



በፌዴራል ዋና ኦዲተር መሥሪያ ቤት
የሂሳብ ምርመራ አገልግሎት ኮርፖሬሽን
Office of the Federal Auditor General
Audit Service Corporation

**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 2023, 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.

Asc



**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 2023 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;

Audit Services Corporation

5 April 2024



**MINISTRY OF HEALTH
SUSTAINABLE DEVELOPMENT GOALS PERFORMANCE FUND
BALANCE SHEET
AS AT 7 JULY 2023**

	Notes	2023 Ethiopian Birr	2022 Ethiopian Birr
ASSETS			
CURRENT ASSETS			
Advance payments	3	3,703,587,961	5,638,961,999
Sundry receivables	4	54,806,905	103,871,107
Cash and bank balances	5	<u>3,852,431,592</u>	<u>420,610,898</u>
		7,610,826,458	6,163,444,004
CURRENT LIABILITIES			
Sundry creditors	6	<u>58,717,418</u>	<u>14,800,710</u>
NET CURRENT ASSETS		<u>7,552,109,040</u>	<u>6,148,643,294</u>
REPRESENTED BY			
FUND BALANCE	7	<u>7,552,109,040</u>	<u>6,148,643,294</u>

The notes on pages 6 to 9 form an integral part of these financial statements.



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

		Year ended 7 Jul 2023	Cumulative from 15 April 2009 to 7 July 2023	Year ended 7 Jul 2022
	Notes	Ethiopian Birr	Ethiopian Birr	Ethiopian Birr
SOURCES				
Spanish Government		37,067,267	768,964,995	36,455,306
DFID		619,145,688	22,436,222,667	370,975,680
Irish Aid		-	1,226,353,128	-
UNFPA		2,642,515	90,605,584	-
WHO		-	32,794,699	2,201,825
UNICEF		26,662,330	165,885,103	25,112,687
Australian Aid		-	455,538,771	-
Italian Co-operation		237,994,337	1,108,088,359	328,180,199
World Bank		3,699,760,241	13,142,836,072	1,277,563,504
Netherlands Embassy		-	2,526,005,788	-
GAVI-HPF		-	2,856,953,378	-
European Union		-	517,187,202	-
KOICA		13,221,675	73,761,835	11,842,900
GEAT Foundation		52,906,300	148,484,700	95,578,400
DKT Ethiopia		74,014,220	74,014,220	-
Other income		168,779	777,071	40,701
Gain on foreign exchange		51,215,449	1,859,435,184	166,402,282
USES		<u>4,814,798,801</u>	<u>47,483,908,756</u>	<u>2,314,353,484</u>
Construction, Training and Others	8	732,025,802	8,583,221,561	1,022,684,813
Goods and Equipment	9	2,079,782,442	11,499,267,720	259,726,895
Operating Costs	10	<u>599,524,811</u>	<u>19,865,839,620</u>	<u>2,312,974,087</u>
		<u>3,411,333,055</u>	<u>39,948,328,901</u>	<u>3,595,385,795</u>
EXCESS/(DEFICIT) OF SOURCES OVER USES		1,403,465,746	7,535,579,855	(1,281,032,311)
Prior year adjustment - refund from suppliers		=	<u>16,529,185</u>	=
		<u>1,403,465,746</u>	<u>7,552,109,040</u>	<u>(1,281,032,311)</u>

The notes on pages 6 to 9 form an integral part of these financial statements.



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

	2023	2022
	Ethiopian	Ethiopian
	Birr	Birr
Advance to regions	1,753,041,929	2,536,127,566
Pharmaceuticals Fund and Supply Agency	1,272,767,486	2,327,399,856
UNICEF	593,505,318	527,485,466
UNOPS	80,039,569	80,009,844
Purchase advance	1,351,418	4,493,645
Advance to contractors	7,543,484	14,361,053
Advance to suppliers	(4,661,244)	149,084,569
	<u>3,703,587,961</u>	<u>5,638,961,999</u>

4. SUNDRY RECEIVABLES

	2023	2022
	Ethiopian	Ethiopian
	Birr	Birr
Staff debtors	22,649,980	20,083,703
VAT receivable	12,411,536	60,743,314
Other Advance	19,745,389	23,044,090
	<u>54,806,905</u>	<u>103,871,107</u>

5. CASH AND BANK BALANCES

	2023	2022
	Ethiopian	Ethiopian
	Birr	Birr
Cash on hand	99	-
USD Designated Account No. 0261516300000	3,499,234,514	221,128,792
USD Designated Account No. 0261501377500	205,048,836	58,842,248
SDG-Birr Account No. 0100081040142 - NBE	154,034,742	144,128,945
SDG-Birr Account No. 10001432704808 - CBE	(7,411,940)	(3,489,087)
SDG-Birr Account No. 1000148975338 - NBE	1,525,341	-
	<u>3,852,431,592</u>	<u>420,610,898</u>



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

6. SUNDRY CREDITORS

	2023	2022
	Ethiopian Birr	Ethiopian Birr
VAT payable	2,552,862	3,281,949
Withholding tax payable	1,092,951	994,873
Retention payable	1,987,747	4,641,600
FANA Broadcasting	-	-
Other payable	52,884,282	5,682,711
Payable to contractors	21,270	21,270
Pension contribution	56,460	56,460
Employee income tax payable	<u>121,847</u>	<u>121,847</u>
	<u>58,717,419</u>	<u>14,800,710</u>

7. FUND BALANCE

	Ethiopian Birr
Balance at 7July 2022	6,148,643,294
Add: Excess (Deficit) of sources over uses for the year	<u>1,403,465,746</u>
Balance at 7July 2023	<u>7,552,109,040</u>

8. CONSTRUCTION, TRAINING AND OTHERS

	Year ended	Cumulative	Year end
	7 July 2023	from 15 April 2009	7 July 2022
	Ethiopian	to 7 July 2023	Ethiopian
	Birr	Ethiopian	Birr
Constructions of Health Centres	320,204,301	4,216,526,270	254,811,581
Advocacy and training	<u>411,821,501</u>	<u>4,366,695,291</u>	<u>767,873,232</u>
	<u>732,025,802</u>	<u>8,583,221,561</u>	<u>1,022,684,813</u>



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

9. GOODS AND EQUIPMENT

	Year ended 7 July 2023	Cumulative from 15 April 2009 to 7 July 2023	Year ended 7 July 2022
	Ethiopian Birr	Ethiopian Birr	Ethiopian Birr
Medical equipment	1,950,094,594	8,444,023,255	252,560,314
Furniture	7,908,073	19,897,212	7,012,081
Office machine and equipment	74,079,775	74,079,775	-
Motor Vehicle (see note below)	47,700,000	2,961,267,478	154,500
	<u>2,079,782,442</u>	<u>11,499,267,720</u>	<u>259,726,895</u>

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 2023	Cumulative from 15 April 2009 to 7 July 2023	Year ended 7 July 2022
	Ethiopian Birr	Ethiopian Birr	Ethiopian Birr
Travel and per diem	316,643,805	2,735,019,506	554,259,397
Medical supplies	24,350,529	14,168,044,568	1,136,885,827
Printing and stationery	21,721,711	502,849,476	158,158,660
Fuel and lubricants	26,312,621	250,451,089	35,282,144
Advertising	5,124,688	81,126,546	13,878,652
Bank charges	21,188,552	87,345,859	20,685,130
Uniforms	1,832,405	11,977,339	994,730
Office supplies	6,762,623	61,866,398	9,088,339
Vehicles maintenance	23,540,260	171,277,023	28,170,894
Rent	3,905,249	166,703,781	5,333,831
Audit fee	-	69,000	-
Community health insurance	261,457	433,768,521	255,848
Contribution and subsidy to hospitals	16,536,831	66,444,600	36,226,523
Salary to contractual staff	22,719,992	216,423,546	16,710,008
Miscellaneous	108,624,088	912,472,368	297,044,104
	<u>599,524,811</u>	<u>19,865,839,622</u>	<u>2,312,974,087</u>



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 5 April 2024.





በፌዴራል ዋና ኦዲተር መሥሪያ ቤት
የሂሳብ ምርመራ አገልግሎት ኮርፖሬሽን
Office of the Federal Auditor General
Audit Service Corporation

**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 2023.

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 2023 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

5 April 2024



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

For year ended 7 July 2023
Account number 0261516300000
Depository bank National Bank of Ethiopia
Address Addis Ababa, Ethiopia
IDA Credit 5209-ET
Related Grant TF 014107
Currency USD

		<u>Ethiopian Birr Equivalent</u>
Balance at 7 July 2022	4,250,937.24	221,128,791.63
Add:		
Transfer from donors during the year	68,530,328.31	3,699,760,240.68
Refund from implementers	<u>1,140,621.04</u>	<u>56,963,400.00</u>
	<u>73,921,886.59</u>	<u>3,977,852,432.31</u>
Deduct:		
Payment for goods and services	45,892.08	2,463,463.99
Transfer to regions	2,490,196.90	134,367,050.22
Transfer to Hospitals	999,458.36	53,541,217.10
Transfer to universities	405,306.60	21,958,636.00
Transfer to implementing agencies	4,491,105.59	238,012,766.76
Transfer to UNICEF/procurement	945,034.82	50,480,509.67
Transfer to USD and Birr accounts	<u>499,631.36</u>	<u>26,276,900.00</u>
	<u>9,876,625.71</u>	<u>527,100,543.74</u>
	64,045,260.88	3,450,751,888.57
Gain on foreign exchange	-	<u>48,482,625.59</u>
Ending balance - 7 July 2023	<u>64,045,260.88</u>	<u>3,499,234,514.16</u>





በፌዴራል ዋና ኦዲተር መሥሪያ ቤት
የሂሳብ ምርመራ አገልግሎት ኮርፖሬሽን
Office of the Federal Auditor General
Audit Service Corporation

**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 2023.

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 2023 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

5 April 2024



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

For year ended	7 July 2023
Account number	0261501377500
Depository bank	National Bank of Ethiopia
Address	Addis Ababa, Ethiopia
SDG grant	Development partners
Currency	USD

		<u>Ethiopian Birr</u> <u>Equivalent</u>
Balance at 7 July 2022	1,130,891.00	58,842,248.00
Add:		
Transfer from donors during the year	18,247,738.16	989,640,112.67
Refund from UNICEF	<u>845,061.89</u>	<u>44,908,447.97</u>
	<u>20,223,691.05</u>	<u>1,093,390,808.64</u>
Deduct:		
Payment for goods and services	-	-
Transfer to regions	63,755.13	3,604,048.86
Transfer to implementing agencies	14,313,502.32	775,214,290.09
Transfer to Hospitals	-	-
Transfer to UNICEF	797,472.00	42,417,136.94
Transfer to WHO	100,000.00	5,463,690.00
Transfer to Birr account	<u>1,196,024.74</u>	<u>64,375,629.92</u>
	<u>16,470,754.19</u>	<u>891,074,795.81</u>
	3,752,936.86	202,316,012.83
Gain on foreign exchange	<u>-</u>	<u>2,732,823.06</u>
Ending Balance - 7 July 2023	<u>3,752,936.86</u>	<u>205,048,835.89</u>

