AUDIT DEPARTMENT

REPORT OF THE DIRECTOR OF AUDIT GRENADA
on the

Resources Managed for the period from 1 January 2020 to 31 December 2020 by the Project Accounting Unit in the Ministry of Finance for the

OECS Regional Agricultural Competitiveness Project (AGRICOM)

And the income and expenditure for the accounting period ending 31 December 2020

THE DIRECTOR OF AUDIT
AUDIT DEPARTMENT

Report of the Director of Audit, on the Audit of the Resources Managed for the period from 1 January, 2020 to 31 December, 2020 by the Project Accounting Unit within the Ministry of Finance, Planning Economic Development and Physical Development and Energy for the OECS Regional Agricultural Competitiveness Project and the income and expenditure for the accounting period ending on that date.

Jeanelle Andrew
Director of Audit (Ag.)

OECS REGIONAL AGRICULTURAL COMPETITIVENESS PROJECT

TABLE OF CONTENTS

		Pages
1.	**List of Abbreviations**	**ii**
2.	**Letter of Transmittal**	**1**
3.	**Acknowledgement**	**2**
4.	**Summary of Main Audit Procedures**	**3**
5.	**Director of Audit Reports**	**5**
	On the Financial Statements	5
	On Compliance with Credit Agreement, Laws and Regulations	7
	On the Statement of Designated Account and Project Account	8
	On Internal Control	9
6.	**Financial Statements and Supplementary Schedules and Information**	**11**
	Statement of Sources and Uses of Funds	11
	Designated Account Reconciliation Statement	12
	Uses of Funds by Disbursement Category	13
	Uses of Funds by Disbursement Category	14
	Notes to the Financial Statements	15

List of Abbreviations

DA	-	Designated Account
IBRD	-	International Bank for Reconstruction and Development
IC	-	Individual Consultant
IDA	-	International Development Association
IFRs	-	Interim Financial Reports
INTOSAI	-	International Organization of Supreme Audit Institutions
ISSAIs	-	International Standards of Supreme Audit Institutions
IT	-	Information Technology
M&E	-	Monitoring and Evaluation
OECS	-	Organisation of Eastern Caribbean States
PAU	-	Project Accounting Unit

Ref. No. .....
In replying the above Number and date of this letter should be quoted.

AUDIT DEPARTMENT
ST. GEORGE'S
GRENADA, W.I.

Tel. Nos.: (473) 440-2264/6518
Fax: No.: (473) 435-0079

25 June 2021

Hon. Gregory Bowen
Minister of Finance, Economic Development,
Physical Development and Energy
Ministry of Finance
Financial Complex
Carenage
ST. GEORGE

Dear Sir,

The Audit Department has undertaken an audit of the Financial Statements of the OECS Regional Agricultural Competiveness Project (AGRICOM) for the year ended 31 December 2020.

The audit was performed in accordance with the authority contained in Audit Act CAP 22A of the Laws of Grenada and in compliance with terms agreed with the World Bank. I submit this report for laying before the House of Representatives.

Section 82 (4) of the Constitution stipulates that every report submitted by the Director of Audit to the Minister for the time being responsible for Finance, shall be laid before the House of Representatives not later than seven days after the House first meets, after your receipt of the report.

Yours respectfully,

Andrew.....
Jeanelle Andrew
DIRECTOR OF AUDIT (AG.)

Acknowledgement

I would like to thank the staff of the Project Accounting Unit in the Ministry of Finance for their courtesies and co-operation during the audit and to the Government Printer for his assistance in publishing this report.

Thanks also to the staff of the Audit Department for their continued commitment and dedication in fulfilling the mandate of the Department.

Audit of the Resources Managed for the period from 1 January, 2020 to 31 December 2020 by the Project Accounting Unit in the Ministry of Finance for the OECS Regional Agricultural Competitiveness Project and the income and expenditure for the accounting period ending

31 December, 2020.

Summary of Main Audit Procedures

Audit Objectives

The overall objectives of this engagement is to allow the Auditor to express a professional opinion on the financial position at the end of the period and for the sources and uses of funds for the accounting period audited of the project; to report on the adequacy of the internal controls, and to express an opinion on the compliance with the covenants of the credit agreement and applicable laws and regulations. The engagement will include a special purpose audit of the Project, including the resources provided by the Bank.

The specific objectives of the audit are to:

- Issue an opinion as to whether the Project Financial Statements present fairly, in all material respects, the financial position of the project, the funds received and the disbursements made during the period audited, as well as the cumulative investments at the end of the period, in accordance with the cash basis of accounting and requirements of the respective agreements with the Bank and other co-financing organizations.

- Issue an opinion with respect to the implementing entity's compliance with the terms of the credit agreement and applicable laws and regulations (with regard to the financial aspects).

- Issue an opinion as to whether the expenditures reported are eligible for financing; and funds have been used only for project purposes.

- Issue an opinion as to whether the Statement of the Designated Account and Project Accounts used for managing the funds provided by the Bank, presents fairly the availability of funds at the end of the period audited, as well as the transactions made during the same period, in accordance with financial reporting provisions outlined in the project's legal agreements.

- Issue a report with respect to the adequacy of the internal control structure of the implementing institution in regard to the project.

Audit Scope and Main Audit Procedures

The audit covered the activities performed during the period 1 January, 2020 to 31 December 2020 and was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs) issued by the International Organization of Supreme Audit Institutions (INTOSAI).

The audit included the following procedures:

- Performing substantive tests on transactions for the period.
- Review of the Project Accounting Unit's internal control structure.
- Examined bank reconciliations for the period audited.
- Physical verification of assets purchased for the project's use.
- Checks performed to determine compliance with the credit agreement, World Bank guidelines for Procurement of goods and services and applicable laws and regulations.
- Review of the country's accounting system (SmartStream) to ensure revenue and expenses were recorded.
- Review of relevant documentations.

Ref. No. .....
In replying the above Number and date of this letter should be quoted.

AUDIT DEPARTMENT
ST. GEORGE'S
GRENADA, W.I.

Tel. Nos.: (473) 440-2264/6518
Fax: No.: (473) 435-0079

Mr. Mike Sylvester
Permanent Secretary (Ag.)
Ministry of Finance, Economic Development
Physical Development, and Energy
Carenage
ST. GEORGE'S

Audit of the Resources Managed for the period from 1 January, 2020 to 31 December 2020 by the Project Accounting Unit in the Ministry of Finance, for the OECS Regional Agricultural Competitiveness Project and the income and expenditure for the accounting period ending 31 December, 2020.

DIRECTOR OF AUDIT REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statement of the OECS Regional Agricultural Competitiveness Project financed under IBRD Loan No. 8758, which comprise the Statement of Sources and Uses of Funds for the period ended 31 December 2020, Designated Account Reconciliation, Project by Disbursement Category and Notes to the financial statements and other explanatory schedules and statements for the year then ended.

Opinion

In my opinion, the Project financial statements for the period ended 31 December, 2020 presents fairly in all material respects, the financial position of the Project, the funds received and the disbursements made during the period audited, as well as the cumulative investments at the end of the period, in accordance with the cash basis of accounting.

Basis of Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs), issued by the International Organization of Supreme Audit Institutions (INTOSAI), World Bank Guidelines and the Government of Grenada policies, procedures and regulations. My responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Project in accordance with the ethical requirements that are relevant to my audit of the financial statements in Grenada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting

I draw attention to Note 4 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Project Accounting Unit in complying with the financial reporting provisions of the agreement referred to above. As a result, the financial statements may not be suitable for another purpose. My opinion is not modified in respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Section II (B) of Schedule 2 of the Loan Agreement and for such internal control that management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

My objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs issued by INTOSAI and the Government's policies, procedures and applicable legislations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project Accounting Unit internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

REPORT ON COMPLIANCE

Management's Responsibility for Compliance

In addition to the responsibility for the preparation and fair presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with covenants of the Loan agreement and applicable laws and regulations of Grenada.

Auditor's Responsibility

In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with covenants of the credit agreement and applicable laws and regulations of Grenada. This responsibility includes performing procedures to obtain audit evidence about whether the Sources and Uses of Funds have been applied to the purposes intended. Such procedures include the assessment of the risks of material non-compliance.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

In my opinion, in all material respect, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them.

Jeanelle Andrew
DIRECTOR OF AUDIT (AG.)

Audit Department
GRENADA

25 June 2021

Ref. No. .....
In replying the above Number and date of this letter should be quoted.

AUDIT DEPARTMENT
ST. GEORGE'S
GRENADA, W.I.

Tel. Nos.: (473) 440-2264/6518
Fax: No.: (473) 435-0079

Mr. Mike Sylvester
Permanent Secretary (Ag.)
Ministry of Finance, Economic Development
Physical Development and Energy
Financial Complex
Carenage-
ST. GEORGE'S

DIRECTOR OF AUDIT REPORT
STATEMENT OF DESIGNATED ACCOUNT AND PROJECT ACCOUNT

Audit of the Resources Managed for the period from 1 January, 2020 to 31 December 2020 by the Project Accounting Unit in the Ministry of Finance for the OECS Regional Agricultural Competitiveness Project and the income and expenditure for the accounting period ending 31 December, 2020.

Introduction

I have audited the Statement of the Designated Account and Project Account of the OECS Regional Agricultural Competitiveness Project for the period then ended 31 December 2020. My responsibility is to express an opinion on the statement based on my audit.

Opinion

In my opinion, the Statement of the Designated Account and the Project Account used for managing the funds provided by the bank present fairly the availability of funds for the period then ended 31 December 2020, as well as the transactions made during the same period in accordance with the provisions for the use of the funds established by the relevant credit agreement.

Scope

I conducted the audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and World Bank guidelines. Those standards and World Bank guidelines require that I plan and perform the audit to obtain reasonable assurance that the Designated Account and Project Account are free of material misstatement. I believe that the audit provides a reasonable basis for my opinion.

Andrew.....
Jeanelle Andrew
DIRECTOR OF AUDIT (AG.)

Audit Department
GRENADA
25 June 2021

Ref. No. .....
In replying the above Number and date of this letter should be quoted.

AUDIT DEPARTMENT
ST. GEORGE'S
GRENADA, W.I.

Tel. Nos.: (473) 440-2264/6518
Fax: No.: (473) 435-0079

Mr. Mike Sylvester
Permanent Secretary (Ag.)
Ministry of Finance, Economic Development
Physical Development and Energy
Financial Complex
Carenage
ST. GEORGE'S

DIRECTOR OF AUDIT REPORT
REPORT ON INTERNAL CONTROL

Audit of the Resources Managed for the period from 1 January, 2020 to 31 December 2020 by the Project Accounting Unit in the Ministry of Finance for the OECS Regional Agricultural Competitiveness Project and the income and expenditure for the accounting period ending 31 December, 2020.

I have audited the financial statements of the OECS Regional Agricultural Competitiveness Project for the period ended 31 December, 2020.

My audit was guided by the auditing standards issued by the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

In planning and performing my audit, I considered the Project Accounting Unit's (PAU) internal control over financial reporting, by obtaining an understanding of the policies and procedures that govern internal controls, determining whether these controls had been placed in operation and assessing control risk and performing tests of the PAU's controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal controls. Accordingly, I do not express an opinion on the effectiveness of the PAU's internal controls over financial reporting.

The management of the Project Accounting Unit (PAU) is responsible for maintaining effective internal control over financial reporting. I limited my control testing to those controls necessary to achieve the following control objectives that provide reasonable, but not absolute assurance, that: (1) transactions are properly recorded, processed, and summarized to permit the preparation of the financial statements in accordance with the Government's accounting policies and the World Bank Guidelines and (2) transactions are executed in compliance with laws and regulations that could have a direct and material effect on the financial statements.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the PAU's ability to initiate, authorize, record, process, or report financial data reliably, such that there is more than a remote likelihood that a misstatement of the PAU's financial statements that is more than inconsequential will not be prevented or detected by PAU's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the PAU's internal control. My consideration of internal control was for the limited purpose described in the second paragraph of this report and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

I did not discover any material weaknesses in the internal control structure of the Project Accounting Unit however an operational deficiency has been identified. The Project Steering Committee is yet to be reconstituted and it is recommended that efforts should be made to get it functional, given the importance of the Committee for the monitoring and evaluation of the project and its proper implementation.

Jeanelle Andrew
DIRECTOR OF AUDIT (AG.)

Audit Department
GRENADA

25 June 2021

OECS Regional Agricultural Competitiveness Project
Sources and Uses of Funds - Amounts in US$
FOR THE PERIOD ENDED DECEMBER 31ST, 2020

	Current Period					
	2020			CUMULATIVE		
RECEIPTS	IDA 6063-GD	IBRD 8758-GD	TOTAL	IDA 6063-GD	IBRD 8758-GD	TOTAL
Government						
Interest	-	238.13	238.13	1,209.61	761.21	1,970.82
Tender Fees						
World Bank			-			
Designated Account	-	-	-	-	-	-
IBRD	-	424,889.58	424,889.58	-	539,889.58	539,889.58
IDA	-	-	-	320,500.00	-	320,500.00
Direct Payment	-	-	-	-	-	-
Retroactive Financing	-	-	-	-	-	-
Total Receipts (A)	-	**425,127.71**	**425,127.71**	**321,709.61**	**540,650.79**	**862,360.40**
LESS EXPENDITURES						
Component 1 - Support for Preparation of Business Plans	-	713.58	713.58	-	174,183.09	174,183.09
Component 2 - Implementation of Business Plans	-	778.59	778.59	-	778.59	778.59
Component 3 - General Agricultural Services & Enabling Environment	-	-	-	-	21,141.88	21,141.88
Component 4 - Project Management, Monitoring & Evaluation	-	113,756.09	113,756.09	-	241,613.30	241,613.30
Total Expenditures (B)	-	**115,248.26**	**115,248.26**	-	**437,716.86**	**437,716.86**
RECEIPTS LESS EXPENDITURES						
Net Change in Cash **(A - B)**	-	309,879.45	309,879.45	321,709.61	102,933.93	424,643.54
Foreign Exchange Adjustment						
BANK BALANCES						
Opening Cash Balances						
Designated Account - 125000202	200,709.61	(121,385.92)	79,323.69			
Project Account - 113001028	121,000.00	(85,559.59)	35,440.41			
Total Opening Cash Balance	**321,709.61**	(206,945.51)	114,764.10			
Net Cash Available	**321,709.61**	**102,933.94**	**424,643.55**			
Closing Cash Balances						
Designated Account - 125000202	200,709.61	183,675.54	384,385.15			
Project Account - 113001028	121,000.00	(80,741.62)	40,258.38			
Total Closing Balance /1/	***321,709.61***	***102,933.92***	***424,643.53***			

Prepared by:
YOULAND MC GILLIVARY
STAFF ACCOUNTANT
ACCOUNTANT GENERAL DEPARTMENT

Approved by:
PHILBERT CHARLES
ACCOUNTANT GENERAL
ACCOUNTANT GENERAL DEPARTMENT

DESIGNATED ACCOUNT RECONCILIATION STATEMENT				
CREDIT NUMBER: 6063-GD/LOAN NUMBER: 8758-GD				
ACCOUNT NUMBER 125000202/113001028 WITH GRENADA COOPERATIVE BANK LTD				
		IDA	**IBRD**	**Total**
		US$	US$	US$
1	TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER)	320,500.00	539,889.58	860,389.58
2	LESS: TOTAL AMOUNT DOCUMENTED BY WORLD BANK	-	437,716.86	437,716.86
3	**PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (1 - 2)**	**320,500.00**	**102,172.72**	**422,672.72**
4	BALANCE OF DESIGNATED ACCOUNT PER ATTACHED BANK RECONCILIATION STATEMENT AS OF DECEMBER 30TH, 2020*	321,709.61	102,933.92	424,643.53
5	PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO.05	-	-	-
6	PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED	-	-	-
	REASON:			
7	PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS	-	-	-
	APPLICATION NO.			
	SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED	-	-	-
8	LESS: INTEREST EARNED AND TENDER FEES	1,209.61	761.20	1,970.81
9	**TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9)**	**320,500.00**	**102,172.72**	**422,672.72**
10	DIFFERENCE (**3 - 9**)	(0.00)	-	(0.00)
11	EXPLANATION OF ANY DIFFERENCE SHOWN IN LINE 10			

OECS Regional Agricultural Competitiveness Project Loan No. 8758-GD Use of Funds by Disbursement Categories - Amounts in US$ FOR THE PERIOD ENDED DECEMBER 31ST, 2020						
	Current Period	CUMULATIVE				Total Allocation per Legal Agreement
Categories	Actual	Amount per IFR	Amount per Client Connection	Difference	Comments	
1. Goods, Works, Non- Consulting Services, Consultants' Services, Training and Operating Costs except Matching grants and Vouchers under Part 2(B) of the project	115,248.26	437,716.86	437,716.86	0.00		1,795,500.00
2. Goods, Works, Non- Consulting Services, Consultants' Services, and Training financed by the Matching Grants under Part 2(b)(i) of the Project	-	-	-	-		-
3. Goods financed by the Vouchers under Part 2 (b)(ii) of the Project	-	-	-	-		-
4. Front - end fee						4,500.00
Total Amount	**115,248.26**	**437,716.86**	**437,716.86**	**0.00**		**1,800,000.00**

OECS Regional Agricultural Competitiveness Project

Credit No.: 6063-GD

Use of Funds by Disbursement Categories - Amounts in US$

FOR THE PERIOD ENDED DECEMBER 31ST, 2020

Categories	Current Period	CUMULATIVE				Total Allocation per Legal agreement
	Actual	Amount per IFR	Amount per Client Connection	Difference	Comments	
1. Goods, Works, Non- Consulting Services, Consultants' Services, Training and Operating Costs except Matching grants and Vouchers under Part 2(B) of the project	-	-	-	-		0
2. Goods, Works, Non- Consulting Services, Consultants' Services, and Training financed by the Matching Grants under Part 2(b)(i) of the Project	-	-	-	-		1,100,000.00
3. Goods financed by the Vouchers under part 2 (b)(ii) of the Project						1,100,000.00
4. Front - end fee						
Total Amount	-	-	-	-		**2,200,000.00**

Government of Grenada
OECS REGIONAL AGRICULTURE COMPETITIVENESS PROJECT
IDA-
NOTES TO FINANCIAL STATEMENTS
For the Period ending 31st December, 2020

NOTE 1: OBJECTIVE AND NATURE OF THE PROJECT

The overall objective of the Project is to enhance access to markets and sales for competitively selected farmers and fishermen, as well as their allied aggregators and agro-processors in Grenada.

The main components are as follows:

Component 1: Support for Preparation of Business Plans

The objective of this component is to: (i) promote an understanding of the Project's scope and objectives through outreach to potential stakeholders and beneficiaries (such as individual and organized FFs, AAs, buyers, and financing actors); (ii) identify potential business opportunities for prioritized value chains and their translation into viable and profitable business proposals; and (iii) prepare full business plans for selected proposals.

Under this component, the proposed project would finance consultant and non-consultant services, goods, training, and operating costs to implement pre-investment activities such as: (i) the elaboration and implementation of a communication and dissemination strategy to raise awareness of the project and its activities; (ii) the organization of networking events, such as business roundtables and local workshops for supporting the establishment of strategic alliances between potential AAs and FFs, groups of FFs, buyers, and financial actors; (iii) support and technical assistance (TA) to AAs and allied FFs for the identification of business opportunities and their translation into viable business proposals and for the transformation of selected proposals into bankable business plans; and (vi) pre-investment studies.

Component 2: Implementation of Business Plans

The objective of this component is to provide matching grants (not to be repaid by beneficiaries) to co-finance the implementation of technically feasible, financially viable, economically profitable, socially responsible, and environmentally sustainable business plans, which, when implemented, will contribute to a consistent and timely supply of sufficient quantities of quality produce to buyers while providing a reliable income to allied FFs. These business plans will be formulated with support from the TA provided under Component 1 by potential AAs with their allied FFs, buyers, and financial actors. Business plans will qualify for project support on a competitive basis. Activities on the AA level as well as the FF level will be supported, and will include investments and operational expenditures, training and TA, and managerial skills development.

Component 3: General Agricultural Services and Enabling Environment

The objective of this component is to strengthen general agricultural services directly linked to the subprojects described in Component 2 and needed to enhance the probability of success. It will also support the strengthening of the overall enabling environment needed for the sustained development of the business enterprises with potential competitive advantages, locally and internationally. Specific activities that the project will finance may include: (i) activities to improve and increase the availability of key inputs required for the adoption of more productive technology (such as seeds, seedlings, and planting materials for the products supported in Component 2); (ii) organization of trade fairs and study tours, or facilitation of participation in those events; (iii) strengthening local service providers' capacity and effectiveness, including training and certification to acquire knowledge and skills to support the preparation of business profiles and business plans, and improvements in information and communication technologies and transport facilities; (v) technical studies to generate new knowledge in key aspects of competitiveness, including market studies, analysis of new potential value chains, enabling environment, competition reforms, agro-food logistics, and food safety requirements and quality standards (including legal framework) and related technical skills; and (vi) improvements in public infrastructure considered essential for the promotion of adequate internal distribution of produce, reduction of post-harvest losses, establishment of modern food safety mechanisms, as well as cold storage at key exit points for perishable agricultural exports. The Caribbean Growth Forum will be a good platform to undertake public-private dialogue for some of these activities.

Component 4: Project Management, Monitoring, and Evaluation

The objective of this component is to ensure effective project implementation, monitoring of activities, and evaluation of the project. The project will finance the operational costs of the PIU and parts of the PCU, including: (i) project coordination and management; (ii) monitoring, evaluation, and impact assessment; (iii) fiduciary administration; (iv) safeguards management; and (v) a citizens' engagement mechanism.

NOTE 2: PROJECT FINANCING

The cost of the project is estimated at US$4,000,000.00. A signed amount of $1,800,000.00 was financed with IBRD funds, and $2,200,000.00 was financed with IDA funds.

NOTE 3: – AUDIT PERIOD

This Financial Audit covers a period of 12 months, from January 1st, 2020 to December 31st, 2020.

Government of Grenada
OECS REGIONAL AGRICULTURE COMPETITIVENESS PROJECT
IDA-
NOTES TO FINANCIAL STATEMENTS
For the Period ending 31st December, 2020

NOTE 4: MAIN ACCOUNTING POLICIES

1. All transactions are recorded, and the financial statements prepared, using the cash basis of accounting.
2. The financial accounts are maintained and the financial statements are prepared in Eastern Caribbean Dollars. Where required within this report, translation into United States Dollars is effected using the exchange rate of US$1.00 to EC$2.6882.
3. Fixed Assets procured with project resources are recorded at their acquisition cost at the date of purchase. No depreciation is recorded for project assets.
4. The Financial Statements have been prepared on the basis of historical cost convention. No account is taken of inflation.

NOTE 5: FIXED ASSETS

During the period under review Video Equipment valued at EC$38,399.53 was purchased.

NOTE 6: CASH AVAILABILITY

Cash Available as at 31st December, 2020 included; -

	US$
Designated Account	384,385.17
Project Account	40,258.38
	424,643.55

NOTE 7: INTEREST

Interest of US$238.13 was earned on deposits in the Project Account during the period under review.

NOTE 8: SIGNIFICANT BIDS PROCESSED AND AWARDED DURING THE PERIOD UNDER REVIEW

No significant bids were processed or awarded during the period under review.