UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

FINANCIAL AUDIT REPORT

22 November 2017

PROJECT NAME: SUPPORT TO THE MASTER PLAN MODERNIZATION OF THE GUATEMALAN SOCIAL SECURITY INSTITUTE
PROJECT NUMBER: 53788
COUNTRY: GUATEMALA
AUDITOR: MOORE STEPHENS LLP
PERIOD SUBJECT TO AUDIT: 14 November 2006 to 30 April 2017
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Acronyms and abbreviations

UNOPS  United Nations Office for Project Services
USD    United States Dollars
Financial audit report

Audit opinion on the project financial statement

Report of the Independent Auditors to UNOPS Guatemala

We have audited the accompanying project financial statement for the project ‘Support to the Master Plan Modernization of the Guatemalan Social Security Institute’ (‘the project’) (OneUNOPS project ID 53788), of UNOPS for the period from 14 November 2006 to 30 April 2017.

Management responsibility for the financial statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with International Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of a financial statement that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Auditor’s opinion

In our opinion, the financial statement gives a true and fair view of, in all material respects, the income and expenditure of the project ‘Support to the Master Plan Modernization of the Guatemalan Social Security Institute’ (OneUNOPS project ID 53788), for the period from 14 November 2006 to 30 April 2017 in conformity with the terms of the agreements and in accordance with International Public Sector Accounting Standards.

Project financial statement

This is attached as Annex I to this report.
Mark Henderson
Partner

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

22 November 2017
Responsibility statement by management

This is attached as Annex II to this report.
Annex I – Project financial statement
Dear Mr. Herrera,

Subject: Interim Financial Statement as at 30 April 2017

We enclose the Interim Financial Statement as at 30 April 2017 for project 00053788-“Support to the Master Plan Modernization of the Guatemalan Social Security Institute” which commenced in 2007 and indicates the incurred expenditure as at 30 April 2017.

We draw your attention to the following:

a) incurred expenditure and management fee to 30 April 2017 is US$ 96,131,971
b) the total funding recorded to 30 April 2017 is US$ 114,302,319 including a total interest earned to 31 December 2015 of US$ 1,594,347 and
c) the net cash on hand is US$ 14,084,342

“UNOPS has implemented the International Public Sector Accounting Standards (IPSAS) as of 01 January 2012 to conform with accounting practices promoted by the International Public Sector Standards Board (IPSASB), and as a response to the General Assembly decision on a United Nations system-wide IPSAS implementation. UNOPS’ implementation of IPSAS is an integral part of strengthening the quality and uniformity of financial reporting within the United Nations system, and we have therefore made a number of revisions to our accounting policies including the Financial Regulations and Rules. In line with adopting the IPSAS standards there are a few changes to our presentation of the project financial statements such as terminology and expense recognition in 2012. “

This statement is submitted for your information and record.

If you have any question, please do not hesitate to contact the project focal point.

Yours sincerely,

Arantzazu Ojinaga
Regional Financial Management Officer
LCR, Office of the RD
INTERIM FINANCIAL REPORT
Project: 53788 - Support to the master plan modernization of the Guatemalan Social Security Institute
Partner(s): 1190 - UNDP - MSA Recipient Governments, 1349 - Guatemala, 1570 - UNDP.
As on: 30-Apr-2017

Income:
- Contributions:
  - 2007: 8,647,004
  - 2009: 6,173,465
  - 2010: 12,705,056
  - 2011: 21,820,411
  - 2012: 29,181,039
  - 2013: 23,562,253
  - 2016: 12,216,984

- Interest:
  - 2007: 135,161
  - 2008: 272,682
  - 2009: 109,052
  - 2010: 104,855
  - 2011: 216,973
  - 2012: 214,466
  - 2013: 296,684
  - 2014: 152,860
  - 2015: 91,614

- Refunds:
  - 2010: (516,895)
  - 2011: (108,748)
  - 2012: (216,973)
  - 2013: (214,466)
  - 2014: (296,684)
  - 2015: (152,860)
  - 2017: (91,614)

Total Income: 114,306,212

Less: Project Expenses

<table>
<thead>
<tr>
<th>Period-Years</th>
<th>Project(s) Expense</th>
<th>Management Fees</th>
<th>Net Exchange Gain/Loss</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>342,709</td>
<td>20,467</td>
<td>0.00</td>
<td>363,176</td>
</tr>
<tr>
<td>2008</td>
<td>2,741,680</td>
<td>151,420</td>
<td>0.00</td>
<td>2,893,099</td>
</tr>
<tr>
<td>2009</td>
<td>6,452,131</td>
<td>342,078</td>
<td>(43,790)</td>
<td>6,750,419</td>
</tr>
<tr>
<td>2010</td>
<td>11,323,257</td>
<td>469,81</td>
<td>1,701</td>
<td>11,794,770</td>
</tr>
</tbody>
</table>

Total Expenses: (1,598,240)
<table>
<thead>
<tr>
<th>Year</th>
<th>Project(s) Expense</th>
<th>Management Fees</th>
<th>Net Exchange Gain/Loss</th>
<th>Total Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>18,457,446.</td>
<td>690,269</td>
<td>(4,285)</td>
<td>19,143,430</td>
</tr>
<tr>
<td>2012</td>
<td>19,583,357</td>
<td>667,798</td>
<td>(10,052)</td>
<td>20,241,103</td>
</tr>
<tr>
<td>2013</td>
<td>14,530,511</td>
<td>532,849</td>
<td>9,380</td>
<td>15,072,740</td>
</tr>
<tr>
<td>2014</td>
<td>15,441,755</td>
<td>545,837</td>
<td>51,291</td>
<td>16,038,883</td>
</tr>
<tr>
<td>2015</td>
<td>1,429,783</td>
<td>59,329</td>
<td>(2,801)</td>
<td>1,486,311</td>
</tr>
<tr>
<td>2016</td>
<td>1,356,937</td>
<td>60,311</td>
<td>(44,918)</td>
<td>1,372,330</td>
</tr>
<tr>
<td>2017</td>
<td>876,383</td>
<td>39,437</td>
<td>59,890</td>
<td>975,710</td>
</tr>
</tbody>
</table>

Total Expenditure: B = 96,131,971

Less: Project Advances (C) = (14,146)

Less: Project Capitalised Assets D = 0.00

Project Cash Balance A-B-C-D = 18,184,494

Less: Commitments E = 4,100,152

Project Fund Balance A-B-C-D-E = 14,084,342

*** Books for the reporting period have not been closed yet. Management Fees include projections for open period(s). ***

Notes:
* All amounts are in USD. Transactions in non-USD have been converted to USD at the UN operational rate of exchange as on the date of the transaction.
* This is an interim statement provided for information purposes only. Figures are not final.
* Project advances include operational advances, prepayments, petty cash, and any VAT payments to suppliers that have yet to be recovered.

Certified by: Arantzazu Ojinaga/Regional Financial Management Officer
Annex II – Responsibility statement by management
UNITED NATIONS OFFICE FOR PROJECT SERVICES

Project ID: 00053788

SUPPORT TO THE MASTER PLAN MODERNIZATION OF THE GUATEMALAN SOCIAL SECURITY INSTITUTE PROJECT

Responsibility Statement by Management

The United Nations Office for Project Services (UNOPS) management is responsible for the preparation, integrity and fair presentation of the Financial/Income/Income-Expenditure Statement of the UNOPS Project ID. 00053788 Support to the Master Plan Modernization of the Guatemalan Social Security Institute project. The Statement, presented under annex I, has been prepared in accordance with the applicable UNOPS regulations and rules.

We do hereby state that, in our opinion:

Financial Statement

The Financial Statement as reported, presents fairly in all material respects, the expenditure of US$ 96,131,971 incurred by the UNOPS office for the period 14 November 2006 to 30 April 2017 in accordance with the accounting policies set out in the Notes to the Statement and in conformity with approved activities and budgets of UNOPS Project ID. 00053788 Support to the Master Plan Modernization of the Guatemalan Social Security Institute project.

Arantxaz Ojinaga
Regional Financial Management Officer
Region: LCR
Place: Panama
Date: 07/06/2017

Fabrizio Feliciani
Regional Director
Region: LCR
Place: Panama
Date: 07/06/2017

Esaú Beltrán
Project Manager
Region: LCR
Place: Panama
Date: 07/06/2017