INTERNAL AUDIT AND INVESTIGATIONS GROUP

UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

5 September 2022

PROJECT NAME: NEXUS RESPONSE MECHANISM
PROJECT NUMBER: 22020-001
COUNTRY: MYANMAR
AUDITOR: BDO LLP
PERIOD SUBJECT TO AUDIT: 1 JANUARY 2020 TO 31 DECEMBER 2021
Contents

Acronyms and abbreviations........................................................................................................................................... 3

Financial audit report.......................................................................................................................................................... 4
  Audit opinion on the project financial statement ........................................................................................................ 4
  Audit opinion on the statement of non-expendable property ...................................................................................... 6

Annex I – Project financial statement
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>
Audit opinion on the project financial statement

Unmodified opinion
We have audited the accompanying project financial statement for the project ‘Nexus Response Mechanism’ ("the project") (oneUNOPS project ID 22020-001), which is implemented and managed by the UNOPS Office in Myanmar, for the period from 1 January 2020 to 31 December 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 ‘Nexus Response Mechanism’ ("the project") (oneUNOPS project ID 22020-001), for the period from 1 January 2020 to 31 December 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.

Use of this report
This report is made solely to UNOPS, in accordance with terms of reference defined by UNOPS. Our work has been undertaken so that we might state to UNOPS those matters we are required to state to it in accordance with UNOPS’s terms of reference and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than UNOPS, for our work, for this report, or for the opinions we have formed.

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 ‘Nexus Response Mechanism’ (oneUNOPS project ID 22020-001) of UNOPS as at 31 December 2021.

In our opinion, the statement of non-expendable property presents fairly, in all material respects, the status of non-expendable property of the project ‘Nexus Response Mechanism’ (oneUNOPS project ID 22020-001), as at 31 December 2021, 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

5 September 2022
Responsibility statement by management

This is attached as Annex III to this report.
INTERNAL AUDIT AND INVESTIGATIONS GROUP

Annex I – Project financial statement
Dear Sir/Madam,

Subject: ANNUAL FINANCIAL STATEMENT

We enclose the Annual Financial Statement for project 22020-001 - Nexus Response Mechanism, which commenced in year 2020 and indicates the incurred expenditure as at 31 Dec 2021.

We draw your attention to the following:

a. Total funds received: US$ 22,799,051 (EUR 19,578,674) which includes interest earned: US$ 57,297 (EUR 49,333)
b. Incurred expenditure and management fee: US$ 15,007,325 (EUR 13,156,172)
c. Project advances: US$ 189,245 (EUR 155,938)
d. Commitments: US$ 164,300 (EUR 135,383)
e. Fund Balance: US$ 7,438,181 (EUR 6,131,181)

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

Yours Sincerely,
[Redacted], Finance Specialist
## ANNUAL FINANCIAL STATEMENT

**Project:** 22020-001 - Nexus Response Mechanism  
**Partner(s):** 1649 - EC European Commission (other)  
**As on:** 31 Dec 2021

<table>
<thead>
<tr>
<th>Official USD Amounts</th>
<th>Indicative EUR Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income:</td>
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<tr>
<td><strong>Contributions</strong></td>
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</tr>
<tr>
<td>2020</td>
<td>8,723,721</td>
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<tr>
<td>2021</td>
<td>14,018,033</td>
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<tr>
<td><strong>Total</strong></td>
<td>22,741,754</td>
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<tr>
<td><strong>Interest</strong></td>
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<tr>
<td>2020</td>
<td>25,949</td>
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<tr>
<td>2021</td>
<td>31,348</td>
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<tr>
<td><strong>Total</strong></td>
<td>57,297</td>
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</tbody>
</table>

**Total Income A** 22,799,051 19,578,674

Less: **Project Expenses**

**Period-Years**  
2020

| Project(s) Expense     | 7,728,460 | 7,067,559 |
| Management Fees        | 485,906   | 444,354   |
| **Total**              | 8,214,366 | 7,511,913 |

2021

| Project(s) Expense     | 6,549,006 | 5,441,559 |
| Management Fees        | 243,953   | 202,700   |
| **Total**              | 6,792,959 | 5,644,259 |

**Total Expenditure B** 15,007,325 13,156,172

Less: **Project Capitalised Assets:**  
C 0 0

Less: **Project Advances D**  
189,245 155,938

**Project Cash Balance (Surplus)** A-B-C-D 7,602,481 6,266,564

Less: **Actual Commitments**  
PO Commitments E 153,551 126,526

HR Commitments E 0 0
<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
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<td>Project Fund Balance (Surplus)</td>
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<td></td>
<td>6,131,181</td>
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</table>

**Notes:**

❖ Currency Conversion
- Deposits: The prevailing exchange rate at the date of receipt of FUND
- Interests: Are converted using UN exchange rate of the date which transaction incurred
- Expenditure/Commitment/Advances/Assets: The prevailing exchange rate at the date of receipt of fund based on FIFO Principle
- Expenditure/Commitment/Advances/Assets: In excess of contributions are converted to the Prevailing UN exchange rate (UNoRE) of the reporting end period.

❖ Project 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.
❖ The reversal of the salary charges of staff who resigned in Dec 21 US$2,859.76 including fees was reversed in Jan 22.

Please note that the final audit report of UNOPS financial statements for 2021, as per regular process, has not yet been shared by the UN Board of Auditors. The audit itself has been concluded and the Board of Auditors has shared its observations with UNOPS. None of these raise any concerns about the integrity and completeness of the client project records that have been used to prepare the attached Financial Report. Should the reported figures need to be adjusted, UNOPS will provide a revised statement without delay.

**Certified by:**

[Signature]
Finance Specialist

Date: 26 Jun 2022

Report run on: 20 May 2022
Annex II – Statement of non-expendable property
<table>
<thead>
<tr>
<th>Sr.</th>
<th>Asset profile description</th>
<th>Item Category</th>
<th>Usage Life (Year)</th>
<th>PROJECT</th>
<th>Location</th>
<th>Tag Number</th>
<th>Asset Description</th>
<th>Serial Number</th>
<th>Permanently assigned to</th>
<th>Company</th>
<th>Amount</th>
<th>MID</th>
<th>Engagement</th>
<th>Life In Months</th>
<th>As of 31 December 2023</th>
<th>Age</th>
<th>MRO Approved (31 December 2023)</th>
<th>Office</th>
<th>Allocation ( Including 95% asset)</th>
<th>Conditions</th>
<th>FO ID</th>
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<tbody>
<tr>
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<td>1</td>
<td>2021-01-01</td>
<td>32002001</td>
<td>23202000</td>
<td>23202000</td>
<td>Dell Latitude 7490 laptop with Windows 10 and SSD storage</td>
<td>23202000</td>
<td>1</td>
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<td>23202000</td>
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</tbody>
</table>

Prepared By: [Signature]  
Reviewed By: [Signature]  
Certified By: [Signature]
Annex III – Responsibility Statement by Management
UNITED NATIONS OFFICE FOR PROJECT SERVICES

Project ID: 22020-001

Nexus Response Mechanism (NRM)

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 22020-001, Nexus Response Mechanism (NRM). 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$15,007,325 (Eur 13,156,172) incurred by the UNOPS office for the period 1 January 2020 to 31 December 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 22020-001 Nexus Response Mechanism.

Statement of Inventory of Non-Expendable Equipment

The Statement of Non-Expendable Equipment presents fairly, in all material respects, the Non-Expendable Equipment balance as at 31 December 2021 amounting to US$10,375 (all Registered assets USD10,375 and nil Capitalised assets) in accordance with the Non-Expendable Inventory listing certified by project management.

ACCEPTED AND CERTIFIED:

Name: [Redacted] Name: [Redacted] Name: [Redacted]

Senior Programme Manager, NRM Finance Specialist Regional Director
Region: AR Region: IPAS Finance Region: AR
Place: Myanmar Place: Copenhagen Place: Thailand

Date: 31 August 2022 Date: 02 Sep 2022 Date: 5 September 2022