

JAMAICA PROMOTIONS CORPORATION (JAMPRO)
INTER-AMERICAN DEVELOPMENT BANK (IDB)

SKILLS DEVELOPMENT FOR GLOBAL SERVICES PROGRAM
INTER-AMERICAN DEVELOPMENT BANK LOAN AGREEMENT 4645/OC-JA

FINANCIAL STATEMENTS

FOR YEAR ENDED 31 MARCH 2021

**JAMAICA PROMOTIONS CORPORATION (JAMPRO)
INTER-AMERICAN DEVELOPMENT BANK (IDB)**

**SKILLS DEVELOPMENT FOR GLOBAL SERVICES PROGRAM
INTER-AMERICAN DEVELOPMENT BANK LOAN AGREEMENT 4645/OC-JA**

FINANCIAL STATEMENTS

FOR YEAR ENDED 31 MARCH 2021

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INDEPENDENT AUDITORS' REPORT

Jamaica Promotions Corporation (JAMPRO)
Inter-American Development Bank (IDB)
Skills Development for Global Services Program
Inter-American Development Bank Loan Agreement 4645/OC-JA

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 Skills Development for Global Services Program (the Project), executed by Jamaica Promotions Corporation (JAMPRO) in support of the Ministry of Industry, Investment and Commerce (MIIC), and financed by the Inter-American Development Bank, Loan Agreement 4645/OC-JA as of and for the year ended 31 March 2021 and have obtained all the information and explanations which we required.

In our opinion, the financial statements present fairly, in all material respects, the cash flows and cumulative investments for the Skills Development for Global Services Program for the year ended 31 March 2021, in accordance with the Cash Basis IPSAS: Financial Reporting under the Cash Basis of Accounting.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Project in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting

Without modifying our opinion, we draw attention to note 3(a) to the financial statements, which describes the basis of accounting. The financial statements are prepared to comply with the financial reporting provisions of Inter-American Development Bank Loan Agreement #4645/OC-JA. As a result, the financial statements may not be suitable for another purpose.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Jamaica Promotions Corporation (JAMPRO)
Inter-American Development Bank (IDB)
Skills Development for Global Services Program
Inter-American Development Bank Loan Agreement 4645/OC-JA

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Cash Basis IPSAS: Financial Reporting under the Cash Basis of Accounting 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.

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

Auditors' 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 auditors' 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 economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 JAMPRO's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Jamaica Promotions Corporation (JAMPRO)
Inter-American Development Bank (IDB)
Skills Development for Global Services Program
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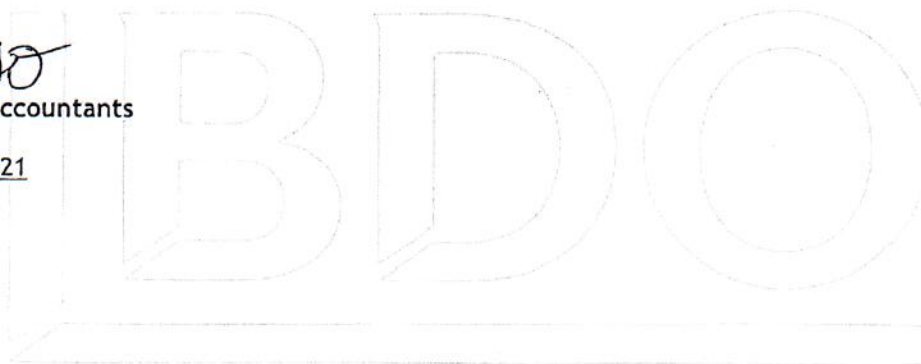
Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.


Chartered Accountants

26 August 2021



**JAMAICA PROMOTIONS CORPORATION (JAMPRO)
INTER-AMERICAN DEVELOPMENT BANK (IDB)**

**SKILLS DEVELOPMENT FOR GLOBAL SERVICES PROGRAM
INTER-AMERICAN DEVELOPMENT BANK LOAN AGREEMENT 4645/OC-JA**

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2021

	<u>US\$</u>	<u>2021</u> <u>IDB</u>	<u>J\$</u>	<u>US\$</u>	<u>2020</u> <u>IDB</u>	<u>J\$</u>
CASH RECEIVED:						
Opening cash balance	46,830		6,392,515	-		-
Advance of funds - disbursements/ replenishments	<u>1,597,000</u>		<u>233,537,578</u>	<u>814,820</u>		<u>108,638,839</u>
Total cash received	<u>1,643,830</u>		<u>239,930,093</u>	<u>814,820</u>		<u>108,638,839</u>
DISBURSEMENTS MADE:						
Activities during the year:						
Project expenditure (Page 5)	1,474,101		213,943,690	767,990		104,445,442
Translation adjustment on cash balance at the end of the year	<u>1,817</u>		<u>967,799</u>	<u>-</u>		<u>(2,199,118)</u>
Total cash disbursements	<u>1,475,918</u>		<u>214,911,489</u>	<u>767,990</u>		<u>102,246,324</u>
AVAILABLE CASH AS AT END OF YEAR	<u>167,912</u>		<u>25,018,604</u>	<u>46,830</u>		<u>6,392,515</u>

The financial statements on pages 4 to 13 were approved by Skills Development for Global Services Program on 26 August 2021 and signed on its behalf by:



Jamaica Promotions Corporation (JAMPRO),
Diane Edwards
President



Jamaica Promotions Corporation (JAMPRO),
Wendy Lyttle
Vice President, Finance & Corporate Services

The accompanying notes are an integral part of the financial statements.

**JAMAICA PROMOTIONS CORPORATION (JAMPRO)
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**SKILLS DEVELOPMENT FOR GLOBAL SERVICES PROGRAM
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STATEMENT OF CUMULATIVE INVESTMENTS

YEAR ENDED 31 MARCH 2021

Investment category		<u>2021</u>		<u>2020</u>	
		<u>US\$</u>	<u>J\$</u>	<u>US\$</u>	<u>J\$</u>
1.00	Skills Development for Global Services Sector (GSS) and Strengthening of the Skills Development System	731,173	106,350,463	207,231	28,189,006
2.00	Strengthening Jamaica's Institutional Capacity to increase investments and promote exports in GSS	405,221	58,780,579	241,047	32,724,474
3.00	Project Executing Agency	312,577	45,212,605	319,712	43,531,962
4.00	Monitoring and Evaluation	5,007	720,043	-	-
5.00	Contingencies	-	-	-	-
6.00	Audits	<u>20,123</u>	<u>2,880,000</u>	<u>-</u>	<u>-</u>
TOTAL		<u>1,474,101</u>	<u>213,943,690</u>	<u>767,990</u>	<u>104,445,442</u>

The accompanying notes are an integral part of the financial statements.

**JAMAICA PROMOTIONS CORPORATION (JAMPRO)
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**SKILLS DEVELOPMENT FOR GLOBAL SERVICES PROGRAM
INTER-AMERICAN DEVELOPMENT BANK LOAN AGREEMENT 4645/OC-JA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:

The Government of Jamaica entered into a Loan Agreement 4645/OC-JA on 24 January 2019 with the Inter-American Development Bank (IDB) for a loan of US\$15,000,000 to finance the Skills Development for Global Services Program (the Project) executed by the Jamaica Promotions Corporation (JAMPRO) in support of the Ministry of Industry, Investment and Commerce (MIIC). Expenses to be incurred in respect of the Project are financed by IDB.

The general objective of the Project is to promote the growth of the Global Services Sector (GSS) in Jamaica particularly in higher value-added segments. Specifically, it intends to: (i) provide the sector with better skilled workers; and (ii) increase Jamaica's institutional capacity to attract foreign direct investment and increase exports. The programme has a disbursement expiration date of 24 January 2024.

The total cost of the Project in the amount of US\$15,000,000 will be distributed among the following categories of expenditures:

PROJECT COMPONENTS	US\$
Component 1. Skills Development for the Global Services Sector and Strengthening of the Skills Development System	7,940,000
Enhancement of processes for interaction of the skills development system with the Global Services Sector	1,731,000
Enhancement of job-readiness for the Global Services Sector	1,060,000
Delivery of on-the-job training for the Global Services Sector	4,730,000
Strengthening of quality assurance mechanisms for the skills development system	419,000
Component 2: Strengthening Jamaica's institutional capacity to increase Investment and promote exports in the Global Services Sector	5,240,000
Optimization of processes, institutions, regulations, and incentives framework	560,000
Strengthened value proposition for the Global Services Sector	3,080,000
Incubator and accelerator programmes for micro, small and medium sized enterprises in the Global Services Sector	1,000,000
Digital management system	600,000
Project Execution Unit	1,500,000
Monitoring and Evaluation	200,000
Contingencies	20,000
Audits	100,000
Total	15,000,000

These financial statements of the project are for the period 1 April 2020 to 31 March 2021.

**JAMAICA PROMOTIONS CORPORATION (JAMPRO)
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**SKILLS DEVELOPMENT FOR GLOBAL SERVICES PROGRAM
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

2. COMPONENTS OF THE PROJECT:

2.1 Project components and costs

The project is structured in the following two major components whose subcomponent costs are indicated in the table in Note 1.

2.2 Component 1. Skills Development for the Global Service Sector and Strengthening of the Skills Development System (US\$7.94M)

This component seeks to improve the skills development system to provide the Global Services Sector with better skilled workers, particularly, in higher value-added segments. First, it will finance activities to improve the system's ability to guarantee relevance of training to increase the share of activities that are higher up the value chain from 60% Business Process Outsourcing (BPO) to 40% Knowledge Process Outsourcing (KPO) by 2020. Second, it will finance activities to improve training quality. It will include crosscutting gender activities to support gender balanced employment and career development in higher-value added Global Services Sector segments.

Subcomponents of this component are as follows:

2.2.1 Subcomponent 1.1. Enhancement of processes for interaction of the Skills Development System with the Global Services Sector

This subcomponent includes: (i) the establishment of an industry-led body (hereafter the Global Services Skills Board) to help identify skills needs, set standards, and chart career pathways; (ii) the design and implementation of a Talent Platform to support industry workers' transitions and raise awareness among prospective and active employees about the Sector and opportunities within it; capture skills of prospective and active employees and vacancies from employers, diagnosing skills gaps; and suggest training options for insertion and career advancement within the Global Services Sector. The platform will promote recruiting campaigns targeted to women and gender balance, share information about career options for gender balance, and showcase women as role models in higher value added activities given that females are less likely to pursue Science, Technology, Engineering and Mathematics (STEM) studies; and (iii) a diagnosis of gender-based imbalances within the Global Services Sector and identification of strategies to address them will be financed.

2.2.2 Subcomponent 1.2. Enhancement of job-readiness for the Global Services Sector

This subcomponent includes: (i) enhancement of the HEART Trust/NTA (the National Training Agency) job-readiness skills curricula to align training to Global Services Sector entry-level standards; and (ii) a train-the-trainer programme for trainers to adequately deliver these curricula.

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NOTES TO THE FINANCIAL STATEMENTS

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2. COMPONENTS OF THE PROJECT (CONT'D):

2.2.3 Subcomponent 1.3. Delivery of on-the-job training for the Global Services Sector

This subcomponent includes: (i) initiatives to deliver training for 400 apprentices for upskilling active existing employees within the Global Services Sector to access managerial level positions such as account managers; (ii) delivery of shorter-term Skills Development for Global Services in Jamaica (GSSP):

Support to the Ministry of Industry, Investment and Commerce (MIIC), Inter-American Development Bank Loan Agreement 4645/OC-JA industry-specific training for 12,000 trainees; and (iii) establishment of a competitive fund to manage the application process for the financing of training aligned to industry specific standards as defined by the Global Services Skills Board. Through its eligibility criteria, the fund will prioritize industry-driven training leading to certifications and/or entailing partnerships with training providers or tertiary institutions in the skills development system to create public goods, and/or integrating job-readiness modules and/or STEM related training for females. Detailed operational aspects of the fund will be included in the Project Operations Manual.

2.2.4 Subcomponent 1.4. Strengthening of quality assurance mechanisms for the Skills Development System

This subcomponent includes: (i) mapping of training providers' characteristics and enhancement of quality standards to measure training provider performance based on quality of teaching and learning outcomes; (ii) design and implementation of new psychometric instruments to measure trainees' level of job-readiness before and after training; and (iii) design and implementation of an employer's survey to measure quality of training and track trainees' labour market outcomes. The implementation of psychometric instruments will support activities under Subcomponent 1.2 by measuring trainees' levels by gender and based on results, providing gender-differentiated job readiness curricula.

2.3 Component 2. Strengthening Jamaica's institutional capacity to increase investment and promote exports in the Global Services Sector (US\$5.24M)

The objective of this component is to strengthen Jamaica's capacity to attract investment and increase exports in higher value-added segments. First, the component will optimize investment promotion processes as well as the institutional, regulatory and incentive framework that governs the Global Services Sector. Second, it will support the development of a strengthened value proposition for Global Services Sector firms (foreign and domestic) seeking to invest or reinvest in Jamaica.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

2. COMPONENTS OF THE PROJECT (CONT'D):

2.3 Component 2. Strengthening Jamaica's institutional capacity to increase investment and promote exports in the Global Services Sector (US\$5.24M) (cont'd.)

Third, it will increase JAMPRO's capacity to support micro, small and medium sized enterprises in the Global Services Sector. Lastly, it will create a digital management system, building on existing one-stop shop platforms, to consolidate trade and business information and strengthen decision-making based on data analytics. A preliminary activity will undertake a data collection exercise, preparing a baseline of firms that will benefit from this operation.

Subcomponents of this component are as follows:

2.3.1 Subcomponent 2.1. Optimization of processes, institutions, regulations and incentives framework:

This subcomponent includes: (i) Business Process Reengineering of the sector to map and optimize the investment promotion processes governing and the institutions involved in the Global Services Sector; and (ii) recommendations for optimizing the institutional and regulatory framework to adapt to digital services.

This subcomponent will also identify Global Services Sector-specific incentives following those offered by best practice Investment Promotion Agencies.

2.3.2 Subcomponent 2.2. Strengthened value proposition for Global Services Sector:

This subcomponent includes: (i) digital Global Services Sector Strategy - a gap analysis and a customized action plan for adapting to future demand for digital and value-added services; (ii) digital Global Services Sector branding campaign; (iii) digital Global Services Sector promotional activities and materials; (iv) attendance at and hosting of international and regional investment targeting events; and (v) national awareness campaign to increase the attractiveness of the sector to local investors, job-seekers and the public.

2.3.3 Subcomponent 2.3. Incubator and Accelerator programmes for micro, small and medium sized enterprises in the Global Services Sector:

This subcomponent includes: (i) design and furniture outfitting of new incubator/shared services facility to foster collaboration between micro, small and medium sized enterprises in the Global Services Sector; and (ii) entrepreneurial accelerator programme to embed entrepreneurs in an accelerator, with access to networking, angel investment, venture capital and mentoring. Successful entrepreneurs will transfer knowledge to Jamaican micro, small and medium sized enterprises through the incubator space.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

2. COMPONENTS OF THE PROJECT (CONT'D):

2.3.4 Subcomponent 2.4. Digital Management System:

This subcomponent includes the upgrading of the existing one-stop-shop for investment, consolidating trade and business infrastructure of various organizations over an online platform. Current business applications and processes will be digitized and secured over a digital management system with prioritized interventions based on the recommendations of the Business Process Reengineering. The collected data will be used to inform strategic and operational decision-making for JAMPRO.

JAMPRO implements the Project through a Project Execution Unit (PEU) situated in JAMPRO that has been created to coordinate and execute the Project.

3. SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of preparation:

The financial statements have been prepared using the cash basis of accounting, recognising revenue when the cash is received and recognising expenses when the cash has been disbursed. This accounting policy differs from International Public Sector Accounting Standards (IPSAS) under which transactions should be recorded when they occur and not when they are paid. However, IPSAS have been applied to circumstances such as those discussed in the chapter "Cash Basis IPSAS: Financial Reporting under the Cash Basis of Accounting."

(b) Foreign currencies translation:

Transactions in foreign currencies are recorded at the rates of exchange agreed with the executing agency in keeping with Section 3.03 of the loan agreement.

4. THE BUDGET:

The budget allocation for the financial year 2020/2021 revised, was US\$1,318,874 (J\$196,499,000) 2019/2020 (revised) was US\$765,348 (J\$104,275,000). This amount represents funds that were included in the Approved Budget of the Government of Jamaica for the fiscal year ended 31 March 2021.

The amount converted at a rate of US\$1.00: J\$148.9986 (2020:US\$1.00: J\$136.2500).

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

5. AVAILABLE CASH BALANCE:

The available cash balance at the end of the year in the Project's bank account net of interest earned over the life of the project was as follows:

	<u>2021</u>		<u>2020</u>	
	<u>US\$</u>	<u>J\$</u>	<u>US\$</u>	<u>J\$</u>
Bank of Jamaica:				
Account #810789 - US dollar account	131,509	19,594,657	36,514	4,974,873
Less In-transit	(10,696)	(1,593,689)	(15,572)	(2,121,611)
Available cash balance	<u>120,813</u>	<u>18,000,968</u>	<u>20,942</u>	<u>2,853,262</u>
National Commercial Bank (Jamaica) Limited:				
Account #351256095 - JM dollar account	112,081	16,699,974	24,106	3,284,348
Less In-transit	(65,219)	(9,717,611)	-	-
Bank charges to be reversed	230	34,319	45	6,120
Foreign exchange gain on JM dollar account	-	-	1,730	247,831
Amount to be refunded by JAMPRO	<u>7</u>	<u>954</u>	<u>7</u>	<u>954</u>
Available cash balance	<u>47,099</u>	<u>7,017,636</u>	<u>25,888</u>	<u>3,539,253</u>
Total Available Cash Balance	<u>167,912</u>	<u>25,018,604</u>	<u>46,830</u>	<u>6,392,515</u>

6. ADVANCE AND JUSTIFICATION OF FUNDS:

In accordance with the terms of the Loan Agreement 4645/OC-JA, IDB disbursed resources as an Advance of Funds based on the investment schedule, demonstrated capacity, cash flow projections and liquidity needs of the Project to cover periodic projected expenditures not exceeding a maximum of six (6) months expenditure projections or such amount that the bank may specify.

	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
Total advances received	2,411,820	814,820
Total justification of advances	(1,858,774)	(492,098)
Closing balance of advances per IDB's records (Appendix I)	<u>553,046</u>	<u>322,722</u>

**JAMAICA PROMOTIONS CORPORATION (JAMPRO)
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**SKILLS DEVELOPMENT FOR GLOBAL SERVICES PROGRAM
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

6. ADVANCE AND JUSTIFICATION OF FUNDS (CONT'D):

	<u>2021</u> <u>US\$</u>
Advances received:	
19 June 2019	594,300
11 March 2020	220,520
30 April 2020	700,000
30 November 2020	425,000
31 March 2021	<u>472,000</u>
	<u>2,411,820</u>

7. DISBURSEMENT REQUESTS MADE TO THE IDB:

During the year, requests for disbursements were as follows:

<u>2021</u>				
<u>Date</u>	<u>Disbursement #</u>	<u>Amount requested US\$</u>	<u>Amount approved by IDB US\$</u>	<u>Amount recorded in the Programme's Financial Statements for year ended 31 March 2021 US\$</u>
11 June 2020	5	700,000	700,000	700,000
30 November 2021	7	425,000	425,000	425,000
22 February 2021	9	<u>472,000</u>	<u>472,000</u>	<u>472,000</u>
Total		<u>1,597,000</u>	<u>1,597,000</u>	<u>1,597,000</u>

Disbursements # 4,6,8 represents Justification of expenses - \$306,992, \$593,543 and \$466,141 respectively.

<u>2020</u>				
<u>Date</u>	<u>Disbursement #</u>	<u>Amount requested US\$</u>	<u>Amount approved by IDB US\$</u>	<u>Amount recorded in the Programme's Financial Statements for year ended 31 March 2020 US\$</u>
19 June 2019	1	594,300	594,300	594,300
11 March 2020	3	<u>220,520</u>	<u>220,520</u>	<u>220,520</u>
Total		<u>814,820</u>	<u>814,820</u>	<u>814,820</u>

Disbursement #2 represents Justification of expenses - \$492,098.

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NOTES TO THE FINANCIAL STATEMENTS

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8. ADVANCES PENDING JUSTIFICATION:

As at 31 March 2021, the advances pending justification to the IDB amounted to US\$383,317, which include expenditure incurred but not yet submitted for payment:

	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
Skills Development for GSS	224,541	89,381
Capacity Building GSS	78,093	50,185
Project Executing Agency	80,324	136,326
Monitoring and Evaluation	<u>359</u>	<u>-</u>
Total	<u>383,317</u>	<u>275,892</u>

9. IMPACT OF THE COVID-19 PANDEMIC:

The World Health Organization in March 2020 declared the novel coronavirus, COVID-19, as a global pandemic. As a first step JAMPRO instituted measures at their properties to safeguard and protect stakeholders by not only providing information to employees, business partners and clients but equipping all personnel with supplies to prevent contagion and establishing protocols to access their premises. In addition, JAMPRO has been working with their staff to ensure common areas are thoroughly cleaned and sanitized and engaged a flexi-work plan to minimize the number of employees in their premises whilst enabling a work from home strategy to continue operating the business.

It was agreed that while these measures persisted the execution of the Project and its' costs could be affected mainly; (i) by the duration and spread of the outbreak, (ii) the restrictions and advisories from Government and (iii) the overall effects on the economy.

The main impact of COVID-19 on the Programme has been the delay in execution of some activities, the cancellation and or postponement of planned international events as well as a reduction in the fiscal space available for project implementation.

INDEPENDENT AUDITORS' REPORT

Jamaica Promotions Corporation (JAMPRO)
Inter-American Development Bank (IDB)
Skills Development for Global Services Program
Inter-American Development Bank Loan Agreement 4645/OC-JA

The System of Internal Control

We have audited the statement of cash flows for the year ended 31 March 2021 and the statement of cumulative investments as at 31 March 2021 for the Skills Development for Global Services Program (the Project), executed by Jamaica Promotions Corporation (JAMPRO) in support of the Ministry of Industry, Investment and Commerce (MIIC), and financed by the Inter-American Development Bank under Loan Agreement 4645/OC-JA and have issued our report thereon dated 26 August 2021.

We conducted our audit in accordance with International Standards on Auditing and the requirements of Inter-American Development Bank. These require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements, whether due to fraud or error.

Management's Responsibility

The management of JAMPRO is responsible for establishing and maintaining a system of internal control sufficient to mitigate the risks of financial information misstatements and safeguard the assets of the Project, including construction works and other procured goods. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of the system of internal control policies and procedures. The objectives of a system of internal control are to provide management with reasonable, but not absolute, assurance that assets are protected against loss from unauthorised use or disposition; transactions are executed in accordance with management's authorisation and in accordance with the terms of the contract, and transactions are recorded properly to permit the preparation and fair presentation of the financial statements.

Because of inherent limitations in any system of internal control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risks that procedures may become inadequate because of the changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Auditors' Responsibility

In planning and performing our audit of the Project's financial statements for the year ended 31 March 2021, we obtained an understanding of the system of internal control and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the Project'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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Jamaica Promotions Corporation (JAMPRO)
Inter-American Development Bank (IDB)
Skills Development for Global Services Program
Inter-American Development Bank Loan Agreement 4645/OC-JA


Auditors' Responsibility (cont'd)

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the system of internal control that, in our judgment, could adversely affect the ability of the project to record, process, summarize, and report financial data consistent with assertions of management in the Statement of Cash Flows and the Statement of Cumulative Investments.

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 significant 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 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 considered to be material weaknesses as defined above. However, we noted no matters involving the system of internal control and its operations that we consider to be material weaknesses as defined above.

We noted certain matters involving internal control and its operation that we have reported to the management of JAMPRO in a separate letter dated 26 August 2021.



Chartered Accountants

26 August 2021

INDEPENDENT AUDITORS' REPORT (CONT'D)

Jamaica Promotions Corporation (JAMPRO)
Inter-American Development Bank (IDB)
Skills Development for Global Services Program
Inter-American Development Bank Loan Agreement 4645/OC-JA

Integrated Review of the Procurement and Disbursement Requests submitted to IDB

We have examined the disbursement requests and the processes to procure and contract goods, works and consulting services, performed by the Executing Agency for the year ended 31 March 2021. Our engagement included verifying the reasonableness of such and the validity and eligibility of the expenditures submitted by means of the disbursement justifications for the year ended 31 March 2021.

We have audited the financial statements comprising the statement of cash flows set out on page 4 as at 31 March 2021, and the statement of cumulative investments set out on page 5 for the year ended 31 March 2021, for the Skills Development for Global Services Program (the Project) executed by Jamaica Promotions Corporation (JAMPRO) in support of the Ministry of Industry, Investment and Commerce (MIIC), financed by Inter-American Development Bank Loan Agreement 4645/OC-JA and have issued our report thereon dated 26 August 2021. We conducted our audit in accordance with International Standards on Auditing and the requirements of Inter-American Development Bank and for the purpose of forming an opinion on the financial statements taken as a whole.

Management's Responsibility

Management is responsible for implementing processes to procure and contract works, goods and services in accordance with the applicable guidelines and for maintaining documentation to support disbursement requests in accordance with the requirements of the Project.

Auditors' Responsibility

Our responsibility is to express an opinion on whether or not disbursement requests are supported by adequate documentation, are fairly presented and represent valid and eligible expenses of the Project and whether or not the process to procure and contract works, goods and services are performed in accordance with the applicable guidelines. The standards require that we comply with independence and ethical requirements in performing the review.

Our engagement includes verifying the reasonableness of, and the validity and eligibility of the expenditures submitted by means of the disbursement justifications for the year ended 31 March 2021. The engagement also includes, examining on a test basis, evidence supporting the processes of selecting and contracting goods, works, and services, and the amounts and disclosures in the disbursement requests submitted, which form a part of the statement of cash flows and the statement of cumulative investments for the year ended 31 March 2021.

INDEPENDENT AUDITORS' REPORT (CONT'D)

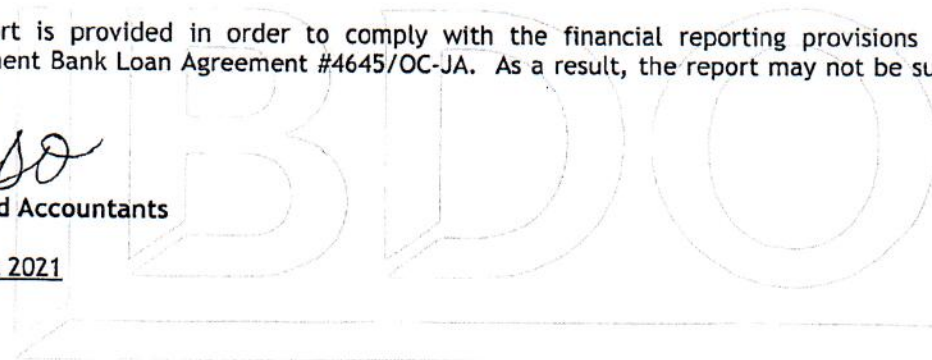
Jamaica Promotions Corporation (JAMPRO)
Inter-American Development Bank (IDB)
Skills Development for Global Services Program
Inter-American Development Bank Loan Agreement 4645/OC-JA

Integrated Review of the Procurement and Disbursement Requests submitted to IDB (cont'd)***Opinion***

In our opinion, the processes to procure and contract works, goods, and services were performed in accordance with the applicable guidelines, and the documentations supporting the expenditures made correspond to the disbursement requests for the year ended 31 March 2021, and were fairly presented and represented valid and eligible expenses to the Project, in all material respects.

Restriction of Use

The report is provided in order to comply with the financial reporting provisions of Inter-American Development Bank Loan Agreement #4645/OC-JA. As a result, the report may not be suitable for another purpose.

**Chartered Accountants****26 August 2021**

JAMAICA PROMOTIONS CORPORATION (JAMPRO)
INTER-AMERICAN DEVELOPMENT BANK (IDB)

SKILLS DEVELOPMENT FOR GLOBAL SERVICES PROGRAM
INTER-AMERICAN DEVELOPMENT BANK LOAN AGREEMENT 4645/OC-JA

SUPPLEMENTARY INFORMATION

YEAR ENDED 31 MARCH 2021

JAMAICA PROMOTIONS CORPORATION (JAMPRO)
INTER-AMERICAN DEVELOPMENT BANK (IDB)
SKILLS DEVELOPMENT FOR GLOBAL SERVICES PROGRAM
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**JAMAICA PROMOTIONS CORPORATION (JAMPRO)
INTER-AMERICAN DEVELOPMENT BANK (IDB)**

**SKILLS DEVELOPMENT FOR GLOBAL SERVICES PROGRAM
INTER-AMERICAN DEVELOPMENT BANK LOAN AGREEMENT 4645/OC-JA**

SUPPLEMENTARY INFORMATION

YEAR ENDED 31 MARCH 2021

	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
1. RECONCILIATION OF FUNDS ADVANCED:		
Balance in Bank of Jamaica A/C #810789 (US\$)	131,509	36,514
Less in-transit	(10,696)	-
	<u>120,813</u>	<u>36,514</u>
Balance in National Commercial Bank (Jamaica) Limited A/C #351256095 (J\$)	112,081	24,106
Less in-transit	(65,219)	-
Bank charges to be reversed	230	45
Translation adjustment	1,817	1,730
Expenses paid pending reimbursement from/(to) JAMPRO	<u>7</u>	(15,565)
NCB cash balance	<u>48,916</u>	<u>10,316</u>
Advances pending justification	<u>383,317</u>	<u>275,892</u>
Closing balance of advances as of 31 March 2021	<u>553,046</u>	<u>322,722</u>

**JAMAICA PROMOTIONS CORPORATION (JAMPRO)
INTER-AMERICAN DEVELOPMENT BANK (IDB)**

**SKILLS DEVELOPMENT FOR GLOBAL SERVICES PROGRAM
INTER-AMERICAN DEVELOPMENT BANK LOAN AGREEMENT 4645/OC-JA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

2. RECONCILIATION OF IDB AND GSS' EXPENDITURE:

Component Description	Current Approved Budget	GSS' Accumulated Expenditure as at 31 Mar 2021	IDB Record of Accumulated Expenditure as at 31 Mar 2021	Variance	Explanation
	US\$	US\$	US\$	US\$	
1.00 Skills Development for GSS	7,940,000	938,404	713,863	224,541	*1
2.00 Capacity Building GSS	5,240,000	646,268	568,175	78,093	*1
3.00 Project Executing Agency	1,500,000	632,289	551,965	80,324	*1
4.00 Monitoring and Evaluation	200,000	5,007	4,648	359	*1
5.00 Contingencies	20,000	-	-	-	
6.00 Audits	100,000	20,123	20,123	-	
TOTAL	15,000,000	2,242,091	1,858,774	383,317	

Explanation

1. Expenses incurred but not yet justified.

**JAMAICA PROMOTIONS CORPORATION (JAMPRO)
INTER-AMERICAN DEVELOPMENT BANK (IDB)**

**SKILLS DEVELOPMENT FOR GLOBAL SERVICES PROGRAM
INTER-AMERICAN DEVELOPMENT BANK LOAN AGREEMENT 4645/OC-JA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

3. PROPERTY, PLANT AND EQUIPMENT ACQUIRED:

Description

	<u>2021</u>		<u>2020</u>	
	<u>US\$</u>	<u>J\$</u>	<u>US\$</u>	<u>J\$</u>
Computers	6,756	925,446	6,756	925,446
Monitors	1,085	148,723	1,085	148,723
Furniture and fixtures	<u>351</u>	<u>50,724</u>	<u>-</u>	<u>-</u>
Total	<u>8,192</u>	<u>1,124,893</u>	<u>7,841</u>	<u>1,074,169</u>