UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

6 November 2020

PROJECT NAME: BRG RESULTS ENABLING FACILITY
PROJECT NUMBER: 21123-002
COUNTRY: INDONESIA
AUDITOR: BDO LLP
PERIOD SUBJECT TO AUDIT: 1 JANUARY TO 31 DECEMBER 2019
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Acronyms and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRG</td>
<td>Badan Restorasi Gambut (in English: Peat Restoration Body)</td>
</tr>
<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 ‘BRG Results Enabling Facility’ (“the project”) (oneUNOPS project ID 21123-002), which is implemented and managed by the UNOPS Thailand Operational Hub, for the period from 1 January to 31 December 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 ‘BRG Results Enabling Facility’ (“the project”) (oneUNOPS project ID 21123-002), for the period from 1 January 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 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

6 November 2020
Audit opinion on the statement of non-expendable property

Unmodified opinion

We have audited the accompanying statement of non-expendable property of the project ‘BRG Results Enabling Facility’ (oneUNOPS project ID 21123-002) 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 ‘BRG Results Enabling Facility’ (oneUNOPS project ID 21123-002), 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

6 November 2020
Responsibility statement by management

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

Subject: Annual Financial Statement

We enclose the Annual Financial Statement for project 21123-002 - BRG Results Enabling Facility (REF), which commenced in year 2018 and indicates the incurred expenditure as at 31/12/2019.

We draw your attention to the following:

a. Incurred expenditure and management fee: US$ 20,046,306
b. Project advances: US$ 65,067 and commitments: US$ 6,622,294
c. Total funds received: US$ 33,426,311 which includes interest earned US$ 435,295
d. Project Capitalised Asset: US$ 29,164
e. Fund Surplus: US$ 6,663,480

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

Yours sincerely,

Meron MEKURIAW, Financial Specialist, SSC, IPAS, UNOPS
ANNUAL FINANCIAL STATEMENT
Project: 21123-002 - BRG Results Enabling Facility (REF)
Partner(s): 1102 - Ministry of Foreign Affairs of Norway
As on: 31-Dec-2019

Income:
Contributions
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>21,513,205</td>
<td>11,477,811</td>
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</table>

Interest
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>112,109</td>
<td>323,186</td>
</tr>
</tbody>
</table>

Total Income A 33,426,311

Less: Project Expenses
Period-Years
2018
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project(s) Expense</td>
<td>5,581,229</td>
</tr>
<tr>
<td>Management Fees</td>
<td>277,387</td>
</tr>
<tr>
<td>Net Exchange Gain/Loss</td>
<td>(2,775)</td>
</tr>
<tr>
<td></td>
<td>5,855,841</td>
</tr>
</tbody>
</table>

2019
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project(s) Expense***</td>
<td>13,522,786</td>
</tr>
<tr>
<td>Management Fees***</td>
<td>672,082</td>
</tr>
<tr>
<td>Net Exchange Gain/Loss</td>
<td>(4,403)</td>
</tr>
<tr>
<td></td>
<td>14,190,465</td>
</tr>
</tbody>
</table>

Total Expenditure B 20,046,306

Less: Project Advances C 65,067
Less: Project Capitalised Assets D 29,164

Project Cash Balance A-B-C-D 13,285,774

Less: Actual Commitments
<table>
<thead>
<tr>
<th></th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments***</td>
<td>6,622,294</td>
</tr>
<tr>
<td></td>
<td>6,622,294</td>
</tr>
</tbody>
</table>

Project Fund Balance A-B-C-D-E 6,663,480

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.

***The difference between the GL and the AFS is due to an error in receipt accrual posting of US$ 171,393 in December 2019 for leases of BRG office for the year 2020. Therefore, the AFS is manually adjusted to reduce the delivery by US$ 171,393 and the related management fee by US$ 8,518

Certified by: Meron MEKURIAW, Financial Specialist, SSC, IPAS, UNOPS

Date: 07 Oct 2020

Report run on: 02 Jun 2020
Annex II – Statement of non-expendable property
## Statement of non-expendable property

<table>
<thead>
<tr>
<th>Asset Name/Description</th>
<th>Upgrading UNOPS office building and renovation works in Graha Mandiri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date in service (i.e. date of purchase)</td>
<td>01 December 2018</td>
</tr>
<tr>
<td>Cost (US$)</td>
<td>32,707</td>
</tr>
<tr>
<td>Accumulated Depreciation (US$)</td>
<td>3,543</td>
</tr>
<tr>
<td>Net Book Value (US$)</td>
<td>29,164</td>
</tr>
<tr>
<td>Status/condition</td>
<td>Good</td>
</tr>
<tr>
<td>Location</td>
<td>Graha Mandiri 28th Floor Jl Imam Bonjol No. 61, Central Jakarta, Indonesia</td>
</tr>
</tbody>
</table>

Name: Victoria Napwoli Nekesa  
Acting - Head of Fund Management Office  
Date: 22 October 2020

Name: Johanna Aleida Maria Jonkhart  
Project Manager  
Date: 22 October 2020
Annex III – Responsibility Statement by Management
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 of the UNOPS Project ID. 21123-002, BRG Results Enabling Facility (REF). 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$ 14,190,465 incurred by the UNOPS office for the period 1 January 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. 21123-002, BRG Results Enabling Facility (REF).

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 January to 31 December 2019 of the project amounting to US$ 29,164 in accordance with the Non-Expendable Inventory listing certified by project management.

Name:  Johanna Aleida Maria Jonkhart   Name:  Meron Mekuriaw   Name:  Sanjay Mathur
Title:  Project Manager   Title:  Finance Specialist   Title:  Regional Director
Office:  THOH, Indonesia   Unit:  IPAS Finance   Region:  AR
Place:  Indonesia   Place:  Denmark   Place:  Thailand
Date:  15 October 2020   Date:  16 Oct 2020   Date:  22 October 2020