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**AND SOUTHERN AFRICA**

Twentieth Meeting of the Sub-Committee on

Audit and Budgetary Matters

28 October – 1 November 2019

Lusaka, Zambia

**2017 COMESA Secretariat financial statements (Grants funding)**

**(AGENDA ITEM 3.2)**

1. Secretariat is hereby submitting audited 2017 COMESA Secretariat financial statements (Grants funding), **annexed at [….]**, which comprise of: -
2. Auditors Report;
3. Financial statements; and
4. Management letter.

**Framework of preparation of 2017 financial statements and external audits on grants**

1. Whilst designating Auditors General as External Auditors of COMESA Organs and Institutions, the Council in October 2016 decided that the audit of projects shall **also** be undertaken by independent audit firms.
2. The external auditors on grant funded projects are appointed by: -
3. Council, where the donor has accepted use of COMESA External Audit framework. This is the situation for EU grants under Contribution Agreements (CA) and Pillar Assesses Grant and or Delegated Agreements (PAGODA), as well as funds pooled under Short Term Projects; and
4. Cooperating Partners pursuant to provisions under each grant contract. This is the situation for all other grants.
5. Pursuant to the above the Secretariat hereby submits the 2017 financial statements and external audits on grants: -

|  |  |  |
| --- | --- | --- |
| ***Cooperating Partner/ Grant Contract title*** | ***2017*** | ***Auditors opinion*** |
| ***ACBF*** |  |  |
| *ACBF* | *KPMG (Zambia)* | *N/A* |
|  | *[Grant came to an end in 2017]* | |
| ***AfDB*** |  |  |
| *1: 50 million women* | *Lochan & Co* | *Unqualified opinion* |
| *2: Trading for Peace* | *KPMG (Zambia)* | *Unqualified opinion* |
| *3: Statistics: SCB* | *KPMG (Zambia)* | *Unqualified opinion* |
| *4: Statistics: ICP* | *Period extended to 2018* | *n/a* |
| *5: Upper airspace* | *KPMG (Zambia)* | *Unqualified opinion* |
| *6: TCBP* | *KPMG (Zambia)* | *Unqualified opinion* |
| ***AU*** |  |  |
| ***APSA*** | *Commissioned by AU – but not completed* | ***N/A*** |
| ***European Union: CA / PAGODA*** | |  |
| *1: RISP* | *PwC (Zambia* | *Grant came to an end in 2017* |
|  | *[Grant came to an end in 2017]* | |
| *2: RISM* | *PwC (Zambia* | *PwC (Zambia)* |
| *3: Trade Cooperation Facility* | *PwC (Zambia)* | *PwC (Zambia)* |
| *4: ESEREM* | *PwC (Zambia)* | *PwC (Zambia)* |
| *5: MASE* | *PwC (Zambia)* | *PwC (Zambia)* |
| ***World Bank*** |  |  |
| *1: Great Lakes Trading for Peace* | *KPMG (Zambia)* | *KPMG (Zambia)* |
| ***USAID*** |  |  |
| *1: IPAA* | *Period extended to 2018* | *n/a* |

**Auditors Report**

1. The Sub Committee on Audit and Budgetary matters is invited to note the unqualified audit opinion issued by the auditors on the grant funded projects indicated in the above table.

**Financial statements**

1. The Sub Committee on Audit and Budgetary matters received a Report on the results, both narrative and financial, achieved on the grant funded projects.

**Management letter**

1. The Sub Committee on Audit and Budgetary matters is invited to note the actions that the Secretariat will implement to address the issues raised by the auditors in the management letter.

**Discussion**

1. The Sub Committee on Audit and Budgetary matters noted the unqualified audit opinion issued by the auditors on the grant funded projects, as well as actions being implemented by the Secretariat to address the issues raised in the management letter.

**Recommendations**

1. **The Sub Committee on Audit and Budgetary matters recommended the adoption of the 2017 audited financial statements on grant funded projects, as well as actions being implemented by the Secretariat to address the issues raised in the management letter.**