



Ghana Research & Advocacy Programme

G-RAP FUND ACCOUNT

FINANCIAL REPORT JULY - DECEMBER 2007

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**G-RAP FUND ACCOUNT
FINANCIAL REPORT FOR THE PERIOD (JULY 2007 – DECEMBER 2007)**

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SECTION I: INTRODUCTION

This is the first half yearly financial report on the G-rap Grant Fund Account for the 2007/2008 grant year. It is also the last financial report on the Grant Fund Account prepared by the LTS/Ernst & Young Consortium. The report provides members of the Funders Committee with relevant information to assess the cash position of the G-rap Grant Fund Account for the six months period ended 31 December, 2007.

The financial report also provides an analysis of grantee financial reports over the six months period (July 2007 to December 2007). The analysis highlights key issues relating to grantee financial reports as well as brief recommendations which will form the basis for assisting grantees to improve upon their financial management capabilities and financial reporting deliveries perhaps by the new management team of G-rap.

Furthermore, due to the peculiar nature of Institutional Capacity Building (ICB) and its financial reporting by grantees, a separate financial report has been provided on ICB Grants over the period.

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SECTION II: FINANCIAL STATEMENTS

2.1 Introduction

This section of the report details the financial statements on the G-rap fund account for the six months period commencing on 1 July, 2007 and ending on 31 December 2007. The financial statements comprise: Statement of Financial Position, Statement of Income & Expenditure and accompanying notes.

2.2 Statement of Financial Position as at 31 December 2007

	Note	Current Period Jul '07 – Dec '07 US\$	Current Period Jan '07 – Jun '07 US\$
Current Assets			
Cash and Bank balance	1	<u>765,162</u>	<u>76,537</u>
Net Assets		<u>765,162</u>	<u>76,537</u>
 Represented By:			
Fund Balance		<u>765,162</u>	<u>76,537</u>

Notes 1 to 6 form an integral part of these financial statements.

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**2.3 Statement of Income and Expenditure for the Period Ended
31 December 2007**

	Note	Current Period Jul '07 - Dec '07 US\$	Prior Period Jan '07 - Jun '07 US\$
Income			
DFID	2a		-
Royal Netherlands Embassy	2b	692,757	700,000
DANIDA	2c	859,022	239,444
CIDA	2d	241,443	296,826
Reversed Charges		<u>-</u>	<u>-</u>
		1,793,222	1,236,270
Expenditure			
Core Grantees	3	1,065,150	1,025,140
TA Grantees	4	-	98,465
ICB Grantees	5	33,097	31,903
Other Disbursements	6	1,587	-
Bank charges		<u>4,763</u>	<u>4,022</u>
		1,104,597	1,159,530
Excess/(Deficit) of Income over Expenditure		<u>688,625</u>	<u>76,740</u>

Fund Account for the Period Ended 31 December 2007

	Current Period Jul '07 - Dec '07 US\$	Prior Period Jan '07 - Jun '07 US\$
Balance brought forward	76,537	(203)
Excess of Income over Expenditure	<u>688,625</u>	<u>76,740</u>
Balance carried forward	<u>765,162</u>	<u>76,537</u>

Notes 1 to 6 form an integral part of these financial statements.

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Note 1 – Bank Reconciliation Statement for the Period July 1, 2007 to December 31, 2007

			US\$	US\$
Opening cashbook balance				76,537.35
Funds received from the donors				1,793,222.13
Reversal of Charges				-
Expenditure for the month				(1,104,597.53)
Closing cashbook balance				765,161.95
Items not yet presented to the bank:				
	Date	Ref	Amount	
				-
Items in bank statement but not in cashbook				
	Date	Ref	Amount	
				-
Balance per bank statement (see bank statement extract - Annex A)				765,161.95

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Note 2 – Schedule of Fund Transfers

All amounts in US\$

No.	Funder	Date of Transfer	Amount (US\$)
2a	DFID		-
2b	RNE	17-Aug-07	510,830
		6-Nov-07	46,053
		11-Dec-07	135,874
		Sub-total	692,757
2c	DANIDA	31-Aug-07	250,075
		11-Dec-07	608,947
		Sub-total	859,022
2d	CIDA	21-Aug-07	241,443
Total Funds transferred			1,793,222

Note 3 – Disbursements to Core Grantees

All amounts in US\$

Core Grantees	Current Period July '07 - Dec '07	Previous Period Jan '07 - June '07	Total Jan '07 - Dec '07
ABANTU	57,500	28,750	86,250
ARK	32,500	25,600	58,100
ASDR	47,500	-	47,500
CDD	102,500	106,600	209,100
IDEG	95,000	157,040	252,040
IEA	115,000	168,500	283,500
CEPA	150,000	130,000	280,000
FOSDA		10,500	10,500
FIDA	15,000	23,600	38,600
ISODEC	90,000	25,000	115,000
ISSER	95,000	142,500	237,500
NGND	25,000	20,000	45,000
TWN	145,000	92,500	237,500
WANEP	37,500	75,000	112,500
WILDAF	57,650	19,550	77,200
Total	1,065,150	1,025,140	2,090,290

Note 4 – Disbursements to Technical Assistance (TA) Grantees

All amounts in US\$

Project Grantees	Current Period Jul '07 - Dec '07	Current Period Jan '07 - June '07	Total Jan '07 - Dec '07
CSPS	-	10,815	10,815
ILGS	-	40,000	40,000
TUC	-	47,650	47,650
Total	-	98,465	98,465

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Note 5 – Disbursements to Institutional Capacity Building (ICB) Grantees

All amounts in US\$

TA Grantees	Current Period Jul '07 - Dec '07	Prior Period Jan '07 - June '07	Total Jan '07 - Dec '07
CEPA	10,000		10,000
CSPS	10,000	-	10,000
ILGS	10,000	-	10,000
WILDAF	3,097	11,903	15,000
TUC		10,000	10,000
Total	33,097	21,903	55,000

Note 6 – Other Disbursements

All amounts in US\$

Organisation	Service Provided	Current Period Jul '07 - Dec '07	Prior Period Jan '07 - June '07	Total Jan '07 - Dec '07
SNV	Facilitation Support & Organisation Assessment	1,587	-	1,587
Total		1,587	-	1,587

SECTION III: ANALYSIS OF GRANTEE FINANCIAL REPORTS

3.1 Introduction and General Comments

3.1.1 Introduction

This section of the report summarizes grantee financial reports for the period July 2007 to December 2007 and is aimed at providing feedback to the Funders Committee on how funds disbursed to Grantees were spent during the period as well as issues noted during the analysis of the financial reports.

3.1.2 General Comments

As with prior period reports, a number of challenges were encountered with the timeliness in report submission by grantees. Some grantees submitted their reports as late as 8 weeks after the stipulated submission date. Other grantees did not provide all the required information and therefore had to resubmit their reports which impacted adversely on timely processing of this report. All the project grantees did not submit financial reports for this period even though they had significant balances on their account at the end of the previous period.

As stated in prior period financial reports, some grantees especially the multi-annual core grantees have been consistent in their delivery of quality reports which provides all the required information, and in the right format. Most of the grantees especially those who were previously reporting on a project basis managed to submit reports in the right format. In spite of this, some fundamental financial reporting problems which have persisted with some grantees still remain.

The late delivery of grantee reports coupled with errors in the reports of some grantees, lack of complete information and inconsistencies in financial information provided impacted adversely on timely processing of this financial report.

Specific observations worth noting include:

- ◆ Financial information provided by some grantees lacked consistency in terms of the closing cash and bank balances being different from the balances provided in supporting documentation e.g. bank reconciliation statement.
- ◆ Failure to provide the complete financial report package comprising the financial status report, bank statement and bank reconciliation statement was also common with some grantees. Another recurring problem noted with the current reports was the failure to provide the average exchange rate in cases where the currency of reporting was in Ghanaian Cedis.

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- ◆ Compared with the prior period's financial reports, it appeared this batch of reports is one of the best so far. In spite of this, over-expenditure of budget lines continues to be a problem with some grantees including some of the multi-annual grantees

3.1.3 Next Steps

There has been a significant improvement in the ability of grantees to submit reports in the required format however, not the same can be said about adherence to budgets by grantees or in providing explanations for variances.

There is a room for improvement particularly in relation to over-expenditure of budgets and lack of consistency in period-on-period financial results.

The new management team may have to organize a session for grantees where general issues could be discussed. Follow-up visits may also be required and in addition to resolve grantee issues, it would give the Fund Manager the opportunity to understand grantee systems and specific issues being faced.

3.2 Key Findings, Recommendations and Action Points

3.2.1 Introduction

This sub-section of the report provides detailed analysis of grantee financial reports. It highlights key issues noted and recommendations aimed at addressing the issues. The issues noted focused on:

- ◆ Inability of grantees to undertake planned activities resulting in unspent funds and reasons for the observations;
- ◆ Expenditure on items that were not budgeted for and also weaknesses noted in the various financial reporting systems.

3.2.2 Core Grantees

1. ABANTU For Development (ABANTU)

ABANTU received an amount of US\$57,500 during the period under review.

Findings

- i) We noted that the discrepancy of US\$994 relating to the prior period's opening balance had still not been resolved. Thus whereas our closing balance for the current period was US\$593, the reported closing balance was approximately US\$1,587.
- ii) Our analysis of ABANTU's financial report revealed that a total of US\$117,806 was spent during the period. Out of this amount, US\$55,934 was financed from G-rap sources which constituted 48% of ABANTU's total expenditure.
- iii) The analysis revealed that approximately 61% of ABANTU's total expenditure was on overheads while the remaining 39% related to programmes.
- iv) Based on the financial information provided, it appears that ABANTU's expenditures during the period were well within limits.

Recommendation

- i) We recommend that ABANTU resolves the prior period error in the opening balance.

2. The ARK Foundation (ARK)

ARK Foundation had available funds of US\$32,489 during the reporting period. This amount is made up of US\$(11) balance brought forward from the previous period and a grant disbursement of US\$32,500 during the period.

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In response to our recommendations in the previous report, ARK submitted a revised financial report which covers its total income and related expenditures.

Findings

- i) ARK Foundation over-spent the G-rap funds available by about US\$633. However, the reported closing cash and bank balance was US\$(140). The difference between this amount and the expected balance is believed to have been financed from other sources.
- ii) A review of the financial information supplied indicated that ARK appeared to have exceeded two of its expenditure budget lines by significant variances -Training & Advocacy and Renovation (73% and 273% respectively).

Recommendations and Action Points

- i) We recommend that ARK improves upon its financial management practices by operating within its budget. Where it exceeds its budget lines by significant amounts, it is appropriate that explanations be provided for such variances.

3. African Security and Dialogue Research (ASDR)

ASDR received an amount of US\$47,500 from G-rap during the period under review. It also had an opening balance of US\$466 from the prior period. ASDR received US\$526,468 from other sources which brought total funds available during the period to US\$574,434.

Findings

- i) ASDR's reported total expenditure amounted to US\$473,884 of which 1.7% i.e. US\$8,030 was financed from G-rap sources.
- ii) Of the total grant disbursed by G-rap, analysis revealed that approximately 17% of the amount was spent on administration leaving 83% of the G-rap funds unutilized as at 31 December 2007. From the global expenditure perspective, a proportion of approximately 80% was incurred on programmes and the remaining 20% was incurred on administrative activities.
- iii) Further analysis of ASDR's financial report revealed that approximately 80% of ASDR's total expenditure was financed from other sources whilst funds from G-rap accounted for remaining 20%.

4. Ghana Centre for Democratic Development (CDD)

CDD-Ghana had US\$102,678 as its available funds from G-rap to finance its programmes and activities. This amount is made up of US\$178 brought forward from the previous period and a core grant disbursement of

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US\$102,500 during the period. CDD-Ghana also received US\$475,778 from other sources, thus total funds available to spend during the period on its planned programmes and activities amounted to US\$578,456.

Findings

- i) A total amount of US\$681,193 was spent on programmes and administration during the period. Out of this total, about 58% was on programmes and the remaining 42% was spent on administration.
- ii) Analysis of CDD's financial reports revealed that the bulk (91%) of CDD's expenditure during the period was financed from other sources. G-rap funds accounted for about 9% of total expenditure during the period.
- iii) We noted that CDD utilized approximately 59% i.e. US\$60,149 of G-rap funds available to it during the period leaving 41% i.e. US\$42,529 of the funds unutilized as at 31 December, 2007.

5. Center For Policy Analysis (CEPA)

CEPA received US\$150,000 from G-rap during the period, US\$10,000 of which relates to the prior period. It also had a balance brought forward of US\$(18,970) from the previous period bringing total G-rap funds available to US\$131,030. CEPA also received US\$436,461 from other sources, bringing total funds received by CEPA during the period to US\$567,491.

Findings

- i) The closing cash book balance per our records showed US\$18,198, which agreed with the balance provided in CEPA's financial report. Thus, the prior period difference of US\$20,000 was corrected. CEPA thus utilized approximately 86% of the G-rap funds available to it leaving approximately 14% i.e. US\$18,198 unutilised as at 31 December, 2007
- ii) CEPA spent a total of US\$404,515 during the period. Approximately 28% i.e. US\$112,832 was funded from G-rap sources while the bulk of the expenditure (approximately 72% i.e. US\$291,683) was financed from CEPA's other fund sources.
- iii) Analysis of the financial status report revealed that approximately 76% i.e. US\$305,889 of the total expenditure was incurred on programmes. The remaining 24% i.e. US\$98,626 was on administrative overheads.

6. Foundation for Security Development in Africa (FOSDA)

G-rap suspended all forms of grant to FOSDA for non-compliance with benchmarks set for them. Therefore funds were not disbursed to FOSDA during the period under review. However, there has been, according to our records, an outstanding balance of US\$15,619 from the prior period which they did not report on for the period ending 30 June 2007.

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We finally received the financial report covering the above outstanding balance on 20 March 2008.

Findings

- i) A review the financial report revealed that FOSDA spent approximately US\$28,619 during the period. FOSDA spent in excess of the funds available to it during the period by as much as US\$13,000.
- ii) Enquiries revealed that the over-expenditure was in anticipation of the remaining funds of US\$13,000 being disbursed to it during the subsequent period.

7. International Federation of Women Lawyers (FIDA Ghana)

FIDA Ghana had a total amount of US\$155,517 during the period to undertake its planned programmes and activities. However, included in this figure is an amount of US\$15,000 meant for FIDA for Q4, which was disbursed on 25 January 2008 because of non submission of Q4 financial report on time. The total amount consisted of balance of US\$122 brought forward from prior period, an amount of US\$30,000 received from G-rap and US\$125,395 obtained from other sources.

Findings

- i) Analysis of FIDA's financial report showed that it spent a total of US\$152,503 during the period. Approximately 16% i.e. US\$24,388 of the total expenditure was financed from G-rap sources while the remaining 84% i.e. US\$128,115 was funded from other sources.
- ii) There was thus an over-expenditure of US\$9,266 on the G-rap funds. Enquiries from FIDA revealed that the over-expenditure was in anticipation of the quarter 4 disbursement. FIDA therefore financed the over-expenditure using funds from other sources and intends to set it off following receipt of the disbursements for quarter 4.

Recommendations and Action Points

- i) It is recommended that as much as possible, FIDA should undertake programmes and activities for which funds are available to avoid a similar situation arising in future. FIDA should also endeavor to reflect only actual expenditure incurred using G-rap funds in the subsequent report.

8. Institute for Democratic Governance (IDEG)

IDEG received an amount of US\$95,000 and had a balance of US\$41,547 brought forward from the prior period bringing total G-rap funds at its disposal to US\$136,547. IDEG also received funds amounting to US\$159,434 from other sources bringing total funds at its disposal in the period to US\$295,981

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to finance its planned programmes and activities during the period under review.

Findings

- i) We noted that IDEG utilized approximately 80% i.e. US\$109,847 of G-rap funds available to it during the period leaving 20% i.e. US\$26,700 of the funds reported unutilized as at 31 December 2007.
- ii) Our review of IDEG's financial report revealed that it exceeded two of its budget lines. The over-expenditures ranged between 55% and 120%.
- iii) We noted that IDEG had resolved its financial reporting challenges previously reported. This positive outcome may be partly the result of PMT's coaching activities in line with the recommendations made in the prior period's report.

Recommendations and Action Points

- ii) We recommend that IDEG stay within budgetary limits. Where expenditures incurred exceed the budget, an explanatory note should be provided to enable the PMT understand the circumstances which led to the over-expenditure.

9. Institute of Economic Affairs (IEA)

During the period under review, IEA received core grant of US\$115,000 from G-rap. The balance on IEA's G-rap account at the beginning of the period was (US\$13,408) per our records and a bank interest of US\$1, bringing total funds available to IEA down to US\$101,593.

Findings

- i) IEA reported an opening balance of (US\$10,602) whereas our records showed an opening balance of (US\$13,408). Therefore the difference of US\$2,806 between these figures recorded in the last report has still not been resolved.
- ii) Analysis of IEA's financial report revealed that total expenditure on programmes and administrative overheads was US\$846,551. Of this total, 84% was financed from other sources whilst the remaining 16% of the expenditure came from G-rap funds.
- iii) We noted that during the period ended 31 December 2007, IEA incurred expenditures totaling US\$31,538 over and above the amount it received from G-rap. However, IEA's cash position per its records showed a deficit of US\$28,732. This means IEA has increased its liability during the current period from a deficit of US\$10,602 recorded in its last report to US\$28,732, and as expected this amount differs by US\$2,806 from the balance per our records due to the difference in opening balance.

- iv) We also noted that IEA exceeded four of its budget lines. The most significant budget lines exceeded were “Public Financing of Political Parties 2006”, “Conference (Youth Wing and Women’s Wing)”, and Meeting of Togo and Ghana Party Chairmen” where actual expenditure exceeded budgeted amount by a total of US\$21,925 representing an average adverse variance of 25%.

Recommendations and Action Points

- i) We recommend that IEA should stay within budgetary limits. Where expenditures incurred exceed the budget, an explanatory note should be provided to enable the PMT understand the circumstances which led to the over-expenditure.
- ii) As recommended in the last report, the differences in opening balances between our records and IEA’s financial records should be resolved. In this regard the PMT may have to assist the IEA in resolving the difference.

10. Integrated Social Development Centre (ISODEC)

ISODEC had funds amounting to US\$90,000 at its disposal from G-rap during the period under review to undertake its planned programmes and activities.

Findings

- i) Analysis of ISODEC’s financial report revealed that its total expenditure during the period amounted to US\$458,222. Approximately 69% of this amount was spent on programmes with the remaining 31% being spent on administrative overheads.
- ii) Further analysis revealed that approximately 80% of ISODEC’s total expenditure was financed from other sources whilst G-rap funds accounted for the remaining 20% of the total expenditure. ISODEC utilized all the G-rap funds during the period.

11. Institute of Statistical, Social & Economic Research (ISSER)

ISSER received US\$95,000 from G-rap during the period. It also had a balance brought forward of US\$7,975 from the prior period bringing total G-rap funds available to ISSER to US\$102,975. ISSER also received funds amounting to US\$412,820 from other sources bringing total funds available to it in the period to finance its programmes and other activities to US\$515,795.

Finding

- i) ISSER spent a total of US\$820,325 during the period. Approximately 88% i.e. US\$718,517 of the total expenditure was financed from ISSER’s other fund sources while the remaining 12% i.e. US\$101,808 was from G-rap sources.

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- ii) Of the total expenditure, 56% i.e. US\$460,610 was incurred on administration while the remaining 44% i.e. US\$359,715 was incurred on programmes.

12. Northern Ghana Network for Development (NGND)

The NGND received US\$25,000 during the period. The balance brought forward previous period was US\$3 bringing funds available to US\$25,003 to finance its planned programmes and activities.

Findings

- i) NGND incurred expenditures amounting to US\$136,442 during the period. Analysis of the report revealed that approximately 57% i.e. US\$78,200 of this expenditure was on programmes whilst the remaining 43% i.e. US\$58,242 was spent on administration.
- ii) Our review of NGND's financial report also showed that approximately 82% i.e. US\$111,530 of NGND's total expenditure was financed from other sources while the remaining 18% i.e. US\$24,912 was financed from G-rap sources. NGND thus had G-rap funds amounting to US\$91 unutilised as at 31 December, 2007.
- iii) NGND's expenditures were generally within limits and the financial report was fairly presented.

13. Third World Network (TWN)

TWN received an amount of US\$145,000 during the period to finance its planned programmes and activities. It also had an opening balance of US\$8,395 from the prior period and an amount of US\$746,252 from other sources bringing TWN's total funds available in the period for its programmes and overhead expenditures to US\$899,647.

Findings

- i) TWN spent a total of US\$727,842 during the period. About 79% i.e. US\$574,706 of this expenditure was financed from TWN's other fund sources while the remaining 21% i.e. US\$153,136 was funded from G-rap sources.
- ii) TWN reported a closing cash and bank of US\$440 while our records show that the closing balance should be US\$259, leading to a difference of US\$181 between the balance in our records and the current financial report. The existing difference of US\$231 as reported in the prior period's report is only reduced by a bank charge of US\$50 which means that the reported difference in the last report has still not been rectified.

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- iii) Analysis of TWN's financial report revealed that 52% of the total expenditure was on programmes, whilst the remaining 48% was spent on administration, equipment purchases and non-programme related activities.
- iv) Detailed analysis of TWN's report revealed that it exceeded a number of budget lines. TWN's expenditures exceeded eleven of its budget lines, seven of which related to administration expenses. The variances (over-expenditures) on these lines ranged between 8% and 127%.

Recommendations and Action Points

- i) As we have recommended in our previous reports, we reiterate that TWN operates within its set budget. In instances where it exceeds its budget substantially, it is imperative that appropriate explanations be given for such variances.
- ii) It is also recommended that the differences in opening balances between our records and TWN's financial records should be resolved.

14. West African Network for Peace Building (WANEP)

WANEP received US\$37,500 from G-rap during the period. It also had a balance brought forward of US\$34,741 from the prior period. WANEP also obtained an amount of US\$783,407 from other sources bringing total funds available during the period to US\$855,648.

Findings

- i) WANEP spent a total of US\$556,150 during the period on its programmes and other activities. Approximately 98% i.e. US\$544,603 was financed from WANEP's other fund sources while the remaining 2% i.e. US\$11,547 was funded from G-rap sources. G-rap funds remaining as at 31 December, 2007 was thus US\$60,694.
- ii) The financial information provided revealed that WANEP's expenditures during the period exceeded fourteen of the budget lines. The notable ones include "Administrative Cost", WANEP Strategic Plan 2007-2008", "West Africa Peace Building" and Global Partnership for the Prevention of Armed Conflict", where the variances ranged between 1% and 260%.
- iii) Analysis of WANEP's financial report also showed that about 60% i.e. US\$336,434 of the total expenditure was on administration while the remaining 40% i.e. US\$219,716 was on programmes.
- iv) As with findings in the previous financial reports, we noted that WANEP reported on its ICB related activities as part of its report on core grant funds.

Recommendations and Action Points

- i) We recommend that WANEP operate within budgetary limits. Where expenditures incurred exceed the budget, an explanatory note should be provided to enable the PMT understand the circumstances which led to the over-expenditure.
- ii) As separate contracts govern the disbursement and use of Core and ICB grant funds we highly recommend that reports on Core Grants should cover only core grant receipts and related expenditures.

15. Women in Law & Development in Africa (WiLDAF)

WiLDAF received core grant amount of US\$57,650 during the period under review. It also had an opening balance of (US\$7,498), bringing total G-rap funds available for utilization to US\$50,152. WiLDAF also received funds from other sources amounting to US\$136,556 bringing total funds available for its programmes and other activities to US\$186,708.

Findings

- i) Analysis of the current report shows that WiLDAF's prior period closing cash and bank balance recorded in the financial report was US\$2,510 whilst our records revealed a balance of (US\$7,498), leading to a difference of US\$10,008. Consequently the closing cash and bank balance provided in this report is not likely to be accurate. This issue was raised in the prior period's report. This period's reported closing balance was US\$18,723 whereas the reported closing balance per our records was US\$5,647, resulting in a difference of US\$13,076. WiLDAF presumably reported on ICB funds as part of its core grant financial reporting. This difference is expected to reduce significantly with the disbursement of a prior year outstanding grant of US\$10,150 on 21 February 2008.
- ii) As noted in the previous financial reports, and several recommendations made on the need to separate ICB funds from core grant funds during reporting, WiLDAF reported on its ICB fund receipts as part of its report on core grant funds.
- iii) Analysis of the financial report revealed that WiLDAF incurred expenditures which amounted to US\$133,370 during the period under review. The proportion of total expenditures incurred on programmes and administration were approximately 58% and 42% respectively.
- iv) WiLDAF's financial report also showed that funds from other sources were used to finance 67% of the total expenditure while G-rap funds was used to finance 33% of the total expenditure.

Recommendations and Action Points

- i) WiLDAF's weakness in financial reporting has persisted for sometime now in spite of a number of coaching sessions undertaken by the Financial Management Specialist. It is therefore recommended that discussions between the PMT and top management of WiLDAF be held to identify the root cause of the persistent financial management and reporting challenges.
- ii) WiLDAF should take steps to review and subsequently update its balances to resolve the difference between its reported balances and the balance per PMT's records.

NB: See Annex B for details on cash position (funds available, amounts utilized and funds unutilized) of core grantees as at 31 December 2007.

3.2.3 Project Grantees

1. Institute of Local Government Studies (ILGS)

As reported in the previous report, ILGS was one of the three project grantees who did not report on funds disbursed during the prior period (Jan – Jun 2007). No funds were disbursed to ILGS during the period and ILGS did not submit a report for the six months period ended 31 December, 2007. It however submitted its financial report on funds amounting to US\$40,000 which was disbursed during the prior period.

Findings

- i) Analysis of the report showed that ILGS utilized about 88% i.e. US\$35,020 of the G-rap funds disbursed leaving 12% i.e. US\$4,980 unutilised as at 30 June 2007.
- ii) Further analysis of the report showed that 96% of the expenditure was incurred on programmes while the remaining 4% was incurred on administration.
- iii) ILGS's financial reported was fairly represented and expenditures were generally within limits apart from one expenditure line which exceeded the budget by 14% i.e. US\$3,257.

Recommendation

- i) We recommend that ILGS submits its financial reports at the right time to enable the PMT provide complete and accurate information on funds disbursed and funds utilized to the donors.
- ii) It is also recommended that ILGS should as much as possible stay within budgetary limits in line with good financial management practices.

2. Ghana Trades Union Congress (TUC)

As with ILGS, TUC did not report on funds disbursed during the prior period i.e. January – June 2007. No funds were however disbursed to TUC during the period and it did not submit a report for the current period. The analysis below therefore covers funds amounting to US\$49,351 available to TUC during the prior period.

Findings

- i) Our analysis of TUC's prior period report showed that it utilized about 70% i.e. US\$34,719 of the G-rap funds available to it leaving approximately 30% i.e. US\$14,632 unutilised as at 30 June 2007. As indicated in the ICB Report dated March 2008, TUC utilized part of its TA grant on ICB related activities.
- ii) We also noted that 61% of the expenditure was on administration including equipment purchases while the remaining 39% was on programmes.
- iii) TUC's expenditures were generally within limits.

Recommendation

- i) We recommend that TUC submits its financial reports at the right time to enable the PMT provide complete and accurate information on funds disbursed and funds utilized to the donors.

3. Centre for Social Policy Studies (CSPS)

As with the other project grantees, CSPS did not report on funds disbursed at the time of the processing of the prior period's report. No funds were also disbursed to CSPS during the period and it did not submit a report for the current period. The analysis below therefore covers funds amounting to US\$23,426 available to CSPS during the prior period.

Findings

- i) Our analysis of CSPS's prior period report showed that it utilized about 64% i.e. US\$14,890 of the G-rap funds available to it leaving approximately 36% i.e. US\$8,536 unutilised as at 30 June 2007.
- ii) CSPS spent 93% of the amount on programmes and the remaining 7% was spent on administration.
- iii) CSPS's expenditures were generally within budgetary limits.

**G-RAP FUND ACCOUNT
FINANCIAL REPORT FOR THE PERIOD (JULY 2007 – DECEMBER 2007)**

Recommendation

As with the other two project grantees, it is recommended that CSPS submits its financial reports at the right time to enable the PMT provide complete and accurate information on funds disbursed and utilized to the donors.

NB: See Annex C for details on cash position (funds available, amounts utilized and funds unutilized) of TA grantees as at 30 June 2007. Financial Reports for the period 1 July to 31 December 2007 were not received at the time of finalizing this report.

ANNEX

**G-RAP FUND ACCOUNT
FINANCIAL REPORT FOR THE PERIOD (JANUARY 2007 – JUNE 2007)**

ANNEX A – BANK STATEMENT EXTRACT

SCB - HIGH STREET (including FSB)
TEL. NO. : 21671068
STATEMENT DATE: 31 DEC 2007
STATEMENT NO.: 33
PAGE: 2

STATEMENT OF ACCOUNT

NAME THE MANAGING DIRECTOR ERNST & YOUNG CONSULTING LTD. ADDRESS P.O. BOX 16009 AIRPORT ACCRA GHANA 774275	ACCOUNT NUMBER
	8700216901901
	ACCOUNT DESCRIPTION
	ERNST & YOUNG/GRAP FUND
	CURRENCY
	US DOLLAR

DATE POSTED	PARTICULARS	WITHDRAWAL	DEPOSIT	VALUE DATE	BALANCE
2007	BALANCE BROUGHT FORWARD			200	630,318.46
11 DEC	COMMISSION ON ROYAL DANIS H EMBASSY /RFB/A2M GH TRA CHQ/REF:C5020140CP /0240108876 : Ministerie van Buiten	500.00	135,874.00	11 DEC	629,818.46
	CHQ/REF:2007120502 COMMISSION ON /0240108876 : MinisteG RAP PNUM-1387 CHQ/REF:2007120502	500.00		11 DEC	765,192.46
21 DEC	CHGS ON STRAIGHT2BANK CHQ/REF:S2B09	30.51		21 DEC	765,161.95
					END OF STATEMENT
		(10)	Total Debits 81,604.51	Total Credits 745,145.00	(4)
	YOUR CLEARED BALANCE AS AT 31 DEC 2007				765,161.95

MONEYLINK ATM CARDS WILL BE PHASED OUT BY 30TH SEPTEMBER, 2005. KINDLY CONTACT YOUR BRANCH WITH YOUR PASSPORT-SIZED PHOTO AND BECOME A PROUD OWNER OF A VISA ELECTRON PHOTO DEBIT CARD.

Although uncleared items received for the credit of the account may be reflected in your balance, the Bank reserved the right to refuse payment of cheques/withdrawals against such uncleared items and also the right to debit the account with uncleared items subsequently not paid. This statement will be considered correct unless advice to the Bank is received within 10 days from the receipt of this Statement.

**3-RAP FUND ACCOUNT
FINANCIAL REPORT FOR THE PERIOD (JANUARY 2007 – JUNE 2007)**

ANNEX B – CASH POSITION OF CORE GRANTEES AS AT 31 DECEMBER 2007

Grantees	Amount Disbursed US\$	Interest Income US\$	Opening Balance US\$	Funds Available US\$	Actual Expenditure US\$	Variance US\$
ABANTU	57,500	-	(973)	56,527	55,934	593
ARK	32,500	-	(11)	32,489	33,122	(633)
ASDR	47,500	-	466	47,966	8,030	39,936
CDD	102,500	-	178	102,678	60,149	42,529
CEPA	150,000	-	(18,970)	131,030	112,832	18,198
FOSDA	-	-	15,619	15,619	28,619	(13,000)
FIDA	15,000	-	122	15,122	24,388	(9,266)
IDEG	95,000	-	41,547	136,547	109,847	26,700
IEA	115,000	1	(13,408)	101,593	133,131	(31,538)
ISODEC	90,000	-	-	90,000	90,000	-
ISSER	95,000	-	7,975	102,975	101,808	1,167
NGND	25,000	-	3	25,003	24,912	91
TWN	145,000	-	8,395	153,395	153,136	259
WANEP	37,500	-	34,741	72,241	11,547	60,694
WILDAF	57,650	-	(7,498)	50,152	44,505	5,647
	1,065,150	1	68,186	1,133,337	991,960	141,377

3-RAP FUND ACCOUNT
 FINANCIAL REPORT FOR THE PERIOD (JANUARY 2007 – JUNE 2007)

ANNEX C – CASH POSITION OF TA GRANTEES AS AT 30 JUNE 2007

	Amount Disbursed US\$	Interest Income US\$	Opening Balance US\$	Funds Available US\$	Actual Expenditure US\$	Variance US\$
CSPS		-	23,426	23,426	14,890	8,536
ILGS		-	40,000	40,000	35,020	4,980
TUC	-	-	49,351	49,351	34,719	14,632
	-		112,777	112,777	84,629	28,149