

SADC PARLIAMENTARY FORUM
SEXUAL & REPRODUCTIVE HEALTH AND RIGHTS & HIV/AIDS & GOVERNANCE (2019-2022)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



SADC Parliamentary Forum – Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022)

Annual Financial Statements for the year ended 31 March 2021

General Information

Region of operations	SADC
Nature of business operations	Implementation of Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (01 July 2019 - 30 June 2022) project
Business Address	Parliament Gardens Erf 578 Love Street Windhoek Namibia
Postal address	Private Bag 13361 Windhoek Namibia
Auditors	BDO Namibia Registered Accountants & Auditors Chartered Accountants (Namibia)
Donor	The Swedish International Development Cooperation Agency, SIAS Organization Number: 202100-4789
Secretary General	Ms. Boemo Sekgoma
Bankers	First National Bank

SADC Parliamentary Forum – Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022)

Annual Financial Statements for the year ended 31 March 2021

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The reports and statements set out below comprise of the annual financial statements presented to the Executive Committee.

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SADC Parliamentary Forum – Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022)

Annual Financial Statements for the year ended 31 March 2021

Approval and statement of responsibility

The Secretary General is responsible for the preparation and fair presentation of the annual financial statements in accordance with the grant agreement of SADC Parliamentary Forum – Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022), comprising of the Fund Accountability Statement, which includes a summary of significant accounting policies and other explanatory notes, in accordance with the basis of accounting described in the notes 2 and 3 to the annual financial statements and the requirements of the grant agreement.

The Secretary General is required in terms of the grant agreement to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is his responsibility to ensure that the annual financial statements fairly presents the state of affairs of the SADC Parliamentary Forum – Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022) as at the end of the financial year and the results of its operations. The Secretary General is also responsible for such internal control as the Secretary General determines is necessary to enable the preparation of the annual financial statements that is free from material misstatements, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. The external auditors are engaged to express an independent opinion on the annual financial statements.

The external auditors are responsible for independently reviewing and reporting on the SADC Parliamentary Forum – Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022)'s annual financial statements. The annual financial statements have been examined by the external auditors and their report is presented on pages 5-7.

The annual financial statements for the period ended 31 March 2021, set out on pages 8 to 12 were approved by the Secretary General on 31 August 2021.



Secretary General

REPORT OF THE INDEPENDENT AUDITORS TO THE EXECUTIVE COMMITTEE OF SADC PF

Opinion

We have audited the financial statements of SADC Parliamentary Forum – Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022) set out on pages 8 to 13, which comprise the statement of financial position as at 31 March 2021, fund accountability statement, statement of comparison of actual and budget amounts for the period then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of SADC Parliamentary Forum – Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022) are prepared, in all material respects, in accordance with the basis of accounting described in notes 1 and 2 and the grant agreement between SADC Parliamentary Forum and SIDA.

Basis for Our Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards; are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Statements* section of our report. We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards)* and other independence requirements applicable to performing audits of annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter/Basis of accounting and restriction on distribution and use

We draw attention to notes 2 and 3 to the financial statements, which describe the purpose of the financial statements and set out the basis of accounting. The financial statements are prepared to assist SADC Parliamentary Forum to comply with the financial reporting provisions of the grant agreement referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Executive Committee and SIDA and should not be distributed to or used by other parties other than SADC Parliamentary Executive Committee and SIDA. Our opinion is not modified in respect of this matter.

Emphasis of matter – End of implementation period

We draw attention to the nature of business operations on the general information page of the SADC Parliamentary Forum – Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022) Annual Financial Statements, which indicates that implementation period is ending on 30 June 2022 in accordance with the terms of the SIDA grant agreement. Accordingly, the SADC Parliamentary Forum – Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022) Annual Financial Statements have been prepared using the Basis of Accounting that is in accordance with the accounting framework for liquidation basis of accounting. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with the basis of accounting described in notes 2 and 3 and the grant agreement, and for such internal controls as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the project's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Secretary General either intend to liquidate the SADC Parliamentary Forum – Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022) or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing SADC Parliamentary Forum – Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022) financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 SADC Parliamentary Forum – Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022)'s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Secretary General's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on SADC Parliamentary Forum – Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022)'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause SADC Parliamentary Forum – Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022) to cease to continue as a going concern.



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We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO

BDO Namibia
Registered Accountants & Auditors
Chartered Accountants (Namibia)

Per: A Musarurwa
Partner

Windhoek
31 August 2021

STATEMENT OF FINANCIAL POSITION

	Notes	2021 US\$	2020 US\$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	1	1,241,919	575,689
Trade and other receivables	2	3,776	3,724
Total Current Assets		1,245,695	579,413
LIABILITIES AND RESERVES			
CURRENT LIABILITIES			
Trade and other payables	3	17,596	41,679
Total Current Liabilities		17,596	41,679
Restricted Funds:			
Restricted Funds:	4	1,228,099	537,734
Total Restricted Funds		1,228,099	537,734
Total Liabilities and Reserves		1,245,695	579,413

FUND ACCOUNTABILITY STATEMENT
For the year ended 31 March 2021

	2021 USD	2020 USD
RECEIPTS		
Grant receipts	1,163,352	1,057,080
Total Receipts	1,163,352	1,057,080
EXPENDITURE		
Salaries & Allowances	315,137	145,702
Regional meetings of the HSDSP Committee	11,043	68,936
Joint Session of Chairpersons of Regional Standing Committees	-	27,041
Meeting of Clerks/Secretaries General of national Parliaments	10,455	3,688
Roundtable meeting with technical partners	-	4,039
Induction and Consultation session with SRHR Researchers	624	17,220
Joint Session of Standing Committees of the Forum	1,911	62,446
Regional Meeting of Clerks-at-the-Table	4,860	48,549
Multi-stakeholder Consultative workshops with national Parliaments	-	1,997
Capacity development workshops for staff of the Forum	-	4,869
Oversight Committee to domesticate legal norms	1,638	8,073
Roundtable discussions-national Parliament and Line Ministries	19,680	2,548
Capacity development-Researchers, legal drafters & staff of Parliaments	4,735	42,491
Public hearings Meeting	-	-
Conduct public awareness campaigns-legislative process	1,864	-
Budget analysis retreats for Committees and Staff	1,193	-
Capacity development workshop for MPs and CSOs	28,804	-
Attend regional/ international conference on SRHR and HIV/AIDS	-	3,814
Consultative workshops with inter-parliamentary entities	-	4,927
External Audits & End of Project Evaluation	9,586	6,799
Attend Plenary Assembly session	276	17,741
Administrative overhead	26,216	25,387
Legal Drafter & M&Evaluation Consultancy	2,500	20,000
National working group meetings	525	3,079
E-communication	31,940	-
Corporate Governance Executive	-	-
Total expenditure	472,987	519,346
NET SURPLUS	690,365	537,734

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	31 March 2021			31 March 2020		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
	US\$	US\$	US\$	US\$	US\$	US\$
RECEIPTS						
Grant received	1,598,386	1,163,352	435,034	977,638	1,057,080	(79,442)
Total funding	1,598,386	1,163,352	435,034	977,638	1,057,080	(79,442)
EXPENDITURE						
Salaries & Allowances	404,500	315,137	89,363	304,000	145,702	158,298
Regional meetings of the HSDSP Committee	78,420	11,043	67,377	78,420	68,936	9,484
Joint Session of Chairpersons of Regional Standing Committees	-	-	-	33,764	27,041	6,723
Meeting of Clerks/Secretaries General of national Parliaments	34,000	10,455	23,545	34,000	3,688	30,312
Roundtable meeting with technical partners	3,966	-	3,966	3,966	4,012	(46)
Induction and Consultation session with SRHR Researchers	30,640	624	30,016	30,640	17,220	13,420
Regional Meeting of Clerks-at-the-Table	60,352	4,860	55,492	60,352	48,549	11,803
Multi-stakeholder Consultative workshops with national Parliaments	16,000	-	16,000	16,000	1,997	14,003
Capacity development workshops for staff of the Forum	-	-	-	9,300	4,869	4,431
Oversight Committee to domesticate legal norms	18,636	1,638	16,998	18,636	8,072	10,564
Roundtable discussions-national Parliament and Line Ministries	50,400	19,680	30,720	50,400	2,548	47,852
Capacity development-Researchers, legal drafters & staff of Parliaments	44,032	4,735	39,297	44,032	42,490	1,542
Conduct public awareness campaigns-legislative process	37,140	1,864	35,276	-	-	-
Budget analysis retreats for Committees and Staff	13,546	1,193	12,353	-	-	-
Capacity development workshop for MPs and CSOs	200,592	28,804	171,788	-	-	-
Attend regional/ international conference on SRHR and HIV/AIDS	4,936	-	4,936	4,936	3,844	1,092
Consultative workshops with inter-parliamentary entities	4,936	-	4,936	4,936	4,927	9
External Audits & End of Project Evaluation	8,000	9,586	(1,586)	8,000	6,799	1,201
Attend Plenary Assembly session	16,620	276	16,344	16,620	17,742	(1,122)
Legal Drafter & M&Evaluation Consultancy	45,000	2,500	42,500	45,000	20,000	25,000
National working group meetings	23,100	525	22,575	23,100	3,079	20,021
E-communication	138,110	31,940	106,170	-	-	-
Model Law on Public Finance	64,688	-	64,688	-	-	-
Corporate Governance Executive (committed in 2020-2021)	144,000	-	144,000	-	-	-
Total expenditure	1,598,386	472,987	1,125,399	877,138	519,346	357,792
NET SURPLUS	-	690,365	(690,365)	100,500	537,734	(437,234)

Accounting Policies

1. Basis of preparation

The annual financial statements have been prepared for the purpose of providing financial information to the Executive Committee and SIDA. They are presented in Namibian Dollars and United States Dollars.

2 Basis of accounting

The fund accountability statement is prepared on an accrual basis. Grants are recognized when due as per the grant agreement and expenditure is recognised when incurred. The period of reporting is 01 April 2020 – 31 March 2021.

Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022) implementation period ending 31 May 2022. After 31 May 2022, the net assets of Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022) will be transferred to SIDA with the provisions of the grant closure procedures as may be determined by SIDA.

Since Sexual & Reproductive Health and Rights & HIV/AIDS & Governance (2019-2022) will be wound up once and transfer all its net assets to SIDA, the financial statements have been accordingly prepared on liquidation basis of accounting.

Since the net assets are reported in the books on the basis of accrual accounting, there has been no variation between liquidation basis for preparation of these financial statements and the going concern basis of accounting, where it has been applied.

3 Currency translations

SADC Parliamentary Forum maintains its accounting records in Namibian Dollars. The grants received and related expenditure have been translated into United States Dollars for the purpose of the fund accountability statement. Spot exchange rates were used to translate grant income at the date of receipt and expenses at the date incurred. An average rate of USD 14.77 was used for fund accountability statement while the closing rate of USD 14.82.

4 Revenue

Revenue represents grant received during the year in terms of SIDA grant agreement.

5 Expenditure

Expenditure includes all amounts expended on activities to be funded from the grant as recorded in the records of SADC Parliamentary Forum.

6 Taxes

SADC Parliamentary Forum is exempt from income taxes and therefore no provision for income tax has been made in the accompanying annual financial statements.

1. Cash and cash equivalents

Code	DETAILS	MARCH 2021 US\$	MARCH 2021 US\$
	Bank balances		
1039-500	FNB02 - SIDA SRHR Current Account (as per Bank Statement)	4,698	3,094
1340-500	FNB03 SIDA SRHR - USD Account (as per Bank Recon)	1,237,193	572,595
	TOTAL	1,241,891	575,689

Exchange Rate: \$=N\$14.6159

2. Trade and other receivables

Code	DETAILS	MARCH 2021 US\$	MARCH 2020 US\$
	Bank balances		
1102-500	Accounts Receivable	-	900
1112-500	VAT Account - Inputs Local and Imports	3,776	1,924
2235-500	Grant Control Account: SADC PF	0	900
	TOTAL	3,776	3,724

3. Trade and other payables

Code	DETAILS	MARCH 2021 US\$	MARCH 2020 US\$
	BDO-Audit Fees 2019/20 (Inc VAT)	10,058	7,820
	Rennies-Airfares	-	11,859
	Pamela C Nyikavaranda- M&E Consultant	4,500	20,000
	SADC PF- Balance on Administration Fees	-	2,000
	Correia Translation Risk mgt	1,075	
	Mukundwe Translation Risk mgt	1,063	
	Clare Musonda-Resource Persons & Rapportuer Contractual	900	
	TOTAL	17,596	41,679

4. Restricted Funds

Code	DETAILS	MARCH 2021 US\$	MARCH 2020 US\$
	Balance B/f	537,734	
	Fund Received	1,163,352	1,057,080
	Less: Fund Utilized	(472,987)	(519,346)
	Net Restricted Funds	1,228,099	537,734

5. Functional currency and donor source currency

The functional and reporting currency of the SRHR project is US Dollar as it is the primary currency in which the grant was received and most of the expenditure was made. The US Dollar is also the currency in which the budget of the project was prepared and approved.

The donor source currency is Swedish Krona (SEK) and the project grant commitment is denominated in SEK as clause 4.1 of the Agreement.

The table below shows the financial position for 2020/2021 in both USD and SEK:

Year 2020/2021	2021		2020	
	US\$	SEK	US\$	SEK
Opening Balance	537,734	5,574,687	-	-
Amount Received	1,163,352	10,000,000	1,057,080	10,000,000
Total Expenditure **	472,987	(4,067,686)	519,346	(4,913,012)
Balance available	1,228,099	(10,981,665)	537,734	(5,574,687)
Exchange Gain (Unrealized)		(525,336)		487,699
Total*		-		-

*At Closing rate (31.03.20: 10.3670 and 31.03.21: 8.942)

The exchange gain of SEK 234,591 was due to holding of the grant money in US Dollar during a period when US Dollar has appreciated against SEK.

** At Spot Rate (31.03.20: 9.46 and 31.03.21: 8.6)