UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

22 May 2020

PROJECT NAME: STIPEND PAYMENTS TO SECTOR 6 B
PROJECT NUMBER: 95986
COUNTRY: SOMALIA
AUDITOR: BDO LLP
PERIOD SUBJECT TO AUDIT: 1 JULY 2015 TO 28 FEBRUARY 2019
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### 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 ‘Stipend payments to Sector 6 B’ (‘the project’) (oneUNOPS project ID 95986), which is implemented and managed by the UNOPS office in Somalia, for the period from 1 July 2015 to 28 February 2019.

In our opinion, the financial statement gives a true and fair view of, in all material respects, the income and expenditure of the project ‘Stipend payments to Sector 6 B’ (‘the project’) (oneUNOPS project ID 95986), for the period from 1 July 2015 to 28 February 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 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.

Robert Waters
Partner

BDO LLP
55 Baker Street
London W1U 7EU

22 May 2020
Responsibility statement by management

This is attached as Annex II to this report.
Annex I – Project financial statement
Dear Sir/Madam,

Subject: Interim Financial Statement

We enclose the Interim Financial Statement for project 95986 - Stipend payments to Sector 6 B, which commenced in year 2015 and indicates the incurred expenditure as at 28/02/2019.

We draw your attention to the following:

a. Incurred expenditure and management fee: US$ 14,387,555
b. Project advances: US$ 0 and commitments: US$ 0
c. Total funds received: US$ 14,587,410 which includes interest earned: US$ 0
d. Project Capitalised Asset: US$ 0
e. Fund Surplus: US$ 199,855

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

Yours sincerely,

Meron MEKURIAW
Finance Specialist
SSC IPAS, UNOPS - HQ

UNOPS is ISO 9001 certified
INTERIM FINANCIAL STATEMENT

Project: 95986 - Stipend payments to Sector 6 B
Partner(s): 1144 - Government of United Kingdom of Great Britain and Northern Ireland (UK)
As on: 28-Feb-2019

Income:
- Contributions:
  - 2015: 3,927,604
  - 2016: 4,675,922
  - 2017: 3,999,488
  - 2018: 2,384,396
  - 2019: 0
  - Total: 14,987,410

- Transfers:
  - 2018: (400,000)
  - Total: (400,000)

Total Income: A 14,587,410

Less: Project Expenses

<table>
<thead>
<tr>
<th>Period-Years</th>
<th>Project(s) Expense</th>
<th>Management Fees</th>
<th>Net Exchange Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,538,845</td>
<td>107,719</td>
<td>5,179</td>
</tr>
<tr>
<td></td>
<td>1,651,743</td>
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<tr>
<td>2016</td>
<td>4,030,107</td>
<td>282,107</td>
<td>10</td>
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<tr>
<td></td>
<td>4,312,224</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>5,287,194</td>
<td>370,104</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>5,657,306</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>2,462,757</td>
<td>172,393</td>
<td>(20)</td>
</tr>
<tr>
<td></td>
<td>2,635,130</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>122,567</td>
<td>8,580</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>131,152</td>
<td></td>
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</tbody>
</table>

Total Expenditure: B 14,387,555
<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Project Advances</td>
<td>0</td>
</tr>
<tr>
<td>Less: Project Capitalised Assets</td>
<td>0</td>
</tr>
<tr>
<td>Project Cash Balance</td>
<td>0</td>
</tr>
<tr>
<td>Project Cash Balance</td>
<td>199,855</td>
</tr>
<tr>
<td>Less: Actual Commitments</td>
<td>0</td>
</tr>
<tr>
<td>Commitments***</td>
<td>0</td>
</tr>
<tr>
<td>A-B-C-D-E</td>
<td>199,855</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.
* This is an interim statement provided for information purposes only. Figures are not final.
* The report includes fee projections for open period(s).
* 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: 14 June 2019
Report run on: 10 Jun 2019
Annex II – Responsibility Statement by Management
Annex C
UNITED NATIONS OFFICE FOR PROJECT SERVICES
Project ID: 95986    Project Name: Stipend payments to Sector 6 B

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 for UNOPS Project ID: 95986 Project Name: Stipend payments to Sector 6 B. The Statement presented has been prepared in accordance with the Project Agreement and the requirements of the applicable UNOPS regulations and rules.

We do hereby state that, in our opinion:

Financial Statement

The Financial Statement as reported and attached (Annex 1), presents fairly in all material aspects, the expenditure of US$ 14,387,555 incurred by the UNOPS office for the period 01 JUL 2015 to 28 FEB 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: 95986 Project Name: Stipend payments to Sector 6 B.

Name: Sayed Farooqui
Project Manager/HoP
Region: Africa
Place: Somalia Country Office
Date: 30 October 2019

11 Nov 2019
Name: Meron Mekuriaw
Finance Specialist SSC, IPAS
Region: Denmark
Place: Copenhagen
Date: 30 October 2019

Name: Honore Dainhi
Regional Director
Region: Africa
Place: Copenhagen
Date: 30 October 2019