COMMON MARKET FOR EASTERN AND

**SOUTHERN AFRICA**



 **DRAFT DUMMY REPORT**

 **2017 Audited Financial Statements**

**Project Name: Statistical Capacity Building (SCB 4.2)**

**Source of Funding: African Development Bank (AfDB)**

|  |  |
| --- | --- |
| **Grant Utilization Summary** | **USD** |
| Grant Amount | 2,080,805.00 |
| Grant utilized before current year | (544,647.00) |
| Grant utilized in 2017 | (842,215.00) |
| **Balance -2017**  | **693,943.00** |

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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. The period covered is from January 2017 to December 2017
2. The Sub Committee is also invited to consider the following:
	1. Audit Opinion

“We have audited the financial statements of COMESA – Statistical Capacity Building (SCB) Program (“the Programme”), set out on page 8 to 16 which comprise the statement of financial positionas at 31 December 2017, the statements 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of COMESA – Statistical Capacity Building (SCB) Program as at 31 December 2017 and its financial performance and its 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 African Development Bank

* 1. Management Letter

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Finding | Recommendations | Action taken | Status31 August 2019 | Completion Time frame |
| We noted that the exchange rates used by management are not reasonable as noted below (Table A) | We recommend that management should use applicable at the time of translating foreign currency transaction | All payments are made through the projects US Dollar accounts and ZMW payments are converted at the bank rate prevailing at the time of payment.  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

Table A

|  |  |  |  |
| --- | --- | --- | --- |
| **Account**  | **Management rates**  | **Independent rates**  | **Parentage difference** |
| SCB 4.2 BARCLAYS ZMW |  17.26  | 10.02 | 42% |
| SCB 3 BARCLAYS ZMW |  11.54  | 10.02 | 13% |

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 the Statistical Capacity Building Programme (SCB4.2) be considered by the Committee on Admin and Budgetary Matters.
2. urge the Secretariat to expedite implementation of audit findings. A progress report will be availed to the Sub Committee at its next meeting.