

APPUI AU DEVELOPPEMENT DE L'ENFANT EN DETRESSE, ADED Asbl

AUDIT REPORT

**VIJANA TUNAWEZA PROJECT TO RUNINGU, TERRITORY
OF UVIRA / RDCONGO**

Period: in January-December, 2017

Executed with the financial support of:

- **RED EEN KIND (ReK)**
- **MEDICOR Foundation**

Audited period: January -December, 2017

To Sir Coordinator

Development aid of Kid in Distress, "ADED, Asbl"

Uvira - the South Kivu / RD of Congo

Bujumbura, April 09th 2018

N / REF. : BKS / 017 / 2018

Concern : Transmission Audit report

Sir Coordinator,

We have the honor to pass on you the financial audit report of the states of Project executed by the Association Development aid of Kid in "Distress" ADED "" in initials. During year 2017, ADED executed one (1) project with the financing of:

- Red een Kind "ReK" in initials and Medicor Foundation, within the framework of the project Vijana tunaweza in the Territory of Uvira, locality of Runingu;

This report, which the contents were discussed with the financial and accounting services as well as the Coordination of the Association, door on four shutters:

- Report of Auditors on the financial situation of the Association,
- Examination of the revenues and expenditures of the period,
- Note concerning the Financial statement,
- Appendix of the detailed spending,
- Evaluation of the state of implementation of the frame of performance and the recommendations.

We consider that the contents of this report which were discussed with the executive body of the Association, integrate all points planned in the Service contract.

We remain entirely at your disposal for any further information which you would like to obtain about this report. /2257 75814593 / + do not think twice to contact us directly or by telephone in 257 22 218089 257 79401954 or by e-mail: bkservice3@gmail.com.

Hopefully this report meets your concerns and those of the investor, please accept, Sir Coordinator, expression of our very distinguished consideration.

B.K. Service

Office of Accounting and Chartered accountancy

Public Accountants

Bujumbura - Burundi



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I. - INFORMATION ABOUT THE ADMINISTRATORS, THE AUDITOR AND THE ADED's BANK

I.1. Administrators of ADED

Coordinator

Mr. MUTUTSI Gilbert

Finances Manager

Mr. SENKWAMIYE Theo

I.2. Auditor

Business Konnexion Service "BK service" in initials
Avenue UMUREMERA II n. 59, Municipality of KININDO,
District KINANIRA III, Bujumbura BURUNDI.
Burundi : +25722218089, +25779401954, +25775814593
*Engineering consulting firm and of Accounting, approved by the
Order of Accounting Profession of Burundi, under no 156
Picture B*

I.3. Bank of ADED

Trust Merchant Bank S.A (TMB),
Account N 1275-3006511-00-76 USD
Uvira - the South Kivu / R.D.Congo

Kenya Commercial Bank (KCB)
Account no 4490174195 USD
Bujumbura - BURUNDI

II. -REMINDER OF THE OBJECTIVES AND SCOPE OF THE MISSION

II-1. Reminder of the objectives of the mission

According to the reference terms, the audit of the accounts of the Association ADED aims at a number of objectives namely:

- i) Examination of the financial regularity, by the control and the evaluation of the accuracy, the exhaustiveness and the sincerity of the entire accounting transactions of the Project;
- 2) Examination of the conformity with the purposes of the Association, by the control and the evaluation of the transactions, the expenditures and revenue with regard to the source documents of the project (plan of activities or work, frame of performances, contracts, budgets, etc.);
- 3) Examination of the conduct of the affairs in a economic and effective way, by the control and the evaluation:
 - a) Of the minimization of the costs of the resources used for the activities, while assuring an appropriate quality,
 - b) Of the comparison of the spending with regard to the budget and the explanation of the gaps;
- 4) Examination of the opportunity, the relevance and the functioning of the Internal Control system, by the control and the evaluation:
 - a) Of the internal organization (structures, functions, tasks, skills, responsibilities, methods, Procedures, etc.),
 - b) Of the existence, the respect and the application of the regulations and the directives resumed in the textbook of Administrative and financial procedures,
 - c) Of the resource protection and the assets,
 - d) Of the prevention of the errors and the frauds,
 - e) Of the quality and the accounting system reliability of the Association.
- 5) Link between annual reports and audited accounts, by the control of figures presented in the narrative and financial reports and those contained in the present audit report.
- 6) Control of the respect for contractual obligations;
- 7) Recommendations on found aspects as still being low or non-corresponding to the generally admitted accounting principles.
- 8) Follow-up of the recommendations of the previous audit report (2016)

This to allow us to express a free, independent and professional opinion on the accounts of the Association at the end of the period.

II-2. Audit methodology

A) Reunion of starting up

Our works began with a meeting of starting up which took place in the presence of all the team of the Coordination of Project at the level of ADED where are the originals of items.

B) Reception of documents

After the meeting of starting up, the following documents were provided us with:

- Of the branded with Agreement of subsidy on 03/02/2015 between the parts;
- Of the budget of the Project for the period to audit;
- Supporting documents of the revenues and expenditures of activities of ADED with regard to the agreement of subsidy with ReK and Medicor Foundation;
- Registers of the financial transactions of ADED relative to the Projects;
- Of the Newspaper of bank and its appendices in particular History of account, Debit note and credit, Bank statements and supporting documents;
- Of the newspaper of box and its appendices in particular PV of box and supporting documents;
- Diverse correspondences with the financial partner of ADED,
- Of the list of the staff drawing a salary of the present project;
- Narrative and financial reports of the ADED with regard to the audited period,

C) Progress of the mission

During our works, we proceeded:

- In the check of all the items of the revenues and expenditures of the Project executed by ADED by budget headings;
- In the link between the budget and the made spending;
- On examination of the accounts and the financial statements;
- On examination of the internal control system;
- In the check of cash balances.

D) Restitution meeting

The restitution meeting of the conclusions of our works took place in the presence of the team of the Coordination of Project at the level of the ADED after check of points remained unsettled during the exploitation of the originals of items.

III - REPORT OF AUDITORS (OPINION OF THE INDEPENDENT AUDITORS)

For the attention of the Coordinator,

Sir,

We audited the financial statements of the Association ADED Asbl for the period going from January 1st till December 31st, 2017, closed on December 20th, 2017.

These financial statements are the responsibility of ADED Asbl. Our responsibility consists in expressing an independent opinion on these financial statements on the basis of our audit.

We made our audit according to the international standards of audit. These standards require that the audit is planned and made to obtain the reasonable insurance that financial statements do not contain significant anomaly. Our audit consists in examining, on the basis of tests, elements justifying the data presented in financial statements. The audit also consists in estimating the applied accounting principles and the significant estimations made by the Coordination, as well as the presentation of financial statements as a whole. We consider that our audit establishes a reasonable base in the expression of our opinion.

The politics of ADED Asbl consists in holding the accounting on the basis of the book-keeping system of finance which wants that funds are counted in the collection and the spending at the time of the actual payment.

In our opinion, we guarantee that:

A) Financial statements and accompanying documents which are joined to it and which audit, present sincerely and faithfully, in all their significant aspects, the financial situation of the Project;

B) ADED Asbl used all the products of the subsidy received from ReK and Medicor Foundation only for the needs for the activities of the Project such as concluded between the parts according to the partnership agreement; And that no product of the subsidy was used for one other drank;

C) ADED Asbl respected, in the closing date of the audited period, all the financial clauses of the partnership agreement.

Besides, we confirm that:

A) (1) As for statements of expenditure, all the adequate documentary evidences were maintained to rest the use of funds put at the disposal of ADED asbl for this Program and (2) who spending is authorized for the financing at the end of the partnership agreement branded with between ADED Asbl, Red een Kind (ReK) and Medicor Foundation.

B) The account of ReK and Medicor Foundation in the accounting of ADED Asbl Give an accurate and sincere image of the collected funds and the spending made during the period going of the January 1st on December 31st, 2017. The fund transferred by ReK passed by the bank KCB, whereas the fund transferred by Medicor Foundation passed by TMB.

C) The budget planned for project of 2 years (on 2017 - 2018) is 317,366.24 USD is 299,413.15 Euros (Euro / USD = 1.05996). The project is in cofinancing between Red een Kind (ReK) and Medicor Foundation, 50 % each.

Tables below, informs us of the movement of the transfers of ReK and Medicor Foundation:



IV - FINANCIAL STATEMENTS

Table 1. Transfers summary

Operation	PERIOD	Transferred amount In Euros	Expected amount In USD	Received amount In USD	Benefit on change In USD
REK Q1	10/1/2017	18,750.00	19,874.00	19,332.00	(542.00)
REK Q2	4/4/2017	18,750.00	19,874.00	19,515.41	(358.59)
MEDICOR FOUNDATION	12/4/2017	47,171.55	50,000.00	50,000.00	0.00
REK Q3	5/7/2017	18,750.00	19,851.00	20,751.39	900.39
REK Q4	4/10/2017	18,750.00	19,851.00	21,577.25	1,726.25
MEDICOR FOUNDATION	10/11/2017	47,171.55	50,000.00	50,000.00	0.00
TOTAL TRANSFERS		169,343.10	179,450.00	181,176.05	1,726.05

Table 2: state of Revenues and expenditures for the year ending on 31/12/2017 in US.Dollars

	Period	Received	Expenditures	Balance
Transfer 1 (Q1)	January - March	19,332.00	17,738.40	1,593.60
Transfer 2 (Q2)	April - June	69,515.41	49,065.26	20,450.15
Transfer 3 (Q3)	July - September	20,751.39	20,438.00	313.39
Transfer 4 (Q4)	October - December	71,577.25	89,543.44	(17,966.19)
TOTAL		181,176.05	176,785.10	4,390.95
Bank Fees			2,826.87	
TOTAL GEN.		181,176.05	179,611.97	1,564.08

Table 3: cash balance on 31/12/2017

Title	Rising in USD
TMB	21,84
KCB	33,17
Total	55.01
Petty cash	1,500.20
Total finance	1,555.21
Difference (Tab 2 - Tab3)	(8.87)

Coordinator,

(Name and Signature)

Finances Manager,

(Name and Signature)

Note concerning the Financial statement

Situation

ADED is a non-governmental organization of Congolese right which works at the promotion of children rights in the territories of uvira and Fizi. The present aims at resting the young people of Runingu in the agriculture for a financial empowerment and at preventing them from returning to the armed groups.

The account books of ReK and Medicor Foundation, informs to us that ReK transferred an amount 75,000 euro (81,176.05 USD) during this audited period and Medicor Foundation transferred an amount 94,343.10 euro (100.000 USD).

ACCOUNTING POLITICS

- **Base of accounting**
The accounts are prepared with recipes (received transfers and previous balance) and spending.
- **Receipts**
Recipes are recognized as the partner receives a transfer of silver or a financial gift allowing him to make his project.
- **Expenditures**
The spending is the commitments of the organization to implement its project.
- **Accounts reconciliation**
The accounts reconciliation allows to reveal the difference between the expenditures and the receipts to supply necessary clarification.

Table 4. Situation of the accounts at the Rek and Medicor Foundation

Title	Amount planned in USD	Amount transferred in USD (banking fees include)	Balance in USD
Reed in Kind	150,000.00	79,450.00	70,550.00
Medicor Foundation	150,000.00	100,000.00	50,000.00
Total	300,000.00	179,450.00	120,550.00

Table 5. Account status at ADED

Title	Amount transferred in USD	Amount received in USD	Balance in USD
Reed in Kind	79,450.00	81,176.05	-1,726.05
Medicor Foundation	100,000.00	100,000.00	0.00
Total	179,450.00	181,176.05	-1,726.00

Table 6. Synthesis of the financial account

		Amount In USD
A	Beginning balance	
	Box	0,00
	Bank	(1.19)
	Check in transit	0,00
	Sub Total	(1.19)
B	Received fund (ReK and Medicor Foundation)	181,176.05
C	Total available Fund (A+B)	181,174.86
D	Direct spending bound to the financing ReK and Medicor	176,785.10
D1	Banking charges	2,826.87
E	Total expenditures of the period (D+D1)	179,611.97
G	Closing balance (C-E)	1,562.89

Justification of the difference between table 3 and table 6:

Date	Description	Amount in USD	Comment
07/20th 2017	Bank Retreat for petty cash	1,137.00	
08/12th 2017	Petty cash receipt	1,132.00	Error of recording of the amount
Difference		5.00	

NB: The amount of **2,68 USD** rest to be justified

Table 7. Budgetary control

Project: VIJANA TUNAWWEZA on 2017 ~18				Budget 2017		Total 2017 Expenditures						Balance		
Final financial adjournment Jan-December 2017		Exchange spleen: USD / EURO		In USD	In Euros	In USD	In Euros					USD	Euro	
Nr	Objectify	Nr unit s	Unites costs	2017 Budget	2017 Budget	Expenditures S1 ,	Expenditures S1	Expenditu res S2	Total S1+S2 USD	Premises currenty	Total S1+S2 Euro	%		
	Contribute to improve tea livelihoods of youth and their families in Runingu communities through market based production.			Premises currenty	Euro	Premises currenty	Euro	Premises currenty						
OS.1	Organize community and youth mobilization and awarness sessions to be engaged in agriculture sector			570.00	537.76	460.00	442.96	20.00	480.00		442.95	84.21%	90.00	86.67
	Cockail	Pers	480	480.00	452.85	415.00	399.62	20.00	435.00		399.62	90.63%	45.00	43.33
	Pedagogic materials	Kits	12	90.00	84.91	45.00	43.33	0.00	45.00		43.33	50.00%	45.00	43.33
OS.1	Organize capacity need assessment and develop a training package addressing the identified gap;			1,080.00	1,018.91	1,050.00	1,011.09	0.00	1,050.00		1,011.10	97.22%	30.00	28.89
	Payment allowance of market assessment team	Days	25	500.00	471.72	500.00	481.47	0.00	500.00		481.48	100.00%	0.00	0.00
	Consulting Payment	Days	6	480.00	452.85	450.00	433.33	0.00	450.00		433.33	93.75%	30.00	28.89
	Payment materials and furnitures	Kits	5	100.00	94.34	100.00	96.29	0.00	100.00		96.29	100.00%	0.00	0.00
OS.2	Train tea youth groups in agronomic techniques,			300.00	283.03	300.00	288.88	0.00	300.00		288.88	100.00%	0.00	0.00
	Purchase kits of teaching and learning materials	Kits		300.00	283.03	300.00	288.88	0.00	300.00		288.88	100.00%	0.00	0.00

OS.2	Organize demonstration practices to consolidate the theoretical skills,				3,048.00	2,875.58	90.00	86.67	2,928.00	3,018.00	2,989.25	99.02%	30.00	28.89
	Rent and labour lands for the practices	Ha	8	150.00	1,200.00	1,132.12	60.00	57.78	1,140.00	1,200.00	1,188.57	100.00%	0.00	0.00
	Purchase tools	PC	240	3.00	720.00	679.27	0.00	0.00	720.00	720.00	713.14	100.00%	0.00	0.00
	Payment of watering can	PC	24	7.00	168.00	158.50	0.00	0.00	168.00	168.00	166.40	100.00%	0.00	0.00
	Payment of medicine for plants	Kits	4	240.00	960.00	905.69	30.00	28.89	900.00	930.00	921.14	96.88%	30.00	28.89
OS.2	Train the target youth groups in Agri-business' entrepreneurship.				300.00	283.03	300.00	288.88	0.00	300.00	288.88	100.00%	0.00	0.00
	Purchase kits of teaching and learning materials	Kits	3	100.00	300.00	283.03	300.00	288.88	0.00	300.00	288.88	100.00%	0.00	0.00
OS.2	Organize youth in professional agricultural enterprises / SHG				480.00	452.85	480.00	462.21	0.00	480.00	462.21	100.00%	0.00	0.00
	Pedagogic materials	Kits	48	20.00	480.00	452.85	480.00	462.21	0.00	480.00	462.21	100.00%	0.00	0.00
OS.2	Accompany young groups without family land to acquire land from local authorities.				216.00	203.78	120.00	115.55	90.00	210.00	208.00	97.22%	6.00	5.78
	Transport of participants at meetings	Perso ns	24	4.00	96.00	90.57	24.00	23.11	70.00	94.00	93.10	97.92%	2.00	1.93
	Missions faires	Day	12	10.00	120.00	113.21	96.00	92.44	20.00	116.00	114.89	96.67%	4.00	3.85
	Accompagn youth to obtain Land certificate				3,600.00	3,396.35	500.00	481.47	3,000.00	3,500.00	3,466.66	97.22%	100.00	96.29
	Document faires	PC	120	30.00	3,600.00	3,396.35	500.00	481.47	3,000.00	3,500.00	3,466.66	97.22%	100.00	96.29
OS.2	Organize lobbying missions recognition of student certificate after the training				480.00	452.85	400.00	385.18	0.00	400.00	385.18	83.33%	80.00	77.04
	Lobbies missions faires	Day/ perso	6	80.00	480.00	452.85	400.00	385.18	0.00	400.00	385.18	83.33%	80.00	77.04

OS.2	Supporting young groups/cooperatives to develop a business plan	n			1,680.00	1,584.96	480.00	462.21	1,200.00	1,680.00	1,650.78	100.00%	0.00	0.00
	Purchase pedagogics materials	Kit	48	20.00	480.00	452.85	480.00	462.21	0.00	480.00	462.21	100.00%	0.00	0.00
	Consultant	Day/person	48	50.00	1,200.00	1,132.12	0.00	0.00	1,200.00	1,200.00	1,188.57	100.00%	0.00	0.00
OS.2	Supporting young groups to implement their business plan				27,600.00	26,038.70	0.00	0.00	36,340.00	36,340.00	35,993.79	131.67%	-8,740.00	-8,416.
	Funds for youth project (Seed,medicines for plants,Labour)	Perso ns	240	115.00	27,600.00	26,038.70	0.00	0.00	36,340.00	36,340.00	35,993.79	131.67%	-8,740.00	-8,416.
OS.2	Knowledge networking by organizing study tours in tours in order to share experiences between SHG emerging entrepreneur's models				60.00	56.61	0.00	0.00	0.00	0.00	0.00	0.00%	60.00	57.78
	Pedagogic materials	Kit	2	30.00	60.00	56.61	0.00	0.00	0.00	0.00	0.00	0.00%	60.00	57.78
	External visit/Transport/Acomodation	Perso ns	24	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!	0.00	0.00
OS.2	Support the youth enterprises to consolidate their work				0.00	0.00	0.00	0.00	14,100.00	14,100.00	13,965.67	#DIV/0!	-14,100.00	-13,57
	Support the youth enterprises/SHG to consolidate their work	Unite s / SHG	24	1400.00	0.00	0.00	0.00	0.00	14,000.00	14,000.00	13,866.62	#DIV/0!	-14,000.00	-13,48.
	Purchase SHG materials		24	20.00	0.00	0.00	0.00	0.00	100.00	100.00	99.05	#DIV/0!	-100.00	-96.29
OS.2	Organize individual mentoring and coaching.				480.00	452.85	0.00	0.00	468.00	468.00	463.54	97.50%	12.00	11.56
	Pedagogics materials for mentoring and coaching session	Kit	24	40.00	480.00	452.85	0.00	0.00	468.00	468.00	463.54	97.50%	12.00	11.56
OS.3	Train representatives of farmer's livestock keeper's and water manager on conflict transformation strategies				1,558.00	1,469.87	1,546.00	1,488.71	0.00	1,546.00	1,488.71	99.23%	12.00	11.56

	Allowance of trainers for the training	Days	5	50.00	250.00	235.86	250.00	240.74	0.00	250.00	240.74	100.00%	0.00	0.00
	Food	Pers ns	240	5.00	1,200.00	1,132.12	1,200.00	1,155.54	0.00	1,200.00	1,155.54	100.00%	0.00	0.00
	Pedagogic materials	Kits	54	2.00	108.00	101.89	96.00	92.44	0.00	96.00	92.44	88.89%	12.00	11.56
OS.3	Accompany the comity to conduct mediation sessions among members in case of conflict				720.00	679.27	0.00	0.00	720.00	720.00	713.14	100.00%	0.00	0.00
	Transport of plertrums	Pers ns	240	4.00	480.00	452.85	0.00	0.00	480.00	480.00	475.43	100.00%	0.00	0.00
	Pedagogic materials	Kits	240	2.00	240.00	226.42	0.00	0.00	240.00	240.00	237.71	100.00%	0.00	0.00
OS.4	Train the local leaders members of the committees in the management, monitoring - evaluation of SHG, (Briefing approach)				578.00	545.30	0.00	0.00	578.00	578.00	572.49	100.00%	0.00	0.00
	Pedagogic materials	Kit	68	2.00	136.00	128.31	0.00	0.00	136.00	136.00	134.70	100.00%	0.00	0.00
	Food	Pers ns	68	5.00	340.00	320.77	0.00	0.00	340.00	340.00	336.76	100.00%	0.00	0.00
	Module	Roo m	34	3.00	102.00	96.23	0.00	0.00	102.00	102.00	101.03	100.00%	0.00	0.00
OS.4	supporting agricultural enterprises to obtain the exemption of the import essential in puts for the farms.				480.00	452.85	0.00	0.00	0.00	0.00	0.00	0.00%	480.00	462.21
	Missions fairies	Day / perso n	48	20.00	480.00	452.85	0.00	0.00	0.00	0.00	0.00	0.00%	480.00	462.21
OS.4	Organize Events showcasing the young SHG's business models				0.00	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!	0.00	0.00
	Cocktail of participants	Pers ns	150	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!	0.00	0.00
	Visibility	Roo m	80	12.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!	0.00	0.00

Mission fairies	Day / perso n	30	120.00	0.00	1,434.79	1,434.79	0.00	1,490.00	1,434.79	#DIV/0!	-1,490.00	-1,434.
Develop and monitor the PMEL system to measure project results												
Allowance of facilitator	Perso ns	2	150.00	283.03	0.00	0.00	300.00	300.00	297.14	100.00%	0.00	0.00
Monitoring												
Salary of agronomic 100 %	Mont h	24	682.00	44,295.97	18,004.00	17,336.88	23,308.00	41,312.00	40,918.42	87.99%	5,640.00	5,431.0
Salary of entrepreneurial skills facilitators 100 %	Mont h	24	682.00	7,721.04	4,092.00	3,940.37	4,092.00	8,184.00	8,106.03	100.00%	0.00	0.00
Salary monitoring officer 100 %	Mont h	24	882.00	7,721.04	4,092.00	3,940.37	4,092.00	8,184.00	8,106.03	100.00%	0.00	0.00
Salary of SHG assisting 100 %	Mont h	24	630.00	9,985.27	5,292.00	5,095.91	5,292.00	10,584.00	10,483.17	100.00%	0.00	0.00
Monitoring / Coordinator (18 days per year) 20 usd of perdiem per days.	Mont h	24	20.00	7,132.34	3,780.00	3,639.94	3,780.00	7,560.00	7,487.98	100.00%	0.00	0.00
Monitoring / Administration (fields missions and missions at Interbank Burund of all ADED finance staff)		12	20.00	226.42	50.00	48.15	190.00	240.00	237.71	100.00%	0.00	0.00
Monitoring / program (six fields missions of program manager or program staff)		104	20.00	113.21	0.00	0.00	342.00	1,040.00	1,030.09	100.00%	0.00	0.00
Monitoring / driver (Fields missions (20 usd of perdiem per day)		144	20.00	981.17	0.00	0.00	1,440.00	1,440.00	1,426.28	100.00%	0.00	0.00
External Evaluation and Audit	Perso ns	1	3000.0	0.00	0.00	0.00	2,000.00	2,000.00	1,980.95	#DIV/0!	-2,000.00	-1,925.
Expertise and monitoring 6 %	Days	2	9600.0	9,056.94	0.00	0.00	1,960.00	1,960.00	1,941.33	20.42%	7,640.00	7,356.5
Direct total Grant costs all Objectify												
Staff costs												
Coordinator salary	Mont h	24	1102.0	32,378.55	17,160.00	16,524.15	17,160.00	34,320.00	33,993.04	100.00%	0.00	0.00

	Administrator accountant salary	Mont h	24	882.00	10,584.00	9,985.27	5,292.00	5,095.91	5,292.00	10,584.00	10,483.17	100.00%	0.00	0.00
	Cashier 40 %	Mont h	24	240.00	2,880.00	2,717.08	1,440.00	1,386.64	1,440.00	2,880.00	2,852.56	100.00%	0.00	0.00
	Guards put on payroll (2 Guards)	Mont h	48	243.00	5,832.00	5,502.09	2,916.00	2,807.95	2,916.00	5,832.00	5,776.44	100.00%	0.00	0.00
	Cleaner (Maid)	Mont h	24	150.00	1,800.00	1,698.18	900.00	866.65	900.00	1,800.00	1,782.85	100.00%	0.00	0.00
	Transport				13,840.00	13,057.09	10,430.20	10,043.72	4,604.00	15,034.20	14,890.97	108.63%	-1,194.20	-1,149.00
	Purchase Motorcycle	Mont h	1	4500.00	4,500.00	4,245.44	4,500.00	4,333.26	0.00	4,500.00	4,457.13	100.00%	0.00	0.00
	Maintenance vehicle for monitoring	Quart er	8	300.00	1,200.00	1,132.12	1,049.20	1,010.32	670.00	1,719.20	1,702.82	143.27%	-519.20	-499.90
	Maintenance motorcycles	Mont h	12	30.00	180.00	169.82	161.00	155.03	105.00	266.00	263.47	147.78%	-86.00	-82.81
	Maintenance Generator	Mont h	24	30.00	360.00	339.64	86.00	82.81	250.00	336.00	332.80	93.33%	24.00	23.11
	Vehicle Fuel (1 liter = 1.5 \$)	Mont h	24	350.00	4,200.00	3,962.41	2,080.00	2,002.93	2,599.00	4,679.00	4,634.42	111.40%	-479.00	-461.20
	Motorcycle Fuel (1 liter = 1.5 \$)	Mont h	24	120.00	1,440.00	1,358.54	880.00	847.39	660.00	1,540.00	1,525.33	106.94%	-100.00	-96.29
	Generator Fuel (1 liter = 1.5 \$)	Mont h	24	80.00	960.00	903.69	640.00	616.29	320.00	960.00	950.85	100.00%	0.00	0.00
	Motorcycles license tag, insurance policy ect.	Year	2	150.00	150.00	141.51	150.00	144.44	0.00	150.00	148.57	100.00%	0.00	0.00
	Vehicle license tag, ect	Year	2	850.00	850.00	801.92	884.00	851.24	0.00	884.00	875.58	104.00%	-34.00	-32.74
	Stationary / Various fairies				8,530.00	8,047.47	5,999.46	5,680.86	2,645.44	8,544.90	8,463.49	100.17%	-14.90	-14.35
	Consumable of service	Mont h	24	120.00	1,440.00	1,358.54	700.00	674.06	780.00	1,480.00	1,465.90	102.78%	-40.00	-38.52
	Maintenance to photocopy and print	Mont h	12	50.00	300.00	283.03	50.00	48.15	250.00	300.00	297.14	100.00%	0.00	0.00
	Service rental in field	Mont h	24	50.00	600.00	566.06	600.00	577.77	0.00	600.00	594.28	100.00%	0.00	0.00
	Office rental in Headquarter service	Mont h	24	300.00	3,600.00	3,396.35	3,000.00	2,888.84	600.00	3,600.00	3,565.70	100.00%	0.00	0.00
	Water and electricity Consumption	Mont h	24	45.00	540.00	509.45	329.46	317.25	145.44	474.90	470.38	87.94%	65.10	62.69
	Communication and monthly payment of internet										0.00		0.00	0.00
	Communication and monthly	Mont	24	150.00	1,800.00	1,698.18	920.00	885.91	870.00	1,790.00	1,772.95	99.44%	10.00	9.63

Comments on the expenditures with regard to the budget

a) Synthesis of the expenditures:

- Budgeted amount: 158,901.95 USD
- Expenditure Total: 179,616.71 USD
- Gap to be justified: (20,714.76) USD
- Nbr of the beneficiaries planned to rest: 240 people
- Real nbr of the rested beneficiaries: 313 people, 23 % more than planned.

b) Justification of overtaking by budget heading

Budget heading	Amount planned in USD	Amount spent in USD	Gap in USD	Comments (ADED)
Support the youth enterprises/SHG to consolidate their work	0.00	14,000.00	(14,000.00)	Instead of resting 240 beneficiaries, the project rested 313 young people. The project being seasonal, we could not rest the last one 100 young people for only once and bring them towards the autonomy.
Funds for youth project (Seed,medecines for plants,Labour)	27,600.00	36,340.00	(8,740.00)	The same explanation
Organize lobbying for market	0.00	1,490.00	(1,490.00)	In 2016, it was the phase of initiation of the process of the market that has continuous in 2017.
External Evaluation and Audit	0,00	2,000.00	(2,000.00)	Planned in the financing agreement but not budgeted. Underestimate at the level of the budgeting.
Maintenance vehicle for monitoring	1,200.00	1,719.20	(519.00)	The only vehicle which possesses ADED being 7-year-old old man, circulates on very bad road. It pulled by the expensive interviews where from excessive spending.
Bank Fees	1,573.29	2,831.61	(1,258.32)	Given that the account TMB and KCB was used by other projects financed by the same lessor, all the banking charges there relatives were supported by

				mistake but we have correct by opening an account by project and by lessor. It also to avoid us the risks of accumulating of silver in the same bank taking into account the fragility of banks in Africa.
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V. LETTERS OF THE AUDITORS HAS THE COORDINATION

Attn: Coordinator

Sir,

Within the framework of the mission of audit of the accounts of the aforementioned project, governed by the financing agreement between Red een Kind in cofinancing with Medicor Foundation and ADED Asbl for the period going from January 1st, 2017 till December 31st, 2017, we examined the accounting procedures and the internal control system set up to guarantee assets and assure at best the regularity and the sincerity of the annual accounts of the program.

The examination to which we proceed in such a circumstance, does not reveal necessarily all the existing imperfections. Nevertheless, he locates the key points and the weak points and leads to suggestions to improve the procedures.

We allow ourselves in the attached report of porter in pleasant attention of the Coordination of the Project, the inadequacies which we revealed during our investigations.

We shall be grateful to him for holding us informed about the measures which she intends to set to remedy the weaknesses mentioned in this report.

We are anxious to thank all the team in service in the Coordination of the project for the welcome and the cooperation which she showed during our mission.

Please accept, Sir Coordinator, expression of our sincere and frank collaborations.

Bujumbura, April 09th 2018

B.K Services,

Public accountant



VI. OBSERVATION RAISED DURING THE AUDITED PERIOD

MANAGEMENT

1. ORGANIZATION AND MANAGEMENT OF THE PROJECT

Reports	<p>We noticed that:</p> <ul style="list-style-type: none">- The Budget of the exercise 2017 was consumed at the level of 113,04 %. The commitment on certain budget headings was not respected. Indicators were modified during the execution of the project, instead of 240 beneficiaries, ADED rested 313 that is 23 % more;- At the level of the accounting, accounting documents are eligible and classified well;- The association followed the recommendations of the previous Audit (2016) in touch with the regularity of the accounting and the classification;- Stay up the sacrosanct principle of the accounting "the accounting is kept in the daytime in the day" to avoid errors and oversights;- Purchases made in local currency but recorded in USD, difficult to know the applied rate;- The association opened the second account for one other donor (MEDICOR Foundation), respected recommendation;
Risk	<p>There is risk:</p> <ul style="list-style-type: none">- That the efficiency of the project is compromise but the objective is that the project is effective;- To put for the worse the recording of the made operations in local currency because the inflation is galloping;
Level of risk	Small
Recommendations	<p>We recommend what follows:</p> <ul style="list-style-type: none">- The implication of the coordination for the respect for the planning and for the execution of the project.- The recruitment for the best deadline of a consultant in Schedule, Followed and Evaluation (Schedule, Monitoring and Evaluation).- The acquisition of a software of accounting management of project for a good monitoring of the budget.- The strict respect for the application of rules and administrative and financial procedures, further to certain noticed weaknesses;- The continuation by the Organization of the respect for the recommendations of the missions of Audit.

2. HUMAN RESOURCES MANAGEMENT

Reports	<p>We noticed that:</p> <ul style="list-style-type: none"> - The contracts of the staff exist and classified well. These contracts are developed according to the projects; - The job descriptions of every employee exist; - The schedules of the work are respected; - The index card of evaluation of the staff exists but not used regularly; - Certain documents relative to the disciplinary measures miss (request of explanation, Disapproval written, letter of warning, letter of suspension and letter of termination, letter of fine contract for fine project);
Risk	<ul style="list-style-type: none"> - Nothing to report; - Nothing to report; - Difficult to know the performance of the staff; - Absence / lack of follow-up of the staff.
Level of risk	Small
Recommendations	<p>We recommend what follows:</p> <ul style="list-style-type: none"> - The strict respect for the application of rules and administrative and financial procedures; - The use of the index cards of evaluation allowing to determine the performance of the staff; - Update the file of the staff and apply and enforce the administrative procedures.

3. INVENTORY MANAGEMENT, VEHICLE, MOTORCYCLE and GENERATOR

Reports	<ul style="list-style-type: none"> - The recommendation on the recruitment of a unity for the logistic management (inventory management, followed motorcycle, vehicle and generator) was respected. - The index card of maintenance of the generator exists and held well. This generator requires to be replaced because already old (acquired in 2012).
Risk	<ul style="list-style-type: none"> - Nothing to report; - Account of the recurring cuts of electricity to Uvira, this generator will eventually stop completely.
Level of risk	Average
Recommendations	<ul style="list-style-type: none"> - The strict respect for the application of rules and administrative and financial procedures; - Acquire a new generator not to handicap the good progress of the activities to the Office;

3. INSTITUTIONAL MANAGEMENT

Reports	<p>We noticed that:</p> <ul style="list-style-type: none"> - The legal file of the organization exist (Status, Authorization of functioning, regulation of internal, manual order of the procedures ...); - The recommendation on the holding of board meetings and general assembly was respected but the quorum was not reached in 2 meetings of the C.A and 1 meeting of the A.G; - The members pay the contribution hardly. It is also due to the economico-financial situation of the country;
Risk	<ul style="list-style-type: none"> - Nothing to report.
Level of risk	Small
Recommendations	<ul style="list-style-type: none"> - Nothing to report

4. MANAGEMENT OF FIXED ASSETS

Report	<p>We noticed that:</p> <ul style="list-style-type: none"> -The recommendations were respected
Risks	Nothing to report
Level of the risks	None
Recommendations	<p>We recommend that:</p> <ul style="list-style-type: none"> - The table of inventory is updated at the end of every accounting year.

6. MONITORING OF THE RECOMMENDATIONS OF THE PREVIOUS AUDITS

Report	<p>We noticed that:</p> <ul style="list-style-type: none"> - Certain recommendations were followed except for the management of motorcycles and meetings of the C.A and A.G; - Recruitment of a new unity to assist the administrator in the logistic management (followed logistics)
Risks	Sustainability of the errors
Level of the risks	None
Recommendations	<p>We recommend that:</p> <ul style="list-style-type: none"> - The recommendations of Audits are respected and followed, otherwise he will not be of no use to sponsor these missions;

VII. SYNTHESIS OF THE RECOMMENDATIONS

RECOMMENDATIONS RELATIVE TO THIS AUDIT	I. ORGANIZATION AND MANAGEMENT OF THE PROJECT
	<p>We recommend:</p> <ul style="list-style-type: none"> - The strict respect for rules and administrative and financial procedures according to the textbook of ADED. - Put her in the knowledge of the staff of the prescribed of the textbook of the administrative and financial procedures. The respect for rules and procedures allows an organization to strengthen and to confirm its fame.
	II. HUMAN RESOURCES MANAGEMENT
	<p>We recommend:</p> <ul style="list-style-type: none"> - The application literally of measures and rules promulgated in the textbook of the procedures of ADED;
	III. LOGISTIC MANAGEMENT
	<p>We recommend:</p> <ul style="list-style-type: none"> - Adopt strict measures for the users of the motorcycles of the organization.
	IV. INSTITUTIONAL MANAGEMENT
	<p>We recommend:</p> <ul style="list-style-type: none"> - The raising awareness of the members by the Chairman of the Board on the respect for their commitments (the regularity of the meetings and the contributions).
	V. MANAGEMENT OF THE FIXED ASSET
	<p>We recommend:</p> <ul style="list-style-type: none"> - Regular update of the table of inventory.

	VI. MONITORING OF THE RECOMMENDATIONS OF THE PREVIOUS AUDITS
	<p>We recommend:</p> <ul style="list-style-type: none">- Take into account recommendations formulated by the missions of Audit for the improvement of the management system.- Share with the staff the reports of audits so that everyone assumes his responsibilities.