COMMON MARKET FOR EASTERN AND

**SOUTHERN AFRICA**



 **DRAFT DUMMY REPORT**

 **2017 Audited Financial Statements**

**Project Name:** Regional Integration and Support Programme (RISP3) FED/2013/336-544.

**Project objectives:**

RISP 3 was initially a 3-year programme whose implementation was planned to span from 22 December 2013 to 21 December 2017 as part of the EU support to the economic integration agenda in the ESA-IO region. Arising from the RISP 3 mid-term review which was completed in March 2017, a no-cost extension was recommended and later granted by the EU, thereby extending the programme for 9 months until 30th September 2017. The support through RISP 3 is consistent with the EU development policies, as stated in the “European Consensus on Development” (2005), “Agenda for Change” (2011), the EU Aid for Trade Strategy (2007), the Joint Africa-EU Strategy (2007) and its Action Plans, especially their provisions regarding regional integration, world markets and the link between trade and development. At the COMESA level, RISP 3 interventions are aligned to the COMESA Medium Term Strategic Plan (MTSP) for the period 2010-2016 and its successor MTSP for 2017-2020.

The overall objective of RISP 3 is: ***“to contribute to deepened integration and competitiveness of the COMESA region”.***

The specific objective is: "***Regional trade and investment climate are improved through enhanced implementation of COMESA treaty provisions; summit and ministerial decisions at the national level”*.**

The programme has a total budget of Euro 7.4 million and has 6 Results as highlighted below;

Result 1: The effective implementation of the COMESA internal market is accelerated.

Result 2: Regional economic partnership agreement negotiations on outstanding issues make significant progress.

Result 3: Increased number of effective clusters in the COMESA Region.

Result 4: The COMESA Secretariat and other COMESA Institutions are more effective and efficient.

Result 5: Technical Cooperation facility (TCF).

Result 6: Programme Management, Audit, Evaluation and Visibility.

**Source of Funding:**

|  |  |
| --- | --- |
| **Grant Utilization Summary** | **Currency** |
|  | **EURO** |
| Grant Amount | 7,401,000 |
| Grant utilized before current year | 5,582,108 |
| Grant utilized in 2017 | 1,357,184 |
| **Balance -2017**  | **461,708** |

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1. The Sub Committee is invited to consider the 2017 Audited Financial Statements issued by the external auditors KPMG. The period covered is from 01.01.2017 to 30.09.2017
2. The Sub Committee is also invited to consider the following:
	1. Audit Opinion

***Opinion***

We have audited the financial statements of COMESA- Regional Integration Support Programme 3 (RISP 3) Lusaka (“the Programme”), which comprise the statement of financial positionas at 30 September 2017, and the statement of income and expenditure and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 10 to 18.

In our opinion, the financial statements present fairly, in all material respects, the financial position of COMESA- Regional Integration Support Programme 3 (RISP 3) Lusaka as at 30 September 2017 and its financial performance and cash flows for the year then ended in accordance with the basis of accounting described in note 2, and the requirements of the COMESA financial rules and regulation and the contribution agreement between COMESA and European Union Commission.

***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 Programme in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), 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.

* 1. Management Letter

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| Finding | Recommendations | Action taken | Status31 August 2019 | Completion Time frame |
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1. Discussion

[To be completed at the meeting]

1. Decision

The Sub Committee is invited to:

1. recommend that the unqualified 2017 Audited Financial Statements of Regional Integration Support Programme (RISp3) be considered by the Committee on Admin and Budgetary Matters.