UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

14 September 2021

PROJECT NAME: UKFCO SOMALI NATIONAL ARMED FORCES STIPEND PAYMENTS PROJECT
PROJECT NUMBER: 21493-001
COUNTRY: SOMALIA
AUDITOR: BDO LLP
PERIOD SUBJECT TO AUDIT: 1 AUGUST 2018 TO 31 MARCH 2021
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Acronyms and abbreviations

IAIG Internal Audit and Investigations Group
IESBA International Ethics Standards Board for Accountants
ISA International Standards on Auditing
UNOPS United Nations Office for Project Services
US$ United States Dollars
Financial audit report

Audit opinion on the project financial statement

Unmodified opinion

We have audited the accompanying project financial statement for the project ‘UKFCO Somali National Armed Forces Stipend Payments Project’ (“the project”) (oneUNOPS project ID 21493-001), which is implemented and managed by the UNOPS Office in Somalia, for the period from 1 August 2018 to 31 March 2021.

In our opinion, the financial statement gives a true and fair view of, in all material respects, the income and expenditure of the project ‘UKFCO Somali National Armed Forces Stipend Payments Project’ (“the project”) (oneUNOPS project ID 21493-001), for the period from 1 August 2018 to 31 March 2021 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

14 September 2021
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 21493-001 - UKFCO Somali National Armed Forces Stipend Payments Project, which commenced in year 2018 and indicates the incurred expenditure as at 31/03/2021.

We draw your attention to the following:

a. Incurred expenditure and management fee: US$ 8,158,645
b. Project advances: US$ 0 and commitments: US$ 0
c. Total funds received: US$ 8,630,149 which includes interest earned: US$ 0
d. Project Capitalised Asset: US$ 0
e. Fund Surplus: US$ 471,504

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

Yours sincerely,

Paulina VAN IWAARDE
Finance Associate SSC IPAS
UNOPS-HQ
# INTERIM FINANCIAL STATEMENT

**Project:** 21493-001 - UKFCO Somali National Armed Forces Stipend Payments Project  
**Partner(s):** 1144 - United Kingdom of Great Britain and Northern Ireland  
**As on:** 31-Mar-2021

<table>
<thead>
<tr>
<th>Income:</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Total Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>2,388,478</td>
<td>4,149,212</td>
<td>1,492,899</td>
<td>0</td>
<td>8,030,589</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>3,348</td>
<td>(3,348)</td>
<td>39</td>
<td>(39)</td>
<td>0</td>
</tr>
<tr>
<td>Transfers</td>
<td>400,000</td>
<td>6,184</td>
<td>193,376</td>
<td>599,560</td>
<td></td>
</tr>
</tbody>
</table>

**Total Income**: 8,630,149

| Less: Project Expenses | 2018 | | | | 2019 | | | | | | 2020 | | | | | | 2021 | | | |
| Project(s) Expense | 1,868,982 | | | | 3,972,442 | | | | | | 2,115,369 | | | | | | (147,232) | | | | | | (153,813) |
| Management Fees | 83,544 | | | | 177,568 | | | | | | 94,557 | | | | | | (6,581) | | | | | |  |
| Net Exchange Gain/Loss | 0 | | | | 2 | | | | | | (2) | | | | | | | | | | | | |

**Total Expenditure**: 8,158,645
<table>
<thead>
<tr>
<th>Description</th>
<th>Formula</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Project Advances</td>
<td>C</td>
<td>0</td>
</tr>
<tr>
<td>Less: Project Capitalised Assets</td>
<td>D</td>
<td>0</td>
</tr>
<tr>
<td>Project Cash Balance</td>
<td>A - B - C - D</td>
<td>471,504</td>
</tr>
<tr>
<td>Less: Actual Commitments</td>
<td>E</td>
<td>0</td>
</tr>
<tr>
<td>Commitments***</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Project Fund Balance</td>
<td>A - B - C - D - E</td>
<td>471,504</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: [Signature]

Paulina VAN IWAARDE
Finance Associate SSC IPAS
UNOPS-HQ

Date: 29 April 2021

Report run on: 29 Apr 2021
Annex II – Responsibility Statement by Management
Annex C

UNITED NATIONS OFFICE FOR PROJECT SERVICES

Project ID: 21493-001
Project Name: UKFCO Somali National Armed Forces Stipend Payments Project

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: 21493-001, Project Name: UKFCO Somali National Armed Forces Stipend Payments Project. 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$ 8,158,645 incurred by the UNOPS office for the period 1 Aug 2018 to 31 Mar 2021 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: 21493-001 Project Name: UKFCO Somali National Armed Forces Stipend Payments Project.

Name: Tim Lardner, 
Country Director (CD) Region: Africa Region Place: Somalia Country Office Date: 11 August 2021 | 08:32 CEST

Name: Meron Mekuriaw, IPAS 
Finance Specialist, SSC, Region: Denmark Place: Copenhagen Date: 11 August 2021

Name: Honore Dainhi
Régional Director Region: Africa Region Place: Copenhagen Date: 20th August 2021