**RURAL DEVELOPMEMT & CARE CAMEROON**

**(RUDECCAM)**

AUDIT REPORT ON THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY TO DECEMBER 2016

**Prepared By:**

**MONONO EPHANGA**

**CHARTERED CERTIFIED ACCOUNTANT**

**JANUARY 2016**

***AUDIT REPORT ON THE FINANC IAL STATEMENTS***

**RUDECCAM - NKONGSAMBAFOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 3 1, 2016**

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***AUDIT REPORT ON THE FINANC IAL STATEMENTS***

**RUDECCAM-NKONGSAMBAFOR THE PERIOD JANUARY 1, 2016 TO DECEMBA 31, 2016**

**SECTION 1**

**AUDITORS’ OPINION ON THE FINANCIAL STATEMENTS**

The Board of Directors,

RURAL DEVELOPMENT AND CARE CAMEROON (RUDECCAM)

P.O Box 583,Nkongsamba

**Auditors’Opinion on the Financial Statements for the period January 1st to December 31st2016.**

We have audited the Financial Statement of the Rural Development & Care Cameroon (RUDECCAM) for the period January 1st2016 to December 31st2016 as mandated by RUDECCAM’s Management Board. We have obtained all the information and explanations, which to the best of our knowledge and believe were necessary for the purpose of this audit.

It is the responsibility of the Management of RUDECCAM to prepare their Financial Statements. Our duty is to formulate an audit opinion on these financial statements based on our audit findings.

The audit was carried out in conformity with International Standard on Auditing **(ISA)** with particular regard to Non-profit making organizations accounting principles and best practices and in accordance with the term of reference of our mandate.

These norms required us to plan and to carry out the audit assignment in a manner as to ensure that the Financial Statements established by RUDECCAM do not contain significant abnormalities.

An audit implies the verification on a test basis, accounting and evidence of transactions, the amounts and the information appearing in the Financial Statements. It further includes the evaluation of the accounting principles applied by RUDECCAM’s Management and the general presentation of the project financial reports.

We are convinced that, our audit constitutes a reasonable basis to express our opinion in the light of the foregoing.

Consequently, the audit established that:

1. The accounting system of RUDECCAM is electronically operated on a cash base single entry system to record all the financial transactions taking into consideration the financial engagements within the same financial year with each donor or project.

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Under this system, it is very easy to identify funds for each activity and project supported by each donor.

1. RUDECCAM operates one bank account in Afiland First Bank, Nkongsamba whose balance as at 31/12/2016 was 1,109,000FCFA. A Bank Book is not kept by RUDECCAM for this bank account and consequently, bank reconciliation statements are not prepared.
2. RUDECCAM/MINADER contribution to project realization amounting to 6,500,000FCFA could not be verified. Also there were no supporting documents to backup the expenditure of this money. Explanation held that this contribution was in-kind though it was valued.
3. Although the financial statements presented by the Management of RUDECCAM for the purpose of this audit were in conformity with national and international standards; the electronic accounting system is not complemented with manual records.

In our opinion, except but for the issues aforementioned, the Financial Situation of RUDECCAM Nkongsamba - Cameroon, consisting of the Income and expenditure statement as at January 1s t to December 31st2016 represent a true and fair financial situation. These financial statements and the accounting system comply with the accounting principles and standards required of non for profit organization of that size.



F.M. Ephanga FCCA, ACIS

Chartered Certified Accountant

UDEAC: EC.09

ONECCA: ECP 11

Done in Nkongsamba on DECEMBER, 28th 2016.

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***AUDIT REPORT ON THE FINANC IAL STATEMENTS***

**RUDECCAM-NKONGSAMBA FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2016**

**SECTION 2**

**NOTES TO MANAGEMENT**

In as much as RUDECCAM has tried to comply with some of the best practices suitable for an organization of it size, we however add and further recommend the following:

1. BANKING PRACTICE

That RUDECCAM should open a modest support bank account in Nkongsamba to limit the risk of having to go repeatedly to Nkongsamba for banking transactions. We also recommend that RUDECCAM should have a bank book and prepare monthly bank reconciliation statements.

MANAGEMENT RESPONSE:

We have already applied to open an account in Afriland First Bank Nkongsamba and subsequently, we will arrange with our bank in Douala to make periodic transfer to the new account in Nkongsamba. We shall equally keep a bank book and prepare monthly bank reconciliation statements.

2. ELECTRONIC AND MANUAL ACCOUNTING:

We strongly advice on the need for RUDECCAM to backup the electronic spreadsheet accounts with a manual system and also to periodically burn accounting files in CDs to avoid risk of lost of accounting information.

MANAGEMENT RESPONSE:

We have already acquired ledgers and our Accounts Clerk will soon transfer all the electronic accounts in the ledger. We shall also backup accounting files and other important documents of the organization on CDs.

3. SOCIAL SECURITY PAYMENT:

We noticed the absence of contribution to National Insurance Fund for personnel of RUDECCAM. A situation such as this could lead to confrontation between the organization and the relevant institution responsible for this service.

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MANAGEMENT RESPONSE:

This is a process which is not automatic. RUDECCAM is just a young organisation that has not been able to secure long term funding. However, we have been in contact with the Ministry of Labour and Social Security and have applied for Social Security number.

4. OFFICE OF FINANCE OFFICER:

We advice management to separate the office of the finance officer from that of other staff to prevent possibility of fraud.

MANAGEMENT RESPONSE:

We plan to repartition the office so that accounting office will have its own section.

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***AUDIT REPORT ON THE FINANC IAL STATEMENTS***

**RUDECCAM-NKONGSAMBA FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2016**

SECTION 3

**INCOME AND EXPENDITURE STATEMENT**

**CENCUDER INCOME & EXPENDITURE ACCOUNT FOR THE PERIOD JANUARY 1,2016 TO DECEMBER 31, 2016**

|  |  |  |
| --- | --- | --- |
| **PARTICULARS** | **NOTE** | **DETAILAMOUNT** |
| **INCOME** |  | (Fcfa) ( Fcfa) |
| Membership contribution | 1 | 3,000,000 |
| Ministry Of Women Empowerment | 2 | 4,500,000 |
| Patrons/Patronesses | 3 | 1,200,000 |
| Nkongsamba City Council | 4 | 1,510,000 |
| Ministry of Agriculture | 5 | 6,500,000 |
|  |  |  |
|  |  |  |

**16,710,000**

|  |  |  |  |
| --- | --- | --- | --- |
| **EXPENDITURE** |  |  | |
| Office Rents & Running |  | 900,000 | |
| Salaries (core staff) |  | 2,600,000 | |
| ***Project Expenses:*** |  |  | |
| Community planning meetings |  | 640,000 | |
| Honorarium |  | 574,000 | |
| Materials& Equipment | 7 | 8,975,000 | |
| External Services |  | 525,000 | |
| Transportation/Travel |  | 487,000 | |
| Bank Charges |  | 900,000 | |
|  | | | **15,601,000** | |
| **SURPLUS OF INCOME OVER EXPENDITURE** | | | **1,109,000** | |
| MADE AVAILABE AS FOLLOWS: BANK BALANCE | | | 1,109,000 | |
| CASH BOOK | | | 30,000 | |

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***AUDIT REPORT ON THE FINANC IAL STATEMENTS***

**RUDECCAM-NKONGSAMBA FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2016**

**NOTES ON THE FINANCIAL STATEMENT**

**NOTE 1: MEMBERSHIP CONTRIBUTION 3,000, 000FCFA**

This is annual contribution from members of the organization for the running of the organization. This money covers rents, stationeries and other running costs.

**NOTE 2: Ministry of Women Empowerment** **4,500,000FCFA**

This is RUDECCAM and the beneficiary’s contribution towards the realization of projects.Though this contribution is valued in financial terms, majority of the contribution is non-financial and covers the costs of provision of local materials and services such as digging of toilet, stones, sand, gravels, etc. This amount of money could not be verified through this Audit but is reflected on project budget.

**NOTES 3: Patron/patronesses 1,200,000FCFA**

This is restricted grants from Patron/patronesses to RUDECCAM Nkongsamba for the implementation of a project entitled: “Organic Gardening Project for Vulnerable Youths” for duration of 1year. The project target 6vulnerable youth groups in Ndongue village

**NOTE 4: Nkongsamba City council 1,510,000FCFA**

This is restricted project grant for Education and hygiene and sanitation in Ebase Community School through the provision of benches furniture and construction of a Pit latrine. The project is ongoing and part balance at the bank is to complete the work by April ending 2015.

**NOTE 5: Ministry of Agriculture (MINADER) 6,500,000CFA**

This grant represents another restricted project funding for regeneration of aging cocoa farms in Etam Village Community with the integration of agro-forestry techniques

**NOTE 7: MATERIALS AND EQUIPMENT** **8,975,000CFA**

These costs included both consumable and non consumable materials and materials for the implementation of the project. It includes building and construction materials such as cement, nails etc as well as equipment such as furniture, snap sack sprayers for gardeners as well as hand pushed trucks.

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