



REPUBLIC OF ZAMBIA

Ministry of Health

Zambia Health Services Improvement Project

Project Preparatory Fund

Financial Statements

For the year ended 31st December, 2015

**THE AUDITOR GENERAL
P.O. BOX 50071
LUSAKA - ZAMBIA**

Ministry of Health
Zambia Health Services Improvement Project - Project Preparatory Fund Financial
Statement for the period ended 31st December 2015

WORLD BANK GRANT No. TF 017307

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Ministry of Health

Zambia Health Services Improvement Project - Project Preparatory Fund Financial Statement for the period ended 31st December 2015

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Statement of Sources and Utilisation of Funds for the twelve (12) Months Period Ended 31st December 2015.

Permanent Secretary's Responsibilities

The Permanent Secretary, Ministry of Health (MoH), is responsible for preparing the financial statements for each year, which give a true and fair view of the state of affairs of the Zambia Health Services Improvement Project – Project Preparatory Fund TF 017309 and the surplus/deficit for that period. In preparing the financial statements, the Permanent Secretary, MoH, selects suitable accounting policies and then applies them consistently, making judgement and estimates that are reasonable and prudent.

The Permanent Secretary is responsible for ensuring that the programme keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the programme. The Permanent Secretary is also responsible for safeguarding the assets of the programme and taking reasonable steps for the prevention and detection of errors, fraud and other irregularities.

The receipts and payments account is drawn up in accordance with the International Public Sector Accounting Standards and the World Bank Financing Guidelines. There are reasonable grounds to believe that the project will be able to pay its debts as and when they fall due. The accounting records and other relevant documents and registers required by the Financing Agreement have been properly kept in accordance with the Financing Agreement.

The Permanent Secretary confirms that in his opinion, the statement of Sources and Utilisation of Funds are drawn up so as to give a true and fair view of the performance of the programme for the period 1st January 2015 to 31st December 2015 and also that World Bank funds have been expended for intended purposes as required by the Financial Management Procedures Manual and Financial Regulations.

Signed



Dr. Kennedy Malama
Permanent Secretary – Administration
MINISTRY OF HEALTH

OFFICE OF THE AUDITOR GENERAL

Auditor's Report

I have audited the accompanying financial statements of the Zambia Health Services Improvement Project, for the year ended 31st December, 2015. These financial statements comprise the Statement of Sources and Utilisation of Funds for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Project Agreement and legislation, and for such internal controls as management 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that I 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 controls 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 controls. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OFFICE OF THE AUDITOR GENERAL

Opinion

In my opinion, the accompanying financial statements of the Zambia Health Services Improvement Project are prepared, in all material respects, in accordance with the International Public Sector Accounting Standards (IPSASs) Cash Basis of Accounting and the Financing Agreement between the World Bank and the Republic of Zambia.



Davison K. Mendamenda
ACTING AUDITOR GENERAL
OFFICE OF THE AUDITOR GENERAL

DATE: *20th December*2018

Ministry of Health

Zambia Health Services Improvement Project - Project Preparatory Fund Financial Statement for the period ended 31st December 2015

WORLD BANK GRANT No. TF 017307

STATEMENT OF SOURCES AND UTILISATION OF FUNDS FOR THE TWELVE (12) MONTHS PERIOD ENDED 31 DECEMBER 2015

	Notes	31-December-15 ZMW	31-December-15 USD
Receipt from the World Bank	3	2,259,580.11	312,096.70
Total		2,225,580.11	312,096.70
Less Expenditure			
Component 1: Strengthening Capacity for Primary and Community Level MNCH and Nutrition Services	4	2,225,580.11	312,096.70
Total Expenditure		2,225,580.11	312,096.70
Surplus for the period		0.00	0.00
Closing Balances		0.00	0.00

Name: KENNEDY MALANA
Signature: [Handwritten Signature]
Date: PS (A)
PERMANENT SECRETARY
MINISTRY OF HEALTH

Name: K. D. Mumba
Signature: [Handwritten Signature]
Date: 23/11/15
DIRECTOR FINANCE
MINISTRY OF HEALTH

NOTES TO THE STATEMENT OF SOURCES AND UTILISATION OF FUNDS

1. Principal activity

The Project Development Objective of the Zambia Health Services Improvement Project is to improve health delivery systems and utilization of maternal, newborn and child health and nutrition services in project areas. This will be achieved by addressing immediate as well as systemic and medium-term bottlenecks to service delivery for pregnant women, lactating mothers, newborns and young children especially at primary care and community levels. The PDO is well aligned to GRZ's key national and health sector policies and strategies that emphasize the importance of improving MNCH and nutrition services

The following key indicators were used during project implementation to measure the extent to which coverage of key interventions and impact were achieved:

- (i) Deliveries attended by skilled health providers (percent);
- (ii) Under-2 children received monthly growth monitoring and promotion (percent);
- (iii) Health Centers offering Integrated Management of Childhood Illnesses (percent);
- (iv) Health Centers with essential medicines and commodities in stock (percent); and
- (v) Children 0-11 months fully immunized (percent)

2. Significant accounting principles

(i) Basis of preparation of the statement of the Sources and Utilisation of Funds
The statement of Sources and Utilisation of Funds is prepared on a cash basis under the historical cost convention. The cash basis of accounting differs from the generally accepted accounting principles in that, transactions and other events are not recognised when they occur but when cash or its equivalent is received or paid.

(ii) Utilisation of Funds
Utilisation of Funds represents amounts paid during the accounting period. No provisions are made for accrued expenses.

(iii) Assets
No assets were procured from the funds that were received.

(iv) Expenses
Expenses were recognized at the time payments were made

(v) Exchange rates

The Expenses were translated at the rate at which the reimbursement was done at a rate of K7.240 per 1 US\$.

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3. Receipts

	TF 017307	
	31-Dec-15	31-Dec-15
	ZMW	USD
Reimbursement	2,259,580.11	312,096.70
Total Receipts	2,259,580.11	312,096.70

The receipts represent funds that were received from the World Bank being reimbursement for the funds expended by the Ministry on ZHSIP preparatory activities. The funds were received at a rate of K7.240 per US\$1.

4. Component 1

The objective of the preparatory grant was to enable the ministry of health to undertake a specific set of activities that were directly related to the project in the intervening period to the signing of the Financing agreement. This was to ensure that the project activities were undertaken as the project arrangements were been finalised.

Date	Detail	31.12.15	31.12.15
		ZMK	USD
	Preparatory launch	2,225,580.11	312,096.70
TOTAL		2,225,580.11	312,096.70

The expenditure included imprest for daily subsistence allowance, fuel and the hire of conference facilities for preparation and planning of national and provincial planning launch (K790,994), budget preparation meetings (K527,030), plan validation and planning review meeting (K501,288), ZHSIP orientation meeting and budget planning and workshop meeting (K406,268).