



**NATURAL RESOURCE GOVERNANCE  
INSTITUTE (NRGI) /  
PUBLIC INTEREST ACCOUNTABILITY  
COMMITTEE (PIAC)**

**FINANCIAL STATEMENTS FOR THE  
15 MONTHS PERIOD  
ENDED 30 SEPTEMBER 2017**

GHANA OIL AND GAS FOR INCLUSIVE GROWTH (GOGIG) PROGRAMME  
FINANCIAL STATEMENTS FOR THE 15 MONTHS PERIOD ENDED 30 SEPTEMBER 2017

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**GHANA OIL AND GAS FOR INCLUSIVE GROWTH (GOGIG) PROGRAMME  
FINANCIAL STATEMENTS FOR THE 15 MONTHS PERIOD ENDED 30 SEPTEMBER 2017**

**General information**

<b>Donor</b>	DFID Ghana British High Commission Osu Link Off Gamel Abdul Nasser Avenue P.O.Box GP 296 Accra-Ghana	
<b>Implementing partner</b>	Natural Resource Governance Institute (NRGI)	Public Interest Accountability Committee (PIAC)
<b>Office location and Address</b>	Headquarter Office  80 Braod Street, Suite 1801 New York, NY 10004, USA Ghana Office House No. E68/9 Ablade Road Kanda, Accra Ghana	No. 4 Cotton Street  Kokomlemle P.O. Box CT 9807 Cantoments, Accra secretariat@piacghana.org
<b>Programme auditor:</b>	CFY Partners Chartered Accountants 134 Robinson Crescent Swanlake Rd PMB 2 North-Kaneshie Accra -Ghana	CFY Partners Chartered Accountants 134 Robinson Crescent Swanlake Rd PMB 2 North-Kaneshie Accra -Ghana
<b>Bankers:</b>	Standard Chartered Bank High Street Building, Accra Ghana	Standard Chartered Bank High Street Building Accra

GHANA OIL AND GAS FOR INCLUSIVE GROWTH (GOGIG) PROGRAMME  
FINANCIAL STATEMENTS FOR THE 15 MONTHS PERIOD ENDED 30 SEPTEMBER 2017

REPORT OF THE IMPLEMENTING PARTNER

The Implementing Partners (NRGI/PIAC) submits their reports and the audited financial statements for the 15 months period ended 30 September 2017, which disclose the state of affairs of the GOGIG Programme under NRGI/PIAC

**Implementing partner's responsibility for the financial statements**

Implementing partner is responsible for the preparation of the financial statements for the financial period which give a true and fair view of the statements of affairs of the programme. In preparing these financial statements the implementing partners has selected suitable accounting policies and then applied them consistently, made judgments and estimates that are reasonable and prudent and followed the Generally Accepted Accounting Principles (GAAP) and complied with the Accountable Grant Agreement of the programme. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements 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

**Principal Activities**

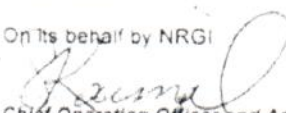
The GOGIG programme is a five -year governance programme which is aimed at promoting inclusive economic growth in Ghana by improving the management of the country's oil and gas resources. The programme is focused on enhancing policy and regulatory coherence across the oil and gas sector, improving systems of revenue capture to maximize the direct benefits from the oil and gas sector, improving revenue management to avoid adverse macroeconomic consequences associated with natural resources windfall gains and enhancing sector oversight.

**Financial results**

	USD \$
Income	293,610
Expenditure	(245,343)
Excess income over expenditure	48,267

The financial statements of the programme was approved by management on and signed

On its behalf by NRGI

  
Chief Operating Officer and Acting Chief Financial Officer

  
Ghana Programs Manager

On behalf by PIAC

  
Vice Chairman

  
Coordinator

**REPORT OF THE INDEPENDENT AUDITOR  
TO THE DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)**

*(All amounts are stated in US Dollars)*

**Opinion**

We have audited the accompanying financial statements of the GOGIG programme implemented by NRG/PIAC which comprise the statement of financial position as at 30 September 2017, statement of income and expenditure for the period then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 5 to 10.

In our opinion, the accompanying financial statements give a true and fair view of the financial position as at 30 September 2017 and of its income and expenditure for the period then ended in accordance with the Generally Accepted Accounting Principles (GAAP) and the underlying Accountable Grant Agreement between DFID/OPM and NRG/PIAC.

**Basis for 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 organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

The Implementing partner is responsible for the other information. The other information comprises the information included in the Annual Report and the directors' report, as required by the companies Act 1963 (Act 179), but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Implementing partner for the Financial Statements**

The implementing partner of the GOGIG Programme is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles (GAAP) and in the manner required by the Accountable Grant Agreement of the programme.

In preparing the financial statements, the implementing partner is responsible for assessing the organisation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the implementing partner either intends to cease operations or has a realistic alternative but to do so. The implementing partner is responsible for overseeing the organisation's financial reporting process.

**REPORT OF THE INDEPENDENT AUDITOR  
TO THE DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)**

*(All amounts are stated in US Dollars)*

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements 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 these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 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 organisation'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 ACEP'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 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 ACEP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within ACEP to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the implementing partner, 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 audit.

Report on other legal requirements

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,

REPORT OF THE INDEPENDENT AUDITOR  
TO THE DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)  
*(All amounts are stated in US Dollars)*

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- ii) in our opinion proper books of account have been kept by the organisation, so far as appears from our examination of those books; and
- iii) the organisation's statement of financial position and statement of income and expenditure are in agreement with the books of account.

*CFY Partners*  
Signed by: Daniel Quampah (ICAG/1075)  
For and on behalf of:  
CFY Partners (ICAG/F/2017/073)  
Chartered Accountants  
134 Robinson Crescent, Swanlake Road  
PMB 2, North Kaneshie  
Accra

*12 January* .....2018

**GHANA OIL AND GAS FOR INCLUSIVE GROWTH**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017**  
*(All amounts are stated in US Dollars)*

	Notes	USD
<b>Current assets</b>		
Cash and cash equivalent	7	48,267
<b>Current liabilities</b>		
Accounts payables	5	48,267
<b>Net current assets</b>		<u>—</u>
 <b><u>Transfer to DFID</u></b>		
Accumulated fund		<u>48,267</u>

The above statement of financial position, income and expenditure and the notes on pages 7 to 10 were approved by the management of the GOGIG Programme on [redacted] and signed

On behalf by NRG1

Chief Operating Officer and Acting Chief Financial Officer

Ghana Programs Manager

On behalf by PIAC

Vice Chairman

Coordinator

The notes on page 7 to 10 form an integral part of these financial statements



**GHANA OIL AND GAS FOR INCLUSIVE GROWTH (GOGIG)**  
**STATEMENT OF INCOME AND EXPENDITURE FOR THE 15 MONTHS PERIOD ENDED 30**  
**SEPTEMBER 2017**  
*(All amounts are stated in US Dollars)*

	Note	USD
Income		
Funds received from OPM	3	<u>293,610</u>
		<b>293,610</b>
<b>Expenditure</b>		
Direct project cost	4	182,697
Indirect project cost	5	19,111
Technical and management fees		<u>43,535</u>
<b>Total expenditure</b>		<b><u>245,343</u></b>
<b>Excess income over expenditure</b>		<b><u>48,267</u></b>

**ACCUMULATED FUND TO BE TRANSFERRED TO DFID**

Balance at beginning		
Excess income over expenditure		<u>48,267</u>
Balance at 30 September 2017		<b><u>48,267</u></b>

The notes on page 8 to 10 form an integral part of these financial statements

## GHANA OIL AND GAS FOR INCLUSIVE GROWTH (GOGIG)

### NOTES TO THE FINANCIAL STATEMENT FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2017

*(All amounts are stated in US Dollars)*

#### 1. Reporting entity

Natural Resource Governance Institute (NRGI) was incorporated as a District of Columbia, USA non-profit corporation on 2 March 2006. NRGI engages in activities directed to the promotion of sustainable development, good governance and poverty reduction in natural resource-dependent countries through improvement of public finance transparency and accountability. Specifically, NRGI shall support efforts to increase the transparency, accountability and effectiveness of resource revenue management and public expenditures by conducting research, publishing reports, and building a body of literature on best practices; providing information, training and funding to organizations that monitor or seek to monitor government revenues and individuals and expenditures; and facilitating technical assistance to journalists, non-governmental organizations (NGOs), policy-makers and government officials. Consistent with its mission, NRGI applies similar standards of transparency to its internal operations. NRGI is committed to maintaining best practices in financial reporting.

Department for International Development (DFID) is a governmental department was set up in 1997 to lead the UK's work to end extreme poverty, building a safer, healthier, more prosperous world for all of us which is firmly in the UK's national interest.

Public Interest and Accountability Committee of the Republic of Ghana (PIAC), a statutory institution committed to ensuring efficient, transparent and accountable management of petroleum revenues and investments to secure the greatest social and economic benefit for the people of Ghana through active engagement with government and citizens.

#### Program

The Department for International Development (DFID) made a grant not exceeding USD 997,000 to Natural Resource Governance Institute (NRGI) in connection with the "Accountable Grant Arrangement for Improving Citizens' Oversight for Transparency in Ghana's Oil Revenue Management" given by Natural Resource Governance Institute (NRGI) to the Public Interest and Accountability Committee of the Republic of Ghana (PIAC). DFID grant starts on 1 September 2014 and end on 31 March 2019 ((unless ending on an earlier date in accordance with the agreement terms).

#### 2. ACCOUNTING POLICIES

The following are the principal accounting policies adopted by Natural Resource Governance Institute in the accounting for the "Accountable Grant Arrangement for Improving Citizens' Oversight for Transparency in Ghana's Oil Revenue Management" programme transactions incurred and processed by NRGI:

**GHANA OIL AND GAS FOR INCLUSIVE GROWTH (GOGIG)**  
**NOTES TO THE FINANCIAL STATEMENT FOR THE 15 MONTH PERIOD ENDED 30**  
**SEPTEMBER 2017**

*(All amounts are stated in US Dollars)*

**(a) Basis of preparation**

Programme transactions have been accounted for by NRGi under the historical cost convention and in accordance with the Generally Accepted Accounting Principles (GAAP) and Accountable Grant Agreement.

**(b) Income**

Income is recognised by NRGi when the donor makes a commitment to give to NRGi

**(c) Expenditure**

Expense is recognised when it is incurred by NRGi

**(d) Property, plant and equipment (PPE)**

As per the programme terms, NRGi expensed all purchases for property, plant and equipment as programme's expenses in NRGi books. No Depreciation has been accounted for this program's property, plant and equipment which were funded fully by UK DFID and no depreciation expense was charged to UK DFID.

**(e) Use of estimates**

The preparation of financial quarterly reports to DFID in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**(f) Foreign currencies**

Funds received from OPM are in U.S. dollars. NRGi-GH general ledger books are kept in Ghana Cedi (GHS). The program transactions are subject to fluctuations in currency exchange rates. The effect of exchange rate fluctuations on translating foreign currency transactions into U.S. dollar is included in program financial statements.

**3. Funds received from OPM**

<b>Date</b>	<b>Amount Received</b>
	<b>USD</b>
30/05/2017	233,368.41
22/08/2017	<u>60,166.11</u>
<b>Total</b>	<b><u>293,534.52</u></b>

GHANA OIL AND GAS FOR INCLUSIVE GROWTH (GOGIG)  
NOTES TO THE FINANCIAL STATEMENT FOR THE 15 MONTH PERIOD ENDED 30  
SEPTEMBER 2017

(All amounts are stated in US Dollars)

<b>4. DIRECT PROJECT COST</b>	<b>USD</b>
Organizational Grants	147,589
Summer School Courses Charges/Recharges	10,000
CEU Courses Charges/Recharges	3,954
NRGI Sponsored Conference: Meals	890
NRGI Sponsored Conference: Hotel	300
NRGI Sponsored Conference: Meeting Room Rental	8,666
NRGI Sponsored Conference: Other Expenses	261
NRGI Sponsored Conference: Ground Transportation	395
Non-Travel Local Transportation	858
Consultant Fees	<u>9,784</u>
<b>Total</b>	<b><u>182,697</u></b>
<b>5. INDIRECT PROJECT COST</b>	
Administrative overheads (8% of direct Programme cost)	18,108
Bank charges	<u>1,002</u>
<b>Total</b>	<b><u>19,110</u></b>
<b>6. ACCOUNTS PAYABLE</b>	
Accounts payable	<u>48,267</u>
<b>7. CASH AND CASH EQUIVALENTS</b>	
Cash at bank	<u>48,267</u>