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AUDIT SERVICE CORPORATION

THE MINISTRY OF HEALTH
OF THE GOVERNMENT OF THE FEDERAL DEMOCRATIC REPUBLIC
OF ETHIOPIA SUSTAINABLE DEVELOPMENT GOALS
PERFORMANCE FUND (SDG PF)
INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
7 JULY 2024

**INDEPENDENT AUDITOR'S REPORT ON THE
FINANCIAL STATEMENTS OF
THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
MINISTRY OF HEALTH
SUSTAINABLE DEVELOPMENT GOALS PERFORMANCE FUND (SDG PF)**

We have audited the financial statements of Sustainable Development Goals Performance Fund (SDG PF) of the Federal Democratic Republic of Ethiopia, Ministry of Health, which comprise the balance sheet as at 7 July 2024, and the statement of sources and uses of funds for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Ministry of Health is responsible for the preparation and fair presentation of these financial statements in accordance with the Ethiopian Government's Manual of the Federal Accounting System which is based on a modified cash basis of accounting and for such internal control as the Ministry determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**INDEPENDENT AUDITOR'S REPORT ON THE
FINANCIAL STATEMENTS OF
THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
MINISTRY OF HEALTH
SUSTAINABLE DEVELOPMENT GOALS PERFORMANCE FUND (SDG PF)
(continued)**

Opinion

In our opinion the financial statements give a true and fair view of the financial position of the Sustainable Development Goals Performance Fund (SDG PF) of the Federal Democratic republic of Ethiopia, Ministry of Health as at 7 July 2024 and of its sources and uses of funds for the year then ended in accordance with the Ethiopian Government's Manual of the Federal Accounting System which is based on a modified cash basis of accounting.

Reports on other requirements

As required by the terms of reference for the audit of SDG PF we report that, to the extent we can assess:

- a) SDG PF has been used in accordance with the conditions of the Joint Financing Arrangement, with due attention to effective implementation in alignment with the budgetary and accountability system and legislation of the Federal Ministry of Health;
- b) SDG Funds have been provided and used in accordance with the programmatic priorities and activities jointly agreed, with due attention to economy, effectiveness and efficiency, and only for the purposes for which they were provided;
- c) Goods, works and services financed have been procured in accordance with the relevant governmental financial and procurement policy;
- d) All necessary supporting documents, records, and accounts have been maintained in respect of all fund activities;
- e) Designated Accounts have been maintained in accordance with the provisions of the relevant SDG fund joint financing arrangement and funds disbursed out of the Accounts were used according to the joint financing arrangement;
- f) Strengthening Primary Health Care services (SPHCS) summary of balance sheet and Eligible expenditure shown on Annex I and Annex II respectively.

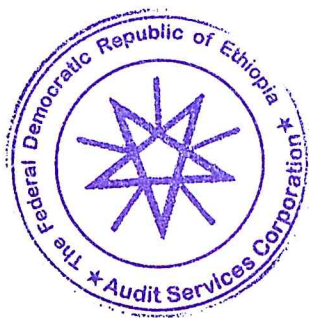
Audit Services Corporation

25 April 2025



**MINISTRY OF HEALTH
SUSTAINABLE DEVELOPMENT GOAL PERFORMANCE FUND
BALANCE SHEET
AS AT JULY 2024**

	Notes	2024 Ethiopian Birr	2023 Ethiopian Birr
ASSETS			
CURRENT ASSETS			
Advance payments	3	5,638,903,589	3,703,587,961
Sundry receivables	4	105,773,950	54,806,905
Cash and bank balances	5	<u>1,253,999,286</u>	<u>3,852,431,592</u>
		6,998,676,825	7,610,826,458
CURRENT LIABILITIES			
Sundry creditors	6	<u>61,963,463</u>	<u>58,717,418</u>
NET CURRENT ASSETS		<u>6,936,713,362</u>	<u>7,552,109,040</u>
REPRESENTED BY			
FUND BALANCE	7	<u>6,936,713,362</u>	<u>7,552,109,040</u>



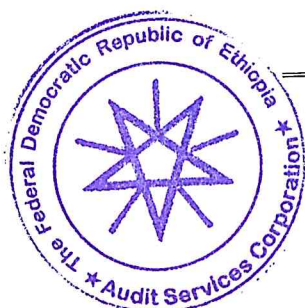
MINISTRY OF HEALTH
SUSTAINABLE DEVELOPMENT GOALS PERFORM
STATEMENT OF SOURCES AND USES OF FUNDS
FOR THE YEAR ENDED 7 JULY 2023

		Year ended 7 JULY 2024	Cumulative from 15 April 2009 to 7 July 2024	Year ended 7 JULY 2023
	Notes	Ethiopian Birr	Ethiopian Birr	Ethiopian Birr
SOURCES				
Spanish Government		40,807,947	809,772,942	37,067,267
DFID		-	22,436,222,667	619,145,688
Irish Aid		-	1,226,353,128	-
UNFPA		-	90,605,584	2,642,515
WHO		-	32,794,699	-
UNICEF		28,316,960	194,202,063	26,662,330
Australian Aid		-	455,538,771	-
Italian Co-operation		-	1,108,088,359	237,994,337
World Bank		432,508,964	13,575,345,036	3,699,760,241
Netherlands Embassy		-	2,526,005,788	-
GAVI-HPF		1,295,825,958	4,152,779,336	-
European Union		-	517,187,202	-
KOICA		-	73,761,835	13,221,675
GEAT Foundation		332,404,800	480,889,500	52,906,300
DKT Ethiopia		77,532,840	151,547,060	74,014,220
Other income		499,811	1,276,882	168,779
Gain on foreign exchange		168,990,171	2,028,425,355	51,215,449
		<u>2,376,887,451</u>	<u>49,860,796,206</u>	<u>4,814,798,801</u>
USES				
Construction, Training and	8	924,330,606	9,507,552,167	732,025,802
Others				
Goods and Equipment	9	24,096,433	11,523,364,152	2,079,782,442
Operating Costs	10	2,043,856,090	21,909,695,710	599,524,811
		<u>2,992,283,129</u>	<u>42,940,612,028</u>	<u>3,411,333,055</u>
EXCESS/(DEFICIT) OF SOURCES OVER USES				
Prior year adjustment - refund		(615,395,678)	6,920,184,177	1,403,465,746
from suppliers		-	16,529,185	-

(615,395,678)

6,936,713,362

1,403,465,746



MINISTRY OF HEALTH
SUSTAINABLE DEVELOPMENT GOALS PERFORMANCE FUND
NOTES TO THE FINANCIAL STATEMENTS

1. PROGRAM INFORMATION

The Sustainable Development Goals Performance Fund (SDG PF) is a pooled funding mechanism managed by the Federal Ministry of Health using the Ethiopian Government's procedures. SDG PF provides specific federal grant for public goods and capacity building activities within the framework of health system strengthening. The fund includes the joint funding arrangement that sets out the jointly agreed terms and procedures for SDG fund management, governance framework, decision making, reporting, review and evaluation, audit and supply chain management. In the framework of the Ethiopian International Health Partnership (IHP) compact, it provides flexible resources, consistent with the One Plan, One Budget and One Report concept, to secure additional finance to the Health Sector Transformation Plan (HSTP). It is one of the Government's preferred modalities for scaling up development partner's assistance in support of HSTP, which became effective on 15 April 2009 and was revised in December 2011 and July 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Program are stated below. These policies are consistent with those applied in the preceding year.

a) Basis of preparation

These financial statements have been prepared in accordance with the Ethiopian Government's Manual of the Federal Accounting System which is based on a modified cash basis of accounting.

b) Currency

These financial statements are presented in Birr. Transactions in foreign currencies are translated into Birr at the approximate rates of exchange prevailing at the dates of the transactions. Foreign currency balances are translated into Birr at exchange rates ruling at the balance sheet date.



MINISTRY OF HEALTH
SUSTAINABLE DEVELOPMENT GOALS PERFORMANCE FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)

3. ADVANCE PAYMENTS

	2024	2023
	Ethiopian	Ethiopian
	Birr	Birr
Advance to regions	2,632,700,388	1,753,041,929
Pharmaceuticals Fund and Supply Agency	1,629,431,912	1,272,767,486
UNICEF	934,994,280	593,505,318
UNOPS	11,919,101	80,039,569
Ethio-Telocom.	94,886,812	-
Hospitals	248,106,189	-
Universities	53,643,230	-
Purchase advance	1,443,081	1,351,418
Advance to contractors	19,446,655	7,543,484
Advance to suppliers	12,331,941	(4,661,244)
	<u>5,638,903,589</u>	<u>3,703,587,960</u>

4. SUNDRY RECEIVABLES

	2024	2023
	Ethiopian	Ethiopian
	Birr	Birr
Staff debtors	35,174,618	22,649,980
VAT receivable	36,178,563	12,411,536
Other Advance	34,420,769	19,745,389
	<u>105,773,950</u>	<u>54,806,905</u>

5. CASH AND BANK BALANCES

	2024	2023
	Ethiopian Birr	Ethiopian Birr
Cash on hand	99	99
USD Designated Account No. 0261516300000	310,420,233	3,499,234,514
USD Designated Account No. 0261501377500	942,190,632	205,048,836
SDG-Birr Account No. 0100081040142 - NBE	88,599,439	154,034,742
SDG-Birr Account No. 10001432704808 - CBE	(88,561,107)	(7,411,940)
SDG-Birr Account No. 1000148975338 - NBE	1,349,990	1,525,341
	<u>1,253,999,286</u>	<u>3,852,431,592</u>



MINISTRY OF HEALTH
SUSTAINABLE DEVELOPMENT GOALS PERFORMANCE FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)

6. SUNDRY CREDITORS

	2024	2023
	Ethiopian Birr	Ethiopian Birr
VAT payable	5,840,641	2,552,862.00
Withholding tax payable	2,008,745	1,092,951.00
Retention payable	4,719,294	1,987,747.00
FANA Broadcasting		-
Other payable	49,060,299	52,884,282.00
Payable to contractors	156,176	21,270.00
Pension contribution	56,461	56,460.00
Employee income tax payable	121,847	121,847.00
	<u>61,963,463</u>	<u>58,717,419.00</u>

7. FUND BALANCE

	Ethiopian Birr
Balance at 7July 2023	7,552,109,040
Add: Excess (Deficit) of sources over uses for the year	<u>(615,395,678)</u>
Balance at 7July 2024	<u>6,936,713,362</u>

8. CONSTRUCTION, TRAINING AND OTHERS

	Year ended	Cumulative	Year end
	7 July 2024	from 15 April	7 July 2023
		2009 to 7 July	
	Ethiopian	2024	Ethiopian
	Birr	Ethiopian	Birr
		Birr	
Constructions of Health Centres	276,362,729	4,492,888,999	320,204,301
Advocacy and training	<u>647,967,877</u>	<u>5,014,663,168</u>	<u>411,821,501</u>
	<u>924,330,606</u>	<u>9,507,552,167</u>	<u>732,025,802</u>



MINISTRY OF HEALTH
SUSTAINABLE DEVELOPMENT GOALS PERFORMANCE FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)

9. GOODS AND EQUIPMENT

	Year ended July 2023	Cumulative from 15 April 2009 to 7 July 2023	Year ended 7 July 2022
	Ethiopian Birr	Ethiopian Birr	Ethiopian Birr
Medical supplies	-	8,444,023,255	1,950,094,594
Furniture	740,424	20,637,636	7,908,073
Office machine and equipment	23,356,009	97,435,783	74,079,775
Motor Vehicle (see note below)	-	2,961,267,478	47,700,000
	24,096,433	11,523,364,152	2,079,782,442

Included in the expenditure for motor vehicles is Birr 609,420,814 representing the cost of 517 ambulances purchased from MOENCO using the SDG Fund. This is in addition to the 597 ambulances costing Birr 680,276,230 that were received and accounted for in the prior years.

10. OPERATING COSTS

	Year ended 7 JULY 2024	Cumulative from 15 April 2009 to 7 July 2024	Year ended 7 JULY 2023
	Ethiopian Birr	Ethiopian Birr	Ethiopian Birr
Travel and per diem	271,498,164	3,006,517,670	316,643,805
Medical supplies	1,442,824,868	15,610,869,436	24,350,529
Printing and stationery	8,346,977	511,196,453	21,721,711
Fuel and lubricants	22,565,272	273,016,362	26,312,621
Advertising	3,178,798	84,305,344	5,124,688
Bank charges	66,742,639	154,088,498	21,188,552
Uniforms	287,710	12,265,049	1,832,405
Office supplies	10,341,636	72,208,034	6,762,623
Vehicles maintenance	20,272,593	191,549,616	23,540,260
Rent	7,085,420	173,789,201	3,905,249
Audit fee	-	69,000	-
Community health insurance	721,856	434,490,377	261,457
Contribution and subsidy to hospitals	15,994,999	82,439,599	16,536,831
Professional service.	41,251,773	257,675,318	22,719,992
Miscellaneous	132,743,385	1,045,215,753	108,624,088
	2,043,856,090	21,909,695,710	599,524,811



MINISTRY OF HEALTH
SUSTAINABLE DEVELOPMENT GOALS PERFORMANCE FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)

11. DATE OF AUTHORIZATION

The Finance Executive Officer of the Ministry authorized the issue of these financial statements on 25 April 2025.



ANNEX I
Sustainable Development Goals Performance Fund
Accounts Movement for the Strengthening Primary Health Care services (SPHCS)
Balance Sheet summary from March 2023 to 7 July 2024

Descriptions	Cash & Bank ETB	Receivables/ Advances ETB	Payables ETB	Net Assets ETB
Balance Carried forward from SPHCS Effectiveness (March 2023)***	374,933,832	3,813,546,171	53,075,739	4,135,404,263
EFY 2023(as of July 07,2023)	3,852,431,592	3,758,394,865	58,717,417	7,552,109,040
EFY 2024(as of July 07,2024)	1,253,999,287	5,744,677,540	61,963,462	6,936,713,365

***End of 3rd quarter of EFY 2015 (FY2023) IFR balances taken as cut-off period for balance sheet accounts

ANNEX II
Eligible Expenditure for Strengthening Primary Health Care Services (SPHCS) Program Expenditure Framework (PEF)

	Particulars	2024 Ethiopian Birr	Cummulative Expenditure April 2023 - July 2024 Ethiopian Birr
[A]	Total Reported Expenditures	2,992,283,126	3,793,765,562
[B]	Expenditures attributed to settlements of the Old Advances**	981,483,377	1,782,965,813
[C] = [A - B]	Expenditures attributed to SPHCS PEF	2,010,799,749	2,010,799,749

** Note that Expenditures from settlement of the Program advances carried forward from previous phase (Pre -SPHCS) is tracked separately (Annexed)





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PUBLIC ACCOUNTABILITY | SHARED GROWTH

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**INDEPENDENT AUDITOR'S REPORT ON THE
DESIGNATED ACCOUNT STATEMENT OF
THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
MINISTRY OF HEALTH
SUSTAINABLE DEVELOPMENT GOALS PERFORMANCE FUND (SDG PF)
IDA CREDIT No. 5209 AND GRANT No. TF 014107**

We have audited the accompanying Designated Account statement of the Federal Democratic Republic of Ethiopia, Ministry of Health, Sustainable Development Goals Performance Fund (SDG PF), financed under IDA Credit No. 5209-ET and Grant No. TF 014107, for the year ended 7 July 2024.

Responsibility for the Statement

The Ministry of Health is responsible for the preparation and fair presentation of this statement.

Auditor's Responsibility

Our responsibility is to express an opinion on this statement based on our audit. We conducted our audit in accordance with International Standards on Auditing and relevant Joint Financing Arrangement. Those standards and arrangements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Designated Account has been maintained in accordance with the provisions of the relevant Joint Financing Arrangement and that funds disbursed out of the Account were used according to the joint financing arrangement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statement gives a true and fair view of a summary of the activity in the Designated Account of the Federal Democratic Republic of Ethiopia, Ministry of Health, Sustainable Development Goals Performance Fund (SDG PF) for the year ended 7 July 2024 and the Designated Account has been maintained in accordance with the provisions of the relevant SDG fund joint financing arrangement and funds disbursed out of the Account were used according to the joint financing arrangement.

Audit Services Corporation

25 April 2025



MINISTRY OF HEALTH
SUSTAINABLE DEVELOPMENT GOALS PERFORMANCE FUND (SDG PF)
DESIGNATED ACCOUNT STATEMENT

For year ended 7 JULY 2024
Account number 261516300000
Depository bank National Bank of Ethiopia
Address Addis Ababa, Ethiopia
IDA Credit 5209-ET
Related Grant TF 014107
Currency USD

	<u>USD</u>	<u>Ethiopian Birr</u> <u>Equivalent</u>
Balance at 7 July 2023	64,045,260.88	3,499,234,514.16
Add:		
Transfer from donors during the year	7,544,660.21	432,508,963.53
Refund from implementers	<u>131,421.03</u>	<u>7,333,530.03</u>
	<u>71,721,342.12</u>	<u>3,939,077,007.72</u>
Deduct:		
Payment for goods and services	-	-
Transfer to regions	1,371,840.34	77,712,099.00
Transfer to Hospitals	793,225.52	44,584,873.00
Transfer to WHO	117,133.54	6,746,376.52
Transfer to implementing agencies	21,155,275.93	1,194,039,547.67
Transfer to UNICEF/procurement	5,990,165.93	334,667,855.74
Transfer to USD and Birr accounts	<u>36,882,863.73</u>	<u>2,096,565,924.26</u>
	66,310,504.99	3,754,316,676.19
	5,410,837.13	184,760,331.53
Gain on foreign exchange	<u>-</u>	<u>125,659,901.28</u>
Ending balance - 7 July 2024	<u>5,410,837.13</u>	<u>310,420,232.81</u>





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PUBLIC ACCOUNTABILITY | SHARED GROWTH

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**INDEPENDENT AUDITOR'S REPORT ON THE
DESIGNATED ACCOUNT STATEMENT OF
THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
MINISTRY OF HEALTH
SUSTAINABLE DEVELOPMENT GOALS PERFORMANCE FUND (SDG PF)
DEVELOPMENT PARTNERS GRANT**

We have audited the accompanying Designated Account statement of the Federal Democratic Republic of Ethiopia, Ministry of Health, Sustainable Development Goals Performance Fund (SDG PF), financed under Development Partners Grant, for the year ended 7 July 2024.

Responsibility for the Statement

The Ministry of Health is responsible for the preparation and fair presentation of this statement.

Auditor's Responsibility

Our responsibility is to express an opinion on this statement based on our audit. We conducted our audit in accordance with International Standards on Auditing and relevant Joint Financing Arrangement. Those standards and arrangements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Designated Account has been maintained in accordance with the provisions of the relevant Joint Financing Arrangement and that funds disbursed out of the Account were used according to the joint financing arrangement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statement gives a true and fair view of a summary of the activity in the Designated Account of the Federal Democratic Republic of Ethiopia, Ministry of Health, Sustainable Development Goals Performance Fund (SDG PF) for the year ended 7 July 2024 and the Designated Account has been maintained in accordance with the provisions of the relevant SDG fund joint financing arrangement and funds disbursed out of the Account were used according to the joint financing arrangement.

Audit Services Corporation

25 April 2025



MINISTRY OF HEALTH
SUSTAINABLE DEVELOPMENT GOALS PERFORMANCE FUND (SDG PF)
DESIGNATED ACCOUNT STATEMENT

For year ended	7 JULY 2024
Account number	261501377500
Depository bank	National Bank of Ethiopia
Address	Addis Ababa, Ethiopia
SDG grant	Development partners
Currency	USD

	<u>USD</u>	<u>Ethiopian Birr</u> <u>Equivalent</u>
Balance at 7 July 2023	3,752,936.86	205,048,835.89
Add:		
Transfer from donors during the year	31,040,010.30	1,724,852,354.25
Transfer from UNICEF	500,000.00	28,316,960.00
Refund from UNOPS	33,709.52	1,932,448.80
	<u>35,326,656.68</u>	<u>1,960,150,598.94</u>
Deduct:		
Payment for goods and services	243,866.77	13,559,555.52
Transfer to regions	3,854,436.90	212,205,440.86
Transfer to implementing agencies	7,269,535.59	409,803,977.42
Transfer to IBRID - Trust fund	100,000.00	5,682,040.00
Transfer to Birr account	7,435,791.63	428,368,505.73
	<u>18,903,630.89</u>	<u>1,069,619,519.53</u>
Gain on foreign exchange	16,423,025.79	890,531,079.41
	-	51,659,552.43
Ending Balance - 7 July 2024	<u>16,423,025.79</u>	<u>942,190,631.84</u>



