



**United Nations High Commissioner for Refugees
(UNHCR)**

**Independent Auditors' Report
UNHCR-funded Project Financial Audit
The Society for Humanitarian Rights and Prisoners, PAK,
Pakistan
Partner code: 1205032
Project code: PAK01/2016/0000000757**

Confidential – Property of UNHCR



United Nations High Commissioner for Refugees (UNHCR)

Registered office: Rue de Montbrillant, 94 1201 Geneva, Switzerland

To: UNHCR Representative in Pakistan

CC: Syed Liaqat Banori, Chief Executive Officer

Audited Project: Provision of Legal Assistance for Afghan Refugee in KP

Period covered by the Audited Project Financial Report (PFR): From 01 January 2016 to 31 December 2016 including liquidation period up to 31 January 2017

Project Partnership Agreement Symbol to identify the PFR: PAK01/2016/0000000757

Name of the Partner: The Society for Humanitarian Rights and Prisoners, PAK

Partner code: 1205032

Location: Islamabad, Pakistan



KPMG Taseer Hadi & Co.
Chartered Accountants
Sixth Floor, State Life Building No. 5
Jinnah Avenue, Blue Area
Islamabad, Pakistan

Telephone + 92 (51) 282 3558
+ 92 (51) 282 5956
Fax + 92 (51) 282 2671
Internet www.kpmg.com.pk

Unqualified Opinion

We have audited the accompanying Project Financial Report for the above-mentioned project provided by The Society for Humanitarian Rights and Prisoners, PAK (“Partner”) which comprises cash receipts and disbursements as well as instalment payments between the contractual parties to the agreement, for the period from 01 January 2016 to 31 December 2016 including liquidation period up to 31 January 2017. The Project Financial Report (“PFR”) has been prepared by management of The Society for Humanitarian Rights and Prisoners, PAK in accordance with the bipartite Project Partnership Agreement dated 09 February 2016 ([hereafter referred to as] “the PPA”).

In our opinion, the accompanying PFR has been prepared, in all material respects, in accordance with the modified cash basis of accounting described in the PPA.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the Auditor’s responsibilities for the audit of the PFR section of our report.

We are independent of UNHCR and The Society for Humanitarian Rights and Prisoners, PAK in accordance with the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with IESBA Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of accounting and restriction on distribution and use

We draw attention to the modified cash basis of accounting used in the preparation of the PFR and which is described in the PPA. As a result, the PFR may not be suitable for a purpose other than reporting on the contractual arrangements in the PPA. Our report is intended solely for UNHCR and should not be distributed to or used by parties other than The Society for Humanitarian Rights and Prisoners, PAK. Our opinion is not modified in respect of these matters.

Responsibilities of the Management and Those Charged with Governance for the Project Financial Report

Management of The Society for Humanitarian Rights and Prisoners, PAK is responsible for the preparation of the PFR in accordance with the modified cash basis of accounting described in the PPA and for such internal control they determine necessary to enable the preparation of the PFR that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing The Society for Humanitarian Rights and Prisoners, PAK’s financial reporting process.

Auditors’ responsibilities for the audit of the PFR

Our objectives are to obtain reasonable assurance about whether the PFR is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the PFR.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the PFR, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Partner's internal control.

We communicate with those charged with governance of The Society for Humanitarian Rights and Prisoners, PAK or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Location: Islamabad

Date: 28 April 2017



Riaz Pesnani

KPMG Taseer Hadi & Co

104.77179

UNHCR Sub Office Peshawar
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Project Financial Report # 5
 For Partner 1205032
SOCIETY FOR HUMANITARIAN RIGHT
 For Budget Year 2016

Reporting period from: 1st Dec 2016 to: 31st JAN 2017
 Report Date: 31st JAN 2017

Operation: PAK ABC -

Currency: PKR
 Run Date: 10/01/17 06:01:51

Cost Centre: 33063 - Pakistan, Peshawar; SITUATION:1900 - ANNUAL BUDGET EXCOM APPROVED; PPG: IPAKC - Refs and Asylum Seekers Pakistan; GOAL: PF - Protection and mixed solutions;

Description	Account	REPORTING							REQUESTS / AUTHORIZATIONS (for planning purposes only)	
		Budget	Instalment(s) released as at	Acumulative Expenses up to	Expenses as % of Budget	Budget Balance	New Expenses	Unused Instalment	New Instalment Request	Authorized for Release (UNHCR Use)
		A	11/30/2016 B	11/30/2016 C	11/30/2016 D	E=A-C	F	G=B-C-F	H	I

Cost Centre: 33063 - Pakistan, Peshawar

OBJECTIVE: 113 - Capacity development supported

113AD Capacity development supported											
Do not use from 01/01/2017 - SEMINARS AND RELATED COSTS	628220	1,845,000.00		848,858.00	46.00	996,142.00	769,108.00				
TOTAL for 113AD		1,845,000.00	1,845,000.00	848,858.00	46.01	996,142.00	769,108.00	227,034.00			
113AH Legal assistance provided											
Do not use from 01/01/2017 - DIESEL	606030	2,495,794.00		1,633,445.00	65.44	862,349.00	151,931.00				
Do not use from 01/01/2017 - GENERATOR	607210	270,000.00				270,000.00	196,000.00				
Do not use from 01/01/2017 - WORKSHOP SUPPLIES	608620	436,000.00		336,309.00	77.13	99,691.00	1,142.00				
Do not use from 01/01/2017 - ADVERTISING CONTRACT	610010	106,475.00		103,150.00	96.87	3,325.00					
Do not use from 01/01/2017 - BANK CHARGES - IPs	610050	600,000.00		453,831.77	75.63	146,168.23	-132,229.43				
Do not use from 01/01/2017 - INSURANCE	610230	106,000.00		56,120.00	62.38	39,870.00					
Do not use from 01/01/2017 - LEGAL SERVICES CONTRACT	610250	119,080.00		75,340.00	63.26	43,740.00	34,500.00				
Do not use from 01/01/2017 - TRANSPORT CONTRACT	610460	5,922,769.00		5,180,506.00	87.46	742,263.00	496,163.00				
Do not use from 01/01/2017 - IMPLEMENTING PARTNER NATIONAL	614020	25,723,302.00		22,963,468.00	89.27	2,759,834.00	2,209,137.00				
Do not use from 01/01/2017 - IMPLEMENTING PARTNER TRAVEL C	614050	1,616,364.00		952,538.00	58.93	663,826.00	282,260.00				
Do not use from 01/01/2017 - RENTAL OF OFFICE PREMISES	624110	2,620,000.00		2,187,392.00	83.48	432,608.00	-97,287.00				
Do not use from 01/01/2017 - UTILITIES (ELECTRICITY, WATER, E	624260	549,034.00		480,641.00	87.43	68,993.00	38,290.00				
Do not use from 01/01/2017 - COMMUNICATION COSTS (TELEX, T	624491	799,591.00		543,253.00	67.94	256,338.00	128,607.00				
Do not use from 01/01/2017 - MAINTENANCE AND OPERATION OF	624620	740,683.00		407,201.00	54.97	333,482.00	248,192.00				
Do not use from 01/01/2017 - MAINTENANCE, REPAIR (EQUIPME	624691	142,893.00		76,043.00	53.21	66,850.00	26,650.00				
Do not use from 01/01/2017 - MAINTENANCE, REPAIR (PREMISES)	624692	150,881.00		72,231.00	47.87	78,650.00	18,672.00				
Do not use from 01/01/2017 - OTHER EXPENDABLE OFFICE SUPPL	625120	592,036.00		309,610.00	52.29	282,426.00	302,670.00				
Do not use from 01/01/2017 - ACQUISITION, OFFICE AUTOMATIO	626210	50,000.00				50,000.00	38,000.00				
TOTAL for 113AH		43,040,902.00	43,041,002.00	35,840,488.77	83.27	7,200,413.23	3,942,687.57	3,257,815.66			
TOTAL for Objective 113		44,885,902.00	44,886,002.00	36,689,346.77	81.74	8,196,555.23	4,711,805.57	3,494,849.66			

OBJECTIVE: 312 - Capacity development supported

312AD Capacity development supported											
Do not use from 01/01/2017 - SEMINARS AND RELATED COSTS	628220	128,000.00		78,591.00	61.39	49,409.00	49,163.00				
TOTAL for 312AD		128,000.00		78,591.00	61.40	49,409.00	49,163.00	-127,754.00			
312AS Psychosocial counselling provided											
TOTAL for 312AS			53,000.00					53,000.00			
TOTAL for Objective 312		128,000.00	53,000.00	78,591.00	61.40	49,409.00	49,163.00	-74,754.00			

OBJECTIVE: 314 - Best interest determination process established and operational

314AB Best interest determination process established and operational											
Do not use from 01/01/2017 - MISCELLANEOUS SUPPLIES	625990	25,000.00				25,000.00					
TOTAL for 314AB		25,000.00	100,000.00			25,000.00		100,000.00			
TOTAL for Objective 314		25,000.00	100,000.00			25,000.00		100,000.00			
TOTAL for Cost Centre 33063		45,038,902.00	45,039,002.00	36,767,937.77	81.64	8,270,964.23	4,760,968.57	3,510,095.66			



Project Financial Report # 5

For Partner 1205032

SOCIETY FOR HUMANITARIAN RIGHT

For Budget Year 2016

Reporting period from: 1st Dec 2015 to: 31st JAN 2017

Report Date: 31st JAN 2017

Operation: PAK ABC -

BU/Agreement No: PAK01 000000757

Currency: PKR

Run Date: 10/01/17 06:01:51

Cost Centre: 33063 - Pakistan, Peshawar; SITUATION: 1900 - ANNUAL BUDGET EXCOM APPROVED; PPG: IPAKC - Refs and Asylum Seekers Pakistan; GOAL: PF - Protection and mixed solutions;

Description	Account	REPORTING						REQUESTS / AUTHORIZATIONS (for planning purposes only)		
		Budget A	Instalment(s) released as at 11/30/2016 B	Acumulative Expenses up to 11/30/2016 C	Expenses as % of Budget 11/30/2016 D	Budget Balance E=A-C	New Expenses F	Unused Instalment G=B-C-F	New Instalment Request H	Authorized for Release (UNHCR Use) I
GRAND TOTAL		45,038,902.00	45,039,002.00	36,767,937.77	81.64	8,270,964.23	4,760,968.57	3,510,095.66	0.00	0.00

Income and Expenditure Summary

ACCOUNT	ACCOUNT DESCRIPTION
617000	INSTALLMENT PAYMENT TO IMPLEMENTING PARTNER
618000	IP EXPENDITURES AGAINST INSTALLMENTS
<u>Grand Total:</u>	

EXPENSES
45,039,002.00
(36,767,937.77)
<u>8,271,064.23</u>



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For Partner 1205032

SOCIETY FOR HUMANITARIAN RIGHT

For Budget Year 2016

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Operation: PAK ABC -

BU/Agreement No: PAK01 000000757

Currency: PKR
Run Date: 10/01/17 06:01:51

Cost Centre: 33063 - Pakistan, Peshawar; SITUATION: 1900 - ANNUAL BUDGET EXCOM APPROVED; PPG: 1PAKC - Refs and Asylum Seekers Pakistan; GOAL: PF - Protection and mixed solutions;

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		Budget A	Instalment(s) released as at 11/30/2016 B	Acumulative Expenses up to 11/30/2016 C	Expenses as % of Budget 11/30/2016 D	Budget Balance E=A-C	New Expenses F	Unused Instalment G=B-C-F	New Instalment Request H	Authorized for Release (UNHCR Use) I

Cost Centre: 33063 - Pakistan, Peshawar

For completion by the Partner

- (A) Last instalment received from UNHCR:
- (B) Previous instalments received from UNHCR:
- (C) Interest Earned:
- (D) Miscellaneous Income:
- (E) Total Income: (A + B + C + D)

8,881,170.00
36,157,832.00
330,932.12
45,369,934.12

- (F) Less: Total Expenses:
- (G) Balance due to UNHCR:
- (H) Balance due from UNHCR:
- (I) Acquisition value of Assets under the Partner's custody (List Attached)

41,528,906.34
3,641,027.78
0.00

If expenses are incurred in a currency other than the currency in which the instalment has been remitted, please indicate exchange rate(s) used and attach copies of the relevant bank slips.

CERTIFICATION BY PARTNER

I hereby certify that the information provided in this report is based on the Partners books of accounts and truly reflects the financial situation of the project. I confirm that all UNHCR funds have been used for the intended purposes and in accordance with the Project Partnership Agreement and its Budget. I also confirm that any UNHCR assets in the Partner's custody are safeguarded. I am aware that any ineligible or unauthorized expenditure may be rejected by UNHCR and the funds recovered. The detailed accounting documents for these expenditures can be made available for examination, when required, for the period of six years from the provision of funds.

Name: Syed Liaqat Ali Shah Banori
Title: Chairman
Place: ISLAMABAD-PAKISTAN

Signature: [Handwritten Signature]
Date: 31st Jan 2017



Project Financial Report # 5

For Partner 1205032

SOCIETY FOR HUMANITARIAN RIGHT

For Budget Year 2016

Reporting period from: 1st Dec 2016 to: 31st JAN 2017

Report Date: 31st JAN 2017

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BU/Agreement No: PAK01 000000757

Currency: PKR

Run Date: 10/01/17 06:01:55

Cost Centre: 33063 - Pakistan, Peshawar; SITUATION: 1900 - ANNUAL BUDGET EXCOM APPROVED; PPG: IPAKC - Refs and Asylum Seekers Pakistan; GOAL: PF - Protection and mixed solutions;

Description	Account	REPORTING						REQUESTS / AUTHORIZATIONS (for planning purposes only)	
		Budget A	Instalment(s) released as at 11/30/2016 B	Acumulative Expenses up to 11/30/2016 C	Expenses as % of Budget 11/30/2016 D	Budget Balance E=A-C	New Expenses F	Unused Instalment G=B-C-F	New Instalment Request H

Cost Centre: 33063 - Pakistan, Peshawar

A) For Completion by the UNHCR Verifying Officer

I have verified this financial report as to its completeness, accuracy, consistency with delivered performance and compliance with the Project Partnership Agreement and its Budget, and have noted no exceptions/the exceptions mentioned below. I have also checked the assets in custody of the Partner. I have reasonable assurance that the financial information submitted by the Partner is reliable, that funds provided by UNHCR have been used for the intended purposes, that UNHCR assets are safeguarded, and that the project being/has been implemented as planned.

Please tick the appropriate box below:

- 1. I recommend that the disbursements reported by the Partner, except for an amount of _____, be accepted as UNHCR project expenditure and that a further instalment/a final payment of N/A be remitted to the Partner.
- 2. I recommend that the expenditure reported by the Partner not to be accepted and further improvement/adjustments or verification to be made.
- 3. I recommend that an amount of 3,891,027.28 be recovered from the Partner. (Spent Earned + Unspent)

Comments: key findings:-

<u>(i) Master Payroll</u>	<u>(ii) Master Time Sheet</u>	<u>(iii) Project Symbol</u>
<u>(iv) Bank Charges</u>		

Name: Ajmal Khan Signature: _____
 Title: Project Control Associate
 Place: SO, Pakistan

[Signature] 22/02/2017



Project Financial Report # 5

For Partner 1205032

SOCIETY FOR HUMANITARIAN RIGHT

For Budget Year 2016

Reporting period from: 1st Dec 2015 to: 31st JAN 2017

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Operation: PAK ABC -

Currency: PKR

Run Date: 10/01/17 06:01:51

BU/Agreement No: PAK01 000000757

Cost Centre: 33063 - Pakistan, Peshawar; SITUATION: 1900 - ANNUAL BUDGET EXCOM APPROVED; PPG: 1PAKC - Refs and Asylum Seekers Pakistan; GOAL: PF - Protection and mixed solutions;

Description	Account	REPORTING						REQUESTS / AUTHORIZATIONS (for planning purposes only)	
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<p>Cost Centre: 33063 - Pakistan, Peshawar</p> <p>B) For Completion by the UNHCR Certifying Officer</p>									

I have reviewed this financial report, supporting documents, related performance monitoring report(s), partner's compliance with Partnership Agreement and its Budget and related reports, as well as the recommendations and comments of the verifying staff and based on the availability of funds and cash:

Please tick the appropriate box below:

- 1. I concur with results and recommendations that the expenditure reported by the Partner, except for the amount _____, be accepted as UNHCR Project.
- 2. I concur with recommendation that the amount of 384,027.28/ be reserved from the Partner. (Interest + unpaid)
- 3. I request further review be made to reconcile my observations and that of the Verifying Staff.
- 4. I recommend subsequent instalment of N/A be remitted to the Partner.
- 5. I have informed the Partner about the results of the Verification and certification.

Comments:

<i>92% of expenditure against budget is 92.21%</i>
<i>92% of expenditure against released instalment is 92.21%</i>

Name: Alexis Ariza Althor Signature: _____

Title: Performance Officer Date: _____

Place: Kop, Pakistan

[Handwritten Signature]
Feb 05/17

Attachments

- ① PML03
- ② PML07
- ③ Goods & Property Report
- ④ Project Performance Report (soft copy)

- ⑤ Bank Reconciliation
- ⑥ Bank Statement

Key Findings:

- (a) Master Payroll to maintain properly
- (b) Master time sheet to maintain
- (c) Project Symbol to affix on vouchers and its supporting documents
- (d) To coordinate with bank regarding Bank Cheques



Project Financial Report # 5

For Partner 1205032

SOCIETY FOR HUMANITARIAN RIGHT

For Budget Year 2016

Reporting period from: 1st Dec 2016 to: 31st JAN 2017

Report Date: 31st JAN 2017

Operation: PAK ABC -

BU/Agreement No: PAK01 000000757

Currency: PKR

Ran Date: 10/01/17 06:01:50

Cost Centre: 33063 - Pakistan, Peshawar; SITUATION: 1900 - ANNUAL BUDGET EXCOM APPROVED; PPG: 1PAKC - Refs and Asylum Seekers Pakistan; GOAL: PF - Protection and mixed solutions;

Description	Account	REPORTING						REQUESTS / AUTHORIZATIONS (for planning purposes only)	
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Cost Centre: 33063 - Pakistan, Peshawar
C) For Completion by the UNHCR Approving Officer

- 1. I approve the recording in UNHCR accounts, of the disbursements reported by the Partner, in the amount of 4,760,968.57/-
- 2. I approve the remittance of N/A as a further instalment/a final payment to the Partner.
- 3. I instruct that an amount of 3,841,027.76/- be recovered from the Partner. (Contract signed + unpaid amount).

Name: Shab Mandia Signature: [Signature]
 Title: Head of Sub Office
 Place: Peshawar, Pakistan
23/02/2017