COMMON MARKET FOR EASTERN AND

**SOUTHERN AFRICA**



 **DRAFT DUMMY REPORT**

 **2017 Audited Financial Statements**

**Project Name:** **Great Lakes Trade Facilitation Project (GLTFP)**

**Project Objectives:**

The objective of GLTFP is to facilitate cross-border trade by increasing the capacity for commerce and reducing the costs faced by traders, especially small-scale and women traders, at targeted locations in the borderlands. The total project amount is USD79 million distributed as follows: Rwanda USD 34 million (loan), DR Congo USD 30 million (loan), Uganda USD 10 million (loan) and COMESA Secretariat $5 million (grant). The project consists of components that are executed at the national level while others are executed at the regional level to provide for sharing experiences and best practices.

Key components of the project include:

1. Improving core trade infrastructure and facilities in the border areas;
2. Implementation of policy and procedural reforms and capacity building to facilitate cross-border trade in goods and services;
3. Performance based management in cross border administration; and
4. Implementation support, communication, monitoring and evaluation.

**Source of Funding: World Bank Group**

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| --- | --- |
| **Grant Utilization Summary** | **Currency -US Dollar** |
| Grant Amount | 5,000,000 |
| Grant utilized before current year | 75,940 |
| Grant utilized in 2017 | 790,160 |
| **Balance -2018**  | **4,133,900** |

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1. The Sub Committee is invited to consider the 2017 Audited Financial Statements and accompanying Management Letter issued by the external auditors (KPMG Zambia). The period covered is from January 2017 to December 2017.
2. The Sub Committee is also invited to consider the following:
	1. Audit Opinion

“In our opinion, the financial statements, present fairly, in all material respects, the financial position of COMESA- Great Lakes Trade Facilitation Project as at 31 December 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 regulations and the Protocol of Agreement between COMESA and the World Bank Group”.

* 1. Management Letter

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| --- | --- | --- | --- | --- |
| Finding | Recommendations | Action taken | Status31 August 2019 | Completion Time frame |
| Unused air tickets had been recorded as receivables based on management expectations that it would receive a refund. However, based on correspondence, the airline did not intend on refunding the cost of the airfares. | Management should ensure that it performs an impairment assessment of the recovery of receivables on a regular basis. | Regular assessments of the recovery of the receivables performed. | Complete |  |
| COMESA financial rules and regulations states that imprest holder shall within 10 days after conclusion of the workshop or meeting retire the imprest. We noted that imprest during the period was not retired in accordance with COMESA rules and regulations. | Management should ensure that retirements are made within the number of days stipulated by financial rules and regulations. | The imprest amount mentioned has been fully retired. Evidence of it was availed to the auditors. Management addresses the issue of late retirement as follows: -1. Imprest reports are reviewed on a monthly basis and ensure corrective action is performed.
 | Complete |  |

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 Great Lakes Trade Facilitation Project be considered by the Committee on Admin and Budgetary Matters.