



በኢትዮጵያ ፌዴራላዊ ዲሞክራሲያዊ ሪፐብሊክ
የሂሳብ ምርመራ አገልግሎት ኮርፖሬሽን

The Federal Democratic Republic of Ethiopia
Audit Services Corporation

**INDEPENDENT AUDITOR'S REPORT ON THE
FINANCIAL STATEMENTS OF
THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
MINISTRY OF FINANCE
ETHIOPIA DIGITAL FOUNDATIONS PROJECT ID P171034**

We have audited the financial statements of the Federal Democratic Republic of Ethiopia, Ministry of Finance, Ethiopia Digital Foundations Project ID P171034, financed under Project Preparation Advance No.IDAV2980-ET ("PPA") (hereinafter referred to as the Program), which comprise the balance sheet as at 7 July 2021, 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.

Responsibility for the Financial Statements

The Ministry of Finance 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.

ASL



**INDEPENDENT AUDITOR'S REPORT ON THE
FINANCIAL STATEMENTS OF
THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
MINISTRY OF FINANCE
ETHIOPIA DIGITAL FOUNDATIONS PROJECT
ID P171034 (continued)**

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 financial statements give a true and fair view of the financial position of Ministry of Finance, the Ethiopia Digital Foundations Project, Project Preparation Advance No.IDAV2980-ET ("PPA") as at 7 July 2021 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 described in note 2 to the financial statements.

Reports on other requirements

As required by the terms of reference for financial audit and the World Bank guidelines we report that, to the extent we can assess:

- a) 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;
- b) Goods, works and services to be financed will be procured in accordance with the relevant financing agreements including specific provisions of the World Bank Procurement policies and procedures;
- c) All necessary supporting documents, records and accounts have been maintained in respect of all project activities;
- d) 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 purposes intended in the financing agreements;
- e) National laws and regulations have been complied with and that the financing and accounting procedures approved for the Project were followed and used;
- f) Financial performances of both the Project and of implementing partners are satisfactory;

Audit Service Corporation

6 January 2022

