



International Society for Prosthetics and Orthotics

**Long-form audit report dated 21
September 2023**
in respect of the financial statements for 2022



International Society for Prosthetics and Orthotics

Long-form audit report dated 21 September 2023

Contents

| | | |
|-----|---|-----|
| 1 | Conclusion regarding the audit of the financial statements for 2022 | 104 |
| 1.1 | Introduction | 104 |
| 1.2 | Conclusion regarding the audit | 104 |
| 2 | Risk assessment | 104 |
| 2.1 | Risk of material misstatement in the financial statements | 104 |
| 2.2 | Audit strategy and plan | 105 |
| 2.3 | Business procedures and internal controls | 105 |
| 3 | Comments relating to the audit of the financial statements | 106 |
| 3.1 | Revenue and expenses | 106 |
| 3.2 | Cash and securities | 106 |
| 4 | Management's review | 106 |
| 4.1 | Events after the balance sheet date | 107 |
| 5 | Other audit procedures | 107 |
| 5.1 | Representation letter | 107 |
| 5.2 | Material misstatement in the financial statements due to fraud | 107 |
| 5.3 | Compliance with legislation | 108 |
| 6 | Other disclosures | 108 |



1 Conclusion regarding the audit of the financial statements for 2022

1.1 Introduction

As auditor of International Society for Prosthetics and Orthotics (ISPO) (hereinafter "The Society"), we have audited the draft financial statements of The Society for 2022 presented by the Executive Board, prepared in accordance with generally accepted accounting principles and ISPO's constitution and policies. In addition to our audit, we have read the Management's review.

The financial statements show the following key figures:

| EUR'000 | 2022 | 2021 |
|--------------------------|---------|---------|
| Profit/loss for the year | -413.3 | 46.1 |
| Total assets | 1,300.1 | 1,666.6 |
| Equity | 1,102.9 | 1,518.2 |

Our long-form audit report has been prepared solely for the use of the Executive Board and is not to be used by any other party or for any other purpose.

1.2 Conclusion regarding the audit

Our audit of the financial statements for 2022 has been performed in accordance with International Standards on Auditing and additional requirements under Danish audit regulation.

If the Executive Board approves the annual report in its present form, and provided no new material information is brought to our attention during the Executive Board's discussion and approval of the annual report, we will issue an unqualified auditor's report with no emphasis of matter on the financial statements and a statement with no comments on the Management's review.

Comments relating to the audit of the financial statements for 2022 are discussed in Section 3, to which we refer.

2 Risk assessment

2.1 Risk of material misstatement in the financial statements

We have discussed with Management the risk of material misstatement in the financial statements and the internal control systems implemented by Management to prevent, detect and correct misstatements.

In this connection, we assessed The Society's entity level controls and internal controls related to significant financial statement items.

Based on our discussions with Management and our knowledge of The Society's operations, industry and other matters, we have identified the following audit objectives for our audit of the financial statements:

| Financial statement item | Audit objective |
|--|--|
| <ul style="list-style-type: none">• Revenue and expenses | <ul style="list-style-type: none">• Completeness, existence and accuracy |
| <ul style="list-style-type: none">• Cash and securities | <ul style="list-style-type: none">• Completeness, existence and accuracy |

The financial statement items are not subject to significant estimates.

2.2 Audit strategy and plan

Based on the assessed risks of material misstatements in the financial statements, we have developed the overall audit strategy and plan for 2022.

We performed our audit in accordance with the established audit strategy and plan.

2.3 Business procedures and internal controls

Procedures and internal controls should be tailored to The Society's size and the nature of its activities in order to prevent unforeseen losses, assist Management in fulfilling its oversight responsibilities and ensure timely and reliable financial reporting.

The Society has only a limited number of employees, which does not facilitate a fully effective segregation of duties and effective internal control in all areas. This is normal in organisations of the same size as The Society. Management is aware of the fact that these matters increase the risk of intentional and unintentional errors, omissions or irregularities. Management seeks to compensate for the weaknesses by monitoring and controlling operations. Furthermore, policies and procedures for the administration and financial reporting have been implemented, and these include requirements for approval of costs and segregation of duties in respect of payments.

We note that Johannes H. B. Geertzen, Mads Harbo and Niels Petersen have sole powers of attorney. We recommend that the access rights be changed to joint approval rights.

Furthermore, we note that the bookkeeping of Blatchford is performed outside the accounting system.

Due to the size and activity of the organisation, our audit was primarily planned based on a substantive approach. Consequently, our audit was primarily based on an examination of The Society's reconciliations, spot-checking of assets, liabilities and transactions, and analyses of financial data.

We have been informed that The Society in 2022 has been exposed to a fraud case, as The Society by a mistake has paid a false invoice in the amount of EUR 3,200. As a consequence hereof, we have been informed that The Society has increased their

awareness on invoices received by e-mail and that procedures have been implemented to check invoices and ensure that The Society has actually approved the invoice and the amount before payment is done.

Based on the audit performed for 2022, beside that issue described above, nothing has come to our attention that causes us to suspect intentional or unintentional errors, omissions or irregularities due to the lack of segregation of duties.

3 Comments relating to the audit of the financial statements

3.1 Revenue and expenses

Revenue primarily comprises member fees, sponsorships, publications, and revenue from the bi-annual world conference.

Member fees are based on actual received member fees and have not been reconciled to member files, etc. It is our understanding that The Society is considering establishing a member file to which the income can be reconciled.

We have on a spot check basis reconciled revenue and expenses to underlying documentation.

3.2 Cash and securities

Bank accounts, EUR 101.9 thousand (2021: EUR 58.0 thousand), have been reconciled to statements received from the bank at 31 December 2022.

Investments in ISPO and Blatchford, in total EUR 1.002,1 thousand (2021: EUR 1,470.2 thousand), have been reconciled to statements received from DDEL Portfolio Solution SA and Blatchford.

4 Management's review

In addition to our audit of the financial statements, we have read the Management's review and

- compared the information therein to the information in the financial statements
- compared the information therein to the knowledge and the matters that we became aware of during our audit
- based on our knowledge of rules and regulations, considered whether there are errors or omissions in the Management's review.

We did not perform new specific procedures in connection with our statement on the Management's review.

The work performed did not give rise to significant comments.

4.1 Events after the balance sheet date

Management has examined and assessed events after the balance sheet date for The Society to ensure that all material events after the balance sheet date have been properly disclosed in the financial statements.

In this connection, we have been informed by Management that, in its opinion, all events that have arisen after the balance sheet date have been included and properly disclosed in the financial statements.

Apart from the information already included and properly disclosed in the financial statements, we found no evidence of events after the balance sheet date that materially affect the financial statements.

5 Other audit procedures

5.1 Representation letter

In connection with the financial reporting, we have obtained a representation letter signed by Management on matters that materially affect the financial statements and the Management's review.

The representation letter covers the contents of the financial statements, including capital resources, information about charges and collateral, guarantees, legal proceedings, fraud, related party transactions, events after the balance sheet date, summary of uncorrected misstatements and other audit areas where sufficient appropriate audit evidence is difficult to obtain. In addition, the representation letter covers the matters the Management's review deals with.

We have no comments on the representation letter obtained from Management.

5.2 Material misstatement in the financial statements due to fraud

As auditors, we are required to maintain an attitude of professional scepticism throughout the audit, recognising the possibility of misstatement of the financial statements, whether due to fraud or error.

In connection with the planning of our audit, we obtained an understanding of the way in which the Executive Board monitors Management's identification of risks of fraud and the internal control that Management has established in order to address these risks.

Management has confirmed to us that

- it is responsible for the design, implementation and maintenance of internal control established to prevent or discover fraud and errors
- beside the issue regarding the false invoice that has been paid cf. section 2.3, it is neither aware of any fraud, nor has it any suspicion of fraud in The Society.

As required by the International Standards on Auditing, at our request, the Executive Board has confirmed that it has no knowledge of identified or suspected fraud.



International Society for Prosthetics and Orthotics
Long-form audit report dated 21 September 2023

During our audit, we did not become aware of any matters indicating or raising suspicion of material misstatement in the financial statements due to fraud.

5.3 Compliance with legislation

We made enquiries of Management as to whether it has disclosed to us any actual or possible non-compliance with laws and regulations of importance to the financial statements during the audit and whether any non-compliance and resulting implications have been adequately recognised and disclosed in the financial statements. Management has declared that it is not aware of any matters of importance to the financial statements.

We are not aware of any non-compliance with Danish accounting legislation and the Danish Bookkeeping Act or any other legislation that may materially affect the financial statements.

6 Other disclosures

In accordance with Danish audit legislation, we declare that we fulfil the statutory provisions concerning auditors' independence, and that we have received all the information we requested during the audit.

Copenhagen, 21 September 2023

KPMG

Statsautoriseret Revisionspartnerselskab

Kenn Wolff Hansen
State Authorised
Public Accountant



International Society for Prosthetics and Orthotics
Long-form audit report dated 21 September 2023

The long-form audit report, pp. 103-109, was presented at the meeting on 21 September 2023.

Executive Board:

David Constantine
President

Sandra Ramdial
President-Elect

Claude Tarif
Past President

Jonathan Batzdorff
Treasurer

Anton Johannesson
Member

Kengo Onishi
Member

Nasrul Anuar Abd Razak
Member

Youssef Salam
Member

Gerald Stark
Member

Raed Alkhatab
Member

Jozef Nagels
Member

PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Nasrul Anuar Abd Razak

Member

Serial number: nasrul.anuar@um.edu.my

IP: 103.18.xxx.xxx

2023-09-22 00:59:25 UTC



Anton Johannesson

Member

Serial number: anton.johannesson@ispoint.org

IP: 81.231.xxx.xxx

2023-09-22 06:45:15 UTC



Youssef Salam

Member

Serial number: youssef.salam@ispoint.org

IP: 185.97.xxx.xxx

2023-09-22 15:29:47 UTC



Gerald Stark

Member

Serial number: gerald.e.stark@gmail.com

IP: 104.251.xxx.xxx

2023-09-23 15:43:07 UTC



Claude Tardif

Past president

Serial number: claudetardif@ispoint.org

IP: 86.200.xxx.xxx

2023-09-25 11:00:53 UTC



Sandra Ramdial

President-Elect

Serial number: sandra.ramdial@ispoint.org

IP: 99.227.xxx.xxx

2023-09-26 15:54:02 UTC



Penneo document key: C4JJ1-VCWHC-QP8IX-V2BLF-FMINK8-C8KFZ

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service** <penneo@penneo.com>. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>

PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

David Constantine

President

Serial number: david.constantine@ispoint.org

IP: 86.172.xxx.xxx

2023-09-26 16:55:59 UTC




Raed Alkhattab

Member

Serial number: raidrula@yahoo.com

IP: 79.173.xxx.xxx

2023-09-27 10:21:32 UTC



Kengo Onishi

Member

Serial number: kengo.onishi@ispoint.org

IP: 133.14.xxx.xxx

2023-09-27 10:38:53 UTC



Jonathan Batzdorff

Treasurer

Serial number: jon.batzdorff@ispoint.org

IP: 104.6.xxx.xxx

2023-10-02 20:23:07 UTC



Jozef Nagels

Member

Serial number: jo.nagels@gmail.com

IP: 213.211.xxx.xxx

2023-10-04 08:52:13 UTC

JO NAGELS

Kenn Wolff Hansen

KPMG P/S CVR: 25578198

Statsautoriseret revisor

Serial number: c643654e-68d8-4dd4-965e-ec0fe79b1909

IP: 83.151.xxx.xxx

2023-10-04 09:01:40 UTC



Penneo document key: C4JJ1-VCWHC-QP8IX-V2BLF-FMINK8-C8KFZ

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service** <penneo@penneo.com>. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>