

## **AUDIT OF FINANCIAL STATEMENTS**

**PROFONANPE**

**Audit Report of the Financial Statements of the Grant Agreement**

**PER-RS-003 of the Project:**

**"Increasing Profonanpe's capacities as DAE of Peru - Stage II" for  
the period from July 26, 2019 to August 25, 2021**



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## EXECUTIVE SUMMARY

Mister:  
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 PER-RS-003 Donation Agreement from July 26, 2019 to August 25, 2021 of the Project: "Increasing Profonanpe's capacities as DAE of Peru - Stage II". 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 mainly provides technical assistance to develop 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, transportation, agriculture, and sports and recreation.

#### b) From the executing entity of the project

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

#### c) Donation Agreement

On June 21, 2019, the donation agreement PER-RS-003 of the project was signed "Increasing Profonanpe's capacities as DAE of Peru - Stage II" with the objective of strengthening the institutional capacities of Profonanpe so that it can better carry out its role as the National Implementation Entity of the Fund.

Said agreement establishes that the total financing amount for this project is USD 301,165 to be executed during the period from July 26, 2019 to August 25, 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 "Increasing Profonanpe's capacities as DAE of Peru - Stage II", established the following objectives:



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- Issue an opinion on whether the financial statements of the Project reasonably present, in all important 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 PER-RS-003 Donation Agreement.
- Issue a report regarding the adequacy of the executing entity's internal control structure in relation to the Project.

Our audit was performed 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 Colleges of Public Accountants of Peru, therefore it included the transactions carried out with the funds of the aforementioned Donation Agreement, for the period from July 26, 2019 to August 25, 2021.

A summary of the audit procedures applied is presented in Annex N ° 1 of this report.

### 3. AUDIT RESULTS

Of the audit of the financial statements of the Project "Increasing Profonanpe's capacities as DAE of Peru - Stage II" For the period from July 26, 2019 to August 25, 2021, we have issued our audit report, on November 30, 2021. A summary of this report is presented below:

- Unqualified opinion on the status of sources and use of funds and the status of accumulated investments for the period from July 26, 2019 to August 25, 2021.
- We believe that Profonanpe reasonably complied with the clauses of the PER-RS-003 Donation Agreement, for the period from July 26, 2019 to August 25, 2021.
- We are of the opinion that expenditures executed with funds from the UNOPS-funded project, 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.
- In the report on internal control established by Profonanpe in the period from July 26, 2019 to August 25, 2021, no significant deficiencies are reported regarding the design and operation of the internal controls in the project.



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#### 4. COMMENTS FROM THE ENTITY

The Executive Directorate of Profonanpe has taken cognizance of this audit report.

Lima Peru

November 30, 2021

Endorsed by:

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



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## REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS OF THE DONATION AGREEMENT

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

1. We have audited the status of sources and uses of funds for the period from July 26, 2019 to August 25, 2021 and the status of accumulated investments as of August 25, 2021, corresponding to the project "Increasing Profonanpe's capacities as DAE of Peru - Stage II", through the PER-RS-003 Donation Agreement and administered by Profonanpe.

### Responsibility of the PROFONANPE administration 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 - ISAs disclosed by the International Auditing and Assurance Standards Board - IAASB approved for application in Peru by the Board of Deans of Colleges of Public Accountants of Peru. Such standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements do not include material misstatements.
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 assessing the risk that the financial statements contain material misstatements, whether as a result of fraud or error. In conducting this risk assessment, the auditor takes into consideration the entity's relevant internal control for the preparation and fair presentation of the financial statements, in order to design audit procedures in accordance with 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 us with a basis for our audit opinion.

### Opinion

6. In our opinion, the accompanying financial statements present fairly, in all their material respects, the sources and uses of funds for the period from July 26, 2019 to August 25, 2021, and the accumulated investments of the project "Increasing Profonanpe's capacities as DAE of Peru - Stage II", through Donation Agreement PER-RS-003, for the periods ended on those dates, in accordance with the accounting policies described in Note 2 to the accompanying financial statements and the terms of the Donation Agreement mentioned above.



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#### Accounting basis

7. Without modifying our opinion, we refer to note 2 to the financial statements of the project that describes the accounting basis. The financial statements of the Project "Increasing Profonanpe's capacities as DAE of Peru - Stage II", through the PER-RS-003 Donation Agreement, for the period from July 26 to August 25, 2021, executed by Profonanpe, have been prepared in accordance with the cash accounting base. According to this accounting basis, income is recognized when it is received, and expenses when it is paid and not when it is accrued, which originates a method different from that based on accounting principles generally accepted 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 herein.

Lima Peru

November 30, 2021

Endorsed by:

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

## STATEMENT OF SOURCES AND USE OF FUNDS

FOR THE PERIOD FROM JULY 26, 2019 TO AUGUST 25, 2021

(Expressed in United States Dollars)

(Notes 1 and 2)

	Grades	From 07/26/2019 to 12/31/2019	From 01/01/2020 to 12/31/2020	From 01/01/2021 to 08/25/2021	Accumulated as of 08/25/2021
<b>Sources of Funds:</b>					
Donor Transferred Funds		169,158	-	120,210	289,368
Institutional Loan		-	-	3,559	3,559
<b>Total</b>	<b>3</b>	<b>169,158</b>	<b>-</b>	<b>123,769</b>	<b>292,927</b>
<b>Less:</b>					
<b>Use of funds</b>					
<b>Component 1: Increased capacities</b>					
Local individual consultant	4	-	18,167	5,835	24,002
International individual consultant	5	-	12,277	49,830	62,107
IT equipment	6	-	6,911	7,142	14,053
Professional / business services	7	-	28,608	89,222	117,830
Workshop / Training	8	-	6,185	26,773	32,958
<b>Component 1 subtotal</b>		<b>-</b>	<b>72,148</b>	<b>178,802</b>	<b>250,950</b>
<b>Component 2: Operating expenses</b>					
Local individual consultant	4	-	-	14,673	14,673
Financial audit	9	-	-	4,356	4,356
Delivery partner fee	10	11,797	11,797	(646)	22,948
<b>Subtotal component 2</b>		<b>11,797</b>	<b>11,797</b>	<b>18,383</b>	<b>41,977</b>
<b>Total</b>		<b>11,797</b>	<b>83,945</b>	<b>197,185</b>	<b>292,927</b>
<b>Cash available from donation</b>		<b>157,361</b>	<b>83,945</b>	<b>73,416</b>	<b>-</b>
<b>Pending to regularize</b>					
Receivable-payable miscellaneous		109	(59)	(fifty)	-
		109	(59)	(fifty)	-
<b>Cash at the beginning of the period</b>					
<b>Plus:</b>					
Py Special Account		-	157,252	66,799	-
National Currency Account		-	-	6,567	-
		-	157,252	73,366	-
<b>Total Monetized Cash Available</b>	<b>11</b>	<b>157,252</b>	<b>73,366</b>	<b>-</b>	<b>-</b>

## STATEMENT OF ACCUMULATED INVESTMENTS

FOR THE PERIOD FROM JULY 26, 2019 TO AUGUST 25, 2021

(Expressed in United States Dollars)

Component / Category	Investment from 07/26/2019 to 12/31/2019	Investment from 01/01/2020 to 12/31/2020	Investment from 01/01/2021 to 08/25/2021	Accumulate d as of 08/25/2021	Total budget
<b>Component 1: Increased capacities</b>					
Local individual consultant	-	18,167	5,835	24,002	25,000
International individual consultant	-	12,277	49,830	62,107	63,000
IT equipment	-	6,911	7,142	14,053	14,300
Professional / business services	-	28,608	89,222	117,830	118,400
Workshop / Training	-	6,185	26,773	32,958	34,950
<b>Component 1 subtotal</b>	-	<b>72,148</b>	<b>178,802</b>	<b>250,950</b>	<b>255,650</b>
<b>Component 2: Operating expenses</b>					
Local individual consultant	-	-	14,673	14,673	14,673
Financial audit	-	-	4,356	4,356	4,500
Delivery Partner Fee	11,797	11,797	(646)	22,948	23,594
<b>Subtotal component 2</b>	<b>11,797</b>	<b>11,797</b>	<b>18,383</b>	<b>41,977</b>	<b>42,767</b>
<b>Contingency</b>	-	-	-	-	<b>2,748</b>
<b>Total investments (*)</b>	<b>11,797</b>	<b>83,945</b>	<b>197,185</b>	<b>292,927</b>	<b>301,165</b>

(\*) 97.26% (US \$ 292,927) of the total budget of US \$ 301,165 of the Readiness II project has been executed, registering a balance of US \$ 8,238.