

The Republic of Sudan

Ministry of Security and Social Development (MoSSD)

Social Safety Net Project (SSNP)

Project ID P148349

Grant agreement No 0A0362

**Project Financial Statement for the period from
1/1/2018 to 31/12 -2018**

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The Republic of Sudan

Ministry of Security and Social Development (MoSSD)

Social Safety Net Project (SSNP)

Terminologies and Abbreviation

Terminologies	Abbreviation
Ahfad University of Women	AUM
Central Bank of Sudan	CBoS
Community Development Fund	CDF
Community Support Unit	CSU
Cash for Work	CFW
Client Monitoring System	CMS
Comprehensive Peace Agreement	CPA
Cash Transfer	CT
Food F Assets	FFA
Food For Education	FFE
Food For Training	FFT
General Food Distribution	GFD
High Committee	HC
Multi Donors Trust Fund	MDTF
Microfinance	MF
Ministry of Agriculture	MoA
Ministry of Finance & Economic Planning	MoFEP
Ministry of Health	MoH
Ministry of Social Security & Development	MoSSD
Ministry of Water	MoW
National Steering Committee	NSC
National Health Insurance Fund	NHIF
Non Performing Loans	NPL
Project Coordination Unit	PCU
Productivity and Investment Climate Survey	PICS
Project Implementation Manual	PIM
Poverty Reduction Coordination Centre	PRCC
Productive Safety Net	PSN
Social Development and Saving Bank	SDSB
Social Initiative Program	SIP
Statement Ministry of Social Affairs	SMOSA
State Ministry of Social Affairs	SMoSA
State Poverty Reduction Coordination Centre	SPRCC
State Steering Committee	SSC
Social Safety Net Project	SSNP
Productive Safety Net	PSN
Village Loan and Saving Association	VISA
Withdrawal Application	WA
Direct Withdrawal Application	DWA

Statement of management's Responsibility

Management accept responsibility for the financial statements, set out on page 5 to 15 have been prepared using appropriate accounting polices supported by responsible and prudent judgements and estimates. Management is of the opinion that the financial statement gives a true and fair view of the state of the financial affairs of the SSN Project and of its surplus of income over expenditure and that they are in accordance with project's accounting guidelines. Management further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statement, as well as adequate systems of internal financial control.

The financial statements were approved by management of SSN Project on 31-Dec-2018 and were signed on its behalf by:



Ahmed Hashim Hassan
Project Coordinator



Abdelbagi Ali Daifalla
Financial Management Officer

**Republic of the Sudan
National Audit Chamber
P.O Box: 91-Khartoum
Tel: 83778231- 778232-771566**

Date: 26-6-2019
To: Project Director

Subject: Social Safety Net Project (SSNP)
WB Grant No: 0A0362 for the year ended December, 31, 2018

Dear Sir,

I am pleased to send you the original audit reports regarding the above mentioned project for the year ended December, 31, 2018 and four copies thereof. You are kindly requested to forward the four copies of the report to (SSNP) - Grant No: 0A0362 and retain the original for your records.

It is also imperative that you carefully consider and follow-up the audit finding and observations and ensure implementation of the audit recommendations.

Thank you for your anticipated cooperation.

Yours sincerely,



Mohamed Elhafiz Nasr Mohamed Nasr (FCCA)
Deputy Auditor General
National Audit Chamber





Independent Auditor's Report TO: Social Safety Net Project (SSNP)

Opinion

We have audited the accompanying financial statements of Social Safety Net Project (SSNP) Grant No: 0A0362 which comprise, the statement of fund balances as at December 31st, 2018, statement of sources and uses of fund for the year ended December 31st, 2018, statement of special account as at December 31st, 2018, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the project as at December 31, 2018, and its statement of sources and uses of fund for the year then ended, in accordance with the cash receipts and disbursements basis of accounting.

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 *Auditors Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants (IESBA), and we have fulfilled our other 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the cash receipts and disbursements basis of accounting as modified by the recognition of receivables and payables, and for such internal control system as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the project's financial reporting process.

Auditor's 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, whether 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. Misstatement 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 skepticism throughout the planning and performance of the audit we also.

Independent Auditor's Report
TO: Social Safety Net Project (SSNP)

- Identify and assess the risks of material misstatements of the financial statement , 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 misstatements 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.
- Evaluate the appropriateness of accounting polices used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance 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.



Mohamed Elhafiz Nasr Mohamed Nasr (FCCA)
Acting Auditor General
Republic of Sudan
Khartoum on 26 / 11 / 2019
23 / 11 / 1440



The Republic of Sudan

Ministry of Security and Social Development (MoSSD)

Social Safety Net Project (SSNP)

SSN project ID P148349

WB Grant agreement No 0A0362

Statements of Fund Balances as at 31/12/2018

Description	Notes	Year 2018	Year 2017
		Amount/SDG	
Accumulative fund balances	9	9,700,031	3,607,539
current assets:			
Bank balances account	10	8,813,801	3,482,239
Advances cash at hand	11	886,230	125,300
Account receivable- GoS expenses		0.00	878,996
Current liabilities:			
Account payable - Exchange rate Incentive		0.00	(878,996)
Closing banks and advances as at 31/12/2018		9,700,031	3,607,539

NOTES FORM (1-11) An integral part of the year financial statements

Ahmed Hashim Hassan

Project Coordinator



Abdelbagi Ali Daifalla

Financial Management Officer



The Republic of Sudan

Ministry of Security and Social Development (MoSSD)

Social Safety Net Project (SSNP)

SSN project ID P148349

WB Grant agreement No 0A0362

Statement of Sources and Uses of Fund for the year ended as at 31/12/2018

Description	Notes	Year 2018 Amount/SDG	Year 2017
Fund from Donors			
Opening balances 1/1/2018		3,607,539	2,088,178
SMPF- World Bank	3	23,868,826 ✓	4,169,459 ✓
Government of Sudan GoS	4	2,580,000 ✓	2,640,000 ✓
Incentive Exchange Rate	5	1,596,789 ✓	3,015,010 ✓
Gain & loss exchange rate		651,245	196,568
Total Receipt		32,304,399	12,109,215
Uses of Fund			
SMPF- World Bank	6	19,033,552 ✓	5,976,989 ✓
Government of Sudan GoS expenses	7	3,057,978 ✓	2,433,594 ✓
Exchange rate incentive	8	512,838 ✓	91,093 ✓
Total Expenses		22,604,368	8,501,676
Surplus (Deficit) for the year		9,700,031	3,607,539

NOTES FORM (1-11) An integral part of the year financial statements

Ahmed Hashim Hassan

Project Coordinator



Abdelbagi Ali Daifalla

Financial Management Officer

The Republic of Sudan

Ministry of Security and Social Development (MoSSD)

Social Safety Net Project (SSNP)

SSN project ID P148349

WB Grant agreement No 0A0362

Statements of Special Account (DA) as at 31/12/2018

Description	Year 2018	Year-2017
	Amount/Euro	
Opening Balance 1/1/2018	2,142	134,113
Adds:		
Total amount received	665,850.04	376,099
Fund available during the year	667,992	510,212
Less		
Payment of Expenditure during the year	610,015	507,190
Bank charge	184	880
Total of Payment	610,199	508,070
Closing Balance of 31-Dec,2017	57,793	2,142

NOTES FORM (1-11) An integral part of the year financial statements

Ahmed Hashim Hassan

Project Coordinator

Abdelbagi Ali Daifalla

Financial Management Officer



Note (1)

1-Project background

The project coming from technical support to the Social Incentive Program (SIP) targets poor households nationwide in Sudan (in all states) and is managed by the Ministry of Social Security & Development (MoSSD). The program was initiated through the a presidential decision in 2011, and is financed through the Ministry of Finance and Economy Planning (MoFEP), The Poverty Reduction Coordination Centre (PRCC) of the (MoSSD) manages the day to day operations of the program, in coordination with implementing agencies like the Zakat Chamber (for targeting ,outreach and some of the cash payment) and Saving Social Development Bank (SSDB) and Soda Post (for payment) and the National Health Incurrence Fund (NHIF) for provision of health insurance services the SIP has several components :

- A) Cash transfer program , the objective of the program is to provide financial support to poor households , The PRCC is administrating the program and the (SSDB) is the program's implementing agency, the beneficiarees are identif Poverty Census by the Zakat and poverty Census and the main sources of funding is the MoFEP with fund derictly transferred to the SSDB.
- B) Health Insurance for the poor. The NHIF provide services to adiverese set of population groups and thier familes through conteribbutory scheme, recently, services were expanded to more poor households, including household that are eligible under the cash transfer program (CT Program), In which the GoS, through the MoFEP.
- C) Other social services the SIP iclude othe initiatives that are much smaller in the scope: i) Microcredit program through which livestock and productive tools are provided to selected poor households; ii) National Student Wefare Fund provide monthly transfer of SDG 200 (approx US\$ 30) for por university students. Reaching 200,000 student across the country; iii) The Rural Wemen Empowerment Project targets 5000 in each state, with 1,500 women covered in its first phase and has imparted start-up and business management Training of trainers in the state of River Nile, Kassala, and North Kordofan iv) In-kind support to 5000 disabled pepole is provided through prosthetic limbs, walking ,and hearing aids, wheelchairs, and other devices; and other devices: and V) Projects for special target groups and health support homeless and internally displaced pepole by covering immediate needs like wáter and health expenditure . The SIP has a communication and advocacy component.

2- Project Development Objective (PDO) :

The PDO of the project is to strengthen the capacity of the MoSSD to transparently and effectively implement the national CT program, and project component and to pilot PSN approach for the poor households.



Project Component and objective and Finance:

Component one: Strength the implementation of the MoSSD CT Program by putting in place key building blocks of National Safety Net (3.12 million of which Bank financed USD 3.00 Million and USD 0.120 GoS contribution).

Component -1: aims to improve the effectiveness of the MoSSD's CT program through three main areas of intervention, summarized below. This component will finance technical assistance for the MoSSD, training, goods, and services, and incremental operating costs (e.g , for monitoring of programs)

1-1 Strengthen the institutional capacity of the MoSSD (0.92 Millon) this area will enhance the institutional capacity of the MoSSD through technical assistant , and provide building blocks for training and capacity building activities.

1-2 Establish the building blocks of MIS for the CT program within the MoSSD (US\$ 1.64 million) this area will fund the building blocks of an integrated MIS to support the fucational processes of the CT program through technical assistance, software development, and technological infrastructure (hardware, connectivity, etc) .

1-3 Strenthen the targeting system of the CT program (US\$ 0.56 Million) This area will conterbuite to improve the targeting system of CT program, and incitate the recertification process of the current beneficiaries, specifically this subcomponent will support : 1) The development of an update proxy means test (PMT) formula.

Component -2: Piloting PSN approach (US\$.1.96 of wich US\$ 0.5 Million Bank financed, and

US\$ 1.46 Million GoS contribution) as part of the longer term reform agenda of the SSN system in Sudan, This component will finance a pilot cash for work program in combination with livelihood services.



Note (2)

Accounting Procedures :

1-These financial statements present the transaction through the following project banks accounts:

*Bank of Khartoum SSNP project special account No: 8-978-211105-1570386-0

* Central Bank of Sudan SSNP project local Currency account No 6919-2015-044

2-Significant accounting polices

The principal accounting polices adapted in the preparation of these financial statements are set out bellow:

A-Accounting convention

The financial statements are prepared under the historical cost convention.

B- Basis of accounting

The financial statements have been prepared on a cash basis of accounting as modified by the recognition of receivable and payables.

C- Receipts

Receipts are recognised in the project financial statements when received.

D- Payments

Payments are recognised in the project financial statements in the period in which they are paid rather than incurred.

E- Foreign Currency Transactions

Transaction dominated in foreign currency is translated into Sudanese pound and US-Dollar at the rate ruling on the date of the transaction.

3- Receipts

A-Receipts from the Sudan Multi-Partner Fund (SMPF)

These are amounts from SMPF, the administration of the Sudan Multi-Partnership Fund (SMPF) World Bank -Sudan, deposited in the special account, and/or directly paid to providers of goods and services. The amounts are received in Euro and transferred to Sudanese Gainh or US-Dollar at rate ruling on the dates of receipts, The receipts during the year reconciled to the amounts confirmed by World Bank SMPF as disbursed to the project and comprised the following amount.

4- The reporting currency is Sudanese Gainh (SDG).

5- The year 2017 is comparative financial statement, because this statement represents the third year 2018.



Note (3)

Amount received by project from IDA

Year 2018					Year 2017				
Date	Description	Amount received by project from IDA	Amount received by project from IDA	Amount in SDG	Date	Description	Amount received by project from IDA	Amount received by project from IDA	Amount in SDG
		Euro	USD	SDG			Euro	USD	SDG
14/1/2018	DWA-10	134,440.14		1,268,886.37	12/1/2019	DWA-4		59,000	409,772.13
8/1/2018	WA-11		44,699.60	356,475.15	16/2/2017	WA-5	83,396.72		611,514.79
27/2/2018	WA-12	119,282.26		4,316,049.65	7/5/2017	WA-6	84,632.71		662,809.53
29/3/2018	WA-13	82,935.71		1,836,586.42	21/6/2017	DWA-7		80,000	620,763.78
7/6/2018	DWA-14		44,699.60	767,105.42	2/7/2017	WA-8	79,417.48		670,799.74
12/6/2018	WA-15	76,081.04		1,619,012.14	8/11/2017	WA-9	111,841.86		1,035,611.07
11/10/2018	WA-16	119,677.07		6,475,905.77	19/11/2017	Sub WA-9	16,810.43		158,187.83
18/11/2018	WA-17	133,433.82		7,228,893.89					
	Total	665,850.04	89,399.20	23,868,825.81		Total	373,080.99	139,000	4,169,458.88

Note (4)

Receipt from Government of Sudan (GoS)

Year 2018			Year 2017		
Date	Description	Amount / SDG	Date	Description	Amount/ SDG
11/2/2018	Deposit in Central Bank of Sudan	225,000	5/2/2017	Deposit in Central Bank of Sudan	225,000
5/3/2018	Deposit in Central Bank of Sudan	105,000	5/3/2017	Deposit in Central Bank of Sudan	105,000
8/3/2018	Deposit in Central Bank of Sudan	120,000	10/3/2017	Deposit in Central Bank of Sudan	105,000
3/4/2018	Deposit in Central Bank of Sudan	105,000	19/4/2017	Deposit in Central Bank of Sudan	240,000
8/4/2018	Deposit in Central Bank of Sudan	120,000	2/5/2017	Deposit in Central Bank of Sudan	105,000
1/5/2018	Deposit in Central Bank of Sudan	105,000	21/5/2017	Deposit in Central Bank of Sudan	120,000
31/5/2018	Deposit in Central Bank of Sudan	120,000	31/5/2017	Deposit in Central Bank of Sudan	105,000
3/6/2017	Deposit in Central Bank of Sudan	105,000	18/6/2017	Deposit in Central Bank of Sudan	105,000
3/7/2018	Deposit in Central Bank of Sudan	105,000	30/7/2017	Deposit in Central Bank of Sudan	120,000
25/7/2018	Deposit in Central Bank of Sudan	120,000	2/8/2017	Deposit in Central Bank of Sudan	120,000
6/8/2018	Deposit in Central Bank of Sudan	105,000	2/8/2017	Deposit in Central Bank of Sudan	105,000
9/8/2018	Deposit in Central Bank of Sudan	105,000	21/8/2017	Deposit in Central Bank of Sudan	105,000
2/9/2018	Deposit in Central Bank of Sudan	120,000	18/9/2017	Deposit in Central Bank of Sudan	120,000
23/9/2018	Deposit in Central Bank of Sudan	120,000	28/9/2017	Deposit in Central Bank of Sudan	105,000
3/10/2018	Deposit in Central Bank of Sudan	105,000	30/10/2017	Deposit in Central Bank of Sudan	120,000
9/10/2018	Deposit in Central Bank of Sudan	120,000	3/12/2017	Deposit in Central Bank of Sudan	105,000
29/10/2018	Deposit in Central Bank of Sudan	120,000	4/12/2017	Deposit in Central Bank of Sudan	120,000
29/10/2018	Deposit in Central Bank of Sudan	105,000	13/12/2017	Deposit in Central Bank of Sudan	300,000
13/11/2018	Deposit in Central Bank of Sudan	120,000	21/12/2017	Deposit in Central Bank of Sudan	105,000
28/11/2018	Deposit in Central Bank of Sudan	105,000	28/12/2017	Deposit in Central Bank of Sudan	105,000
28/11/2018	Deposit in Central Bank of Sudan	120,000		Deposit in Central Bank of Sudan	
16/12/2018	Deposit in Central Bank of Sudan	105,000		Deposit in Central Bank of Sudan	
	Total	2,580,000		Total	2,640,000



Note (5)

Receipts from Central Bank of Sudan (CBoS) against foreign currency exchange

Year 2018			Year 2017		
Date	Description	Amount / SDG	Date	Description	Amount / SDG
7/3/2018	Deposit in Central Bank of Sudan	679,536.90	31/1/2017	Deposit in Central Bank of Sudan	502,368.02
17/5/2018	Deposit in Central Bank of Sudan	657,774.00	7/3/2017	Deposit in Central Bank of Sudan	451,804.21
9/8/2018	Deposit in Central Bank of Sudan	259,478.00	30/5/2017	Deposit in Central Bank of Sudan	394,671.42
			15/8/2017	Deposit in Central Bank of Sudan	353,479.09
			11/9/2017	Deposit in Central Bank of Sudan	378,499.36
			29/11/2017	Deposit in Central Bank of Sudan	934,187.83
	Total	1,596,788.90		Total	3,015,009.94

Note (6)

Payment of Component one by categories :

Description	Year2018	Year 2017
	Amount / SDG	Amount / SDG
1.1 Improve the institutional capacity of the MoSSD		
Core staff salaries equal (\$246,009.34) or (E207,529.43)	6,580,342.29	1,070,099.11
Assets -Vehicles		409,772.13
Assets It equipment for PCU	6,650	38,000
Assets -Furniture		75,592
Communication cost	754,159	99,962
Vehicle maintenance	300,863.04	7,650
staff allowance and transportation	120,897.11	79,846.67
communication cost (Tel +Internet)	46,796.38	43,801.89
Miscellaneous expenses		12,810
Bank charge	7,303. 71	7,954.59
Office equipment maintenance		350
Water and electricity	5,830	12,826
Fuel oil lubricant	32,580	30,566
Insurance for 2 vehicles		38,000
Sub Total of Comp-1-1	7,855,321.53	1,927,230.39
1-2 Design and implementation of the building blocks of an MIS for MoSSD		
MIS system Design	1,123,581.57	92,806.28
MIS IT equipment	570,650.25	523,863.31
MIS staff cost equal (\$96,992.90) or (E82,253.63)	3,110,406.87	625695.10
MIS training cost		167,411
Sub-Total of Comp 1-2	4,804,638.69	1,409,775.69
1.3 Strengthen the Targeting system of CT program		
Targeting for designing and test technology		632,813.26
Targeting for data collection field processing	1,795,245	628,511.50



Sub-Total of Comp 1-3	1,795,245	1,261,324.76
Total of Component one 1+2+3	14,455,205.22	4,598,330.84
Payment of component two: Piloting PSN approach in NK		
Capital budget for public work	2,168,150	910,000
Audit & evaluation –base line survey		292,448
Livelihood	45,720	
Technical assistant	2,364,477.26	138,709.99
MIS & M&E equipment		37,500
Total of component two	4,578,347.26	1,378,657.99
Total of Component one and two	19,033,552.48 /	5,976,988.83 /

Note (7)

Payment of Sudan Government GoS by components & Categories:

Description	Year 2017	Year 2018
	Amount / SDG	Amount / SDG
Component one		
Office furniture	19,305	
vehicle maintenance	563,907	83,931
Stationery	213	1,910
staff allowance and transportation	45,362	2,740
Office rent	262,500	217,500
Communication cost (Tel +internet)		345
Miscellaneous expenses	42,990	10,334
Bank charge	2,727.32	1,424.94
Office maintenance	2,727.32	41,515.02
Office equipment Maintenance	11,045	11,050
Entertainment and refreshment	49,178	25,567
Water and electricity	3,775	1,250
Fuel oil lubricant	177,064	28,785.40
VAT and Tax and clearance	24,567.72	24,486.45
GOS staff incentive and wages	444,897.20	281,384.40
Total of component one	1,647,531.24	732,223.24
Component two		
Capital budget for work	300,000	
CSU operational cost	1,110,447	1,701,371
Total of component two	1,410,447	1,701,371
Total of component one & two	3,057,978.24 /	2,433,594.24 /



Note (8)

Payment against exchange rate Incentive by component & categories:

Description	Year 2018	Year 2017
	Amount / SDG	Amount / SDG
Capacity building for staff from MoSSD		91,093
Capital budget for public work	238,225	
M&E training workshop	15,912	
IT equipment	258,701	
Total of payment	512,838	91,093

Note: (9)

Accumulative Fund Balance as at 31/12/2018

Description	Year 2018	Year 2017
	Amount / SDG	Amount / SDG
SMPF -SDG	3,956,278.06	(878,996.48)
Gain & loss exchange rate	651,245	0
GoS -SDG	424,266.54	902,244.54
Exchange Rate Incentive	4,668,240.94	3,584,290.94
Total -SDG 2018	9,700,030.54	3,607,539

Notes (10)

Bank Balances as at 31/12/2018

Description	Year 2018	Year 2017
	Amount / SDG	Amount / SDG
Khartoum bank balance of Euro (57,793) account DA No :8-978-211105-1570386-0 Euro-equal balance of SDG exchange rate as at 31/12/2018 is 54.4149	3,144,800.31	22,774.43
Central Bank of Sudan/ account No 6919-2015-044 SDG	5,669,000.91	3,459,464.57
Total	8,813,801.22	3,482,239



Note (11)

Advance balances as at 31/12/2018

Description		Year 2018	Year 2017
Description	Date of Advance	Amount / SDG	Amount / SDG
Ahmed Hashim Hassan		29,500	
Amin Mohammed Siddig		481,580	118,500
Salama Abdelgader Amam		97,200	
Yusra Khalid Al-Rayah		10,000	
Nabawi Abdel Rahman		220,000	
Mohammed Alfadel		48,950	
Abdelbagi Mohammed Babiker			6,800
Total		886,230	125,300

