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The Pan American Health Organization

## Opinion of the External Auditor on the 2016 Financial Statements

## Opinion

We have audited the consolidated financial statements of the Pan American Health Organization for the year ended 31 December 2016. These comprise the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets, Statement of Cash Flow, Statement of Comparison of Budget and Actual Amounts and the related notes. These financial statements have been prepared following the Organization's accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Pan American Health Organization as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

In our opinion the accounting policies have been applied on a basis consistent with that of the preceding financial period in all material respects, the revenue and expenditure have been applied to the purposes intended by either the Pan American Sanitary Conference or the Directing Council and the financial transactions conform to the Financial Regulations and legislative authorities that govern them.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit in accordance with Article XIV of the Financial Regulations. We conducted the audit in accordance with International Standards on Auditing of the International Federation of Accountants (IFAC), the Audit Standards and Guidelines formulated by the United Nations Board of Auditors and the International Standards of Supreme Audit Institutions (ISSAIs).

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect any existing material misstatements. 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 economics 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 in 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company'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 statements 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 Company to cease to continue as a going concern.
- 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.

In addition, we were required to obtain sufficient evidence to give reasonable assurance that the revenue and expenditure reported in the consolidated financial statements have been applied to the purposes intended by either the Pan American Sanitary Conference or the Directing Council and that the financial transactions are in accordance with the Financial Regulations and legislative authorities that govern them.

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

## Director's Responsibility for the Financial Statements

The Director is responsible for the preparation and fair presentation of the financial statements in accordance with the International Public Sector Accounting Standards and the requirements of the Financial Regulations as authorized by either the Pan American Sanitary Conference or the Directing Council. The Director is also responsible for such internal control as She determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## External Auditor's Report

In accordance with Article XIV of the Financial Regulations and the Letter of Engagement, we have also issued an External Auditor's Report on our audit of the Pan American Health Organization's financial statements.

Madrid, April 27, 2017



Ramón Álvarez de Miranda García

President of the Spanish Court of Audit