



**MCMH Associates**  
Accountants and Advisors

**GOVERNMENT OF BELIZE - MINISTRY OF HEALTH AND WELLNESS**

**MESOAMERICAN HEALTH - BELIZE PROGRAM**

**THIRD INDIVIDUAL NON-REIMBURSABLE FINANCING AGREEMENT**

**FINANCIAL STATEMENTS**

**31ST DECEMBER 2022**

Co-financed by:

Inter-American Development Bank  
Grant GRT/HE-16712-BL, GRT/HE-16713-BL

Government of Belize  
Ministry of Health and Wellness

**GOVERNMENT OF BELIZE - MINISTRY OF HEALTH AND WELLNESS**  
**MESOAMERICAN HEALTH - BELIZE PROGRAM**

**THIRD INDIVIDUAL NON-REIMBURSABLE FINANCING AGREEMENT**  
**GRT/HE-16712-BL, GRT/HE-16713-BL**

INDEX	PAGE
Report of the independent auditor on the financial statements	1 - 4
Statement of cash flows	5
Statement of cumulative investments of the project	6 - 7
Notes to the financial statements	8 - 14
Financial Execution Status	
Report on the system of internal control and reportable conditions involving the system of internal control and its operation	15 - 17
ANNEX	
Bank statement	I
Representation letter	II

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Page 1

**REPORT OF THE INDEPENDENT AUDITOR TO  
THE GOVERNMENT OF BELIZE MINISTRY OF FINANCE  
AND THE INTER-AMERICAN DEVELOPMENT BANK**

**ON THE AUDIT OF  
MESOAMERICAN HEALTH – BELIZE PROGRAM  
THIRD INDIVIDUAL NON-REIMBURSABLE FINANCING AGREEMENT**

**7<sup>TH</sup> JUNE 2018 TO 31<sup>ST</sup> DECEMBER 2022**

**FUNDED BY:  
INTER-AMERICAN DEVELOPMENT BANK GRANT NO. GRT/HE-16712-BL,  
GRT/HE-16713-BL; AND THE GOVERNMENT OF BELIZE**

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*Opinion*

We have audited the accompanying Financial Statements which comprise the Statement of Cash Flows, the Statement of Cumulative Investments and a Summary of Significant Accounting Policies and other explanatory information for the Third Individual Operation, MESOAMERICAN HEALTH – BELIZE PROGRAM executed by the Government of Belize's Ministry of Health acting through the Project Management Unit (PMU) and financed with funds from the Inter-American Development Bank (IDB) Third Non-reimbursable Financing Agreement No. GRT/HE - 16712-BL and GRT/HE-16713-BL, and local counterpart funds from the Government of Belize as of and for the period 7<sup>th</sup> June 2018 to 31<sup>st</sup> December 2022.

In our opinion, the accompanying financial statements of Third Individual Operation, MESOAMERICAN HEALTH – BELIZE PROGRAM have been prepared for the period ended 31<sup>st</sup> December 2022, in all material respects, in accordance with the with the basis of accounting described in the explanatory paragraph below and the accounting policies described in Note 2.



*Basis for Unqualified Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Belize Social Investment Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Belize, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

**Explanatory paragraph**

As described in Note 2, the Statements of Cash Flows and the Statement of Cumulative Investments were prepared using the cash basis of accounting in accordance with the Cash Basis IPSAS: Financial Reporting under the Cash Basis of Accounting. Cash basis accounting recognizes transactions and acts only when the cash (and / or cash equivalent) is received or disbursed by the entity, and not when they give rise to, accrue or originate rights or obligations although there was no cash movement.

*Responsibility of Management and the Directors for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium – sized Entities as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the Institution to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Institution or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 International Standards on Auditing 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 economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial statement. We are responsible for the direction, supervision and performance of the entity's audit. We remain solely responsible for our audit opinion.

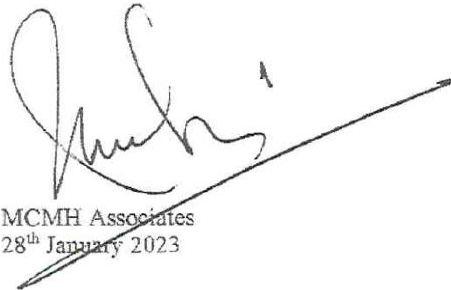
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on other legal and / or regulatory requirements**

We did not observe any situations suggesting non-compliance with the requirements and financial clauses in the Inter-American Development Bank Financing Agreement GRT/HE-16712-BL and GRT/HE -16713-BL during the period reviewed by us.

The engagement principal on the audit resulting in this independent auditor's report is Mark C. Hulse.

A handwritten signature in black ink, appearing to read 'Mark C. Hulse', is written over a horizontal line. The signature is stylized with a large initial 'M' and a long, sweeping underline.

MCMH Associates  
28<sup>th</sup> January 2023

Belize City,  
Belize, C.A.




**GOVERNMENT OF BELIZE - MINISTRY OF HEALTH AND WELLNESS**  
**MESOAMERICAN HEALTH - BELIZE PROGRAM**  
**THIRD INDIVIDUAL NON-REIMBURSABLE FINANCING AGREEMENT**  
**NO. GRT/HE-16712-BL AND GRT/HE-16713-BL**


Page 5

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD 7TH JUNE 2018 TO 31ST DECEMBER 2022**

(ALL AMOUNTS EXPRESSED IN US DOLLARS)

	<b>Note</b>	<b>IDB</b>	<b>GOB</b>	<b>TOTAL</b>
<b>CASH RECEIVED</b>				
Accumulated cash at the beginning of period		-	-	-
Activity during the year:				
Revolving fund disbursements / Advance (Request No.1, No. 3 and No. 6)	5	241,130	-	241,130
Performance Tranche disbursements (Request No.1)	6	63,750	-	63,750
GOB advance	7	158,855	-	158,855
GOB contributions	8	-	341,457	341,457
<b>TOTAL CASH RECEIVED AT 31ST DECEMBER 2022</b>		<b>463,735</b>	<b>341,457</b>	<b>805,192</b>
<b>DISBURSEMENTS MADE</b>				
Cumulative Cash at Beginning of Period		-	-	-
Activity during the period				
Expenditure (Disbursement Requests No. 02,04,05)	5	142,988	-	142,988
Payments pending justification request	4	98,142	-	98,142
GOB Payments		-	341,457	341,457
<b>TOTAL CASH DISBURSEMENTS AS OF 31ST DECEMBER 2022</b>		<b>241,130</b>	<b>341,457</b>	<b>582,587</b>
<b>AVAILABLE CASH BALANCE 31ST DECEMBER 2022</b>	3	<b>222,605</b>	<b>-</b>	<b>222,605</b>

  
 Dr. Javier Zuniga  
 Director  
 Policy Planning and Project Management Unit  
 Ministry of Health & Wellness

  
 Mr. Clinton Rodriguez  
 Project Accountant  
 Policy Planning and Project Management Unit  
 Ministry of Health & Wellness

The notes on pages 8 to 14 form an integral part of these financial statements



## GOVERNMENT OF BELIZE - MINISTRY OF HEALTH AND WELLNESS

MESOAMERICAN HEALTH - BELIZE PROGRAM  
THIRD INDIVIDUAL NON-REIMBURSABLE FINANCING AGREEMENT - GRT/HE-16712-BL, GRT/HE-16713-BL

## STATEMENT OF CUMULATIVE INVESTMENTS

FOR THE PERIOD FROM 7TH JUNE 2018 TO 31ST DECEMBER 2022  
(ALL AMOUNTS EXPRESSED IN UNITED STATES DOLLARS)


INVESTMENT CATEGORY	NOTES	CUMULATIVE - BEGINNING OF THE PERIOD			PERIOD AUDITED			CUMULATIVE - END OF THE PERIOD		
		IDB	GOB	TOTAL	IDB	GOB	TOTAL	IDB	GOB	TOTAL
COMPONENT 1 - Strengthening The supply and demand of quality health services for women in reproductive age (preconception, pregnancy, partum, and postpartum), neonates (0 to 27 days) and children under 5 years of age		-	-	-	-	59,325	89,652	30,327	59,325	89,652
		-	-	-	210,803	282,132	492,935	210,803	282,132	492,935
	Total	-	-	-	241,130	341,457	582,587	241,130	341,457	582,587

COMPONENT 1 - Strengthening The supply and demand of quality health services for women in reproductive age (preconception, pregnancy, partum, and postpartum), neonates (0 to 27 days) and children under 5 years of age

COMPONENT 2 - Strengthening the support systems and cross-cutting strategies for maternal

Total

Dr. Javier Zuniga  
Director  
Policy Planning and Project Management Unit  
Ministry of Health & Wellness

  
Mr. Clinton Rodriguez  
Project Accountant  
Policy Planning and Project Management Unit  
Ministry of Health & Wellness

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## GOVERNMENT OF BELIZE - MINISTRY OF HEALTH AND WELLNESS

**MESOAMERICAN HEALTH - BELIZE PROGRAM**  
**THIRD INDIVIDUAL NON-REIMBURSABLE FINANCING AGREEMENT - GRT/HE-16712-BL, GRT/HE-16713-BL**

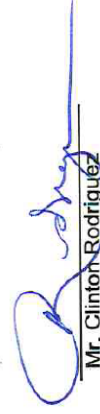
## STATEMENT OF CUMULATIVE INVESTMENTS

FOR THE PERIOD FROM 7TH JUNE 2018 TO 31ST DECEMBER 2022  
 (ALL AMOUNTS EXPRESSED IN BELIZE DOLLARS)

INVESTMENT CATEGORY	NOTES	CUMULATIVE - BEGINNING OF THE PERIOD			PERIOD AUDITED			CUMULATIVE - END OF THE PERIOD		
		IDB	GOB CONTRIBUTION	TOTAL	IDB	GOB CONTRIBUTION	TOTAL	IDB	GOB CONTRIBUTION	TOTAL
COMPONENT 1 - Strengthening The supply and demand of quality health services for women in reproductive age (preconception, pregnancy, partum, and postpartum), neonates (0 to 27 days) and children under 5 years of age		-	-	-	60,654	118,650	179,304	60,654	118,650	179,304
		-	-	-	421,606	564,264	985,870	421,606	564,264	985,870
		-	-	-	482,260	682,914	1,165,174	482,260	682,914	1,165,174
COMPONENT 2 - Strengthening the support systems and cross-cutting strategies for maternal and child he		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	482,260	682,914	1,165,174	482,260	682,914	1,165,174

Dr. Javier Zuniga

Director  
 Policy Planning and Project Management Unit  
 Ministry of Health & Wellness



Mr. Clinton Rodriguez  
 Project Accountant  
 Policy Planning and Project Management Unit  
 Ministry of Health & Wellness

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**GOVERNMENT OF BELIZE - MINISTRY OF HEALTH AND WELLNESS****MESOAMERICAN HEALTH - BELIZE PROGRAM**  
**THIRD INDIVIDUAL NON-REIMBURSABLE FINANCING AGREEMENT**  
**NO. GRT/HE-16712-BL AND GRT/HE-16713-BL****NOTES TO THE FINANCIAL STATEMENTS**  
**31ST DECEMBER 2022****1. PROGRAM DESCRIPTION**

The Program, MESOAMERICAN HEALTH - BELIZE PROGRAM, is financed through the Third Non-reimbursable Financing Agreement with the Inter-American Development Bank.

The aim of this Third Individual Operation (GRT/HE-16712-BL, GRT/HE-16713) is to improve the access, use and quality of maternal-neonatal and child health services in Corozal, Orange Walk and Cayo districts to contribute to the reduction of maternal and child morbidity and mortality. It has two components:

Component 1- Strengthening the Supply and Demand of Quality Health Services for Women in Reproductive Age (Preconception, Pregnancy, Partum, and Postpartum), Neonates (0 to 27 days) and Children Under 5 Years of Age.

The Objective of this component is to strengthen the supply and demand of maternal and child health services through the main following activities: (i) promotion of preconception care and cervical cancer screening at the community and institutional levels; (ii) application of cervical cancer screening tests; (iii) treatment of VIA positive cases (pre-cancerous lesions); (iv) training of doctors and nurses in VIA for early detection and treatment of cervical cancer precancerous lesions; (v) routine screening of WRA at the community level to increase early antenatal care rate and family planning counseling and referrals; (vi) development of guidelines for family planning counseling, and preconception; (vii) training health personnel in family counseling, preconception, and antenatal care guidelines; (viii) implementation of additional bilateral tubal ligation outreach to women with limited access; (ix) development of health educational and communication materials for promoting cervical cancer screening, preconception care, dehydration warning signs, use of ORS and zinc, among others; (x) printing health educational and communication materials; (xi) acquisition of additional family planning methods, rapid laboratory tests, medicines, vaccines, and other and equipment costs associated with the expected increase in surgical and health inputs demand that will be generated with the health promotion activities; (xii) acquisition of materials for CHW and social actors (like backpacks, booklets, etc.); (xiii) implementation of intercultural dialogues at the community level to identify local social actors and establishing agreements to create community health platforms; (xiv) capacity building of health personnel and social actors to create and implement community health platforms; and (xv) development or improvement of instruments, like family census and screening tools, for the community health platforms implementation.

Component 2- Strengthening the Support Systems and Cross-cutting Strategies for Maternal and Child Health Services

The objective of this Component is to accelerate QI of health services through the following transversal interventions: (i) implementation of a QI Unit at the MOHW; (ii) capacity building of QI teams (including national auditing team) through technical assistance by QI officers; (iii) expansion of indicators that are part of self-measurements in the rapid improvement cycles; (iv) mapping and optimization of maternal and child care clinical processes related to new performance indicators; (v) implementation of collaborative workshops among health establishments to share best practices in improving quality of care of WRA, neonates and children under 5 years of age; (vi) finance of QIF incentives; (vii) expansion of the health dashboard to include new indicators and to display information for all regions in the country of the Beneficiary; (viii) capacity building activities for health personnel in the use of ICD-10 codes, and data analysis for decision-making based on the dashboard indicators; (ix) procurement of computers equipment for BHIS expansion; (x) routine monitoring and maintenance of cold chain; (xi) expansion of the list of critical health inputs which availability is continuously monitored by QIF; and (xii) finance of administrative costs, like financial statement audit and the cost of key human resources from the Project Management Unit.

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**GOVERNMENT OF BELIZE - MINISTRY OF HEALTH AND WELLNESS****MESOAMERICAN HEALTH - BELIZE PROGRAM  
THIRD INDIVIDUAL NON-REIMBURSABLE FINANCING AGREEMENT  
NO. GRT/HE-16712-BL AND GRT/HE-16713-BL****NOTES TO THE FINANCIAL STATEMENTS  
31ST DECEMBER 2022****1. PROGRAM DESCRIPTION (continued)**

The total cost of the project was initially budgeted at US \$592,000; however the initial agreement was amended and an additional sum of US \$91,130 was agreed to due to COVID-19. The final amended financing is as follows:

<b>Components</b>	<b>IDB</b>	<b>GOB</b>	<b>Total</b>
1.0 Strengthening the Supply and Demand of Quality Health Services for Women in reproductive age (preconception, pregnancy, partum, and postpartum), neonates (0 to 27 days) and children under 5 years of age	\$ 31,954	\$ 240,840	\$ 272,794
2.0 Strengthening the Support Systems and Cross-cutting Strategies for Maternal and Child Health Services	209,176	99,160	308,336
<b>Sub-Total</b>	<b>\$ 241,130</b>	<b>\$ 340,000</b>	<b>\$ 581,130</b>
Performance Tranche	102,000	-	102,000
<b>Total</b>	<b>\$ 343,130</b>	<b>\$ 340,000</b>	<b>\$ 683,130</b>

The Inter-American Development Bank and GOB signed the Third Individual Non-Reimbursable Financing Agreement (GRT/HE-16712-BL, GRT/HE-16713-BL) on 7th June 2018. The agreement was subsequently amended in amendment No.1 dated 31st January 2022.

The Ministry of Health and Wellness (MOHW) through its Project Management Unit (PMU) is the executing agency for the project. Its responsibility include tasks relating to project administration, procurement and financial management. The technical inputs required for the execution of this Third Individual Operation is coordinated by the QI Manager under the supervision and technical oversight of the Policy Analysis and Planning Unit and the MOHW technical advisors.

**GOVERNMENT OF BELIZE BUDGET ESTIMATES**

Based on the budget and projected plan of activities an estimate is prepared and considered in the country's annual budget which runs from April 1st each year to March the following year. Any shortfall is included by a request for supplementary funding. To date, the Government of Belize has committed to the provision of the necessary funding to complete the GOB contribution to the project.

Government's contribution of the \$340,000 as listed in the financing agreement is in cash.



**GOVERNMENT OF BELIZE - MINISTRY OF HEALTH AND WELLNESS****MESOAMERICAN HEALTH - BELIZE PROGRAM  
THIRD INDIVIDUAL NON-REIMBURSABLE FINANCING AGREEMENT  
NO. GRT/HE-16712-BL AND GRT/HE-16713-BL****NOTES TO THE FINANCIAL STATEMENTS  
31ST DECEMBER 2022****2. SIGNIFICANT ACCOUNTING POLICIES**

The Program's accounting and financial reporting system aims to enable users to assess the funds used and funds available for use in achieving its objectives. To this end, the Program's major accounting policies are outlined below.

These financial statements have been prepared in accordance with Inter-American Development Bank's Guide for Financial Reports and External Audits (December 2009).

These financial statements have been prepared in United States dollars with comparative amounts in Belize dollars. They have been prepared under the historical cost convention and the cash basis of accounting, recognizing revenue when the cash is received and recognizing expenses when the cash has been disbursed. This accounting policy differs from IPSAS under which transactions would be recorded when they occur and not when they are paid. However, the IPSAS have been applied to circumstances such as those discussed in chapter "Cash Basis IPSAS: Financial Reporting Under the Cash Basis of Accounting."

**Investments**

All disbursements related to the Program are classified under a category of investment as described in the Annex of the Agreement. Investments are recognized at cost in Belize dollars and translated to US dollars at the rate of BZE \$2.00 to US \$1.00. Depreciation is not calculated on investments.

**Currency**

The Program's accounting records are maintained in Belize dollars and US dollars.

The Inter-American Development Bank disburses funds in United States dollars which are then credited to the Program's bank account in Belize dollars. The rate of exchange is fixed at US\$1.00 = BZE \$2.00. Disbursements are made by the Project in Belize dollars and justified to bank using the same rate of exchange.

According to IDB policies, the Program is funded and disbursements are made in US dollars - no adjustments can be made to the amount in the event of devaluation.

The exchange rate gain or loss that results from a difference of the exchange rate when the funds are received versus when they are converted to local currency to make payments for eligible expenses is accounted for as an exchange rate differential charged to the co-ordination and operating costs.

The financial statements at 31st December 2022 are reported in both currencies, and have been translated using the rate of BZE \$2.00 to US \$1.00.

	US	BELIZE
<b>3. AVAILABLE CASH BALANCE</b>		

The available cash balance in the Project's Central Bank of Belize bank account at 31st December 2022 is as follows:

Balance per statement - Central Bank of Belize no. 311070	<i>Annex I</i>	<u>222,605</u>	<u>445,209</u>
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**4. ADVANCES PENDING REIMBURSEMENT/JUSTIFICATION**

At 31st December 2022, payments made by the Program that had not yet been submitted for justification amounted to US \$98,142 (payments recorded from 1st August 2022 to 31st December 2022 and on 28th April 2022),

**GOVERNMENT OF BELIZE - MINISTRY OF HEALTH AND WELLNESS****MESOAMERICAN HEALTH - BELIZE PROGRAM  
THIRD INDIVIDUAL NON-REIMBURSABLE FINANCING AGREEMENT  
NO. GRT/HE-16712-BL AND GRT/HE-16713-BL****NOTES TO THE FINANCIAL STATEMENTS  
31ST DECEMBER 2022**

	US	BELIZE
<b>5. ADVANCES AND JUSTIFICATION</b>		
Advances recorded during the period		
Request No. 1	35,000	70,000
Request No. 3	110,690	221,380
Request No. 6	95,440	190,880
	<u>241,130</u>	<u>482,260</u>
Justification requests		
Justification requests made during the period		
Requests No. 2, No. 4, No. 5	<u>142,988</u>	<u>285,976</u>
	<u>142,988</u>	<u>285,976</u>
<b>6. PERFORMANCE TRANCHE DISBURSEMENT</b>		
Disbursement made from the non-reimbursable performance tranche during the period is as follows:		
Request No. 1	<u>63,750</u>	<u>127,500</u>
	<u>63,750</u>	<u>127,500</u>
In accordance with section 3.4 of the Third Non-reimbursable financing agreement, Belize has achieved a score of 0.5 on the Performance Framework for the Third Operation and has been allowed a disbursement of 62.5% of the \$102,000 Performance tranche stipulated in the agreement.		
<b>7. REVOLVING FUND</b>		
The Inter-American Development Bank (IDB) has approved a grant under the Third non-reimbursable financing agreement to the Program initially totaling US \$241,130. The Program drew down US \$35,000 to establish the revolving fund, and received further advances of US \$206,130 totaling US \$241,130 in advances received to the revolving fund. The Program has fully drawn down the approved grant allocation of \$US 241,130 and has fully expended this amount.		
The Program however, has also received a non-reimbursable performance tranche disbursement totaling US \$63,750 ( refer to Note 6) transferred to the designated account.		
In addition to this, a budget line cost centre was established specifically for the Project and physical payments made for project related investments were done through the Treasury Department. Therefore, GOB is to be subsequently reimbursed for payments made on behalf of the Project from the Project's designated bank account held at the Central Bank of Belize once final justification for advances are submitted and documented by the Bank. As at 31st December 2022, total reimbursement/advances due to GOB from the project's bank amounts to US \$158,855 ( refer to Note 12).		
Revolving fund balance at 31st December 2022	<u>222,605</u>	<u>445,210</u>

**GOVERNMENT OF BELIZE - MINISTRY OF HEALTH AND WELLNESS****MESOAMERICAN HEALTH - BELIZE PROGRAM  
THIRD INDIVIDUAL NON-REIMBURSABLE FINANCING AGREEMENT  
NO. GRT/HE-16712-BL AND GRT/HE-16713-BL****NOTES TO THE FINANCIAL STATEMENTS  
31ST DECEMBER 2022****8. LOCAL COUNTERPART FUNDS**

## Local counter-part funding

The Government of Belize has committed to contributing a total of US\$ 340,000 to the Project. As of 31st December 2022, the Government has contributed US\$ 331,220 which equates to 97.42% of the total committed. The remaining balance of US\$10,237 is the audit fees paid by GOB on 30th January 2023. Counterpart funding consist of payments in cash.

**9. PROCUREMENT OF GOODS AND SERVICES**

The following payment was made for fixed assets and medical supplies during the period:

	US	BELIZE
Computer Equipment	38,610	77,220
	<u>38,610</u>	<u>77,220</u>
Medical supplies and equipment	115,132	230,264
	<u>115,132</u>	<u>230,264</u>

The following payments were made for non-consulting services during the period:

Catering and logistics costs	7,986	15,971
Performance incentives	44,650	89,300
Educational Materials	50,487	100,973
Communication costs	6,142	12,284
Transportation	293	585
Conferences and Workshops	8,605	17,210
Vehicle servicing	350	700
Insurance	1,156	2,313
Accommodation	14,747	29,495
Advertisement	787	1,575
Fuel	7,052	14,104
Subsistence	8,387	16,774
Other Operating costs	13,261	26,522
	<u>163,903</u>	<u>327,806</u>

The following payments were made for consulting services during the period:

Audit services	10,237	20,475
Quality Improvement Manager	41,220	82,440
Quality Improvement Officers - medical services	105,636	211,271
Medical Officer Support	26,827	53,653
VIA Training	4,250	8,500
Reading of Slides	21,000	42,000
Perinatal Guidelines Review and Update	4,816	9,632
Project Accountant	29,450	58,900
Procurement Manager	19,000	38,000
Technical Support	2,506	5,013
	<u>264,942</u>	<u>529,884</u>

Of the total payments above, US \$241,130 was paid from IDB resources and US \$341,457 from local counterpart resources (GOB).



**GOVERNMENT OF BELIZE - MINISTRY OF HEALTH AND WELLNESS**
**MESOAMERICAN HEALTH - BELIZE PROGRAM**  
**THIRD INDIVIDUAL NON-REIMBURSABLE FINANCING AGREEMENT**  
**NO. GRT/HE-16712-BL AND GRT/HE-16713-BL**
**NOTES TO THE FINANCIAL STATEMENTS**  
**31ST DECEMBER 2022**
**10. RECONCILIATION OF CASH FLOW AND STATEMENT OF CUMULATIVE INVESTMENT**

			US	BELIZE
	IDB	Counter-part Contribution	Total	
<u>Investment funding received</u>				
Advances	241,130		241,130	482,260
Replenishment to revolving fund	-		-	-
Direct payments	-		-	-
GOB Advance	158,855		158,855	317,710
Performance Tranche disbursement	63,750		63,750	127,500
Counter-part contribution	-	341,457	341,457	682,914
Total investment funding received	<u>463,735</u>	<u>341,457</u>	<u>805,192</u>	<u>1,610,384</u>
<u>Investment disbursements</u>				
Component 1	30,327	59,325	89,652	179,304
Component 2	210,803	282,132	492,935	985,870
Bank balance at 31st December 2022	<u>222,605</u>		<u>222,605</u>	<u>445,210</u>
Total investment funding	<u>463,735</u>	<u>341,457</u>	<u>805,192</u>	<u>1,610,384</u>

**11. RECONCILIATION BY CATEGORY OF INVESTMENT OF THE PROGRAM'S RECORDS OF IDB'S CONTRIBUTION WITH IDB'S RECORDS.**

Categories of investment	LMS-1	PMU	Variance	
Component 1	10,922	30,327	(19,405)	(38,810)
Component 2	132,066	210,803	(78,737)	(157,474)
	<u>142,988</u>	<u>241,130</u>	<u>(98,142)</u>	<u>(196,284)</u>

The variance is made up of the following:

Pending justification request (payments recorded from 1st August 2022 to 31st December 2022 plus a single payment of \$1,680 dated 28th April 2022). Variances between categories will therefore be fully reconciled internally once final justification is made.

<u>98,142</u>	<u>196,284</u>
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**GOVERNMENT OF BELIZE - MINISTRY OF HEALTH AND WELLNESS****MESOAMERICAN HEALTH - BELIZE PROGRAM**  
**THIRD INDIVIDUAL NON-REIMBURSABLE FINANCING AGREEMENT**  
**NO. GRT/HE-16712-BL AND GRT/HE-16713-BL**NOTES TO THE FINANCIAL STATEMENTS  
31ST DECEMBER 2022

	US	BELIZE
12. CONTINGENCIES AND COMMITMENTS		
Contingencies and commitments consist of amounts payable to the following:		
Due to GOB (see Note 7)	158,855	317,710
	<u>158,855</u>	<u>317,710</u>

The commitments above of US \$158,855 constitutes commitments under GOB resources.  
There are no commitments under IDB resources.

Engagement principal:  
Mark C. Hulse, CA  
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Page 15

**INDEPENDENT AUDITOR'S REPORT ON  
THE SYSTEM OF INTERNAL CONTROL  
TO THE GOVERNMENT OF BELIZE - MINISTRY OF HEALTH AND WELLNESS  
ON THE MESOAMERICAN HEALTH - BELIZE PROGRAM  
THIRD INDIVIDUAL NON-REIMBURSEABLE FINANCING AGREEMENT  
NO. GRT/HE-16712-BL, GRT/HE-16713-BL**

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We have audited the Statement of Cash Flow for the period 7<sup>th</sup> June 2018 to 31<sup>st</sup> December 2022 and the Statement of Cumulative Investments as of 31<sup>st</sup> December 2022, for the Mesoamerican Health - Belize Program, financed with funds from the Inter-American Development Bank Financing Agreement No. GRT/HE - 16712-BL and GRT/HE-16713-BL, executed by Government of Belize's Ministry of Health acting through the Project Management Unit, and have issued our report thereon dated 31<sup>st</sup> January 2023.

This report complements our opinion on the referenced financial statements.

The executing agency of the Program, the Ministry of Health and Wellness, is responsible for establishing and maintaining a system of internal control to mitigate the risks of financial information misstatements and safeguard the assets of the program, including construction works and procured goods. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control system policies and procedures. The objectives of a system of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition; transactions are executed in accordance with management's authorization and in accordance with the terms of the contract; and that transactions are recorded properly to permit the preparation of true and fair financial statements. Because of inherent limitations in any system of internal control, errors and irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.


In planning and performing our audit of the Program's financial statements for the period ended 31<sup>st</sup> December 2023, we obtained an understanding of the system of internal control and we assessed the control risk in order to determine the auditing procedures for the purpose of expressing an opinion on the program's financial statements and not to express an opinion on the effectiveness of the system of internal control. Accordingly, we do not express such an opinion.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design of the system of internal control that, in our judgment, could adversely affect the ability of the Mesoamerican Health - Belize Program, to record, process, summarize and report financial data consistent with the assertions of management in the Statement of Cash Flow and the Statement of Cumulative Investments. There were no significant matters involving internal controls and its operation that we consider to be reportable conditions under International Standards on Auditing.

A material weakness is a reportable condition in which the design or operation of one or more of the specific elements of the system of internal control does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the Project's financial statements may occur and not be detected within a timely period by the employees in the normal course of performing their assigned functions.

Our consideration of the system of internal control would not necessarily disclose all matters in the system of internal control that might be reportable conditions, and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. We noted certain matters involving the system of internal control and its operation that we consider to be material weaknesses as defined above. These are included on pages 17 of this report.

The engagement principal on the audit resulting in this independent auditor's report is Mark C. Hulse.



MCMH Associates  
28<sup>th</sup> January 2023

Belize City,  
Belize

**REPORTABLE CONDITIONS INVOLVING THE  
INTERNAL CONTROL SYSTEM**

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The reportable conditions found are detailed below:

**FIXED ASSETS**

**Observation:**

Section 5.6 of the Project's operational manual require that fixed assets are to be entered into the project's QuickBooks fixed asset register. Doing so along with a fixed asset tagging system would help to ensure proper tracking and safeguarding of assets acquired under the project. We nonetheless noted that no asset register was maintained throughout the project's life. This therefore contributes to a breach of the project's internal controls.

**Recommendation:**

We recommend that a suitable fixed asset register is prepared where required for Project assets and that those assets are properly tagged for identification, tracking and inspection purposes. This will ensure more adherence with the requirements of Section 5.6 of the Project's operating manual.

**Management comments:**

We acknowledge the recommendation made and will prepare the fixed asset listing. It is to be noted that the assets purchased for the Performance Based Incentives were delivered in late December of 2022 hence the reason for the delay in the preparation of the fixed asset listing.



## **ANNEX I**



# STATEMENT OF ACCOUNT

Transactions starting on 01-Dec-2022 to 31-Dec-2022

Ministry of Finance  
Belmopan  
Belize

Account Number: 311070  
Account Name: Mesoamerica Health Project - 2015



Transaction Date	Journal #	Narration	Debits	Credits	Balance
	Opening Balance				(317,709.23)
08-Dec-22	BY-0038319	Funds credited to your account in respect of 1400505626 by order of Inter-American Development Bank. (US\$3,750.00).		(127,500.00)	(445,209.23)
			0.00	(127,500.00)	(445,209.23)

*M. L. L.*  
CENTRAL BANK OF BELIZE

## **ANNEX II**

- The Entity has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.
- There are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements.
- We confirm that, where some or all of the document(s) comprising the annual report will not be available until after the date of your auditor's report, the final version of these documents will be provided to you as soon as they become available, and prior to their issuance, such that you can complete the audit procedures required by ISA 720.

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

 _____  _____	<b>Javier Zuniga MD, MPH</b> <b>Director</b> <b>Policy Planning Project Management Unit</b> <b>Ministry of Health and Wellness</b>	_____ 30/1/2023 Date
		_____ 30/01/23 Date

For and on behalf of the **GOVERNMENT OF BELIZE, MINISTRY OF HEALTH AND WELLNESS**

