A questionnaire was administered to 1,000 respondents in Ethiopia. The results showed that 65.79% of respondents had a positive opinion. The table below summarizes the survey results:

<table>
<thead>
<tr>
<th>Opinion</th>
<th>(in $'000)</th>
<th>Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>65.79%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The survey results are as follows:

- 65.79% of respondents had a positive opinion.
Management comments and action plan

The Country Representative of the Office accepted the recommendation and has already taken corrective actions. Comments and/or additional information provided have been incorporated into the report, where appropriate.

Helge S. Ostveiten
Director
Office of Audit and Investigations
UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

FINAL AUDIT REPORT

“AWP – 2012 Ethiopia Country Office”

<table>
<thead>
<tr>
<th>Project name:</th>
<th>“AWP – 2012 Ethiopia Country Office”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award ID:</td>
<td>000082185</td>
</tr>
<tr>
<td>Country Office:</td>
<td>Ethiopia</td>
</tr>
<tr>
<td>Auditor:</td>
<td>Moore Stephens LLP</td>
</tr>
<tr>
<td>Period subject to audit:</td>
<td>1 January to 31 December 2015</td>
</tr>
</tbody>
</table>
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1. EXECUTIVE SUMMARY

Moore Stephens LLP conducted the financial audit of the “AWP – 2012 Ethiopia Country Office”, ID: 000082185 (the project), directly implemented by UN Women Ethiopia for the year ended 31 December 2015. The audit was undertaken on behalf of UNDP’s Office of Audit and Investigations (OAI).

We have issued audit opinions as summarised in the table below and as detailed in the next section:

Project Trial Balance - Statement of Expenditure: Unqualified
Statement of Fixed Assets: Unqualified

As a result of our audit, we have raised one audit finding, with a net financial impact of US$ 1,368, as summarised below:

Table 1.1 – Summary of audit results

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Priority</th>
<th>Net financial impact USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Value Added Tax (VAT) incorrectly charged to project</td>
<td>Medium</td>
<td>1,368</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>1,368</td>
</tr>
</tbody>
</table>

Mark Henderson
Partner
Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB
30 August 2016
2. THE AUDIT ENGAGEMENT

Audit Objectives and Scope

The objective of the financial audit was to express an opinion on the Directly Implemented (DIM) project's financial statements which include:

- Expressing an opinion on whether the financial expenses incurred by the project between 1 January and 31 December 2015 and the funds utilization as at 31 December 2015 are fairly presented in accordance with UN Women accounting policies and that the expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UN Women; and (iv) supported by properly approved vouchers and other supporting documents. The Project Trial Balance (PTB) certified by the UN Women Chief of Accounts is the mandatory and official Statement upon which the audit opinion is expressed. Other forms of Statement of expenses that may be prepared by a project office are not acceptable.

- Expressing an opinion on whether the statement of fixed assets presents fairly the balance of assets of the UN Women project as at 31 December 2015. The statement must include all assets available as at 31 December 2015 and not only those purchased in a given period. The Statement of Fixed Assets as at 31 December 2015, certified by the UN Women Chief of Accounts, is the mandatory and official Statement upon which the audit opinion is expressed. Other forms of Statement of Fixed Assets that may be prepared by a project office are not acceptable. Where a DIM project does not have any assets or equipment, an opinion is not expressed.

The scope of the audit relates only to transactions concluded and recorded against the UN Women DIM project between 1 January and 31 December 2015. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of "responsible parties", unless the inclusion of these expenses is specifically required in the request for proposal, and

- Expenses processed and approved in locations outside the country such as UN Women Regional Offices and UN Women Headquarters and for which the supporting documentation is not retained at the level of the UN Women country office.
3. AUDIT OPINIONS

INDEPENDENT AUDITORS’ REPORT

Certification for Project Trial Balance - Statement of Expenditures

REPORT OF THE INDEPENDENT AUDITORS TO THE OFFICE OF AUDIT AND INVESTIGATIONS (OAI), UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP) FOR UN WOMEN DIRECTLY IMPLEMENTED (DIM), PROJECT:

"AWP – 2012 ETHIOPIA COUNTRY OFFICE" IN ETHIOPIA (ID: 000062185)

We have audited the accompanying Project Trial Balance – Statement of Expenditures (PTB), “the Statement”, of the UN Women Directly Implemented (DIM) project 000062185, “AWP – 2012 Ethiopia Country Office” for the period 1 January to 31 December 2015. The PTB expenditures totaling $655,790 are comprised of audited expenditures of $552,799 under the Directly Implemented Modality (DIM) and expenditures processed and approved outside the UN Women Country Office in Ethiopia of $133,951, which were excluded from the scope of our audit.

Management is responsible for the preparation of the Statement for the project "AWP – 2012 Ethiopia Country Office" and for such internal controls as management determines are necessary to enable the preparation of a Statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to management’s preparation of the Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project’s internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Unqualified Opinion

In our opinion, the attached Project Trial Balance – Statement of Expenditures of the UN Women project presents fairly, in all material respects, the expenditure of US$ 552,799 incurred by the project "AWP – 2012 Ethiopia Country Office" under the Directly Implemented Modality for the period from 1 January to 31 December 2015 in accordance with UN Women accounting policies and were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UN Women; and (iv) supported by properly approved vouchers and other supporting documents.
INDEPENDENT AUDITORS’ REPORT

Certification for Statement of Assets

We have audited the accompanying Statement of Assets ("the statement") of the UN Women project number 82185, “AWP – 2012 Ethiopia Country Office” as at 31 December 2015.

Management is responsible for the preparation of the Statement for the project “AWP – 2012 Ethiopia Country Office” and for such internal controls as management determines are necessary to enable the preparation of a Statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the project’s preparation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project’s internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Unqualified Opinion

In our opinion, the attached Statement of Assets presents fairly, in all material respects, the balance of inventory of the UN Women project “Leadership and Participation” amounting to SUS 87,639.26 as at 31 December 2015 in accordance with UN Women accounting policies.

Mark Henderson
Partner
Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

Date: 30 August 2016
4. MANAGEMENT LETTER

The findings related to the audit of the financial statements are discussed in our management letter below:

Financial findings

<table>
<thead>
<tr>
<th>Financial finding 1</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
<td>Value Added Tax (VAT) incorrectly charged to project</td>
</tr>
<tr>
<td>Priority:</td>
<td>Medium</td>
</tr>
<tr>
<td>Amount US$:</td>
<td>1,368</td>
</tr>
</tbody>
</table>

Description

We note that expenses charged to the project’s trial balance must relate to actual costs incurred for authorised activities and be adequately evidenced with original documentation.

We noted, however, that certain costs had been reported in the trial balance inclusive of VAT. VAT should be reclaimed from the Ethiopian Revenue Authority and therefore, as a reclaimable balance, should not be charged to the project.

The transactions identified for which VAT has been incorrectly charged to the project are presented in the table, below:

<table>
<thead>
<tr>
<th>Transaction reference</th>
<th>Description</th>
<th>Total VAT reported as expenditure USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETH30-00060992-1.1-ACCR-DST</td>
<td>Feb-April 2015-tele bill</td>
<td>701</td>
</tr>
<tr>
<td>ETH30-00061345-1.1-ACCR-DST</td>
<td>EVEDO Nov 2015-feb 2016</td>
<td>244</td>
</tr>
<tr>
<td>ETH30-00060843-1.1-ACCR-DST</td>
<td>Jan 2015 telephone bill</td>
<td>197</td>
</tr>
<tr>
<td>ETH30-0000734-1.1-ACCR-DST</td>
<td>November 2014 office telephone</td>
<td>226</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,368</td>
</tr>
</tbody>
</table>

Recommendation

We recommend that any amounts relating to VAT which can be reclaimed from the Revenue Authority should not be claimed within the project’s financial reports.

Management comments and action plan

Further to the directive No. 24/2000, VAT refund of official use of diplomatic immunities and Privileged Organizations can be claimed. A request for reimbursement was submitted to the Federal Inland Revenue of the Government of Ethiopia on 15 July 2014 through UNDP who at the time was managing VAT claims on behalf of UN Women. Subsequently, effective 2016, UN Women obtained government Authorization to process its own VAT reimbursement claims to reduce time bound related rejections moving forward as this shortened approval processes and time limits as was the case when claims were made through UNDP.

EVEDO & Telephone Bills Nov 2015-feb 2016

Payments relating to telephone bills payable to Ethiotel have to date been captured as a single entry based on the full amount received from Ethiotel. Moving forward we will follow up ensure total Ethiotel
bills are split between direct expenses and VAT amounts. This would enable subsequent claims of VAT amounts for reimbursement.

Moving forward, on a semi-annual basis, a VAT schedule analysis will be prepared and submitted more regularly to the Federal Inland Revenue of the Government of Ethiopia for reimbursements. This will ensure that settlements are claimed within the relevant period and are not time barred. Further, all vouchers for telephone bills will now be split into the billed amount (expensed to account 72426) and VAT amounts (charged to 14056 – VAT receivable Account) respectively. The VAT portion can then later be claimed from the government.
ANNEX I – PROJECT TRIAL BALANCE – STATEMENT OF EXPENDITURES
ANNEX III – PRIORITIES OF AUDIT RECOMMENDATIONS

The audit observations are categorized according to the priority of the audit recommendations and the possible causes of the issues. The categorized audit observation provides a basis by which the UN Women country office management is to address the issues.

The following categories of priorities are used:

| High (critical) | Action is considered imperative to ensure that UN Women is not exposed to high risks. Failure to take action could result in major consequences and issues. |
| Medium (important) | Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences. |
| Low | Action is considered desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the Auditors directly with the Office management, during the exit meeting and through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in the audit report. |