NIGERIA STATE HEALTH INVESTMENT PROJECT (NSHIP)
(FEDERAL MINISTRY OF HEALTH)

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER, 2016

AUDITED BY

OFFICE OF THE AUDITOR-GENERAL FOR THE FEDERATION
Plot 273, Central Business District,
Abuja
NGERIA STATE HEALTH INVESTMENT PROJECT (NSHIP)
FEDERAL MINISTRY OF HEALTH
(WORLD BANK ASSISTED – PROJECT ID P120798)
FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2016

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NIgeria State Health Investment Project (NSHIP)
Federal Ministry of Health
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Corporate Information

Senior Project Management Team

1. Dr. Akin Oyemakinde - Director
2. Dr. Emmanuel Meribole - Principal Investigator
3. Okechukwu Okwudili - Program Officer
4. Udechukwu Obi Osakwe - Project Accountant
5. Akin Fayinminu - Assistant Project Accountant
6. Nwokedi Nwodo - Procurement Officer
7. Mrs. Caroline Abdusalam - Project Internal Auditor

Implementing Agency
Nigeria State Health Investment Project (NSHIP)
Federal Ministry of Health,
11th Floor, Federal Secretariat Complex,
Phase III, Ahmadu Bello Way, Central Area,
P. M. B. 083, Garki - Abuja

Auditors
Office of the Auditor - General for the Federation

Bankers
Central Bank of Nigeria
Standard Chartered Bank
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REPORT OF THE PROJECT MANAGEMENT TEAM

The Project Management Team has the pleasure of presenting this report and accounts for the year ended 31st December, 2016.

Project overview

The Nigeria State Health Investment Project, (NSHIP) is a World Bank Assisted Project whose major objectives are to improve the delivery and use of high impact maternal and child health interventions to improve care at selected health facilities in the participating states, by ensuring pro-poor focus. The Project was negotiated by the Government of Nigeria and the World Bank on March 1, 2012 and approved by the Board of the World Bank on April 12, 2012. The project, which has a five (5) year life span, became effective on October 11, 2012 and is expected to close on June 30, 2018. Three states: Adamawa, Nasarawa and Ondo States are participating in the project as a pilot scheme, while the Federal Ministry of Health is the supervising Ministry

Functions of the Team

a) The Team has the overall responsibilities of project planning, execution and monitoring.
b) They interface with World Bank and equally ensure that funds are disbursed in line with the requirement of World Bank.
c) They have the responsibilities of preparing the accounts of NSHIP, render quarterly returns of income and expenditure and end of year financial statement
d) They ensure adequate internal control policy, a continuous audit of the project and render quarterly audit report to World Bank

Funding the Project

The NSHIP total project cost was US$ 170m. US$ 150m to be borrowed from International Development Association (IDA); and US$ 20m to be funded through Health Results Innovation Trust Fund. However, Federal Government of Nigeria Contributed to the Project.

Expenditure of the Project

The disbursement of the fund is designed in two components with provision for contingencies as follows:
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REPORT OF THE PROJECT MANAGEMENT TEAM (CONT’D)

Component 1: Result Based Financing (RBF) – US$ 122.m; the project aims to strengthen service delivery and institutional performance by using two RBF approaches which are:

i. Performance Based Financing (PBF) for outputs of health facilities and Local Government Area Primary Health Care (LGA PHC) Departments.

ii. Disbursement Link Indicators (DLI) at State and LGA level.

Component 2: Technical Assistance (TA) – US$ 12m; for

i. Strengthening of States Projects implementation capacity

ii. Support to Federal, State, LGA and facility levels to manage and operate the RBF approach

iii. Overall project management activities, as well as Monitoring and Evaluation (M&E) activities aimed at providing independent assessment of results and building national capacity for M&E. They are divided as follows:

✓ Federal Ministry of Health: US$ 10m.
✓ National Primary Health Care Development Agency (NPHCDA): US$ 12m.

Contingencies: - US$ 12.2m

State of Affairs:
As a result of delay in opening the Single Treasury Account (TSA) as instructed by Federal Government of Nigeria, NSHIP had no transaction in 2016. However, the TSA account was opened in 2017 and transactions has commenced.

Result for the year:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
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<tbody>
<tr>
<td>Revenue</td>
<td>214,196,497.00</td>
<td>16,568,525.00</td>
</tr>
<tr>
<td>Surplus/(Deficit) for the year</td>
<td>210,223,703.00</td>
<td>(104,367,429.00)</td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>10,028,382.00</td>
<td>13,371,176.00</td>
</tr>
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</table>
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STATEMENT OF THE PROJECT MANAGEMENT RESPONSIBILITIES

The International Public Sector Accounting Standards (IPSAS) and the Project Implementation Manual (PIM) require the Project Management Team to prepare financial statement for each financial year that gives a true and fair view of state of financial affairs of the NSHIP at the end of the year and of its excess or deficit. The responsibilities include:

a) Keep proper accounting that disclose, with reasonable accuracy, the financial position of NSHIP and comply with the requirement of IPSAS.
b) Establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities in line with S.3.3 of PIM.
c) Prepare annual financial statements in accordance with IPSAS and as provided by S.3.4 of PIM, using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Management Team accepts responsibility for the annual financial statement, which has been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standard (IPSAS) as issued by International Public Sector Accounting Standard Board (IPSASB) and the requirement of the Nigeria State Health Investment Project (NSHIP) Project Implementation Manual.

The Management Team is of the opinion that the financial statement gives a true and fair view of the state of financial affairs of NSHIP and of its excess for the year ended 31 December 2016. The Management further accepts the responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statement, as well as adequate system of internal financial control.

Nothing has come to the attention of the Management Team to indicate that NSHIP will not remain a going concern for at least twelve months from the date of this statement.

Dr. Akin Oyemakinde
Director

Mr. Udechukwu Osakwe
Project Accountant