



የኢትዮጵያ ፌዴራላዊ ዴሞክራሲያዊ ሪፐብሊክ
የፌዴራል ዋና አዲተር መ/ቤት
Federal Democratic Republic of Ethiopia
Office of the Federal Auditor General



#TC
Ref: No
ቀን
Date

0FAG 3.9/127
20/1/2022

Ministry of Finance

Addis Ababa

Re: Submission of the 2013 EFY ESPES-AF/IPF Annual audit report

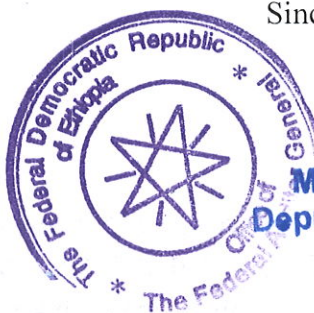
It is to be recalled that the Ethiopian Government and the Development Partners (including IDA) have reached an agreement regarding the annual audit of Enhancing Shared Prosperity through Equitable service - Additional Financing (ESPES_AF/IPF) project annual audit to be carried out and a summarized audit report to be submitted to MoF by the Office of the Federal Auditor General.

We have, therefore, attached here with 31 pages of the 2013 EFY ESPES-AF/IPF Annual audit report.

Furthermore, we also request the ministry to develop and submit action plan to rectify the audit findings.

We welcome any enquiries on the audit report.

Sincerely yours



[Signature]

Meseret Damtie
Deputy Audit Auditor
General

INDEPENDENT AUDITOR'S REPORT ON THE PROJECT FINANCIAL
STATEMENTS OF THE MINISTRY OF FINANCE OF THE FEDERAL
DEMOCRATIC REPUBLIC OF ETHIOPIA AND ADDITIONAL FINANCING FOR
ENHANCING SHARED PROSPERITY THROUGH EQUITABLE SERVICE PROGRAM
/ESPES-AF/ PROJECT

We have audited the accompanying Operation Financial Statements of Additional Financing for Enhancing Shared Prosperity through Equitable Service (ESPES-AF) project component of the Ministry of Finance of the Federal Democratic Republic of Ethiopia for the year ended 7 July 2021, which has been financed by IDA Financing agreements IDA D2290.

The preparation of the Project Financial Statements (PFSs) is the responsibility of the Ministry of Finance. This audit is a special purpose audit for Additional Financing for Enhancing Shared Prosperity through Equitable service /ESPES-AF/ of project component /Investment project financing/ whose terms of reference are those given in the Terms of Reference for the Additional Financing for Enhancing Shared Prosperity through Equitable Service /ESPES-AF/. These Terms of Reference include, inter alia, our responsibility to express an opinion on the Project Financial Statements based on our audit and report on material inappropriate expenditure and other pertinent matters.

We conducted our audit in accordance with the International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants with special reference to ISA 800 and the World Bank relevant Guidelines for the World Bank financed projects.

These Standards requires that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. Our audit includes examining on a sample test basis of the evidence supporting the amounts and disclosures in the Financial Statements. Our audit



includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the Project /Investment project Financing/ Financial Statements present fairly, in all material respects, the financial position as at 7 July 2021 and the cash receipts and disbursements for the year then ended of the Additional Financing for Enhancing Shared Prosperity through Equitable Service /ESPES/ the project component /Investment Project Financing/ of the Ministry of Finance of the Government of the Federal Democratic Republic of Ethiopia which were prepared on a modified cash basis and in accordance with the accounting policy of the Government of the Federal Democratic Republic of Ethiopia.

Emphasis of matters:

- Perdiem payments of birr 35,378.00 were made double at the same days and for the same individuals improperly in Environment and Climate change Commission.
- Additional birr 164,165.00 Perdiem was paid for local training participants for whom full accommodation (breakfast, lunch, dinner and bed service) was fully covered at Blue Nile Resort Hotel at Bahir Dar City in Federal Ethics and anticorruption Commission.

In addition, in our opinion, in all material respects:

- During the year, all external financing has been used in accordance with the conditions of the relevant financing agreements and only used for the purposes for which the financing was provided; except for the matter disclosed in the emphasis of matter paragraph and management letter.



- Counterpart funds have been provided and used in accordance with the relevant financing agreements and only for the purposes for which they were provided;
- Goods, works and services financed under the Project have been procured in accordance with the relevant financing agreements including specific provisions of the World Bank Procurement policies and procedures;
- The necessary supporting documents, records and accounts have been maintained in respect of all project activities, including expenditures /transfers reported in Interim Unaudited Financial Reports (IFRs). In addition, the IFRs issued during the audit were in agreement with the underlying books of accounts except for the matter disclosed in the emphasis of matter paragraph and management letter.
- Designated Accounts have been maintained in accordance with the provisions of the relevant financing agreements, and funds disbursed out of the accounts were used only for the purpose intended in the financing agreement; except for the matter disclosed in the emphasis of matter paragraph and management letter
- National laws and regulations have been complied with and that the financial and accounting procedures approved for the Project were followed and used; except for the matter disclosed in the emphasis of matter paragraph and management letter.
- Financial performance of the project was satisfactory; and
- Assets procured from project funds existed and there was verifiable ownership by the implementing agencies or beneficiaries in line with the financing agreement except for the matter disclosed in the emphasis of matter paragraph and management letter.



MINISTRY OF FINANCE OF GOVERNMENT OF FEDERAL DEMOCRATIC
REPUBLIC OF ETHIOPIA ENHANCING SHARED PROSPERITY THROUGH
EQUITABLE SERVICE-AF, INVESTMENT PROJECT FINANCING PROJECT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 7 JULY
2021.

		<u>7 July 2021</u>	<u>7 July 2019</u>
	<u>Notes</u>	<u>Birr</u>	<u>Birr</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash balances	3	90,444,481.11	389,742,505.00
Advances	4	146,028,296.68	20,103,220.00
Total current		236,472,777.79	409,845,725.00
Assets			
<u>CURRENT LIABILITIES</u>			
Account Payable	5	18,855,258.96	1,226,690.00
NET CURRENT ASSETS		217,617,518.83	408,619,036.00
<u>REPRESENTED BY</u>			
ACCUMULATED FUND		217,617,518.83	408,619,036.00



[Handwritten signature]

MINISTRY OF FINANCE OF GOVERNMENT OF FEDERAL DEMOCRATIC REPUBLIC OF
ETHIOPIA, CONSOLIDATED STATEMENT OF SOURCES AND USES OF FUNDS FOR
THE YEAR ENDED 7, JULY 2021

	<u>Note</u>	<u>For the year ended</u> <u>7 July 2021</u> <u>Birr</u>	<u>For the year ended 7</u> <u>July 2019</u> <u>Birr</u>
Opening Balance		243,037,079.46	0.00
Beginning Balance Adjustment		0.00	0.00
<u>Source</u>			
From IDA D2290		424,392,424.91	487,147,837.05
Gain on foreign Exchange		<u>42,918,745.27</u>	<u>3,633,249.70</u>
Total Fund Available		<u>710,348,249.64</u>	<u>490,781,086.75</u>
Total Project Expenditure		<u>492,635,504.23</u>	<u>82,162,050.93</u>
Excess of Financing over Expenditure		217,712,745.41	408,619,035.82

Note:

Expenditure of Bank Service charge amounting ETB 971,464.05 is included in this report.



MINISTRY OF FINANCE ENHANCING SHARED PROSPERITY THROUGH EQUITABLE
SERVICE-AF, INVESTMENT PROJECT FINANCING STATEMENT OF FUND FLOW FOR THE
YEAR ENDED JULY 07/2021
DOLLAR ACCOUNT NO. 0100101300551

For the year ended
Account Number
Depository Bank
Address
Currency

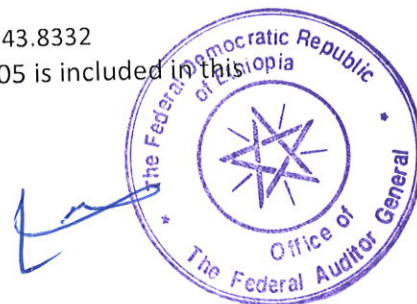
7 JULY 2021
01001013000551
NBE
Addis Ababa, Ethiopia
USD and Birr

	<u>Amount in USD</u>	<u>Amount in Birr</u>
OPENINIG BALANCE	1,803,252.90	63,189,047.15
Fund Received From:		
Inte. Development Association (IDA) D2290	<u>11,304,965.81</u>	<u>424,392,424.91</u>
Total	<u>13,108,218.71</u>	<u>487,581,472.06</u>
Deducted –Transfer and Expenditure		
Transfer to Birr account-	9,800,000.00	387,614,155.95
Transfer to MOF-finance	2,950,000.00	112,835,905.00
Bank charges	<u>0.00</u>	<u>971,464.05</u>
Total transfer and Expenditure	<u>12,750,000.00</u>	<u>501,421,525.00</u>
Closing balance	358,218.71	(13,840,052.94)
Actual exchange rate to date	-	15,701,872.36
Add gain or loss on foreign exchange rate	-	<u>29,541,925.30</u>
Closing balance after Gain or loss on foreign exchange	-	<u>15,701,872.36</u> (00)

Note:-

The Closing exchange rate used for ending balance(July 7/2021) is 1USD=43.8332

Note: Expenditure of Bank Service charge amounting ETB 971,464.05 is included in this report.



MINISTRY OF FINANCE
Government of Federal Democratic Republic of Ethiopia
Enhancing Shared Prosperity Through Equitable Service-AF, Investment
Project Financing
Birr ACCOUNT NO. 0100101040697
For the year ended 7 July, 2021

	BIRR	BIRR
OPENING BALANCE	64,066,172.55	64,066,172.55
Add :Transfer from Special Account:-		
Transfer from DA Account	501,421,525.00	<u>501,421,525.00</u>
Fund Available for use:-		565,487,697.55
Less:- Transfer and Expenditure		
Transfer to Regions:-		
Tigray	12,185,844.90	
Afar	9,515,696.92	
Amhara	23,366,031.53	
Oromia	51,574,410.78	
Somale	18,924,993.03	
Benshangul Gumuz	6,619,222.99	
SNNPR	32,745,335.20	
Sidama	5,079,452.40	
Gambella	8,590,670.36	
Harari	3,118,032.04	
Dire Dawa	5,525,672.25	
Addis Ababa	22,340,667.52	
Transfer to Federal Implementers:-		
Federal Public Procurement and Property Administration Agency (FPPPA)	7,393,040.00	
Transfer to Federal Ethics and Anticorruption Commission (FEACC)	20,922,500.00	
Transfer to Environment Forest and Climate Change Commission (EFCC)	10,553,967.00	



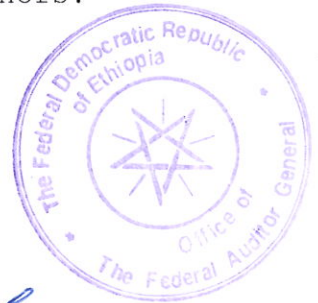
Transfer to Central Statistical Agency (CSA)	88,483,999.60	
Transfer to Ethiopian Institute of Ombudsman (EIO)	18,227,382.16	
Transfer to Ministry of Education (MOE)	6,500,000.00	
Transfer to Ministry of Health (MOH)	20,717,789.82	
Transfer to Ministry of Agriculture (MOA)	7,000,000.00	
Transfer to Ministry of Water, irrigation and Energy (MOWIE)	12,726,400.00	
Transfer to Office of Federal Auditor General (OFAG)	9,947,367.45	
Transfer to MoF-Public Expenditure Mgt. and Control Reform (EMCP)	-	
Transfer to MoF-Channel 1 Program Coordinating Directorate (COPCD)	<u>149,335,905.00</u>	
Total transfer	<u>551,394,380.95</u>	
Expenditures:-		
Bank Services Charges	<u>971,464.05</u>	
Total transfer & expenditure	<u>552,365,845.00</u>	<u>552,365,845.00</u>
Closing balance		<u>13,121,852.55</u>

Note:-The Closing exchange rate used for ending balance(July 7/2021) is 1USD=43.8332



MINISTRY OF FINANCE GOVERNMENT OF THE FEDERAL DEMOCRATIC REPUBLIC
OF ETHIOPIA ENHANCING SHARED PROSPORITY THRUOGY EQIUTABLE
SERVICE(ESPES)AND ADDITIONAL FINANCING FOR ESPES DECLARATION OF
NON-PROCUREMENT OF MATERIAL ASSETS FOR THE YEAR ENDED 7, JULY 2021

We hereby declare that there were no procurements acquired or procured to date that worth (i) works, estimated to cost fifty million dollar equivalent or more per contract; (ii) goods, estimated to cost thirty million dollar equivalent or more per contract; (iii) non-consulting services, estimated to cost thirty million dollar equivalent or more per contract; (iv) consultant's services, estimated to cost fifteen million dollar equivalent or more per contract with the project funds financed by donors.



MINISTRY OF FINANCE GOVERNMENT OF THE FEDERAL DEMOCRATIC
REPUBLIC OF ETHIOPIA ENHANCING SHARED PROSPERITY THROUGH
EQUITABLE SERVICES (ESPES) AND ADDITIONAL FINANCING FOR
ENHANCING SHARED PROSPERITY THROUGH EQUITABLE SERVICE NOTES TO
THE PROJECT FINANCIAL STATEMENTS FOR THE YEAR ENDED 7, JULY
2021

1. BACKGROUND

With the objective of expanding access and improving the quality of basic services in Education, Health, Agriculture, Water and Sanitation and Rural Roads delivered by sub-national governments /woredas/Town Administration and strengthening financial transparency and accountability in service delivery and program for result, the Government of Ethiopia and the World Bank signed the Additional Financing for Enhancing Shared Prosperity through Equitable Service /that aim to provide financing to activities related to the Original program/ which commenced in September 29, 2017. This Financing Agreement has two parts, the Program and the project which jointly referred as the "Operation". The operation is implemented by MoF and the project discussed as below:

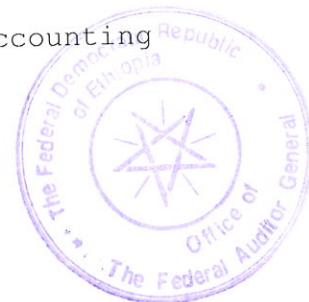
Project /IPF/: It is a Grant portion of the operation that aim to improve the performance of basic service system through providing Goods, consulting service, non-consulting service and Financing the Operation Cost.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Project which are consistent with those applied in the preceding period, are stated below:

a) BASIS OF PREPARATION:

- i) These Financial Statements have been prepared based on a modified cash basis in accordance with the accounting



policy of the Government of the Federal Democratic Republic of Ethiopia.

ii) The Operation Financial Statement of the Project for reporting consolidated transactions.

a) CURRENCY:

These financial statements are presented in birr. Transactions in foreign currency are translated into birr at the approximate rate of exchange prevailing at the date of the transaction.



Ministry of Finance
Government of Federal Democratic Republic of Ethiopia
Enhancing Shared Prosperity Through Equitable Service-AF,
Investment Project Financing
Notes to the consolidated Financial Statements
7, July 2021

Birr

3. Cash on hand and at bank

Balance in Dolar account No. 0100101300551		15,701,872.36
Balance in Birr account No. 0100101040697		13,121,852.55
Balance at		
Bank MOF		28,823,724.91
Balance at Implementer:-		
Cash on		
hand	148,145.39	
Cash at		
bank	<u>61,472,610.81</u>	
Total		
Cash Balance	61,620,756.20	90,444,481.11
		<u>90,444,481.11</u>
		<u>Total</u>

4. Advances

Tigray	-	-
Afar	1,001,897.60	1,001,897.6
Amhara	143,072.05	143,072.1
Oromia	131,781.20	131,781.2
Somalie	-	-
Benshangul	544,503.90	544,503.9
SNNPR	881,069.94	881,069.9
Sidama	7,786.56	7,786.6
Gambella	-	-
Harar	118,218.00	118,218.0
DireDawa	-	-
Addis Ababa	136,841.34	136,841.3
FPPPA	9,200.99	9,201.0
FEACC	0.02	0.0
EFCC	460,086.55	460,086.6



CSA	13,619,645.32		13,619,645.3
EIO	46,671.43		46,671.4
MOE	-		-
MOH	9,097,200.82		9,097,200.8
MOA	83,000.00		83,000.0
WDC	-		-
OFAG	378,098.62		378,098.6
MOF-EMCP	81,270.40		81,270.4
MOF-COPCD	<u>119,287,951.94</u>		<u>119,287,951.9</u>
TOTAL	<u>146,028,296.68</u>	-	<u>146,028,296.68</u>

5. Accounts Payable

Tigray	-	-	-
Afar	151,463.00		151,463.00
Amhara	119,468.10		119,468.10
Oromia	519.08		519.08
Somalie	-		-
Benshangul	76,724.00	-	76,724.00
SNNPR	1,277,849.18	-	1,277,849.18
Sidama	-		-
Gambella	-		-
Harari	44,739.52		44,739.52
DireDawa	-		-
Addis Ababa	380,604.76		380,604.76
FPPPA	7,754.19		7,754.19
FEACC	-		-
EFCC	57,122.55		57,123
CSA	10,216,234.81		10,216,235
EIO	1,562,734.15		1,562,734



MOE	-	-
MOH	4,351,199.98	4,351,199.98
MOA	37,880.40	37,880.40
WDC	12,391.42	12,391.42
OFAG	558,573.82	558,573.82
MOF-EMCP	-	-
MOF-COPCD	-	-
TOTAL	<u>18,855,258.96</u>	<u>18,855,258.96</u>
Total Ending balance		<u>217,617,518.83</u>



Ministry of Finance
Government of Federal Democratic Republic of Ethiopia
Enhancing Shared Prosperity Through Equitable Service-AF, Investment
Project Financing
Note to the Consolidated Financial Statements
At 07, July 2021

7. Expenditure of IPF

Personal Services	106,087,755.78
Goods and Services	364,037,103.47
Fixed Assets	<u>22,510,644.98</u>
Total	<u>492,635,504.23</u>



GOVERNMENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
THE OPERATION, BOTH THE PROGRAM AND THE PROJECT
A RECONCILIATION OF AMOUNTS "RECEIVED BY THE PROJECT FROM THE
DEVELOPMENT PARTNERS (INCLUDING THE WORLD BANK)" WITH THOSE
SHOWN AS BEING "DISBURSED BY THE DEVELOPMENT PARTNERS
(INCLUDING THE WORLD BANK)"

No	Development partners (including the World Bank)	Amounts "Disbursed by the Development partners (including the world Bank)"	Amounts "Received by the Project"	Understa ted amount Received by the Operatio n	OPERATION	Remark
1	International Development Association (IDA) D2290	USD 11,304,965.81	USD 11,304,965.81	-	Project	Advance

Note:

- International Development Association (IDA): Grant Number D2290-ET



[Handwritten signature]

MINISTRY OF FINANCE OF THE FEDERAL DEMOCRATIC REPUBLIC OF
ETHIOPIA ENHANCING SHARED PROSPERITY THROUGH EQUITABLE
SERVICE-AF, INVESETEMNET PROJECT FINANCING AUDIT FINDINGS,
RECOMMENDATIONS AND MANAGEMENT RESPONSES ON THE ACCOUNTS FOR
THE YEAR ENDED 7 JULY 2021

I. INTRODUCTION

We conducted the audit under the power conferred upon the Office of the Federal Auditor General by Proclamation Number 982/2016(as amended 1146/2019). Our audit followed the audit requirements included in the Terms of Reference (ToR) for the audit of ESPES and Investment project Financing for the year ended 7 July 2021 (Sene 30,2013 E.C).

This report deals with the findings and recommendations which came to our attention during our normal audit procedures which were designed primarily with a view to the expression of our opinion on the Project Financial Statements (PFS) of Enhancing Shared Prosperity through Equitable Service program.

The audit was conducted on a test basis and, thus, our audit cannot be expected to disclose all possible weaknesses in internal controls and all other findings which a more extensive special examination might reveal.

II. BACKGROUND

The relevant Financing Agreements between the Government of the Federal Democratic Republic of Ethiopia and the Financiers for ESPES -AF, investment project financing is:

- International Development Association (IDA) Financing Agreements IDA D2290

III. SCOPE OF THE AUDIT

- a) The audit was conducted in accordance with the International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants, with special



reference to ISA 800 (Auditor's Report on Special Purpose Audit Engagements) and relevant World Bank Guidelines. The audit, accordingly, included such tests of accounting records, transaction, internal controls, and other procedures as were considered essential for the performance of this audit.

- b) In conducting this audit, we have carried out interim and validation audits at Zones and Regions of Enhancing Shared Prosperity through Equitable Service -AF, investment project financing that such review ensured that the financial managements were reasonably accurate, reliable and timely.
- c) Discussions were held with staffs of the Ministry of Finance (MoF) and the Project Implementing Agencies at various Government levels.
- d) The audit opinion is limited to the funds received from the Financiers and the Government and of the expenditures incurred for Enhancing Shared Prosperity through Equitable Service (ESPES-AF) Investment project Financing.

IV. FIELD VISITS

In addition to the quarterly interim audit reports already submitted to MoF and then to the Development Partners (including the World Bank) for the year ended 7 July 2021 (Sene 30, 2013), we have also visited the various Implementing Agencies and beneficiaries; in all regions except for Tigray and Addis Abeba City administration of the project at Regional and Zone levels for Project Financial Statements purpose.



V. OBSERVATIONS, FINDINGS AND RECOMMENDATIONS

I. THE REGIONAL STATES IMPLIMENTING AGENCIES

1. AFAR NATIONAL REGIONAL STATE

1.1. BUREAU OF FINANCE AND ECONOMIC DEVELOPMEN

Findings:

- Monthly cash count and verification was not done.
- The Cashier's Cash book was not made available for the audit.
- Perdiem payment settlement forms were not completed properly for per diem payments of birr 102,465.00.

Recommendation:

- We recommended that appropriate corrective action should be taken on the findings promptly as per the government applicable rule and regulation.

Management Response:

- They accepted the recommendation and committed to take corrective actions by preparing proper action plan.

1.1.1. FOLLOW UP AUDIT FOR THE 2011 EFY ANNUAL AUDIT REPORT:

Findings:

- Perdiem payments were directly recorded and reported as actual expenditure before the actual required field work was performed.
- Perdiem settlement forms were not completed properly, that is, the departure, arrival and returning time and place were not indicated, for birr 68,554.50, birr 107,143.00 and birr 68,554.00 in the BoFED channel one program, in the office of the Regional audit Bureau and in the office of Regional Council, respectively.

Actions taken/not taken:

- Appropriate corrective action was not taken on the findings except that per diem payments were recorded and



reported as actual expenditure after the actual required field work was performed.

Further Recommendation:

- We again recommend that appropriate corrective action should be taken on the findings.

Management Response:

- They accepted the recommendation and committed to take corrective actions by preparing proper action plan.

2. AMHARA NATIONAL REGIONAL STATE

2.1 BUREAU OF FINANCE AND ECONOMIC DEVELOPMENT

Finding:

- Advance payment amounting birr 9,931.52 aged more than 6 months made to the project main cashier for payment of various purpose was neither settled nor returned to the government account.

Recommendation:

- Appropriate corrective action should be taken promptly according to the government's applicable rules, regulations and directives.

Management Response:

- The auditee management accepted the recommendation and promised to take corrective actions.

3. OROMIA NATIONAL REGIONAL STATE

3.1. EAST HARARGE ZONE FINANCE

Findings:

- Fuel consumption was not made by using standard normalization rate figure set by the region BoFEC. Moreover, addresses of fuel cash receipt provided for payments do not reconcile and relate with field work places.



Recommendation:

- Appropriate corrective action should be taken promptly according to the government's applicable rules, regulations and directives.

Management Response:

- They accepted the recommendation and agreed to take corrective action in the near future.

3.2. WEST HARERGE ZONE FINANCE

Findings:

- Entertainment payment was made without source document such as work evidence and attendance.
- Periderm payment settlement forms were not completed properly.
- Fuel consumption Control mechanism /standard normalization rate figure/ set by the region BoFEC was not implemented.

Recommendation:

- Appropriate corrective action should be taken promptly according to the government's applicable rules, regulations and directives.

Management Response:

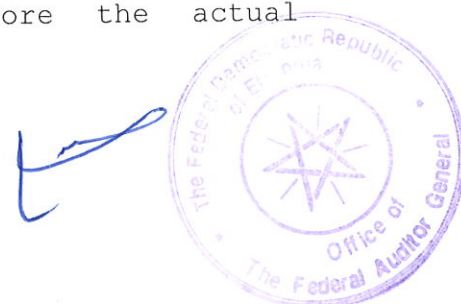
- The auditee managements have accepted the recommendation and promised to take corrective actions by preparing proper action plan based on the government's applicable rules, regulations and directives accordingly.

4. SOMALI NATIONAL REGIONAL STATE

4.1. BUREAU OF FINANCE AND ECONOMIC DEVELOPMENT:

Findings:

- Some Perdiem payments were directly recorded and reported as actual expenditure before the actual required field work was performed.



- Per diem payment settlement forms were not completed properly for birr 41,850.00 per diem payments made as the forms did not describe places where field work was performed, and date of departure and arrival.

Recommendation:

- Appropriate corrective action should be taken promptly according to the government's applicable rules, regulations and directives.

Management Response:

- The auditee managements have accepted the recommendation and promised to take corrective actions by preparing proper action plan based on the government's applicable rules, regulations and directives accordingly.

4.1.1. FOLLOW-UP AUDIT FOR THE 2011 EFY ANNUAL AUDIT REPORT

Findings:

- Some per diem payments were directly recorded and reported as actual expenditure before the actual required field work was performed.
- Per diem settlement forms were not completed properly for birr 42,500.00.
- Per diem payment amounting birr 8,400.00 was not supported by actual source document.
- Payments of Birr 18,800.00 made for transport cost were not supported by cash receipt from the supplier.

Actions taken/not taken:

Appropriate corrective action was not taken on the findings except that:

- Per diem payment amounting birr 8,400.00 was supported by source document.



- Payments of birr 18,800.00 made for transport cost were supported by cash receipt from the supplier.

Further Recommendation:

- Appropriate corrective action should be taken promptly according to the government's applicable rules, regulations and directives.

Management Response:

- The auditee managements have accepted the recommendation and promised to take corrective actions by preparing proper action plan based on the government's applicable rules, regulations and directives accordingly.

5. BENISANGUL-GUMUZ REGIONAL STATE

5.1. ASSOSA ZONE FINANCE

Findings:

- Monthly bank reconciliation was not prepared.
- Cash book was not maintained for the cashier.

Recommendation:

- Appropriate corrective action should be taken promptly.

Management Response:

- The auditee managements accepted the recommendation and promised to take corrective actions.

6. SOUTHERN NATIONS, NATIONALITIES AND PEOPLE'S REGIONAL STATE

6.1. BUREAU OF FINANCE AND ECONOMIC COOPERATION

Finding:

- Receivables amounting to birr 363,186.65 were not settled timely.

Recommendation:

- Receivables should be settled timely according to the government finance rules and regulations.



Management Response:

- The management promised to take appropriate immediate corrective action as soon as possible.

6.1.1 FOLLOW UP AUDIT FOR THE 2012 EFY ANNUAL AUDIT

Finding:

- Receivables and payables amounting to birr 1,766,194.99 and birr 212,198.20 respectively were not settled timely.

Action taken/ not taken:

Appropriate corrective actions were taken except that:

- Receivables amounting birr 363,186.65 were not settled timely.

Further Recommendation

- We again recommend that appropriate corrective action should be taken promptly as per the government's applicable rules, regulations and guideline.

Management Response:

- The management promised to take appropriate immediate corrective action as soon as possible

6.2. GURAGE ZONE FINANCE AND ECONOMIC COOPERATION

Findings:

- Payment of birr 13,800.00 for entertainment service and purchase of Spare-parts was made without cash receipt of the recipient.
- Perdiem payment of birr 13,300.00 were recorded and reported as direct expenditure before performing the required field work.
- Training payment of birr 40,000.00 was made without training proposal that depict training title, number and identity of trainees, and date and place where the training was given.



Recommendation:

- Appropriate corrective action should be taken promptly according to the government's applicable financial administration laws, regulations and directives.

Management Response

- The auditee managements have agreed and promised to take appropriate corrective action as soon as possible.

6.3. WOLAYTA ZONE FINANCE AND ECONOMIC COOPERATION_

Findings:

- Training payment of birr 250.00 was made improperly twice /birr 500.00 instead of birr 250.00/ for a single person on one training day.
- Training payment of birr 16,902.00 was made without training proposal that depict training title, number and identity of trainees, and date and place where the training was given.
- Payment of birr 49,600.00 was recorded and reported with the wrong account code 6271 instead of 6231.
- Entertainment Payment of birr 11,440.00 was made with ordinary cash receipt that has no sequential number, supplier TIN and address.

Recommendation:

- Appropriate corrective action should be taken promptly according to the government's applicable financial administration laws, regulations and directives.

Management Response:

- The auditee managements have agreed and promised to take appropriate corrective action as soon as possible.



7. SIDAMA REGIONAL STATE

7.1. BUREAU OF FINANCE AND ECONOMIC COOPERATION

Findings:

- Birr 252,000.00 transferred for different woredas for local training payment was recorded and reported without receiving relevant documents from the woredas.
- Local training payment of birr 2,250.00 was made without signature of the recipient on attendance sheet.

Recommendation:

- Appropriate corrective action should be taken promptly according to the government's applicable rules, regulations and directives.

Management Response:

- The auditee management accepted the recommendation and promised to take corrective action in the near future.

II. THE FEDEREL GOVERNMENT IMPLIMENTING AGENCIES

1. MINISTRY OF FINANCE

1.1. FOLLOW UP AUDIT FOR THE 2011 ANNUAL AUDIT REPORT:

Findings:

- Training Payment amounting of birr 569,800.00 made for Ministry's cafeteria was made without bid and market price assessment.
- Payment of birr 365,582.63 was made for purchase of computer made by Performa without market assessment.

Action taken

- Appropriate corrective was taken on the findings listed above

2. ENVIRONMENT, FOREST AND CLIMATE CHANGE COMMISSION

Findings:

- Receivables amounting birr 28,949.62 and birr 138,096.93 aged from 60 to 90 days and over 90 days respectively were not settled timely.



- Payable amounting birr 54,075.71 aged over 90 days was not settled timely.
- Perdiem payments of birr 35,378.00 were made double at the same days and for the same individuals improperly.
- Birr 3,250.00 perdiem was paid for local training participants improperly for the period of the time they were back from the training and were at their normal working place.
- Payment of birr 400,000.00 for local training was recorded and reported by wrong account code 2221101 (6231) instead of account code 2251101 (6271).

Recommendation:

- Appropriate corrective action should be taken promptly.

Management Response:

- They accepted the recommendation and agreed to take corrective actions in the future.

3. FEDERAL ETHICS AND ANTI-CORRUPTION COMMISSION

Findings:

- Additional birr 164,165.00 Perdiem was paid for local training participants for whom full accommodation (breakfast, lunch, dinner and bed service) was fully covered at Blue Nile Resort Hotel at Bahir Dar City.
- Perdiem payments of birr 3,900.00 were made double at the same days and for the same individuals improperly.

Recommendation:

- Appropriate corrective action should be taken promptly.

Management Response:

- They accepted the recommendation and agreed to take corrective actions in the future.



4. CENTRAL STATISTIC AGENCY

Finding:

- Receivables amounting birr 2,806,931.50, birr 23,367.78 and birr 528,580.62 aged from 31 to 90 days, from 91 to 180 days and from 181 to 365 days, respectively, were not settled timely.

Recommendation:

- Appropriate corrective action should be taken promptly.

Management Response:

- They accepted the recommendation and agreed to take corrective actions in the future.

4.1 FOLLOW UP AUDIT FOR THE 2011 ANNUAL AUDIT REPORT

Findings:

- Fuel Payment of birr 1,408.00 was made without writing date on the receipt voucher.
- Payments made for training, allowance and accommodation amounting of birr 15,300.00, birr 2,280.00 and birr 10,234.12, respectively, were not supported with attendance sheet.

Action taken:

- Appropriate corrective action was taken on the findings

5. ETHIOPIAN INSTITUTE OF OMBUDSMAN

Findings:

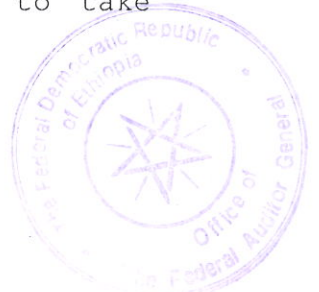
- Payable amounting of Birr 1,400,000.00 aging more than a year was not settled timely.
- Birr 440,412.84 was expended over the budget allocated.

Recommendation:

- Appropriate corrective action should be taken promptly.

Management Response:

- They accepted the recommendation and agreed to take corrective actions in the future.



III. OTEHERS

III.1 FOLLOW UP AUDIT FOR THE 2011 ANNUAL AUDIT REPORT

Findings:

MINISTRY OF FINANCE:

- Receivables and payables amounting to birr 4,182,225.65 and birr 143,305.72 respectively aged more than a year were not settled in Amhara region BoFED timely even if the project funds was ended up in December, 2018.
- Receivables amounting to birr 432,018.50 aged more than a year were not settled timely in SNNP region BoFED even if the project funds was ended up in December, 2018.
- Receivables and Payables aged more than a year amounting to birr 4,649,695.60 and 621,372.00 respectively were not settled timely in MoF even if the project/PBS III/ was closed in December 2018

CENTRAL STATISTIC AGENCY

- Receivables amounting birr 264,648.16 were not settled since 2007 EFY.
- Fuel payment of birr 125,448.80 that was made in 2007 EFY by Mizan branch office was settled after four years in 2011 EFY.

Action taken/ not taken:

Appropriate corrective action was taken on the finding except that:

- Receivables amounting birr 264,648.16 were not settled since 2007 EFY.



ACKNOWLEDGEMENT

Finally, we would like to express our appreciation to the management and staff of all auditees at various levels for the assistance and cooperation extended to us during the course of the audit.

We would be pleased to provide any further explanations that could be deemed necessary.



A handwritten signature in blue ink, consisting of a stylized, cursive script.

Annex I

List of Bureaus, Woredas, Town Administrations and Federal Government Implementing agencies covered in this Annual audit:

1. AFAR NATIONAL REGIONAL STATE
 - 1.1. BUREAU OF FINANCE AND ECONOMIC DEVELOPMEN
2. AMHARA NATIONAL REGIONAL STATE
 - 2.1. BUREAU OF FINANCE AND ECONOMIC DEVELOPMENT
3. OROMIA NATIONAL REGIONAL STATE
 - 3.1. EAST HARARGE ZONE FINANCE
 - 3.2. WEST HARERGE ZONE FINANCE
4. SOMALI NATIONAL REGIONAL STATE
 - 4.1. BUREAU OF FINANCE AND ECONOMIC DEVELOPMENT
5. BENISANGUL-GUMUZ REGIONAL STATE
 - 5.1. ASSOSA ZONE FINANCE
6. SOUTHERN NATIONS, NATIONALITIES AND PEOPLE'S REGIONAL STATE
 - 6.1. BUREAU OF FINANCE AND ECONOMIC COOPERATION
 - 6.2. GURAGE ZOFED
 - 6.3. WOLAYTA ZOFED
7. SIDAMA REGIONAL STATE
 - 7.1. BUREAU OF FINANCE AND ECONOMIC COOPERATION
8. THE FEDEREL GOVERNMENT IMPLIMENTING AGENCIES
 - 8.1. MINISTRY OF FINANCE
 - 8.2. ENVIRONMENT, FOREST AND CLIMATE CHANGE COMMISSION
 - 8.3. FEDERAL ETHICS AND ANTI-CORRUPTION COMMISSION
 - 8.4. CENTRAL STATISTIC AGENCY
 - 8.5. ETHIOPIAN INSTITUTE OF OMBUDSMAN

