

AUDIT OF FINANCIAL STATEMENTS PROFONANPE

**Audit Report of the Financial Statements of the Donation
Agreement PER-RS-005 of the Project
"Actions to access different financing modalities
of the GCF in Peru" for the period from January 24, 2020 to
December 23, 2021**



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EXECUTIVE SUMMARY

Sir
Anton Willems Delanoy
Executive Director
PROFONANPE
Lima Peru. -

Dear Sirs:

This document constitutes the **"Executive Summary"** of the Audit Report of the Financial Statements of the Donation Agreement PER-RS-005 from January 24, 2020 to December 23, 2021 of the Project "Actions to access different financing modalities of the GCF in Peru". The content of this summary is as follows:

1. BACKGROUND

a) UNOPS

Since 1995, UNOPS has worked in Peru offering project management, infrastructure, procurement and advisory services. The UNOPS country team primarily provides technical assistance to build the Government's capacity to improve the effectiveness of the services it offers to the population.

UNOPS supports a wide variety of projects in the areas of health, education, justice and social inclusion, governance and public policy, the environment, transport, agriculture, and sports and leisure.

b) From the executing entity of the project

Profonanpe is a non-profit private law institution, established by Decree Law No. 26154 of December 29, 1992, with the purpose of managing the National Fund for Natural Areas Protected by the State (FONANPE) and has legal existence and personality own legal In accordance with the provisions of Art. 181.1 of the Regulations of the Law on Natural Protected Areas (Supreme Decree No. 038-2001-AG), Profonanpe is responsible for capturing, channeling and allocating the complementary resources required to contribute to conservation, protection and management of the Protected Natural Areas included in the aforementioned Regulation.



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c) Donation Agreement

On December 30, 2019, the PER-RS-005 donation agreement for the project was signed "Actions to access different financing modalities of the GCF in Peru" with the objective of strengthening the institutional capacities of Profonanpe so that it can better perform its role as the National Entity for the Implementation of the Fund.

Said agreement establishes that the total financing amount of the Project is USD 832,058 to be executed during the period from January 24, 2020 to December 23, 2021.

2. OBJECTIVES AND SCOPE OF THE AUDIT

The contract for professional external audit services signed with Profonanpe, to carry out the audit of the Project "Actions to access different financing modalities of the GCF in Peru", established the following objectives:

- Issue an opinion on whether the financial statements of the Project fairly present, in all material respects, the sources and uses made during the audited period, in accordance with accounting standards acceptable to the Donor and with the requirements of the respective agreement.
- Issue an opinion regarding compliance with the clauses set forth in the Donation Agreement PER-RS-005.
- Issue a report regarding the adequacy of the internal control structure of the executing entity in relation to the Project.

Our audit was carried out in accordance with the International Auditing Standards issued by the International Auditing and Assurance Standards Board - IAASB, approved for application in Peru by the Board of Deans of Public Accounting Associations of Peru, for which it included the transactions carried out with the funds of the aforementioned Donation Agreement, for the period from January 24, 2020 to December 23, 2021.

3. AUDIT RESULTS

Of the audit of the financial statements of the Project "Actions to access different financing modalities of the GCF in Peru" for the period from January 24, 2020 to December 23, 2021, we have issued our audit report on March 14, 2022. A summary of this report is presented below:

- Unqualified opinion on the statement of sources and use of funds and the statement of accumulated investments for the period covered by the January 24, 2020 to December 23, 2021.
- We believe that Profonanpe reasonably complied with the clauses of the Donation Agreement PER-RS-005, for the period from January 24, 2020 to December 23, 2021.
- We are of the opinion that the expenses executed with funds from the project financed by UNOPS, included in the requests for funds submitted in the periods under review, are valid and eligible. Likewise, we believe that the funds were used solely for the purposes of the aforementioned project.



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- In the report on the internal control established by Profonanpe in the period covered by the January 24, 2020 to December 23, 2021, no significant deficiencies are reported regarding the design and operation of internal controls in the project.

4. ENTITY COMMENTS

The Executive Management of Profonanpe has taken notice of this audit report.

Lima Peru

March 14, 2022

Endorsed by:

A handwritten signature in blue ink, appearing to read 'A.R.D.'

Andres Ropert Dokmarovic (Partner)
Chartered Public Accountant
Registration No. 39184



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REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS OF THE GRANT AGREEMENT

To the members of the Board of Directors and Executive Director
PROFONANPE

1. We have audited the statement of sources and uses of funds for the period covered by the January 24, 2020 to December 23, 2021 and the statement of accumulated investments as of December 23, 2021, corresponding to the project "Actions to access different financing modalities of the GCF in Peru", through the Donation Agreement PER-RS-005 and managed by Profonanpe.

Responsibility of the administration of PROFONANPE for the financial statements of the project

2. PROFONANPE's management is responsible for the preparation and fair presentation of the financial statements of the aforementioned project, in accordance with the cash accounting basis. This responsibility includes: designing, implementing and maintaining the relevant internal control in the preparation and fair presentation of the financial statements so that they do not include material errors, whether as a result of fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. Our audit was carried out in accordance with the International Auditing Standards - NIA disclosed by the International Auditing and Assurance Standards Board - IAASB approved for application in Peru by the Board of Deans of Public Accounting Associations of Peru. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the balances and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk that the financial statements are materially misstated, whether as a result of fraud or error. In making this risk assessment, the auditor considers the entity's internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Profonanpe's internal control.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

6. In our opinion, the accompanying financial statements present fairly, in all material respects, the sources and uses of funds for the period from January 24, 2020 to December 23, 2021, and the accumulated investments of the project "Actions to access different financing modalities of the GCF in Peru", through Grant Agreement PER-RS-005, for the periods ending on those dates, in accordance with the accounting policies described in Note 2 to the attached financial statements and the terms of the aforementioned Grant Agreement.

Accounting basis

7. Without modifying our opinion, we refer to note 2 to the financial statements of the project that describes the basis of accounting. The financial statements of the Project "Actions to access different financing modalities of the GCF in Peru", through the Donation Agreement PER-RS-005, for the period from January 24 to December 23, 2021, executed by Profonanpe, have been prepared in accordance with the cash accounting basis. According to this accounting basis, revenues are recognized when they are received, and expenses when they are paid and not when they are accrued, which originates a different method from the one based on the generally accepted accounting principles in Peru.

Another matter

8. This report is issued solely for the knowledge and use of Profonanpe and UNOPS, so it should not be used by others or for purposes other than those indicated here.

Lima Peru

March 14, 2022

Endorsed by:

A handwritten signature in blue ink, appearing to read 'Andres Ropert Dokmanoff'.

Andres Ropert Dokmanoff (Partner)
 Chartered Public Accountant
 Registration No. 39184

STATEMENT OF SOURCES AND USES OF FUNDS

FOR THE PERIOD FROM JANUARY 24, 2020 TO DECEMBER 23, 2021
 (Expressed in US Dollars)
 (Notes 1 and 2)

	Grades	From 01/24/2020 to 12/31/2020	From 01/01/2021 to 12/23/2021	Accumulated as of 12/23/2021
Funding Sources:				
Funds transferred by the donor		665,646	0	665,646
Institutional Loan		0	97,000	97,000
Institutional Loan – Delivery Partner Fee		0	64,465	64,465
Total Funding Sources	3	665,646	161,465	827,111
Less:				
Use of funds				
Component 3: Direct access to climate finance				
International individual consultant	4	(18,047)	(53,702)	(71,749)
local individual consultant	5	(36,232)	(165,525)	(201,757)
Professional services/company	6	(28,196)	(285,358)	(313,554)
Workshop / Training	7	(55,401)	(62,985)	(118,386)
Subtotal component 3		(137,876)	(567,570)	(705,446)
Project management cost				
Consult - individual - local financial audit	5	(28,105)	(20,162)	(48,267)
	8	0	(4,700)	(4,700)
Subtotal Project Management Cost		(28,105)	(24,862)	(52,967)
Delivery partner fee		0	(64,465)	(64,465)
Total Use of Funds		(165,981)	(656,897)	(822,878)
TOTAL		499,665	(495,432)	4,233
Cash at beginning of period		0	499,665	0
Book Balance Banks		499,665	4,233	4,233

STATEMENT OF ACCUMULATED INVESTMENTS

FOR THE PERIOD FROM JANUARY 24, 2020 TO DECEMBER 23, 2021

(Expressed in US Dollars)

Component/Category	Investment from 01/24/2020 to 12/31/2020	Investment from 01/01/2021 to 12/23/2021	Accumulated as of 12/23/2021	Total budget
Component 3: Direct access to climate finance				
International individual consultant	18,047	53,702	71,749	72,000
local individual consultant	36,232	165,525	201,757	202,000
Professional services/company	28,196	285,358	313,554	314,000
Workshop / Training	55,401	62,985	118,386	118,800
Subtotal component 3	137,876	567,570	705,446	706,800
Project management cost				
Consultant - Individual - Local	28,105	20,162	48,267	48,306
audit fee	0	4,700	4,700	4,700
Subtotal Project Management Cost	28,105	24,862	52,967	53,006
Contingency	0	0	0	7,068
Delivery partner fee		64,465	64,465	65,184
TOTAL INVESTMENTS (*)	165,981	656,897	822,878	832,058

(*) 98.90% (US\$822,879) of the total budget of US\$832,058 for the Readiness III project has been executed, registering a balance of US\$9,179.