AFRICAN UNION COMMISSION
PROJECT FOR COMPREHENSIVE AFRICA AGRICULTURE
DEVELOPMENT PROGRAMME (CAADP) FINANCED BY WORLD BANK
UNDER IDF GRANT NO. TF097746

STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2015

A.W. THOMAS L.P.
CHARTERED CERTIFIED ACCOUNTANTS
23 June 2015

Mrs. Assietou Sylla Diouf
Director, Programming
Budgeting, Finance and Accounting
African Union Commission
Addis Ababa

Dear Mrs. Diouf,

Re: Audit Report

We now enclose the audit reports dated 9 May 2016 on the Statement of Receipts and Expenditure, Internal Control, and Compliance of African Union Commission World Bank IDF project for Comprehensive Africa Agriculture Development Programme (CAADP) IDF Grant No. TF097746 for the year ended 31 December 2015.

The audit report contains the following sections:

- Report of Independent Auditor on the Statement of Receipts and Expenditure;
- Statement of Receipts and Expenditure;
- Report of Independent Auditor on Internal Control;
- Report of Independent Auditor on Compliance;

We are grateful to African Union Commission’s management and staff for the assistance and courtesy extended to our representatives during the conduct of the audit.

Yours faithfully,

A.W. Thomas L.P.
Chartered Certified Accountants

P.O. Box 1162, Addis Ababa Ethiopia
Telephone: 251 (0)11 552 5575, Fax: 251 (0)11 552 4855
E-mail: awthomaslp@gmail.com
Partners: A.W. Thomas, Melaku Abeje and Seid Abdela
AFRICAN UNION COMMISSION PROJECT FOR COMPREHENSIVE AFRICA AGRICULTURE DEVELOPMENT PROGRAMME (CAADP) 
FINANCED BY WORLD BANK UNDER IDF GRANT NO. TF097746 
FOR THE YEAR ENDED 31 DECEMBER 2015

2. Independent Auditor's Report on the Statement of Receipts and Expenditure

2.1 The Report

African Union Commission
Addis Ababa

We have audited the project’s Statement of Receipts and Expenditure and the accompanying supplementary financial information of African Union Commission Comprehensive Africa Agriculture Development Programme financed by World Bank under IDF Grant No. TF097746 for the year ended 31 December 2015. This Statement of Receipts and Expenditure is the responsibility of management. Our responsibility is to express an opinion on this Statement of Receipts and Expenditure based on our audit.

We conducted our audit in accordance with International Auditing Standards. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statement. It also includes an assessment of the significant estimates and judgments made by the management in the preparation of the financial statement, and of whether the accounting policies are appropriate to the project's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Statement of Receipts and Expenditure is free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statement. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly in all material respects, the financial position of African Union Commission World Bank Supported Comprehensive Africa Agriculture Development Programme financed by World Bank under IDF Grant No. TF097746 for the year ended 31 December 2015 and the results of its operations for the year then ended in accordance with the accounting policies adopted by the project, consistently applied.

This report is intended for the information of African Union Commission and the World Bank. However, upon release by the World Bank, this report is a matter of public record and its distribution is not limited.

A.W. Thomas L.P.
Chartered Certified Accountants

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Addis Ababa
9 May 2016
**AFRICAN UNION COMMISSION PROJECT FOR COMPREHENSIVE AFRICA AGRICULTURE DEVELOPMENT PROGRAMME (CAADP)**
FINANCED BY WORLD BANK LOAN UNDER IDF GRANT NO. TF097746
FOR THE YEAR ENDED 31 DECEMBER 2015

## 2.2 STATEMENT OF RECEIPTS AND EXPENDITURE

**Currency:** USD

### Receipts

<table>
<thead>
<tr>
<th>Description</th>
<th>Notes</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers from World Bank</td>
<td>2.2.4</td>
<td>1,372,520.32</td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td>4,410.52</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td></td>
<td><strong>1,376,930.84</strong></td>
</tr>
</tbody>
</table>

### Expenditure

<table>
<thead>
<tr>
<th>Description</th>
<th>Notes</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordinating implementation of CAADP</td>
<td>Annex VII</td>
<td>1,014,916.54</td>
</tr>
<tr>
<td>Environment, natural resources management and climate change</td>
<td>Annex VII</td>
<td>28,019.90</td>
</tr>
<tr>
<td>Rural economy and diversification of livelihood systems</td>
<td>Annex VII</td>
<td>21,788.60</td>
</tr>
<tr>
<td>Facilitating policy harmonization and adaptation related to AUC's decisions</td>
<td>Annex VII</td>
<td>97,369.20</td>
</tr>
<tr>
<td>Bank charges</td>
<td></td>
<td>522.00</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td></td>
<td><strong>1,162,616.24</strong></td>
</tr>
</tbody>
</table>

### Excess of receipts over expenditure

1,228,631 - 1,084,198 = 150,743

### Fund balance

1. **Fund balance 01.01.2015, Deficit**
   - (162,955.95)

2. **Fund balance 31.12.2015, Excess**
   - 51,358.65
   - (162,956)

### Represented By:

<table>
<thead>
<tr>
<th>Description</th>
<th>Notes</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>2.2.2</td>
<td>151,945.89</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>Annex VIII</td>
<td>70,270.58</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>Annex IX, 2.2.3</td>
<td>(170,857.91)</td>
</tr>
<tr>
<td><strong>Suspense account</strong></td>
<td></td>
<td>(1,044)</td>
</tr>
<tr>
<td><strong>Total Represented By</strong></td>
<td></td>
<td><strong>51,358.56</strong></td>
</tr>
</tbody>
</table>
AFRICAN UNION COMMISSION PROJECT FOR COMPREHENSIVE AFRICA
AGRICULTURE DEVELOPMENT PROGRAMME (CAADP)
FINANCED BY WORLD BANK LOAN UNDER IDF GRANT NO. TF097746
FOR THE YEAR ENDED 31 DECEMBER 2015

2.2.1 Notes to the statement of receipts and expenditure

a. Basis of accounting
   The Commission is using a computerized accounting system and has adopted the
   International Public Sector Accounting Standards starting from 2014.

b. Remittance of funds
   The advances were made as per the details in section 2.2.4 and were deposited in a
   designated account opened with the Commercial Bank of Ethiopia.

c. Fixed assets
   Fixed assets are expensed in the year of purchase.

d. Income and Expenditure
   Income is recognized when cash is actually received and expenditure when it is
   incurred.

e. Budget
   The budget was approved as required by the standard conditions of the grant and work plan
   as approved by the World Bank.

2.2.2 CASH AT BANK
   The project opened designated accounts with the Commercial Bank of Ethiopia at African
   Union Branch Addis Ababa, as below:

<table>
<thead>
<tr>
<th></th>
<th>Annex II</th>
<th>Annex III</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBE USD Account</td>
<td>149,981.20</td>
<td>1,964.78</td>
</tr>
<tr>
<td>CBE ETB Account</td>
<td>151,945.98</td>
<td>7,941</td>
</tr>
</tbody>
</table>

2.2.3 PAYABLES

<table>
<thead>
<tr>
<th>Payables</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopian airlines</td>
<td>145,702.76</td>
</tr>
<tr>
<td>Other Payables</td>
<td>25,155.15</td>
</tr>
<tr>
<td></td>
<td>170,857.91</td>
</tr>
</tbody>
</table>

2.2.4 TRANSFERS FROM WORLD BANK

<table>
<thead>
<tr>
<th>Date</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/11/2015</td>
<td>WA-21</td>
</tr>
<tr>
<td>29/09/2015</td>
<td>WA-20</td>
</tr>
<tr>
<td>31/07/2015</td>
<td>WA-19</td>
</tr>
<tr>
<td>18/02/2015</td>
<td>WA-18</td>
</tr>
<tr>
<td>18/02/2015</td>
<td>WA-17</td>
</tr>
<tr>
<td></td>
<td>1,372,520.32</td>
</tr>
<tr>
<td></td>
<td>1,228,631</td>
</tr>
</tbody>
</table>
AFRICAN UNION COMMISSION PROJECT FOR COMPREHENSIVE AFRICA AGRICULTURE DEVELOPMENT PROGRAMME (CAADP) FINANCED BY WORLD BANK LOAN UNDER IDF GRANT NO. TF097746 FOR THE YEAR ENDED 31 DECEMBER 2015

General description of accounting and audit methodology

Before starting the audit work, the audit program was developed.

An Entrance Conference was held on 23 March 2016 at the African Union Commission office in the presence of the Commission’s representatives.

The schedules and documents supporting the Statement of receipts and expenditure were kept at African Union Commission office in Addis Ababa and the field audit work was conducted there. Detailed audit work was performed by us for the year ended 31 December 2015.

An exit conference was held on 28 April 2016 at the premises of African Union Commission in the presence of the Commission’s representatives.