INTERNAL AUDIT AND INVESTIGATIONS GROUP

UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

9 October 2023

PROJECT NAME: STFA - CASH FOR WORKS THROUGH IMPROVEMENT OF COMMUNITY INFRASTRUCTURE – SIMPLE ROAD WORKS TO PAY FOR WORK

PROJECT NUMBER: 23425-001

COUNTRY: AFGHANISTAN

AUDITOR: BDO LLP

PERIOD SUBJECT TO AUDIT: 1 JANUARY 2022 – 31 MAY 2023
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<th>Acronyms</th>
<th>Abbreviations</th>
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<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>
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</table>
Audit opinion on the project financial statement

Unmodified opinion

We have audited the accompanying project financial statement for the project ‘STFA - Cash For Works Through Improvement Of Community Infrastructure – Simple Road Works To Pay For Work’ ("the project") (oneUNOPS project ID 23425-001), which is implemented and managed by the UNOPS Office in Afghanistan, for the period from 1 January 2022 to 31 May 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 ‘STFA - Cash For Works Through Improvement Of Community Infrastructure – Simple Road Works To Pay For Work’ ("the project") (oneUNOPS project ID 23425-001), for the period from 1 January 2022 to 31 May 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.

Robert Waters
Partner

BDO LLP
55 Baker Street
London W1U 7EU

9 October 2023
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 23425-001 - STFA - Cash for Works through Improvement of Community Infrastructure - Simple road Works to Pay for Work, which commenced in year 2022 and indicates the incurred expenditure as at 31 May 2023.

We draw your attention to the following:

a. Total funds received: US$ 2,199,733
b. Incurred expenditure and management fee: US$ 2,165,851
c. Fund Balance: US$ 33,882

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

Yours Sincerely,

Finance Specialist
## INTERIM FINANCIAL STATEMENT

**Project:** 23425-001 - STFA - Cash for Works through Improvement of Community Infrastructure - Simple road Works to Pay for Work  
**Partner(s):** 1570 - UNDP United Nations Development Programme  
**As on:** 31 May 2023

### Income:

<table>
<thead>
<tr>
<th>Contributions</th>
<th>2022</th>
<th>2,199,733.00</th>
</tr>
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<tbody>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>A</strong></td>
<td>2,199,733</td>
</tr>
</tbody>
</table>

### Less: Project Expenses Period-Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Project(s) Expense</th>
<th>1,848,350.48</th>
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<tbody>
<tr>
<td></td>
<td>Management Fees</td>
<td>129,384.54</td>
</tr>
<tr>
<td></td>
<td>Net Exchange Gain/Loss</td>
<td>326.98</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>B</strong></td>
<td>2,165,851</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Project(s) Expense</th>
<th>174,939.26</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Management Fees</td>
<td>12,245.75</td>
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<tr>
<td></td>
<td>Net Exchange Gain/Loss</td>
<td>604.29</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>B</strong></td>
<td>187,789.30</td>
</tr>
</tbody>
</table>

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

### Less: Project Advances:  
**D** | 0

### Project Cash Balance (Surplus)  
**A-B-C-D** | 33,882

### Less: Actual Commitments

<table>
<thead>
<tr>
<th>Category</th>
<th><strong>E</strong></th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>PO Commitments</td>
<td></td>
<td></td>
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<tr>
<td>HR Commitments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projected Fees on Commitments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayments</td>
<td></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 and figures are not final
❖ The report includes fee projections for open period(s)

Certified by: Finance Specialist

Date: June 5, 2023

Report run on: 5 Jun 2023
Annex II – Responsibility Statement by Management
23425-001: STFA - Cash for Works through Improvement of Community Infrastructure - Simple road Works to Pay for Work

Responsibility Statement by Management

The United Nations Office for Project Services (UNOPS) management is responsible for the preparation, integrity and fair presentation of the Interim Financial Statements of the UNOPS Project ID. 23425-001 STFA - Cash for Works through Improvement of Community Infrastructure - Simple road Works to Pay for Work. The Statement has been prepared in accordance with 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$ 2,165,851 incurred by the UNOPS office for the period 1 January 2022 to 31 May 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. 23425-001: STFA - Cash for Works through Improvement of Community Infrastructure - Simple road Works to Pay for Work.

Name: [redacted]  
Project Manager  
Region: AFCO, AR

Name: [redacted]  
Head of Support Service  
Region: AFCO, AR

Name: [redacted]  
Director & Representative  
Region: AFCO, AR

Place: Kabul  
Date: 13 August 2023

Place: Kabul  
Date: 13 August 2023

Place: Kabul  
Date: 13 August 2023

*Attachment: IFS 23435-001 – 31 May 2023*