

**WEST AFRICA AGRICULTURAL PRODUCTIVITY PROGRAMME (WAAPP)
IDA CREDIT NUMBER 51360 - GH**

MINISTRY OF FOOD AND AGRICULTURE

**WEST AFRICA AGRICULTURAL PRODUCTIVITY PROGRAMME
(WAAPP 2A)**



IDA CREDIT NUMBER 51360 – GH

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Public Disclosure Authorized

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WEST AFRICA AGRICULTURAL PRODUCTIVITY PROGRAMME (WAAPP)
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GENERAL INFORMATION

PROJECT OFFICIALS

A. Steering Committee

Hon Deputy Minister (Crops) of Agriculture	- MOFA
Ing. J.K Boamah	- Chief Director, MOFA
Mrs. Azara Ali - Mamshie	- NPC/MOFA
Mrs. Diana Amoako - Kissiwa	- Financial Controller, MOFA
Prof Ben A. Osei	- Vice- Dean, School of Agric. Uni. Of Cape Coast
Dr. Stephen K Nutsugah	- Director, CSIR - SARI
Dr. Stella A. Ennin	- Director, CSIR - CRI
Mr. Seth Osei Akoto	- Director,DCS/MOFA
Mr. Ebenezer Aboagye	-Ag Director, PPRSD/MOFA
Mr. Christian B Marfo	- MD, Precision Farms and Oil (Farmers Rep)
Ms. Angela Dannon	- Director, Projects Unit, MOFA
Dr. Victor K. Agyemang	- Director General CSIR
Dr. Kwesi Ampofo	- Executive Director , AGRA
Dr. K Amezah	- Director, DAES/MOFA
Mrs. Sauda Ahmed	- Ag. Head, World Bank Unit/MOFEP
Dr. Sam Adu- Kumi	- Ag. Director, CCMC/EPA

B. Project Officers

1. National Project Coordinator - Mrs. Azara Ali Mamshie

2. Financial Controller
 - MOFA - Mrs. Diana Amoako - Kissiwa
 - CSIR - Mr. Emmanuel Ofosu Brako
3. Project Accountant
 - MOFA - Mr. David Ofosu
 - CSIR - Mr. Timothy Archer
4. Technical Specialist - Dr. Anno Nyarko

5. Research Coordinator of WAAPP
 - CSIR - Dr. (Mrs.) Emma M Entsua -Mensah

Project Bankers

IDA Special Account – Agricultural Development Bank, Cedi House Accra

Local Currency Account – Bank of Ghana

Auditors – Ghana Audit Service

WEST AFRICA AGRICULTURAL PRODUCTIVITY PROGRAMME (WAAPP)
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LIST OF ABBREVIATIONS AND ACRONYMS

AEA	- Agricultural Extension Agent
Ag SSIP	- Agricultural Service Subsector Investment Programme
AKIS	- Agricultural Knowledge Information System
AWPB	- Annual Work Plan and Budget
CARGS	- Competitive Agricultural Research Grants
COSMAC	- Centre of Specialization Management Committee
CRI	- Crops Research Institute
CSIR	- Council for Scientific and Industrial Research
DADUs	- District Agricultural Development Units
DAES	- District Agricultural Extension Services
DCS	- Directorate of Crop Services
DUS	- Distinctions, Uniformity, Stability
DMISO	- District Management Information System Officer
EPA	- Environmental Protection Agency
FASDEP	- Food and Agricultural Sector Development Policy
GPRS	- Ghana Poverty Reduction Strategy
MDGs	- Millennium Development Goals
M&E	- Monitoring and Evaluation
MEO	- Monitoring and Evaluation Officer
MOFA	- Ministry of Food and Agriculture
MOFEP	- Ministry of Finance and Economic Planning
NARS	- National Centre of Specialization
NPC	- National Project Steering Committee
NPSC	- National Project Steering Committee
NVRC	- National Varietal Release Committee
PD	- Project Division
PPMED	- Policy Planning Monitoring and Evaluation Directorate
PPRSD	- Plant Protection and Regulatory Service Directorate
RADUs	- Regional Agricultural Directorates Units
R&D	- Research and Development
RELCs	- Research Extension Linkages Committees
SRID	- Statistics Research and Information Directorate
WAAPP	- West Africa Agricultural Productivity Programme
WECARD/CORAF	- West and Central African Council for Agricultural Development
VUS	- Value for Cultivation or Us

AUDIT SERVICE

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

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Your Ref. No:.....

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Fax: 233 (0) 302 6751495

Website: www.ghaudit.org



Good Governance
and Accountability



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P. O. Box.....**ACCRA**

.....**12th JUNE 18**.....

West Africa Agricultural Productivity Programme (WAAPP 2A)
Ministry of Food and Agriculture
IDA Credit Number 51360-GH

Auditor's Report on the Financial Statement

We have audited the accompanying financial statements on pages 6 to 14 of the West African Productivity Programme (WAAPP 2A), financed under IDA Credit Number 51360-GH for the year ended December 31, 2017. The statements comprise the statement of financial position as at 31st December 2017, the statement of sources and uses of funds, statement of expenditures (SOEs) and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

2. Ministry of Food and Agriculture, which is the implementing agency for WAAPP is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.


Auditor's responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards of Supreme Auditing Institutions (ISSA).
4. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of WAAP as at 31st December 2017 and in accordance with

International Financial Reporting Standards and the Project Agreement Guidelines



SAMUEL AMOFA

ASSISTANT AUDITOR-GENERAL

***FOR:* AUDITOR GENERAL**

PROJECT REPORT

The Ministry of Food and Agriculture is the implementing agency for the WAAPP and it operates through a project steering committee (PSC), which has the oversight responsibility for the project. The Steering Committee of the WAAPP, acting through the project Coordinating Unit (PCU), is responsible for the preparation of the financial statements for the project.

The PCU of the WAAPP presents herewith to the stakeholders of the project their report and the audited financial statements of the WAAPP for the year ended December 31st, 2016 and reports thereon as follows:

STATEMENT OF STEERING COMMITTEE'S RESPONSIBILITIES

The PSC of the WAAPP, acting through the PCU, is responsible for the preparation of the financial statements for each financial year which gives a true and fair view of the state of affairs of the project and of the resources and expenditure and cash flows for that period. In preparing these financial statements, the PSC, through the PCU, has selected suitable accounting policies and applied them consistently, made judgements and estimates that are responsible and prudent and followed Generally Acceptable International Accounting Standards.

The PCU is responsible for ensuring accuracy that the WAAPP keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the WAAPP. The PCU is also responsible for safeguarding the assets of the WAAPP and taking reasonable steps for the prevention and detection of fraud and other irregularities

ACCUMMULATED PROJECT FUND

Total Loan Disbursed as at the end of December, 2017 totaled USD 51,954,755.21

NATIONAL PROJECT CO-ORD: AZARA ALI MAMSHIE

PROJECT ACCOUNTANT: DAVID OFOSU

SIGNATURE:



SIGNATURE:



DATE: 12/June/2018

DATE: 12th June, 2018

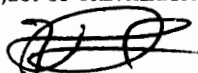
WEST AFRICA AGRICULTURAL PRODUCTIVITY PROGRAMME (WAAPP)
IDA CREDIT NUMBER 51360 – GH

MINISTRY OF FOOD AND AGRICULTURE			
BALANCE SHEET FOR THE YEAR ENDED DECEMBER 31, 2017			
		31/12/2017	31/12/2016
	Notes		
		US\$	US\$
ASSETS EMPLOYED			
Non- Current Assets			
Current Assets			
Advances to Implementing Agencies			
Bank Balances	1	282,716.39	505,710.59
		282,716.39	505,710.59
CURRENT LIABILITIES			
Owings to Implementing Agencies			
Net Asset		282,716.39	505,710.59
Accumulated Funds			
Accumulated Funds Brought forward		505,710.59	3,762,019.53
Surplus/(Deficit) for the year		-222,994.20	- 3,256,308.94
Accumulated Surplus		282,716.39	505,710.59

NATIONAL PROJECT CO-ORD: AZARA ALI MAMSHIE

PROJECT ACCOUNTANT: DAVID OFOSU

SIGNATURE:



SIGNATURE:



DATE:

12 June 2018

DATE:

12th June, 2018

WEST AFRICA AGRICULTURAL PRODUCTIVITY PROGRAMME (WAAPP)
IDA CREDIT NUMBER 51360 – GH

STATEMENT OF INCOME AND EXPENDITURE ACCOUNT				
FOR THE YEAR ENDED DECEMBER 31, 2017				
RECEIPTS	Notes	31/12/2017	31/12/2016	31/12/2017
		US\$	US\$	US\$
Disbursement from IDA	2	1,513,438.25	8,797,516.72	51,954,755.21
Other Income		1,332.78	2,658.79	71,230.17
TOTAL		1,514,771.03	8,800,175.51	52,025,985.38
EXPENDITURE				
Civil Works			202,278.98	3,513,646.70
Vehicles				1,414,212.56
Office Equipment		1,908.84	1,565,644.69	2,589,580.65
Research expense	4	270,355.60	1,258,646.65	6,383,625.00
Training		54,208.71	282,716.43	6,643,886.86
Consulting		52,180.92	713,721.83	2,400,714.98
Operating cost	3	447,546.59	3,770,756.61	13,257,653.78
Genetic/Planting Material	4	86,798.43	1,969,313.37	8,424,056.41
Other Equipment		824,829.11	7,663.57	4,736,070.38
Veterinary Drugs				587,531.82
Agro- chemicals/Consumables/Other supplies				1,791,861.60
Exchange Rate Approximation Diff		(62.97)	(183.09)	428.25
Total Project Expenditure		1,737,765.23	9,770,559.04	51,743,268.99
Surplus/(Deficit) of Receipts over expenditure		- 222,994.20	- 970,383.53	282,716.39
ACCUMULATED FUND FOR THE YEAR ENDED 31 DECEMBER 2016				
Balance as at January 2016			1,476,094.12	
Balance as at December 2017		282,716.39	505,710.59	282,716.39

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CASHFLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

Cash Generated from operation:	2017	2016	Cumm To date
Operating expenditure	(911,090.25)	(7,995,154.89)	(37,204,075.35)
TOTAL	(911,090.25)	(7,995,154.89)	(37,204,075.35)
Working Capital Adjustment:			
Increase in receivables	62.97	183.09	(2,285,683.34)
(Decrease)/Increase in payable			
Cash Generated from operation	(911,027.28)	(7,994,971.80)	(39,489,758.69)
Exchange loss			
Net Cash generated from operation	(911,027.28)	(7,994,971.80)	(39,489,758.69)
Investing activities:			
Purchased of fixed assets	(826,737.95)	(1,775,587.24)	(12,253,510.29)
Net Cash outflow from investing	(826,737.95)	(1,775,587.24)	(12,253,510.29)
Financing activities:			
Refund			
Receipt from IDA	1,513,438.25	8,797,516.72	51,954,755.20
Interest	1,332.78	2,658.79	71,230.17
Net Cash Inflow from Financing Activities	1,514,771.03	8,800,175.51	52,025,985.37
Net decrease in Cash and Cash equivalent	(222,994.20)	(970,383.53)	282,716.39
Cash and Cash equivalent at Jan 1	505,710.59	1,476,094.12	
Cash and Cash Equivalent at 31/12/16	282,716.39	505,710.59	282,716.39

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IDA CREDIT NUMBER 5160-GH			
SUMMARY OF ACTIVITIES IN THE IDA DESIGNATED ACCOUNT			
RECEIPTS	2017	2016	CUMM TO DATE
Balance b/f	291,595.96	1,056,855.44	
IDA Replenishment	1,513,438.25	8,797,482.72	51,954,721.20
Interest received	29.70		48,264.20
TOTAL FUNDS AVAILABLE	1,805,063.91	9,854,338.16	52,002,985.40
EXPENDITURE			
Transfer to IDA Designated Account	1,100,000.00	8,450,000.00	46,350,000.00
Transfer to Implementing Agencies		-	1,039,100.00
Goods	418,321.78	989,147.29	3,712,024.17
Training	40,633.00	40,166.20	235,285.20
Consulting			
Operational Cost	6,560.68	83,428.71	427,027.58
TOTAL	1,565,515.46	9,562,742.20	51,763,436.95
Closing Cash Book Balance	239,548.45	291,595.96	239,548.45

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SUMMARY OF EXPENDITURE BY CATEGORY AND COMPONENT

USES OF FUNDS (BY CATEGORY)	JAN - DEC 2017	PREVIOUS	CUMMULATIVE TO DATE
EXPENDITURE	USD	USD	USD
Category 1		3,267,469.85	3,267,469.85
Category 2	1,112,197.37	34,203,345.32	36,737,230.40
Category 3	625,567.86	10,248,267.32	11,738,568.74
Category 4	-	.	-
TOTAL PROJECT EXPENDITURE	1,737,765.23	47,719,082.49	51,743,268.99
USES OF FUNDS (BY COMPONENT)			
EXPENDITURE			
COMPONENT 1.1	-	1,836,312.45	1,836,312.45
COMPONENT 1.2	-	320,285.36	320,285.36
COMPONENT 2	198,703.96	6,431,064.85	6,918,318.15
COMPONENT 3.1	625,567.86	8,250,891.12	9,741,688.54
COMPONENT 3.2	121,881.69	14,551,388.14	15,146,836.42
COMPONENT 3.3	279,109.01	10,511,562.93	11,072,253.70
COMPONENT 4.1	486,161.29	4,826,851.50	5,690,506.81
COMPONENT 4.2	26,341.42	990,726.14	1,017,067.56
TOTAL PROJECT EXPENDITURE	1,737,765.23	47,719,082.49	51,743,268.99

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

A Basis of preparation of Account

The financial statements have been prepared under modified cash basis of accounting. Modified Cash basis implies that all expenditure items are expenses as they incurred. However, accruals are made at the year-end for known liabilities. Income is recognized only when cash is received.

B Foreign Currency Transactions

Foreign currency translation for the income and expenditure account items are Converted using the actual historic exchange rate at the conversion from the special to local account. Where part of the expenditures has to be from the proceeds of subsequent drawdowns from special to local account, this is done on First in First out (FIFO) basis. All local expenditures paid from the local accounts/currency are translated back to the USD at the actual rate used for the transfer from the special to local account. Cash balances held in foreign currency are reported using the closing rate. No exchange differences was recorded in the year because the prevailing exchange rate at the date of last transfer in the Sub-designated account remained unchanged till the close of the year.

C Fixed Assets

All fixed assets acquired under the IDA Credit Number 5130-GH have been written off to the Income and Expenditure Account in the year of purchase and hence no depreciation charged.

D Project Commencement

The Project effectively commenced in January 2013, although disbursements from the IDA loan started from March 2013.

G Going Concern

The activities of WAAPP are still on going and hence the financial statements of the WAAPP are prepared on going concern basis.

Note 1

CASH AND CASH EQUIVALENT/BANK BALANCES

ACCOUNT	CLOSING BALANCE		
Designated Account			239,548.45
Sub-Designated Account			43,167.94
Total Bank Balance			282,716.39

Note 2

IDA LOAN DISBURSEMENT

WEST AFRICA AGRICULTURAL PRODUCTIVITY PROGRAMME (WAAPP)
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MOFA/WAAPP/2017/18	1,153,458.25
MOFA/WAAPP/2017/19	159,990.00
MOFA/WAAPP/2017/20	199,990.00
	<u>1,513,438.25</u>

Note 3

OPERATING COST

ITEM	USD
UTILITY	61,303.21
RUNNING COST	72,427.66
MATERIALS AND CONSUMABLES	68,409.17
OTHER ADMINISTRATION COST	2,882.94
MAINTENANCE OF OFFICIAL VEHICLES	12,640.47
PRINTING AND PUBLISHMENT	14,889.40
TRAVEL AND TRANSPORT	214,508.99
BANK CHARGES	484.74
TOTAL	447,546.58

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Note 4

The figure USD\$ 2,285,925.41 is an expenditure omitted from the cumulative project expenditure in the income and expenditure statement but accounted for in yearly income and expenditure statement and hence needs to be adjusted as follows. The breakdown in expenditure, components and categories are as follows:

EXPENDITURE	AMOUNT (USDS)
Research Expense	1,377,110.33
Genetic/Planting Material	908,819.08
Total	2,285,929.41

EXPENDITURE	AMOUNT (USDS)
Category 2	1,421,191.71
Category 3	864,737.70
Total	2,285,929.41

EXPENDITURE	AMOUNT (USDS)
Component 2	288,549.34
Component 3.1	864,737.70
Component 3.2	473,566.59
Component 3.3	281,581.76
Component 4.1	377,494.02
Total	2,285,929.41

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Comparison of cumulative expenditure with total allocation (Budget) for the project period for the respective categories and components taking into accounts note 4.

USES OF FUNDS (BY CATEGORY)	TOTAL ALLOCATION	CUMULATIVE TO DATE	VARIANCE
EXPENDITURE	USD	USD	USD
Category 1	2,765,000.00	3,267,469.85	-502,469.85
Category 2	36,860,000.00	36,737,226.26	1,22,772.74
Category 3	16,375,000.00	11,738,572.88	4,636,427.12
Category 4	4,000,000.00	-	4,000,000.00
TOTAL PROJECT EXPENDITURE	60,000,000.00	51,743,268.99	8,256,731.01
USES OF FUNDS (BY COMPONENT)			
EXPENDITURE			
COMPONENT 1.1	1,044,000.00	1,836,312.45	-792,312.45
COMPONENT 1.2	984,000.00	320,285.36	663,714.64
COMPONENT 2	9,933,000.00	6,918,318.15	3,014,681.85
COMPONENT 3.1	14,808,000.00	9,741,196.68	5,066,803.32
COMPONENT 3.2	19,300,000.00	15,146,836.42	4,153,163.58
COMPONENT 3.3	10,783,000.00	11,072,253.70	-289,253.58
COMPONENT 4.1	2,287,000.00	5,690,998.67	-3,403,998.67
COMPONENT 4.2	861,000.00	1,017,067.56	-156,067.56
TOTAL PROJECT EXPENDITURE	60,000,000.00	51,743,268.99	8,256,731.01