PROJECT NAME: ASISTENCIA AL INADEH EN LA IMPLEMENTACIÓN DEL CONTRATO DE PRÉSTAMO CAF PARA EL FINANCIAMIENTO DEL PLAN “TRANSFORMACIÓN Y MEJORA INTEGRAL DEL INADEH”

PROJECT NUMBER: 22875-001

COUNTRY: PANAMA

AUDITOR: BDO LLP

PERIOD SUBJECT TO AUDIT: 14 MARCH TO 31 DECEMBER 2022
Contents

Acronyms and abbreviations .................................................................................................................. 3

Financial audit report ............................................................................................................................... 4

Audit opinion on the project financial statement ....................................................................................... 4
Use of this report ......................................................................................................................................... 5
Audit opinion on the statement of non-expendable property ..................................................................... 6

Annex I – Project financial statement
Annex II – Statement of non-expendable property
Annex III – Responsibility statement by management
### Acronyms and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAF</td>
<td>Corporación Andina de Fomento (Development Bank of Latin America and the Caribbean)</td>
</tr>
<tr>
<td>IAIG</td>
<td>Internal Audit and Investigations Group</td>
</tr>
<tr>
<td>IESBA</td>
<td>International Ethics Standards Board for Accountants</td>
</tr>
<tr>
<td>INADEH</td>
<td>Instituto Nacional de Formación Profesional y Capacitación para Desarrollo Humano (National Institute of Professional Training for Human Development)</td>
</tr>
<tr>
<td>ISA</td>
<td>International Standards on Auditing</td>
</tr>
<tr>
<td>UNOPS</td>
<td>United Nations Office for Project Services</td>
</tr>
<tr>
<td>US$</td>
<td>United States Dollars</td>
</tr>
</tbody>
</table>
Audit opinion on the project financial statement

Unmodified opinion
We have audited the accompanying project financial statement for the project ‘Asistencia al INADEH en la implementación del contrato de préstamo CAF para el financiamiento del plan Transformación y mejora integral del INADEH’ (“the project”) (oneUNOPS project ID 22875-001), which is implemented and managed by the UNOPS Office in Panama, for the period from 14 March to 31 December 2022.

In our opinion, the financial statement gives a true and fair view of, in all material respects, the income and expenditure of the project ‘Asistencia al INADEH en la implementación del contrato de préstamo CAF para el financiamiento del plan Transformación y mejora integral del INADEH’ (“the project”) (oneUNOPS project ID 22875-001), for the period from 14 March to 31 December 2022 in conformity with the terms of the agreements and in accordance with International Public Sector Accounting Standards.

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 responsibility for the audit of the project financial statement’ section of this report.

We are independent of UNOPS in accordance with the IESBA Code of Ethics for Professional Accountants. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 for the audit of the project financial statement
The objectives of our audit are set out in the terms of reference for the audits of UNOPS projects, as issued by the Internal Audit and Investigations Group (IAIG) of UNOPS, and include obtaining reasonable assurance about whether the project financial statement 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 decisions of users taken on the basis of the project financial statement.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also identify and assess the risks of material misstatement of the project financial statement, 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.

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

**Use of this report**

This report is made solely to UNOPS, in accordance with terms of reference defined by UNOPS. Our work has been undertaken so that we might state to UNOPS those matters we are required to state to it in accordance with UNOPS’s terms of reference and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than UNOPS, for our work, for this report, or for the opinions we have formed.

**Project financial statement**

This is attached as Annex I to this report.
Audit opinion on the statement of non-expendable property

Unmodified opinion

We have audited the accompanying statement of non-expendable property of the project ‘Asistencia al INADEH en la implementación del contrato de préstamo CAF para el financiamiento del plan Transformación y mejora integral del INADEH’ (oneUNOPS project ID 22875-01) of UNOPS as at 31 December 2022.

In our opinion, the statement of non-expendable property presents fairly, in all material respects, the status of non-expendable property of the project ‘Asistencia al INADEH en la implementación del contrato de préstamo CAF para el financiamiento del plan Transformación y mejora integral del INADEH’ (oneUNOPS project ID 22875-01), as at 31 December 2022, in conformity with the terms of the agreements and in accordance with International Public Sector Accounting Standards.

Statement of non-expendable property

This is attached as Annex II to this report.

Robert Waters
Partner

BDO LLP
55 Baker Street
London W1U 7EU

10 October 2023
Responsibility statement by management

This is attached as Annex III to this report.
Annex I – Project financial statement
Dear Sir/Madam,

Subject: ANNUAL FINANCIAL STATEMENT

We enclose the Annual Financial Statement for project 22875-001 - Asistencia al INADEH en la implementación del contrato de préstamo CAF, which commenced in year 2022 and indicates the incurred expenditure as at 31 Dec 2022

We draw your attention to the following:

a. Total funds received: US$ 5,409,285 which includes interest earned: US$ 9,285
b. Incurred expenditure and management fee: US$ 1,144,123
c. Project advances: US$ 1,000
d. Commitments: US$ 1,746,760
e. Fund Balance: US$ 2,517,402

If you have any questions, please do not hesitate to contact UNOPS.

Yours Sincerely,

Finance Officer, SSC IPAS FINANCE
ANNUAL FINANCIAL STATEMENT

Project: 22875-001 - Asistencia al INADEH en la implementación del contrato de préstamo CAF
Partner(s): 1322 - Panama
As on: 31 Dec 2022

Income:

<table>
<thead>
<tr>
<th>Contributions</th>
<th>2022</th>
<th>5,400,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>2022</td>
<td>9,284.93</td>
</tr>
</tbody>
</table>

| Total Income A | 5,409,285 |

Less: Project Expenses Period-Years

| 2022 | Project(s) Expense | 971,970.51 |
|      | Management Fees    | 172,116.13 |
|      | Net Exchange Gain/Loss | 36.18 |

| Total Expenditure B | 1,144,123 |

Less: Project Capitalised Assets: C 0

Less: Project Advances D 1,000

Project Cash Balance (Surplus) A-B-C-D 4,264,162

Less: Actual Commitments

| PO Commitments | E | 1,688,695 |
| HR Commitments | E | 27,280 |
| Projected Fees on Commitments | E | 30,785 |
| Prepayments | E | 0 |
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.
❖ Project advances include operational advances, prepayments, petty cash, and any VAT payments to suppliers that have yet to be recovered.
❖ The statement is prepared in accordance to IPSAS reporting requirement, the reported figure under commitment is for information and it discloses only the expected utilisation of project funds as of the reporting period, these commitments are not charged as an expense until the goods are delivered or services rendered.

Certified by: Finance Officer, SSC IPAS FINANCE
Date: 25 August

Report run on: 25 Aug 2023
Annex II – Statement of non-expendable property
**Capitalized Assets**

Cost Centre:
Project: 22875-001
Donor:
Depreciation Book:
Period From: 202201
Period To: 202212
As of: 21-09-2023

<table>
<thead>
<tr>
<th>ASSET_ID</th>
<th>ASSET_DESCR</th>
<th>ASSET_CATEGOR</th>
<th>ASSET_GROUP</th>
<th>IN_SERVICE_PERIOD</th>
<th>DEPR./CAP.</th>
<th>LASTEST_DEPRE_PERIOD</th>
<th>USERFUL_LIFE</th>
<th>DEPRIC_PERIOD_COUNT</th>
<th>REMAINING_USFUL_LIFE</th>
<th>NET_BOOK_VALUE (NBV)</th>
<th>CUM_DEPRECIATION</th>
<th>COST_ADJUSTMENTS</th>
<th>YTD_CUM_DEPRECIATION</th>
<th>DEPRIC_BOOK</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*There are no capitalizable assets as of 12/31/2022*
Annex III – Responsibility Statement by Management
Annex III
UNITED NATIONS OFFICE FOR PROJECT SERVICES

Project ID: 22875 Asistencia al INADEH en la implementación del contrato de préstamo CAF para el financiamiento del plan "Transformación y mejora integral del INADEH".

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 Statements of the UNOPS Project ID22875 Asistencia al INADEH en la implementación del contrato de préstamo CAF para el financiamiento del plan "Transformación y mejora integral del INADEH". The Statement presented in Annual Financial Statement 2022 has been prepared in accordance with the project ID22875 agreement and the requirements of the applicable UNOPS regulations and rules.

Financial Statement

The Financial Statement as reported in Annual Financial Statement 2022, presents fairly in all material aspects, the expenditure of US$ 1,144,123.00 incurred by the UNOPS office for the period 14 March 2022 to 31 December 2022 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 ID22875 Asistencia al INADEH en la implementación del contrato de préstamo CAF para el financiamiento del plan "Transformación y mejora integral del INADEH".

Statement of Inventory of Non-Expendable Equipment

The Statement of Non-Expendable Equipment (reference, Annual Financial Statement 2022) presents fairly, in all material respects, the Non-Expendable Equipment balance procured during the period from 14 March 2022 to 31 December 2022 of the project amounting to US$ 0 in accordance with the Non-Expendable Inventory listing certified by project management.

Head of Support Services
Multi-Country Office Director
Project/Portfolio Manager

Region: LCR, PAMCO
Region: LCR, PAMCO
Region: LCR, PAMCO

Place: Panamá
Place: Panamá
Place: Panamá

Date: August 11, 2023
Date: August 11, 2023
Date: August 11, 2023