

**COMMON MARKET FOR EAST AND SOUTHERN AFRICA (COMESA)
MARITIME SECURITY PROGRAMME**

PROGRAMME REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

**COMMON MARKET FOR EAST AND SOUTHERN AFRICA (COMESA)
MARITIME SECURITY PROGRAMME**

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**COMMON MARKET FOR EAST AND SOUTHERN AFRICA (COMESA)
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**PROGRAMME IMPLEMENTATION REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. Regional Maritime Security Programme overview

The Common Market for the Eastern and Southern Africa (COMESA) in collaboration with the Inter-governmental Authority on Development (IGAD), East African Community (EAC) and the Indian Ocean Community (IOC) is implementing the Regional Maritime Security Programme. The programme currently covers ten countries of Eastern and Southern Africa and Indian Ocean (ESA-IO) region, which were severely affected by piracy, namely: Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Seychelles, Somalia and Tanzania. All the ten countries are signatories of the Djibouti Code of Conduct. The Regional programme has five key result areas to ensure: -

- Alternative livelihoods through vocational development initiatives and advocacy against piracy improved – IGAD;
- National and regional legislative and infrastructural capacity for arrest, transfer, detention and prosecution of pirates is enhanced in the region – EAC;
- Regional capacity to disrupt financial networks of pirates and their financiers is strengthened – COMESA;
- National and regional capacity for maritime tasks and support functions is enhanced – IOC and
- Regional coordination and information exchange is improved – IOC.

2. COMESA Maritime Security Programme

The European Union (EU) and the Common Market for Eastern and Southern Africa (COMESA) signed a financing agreement on 25 July 2015 for the grant to the amount of EUR 5.5 million to facilitate the implementation of the Maritime Security Programme over a period of 46 months. The purpose of the programme is to prevent money laundering by establishing sound laws, regulations, policies and to build capacity to analyse, detect and track financial flows linked to piracy and also to investigate and prosecute financial crimes at all levels.

The COMESA-MASE component considers that piracy is a predicate offence of money laundering (ML) through ransoms which can be used in terrorism financing. Therefore, COMESA is implementing the result area through a holistic approach aimed at fighting Money Laundering and Terrorist Financing (ML/TF). Four anti-money laundering sub-result areas have been drawn as follows:

- Result 1: Enhancing analytical capacity of Financial Intelligence Units (FIUs) and their analytical tools;
- Result 2: Establishing or developing inter-agency frameworks aimed at promoting information sharing;
- Result 3: Reviewing/amending/drafting Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) laws to ensure they are well aligned to the revised FATF standards and
- Result 4: Building capacity amongst Law Enforcement Agencies (LEAs) including prosecution and investigative capacity, implemented in collaboration with INTERPOL.

3. General summary of achievements

Prior to commencement of the programme, Inter Regional Coordinating Committee (IRCC) supported COMESA to undertake a capacity needs assessment study on Financial Intelligence Units in the Region. The study identified the gaps in each of the ten countries and possible entry points for COMESA. COMESA received its first disbursement of Euro 275,555 on 30 September 2015 and using the outcomes of the study COMESA-MASE conducted a validation workshop. The workshop drew together representatives from all ten countries in November 2015, where COMESA-MASE and the respective countries validated the outcomes of the study and agreed on the priorities for capacity building for each of the ten countries. The study showed that Eritrea and Somalia were the only countries that did not have FIUs. It also showed that only five countries belonged to Financial Action Task Force (FATF) and Financial Regional Style Body (FSRB). For countries that had FIUs, it was noted that these FIUs were at different levels of development.

3. General summary of achievements (continued)

Similarly, the country's anti-money laundering regimes were at different stages of development. A common finding across the FIUs was the low reporting levels amongst reporting entities and as such not all suspicious transactions were reported.

In 2015, efforts were made to set up the programme management unit comprising a coordinator, a finance officer and an administrative assistant as well as negotiate an Implementation Agreement with INTERPOL for the implementation of parts of the 4th result area. Recruitment was completed with the Programme Coordinator reporting in July 2015, the Administrative Assistant in October 2015, and Finance Specialist in April 2016. The Implementation Agreement between COMESA and INTERPOL was signed in June 2015 and COMESA continued to implement the program through to the year under review as noted in the summary of activities and outcomes per result area below.

4. Summary of activities and outcomes per result area:

Result 1: Enhancing analytical capacity of Financial Intelligence Units (FIUs) and their analytical tools.

Guided by the 2015 study that identified a low reporting culture, the programme organised money laundering and terrorist financing sensitisation workshops in all MASE programme countries. The workshops were aimed at improving reporting entities and stakeholders' understanding on Money Laundering and Terrorism Financing ML/TF and their respective obligations in line with international standards.

In 2017, over 200 reporting entities of Madagascar, Somalia, Seychelles, Comoros, Eritrea, Ethiopia and Djibouti were sensitised about money laundering and terrorist financing and the need for filing reports with their respective Financial Intelligence Units (FIUs). The sensitisation for Djibouti was done in conjunction with Anti-Money Laundering Programme of the Great Horn of Africa.

Twenty-nine Financial Intelligence Unit officers were trained in Tactic and Strategic Analysis in a regional training which was held in Livingstone. This was aimed at improving their analytical skills to ensure their analysis of the reports adds value.

Result 2: Establishing or developing inter-agency frameworks aimed at promoting information sharing.

Over 200 officials from reporting entities that were trained by COMESA-MASE highlighted the need for cooperation, coordination and sharing information to arrest financial crimes including money laundering and its predicate

COMESA-MASE developed contacts with Egmont Group of FIUs, considering that one of the interventions that COMESA-MASE does in improving information sharing, is to support non- Egmont Group FIUs to join the Group.

Result 3: Reviewing/amending/drafting Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) laws to ensure they are well aligned to the revised FATF standards.

COMESA- MASE developed contacts with Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), a Financial Action Task Force Regional Style Body for the Eastern and Southern Africa. This was an achievement as by that time five of the programme countries were members of ESAAMLG hence it was important to collaborate with ESAAMLG to ensure there are no overlaps or redundancy, but also to ensure that COMESA-MASE's capacity building support is in line with international standards and conforms to the regional developments.

COMESA-MASE participated for the first time in ESAAMLGs meetings of during the year, which also gave for more networking and visibility of the programme.

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4. Summary of activities and outcomes per result area (continued):

Result 4: Building capacity amongst Law Enforcement Agencies (LEAs) including prosecution and investigative capacity, implemented in collaboration with INTERPOL.

There were no activities carried out on this result area in the year under review.

5. Visibility of the Programme

The visibility was achieved during the national sensitisation workshops held in Madagascar, Kenya, Seychelles, Tanzania and Djibouti. COMESA-MASE worked with the host countries to ensure media coverage in most of those events and used the opportunity to communicate the support of the European Union to the programme. Some of the programme activities were also covered by eCOMESA, an online publication of COMESA-MASE which shares its link with media houses throughout the region. In addition, at the regional level, visibility opportunity was attained when COMESA introduced the programme during the ESAAMLG meetings which took place in South Africa.

6. Results for the period

A summary of the operating results of the Programme for the period is as follows:

	2017 EUR	2016 EUR
Balance brought forward	392,462	1,404,994
Grant received	1,438,178	-
Grant expenses	<u>(1,230,833)</u>	<u>(1,012,532)</u>
Deferred income	<u>599,807</u>	<u>392,462</u>

7. Programme implementation management team

The Programme implementation management team who held office during the period at the COMESA Secretariat is comprised of the following:

Name	Position	Nationality	Tenure
Elizabeth Mutungu	Head-Governance, Peace and Security	Kenyan	Full year
Dalitso Bonongwe	Program Coordinator	Malawian	Full year
Patrick Chirwa	Program Finance Expert	Malawian	Full year

8. Events subsequent to the year end

There has been no material events or circumstances since the reporting date to the date of approval of these financial statements that require disclosure or adjustment to these financial statements.

By order of the Secretary General:


Secretary General


Programme Coordinator

Date: 19/06/2019

**COMMON MARKET FOR EAST AND SOUTHERN AFRICA (COMESA)
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**STATEMENT OF RESPONSIBILITY IN PREPARATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Secretary General is responsible for the preparation and fair presentation of the Maritime Security Programme Financial Statements, comprising the statement of financial position as at 31 December 2017, statements of income and expenditure and cash flows for the period then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with the basis of accounting described in note 2 to the financial statements which are based on the requirements of the Protocol of Agreement between COMESA and the European Union Commission.

The Secretary General is also responsible for such internal control as they determine are necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of supplementary schedules included in these financial statements.

The Secretary General has made an assessment of the Maritime Security Programme's ability to continue as a going concern and has no reason to believe the Programme will not be a going concern in the period ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the Financial Statements

The financial statements of Maritime Security Programme, as identified in the first paragraph, were approved by the Secretary General and signed by:


Secretary General


Director Budget and
Finance

Date: 19/06/2019



Independent auditor's report

To the Council of Common Market for East and Southern Africa (COMESA) in respect of the Maritime Security Programme

Report on the audit of the financial statements

Our opinion

In our opinion, Maritime Security Programme's (the "Programme") financial statements for the year ended 31 December 2017 are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

What we have audited

The Maritime Security Programme's financial statements are set out on pages 8 to 15 and comprise:

- the statement of financial position as at 31 December 2017;
- the statement of income and expenditure for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the programme in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Emphasis of Matter – Basis of accounting and restriction on distribution and use

We draw attention to Note 2 to the financial statements which describes the basis of accounting. The financial statements are prepared in accordance with the accounting policies described in Note 2 to the financial statements to satisfy the financial information needs of the entity's members or users of the financial statements. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the Council of Common Market for East and Southern Africa (COMESA) and any other previously agreed recipients and should not be distributed to or used by parties other than the Council of Common Market for East and Southern Africa (COMESA) and any other previously agreed recipients. Our opinion is not modified in respect to this matter.

Other information

The Secretary General is responsible for the other information. The other information comprises the Annual Report but does not include the financial statements and our auditor's report thereon. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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A list of Partners is available from the address above

Report on the audit of the financial statements (continued)

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of the Secretary General for the financial statements

The Secretary General is responsible for the preparation of financial statements in accordance with the basis of accounting policies described in note 2 to the financial statements and for such internal control as the Secretary General determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary General is responsible for assessing the Programme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Secretary General either intend to liquidate the Programme or to cease operations, or have no realistic alternative but to do so.

The Secretary General is responsible for overseeing the Programme's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Programme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary General.

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**FINANCIAL STATEMENTS
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STATEMENT OF INCOME AND EXPENDITURE

	Notes	Year ended 31 Dec 2017 EUR	Year ended 31 Dec 2016 EUR Re-stated
Grant income			
Deferred income released to income	8	<u>1,230,833</u>	<u>1,012,531</u>
Programme expenditure			
Result Area 1	4	290,373	278,975
Result Area 2	4	69,915	103,677
Result Area 3	4	256,973	355,847
Result Area 4	4	<u>613,572</u>	<u>274,031</u>
		<u>1,230,833</u>	<u>1,012,531</u>
Surplus for the period		<u>-</u>	<u>-</u>

The notes on pages 11 to 15 are an integral part of these financial statements

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**FINANCIAL STATEMENTS
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STATEMENTS OF FINANCIAL POSITION

	Notes	Year ended 31 Dec 2017 EUR	Year ended 31 Dec 2016 EUR Re-stated	Year ended 31 Dec 2015 EUR
Assets				
Current assets				
Accounts receivable	6	-	1,593	1,593
Amounts due from related parties	9	74,639	351,878	5,000
Cash and cash equivalents	5	<u>532,682</u>	<u>74,136</u>	1,456,008
Total Assets		<u>607,321</u>	<u>427,607</u>	<u>1,462,601</u>
Liabilities				
Current liabilities				
Amounts due to related parties	9	-	22,808	15,029
Deferred income	8	599,807	392,462	1,404,994
Accounts payable	7	<u>7,514</u>	<u>12,337</u>	42,578
Total funds and liabilities		<u>607,321</u>	<u>427,607</u>	<u>1,462,601</u>

The financial statements on pages 8 to 15 were authorised for issue by the Secretary General of Common Market for East and Southern Africa (COMESA) on 19/06/2019 and signed by:


Secretary General


Director Budget and
Finance

The notes on pages 11 to 15 are an integral part of these financial statements.

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STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 Dec 2017 EUR	Year ended 31 Dec 2016 EUR Re-stated
Cash flows from operating activities			
Deferred income released to income in the period	8	(1,230,833)	(1,012,531)
<i>Adjustments for changes in:</i>			
- Related parties		254,431	(325,588)
- Accounts payable		(4,823)	(43,751)
- Accounts receivable		1,593	(2)
Net cash used in operating activities		(979,632)	(1,381,872)
Cash flows from financing activities			
Grant received during the period	3	1,438,178	-
Net increase in cash and cash equivalents		458,546	(1,381,872)
Cash and cash equivalents at beginning of the period		74,136	1,456,008
Cash and cash equivalents at end of period	5	532,682	74,136

The notes on pages 11 to 15 are an integral part of these financial statements.

**COMMON MARKET FOR EAST AND SOUTHERN AFRICA (COMESA)
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**FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

1 Reporting entity and the Programme

The Common Market for Eastern and Southern Africa (COMESA) and the European Union signed a financing agreement on 25 July 2015 for the grant to the amount of EUR 5.5 million to facilitate the implementation of the Maritime Security Programme over a period of 46 months. The purpose of the programme is to prevent money laundering by establishing sound laws, regulations policies and to build capacity to analyse, detect and track financial flows linked to piracy and also to investigate and prosecute financial crimes at all levels. The programme currently covers ten (10) countries of Eastern and Southern African and Indian Ocean (ESA-IO) which were severely affected by piracy namely; Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Seychelles, Somalia and Tanzania.

2 Significant accounting policies

(a) Basis of accounting and preparation of the financial statements

These financial statements have been prepared in accordance with modified cash basis of accounting which is in line with the requirements of the protocol agreement between Common Market for Eastern and Southern Africa (COMESA) and the European Union Commission.

The financial statements are prepared in Euro (EUR).

(b) Grant income recognition

Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(c) Deferred income

Deferred income are grants received from the European Union which have not been utilised in the period. Income is only recognised when related expenditure for which the grant was obtained has been incurred.

(d) Expenditure

Programme expenditure is recorded when all the necessary conditions for the grant with regard to expenditure are met or when there is reasonable assurance that the Programme will comply with the conditions attaching to the grant with regard to expenditure.

(e) Income tax

The Programme is exempt from income tax under paragraph 4b of Part II of Second Schedule to the Income Tax Act 1966 (as amended), Cap 323 of Laws of Zambia.

(f) Accounts receivables

Accounts receivables consist of funds deposited to vendors, employees and expenses incurred for on behalf of a donor in the normal course of the business. Advances and prepaid expenses are recognized upon payment and derecognized when service has been rendered.

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**FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Significant accounting policies (continued)

(g) Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are presented as current liabilities unless payment is not due within twelve months after year end. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Foreign exchange

In preparing the financial statements, transactions in currencies other than Euros are recorded at the bank transfer rate on which the funds are exchanged when being transferred to another currency for Programme implementation based on the agreement signed.

There is thus no foreign exchange differences recognised in the income and expenditure statement at the end of the year in these financial statements.

(j) Functional and presentation currency

These financial statements are presented in EURO (EUR) which is the Programme's functional currency.

(k) Use of estimates and judgements

There were no estimates or judgements in the preparation of the financial statements.

3 Grant received in the period

	2017	2016
	EUR	EUR
Disbursement by the European Union in the period	<u>1,438,178</u>	<u>-</u>

Disbursement for the amount EUR 1,438,178 was effected by the European Union in February 2017 for the implementation of planned activities as per approved operation plan.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Programme expenditure

	2017	2016
	EUR	EUR
<i>Programme expenditure by results area:</i>		
• Result 1: Financial analytical capacity in the region enhanced by setting up and strengthening of national financial Intelligence Units (FIUs);	290,373	278,975
• Result 2: Common, coordinated and inter agency framework on anti-money laundering and piracy funding developed in ESA-IO, including supporting linkages with national FIUs;	69,915	103,677
• Result 3: National money laundering laws and regulations drafted or amended and regional policy frameworks to counter piracy and to address economic impact of piracy adopted; and	256,973	355,847
• Result 4: Regional capacity to investigate and prosecute financial crimes at national and international levels assessed and strengthened	613,572	274,031
	<u>1,230,833</u>	<u>1,012,530</u>

Programme expenditure by activity:

Staff emoluments and development costs	420,031	309,746
Recruitment expenses	-	7,557
Installation allowances	-	11,190
Travel contractual and staff training	-	1,138
Office equipment and furniture/	1,030	2,447
Bank charges	4,730	5,523
Office supplies	-	742
Administrative costs, contingency and audit (INTERPOL)	22,756	17,645
Training in member states	276,263	13,927
Mentors, attachments and official travel	61,414	68,484
Meetings and workshops	361,814	457,624
Consultancy	42,909	17,880
ICT Infrastructure support and enhancement	39,885	98,629
	<u>1,230,833</u>	<u>1,012,531</u>

5 Cash and cash equivalents

Standard Chartered Bank EURO account	413,398	26,784
Standard Chartered Bank USD account	110,605	37,533
Standard Chartered Bank ZMW account	8,679	9,819
	<u>532,682</u>	<u>74,136</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Accounts receivable

	2017 EUR	2016 EUR
Prepayments	<u>-</u>	<u>1,593</u>

7 Accounts payable

Kenyan Airways	-	12,168
Provision for audit fees	3,171	-
Consultant fees	4,343	-
Other payables	<u>-</u>	<u>169</u>
	<u>7,514</u>	<u>12,337</u>

8 Deferred income

	2017 EUR	2016 EUR
Balance at the beginning of the period	392,462	1,404,993
Grant received from European Union in the period (Note 3)	1,438,178	-
Deferred income released to income	<u>(1,230,833)</u>	<u>(1,012,531)</u>
Closing balance 31 December	<u>599,807</u>	<u>392,462</u>

The closing balance relates to the unspent grant for the period under review from disbursement made by European Union. This amount will be carried forward to be used in the next financial period.

9 Related party transactions

Amounts due to related parties

	2017 EUR	2016 EUR
COMESA Secretariat	<u>-</u>	<u>22,808</u>

Amounts due from related parties

The African Peace and Security Architecture (APSA)	-	351,878
INTERPOL – Advance	<u>74,639</u>	<u>-</u>
	<u>74,639</u>	<u>351,878</u>

The amount due from INTERPOL relates to advance funding for implementation of activities as per implementation agreement.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Prior year adjustments

When booking creditors in the general ledger using the Local Purchase Order (LPO), the expenditure account is debited, and the accounts payable is credited. The liability is then cleared when payments are made by debiting the accounts payable and crediting cash and cash equivalents account. However, in this case the expenditure account was debited again instead of debiting the accounts payable to clear the liability. This further resulted in the deferred income being understated and the income released to statement of income and expenditure being overstated by the same amount.

The financial statements for prior year are restated to correct the misstatements. The effects of corrections on the financial statements for prior year is as below:

Statement of financial position (extract)

	2016	Prior year adjustments	2016 Re-stated
	USD	USD	USD
Current liabilities			
Amounts due to related parties	23,464	(656)	22,808
Deferred income	373,015	19,447	392,462
Accounts payable	31,128	(18,791)	12,337

Statement of income and expenditure (extract)

	2016	Prior year adjustments	2016 Re-stated
	USD	USD	USD
Grant income			
Deferred income released to income	1,031,979	(19,448)	1,012,531
Programme expenditure			
Result Area 1	294,637	(15,662)	278,975
Result Area 2	104,484	(807)	103,677
Result Area 3	357,146	(1,299)	355,847
Result Area 4	275,712	(1,681)	274,031

Statement of cash flows (extract)

	2016	Prior year adjustments	2016 Re-stated
	USD	USD	USD
Cash flows from operating activities			
Deferred income released to income in the period	(1,031,979)	19,448	(1,012,531)
<i>Adjustments for changes in:</i>			
- Related parties	(338,441)	12,853	(325,588)
- Accounts payable	(11,450)	(32,301)	(43,751)

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**APPENDICES
FOR THE YEAR ENDED 31 DECEMBER 2017**

Appendix I - Comparison of budgeted to actual expenditure per activity for the year ended 31 December 2017

Result 1: Financial analytical capacity in the region enhanced.

Budget line	Budget	Actual	Variance	Utilisation
	EUR	EUR	EUR	%
Staff salaries	52,000	51,062	938	98%
Travel contractual and staff Training	500	-	500	-
Office equipment and furniture	750	258	493	34%
Publications and publicity	8,438	-	8,438	-
Bank charges	600	1,182	(582)	197%
Office supplies	112	-	112	-
Administrative costs and audits	1,250	-	1,250	-
Training in member states	10,964	6,624	4,340	60%
Mentors, attachments and official travel	10,966	4,944	6,022	45%
Meetings and workshops	186,989	184,279	2,710	99%
Consultancy	-	3,172	(3,172)	100%
IT Infrastructure Support and enhancement	190,698	38,853	151,845	20%
Total	463,267	290,373	172,894	63%

Result 2: Common, coordinated and inter agency framework on anti-money laundering and piracy funding developed.

Budget line	Budget	Actual	Variance	Utilisation
	EUR	EUR	EUR	%
Staff salaries	52,000	51,062	938	98%
Travel contractual and staff training	500	-	500	-
Office equipment and furniture	750	258	493	-
Publications and publicity	8,438	-	8,438	-
Bank charges	600	1,182	(582)	197%
Office supplies	112	-	112	-
Administrative costs and audits	1,250	-	1,250	-
Training member states	45,357	-	45,357	-
Mentors, attachments and official travel	69,062	3,730	65,332	5%
Meetings and workshops	130,336	9,367	120,969	7%
Consultancy	55,318	3,282	52,036	6%
ICT Support and enhancement	1,200	1,033	167	86%
Total	364,923	69,915	295,008	19%

**COMMON MARKET FOR EAST AND SOUTHERN AFRICA (COMESA)
MARITIME SECURITY PROGRAMME**

**APPENDICES
FOR THE YEAR ENDED 31 DECEMBER 2017**

Appendix II - Consolidated budget comparison to actual as per financing proposal for the year ended 31 December 2017

Budget line	Budget	Actual	Balance	Contribution Agreement Budget
	EUR	EUR	EUR	EUR
Staff salaries	429,899	420,031	9,868	1,250,996
Recruitment expenses	-	-	-	21,500
Installation allowances	-	-	-	11,000
Travel contractual and staff training	2,000	-	2,000	66,700
Office equipment and furniture	3,000	1,030	1,970	35,000
Telephone, postage, courier and email	-	-	-	4,850
Publications and publicity	33,752	-	33,752	33,752
Bank charges	2,400	4,730	(2,330)	19,000
Office supplies	448	-	448	15,000
Administrative costs (INTERPOL)	29,500	22,756	6,744	114,583
Training in member states	394,073	276,263	117,810	742,170
Mentors, attachments and official travel	129,930	61,414	68,516	1,014,593
Meetings and workshops	622,412	361,814	260,598	1,553,705
Consultancy	102,756	42,909	61,047	261,937
IT Support and Infrastructure	191,898	39,885	150,813	340,370
Grand Total	1,942,068	1,230,833	711,235	5,485,156

COMMON MARKET FOR EAST AND SOUTHERN AFRICA (COMESA)
MARITIME SECURITY PROGRAMME

APPENDICES
FOR THE YEAR ENDED 31 DECEMBER 2017

Appendix II- Consolidated budget comparison to actual as per financing proposal for the year ended 31 December 2017 (continued)

Budget line	Contribution agreement Budget EUR	Accumulated expenditure 31 Dec 2016 EUR	Actuals expenditure to 31 Dec 2017 EUR	Accumulated expenditure to 31 Dec 2017 EUR	Contribution Agreement Balance EUR
Staff salaries	1,250,996	219,118	420,031	639,149	611,847
Recruitment expenses	21,500	18,436	-	18,436	3,064
Installation allowances	11,000	17,338	-	17,338	(6,338)
Travel contractual and staff training	66,700	8,641	-	8,641	58,059
Office equipment and furniture	35,000	6,430	1,030	7,460	27,540
Telephone, postage, courier and email	4,852	-	-	-	4,852
Publications and publicity	33,750	-	-	-	33,750
Bank charges	19,000	7,194	4,730	11,924	7,076
Office supplies	15,000	807	-	807	14,193
Administrative costs (INTERPOL)	114,583	-	22,756	22,756	91,827
Training in member states	742,170	155,298	276,263	431,561	310,609
Mentors, attachments and official travel	1,014,593	36,007	61,414	97,421	917,172
Meetings and workshops	1,553,705	680,722	361,815	1,042,537	511,168
Consultancy	261,937	25,648	42,909	68,557	193,380
IT Infrastructure support and enhancement	340,370	98,629	39,885	138,514	201,856
Grand Total	5,485,156	1,274,268	1,230,833	2,505,101	2,980,055

**COMMON MARKET FOR EAST AND SOUTHERN AFRICA (COMESA)
MARITIME SECURITY PROGRAMME**

**APPENDICES
FOR THE YEAR ENDED 31 DECEMBER 2017**

Appendix III Schedule of ineligible expenditure

There was no ineligible expenditure during the period under review.

Appendix IV – Schedule of fixed assets for the year ended 31 December 2017

Description	Current location	Purchase date	Purchase price (EUR)
HP Laptop & monitor	MASE Coordinator	16.02.2015	1,481
HP Laptop & monitor	Finance Expert	16.02.2015	1,481
HP Tower desk top	Admin Assistant	16.02.2015	1,020
Micro source shredder	MASE Coordinator	14.01.2016	278
Computer printer	MASE Coordinator	03.05.2016	984
Computer printer	MASE Coordinator	03.05.2016	1,186
Orthopaedic Chair	Admin Assistant	05.04.2017	1,030
			<hr/>
			7,460