UNDP - UNITED NATIONS DEVELOPMENT PROGRAMME

CPI - INVESTIMENT PROMOTION CENTRE

PROJECT N° 55103 - AWARD ID N° 46333 - GROWING SUSTAINABLE

BUSINESS (GSB)

Audit Report

31 December 2011

### UNDP - UNITED NATIONS DEVELOPMENT PROGRAMME

### CPI - INVESTIMENT PROMOTION CENTRE - PROJECT Nº 55103 - AWARD ID Nº 46333 - GROWING SUSTAINABLE BUSINESS (GSB)

### PROJECT FINANCIAL STATEMENTS - FOR THE PERIOD 1 JANUARY 2011 TO 31 DECEMBER 2011

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■ ERNST & YOUNG

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(FREE TRANSLATION FROM THE ORIGINAL IN PORTUGUESE)

### INDEPENDENT AUDITOR'S REPORT

To the Management of:

-UNDP - UNITED NATIONS DEVELOPMENT PROGRAMME

-CPI – INVESTIMENT PROMOTION CENTRE - PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB)

### Report on the Financial statements

We have audited the accompanying financial statement schedules of the CPI – INVESTIMENT PROMOTION CENTRE PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB), for the period ended 31 December 2011, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

CPI – INVESTIMENT PROMOTION CENTRE - PROJECT Nº 55103 – AWARD ID Nº 46333 – GROWING SUSTAINABLE BUSINESS (GSB)'s management is responsible for the preparation and fair presentation of the financial statement schedules in accordance with UNDP accounting requirements. This responsibility includes designing, implementing and maintaining such internal control as management determines is necessary to enable the fair presentation of the financial statement schedules that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial statement schedules based on our audit. We conducted our audit in accordance with 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 financial statement schedules are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement schedules. These procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statement schedules e 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of accounting estimates made by the management, as well as, evaluating the overall presentation of the financial statement schedules. Thus our audit covered, but was not necessarily limited to, the following:

- (i) Assessment of the rate of delivery;
- (ii) Management systems for recording, documenting, and reporting on resources utilization;
- (iii) management structure, including the adequacy and reliability of appropriate internal controls;
- (iv) the Periodic Financial Requests/Reports and Non-Expendable Property Reports are fairly and accurately presented and disbursements are made in accordance with the activities and budgets of the CPAP/AWP/MOU/PCA/FLA - specifically:
  - Funding Authorisation and Certificate of Expenditure (FACE)
  - Annual Non-Expendable Property Report with reference to project Assets (Form C);
  - Annual Status of Funds Report (Form D); and
  - Annual Disbursement Report (Form E).
- (v) Funding Authorization and Certificate of Expenditures (FACE) are attached to the audit reports and are certified by the implementing Partner (s) and signed and stamped by auditors;
- (vi) The balance of outstanding funds available (OFA) as per UN Country Office's general ledger (GL) has been reconciled to the year end balance of unspent funds as per the Funding Authorization and Certificate of Expenditure (FACE);
- (vii) Monitoring, Evaluation and Reporting of activities and the progress towards expected results are undertaken as planned;
- (viii) The implementing Partner(s) and the UN Country Office have fulfilled their other substantive responsibilities, including the submission of periodic reports for monitoring and evaluation of the programme/work plan activities;
- (ix) The procurement, use, custodial control and disposal of non-expendable equipment are in accordance with the procurement procedures of the Implementing Partner(s) or UN's procedures; and



(x) Satisfactory measures have been taken by the designated institution and by the Country Office to comply with the recommendations of prior audits.

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

### Opinion

In our opinion: (a) the financial statement schedules present fairly the financial position of the CPI – INVESTIMENT PROMOTION CENTRE PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB), at the end of the period and the results of its operations for the period then ended, (b) the financial statement schedules were prepared in accordance with the UNDP accounting requirements and are duly certified by the proper authorities, (c) the accounting principles were applied on a basis consistent with that of the preceding financial period, and (d) transactions were in accordance with the financial regulations and institutional authority.

Maputo, 31 March 2012

**ERNST & YOUNG, LDA** 

OUTPUT 2         3480.33 USD         3480.33 USD         3480.33 T0000           OUTPUT 2         2568.00 USD         -2568.00 T0000           OUTPUT 2         3480.33 USD         -12152.00 T000           OUTPUT 3         3480.33 USD         -12152.00 T000           OUTPUT 3         3480.33 USD         -12152.00 T000           OUTPUT 2         1357.33 USD         1390.21 T0000           OUTPUT 2         1357.33 USD         1357.33 T0000           OUTPUT 2         1357.33 USD         2568.00 T0000           OUTPUT 2         2568.00 USD         2568.00 T0000           OUTPUT 2         22640.00 USD         2640.00 T000	NURDINE ABDUL CADRE SALE NURDINE ABDUL CADRE SALE STANDARD BANK NURDINE ABDUL CADRE SALE	00041753 00041880 00042088 00042433	Monthly Salary Monthly Salary	2011-02-10	2011-02-10 001418 04000
OUTPUT 2         3480.33 USD         3480.33         1,000           OUTPUT 2         10.00 USD         10.00         1,000           OUTPUT 2         3480.33 USD         3480.33         1,000           OUTPUT 2         -2568.00 USD         -12152.00         1,000           OUTPUT 3         3480.33 USD         3480.33         1,000           OUTPUT 3         1380.33 USD         -12152.00         1,000           OUTPUT 3         1380.33 USD         1357.33         1,000           OUTPUT 3         1357.33 USD         1357.33         1,000           OUTPUT 3         1357.33 USD         2568.00         1,000           OUTPUT 3         12152.00 USD         -2640.00	NURDINE ABDUL CADRE SALE STANDARD BANK NURDINE ABDUL CADRE SALE	00041880 00042088 00042433 00042878	Monthly Salary		
OUTPUT 2         10.00 USD         10.00           OUTPUT 2         3480.33 USD         3480.33         1.0000           OUTPUT 2         3480.33 USD         -2568.00         1.0000           OUTPUT 2         -12152.00 USD         -12152.00         1.0000           OUTPUT 2         3480.33 USD         3480.33         1.0000           OUTPUT 2         1380.33 USD         3480.33         1.0000           OUTPUT 2         1380.33 USD         1357.33         1.0000           OUTPUT 2         1380.31 USD         1357.33         1.0000           OUTPUT 2         2568.00 USD         12568.00         1.0000           OUTPUT 2         2568.00 USD         2568.00         1.0000           OUTPUT 2         22640.00 USD         -2640.00	STANDARD BANK  NURDINE ABDUL CADRE SALE	00042088 00042433 00042878			001418 04000
OUTPUT 2         3480.33 USD         3480.33         1,0000           OUTPUT 2         3480.33 USD         -2568.00         1,0000           OUTPUT 2         3480.33 USD         -12152.00         1,0000           OUTPUT 2         3480.33 USD         -12152.00         1,0000           OUTPUT 2         3480.33 USD         3480.33         1,0000           OUTPUT 2         1382.1 USD         1357.33         1,0000           OUTPUT 2         2568.00 USD         1357.33         1,0000           OUTPUT 2         2568.00 USD         2568.00         1,0000           OUTPUT 2         2568.00 USD         2568.00         1,0000           OUTPUT 2         22640.00 USD         2640.00         1,0000           OUTPUT 2         22640.00 USD	NURDINE ABDUL CADRE SALE	00042433	Bank Charge Voucher 4172 2011-02-28	2 2011-02-28	001418 04000
OUTPUT 2         3480.33 USD         3480.33         1.0000           OUTPUT 2         3480.33 USD         2568.00         1.0000           OUTPUT 2         2568.00 USD         -2568.00         1.0000           OUTPUT 2         3480.33 USD         3480.33         1.0000           OUTPUT 3         3480.33 USD         3480.33         1.0000           OUTPUT 2         138.21 USD         139.21         1.0000           OUTPUT 2         136.21 USD         1357.33         1.0000           OUTPUT 2         2568.00 USD         2568.00         1.0000           OUTPUT 3         12152.00 USD         2640.00         1.0000           OUTPUT 4         12152.00 USD         2640.00         1.0000           OUTPUT 5         2840.00 USD         2640.00         1.0000           OUTPUT 6         2841.25 USD         2640.00         1.0000           OUTPUT 7         172563.30 MZN <t< td=""><td>NURDINE ABDUL CADRE SALE NURDINE ABDUL CADRE SALE</td><td>00042878</td><td>Monthly Salary</td><td>2011-03-18</td><td>001418 04000</td></t<>	NURDINE ABDUL CADRE SALE	00042878	Monthly Salary	2011-03-18	001418 04000
OUTPUT 2         3480.33 USD         3480.33         1,0000           OUTPUT 2         2568.00 USD         -2568.00         1,0000           OUTPUT 2         12152.00 USD         -12152.00         1,0000           OUTPUT 2         3480.33 USD         3480.33         1,0000           OUTPUT 2         1380.31 USD         1380.33         1,0000           OUTPUT 2         1380.31 USD         1380.33         1,0000           OUTPUT 2         1380.31 USD         1380.31         1,0000           OUTPUT 2         1380.31 USD         1380.31         1,0000           OUTPUT 3         12152.00 USD         2568.00         1,0000           OUTPUT 4         22640.00 USD         2640.00         1,0000           OUTPUT 5         281.25 USD         281.25         1,0000           OUTPUT 6         172563.30 MZN         6511.82         26.5000	NURDINE ABDUL CADRE SALE		Monthly Salary	2011-04-18	001418 04000
OUTPUT 2         3480.33 USD         3480.33         1,0000           OUTPUT 2         -3480.33 USD         -3480.33         1,0000           OUTPUT 2         3480.33 USD         3480.33         1,0000           OUTPUT 2         3480.33 USD         3480.33         1,0000           OUTPUT 2         -2568.00 USD         -2568.00         1,0000           OUTPUT 2         -12152.00 USD         -12152.00         1,0000           OUTPUT 3         3480.33 USD         3480.33         1,0000           OUTPUT 2         1382.1 USD         1392.1         1,0000           OUTPUT 2         1397.33 USD         1357.33         1,0000           OUTPUT 2         1362.1 USD         1357.33         1,0000           OUTPUT 2         2568.00 USD         2568.00         1,0000           OUTPUT 3         2640.00 USD         -2640.00         1,0000           OUTPUT 3         281.25 USD         2640.00         1,0000           OUTPUT 4         172563.30 MZN         6511.82         26.5000           OUTPUT 5         172563.30 MZN         261.182         26.5000	NURDINE ABDUL CADRE SALE AUROINE ABDUL CADRE SALE	00043542	Monthly Salary	2011-05-18	001418 04000
OUTPUT 2         -3480.33 USD         -3480.33         1,0000           OUTPUT 2         3480.33 USD         3480.33         1,0000           OUTPUT 2         3480.33 USD         3480.33         1,0000           OUTPUT 2         -2568.00 USD         -2568.00         1,0000           OUTPUT 2         -12152.00 USD         -12152.00         1,0000           OUTPUT 3         3480.33 USD         3480.33         1,0000           OUTPUT 2         1392.1 USD         1392.1         1,0000           OUTPUT 2         1392.1 USD         1392.1         1,0000           OUTPUT 2         2568.00 USD         2568.00         1,0000           OUTPUT 2         2568.00 USD         2568.00         1,0000           OUTPUT 3         22640.00 USD         2568.00         1,0000           OUTPUT 3         281.25 USD         2640.00         1,0000           OUTPUT 3         281.25 USD         2640.00         1,0000           OUTPUT 3         281.25 USD         281.25         1,0000           OUTPUT 3         172563.30 MZN         6511.82         26.5000	NURDINE ABDUL CADRE SALE NURDINE ABDUL CADRE SALE NURDINE ABDUL CADRE SALE NURDINE ABDUL CADRE SALE PAIL O DENATO DA COSTA E CLIMIA	00044095	Monthly Salary	2011-06-17	001418 04000
OUTPUT 2         3480.33 USD 3480.33         1.0000           OUTPUT 2         3480.33 USD 3480.33         1.0000           OUTPUT 2         -2568.00 USD -2568.00         1.0000           OUTPUT 2         -12152.00 USD -12152.00         1.0000           OUTPUT 2         3480.33 USD 3480.33         1.0000           OUTPUT 2         3480.33 USD 3480.33         1.0000           OUTPUT 2         139.21 USD 139.21         1.0000           OUTPUT 2         1357.33 USD 1357.33         1.0000           OUTPUT 2         2568.00 USD 2568.00         1.0000           OUTPUT 2         2264.00 USD 2568.00         1.0000           OUTPUT 2         2264.00 USD 2640.00         -2640.00           OUTPUT 3         281.25 USD 2641.82         1.0000           OUTPUT 3         281.25 USD 2641.82         26.5000           OUTPUT 3         172563.30 MZN 7698.11         26.5000	NURDINE ABDUL CADRE SALE NURDINE ABDUL CADRE SALE NURDINE ABDUL CADRE SALE PAIL O DENATO DA COSTA E CHALLA	00044095	Monthly Salary	2011-06-20	001418 04000
OUTPUT 2         3480.33 USD 3480.33         1.0000           OUTPUT 2         -2568.00 USD -2568.00         -2568.00           OUTPUT 2         -2568.00 USD -12152.00         1.0000           OUTPUT 2         -12152.00 USD -12152.00         1.0000           OUTPUT 2         3480.33 USD 3480.33         1.0000           OUTPUT 2         139.21 USD 139.21         1.0000           OUTPUT 2         1357.33 USD 1357.33         1.0000           OUTPUT 2         2568.00 USD 2568.00         1.0000           OUTPUT 2         2568.00 USD 2568.00         1.0000           OUTPUT 3         22640.00 USD 2640.00         -2640.00           OUTPUT 3         281.25 USD 2641.82         265000           OUTPUT 3         281.25 USD 2651.82         265000           OUTPUT 3         172563.30 MZN 26511.82         265000	NURDINE ABDUL CADRE SALE NURDINE ABDUL CADRE SALE DAIL O DENATO DA COSTA E CHALLA	00044195		2011-06-22	001418 04000
OUTPUT 2         3480.33 USD         3480.33         1,0000           OUTPUT 2         -2568.00 USD         -2568.00         1,0000           OUTPUT 2         -12152.00 USD         -12152.00         1,0000           OUTPUT 2         3480.33 USD         3480.33         1,0000           OUTPUT 2         1392.1 USD         1392.1         1,0000           OUTPUT 2         1357.33 USD         1357.33         1,0000           OUTPUT 2         2568.00 USD         2568.00         1,0000           OUTPUT 2         2640.00 USD         -2640.00         1,0000           OUTPUT 2         281.25 USD         -2640.00         1,0000           OUTPUT 3         281.25 USD         -2640.00         1,0000           OUTPUT 3         281.25 USD         2611.82         26.5000           OUTPUT 3         172563.30 MZN         7698.11         26.5000	NURDINE ABDUL CADRE SALE	00044675	Monthly Salary	2011-07-18	001418 04000
OUTPUT 2         -2568.00 USD OUTPUT 2         -2568.00 USD OUTPUT 2         -12152.00 T000         10000           OUTPUT 2         -12152.00 USD OUTPUT 3480.33 USD OUTPUT 2         3480.33 USD T392.1         1.0000           OUTPUT 2         1357.33 USD T392.1         1.0000           OUTPUT 2         1357.33 USD T357.33         1.0000           OUTPUT 2         2568.00 USD T2152.00         12152.00           OUTPUT 2         -2640.00 USD T2152.00         1.0000           OUTPUT 3         281.25 USD T263.00         1.0000           OUTPUT 3         172563.30 MZN T2152.0         1.0000           OUTPUT 3         172563.30 MZN T263.11         26.5000	DALIL O DENATO DA COSTA E CLIMILA	00045274	Monthly Salary	2011-08-18	001418 04000
OUTPUT 2         -12152.00 USD         -12152.00         1.0000           OUTPUT 2         3480.33 USD         3480.33         1.0000           OUTPUT 2         3480.33 USD         139.21         1.0000           OUTPUT 2         1357.33 USD         1357.33         1.0000           OUTPUT 2         2568.00 USD         2568.00         1.0000           OUTPUT 2         12152.00 USD         12152.00         1.0000           OUTPUT 2         281.25 USD         281.25         1.0000           OUTPUT 3         172563.30 MZN         6511.82         26.5000           OUTPUT 3         172563.30 MZN         7698.11         26.5000	ELECT CLOSES COLONIA	00045773	part 30% upon signature	2011-09-15	001418 04000
OUTPUT 2         3480.33 USD         3480.33         1,0000           OUTPUT 2         3480.33 USD         3480.33         1,0000           OUTPUT 2         139,21 USD         139,21         1,0000           OUTPUT 2         2568.00 USD         2568.00         1,0000           OUTPUT 2         12152.00 USD         12152.00         1,0000           OUTPUT 2         2640.00 USD         2640.00         1,0000           OUTPUT 2         281.25 USD         281.25         1,0000           OUTPUT 2         172563.30 MZN         6511.82         26.5000           OUTPUT 2         20400.00 MZN         7698.11         26.5000	PAULO RENATO DA COSTA E CUNHA	00045773	70% Final Report	2011-09-15	001418 04000
OUTPUT 2         3480.33 USD         3480.33         1.0000           OUTPUT 2         139.21 USD         139.21         1.0000           OUTPUT 2         2568.00 USD         2568.00         1.0000           OUTPUT 2         12152.00 USD         12152.00         1.0000           OUTPUT 2         2640.00 USD         -2640.00         1.0000           OUTPUT 2         281.25 USD         1.0000           OUTPUT 3         172563.30 MZN         6511.82         26.5000           OUTPUT 3         20400.00 MZN         7698.11         26.5000	7 NURDINE ABDUL CADRE SALE	00046106	Salary nurdine abdul cadre 2011-09-30		001418 04000
OUTPUT 2         139.21 USD         139.21         1.0000           OUTPUT 2         2568.00 USD         2568.00         1.0000           OUTPUT 2         2568.00 USD         2568.00         1.0000           OUTPUT 2         12152.00 USD         -2640.00         1.0000           OUTPUT 2         281.25 USD         1.0000           OUTPUT 3         172563.30 MZN         6511.82         26.5000           OUTPUT 2         204000.00 MZN         7698.11         26.5000	7 NURDINE ABDUL CADRE SALE	00046747	S) Service Contract salary (2011-10-27	C2011-10-27	001418 04000
OUTPUT 2         1357.33 USD         1357.33         1.0000           OUTPUT 2         2568.00 USD         2568.00         1.0000           OUTPUT 2         12152.00 USD         -2640.00         1.0000           OUTPUT 2         281.25 USD         281.25         1.0000           OUTPUT 2         172563.30 MZN         6511.82         26.5000           OUTPUT 2         204000.00 MZN         7698.11         26.5000	7 NURDINE ABDUL CADRE SALE	00046747	S) Service Contract INSS C 2011-10-27	2011-10-27	001418 04000
OUTPUT 2 2568.00 USD 2568.00 1.0000 OUTPUT 2 12152.00 USD 12152.00 1.0000 OUTPUT 2 -2640.00 USD -2640.00 USD 0UTPUT 2 281.25 USD 281.25 1.0000 OUTPUT 2 172563.30 MZN 6511.82 26.5000 OUTPUT 2 204000.00 MZN 7698.11 26.5000	7 NURDINE ABDUL CADRE SALE	00046747	S) Service Contract lump st 2011-10-27	12011-10-27	001418 04000
OUTPUT 2 12152.00 USD 12152.00 1.0000 OUTPUT 2 -2640.00 USD -2640.00 1.0000 OUTPUT 2 281.25 USD 281.25 1.0000 OUTPUT 2 172563.30 MZN 6511.82 26.5000 OUTPUT 2 204000.00 MZN 7698.11 26.5000	1 PAULO RENATO DA COSTA E CUNHA	00046813		2011-11-02	001418 04000
OUTPUT 2 -2640.00 USD -2640.00 1.0000 OUTPUT 2 281.25 USD 281.25 1.0000 OUTPUT 2 172563.30 MZN 6511.82 26.5000 OUTPUT 2 204000.00 MZN 7698.11 26.5000	PAULO RENATO DA COSTA E CUNHA	00046813		2011-11-02	001418 04000
OUTPUT 2 281.25 USD 281.25 1.0000 OUTPUT 2 172563.30 MZN 6511.82 26.5000 OUTPUT 2 204000.00 MZN 7698.11 26.5000	PAULO RENATO DA COSTA E CUNHA	00047597	DSA Paylo Cunha	2011-12-08	001418 04000
OUTPUT 2 172563.30 MZN 6511.82 26.5000 OUTPUT 2 204000.00 MZN 7698.11 26.5000	GIL FRANCISCO BUSSE	00043343		2011-05-10	001418 04000
OUTPUT 2 204000.00 MZN 7698.11 26.5000	3 VYPER SOLUTIONS LDA	00047545		2011-12-07	001418 04000
	9 R. V. LIMITADA-RESTAURACAO-TURIS/ 00047748	00047748		2011-12-14	001418 04000
00055103 OUTPUI 2 207.22 MZN 6.73 30.8000 0000002310	) GIL FRANCISCO BUSSE	00043039		2011-04-21	001418 04000
00055103 OUTPUT 2 -207.22 MZN -6.73 30.8000 0000002310	GIL FRANCISCO BUSSE	00043039		2011-04-21	001418 04000
00055103 OUTPUT 2 207.22 USD 207.22 1.0000 0000002310	GIL FRANCISCO BUSSE	00043039		2011-04-21	001418 04000
00055103 OUTPUT 2 11200.00 USD 11200.00 1.0000 0000004980	0000004880 GAPI - SOCIEDADE DE INVESTIMENTO: 00047840	00047840		2011-12-16	001418 04000

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### INDEPENDENT AUDITOR'S REPORT

To the Management of:

- -UNDP UNITED NATIONS DEVELOPMENT PROGRAMME
- -CPI INVESTIMENT PROMOTION CENTRE PROJECT N° 55103 AWARD ID N° 46333 GROWING SUSTAINABLE BUSINESS (GSB)

### Report on the Statement of cash position

We have noted that there was no Cash position for the CPI – INVESTIMENT PROMOTION CENTRE - PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB), as at 31 December 2011. All payments were made directly by UNDP Mozambique.

Maputo, 31 March 2012

**ERNST & YOUNG, LDA** 

**MERNST & YOUNG** 

Ernst & Young Limitede Rua Belmiro Otladias Mulanga; N. 179 Caixa Postal 366, Maguro

República de Moçambique

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INDEPENDENT AUDITOR'S REPORT

To the Management of:

-UNDP - UNITED NATIONS DEVELOPMENT PROGRAMME

-CPI - INVESTIMENT PROMOTION CENTRE - PROJECT Nº 55103 - AWARD ID Nº 46333 -

GROWING SUSTAINABLE BUSINESS (GSB)

Report on the Combined Delivery Report (CDR)

We have audited the project financial information contained in accompanying CDR schedule of the

CPI - INVESTIMENT PROMOTION CENTRE - PROJECT Nº 55103 - AWARD ID Nº 46333 -

GROWING SUSTAINABLE BUSINESS (GSB), for the period ended 31 December 2011 (reflecting a

total "UNDP Disb" of USD 57,005.24), and a summary of significant accounting policies and other

explanatory information.

Management's responsibility for the financial statements

CPI - INVESTIMENT PROMOTION CENTRE - PROJECT Nº 55103 - AWARD ID Nº 46333 -

GROWING SUSTAINABLE BUSINESS (GSB)'s management is responsible for the preparation and

fair presentation of the project financial information contained in CDR schedule in accordance with

UNDP accounting requirements. This responsibility includes designing, implementing and

maintaining such internal control as management determines is necessary to enable the fair

presentation of the project financial information contained in CDR schedule that is free from material

misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the project financial information contained in CDR

schedule based on our audit. We conducted our audit in accordance with 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 project financial information contained in

CDR schedule is free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the project financial information contained in CDR schedule. These procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the project financial information contained in CDR schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the project financial information contained in CDR 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of accounting estimates made by the management, as well as, evaluating the overall presentation of the project financial information contained in CDR schedule.

### Opinion

In our opinion, the project financial information contained in CDR schedule presents fairly, in all material respects, the expenditures incurred by the CPI – INVESTIMENT PROMOTION CENTRE - PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB), for the period ended 31 December 2011, in accordance with UNDP accounting requirements.

Maputo, 31 March 2012

ERNST & YOUNG, LDA

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	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
<u> </u>	GOVE DISD	01101 0100		-	
JUTPUT 2 (GSB - CPI)					
04000 (TRAC (Lines 1.1.1 and 1.1.2))					
5 - Service Contracts-Individuals	0.00	33,669.84	0.00	- 3,000.00	30,669.84
25 - Svc Co-Studies & Research Serv	0.00	14,491.18	0.00	0.00	14,491.18
35 - Svc Co-Communications Service	0.00	207.22	0.00	0.00	207.22
	0.00	0.00	0.00	- 255.27	- 255.27
0 - Publications	0.00	11,200.00	0.00	0.00	11,200.00
5 - Grants to Instit & other Benef	0.00	- 2,563.00	0.00	0.00	- 2,563.00
, = - Sundry	0.00	2,005.00			ES 740 07
Fund 04000	0.00	57,005.24	0.00	- 3,255.27	53,749.97
tivity OUTPUT 2	0.00	57,005.24	0.00	- 3,255.27	53,749.97
OUTPUT 3 (GSB - Millenium Villages)					
30000 (Programme Cost Sharing)					
5 - Intl Consultants-Sht Term-Tech	0.00	7.288.76	0.00	2,500.00	9,788.76
5 - Inti Consultants-ont Term-Tech	0.00	- 2,831.80	0.00	0.00	-2,831.80
5 - Local ConsultSht Term-Tech	0.00	6,294.97	0.00	0.00	6,294.97
10 - Local ConsultShort Term-Supp		145,448.68	0.00	0.00	145,448.68
05 - Service Contracts-Individuals	0.00	1,486.36	0.00	0.00	1,486,36
15 - Travel Tickets-International	0.00		0.00	0.00	577.60
0 - Travel Tickets-Local	0.00	577.60	0.00	490.00	1,622.00
.5 - Daily Subsistence Allow-Intl	0.00	1,132.00	0.00	0.00	818.00
20 - Daily Subsistence Allow-Local	0.00	818.00		152.00	1,351.63
35 - Travel - Other	0.00	1,199.63	0.00		4,206.93
15 - Svc Co-Construction & Engineer	0.00	4,206.93	0.00	0.00	515,238.65
0 - Machinery and Equipment	0.00	58,468.25	0.00	456,770.40	
15 - Courier Charges	0.00	- 0.19	0.00	0.00	- 0.19
30 - Postage and Pouch	0.00	371.88	0.00	0.00	371.88
135 - E-mail-Subscription	0.00	256.00	0.00	0.00	256.00
	0.00	241.13	0.00	0.00	241.13
- Stationery & other Office Supp	0.00	1,067.76	0.00	- 1,067.76	0.00
ಸ - Acquis of Computer Hardware		153.10	0.00	0.00	153.10
210 - Printing and Publications	0.00	1,104.27	0.00	0.00	1,104.27
25 - Other Media Costs	0.00	10.00	0.00	0.00	10.00
10 - Bank Charges	0.00		0.00	0.00	15.09
25 - Sundry	0.00	15.09	0.00	0.00	10,959.44
05 - Facilities & Admin - Implement	0.00	10,959.44	0.00	0.00	100.00
705 - Learning costs	0.00	100.00		0.00	8.40
?5 - Realized Loss	0.00	8.40	0.00	0.00	0.40
Jund 30000	0.00	238,376.26	0.00	458,844.64	697,220.90
:ivity OUTPUT 3	0.00	238,376.26	0.00	458,844.64	697,220.90
OUTPUT 6 (DTIS Priorities Actioned)					3
35504 (UNDP/IFTF ASSIST TO LDC WIN	II)				727022204
305 - Local ConsultSht Term-Tech	15,350.00	0.00	0.00	0.00	15,350.00
125 - Svc Co-Studies & Research Serv	3,414.17	0.00	0.00	0.00	3,414.17
25 - Sundry	0.00	136.39	0.00	0.00	136.39
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146333 Trade and Private Sector D	evel	Period:	Jan-Dec (2011		Edicini di mare da
055103 Trade and Private Sector De	evel	Impl. Partner : Location :	+ 02172 Mations Mozam sique	Execution	
L	Govt Disb	UND? Disb	Uti Agencies	Encumbrance	Total Exp
165504	18,764.17	136.39	0.00	0.00	18,900.56
у ОИТРИТ 6	18,764.17	136.39	0.00	0.00	18,900.56
PUT 9 (Research on Trade- UEM-F	FL)				
0 (Programme Cost Sharing)					
ravel Tickets-International Jaily Subsistence Allow-Intl Svc Co-Studies & Research Serv Facilities & Admin - Implement	0.00 0.00 0.00 0.00	0.00 0.00 4,216.98 295.19	0.00 0.00 0.00 0.00	-4,265.53 -4,678.00 0.00 0.00	- 4,265.53 - 4,678.00 4,216.98 295.19
30000	0.00	4,512.17	0.00	- 8,943.53	-4,431.36
ОИТРИТ 9	0.00	4,512.17	0.00	- 8,943.53	- 4,431.36
PUT10 (Improvement of Trade Stati	stic)				
(Programme Cost Sharing)					
Travel Tickets-International Fravel Tickets-Local Taily Subsistence Allow-Intl aily Subsistence Allow-Local aily Subsist Allow-Mtg Partic Svc Co-Studies & Research Serv Facilities & Admin - Implement Facilities Coss Facilities Gain	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	13,535.76 15,707.74 13,628.00 9,171.18 1,512.28 56,160.29 7,680.06 6.09 - 66.06	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	-1,043.18 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0	12,492.58 15,707.74 13,628.00 9,171.18 1,512.28 56,160.29 7,680.06 6.09 - 66.06
30000	0.00	117,335.34	0.00	- 1,043.18	116,292.16
OUTPUT10	0.00	117,335.34	0.00	-1,043.18	116,292.16
JT11 (Trade Policies Management)	)				
(Programme Cost Sharing)					
rivice Contracts-Individuals avel Tickets-International avel Tickets-Local aily Subsistence Allow-Intl aily Subsistence Allow-Local ily Subsist Allow-Mtg Partic avel - Other vc Co-Trade and Business Serv vc Co-Studies & Research Serv Co-Information Technology and collisities & Admin - Implement ealized Gain	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	3,500.00 29,229.52 10,094.75 27,705.00 0.00 6,358.03 152.00 77,050.12 77,624.26 -29,116.80 5,620.79 14,575.23 -139.41	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	0.00 0.00 0.00 0.00 0.00 0.00 0.00 -76,349.66 0.00 0.00 0.00	3,500,00 29,229.52 10,094.75 27,705.00 0.00 6,358.03 152.00 700.46 77,624.26 -29,116.80 5,620.79 14,575.23 -139.41
1155 T.M.	0.00	222,653.49	0.00	- 76,349.66	146,303.83
DUTPUT11	0.00	222,653.49	0.00	- 76,349.66	146,303.83
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roject: 00060966

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00046333 Trade and Private Sector Devel Period: Jan-Dec (2011) : 00055103 Trade and Private Sector Devel 02172 National Execution Impl. Partner: Location: Mozamblique Govt Disb UNDP Disb **UN Agencies** Encumbrance Total Exp Project: 00055103 18,764.17 640,018.89 0.00 369,253.00 1,028,036.06 02172 National Execution : 00060966 Youth Employment Promotion Impl. Partner: Mozambique Location: OUTPUT 1 (Microfinance) 30000 (Programme Cost Sharing) 0.00 0.00 422.78 422.78 1305 - Local Consult.-Sht Term-Tech 0.00 510 - Bank Charges 0.00 40.00 0.00 0.00 40.00 105 - Facilities & Admin - Implement 0.00 0.00 32.39 0.00 32.39 \_\_ind 30000 0.00 0.00 495.17 495.17 0.00 0.00 495.17 0.00 0.00 495.17 ctivity OUTPUT 1 OUTPUT 2 (ICT) 30000 (Programme Cost Sharing) 1220 - Translation Costs 0.00 228.50 0.00 0.00 228.50 0.00 16.00 105 - Facilities & Admin - Implement 0.00 16.00 0.00 244.50 r Fund 30000 0.00 244.50 0.00 0.00 0.00 244.50 ctivity OUTPUT 2 0.00 244.50 0.00 OUTPUT 3 (Training - GSB) 30000 (Programme Cost Sharing) 12,500.00 1305 - Local Consult.-Sht Term-Tech 12,500.00 0.00 0.00 0.00 21,839.05 21,839.05 0.00 0.00 105 - Service Contracts-Individuals 0.00 - 5 - Travel Tickets-Local 0.00 8,131.44 0.00 0.00 8,131.44 175 - Daily Subsistence Allow-Intl 498.00 0.00 0.00 498.00 0.00 0.00 5,373.57 0.00 5,373.57 0.00 620 - Daily Subsistence Allow-Local 0.00 635 - Travel - Other 0.00 121.71 0.00 121.71 25,655.28 25 - Svc Co-Studies & Research Serv 25,655.28 0.00 0.00 0.00 40 - Svc Co-Information Technology 0.00 1,211.46 0.00 0.00 1,211.46 59,723.64 0.00 0.00 59,723.64 210 - Machinery and Equipment 0.00 0.00 256.00 2345 - Contraceptives-Spermicides 0.00 256.00 0.00 48,800.00 0.00 0.00 305 - Grants to Instit & other Benef 0.00 48,800.00 25 - Sundry 0.00 168.30 0.00 0.00 168.30 12,899.49 0.00 0.00 12,899.49 .05 - Facilities & Admin - Implement 0.00 125 - Realized Loss 0.00 1.33 0.00 0.00 1.33 0.00 0.00 135 - Realized Gain 0.00 0.00 0.00 Fund 30000 0.00 197,179.27 0.00 0.00 197,179.27 tivity OUTPUT 3 0.00 0.00 197,179.27 0.00 197,179,27

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046333 Trade and Private Sector Devel 0060966 Youth Employment Promotion		Period : Impl. Partner : Location :	Jan-Dec (2011 02172 Nationa Mozambique		
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
	18.764.17	837,937.83	0.00	369,253,00	1,225,955,00



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05/04/2012

Date:

ERNST & YOUNG

Ernst & Young Limitada Rua Belmiro Óbadias Mulanga, N. 179 Calxa Postal 366.

Maputo

República de Moçamblous

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www.ey.com NUIT: 400 005 245

INDEPENDENT AUDITOR'S REPORT

To the Management of:

-UNDP - UNITED NATIONS DEVELOPMENT PROGRAMME

-CPI - INVESTIMENT PROMOTION CENTRE - PROJECT Nº 55103 - AWARD ID Nº 46333 -

GROWING SUSTAINABLE BUSINESS (GSB)

Report on the Statement of Fixed Asset and Equipment

We have audited the project financial information contained in accompanying Fixed asset and

equipment schedule of the CPI - INVESTIMENT PROMOTION CENTRE - PROJECT Nº 55103 -

AWARD ID Nº 46333 - GROWING SUSTAINABLE BUSINESS (GSB), for the period ended 31

December 2011, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

CPI - INVESTIMENT PROMOTION CENTRE - PROJECT Nº 55103 - AWARD ID Nº 46333 -

GROWING SUSTAINABLE BUSINESS (GSB)'s management is responsible for the preparation and

fair presentation of the project financial information contained in Fixed asset and equipment schedule

in accordance with UNDP accounting requirements. This responsibility includes designing,

implementing and maintaining such internal control as management determines is necessary to enable

the fair presentation of the project financial information contained in Fixed asset and equipment

schedule that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the project financial information contained in Fixed

asset and equipment schedule based on our audit. Except as discussed in the paragraph of the

qualification below, we conducted our audit in accordance with 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 project financial information contained in Fixed asset

and equipment schedule is free from material misstatement.

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**III ERNST & YOUNG** 

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures

in the project financial information contained in Fixed asset and equipment schedule. These

procedures selected depend on the auditor's judgment, including the assessment of the risks of

material misstatement of the project financial information contained in Fixed asset and equipment

schedule, whether due to fraud or error. In making those risk assessments, the auditor considers

internal control relevant to the entity's preparation of the project financial information contained in

Fixed asset and equipment 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 entity's

internal control. An audit also includes evaluating the appropriateness of accounting polices used and

the reasonableness of accounting estimates made by the management, as well as, evaluating the

overall presentation of the project financial information contained in Fixed asset and equipment

schedule.

Qualification

We have noted that the fixed assets and equipment inventory list, included item not valued.

Consequently we are unable to validate the cost of the fixed asset and equipment incurred by the

project until 31 December 2011.

Disclaimer of opinion

Due to the limitation reflected in the qualification paragraph above, we are not able to express and

consequently do not express, an independent opinion on the Fixed asset and equipment schedule of

the CPI - INVESTIMENT PROMOTION CENTRE - PROJECT Nº 55103 - AWARD ID Nº 46333 -

GROWING SUSTAINABLE BUSINESS (GSB), as at 31 December 2011.

Maputo, 31 March 2012

ERNST & YOUNG, LDA

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# Statement of Assets and Equipment as at 31 December 2008

undp County Office: Mozantbique Project title: GSB(Growing Sustainable Award ID: Project ID:	ozantbique ving Sustainable Business Initiative) 46333; 55103	
Period covered from inception of project	2	31/01/20071 to 31 December 2011
		102 100 100 100 100 100 100 100 100 100

# or asset value of a minimum of 10005 per if

Perfection TP Command Sh 2590   565103   good   Nurdere Sale   CPA   not available   The muscle of this purchase is not available   305892227JJ

### UNDP - UNITED NATIONS DEVELOPMENT PROGRAMME

### CPI - INVESTIMENT PROMOTION CENTRE

PROJECT Nº 55103 - AWARD ID Nº 46333 - GROWING SUSTAINABLE BUSINESS (GSB)

MANAGEMENT LETTER REPORT ON INTERNAL CONTROL PROCEDURES

### 1 Basis of preparation

The Financial statements were prepared on a Cash basis in accordance with the management procedures agreed with the Donor. Thus, the receipts are not recorded until received in cash and expenditures are assigned to the period in which the respective payments are made.

This basis is not intended to be a presentation in conformity with the International Accounting Standards.

### 2 Currencies

Financial statements are presented in USD. Payments based in Meticais or other currency than USD are converted into USD at exchange rate of the transaction date. At year end all amounts or balances in Meticais were converted into USD at general exchange rate of 1 USD = 26.50 Meticais.

### 3 Fixed assets

Fixed assets are recorded as current expenditure in the Project financial statements in the period which they arise. However, the Project management maintains a detailed inventory of all non-expendable property.

To the Management of:

- -UNDP UNITED NATIONS DEVELOPMENT PROGRAMME
- -CPI INVESTIMENT PROMOTION CENTRE PROJECT N° 55103 AWARD ID N° 46333 GROWING SUSTAINABLE BUSINESS (GSB)

### **EXECUTIVE SUMMARY**

Following our audit work of the CPI – INVESTIMENT PROMOTION CENTRE - PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB), for the period ended 31 December 2011, as agreed and for internal and for management purposes, we have reviewed the internal control procedures related to the following internal control/ management areas:

- i. Procurement procedures for goods and services;
- ii. Appropriateness of transactions including process of approval and supporting documentation;
- iii. Adequacy of financial record keeping system;
- iv. Adequacy of management structure;
- v. Banks and budgetary control and related reconciliation;
- vi. Report preparation and review procedures;
- vii. Adequacy of the filing system of the project documentation;
- viii. Management of funds received as advance from UNDP;
- ix. Combined Delivery Report (CDR) and other forms records and related reconciliation;
- x. Non-expendable property registers and control; and
- xi. Monitoring, evaluation and reporting of the progress of the project activities.

The audit findings are categorised by level of risk and classified by the possible causes.

CATEGORIZATION OF	F AUDIT FINDINGS BY THE RISK SEVERITY
RISK:	
HIGH	Action that is considered imperative to ensure that UNDP is not exposed to high risks (i.e. failure to take action could result in major consequences and issues).
MÉDIUM	Action that is considered necessary to avoid exposure to significant risks (i.e. failure to take action could result in significant consequences).
LOW	Action that is considered desirable and should result in enhanced control or better value for money.
CATEGORIZATION O	F POSSIBLE CAUSES OF AUDIT FINDINGS
CAUSES:	
COMPLIANCE	Failure to comply with prescribed UNDP regulations, rules and procedures and local legislation.
GUIDELINES	Absence of written procedures to guide staff in the performance of their functions.
GUIDANCE	Inadequate or lack of supervision by supervisors.
HUMAN ERROR	Mistakes committed by staff entrusted to perform assigned functions.
RESOURCES	Lack o for inadequate resources (funds, skills, staff, etc.) to carry out an activity or function.

In the review of internal control procedures related to the abovementioned management are we have noted the following significant findings:

### I - OBSERVATIONS AND RECOMMENDATIONS FOR CURRENT YEAR

1.1 Non- expendable property registers and control

### II - RESULTS OF THE FOLLOW UP OF THE PRIOR YEAR AUDIT RECOMMENDATIONS

None to refer because the CPI - INVESTIMENT PROMOTION CENTRE - PROJECT N° 55103 - AWARD ID N° 46333 - GROWING SUSTAINABLE BUSINESS (GSB) started its activities in 2011.

### I - OBSERVATIONS AND RECOMMENDATIONS FOR CURRENT YEAR

Observation	Recommendation	Possible Causes	Risk Severity	Management comments
1.1 Non- expendable property registers and control				
We have noted that the Project inventory list of fixed assets and equipment presented not valued item.	All items listed in Project inventory list of fixed assets and equipment should be valued in Meticais.  For all goods donated should be contacted the Donor to obtain copies of documents that give the information related to price, reference code and as well as the identification of the respective suppliers.	Compliance	High	

UNDP – UNITED NATIONS DEVELOPMENT PROGRAMME PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB)

Audit Report

31 December 2011

## UNDP - UNITED NATIONS DEVELOPMENT PROGRAMME PROJECT N° 55103 - AWARD ID N° 46333 - GROWING SUSTAINABLE BUSINESS (GSB) PROJECT FINANCIAL STATEMENTS - FOR THE PERIOD 1 JANUARY 2011 TO 31 DECEMBER 2011

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INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF CASH POSITION	4
INDEPENDENT AUDITOR'S REPORT ON COMBINED DELIVERY REPORT	5 - 6
INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF FIXED ASSET AND EQUIPMENT	7 - 8
NOTES TO THE PROJECT FINANCIAL STATEMENTS	9 - 10
MANAGEMENT LETTER REPORT ON INTERNAL CONTROL PROCEDURES	11 – 12



Ernst & Young Limitada Rua Beimiro Obadias Mulanya, Nº 179 Caixa Postal 366, Maputo República de Mocambique

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(FREE TRANSLATION FROM THE ORIGINAL IN PORTUGUESE)

### INDEPENDENT AUDITOR'S REPORT

To the Management of:

-UNDP – UNITED NATIONS DEVELOPMENT PROGRAMME - PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB)

### Report on the Financial statements

We have audited the accompanying financial statement schedules of the PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB), for the period ended 31 December 2011, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB)'s management is responsible for the preparation and fair presentation of the financial statement schedules in accordance with UNDP accounting requirements. This responsibility includes designing, implementing and maintaining such internal control as management determines is necessary to enable the fair presentation of the financial statement schedules that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial statement schedules based on our audit. We conducted our audit in accordance with 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 financial statement schedules are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement schedules. These procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statement schedules e 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of accounting estimates made by the management, as well as, evaluating the overall presentation of the financial statement schedules. Thus our audit covered, but was not necessarily limited to, the following:

- (i) Assessment of the rate of delivery;
- (ii) Management systems for recording, documenting, and reporting on resources utilization;
- (iii) management structure, including the adequacy and reliability of appropriate internal controls;
- (iv) the Periodic Financial Requests/Reports and Non-Expendable Property Reports are fairly and accurately presented and disbursements are made in accordance with the activities and budgets of the CPAP/AWP/MOU/PCA/FLA - specifically:
  - Funding Authorisation and Certificate of Expenditure (FACE)
  - Annual Non-Expendable Property Report with reference to project Assets (Form C);
  - Annual Status of Funds Report (Form D); and
  - Annual Disbursement Report (Form E).
- (v) Funding Authorization and Certificate of Expenditures (FACE) are attached to the audit reports and are certified by the implementing Partner (s) and signed and stamped by auditors;
- (vi) The balance of outstanding funds available (OFA) as per UN Country Office's general ledger (GL) has been reconciled to the year end balance of unspent funds as per the Funding Authorization and Certificate of Expenditure (FACE);
- (vii) Monitoring, Evaluation and Reporting of activities and the progress towards expected results are undertaken as planned;
- (viii) The implementing Partner(s) and the UN Country Office have fulfilled their other substantive responsibilities, including the submission of periodic reports for monitoring and evaluation of the programme/work plan activities;
- (ix) The procurement, use, custodial control and disposal of non-expendable equipment are in accordance with the procurement procedures of the Implementing Partner(s) or UN's procedures; and



(x) Satisfactory measures have been taken by the designated institution and by the Country Office to comply with the recommendations of prior audits.

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

### Opinion

In our opinion: (a) the financial statement schedules present fairly the financial position of the PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB), at the end of the period and the results of its operations for the period then ended, (b) the financial statement schedules were prepared in accordance with the UNDP accounting requirements and are duly certified by the proper authorities, (c) the accounting principles were applied on a basis consistent with that of the preceding financial period, and (d) transactions were in accordance with the financial regulations and institutional authority.

Maputo, 31 March 2012

**ERNST & YOUNG, LDA** 



Ernst & Young Limitede Rua Relmiro Obadies Mulanga, N. 179 Calxe Postal 366, Maputo Repúblice de Moçambiquo

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### INDEPENDENT AUDITOR'S REPORT

To the Management of:

-UNDP - UNITED NATIONS DEVELOPMENT PROGRAMME - PROJECT N° 55103 - AWARD ID N° 46333 - GROWING SUSTAINABLE BUSINESS (GSB)

Report on the Statement of cash position

We have noted that there was no Cash position for the PROJECT PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB), as at 31 December 2011. All payments were made directly by UNDP Mozambique.

Maputo, 31 March 2012

ERNST & YOUNG, LDAG



Ernst & Young Limitada Rua Belmiro Obadias Mulanga, M. 79 Caixa Postal 366, Maputo República de Moçambique

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### INDEPENDENT AUDITOR'S REPORT

To the Management of:

-UNDP – UNITED NATIONS DEVELOPMENT PROGRAMME - PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB)

Report on the Combined Delivery Report (CDR)

We have audited the project financial information contained in accompanying CDR schedule of the PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB), for the period ended 31 December 2011 (reflecting a total "UNDP Disb" of USD 238,376.26), and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB)'s management is responsible for the preparation and fair presentation of the project financial information contained in CDR schedule in accordance with UNDP accounting requirements. This responsibility includes designing, implementing and maintaining such internal control as management determines is necessary to enable the fair presentation of the project financial information contained in CDR schedule that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the project financial information contained in CDR schedule based on our audit. We conducted our audit in accordance with 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 project financial information contained in CDR schedule is free from material misstatement.

III ERNST & YOUNG

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the project financial information contained in CDR schedule. These procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the project financial information contained in CDR schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the project financial information contained in CDR 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of accounting estimates made by the management, as well as, evaluating the overall presentation of the project financial information contained in CDR schedule.

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

### Opinion

In our opinion, the project financial information contained in CDR schedule presents fairly, in all material respects, the expenditures incurred by the PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB), for the period ended 31 December 2011, in accordance with UNDP accounting requirements.

Maputo, 31 March 2012 Managa

ERNST & YOUNG, LDA

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	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
<u> </u>	GOVE DISD	01101 0100		-	
JUTPUT 2 (GSB - CPI)					
04000 (TRAC (Lines 1.1.1 and 1.1.2))					
5 - Service Contracts-Individuals	0.00	33,669.84	0.00	- 3,000.00	30,669.84
25 - Svc Co-Studies & Research Serv	0.00	14,491.18	0.00	0.00	14,491.18
35 - Svc Co-Communications Service	0.00	207.22	0.00	0.00	207.22
	0.00	0.00	0.00	- 255.27	- 255.27
0 - Publications	0.00	11,200.00	0.00	0.00	11,200.00
5 - Grants to Instit & other Benef	0.00	- 2,563.00	0.00	0.00	- 2,563.00
, = - Sundry	0.00	2,005.00			ES 740 07
Fund 04000	0.00	57,005.24	0.00	- 3,255.27	53,749.97
tivity OUTPUT 2	0.00	57,005.24	0.00	- 3,255.27	53,749.97
OUTPUT 3 (GSB - Millenium Villages)					
30000 (Programme Cost Sharing)					
5 - Intl Consultants-Sht Term-Tech	0.00	7.288.76	0.00	2,500.00	9,788.76
5 - Inti Consultants-ont Term-Tech	0.00	- 2,831.80	0.00	0.00	-2,831.80
5 - Local ConsultSht Term-Tech	0.00	6,294.97	0.00	0.00	6,294.97
10 - Local ConsultShort Term-Supp		145,448.68	0.00	0.00	145,448.68
05 - Service Contracts-Individuals	0.00	1,486.36	0.00	0.00	1,486,36
15 - Travel Tickets-International	0.00		0.00	0.00	577.60
0 - Travel Tickets-Local	0.00	577.60	0.00	490.00	1,622.00
.5 - Daily Subsistence Allow-Intl	0.00	1,132.00	0.00	0.00	818.00
20 - Daily Subsistence Allow-Local	0.00	818.00		152.00	1,351.63
35 - Travel - Other	0.00	1,199.63	0.00		4,206.93
15 - Svc Co-Construction & Engineer	0.00	4,206.93	0.00	0.00	515,238.65
0 - Machinery and Equipment	0.00	58,468.25	0.00	456,770.40	
15 - Courier Charges	0.00	- 0.19	0.00	0.00	- 0.19
30 - Postage and Pouch	0.00	371.88	0.00	0.00	371.88
135 - E-mail-Subscription	0.00	256.00	0.00	0.00	256.00
	0.00	241.13	0.00	0.00	241.13
- Stationery & other Office Supp	0.00	1,067.76	0.00	- 1,067.76	0.00
ಸ - Acquis of Computer Hardware		153.10	0.00	0.00	153.10
210 - Printing and Publications	0.00	1,104.27	0.00	0.00	1,104.27
25 - Other Media Costs	0.00	10.00	0.00	0.00	10.00
10 - Bank Charges	0.00		0.00	0.00	15.09
25 - Sundry	0.00	15.09	0.00	0.00	10,959.44
05 - Facilities & Admin - Implement	0.00	10,959.44	0.00	0.00	100.00
705 - Learning costs	0.00	100.00		0.00	8.40
?5 - Realized Loss	0.00	8.40	0.00	0.00	0.40
Jund 30000	0.00	238,376.26	0.00	458,844.64	697,220.90
:ivity OUTPUT 3	0.00	238,376.26	0.00	458,844.64	697,220.90
OUTPUT 6 (DTIS Priorities Actioned)					3
35504 (UNDP/IFTF ASSIST TO LDC WIN	II)				727022204
305 - Local ConsultSht Term-Tech	15,350.00	0.00	0.00	0.00	15,350.00
125 - Svc Co-Studies & Research Serv	3,414.17	0.00	0.00	0.00	3,414.17
25 - Sundry	0.00	136.39	0.00	0.00	136.39
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146333 Trade and Private Sector D	evel	Period:	Jan-Dec (2011		Edicini di mare da
055103 Trade and Private Sector De	evel	Impl. Partner : Location :	+ 02172 Mations Mozam sique	Execution	
L	Govt Disb	UND? Disb	UN Agenales	Encumbrance	Total Exp
165504	18,764.17	136.39	0.00	0.00	18,900.56
у ОИТРИТ 6	18,764.17	136.39	0.00	0.00	18,900.56
PUT 9 (Research on Trade- UEM-F	FL)				
0 (Programme Cost Sharing)					
ravel Tickets-International Jaily Subsistence Allow-Intl Svc Co-Studies & Research Serv Facilities & Admin - Implement	0.00 0.00 0.00 0.00	0.00 0.00 4,216.98 295.19	0.00 0.00 0.00 0.00	-4,265.53 -4,678.00 0.00 0.00	- 4,265.53 - 4,678.00 4,216.98 295.19
30000	0.00	4,512.17	0.00	- 8,943.53	-4,431.36
ОИТРИТ 9	0.00	4,512.17	0.00	- 8,943.53	- 4,431.36
PUT10 (Improvement of Trade Stati	stic)				
(Programme Cost Sharing)					
Travel Tickets-International Fravel Tickets-Local Taily Subsistence Allow-Intl aily Subsistence Allow-Local aily Subsist Allow-Mtg Partic Svc Co-Studies & Research Serv Facilities & Admin - Implement Facilities Coss Facilities Gain	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	13,535.76 15,707.74 13,628.00 9,171.18 1,512.28 56,160.29 7,680.06 6.09 - 66.06	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	-1,043.18 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0	12,492.58 15,707.74 13,628.00 9,171.18 1,512.28 56,160.29 7,680.06 6.09 - 66.06
30000	0.00	117,335.34	0.00	- 1,043.18	116,292.16
OUTPUT10	0.00	117,335.34	0.00	-1,043.18	116,292.16
JT11 (Trade Policies Management)	)				
(Programme Cost Sharing)					
rivice Contracts-Individuals avel Tickets-International avel Tickets-Local aily Subsistence Allow-Intl aily Subsistence Allow-Local ily Subsist Allow-Mtg Partic avel - Other vc Co-Trade and Business Serv vc Co-Studies & Research Serv Co-Information Technology and collisities & Admin - Implement ealized Gain	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	3,500.00 29,229.52 10,094.75 27,705.00 0.00 6,358.03 152.00 77,050.12 77,624.26 -29,116.80 5,620.79 14,575.23 -139.41	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	0.00 0.00 0.00 0.00 0.00 0.00 0.00 -76,349.66 0.00 0.00 0.00	3,500,00 29,229.52 10,094.75 27,705.00 0.00 6,358.03 152.00 700.46 77,624.26 -29,116.80 5,620.79 14,575.23 -139.41
1155 T.M.	0.00	222,653.49	0.00	- 76,349.66	146,303.83
DUTPUT11	0.00	222,653.49	0.00	- 76,349.66	146,303.83
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roject: 00060966

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00046333 Trade and Private Sector Devel Period: Jan-Dec (2011) : 00055103 Trade and Private Sector Devel 02172 National Execution Impl. Partner: Location: Mozamblique Govt Disb UNDP Disb **UN Agencies** Encumbrance Total Exp Project: 00055103 18,764.17 640,018.89 0.00 369,253.00 1,028,036.06 02172 National Execution : 00060966 Youth Employment Promotion Impl. Partner: Mozambique Location: OUTPUT 1 (Microfinance) 30000 (Programme Cost Sharing) 0.00 0.00 422.78 422.78 1305 - Local Consult.-Sht Term-Tech 0.00 510 - Bank Charges 0.00 40.00 0.00 0.00 40.00 105 - Facilities & Admin - Implement 0.00 0.00 32.39 0.00 32.39 \_\_ind 30000 0.00 0.00 495.17 495.17 0.00 0.00 495.17 0.00 0.00 495.17 ctivity OUTPUT 1 OUTPUT 2 (ICT) 30000 (Programme Cost Sharing) 1220 - Translation Costs 0.00 228.50 0.00 0.00 228.50 0.00 16.00 105 - Facilities & Admin - Implement 0.00 16.00 0.00 244.50 r Fund 30000 0.00 244.50 0.00 0.00 0.00 244.50 ctivity OUTPUT 2 0.00 244.50 0.00 OUTPUT 3 (Training - GSB) 30000 (Programme Cost Sharing) 12,500.00 1305 - Local Consult.-Sht Term-Tech 12,500.00 0.00 0.00 0.00 21,839.05 21,839.05 0.00 0.00 105 - Service Contracts-Individuals 0.00 - 5 - Travel Tickets-Local 0.00 8,131.44 0.00 0.00 8,131.44 175 - Daily Subsistence Allow-Intl 498.00 0.00 0.00 498.00 0.00 0.00 5,373.57 0.00 5,373.57 0.00 620 - Daily Subsistence Allow-Local 0.00 635 - Travel - Other 0.00 121.71 0.00 121.71 25,655.28 25 - Svc Co-Studies & Research Serv 25,655.28 0.00 0.00 0.00 40 - Svc Co-Information Technology 0.00 1,211.46 0.00 0.00 1,211.46 59,723.64 0.00 0.00 59,723.64 210 - Machinery and Equipment 0.00 0.00 256.00 2345 - Contraceptives-Spermicides 0.00 256.00 0.00 48,800.00 0.00 0.00 305 - Grants to Instit & other Benef 0.00 48,800.00 25 - Sundry 0.00 168.30 0.00 0.00 168.30 12,899.49 0.00 0.00 12,899.49 .05 - Facilities & Admin - Implement 0.00 125 - Realized Loss 0.00 1.33 0.00 0.00 1.33 0.00 0.00 135 - Realized Gain 0.00 0.00 0.00 Fund 30000 0.00 197,179.27 0.00 0.00 197,179.27 tivity OUTPUT 3 0.00 0.00 197,179.27 0.00 197,179,27

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046333 Trade and Private Sector Devel 0060966 Youth Employment Promotion		Period : Impl. Partner : Location :	Jan-Dec (2011 02172 Nationa Mozambique		
	Govt Disb	UNDP Disb	UN Agencies	Encumbrance	Total Exp
	18.764.17	837,937.83	0.00	369,253,00	1,225,955,00



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USD An	2.500			12, 152,00	2,568.00	6,640.00					-14,720.00	2,640,00	2,680.92	6,300.00	-2,685,85	4,725.00	9,900.00	00 085 8	3375.05	0 374 94	494 50	138 57	0000	200.000	9,725.00	00000	A24 EE	427		N		831.52		1,132,00			642.00	201.59	34 07	473.81	490.16	1.916.52	2.290.41	58,468,25	98.65	-98.84	81.	-81 28	44 83	66'66	112.40	114 66	1.067.76	153.10	1,10427	10.00	15.09	4,778,76	3,140.97	4,935.00	9.501.00	256 00	100.00	1,750,73	665.16	3,221.15	673.28	162,873,73
noud Curre	2500.00 USD 2,500.00 1,0000 0000005	10 to 0 USD	22113.00 MZN	12152.00 USD	2568.00 USD	6640.00 USD	3065.00 USD	-6300 00 USD	6 00 USD	0.00 USD	-14720 00 USD	2640.00 USD	71577.78 MZN	6390.00 USD	-7 1577.78 MZN	4725 00 USD	GSU 00.0069	ASB 00 088	2375.25 USD	5375 25 USD	494 SD 11SD	ATTO OF MIZN	SOCIO DE LISTA	000 000	4/25.00 USD	000 000 000	7 22 1100	020 CC /25	23/5/25 USD	23/5/25 USD	9.00 MZN	8 00 MZN	2.00 MZN	2 00 USD	2582.80 MZN	2582.80 MZN	642.00 USD	6592 00 MZN	1000 00 MZN	12853 92 MZN	13185.28 MZN	56250.00 MZN	67223 52 MZN	58469.25 USD	3.98 MZN	-2633.98 MZN	2657.81 MZN	-2657.81 MZN	1466.05 MZN	3039.62 MZN	3051 62 MZN	3038 50 MZN	35236 10 MZN	4080 DO MZN	29484.00 MZN	10.00 USD	400 00 MZN	477876 USD	3140 97 USD	7147 97 USD	9501.00 USD	256.00 USD	100 CG USD	1750,73 USD	665.16 USD	3221.15 USD	673,28 USD	
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INDEPENDENT AUDITOR'S REPORT

To the Management of:

-UNDP - UNITED NATIONS DEVELOPMENT PROGRAMME - PROJECT N° 55103 - AWARD ID N°

46333 – GROWING SUSTAINABLE BUSINESS (GSB)

Report on the Statement of Fixed Asset and Equipment

We have audited the project financial information contained in accompanying Fixed asset and

equipment schedule of the PROJECT Nº 55103 - AWARD ID Nº 46333 - GROWING SUSTAINABLE

BUSINESS (GSB), for the period ended 31 December 2011(reflecting a total Cost incurred of USD

2,404.12), and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

PROJECT Nº 55103 - AWARD ID Nº 46333 - GROWING SUSTAINABLE BUSINESS (GSB)'s

management is responsible for the preparation and fair presentation of the project financial

information contained in Fixed asset and equipment schedule in accordance with UNDP accounting

requirements. This responsibility includes designing, implementing and maintaining such internal

control as management determines is necessary to enable the fair presentation of the project financial

information contained in Fixed asset and equipment schedule that is free from material misstatement,

whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the project financial information contained in Fixed

asset and equipment schedule based on our audit. Except as discussed in the paragraph below, we

conducted our audit in accordance with 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 project financial information contained in Fixed asset and equipment

schedule is free from material misstatement.

7

**III ERNST & YOUNG** 

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the project financial information contained in Fixed asset and equipment schedule. These procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the project financial information contained in Fixed asset and equipment schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the project financial information contained in Fixed asset and equipment 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of accounting estimates made by the management, as well as, evaluating the overall presentation of the project financial information contained in Fixed asset and equipment schedule.

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

### Opinion

In our opinion, the project financial information contained in Fixed asset and equipment schedule presents fairly, in all material respects, the costs of the fixed asset and equipment incurred by the PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB), for the period ended 31 December 2011, in accordance with UNDP accounting requirements.

Maputo, 31 March 2012

ERNST & YOUNG, LDA

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1988/02172   1988/02172   1711898   1,395.00 MOZOPO2   1988/02172   17113455   1,200.00 MOZOPO2   1988/02172   17113455   1,200.00 MOZOPO2   1988/02172   1,13455   1,385.00 MOZOPO2   1988/02172   1,13455   1,248.00 MOZOPO2   1988/02172   1,13455   1,248.00 MOZOPO2   1988/02172   1,248.00 MOZOPO2   1988/02172   1,248.00 MOZOPO2   1,2	
1986/02/12   1986/02/12   1,200,00 MOZOPO2   1986/02/12   1,13455   1,380,00 MOZOPO2   1,136/02   1,380,00 MOZOPO2   1,136/02   1,200,00 MOZOPO2   1,200,00 MOZOPO2	Operations, DRRO
1986/02/12   198	MARTINS,S.
AIR CONDITIONER, SHARP, SPLIT         1988/02/12         7113455         1,385.00         MOZDP02           AIR CONDITIONER, SHARP, SPLIT         1988/02/12         1,395.00         MOZDP02         1,395.00         MOZDP02           AIR CONDITIONER, SHARP, SPLIT THEO         1988/02/12         1,396.00         MOZDP02         1,300.00         MOZDP02           AIR CONDITIONER, SHARP SIT THEO         2010/07/21         2000/12/10         2000/12/10         MOZDP02         1,248.00         MOZDP02           COPIER, XEROX COPY CENTER TO 20         2010/12/10         2000/12/10         RCGSSM4 1685-550         1,248.00         MOZDP02           COPIER, XEROX COPY CENTER TO 20         2010/12/10         RCGSSM4 1685-550         12,500.00         MOZDP02           COPIER, XEROX COPY CENTER TO 20         2010/07/11         CZ00616FQ         950.54         MOZDP02           DESKTOP HP COMPAC, SONB ESSUR         2010/07/11         CZ0068PUM         960.54         MOZDP02           DESKTOP HP COMPAC, SONB ESSUR         2010/07/11         3CB0052Z01         960.54         MOZDP02           DESKTOP HP COMPAC, SONB MTESOR         2010/07/14         3CB005ZP01         960.54         MOZDP02           DESKTOP HP COMPAC, SONB MTESOR         2010/07/14         3CB005ZP01         1,4133.00         MOZDP02 <td>CASHIER, EX.</td>	CASHIER, EX.
ARI CONDITIONER, SHARP, SPLIT         188809712         7113455         1,385.00         MOZDPOZ           ARI CONDITIONER, SPLIT TYPE, STATE, AND CONTROLD         201080722         7113433         1,200.00         MOZDPOZ           ARIC CONDITIONER SHARP SPLIT 18800         201080720         20108072         66.571         MOZDPOZ           CISCO CATALYST SWITCH 25607-2A         20001720         KROSSK41666581         7,443.80         MOZDPOZ           CISCO CATALYST SWITCH 25607-2A         20001720         KROSSK41666581         7,443.80         MOZDPOZ           COPIER, XEROX COPY CENTER 128         20061720         KROSSK41666581         7,443.80         MOZDPOZ           COPIER, XEROX COPY CENTER 128         20061720         KROSSK41666581         7,443.80         MOZDPOZ           COPIER, XEROX COPY CENTER 128         201080311         CZDOG68PMR         950.54         MOZDPOZ           DESKTOP HP COMPAC, 5008 KES300         201080311         CZDOG68PMR         950.54         MOZDPOZ           DESKTOP HP COMPAC, 5008 MTES30         201080311         201080311         3CB0G68BKA         950.54         MOZDPOZ           DIGITAL SENDER HP 9200C, PM         201080314         2000658PKA         4,133.00         MOZDPOZ         950.54         MOZDPOZ           DIGITAL SENDER HP 9200C, PM	AMIEL,J.
AIR CONDITIONER, SHUTTYPE, SHORINGY         1986/02/17         711363         1,200.00         MOZDPOZ           AIR CONDITIONER SHARPS PETT 18800         2010/07/29         2010/07/29         1,200.00         MOZDPOZ           CISCO CATALYST WITCH 2550CT-24         20010/12/10         FOCOBOAZZEN         1,280.00         MOZDPOZ           COPIER, XEROX COPY CENTER 128         2006/12/20         KROSSIA 1666581         7,443.80         MOZDPOZ           COPIER, XEROX COPY CENTER 128         2006/12/20         KROSSIA 1666581         7,443.80         MOZDPOZ           COPIER, XEROX COPY CENTER 128         2006/12/20         KROSSIA 1666581         7,443.80         MOZDPOZ           COPIER, XEROX COPY CENTER 128         2006/12/20         KROSSIA 1666581         7,443.80         MOZDPOZ           COPIER, XEROX COPY CENTER 128         2006/12/20         KROSSIA 1666581         7,443.80         MOZDPOZ           DESKTOP HP COMPAC, GOBE 6700         2010/02/11         CZDOGGBPLMR         960.54         MOZDPOZ           DESKTOP HP COMPAC, GOBE MTE3ON         2010/02/11         3CBOGSZAO1         960.59         MOZDPOZ           DESKTOP HP COMPAC, GOBE MTE3ON         2010/02/11         3CBOGSZAO1         960.59         MOZDPOZ           DIGITAL SENDER HP BYSOC, CMPP         2010/02/11         2006/12/20	DRIVERS,GF
2006/12/20   2010/07/20   2010/07/20   2006/12/20   POC0904X2EN   1,248.00   MOZ0P02   2006/12/20   RR059K4166581   7,443.80   MOZ0P02   2006/12/20   RR059K4166581   7,443.80   MOZ0P02   2006/12/20   RR059K4166581   7,443.80   MOZ0P02   2010/07/11   RR059K4166581   4,133.00   MOZ0P02   2010/07/11   RR059K4   896.89   MOZ0P02   2010/07/11   RR059K4   4,133.00   MOZ0P02   2010/07/11   RR059K4   1,070.55   MOZ0P02   2010/07/11   RR059K4   1,070.55   MOZ0P02   2010/07/11   RR059K4   1,251.90   MOZ0P02   USH43900A6   1,456.65   MOZ0P02   USH43900A6   1,456.65   MOZ0P02   USH43900A6   1,456.65   MOZ0P02   USH43900A6   1,251.90   MOZ0P02   RR59MW7ZL00M   1,251.90	BACKYARD,UNDP.
2006/12/20   P.OC0904X2EN   1,248.00   MOZ0P02	PROCUREMENT, GF
RROS9K4166658  7,443.80   MOZ0P02	
RRG58K416655B	LEONEL, SC.
2006/12/20   KR-059K41665-55Q   12,500.00   MOZ0P02	PROCUREMENT, GF.
2010/02/19   CZ0068PMR   950.54   MCZ0P02	ADMINISTRATION,C.
2010/03/11   CZ0068PMR   950.54 MOZ0P02	BRAINERD, OLAGBEMIDE
2010/06/14   2020/68PLM   950.54 MOZ0P02   2010/06/14   3CB0052701   906.99 MOZ0P02   2010/06/14   3CB00528K4   906.99 MOZ0P02   2006/12/20   2010/07/14   2010/07/15   MOZ0P02   2010/07/12   2010/07	JORGE, BERNARDO
2010/06/14   3CB00528K4   906.99   MOZ0P02     2010/06/12/20   3CB00528K4   906.99   MOZ0P02     2006/12/20   CNIRO06850   4,133.00   MOZ0P02     2006/12/20   CNIRO06850   4,133.00   MOZ0P02     2010/07/14   CNIRO06850   4,133.00   MOZ0P02     2010/07/14   CNIRO16850   4,133.00   MOZ0P02     2006/12/20   CNIRO16850   4,133.00   MOZ0P02     2006/12/20   TU33516-U835721U   18,546.73   MOZ0P02     2006/12/20   H0152J   1,070.55   MOZ0P02     2006/12/20   RF59NW7ZL010   1,251.90   MOZ0P02     2006/12/20   CSOS/12/20   USH43900A6   1,456.65   MOZ0P02     2006/12/20   USH43900A6   1,456.85   MOZ0P02     2006/12/20   USH43900A6   1,456.85   MOZ0P02     2006/12/20   USH43900A6   1,251.90   MOZ0P02     2006/12/20   RF59MW7ZL00M   1,251.90   MOZ0P02     2006/12/20   RF	NKUNA, AMY
2010/06/14   3CB00528K4   906.99   MOZ0P02	VENTURA, MARINA
2006/12/20   CNIRO06850   4,133.00 MOZ0P02	DOMINGOS, ONOFRE
2006/12/20   2010/07/14   CNICNB1WGL7   5,915.00 MOZ0P02     2010/07/14   CNICNB1WGL7   5,915.00 MOZ0P02     2010/07/14   CNICNB1WGL7   5,915.00 MOZ0P02     2006/12/20   TU33516-U835721U   18,546.73 MOZ0P02     2006/12/20   H0152J   1,070.55 MOZ0P02     2006/12/20   RF59NW7ZL010   1,251.90 MOZ0P02     2006/12/20   RF59NW7ZL010   1,251.90 MOZ0P02     2006/12/20   USH43900A6   1,456.65 MOZ0P02     2006/12/20   USH43900A6   1,456.65 MOZ0P02     2006/12/20   USH43900A6   1,251.90 MOZ0P02     2006/12/20   USH43900A6   1,251.90 MOZ0P02     2006/12/20   RF59MW7ZL00M   1,251.	SERVICE,C.
2010/07/14   CINCINB1WGL7 5,915.00 MOZ0P02	GEN SERVICES, EX SC.
2010/07/14   CNCNB1WGL7	LANGA, VICENTE
1990/09/12/120	ADMINISTRATION, GF
2006/12/20	BACKYARD,UNDP,
2006/12/20	ORLANDO,B.
2006/12/20         1,070.55         MOZ0P02           2006/12/20         RF59NW7ZL010         1,251.90         MOZ0P02           2006/12/20         RF51MNFZL02H         1,251.90         MOZ0P02           2006/12/20         RF51MNFZL02H         1,253.07         MOZ0P02           2006/12/20         USH43900A6         1,456.65         MOZ0P02           2006/12/20         USH43900A6         1,456.65         MOZ0P02           2006/12/20         RF59MW7ZL00M         1,251.90         MOZ0P02           2006/12/20         RF59MW7ZL00M         1,251.90         MOZ0P02	DOMINGOS, ONOFRE
2006/12/20	DOMINGOS, ONOFRE
2006/12/20   RF59NW7ZL010   1,251.90 MOZ0P02   2006/12/20   USH515009A   1,253.07 MOZ0P02   2006/12/20   USH515009A   1,253.07 MOZ0P02   2006/12/20   USH43900A6   1,456.65 MOZ0P02   2006/12/20   RF59MW7ZL00M   1,251.90 MOZ0P02   RF59MW7ZL00M   RF59MW7ZL00M   RF59MW7ZL00M   1,	EULALIA,D.
2006/12/20         RF51MNFZL02H         1,253.07         MOZ0P02           2006/12/20         USH515009A         1,253.07         MOZ0P02           2006/12/20         USH43800A6         1,456.65         MOZ0P02           2006/12/20         USH43900A6         1,456.65         MOZ0P02           2006/12/20         RF59MW7ZL00M         1,251.90         MOZ0P02           2006/12/20         RF59MW7ZL00M         1,251.90         MOZ0P02           2006/12/20         RF59MW7ZL00M         1,251.90         MOZ0P02	KUUSIPALO,MARIANNE
2006/12/20         USH515009A         1,253.07         MOZ0P02           2006/12/20         USH43900A6         1,456.65         MOZ0P02           2006/12/20         USH43900A6         1,456.65         MOZ0P02           2006/12/20         RF59MW7ZL00M         1,251.90         MOZ0P02           2006/12/20         RF59MW7ZL00M         1,251.90         MOZ0P02           RR59MW7ZL00M         1,251.90         MOZ0P02	ISAC,C.
2006/12/20         USH43900A6         1,456.65         MOZ0P02           2006/12/20         USH43900A6         1,456.85         MOZ0P02           2006/12/20         RF59MW7ZL00M         1,251.90         MOZ0P02           2006/12/20         RF59MW7ZL00M         1,251.90         MOZ0P02           2006/12/20         RF59MW7ZL00M         1,251.90         MOZ0P02	LAURA,M.
2006/12/20         USH43900A6         1,456.85         MOZ0P02           2006/12/20         RF59MW7ZL00M         1,251.90         MOZ0P02           2006/12/20         RF59MW7ZL00M         1,251.90         MOZ0P02           2006/12/20         RF59MW7ZL00M         1,251.90         MOZ0P02	LEONEL,M.
2006/12/20         RF59MW7ZL00M         1,251,90 MOZ0P02           2006/12/20         RF59MW7ZL00M         1,251,90 MOZ0P02           RF59MW7ZL00M         1,251,90 MOZ0P02	MARTINS, ETELVINA
2006/12/20 RF59MW7ZL00M 1,251.90 MOZ0P02 RF59MW7ZL00M 1,251.90 MOZ0P02	SAQUINA,M.
PC HPCompaq P43,2Ghz 2008/12/20 RF59MW7ZL00M 1,251,90 MOZ0P02	JORGE, BERNARDO
	COSSA,CELSO CASHIER ENTRANCE
000000000068 PC HPCambaa P43 2Ghz 2008/12/20 ENTRANG	COSSA, CELSO CASHIER ENTRANCE
CP4523DN 2010/07/14 JPBT9CJGBZ 2,849.03 MOZ0P02	ADMIN,GF
5 1998/05/15 2,539.00 MOZ0P02	And the second s
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000000000460 000	000000000460	PC HP COMPAC 500B E5400 20 G	2010/07/25 3CB0112B0J	00049280	887.990 MOZFINO1SAETE, VICTOR
000000000460 000	000000000460	PC HP COMPAC 500B E5400 20 G	2010/07/25 3CB0112B0J	00049280	887.990 MOZFIN01 ICT, GF
000000000461 000	000000000461	AIRCONDITIONER SHARP SPLT1	2010/07/29 8103428	00049280	655.700 MOZGOVÝKATO, JUNKO
000000000462 000	000000000462	AIRCONDITIONER SHARP SPLT1	2010/07/29 810997	00049280	655.710 MOZ0P02 PROCUREMENT, GF
	0000000000464	PRINTER HP 2550L	2003/06/06 CNJ04544	00049280	2100.000 MOZSVMd SVM,GF
	000000000465	PRINTER HP 2500N	2003/01/20 CNFDDD5080	00049280	1999.000 MOZSVMd SVM,GF
	000000000466	PRINTER HP 2600N	2006/12/20 CNCRJ05396	00049280	1044.000 MOZSVMGSVM,GF
	000000000467	PRINTER LEXMARK OPTIMUS SC	1998/10/16 SZ30567P	00049280	4556.000 MOZSVMG SVM,GF
	000000000468	DIGITAL SENDER HP 9100C	2006/12/20 JPW8002009	00049280	5800.000 MOZSVMd SVM,GF
	000000000469	PROJECTOR EDCOM	1999/07/13 9HB754	00049280	1100.000 MOZSVMGSVM,GF
	000000000470	DESKTOP DELL DIMENSION 2400	2006/10/11 DCPNWOJ	00049280	1285.000 MOZSVMQ SVM, GF
	000000000471	PC DELL DIMENSION 2400	2006/10/13 135641J	00049280	1285.000 MOZSVMdSVM,GF
000000000472 000	000000000472	PC HP COMPAC DC 7600	2006/12/20 USH620005D	00049280	1253.070 MOZSVMd SVM,GF
000000000473 000	000000000473	LAPTOP HP 6550B	2011/01/06 CNU03823SY	00072366	1909.550 MOZCD01 MATSEPA,M.
000000000474 000	000000000474	LAPTOP HP 6550B	2011/01/06 CNU03824C7	00072366	1909,550 MOZCD01 SIXPENSE,H.
	000000000476	DESKTOP HP COMPAC 500B MT	2011/01/23 4CE0420D3M	( 00055103	1152.220 MOZGOVĄFERRAD,TILIA 1/ 61/
000000000477 000	000000000477	AIR CONDITIONER 24 BTUS TENS	2006/12/20 MOZ2573	00032982	1015.470 MOZRCOGRECEPTION, GF
000000000478 000	000000000478	AIR CONDITIONER 24 BTUS TENS	2006/12/20 MOZ2579	00032982	1015.470 MOZRCOG Jennifer, 2nd floor
000000000478 000	000000000478	AIR CONDITIONER 24 BTUS TENS	2006/12/20 MOZ2579	00032982	1015.470 MOZRCOd MUCHANGA, SERGIO
	000000000479	AIR CONDITIONER 24 BTUS TENS	2006/12/20 MOZ2582	00032982	1015.470 MOZRCOd Muchanga, Sergio
	000000000479	AIR CONDITIONER 24 BTUS TENS	2006/12/20 MOZ2582	00032982	1015.470 MOZRCOGRR,RC
	000000000481	PC HP COMPAC P4 3GHz	2006/12/20 ZAB91101F8	00049280	1253.070 MOZPOVQHYUN,M
000000000482 000	000000000482	PC HP COMPAC P4 3GHz	2006/12/20 ZAB8260265	00049280	1253.070 MOZCPROKATO, JUNKO
000000000483 000	000000000483	PC HP COMPAC P4 3GHz	2006/12/20 ZAB74400NJ	00049280	1253.070 MOZFINO1 JOAQUIM, CALIXTO
	000000000484	PC HP COMPAC P4 3GHz	2006/12/20 ZAB91101DC	00049280	1253.070 MOZPOVO SAHOSHIRO, UTAKO
	000000000485	PC DEL OPTILEX GX 260	2006/12/20 2WFR00J	00020366	1002.690 MOZGOV UNCDF, CARLOTA
	000000000486	GENERATOR EP6500CXS	2011/06/29 1046628030	00020386	1727.340 MOZFSOO ELINA, UNDSS
00000000489 000	000000000489	DESKTOP HP 500 B	2011/06/30 4CE108040T	00049280	1132.840 MOZGOVQIT,GF
00000000489 000	000000000489	DESKTOP HP 500 B	2011/06/30 4CE108040T	00049280	1132.840 MOZGOV¢ Bila, Francina
000000000490 000	000000000490	DESKTOP HP 500 B	2011/06/30 4CE1080409	00049280	1132.840 MOZ0P02 IT,GF
000000000490 000	000000000490	DESKTOP HP 500 B	2011/06/30 4CE1080409	00049280	1132.840 MOZ0P02 Mausse, Laura
	000000000491	DESKTOP HP 500 B	2011/06/30 4CE108040N	00049280	1132.840 MOZPOVQIT,GF
000000000491 000	000000000491	DESKTOP HP 500 B	2011/06/30 4CE108040N	00049280	1132.840 MOZPOVO Matavele, Teresa
000000000492 000	000000000492	DESKTOP HP 500 B	2011/06/30 4CE1080412	00049280	1132.840 MOZCPRO Manjate, Celma
000000000492 00	000000000492	DESKTOP HP 500 B	2011/06/30 4CE1080412	00049280	1132.840 MOZCPRQ IT,GF
000000000493 00	000000000493	LAP TOP HP 6360B	2011/06/30 2CE115194N	00049280	1950.000 MOZOP01 IT, GF
000000000493 00	000000000493	LAP TOP HP 6360B	2011/06/30 2CE115194N	00049280	1950.000 MOZOP01 Bucyana, Leoncie
000000000494	000000000494	LAP TOP HP 6360B	2011/06/30 2CE1151949	00049280	1950.000 MOZPOVO Dava, Gabriel



## UNDP – UNITED NATIONS DEVELOPMENT PROGRAMME PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB) NOTES TO THE PROJECT FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

(Expressed in American Dollars)

### 1 Basis of preparation

The Financial statements were prepared on a Cash basis in accordance with the management procedures agreed with the Donor. Thus, the receipts are not recorded until received in cash and expenditures are assigned to the period in which the respective payments are made.

This basis is not intended to be a presentation in conformity with the International Accounting Standards.

#### 2 Currencies

Financial statements are presented in USD. Payments based in Meticais or other currency than USD are converted into USD at exchange rate of the transaction date. At year end all amounts or balances in Meticais were converted into USD at general exchange rate of 1 USD = 26.50 Meticais.

### 3 Fixed assets

Fixed assets are recorded as current expenditure in the Project financial statements in the period which they arise. However, the Project management maintains a detailed inventory of all non-expendable property.

To the Management of:

-UNDP - UNITED NATIONS DEVELOPMENT PROGRAMME - PROJECT N° 55103 - AWARD ID N° 46333 - GROWING SUSTAINABLE BUSINESS (GSB)

### **EXECUTIVE SUMMARY**

Following our audit work of the PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB), for the period ended 31 December 2011, as agreed and for internal and for management purposes, we have reviewed the internal control procedures related to the following internal control/ management areas:

- Procurement procedures for goods and services;
- ii. Appropriateness of transactions including process of approval and supporting documentation;
- iii. Adequacy of financial record keeping system;
- iv. Adequacy of management structure;
- v. Banks and budgetary control and related reconciliation;
- vi. Report preparation and review procedures;
- vii. Adequacy of the filing system of the project documentation;
- viii. Management of funds received as advance from UNDP;
- ix. Combined Delivery Report (CDR) and other forms records and related reconciliation;
- x. Non-expendable property registers and control; and
- xi. Monitoring, evaluation and reporting of the progress of the project activities.

The audit findings are categorised by level of risk and classified by the possible causes.

RISK:	
HIGH	Action that is considered imperative to ensure that UNDP is not exposed to high risks (i.e. failure to take action could result in major consequences and issues).
MÉDIUM	Action that is considered necessary to avoid exposure to significant risks (i.e. failure to take action could result in significant consequences).
LOW	Action that is considered desirable and should result in enhanced control or better value for money.
CATEGORIZATION OF	POSSIBLE CAUSES OF AUDIT FINDINGS
CAUSES:	
COMPLIANCE	Failure to comply with prescribed UNDP regulations, rules and procedures and local legislation.
GUIDELINES	Absence of written procedures to guide staff in the performance of their functions.
GUIDANCE	Inadequate or lack of supervision by supervisors.
HUMAN ERROR	Mistakes committed by staff entrusted to perform assigned functions.
RESOURCES	Lack o for inadequate resources (funds, skills, staff, etc.) to carry out an activity or function.

In the review of internal control procedures related to the abovementioned management are we have noted the following significant findings:

### I - OBSERVATIONS AND RECOMMENDATIONS FOR CURRENT YEAR

No relevant issues were raised in the reviewing of internal control procedures followed by the PROJECT N° 55103 – AWARD ID N° 46333 – GROWING SUSTAINABLE BUSINESS (GSB),

in the period ended 31 December 2011.

### II - RESULTS OF THE FOLLOW UP OF THE PRIOR YEAR AUDIT RECOMMENDATIONS

- 2.1 Appropriateness of transactions including process of approval and supporting documentation
- 2.2 Prior year expenditures adjustments
- 2.3 Filing system
- 2.4 Document cancelling
- 2.5 Taxes

### II - RESULTS OF THE FOLLOW UP OF THE PRIOR AUDIT RECOMMENDATIONS

Prior Year Management Letter Issues		Follow Up Res	sults	Auditor's comments	Management
	No progress	Some progress	Resolved		comments
2.1 Appropriateness of transactions including process of					
approval and supporting documentation					
a) Expenditure supported by quotations.			Х		
b) Project's staff without work contract.			X		
2.2 Prior year expenditures adjustments					
The list of the project expenses presented expenses with the creditor amounts. According to the explanation given this refers to the adjustment of the estimated expenses accounted for in prior years. These situations misstatement the presentation of the total expenses incurred for the year.			Х		
2.3 Filing system					
The filing system of the supporting documentation of the project expenses do not obey an accounting sequential numbering				N/A	Filing system, is organized according to codification of the accounting system in use at office. That is ordered in accordance with the requisition or voucher order number.
2.4 Document cancelling					/
The supporting documents are not cancelled by a "UNDP-PAID" stamp or other form of cancellation.			Х		
2.5 Taxes					
There is no evidence of retention and payment of employee tax (IRPS) in the payment of the services rendered.			Х		