UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

10 September 2021

PROJECT NAME: Eastern States Agribusiness Project (ESAP)
PROJECT NUMBER: 20936-001
COUNTRY: Myanmar
AUDITOR: BDO LLP
PERIOD SUBJECT TO AUDIT: 19 November 2018 to 31 July 2021
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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>IWUMD</td>
<td>Irrigation Water Utilization Management Department</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 ‘Eastern States Agribusiness Project (ESAP)’ (‘the project’) (oneUNOPS project ID 20936-001), which is implemented and managed by the UNOPS Office in Myanmar, for the period from 19 November 2018 to 31 July 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 ‘Eastern States Agribusiness Project (ESAP)’ (‘the project’) (oneUNOPS project ID 20936-001), for the period from 19 November 2018 to 31 July 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.

Emphasis of matter
Without qualifying our opinion, we draw your attention to the purchase of a vehicle for US$ 35,027 in April 2020, which arrived in Myanmar in June 2020 and was paid for by UNOPS in July 2020. The vehicle arrived ahead of its approved import permit date and therefore fees were incurred. The application to waive these fees and receive custom clearance was prolonged and only completed on 29 July 2021. As at the reporting date of 31 July 2021, the vehicle remained in an external warehouse pending vehicle registration. The vehicle will be transferred by UNOPS to Irrigation Water Utilization Management Department (IWUMD) as soon as registration is complete and as part of the early grant closure activities. The purchase has been expensed rather than capitalised in the project financial statements, but the project did not receive the corresponding benefit in the period in which it was recognised.

This matter is not considered material in the context of our audit.

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

10 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 20936-001 - Eastern States Agribusiness Project, which commenced in year 2018 and indicates the incurred expenditure as at 31/07/2021.

We draw your attention to the following:

a. Incurred expenditure and management fee: US$ 719,111
b. Project advances: US$ 1,896 and commitments: US$ 10,388
c. Total funds received: US$ 857,342 which includes interest earned: US$ 11,112
d. Project Capitalised Asset: US$ 0
e. Fund Surplus: US$ 125,947

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

Yours sincerely,

Meron MEKURIAW, Finance Specialist, SSC IPAS
INTERIM FINANCIAL STATEMENT

Project: 20936-001 - Eastern States Agribusiness Project
Partner(s): 1247 - IFAD International Fund for Agricultural Development
As on: 31-Jul-2021

### Income:

<table>
<thead>
<tr>
<th>Year</th>
<th>Contributions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>60,000</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>286,230</td>
<td></td>
</tr>
</tbody>
</table>

**Total Income** 857,342

<table>
<thead>
<tr>
<th>Year</th>
<th>Interest</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1,032</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>8,102</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>1,041</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>937</td>
<td></td>
</tr>
</tbody>
</table>

**Less: Project Expenses**

<table>
<thead>
<tr>
<th>Year</th>
<th>Project(s) Expense</th>
<th>Management Fees</th>
<th>Net Exchange Gain/Loss</th>
<th>Total Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1,544</td>
<td>170</td>
<td></td>
<td>1,714</td>
</tr>
<tr>
<td>2019</td>
<td>207,714</td>
<td>22,849</td>
<td>2</td>
<td>230,565</td>
</tr>
<tr>
<td>2020</td>
<td>288,856</td>
<td>31,774</td>
<td>(485)</td>
<td>320,145</td>
</tr>
<tr>
<td>2021</td>
<td>150,165</td>
<td>16,518</td>
<td>4</td>
<td>166,687</td>
</tr>
</tbody>
</table>

**Total Expenditure** 719,111

Less: Project Advances 1,896

Less: Project Capitalised Assets 0

**Project Cash Balance** A-B-C-D 136,335
### Less: Actual Commitments

<table>
<thead>
<tr>
<th>Contributions***</th>
<th>E</th>
<th>10,388</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10,388</td>
<td></td>
</tr>
<tr>
<td>A-B-C-D-E</td>
<td>125,947</td>
<td></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

Date: 09 Sep 2021

Report run on: 25 Aug 2021
Annex II – 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 of the Project ID 20936-001, Eastern States Agribusiness Project (ESAP). 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$ 719,111** incurred by the UNOPS office for the period 19 November 2018 to 31 July 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. 20936-001, Eastern States Agribusiness Project (ESAP).

**ACCEPTED AND CERTIFIED:**

Name: Meron Mekuriaw Tesfaw  
Finance Specialist  
Regional Financial Management Officer  
SSC, IPAS Finance  
Region: HQ  
Place: Copenhagen  
Date: 31 August 2021

Name: Sanjay Mathur  
Regional Director  
Place: Thailand  
Date: 31 August 2021

Name: Jean-François Laurent  
Head of Program and Partnership  
Place: Myanmar  
Date: 27 August 2021