PROJECT NAME: IMPROVING EHOs’ capacity to bring Health Services to Vulnerable Populations in Shan State - Takeda

PROJECT NUMBER: 10636-018

COUNTRY: MYANMAR

AUDITOR: BDO LLP

PERIOD SUBJECT TO AUDIT: 1 January to 31 December 2021
Contents

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

Financial audit report .................................................................................................................. 4
  Audit opinion on the project financial statement ..................................................................... 4
  Use of this report ...................................................................................................................... 5

Annex I – Project financial statement
Annex II – Responsibility statement by management
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 “Improving EHO’s capacity to bring Health Services to Vulnerable Populations in Shan State – Takeda” (“the project”) (oneUNOPS project ID 10636-018), which is implemented and managed by the UNOPS Office in Myanmar, for the period from 1 January 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 “Improving EHO’s capacity to bring Health Services to Vulnerable Populations in Shan State – Takeda” (“the project”) (oneUNOPS project ID 10636-018), for the period from 1 January 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.

Robert Waters
Partner

BDO LLP
55 Baker Street
London W1U 7EU

28 October 2022
Responsibility statement by management

This is attached as Annex I to this report.
Annex I – Project financial statement
# ANNUAL FINANCIAL STATEMENT

Project: 10636-018 - Improving EHOs’ capacity to bring Health Services to Vulnerable Populations in Shan State - Takeda
Partner(s): 1742 - Takeda Pharmaceutical Company Limited
As on: 31 Dec 2021

<table>
<thead>
<tr>
<th></th>
<th>Official USD Amounts</th>
<th>Indicative JPY Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>6,711,861</td>
<td>735,573,214</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,711,861</td>
<td>735,573,214</td>
</tr>
<tr>
<td>Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>7,786</td>
<td>849,394</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,786</td>
<td>849,394</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>A</td>
<td>6,719,647</td>
</tr>
<tr>
<td><strong>Less: Project Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period-Years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project(s) Expense</td>
<td>858,096</td>
<td>89,284,944</td>
</tr>
<tr>
<td>Management Fees</td>
<td>35,871</td>
<td>3,524,303</td>
</tr>
<tr>
<td>Net Exchange Gain/Loss</td>
<td>1,709</td>
<td>177,818</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>893,676</td>
<td>92,987,065</td>
</tr>
</tbody>
</table>

| **Total Expenditure**    | B                    | 893,676                | 92,987,065 |
| **Less: Project Capitalised Assets:** | C | 0 | 0 |
| **Less: Project Advances** | D | 1,322 | 137,567 |
| **Project Cash Balance (Surplus)** | A-B-C-D | 5,824,649 | 643,297,976 |

| **Less: Actual Commitments** |                      |                        |
| PO Commitments              | E                     | 542,318                | 56,428,166 |
| HR Commitments              | E                     | 0                      | 0          |
| Projected Fee On Commitment | E                     | 37,962                 | 3,949,972  |
Prepayments  E  0  0

Project Fund Balance (Surplus)  A  B  C  D  E  5,244,369  582,919,838

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.

Certified by: [Redacted]  Finance Specialist

Date: [Redacted]

Report run on: 23 May 2022
Dear Sir/Madam,

Subject: ANNUAL FINANCIAL STATEMENT

We enclose the Annual Financial Statement for project 10636-018 - Improving EHOs’ capacity to bring Health Services to Vulnerable Populations in Shan State - Takeda, which commenced in year 2021 and indicates the incurred expenditure as at 31 Dec 2021.

We draw your attention to the following:

a. Total funds received: US$ 6,719,647 (JPY 736,422,608) which includes interest earned: US$ 7,786 (JPY 849,394)
b. Incurred expenditure and management fee: US$ 893,676 (JPY 92,987,065)
c. Project advances: US$ 1,322 (JPY 137,567)
e. Fund Balance: US$ 5,244,369 (JPY 582,919,838)

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

Yours Sincerely,

[Signature]

Finance Specialist
Annex II – Responsibility Statement by Management
UNITED NATIONS OFFICE FOR PROJECT SERVICES

Improving EHOs’ capacity to bring Health Services to Vulnerable Populations in Shan State - Takeda
(Project ID:10636-018)

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 10636-018, Improving EHOs’ capacity to bring Health Services to Vulnerable Populations in Shan State - Takeda. 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$ 893,676 (JPY 92,987,065) incurred by the UNOPS office for the period 1 January 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 10636-018 Access to Health Fund.

Statement of Inventory of Non-Expendable Equipment

There is no Non-Expendable Equipment balance as at 31 December 2021.

ACCEPTED AND CERTIFIED:

Name: [Name]
Fund Director, Access to Health Fund
Region: AR
Place: Myanmar
Date: 25-October-2022

Name: [Name]
Finance Specialist
Region: IPAS Finance
Place: Denmark

Name: [Name]
Regional Director
Region: AR
Place: Thailand
Date: 28 October 2022