UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

25 November 2020

PROJECT NAME: UNOPS_MOH PROCUREMENT_HIV
PROJECT NUMBER: 93175
COUNTRY: MYANMAR
AUDITOR: BDO LLP
PERIOD SUBJECT TO AUDIT: 1 MARCH 2014 TO 19 OCTOBER 2020
U N O P S

IN T E R N A L A U D I T A N D I N V E S T I G A T I O N S G R O U P

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### Acronyms and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARV</td>
<td>Antiretroviral</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>MOH</td>
<td>Ministry of Health</td>
</tr>
<tr>
<td>UNOPS</td>
<td>United Nations Office for Project Services</td>
</tr>
<tr>
<td>US$</td>
<td>United States Dollars</td>
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</table>
Financial audit report

Audit opinion on the project financial statement

Unmodified opinion

We have audited the accompanying project financial statement for the project ‘UNOPS_MOH Procurement_HIV’ (“the project”) (one UNOPS project ID 93175), which is implemented and managed by the UNOPS Office in Myanmar, for the period from 1 March 2014 to 19 October 2020.

In our opinion, the financial statement gives a true and fair view of, in all material respects, the income and expenditure of the project ‘UNOPS_MOH Procurement_HIV’ (“the project”) (one UNOPS project ID 93175), for the period from 1 March 2014 to 19 October 2020 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

25 November 2020
Responsibility statement by management
This is attached as Annex II to this report.
Annex I – Project financial statement
Date: October 19, 2020
Ref. Project No: 93175
Funding: 1382 - Myanmar, 1448 - GFATM Global Fund to Fight AIDS Tuberculosis and Malaria (GFATM)

Dear Sir/Madam,

Subject: Interim Financial Statement

We enclose the Interim Financial Statement for project 93175 - UNOPS_MOH Procurement_HIV, which commenced in year 2014 and indicates the incurred expenditure as at 19/10/2020

We draw your attention to the following:

a. Incurred expenditure and management fee: US$ 20,683,139
b. Project advances: US$ 0 and commitments: US$ 6,397
c. Total funds received: US$ 20,754,855 which includes interest earned: US$ 105,818
d. Project Capitalised Asset: US$ 0
e. Fund Surplus: US$ 65,319

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

Yours sincerely,

Meron MEKURIAW, Finance Specialist, SSC IPAS, UNOPS
INTERIM FINANCIAL STATEMENT

Project: 93175 - UNOPS_MOH Procurement_HIV
Partner(s): 1382 - Myanmar,
1448 - GFATM Global Fund to Fight AIDS Tuberculosis and Malaria (GFATM)
As on: 19-Oct-2020

### Income:

#### Contributions

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<tr>
<th>Period</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2015</td>
<td>4,568,393</td>
</tr>
<tr>
<td>2016</td>
<td>519,189</td>
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<tr>
<td>2017</td>
<td>15,668,960</td>
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<td>2018</td>
<td>0</td>
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<td>2020</td>
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#### Interest

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<th>Period</th>
<th>Amount</th>
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<td>2015</td>
<td>15,640</td>
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<tr>
<td>2016</td>
<td>15,345</td>
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<tr>
<td>2017</td>
<td>52,118</td>
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<tr>
<td>2018</td>
<td>22,715</td>
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<tr>
<td>2019</td>
<td>0</td>
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</table>

#### Transfers

<table>
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<tr>
<th>Period</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>(107,505)</td>
</tr>
</tbody>
</table>

Total Income A 20,754,855

Less: Project Expenses

<table>
<thead>
<tr>
<th>Period</th>
<th>Project(s) Expense</th>
<th>Management Fees</th>
<th>Net Exchange Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,956,320</td>
<td>57,126</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>1,954,376</td>
<td>78,598</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>10,061,781</td>
<td>278,922</td>
<td>126</td>
</tr>
<tr>
<td>2018</td>
<td>6,083,650</td>
<td>167,440</td>
<td>745</td>
</tr>
<tr>
<td>2019</td>
<td>60,464</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description</td>
<td>Amount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Fees</td>
<td>1,675</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Exchange Gain/Loss</td>
<td>76</td>
<td></td>
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</table>

**2020**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Project(s) Expense</td>
<td>8,468</td>
</tr>
<tr>
<td>Management Fees*</td>
<td>(26,628)</td>
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</tbody>
</table>

**Total Expenditure** 20,683,139

**Less: Project Advances** 0

**Less: Project Capitalised Assets** 0

**Project Cash Balance** A-B-C-D 71,716

**Less: Actual Commitments**

- Commitments*** E 6,397
- Prepayments E 0

**A-B-C-D-E** 65,319

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.
* The management fee of 2020 is adjusted manually to reflect the correcting entry posted in 2020 through GLJE 68000365. As per this entry the correct amount of fee should be reduced by US$ 26,628.
* Commitment amount is adjusted manual to reflect the projected commitment amount on the audit fee (PO) by US$ 172

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

Comment:

Date: 22 Oct 2020

Report run on: 19 Oct 2020
Annex II – Responsibility Statement by Management
UNITED NATIONS OFFICE FOR PROJECT SERVICES

Project ID: 93175

UNOPS_MOH Procurement_HIV

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 Project ID 93175, Project name UNOPS_MOH Procurement_HIV. 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 respects, the expenditure of US$20,683,139 (In words: United States Dollar Twenty Million Six Hundred Eighty Three Thousand One Hundred and Thirty Nine only) incurred by the UNOPS office for the period 1 March 2014 to 19 October 2020 in accordance with the accounting policies set out in the Notes to the Statement and in conformity with approved activities and budgets Project ID 93175, Project name UNOPS_MOH Procurement_HIV.

ACCEPTED AND CERTIFIED:

Dr. Attila Molnar
Programme Director
Project: PR-GFATM, UNOPS Asia Region SSC, IPAS Finance
Region: AR
Place: Yangon, Myanmar
Date: 23 October 2020

Meron Mekuriaw
Finance Specialist
Region: UNOPS – HQ
Place: Copenhagen, Denmark
Date: 26 October 2020

Sanjay Mathur
Regional Director
Region: AR
Place: Bangkok, Thailand
Date: 2 November 2020