



AUDIT DEPARTMENT

REPORT OF THE DIRECTOR OF AUDIT GRENADA

on the Resources Managed for the period 1 January 2020 to 31 December 2020 by the Project Accounting Unit within the Ministry of Finance, Energy, Planning, Economic Development, and Physical Development

Regional Disaster Vulnerability Reduction Project (RDVVP)

**THE DIRECTOR OF AUDIT
AUDIT DEPARTMENT**

Report of the Director of Audit 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, Energy, Planning, Economic Development, and Physical Development for the Regional Disaster Vulnerability Reduction Project (RDVRP).

**Jeanelle Andrew
Director of Audit (Ag.)**

REGIONAL DISASTER VULNERABILITY REDUCTION PROJECT

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LIST OF ABBREVIATIONS

DA	-	Designated Account
DVRP	-	Disaster Vulnerability Reduction Project
GD	-	Grenada
IBRD	-	International Bank for Reconstruction 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
NADMA	-	National Disaster Management Agency
NCB	-	National Competitive Bidding
PAU	-	Project Accounting Unit
PPCR	-	Pilot Program for Climate Resilience
RDVRP	-	Regional Disaster Vulnerability Reduction Project

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

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

29 June 2021

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


Dear Sir,

The Audit Department has undertaken an audit of the Financial Statements of the Regional Disaster Vulnerability Reduction Project (RDVRP) 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,


Jeanelle Andrew
Director of Audit (Ag.)

Acknowledgement

Thank you to the staff of the Project Accounting Unit (PAU) for their courtesies and co-operation during the audit and to the Government Printer for his assistance in publishing this report.

Audit of the Resources Managed for the period 01 January 2020 to 31 December 2020, by the Project Accounting Unit in the Ministry of Finance, Energy, Planning, Economic Development, and Physical Development under the Credit No: 4985-GD, Loan No: TF11131, Grant No's: TF 10204 and TF19232, Regional Disaster Vulnerability Reduction Project (RDVVRP) and the Income and Expenditure for the accounting period ending on 31 December 2020.

SUMMARY OF MAIN AUDIT PROCEDURES

Audit Objectives

The overall audit objectives are to express an opinion on the project's financial position at the end of the period audited, to report on the adequacy of the internal controls and to express an opinion on the compliance with the credit agreement and applicable laws and regulations.

The specific objectives of the Audit of the Project 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 International Accounting Standards and the requirements of the respective agreements with the Bank and other Co-Financing Organizations;
- Issue an opinion on whether the supplementary financial information for the Project is fairly presented, in all material respects;
- Issue a report with respect to the adequacy of the internal control structure of the implementing institution with regard to the project;
- 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: (a) whether the expenditures included in the Interim Financial Reports (IFRs) are eligible for financing under the relevant agreement and supported by appropriate documentation, (b) whether credit funds have been used only for Project purposes, in accordance with the requirements established in the corresponding agreements with the international organizations; and
- 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 the provisions for the use of the funds established in the corresponding agreements with the Bank.

Audit Scope and Main Procedures

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

The audit included the following procedures:

- Review of relevant documentations;
- Review of the Project Accounting Unit's internal control structure;
- Substantive tests to determine whether the accounting system and records in use are in accordance with the accounting policies, guidelines and procedures as well as relevant laws and regulations; and
- Audit tests conducted on transactions in order to achieve the audit objectives included:
 - Performing substantive tests on transactions for the period,
 - Analytical procedures,
 - Review of the country's accounting system (Smart Stream) to ensure revenue and expenses were recorded.

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Permanent Secretary (Ag.)
Ministry of Finance
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DIRECTOR OF AUDIT REPORT ON THE FINANCIAL STATEMENTS

Opinion

In my opinion, 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 of accounting of the Regional Disaster Vulnerability Reduction Project (RDVRP) for the year ended 31 December 2020 and in accordance with the cash basis of accounting and based on the requirements of section 5.09 of the International Development Association (IDA) General Conditions for Credit and Grants and Section 2.07 of the International Bank for Reconstruction Development's (IBRD), Standard Conditions for Loans made by the World Bank out of the Climate Investment Funds and Standard Conditions for Grants made by the World Bank out of various funds.

I have audited the accompanying Financial Statements of the Regional Disaster Vulnerability Reduction Project (RDVRP) financed under Credit No. 4985-GD which comprised the Statement of Sources and Uses of Funds for the year ended 31 December 2020 and notes to the Financial Statements and other explanatory schedules and statements for the year then ended. These Financial Statements have been prepared by management based on Section 4.09 of the International Development Association's (IDA) General Conditions for Credit and Grants and Section 2.07 of the International Bank for Reconstruction Development's (IBRD), Standard Conditions for Loans made by the World Bank out of the Climate Investment Funds and Standard Conditions for Grants made by the World Bank out of various funds.

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 on Matter-Basis of Accounting and Restriction on Use

I draw attention to note 4 of the Financial Statements which describe the basis of accounting. The Financial Statements are prepared to assist the Project Accounting Unit to meet the requirements of the World Bank. As a result, the Financial Statements may not be suitable for another purpose.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation of these Financial Statements in accordance with the cash basis of accounting, the financial reporting provisions of Section 4.09 International Development Association (IDA) General Conditions for Credit and Grants, and Section 2.07 of the International Bank for Reconstruction Development's (IBRD) Standard Conditions for Loans made by the World Bank out of the Climate Investment Funds and Standard Conditions for Grants made by the World Bank out of various funds and for such internal control that management determines is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are 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 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 these Financial Statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism 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's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Jeanelle Andrew

Director of Audit (Ag.)

Audit Department
GRENADA

29 June 2021

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Ministry of Finance
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Audit of the Resources Managed for the period 01 January 2020 to 31 December 2020, by the Project Accounting Unit in the Ministry of Finance, Energy, Planning, Economic Development, and Physical Development under the Credit No: 4985-GD, Loan No: TF11131, Grant No's: TF 10204 and TF19232, Regional Disaster Vulnerability Reduction Project (RDVVRP) and the Income and Expenditure for the accounting period ending on 31 December 2020.

DIRECTOR OF AUDIT REPORT ON COMPLIANCE WITH CREDIT AGREEMENT, LAWS AND REGULATIONS

Subject Matter / Audit Criteria

The Project Accounting Unit's compliance with the terms of the Financing Agreement Credit No. 4985-GD and applicable laws and regulations related to the Project's financial activities for the period 1 January 2020 to 31 December 2020.

Opinion on Compliance

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

Management's Responsibility for Compliance

In addition to the responsibility for the preparation and 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 the covenants of the credit agreement and applicable laws and regulations.

Auditor's Responsibility

In addition to the responsibility to express an opinion on the Financial Statements, 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 the covenants of the credit agreement and applicable laws and regulations. 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. In conducting these procedures, my audit was 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.

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



Jeanelle Andrew

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DIRECTOR OF AUDIT REPORT ON STATEMENT OF REQUEST FOR REPLENISHMENT

I have audited the Interim Financial Reports (IFRs) for the Regional Disaster Vulnerability Reduction Project (RDVRP) for the audited period in accordance with World Bank guidelines.

Opinion

In my opinion, the Interim Financial Reports for the year ended 31 December 2020 present fairly, in all material respects, eligible expenditure which is properly supported and used for the intended purpose and are prepared in accordance with the respective financing agreements and World Bank guidelines for the Regional Disaster Vulnerability Reduction Project.

Management's Responsibility

Management is responsible for the preparation and fair presentation of the Interim Financial Reports (IFRs) in accordance with World Bank guidelines. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the reports that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion as to whether the expenditures included in IFRs are eligible for financing, supported by appropriate documentation and credit funds were used for project purposes in accordance with the credit agreement.

I conducted the audit in accordance with the International Standards of Supreme Audit Institutions (ISSAI) issued by the International Organization of Supreme Audit Institutions (INTOSAI) and Government's policies, procedures and regulations. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

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



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DIRECTOR OF AUDIT REPORT ON THE STATEMENT OF THE DESIGNATED ACCOUNT

I have audited the accompanying Designated Account Bank Reconciliation Statement for the Regional Disaster Vulnerability Reduction Project as at 31 December 2020. My responsibility is to express an opinion based on my audit.

Opinion

In my opinion the Designated Account used for managing the funds provided by the World Bank presents fairly the availability of funds as at 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 in the corresponding agreements with the Bank.

Scope

I conducted the audit in accordance with 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 is free of material misstatements. I believe that the audit provides a reasonable basis for my opinion.



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Director of Audit (Ag.)

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GRENADA

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DIRECTOR OF AUDIT REPORT ON INTERNAL CONTROL

I have audited the Financial Statements of the Regional Disaster Vulnerability Reduction Project (RDVRP) for the twelve month period ended 31 December 2020.

My audit was in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) standards issued by the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that we 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 this audit, I considered the PAU's 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 the auditing procedures for the purpose of expressing an 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 Project's Accounting Unit (PAU) internal controls over financial reporting.

The management of PAU is responsible for maintaining effective internal control over financial reporting. I limited the 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. Our 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 in regards to the project.



Jeanelle Andrew

Director of Audit (Ag.)

Audit Department
GRENADA

29 June 2021

GOVERNMENT OF GRENADA
REGIONAL DISASTER VULNERABILITY REDUCTION PROJECT
SOURCES & USES OF FUNDS
FOR THE PERIOD ENDING DECEMBER 31st, 2020
Amount in US\$

RECEIPTS	2020										CUMULATIVE AS AT DECEMBER 31 2019				
	ACTUAL					CUMULATIVE AS AT DECEMBER 31 2020					CUMULATIVE AS AT DECEMBER 31 2019				
	IDA 4985	TF11131	TF10204	TF19232	TOTAL	IDA 4985	TF11131	TF10204	TF19232	TOTAL	IDA 4985	TF11131	TF10204	TF19232	TOTAL
Source of Financing															
World Bank															
Designated Account	-	-	-	-	-	6,686,924	5,501,002	7,829,211	5,000,000	25,017,138	6,686,924	5,501,002	7,829,211	5,000,000	25,017,137
Direct Payment	-	-	-	-	-	2,179,492	170,789	170,789	-	2,521,069	2,179,492	170,789	170,789	-	2,521,069
Retroactive Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tender Fees	-	95	-	-	95	3,541	3,226	2,334	502	9,603	3,541	3,131	2,334	502	9,508
Interest (NOTE 7)	-	3,905	-	-	3,905	8,588	(13,999)	8,162	3,636	6,388	8,588	(17,904)	8,162	3,636	2,482
Other (NOTE 8)	-	-	-	-	-	2,827	350	137	-	3,314	2,827	350	137	-	3,314
Total Receipts (A)	-	4,000	-	-	4,000	8,881,372	5,661,368	8,010,634	5,004,138	27,557,512	8,881,372	5,657,368	8,010,634	5,004,138	27,553,512
LESS EXPENDITURES															
Component 1 - Prevention & Mitigation Investment	-	200,802	-	-	200,802	1,526,936	2,588,538	5,590,585	4,444,035	14,150,095	1,526,936	2,387,736	5,590,585	4,444,035	13,949,292
Component 2 - Capacity Building for Risk and Hazard Evaluation and Application for Improved Decision Making	-	1,254,945	-	-	1,254,945	1,654,778	4,383,422	1,689,670	328,184	8,056,054	1,654,778	3,128,477	1,589,670	328,184	6,801,109
Component 3 - Emergency Response Contingency Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 4 - Project Management	-	5,132	-	-	5,132	569,102	601,041	719,745	227,781	2,117,569	569,102	595,909	719,745	227,781	2,112,537
Component 5 CCRIF Insurance Premium	-	-	-	-	-	2,018,750	-	-	-	2,018,750	2,018,750	-	-	-	2,018,750
Total Expenditures (B)	-	1,460,879	-	-	1,460,879	5,769,566	7,573,001	8,000,000	5,000,000	26,342,567	5,769,566	6,112,122	8,000,000	5,000,000	24,881,688
RECEIPTS LESS EXPENDITURES															
Net Change in Cash (A - B)	-	(1,456,879)	-	-	(1,456,879)	3,111,806	(1,911,633)	10,634	4,138	1,214,945	3,111,806	(454,754)	10,634	4,138	2,671,824
Foreign Exchange Adjustment															
BANK BALANCES															
Opening Cash Balances															
Designated Account	1,086,332	385,983	10,634	1,078,956	2,561,905										
Project Account	2,025,473	(840,737)	-	(1,074,818)	109,918										
Total Opening Balance	3,111,806	(454,755)	10,634	4,138	2,671,823										
Closing Cash Balances															
Designated Account	1,086,332	(1,325,284)	10,634	1,078,956	850,638										
Project Account	2,025,473	(586,350)	-	(1,074,818)	364,306										
Total Closing Balance	3,111,806	(1,911,633)	10,634	4,138	1,214,944										

Prepared by: *Philbert Charles*
Cazirah Thomas
Accounts Clerk
Ministry Of Finance

Authorized by: *Philbert Charles*
Mr. Philbert Charles
Accountant General
Ministry Of Finance

Regional Disaster Vulnerability Reduction Project

IDA 4985

Use of Funds by Disbursement Categories - Amounts in US\$

FOR THE PERIOD ENDING DECEMBER 31ST, 2020

Categories	2020	CUMMULATIVE	
	Actual	CUMMULATIVE 2020	CUMMULATIVE 2019
1. Goods, Works, Non-Consulting Services Consulting Services, Training and Operating Costs for Part A B D of the Project	-	3,750,816	3,750,816
2. Goods, Works, Non-Consultant Services and Consulting Services for Emergency Recovery and Reconstruction Subprojects under Part C of the Project	-		
3. Refund Project Preparation Advance			
4. CCRIF Insurance Premiums Part E	-	2,018,750	2,018,750
TOTAL		5,769,566	5,769,566

**Regional Disaster Vulnerability Reduction Project
TF 11131**

**Use of Funds by Disbursement Categories - Amounts in US\$
FOR THE PERIOD ENDING DECEMBER 31ST, 2020**

Categories	2020	CUMMULATIVE	
	Actual	CUMMULATIVE 2020	CUMMULATIVE 2019
1. Goods, Works, Non-Consulting Services Consulting Services, Training and Operating Costs for Part A B D of the Project	1,460,879	7,573,001	6,112,122

Regional Disaster Vulnerability Reduction Project
TF10204
Use of Funds by Disbursement Categories - Amounts in US\$
FOR THE PERIOD ENDING DECEMBER 31ST, 2020

Categories	Current Period	CUMMULATIVE	
	Actual	CUMMULATIVE 2020	CUMMULATIVE 2019
1. Goods, Works, Non-Consulting Services Consulting Services, Training and Operating Costs for Part A B D of the Project	-	8,000,000	8,000,000

Regional Disaster Vulnerability Reduction Project

TF 19232

**Use of Funds by Disbursement Categories - Amounts in US\$
FOR THE PERIOD ENDING DECEMBER 31ST, 2020**

Categories	2020	CUMMULATIVE	
	Actual	CUMMULATIVE 2020	CUMMULATIVE 2019
1. Goods, Works, Non-Consulting Services Consulting Services, Training and Operating Costs for Part A B D of the Project	-	5,000,000	5,000,000
2. Goods, Works, Non-Consultant Services and Consulting Services for Emergency Recovery and Reconstruction Subprojects under Part C of the Project			
3. Refund Project Preparation Advance			
4. CCRIF Insurance Premiums Part E	-		

Government of Grenada – Financing (IDA4985/TF11131/TF10204)

**Regional Disaster Vulnerability Reduction Project
DESIGNATED ACCOUNT RECONCILIATION
FOR THE PERIOD ENDING DECEMBER 31ST 2020
(in USD)**

DESIGNATED ACCOUNT RECONCILIATION

Grant No: TF11131/TF10204/IDA 4985/TF19232

Bank's Name: Grenada Co-operative Bank Ltd

TOTAL	19232	11131	10204	4985
USD	USD	USD	USD	USD
25,017,138	5,000,000	5,501,002	7,829,211	6,686,924
21,542,799	5,000,000	5,123,514	7,829,211	3,590,074
3,474,339	0	377,489	0	3,096,850

- 1 Amount advanced by World Bank
- 2 Less total amount documented by World Bank
- 3 Current outstanding amount advanced to DA

- 4 Amount in Designated Account at December 31st, 2019
- 5 Plus amount of eligible expenditure documented in current application
- 6 Plus amounts expended not yet claimed
- 7 Plus amounts deposited after date of Bank Statement (iii)
- 8 Less debited amounts after date of Bank Statement
- 9 Less interests generated in the Designated Account
- 10 Total advance accounted for

1,214,944	4,138	-1,911,634	10,634	3,111,806
1,460,879	0	1,460,879	0	0
817,819	0	817,819	0	0
6,388	3,636	-13,999	8,162	8,588
3,487,255	502	381,063	2,471	3,103,218

11 Difference to be accounted for

-12,916

Details/Justifications

Difference due to:

- (i) The Amount of USD9,602.92 is Tender Fees collected in the Designated Account
- (ii) The Amount of USD137.27 deposited in error now corrected by the Bank
- (iii) The Amount of USD2,827.12 refund for payment made to PAP
- (iv) The Amount of USD349.58 deposited in error by the Bank

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Government of Grenada
Regional Disaster Vulnerability Project
IDA-4985/TF11131/TF10204/TF19232

NOTES TO FINANCIAL STATEMENTS
For the Period ending 31st December, 2020

NOTE 1: OBJECTIVE AND NATURE OF THE PROJECT

The objective of the Project is to measurably reduce Grenada's Vulnerability to natural hazards and the adverse impacts of climate change. The project will finance the retrofitting and climate-proofing of existing structure as well as the construction of key infrastructure to protect vulnerable assets.

The Project consists of 5 Components

Component 1: Prevention and Adaptation Investments

This Component involves drainage improvement measures, improved water storage capacity, risk reduction, rehabilitation of critical infrastructure, including ports, bridges, and some roads, retrofitting of critical public buildings, including schools and health centres and investments in satellite emergency centres. Studies required for the development of works packages are also funded by the project. These studies include hydrologic/hydraulic studies, geotechnical studies. Funding is also provided for pre-engineering and engineering supervision activities needed to support engineering design and safeguard compliance.

Additional financing has been provided to complete investments in flood protection and improved drainage in urban areas. These investments include; (a) pre-engineering studies and design for a flood mitigation system in the Morne Rouge area; (b) river training works for the St. John's River Flood mitigation sub-project; (c) investments in fiber optic upgrades to assist agencies with participating in a national data sharing platform (ie GeoNode, national hydromet network)

Component 2: Regional Platforms for Hazard and Risk Evaluation, and Applications for Improved Decision Making

This Component supports the strengthening of national capacity to integrate natural hazards and climate change impact information into the national development policies and decision-making processes.

It will finance the data collection of Geo-spatial data using an aerial platform with multiple instruments for data collection and support the capture of existing geo-spatial data currently spread among national institutions in participating countries.

The Component will finance capacity building in the use of open-source GeoNode software for geospatial information and the procurement of data collection equipment and instruments as well as computers, servers, and software as needed.

Additional financing has also been provided for investments in high resolution topography and bathymetry models, high resolution soils mapping, modernisation of the national hydromet network, capacity building for watershed analysis and modelling and institutional strengthening and capacity building in forest resources management.

**Government of Grenada
Regional Disaster Vulnerability Project
IDA-4985/TF11131/TF10204/TF19232**

**NOTES TO FINANCIAL STATEMENTS
For the Period ending 31st December, 2020**

Component 3: Emergency Response Contingent Credit

Under this Component the Government of Grenada may request the World Bank to re-categorize financing or add contingent financing to cover early recovery and rehabilitation costs, following an adverse natural event, or immediately before the occurrence of an adverse natural event, subject to a declaration of a national emergency in accordance with national law.

Component 4: Project Management and Implementation Support

This Component involves financing for institutional support and capacity development for project management and implementation. It includes training, staffing, and development activities associated with project execution, such as consulting services and engineering support.

Component 5: Caribbean Catastrophe Risk Insurance Facility

This Component finances the catastrophe risk insurance premiums for the period of May 30, 2013 to May 30, 2015. This would cover Grenada for hurricane and earthquake insurance.

NOTE 2: PROJECT FINANCING

The cost of the project is estimated at US\$35,000,000 with the financiers as follows:

- Credit – IDA 4985 US\$10,000,000
- Loan – TF11131 US\$8,200,000
- Grant – TF10204 US\$8,000,000
- Grant – TF19232 US\$5,000,000.00
- Loan – TF19396 US\$3,800,000.00

NOTE 3: – AUDIT PERIOD

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

**Government of Grenada
Regional Disaster Vulnerability Project
IDA-4985/TF11131/TF10204/TF19232**

**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 in Eastern Caribbean Dollars and the financial statements are prepared in United States 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 no new Fixed Assets were purchased.

NOTE 6: CASH AVAILABILITY

Cash Available as at 31st December, 2020 included;

	US\$
Designated Account	2,286,686.34
Project Account	<u>433,950.52</u>
	<u>2,720,636.86</u>

NOTE 7: INTEREST

Interest of US\$3,905.33 was earned on deposits in the Designated Account during the period under review.