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AUDIT SERVICE CORPORATION

MINISTRY OF HEALTH
OF THE GOVERNMENT OF THE FEDERAL DEMOCRATIC
REPUBLIC OF ETHIOPIA
AFRICA CDC REGIONAL INVESTMENT
IDA CREDIT NO. 6504-ET AND IDA GRANT NO. D525
INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
7 JULY 2025



**INDEPENDENT AUDITOR'S REPORT ON THE
FINANCIAL STATEMENTS OF
MINISTRY OF HEALTH OF THE GOVERNMENT OF
THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
AFRICA CDC REGIONAL INVESTMENT
IDA CREDIT NUMBER 6504-ET AND IDA GRANT NUMBER D525**

We have audited the financial statements of Ministry of Health of the Government of the Federal Democratic Republic of Ethiopia, Africa CDC Regional Investment project, financed under IDA Credit No. 6504-ET and IDA Grant No.D525, which comprise the balance sheet as at 7 July 2025, and the statement of sources and uses of funds and a Designated Account statement 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
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IDA CREDIT NUMBER 6504-ET AND IDA GRANT NUMBER D525 (continued)**

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Ministry of Health of the Government of the Federal Democratic Republic of Ethiopia, Africa CDC Regional Investment project, financed under IDA Credit No.-6505-ET and IDA Grant No.-D525, as at 7 July 2025 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 modified cash basis of accounting.

Report on Other Requirements

As required by the terms of reference for external audit of the Project. We report that, to the extent we can assess:

- all World Bank Financing has been used in accordance with the conditions of the relevant financing agreement, with due attention to economy and efficiency, and only for the purposes for which the financing was provided;
- goods, works and non-consulting services financed have been procured in accordance with the relevant financing agreement including specific provisions of the World Bank Procurement Policies and Procedures;
- all necessary supporting documents, records and accounts have been maintained in respect of all Project activities;
- Designated Account has been maintained in accordance with the provisions of the relevant financing agreement and funds disbursed out of the Designated Account were used only for the purposes intended in the financing agreement;
- National laws and regulations have been complied with and that the financial and accounting procedures approved for the Project;
- financial performance of the Project is satisfactory;
- the funds disbursed covered expenditures that are eligible for financing under IDA Credit No 6505-ET and IDA Grant No. D525-;
- assets procured from Project funds exist and there is a verifiable ownership by the implementing agency or beneficiaries in line with the financing agreement;

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- with respect to Interim Financial Report submitted during the year ended 7 July 2025 and listed on page 9, in our opinion:
 - a) the statements, together with the procedures and internal controls involved in their preparation, can be relied upon to support the relevant withdrawals;
 - b) adequate supporting documentation has been maintained to support claims to the IDA for reimbursements of expenditures incurred; and
 - c) which expenditures are eligible for financing under IDA Credit No. 6504-ET and IDA Grant No. D525.

December 2025

Audit Service Corporation

INDEPENDENT AUDITOR'S REPORT ON THE
 FINANCIAL STATEMENTS OF
 MINISTRY OF HEALTH OF THE GOVERNMENT OF
 THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
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 IDA CREDIT NUMBER 6504-ET AND IDA GRANT NUMBER D525
 BALANCE SHEET
 AS AT 7 JULY 2025

	Notes	Ethiopian Birr	2024 Ethiopian Birr
<u>ASSETS</u>			
Cash and bank balances	3	4,784,205,794	2,505,520,686
Debtors	4	<u>1,446,808,555</u>	<u>625,364,532</u>
		6,231,014,349	3,130,885,218
CURRENT LIABILITIES			
Accounts payable	5	<u>40,445,853</u>	<u>52,436,418</u>
NET CURRENT ASSETS		<u>6,190,568,496</u>	<u>3,078,448,800</u>
<u>REPRESENTED BY</u>			
ACCUMULATED FUND	6	<u>6,190,568,496</u>	<u>3,078,448,800</u>

INDEPENDENT AUDITOR'S REPORT ON THE
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 IDA CREDIT NUMBER 6504-ET AND IDA GRANT NUMBER D525
 STATEMENT OF SOURCES AND USES OF FUNDS
 FOR THE YEAR ENDED 7 JULY 2025

	Note	Ethiopian Birr	Cumulative From 1 October 2020 to 7 July 2025 Ethiopian Birr	2024 Ethiopian Birr
FINANCING				
Credits and grant from IDA				
Initial deposit to Designated Account		-	470,362,238	-
IDA Remittance		-	3,591,328,528	1,971,402,750
Direct payment		578,709,152	603,999,987	6,691,740
Gain on foreign exchange		<u>3,263,891,893</u>	<u>3,510,129,000</u>	<u>98,336,862</u>
TOTAL FINANCING		<u>3,842,601,045</u>	<u>8,175,819,753</u>	<u>2,076,431,352</u>
PROJECT EXPENDITURE				
Works and goods	7	314,140,427	964,005,254	365,879,068
Training		234,411,537	559,812,335	123,999,079
Operating costs	8	<u>181,929,385</u>	<u>461,433,668</u>	<u>124,065,812</u>
TOTAL PROJECT EXPENDITURE		<u>730,481,349</u>	<u>1,985,251,257</u>	<u>613,943,959</u>
EXCESS OF FINANCING OVER EXPENDITURE		<u>3,112,119,696</u>	<u>6,190,568,496</u>	<u>1,462,487,393</u>

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IDA CREDIT NUMBER 6504-ET AND IDA GRANT NUMBER D525
DESIGNATED ACCOUNT STATEMENT**

For the period ended	7 July 2025
Account number	0100081300151
Depository bank	National Bank of Ethiopia
Address	Addis Ababa, Ethiopia
Currency	USD

	USD	Equivalent in Ethiopian Birr
Balance at 7 July 2024	43,652,142.46	2,504,327,778.14
Add: Refund by foreign supplier –Wise T	<u>8,948.18</u>	<u>1,197,448.13</u>
	<u>43,661,090.64</u>	<u>2,505,525,226.27</u>
Less payments		
Transfer to Regions	1,466,329.33	183,858,043.89
Transfer to A/C No. 1000514276343	252,019.36	22,000,000.00
Advance to contractors	641,511.48	81,448,902.75
Advance to suppliers	286,861.17	34,294,084.85
Construction costs payment	702,161.05	89,625,599.07
Salary and related expense	10,266.21	589,143.91
Settlement of tax liability	277,719.42	31,596,621.85
Payment for purchase of computers	210,488.81	25,529,850.51
Advance to EPHI	<u>4,561,353.36</u>	<u>525,737,353.36</u>
	<u>8,408,710.19</u>	<u>994,679,600.19</u>
	<u>35,252,380.45</u>	1,510,845,626.08
Add: Gain on foreign exchange		<u>3,263,891,892.54</u>
Ending balance 7 July 2025	<u>35,252,380.45</u>	<u>4,774,737,518.62</u>

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IDA CREDIT NUMBER 6504-ET AND IDA GRANT NUMBER D525
NOTES TO THE FINANCIAL STATEMENTS**

1. PROJECT INFORMATION

The proposed project will support vital institutional capacity-building efforts by the Africa CDC headquarters in Addis Ababa, the Southern Africa Regional Collaborating Center in Lusaka, and the Ethiopian and Zambian health authorities. The activities supported by ACDCP are organized under five strategic components: (i) Governance and the Legal Framework; (ii) Public Health Assets; (iii) Human-Resources Development; (iv) Project Management Support; and (v) a Contingent Emergency Response Component (CERC) for Ethiopia and Zambia. In each area, complementary activities by the three implementing bodies-the Africa CDC Secretariat and the Ethiopia and Zambia governments will establish the physical and organizational infrastructure necessary for the Africa CDC to execute its core functions and lay the groundwork for its continued expansion into a continental health institution. The project components are designed in such a way to leverage network effects and exploit economies of scale to enhance the efficiency of scarce public health resources, overcome national-level capacity constraints, and maximize the positive spill overs produced by integrated transnational disease surveillance and emergency-response system. The project's cost is US\$150 million obtained from the World Bank with 15 months implementation period.

According to the agreement between the IDA and the MoH, the program will conduct an external audit to ensure that there have been properly maintained records, adequate, effective, and accurate records in compliance with established concepts, principles, and accounting period of the project is as per the Ethiopian Government budget year from July 8 to 7 of each year.

SIGNIFICANT ACCOUNTING POLICIES

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.

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 NOTES TO THE FINANCIAL STATEMENTS

b) Currency

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

CASH AND BANK BALANCES

	Ethiopian Birr	2024 Ethiopian Birr
National Bank of Ethiopia USD Designated Account No.0100081300151	4,774,737,519	2,504,327,778
Birr account	321,329	821,378
Commercial bank of Ethiopia	9,146,946	371,530
	<u>4,784,205,794</u>	<u>2,505,520,686</u>

DEBTORS

Advances to EPHI	205,334,794	11,773,461
Suppliers	738,366,888	166,532,171
Regions	82,527,566	26,277,488
Contractors	419,894,730	420,140,899
Other advance	-	16,100
Staff receivable	684,577	674,413
	<u>1,446,808,555</u>	<u>625,364,532</u>

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 NOTES TO THE FINANCIAL STATEMENTS

5. ACCOUNTS PAYABLE

	Ethiopian Birr	2024 Ethiopian Birr
Income tax	1,863,559	9,872
Pension payable	930,583	149,095
Withholding tax payable	592,062	1,749,745
VAT	2,236,390	22,422,875
Retention payable	31,759,436	25,075,889
Other payable	<u>3,063,823</u>	<u>3,028,942</u>
	<u>40,445,853</u>	<u>52,436,418</u>

ACCUMULATED FUND

	Ethiopian Birr
Balance at 7 July 2024	3,078,448,800
Add: excess of financing over expenditure	<u>3,112,119,696</u>
Balance at 7 July 2025	<u>6,190,568,496</u>

**INDEPENDENT AUDITOR'S REPORT ON THE
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IDA CREDIT NUMBER 6504-ET AND IDA GRANT NUMBER D525
NOTES TO THE FINANCIAL STATEMENTS**

7. WORKS AND GOODS

	Ethiopian Birr	2024 Ethiopian Birr
Construction expense	178,660,021	325,006,058
Fees and charges	59,565,767	30,723,346
Vehicles	6,691,739	-
Office machine and equipment	<u>69,222,900</u>	<u>10,149,664</u>
	<u>314,140,427</u>	<u>365,879,068</u>

8. OPERATING COST

	Ethiopian Birr	2024 Ethiopian Birr
Salary expense	57,511,118	37,097,776
Pension contribution	6,764,642	3,821,791
Travel and per diem	89,102,861	67,409,381
Fuel and lubricant	7,255,358	4,420,601
Rent expense	6,279,707	1,280,811
Printing and stationery	1,244,870	1,178,318
Repair and maintenance	783,491	715,008
Consultancy	2,611,997	5,246,352
Entertainment	8,921,218	1,932,825
Advertising	146,050	101,099
Telephone and fax	266,190	621,700
Insurance	870,413	-
Miscellaneous expense	<u>171,470</u>	<u>240,150</u>
	<u>181,929,385</u>	<u>124,065,812</u>

DATE OF AUTHORIZATION

The Finance Executive Officer of the Ministry authorized the issue of these financial statements on 29 December 2025.

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 IDA CREDIT NUMBER 6504-ET AND IDA GRANT NUMBER D525
 INTERIM FINANCIAL REPORT SUBMITTED DURING
 THE YEAR ENDED 7 JULY 2025

Expenditure component No	Quarter 1 Birr	Quarter 2 Birr	Quarter 3 Birr	Quarter 4 Birr	Total Birr
1	719,957.88	-	60,385.00	-	780,342.88
2	74,811,072.39	193,461,519.79	114,716,172.12	241,523,624.19	624,512,388.49
3	7,649,979.05	11,407,618.65	25,563,133.96	13,121,729.72	57,742,461.38
4	<u>22,064,528.48</u>	<u>6,258,691.55</u>	<u>5,456,522.49</u>	<u>13,666,413.96</u>	<u>47,446,156.48</u>
Total	<u>105,245,537.80</u>	<u>211,127,829.99</u>	<u>145,796,213.57</u>	<u>268,311,767.87</u>	<u>730,481,349.23</u>

MINISTRY OF HEALTH OF THE GOVERNMENT OF
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 IDA CREDIT NUMBER 6504-ET AND IDA GRANT NUMBER D525
 LIST OF FIXED ASSETS
 7 JULY 2025

Description of Item	Qty	Cost Amount	Location
Expert chairs	60	198,124	EPHI
Lap top	7	507,500	MOH
Hard disk	7	59,031	MOH
Toyota land curser	7	30,495,950	EPHI
Toyota land curser	3	13,069,693	MOH
Printer	6	479,400	EPHI
Land curser Hard top	3	6,691,740	MOH
Desktop computers core 15	1	92,762	MOH
Desktop computers core 15	22	2,040,775	Central eth.
Desktop computers core 15	80	7,420,999	Somalie
Desktop computers core 15	30	2,782,875	Southwest eth.
Desktop computers core 15	9	834,863	Gambella
Desktop computers core 15	30	2,782,875	South eth.
Desktop computers core 15	12	1,113,150	Sidama
Desktop computers core 15	3	278,287	Hararie
Desktop computers core 15	5	463,812	Diredawa
Desktop computers core 15	15	1,391,437	Tigraye
Desktop computers core 15	30	2,782,875	Addis Ababa
Desktop computers core 15	6	556,575	Central eth.
Desktop computers core 15	23	2,133,537	Benshangul
Desktop computers core 15	31	2,875,637	Afar
Desktop computers core 15	3	278,288	MOH store
HP Laptop core 17	19	3,714,500	MOH
Computer table	5	287,500	EPHI
File cabinet	15	673,500	EPHI