

# AFAAS FINANCIAL & AUDITED REPORT 2020

Presented by  
Chair Finance & Administration  
Committee

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# Presentation

1. Introduction;
2. AFAAS Current Grants;
3. Funds Received for Year 2021;
4. Income & Expenditure to October, 2021;
5. Details on AFAAS Audited Financial Statements;
6. Recruitment of AFAAS External Auditors;
7. Objectives of the Audit;
8. Opinion Expressed;
9. Income and Expenditure for 2019 & 2020;
10. Statement of Financial Position for 2019 & 2020;
11. Detailed Control Issues for 2020 Audit;
12. Control Issues for 2019 closed off



# Introduction

- The African Forum for Agricultural Advisory Services ( **AFAAS** ) is the umbrella organisation for Agricultural Extension and Advisory Services ( AEAS ) in Africa.
- Its objective is to create efficient, effective and synergistic linkages and partnerships between AEAS of member countries, to improve the delivery of AEAS to farmers.





## Introduction Cont'd

- It operates within the framework of the Comprehensive Africa Agriculture Development Programme (CAADP), which has the objective of enhancing the livelihoods of African farmers and pastoralists.



# AFAAS Current Grants

	Funder	Grant Amount	Project
1	EU	Euro 5,110,000	CAADXP XP4 Project ( <b>April, 2024</b> )
2	IFAD	USD 830,000	Last Mile Project (LMP) ( <b>June, 2024</b> )
3	EU	Euros 318,625	Sustain Sahel ( <b>July, 2025</b> )
4	EU	Euros 74,500	SERVInnov ( <b>Aug, 2021</b> )
5	EU	Euros 196,625	Bio4Africa ( <b>May, 2025</b> )
6	FAO	USD 69,796	Integration of Nutrition ( <b>Nov. 2021</b> )
7	The Common Wealth of Learning (COL)	CADS 15,000	The Agricultural Massive Open Online Courses Project ( <b>Feb. 2022</b> )





# Funds Received for Year 2021

During the period January to October 2021 received a total of USD 188,285.00



# Income and Expenditure incurred to October 2021

Project	B/f 2020 (\$)	Receipt-2021 (\$)	Total (\$)	Expenditure (\$)	Balance (\$)
IFAD (Last Mile)	45,151	NIL	45,151	26,870.05	18,280.95
CAADP XP IV	932,651	NIL	932,651	739,006.05	193,645
FFS – FAO (Old)	15,838	54,957.29	70,795.29	70,795.29	0
FFS-FAO (New)	NIL	20,682.00	20,682.00	174.65	20,507.35
COL 1&2		14,299.	14,299.	5,100.15	9,198,85
SERVInnov	10,732	NIL	10,732	1,500	9,232
Sustain Sahel	56,339	NIL	56,339	41,263.25	15,075.87
AATF		34,381	34,381	35,223.73	-843
BIO4 Africa	NIL	63,965.83	63,965.83	819.42	63,146.41
RESERVE FUND	14,042	NIL	14,042.00	8,121.31	14,042.00
<b>TOTAL</b>	<b>1,074,753</b>	<b>188,285</b>	<b>1,248,739</b>	<b>928,874</b>	<b>333,087</b>



# Details on AFAAS Audited Financial Statements

The financial statements are prepared for 12 months January to December.





# Recruitment of AFAAS Auditors

Ernest & Young (E&Y) were contracted for a period of 3 years (2019, 2020 & 2021) with an option of renewal subject to availability of funds and satisfactory performance. The contracts are issued annually with agreed TORs.



# Objective of the Audit

- The primary objective of the Statutory Audit is to enable the auditor express an independent professional opinion on whether the Financial Statements including additional disclosures present a fair view of the financial affairs of the organization.



# Objective of the Audit Cont'd

- Report to Management areas of weakness noted during the review of the control environment over Financial reporting





# Audit Opinion

- Ernest & Young audited the financial statements(FS) for AFAAS for the 2 years ending December 2019 & 2020.
- In their opinion , the FS present fairly, in all material respects, the financial position of AFAAS for the 2 years.



# Audit Opinion Cont'd

- The Auditor included an emphasis of Matter on the FS for the year ended December 2020.
- This was in regard to the change in the basis of preparation of Financial Statements according to IFRS for SMEs.
- This change is indicated in the reconciliations of the statement of income and expenditure and equity to show the effect of transition from AFAAS Accounting policies to IFRS for SMEs. Page 28

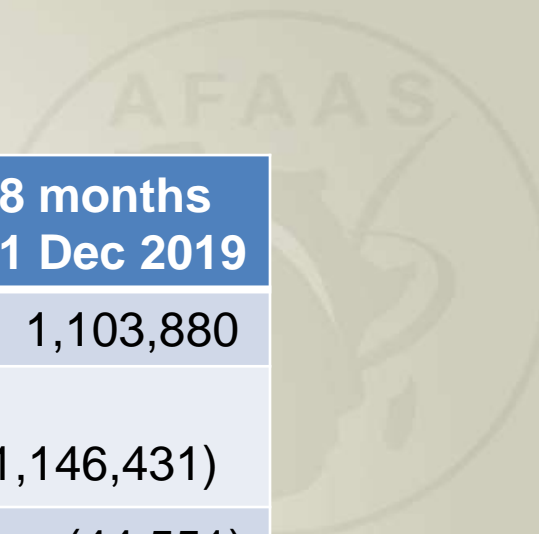




# Income & Expenditure as at December 2019 & 2020

Period	12months 31 Dec 2020	18 months 31 Dec 2019
Grant Income	1,027,439	1,103,880
Expenditure	(1,015,514)	(1,146,431)
Surplus /(deficit) for the period	11,625	(44,551)

Details are on page19 of the statutory report







# Statement of Financial Position

Period	12 months 31 Dec 2020 ( USD)	Restated 18 months 31 Dec 2019 ( USD)	Restated 18 months 30 Jun. 2018 (USD)
Non – Current Assets	3,794	3,894	4,198
Current Assets	1,307,077	1,903,458	155,906
Current Liabilities	1,324,396	1,932,502	140,703
Net Total Assets	(13,525)	(25,150)	19,401
Presented by			
General Fund	(13,525)	(25,150)	19,401
<b>Total</b>	<b>(13,525)</b>	<b>(25,150)</b>	<b>19,401</b>






# Detailed Control Issues noted from 2020 Audit



Issues/Observation	Agreed Action
 <p>There were Inter-project borrowings during the year. These were mainly done to enable pre-financing of activities for with available funds not enough.</p>	<p>A policy on interproject borrowing shall be developed and incorporated into the financial manual.</p>
 <p>AFAAS adopted the International Financial Reporting for Small and Medium entities (SMEs) but had not amended the financial reporting criteria basis for preparation of financial statements</p>	<p>AFAAS shall review the financial operations manual to include the reporting framework of IFRS for SMEs. The review is expected to have been completed by September, 2021</p>



# Control Issues noted in 2019 Audit and Closed Off

Issues/Observation	Agreed Action
 <p>3.1 Failure to Revalue foreign currency denominated Balances at year end.</p>	<p><b>Closed.</b> End year balances are being revalued.</p>
 <p>3.2 Delayed submission of risk management reports to management</p>	<p><b>Closed.</b> Internal Audit reports being submitted to Management and the Board.</p>
 <p>3.3 Need to improve IT general controls by implementing strong password and log in controls</p>	<p><b>Closed.</b> AFAAS Recruited an IT officer who has instituted strong log in controls with all staff having passwords.</p>

# Control Issues noted in 2019 Audit and Closed Off Cont'd

Issues/Observation	Agreed Action
 <p>3.4 AFAAS Sustainability with Limited funds given that all projects are short term.</p>	<p><b>Open.</b> Currently only CAADP XP 4 is currently the major funder.</p>
 <p>3.5 Late submission of Accountability for travel advances given to staff</p>	<p><b>Closed.</b> All advances were accounted for.</p>





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