UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

15 September 2023

PROJECT NAME: NORDIC SUPPORT FOR PROGRESS IN MACEDONIA
PROJECT NUMBER: 21319-002
COUNTRY: SERBIA
AUDITOR: BDO LLP
PERIOD SUBJECT TO AUDIT: 14 SEPTEMBER 2018 TO 31 MARCH 2023
Contents

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

Financial audit report.......................................................................................................................... 4
  Audit opinion on the project financial statement ............................................................................... 4
  Use of this report.................................................................................................................................. 5
  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>Abbreviation</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 ‘Nordic Support for Progress in Macedonia’ ("the project") (oneUNOPS project ID 21319-002), which is implemented and managed by the UNOPS Office in Serbia, for the period from 14 September 2018 to 31 March 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 ‘Nordic Support for Progress in Macedonia’ ("the project") (oneUNOPS project ID 21319-002), for the period from 14 September 2018 to 31 March 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 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 ‘Nordic Support for Progress in Macedonia’ (oneUNOPS project ID 21319-002) of UNOPS as at 31 March 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 ‘Nordic Support for Progress in Macedonia’ (oneUNOPS project ID 21319-002), as at 31 March 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

15 September 2023
Responsibility statement by management

This is attached as Annex III to this report.
Annex I – Project financial statement
Dear Sir/Madam,

Subject: INTERIM FINANCIAL STATEMENT

We enclose the Interim Financial Statement for project **21319-002 - Nordic Support for Progress in Macedonia**, which commenced in year **2018** and indicates the incurred expenditure as at **31 Mar 2023**.

We draw your attention to the following:

a. Total funds received: US$ 6,557,964.33, which includes interest earned: US$ 51,708.86 and Net Hedging/Contribution Gain/loss: US$ 18,042.36

b. Incurred expenditure and management fee: US$ 6,469,675.49

c. Project Capitalised Asset: US$ 12,468.75

d. Project advances: US$ 0.00

e. Fund Balance: US$ 75,820.09

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

Yours Sincerely,

[Signature]

Head of Project Finance
## INTERIM FINANCIAL STATEMENT

**Project:** 21319-002 - Nordic Support for Progress in Macedonia  
**Partner(s):** 1136 - Norway  
**As on:** 31 Mar 2023  

### Income:

| Contributions | 2018    | 1,988,968.61 |
|               | 2019    | 1,348,228.94 |
|               | 2020    | 2,807,726.85 |
|               | 2021    | 343,288.71   |
| **Total**     |        | **6,488,213.11** |

<table>
<thead>
<tr>
<th>Net Hedging/Contribution</th>
<th>2021</th>
<th>18,042.36</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>18,042.36</strong></td>
</tr>
</tbody>
</table>

| Interest                  | 2018  | 5,404.70 |
|                          | 2019  | 17,845.60 |
|                          | 2020  | 13,964.66 |
|                          | 2021  | 4,775.15  |
|                          | 2022  | 7,152.56  |
|                          | 2023  | 2,566.19  |
| **Total**                 |      | **51,708.86** |

<table>
<thead>
<tr>
<th>Total Income</th>
<th>A</th>
<th>6,557,964.33</th>
</tr>
</thead>
</table>
## Less: Project Expenses
### Period-Years

<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>41,374.04</td>
<td>2,482.44</td>
<td>0.49</td>
<td>43,856.97</td>
</tr>
<tr>
<td>2019</td>
<td>1,434,615.59</td>
<td>86,076.95</td>
<td>-2,313.59</td>
<td>1,518,378.95</td>
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<tr>
<td>2020</td>
<td>811,307.07</td>
<td>48,678.43</td>
<td>-15,373.82</td>
<td>844,611.68</td>
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<tr>
<td>2021</td>
<td>1,480,867.10</td>
<td>88,852.03</td>
<td>17,168.64</td>
<td>1,586,887.77</td>
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<tr>
<td>2022</td>
<td>1,581,447.99</td>
<td>94,886.89</td>
<td>1,008.13</td>
<td>1,677,343.01</td>
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<tr>
<td>2023</td>
<td>751,052.13</td>
<td>45,063.13</td>
<td>2,481.85</td>
<td>798,597.11</td>
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<tr>
<td></td>
<td><strong>Total Expenditure</strong></td>
<td></td>
<td></td>
<td><strong>6,469,675.49</strong></td>
</tr>
</tbody>
</table>

<p>| Less: Project Capitalised Assets: | C | 12,468.75 |</p>
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Project Advances:</td>
<td>D</td>
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<tr>
<td>Project Cash Balance (Surplus)</td>
<td>A-B-C-D</td>
</tr>
<tr>
<td>Less: Actual Commitments</td>
<td>E</td>
</tr>
<tr>
<td>PO Commitments</td>
<td>E</td>
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<tr>
<td>HR Commitments</td>
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<tr>
<td>Projected Fees on Commitments</td>
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<tr>
<td>Prepayments</td>
<td>E</td>
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<tr>
<td><strong>Project Fund Balance (Surplus)</strong></td>
<td>A-B-C-D-E</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 and figures are not final
- ❖ Project advances include operational advances, prepayments, petty cash, and any VAT payments to suppliers that have yet to be recovered.

**Certified by:** Head of Project Finance  
**Date:** 13 Sep 2023  
**Report run on:** 11 Sep 2023
Annex II – Statement of non-expendable property
<table>
<thead>
<tr>
<th>ASSET_ID</th>
<th>ASSET_DESCR</th>
<th>ASSET_CATEGORY</th>
<th>ASSET_GROUP</th>
<th>ASSET_PERIOD_FROM</th>
<th>IN_SERVICE_PERIOD</th>
<th>STATUS</th>
<th>DEPR./CAP. BASE VALUE</th>
<th>ASSET.FOCAL POINT</th>
<th>ASSET.VERIFIER</th>
</tr>
</thead>
<tbody>
<tr>
<td>115016</td>
<td>Vehicle Hyundai TUSCON 2.0 CRDi</td>
<td>MTRV</td>
<td>MTRV4</td>
<td>201907</td>
<td>201907</td>
<td>N</td>
<td>(24,225.00)</td>
<td>Europe and Central Asia Region</td>
<td>B5109ECR, RSMCO, Serbia</td>
</tr>
</tbody>
</table>

**Asset Focal Point:**

**Asset Verifier:**
Annex III – Responsibility Statement by Management
Appendix C – Responsibility Statement by Management

UNITED NATIONS OFFICE FOR PROJECT SERVICES

oneUNOPS Project ID: 21319-002 Nordic Support for Progress in Macedonia

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 21319-002 Nordic Support for Progress in Macedonia. The Statement presented in Attachment 1 has been prepared in accordance with the Agreement between the Norwegian Ministry of Foreign Affairs 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$ 6,469,675 incurred by the UNOPS office for the period 14 September 2018 to 31 March 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 21319-002 Nordic Support for Progress in Macedonia.

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 14 September 2018 to 31 March 2023 of the project amounting to US$ 12,469 in accordance with the Non-Expendable Inventory listing certified by project management.

(Signature)

Name: [Redacted]
Title: Finance Associate
Unit: IPAS Finance* or FG*
Place: [Redacted]
Date: 28th July 2023

(Signature)

Name: [Redacted]
Title: Regional Director
Region: ECR
Place: Geneva
Date: 31-07-2023

(Signature)

Name: [Redacted]
Title: Project Manager
Office: ECR, RSMCO Serbia
Place: Skopje
Date: 28/07/2023