



FINAL AUDIT REPORT

15 AUGUST 2017

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF

BUILDING HOPE FOR ALL

IMPLEMENTED BY ADRA NAMIBIA

PROJECT NO. TOT 16:01

FOR THE IMPLEMENTATION PERIOD FROM 1 JANUARY 2016 TO 31 DECEMBER 2016

ADRA Africa Regional Office
Project Title: Building Hope for All
Project No. TOT 16:01
Implementing Agency: ADRA Namibia
Period Subject to Audit: 1 January 2016 to 31 December 2016

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1. EXECUTIVE SUMMARY

We have performed the Audit of the Building Hope for All Project project implemented by ADRA Namibia for period from 1 January 2016 to 31 December 2016.

We performed the audit in accordance with the International Standards on Auditing and of specific application is the International Standard on Auditing 800, "Special Considerations - Audits of Financial Statements prepared in accordance with Special Purpose Frameworks" having regard to the agreed Terms of Reference.

ADRA Namibia spent US\$ 47,237 during the period from 1 January 2016 to 31 December 2016. Income for the period comprised of US\$ 53,601 received from ADRA Africa Regional Office.

We examined the expenditure reported for the project and verified it to supporting documentation. The total expenditure and proportions audited were as follows:

Heading	Amount in US \$
Budget	78,379
Amount received	53,601
Expenditure reported	47,237
Expenditure audited	44,295
% Audited	94%

We have categorized our Audit Findings into three criteria as explained below:

Financial Audit Findings

Financial Audit Findings represent expenditure included in the Financial Report for the project where we observed breach of the terms and conditions of project implementation. The Financial Audit Findings are treated as ineligible and could be recoverable from the Entity. The amounts noted under this category are also critical in determining the audit opinion issued for the Financial Audit.

Management Control Findings

Management Control Findings are Audit Findings regarding significant weaknesses identified in the internal control systems put in place and administered for the Project.

Compliance Findings

Compliance Findings relate to significant breach of contractual conditions noted during the audit.

The summary results of our audit are as follows:

	Amount in USD
Expenditure reported in financial report provided for Audit	47,237
Less: Ineligible expenditure	Nil
Eligible expenditure	47,237

A summary of our Audit findings whose details are provided under section 9 of this report is as follows:

No.	Heading	Amounts in USD	Reference no.
A	Financial Audit Findings		
1	None	N/A	N/A
B	Management Control Findings	Reference	Priority Rating
1	No supporting documentation	9.1.2.1	1
2	Improvements to supporting documentation	9.1.2.2	1
3	Weakness in procurement of goods and services	9.1.2.3	2
4	Lack of basis for allocating salary costs	9.1.2.4	2
5	Lack of budget variance analysis	9.1.2.5	2
6	Supporting documentations not stamped paid	9.1.2.6	3
7	Weakness in Asset Management	9.1.2.7	3
8	Weakness in Bank reconciliations	9.1.2.8	3
C	Compliance Findings		
1	Budget overruns	9.1.3.1	2
2	Delayed reporting	9.1.3.2	2

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2. BACKGROUND

The Donor

Swedish Mission Council is a forum for churches and Christian organisations who work together to provide opportunities for people and society to change.

Adventist Development and Relief Agency Africa Regional Office (ADRA RO) is based in Nairobi, Kenya. It is established to provide strategic planning, monitoring organisational development, program design and evaluation and human resource development.

ADRA Africa liaises with donors and ADRA country offices worldwide to promote development in western, southern and eastern Africa; and to help attract funding for the implementing country offices.

The Implementing Agency –ADRA Namibia

ADRA Namibia is a welfare organization, registered as a welfare organisation in terms of section 19 of National Welfare Act, 1965 (Act 79 of 1965) as amended. The organization provides humanitarian, development, and disaster relief assistance; irrespective of colour, gender, culture, religious affiliation, origin. To provide origin, and work towards the resolution and long-term sustainability, by using resources that that will assist the community in achieving sustainable development.

The Project

Building Hope for All Faith Communities in Africa Fighting HIV and AIDS together through health, education and gender based approach. Namibia, Lesotho, Malawi, Namibia and Swaziland are the countries the project undertaken.

The project aims at affected communities to access to psychosocial support to enhance quality of life and reduce new infections, reduce stigma and discrimination among adults and advocacy issues focusing on gender base violence.

The program objectives are:

Objective 1 (Sub-goal 1): The target groups, those infected and affected by HIV and AIDS (adults, youths, children under 16) enjoy better access to psychosocial services.

Objective 2 (Sub-goal 3): Youths and Children are resilient to the HIV and AIDS-related shocks in their environment and are able to make and implement positive decisions about their health.

Objective 3 (Sub-goal 3): The target groups are able to enjoy acceptance, inclusion and a stigma-free environment.

Objective 4 (Sub-goal 4): The target groups have improved livelihoods and can now access goods and services. (Mitigate socio-economic impact of HIV and AIDS).

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3. OBJECTIVES AND SCOPE OF THE AUDIT

3.1 Audit Objective

The objective of the audit was to conduct an Audit ADRA Namibia's financial reports (progress- and final reports) as submitted to ADRA Africa and express an audit opinion in accordance with ISA 800/805 on whether the financial report of ADRA Namibia's intervention, is in accordance with the ADRA Namibia's accounting records and the ADRA Africa's requirements for financial reporting as stipulated Section 9 of the agreement between ADRA Africa Regional Office and ADRA Namibia.

3.2 Scope of Audit

The audit was to:

- Examine, assess and report on compliance with the terms and conditions of the agreement and applicable laws and regulations regarding accounting and taxes.
- Determine if supporting documentation relating to reported expenditure is available. The size of the test sample shall be based on the auditor's risk analysis and should be stated in the report. The auditor shall report the amount of funds for which financial reporting does not meet required standards.
- For Sub- contracting-examine if the ADRA Namibia has followed these audit requirements in the next step and has satisfactory routines/resources for acting on received audit reports from these organisations.

4. OVERVIEW OF THE AUDIT PROCESS

4.1 Audit methodology

We followed a risk-based approach, which aims at focusing our effort on the riskier areas of an audit. This approach ensures that the audit is efficient and focuses on areas of concern to project management, the funding agency and to us as auditors, specifically those areas of the statement of income and expenditure which are at greatest risk of containing a material misstatement. Our methodology is:

- Based on the knowledge of project activities,
- Applied to assuring the highest quality audit, and
- Specifically tailored to the project activities and to the way the project is managed and controlled.

Our methodology in respect of the project was specially tailored to ensure that the audit process adds value to the assignment. Our audit was divided into three distinctive phases, which are discussed here below:

Phase 1 - Strategic Planning

Careful planning at the beginning of the audit was done to ensure that the set objectives are met and that the audit is carried out in the most effective and efficient manner. Our strategic planning for this assignment commenced immediately on appointment. During this phase, the audit team met with officials of project to obtain a better understanding of project activities.

Through discussions with the project management team and review of available documents and other information, we identified and analysed the risk factors and developed a risk profile for each area to determine the scope of work.

We reviewed applicable agreements, contracts and considered any specific requirements and compliance issues that needed to be incorporated into our audit processes.

We determined the overall audit strategy to be adopted in auditing the various areas.

Phase 2 - Detailed Planning

During the detailed planning stage, we:

- Developed specific audit steps, which addressed the issues raised in the strategic planning above.
- Documented the systems currently in use and identified those controls that we intended to rely on for the purposes of our audit.
- Worked out those areas where we needed to perform substantive tests and developed other value for money audit tests as appropriate.
- Discussed with project management issues that were likely to affect the audit.

Phase 3 - Execution

This phase entailed:

- Testing of key controls and procedures that we planned to rely on for the purposes of forming our audit opinion,
- Analytical review comparing the actual versus budget and obtained explanations for variances
- Substantive testing of expenditures based on the selected sample
- Ascertaining compliance with the applicable contractual terms and conditions
- Verification of income received from ADRA Africa Regional Office.

Specifically the audit addresses the following:

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- The disbursements are made in accordance with the activities of the project document and budget.
- The disbursements are supported by adequate documentation.
- The financial reports are fairly and adequately presented.
- An appropriate management structure, internal controls and record keeping systems are maintained.
- Procurement, use, control and disposal of non-expendable equipment are in accordance with the ADRA Namibia accounting policies and ADRA Africa Regional Grant requirements.
- The implementing agency had adhered to the contractual terms and condition of Project Implementation

We carried out checks to ascertain compliance with the clauses of the terms of reference. This includes checking that:

- Only actual costs incurred were claimed
- Costs claimed were relevant to the budget
- Reports were timely submitted
- Expenses incurred were eligible

For service or supply contracts, the award procedures applied are in accordance with ADRA Namibia Procurement Guidelines

4.2 Audit Deliverables

The audit engagement required us to issue audit report and management letter for the period from 1 January 2016 to 31 December 2016.

We understand that the expected contents of the audit report and management letter and the topics / areas to be covered are as indicated below.

4.3 Audit Report

The audit report clearly indicates our opinion. This includes at least the following:

- That the report is a specific purpose report and its' intended use.
- The Accounting Standards that have been applied and indicates the effect of any deviations from those standards.
- The period covered by the audit opinion.
- Whether the financial statements and supporting schedules present fairly in all material aspects the cash receipts and disbursement for the Building Hope for All Project and that the funds were utilised for the purposes defined in the Grant Agreement.

4.4 Management Letter

Our management letter covers the following matters:

- A general review of project progress and timeliness in relation to progress milestones and the planned completion date, both of which should be stated in the project document. This is not intended to address whether there has been compliance with specific covenants relating to specific performance criteria or outputs. However, general compliance with broad covenants such as implementing the project with economy and efficiency might be commented upon but not with the legal force of an audit opinion.
- An assessment of the project internal control system with equal emphasis on the effectiveness of the system in providing the project management with useful and timely information for the proper

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management of the project and the general effectiveness of the internal control system in protecting the assets and resources of the project.

- A description of any specific internal control weaknesses noted in the financial management of project and the audit procedures followed to address or compensate for the weaknesses. Recommendations to resolve/ eliminate the internal control weaknesses noted are included.
- Management comments/response (project management and/ or ADRA Namibia, as applicable).

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5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

ADRA Africa Regional Office (ADRA RO) requires ADRA Namibia to prepare financial statements which give a true and fair view of the state of affairs of the Project. It is thus the responsibility of the management of ADRA Namibia, the implementing agent of the project, to prepare the financial statements. ADRA Namibia management is also required to ensure that the project keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Project at any given time. The management is also responsible for safeguarding the assets acquired using the donor funds until the project is completed.

In addition, ADRA Namibia management is responsible for the preparation and fair presentation of these financial statements in accordance with the donor requirements. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements, that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The management of ADRA Namibia accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates. The management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the project and of its operating results. The management further accepts responsibility for the maintenance of accounting records and adequate systems of internal financial controls, which may be relied upon in the preparation of the Financial Statements.

The management is of the opinion that the financial statements give a true and fair view of the state of financial affairs of the project for the period from 1 January 2016 to 31 December 2016 of its statement of cash receipts and expenditure for the period then ended.

Approved by the Project management on 25 August 2017 and signed by:

	Name	Signature
Country Director Frank Mukube 
Chief Financial Officer Reuben Masasa 

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6. REPORT OF THE INDEPENDENT AUDITOR

UNQUALIFIED OPINION

The Country Director,
Adventist Development and Relief Agency Namibia,
P.O. Box 2144
Windhoek, Namibia.

Opinion

We have audited the accompanying financial statements of the project titled "*Building Hope for All*" funded by the ADRA Africa Regional Office and implemented by the ADRA Namibia which comprise the financial report for the period from 1 January 2016 to 31 December 2016 as set out in section 8 including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Project for the period from 1 January 2016 to 31 December 2016 are prepared in all material respects, in accordance with the financial reporting provisions of Section 9 of the Grant agreement between ADRA Africa Regional Office and ADRA Namibia signed on 11 March 2016.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Swedish Mission Council and ADRA Namibia in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Namibia, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw your attention to Section 8 of this Report, which describes the basis for accounting. The Financial Report is prepared to assist ADRA Namibia comply with the specific Financial Reporting requirements of the Swedish Mission Council. As a result, the Financial Report may not be suitable for any other purpose.

Our report is intended solely for the information, distribution and use of ADRA Africa Regional Office and ADRA Namibia.

Other Information

The management is responsible for the other information. Other information comprises the information included in the Annual Report, but 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.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 of this other information: we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and those charged with governance for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Section 9 of the Grant agreement between ADRA Africa Regional Office and ADRA Namibia and for such internal control as the management committee 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 management is responsible for assessing the project'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 management intends to liquidate the organization, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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 skepticism 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the managements' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Madhav Bhandari P/No. 1213.

Baker Tilly Merali's
Certified Public Accountants
P.O. Box 67486 – 00200
Nairobi

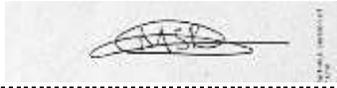
Date:

7. STATEMENT OF CASH RECEIPTS AND EXPENDITURE

RECEIPTS	Amounts in US\$	Amounts in US\$
Disbursements from ADRA Africa Regional Office		53,601
Other Income-Interest received		209
TOTAL RECEIPTS		53,810
EXPENDITURE		
Personnel	16,725	
Travel costs	2,728	
Training	16,210	
Printing, materials and Supplies	992	
Advocacy	1,272	
Monitoring and Evaluation	250	
Visibility	808	
Administrative Support	8,252	
TOTAL EXPENDITURE		47,237
Fund Balance		6,573

The statement of cash receipts and expenditure was approved by management of ADRA Namibia on ...25 August... 2017 and signed on its behalf by:

	Name	Signature
Country Director Frank Mukube	

Chief Financial Officer Reuben Masasa	
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8. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared on cash basis of accounting.

b) Income

Income represents grant received from ADRA Africa Regional office and is recognized upon receipt. During the period under review the project received two instalments from ADRA Africa Regional office as provided below:

Description	Date Received	Transferred amount in US\$
1 st Instalment	7 April 2017	27,625
2 nd Instalment	14 July 2017	25,976
Total		53,601

c) Expenditure

Expenditure is recognised when paid

d) Currency

The Statement of receipts and expenditure has been prepared in Namibian dollars and translated to United States Dollars in line with the presentation of the budget attached ToT proposal.

Translation of currency

ADRA Africa regional office receives and maintains funds in United States dollars (USD). Expenditure was incurred in Namibia Dollars. Transactions in foreign currencies during the year are converted into the functional currency, (Namibian Dollars) using the exchange rates prevailing at the date of the transaction. For reporting purposes, the following exchange rate has been applied:

Weighted average rate: 1 USD = N\$ 15.17

9. MANAGEMENT LETTER

We have completed the audit of "Building Hope of All Project" Project no. TOT 16:01, implemented by ADRA Namibia for the period from 1 January 2016 to 31 December 2016.

The matters raised in this Management Letter are those that have come to our attention during the audit and that we believe need to be brought to your attention. They are not a comprehensive record of all matters arising, and as such we cannot be held responsible for reporting all risks in your organisation or all internal control weaknesses. This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as this report has not been prepared for, and is not intended for any other purpose.

The management letter provides details of our findings and recommendations arising from our audit of the project as summarised in section 1 of this report

We would like to take this opportunity to express our appreciation for the co-operation and assistance given to us by you and your staff during the course of our work.

We have assigned priority ratings to the audit findings as follows:

Priority 1 - Urgent remedial action is required.

Key internal controls are absent or are not complied with on a regular basis. There is a fundamental weakness or deficiency in an internal control or in a series of internal controls which involves a substantial risk of either material error, or irregularity or fraud with regard to the expenditure and revenue stated in the Financial Report of the Project. There is a substantial risk of failure to achieve the control objectives for the Project which concern reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations notably the Contractual Conditions for the Project. Such risks could lead to an adverse impact on the financial report of the Project. Remedial action should be taken urgently.

Priority 2 - Prompt specific action is required.

There is a weakness or deficiency in an internal control or in a series of internal controls which, although not fundamental, relates to shortcomings which expose specific internal control areas (e.g. cash and bank management or budgetary and expenditure control) to a less immediate level of risk of either error, or irregularity or fraud. Such a risk could impact on the effectiveness of the internal controls and on the internal control objectives and should be of concern to the Entity's management. Prompt specific action should be taken.

Priority 3 - Specific remedial action is desirable.

There is a weakness or deficiency in internal control which individually has no major impact but where the Project would benefit from improved internal controls and/or where the Entity would have the opportunity to achieve greater effectiveness and/or efficiency. There is a possibility of undesirable effects at the process level, which, combined with other weaknesses, could give cause for concern.

9.1 Audit findings

9.1.1 Financial Audit Findings

There were no financial audit findings noted during the period

9.1.2 Management Control Findings

Finding n°: 9.1.2.1	Title: No supporting documentation
Amounts: US\$ 1,891	
<p>Criteria:</p> <p>Article 9.9 of the Agreement between ADRA Regional Office and ADRA Namibia states that “All expenditures must be approved and signed by the Project Manager. All receipts and invoices must be originals, Photocopies or faxes are not accepted, Pro forma invoices, bids and agreements are not sufficient, but can be attached to the original invoices as documentation. There must be a voucher and an invoice/receipt for every financial transaction.”</p>	
<p>Description of the finding:</p> <p>We found that some of the transactions did not have supporting documentation as detailed in Annex 3 of this report. We have not treated these as financial audit findings as the anomalies were detected during the project period and amendments made to the financial report.</p>	
<p>Implications:</p> <p>Lack of supporting documents could render the claimed costs ineligible</p>	
<p>Recommendation:</p> <p>The management should ensure that adequate supporting documents are maintained to support all costs declared in the financial report.</p>	
<p>Recommendation priority:</p> <p>Priority 1 - Urgent remedial action is required.</p>	
<p>Comments from ADRA Namibia:</p> <p>Management agrees to the finding, and management will resolve the subject under issue by creating personal accounts for each staff and charge personal accounts for every payment given In cash directly to the staffs, this will solve the issue of staffs not proving supporting documents. Any payment without an attachment will be treated as a personal advance.</p>	

Finding n°: 9.1.2.2	Title: Improvements to supporting documentation
<p>Criteria:</p> <p>Article 1.10 of the Organisation’s procurement manual states that, “Upon delivery of goods, the Store Manager/Keeper will ensure that the received items are those that have been requested. Subsequently, he/she will check the condition of goods and verify the quantity. Besides the material quantity and condition, the purchase order number, the invoice number or reference number, the name of the project and the name of the donor will also be recorded on the Goods Received Note, which is comprised of a bound, duplicate, pre-numbered, carbonated book. Where the items received are equipment, the serial number and item model will be recorded according to ADRA Namibia Finance Policies and Procedures Manual and the Logistics Manager/Officer’s orientation.”</p> <p>Description of the finding:</p> <p>We noted that most items used in the trainings and workshops such as stationaries were claimed in the financial report but we were not provided with documents such as goods received notes, delivery notes, physical verification etc. that means that there is no proof of the goods/services being received.</p> <p>The items for which there is no evidence of goods being received are detailed in Annex 4 of this report</p>	
<p>Implications:</p> <p>Lack of supporting documents could render the claimed costs ineligible</p>	
<p>Recommendation:</p> <p>The management should ensure that adequate supporting documents are maintained to support all costs declared in the financial report.</p>	
<p>Recommendation priority:</p> <p>Priority 1 - Urgent remedial action is required.</p>	
<p>Comments from ADRA Namibia:</p> <p>Management understands that this policy was designed to suit situations when ADRA receives goods in bulk and maintains a store, e.g. during drought and relief programs. Therefore, management agrees to the finding and will work on reviewing the policy to address the weakness found in receiving goods for the project.</p>	

Finding n°: 9.1.2.3	Title: Weakness in procurement of goods and services
<p>Criteria:</p> <p>Article 4. 6 of the Agreement between ADRA RO and ADRA Namibia states that, “Ensure that good business practice is observed when procuring goods and services with ADRA Sweden and Swedish Mission Council contributions. Implementing Country Office is expected to have procurement rules and to comply with them. The advantage of competition shall be utilized and tenders shall be treated objectively in order to achieve competition on equal terms. A written bid comparison shall be made for all procurements exceeding SEK 50 000. Procurements shall be made in competition through a tender process for all procurements of goods with a value exceeding SEK 90 000 and for services with a value exceeding SEK 360 000.”</p> <p>Further, 1.5 of ADRA Namibia’s procurement manual states that, “For all purchases of goods and services whose estimated total amount is between USD 500 (five hundred United States dollars) and USD 5,000 (five thousand United States dollars) or NAD (Namibia Dollar) equivalent per item, at least three (3) written/printed quotations from different suppliers are required. The lack of qualified suppliers must be written in the selection process.”</p> <p>Description of the finding:</p> <p>During our review, we noted that the organization did not apply competitive procurement procedures as detailed in Annex 5 of this report. The organization did not provide approved written documentation for items single sourced which fell above the set threshold thus the said weakness.</p>	
<p>Implications:</p> <p>Failure to apply competitive procurement procedures in the ward of contracts imply that value for money is compromised.</p>	
<p>Recommendation:</p> <p>In order to comply with the Agreement when awarding contracts, the organization should apply competitive procurement procedures and retain supporting documents to evidence those procedures and the procurement decisions made.</p>	
<p>Recommendation priority:</p> <p>Priority 2 - Prompt specific action is required.</p>	
<p>Comments from ADRA Namibia:</p> <p>Management agrees to the finding, and will alleviate the weakness with the addition of human resource in accounting to assist in following and maintaining policies and procedures to avoid audit queries.</p>	

Finding n°: 9.1.2.4	Title: lack of basis for allocating salary costs
Criteria:	
<p>Article 9.13 of the Agreement between ADRA RO and ADRA Namibia states that, “The working time to be charged to the project must be recorded throughout the duration of the project by any reasonable but reliable means. The person in charge of the work designated by the Implementing Country Office should certify the records.</p> <p>Further article 9.14 of the Agreement between ADRA RO and ADRA Namibia states that, “There must be a system that allows the time anyone working on the project to be followed and audited. Good practice suggests that the link between the project and the time record is clearly established and that the type of work performed is indicated. Payroll expenses should be charged to the project current in order to enable good follow-up routines.”</p>	
Description of the finding:	
<p>We noted that the organization allocated staff salary costs to the project on the basis of fixed percentages set out in the Budget and contract of employment. The Organization had no staff time recording system and there was no evidence provided to allow us to verify that the actual time spent by staff on the project was at least equal to the percentage claimed.</p>	
Implications:	
<p>There is a risk that the actual time spent by staff on the project was less than the percentage claimed and that the Donor was therefore funding staff to carry out work on other activities not related to the Building Hope for All Project.</p>	
Recommendation:	
<p>To ensure that the staff costs claimed in the Financial Reports are identifiable and verifiable, the Organization should establish a system to record the time spent by its staff on various activities. One such system would be to require staff to complete monthly timesheets recording the number of hours spent by staff on different projects or other activities on each day during the month. For control purposes, the timesheet should be signed by the staff member and approved by a member of the organizations management. The timesheets for the year would constitute good supporting documentation to evidence the time spent by individual staff members on the Building Hope for All project.</p>	
Recommendation priority:	
<p>Priority 2 - Prompt specific action is required.</p>	
Comments from ADRA Namibia:	
<p>Management has a tool that exists in tracking the hours spent by the project officers in doing work but the current tool is under review by management to enhance it to be more informative and effective in managing the Project officer’s time. See attached documents on annex 9.1.2.2 current and proposed tool.</p>	
Further audit comments:	
<p>The documents provided do not demonstrate the actual criteria used in allocation staff salary. The current and proposed tool is blank and the attendance registers are not complete and cannot be used as the basis stated above. Further, during our audit review, we were informed that time management system was not in place thus we retain the finding.</p>	

Finding n°: 9.1.2.5	Title: Lack of budget variance analysis
<p>Criteria:</p> <p>Article 9.3 of the Agreement between ADRA RO and ADRA Namibia states that “The financial report (integrated in progress- and final reports) shall compare actual outcome for the current reporting period with the agreed budget for the same period.”</p>	
<p>Description of the finding:</p> <p>We found that actual expenditure is not compared to budget on a sufficiently frequent basis, creating the risk that expenditure may exceed budgets with little or no scrutiny until it is too late.</p>	
<p>Implications:</p> <p>Failure to carry our budget variance analysis exposes the project funds to be over or underspent which could affect the outcome of the project activities.</p>	
<p>Recommendation:</p> <p>We recommend that actual expenditure should be compared to budget on a monthly basis and explanations should be sought for any significant variations.</p>	
<p>Recommendation priority:</p> <p>Priority 2 - Prompt specific action is required.</p>	
<p>Comments from ADRA Namibia:</p> <p>ADRA Namibia uses Pastel accounting system which has budget variance analysis, the over expenditures that occurred was a result of delayed capturing due to church organisation migration that was taking place during the ToT trainings and the responsible person to capture data and analyse budget variances was part of the migration process. Management has taken note of this and a permanent solution has been adopted to avoid repeating the same mistakes. Management has contracted two staffs in accounts from the conference to assist in having timeliness in financial reports.</p>	

Finding n°: 9.1.2.6	Title: Supporting documents not stamped paid
<p>Description of the finding: We noticed that the organization did not apply a control on support documentation where supporting documents on which payment had been made against had not been stamped 'PAID' to distinguish them from unpaid expenses.</p>	
<p>Implications: Failure to have the supporting documents stamped 'PAID' increases the likelihood of multiple payments against the same support documentation.</p>	
<p>Recommendation: On approving and processing all payments, management should ensure that all supporting documents are cancelled / stamped "PAID", so as to reduce the risk of duplicate payments or double-funding.</p>	
<p>Recommendation priority: Priority 3 - Specific remedial action is desirable.</p>	
<p>Comments from ADRA Namibia: Management realises this weakness and will source the stamps to be used in this regard, management failed to source the stamps locally and will engage the office in Windhoek to assist.</p>	

Finding n°: 9.1.2.7	Title: Weakness in Asset management
<p>Criteria:</p> <p>Article 5.6 of the Agreement between ADRA RO and ADRA Namibia states that “All documents relating to the purchase of assets should be documented, and the asset shall be included in the organisation's project asset register in accordance with generally accepted accounting principles.”</p> <p>Article 1.26 of the organisations finance policies and procedures states that, “Performing regular periodic inventories of assets, recording their location and equipment, and verifying proper security for their storage.”</p> <p>Further article 1.27 states that, “All durable assets purchased shall be recorded in a fixed asset register according to the capitalization policy below. That register shall be sufficiently detailed to provide a history of all purchases until they have been disposed of. This detail shall include, at a minimum, identification of the equipment including the label code, a serial number or other identifying number, a reference to the original purchasing accounting transaction (date, project, voucher number), the total cost, the expected life, depreciation expense and related accumulated depreciation (if applicable) and the location. In addition, any information required by the donor for project assets shall be included in the register.”</p> <p>Description of the finding:</p> <p>However, we found that the assets register did not have the asset value and location documented in it.</p> <p>We were not able to verify if annual verification was done since the register was not updated, checked and reviewed by the responsible persons.</p>	
<p>Recommendation:</p> <p>Management should ensure all the requirements regarding the management of assets are adhered to</p>	
<p>Recommendation priority:</p> <p>Priority 3 - Specific remedial action is desirable.</p>	
<p>Comments from ADRA Namibia:</p> <p>Management acknowledges the weakness, and will improve to include other aspects of asset management as stipulated in the finance police. Due to lack of supplies in printing asset code labels (steal) we will engage the office in Windhoek to assist so that we avoid printing the asset codes on paper and paste, paper coded and pasted codes can easily be removed from the asset and thus increasing the risks of losing items.</p>	

Finding n°: 9.1.2.8	Title: Weakness in Bank reconciliations
<p>Description of the finding:</p> <p>We noted that bank reconciliations were prepared by the Finance Director and received by Country Director but these were not dated to evidence timeous preparation of the reconciliation.</p> <p>We also noted that the reconciliation statements did not have copies of the monthly bank statements and monthly cashbooks for ease of verification.</p>	
<p>Implications:</p> <p>Failure to indicate the bank reconciliations date casts doubts on the controls of detecting errors within the cash and bank system of the organization</p>	
<p>Recommendation:</p> <p>We recommend that all bank reconciliations should be dated by both the preparer and reviewer and copies of both the bank statements and cash book system extracts be attached for ease of verification by other users.</p>	
<p>Recommendation priority:</p> <p>Priority 3 - Specific remedial action is desirable.</p>	
<p>Comments from ADRA Namibia:</p> <p>Management accepts the weakness which is a result of lack of manpower to strengthen internal control in the project; therefore, management contracted two more staffs in accounts from the conference to assist in filling the gaps that existed in the accounting processes. An accountant will prepare the recon, the FD will review and cross check, and the CD will also sign to certify the process.</p>	

9.1.3 Compliance Findings

Finding n°: 9.1.3.1	Title: Budget Overruns					
<p>Criteria:</p> <p>Article 6.1 of the Agreement between ADRA RO and ADRA Namibia states that, “The project must be implemented in accordance with the application which has been sent to and approved by ADRA Sweden. Major changes in the project (purpose, goals, time, activities, costs etc.) are acceptable only when mutually agreed and confirmed by the Partner Organisation in writing g, in advance.”</p> <p>Article 6.3 of the Agreement between ADRA RO and ADRA Namibia states that “The Implementing Country Office must inform the Partner Organisation in advance in case of the need of new budget lines or deviations in budget lines of more than 10 percent.”</p>						
<p>Description of the finding</p> <p>However, we found that some budget lines exceeded the set limit of 10% as detailed in the table below;</p>						
	Objective	Budget in US\$	Total expenses in US\$	Variance in US\$	% Variance	Excess above 10% in US\$
	ToT Training	3,000	10,643	7,643	255%	-7,343
	Pastors and Wives/Elders - Training	1,300	3,377	2,077	160%	-1,947
	Communications - Administration Support	1,200	1,367	167	14%	-47
<p>Implications:</p> <p>Management is not in compliance with the agreement that exist between ADRA Namibia and ADRA Africa Regional office.</p>						
<p>Recommendation:</p> <p>We recommend that the management adhered to the provisions of the Grant Agreement</p>						
<p>Recommendation priority:</p> <p>Priority 2 - Prompt specific action is required.</p>						
<p>Comments from ADRA Namibia:</p> <p>Management noted the overrun late, but took an action and informed the regional office about it. Communication via email was done to this effect, management and the regional office resolved to delay some activities for 2016 and do them early 2017 to avoid overrunning the all budget lines. Church organisation migration contributed greatly to the weaknesses in internal controls in 2016 which will not be the case in 2017 as the church organisation is settling and the responsible staffs in accounts are able to monitor the budget closely and advise promptly.</p>						

Finding n°: 9.1.3.2	Title: Reporting			
Criteria:				
<p>Article 10.1 of the Agreement between ADRA RO and ADRA Namibia states that, “Progress Reports must be compiled every month and every six months for all current initiatives, financed with Swedish Mission Council funds, for which a Final Report has not yet been submitted. The Progress Report briefly outlines the initiative as it relates to the agreed budget/plan of activities. The Progress Report shall include a narrative report and a financial report.”</p> <p>Article 10.3 of the Agreement between ADRA RO and ADRA Namibia states that, “The financial report must contain a comparison with the original budget. It must be made out in both the local currency and in the currency of the budget. The report must show how much money the Implementing Country Office has received from the Partner Organisation and how much money has been spent both during the period since the last progress report and from the time the project started and up to 30 June or 31 December of the year when the report is due (this is for the bi-annual reports).”</p>				
Description of the finding:				
<p>However, we were not able to ascertain if the required reports were prepared and submitted to ADRA Africa Regional office as stipulated in the agreement as detailed in the table below;</p>				
Nature	Period	Nature of report	Due Date	Actual date submitted
Monthly narrative reports	April 2016 to December 2016	Narrative	10th of the following month	Date of submissions not provided
Semi-annual Narrative and financial reports	January -June 2016	Narrative and Financial	10-Jul-16	Reports and dates of submissions not provided
Semi-annual Narrative and financial reports	July- December 2017	Narrative and Financial	10-Jan-17	Reports and dates of submissions not provided
Implications:				
<p>Management is not in compliance with the agreement that exist between ADRA Namibia and ADRA Africa Regional office.</p>				
Recommendation:				
<p>We recommend that management should ensure that financial and narrative reports are submitted to ADRA Africa Regional office within the required timeframe.</p>				
Recommendation priority:				
<p>Priority 2 - Prompt specific action is required.</p>				
Comments from ADRA Namibia:				
<p>Timeliness of accounting information is highly desirable since information that is presented timely is generally more relevant to users while conversely, delay in provision of information tends to render it less relevant to the decision-making needs of the users. Management has resolved the issue of reporting by contracting two staffs in accounts who will work to produce financial reports on time for review by the FD and CD before sending them to the regional office.</p>				

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ANNEXES

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Annex 1: Detailed Financial Report

BUDGET LINE	NARRATIVE	Budget in US\$	Actual Expenditure in US\$	Adjustments in US\$	Final Actual expenditure	Variance in US\$	%Variance
INCOME							
Receipts from ADRA RO		78,379	53,601	-	53,601	24,778	32%
Interest earned		-	209	-	209	(209)	
Total Income		78,379	53,810	-	53,810	24,569	31%
EXPENDITURE							
PERSONNEL							
Salaries- Project Manager and Assistant	2 Project Managers - 2,100Deductions: As per legislation/statutory deductions - Tax/ severance	25,200	16,725	-	16,725	8,475	34%
Benefits- Project Manager	(includes annual bonuses 6.5% of gross pay)	1,639	-	-	-	1,639	100%
Total Personnel		26,839	16,725	-	16,725	10,114	38%
TRAVEL							
PM and PA Travel	Project Manager and Project Assistant Travel to project sites (Per diem, Accommodation and fuel).	4,500	3,059	1,274	1,785	2,715	60%
ADRA country Office M & E Visit	Personnel for monitoring and support to Project (CD, PD, FD, M&E)	550			-	550	100%
TOT Travel	Travel Reimbursement to TOT for Training and Quarterly review meetings	3,000	1,136	378	758	2,242	75%

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BUDGET LINE	NARRATIVE	Budget in US\$	Actual Expenditure in US\$	Adjustments in US\$	Final Actual expenditure	Variance in US\$	%Variance
Counsellors Travel	Travel Reimbursement to Counselors for Training and Bi-monthly review meetings	4,500	-		-	4,500	100%
Pastors and wives/elders - Travel	Travel reimbursement - on a need be basis and a fixed amount (ceiling). Nominal support; Bigger contribution to be from churches as local contribution to project	1,000	185		185	815	82%
Total Travel		13,550	4,380	1,652	2,728	10,822	80%
ORGANIZATIONAL LEARNING					-		
ADRA Africa Staff Development	Capacity building, short course and workshops on Emerging issues in HIV/AIDs	-	-	-	-	-	
Staff Development	Capacity building/workshop - project enhancing areas	-	-	-	-	-	
Total Organizational Learning		-	-	-	-	-	
TRAINING							
Training on HIV/AIDs Counseling							
TOT Training	Training materials, insurance, conference facility, refreshments	3,000	10,643	-	10,643	(7,643)	-255%
Counselors - Training	Training materials, insurance, conference facility, refreshments	3,200	1,726	-	1,726	1,474	46%

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BUDGET LINE	NARRATIVE	Budget in US\$	Actual Expenditure in US\$	Adjustments in US\$	Final Actual expenditure	Variance in US\$	%Variance
Pastors and wives/elders - Training	Training materials, insurance, conference facility, refreshments	1,300	3,377	-	3,377	(2,077)	-160%
Sub Total-Training on HIV/AIDs Counseling		7,500	15,746	-	15,746	(8,246)	-110%
Training on Life Skills							
ToTs Training	Training materials, insurance, conference facility, refreshments	2,900	140	-	140	2,760	95%
Counselors Training	Training materials, insurance, conference facility, refreshments	2,500	-	-	-	2,500	100%
Elder, Pastors and wives Training	Training materials, insurance, conference facility, refreshments	1,100	-	-	-	1,100	100%
Youth Alive (Life skills materials)	Training materials, insurance, conference facility, refreshments	750	-	-	-	750	100%
Life Skills Club Materials	Supplement cost of printing materials to be used in life skills clubs (in partnership with AMO and women's Ministries)	700	-	-	-	700	100%
ToTs Refresher Training	Trainer Travel/ Accommodation/ Food/ Translation of materials/Trainer materials/ Trainer travel insurance/ Local training organisation/ institutional facility Rental.	-	-	-	-	-	#DIV/0!

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BUDGET LINE	NARRATIVE	Budget in US\$	Actual Expenditure in US\$	Adjustments in US\$	Final Actual expenditure	Variance in US\$	%Variance
Counselors Refresher Training	Travel/ Meals/ Training materials/ Insurance	-	-	-	-	-	#DIV/0!
Contribution - Child Protection Policies	Financial Assistance to Unions/Conference/Field on Development of Child Protection Policies	200	-	-	-	200	100%
Subtotal-Training on Life Skills		8,150	140	-	140	8,010	98%
General Training and Mentorship							
Youth Training Materials	Train youths in HIV/AIDS (manual, picture roll, DVDs)	500	324	-	324	176	35%
Children Training Materials	Train children in HIV/AIDS (manual, picture roll, DVDs)	500	-	-	-	500	100%
Sub Total-General Training and Mentorship		1,000	324	-	324	676	68%
Total Training		16,650	16,210	-	16,210	440	3%
PRINTING, MATERIALS AND SUPPLIES							
Counselling Record Books	Printing Counselling record books using MOH standards	800	481	234	247	553	69%
Stationery - Support Groups	Materials to facilitate support groups startups (books, pens, ruler)	150	-	-	-	150	100%
Youth Activities Promotional Materials	Youth Activities Promotional Materials (DVDs, Balls, Trophies, gift hampers, refreshments)	700	-	-	-	700	100%
Youth Club Activity Materials	Materials to facilitate Youth club activities (books, pens, ruler, paper)	200	-	-	-	200	100%

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BUDGET LINE	NARRATIVE	Budget in US\$	Actual Expenditure in US\$	Adjustments in US\$	Final Actual expenditure	Variance in US\$	%Variance
Family focused Activity Materials	Family focused Activities (DVD's from BSK)	700	-	-	-	700	100%
Christian focused training materials	Develop and Print Training materials (Christian focus)	750	745	-	745	5	1%
Total Printing, Materials and Supplies		3,300	1,226	234	992	2,308	70%
ADVOCACY							
Advocacy - Psychosocial Support	Develop, Print and Distribute promotional materials (As per advocacy issue - to be distributed during community meetings)	450	447	-	447	3	1%
Advocacy - Youth Resilience	Develop, Print and Distribute promotional materials (As per advocacy issue - to be distributed during community meetings)	550	490	-	490	60	11%
Advocacy - Stigma	Stigma Promotional and awareness materials Implement advocacy plans (to be done after Co's bring plan on issues to be advocated for how, and when)	450	335	-	335	115	26%
Advocacy - Livelihoods CBO/Micro enterprise	Implement advocacy plans (to be done after Co's bring plan on issues to be advocated for how, and when)	500	-	-	-	500	100%
Total Advocacy		1,950	1,272	-	1,272	678	35%

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BUDGET LINE	NARRATIVE	Budget in US\$	Actual Expenditure in US\$	Adjustments in US\$	Final Actual expenditure	Variance in US\$	%Variance
CONSULTANCY							
Entrepreneurship training - CBOs	Train CBOs in entrepreneurship (Consultant)	-	-	-	-	-	
Total Consultancy		-	-	-	-	-	0%
IGAs, CBO, POLICIES SUPPORT							
Startup funds - SMEP	Startup fund for Micro-enterprises (Not accessible on year 1)	-	-	-	-	-	0%
CBO Registration	Facilitate registration of CBOs (Funds available only on the last Quarter)	-	-	-	-	-	0%
TOTAL IGAs, CBO, POLICIES SUPPORT		-	-	-	-	-	0%
MONITORING AND EVALUATION							
Project Start up							
Program start-up workshop	Orientation and Project Overview (TOT Phase V)	-	-	-	-	-	0%
Baseline survey	Benchmarking in the target areas based on the log frame	800	-	-	-	800	100%
Direct Project Monitoring & Evaluation		-	-	-	-	-	0%
Annual Review and Planning (DIP)	Air tickets, accommodation, Meals, Materials, conference facility	-	-	-	-	-	0%
ToT quarterly review meetings	Materials, insurance, refreshments only	900	-	-	-	900	100%
Counsellor bi-monthly review	Materials, insurance, refreshments only	1,100	29	-	29	1,071	97%

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BUDGET LINE	NARRATIVE	Budget in US\$	Actual Expenditure in US\$	Adjustments in US\$	Final Actual expenditure	Variance in US\$	%Variance
Division/Union/Conference/Field HMD monitoring visits	Air tickets, Accommodation, Per diem, local travel	450	221	-	221	229	51%
Indirect Project Monitoring & Evaluation		-		-	-	-	0%
Division Advisory Committee (DAC) Meeting	Air tickets, accommodation, Meals, Materials, (Division, HMDs)	-	-	-	-	-	0%
PMC monitoring visits	Air tickets, Accommodation, Per diem, local travel	-	-	-	-	-	0%
Total Monitoring And Evaluation		3,250	250	-	250	3,000	92%
VISIBILITY							
Printing Promotional Materials	Roll up banners, Fliers, Materials, Umbrellas, T-shirt, caps etc.	1,000	808	-	808	192	19%
Total Visibility		1,000	808	-	808	192	19%
ADMINISTRATION SUPPORT							
Office Rental	Office space rental	3,600	3,579	-	3,579	21	1%
Equipment	Laptop, Printer, Cam corder	1,800	-	-	-	1,800	100%
Equipment Insurance	ARM or Local insurance premiums	40	-	-	-	40	100%
Equipment Maintenance	General repairs and maintenance of TOT equipment, antivirus etc.	-	-	-	-	-	0%

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BUDGET LINE	NARRATIVE	Budget in US\$	Actual Expenditure in US\$	Adjustments in US\$	Final Actual expenditure	Variance in US\$	%Variance
Office Supplies	Office supplies for the Project Manager and Project assistant	300	168	-	168	132	44%
Communications	Internet, communication, postage	1,200	1,367	-	1,367	(167)	-14%
Administration Fees	Financial support to Country office for support to TOT Project	4,200	2,840	-	2,840	1,360	32%
Bank Charges	EFT charges	-	298	-	298	(298)	0%
Auditing	Annual Audit per country per country Office	700	-	-	-	700	100%
Total Administration Support		11,840	8,252	-	8,252	3,588	30%
TOTALS		78,379	49,123	1,886	47,237	31,142	40%
Fund balance					6,573		

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Annex 2: Follow up on prior year audit

There were no previous audit findings for follow up as this was the first year of audit.

Annex 3: No supporting documentation

Date	Reference	Description	Amount in N\$	Ineligible expenditure in N\$	Ineligible expenditure in US\$	Exceptions	ADRA Namibia comments
24/06/2016	BWP064	Tain in Rundu/Onda travel per diem	8,800	2862.56	189	Inadequately supported. N\$ 2,862.56 Missing supporting documents.	It was picked when we reconciled the payment and receipts and it was charged into the salary and wage control account to wait for the PO to provide sufficient receipts which was not done.
15/08/2016	BWP087	ToT training Kavango East & West	3,332	2368	156	N\$ 2368 not supported	PO Could not provide supporting documents
21/10/2016	BWP108	PO travel-Uys Manyando	8,928	8,928	589	Documents do not add up. No clear referencing of the supporting documents	PO Could not provide supporting documents
21/10/2016	BWP112	PA travel - Mwaka Matengu	4,550	4,550	300	No supporting documents for the PO/PA travel and accommodation Costs. Per diem not approved. All attached are internally generated documents	PA Could not provide supporting documents, since the PA still with ADRA's difference will be deducted from her salary
20/12/2016	BWP150	PO travel TOT Etunda CM ref NNC	5,200	613.53	40	inadequate supporting documents. Only N\$4586.47 is supported. The Balance of N\$613.53 has no supporting documentation.	Difference was charged to PO

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Date	Reference	Description	Amount In N\$	Ineligible expenditure in N\$	Ineligible expenditure in US\$	Exceptions	ADRA Namibia comments
16/06/2016	BWP049	TOT train remb pri visib expense	5,740	5,740	378	Documents missing	PO Could not provide supporting documents
15/08/2016	BWP089	ToT training Kavango East & West	3,080	120	8	N\$ 120 not supported	PO Could not provide supporting documents
10/05/2016	BWP030	TOT train for Ps Eld & their wives	3,500	3,500	231	Request, Po, Invoice and GRN missing	PO/PA could not provide sufficient supporting documents, additionally FD and CD supervised from remote at this time
		Totals		28,682	1,891		

Annex 4: Insufficient Supporting documentation

Date	Reference	Description	Amount In N\$	Ineligible expenditure in N\$	Ineligible expenditure in US\$	Exceptions	ADRA Namibia comments
09/11/2016	BWP124	Counselors Material	12,278	12,278	809.33	Procurement procedures not followed. Requests, quotations, Analysis, signed PO and GRN missing.	Limitation of small towns in suppliers who could provide quotes to meet the request raises audit queries
16/12/2016	BWP148	Print & photocopy of books- Get Conn	3,200	3,200	210.94	Request and signed GRN missing	
16/06/2016	BWP056	Purc of ink cart per print for train	11,302	11,302	745.02	Procurement procedures not followed. Request from the Budget holder, Request for quotations sent out to at least 3 suppliers missing. Only two quotes received from Incredible and business connection. Analysis, signed PO and GRN missing.	supervision from remote was an issue, PO had lost the documents and could not provide them when asked
29/06/2016	BWP066	Printing of materials	5,078	5,078	334.77	procurement procedures not followed. GRN missing	supervision from remote was an issue, PO had lost the documents and could not provide them when asked
27/04/2016	BWP017	Banner 4M for BHFA launching Pr	3,600	3,600	237.31	1.authorized material/service request form missing 2. Purchase order detailing the required item to the supplier	supervision from remote was an issue, PO had lost the documents and could not provide them when asked

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Date	Reference	Description	Amount In N\$	Ineligible expenditure in N\$	Ineligible expenditure in US\$	Exceptions	ADRA Namibia comments
						signed by both parties missing. 3. Good received/ delivery Note signed by both parties missing	
16/06/2016	BWP052	TOT train remb pri visib expense	1,700	1,700	112.06	only the quotation and Receipt seen. GRN for 1 PULI UP banner missing.	supervision from remote was an issue, PO had lost the documents and could not provide them when asked
22/11/2016	BWP131	Toner for PO/PA printer- Waltons	1,681	1,681	110.80	Invoice and GRN missing	Check with accountants

Annex 5: Weakness in procurement of goods and services

Date	Reference	Description	Amount In N\$	Amounts in US\$	Exceptions	ADRA Namibia comments
19/05/2016	BWP039	Acc food for TOT train & conf fac	46,130	3,041	All procurement procedures not followed in sourcing for accommodation at Mukusi Cabins for 3 nights for 33 Pax. 22 to 25th for TOT training	PO Indicated that he could not get a guest house that could lodge 33 Pax with Conference facility in Katima Mulilo only Mukusi could do so, other guest house could not provide with a letter to support that conclusion.
20/06/2016	BWP061	TOT Acc and meals conf facility	39,302	2,591	All procurement procedures not followed in sourcing for accommodation at Nkarapamwe Green Guesthouse for 22 Participants for 3 Nights for TOT training	PO Indicated that he could not get a guest house that could lodge 22 Pax with Conference facility in Katima Mulilo only Mukusi could do so, other guest house could not provide with a letter to support that conclusion.
15/08/2016	BWP092	ToT training Rundu East & West	57,200	3,771	1. Procurement process not followed in selection of the accommodation facility 2. Signed List of 25 participants not attached as supporting document for the three days of training	PO Indicated that he could not get a guest house that could lodge 25 Pax with Conference facility in Rundu except for the picked guest house, Other guest house could not provide with a letter to support that conclusion.
09/11/2016	BWP124	Counselors Material	12,278	809	Procurement procedures not followed. Requests, quotations, Analysis, signed PO and GRN missing.	Limitation of small towns in suppliers who could provide quotes to meet the request raises audit queries
16/06/2016	BWP045	Ps & wives/elder train on HIV AID	51,235	3,377	1. All procurement procedures not followed in sourcing for accommodation at Mukusi Cabins for 3 nights for 15 Pax. From 16 to 19 June 2016 for the Pastors and elders training in katima	PO Indicated that he could not get a guest house that could lodge 15 Pax with Conference facility in Katima Mulilo only Mukusi could do so, other guest house could not provide with a letter to support that conclusion.

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16/06/2016	BWP056	Purc of ink cart per print for train	11,302	745	Procurement procedures not followed. Request from the Budget holder, Request for quotations sent out to at least 3 suppliers missing. Only two quotes received from Incredible and business connection. Analysis, signed PO and GRN missing.	Supervision from remote was an issue, PO had lost the documents and could not provide them when asked
20/10/2016	BWP106	Stati for counselors Training	10,700	705	1. procurement process not followed. Missing requests, 3 quotations, Analysis, signed PO, GRN	No management comment received

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Annex 4: Persons Contacted Or Involved During The Audit

The Auditor – Baker Tilly Meralis	
Madhav Bhandari	Engagement Partner
John Mucheru	Partner
Gertrude Mirenja	Assistant Audit Manager
The Entity / Project subject to audit – ADRA Namibia	
Frank Mukube	Country Director
Reuben Masasa	Chief Financial Officer
Jessie Mukobela	Accountant