
<td></td>
<td>1,594</td>
<td>66,030</td>
<td>339,758</td>
<td>473,903</td>
<td>881,285</td>
<td></td>
<td></td>
</tr>
<tr>
<td>91007 ACTIVITY 3</td>
<td>Regulating and cultural servic</td>
<td></td>
<td>1,472</td>
<td>58,650</td>
<td>258,156</td>
<td>359,762</td>
<td>678,041</td>
<td></td>
<td></td>
</tr>
<tr>
<td>91007 ACTIVITY 4</td>
<td>Supporting services</td>
<td></td>
<td>5,076</td>
<td>86,714</td>
<td>495,228</td>
<td>1,350,700</td>
<td>1,937,718</td>
<td></td>
<td></td>
</tr>
<tr>
<td>91007 ACTIVITY 5</td>
<td>Project Management</td>
<td></td>
<td>33,392</td>
<td>8,623</td>
<td>33,497</td>
<td>85,355</td>
<td>127,201</td>
<td>379,348</td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td></td>
<td><strong>33,392</strong></td>
<td><strong>236,878</strong></td>
<td><strong>159,748</strong></td>
<td><strong>636,442</strong></td>
<td><strong>1,795,489</strong></td>
<td><strong>3,218,210</strong></td>
<td><strong>6,080,160</strong></td>
</tr>
</tbody>
</table>

Certified by:

Meron MEKURIAW
Date: 16 January 2020
Finance Specialist
IPAS Finance, UNOPS
Annex II – Statement of non-expendable property
Date: 15.01.2020

ECR
VIEMCO WEC
Project ID 91007 YSLME Phase 2

Implementing the Strategic Action Programme for the Yellow Sea Large Marine Ecosystem: restoring ecosystem goods and services and consolidation of a long-term regional environmental governance framework

Statement of Inventory of Non-Expendable Equipment as of 31 December 2019

This is to certify that 91007 Project’s balance of the Non-Expendable Equipment procured during the period from 03 July 2014 to 31 Dec 2019 amounts to US$ 95.50.

<table>
<thead>
<tr>
<th>Asset ID</th>
<th>Asset Descr</th>
<th>Asset Period From</th>
<th>Asset Amount</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>102670</td>
<td>Audioconferencing systems</td>
<td>201702</td>
<td>$3,437.97</td>
<td>$95.50</td>
</tr>
</tbody>
</table>

ECR WEC
Finance Associate: Boris Baduyev

ECR VIEMCO WEC
Head of support services: Gurel Gurkan
Annex III – Responsibility Statement by Management
Appendix C – Responsibility Statement by Management

UNITED NATIONS OFFICE FOR PROJECT SERVICES

oneUNOPS Project ID: 91007, Name of the Project: YSLME Phase 2

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 Statement of the UNOPS Project ID 91007, YSLME Phase 2. 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 presents fairly in all material aspects, the expenditure of US$ 6,080,160 incurred by the UNOPS office for the period from 03 July 2014 to 31 December 2019 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 91007, YSLME phase 2.

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 03 July 2014 to 31 December 2019 of the project amounting to US$ 96 in accordance with the Non-Expendable equipment listing certified by project management.

(Signature) (Signature) (Signature)

__________________      ____________________ ___________________
Name: Meron Mekuriaw  Name: Moin Karim  Name: Gurel Gurkan
Title: Regional Financial Management Officer  Title: Regional Director  Title: Head of Support Services
Unit: IPAS Finance  Region: ECR  Office: VIEMCO
Place: Copenhagen  Place: Geneva  Place: Copenhagen
Date: 06 April 2020  Date: 07 April 2020  Date: April 06, 2020