|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  | | --- | --- | | |  | | --- | | Shape  Description automatically generated with low confidence | |  |  |  |  | | --- | --- | --- | |  |  |  | |  |  |  |   November 2019 Geneva, Switzerland  Update: April 2022  November 2019 Geneva, Switzerland  Update: April 2022 |

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| --- | --- | --- |
|  |  |  |
|  | |  | | --- | | **Guidelines for Annual Audit of Global Fund Grants**  Annex 2: Financial Statements cash basis and commitments reconciliation template | |  |

Update : April 2022

september 2019 Geneva, Switzerland

Annex 2: Financial Statements cash basis and commitments reconciliation template

**Guiding note**

The Financial statements included in Figure 1 here below, represent an illustrative financial statement which the Principal Recipients are expected to provide to their auditors for the Special Purpose Grant Financial Statements audit.

**Mandatory statements**

All statements as required by the Auditing Guidelines and the Terms of reference **must** be provided to the auditors by the Principal Recipients for them to carry out their work appropriately, namely:

1. The format of the "Income and Expenditures statement" in Figure 1 is mandatory and **must** be used by all Principal Recipients;
2. Similarly, notes providing specific information on the accounting principles used in the preparation of the Financial Statements are **mandatory**;
3. Supplemental schedule of commitments (**Note 9**) **must** be provided and audited;
4. The different tables on SRs advances (**Notes 11**) and Fixed assets (**Note 12**) must be provided.

**Other notes**

The notes to the financial statements are integral parts of the financial statements. The Principal Recipient must ensure that notes are provided wherever they would provide additional information to the stakeholder's understanding of the financial statements. The following could be cases where a note to the financial statements would be expected: material amount, significant change from previous year, significant variance with the budget, etc.

**Figure 1: Income and Expenditures Statement**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Gant Number** | **FIC-C-MOH** |  |  |  |  |  |  |  |  |  |  |  |
| **Accounting Methodology** | **Cash** |  |  |  |  |  |  |  |  |  |  |  |
| **Grant's Currency** |  |  |  |  |  |  |  |  |  |  |  |  |
| **Implementation Period Start Date** |  |  |  |  |  |  |  |  |  |  |  |  |
| **Implementation Period End Date** |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Period of Financial Reporting** | **Beginning Date:** | 01-Jan-19 | **End Date:** | 31-Dec-19 |  |  |  |  |  |  |  |  |
| **Cumulative Period of Financial Reporting** | **Beginning Date:** | 01-Jan-18 | **End Date:** | 31-Dec-19 |  |  |  |  |  |  |  |  |
| **Financial Statements (all figures are in US$ unless otherwise stated)** | | |  |  |  |  |  |  |  |  |  |  |
|  | **Current Period** | | | | **Cumulative Period** | | | |  | **Previous year** | |  |
|  | **Budget** | **Actual** | **Variance** | **Commitments** | **Budget** | **Actual** | **Variance** | **Notes** |  | **Budget** | **Actual** | **variance** |
| **Sources of Grant funds** |  |  |  |  |  |  |  |  |  |  |  |  |
| Opening grant cash balance |  | 1,382,089 |  |  |  |  |  |  |  |  |  |  |
| Receipts from Global fund | 38,496,894 | 14,700,000 | 23,796,894 | - | 54,396,894 | 26,960,000 | 27,436,894 | xxx |  | 15,900,000 | 12,260,000 | 3,640,000 |
| Insurance Proceeds from damaged goods |  | 300,000 | (300,000) |  |  | 300,000 | (300,000) |  |  |  |  | - |
|  | \_\_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ |  |  | \_\_\_\_\_\_ | \_\_\_\_\_\_ | \_\_\_\_\_\_ |
| **Total sources of Grant Funds** | **38,496,894** | **16,382,089** | **23,496,894** | **-** | **54,396,894** | **27,260,000** | **27,136,894** |  |  | **15,900,000** | **12,260,000** | **3,640,000** |
|  | **======** | **======** | **=====** | **======** | **=====** | **=====** | **=====** |  |  | **======** | **======** | **======** |
| **Uses of Grant Funds** |  |  |  |  |  |  |  |  |  |  |  | - |
| 1.0 Human Resources (HR) | 3,736,254 | 1,513,300 | 2,222,954 |  | 7,472,508 | 3,026,600 | 4,445,908 | xxx |  | 3,736,254 | 1,513,300 | 2,222,954 |
| 2.0 Travel related costs (TRC) | 4,432,379 | 661,650 | 3,770,729 |  | 5,632,724 | 1,982,649 | 3,650,075 | xxx |  | 1,200,345 | 1,320,999 | (120,654) |
| 3.0 External Professional services | 521,527 | 175,724 | 345,803 |  | 752,527 | 185,724 | 566,803 |  |  | 231,000 | 10,000 | 221,000 |
| 4.0 Health Products (HPPP) | 3,736,254 | 1,513,300 | 2,222,954 | 1,205,187 | 6,704,988 | 3,813,859 | 2,891,129 |  |  | 2,968,734 | 2,300,559 | 668,175 |
| 5.0 Health Products (HPNP) | 4,432,379 | 661,650 | 3,770,729 |  | 6,233,367 | 2,451,871 | 3,781,496 |  |  | 1,800,988 | 1,790,221 | 10,767 |
| 6.0 Health Products (HPE) | 521,527 | 175,724 | 345,803 |  | 649,426 | 175,724 | 473,702 |  |  | 127,899 | - | 127,899 |
| 7.0 Procurement and Supply-Chain | 3,736,254 | 1,513,300 | 2,222,954 | 875,000 | 4,508,652 | 2,165,312 | 2,343,340 |  |  | 772,398 | 652,012 | 120,386 |
| 8.0 Infrastructure (INF) | 4,432,379 | 661,650 | 3,770,729 | 235,847 | 5,521,612 | 1,862,414 | 3,659,198 |  |  | 1,089,233 | 1,200,764 | (111,531) |
| 9.0 Non-health equipment (NHP) | 521,527 | 175,724 | 345,803 |  | 645,304 | 310,724 | 334,580 |  |  | 123,777 | 135,000 | (11,223) |
| 10.0 Communication Material | 3,736,254 | 1,513,300 | 2,222,954 |  | 4,535,009 | 2,081,299 | 2,453,710 |  |  | 798,755 | 567,999 | 230,756 |
| 11.0 Program Administration | 4,432,379 | 661,650 | 3,770,729 | 125,789 | 6,521,610 | 1,950,556 | 4,571,054 |  |  | 2,089,231 | 1,288,906 | 800,325 |
| 12.0 Living support (LSCTP) | 521,527 | 175,724 | 345,803 |  | 752,815 | 273,875 | 478,940 |  |  | 231,288 | 98,151 | 133,137 |
| 13.0 Payment for Results | 3,736,254 | 1,513,300 | 2,222,954 |  | 4,466,352 | 1,513,300 | 2,953,052 |  |  | 730,098 | - | 730,098 |
|  |  |  |  |  |  |  |  |  |  |  |  | - |
| **Total uses of Grant Funds** | **38,496,894** | **10,915,996** | **27,580,898** |  | **54,396,894** | **21,793,907** | **32,602,987** |  |  | **15,900,000** | **10,877,911** | **5,022,089** |
| Total commitments at 31.12.2019 |  |  |  | **2,441,823** |  |  |  |  |  |  |  |  |
| **Net grant cash balance** | **-** | **5,466,093** |  |  |  | **5,466,093** |  | xxx |  |  | **1,382,089** |  |

**Notes to the financial statements**

All amounts are in US$/EUR

**Note 1: Basis of accounting**

The Financial Statements are prepared on a cash receipts and disbursements basis. A column on commitments or outstanding payables has been added as required by the Auditing guidelines.

**Note 2: Disbursements/Receipts**

Receipts comprises amounts advanced and reimbursed by the Global Fund under the grant agreement during the period [*January 1, 2019 to December 31,* 2019] to the Principal Recipient and to third parties. Receipts from Global Fund were in United States Dollars.

**Note 3:**

Expenditure represents amounts disbursed and costs incurred denominated in Ficticia Francs (FHF).

**Note 4:**

Transactions in Ficticia Francs are translated to US dollars at the exchange rate applicable at the time funds received from Global Fund were converted to local currency. For the purpose of this report, balances denominated in Ficticia Francs have been translated to US dollars based on the average exchange rate applied by the Ministry of Health during the period which stood at FHF xx to the US dollar.

**Note 5: Receipts from Global Fund**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Current period US$** | **Prior period US$** | **Cumulative US$** |
|  |
| Disbursement 1 | 2,030,908 |  | 2,030,908 |
| Disbursement 2 | 4,415,108 |  | 4,415,108 |
| Disbursement 3 | 8,253,984 |  | 8,253,984 |
| Disbursements |  | 12,260,000 | 12,260,000 |
|  | \_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_ |
|  | **14,700,000** | **12,260,000** | **26,960,000** |
|  | ========= | ========= | ========= |

**Note 6: Human Resources**

This represents salaries and other staff related costs for the principal recipients and various SRs.

**Note 7: Travel Related Costs**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  | | --- | --- | |  | **Amount** | | Vehicle rental exp. | 360,000 | | Daily subsistence allowance | 80,000 | | Other | 221,650 | |  | **661,650** | |  | ======== | |  |
|  |  |

|  |  |
| --- | --- |
| **Note 8: Cash balances** | **Amount US$** |
|
| Bank balance held at Ecobank Ficticia | 2,566,852 |
| Bank balance held at Citibank New York | 2,899,000 |
| Petty Cash | 241 |
| Reconciling adjustment (to be explained in the note) | **0** |
| Net Grant cash balance | **5,466,093** |
|  | ========= |
|  |  |

**Note 9: Principal Recipient advances**

The PER made an advance of US$1,200,000 to FXY Ltd for the transportation of bed nets yet to be received in Ficticia. Other advances are to staff and amount to US$115,000.

**Note 10: Sub-recipient advances**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **SR 1** |  | **SR 2** |  | **SRx** |  | **Amount** |
| Unliquidated advances (prior year) | 100,000 |  | 76,934 |  | 62,047 |  | 238,981 |
| Add advances from PR (current year) | 350,000 |  | 488,750 |  | 400,000 |  | 1,238,750 |
| Less SR justified advances | (400,043) |  | (520,789) |  | (431,299) |  | (1,352,131) |
|  |  |  |  |  |  |  |  |
|  | **49,957** |  | **44,895** |  | **30,748** |  | **125,600** |
|  | ========= |  | ========= |  | ========= |  | ========= |

**Note 11: Expenditure reconciliation between IES and PUDR**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Year 2 |  |  | Cumulative |
| AFR expenses | **X** |  | AFR expenses |  |
| **Reconciling items** (to be explained in the note) |  |  | **Reconciling items** (to be explained in the note) |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **IES’s expenditures** | **Y** |  | **IES’s expenditures** |  |
|  | ======== |  |  | ======== |

**Note 12: Schedule of fixed assets**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Categories** | **Opening balances (cost)** | Additions (cost) | Disposals through sale (cost) | **Closing balance (cost)** |
| Intangible assets |  |  |  |  |
| Constructions |  |  |  |  |
| Rehabilitation/ Renovation |  |  |  |  |
| Health Equipment |  |  |  |  |
| Other non-Health Equipment |  |  |  |  |
| Vehicles/ Motorcycles |  |  |  |  |
| IT Equipment (Hardware) |  |  |  |  |
| Total |  |  |  |  |

**As the above financial statements are illustrative, the Principal Recipient should provide any other relevant information or notes to the statements.**