UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

31 October 2023

PROJECT NAME: SUPPORT TO PROGRESS IN MACEDONIA - GOVERNMENT REFORM AGENDA IN THE EU-ACCESSION PROCESS

PROJECT NUMBER: 21710-001

COUNTRY: SERBIA

AUDITOR: BDO LLP

PERIOD SUBJECT TO AUDIT: 1 JANUARY 2019 TO 31 AUGUST 2023
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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>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 ‘Support to Progress in Macedonia - Government Reform Agenda in the EU-accession Process’ (the project) (oneUNOPS project ID 21710-001), which is implemented and managed by the UNOPS Office in Serbia, for the period from 1 January 2019 to 31 August 2023.

In our opinion, the financial statement gives a true and fair view of, in all material respects, the income and expenditure of the project ‘Support to Progress in Macedonia - Government Reform Agenda in the EU-accession Process’ (the project) (oneUNOPS project ID 21710-001), for the period from 1 January 2019 to 31 August 2023 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 ‘Support to Progress in Macedonia - Government Reform Agenda in the EU-accession Process’ (oneUNOPS project ID 21710-001) of UNOPS as at 31 August 2023.

In our opinion, the statement of non-expendable property presents fairly, in all material respects, the status of non-expendable property of the project ‘Support to Progress in Macedonia - Government Reform Agenda in the EU-accession Process’ (oneUNOPS project ID 21710-001), as at 31 August 2023, 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

31 October 2023
Responsibility statement by management

This is attached as Annex III to this report.
Dear Sir/Madam,

Subject: INTERIM FINANCIAL STATEMENT

We enclose the Interim Financial Statement for project 21710-001 - SUPPORT TO PROGRESS IN MACEDONIA - GOVERNMENT REFORM AGENDA IN THE EU-ACCESSION PROCESS, which commenced in year 2019 and indicates the incurred expenditure as at 31 Aug 2023.

We draw your attention to the following:

a. Total funds received: US$ 3,099,249 which includes interest earned: US$ 23,315
b. Incurred expenditure and management fee: US$ 3,050,796
c. Project Capitalised Asset: US$ 11,545
d. Fund Balance: US$ 36,907

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

Yours Sincerely,

Project Associate,
UNOPS
**INTERIM FINANCIAL STATEMENT**

**Project:** 21710-001 - SUPPORT TO PROGRESS IN MACEDONIA - GOVERNMENT REFORM AGENDA IN THE EU-ACCESSION PROCESS

**Partner(s):** 1108 - SIDA Swedish International Development Cooperation Agency

**As on:** 31 Aug 2023

**Income:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Contributions</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1,072,833.20</td>
<td>4,830.72</td>
</tr>
<tr>
<td>2020</td>
<td>1,051,933.02</td>
<td>5,923.71</td>
</tr>
<tr>
<td>2021</td>
<td>706,089.27</td>
<td>2,522.22</td>
</tr>
<tr>
<td>2022</td>
<td>203,989.38</td>
<td>4,231.01</td>
</tr>
<tr>
<td>2023</td>
<td>41,089.25</td>
<td>5,806.86</td>
</tr>
</tbody>
</table>

**Total Contributions** 3,075,934.12

**Total Interest** 23,314.52

**Total Income A** 3,099,248.64
<table>
<thead>
<tr>
<th>Period-Years</th>
<th>Project(s) Expense</th>
<th>Management Fees</th>
<th>Net Exchange Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>513,025.70</td>
<td>30,781.54</td>
<td>(117.10)</td>
</tr>
<tr>
<td></td>
<td><strong>543,690.14</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>727,708.56</td>
<td>43,662.51</td>
<td>77.33</td>
</tr>
<tr>
<td></td>
<td><strong>771,448.40</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>666,257.54</td>
<td>39,975.46</td>
<td>337.00</td>
</tr>
<tr>
<td></td>
<td><strong>706,570.00</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>595,254.69</td>
<td>35,715.30</td>
<td>(4,205.31)</td>
</tr>
<tr>
<td></td>
<td><strong>626,764.68</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>378,121.00</td>
<td>22,687.26</td>
<td>1,514.83</td>
</tr>
<tr>
<td></td>
<td><strong>402,323.09</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<p>| Total Expenditure | B | 3,050,796.31 |
| Less: Project Capitalised Assets: | C | 11,545.06 |
| Less: Project Advances | D | 0 |
| Project Cash Balance (Surplus) | A-B-C-D | 36,907.27 |
| Less: Actual Commitments |
| PO Commitments | E | 0 |
| HR Commitments | E | 0 |
| Projected Fees on Commitments | E | 0 |
| Prepayments | E | 0 |</p>
<table>
<thead>
<tr>
<th>Project Fund Balance (Surplus)</th>
<th>A-B-C-D-E</th>
<th>36,907.27</th>
</tr>
</thead>
</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 and figures are not final
❖ The report includes fee projections for open period(s)

Certified by:  

Comment:  

- Project Associate, UNOPS.

Date: 20 Sep 2023

Report run on: 20 Sep 2023
INTERNAL AUDIT AND INVESTIGATIONS GROUP

Annex II – Statement of non-expendable property
| ID | ASSET_ID | ASSET_DESCR | ASSET_CATE | ASSET_GRP | ASSET_PERIOD | ASSET_IN_SERVICE | ASSET_STATUS | DEPR./CAP | LASTEST_DEPRE | USERFUL_LIFE | DEPREC_PERIOD | DEPREC_METHOD | ASSET_LOC | ASSET_CONTRIBUTOR | ASSET_ORDER | ASSET_RECEIPT | ASSET_LOAN | ASSET_APART | ASSET_ADMITTANCE | ASSET_CLOSING_ACCOUNT |
|----|----------|--------------|------------|-----------|--------------|-----------------|--------------|-----------|--------------|-------------|---------------|---------------|------------|----------|-------------------|-------------|--------------|-----------|-------------|------------------|----------------------|
| 115017 | Vehicle Hyundai IONIQ Hybrid 1.6 Kappa Gdi MTRV MTRV4 | 201908 | 201908 | N | 23,370.00 | 202308 | 120 | 0 | 71 | 11,545.06 | -11,824.94 | 0.00 | -1,300.88 | BUSINESS | LNA | MKDSKO01 | Good | KMHC851CGLU167370 | 1 | 0 | 2026484 |

**Assets List Summary**

**Cost Centre:**

**Project:** 21710-001

**Donor:** SIDA

**Depreciation Book:**

**Period From:** 190000

**Period To:** 202308

**As of:** 31-08-2023

**Project/Workpackage CostCentre/Hub/Region**

**ASSET_ID** | **ASSET_DESCR** | **ASSET_CATE** | **ASSET_GRP** | **ASSET_PERIOD** | **ASSET_IN_SERVICE** | **ASSET_STATUS** | **DEPR./CAP** | **LASTEST_DEPRE** | **USERFUL_LIFE** | **DEPREC_PERIOD** | **DEPREC_METHOD** | **ASSET_LOC** | **ASSET_CONTRIBUTOR** | **ASSET_ORDER** | **ASSET_RECEIPT** | **ASSET_LOAN** | **ASSET_APART** | **ASSET_ADMITTANCE** | **ASSET_CLOSING_ACCOUNT** |
Annex III – Responsibility Statement by Management
Appendix C – Responsibility Statement by Management

UNITED NATIONS OFFICE FOR PROJECT SERVICES

oneUNOPS Project ID: 21710-001 Support to Progress in North Macedonia - Government Reform Agenda in the EU-accession Process

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 UNOPS Project ID 21710-001 Support to Progress in North Macedonia - Government Reform Agenda in the EU-accession Process. The Statement presented in Attachment 1 has been prepared in accordance with the Agreement between the Swedish International Development Cooperation Agency and the United Nations Office for Project Services 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 presents fairly in all material aspects, the expenditure of US$ 3,050,796.31 incurred by the UNOPS office for the period 01 January 2019 to 31 August 2023 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 21710-001 Support to Progress in North Macedonia - Government Reform Agenda in the EU-accession Process.

Statement of Inventory of Non-Expendable Equipment

The Statement of Non-Expendable Equipment presents fairly, in all material respects, the Non-Expendable Equipment balance procured during the period from 01 January 2019 to 31 August 2023 of the project amounting to US$ 11,545.06 in accordance with the Non-Expendable Inventory listing certified by project management.

Name: [Signature]
Title: Finance Specialist
Unit: IPAS Finance
Place: CPH, Denmark
Date: 22 September 2023

Name: [Signature]
Title: Regional Director
Region: ECR
Place: Geneva
Date: 03.10.2023

Name: [Signature]
Title: Project Manager
Office: ECR, RSMCO
Place: Skopje
Date: 22.09.2023