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ETTRANSFROM GHANA PROJECT – AUDIT REPORT (2018)

(P144140: IDA 5304-GH)

JUNE 24, 2019
MINISTRY OF COMMUNICATIONS
DIGITAL ADDRESS: GA-079-0539

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MoC e-TRANSFORM GHANA PROJECT

INTRODUCTION

This report relates to the Operational Statement of the International Development Association (IDA) of the World Bank funded e-TRANSFORM GHANA PROJECT under the Ministry of Communications of Ghana.

BRIEF PROJECT DESCRIPTION

On July 30, 2014 the Government of Ghana (GOG) and the International Development Association (IDA) of the World Bank entered into a financing agreement regarding cooperation within the ICT sector. The e-TRANSFORM GHANA PROJECT is funded by the International Development Association (IDA) of the World Bank. Ministry of Communications coordinates the program, whilst the National IT Agency (NITA) and Information Technology Enabled Service (ITES) provide technical support to the project. The five-year project which became effective on 19th September, 2014 would close on 30th June, 2019 and is being funded with IDA credit facility of US\$97 Million.

During the year under review, the International Development Association (IDA) of the World Bank re-allocated the US\$25 million originally earmarked for the implementation of the National ID Programme in 2016 as requested by the Government of Ghana through the Ministry of Finance's letter no. WBU/E-TGP/Vol. 11 of 8th June 2016. The end date agreed upon is now 2020. The restricted project costs and financing are as in the table below:

AUDIT SERVICE

In case of reply the number and date of the letter should be quoted

CGAD/ADM/eTRANSFORM.1/1/14



Good Governance and Accountability

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INDEPENDENT AUDITORS REPORT ON THE 2018 FINANCIAL STATEMENTS

We have audited the financial statement of e-TRANSFORM Project which comprises the;

- Statement of Financial Position as at 31 December 2018
- Statement of Financial Performance
- Cash flow statement for the year ended and
- Notes to the Financial Statement including significant accounting policies and other explanatory information as set out in the report

Respective responsibility of E-TRANSFORM and the Auditors

The responsibility for the preparation of the accounts including adequate disclosure is that of e-TRANSFORM Project Management. The responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Project 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.

Our responsibility as Auditors is to express an independent opinion on the Project Financial Statement based on our audit.

Opinion

In our opinion the financial statements are prepared in accordance with the laws and regulations. The accompanying financial statements present fairly in all material respects the financial position of the e-TRANSFORM project as at 31 December 2018 and its financial performance and cash flow

the year then ended in accordance with the Project Agreement Credit No. IDA 5304-GH and the stated accounting policies in Note 1 of the project financial statements.

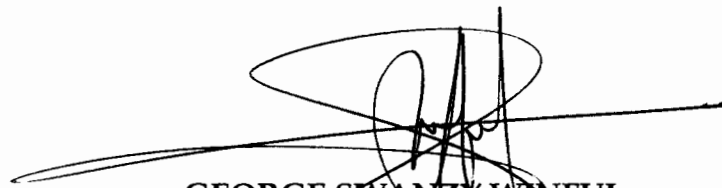
Bases for Opinion

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAI's) and IDA Guidelines on project audits. Those standards require that we comply with the ethical requirements plan and perform the audit to obtain reasonable assurance whether the Project Financial Statement are free from material misstatements.

Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Project Financial Statements.

It also includes evaluating the appropriateness of accounting policies used the reasonableness of accounting estimates made by the Project Management Unit as well as evaluating the overall presentation of the Financial Statement.

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


GEORGE SWANZY WINFUL
DEPUTY AUDITOR GENERAL/CGAD
for: AUDITOR-GENERAL

cc: Hon. Minister
Ministry of Communications
Accra

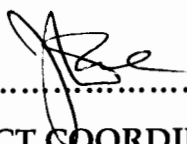
MOC e-TRANSFORM PROJECT (IDA CREDIT NO 5304-GH)

BALANCE SHEET AS AT 31 DECEMBER 2018.

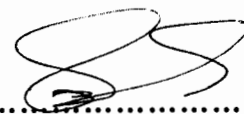
ASSETS	NOTE	2018 US\$	2017 US\$
<u>NON-CURRENT ASSETS</u>			
Fixed Assets	3	21,271,955.82	19,013,709.28
<u>CURRENT ASSETS</u>			
Project Bank and Cash Account	4	1,400,614.93	2,258,246.54
TOTAL ASSETS		22,672,570.75	21,271,955.82
<u>Current Liabilities</u>		-	-
NET ASSETS		22,672,570.75	21,271,955.82
FINANCED BY:			
Accumulated Fund	5	22,672,570.75	21,271,955.82

**OPERATIONAL STATEMENT FOR e-TRANSFORM PROJECT,
(IDA CREDIT NO 5304-GH) FOR THE YEAR ENDED 31 DECEMBER 2018.**

RECEIPTS	NOTE	2018 US\$	2017 US\$
Funds received- Designated	6	9,212,188.00	11,407,980.00
Funds received -Direct	7	3,690,859.67	13,345,805.82
Interest earned on accounts	8	-	88,542.15
Total Funds available		<u><u>12,903,047.67</u></u>	<u><u>24,842,327.97</u></u>
EXPENDITURE			
Equipment	9	-	136,887.06
Goods	10	7,614,501.89	18,876,822.22
Consultant's Service	11	1,544,903.77	2,123,369.34
Non-Consultants Service	11b	1,530,215.14	-
Training-General	12	36,588.06	131,506.68
Operating Cost	13	760,185.69	1,273,975.14
Bank Charges	14	16,038.19	41,520.99
Total Expenditure		<u><u>11,502,432.74</u></u>	<u><u>22,584,081.43</u></u>
Surplus		<u><u>1,400,614.93</u></u>	<u><u>2,258,246.54</u></u>



.....
PROJECT COORDINATOR



.....
PROJECT ACCOUNTANT

NOTE 1 ACCOUNTING POLICIES

The following are a summary of significant accounting policies adopted in the preparation of the operational statement, which has been prepared on the basis of cash receipts and disbursement.

a) BASIS OF ACCOUNTING

The operational statement has been prepared on cash basis.

b) RECEIPTS

This represents the total actual amount received from World Bank for the period.

c) PAYMENTS

This represents the actual cash disbursements on e-Transform Ghana project activities during the period under review.

NOTE 2 NON-CAPITAL EXPENDITURE

An amount of US\$ 3,887,930.85 represents the total non-capital expenditure which is an aggregation of:

Consultant's Services	US\$ 1,544,903.77
Non-Consultants' Services	US\$ 1,530,215.14
Training-General	US\$ 36,588.06
Operating Cost	US\$760,185.69
Bank Charges	US\$ 16,038.19

NOTE 3 FIXED ASSETS

The amount of US\$21,271,955.82 represents Property, Plant and Equipment (PPE) of the Project.

NOTE 4 CURRENT ASSETS

The amount of US\$ 1,400,614.93 represents project bank and cash account balances.

NOTE 5 ACCUMULATED FUNDS

The total of US\$ 22,672,570.75 represents IDA Funding as at 31 December 2018.

	2018
	US\$
Balance as at Jan 1	21,271,955.82
Cash Surplus for the period	1,400,614.93
Balance as at Dec 31	22,672,570.75

NOTE 6 & 7 FUNDS RECEIVED FROM IDA (WORLD BANK)

The total amount of **US\$ 12,903,047.67** made up of funds received (Designated and Direct) represents funds transferred by IDA, (World Bank) to the Ministry of Communications (Project Implementation unit) so far.

NOTE 8 INTEREST EARNED ON THE DESIGNATED ACCOUNT

There was no interest earned since BOG does not operate an interest account.

NOTE 9 EQUIPMENT

There was no expenditure on procurement of assets for the project in 2018.

NOTE 10 GOODS

The amount of **US\$ 7,614,501.89** represents the total of other non-current assets, such as computer software and hardware for TICN, e-Immigration, e-Justice and e-Parliament for the period under review.

NOTE 11 CONSULTANCY SERVICES

The amount covered allowances paid to the project Management team and other consultants which accumulated, saw an increase of **US\$ 1,544,903.77** or 72.76% over the 2017 financial year figure.

NOTE 11b NON-CONSULTANCY SERVICES - US\$ 1,530,215.14

The amount covered allowances paid to the team void of the project Management team and other imminent consultants.

NOTE 12 TRAINING

The amount of **US\$ 36,588.06** represents expenditure incurred so far on the training of some officers of the Ministry to enhance the efficiency on the project management.

NOTE 13 OPERATING COST

The amount of **US\$ 760,185.69** represents expenditure incurred on day to day running of the project coordinating secretariat. This includes Review of implementation progress report, Facilitation of e-Transform Ministerial Budget, Fuel and Lubricants, Stationery, Printing of Data Protection Commission certificates of registration and Repairs of equipment and Vehicles.

NOTE 14 BANK CHARGES

Bank charges and Commissions paid on operating the account over the period and witnessing a cumulative increase of **US\$ 16,038.19** or by **38.63%** over that of 2017.

NOTE 15 PRIOR YEAR ADJUSTMENTS

The accounts presented to the World Bank for the period 31 December 2017 had a line item, **Non-Capital Expenditure** with an amount of **US\$ 3,570,372.15** added to its PPE figure. Subsequently, this amount has been corrected to give a true and fair view of the accounts. Also, an adjustment to the tune of **US\$ 18,163.61** has been made considering the cumulative **Goods** figure for the period under review to reflect its true figure.

APPENDIX – FIXED ASSETS SCHEDULE

ACCOUNT DESCRIPTION	CUMULATIVE AS AT JAN 1, 2018	Adjustments	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	CUMULATIVE AS AT DECEMBER 31, 2018
Fixed Assets							
Property (IT equipment setups)	18,698,766.72	18,163.61	565,508.31	363,461.10	814,655.74	496,457.77	20,957,013.26
Office Equipment	136,887.06		-	-	-	-	136,887.06
Vehicles	178,055.50		-	-	-	-	178,055.50
	19,013,709.28		565,508.31	363,461.10	814,655.74	496,457.77	21,271,955.82