

DOMINICA HOUSING RECOVERY PROJECT
IDA CREDIT NO. 62320-DM; GRANT NO. D3070-DM



Housing Recovery Project (HRP) **Commonwealth of Dominica**

IDA Credit No. 62320-DM;
IDA Grant No. D3070-DM

FINANCIAL STATEMENTS **For the year ended 30 June 2020**

Table of Contents

	Page
Statement of Management’s responsibilities for the preparation and approval of the Special Purpose Project Financial Statements for the year ended 30 June 2020	3
Independent Auditor’s Report	4
Special Purpose Project Financial Statements for the year ended 30 June 2020	
Statement of Designated Account	7
Statement of Sources and Uses of Funds	8
Statement of Cumulative Investments	9
Notes to Special Purpose project financial statements	10



Housing Recovery Project
IDA Credit No. 62320 - DM. Grant No. D3070 - DM

Statement of Management's responsibilities for the preparation and approval of the Special Purpose Project Financial Statements for the period July 1, 2019 to June 30, 2020.

Management of Housing Recovery Project (the "Project"), financed under IDA Credit No. 62320-DM and Grant No. D3070-DM is responsible for the preparation of the proceeds and disbursements and uses of funds by project components of the Project for the period August 8, 2018 to June 30, 2019 in accordance with International Public Sector Accounting Standards "Financial Reporting Under the Cash Basis of Accounting" (the IPSAS) issued by the International Public Sector Accounting Standard Board of the International Federation of Accountants and the World Bank's Financial Management Sector Board's Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the WB Guidelines).


In preparing the special purpose project financial statements, management is responsible for:

- Selecting the suitable accounting policies and applying them consistently;
- Making judgements and estimates that are reasonable and prudent;
- Stating whether IPSAS and WB Guidelines have been followed, subject to any material departures disclosed and explained in the special purpose project financial statements; and
- Preparing the special purpose project financial statements on a going concern basis, unless it is inappropriate to presume that the Project will continue its activity for the foreseeable future.


Management is also responsible for:

- Designing, implementing and maintaining effective and sound system of internal control and for revealing risks in the system of internal control;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Project, and which enable them to ensure that the special purpose project financial statements of the Project comply with IPSAS and WB Guidelines;
- Compliance with the laws and regulations of the Commonwealth of Dominica, accounting system of the Project and the requirement of the World Bank;
- Taking such steps as are reasonably available to them to safeguard the assets of the project; and
- Detecting and preventing fraud and other irregularities.

The special purpose project financial statements for the year ended 30th June 2020 were approved and authorized by the Management of the Project.



Reginald Severin
Permanent Secretary
Ministry of Housing and Lands
Date:



Nicholas Bruno
Project Manager
Housing Recovery Project PIU
Date:



SARB & Associates

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INDEPENDENT AUDITOR'S REPORT

To
The Permanent Secretary, Housing Division
Ministry of Housing and Urban Development
Roseau, Commonwealth of Dominica

Report on the Special Purpose Project Financial Statements

Opinion

We have audited the special purpose project financial statements of "Housing Recovery Project", (the "Project") which comprise the statement of designated account reconciliation, statement of sources and uses of funds and statement of cumulative investments for the year ended 30 June 2020, and a summary of significant accounting policies and other explanatory information (the "special purpose project financial statements").

In our opinion, the accompanying special purpose financial statements of the Project for the year ended 30 June 2020, except for the effects of the matter(s) described in the Basis for Qualified Opinion paragraph below, are prepared, in all material respects, in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines")

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the special purpose project financial statements in Commonwealth of Dominica, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

1. Amounts totalling to USD 82,644.61 (XCD 222,165.24) were incorrectly reduced from the project's books of accounts (Smartstream). (Refer section 2.2.1 of the Management Letter).



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2. Direct payment by World Bank amounting to USD 99,857.60 to one of the vendors was not recorded as expenditure (Refer section 2.2.2 of the Management Letter).
3. Ineligible Expenditure relating to VAT amounting to USD 6,514.02 (XCD 17,511) have been paid from the Project Bank Account (Refer section 2.2.3 of the Management Letter).

Other matters

Further, we draw attention to Note 5 to the special purpose project financial statements which describe the basis of accounting. These special purpose project financial statements were prepared for complying with the appropriate World Bank Guidelines and Loan agreement requirements.

The special purpose project financial statements are prepared to assist the Project to comply with the requirements of the World Bank. As a result, the special purpose project financial statements may not be suitable for another purpose.

Responsibilities of Management and Those Charged with Governance for the special purpose project financial statements

Management is responsible for the preparation and fair presentation of the special purpose project financial statements in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Accounting Standards Board of the International Federation of Accountants, and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines"), and for such internal control as management determines is necessary to enable the preparation of the special purpose project financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the special purpose project financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose project 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 the special purpose project financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose project financial statements, whether due to fraud or error, design and perform audit procedures



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responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose project financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose project financial statements, including the disclosures, and whether the special purpose project financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 we identify during our audit.

Bhushan Agrawal, Partner
Membership Number: 408037

SARB & Associates

CHARTERED ACCOUNTANTS

Firm Registration Number: 017437C

Date: 29/Dec/2020

Place: Delhi

DOMINICA HOUSING RECOVERY PROJECT
IDA CREDIT NO. 62320-DM; GRANT NO. D3070-DM

Statement of Designated Account

National Bank of Dominica

(Account No. 261100057 – US Dollar Designated Account and Account No. 615000548 – Eastern Caribbean Dollar Account)

For the year ended 30 June 2020

(Expressed in United States Dollars)

		Source of financing USD as at 30 June 2020			Source of financing USD as at 30 June 2019		
		US\$	IDA Credit	IDA Grant	US\$	IDA Credit	IDA Grant
		Total	62320- DM	D3070-DM	Total	62320- DM	D3070-DM
1	Total advanced by World Bank	3,647,400.00	600,000.00	3,047,400.00	1,575,000.00	-	1,575,000.00
2	Less: eligible expenditure for the current year ended 30 June 2020 documented by World Bank	218,294.48	-	218,294.48			
	Less: cumulative eligible expenditure for the prior periods ended 30 June 2019 documented by World Bank	332,941.59	-	332,941.59			
3	Present outstanding amount advanced to the designated account (1 - 2)	3,096,163.93	600,000.00	2,496,163.93	1,575,000.00	-	1,575,000.00
4	Balance of USD designated account per bank reconciliation statement as at year end 30 June 2020	1,573,306.13	600,000.00	973,306.13	513,502.89	-	513,502.89
	Balance of project account per bank reconciliation statement as at year end 30 June 2020	568,068.93	-	568,068.93	787,348.91	-	787,348.91
5	Plus: Eligible expenditure for the previous year ended 30 June 2019 not yet documented	102,568.46	-	102,568.46	435,510.05	-	435,510.05
6	Plus: Total amount withdrawn for the current year ended 30 June 2020 and not yet documented	922,057.70	-	922,057.70	-	-	-
7	Plus: Amounts claimed in previous applications not yet credited at date of bank statements	-	-	-	-	-	-
	Subtotal of previous applications not yet credited	-	-	-	-	-	-
8	Less: Interest earned	-	-	-	-	-	-
9	Total advance accounted for (no. 4 through no. 9)	3,166,001.22	600,000.00	2,566,001.22	1,736,361.85	-	1,736,361.85
10	difference (3 - 9)	(69,837.29)	-	(69,837.29)	(161,361.85)	-	(161,361.85)

11: Explanation of any difference shown in Line 10 – Please refer Note 7

DOMINICA HOUSING RECOVERY PROJECT
IDA CREDIT NO. 62320-DM; GRANT NO. D3070-DM

Statement of Sources and Uses of Funds
For the Year ended 30 June 2020
(Expressed in United States Dollars)

RECEIPTS	For Period 01 July 2019 to 30 June 2020						For Period 07 August 2018 to 30 June 2019					
	Actual			Cumulative			Actual			Cumulative		
	Total	IDA Credit 62320-DM	IDA Grant D3070-DM	Total	IDA Credit 62320-DM	IDA Grant D3070-DM	Total	IDA Credit 62320-DM	IDA Grant D3070-DM	Total	IDA Credit 62320-	IDA Grant D3070-DM
World Bank												
Designated Account	2,072,400.00	600,000.00	1,472,400.00	3,647,400.00	600,000.00	3,047,400.00	1,575,000.00	-	1,575,000.00	1,575,000.00	-	1,575,000.00
Direct Payment	299,572.80	-	299,572.80	299,572.80	-	299,572.80	-	-	-	-	-	-
Retroactive Financing	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts (A)	2,371,972.80	600,000.00	1,771,972.80	3,946,972.80	600,000.00	3,346,972.80	1,575,000.00	-	1,575,000.00	1,575,000.00	-	1,575,000.00
LESS EXPENDITURES												
Component 1	461,622.67	-	461,622.67	461,622.67	-	461,622.67	-	-	-	-	-	-
Component 2	-	-	-	-	-	-	-	-	-	-	-	-
Component 3	978,302.32	-	978,302.32	1,413,812.37	-	1,413,812.37	435,510.05	-	435,510.05	435,510.05	-	435,510.05
Component 4	-	-	-	-	-	-	-	-	-	-	-	-
Bank Charges (Interest Expense)	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures (B)	1,439,924.99	0	1,439,924.99	1,875,435.04	0	1,875,435.04	435,510.05	0	435,510.05	435,510.05	0	435,510.05
RECEIPTS LESS EXPENDITURES												
Net Change in Cash (A-B)	932,047.81	600,000.00	332,047.81	2,071,537.76	600,000.00	1,471,537.76	1,139,489.95	-	1,139,489.95	1,139,489.95	-	1,139,489.95
Foreign Exchange Adjustment												
BANK BALANCES												
Opening Cash Balances												
Designated Account	513,502.89	-	513,502.89	513,502.89	-	513,502.89						
Project Account	787,348.91	-	787,348.91	787,348.91	-	787,348.91						
Total Opening Balance	1,300,851.80	0.00	1,300,851.80	1,300,851.80	0.00	1,300,851.80	0.00	-	0.00	0.00	-	0.00
Closing Cash Balances												
Designated Account	1,573,306.13	600,000.00	973,306.13	1,573,306.13	600,000.00	973,306.13	513,502.89	-	513,502.89	513,502.89	-	513,502.89
Project Account	568,068.93	-	568,068.93	568,068.93	-	568,068.93	787,348.91	-	787,348.91	787,348.91	-	787,348.91
Total Closing Balances	2,141,375.06	600,000.00	1,541,375.06	2,141,375.06	600,000.00	1,541,375.06	1,300,851.80	-	1,300,851.80	1,300,851.80	-	1,300,851.80

Statement of Cumulative Investments
For the Year ended 30 June 2020
(Expressed in United States Dollars)

Source of Finance: IDA Credit Number 62320-DM				
Categories	Year Ended 30 June 2020		Year Ended 30 June 2019	
	Current Year	Current Year Cumulative	Previous Year	Previous Year Cumulative
	Actual for the Year ended 30 June 2020	As at 30 June 2020	Actual for the Year ended 30 June 2019	As at 30 June 2019
Category 1: Goods, works, non-consulting service, consulting services, operating costs and Training for the Project	-	-	-	-
Category 2: Housing Grants for Sub-projects	-	-	-	-
Total				

Source of Finance: IDA Grant Number D3070-DM				
Categories	Year Ended 30 June 2020		Year Ended 30 June 2019	
	Current Year	Current Year Cumulative	Previous Year	Previous Year Cumulative
	Actual for the Year ended 30 June 2020	As at 30 June 2020	Actual for the Year ended 30 June 2019	As at 30 June 2019
Category 1: Goods, works, non-consulting service, consulting services, operating costs and Training for the Project	1,439,924.99	1,875,435.04	435,510.05	435,510.05
Category 2: Housing Grants for Sub-projects	-	-	-	-
Total	1,439,924.99	1,875,435.04	435,510.05	435,510.05

NOTES TO THE STATEMENT OF EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2020
(EXPRESSED IN USD)

1. BACKGROUND

The Government of the Commonwealth of Dominica (GoCD) has secured financing from the International Development Association (IDA) credit and a Crisis Response Window Grant for the Housing Recovery Project (HRP). The HRP is one of the projects in the GoCD's National Housing Repair and Reconstruction Programme portfolio. The HRP will contribute both to the recovery of housing for disaster-affected households and to improving the application of resilient building practices in the housing sector. The Project will finance support for housing recovery systems and capacity building, support for the reconstruction of houses, and project management and coordination. The project has a significant construction works component and other activities related to institutional strengthening and capacity building. It has been formulated in keeping with the GoCD's National Housing Repair and Reconstruction Programme (NHRRP).

2. PROJECT DEVELOPMENT OBJECTIVES

The objectives of the Project are to contribute both to the recovery of housing for households affected by Hurricane Maria and to improve the application of resilient building practices in the housing sector.

3. PROJECT DESCRIPTION

The Project consists of the following four components:

a. Component 1: Support for Housing Recovery Systems and Capacity Building;

- (i) **Sub-component 1.1:** Assistance to Technical Assistance Centers (TACs) to support Development Planning and the Project at local level.
- (ii) **Subcomponent 1.2:** Development of Management Information Systems (MIS), to support planning and monitoring processes in Project agencies.
- (iii) **Subcomponent 1.3:** Technical Design for New Physical Development Planning Building.

b. Component 2: Support for Reconstruction of Houses;

- (i) **Sub-component 2.1:** Support for Reconstruction of Houses.
- (ii) **Sub-Component 2.2:** Design and supervision of house reconstruction.

c. Component 3: Project Management and Coordination, to finance the operations of the Project Implementation Unit (PIU) and the Implementation Support Unit (IST).

d. Component 4: Contingency Emergency Response Component (CERC)

- (i) **Sub-component 4.1:** Livelihood and Income Support to Employees and Small Business Owners.
- (ii) **Sub-Component 4.2:** Livelihood and Income Support to Persons Over the Age of 70.

4. PROJECT MANAGEMENT

The recipient of the bank financing is the Commonwealth of Dominica. The Bank finance contract will be implemented by the Housing Recovery Project/Project Implementation Unit (HRP/PIU) through the Ministry of Housing and Urban Development of the Commonwealth of Dominica.

The Project is implemented by the Ministry of Housing and Urban Development, supported by a Project Implementation Unit (PIU) with oversight from the Ministry of Finance. The Ministry of Housing and Urban Development is the technical lead for coordination amongst agencies in the Project, responsible for

overseeing the PIU and day-to-day execution of activities and Project development. The Ministry of Finance is directly involved in the management of the Project with the Ministry of Housing and Urban Development reporting on fiduciary matters and overall project progress to the Ministry of Finance. The Ministry of Finance is responsible for coordinating financial management, contract management and monitoring of the Project, in coordination with the PIU staff. The PIU would also manage environment and social safeguards aspects of the Project, as well as the Project reporting, monitoring and evaluation.

5. SIGNIFICANT ACCOUNTING POLICIES & SYSTEM

- 5.1 The financial statements are prepared using the cash basis of accounting.
- 5.2 All transactions are recorded in the Government Accounting System, Smartstream.
- 5.3 The financial accounts are maintained in Eastern Caribbean Dollars.
- 5.4 Financial Reporting is done in United States of America Dollars (USD) using the exchange rate of US \$1.00 to XCD \$2.6882.
- 5.5 The financial statements are converted into United States Dollars using the exchange rate of US \$1.00 to XCD \$2.6882.
- 5.5 Fixed Assets procured with project resources are recorded at their acquisition cost at the date of purchase. No depreciation is recorded for project assets.
- 5.6 The Financial Statements have been prepared on the basis of historical cost convention. No account is taken of inflation.

6. SOURCE OF FINANCING AND PROJECT COST

Source of Finance

Source of Finance	Reference	Amount (SDR /million)	Amount (USD/million)
IDA Credit	62320-DM	7.00	10.00
IDA Grant	D3070-DM	20.80	30.00
Total		27.80	40.00

The cost of the project is estimated at SDR 27.8 million / US \$40.0 million as follows:

Project Cost

Category	Amount of Credit (SDR) Credit No.- 62320-DM	Percentage of Expenditure to be financed by Credit (inclusive of Taxes)	Amount of Grant (SDR) Grant No.- D3070-DM	Percentage of Expenditure to be financed by Gant (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Operating Costs and Training for the Project	0.00	100%	4,500,000	100%
(2) Housing Grants for Sub-projects	7,000,000	30%	16,300,000	70%
(3) Contingency Emergency Response Component (CERC)	0.00	0.00	0.00	0.00
Total Amount (SDR)	7,000,000		20,800,000	

7. CASH/BANK BALANCES

The Project maintains two Bank Accounts at the National Bank of Dominica (NBD) and the Cash balances at the NBD as at June 30, 2020 were as follows:

ACCOUNT & A/C #	JUNE 2020			JUNE 2019		
	TOTAL	IDA CREDIT	IDA GRANT	TOTAL	IDA CREDIT	IDA GRANT
		62320-DM	D3070-DM		62320-DM	D3070-DM
Designated Account (261100057) USD	1,573,306.13	600,000.00	973,306.13	513,502.89	0.00	513,502.89
Project Account (615000548) XCD	568,068.93	0.00	568,068.93	787,347.91	0.00	787,347.91
TOTAL	2,141,375.06	600,000.00	1,541,375.06	1,300,851.80	0.00	1,300,851.80

Funds received in the Designated Account at the National Bank of Dominica

Particulars	IDA CREDIT - 62320-DM USD\$	IDA GRANT - D3070-DM USD\$
Amount received from World Bank in Previous Year 2019	0.00	1,575,000.00
Amount received from World Bank in Current Year 2020	600,000.00	1,472,000.00
	600,000.00	3,047,000.00

Explanation of difference in Designated Account Statement

Particulars		Amount (USD)
Opening Balance as per Bank Statements	A	1,300,851.80
Amount received from the World Bank for the year ended 30-June-2020	B	2,072,400.00
Expenditure as per books of account for the year ended 30-June-2020	C	1,140,352.19
Closing Balance that should be (A+B-C)	D	2,232,899.61
Actual closing balance as per bank statements	E	2,141,375.06
Difference (E-D)	F	(91,524.55)

The reason for such differences is summarized in the table below:

Particulars	Ref	Amount (USD)
Payments in Books of Accounts in 2019/2020 but not debited in Bank Accounts	Refer Annex 1 - Notes 1 to 2 W	28,343.90
Payments debited in Bank but not recorded in Books for 2019/2020	Refer Annex 1 - Notes 3 to 6 X	116,928.37
Deposits in Bank but not in books of account	Refer Annex 1 - Notes 7 Y	1,723.87
Foreign Exchange Difference	Refer Annex 1 - Note 8 Z	1,216.20
Net (W+X-Y+Z)		(91,524.54)

8. BANK CHARGES & GOVERNMENT STAMP DUTY

	JUNE 2020	JUNE 2019
Bank Charges	182.39	31.69
Stamp Duty	515.53	110.28

Stamp Duty is an assigned deduction from all payments going through the Government system.

9. CONTRACTS AWARDED DURING THE PERIOD UNDER REVIEW

Name	Contract Number	Contract Title	Bank Review	Contract Amount	Status
Build Change	DOM-HOU-CS-QCS-01	Specialized Technical Advisory Services and Development of Management Information Systems for Homeowner Driven Reconstruction to Support the Dominica Housing Recovery	Prior Review	\$499,288.00	Ongoing
Planson International	DM-MOH-118943-GO-RFQ Amendment 1	The Procurement of Computer and Telephone Equipment to Support the Housing Recovery Project of the Ministry of Housing and Urban Development in the Government of the Commonwealth of Dominica	Post Review	\$16,037.00	Completed
SARB Associates	DM-MOH-138550-CS-CQS	Financial Audit of the Housing Recovery Project	Post Review	\$7,144.91	Completed
Clarkebond (UK) Ltd.	DOM-HOU-CS-QCBS-2	Design and Supervision Consultant Services	Prior Review	\$2,092,098.00	Ongoing Signature date is 24.06.2020

10. OPERATIONAL CONTRACTS

Operational contracts were entered into to undertake two significant activities under the project; Social Mobilization for the beneficiary intake, and the assessments of housing sites. **See Annex 2, 3 and 4.**

11. APPLICATIONS TO DESIGNATED ACCOUNT

Application Number	Amount in USD	Source Of Fund	Purpose
WA - 3	24,964.40	IDA D3070 DM	Direct Payment to Build Change
WA - 6	24,964.40	IDA D3070 DM	Direct Payment to Build Change
WA - 7	24,964.40	IDA D3070 DM	Direct Payment to Build Change
WA - 8	99,857.60	IDA D3070 DM	Direct Payment to Build Change
WA - 9	1,472,400.00	IDA D3070 DM	Cash Flow For Continued Implementation
WA - 10	600,000.00	IDA 62320 DM	Cash Flow For Continued Implementation
WA - 11	124,822.00	IDA D3070 DM	Direct Payment to Build Change

NB. WA-2, WA-4, WA-5 were all cancelled and therefore does not form part of this schedule.

12. ASSETS BY CATEGORIES

Description	For the Year Ended June 2020 (USD)
Computers, Phones & Accessories	16,268.82
Furniture & Equipment	12,418.19
Motor Vehicle	45,755.52
Total	74,442.53

13. OUTSTANDING EXPENDITURE (COMMITMENTS) FOR 2019-2020

All payments receive final approval by the Accountant General before it is generated as completed. Invoices in Smartstream (the Accounting System) shows as paid after having been assigned a cheque number for immediate transfer to the Bank. All outstanding payments were entered in Smartstream for processing before the end of the year June 30, 2020.

The Outstanding Expenditure totals USD \$27,028.88 and consist of the following:

Vendor Name	Service Provided	AMOUNT USD \$
D Supply & Tyre Store	Purchase of Safety Vests	365.49
Aubrey Bernard Thomas Jr.	Social Mobiliser	185.72
J Astaphan & Co. Ltd	Office Supplies	131.59
DIGICEL	Telephone Expenses	8,584.31
DIGICEL	Telephone Expenses	13,936.36
Construction Material & Sevices	Cabinets Construction & Installation	3,777.25
Alexis Anselm	Servicing and Office Repairs of Acs	492.23
Dominica Social Security	HRP DSS Remittances re N. Phillip	33.20
A C S Service Station	Petrol for Office Vehicle	31.79
Digital Solutions	Purchase of Quickbooks Pro	290.06
TOTAL		27,828.00

DOMINICA HOUSING RECOVERY PROJECT
IDA CREDIT NO. 62320-DM; GRANT NO. D3070-DM

14. Cumulative Investments (Sub-Categories) for the Year ended 30 June 2020

Investment Cost	For Period 01 July 2019 to 30 June 2020						For Period 07 August 2018 to 30 June 2019					
	Actual			Cumulative			Actual			Cumulative		
	IDA Credit 62320-DM	IDA Grant D3070-DM	Total	IDA Credit 62320-DM	IDA Grant D3070-DM	Total	IDA Credit 62320-DM	IDA Grant D3070-DM	Total	IDA Credit 62320-DM	IDA Grant D3070-DM	Total
Personal Emolument & Social Security		843,417.06	843,417.06		1,120,540.59	1,120,540.59		277,123.53	277,123.53		277,123.53	277,123.53
Local travel		223.2	223.2		223.20	223.20						
International Travel					149.91	149.91		149.91	149.91		149.91	149.91
Utilities		1,862.74	1,862.74		1,937.14	1,937.14		74.4	74.4		74.4	74.4
Supplies and Materials		9,821.86	9,821.86		12,274.86	12,274.86		2,453.00	2,453.00		2,453.00	2,453.00
Communications		25,904.06	25,904.06		25,904.06	25,904.06						
Vehicle Expenses		614.02	614.02		614.02	614.02						
Repair and Maintenance Services of Equipment		126.48	126.48		17,553.17	17,553.17		17,426.69	17,426.69		17,426.69	17,426.69
Rental of Property		27,192.92	27,192.92		42,705.16	42,705.16		15,512.24	15,512.24		15,512.24	15,512.24
Professional & Consultancy Services		7281.8	7281.8		35,327.99	35,327.99		28,046.19	28,046.19		28,046.19	28,046.19
Insurance		1702.35	1702.35		1,702.35	1,702.35						
Advertising and Promotions		3034.28	3034.28		4,411.13	4,411.13		1,376.85	1,376.85		1,376.85	1,376.85
Sundry Expenses		5179.63	5179.63		6,776.77	6,776.77		1,597.14	1,597.14		1,597.14	1,597.14
Purchase of Other Vehicle		39787.41	39787.41		39,787.41	39,787.41						
Other Machinery and Equipment		12154.51	12154.51		103,904.61	103,904.61		91,750.10	91,750.10		91,750.10	91,750.10
Resilient Building Practices Through TACs		154,182.05	154,182.05		154,182.05	154,182.05						
Specialized Technical Advisory Services & Development of Systems Processes		307,440.62	307,440.62		307,440.62	307,440.62						
Total Investment Costs		1,439,924.99	1,439,924.99		1,875,435.04	1,875,435.04		435,510.05	435,510.05		435,510.05	435,510.05

DOMINICA HOUSING RECOVERY PROJECT
IDA CREDIT NO. 62320-DM; GRANT NO. D3070-DM

ANNEX 1 – NOTES TO DA RECONCILIATION

NOTES	Reason for Difference	XCD \$	USD \$
1	2019/2020 Payments in Books of Accounts but not Debited in Bank		
	D Supply & Tyre Store	982.50	365.49
	Aubrey Bernard Thomas Jr.	499.25	185.72
	J Astaphan & Co. Ltd	353.75	131.59
	DIGICEL	23,076.34	8,584.31
	DIGICEL	37,463.72	13,936.36
	Construction Material & Sevices	10,154.00	3,777.25
	Alexis Anselm	1,323.21	492.23
	Dominica Social Security	89.25	33.20
	A C S Service Station	85.45	31.79
	Digital Solutions	779.75	290.06
		74,807.22	27,828.00
2	Stamp Duty Not Debited to the Bank		
	Stamp Duty for 2019/2020	1,386.85	515.90
		1,386.85	515.90
	Reference W		28,343.90
3	2018/2019 Payments in Books of Accounts Debited in Bank 2019/2020		
	Issa Trading	998.75	371.53
	The Sign Man	1,333.00	495.87
	Glenroy Lloyd	1,478.71	550.07
	Valentine Poponne	9,192.00	3,419.39
	Jays Ltd	41,111.66	15,293.38
	Construction Material & Services	25,587.00	9,518.27
	George Gunde - June 2019	27,331.92	10,167.37
	Sonia Hunte - June 2019	34,124.17	12,694.06
	David Boyce - April & June 2019	68,085.42	25,327.51
	Kirk Brown - June 2019	34,124.17	12,694.06
		243,366.80	90,531.51
4	PAYE Paid for Previous Period		
	PAYE for January to June 2019 paid in December 2019	53,099.27	19,752.72
		53,099.27	19,752.72
5	Bank Charges Not Recorded in Books of Accounts		
	Bank Charges for 2019/2020	491.30	182.76
		491.30	182.76
6	Value Added Tax Charged to Bank Adjusted in Books		
	VAT on Motor Vehicle	16,043.48	5,968.11
	VAT on Cabinet	1,326.00	493.27
		17,369.48	6,461.38
	Reference X		116,928.37
7	Deposits in the Bank not in the Books		
	Credit Memoranda	4,634.11	1,723.87
		4,634.11	1,723.87
	Reference Y		1,723.87
8	Exchange Rate Difference		
	Salary to IST Staff Etc.		1,216.20
			1,216.20
	Reference Z		1,216.20
			-
			91,524.54

DOMINICA HOUSING RECOVERY PROJECT
IDA CREDIT NO. 62320-DM; GRANT NO. D3070-DM

ANNEX 2 – OPERATIONAL CONTRACTS 2019/2020 DETAILS – A. CONTRACTS OF HRP-PIU STAFF AND IST STAFF

ANNEX 2					
HOUSING RECOVERY PROJECT					
HRP-PIU STAFF CONTRACTS & IST CONTRACTS					
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020					
NAME	CONTRACT DATE	CONTRACT NO.	CONTRACT TITLE	CONTRACT VALUE - XCD\$	STATUS
HRP-PIU STAFF					
Amoi Romeo	April 4, 2019	DOM-HOU-CS-IC-4	Procurement and Contract Management Officer	\$216,000.00	Ongoing
Cherese Ferreira	January 2, 2019	DOM-HOU-CS-IC-5	Communications, Monitoring and Evaluation Specialist	\$204,000.00	Ended June 30, 2020
Jahna McLawrence	January 2, 2019	DOM-HOU-CS-IC-6	Social Safeguards Specialist	\$204,000.00	Ongoing
Jennifer Julien-Laudat	January 2, 2019	DOM-HOU-CS-IC-3	Financial Specialist	\$204,000.00	Ongoing
Lolita Raffoul	January 2, 2019	DOM-HOU-CS-IC-8	Environmental Specialist	\$204,000.00	Ongoing
Nicholas Bruno	January 15, 2020	DOM-HOU-CS-IC-2	Project Manager	\$264,000.00	Ongoing
Colleen Gordon	October 01, 2019	N/A	Administrative Assistant	\$42,000.00	Ongoing
Cassie Archibald	March 7, 2019	Letter of Engagement	Office Attendant / Messenger	\$28,200.00	Ongoing
NAME	CONTRACT DATE	CONTRACT NO.	CONTRACT TITLE	CONTRACT VALUE - USD\$	STATUS
IST STAFF					
David Boyce	March 11, 2019	DOM-HOU-CS-IC-21	Portfolio Manager - IST	\$300,000.00	Ongoing
Sonia Hunte	April 23, 2019	DOM-HOU-CS-IC-10	Financial Manager - IST	\$300,000.00	Ongoing
Kirk Brown	March 08, 2019	DOM-HOU-CS-IC-16	Safeguards Advisor - IST	\$300,000.00	Ongoing
George Vincent Gunde	March 28, 2019	DOM-HOU-CS-IC-11	Procurement Specialist - IST	\$200,000.00	Ongoing

DOMINICA HOUSING RECOVERY PROJECT
IDA CREDIT NO. 62320-DM; GRANT NO. D3070-DM

ANNEX 3 – OPERATIONAL CONTRACTS 2019/2020 DETAILS – B. CONTRACTS WITH SOCIAL MOBILISERS

ANNEX 3						
HOUSING RECOVERY PROJECT						
SOCIAL MOBILISERS CONTRACTS						
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020						
NAME	CONTRACT DATE	AMENDMENT NOS./DATE		CONTRACT TITLE	CONTRACT VALUE	STATUS
		1	2			
Shaddion Douglas	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Delroy Liverpool	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Tahj Carlisle	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Ashyl Lloyd	5 Sept. 2019	11 Oct. 2019		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$4,000.00	Completed
Precila Jno Baptiste	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Kimanie Vigilante	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Nixon Felix	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Randy Charles	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Aubrey Bernard Thomas	5 Sept. 2019	11 Oct. 2019		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$4,000.00	Completed
Karen Junkere	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Julien Ferguson	5 Sept. 2019	11 Oct. 2019		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$4,000.00	Completed
Olivia Eusebe-Registe	5 Sept. 2019	11 Oct. 2019		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$4,000.00	Completed
Naiome Charles	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Vanessa Julien	5 Sept. 2019	11 Oct. 2019		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$4,000.00	Completed
Shanda Eusebe	5 Sept. 2019	11 Oct. 2019		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$4,000.00	Completed
Caryl Baron	5 Sept. 2019	11 Oct. 2019		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$4,000.00	Completed
Kendell Lawrence	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Donna Rodney	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Merle Vidal	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Garvonne Bedminister	5 Sept. 2019	11 Oct. 2019	11 Nov. 2019	Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$4,000.00	Completed
	3 Dec. 2019	31 Jan. 2020	28 Feb. 2020	Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$4,000.00	Completed
Earl White	5 Sept. 2019	11 Oct. 2019		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$6,000.00	Completed
Shalina Samuel	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Ashton Graneau	5 Sept. 2019	11 Oct. 2019		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$4,000.00	Completed
Lennisha LeBlanc	5 Sept. 2019	11 Oct. 2019		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$4,000.00	Completed
Kamaly Dorsette	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Leana Daniel	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Damisha Matthew	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Khaddijah Peter	5 Sept. 2019	11 Oct. 2019		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$4,000.00	Completed
Linella John	5 Sept. 2019	11 Oct. 2019		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$4,000.00	Completed
Natalia Iva Phillip	5 Sept. 2019	11 Oct. 2019	3 Nov. 2019	Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$6,000.00	Completed
Pearlene Robinson-Fran	5 Sept. 2019	11 Oct. 2019		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$4,000.00	Completed
Andrew Shaw	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Hannah Simon	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Renee Clifford	5 Sept. 2019	NA		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$2,500.00	Completed
Colleen Gordon	5 Sept. 2019	11 Oct. 2019		Social Mobiliser of the Home Owner Driven Reconstruction to Support the Dominica Housing Recovery	\$4,000.00	Completed

ANNEX 4 – OPERATIONAL CONTRACTS 2019/2020 DETAILS – C. CONTRACTS WITH SITE ASSESSORS

ANNEX 4								
HOUSING RECOVERY PROJECT								
SITE ASSESSORS CONTRACTS								
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020								
NAME	CONTRACT DATE	AMENDMENT NOS./DATE				CONTRACT TITLE	CONTRACT VALUE XCD \$	STATUS
		1	2	3	4			
Clifton Royer	8 Nov. 2019	29 Nov. 2019	23 Jan. 2020	NA	NA	Recruitment of Site Assessor/Surveyor	\$100,000.00	completed
Ryan Matthew	16 Sept. 2019	29 Nov. 2019	23 Jan. 2020	14 May 2020	29 Jun. 2020	Recruitment of Site Assessor/Surveyor	\$150,000.00	ongoing
Joel Samuel	16 Sept. 2019	29 Nov. 2019	23 Jan. 2020	14 May 2020	29 Jun. 2020	Recruitment of Site Assessor/Surveyor	\$150,000.00	ongoing
Issa Alleyne	16 Sept. 2019	29 Nov. 2019	23 Jan. 2020	14 May 2020	29 Jun. 2020	Recruitment of Site Assessor/Surveyor	\$150,000.00	ongoing
Joshua Kelshall	16 Sept. 2019	29 Nov. 2019	23 Jan. 2020	14 May 2020	29 Jun. 2020	Recruitment of Site Assessor/Surveyor	\$150,000.00	ongoing
Karnik Burnette	16 Sept. 2019	29 Nov. 2019	23 Jan. 2020	NA	NA	Recruitment of Site Assessor/Surveyor	\$100,000.00	completed
Julius Peter	16 Sept. 2019	NA	NA	NA	NA	Recruitment of Site Assessor/Surveyor	\$30,000.00	completed
Edward H. Charles	16 Sept. 2019	29 Nov. 2019	23 Jan. 2020	14 May 2020	29 Jun. 2020	Recruitment of Site Assessor/Surveyor	\$150,000.00	ongoing
Edmund Laville	16 Sept. 2019	29 Nov. 2019	23 Jan. 2020	14 May 2020	29 Jun. 2020	Recruitment of Site Assessor/Surveyor	\$150,000.00	ongoing
Cariem Charles	16 Sept. 2019	29 Nov. 2019	23 Jan. 2020	NA	NA	Recruitment of Site Assessor/Surveyor	\$100,000.00	completed
Chris Augustine	9 Dec. 2019	23 Jan. 2020	14 May 2020	29 Jun. 2020	NA	Recruitment of Site Assessor/Surveyor	\$150,000.00	ongoing



Housing Recovery Project (HRP)

**IDA Credit No. 62320-DM;
IDA Grant No. D3070-DM**

Commonwealth of Dominica

**Additional Information to the
Special purpose Project Financial Statements**

For the year ended 30 June 2020

Table of Contents

	Page
Independent Auditor's Report on Internal Controls	21
Independent Auditor's Report on Compliance	23
Independent Auditor's Report on Paid Application for Withdrawal	24
Independent Auditor's Report on Designated Account Statement	25
Summary of Main Procedures Performed	26



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Independent Auditors' Report on Internal Controls

To the GOCD Ministry of Housing and Urban Development

Housing Recovery Project, IDA Credit No. 62320-DM; IDA Grant No. D3070-DM

We have completed our audit of the financial resources managed during the year ended 30 June 2020 under Housing Recovery Project, IDA Credit No. 62320-DM; IDA Grant No. D3070-DM (the project). Our responsibility is to express an opinion on the Project's Internal Control based on our audit.

We conducted our audit in accordance with International Standards on Auditing, the World Bank Guidelines on the Project and the Terms of Reference for the engagement. International Standards on Auditing and World Bank Guidelines require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

In planning and performing our audit, we considered the Project's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Statement of Sources and Uses of Funds and not to provide assurance on the internal control structure.

The project's management is responsible for establishing and maintaining an adequate internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of an internal control structure are to provide management with reasonable but not absolute assurance that assets are safeguarded against losses from non-authorized uses or disposition and that transactions are executed according to management authorization and are adequately recorded in order to permit preparation of the financial statements in conformity with International Financial Reporting Standards and the project Agreement.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected.

For the purpose of this report, we have classified significant policies and procedures relative to the Project's internal control structure into the entity level controls, which is the overall general control environment and specific control procedures which relates in various systems and application controls. These included controls over procurement of goods and services, receipts and disbursements, cashbook and bank account maintenance, the maintenance of proper accounting records and timely reporting of management and financial information.



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Independent Auditors' Report on Internal Controls (Cont'd)

For each of the categories listed above, we obtained an understanding of the design and implementation of controls and the relevant policies and procedures and guidelines established by management in respect of the various controls in order to determine whether they have functioned efficiently during the period under review and assess the control risks.

A material weakness is a reportable condition in which the design, implementation; or effectiveness of elements of the internal control structure do not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited, may occur and not be detected. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that would be material weakness as defined above.

Internal control deficiencies identified during the audit have been included in our internal control memorandum (management letter). The management letter also provides the current status of recommendations made in prior audits.

Bhushan Agrawal, Partner
Membership Number: 408037

SARB & Associates

CHARTERED ACCOUNTANTS

Firm Registration Number: 017437C

Date: 29/Dec/2020

Place: Delhi



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Independent Auditors' Report on Compliance

To the GOCD Ministry of Housing and Urban Development

**Housing Recovery Project,
IDA Credit No. 62320-DM; IDA Grant No. D3070-DM**

We have completed our audit of the financial resources managed during the year ended 30 June 2020 under Housing Recovery Project, IDA Credit No. 62320-DM; IDA Grant No. D3070-DM (the project). Our responsibility is to express an opinion on the Project's compliance with the terms of the Project Agreement based on our audit.

We conducted our audit in accordance with International Standards on Auditing, the World Bank Guidelines on the Project and the Terms of Reference for the engagement. International Standards on Auditing and World Bank Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the Project has complied with the terms of the Project Agreements.

In our opinion, the project has in all material respects complied with the terms of the Project agreements for the year ended 30 June 2020, except as disclosed in the Report on Internal Controls Memorandum (Management Letter).

**Bhushan Agrawal, Partner
Membership Number: 408037**

SARB & Associates

CHARTERED ACCOUNTANTS

Firm Registration Number: 017437C

Date: 29/Dec/2020

Place: Delhi



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Independent Auditors' Report on Paid Applications for Withdrawal

To the GOCD Ministry of Housing and Urban Development

**Housing Recovery Project,
IDA Credit No. 62320-DM; IDA Grant No. D3070-DM**

We have completed our audit of the financial resources managed during the year ended 30 June 2020 under Housing Recovery Project, IDA Credit No. 62320-DM; IDA Grant No. D3070-DM (the project). Our responsibility is to express an opinion on the Project's Paid Applications for Withdrawal based on our audit.

We conducted our audit in accordance with International Standards on Auditing, the World Bank Guidelines on the Project and the Terms of Reference for the engagement. International Standards on Auditing and World Bank Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the Project has complied with the terms of the Project Agreements.

As part of obtaining reasonable assurance as to whether the financial statements are free of material misstatement, we performed tests on the expenditure included in the Paid Applications for Withdrawal. These included testing eligibility, compliance with applicable Project Agreements and internal control procedures.

In our opinion, the expenditures included in the Paid Applications for Withdrawal are eligible, the funds have been used only for Project purposes in accordance with the requirements established in the Project Agreement, and the internal control procedures used in the preparation of the Paid Applications for Withdrawal are adequate, except as disclosed in the Report on Internal Controls Memorandum (Management Letter).

**Bhushan Agrawal, Partner
Membership Number: 408037**

SARB & Associates

CHARTERED ACCOUNTANTS

Firm Registration Number: 017437C

Date: 28/Dec/2020

Place: Delhi



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Independent Auditors' Report on the Designated Account Statement

To the GOCD Ministry of Housing and Urban Development

Housing Recovery Project, IDA Credit No. 62320-DM; IDA Grant No. D3070-DM

We have audited the accompanying Designated Account for the year ended 30 June 2020 under Housing Recovery Project, IDA Credit No. 62320-DM; IDA Grant No. D3070-DM (the project). Our responsibility is to express an opinion on the Project's Special Account based on our audit.

We conducted our audit in accordance with International Standards on Auditing, the World Bank Guidelines on the Project and the Terms of Reference for the engagement. Those standards and the World Bank Guidelines require that we plan and perform the audit to obtain reasonable assurance as to whether the Project has complied with the terms of the Agreement. An audit includes examining appropriate evidence on a test basis. We believe that our audit provides a reasonable basis for our opinion.

As part of obtaining reasonable assurance as to whether the financial statements are free of material misstatement, we performed tests on the expenditure included in the Paid Applications for Withdrawal. These included testing eligibility, compliance with applicable Project Agreements and internal control procedures.

In our opinion, the Designated Account Statement presents fairly in all material respects, the financial position of the Designated Account of Housing Recovery Project IDA Credit No. 62320-DM; IDA Grant No. D3070-DM as of 30 June 2020 and of the Sources and Uses of Funds for the year ended 30 June 2020 in accordance with World Bank Guidelines, except as disclosed in the Report on Internal Controls Memorandum (Management Letter).

Bhushan Agrawal, Partner
Membership Number: 408037

SARB & Associates

CHARTERED ACCOUNTANTS

Firm Registration Number: 017437C

Date: 29/Dec/2020

Place: Delhi



SUMMARY OF MAIN AUDIT PROCEDURES PERFORMED

Housing Recovery Project

IDA Credit No. 62320-DM; IDA Grant No. D3070-DM

1. Planning

- a) We performed the followings:
 - Understanding the project and its environment by going through Project Appraisal Document, Operational Manual; and World Bank Procurement Guidelines.
 - Understanding the nature and characteristics of internal controls relevant to the audit and components of internal controls.
 - Assessed the risk of material misstatement at both financial statements level and assertion level.
- b) Conducted entrance and exit meetings with senior staff and management of the Project Coordinating Unit.
- c) Development of overall audit strategy and audit plan, determining the nature, timing and extent of the audit procedures for each class of transactions, accounts and disclosures.
- d) We held interviews with the Project Manager, Financial Specialist and Procurement Specialist – PIU.

2. Evaluating Internal Control

We performed the test of controls on the following areas:

- a) Compliance with applicable legislation
- b) Receipt and disbursements of project funds
- c) Designated and Project Bank account reconciliations
- d) Safeguarding of assets
- e) Data retention and supporting documentation
- f) Procurement of goods, works and services

3. Substantive audit procedures performed

We performed the following substantive audit procedures in order to verify the existence, accuracy and completeness of the following:

I. Cash and bank balances

Confirmed bank balances at 30 June 2020.



II. Verification of funds received from the World Bank

- a) Examined credit advices for funds received during the period under review.
- b) Examined monthly bank statements to verify whether amounts received were credited to the appropriate account and included in the bank balance.
- c) Confirmed funds disbursed by the World Bank.
- d) Trace the amount received to the bank statement.

III. Verification of expenditure

- a) We verified 77% of the expenditure listed in the financial statements to their supporting documentation.
- b) The items examined were agreed to invoices, receipts and forms of external documentation except as disclosed in the Report on Internal Controls Memorandum (Management Letter).
- c) We have reviewed all requests for reimbursements during the period.

IV. Verification of other income

- a) We examined the bank statements to verify all interest earned during the period and tested the accuracy of interest earned.
- b) Reviewed all external supporting documentation for miscellaneous income.

V. Verification of the procurement process

- a) We examined the World Bank Procurement Guidelines.
- b) Tested the procurement procedures for contracts tendered during the period.

VI. Follow up on the status of findings of previous audit reports

We verified that audit recommendations of previous audits are being corrected/ not corrected.