

**UNITED NATIONS HIGH COMMISSION FOR REFUGEES  
("UNHCR")**

**Management Letter**

**for:**

**Charitable foundation ROKADA**

**Partner Code: 1272033**

**Ukraine**

**For the project period ended 31 December 2022**

## Management Letter

<b>Project Identification</b>		
<b>Country</b>	Ukraine	
<b>Auditor</b>	LLC AF PricewaterhouseCoopers (Audit)	
<b>Period covered by the audited Project Financial Report submitted by the Partner ("PFR") : (DD/MM/YYYY to end of liquidation period DD/MM/YYYY)</b>	Project Period: 01 March 2022 – 31 December 2022  End of Liquidation Period: 31 January 2023	
<b>Project Title</b>	PSS for IDPs and the affected population in Western and Central Ukraine	
<b>Partnership Agreement ("PA") Symbol to identify the Project Financial Report</b>	UKR01/2022/0000000288/000	
<b>Final PA Amendment [ Date DD/MM/YYYY and Symbol]</b>	22/11/2022 UKR01/2022/0000000288/001	
<b>Partnership Agreement Type ( )</b>	BILATERAL PROJECT PARTNERSHIP AGREEMENT	
<b>Name of Partner</b>	Charitable foundation ROKADA	
<b>Partner Code</b>	1272033	
<b>Location (s) of PA/PFR records</b>	Lviv, Ukraine	
<b>Total Project Budget (in local currency)</b>	UAH 223,892,610.21	
<b>Total Audited PFR Expenditure (in local currency)</b>	UAH 192,127,732.12	
<b>Total Project Budget (in hard currency) in case the Project has this currency</b>	N/A	
<b>Total Audited PFR Expenditure (in hard currency), in case Project has this currency</b>	N/A	
<b>Total Audited PFR in US\$ Equivalent (using UN FX rate provided by IPMS]</b>	6,051,152.28	
<b>Audit Opinion</b>	Unmodified	
<b>Financial Findings</b>	<b>Number</b>	-
	<b>Financial Impact Currency of the PFR</b>	-
	<b>% of Total Expenditures</b>	-
<b>Key Control Weaknesses (Refer to Management Letter)</b>	<b>Number of High risks</b>	-
	<b>Number of Medium risks</b>	-
	<b>Number of Low risks</b>	-

## Management Letter

United Nations High Commissioner for Refugees (“UNHCR”)

To: UNHCR Representative/ Head of Office / Ukraine

cc: UNHCR Country Office focal Person/ Kateryna Kuritsyna / Ukraine

cc: Charitable foundation ROKADA / Head of the Board/ Gourjii Natalia / Ukraine

### Report on the audit of the Project Financial Report

Dear Sirs/Madams,

In connection with our audit of the Project Financial Report for the Project “PSS for IDPs and the affected population in Western and Central Ukraine” prepared by Charitable foundation ROKADA (the “Partner”) for the period from 1 March 2022 to 31 December 2022 (hereinafter – the “Project Financial Report”, or the “financial statement”), we have a pleasure in presenting our report concerning the internal control, accounting and reporting matters to the UNHCR.

Our audit work was designed to enable us to form an audit opinion on the respective financial statement and was carried out in accordance with International Standards on Auditing.

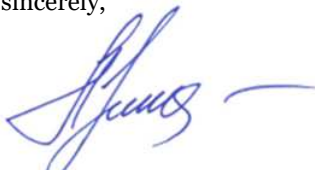
The matters included in this report came to our attention during the normal course of our audit work. As such, this report does not contain all those weaknesses and recommendations, which would be identified by a comprehensive review of the Partner’s internal controls and procedures. Based on the nature of this work, we focused our attention on those areas, which may be subject to further improvement from the audit point of view.

This report is intended solely for the information and use of the UNHCR and the Partner’s management and should not be used for any other purpose.

We would like to acknowledge the considerable help and co-operation from everyone within the Partner we have come into contact with. We would like to take this opportunity to express our appreciation of this assistance.

Naturally, we would be pleased to discuss any of our recommendations in more detail and, if appropriate, assist with the implementation of those recommendations.

Yours sincerely,



---

Lyudmyla Pakhucha,  
Partner, PwC Ukraine

30 May 2023  
Kyiv, Ukraine

## Section 1:

### EXECUTIVE SUMMARY:

#### Audit Objectives:

The objective of the audit is to express our opinion on whether the Project Financial Report (PFR) is prepared, in all material respects, in accordance with the modified cash basis of accounting described in the Project Partnership Agreement (PPA).

#### Scope of work:

The scope of work includes the following:

- The audit of the Project Financial Report of the Partner for the period from 1 March 2022 to 31 December 2022, carried out in accordance with the International Standards on Auditing (ISA);
- Assessment of internal controls indicated in the Internal control questionnaire ("ICQ"), which is enclosed to this Management Letter.

## Section 2: Major Financial Findings

### Audit Opinion

Opinion on Project Financial Report	Unmodified
-------------------------------------	------------

## Section 3: Management Letter

We have assessed the effectiveness of the Partner's key internal control systems for protecting resources provided by UNHCR to the Partner. We noted the following weaknesses, and made the following recommendations to address the risks identified, financial management capacity, and compliance with the terms of Partnership Agreement, which are summarised below:

#	Description	Finding category (Note 1)	Financial finding category (Note 2)	Priority (Note 3)	Net financial impact, UAH (Note 4)	Net financial impact, US\$
1	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>					-	-

**Note 1** Financial/internal control/compliance/other

**Note 2** 'Reimbursement required' or 'further review' or 'reimbursement not required' - refer to Annex 3 for definitions. Not applicable for internal control, compliance or other findings

**Note 3** As per management letter

**Note 4** Leave a dash if not a financial finding

#### Section 4: Overall Assessment of Partner's & Financial Management Capacity

We have completed an internal controls questionnaire, attached to this report. This included an assessment of the Partner's internal controls and financial management. We have issued the following ratings:

<b>Payment and bank management</b>	Adequate
<b>Procurement</b>	Adequate
<b>Management of activities subcontracted to sub-partners</b>	Not applicable
<b>Personnel engagement and payment</b>	Adequate
<b>Budget</b>	Adequate
<b>Goods and property</b>	Adequate
<b>General control environment</b>	Adequate
<b>Compliance with other terms of the Partnership Agreement</b>	Adequate
<b>OVERALL ASSESSMENT</b>	Adequate

**Note 5** Refer to the completed ICQ and apply the appropriate rating for each 'process' above based on the ratings given for each 'key control attribute' of this 'process'

**Note 6** Give an overall rating based on the area ratings above.

#### Section 5: Follow-up on previous audit recommendations

The Partner was not audited in the prior year.

## ANNEXES

### ANNEX 1 Priorities of audit recommendations

Criticality	Description
<b>High (critical)</b>	Prompt action is required to ensure UNHCR is not exposed to high risks. Failure to take action could result in major negative consequence for UNHCR.
<b>Medium (important)</b>	Action is required to ensure that UNHCR is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNHCR.
<b>Low</b>	Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if dealt with during the exit meeting, should not be included in the audit report.

### ANNEX 2 Definition of ratings used in the internal controls questionnaire

Standard rating	Definition
<b>Adequate</b>	Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited party.
<b>Requires improvement</b>	Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity.
<b>Inadequate</b>	Internal controls, governance and risk management processes were neither established nor functioning well. The issues identified were such that the overall objectives of the audited entity could be seriously compromised.

### ANNEX 3 Categories of financial findings

Category	Definition
<b>Reimbursement required</b>	Findings that will require the recovery of funds from the Partner because the reported expenditures are not justified and not in accordance with the PPA.
<b>Further review</b>	Findings that in exceptional circumstances could not be unresolved and or classified as reimbursement required or reimbursement not required, hence needs further reviews and consideration by UNHCR.
<b>Reimbursement not required</b>	Findings which relate to budget compliance, timing of expenditure recording and similar issues where expenditure is justified and otherwise in accordance with the PPA.

#### **ANNEX 4 Internal controls questionnaire**

Submitted separately as an Excel file.

#### **ANNEX 5 Management letter**

Submitted separately as an Excel file.

**Note:**

The Management Letter & ICQ should be submitted in excel-sheet (electronic format for enabling and assisting UNHCR to collect, collate and analysis all the reports from all auditors.