

**COMMUNITY LED PLANNING AND MANAGEMENT FOR BIODIVERSITY
PROTECTION AND RESILIENT COMMUNITIES IN SOUTHERN RWANDA
PROJECT**

AUDIT REPORT AND FINANCIAL STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

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Management is required to prepare a financial statement for each financial year which in all material respects, is in accordance with the accounting policies described under Note 2 to the financial statement. Management is also required to ensure that the Project keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Project. They are also responsible for safeguarding the assets of the Project.

Management accepts responsibility for the financial statement, which has been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the accounting policies of the Project.

Management is of the opinion that the financial statement has been prepared, in all material respects, in accordance with the accounting policies of the Project. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of the financial statement as well as adequate systems of internal financial control.

Nothing has come to the attention of the management to indicate that the Project will not remain a going concern for at least the next twelve months from the date of this statement.

The financial statement on pages 5 to 8 was approved for issue by the management and signed on its behalf by:

Marleen Masclee
Country Director

Diogene Rusumbabahizi
Finance and Administration Manager



Independent auditor's report

To Jersey Overseas Aid

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statement of the Community Led Planning and Management for Biodiversity Protection and Resilient Communities in Southern Rwanda Project ("the Project") is prepared, in all material respects, in accordance with the accounting policies described in Note 1 to the financial statement.

What we have audited

The Project's financial statement comprise:

- The fund accountability statement for the year ended 30 June 2021; and
- the notes to the financial statement, which include a summary of significant accounting policies.

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 statement 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 Project 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.

Other information

Management is responsible for the other information. The other information comprises the statement of Management's responsibilities (but does not include the financial statement and our auditor's report thereon).

Our opinion on the financial statement 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 statement, 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 statement or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Independent auditor's report – (continued)

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

We draw attention to Note 2 to the financial statement, which describe the basis of accounting. The financial statement is prepared to report to the donor (Jersey Overseas Aid) the funds received and utilised for the project. As a result, the financial statement may not be suitable for another purpose.

The report is solely for your use in connection with the reporting requirements of the financing and project agreement and is not to be used for any other purpose or to be distributed to any other parties without our prior written consent which we may grant, withhold or grant subject to conditions including conditions as to an absence of legal liability.

We agree to a copy of our report being made available to (i) Jersey Overseas Aid, on the basis that they receive our Report for information purposes only and we shall have no duty or liability to them, or (ii) as required by a court, applicable law or regulation.

Notwithstanding the preceding sentence, we do not accept any liability or responsibility to any third party to whom the Report is shown or into whose hands it may come. Our opinion is not modified in respect of the matter

Responsibilities of management and those charged with governance for the financial statement

Management is responsible for the preparation of this financial statement in accordance with the accounting policies described in Note 2 to the financial statement, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, 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 management either intends to liquidate the Project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

Auditor's responsibilities for the audit of the financial statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 this financial statement.

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

- Identify and assess the risks of material misstatement of the financial statement, 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 Project's internal control.



Independent auditor's report – (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 statement 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.

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.

For PricewaterhouseCoopers Rwanda Limited, Kigali

Mwangi Karanja
Director

.....September 2021

Fund Accountability Statement

	Notes	GBP
Funds received	3	355,669
Total fund available for use		<u>355,649</u>
Expenditure		
Personnel costs	4	77,237
Travel costs	5	5,747
Equipment and supplies	6	79,261
Local office costs	7	18,396
Other expenses	8	19,877
Direct programme activity costs	9	103,163
Indirect costs	10	24,294
Total expenditure		<u>327,975</u>
Closing fund balance		<u>27,674</u>
Represented by:		
Cash balance	11	<u>27,674</u>

The notes on pages 6 to 8 are an integral part of these financial statement.

Notes to the financial statements

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below:

a) Basis of preparation

The financial statement is prepared using cash basis of accounting in accordance with the accounting policies stated below.

b) Funds received

This represents funds received from the Jersey Overseas Aid (JOA) and the matching funds contributed by Trocaire for implementation of project activities during the period under audit. Funds are recognised when received.

c) Expenditure

This represents project expenditure paid during the period under audit. Project expenditure is incurred in accordance with the approved budget and signed project agreement and is recognized when payment is made.

d) Fixed assets

Fixed assets and equipment are expensed on acquisition.

e) Translation of foreign currency

The fund accountability statement is presented in British pound sterling (GBP). Transactions are recorded in the currency in which they are incurred. Transactions incurred in currencies other than the GBP are translated to GBP using the exchange rates prevailing on the dates of the transaction in Agresso accounting system. Closing cash balances are translated to GBP using the Agresso system closing rate as at the end of the period.

3. Funds received

Description	GBP
Receipts from Jersey Overseas Aid	297,412
Matching funds from Trocaire	58,237
	<u>355,649</u>

4. Personnel costs

Account description	GBP
Salaries	68,203
Per diem	9,034
	<u>77,237</u>

5. Travel costs

Account description	GBP
Fuel costs	5,747
	<u>5,747</u>

Notes (continued)

6. Equipment and supplies

Account description	GBP
Purchase of a vehicle	55,289
Purchase of motorbikes	13,827
Purchase of laptops	3,928
Purchase of printers	1,195
Spare parts, maintenance and repairs	1,462
Purchase of office furniture	1645
Purchase of projector and screen	1,915
	79,261

7. Local office costs

Account description	GBP
Motor vehicle insurance	2,187
Motorcycles insurance	1,788
Office rent	6,317
Consumables - office supplies	1,772
Other office costs	6,332
	18,396

8. Other expenses

Account description	GBP
Baseline development	12,189
Bank charges	200
Visibility costs	3,804
Partner capacity building	3,181
Grant management and steering committee meetings	503
	19,877

9. Direct programme activity costs

Account description	GBP
Development of communication and awareness raising materials	10,893
Radio programs	4,957
Engagement with Media on conservation and provision of Media Awards	1,239
Community awareness raising events	2,836
Signpost placement	1,625
Training for ANICOs	414
Dissemination of educational materials	3,776
Strengthening environmental clubs	488
Awareness raising of teachers	233
Community natural resource mapping manual developed	6,337
Printing of manuals and translation in Kinyarwanda	657
GEO Spatial Mapping – ICRAF	58,848
Formation of Community based Conservation Committees (CCCs)	1,604
Engagement of digital village saving and lending platform	491
Community mobilization for the establishment of digital VSLAs	3,277
Training costs-VSLA Groups	5,488
	103,163

Notes (continued)

10. Indirect costs

Relates to 8% of total direct project costs charged by Trocaire to Jersey Overseas Aid.

11. Cash balance

This represents the closing project cash balance held as at 30 June 2021.

	GBP
Cash held at Trocaire	21,632
Cash held at BIOCOOR	1,218
Cash held at UNICOOPAGI	4,824
	<hr/> 27,674 <hr/>