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**AUDIT SERVICES
CORPORATION**

THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

MINISTRY OF FINANCE

THE GENERAL EDUCATION QUALITY IMPROVEMENT
PROGRAM FOR EQUITY (GEQIP-E) PROGRAM FOR RESULT

P163050

INDEPENDENT AUDITOR'S REPORT

AND

FINANCIAL STATEMENTS

07 JULY 2024



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Office of the Federal Auditor General
Audit Service Corporation

INDEPENDENT AUDITOR'S REPORT ON THE
FINANCIAL STATEMENTS OF MINISTRY OF FINANCE
GENERAL EDUCATION QUALITY IMPROVEMENT PROGRAM
FOR EQUITY (GEQIP-E)
PROGRAM FOR RESULT (P for R) -P163050

Opinion

We have audited the accompanying financial statements of General Education Quality Improvement Program for Equity (GEQIP-E), Program for Result (P for R) of the Federal Democratic Republic of Ethiopia, Ministry of Finance ,financed by IDA Grant number D2620 ET, IDA D8080, MDTF Grant Number TFA8352, GPE TFB5137,and GPE TFB 5504 which comprise the balance sheet as at 07 July 2024, and the statement of sources and uses of funds and the designated account statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of General Education Quality Improvement Program For Equity (GEQIP-E), Program for Result (P for R) of the Federal Democratic Republic of Ethiopia, Ministry of Finance as at 07 July 2024 and of its financial performance and 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). We are independent of the audited entity / Ministry of Finance and its sub implementers in accordance with the relevant ethical requirements relating to the audit , and have fulfilled the auditor's other ethical responsibilities in accordance with these requirements as per the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants(IESBA Code).

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

Responsibilities of Management for the Financial Statements

The Ministry of Finance (MoF) 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 it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

Reports on other requirements

As required by the World Bank guidelines we report that, to the extent we can assess: -

- all external financing has been used in accordance with the conditions of the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided;
- counter-part funds have been provided and used in accordance with the financing agreement and only for the purposes for which the financing were provided;
- goods, works and services financed have been provided in accordance with the relevant financing agreement and disbursement letters;
- all necessary supporting documents, records and accounts have been maintained in respect of all Program activities;

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MINISTRY OF FINANCE
GENERAL EDUCATION QUALITY IMPROVEMENT PROGRAM
FOR EQUITY FOR (GEQIP-E) PROGRAM FOR RESULTS (P for R) -P163050
NOTES TO THE FINANCIAL STATEMENTS (continued)

- iii) Promoting good coordination and communication within and across management levels through improved use of existing documentation centers and sharing platforms.
- (b) Improving the quality of General Education by
- i) Strengthening teachers' and leaders' development and transforming teaching into a profession of choice;
 - ii) Improving curriculum development and providing sufficient teaching and learning materials;
 - iii) Supporting schools to develop and implement School Improvement Plans (SIP) with focus on the areas of community participation, school environment, teaching and learning and school leadership; and
 - iv) Strengthening quality assurance systems with focus on school inspection, teacher and school leader licensing and assessment and examination
- (c) Improving access, equity and internal efficiency in General Education by:
- i) Increasing access to pre-primary education;
 - ii) Increasing access to, and equity and internal efficiency of primary education; and
 - iii) Providing special support programs for Emerging Regions.
- (d) Providing support to address cross-cutting issues in General Education, specifically in the areas of gender, special needs and inclusive education.

The above financiers Program closing time and application deadline is as follows:-

<u>Financer</u>	<u>Application Closing Date</u>	<u>Application Deadline</u>
International Development		
Association IDA D2620-ET	30 June 2024	31 December 2024
Association IDA D8080-ET	08 April 2025	08 October 2025
Multi Donors Trust Fund (MDTF) TFA8352	25 July 2024	25 November 2024
Global Partnership for Education (GPE) TFB5137	08 April 2025	08 October 2025
Global Partnership for Education (GPE) TFB 5504	08 April 2025	08 October 2025

MINISTRY OF FINANCE
GENERAL EDUCATION QUALITY IMPROVEMENT PROGRAM FOR EQUITY FOR
(GEQIP-E) PROGRAM FOR RESULTS (P for R) -P163050
NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Program, which are consistent with those applied in the previous years, are stated below.

a) Basis of preparation

These financial statements are prepared on a modified cash basis in accordance with the accounting policy of the Government of the Federal Democratic Republic of Ethiopia.

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 transaction. Balances in foreign currencies at the balance sheet date are translated at the rate of exchange prevailing on that date

MINISTRY OF FINANCE
GENERAL EDUCATION QUALITY IMPROVEMENT PROGRAM
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NOTES TO THE FINANCIAL STATEMENTS (continued)

	2024			2023
	<u>Birr</u>	<u>Birr</u>	<u>Birr</u>	<u>Birr</u>
3. CASH				
3.1 Cash on hand and at bank comprises:-				
Implementing Agencies	<u>Cash at bank</u>	<u>Cash on hand</u>	<u>Total</u>	
US Dollar account	302,724,099.87		302,724,099.87	3,132,876,140
Main Birr account	104,687,125.52		104,687,125.52	58,708,096
Tigray National Regional State	61,192,064.96	-	61,192,064.96	204,703,220
Amhara National Regional State	17,807,805.57	-	17,807,805.57	13,325,879
Oromia National Regional State	19,940,113.75	271.34	19,940,385.09	35,984,302
Benishangul Gumuz National Regional State	41,314.89	181.39	41,496.28	8,285,387
Southern Nations Nationalities , and People Regional State	-	-	-	890,031
Afar National Regional State	119,837.07	-	119,837.07	123,550
Somali National Regional State	20,000.46	-	20,000.46	972,051
Gambela National Regional State	10,882,786.71	1,467,512.45	12,350,299.16	1,727,605
Harari National Regional State	13.50	-	13.50	6,068
Sidama National Regional State	694,568.93	-	694,568.93	1,515,630
South West Ethiopia National Regional State	643,725.96	-	643,725.96	2,926,806
South Ethiopia Region	1,002,046.57		1,002,046.57	-
Ministry of Education	1,692,950,884.55	-	1,692,950,884.55	31,768,874
Ministry of Finance -Administration	795,000	-	795,000.00	795,000
Addis Ababa City Administration	279,256.27	-	279,256.27	493,853
Dire Dawa City Administration	373.43	400	773.43	3,137
Central Ethiopia	945,955.93		945,955.93	-
Addis Ababa University	20	-	20.00	20
Hawassa University		-	0.00	8,740,780
Mekele University		-	0.00	3,895,666
Haromaya University	749	-	749.00	749
Dilla University	43,005	795	43,800.00	43,005
Wollo University	10,918.12	-	10,918.12	10,918
Wollayita Sodo University	233,503	-	233,503.00	233,503
Woldiya University	13,700	-	13,700.00	13,700
Debre Markos University	93,197	-	93,197.00	93,197
Axum University	1,879,396	-	1,879,396.00	200,698
Adigrat University	70,999.60	-	70,999.60	71,000
Assosa University	116,350	-	116,350.00	116,350
Arsi University	50,700	-	50,700.00	50,700
TOTAL	2,217,239,511.66	1,469,160.18	2,218,708,671.84	3,377,820,175

MINISTRY OF FINANCE
GENERAL EDUCATION QUALITY IMPROVEMENT PROGRAM
FOR EQUITY FOR (GEQIP-E) PROGRAM FOR RESULTS (P for R) -P163050
NOTES TO THE FINANCIAL STATEMENTS (continued)

4. ADVANCES	<u>2024</u>	<u>2023</u>
	<u>Birr</u>	<u>Birr</u>
Amhara National Regional State	-	-
Oromiya National Regional State	2,084,043.76	3,588,713
Tigray National Regional State	58,154,809.49	346,100
Benishangul Gumuz National Regional State	140.10	17,832,765
Afar National Regional State	-	835
Gambela National Regional State	804,871.95	193,417
Sidama National Regional State	587,505.98	716,673
South West Ethiopia National Regional State	1,105,184.54	1,085,027
Southern Nations Nationalities and People Regional State	230,000	472,023
Dire Dawa City Administration	15,348.63	15,349
Ministry of Education	799,038,820.12	226,005,133
Hawassa University	-	49,525
Bahir Dar University	3,085,248.10	3,085,248
Mekele University	1,833,014.40	330,500
Gondar University	39,598.40	39,598
Adigrat University	9,095	9,095
Wolaita Sodo University	607,825	607,825
Debre Markos University	6,923	6,923
Medawelabu University	11,050	11,050
Jimma University	9,700	9,700
Debre Berhan University	275,634.67	275,635
South Ethiopia	384,178.79	-
Central Ethiopia	<u>2,300,081</u>	-
	<u>870,583,072.93</u>	<u>254,681,133</u>

MINISTRY OF FINANCE
GENERAL EDUCATION QUALITY IMPROVEMENT PROGRAM FOR EQUITY FOR
(GEQIP-E) PROGRAM FOR RESULTS (P for R) -P163050
NOTES TO THE FINANCIAL STATEMENTS (continued)

5. PAYABLES	<u>2024</u>	<u>2023</u>
	<u>Birr</u>	<u>Birr</u>
Amhara National Regiona State	10,323,858.92	16,165
Oromiya National Regional State	767,478.66	1,697,334
Tigray National Regional State	5,898,504.65	21,359
Benishangul Gumuz National Regional State	39,465.13	-
Afar National Regional State	33,965.55	102,127
Gambela National Regional State	2,451,845.50	1,275,042
Somali National Regional State	-	905,184
Sidama National Regional State	209,821.55	421,260
South West Ethiopia National Regional State	308,750.00	1,352,000
Harari National Regional State	22,941.53	16,558
Dire Dawa City Administration	13,188.19	-
Ministry of Education	29,388,757.12	78,787,772
Bahir Dar University	3,900.00	3,900
Axum University	195,156.92	89,068
Woldia University	12,990.84	12,991
Central Ethiopia	4,021.00	-
Mekele University	1,050,800.01	-
Mizan Tepi University	440,228.21	-
South Ethiopia	<u>165,634.82</u>	<u>440,228</u>
	<u>51,331,308.60</u>	<u>85,305,119</u>

MINISTRY OF FINANCE
GENERAL EDUCATION QUALITY IMPROVEMENT PROGRAM FOR EQUITY FOR
(GEQIP-E) PROGRAM FOR RESULTS (P for R) -P163050
NOTES TO THE FINANCIAL STATEMENTS (continued)

6. FUND BALANCE	<u>2024</u> <u>Birr</u>	<u>2023</u> <u>Birr</u>
Balance at 8 July 2023	3,547,277,933	3,992,575,850
Prior period adjustment	1,799	305
(Deficit)/Excess of Sources over Uses of funds of the current year	(509,319,296)	(445,298,222)
Fund Balance,07 July 2024	<u>3,037,960,436</u>	<u>3,547,277,933</u>

7. DATE OF AUTHORIZATION

The Channel One Programs Coordinating Department Head of the Ministry of Finance authorized the issue of these financial statements on 31 December 2024.

MINISTRY OF FINANCE

GENERAL EDUCATION QUALITY IMPROVEMENT

PROGRAM FOR EQUITY (GEQIP -E) PROGRAM FOR RESULTS-P163050

IFR BASED WITHDRAWAL SCHEDULE

FOR APPLICATIONS SUBMITTED FROM 08 JULY 2023 TO 07 JULY 2024

World Bank Transaction Number	Reference Number	<u>Amount requested USD</u>	<u>Amount disbursed USD</u>	<u>Equivalent Birr</u>
1	GEQIP-E P4R 20	3,000,000.00	3,000,000.00	168,266,400
2	GEQIP-E P4R 23A	3,000,000.00	3,000,000.00	172,062,000
10	GEQIP-E P4R 16	9,250,000.00	9,250,000.00	506,407,900
13	GEQIP-E P4R 19	14,500,000.00	14,500,000.00	812,369,750
16	GEQIP-E P4R 22	5,150,000.00	5,150,000.00	293,466,055
9	GEQIP-E P4R 18	6,500,000.00	6,500,000.00	364,547,950
8	GEQIP-E P4R 15	21,712,741.95	21,712,741.95	1,189,975,507.67
36	GEQIP-E P4R 21	3,506,401.00	3,506,401.00	199,631,681.33
28	GEQIP-E P4R 16	7,011,391.97	7,011,391.97	384,723,491.06
6	GEQIP-E P4R 21	12,212,928.00	12,212,928.00	683,674,824.27
4	GEQIP-E P4R 17	2,806,482.00	2,806,482.00	153,836,468.89
		<u>88,649,944.92</u>	<u>88,649,944.92</u>	<u>4,928,962,028.22</u>

MINISTRY OF FINANCE
GENERAL EDUCATION QUALITY IMPROVEMENT PROGRAM FOR EQUITY
(GEQIP -E) PROGRAM FOR RESULTS (P FOR R) -P163050
RECONCILLATION OF THE SEMI ANNUALS OF 2023 INTERIM
FINANCIAL REPORTS (IFRS) WITH THE YEAR END STATEMENT
OF SOURCE AND USES OF FUNDS AND BALANCE SHEET

	First Semi	Second Semi	Cumulative from
	Annual	Annual	8 July 2019 to
			7 July 2024
Balance 8 July 2023			3,547,277,933
SOURCES			
Collection during the year			
Cash transfer	3,730,987,942	1,309,385,020	5,040,372,962
Gain on foreign exchange	<u>86,572,868</u>	<u>52,943,722</u>	<u>139,516,590</u>
Total Sources	3,817,560,810	1,362,328,742	5,179,891,351
USES			
Program expenditure	<u>2,772,561,089</u>	<u>2,916,647,759</u>	<u>5,689,208,848</u>
Excess /(Deficit) of current year source over uses	<u>1,044,999,721</u>	<u>(1,554,319,017)</u>	<u>(509,319,296)</u>
Prior Period Adjustment			<u>1,799</u>
Balance, 07 July 2024			<u>3,037,960,436</u>
Cash at bank			2,217,239,511.66
Cash on hand			1,469,160.18
Advances			870,583,072.93
Payables			(51,331,308.60)
Accumulated fund balance, 07 July 2024			<u>3,037,960,436</u>