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ENTRO
NILE BASIN INITIATIVE
INITIATIVE DU BASSIN DU NIL

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Ref: ENTRO/0940/2018
Date: December 27, 2018

The World Bank
Ethiopia Country Office
Addis Ababa, Ethiopia

SUBJECT: AUDIT REPORT FOR THE YEAR ENDED JUNE 30, 2018

Kindly, attached herewith please collect ENTRO's Audited Financial Statement for the year ended 30 June 2018 together with the management letter.

Should you require further clarifications or have queries we are happy to provide.

Sincerely yours,

EL SADIG GODA
Regional Finance & Admin. Head

Enclosure:

- Reports and Financial Statements for the year ended 30 June 2018
- Report to Management June 30, 2018

EASTERN NILE TECHNICAL REGIONAL OFFICE (ENTRO)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

RECEIVED
28 DEC 2018

GLOSSARY OF TERMS

AWF	Africa Water Facility
AfDB	African Development Bank
BAS	Baro - Akobo - Sobat Project
CIWA	Cooperation in International Waters in Africa
ENCOM	Eastern Nile Council of Ministers
ENSAP	Eastern Nile Subsidiary Action Plan
ENTRO	Eastern Nile Technical Regional Office
GIZ	The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
IDEN	Integrated Development of Eastern Nile
N - CORE	Nile Cooperation for Results Project
NBI	Nile Basin Initiative
NBTF	Nile Basin Trust Fund
NELSAP CU	Nile Equatorial Lakes Subsidiary Action Program Coordination Unit
NEPAD - IPPF	NEPAD - Infrastructure Project Preparation Facility
Nile SEC	Nile Basin Secretariat

EASTERN NILE TECHNICAL REGIONAL OFFICE (ENTRO)
REPORTS AND FINANCIAL STATEMENTS

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EASTERN NILE TECHNICAL REGIONAL OFFICE (ENTRO)
REPORTS AND FINANCIAL STATEMENTS

OFFICIALS AND PROFESSIONAL ADVISORS

MANAGEMENT

Fekahmed Negash	Executive Director
Teshome Atnafie	Senior Regional Project Coordinator/Head Water Resources Development Unit
El Sadig Abaker Goda	Regional Finance and Administration Head

REGISTERED OFFICE

Eastern Nile Technical Regional Office

P.o. Box 27173 – 1000

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Addis Ababa

AUDITORS

HST, Chartered Certified Accountants,

Mina Building, Wollo Sefer,

P O Box 1608,

Addis Ababa, Ethiopia

BANKERS

Commercial Bank of Ethiopia

P O Box 255

Addis Ababa, Ethiopia

LEGAL ADVISORS

Dr Berhane Gebray and Associate, Corporate Lawyers and Consultants

1 ENTRO MANAGEMENT REPORT

1.1 Background

The Eastern Nile Technical Regional Office (ENTRO) was established by Eastern Nile Council of Ministers (ENCOM) in 2002 for advancing the cooperative development of the water resources within the context of Eastern Nile Subsidiary Action Plan (ENSAP).

The main tasks of ENTRO include:

1. Support for ENSAP Management;
2. Secretariat support to ENSAP and ENCOM;
3. Liaison with donors and partners; and
4. Management and coordination of Integrated Development of Eastern Nile (IDEN).

Eastern Nile Subsidiary Action Plan (ENSAP) is an investment program under the Basin Initiative. The Eastern Nile Council of Ministers (ENCOM) representing Egypt, Ethiopia, South Sudan and Sudan leads the program. ENSAP seeks, as objectives, to achieve joint action on the ground of poverty alleviation, economic growth and reversal of environmental degradation.

The first ENSAP project is the Integrated Development of Eastern Nile (IDEN) project and initiates a regional, integrated, multipurpose program through a first set of investment, which confers tangible, win-win gains and demonstrates joint action between the Eastern Nile countries.

Preparation of ENSAP investment project is funded through grants from the World Bank, African Development Bank, and the Government of Canada, France, Norway, the Netherlands and Japan. ENTRO has its own operational budget, financed by the member of Governments and through various aid programs.

Brief descriptions of ENTRO's major on-going projects are as follows:

1.2 Project objectives

1.2.1 Nile Cooperation for Results Project (N-CORE)

The objective of the project is to facilitate cooperative water resource management and development in the Nile Basin. The project has their components.

PART A: Advancing Nile Basin-wide Cooperation and Analysis which provides support to the NBI in basin-wide core functions of facilitating cooperation and water resources management. This part is implemented by Nile-SEC.

PART B: Promotion of Sustainable Development and Planning in the Nile Equatorial Lakes Region which provides support to NBI in its efforts to advance investment opportunities in the Nile Equatorial Lakes. NELSAP CU is responsible to accomplish this section.

PART C: Enhancing Eastern Nile Planning and sustainable development: providing support to NBI in promoting cooperative activities, water resource management and sustainable development in the Eastern Nile. This part is executed by ENTRO. It includes the following activities.

1 ENTRO MANAGEMENT REPORT (Continued)

1.2.1 Nile Cooperation for Results Project (N-CORE) (Continued)

a) Carrying out a program aimed at improving public domain access to the Eastern Nile knowledge base including:

- developing analytical and forecasting tools for investment preparation and flood and drought management;
- enhancing knowledge partnership with stakeholder networks; and
- promoting regional cooperation activities.

b) Carrying out a program aimed at promoting sustainable development and growth in the Eastern Nile such as technical assistance to improve dam safety, assistance in the preparation of new watershed management projects, and the provision of training to the networks of environmental and social specialists.

The programme is financed by the Nile Basin Trust Fund and the Cooperation in International Waters in Africa Trust Fund with budgets of USD 13.8 million and USD 14.5 million respectively. The grant from NBTF is closed in Dec 31, 2015. However, the grant from CIWA continues to November 2020. Initially, Part C of the project has a total grant amount of USD 1M for which project closing date is April 2017. Subsequently, the grant has amended to USD 1.25M without changing the closing date. However, the project is amended again by increasing the scope of the activities and the grant amount. An additional fund amount of USD 3.4M is added to the previous grant amount and the total grant amount increased to USD 4.65M. The grant closing date has also extended to November 30, 2020.

Additional activities under this component will build on the momentum generated by ENTRO's successful flood forecasting, regional dam safety, and MSIOA process. The component will include support for ENTRO to (i) continue and expand issuance of seasonal and daily flood forecasts to governments, communities, NGOs, including potentially to South Sudan; (ii) build technical capacity in new national dam safety offices, including through strengthening the working partnership of a regional network of dam operators; (iii) provide increased real-time and technical data and analysis to countries; (iv) scale-up ENTRO's young professionals program and academic partnerships to continue building a new set of leaders in the Eastern Nile, among others; and (v) undertake an evaluation of the success of various pilot livelihood-based integrated watershed management interventions conducted by ENTRO, to inform riparian-led scale up of select best and most viable practices, as well as training of practitioners on lessons learned.

1.2.2 Baro-Akobo-Sobat Multipurpose Water Resources Development Study Project

The project encompasses activities structured in to four output areas, namely: (1) Development of integrated water resources management and development plan for BAS sub-basin based on a comprehensive assessment of options through a Strategic Social and Environmental Assessment (SSEA) as well as through a technical, economic, financial and institutional assessment; (2) Identification of investment packages and feasibility study of selected priority investment projects with win –win benefits and that build trust and confidence among the EN countries; (3) Project identification of medium and long- term multi-purpose development projects (water supply and sanitation, hydropower, irrigation, navigation, flood control); and (4) Stakeholders consultation and engagement including engagement of potential financing agencies as well as the private sector in resource mobilization for implementation of short-term projects and for project preparation of medium and long-term projects.

The total cost of the project is estimated at € 2,500,000 made up of manly of consultancy services for undertaking the study. The project will be implemented over a period of 36 months from grant effectiveness. The project will be financed by an Africa Water Facility (AWF) grant of Euro 2,000,000 and a NEPAD-IPPF grant of USD 667,000 (equivalent Euro 500,000). The project will be closed on August 2017.

1 ENTRO MANAGEMENT REPORT (Continued)

1.2.3 GIZ Support to NBI-ENTRO

National training on Hydro-diplomacy / Negotiation technique
The objective of the financing agreement is to facilitate a training program on hydro-diplomacy /negotiation to improve the national capacity of Eastern Nile countries technical and negotiating teams to undertake effective negotiation that confers win-win outcomes for all parties and thus make possible the building of lasting, institutionalized resource management regime in the Eastern Nile. It has a total grant agreement of USD 89,503 through August to December 2017.

Strengthening hydro-diplomacy in the Eastern Nile cooperation process

The objective of the financing agreement is to enable NBI/ENTRO to contribute to strengthening hydro-diplomacy in the Eastern Nile Basin. To enhance the capacity of key actors from the Nile riparian states to contribute to a cooperative solution of the Nile water conflict and effectively engage in the political process. It has a total grant agreement of Euro 184,502 (equivalent to USD 214,244) through January 2018 to June 2019.

Integration of wetland water demand and e-flows requirements for the Sudd, Machar Marshes and Baro-Akobo-Sobat Wetlands into basin planning

The objective of the financing agreement is to strengthen the technical and institutional capacities for sustainable management wetlands of transboundary relevance in the Nile Basin. It has a total grant agreement of Euro 304,426 (equivalent to USD 353,500) through January 2018 to March 2020.

Support to implementation of the NBI EN Action Plan 2017-2022

The objective of the financing agreement is the implementation of the NBI EN Action Plan 2017-2022 with a specific objective to enhance the capacity of the NBI to build consensus amongst riparian states on the sustainable and cooperative management and development of the basin's water resources. It has a total grant agreement of Euro 543,075 (equivalent to USD 631,703) through July 2017 to September 2021.

2 AUDIT OBJECTIVES, SCOPE, METHODOLOGY AND RESULTS

2.1 Audit objectives

The objective of the audit is to express an opinion on the Eastern Nile Technical Regional Office financial statements for the period ended 30 June 2018. The audit includes but not limited to the following tasks:

- Perform reviews of the accounting records and ascertain whether the laid down financial procedures are complied with;
- Review evaluate and comment on the organization's compliance to the World Bank guidelines.
- Review and evaluate the organization's accounting policies and administrative controls and report any significant weaknesses, together with recommendations for improvement and ensure that the respective accounts manual is updated in accordance with the respective guidelines;
- Determine whether the management and financial systems, including internal controls, within the components are adequate for efficient and prudent management of funds;
- Comment on the use of funds vis a vis approved budgets in relation to the agreement between the organization and donors;
- Assess the compliance with administrative/legal/fiscal issues regarding local employees contracted under the projects;
- Recommend possible improvements and/or actions in any area on financial management and especially areas where weaknesses were noted; and
- Follow up on the status of prior period audit recommendations.

2.2 Audit scope

The audit scope required us to carry out sufficient audit steps and procedures to ensure that the audit objectives were met for the period ended 30 June 2018. Details of the steps and procedures are given below.

2 AUDIT OBJECTIVES, SCOPE, METHODOLOGY AND RESULTS (Continued)

2.3 Audit Methodology

We conducted the 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 whether the financial statements are free from material misstatement.

Internal controls

Evaluated significant internal controls to obtain a sufficient understanding of the design of relevant controls, policies and procedures and whether they have been in operation during the period under review.

Compliance with agreement terms and applicable laws and regulations

Reviewed, assessed and reported on compliance with the terms and conditions of the agreement

Representations by grantees

Obtained specific written representations from management.

Contractual obligations

- Appraised relevant documents such as agreements between Nile Basin Trust Fund with Nile Basin Initiative as well as documents concerning rights and obligations with a view to providing a comprehensive appraisal of projects.
- Verified compliance of projects expenditures with relevant terms of agreements as well as all the applicable rules.
- Verified compliance of the recipient with the terms and conditions of the agreement with the donor.
- Ensured timely submission of interim unaudited financial reports for the project as stipulated in the agreement.

Receipts and disbursements

Verified compliance with the disbursements and procurement procedures set up for ENTRO.

Implementation

- Examined whether the expenditures are classified in accordance with the budget or the project proposal where the latter forms part of the contract with the recipient.
- Reviewed bank statements and accounts of the recipient and other relevant books of accounts and assessed whether they show a complete view of the income received and expenditure incurred in accordance with generally accepted principles.
- Verified and confirmed that all commitments are genuine, with the relevant agreements disclosed within the financial records and are for the pursuance of agreed Project objectives.
- Examined a representative sample of payments transactions of and within the Project including accuracy and completeness of records.
- Verified individual Project accounts and gave an opinion and/ or advice regarding the manner they are operated.

Other income sources

- Established whether other income generated by the Project, such as interest, in-kind/local contributions, exchange gains, etc.; have been used in furtherance of the Project objectives
- Verified that contributions made towards project activities were made and used in accordance with relevant agreement.

2 AUDIT OBJECTIVES, SCOPE, METHODOLOGY AND RESULTS (Continued)

2.4 Results of the audit

2.4.1 Summary of results by audit objectives

(i) Reach an opinion as to the validity of the financial statements.

In our opinion, the financial statements give a true and fair view of the sources and uses of funds in accordance with the accounting policies set out on note 4.4 and in conformity with the grant agreement

(ii) Report on the financial management and internal controls findings

We reviewed the internal control structure and except for the matter referred in the management letter issued separately, we concluded that the system was adequate to meet the needs of the program.

3 STATEMENTS OF MANAGEMENT'S RESPONSIBILITIES

The management of Eastern Nile Technical Regional Office is responsible for preparing the financial statements for each financial year which gives a true and fair view of the Organization as at the end of the year and of the operating results for that year. The management of Eastern Nile Technical Regional Office is required to ensure the organization keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the organization. They are also responsible for safeguarding the assets of the organization.

The management of Eastern Nile Technical Regional Office is responsible for the preparation of these financial statements that give a true and fair view in accordance with the financial reporting provisions of the World Bank, the accounting policies stated in section 4.4 of this report and for such internal controls as the management determine are necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

The management of Eastern Nile Technical Regional Office accepts responsibility for the financial statements which has been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the financial reporting provisions of the World Bank, the accounting policies stated in note 4.4 to the financial statements. The management of Eastern Nile Technical Regional Office is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Organization and of the results of its activities. The management of Eastern Nile Technical Regional Office further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

The management also accepts responsibility for:

i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
ii) selecting suitable accounting policies and applying them consistently; and
iii) making accounting estimates and judgements that are reasonable in the circumstances.

The management certifies that, to the best of their knowledge, the information furnished to the auditors for the purpose of the audit was correct and is an accurate presentation of ENTRO's financial transactions.

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

Signed on behalf of the management by:

Fekahmed Negash
Executive Director

El Sadig Abaker Goda
Regional Finance and Administration Head

26 December 2018

EASTERN NILE TECHNICAL REGIONAL OFFICE
Egypt Ethiopia S.Sudan Sudan
ENTRO

HST

Chartered Certified Accountants and Authorized Auditors
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4.1 INDEPENDENT AUDITORS' REPORT TO EASTERN NILE COUNCIL OF MINISTERS ON THE FINANCIAL STATEMENTS OF EASTERN NILE TECHNICAL REGIONAL OFFICE (ENTRO)

Opinion

We have audited the accompanying financial statements of Eastern Nile Technical Regional Office (ENTRO), set out on pages 12 to 21 which comprise the statement of financial position as at 30 June 2018 and receipts and payments for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the cash receipts and expenditure of the Organization and the funds at and for the year ended 30 June 2018 were utilized for the purpose defined in the funding agreement and in accordance with the accounting policies set out in note 4.4 to the statement and the financial reporting provisions of the donors.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of ENTRO in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), together with other ethical requirements that are relevant to our audit of the financial statements in Ethiopia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on other requirements

In all materials respects, we confirm that:

i. External funds have 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;
ii. Goods and services financed have been procured in accordance with the relevant financing agreements and the financiers' procurement policies and procedures;
iii. All necessary supporting documents, records, and accounts have been kept in respect of all Project ventures including expenditure reported using statements of expenditure (SOE) method of disbursement;
iv. Designated Accounts have been maintained in accordance with the provisions of the relevant financing agreements and disbursement letter and funds disbursed out of the Accounts were used only for the purpose intended in the financing agreement;
v. The financial statements have been prepared in accordance with the organization's accounting policies and relevant World Bank guidelines;
vi. National laws and regulations have been complied with, and that the financial and accounting procedures approved for the project; and
vii. There is verifiable ownership by ENTRO or beneficiaries in line with the financing agreement in respect of assets procured.

Managements' Responsibility for the Financial Statements

ENTRO's management is responsible for the preparation of financial statements that give a true and fair view in accordance with in accordance with the financial reporting provisions of the World bank, the accounting policies stated in section 4.4 of this report and for such internal controls as management determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the ENTRO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, weather due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ENTRO's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause ENTRO to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Solomon M[illegible]
Partner
Registered Auditor
26 December 2018
HST General Partnership
Chartered Certified Accountants and Authorized Auditors
(Auditors' of Eastern Nile Technical Regional Office)
Addis Ababa

EASTERN NILE TECHNICAL REGIONAL OFFICE (ENTRO)
4.2 STATEMENT OF FINANCIAL POSITION

	Note	2018 USD	2017 USD
Current Assets			
Cash and bank balances	4.7	1,556,215	898,091
Receivables	4.8	60,737	2,342,118
Total Assets		1,616,952	3,240,209
Current Liabilities			
Payables	4.9	57,286	803,207
Fund balance			
Accumulated fund balance	4.3	1,559,666	2,437,002
Total Funds and Liabilities		1,616,952	3,240,209

These financial statements on pages 12 to 21 were approved by ENTRO management on 26 December 2018 and signed on its behalf by:

Fekahmed Negash
Executive Director

El Sadig Abaker Goda
Regional Finance and Administration Head

EASTERN NILE TECHNICAL REGIONAL OFFICE
Egypt Ethiopia S.Sudan Sudan
ENTRO

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HST General Partnership

EASTERN NILE TECHNICAL REGIONAL OFFICE (ENTRO)

4.3 STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 USD	2017 USD
INCOME			
Member countries contributions		333,333	864,000
Other donors' contribution		1,740,637	2,161,148
Other income		3,893	74,794
Total income		2,077,863	3,099,942
PAYMENTS			
Personnel costs		271,271	237,953
Supplies and services		73,034	68,180
Service costs and charges		1,210,881	2,047,187
Conference and training		251,676	220,946
Field travel expenses		-	2,521
Capital expenditure		2,226	68,069
Total payments	5	1,809,088	2,644,855
Excess income (expenditure)		268,775	455,087
Fund balance as at 1 July		1,290,891	1,981,915
Prior year adjustment	4.5.1	-	(1,146,111)
		1,559,666	1,290,891

4.4 SIGNIFICANT ACCOUNTING POLICIES

4.4.1 Basis of preparation

The financial statements have been prepared on a modified cash basis i.e. Cash receipts and disbursements modified to accrue for outstanding payables and receivables.

4.4.2 Budget

The budget is developed on the same accounting basis (modified cash basis), same classification basis, and for the same period as for the financial statements. The budget was approved as required by the standard conditions of the grant and work-plan as approved by the governance.

4.4.3 Income

Income represents amounts received in US dollar from member country contributions and other donor contributions during the year. Income is recognised when the funds are received into the bank. The balance of funds for the period represents amounts not utilised as at the close of the period.

4.4.4 Expenditure

Expenditure represents amounts disbursed and costs incurred denominated in US dollar. They also include losses arising on fluctuation of the US dollar against the Ethiopian Birr.

4.4.5 Fixed Assets

Fixed assets are expensed on purchase in the period of acquisition. ENTRO maintains separately an asset register that track all the organizations fixed assets.

4.4.6 Imprest

Funds transferred to components are accounted for as imprest and expensed when the financial statements and retirements have been submitted and accepted by ENTRO.

4.4.7 Taxation

Income received by ENTRO is not subject to tax since it is exempted from any form of tax as it is donor funds.

4.4.8 Foreign currency transactions

Functional currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars ("USD") which is the Organization's functional currency.

4.4.8 Foreign currency transactions (Continued)

Transactions and balances

Cash receipts and payments arising from transactions in a foreign currency are recorded in the financial statements using the actual rate of exchange. Foreign currency transactions are translated into the functional currency of the Organization using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in statements of receipts and payments.

4.4.9 Fund balances brought forward

These relate to unused funds that were carried forward from prior period. The amounts agree to the audited financial report of 30 June 2017.

4.5 GRANT

The income received during the period was as follows:

		2018		2017	
Date	**Note**	Record	Confirmed	Record	Confirmed
		USD	USD	USD	USD
Local		-	-	-	-
Foreign					
Member countries contributions	4.5.1	333,333	333,333	864,000	864,000
Other donors' contribution	4.5.2	1,740,637	1,740,637	2,161,148	2,161,148
		2,073,970	2,073,970	3,025,148	3,025,148

4.5.1 Member countries contributions

Based on NBI harmonized manual, Income from member countries are recognised as income in the book of ENTRO when received into ENTRO's bank accounts. However, until 30th June 2017, country contribution USD 1,146,111 has been recorded as receivables from member countries accrual basis for the year from 2010 to 30 June 2017. Consequently, adjustment totalling USD 1,146,111 has been made during the year as prior year adjustments to reverse contribution due from member countries against fund balance.

4.5.2 Other donors' contribution

Following Baro-Akobo-Sobat project closure, unused fund balance of USD 75,613 from AfDB was reimbursed. Furthermore, under the financing agreement from GIZ to facilitate national training on hydro-diplomacy/negotiation technique for Eastern Nile Technical Teams, unused fund balance of USD 22,220 was reimbursed to GIZ.

4.6 NON-CURRENT ASSETS

Purchase of fixed assets is expensed on acquisition. ENTRO maintains an asset register that tracks all project fixed assets, and the existence and beneficial ownership has been verified by the organization.

4.7 CASH AND BANK

The cash and bank balances as at 30 June:

	2018 USD	2017 USD
Cash on hand	471	917
Cash at Bank	1,555,744	897,174
	1,556,215	898,091

4.8 RECEIVABLES

Receivable include the followings:

	2018 USD	2017 USD
Sundry debtors	8,050	2,304,751
VAT receivable	27,068	15,356
Staff advances	25,619	22,011
	60,737	2,342,118

4.9 PAYABLES

	2018 USD	2017 USD
Payables amounts include the following:		
Accounts payable	3,816	3,282
Accruals	36,843	3,000
Sundry payables	16,627	796,925
	57,286	803,207

4.10 CURRENCY

The financial statements are presented in US dollars (USD).

Note - 5 Receipts and expenditure by programme

	CIWA-NCORE	BARO AKOBO SOBAT	GIZ SUPPORT TO NBI	CC	RF	NORWEGIAN	Total for the year ended June 30, 2018	Total for the year ended June 30, 2017
Receipts	USD	USD	USD	USD	USD	USD	USD	USD
Grant Revenue								
Member Countries Contribution	-	-	-	333,333	-	-	333,333	864,000
Other International Donors	1,078,886	247,539	414,212	-	-	-	1,740,637	2,161,148
Miscellaneous Income	-	3,852	-	1	39	-	3,893	74,794
Total Receipts	1,078,886	251,391	414,212	333,335	39	-	2,077,863	3,099,942
Expenditure								
Personal Costs	88,442	7,890		174,940	-	-	271,271	237,953
Supplies and Services	64,298		4,719	3,974	44	-	73,034	68,180
Service Costs and Charges	323,662	445,579	10,821	430,819	-	-	1,210,881	2,047,187
Conference and Training	82,304	34,220	81,009	54,143	-	-	251,676	220,946
Field Travel Expense					-	-	-	2,521
Capital Expenditure	131		1,535	560	-	-	2,226	68,069
Total Expenditure	558,837	487,689	98,083	664,436	44	-	1,809,088	2,644,855
Excess receipt (expenditure)	520,049	(236,297)	316,129	(331,101)	(4)	-	268,775	455,087
Fund Balance 1 July	227,977	236,303	-	573,673	242,305	10,642	1,290,891	1,981,915
Prior Year Adjustment	-	-	-	-	-	-	-	(1,146,111)
Fund Balance 30 June	748,026	6	316,129	242,572	242,301	10,642	1,559,666	1,290,891

Note 6 Statement of Receipts and Expenditure - Nile Cooperation for Results Project (CIWA-NCORE)

For the Reporting Period	Jul - Sep 2017 USD	Oct - Dec 2017 USD	Jan - Mar 2018 USD	Apr - Jun 2018 USD	Total Year Ended June 30, 2018 USD
1) Income					
1a) Deposits					
Replenishment of DA-WA 009	-	871,542	-	-	871,542
Replenishment of DA-WA 010	-	-	207,344	-	207,344
Total Deposits	**-**	**871,542**	**207,344**	**-**	**1,078,886**
1b) Interest					
Total Interest Earned-Cumulative	-	-	-	-	-
1c) Total Available Funds	**-**	**871,542**	**207,344**	**-**	**1,078,886**
2) Expenditure					
Project Costs - Quarter 1	109,194	-	-	-	109,194
Project Costs - Quarter 2	-	135,785	-	-	135,785
Project Costs - Quarter 3	-	-	140,307	-	140,307
Project Costs - Quarter 4	-	-	-	173,551	173,551
Exchange Rate Loss - Cumulative	-	-	-	-	-
Total Expenditure	**109,194**	**135,785**	**140,307**	**173,551**	**558,837**
Surplus/Deficit					520,049
Fund Balance Beginning					227,977
Fund Balance Ending					**748,026**
Represented By:					
Current Assets					
Cash and bank balance					757,559
Debtors and prepayments					19,816
					777,374
Less: Current Liability					
Accounts payable					29,349
Net Current Assets					**748,025**

Note 7 Statement of Receipts and Expenditure - Baro-Akobo-Sobat MPWRDP

Budget Line Description	Total Approved Project Budget (For Life of USD	Actual Previous Years USD	Actual Year Ended June 30, 2018 USD	Cumulative To Date USD
Income				
Fund Received	**3,425,000**	**2,437,769**	**247,539**	**2,685,308**
Total Income		**2,437,769**	**247,539**	**2,685,308**
Expenditure				
Technical Assistance				
Component 1: Integrated water resources Development and Management Plan (IWRDNP) based on SSEA-consultancy (including stakeholder consultation & resource mobilization)				
Component 2: Preparation of short term projects - consultancy	2,499,009	1,556,561	402,105	1,958,666
Component 3: Identification of medium to long term projects - consultancy				
Component 4: Project Management and stakeholders consultation	738,476	626,478	63,567	690,045
Consultancy	32,832	33,248	-	33,248
Stakeholders Consultation	334,690	265,264	28,165	293,429
Project Implementation Team	370,953	327,966	35,402	363,368
Contingency 5%	97,515	28,550	22,017	50,567
Total Expenditure	**3,335,000**	**2,211,589**	**487,689**	**2,699,278**
Surplus/Deficit		226,180	(240,150)	(13,970)
Fund Balance Beginning		-	236,303	-
Gain on Exchange Revaluation		10,123	3,852	13,975
Fund Balance Ending		**236,303**	**5**	**5**
Represented By:				
Current Assets				
Cash and bank balance				-
Debtors and prepayments				10
				10
Less: Current Liability				
Accounts payable				4
Net Current Assets				**6**

Note:

The grant currency of the project is in EURO. The income and expenditure are converted to USD as per the policy of ENTRO. Thus Euro budget is converted to USD initially at the rate prevailing on the date of agreement.

Note 8 Statement of Receipts and Expenditure - GIZ Support to ENTRO

Budget Line Description	Total Approved Project Budget (For Life of Project) USD	Actual Previous Years USD	Actual Year Ended June 30, 2018	Cumulative To Date
Income				
Fund Received	**1,424,951**	-	**414,212**	**414,212**
Total Income				
Expenditure				
Support to Hydro-diplomacy in Nile Basin (Agreement No. 83263718 & 83273048)	**89,503**	-	**61,233**	**61,233**
National training on negotiation techniques - Ethiopia	29,000	-	19,827	19,827
National training on negotiation techniques - South Sudan	30,503	-	24,753	24,753
National training on negotiation techniques - Sudan	30,000	-	16,654	16,654
NBI-ENTRO workplan1 (Agreement No. FA-2017-83257593)	**56,000**	-	-	-
Dam Cascade Management Study Phase I	56,000	-	-	-
NBI-ENTRO workplan2 (Agreement No. FA-2017-83257602)	**80,000**	-	**21,310**	**21,310**
Dam Cascade Management Study Consultation	56,000	-	21,310	21,310
Junior Media Expert	24,000	-	-	-
NBI-ENTRO AA Hydro-diplomacy (Agreement No. 81220020)	**214,244**	-	-	-
Training courses and study tours for negotiators	178,075	-	-	-
Media Workshops	34,048	-	-	-
Bank charge	2,122	-	-	-
NBI-ENTRO Wet land (Agreement No. 81220168)	**353,500**	-	-	-
Wetland management plans	350,000	-	-	-
Bank charge	3,500	-	-	-
NBI-ENTRO / Implementation of EN Action Plan 2017-2022 (Agreement No. 81229622)	**631,703**	-	**10,821**	**10,821**
Dam Cascade	505,949	-	10,700	10,700
Hydrological Monitoring	19,274	-	-	-
Media and Communication	9,637	-	-	-
Organizational and Capacity Development	3,855	-	-	-
Project Staff	86,734	-	-	-
Bank charge	6,254	-	121	121
Total Expenditure	**1,424,951**	**-**	**93,365**	**93,365**
Surplus/Deficit		-	320,847	320,847
Fund Balance Beginning		-	-	-
Gain/Loss on Exchange Revaluation		-	(4,719)	(4,719)
Fund Balance Ending		-	**316,128**	**316,128**
Represented By:				
Current Assets				
Cash and bank balance				316,129
Debtors and prepayments				
				316,129
Less: Current Liability				
Accounts payable				-
Net Current Assets				**316,129**

Note:

Some of the grant agreements are in EURO. Their income and expenditure are converted to USD as per the policy of ENTRO.

Note 9 Statement of Receipts and Expenditure - Country Contribution

Budget Line Description	Actual Year Ended June 30, 2018 USD	Cumulative To Date USD
Income		
Member Countries Contribution-Ethiopia	333,333	333,333
Member Countries Contribution-South Sudan	-	-
Member Countries Contribution-Sudan	-	-
Other Income	1	1
Total Income	**333,335**	**333,335**
Expenditures		
Personal Costs	174,940	174,940
Supplies and Services	3,974	3,974
Service Costs and Charges	430,819	430,819
Conference and Training	54,143	54,143
Field Travel Expense		-
Capital Expenditure	560	560
Total Expenditure	**664,436**	**664,436**
Surplus/Deficit	**(331,101)**	**(331,101)**
Fund Balance Beginning	573,673	573,673
Fund Balance Ending	**242,572**	**242,572**
Represented By:		
Current Assets		
Cash and bank balances		229,867
Debtors and prepayments		37,120
		266,987
Less: Current Liability		
Accounts payable		24,415
Net Current Assets		**242,572**

EASTERN NILE TECHNICAL REGIONAL OFFICE (ENTRO)
STATEMENT OF DISBURSMENT

ANNEX -1

A. CIWA-NCORE

IFR No.	Quarter Ended	Consultancy Service, Goods and Workshop and Training, Operating Costs USD
Q1	September 30, 2017	109,194
Q2	December 31, 2017	135,785
Q3	March 31, 2018	140,307
Q4	June 30, 2018	173,551

EASTERN NILE TECHNICAL REGIONAL OFFICE (ENTRO)
EXPENIDITURE FOR WORLD BANK PROJECTS-BY COST CATEGORY

ANNEX -2

A. CIWA-NCORE

Cost Category	Grant Amount USD	Actual for the y/e June 30, 2018 USD	Cumulative To Date USD
Goods, Workshops and training, Consultancy service, Operating Cost	**4,650,000**	**558,837**	**1,580,860**

EASTERN NILE TECHNICAL REGIONAL OFFICE (ENTRO)
DESIGNATED ACCOUNT RECONCILIATION STATEMENT

ANNEX-3
Currency: USD

CIWA-NCORE designated account reconciliation statement

Account number: 1000106187073
Depository bank: Commercial Bank of Ethiopia, IBD
P O Box 255
Addis Ababa, Ethiopia
Grant agreement: TF 013767
Currency : United States Dollars (US$)

	2018	2017
Opening cash balance	246,022	81,197
Add:		
Advance to and documentation of DA	1,078,886	757,385
Direct payment	-	-
Funds available during year	1,324,908	838,582
Less:		
Increase/Decrease in cash transferred to ETB account	31,648	39,693
Costs paid from USD DA	311,487	489,900
Increase/Decrease in Direct payments	-	-
Increase/Decrease in receivables from other projects	-	(1,566)
Increase/Decrease in advances payables to other projects	224,215	64,534
Total payments during year	**567,349**	**592,560**
Closing cash balance at 30 June	**757,559**	**246,022**
Closing bank balance	758,250	247,851
Unpresented cheques at 30 June	(691)	(1,828)
Uncredited cheques at 30 June	-	-
Closing cash balance at 30 June	**757,559**	**246,022**

EASTERN NILE TECHNICAL REGIONAL OFFICE (ENTRO)
BUDGET UTILIZATION REPORT
AS AT 30 JUNE 2018

ANNEX-4
Currency: USD

	BUDGET ORIGINAL	BUDGET REVISED	UTILIZATION	VARIANCE
CIWA - Nile Cooperation for Results Project	1,722,872	697,407	558,837	138,570
EU	100,000	100,000	-	100,000
GIZ	424,346	424,346	98,083	326,263
BAS MPWRDP	444,657	487,689	487,689	-
Riparian Countries Contribution	727,287	727,287	664,436	62,851
Reserve Fund	-	-	44	(44)
	3,419,162	**2,436,729**	**1,809,088**	**627,641**