

HOPE FOR PROSPERITY

AUDIT REPORT ON THE FINANCIAL STATEMENTS FROM JANUARY - DECEMBER 2017

Prepared By:

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CHARTERED CERTIFIED ACCOUNTANT

JANUARY 2018

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SECTION 1

AUDITORS' OPINION ON THE FINANCIAL STATEMENTS

The Board of Directors,
Hope for Prosperity,
Buea.

Auditors' Opinion on the Financial Statements for the period January 1st to December 31st 2017

We have audited the Financial Statements of Hope for Prosperity for the period January 1st to December 31st 2017 as mandated by Hope for Prosperity 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 Hope for Prosperity 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 Hope for Prosperity 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 Hope for Prosperity'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 Hope for Prosperity 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.

AUDIT REPORT ON THE FINANCIAL STATEMENTS

HOPE FOR PROSPERITY - BUEA FOR THE PERIOD JANUARY 1, TO DECEMBER 31, 2017

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

2. Hope for Prosperity operates one bank account in Eco-bank Buea - Cameroon whose balance as at 31/12/2017 was 799,357 XAF. A Bank Book is not kept by Hope for Prosperity for this bank account and consequently, bank reconciliation statements are not prepared.
3. Hope for Prosperity /Local contribution to project realization amounting to 650 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.
4. Although the financial statements presented by the Management of Hope for Prosperity 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 Hope for Prosperity Buea - Cameroon, consisting of the Income and Expenditure Statement as at January 1st to December 31st 2017 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




Dr. J. B. Eabang
Medico-Chirurgo
UNIPD-ITALIA
Executive Director

Done in Limbe on January 16th 2018

SECTION 2

NOTES TO MANAGEMENT

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

1. BANKING PRACTICE

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

MANAGEMENT RESPONSE:

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

2. ELECTRONIC AND MANUAL ACCOUNTING:

We strongly advise on the need for Hope for Prosperity to back up the electronic spreadsheet accounts with a manual system and also to periodically burn accounting files in CDs to avoid risk of loss 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 Hope for Prosperity. A situation such as this could lead to confrontation between the organization and the relevant institution responsible for this service.

MANAGEMENT RESPONSE:

This is a process which is not automatic. Hope for Prosperity is just a young organization 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.

SECTION 3**INCOME AND EXPENDITURE STATEMENT****HOPE FOR PROSPERITY INCOME & EXPENDITURE ACCOUNT FOR THE
PERIOD JANUARY 1, TO DECEMBER 31, 2017**

PARTICULARS	NOTE	DETAIL	AMOUNT
<u>INCOME</u>		(XAF)	(XAF)
Membership contribution	1	300,000	
Local/ Hope for Prosperity contribution	2	650,000	
Patrons/Patronesses		800,000	
Mount Zion Pharmacy	3	1,218,000	
Biaka Hospital	4	2,100,000	
Life Transformers	5	1,150,000	
			<u>6,218,000</u>
<u>EXPENDITURE</u>			
Office Rents & Running		182,000	
<i>Project Expenses:</i>			
Community planning meetings		350,000	
Honorarium		215,000	
Materials & Equipment	6	3,111,000	
External Services		1,350,000	
Transportation/Travel		150,500	
Bank Charges		60,143	
			<u>5,418,643</u>
SURPLUS OF INCOME OVER EXPENDITURE			<u>799,357</u>
MADE AVAILABE AS FOLLOWS: BANK BALANCE			799,357
	CASH BOOK		30,000

NOTES ON THE FINANCIAL STATEMENT

NOTE 1: MEMBERSHIP CONTRIBUTION 300 000 XAF

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: HOPE FOR PROSPERITY /LOCAL CONTRIBUTIONS 650 000 XAF

This is Hope for Prosperity 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. This amount of money could not be verified through this Audit but is reflected on project budget.

NOTES 3: MOUNT ZION PHARMACY 1,218,000 XAF

This is restricted grants from Mount Zion Pharmacy to Hope for Prosperity for the implementation of a project entitled: "Diabetes Screening for Rural Pregnant Girls and Woman" and a "Workshop on Sex and Family Planning Education". The project targeted 150 vulnerable youth and women groups in rural Fako division.

NOTE 4: BIAKA HOSPITAL 2,100,000 XAF

This is restricted project grant for Antenatal Clinic in Ntenako and Ndekwai Communities. The project is ongoing and part balance at the bank is to complete the work by April ending 2018.

NOTE 5: Life TRANSFORMERS COMMUNITY GRANTS 1,150,000 XAF

This grant represents another restricted project funding for Hygiene and Sanitation Education in 3 rural communities and schools in Mamfe Central Sub Division.

NOTE 6: MATERIALS AND EQUIPMENT 3,111,000 XAF

These costs included both consumable and non consumable materials and materials for the implementation of the project. It includes temporary structures, and materials such as cement, nails etc as well as equipment such as furniture, snap sack, as well as drugs.