

**THE INTER CHURCH ORGANISATION FOR
DEVELOPMENT CO-OPERATION
SOUTH SUDAN**

(ICCO)

**Report for an Expenditure Verification of a Grant Contract
External Actions of the European Union
ON
Increased Food Security and Sustainable Livelihoods for the Poor and
Marginalized Households in Western Bahr El Ghazal State, South Sudan.
DCI-FOOD/2012/290717**

2013-2014

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GRANT CONTRACT- INFORMATION**CO-ORDINATOR**

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Episcopal Church of Sudan Diocese of Wau, Christian
Action for Relief and Development (ECS-CARD),
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CONTRACTING AUTHORITY

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REPORT OF FACTUAL FINDINGS

The Chairman,
Executive Board,
Interchurch Organisation for Development Cooperation (ICCO)
P.O.BOX 8190, 3503 RD Utrecht,
The Netherlands.

Attn: Ms. Froukje Zwaga, Regional Manager (Regional Office)

28rd May 2014

Dear *Mr. Marinus Verweij*

In accordance with the terms of reference dated **30th April 2014** that you agreed with us, we provide our Report of Factual Findings ('the Report'), with respect to the accompanying Financial Report for the period covering **7th April 2013 – 6th April 2014** (Annex 1 of this Report). You requested certain procedures to be carried out in connection with your Financial Report and the European Union financed Grant Contract concerning; Increased Food Security and Sustainable Livelihoods for Poor and Marginalized Households in Western Bahr El Ghazal State, South Sudan, (**DCI-FOOD/2012/290717**) the 'Grant Contract'.

Objective

Our engagement is in connection with expenditure verification, which is an engagement to perform certain agreed-upon procedures with regard to the Financial Report for the Grant Contract between you and The Head of EU Delegation to South Sudan, Ambassador Sven Kuhn Von Burgsdorfp the 'Contracting Authority'. The objective of this expenditure verification is for us to carry out certain procedures to which we have agreed and to submit to you a report of factual findings with regard to the procedures performed.

Standards and Ethics

Our engagement was undertaken in accordance with:

International Standard on Related Services ('ISRS') 4400; Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by the **International Federation of Accountants ('IFAC')**; the Code of Ethics for Professional Accountants issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the auditor also complies with the independence requirements of the Code of Ethics for Professional Accountants.

Procedures performed

As requested, we have only performed the procedures listed in Annex 2A of the terms of reference for this engagement (see Annex 2 of this Report).

These procedures have been determined solely by the Contracting Authority and the procedures were performed solely to assist the Contracting Authority in evaluating whether the expenditure claimed by you in the accompanying Financial Report is eligible in accordance with the terms and conditions of the Grant Contract.

Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the accompanying Financial Report. Had we performed additional procedures or had we performed an audit or review of the financial statements of the Beneficiary in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

Sources of Information

The Report sets out information provided to us by you in response to specific questions or as obtained and extracted from your accounts and records.

Factual Findings

The total expenditure which is the subject of this expenditure verification amounts to € **434,825**.

The Expenditure Coverage Ratio is **88%**. This ratio represents the total amount of expenditure verified by us, expressed as a percentage of the total expenditure which is the subject of this expenditure verification. The latter amount is equal to the total amount of expenditure reported by you in the Financial Report and claimed by you for deduction from the total sum of pre-financing under the Grant Contract as per your Payment Request of 5TH June 2013.

We report the details of our factual findings which result from the procedures that we performed in Chapter 2 of this Report.

Use of this Report

This Report is solely for the purpose set forth above under objective.

This report is prepared solely for your own confidential use and solely for the purpose of submission by you to the Contracting Authority in connection with the requirements as set out in Article 15 of the General Conditions of the Grant Contract. This report may not be relied upon by you for any other purpose, nor may it be distributed to any other parties.

The Contracting Authority is not a party to the agreement (the terms of reference) between you and us and therefore we do not owe or assume a duty of care to the Contracting Authority, who may rely upon this expenditure verification report at its own risk and discretion. The Contracting Authority can assess for itself the procedures and findings reported by us and draw its own conclusions from the factual findings reported by us.

The Contracting Authority may only disclose this Report to others who have regulatory rights of access to it, The European Anti-Fraud Office and the European Court of Auditors. This Report relates only to the Financial Report specified above and does not extend to any of your financial statements.

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance which may be required.

Yours sincerely,

Auditor’s signature.....

Name of Auditor signing: Ulrich C. Johnson
 Auditor’s address: Nexia Johnson & Johnson
 Certified Public Accountants
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Date of signature.....

1. INFORMATION ABOUT THE GRANT CONTRACT

The Inter Church Organisation for Development Cooperation (ICCO) is a Non-Governmental Organisation which has its roots in the Dutch Protestant Christian churches. Founded in 1965, ICCO works in 44 countries in Africa, Asia, Latin America and Eastern Europe and have seven (7) regional offices spread around the world. The Global office is based in Utrecht, Netherlands. ICCO's mission is to work towards a world in which people live in dignity and prosperity, a world where poverty and injustice are no longer present.

The Organisation seeks to improve the living conditions for people of the areas in which they operate and partner with various National and International collaborations such as the European Union to pursue this objective.

In its drive to ensure that living conditions improve, ICCO together with local affiliated entities in South Sudan embark on a food security action called **Increased Food Security and Sustainable Livelihood for Poor and Marginalized Household in the Western Bahr El Ghazal State, South Sudan (DCI-FOOD/2012/290717)** with the European Union its main funding partner.

In meeting this stated objective, ICCO and other International and Local affiliated entities mainly, The Dorcas Aid International (Netherlands), Christian Agenda for Development (CAD), Episcopal Church of Sudan Diocese Of Wau (ECS), Christian Action for Relief and Development (CAD), and the Catholic University Of South Sudan (CUoSSFEAS) all in South Sudan are currently undertaking a developmental stride to meet the stated objective above.

The project commenced on 7th April 2012 with a time- frame of 3 years ending 6th April 2015.

The current project had been financed in four (4) stages based on the time-frame of thirty six (36) months of which the contracting authority shall contribute 88.89% of the total eligible cost on a total accepted cost of **€ 1,237,374**.

An initial instalment of **€ 392,494** was made in July 2012 to be followed by two further instalments of **€ 243,754** respectively and a final forecast instalment of **€ 220,000** payments subject to Annex II of the general conditions within the project period.

With regards to the Grant Contract amount all cash disbursements to affiliated entities will be based on diversity and scope and mode of operations on timely basis on all signed payment requests to ensure the project meets its stated objectives within the said time-line of thirty six (36) months.

On inception of the Grant Contract, and up to the period under review the total cash disbursements of € 636,246 had been made by the contracting authority. The contributions for two years had been utilised as follows; ICCO - € 393,173; The Dorcas Aid International - € 128,757; Christian Agenda for Development - € 99,590; Episcopal Church of Sudan Diocese Of Wau through Christian Action for Relief and Development - € 143,893 and Catholic University of South Sudan Faculty of Agriculture and Environmental Studies - € 19,210, totalling **€ 784,623** which is inclusive of Partners' contribution.

As the project completes its second year, ICCO and its affiliated entities are ensuring that as much as possible, all time-lines are met and full capacity is achieved with reference to the Grant Contract aims and objectives for the people of the Western **Bahr El Ghazal State, South Sudan**.

2. PROCEDURES PERFORMED AND FACTUAL FINDINGS

We have performed the following specific procedures listed in Annex 2A of the terms of reference for the expenditure verification of the Grant Contract (‘ToR’):

1. General procedures
2. Procedures to verify conformity of expenditure with the budget and analytical review
3. Procedures to verify selected expenditure

We have applied the rules for selection of expenditure and the principles and criteria for verification coverage as set out in Annex 2B (sections 3 and 4) of the ToR for this expenditure verification.

DIFFICULTIES AND PROBLEM ENCOUNTERED

During the expenditure verification exercise, we encountered the following difficulties;

1. *Most payment vouchers for Christian Agenda Development (CAD) were not stamped “paid” to cancel them out in order to avoid duplication and makes testing difficult, however verification of such will be provided to you directly in a separate list for you immediate action on all implementing partners.*

Management Comments

Noted for action and follow up with CAD.

2. *Record keeping for Catholic University was not proper as some there were no third party receipts attached.*

Management Comments

The payments in question were in regards to facilitation fees for volunteer students who were working in the demonstration farms; they were paid against internally generated receipts by the Catholic University for South Sudan Faculty of Agriculture & Environmental studies.

The total expenditure verified by us amounts to **€ 434,825** and is summarised in the table below. The overall Expenditure Coverage Ratio is **88%**

CODE	EXPENDITURE DESCRIPTION	AMOUNT REPORTED UNDER ACTION	AMOUNT VERIFIED	ECR COVERED	ICCO	ECS CARD	DORCAS	CAD	CUoSSFEAS
1.1	Salaries - Local Staff	119,092	81,475	68%	21,909	6,841	31,588	21,137	-
1.2	Salaries - Expatriate Staff	-	-	-	-	-	-	-	-
1.3	Per Diems – Mission Travel	1,164	1,164	100%	1,164	-	-	-	-
2.1	International Travel	-	-	-	-	-	-	-	-
2.2	Local Transportation	5,725	3,498	61%	2,994	8	403	-	93
3.1	Purchase or Rent of Vehicles & Motorcycles	7,784	7,784	100%	7,784	-	-	-	-
3.2	Furniture, Computer Equipment	1,759	1,474	84%	-	-	1,474	-	-
3.3	Machines Tools	-	-	-	-	-	-	-	-
3.4	Spare parts / Equipment's for Machines & Tools	6,029	5,844	97%	5,844	-	-	-	-
3.5	Others, (Helmet First Aid etc.)	8,833	7,358	83%	-	971	2,500	3,887	-
4.1	Vehicle Cost	44,794	34,458	77%	23,784	1,105	1,158	8,411	-
4.2	Office Rent	22,619	13,580	60%	8,427	1,458	3,695	-	-
4.3	Consumables – Office Supplies	9,089	3,661	40%	2,488	156	1,017	-	-
4.4	Other Services (Tel, Electricity Etc.)	28,728	23,300	81%	17,775	542	4,966	-	17
5.1	Publications	-	-	-	-	-	-	-	-
5.2	Studies, Research	-	-	-	-	-	-	-	-
5.3	Expenditure Verification	-	10,763	91%	-	-	-	-	-

		11,766			10,763				
5.4	Evaluation Costs	-	-	-	-	-	-	-	-
5.5	Translation, Interpreters	-	-	-	-	-	-	-	-
5.6	financial services	1,365	1,365	100%	-	1,195	170	-	-
5.7	Cost Of Conferences & Seminars	-	-	-	-	-	-	-	-
5.8	Visibility Actions	3,897	3,897	100%	1,031				2,866
5.9	Project Facilitation Committee	1,803	619	34%	619	-	-	-	-
6.1	Inception Phase	-	-	-	-	-	-	-	-
6.2	Activities Under Result 1 (Improved Production)	59,724	50,287	84%	-	30,330	10,334	9,623	-
6.3	Activities Under Result 2 (Diversification)	70,828	65,804	93%	7,780	27,880	18,957	7,150	4,037
6.4	Activities Under Result 3 (Marketing)	3,056	1,228	40%	-	973	255	-	-
6.5	Activities Under Result 4 (Capacity Building)	26,770	15,323	57%	3,127	-	-	-	12,196
	TOTAL	434,825	331,718	88%	114,325	71,459	76,517	50,208	19,209

We have verified the selected expenditure as shown in the above summary table and we have carried out, for each expenditure item selected, the verification procedures specified in paragraph 3.1 to 3.7 of Annex 2A of the ToR for this expenditure verification. We report our factual findings resulting from these procedures below:

2.1 GENERAL PROCEDURES

2.1.1 TERMS AND CONDITIONS OF THE GRANT CONTRACT

We have obtained an understanding of the terms and conditions of this Grant Contract in accordance with the guidelines in Annex 2B (section 2) of the ToR.

FACTUAL FINDINGS:

- Obtain an understanding of the terms and conditions of the Grant Contract by reviewing the Grant Contract and its annexes and other relevant information, and by inquiry of the Co-ordinator;

We have obtained the completed terms of reference and have clearly understood the conditions set forth in the Grant Contract and its annexes that follow.

- Obtain a copy of the original Grant Contract (signed by the Co-ordinator/ Beneficiary (ies) and the Contracting Authority) with its annexes;

We have obtained the completed and signed copy of the Grant Contract signed by the Co-ordinator/ beneficiary (ies) having clearly understood its annexes appended.

- Obtain and review the Report (which includes a narrative and a financial section) as per Article 2.1 of the General Conditions;

We have obtained and reviewed the complete financial and narrative report for the action.

- Verify whether the Grant Contract is mono or multi-beneficiary (see Grant Contract introduction part; in case of a multi-beneficiary grant the term 'Coordinator' is used);

We have verified that the Grant Contract is multi-beneficiary.

- Verify whether there is (are) an affiliated entity (ies) to any of the Beneficiary (ies) (see Article 7.1 of the Special Conditions).

We can verify that there are affiliated entities to the beneficiaries.

ERRORS AND EXCEPTIONS

There were no errors and exceptions found.

2.1.2 FINANCIAL REPORT FOR THE GRANT CONTRACT

FACTUAL FINDINGS

- The Financial Report conforms to the model in Annex VI of the Grant Contract;

Our review and examination confirm that the financial report conforms to annex VI of the Grant Contract.

- The Financial Report should cover the eligible costs of the Action as a whole, regardless of which part of it is financed by the Contracting Authority;

Our review and examination confirm that all expenditure verified are eligible cost of the action in the financial report for the period under review.

- The Financial Report has been drawn up in the language of the Grant Contract;

We have verified that the financial report is drawn in the language of the Grant Contract.

- The proof of the transfers of ownership of equipment, vehicles and supplies for which the purchase cost was more than **€ 5 000** per item (Article 7.5 of the General Conditions of the Grant Contract) as well as the respective certificates of origin (Annex IV of the Grant Contract) is to be annexed to the final Financial Report.

.Our review and examination confirm that all expenditures over € 5,000 as noted in sub heading 3.1 had all necessary certificate of origin and all transfers had been made as appropriate and reported in the financial report for the period under review.

ERRORS AND EXCEPTIONS

There were no errors and exceptions found.

Management Comments

Noted

2.1.3 RULES FOR ACCOUNTING AND RECORD KEEPING

FACTUAL FINDINGS

- The Auditor examines — when performing the procedures listed in this Annex — whether the Beneficiary(ies) have complied with the following rules for accounting and record keeping of Article 16 of the General Conditions to the Grant Contract:

Our examination revealed that the beneficiaries of all expenditures verified in the financial report and that all accounting and record keeping of the transactions are recorded correctly and Generally Accepted Accounting Principles (GAAP) had been used for the period under review.

- The accounts kept by the Beneficiary(ies) for the implementation of the Action must be accurate and up-to-date;

Our examination revealed that all the beneficiaries accounts are up to date as noted in their bank statements and reconciliations for the Grant Contract with proper accounting for the period under review.

- The Beneficiary(ies) must have a double-entry book-keeping system;

Our examination revealed that all the beneficiaries accounts are within the framework of the double entry system of accounts as reflected and recorded in all cash books for the period under review.

- The accounts and expenditure relating to the Action must be easily identifiable and verifiable;

Our examination revealed that all the beneficiaries accounts both in the financial report and budget are easily identifiable and can be easily verified in the period under review.

ERRORS AND EXCEPTIONS

There were no errors and exceptions found.

Management Comments

Noted

2.1.4 RECONCILING THE FINANCIAL REPORT TO THE BENEFICIARY'S ACCOUNTING SYSTEM AND RECORDS

FATUAL FINDINGS:

The Auditor reconciles the information in the Financial Report to the Beneficiary(ies)'s accounting system and records (e.g. trial balance, general ledger accounts, sub- ledgers etc.).

Our examination revealed that all the beneficiary accounts both in the consolidated and individual financial reports had been reconciled with the general ledgers for all beneficiaries in respect of the Grant Contract for the period under review.

ERRORS AND EXCEPTIONS:

There were no errors and exceptions found.

Management Comments

Noted

2.1.5 EXCHANGE RATES

FACTUAL FINDINGS:

We continue to note that the treatment of translation/conversion of foreign currencies is not according to the grant agreement signed between ICCO and the EU which stipulates that conversion should be based on monthly rates as per InforEuro. However, the actual financial reports actually compute exchange rates translations using the quarterly average rates. This matter needs to be resolved before the end of the grant period.

ERRORS AND EXCEPTIONS

Due to the application of exchange rates that are not prescribed, there is an implied overstatement/understatement of expenditure line items.

Management Comments

Exchange rates used were monthly rates published on the EU website through the info euro link. The application of these rates however was the average of the monthly rate for a given reporting period in this case being 6 months. Variations might occur due to

rounding off errors but the materiality of this is very insignificant due to the averaging/distribution factor.

2.1.6 SIMPLIFIED COST OPTIONS

FACTUAL FINDINGS

- The Auditor verifies with **Annex III of the Grant Contract** i.e. **Budget for the Action** whether the Beneficiary(ies) have applied for the application of simplified costs i.e. for the application of any or a combination of unit costs, lump sums and flat-rate financing. Eligible costs for the Action may be based on any or a combination of actual costs incurred, unit costs, lump sums and flat-rate financing. Simplified cost options can apply to one or more of the direct cost headings of the Budget for the Action and Financial Report (i.e. cost headings 1 to 6), or to sub-cost headings or to specific cost items within these cost headings.

Our examinations revealed that according to Annex III Grant Contract the Coordinator/ beneficiary had applied for simplified cost option on all heading headings and subheading on all eligible costs during financing application.

- The Auditor obtains an understanding of the conditions set out in:

Article 2.1.c) of the General Conditions.

This Article stipulates that in case of simplified cost options the Report for the Action (narrative and financial) shall provide the qualitative and quantitative information needed to demonstrate the fulfilment of the conditions for reimbursement established in the Special Conditions;

Our examination revealed that on the basis of the financial report provided, all verified eligible costs as set out the Article 2.1c has been proven by the Coordinator/ beneficiary on both qualitative and quantitative attributes during the expenditure verification exercise and they met the criteria during implementation of the action and had demonstrated all fullfilments for reimbursement for the period under review.

ERRORS AND EXCEPTIONS

There were no errors and exceptions found.

Management Comments

Noted

2.2 PROCEDURES TO VERIFY CONFORMITY OF EXPENDITURE WITH THE BUDGET AND ANALYTICAL REVIEW

2.2.1 BUDGET OF THE GRANT CONTRACT

FACTUAL FINDINGS

The Auditor carries out an analytical review of the expenditure headings in the Financial Report.

Our examination revealed that there were no deviations in the expenditure headings of the budget in financial report for the period under review.

The Auditor verifies that the budget in the Financial Report corresponds with the budget of the Grant Contract (authenticity and authorisation of the initial budget) and that the expenditure incurred was indicated in the budget of the Grant Contract.

ERRORS AND EXCEPTIONS

There were no errors and exceptions found.

Management Comments

Noted

2.2.2 AMENDMENTS TO THE BUDGET OF THE GRANT CONTRACT

FACTUAL FINDINGS

The Auditor verifies whether there have been amendments to the budget of the Grant Contract. Where this is the case the Auditor verifies that the Coordinator has:

Our examination revealed that there were no budget amendments to the Grant Contract for the period under review.

ERRORS AND EXCEPTIONS

There were no errors and exceptions found.

Management Comments

Noted

3.1 PROCEDURES TO VERIFY SELECTED EXPENDITURE

We have reported further below all the exceptions resulting from the verification procedures specified at point 3.1–3.7 of Annex 2A of the ToR for this expenditure verification in so far as these procedures applied to the selected expenditure item.

We have quantified the amount of the verification exceptions found and the potential impact on the EU contribution, should the Commission declare the expenditure item(s) concerned ineligible (where applicable taking into account the percentage of funding of the Commission and the impact on indirect expenditure (e.g. administrative costs, overheads)). We have reported all the exceptions found, including the ones for which we cannot quantify the amount or the potential impact on the EU contribution.

3.1.1 ELIGIBILITY OF COSTS

We have verified, for each expenditure item selected, the eligibility criteria set out at procedure 3.1 in Annex 2A of the ToR for this expenditure verification.

FACTUAL FINDINGS

(1) Actual costs incurred (Article 14.1)

The Auditor verifies that the actual expenditure for a selected item was incurred by and pertains to the Beneficiary(ies) or its (their) affiliated entity(ies).

Our examination revealed that ALL actual expenditures incurred that were verified are eligible with reference to the budget and in the financial report for the period under review.

ERRORS AND EXCEPTIONS

There were no errors and exception found.

Management Comments

Noted

(2) Simplified cost options (Article 14.3 – 14.5)

- Which options (i.e. unit costs, lump sums or flat-rate financing) apply and to which (sub) cost-headings and/or cost items (Annex III (Budget for the Action) of the Grant Contract);

Our examination revealed that in terms of Human Resources cost which is heading 1, the option used to determine salaries is the rate per “month” basis also used on subheading 3.2 for category 3.2.7 internet stick, an option of “item” as was agreed in the Grant Contract, Annex III and also been reported in the financial report for the period under review.

- Which amount(s) or percentage rate(s) have been contractually agreed (Annex III (Budget of the Action) of the Grant Contract);

Our examination revealed that as was agreed in the Grant Contract and in Annex III, the Contracting Authority will meet 88% of the overall Grant Contract and initial contribution of € 392,492 and subsequent (2nd) contribution € 243,754 have been provided in instalments to meet the eligible costs as stipulated in annex III to the Grant Contract which had been met and also have been reported in the financial report for the period under review.

- Which quantitative and/or qualitative information was used to determine and justify the declared costs (e.g. number of staff, number of items purchased; type of costs and activities financed by a lump sum)¹;

Our examination revealed that the Co-ordinator/ beneficiary(ies) and its affiliated entities, in terms of Human Resources cost, which is heading 1; the options used to determine salaries is the rate per “month” i.e. Total amount reported are quantitative of total number of staff multiplied by number of months.

Also the purchase of vehicle in sub heading 3.1 to bring it to its present location as it attracts a lump sum amount at the time of purchase basis also used on subheading 3.2 for category 3.2.7 internet stick, an option of “item” being no. of items bought to total amount reported as was agreed in the Grant Contract Annex III and also been reported in the financial report for the period under review.

- Whether the maximum amounts of simplified cost options for each beneficiary (this includes if applicable simplified cost options of its affiliated entity(ies)) are not exceeded, in accordance with the conditions established in the Contract;

Our examination revealed that all the proportions of simplified cost for all eligible costs as was established in the Grant Contract were not exceeded as was reported for period under review.

- The plausibility (i.e. necessity, reasonableness, reality) of the quantitative and qualitative information related to the declared costs;

Our examination revealed with all plausibility that all verified declared costs can be justified as was reported for period under review.

- That the costs covered by lump sums, unit costs or flat-rate financing are not included (no double funding) in other direct costs (cost headings 1 – 6), either actual or under simplified cost options;

Our examination revealed will all direct eligible costs that were verified do not include double funding and can be justified as was reported in the financial report and Annex III of the Grant Contract for period under review.

- That the total costs stated in the Financial Report have been correctly determined;

Our examination revealed that the total cost as was reported in the financial report had been correctly determined after a re-computation exercise was carried out.

ERRORS AND EXCEPTIONS

The only exception to the costs declared is that of forex conversion rate used as was reported earlier and the understatement of Journal voucher nr. 107 (ECS-CARD) and overstated Journal Voucher nr. 107 (ECS-CARD).

Management Comments

Our response on exchange rates stands and it's fine with us if the report is signed off with these included. We expect the Delegation to give their direction moving forward. The interpretation of the application of exchange rates is an area that is not very clear and I have seen delegations accepting either the use of the monthly rates for individual transactions or the use of average monthly rates. The differences between these should be very immaterial. We will wait for their direction of the EU Delegation to South Sudan. Lastly there seems to be a mix up in the articles, whereas Art.15.9 is stated as referring to exchange rates in the TOR and also as per your observation above, in the General conditions itself, this article refers to the treatment and accounting for interest accruing from pre financing. See below extract from the General conditions of the article in question.

- (3) *Cut-off— Implementation period (Article 14.1a)*

FACTUAL FINDINGS

The Auditor verifies that the expenditure for a selected item was incurred during the implementation period of the Action.

Our examination revealed that ALL expenditure verified are within the implementation period under review.

ERRORS AND EXCEPTIONS

There were no errors and exception found.

Management Comments

Noted

- (4) *Budget (Article 14.1b)*

FACTUAL FINDINGS

The Auditor verifies that the expenditure for a selected item was indicated in the Action budget.

Our examination revealed that expenditure headings of the budget and in financial report are indicated in the action for the period under review.

ERRORS AND EXCEPTION

There were no errors and exception found.

Management Comments

Noted

- (5) *Necessary (Article 14.1c)*

FACTUAL FINDINGS

The Auditor verifies whether it is plausible that the expenditure for a selected item was necessary for the implementation of the Action and that it had to be incurred for the contracted activities of the Action by examining the nature of the expenditure with supporting documents.

Our examination revealed that ALL expenditures verified are both in the budget and in the financial report are necessary for the action for the period under review.

ERRORS AND EXCEPTION

There were no errors and exception found.

Management Comments

Noted

- (6) *Records (Article 14.1d)*

FACTUAL FINDINGS

The Auditor verifies that expenditure for a selected item is recorded in the Beneficiary(ies)'s accounting system and was recorded in accordance with the applicable accounting standards of the country where the Beneficiary is established and the Beneficiary's usual cost accounting practices.

Our examination revealed that ALL expenditures verified both in the in financial report are recorded correctly and Generally Accepted Accounting Principles (GAAP) had been used for the period under review.

ERRORS AND EXCEPTION

There were no errors and exception found.

Management Comments**Noted**

- (7) *Applicable legislation (Article 14.1e)*

FACTUAL FINDINGS

The Auditor verifies that expenditure complies with the requirements of tax and social security legislation where this is applicable (for example: employers part of taxes, pension premiums and social security charges).

Our examination revealed that ALL expenditures verified in the in financial report comply with all requirements of tax and social security legislation had been used for the period under review.

ERRORS AND EXCEPTION

There were no errors and exception found.

Management Comments**Noted**

- (8) *Justified (Article 14.1f)*

FACTUAL FINDINGS

The Auditor verifies that expenditure for a selected item is substantiated by evidence (see section 1 of Annex 2B, Guidelines for Specific Procedures to be performed) and supporting documents as specified in Article 16.8 and 16.9 of the General Conditions of the Grant Contract.

ERRORS AND EXCEPTION

There were no errors and exception found.

Management Comments**Noted**

- (9) *Valuation*

FACTUAL FINDINGS

The Auditor verifies that the monetary value of a selected expenditure item agrees with underlying documents (e.g. invoices, salary statements) and that correct exchange rates are used where applicable.

ERRORS AND EXCEPTION

There were no errors and exception found.

Management Comments

Noted(10) *Classification***FACTUAL FINDINGS**

The Auditor examines the nature of the expenditure for a selected item and verifies that the expenditure item has been classified under the correct (sub) heading of the Financial Report.

Our examination revealed that ALL expenditures verified both in the budget and in financial report are correctly classified under their correct subheadings for the period under review.

ERROR AND EXCEPTION

There were no errors and exception found.

Management Comments**Noted**(11) *Compliance with Procurement, Nationality and Origin Rules***FACTUAL FINDINGS**

Where applicable the Auditor examines which procurement, nationality and origin rules apply for a certain expenditure (sub)heading, a class of expenditure items or an expenditure item. The Auditor verifies whether the expenditure was incurred in accordance with such rules by examining the underlying documents of the procurement and purchase process.

Our examination revealed that ALL expenditures verified in financial report MORE ESPECIALLY Subheading 3.1 followed the correct procurement procedures and all documents were presented for the period under review.

ERROR AND EXCEPTION

There were no errors and exception found.

Management Comments**Noted**

3.1.2 ELIGIBLE DIRECT COSTS (ARTICLE 14.2)

FACTUAL FINDINGS

- (1) The Auditor verifies that expenditure for selected items which are recorded under one of the direct costs headings (1 to 6) of the Financial Report, are covered by the direct costs as defined in Article 14.2 by examining the nature of these expenditure items.

Our examination revealed that ALL expenditures verified both in financial report and budget are correctly classified and covered under the direct cost heading for the period under review.

- (2) The Auditor verifies that duties, taxes and charges, including VAT which are recorded under direct costs are **not recoverable** by the beneficiary (ies) and/ or it's (their) affiliated entities (see Article 14.2.g) of the General Conditions).

Our examination revealed that ALL expenditures verified in financial report were reported with their related taxes,

ERRORS AND EXCEPTIONS

There were no errors and exception found.
Management Comments

Noted

3.1.3 CONTINGENCY RESERVE (ARTICLE 14.6)

FACTUAL FINDINGS

The Auditor verifies that the provision for contingency reserve (heading 8 in Financial Report) does not exceed 5% of the direct eligible costs of the Action and that the Co-ordinator has obtained prior written authorisation from the Contracting Authority for the use of this contingency reserve.

Our examination revealed that there was no provision made for contingency reserve in the financial report for the period under review.

ERRORS AND EXCEPTIONS

As stated in the Grant Contract and in the General Condition the Co-ordinator should make a provision during the implementation period breach of which will under state the financial report in accounting for funds so far received from the Contracting Authority.

Management Comments

Noted

3.1.4 INDIRECT COSTS (ARTICLE 14.7)

FACTUAL FINDINGS

The Auditor verifies that the indirect costs to cover overhead costs (heading 10 in Financial Report) do not exceed the maximum percentage of 7% of the total final amount of eligible direct costs of the Action or the percentage established in article 3 of the Special Conditions of the Grant Contract if applicable.

Our examination revealed that there was a correct computation of indirect cost of 7% in the financial report for the period under review.

ERRORS AND EXCEPTIONS

There were no errors and exception found

Management Comments

Noted

3.1.5 IN KIND CONTRIBUTIONS ARTICLE 14.8)

FACTUAL FINDINGS

The Auditor verifies that the costs in the Financial Report do not include contributions in kind. Any contributions in kind (these should be listed separately in Annex III, Budget for the Action), do **not** represent actual expenditure and are not eligible costs.

Our examination revealed that there was no contribution in kind had been included in the financial report for the period under review.

ERRORS AND EXCEPTIONS

There were no errors and exception found

Management Comments

Noted

3.1.6 NON-ELIGIBLE COSTS (ARTICLE 14.9)

FACTUAL FINDINGS

The Auditor verifies that the expenditure for a selected item does not concern an ineligible cost as described in Article 14.9 of the General Conditions. These costs include *inter alia* currency exchange losses.

Our examination revealed that there was no occurrence of ineligible cost in the financial report for the period under review.

ERRORS AND EXCEPTIONS

There were no errors and exception found

Management Comments

Noted

3.1.7 REVENUES OF THE ACTION

FACTUAL FINDINGS

The Auditor examines whether the revenues which should be attributed to the Action (including grants and funding received from other donors and other revenue generated by the Beneficiary as part of the Action have been allocated to the Action and disclosed in the Financial Report. For this purpose the Auditor inquires with the Beneficiary and examines documentation obtained from the Beneficiary (ies). The Auditor is not expected to examine the completeness of the revenues reported.

Our examination revealed that funds received to date had been properly allocated and had been properly disclosed and we have verified with documents provided by the Coordinator/ beneficiaries in the financial report for the period under review.

ERRORS AND EXCEPTIONS

There were no errors and exception found

Management Comments

Noted

ANNEXES

ANNEX 1. FINANCIAL REPORT FOR THE GRANT CONTRACT 7th April, 2012 to 6th April, 2013 and 7th April, 2013 to 6th April, 2014
Dated

FINANCIAL REPORT FOR INCREASED FOOD SECURITY AND SUSTAINABLE LIVELIHOODS FOR THE POOR AND MARGINALIZED HOUSEHOLDS IN WESTERN Bahr El Ghazal STATE, SOUTH SUDAN DCI-FOOD/2012/290717 **FOR THE PERIOD 7TH APRIL 2013 – 6TH APRIL 2014**

	NOTE	BUDGET (EUROS) 2013/14	ACTUAL (EUROS) 2013/14	BUDGET (EUROS) Total	ACTUAL (EUROS) Cumulative	ACTUAL (EUROS) 2012/13
GRANT CONTRIBUTION RECEIVED	I					
ICCO Contribution		30,466	30,466	137,374	30,466	-
European Union Grant Proceeds		243,754	243,754	1,100,000	636,246	392,492
Total Contribution		274,220	274,220	1,237,374	666,712	392,492
Expenditure						
Human Resources	II	99,478	120,255	277,913	209,762	89,507
Travel	III	8,800	5,725	26,400	12,817	7,091.77

Equipment & Supplies	IV	24,195	24,405	110,310	97,528	73,123.69
Local Office/ Project Cost	V	97,515	105,230	261,435	131,997	26,766.78
Other Cost & Services	VI	8,825	18,831	58,035	23,313	4,481.95
Others	VII	133,216	160,377	367,264	258,097	97,721
Currency Losses/Gains		-	-	-	-	-
Total Direct Expenditure		372,029	434,825	1,101,357	733,514	298,692
Provision for contingency reserve		18,601	-	55,068	-	-
Total Administrative indirect costs		27,344	30,438	80,950	51,346	20,908
Total Costs of the Action		<u>417,974</u>	<u>465,263</u>	<u>1,237,375</u>	<u>784,860</u>	<u>319,601</u>

Statement of Reserves

	2013/14	2012/13
	EURO	EURO
At 7 th April 2013	72,891	-
(Deficit)/Surplus for the year	(191,043)	72,891
At 6th April 2014	<u>(118,152)</u>	<u>72,891</u>

DETAILED STATEMENT OF INCOME AND EXPENDITURE FOR 7TH APRIL 2013 TO 6TH APRIL 2014

	BUDGET (EUROS)	ACTUAL (EUROS)	BUDGET (EUROS)	ACTUAL (EUROS)	ACTUAL (EUROS)
INCOME	2013/14	2013/14	Total	Cumulative	2012/13
I. CHARGED ON OTHERS					
ICCO contribution	30,466	30,466	137,374	30,466	-
European Union Contribution	243,754	243,754	1,100,000	636,246	392,492
Other income	-	-	-	-	-
EXPENDITURE	274,220	274,220	1,237,374	666,712	392,492
II. HUMAN RESOURCES					
Salaries Local					
Consortium coordinator ICCO (50%)	16,125	32,770	48,375	55,512	22,741
FS coordinator DORCAS (25% marketing; 75% FS)	18,000	4,500	18,000	18,000	13,500.00
Replacement fs marketing coordinator	-	5,649	15,480	5,649	-
Extension Workers (CAD2)	6,450	9,166	19,350	16,332	7,165.46
Extension workers DORCAS (2)	6,450	8,839	19,350	11,994	3,154.50
Community Facilitator DORCAS-ECS	3,225	6,907	9,675	9,048	2,140.86
Director ECS-CARD (15%)	1,451	1,922	4,354	3,271	1,349.57
Project manager ECS-CARD (85%)	6,579	7,366	19,737	12,424	5,058.59
Extension workers ECS-CARD (2)	6,450	6,211	19,350	10,459	4,247.29
Training coordinator ECS (project manager (15%))	1,161	626	3,483	1,729	1,103.30
Director CAD (20%)	2,451	3,644	7,353	7,121	3,477.48
Field Project Manager CAD (60%)	2,322	4,012	6,966	6,924	2,911.76
Total	70,664	91,613	191,473	158,463	66,850.32
Salaries Local Administrative/support staff					
Administrator ICCO (10%)	1,935	2,476	5,805	4,999	2,522.74
Sr. Financial Officer ICCO (15%)	4,451	3,529	13,352	7,051	3,522.24

Administrator ECS-CARD (30%)	2,322	2,584	6,966	4,544	1,959.98
Finance Officer ECS-CARD (30%)	1,800	1,957	5,400	3,421	1,463.86
Administrator CAD (40%)	1,161	1,851	3,483	3,297	1,445.63
Finance Officer CAD (40%)	1,161	1,851	3,483	3,297	1,445.63
Field Logistician CAD (60%)	2,709	3,476	8,127	6,131	2,654.77
Administrator DORCAS (40%)	2,064	-	6,192	383	382.9
Accountant DORCAS (50%)	1,935	5,693	5,805	7,290	1,597.00
Drivers	7,740	4,061	23,220	7,169	3,107.76
Total	27,278	27,479	81,833	47,581	20,102.51
Per Diems for Missions					
Local (staff assigned to the Action)	1,536	1,164	4,608	3,718	2,554.17
Total	1,536	1,164	4,608	3,718	2,554.17
Total Human Resource	99.478	120.255	277.913	209.762	89.507
III. TRAVEL					
International Travel					
M&E consultant	1,900	-	5,700	2,163	2,163.31
Total	1,900	-	5,700	2,163	2,163.31
Local Travel					
Flights Juba-Wau v.v.	3,900	3,872	11,700	7,674	3,801.68
Mini bus travel	3,000	1,853	9,000	2,980	1,126.78
Total	6,900	5,725	20,700	10,654	4,928.46
Total Travel	8.800	5.725	26.400	12.817	7.091.77
IV. EQUIPMENT & SUPPLIES					
Purchase or Rent of Vehicles					
Vehicle	-	-	40,000	42,665	42,665.09
Motor Cycle for Field Staff	6,600	7,784	23,100	22,561	14,776.17
Total	6,600	7,784	63,100	65,226	57,441.26
Furniture, Computer Equipment's					

Printers	-	-	2,400	1,914	1,914.18
UPS	-	-	600	519	519.19
Laptop	-	-	3,500	2,376	2,375.78
Desktop	-	-	800	1,205	1,205.27
Set of desk and chair	-	-	1,250	1,080	1,079.87
Cupboard	-	-	2,100	2,055	2,054.78
Internet sticks	-	-	300	316	315.99
Cell Phones	210	-	240	65	64.69
Thuraya (for security purposes)	-	1,474	1,400	2,751	1,277.17
Cameras for project documentation	-	249	400	683	434.24
Water filters	300	36	240	105	69.38
Total	510	1,759	13,230	13,069	11,310.54
Machine Tools					
Procurement 1 generator	2,500	-	2,500	-	-
Spare parts/equipment for machine tools					
Maintenance 4 generators	960	6,029	2,880	6,029	-
Others					
Helmets	700	114	700	114	-
First aid kits (per location + vehicles)	1,125	-	1,250	114	114.18
Replenishment of first aid kits	-	118	500	962	843.90
Food items for field staff	2,000	8,600	18,900	11,648	3,047.55
Installation cost ICCO staff	6,300	-	2,000	-	-
Field Capacity Building kits	3,500	-	5,250	366	366.27
Total	13,625	8,833	28,600	13,205	4,371.90
Total Equipment & Supplies	<u>24,195</u>	<u>24,405</u>	<u>110,310</u>	<u>97,528</u>	<u>73,123.69</u>
V LOCAL OFFICE / PROJECT COSTS					
Vehicle Costs					
Registration vehicle	51,865	-	-	-	-
	750	340	750	340	-

Insurance cost	1,800	2,092	10,800	2,092	-
Maintenance	4,800	16,065	14,400	20,162	4,096.58
Fuel cost (2,500km/month; consumption 1lt-6km) Actual price /lt in Wau	28,800	16,926	86,400	18,470	1,544.70
Registration motorcycles	805	729	805	729	-
Maintenance -7 motorcycles	2,100	2,718	6,300	3,881	1,163.57
Insurance -7 motorcycles	5,250	-	5,250	26	25.93
Fuel -7 motor cycles (30lt/month/mc) fuel price SSP 12=E3	7,560	5,924	22,680	7,793	1,868.75
Total	51,865	44,794	147,385	53,494	8,699.53
Office Rent					
Office maintenance ECS-CARD	1,200	1,200	3,600	1,545	345.28
Office maintenance CAD	1,200	154	3,600	419	265.24
Office rent including accommodation ICCO	4,800	16,427	14,400	16,427	-
Office and Training Centre maintenance DORCAS	4,800	1,584	14,400	2,334	749.99
Rental staff houses in Juur River (CAD, Dorcas, ECS/CARD)	3,600	3,254	9,000	6,046	2,791.32
Total	15,600	22,619	45,000	26,771	4,151.83
Consumables Office Supplies					
Office consumables	1,920	6,580	5,760	9,896	3,315.92
Kitchen supplies	1,680	2,329	5,040	3,141	812.56
Field equipment extension officers	700	180	700	180	-
Total	4,300	9,089	11,500	13,217	4,128.48
Other Services					
Fuel generator ECS-CARD 50%	1,440	10,253	4,320	10,518	265.34
Fuel generator CAD 50%	1,440	824	4,320	2,328	1,503.46
Fuel generator DORCAS 50%	1,440	1,320	4,320	1,788	467.77
Maintenance 4 generators	1,200	830	2,880	1,004	173.85
1 vehicle major service-CAR 006	960	-	4,000	596	596.00
Air time Dongles per office	4,000	3,869	5,760	3,972	103.45
Air time cell phones (all 25 staff)	1,920	2,744	11,250	3,626	882.31
Accommodation 1 regional staff DORCAS in Wau	3,750	1,570	4,500	3,515	1,944.86

Fuel generator ICCO	600	3,563	3,600	3,563	-
Communication cost 2 Thuraya (security-related only)	4,500	367	1,800	458	90.82
Cook	4,500	3,389	10,800	7,148	3,759.08
Total	25,750	28,728	57,550	38,515	9,786.94

Total Local Office/ Project Costs	<u>97.515</u>	<u>105.230</u>	<u>261.435</u>	<u>131.997</u>	<u>26,766.78</u>
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VI. OTHER COSTS / SERVICES

Expenditure Verification

Audit	-	11,766	15,000	11,766	-
Total	-	11,766	15,000	11,766	-

Financial services (bank guarantee costs etc.)

Bank costs	4,500	1,365	13,500	2,399	1,034.40
Total	4,500	1,365	13,500	2,399	1,034.40

Visibility Actions

Project launching event	-	-	1,300	3,448	3,447.55
Brochures	-	-	4,000	-	-
Sign boards	750	-	1,500	-	-
Sign boards on demonstration plots	1,650	2,866	3,300	2,866	-
EC Logo on vehicles and motor cycles	300	1,031	300	1,031	-
Total	2,700	3,897	10,400	7,345	3,447.55

Project Facilitation Committee (PSC) Cost

Quarterly meetings PSC 11 occasions	1,625	1,803	4,225	1,803	-
Total	1,625	1,803	4,225	1,803	-

Total Other Costs/Services	<u>8.825</u>	<u>18.831</u>	<u>58.035</u>	<u>23.313</u>	<u>4,481.95</u>
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VII.	OTHERS				
Inception Phase					
Consultancy (international) including food and accommodation	-	-	14,100	26,366	26,366.21
Pre- and post-baseline workshop 2*3 days	-	-	5,700	2,275	2,275.40
Survey cost in Wau 4 days	-	-	600	-	-
Transport participants in Wau	-	-	600	3,669	3,668.79
Survey cost in Juur River 5 days	-	-	2,000	-	-
Kit of Questionnaires/ instructions/field materials	-	-	625	8	7.86
Incentives for university students and others	-	-	1,650	-	-
Total	-	-	25,275	32,318	32,318.26
Training Partners					
Training partners in admin management & reporting 3days	975	-	975	-	-
Training partners in procurement/finance/reporting	200	-	200	-	-
Total	1,175	-	1,175	-	-
Activities under Result 1 (Improved production)					
Incentives lead farmers (bicycles)	3,400	10,258	11,200	10,258	-
Sets of tools for 1390 farmers	-	20,234	44,480	20,234	-
Maize (15%)	1,688	3,397	6,516	3,397	-
Sorghum (45%)	1,215	4,346	4,691	9,097	4,751.05
Groundnuts (40%)	-	1,870	13,900	9,864	7,993.78
Transport and storage of seeds	1,600	10,039	6,400	10,902	862.36
Cassava stems for lead farmers multiplication	700	1,021	2,730	1,021	-
Trainer only 1 year	1,000	2,217	1,000	2,217	-
Implements	5,200	6,342	5,200	6,342	-
Total	14,803	59,724	96,117	73,331	13,607.19
Activities under Result 2 (Diversification)					
Sets of tools for 1390 households	27,800	717	55,600	30,639	29,921.12
Local Chicken (3 per household)	2,640	1,652	5,280	2,273	620.7
Okra	9,556	12,287	19,113	12,390	102.94

Tomato seeds	3,154	8,294	6,307	8,595	301.14
Onion seeds	1,911	6,604	3,823	6,725	121.23
Pumpkin Seeds	382	3,583	765	3,583	-
Cabbage seeds	2,676	4,222	5,352	4,274	52.62
Cucumber seeds	2,676	6,191	5,352	6,212	20.43
Improved cockerels (1 per farmer)	416	435	416	435	-
Egg plant seeds	2,676	6,366	5,352	6,489	122.92
Sets of tools for 22 demo plots + wheelbarrow	-	4,881	2,200	7,571	2,690.42
Organic Pesticides demo plots	1,470	385	4,620	529	143.27
Feed for cockerels	1,463	143	1,463	143	-
Transport for feeds for cockerels	1,350	1,701	1,350	1,701	-
Water pump + generator (ECS) to re-establish demonstration plot next to river	1,199	1,243	1,367	1,243	-
Nutrition (incl. 5 Payam Directors and 5 local Health Unit staff or SSRRC staff)	3,700	8,086	7,400	8,086	-
Poultry (incl. County Staff)	2,100		2,100	-	-
Posters:	2,400		2,400	-	-
Bill boards:	2,760	115	2,760	115	-
Demonstrations	1,800	3,922	5,400	3,922	-
Total	72,129	70,828	138,417	104,924	34,096.79
Activities under Result 3 (Marketing)					
Monitoring cost SMoAF&I/County	1,110	-	2,220	401	400.75
2 bicycles per committee	1,000	-	1,000	-	-
Cell phones	150	-	150	-	-
Air time for info transfer	900	-	2,700	-	-
Publication boards (2 per location) for market info prices	1,500	-	1,500	-	-
Radio broadcast market info	260	-	1,300	-	-
Newspaper adverts from yr 2 (currently no newspapers)- Intrastate info	520	-	1,040	-	-
Training committees in the field (3yrs/3org/3sess)*2days/8members/ Workshop including stakeholders SMoAF&I, County, Payam, ChoC, chairs Marketing Committees;3 workshops (2 days)	2,520	3,056	7,560	3,056	-
	1,310	-	3,930	-	-

Total	9,270	3,056	21,400	3,457	400.75
Activities under Result 4 (Capacity Building)					
M&E consultancy 17 days (refresher training and MTR)		2,007	7,990	16,652	14,645.04
Training partners in procurement/finance/reporting	200	640	1,000	3,293	2,652.92
Training / Workshop (3 days incl food, accom, venue)	1,650	5,996	4,950	5,996	-
Trainer (incl food and accommodation)	1,600	5,930	4,800	5,930	-
Tickets AMS-Wau (2 per year)	4,000	-	12,000	-	-
Consultancy	-	-	6,525	-	-
MTR workshop 5 days (incl assessment methodologies and M&E)	-	-	3,050	-	-
Survey cost in Wau; 3 days	-	-	450	-	-
Survey cost in Juur River 3 days +2 days transport vice versa+camping mat.	-	-	1,100	-	-
Transport participants in Wau	-	-	600	-	-
Kit of Questionnaires/ instructions/field materials	-	-	625	-	-
Incentives for university students and others	-	-	1,650	-	-
Training and coaching partners in admin management and reporting (3days)	-	-	1,950	-	-
Accommodation by CuofSS-FAES; only per diem WUR person	4,200	-	12,600	-	-
Development of a shallow well	3,000	-	3,000	-	-
Afridev hand pump + set of spares	1,000	248	1,000	248	-
Installation of a treadle pump and fittings/hoses	2,500	-	2,500	-	-
Ploughing services	600	2,623	1,800	2,623	-
Sets of tools	1,000	738	1,000	738	-
Construction of a shed for tools & watchmen (30m2) - labour paid by Univ.	5,100	5,283	5,100	5,283	-
Watchmen	10,600	3,279	10,800	3,279	-
Kit of boots, rain coats , hurricane lamp, torch and batteries	390	25	390	25	-
Total	35,840	26,769	84,880	44,067	17,298
Total Others	133.216	160.377	367.264	258.097	97.721

Total Direct Expenditure	372,029	434,825	1,101,357	733,514	298,692
Provision for contingency reserve	18,601	-	55,068	-	-
Total Administrative indirect costs	27,344	30,438	80,950	51,346	20,908
Total Costs of the Action	<u>417,974</u>	<u>465,263</u>	<u>1,237,375</u>	<u>784,860</u>	<u>319,601</u>

ANNEX 2: ATTACHED SIGNED COPY OF TERMS OF REFERENCE EXPENDITURE VERIFICATION

- 2.1 ANNEX 1 INFORMATION ABOUT THE GRANT CONTRACT**
- 2.2 ANNEX 2A LISTING OF SPECIFIC PROCEDURES TO BE PERFORMED**