

YOUTH ACTIVISTS INITIATIVE ORGANISATION (YAIIO)
**HIV/AIDS AND SEXUAL REPRODUCTIVE HEALTH IN BLANTYRE
CITY PROJECT**
PROJECT NO: 143-001-1074 ZG
FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD
ENDED DECEMBER 2020

**YOUTH ACTIVISTS INITIATIVE ORGANIZATION (YAIO)
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PROJECT NO: 143-001-1074 ZG**

**FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED DECEMBER 2020**

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YOUTH ACTIVISTS INITIATIVE ORGANISATION (YAIO)

HIV/AIDS AND SEXUAL REPRODUCTIVE HEALTH IN BLANTYRE CITY PROJECT

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EXECUTIVE SUMMARY

Introduction

The accompanying reports are given in connection with Youth Activists Initiative Organisation (YAIO). YAIO was incorporated under the Trustees Incorporation Act on 02 August 2013.

General Information

Youth Activists Initiative Organization (YAIO) is an organization whose aim is to empower young People with knowledge and information on HIV/AIDS and Sexual Reproductive Health Rights (SRHR) and services, To promote equitable access to quality education services for young people, To raise awareness on the effects of climate change and also to advocate for the rights and welfare of the young people.

Board of Trustees

The following are the trustees who served during the tenure ended 31 December 2020

- Mr Kondwani Spada - Board Chairperson
- Mr George Chirwa - Board Member
- Mr Emmanuel Mwale - Board Member
- Mr Daud Ngwala - Board Member
- Miss Ruth Maluwa - Board Member
- Mr Tony Khanyepa - Board Secretary/Executive Director

Audit Objectives

The audit was carried out in accordance with International Auditing Standards and terms of reference for the assignment.

Our specific objectives were to:

- (a) Express a professional and independent opinion on the financial performance of Youth Activists Initiative Organization (YAIO) for the 6 months period ended 31 December 2020, and funds received and expended during the period.
- (b) Ascertain that the books of accounts of Youth Activists Initiative Organization (YAIO) provide the basis for the preparation of the financial statements and are established to reflect the financial transactions undertaken by the Projects.

Audit Scope

Our audit work was in accordance with the terms of reference of the assignment. We confirmed that:

- (a) The funds have been utilized in accordance with the conditions set in the grants agreements with due attention to economy and efficiency, and only for the purposes for which the financing was provided.
- (b) Goods, services and works financed have been procured in accordance with the agreed procurement policies and procedures and complete records have been kept for every contract.
- (c) All necessary supporting documents, records and accounts have been kept in respect to all activities. Clear linkages exist between the books of accounts and reports presented for the audit.
- (d) That the financial statements of Youth Activists Initiative Organisation (YAIO) have been prepared in accordance with accepted accounting standards.

YOUTH ACTIVISTS INITIATIVE ORGANISATION (YAIO)

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- (e) That the balance of funds as per Source and Application of Fund Statement is represented by cash at the bank and/or at hand which we confirmed for existence.
- (f) All expenditures are supported by original bills, duly stamped and signed.
- (g) Internal appropriate and approved procedures for authorizing disbursements have been adhered to.
- (h) All grants money was received by Youth Activists Initiative Organisation.

In addition we ensured that:

- (a) An adequate and effective system of internal control has been maintained and operated to promote the economic, efficient and effective use of resources and to safeguard assets.
- (b) Adequate and appropriate accounting records have been kept and disclosed with reasonable accuracy of the operating results of the project at any time during the period.
- (c) We communicated matters that came to our attention during the audit which might have a significant impact on the implementation and sustainability of the project.

Youth Activists Initiative Organisation did not prevent us from conducting any test and procedures deemed necessary to form a reasonable basis of our opinion.

FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED 31 DECEMBER 2020

Statement of Executive Committee's responsibilities

The Non government Organisation Act 3 of 2001 requires the Director to ensure that for each accounting period accounts are prepared which shows a true and fair view of the state of the organisation and of the results for that period, and which are properly prepared in accordance with the relevant provisions of the sections 4 and section 20 of the Non Government Organisation Act No.3 of 2001.

In preparing the financial statements, the Executive Committee of Youth Activists Initiative Organisation accepts responsibility for the following:

- maintenance of proper accounting records;
- selection of suitable accounting policies and applying them consistently;
- making judgements that are reasonable and prudent; and
- compliance with applicable accounting standards, when preparing financial statements, subject to any material departures being disclosed and explained in the financial statements.
- prepared the accounts on a going concern basis having determined that the organisation has adequate resources to continue in operational existence for the foreseeable future.

Youth Activists Initiative Organisation also accepts responsibility for taking such steps as are reasonably open to them to safeguard the assets of the programme and to maintain adequate systems of internal controls to prevent and detect fraud and other irregularities.

Nothing has come to the attention of the management to indicate that Youth Activists Initiative Organisation will not remain a going concern for at least the next twelve months from the date of this statement.

Youth Activists Initiative Organisation is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the project. The financial statements were approved by the Executive Committee and signed on its behalf by:

Executive Director: JONI KHEANICHA

Date: 22/03/2021

INDEPENDENT AUDITORS REPORT TO THE BOARD OF TRUSTEES OF YOUTH ACTIVISTS INITIATIVE ORGANIZATION MISEREOR SUPPORTED "HIV/AIDS AND SEXUAL REPRODUCTIVE HEALTH IN BLANTYRE CITY PROJECT"

PROJECT NO: 143-001-1074 ZG

FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED 31 DECEMBER 2020

OPINION

We have audited the financial statements of Youth Activists Initiative Organisation Misereor supported "HIV/AIDS and Sexual Reproductive Health in Blantyre City Project", Project number 143-001-1074 ZG, which comprise of the statement of Receipts and Payments from cash transactions for the period ended December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organisation as at 31 December 2020 and its financial performance for the period then ended in accordance with the accounting policy adopted by the organisation.

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 ethical requirements that are relevant to our audit of the financial statements in Youth Activists Initiative Organisation 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.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies adopted, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the project'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 management either intends to liquidate the project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the project's financial reporting process.

AUDITORS RESPONSIBILITY FOR THE AUDIT OF FINANCIAL STATEMENTS

Our 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 our opinion. Reasonable assurance is a high level of assurance,

INDEPENDENT AUDITORS REPORT... *Continued*

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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. There were no such matters identified in the course of our audit.

REPORT ON SCOPE OF THE AUDITING CONTRACT SECTION 2

Based on our verification procedures, Youth Activists Initiative Organisation has complied, in all material respect, with the requirements listed under section 2 of the auditing contract agreement as required by Misereor during the period.

REPORT ON A ACCOUNTING SYSTEM

We confirm proper accounting system has been used by Youth Activists Initiative Organisation in reporting the financial results and performance of the project.

REPORT ON COMPLIANCE WITH THE PROJECT CONTRACT

Based on our verification procedures, Youth Activists Initiative Organisation has complied, in all material respect, with the project contract. We also checked in all material respect receipts and payments relates to the project and are correct with regard to the calculation involved.

OTHER MATTERS

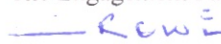
The audit procedures per article 2 of the Auditing Contract signed on December 18, 2020 have been performed and no reportable findings were noted. Based on the testing performed, the receipts and payments correctly relate to the project contract has been complied with. The audit field work has been performed at Youth Activists Initiative Organisation, Blantyre, during the period 11 January 2021 to 11 March 2021

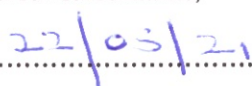
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Compliance with the Non government Organisation Act, 2001

The Organisation has complied with the requirements of the Act.

The Engagement Partner on the audit resulting in this Independent Auditor's Report is **Shadric Namalomba**.


Chartered Accountants,

Date.....

YOUTH ACTIVISTS INITIATIVE ORGANISATION (YAIO)
HIV/AIDS AND SEXUAL REPRODUCTIVE HEALTH IN BLANTYRE CITY PROJECT
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STATEMENT OF RECEIPTS AND PAYMENTS
FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED 31 DECEMBER 2020

(In Malawi Kwacha)

	<u>Total</u> <u>Actual</u> <u>MK</u>	<u>Total</u> <u>Budget</u> <u>MK</u>	<u>Variance</u> <u>MK</u> <u>Totals</u>
Income			
Opening balance	-	-	-
Donor Funding(Misereor)	24,571,902	18,713,000	(5,858,902)
Interest received	10,272	-	(10,272)
	24,582,175	18,713,000	(5,869,175)
Expenditure			
1. Staff cost			
Project team leader	1,830,000	1,830,000	-
Project Officer	1,530,000	1,530,000	-
Project assistant	1,350,000	1,350,000	-
Finance officer	900,000	900,000	-
	5,610,000	5,610,000	-
2. Project activities			
Transportation (Participants, Stakeholders, Facilitators)	2,163,000	2,575,500	412,500
Fuel	645,000	645,000	-
Refreshments during Trainings	1,736,200	2,130,000	393,800
Stationery for Trainings	145,335	130,000	(15,335)
Printing and Publication	3,933,000	4,062,500	129,500
Cultural dances and drama	40,000	60,000	20,000
Media programme	381,955	411,000	29,045
Airtime for communication	117,000	125,000	8,000
	9,161,490	10,139,000	977,510
3. Project Administration			
Audit fees	550,000	550,000	-
Bank charges	125,760	162,000	36,240
Fuel (Local running)	660,000	690,000	30,000
Communication(Airtime & Fees)	342,000	342,000	-
Stationery for Office Use	140,000	220,000	80,000
Vehicle maintenance	950,950	1,000,000	49,050
	2,768,710	2,964,000	195,290
Total project expenditure	17,540,200	18,713,000	1,172,800
Balance brought forward (Bank balance)	7,041,975	-	(7,041,975)

The Financial Statements were approved by the Executive Committee on.....^{22/03}..... 2021 and were signed on its behalf by:

.....^{TOSY KHANYERA}..... Executive Director

.....^{POTENTIAL NG'OMA}..... Finance Officer

**YOUTH ACTIVISTS INITIATIVE ORGANISATION (YAIO)
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DETAILED INCOME AND EXPENDITURE

	July'2020	Aug'2020	Sep'2020	Oct'2020	Nov'2020	Dec'2020	Actual MK	Budget MK	Variance MK
Income	Totals								
Opening Balance	-	9,660,868	3,504,951	2,366,031	8,519,143	4,795,794	-	-	-
Donor Funding (Misereort)	11,301,183	-	-	8,415,000	-	4,855,719	24,571,902	18,713,000	5,858,902
Interest received	1,809	2,671	-	1,351	1,741	2,700	10,272	-	10,272
	11,302,993	9,663,539	3,504,951	10,782,381	8,520,884	9,654,213	24,582,175	18,713,000	5,869,175
Expenditure									
1. Staff cost									
Project Team Leader	305,000	305,000	305,000	305,000	305,000	305,000	1,830,000	1,830,000	-
Project Officer	255,000	255,000	255,000	255,000	255,000	255,000	1,530,000	1,530,000	-
Project Assistant	225,000	225,000	225,000	225,000	225,000	225,000	1,350,000	1,350,000	-
Finance Officer	150,000	150,000	150,000	150,000	150,000	150,000	900,000	900,000	-
	935,000	935,000	935,000	935,000	935,000	935,000	5,610,000	5,610,000	-
2. Project activities									
Transportation (Participants, Stakeholders, Facilitators, Panelists)	-	419,000	-	180,000	1,476,000	88,000	2,163,000	2,575,500	412,500
Fuel	-	45,000	-	225,000	255,000	120,000	645,000	645,000	-
Refreshments during Trainings	-	164,000	-	600,000	652,200	320,000	1,736,200	2,130,000	393,800
Stationery for Trainings	-	38,445	-	-	106,890	-	145,335	130,000	(15,335)
Printing and Publication	-	3,933,000	-	-	-	-	3,933,000	4,062,500	129,500
Cultural dances and drama	-	40,000	-	-	-	-	40,000	60,000	20,000
Media programme (Purchase of air space)	-	121,318	-	130,318	-	130,318	381,955	411,000	29,045
Airtime for communication	-	27,000	-	30,000	44,000	16,000	117,000	125,000	8,000
	-	4,787,763	-	1,165,318	2,534,090	674,318	9,161,490	10,139,000	977,510
3. Project Administration									
Non-recurrent expenditure									
Audit fees	-	-	-	-	-	550,000	550,000	550,000	-
Bank charges	44,000	19,000	1,920	20,920	19,000	20,920	125,760	162,000	36,240
Fuel (Local running)	80,000	140,000	125,000	85,000	130,000	100,000	660,000	690,000	30,000
Communication (Airtime & Fees)	57,000	57,000	57,000	57,000	57,000	57,000	342,000	342,000	-
Stationery for Office Use	-	-	-	-	140,000	-	140,000	220,000	80,000
Vehicle maintenance	517,125	248,825	-	-	-	185,000	950,950	1,000,000	49,050
	698,125	464,825	183,920	162,920	346,000	912,920	2,768,710	2,964,000	195,290

YOUTH ACTIVISTS INITIATIVE ORGANISATION (YAIO)

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NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED 31 DECEMBER 2020

1. General Information

Organization Background

Youth Activists Initiative Organization (YAIO) is a non-profit making organization which was formed in 2003 as a movement for youth activists. YAIO got registered under the Trustees Incorporated Act, Cap, 5:03 in 2013. The organization is also registered with the Department of youth. Since its establishment, the organization has been implementing different community development projects aimed at empowering young people with information and skills on HIV/AIDS and Sexual Reproductive Health (SRH), Human rights, Education, Career Guidance and conflict management issues. The organization uses a lesson for life approach which it developed, an approach which creates a platform for young people and community to discuss issues affecting them in groups and come up with solutions to the issues through engagement and dialogue with stakeholders.

Objectives of the organization

1. To advocate for the rights and welfare of the young people.
2. To empower young people with knowledge and information on HIV/AIDS and Sexual Reproductive Health Rights (SRHR) and services.
3. To promote equitable access to quality education services for young people.
4. To raise awareness on the effects of climate change.

Project Background

Youth Activists Initiative Organization (YAIO), a Blantyre based youth organization with funding from MISEREOR is implementing a 3 (three) year project called “HIV/AIDS and Sexual Reproductive Health in Blantyre City Project”.

Goal/Impact of the project

- The knowledge and participation of young people and adults on sexual and reproductive health including HIV has increased in Blantyre City.

Objectives of the project

1. The targeted young people (10 to 25 years) have increased comprehensive knowledge about sexual and reproductive health including HIV and are able to make informed decisions.
2. Communication and dialogue between young people and adults (parents, guardians, caregivers, community leaders) has improved

Indicators for:

Objective 1:

- 1.1 By June 2021, 60 young people have been trained as peer educators and they pass on correct information to other young people
- 1.2 Results of written surveys conducted randomly among students before and after trainings show an increase in knowledge level on sexual and reproductive health.
- 1.3 Within the project period, YAIO develops a database to document the number of school drop-outs and early pregnancies at the 30 schools targeted by the project.
- 1.4 By the end of 2020, the trained peer educators have determined the number of young people they want to reach, advise and educate each month. Every six months YAIO documents the number of peer-to-peer consultations conducted by its voluntary peer educators as of 2021.

YOUTH ACTIVISTS INITIATIVE ORGANISATION (YAIO)

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Indicators for:

Objective 2:

2.1 In each annual report, at least ten cases are reported by young people and parents with regard to unprotected sex and early marriages (based on the method of Most Significant Change Stories) which demonstrate that dialogue between young people and adults has improved.

2.2 In each annual report, at least ten cases are reported which demonstrate that the behaviour of adults (parents, guardians, duty bearers, health workers) with regard to the needs of young people has improved.

Project Activities /Measures

Objective 1:

1. The targeted young people (10 to 25 years) have increased comprehensive knowledge about sexual and reproductive health including HIV and are able to make informed decisions.

1. Project inception meeting
2. 2 three day Peer Education Trainings using Moyo Wanga - Kuyambira Pano handbook
3. Establishment and strengthening of Tikambirane clubs in schools in the targeted areas

Objective 2:

2. Communication and dialogue between young people and adults (parents, guardians, caregivers, community leaders) has improved.

1. Media programs
2. Production of information materials
3. Interface meeting on the importance of Youth Friendly Health Services (YFHS)

YOUTH ACTIVISTS INITIATIVE ORGANISATION (YAIO)

HIV/AIDS AND SEXUAL REPRODUCTIVE HEALTH IN BLANTYRE CITY PROJECT

PROJECT NO: 143-001-1074 ZG

FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED 31 DECEMBER 2020

Youth Activists Initiative Organization (YAIO)

PO Box 2925,

Blantyre

Malawi

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Website: www.yaio.org

Tel: +265 01 828 965/ +265 884 646 481

2. SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Accounting

The accompanying financial statements were prepared using the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

2 Foreign Currencies Transactions and Balance

Financial transactions during the year were translated at the prevailing rates of exchange on the date of each transaction and recorded in the books in terms of Malawi Kwacha being the functional currency.

3 Grants for project period mentioned

Grants Source for the period July to December 2020 is as follows;

Donor Name	Date received	Received amount	
		EURO	MWK
Misereor	17.07.2020	13,000	11,301,183
	14.10.2020	9,000	8,385,000
	08.12.2020	5,000	4,885,719
		<u>27,000</u>	<u>24,571,902</u>

4 Taxation

Youth Activists Initiative Organisation is registered as non-profit organisation making organisation therefore it is exempted from corporation tax. No provision for taxation is required as the Company is exempted from taxation in terms of second schedule of the Income Tax Act (Chapter 41:01)

5 Going concern

The financial statements have been prepared on the basis of accounting practices applicable to going concern. The basis is based on the current running project that is expected to run more than twelve months, the funds inflow will be available to finance future operations realization of assets and settlement of liabilities, contingent liabilities, contingent obligation and commitments incurred in the ordinary course of business. The ability of the organisation to continue as a going concern is dependent on continued support from its Donors.