INTERNAL AUDIT AND INVESTIGATIONS GROUP

UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

9 September 2020

PROJECT NAME: SOMALIA SECURITY AND JUSTICE PROGRAMME (SSJP)
PROJECT NUMBER: 21137 (21137-01; 21137-02; AND 21137-03)
COUNTRY: SOMALIA
AUDITOR: BDO LLP
PERIOD SUBJECT TO AUDIT: 21 DECEMBER 2017 TO 30 SEPTEMBER 2019
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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 ‘Somalia Security and Justice Programme (SSJP)’ (“the project”) (oneUNOPS project ID 21137), which is implemented and managed by the UNOPS Office in Somalia, for the period from 21 December 2017 to 30 September 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 ‘Somalia Security and Justice Programme (SSJP)’ (“the project”) (oneUNOPS project ID 21137), for the period from 21 December 2017 to 30 September 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.
Audit opinion on the statement of non-expendable property

Unmodified opinion

We have audited the accompanying statement of non-expendable property of the project ‘Somalia Security and Justice Programme (SSJP)’ (oneUNOPS project ID 21137) of UNOPS as at 30 September 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 ‘Somalia Security and Justice Programme (SSJP)’ (oneUNOPS project ID 21137), as at 30 September 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

9 September 2020
Responsibility statement by management

This is attached as Annex III to this report.
Annex I – Project financial statement
**INTERIM FINANCIAL STATEMENT**

**Engagement:** 21137-01 - Somalia Security and Justice Programme (SSJP)

**Partner(s):** 1111 - DFID Department For International Development (DFID)

**As on:** 30-Sep-2019

**Income:**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>11,760,540</td>
<td>13,241,708</td>
<td><strong>25,002,248</strong></td>
</tr>
<tr>
<td>Interest</td>
<td>27,878</td>
<td>39,739</td>
<td><strong>67,617</strong></td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>0</td>
<td>0</td>
<td><strong>0</strong></td>
</tr>
<tr>
<td>Transfers</td>
<td>832,037</td>
<td></td>
<td><strong>832,037</strong></td>
</tr>
</tbody>
</table>

**Total Income:** **25,901,902**

**Less: Engagement Expenses**

**Period-Years**

2018

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement Expense</td>
<td>9,387,121</td>
</tr>
<tr>
<td>Management Fees</td>
<td>322,917</td>
</tr>
<tr>
<td>Net Exchange Gain/Loss</td>
<td>(53,495)</td>
</tr>
</tbody>
</table>

**Total: 9,656,543**

2019

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement Expense</td>
<td>10,207,849</td>
</tr>
<tr>
<td>Management Fees</td>
<td>351,150</td>
</tr>
<tr>
<td>Net Exchange Gain/Loss</td>
<td>(49,061)</td>
</tr>
</tbody>
</table>

**Total: 10,509,938**

**Total Expenditure:** **20,166,481**
<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Engagement Advances and Prepayments**</td>
<td>C</td>
</tr>
<tr>
<td>Less: Engagement Capitalised Assets</td>
<td>D</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Engagement Cash Balance</td>
<td>A-B-C-D</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Commitments***</td>
<td>E</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Engagement Fund Balance (F)</td>
<td>A-B-C-D-E</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.
** Engagement advances include operational advances, prepayments, petty cash, and any VAT payments to suppliers that have yet to be recovered.
*** 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.

Certified by: Ruth N Irungu  
Finance Officer, Unops, Somalia Country Office

Date: 26/08/2020
Date: August 25, 2020
Ref. Engagement No: 21137-01
Funding: 1111 - DFID Department For International Development (DFID)

Dear Sir/Madam,

Subject: Interim Financial Statement

We enclose the Interim Financial Statement for engagement 21137-01 - Somalia Security and Justice Programme (SSJP), which commenced in 21 December 2017 and indicates the income and the incurred expenditure as at 30-Sep-2019

We draw your attention to the following:

a. Total funds received: US$ 25,901,902 which includes interest earned: US$ 67,617
b. Incurred expenditure and management fee: US$ 20,166,481
c. Engagement advances & Prepayments: US$ 0
d. Engagement Capitalised Asset: US$ 24,698
e. Commitment: US$ 5,335,662
f. Fund Surplus: US$ 375,061

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

Yours sincerely,

26/08/2020

Ruth N Irunu,
Finance Manager
Annex II – Statement of non-expendable property
<table>
<thead>
<tr>
<th>Project</th>
<th>Donor</th>
<th>Asset ID</th>
<th>Description</th>
<th>Cost USD</th>
<th>Cumulative Depreciation USD</th>
<th>Net Book Value USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>21137-001</td>
<td>1111</td>
<td>53403</td>
<td>Office and accommodation units</td>
<td>13,206</td>
<td>3,521</td>
<td>9,685</td>
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<tr>
<td>21137-001</td>
<td>1111</td>
<td>53165</td>
<td>TOYOTA HILUX PICK-UP</td>
<td>20,841</td>
<td>15,631</td>
<td>5,210</td>
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<tr>
<td>21137-001</td>
<td>1111</td>
<td>53337</td>
<td>HP LaserJet Enterprise 700 Color Multifunction Printer</td>
<td>3,775</td>
<td>3,775</td>
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<tr>
<td>21137-001</td>
<td>1111</td>
<td>53338</td>
<td>HP LaserJet 700 color MFP M775z+</td>
<td>6,982</td>
<td>6,982</td>
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<tr>
<td>Total for Project 21137-001</td>
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<td></td>
<td></td>
<td></td>
<td>14,895</td>
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<tr>
<td>21137-002</td>
<td>1111</td>
<td>53167</td>
<td>TOYOTA HILUX PICK-UP</td>
<td>23,922</td>
<td>19,536</td>
<td>4,386</td>
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<tr>
<td>21137-002</td>
<td>1111</td>
<td>53181</td>
<td>LaserJet Enterprise 700 Color Multi-Function Printer</td>
<td>9,800</td>
<td>9,800</td>
<td>-</td>
</tr>
<tr>
<td>21137-002</td>
<td>1111</td>
<td>53168</td>
<td>Graphisoft ArchiCAD (Network License)</td>
<td>16,200</td>
<td>16,200</td>
<td>-</td>
</tr>
<tr>
<td>Total for Project 21137-002</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,386</td>
<td></td>
</tr>
<tr>
<td>21137-003</td>
<td>1111</td>
<td>114508</td>
<td>Printer</td>
<td>6,901</td>
<td>1,484</td>
<td>5,417</td>
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<tr>
<td>Total for Project 21137-003</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,417</td>
<td></td>
</tr>
<tr>
<td>Total for SSJP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>24,698</td>
<td></td>
</tr>
</tbody>
</table>

Niranga De Silva
PSO
25-Aug-20

Zerihun Alemayehu
Fund Manager
25-Aug-20
Annex III – Responsibility Statement by Management
UNITED NATIONS OFFICE FOR PROJECT SERVICES

Project ID: 21137 (21137-01; 21137-02; and 21137-03) Somalia Security and Justice Programme (SSJP)

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 set out in Annex I of the UNOPS Project ID (21137-01; 21137-02; and 21137-03) Somalia Security and Justice Programme. 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 set out in Annex I, presents fairly in all material aspects, the expenditure of US$ 20,166,481 incurred by the UNOPS office for the period 21 December 2017 to 30 September 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 (21137-01; 21137-02; and 21137-03) Somalia Security and Justice Programme.

Statement of Inventory of Non-Expendable Equipment

The Statement of Non-Expendable Equipment as set out in Annex II presents fairly, in all material respects, the Non-Expendable Equipment balance procured during the period from 21 December 2017 to 30 September 2019 of the project amounting to US$ 24,698 in accordance with the Non-Expendable Inventory listing certified by project management.

(Zerihun Alemayehu)  
Fund Manager  
Place: Nairobi  
Date: 31/08/2020

(Joseph NGOM)  
Head of Support Services - Somalia Country Office  
Place: Nairobi  
Date: 31/08/2020

(Signature)  
Honore Dainhi  
Regional Director  
Place: Copenhagen  
Date: 31/08/2020