



THE WORLD BANK

**SAVING ONE MILLION LIVES PROJECT**  
**(FEDERAL MINISTRY OF HEALTH)**

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**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2016**

**AUDITED BY**



**OFFICE OF THE AUDITOR-GENERAL FOR THE FEDERATION**  
Plot 273, Central Business District,  
Abuja

Public Disclosure Authorized  
Public Disclosure Authorized  
Public Disclosure Authorized  
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Public Disclosure Authorized

**SAVING ONE MILLION LIVES PROGRAMME FOR RESULTS (SOML-PforR)**

**FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2016**

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## **SAVING ONE MILLION LIVES PROGRAMME FOR RESULTS (SOML-PforR)**

### **PROGRAMME INFORMATION/PROFILE FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2016**

The Saving One Million Lives Programme for Results (SOML-PforR) is a Federal Government of Nigeria Maternal and Child Health Programme supported by the World Bank, which provides incentives, based on achievement of results (health outcome) and helps to drive institutional processes needed to achieve these results. The Programme which seeks to catalyse change in the way health business is done by focusing on results and governance will be financed by a US\$500 Million International Development Association (IDA) credit to the Federal Republic of Nigeria over a period of four years.

The Programme focuses on six important aspects ("Pillars") of Maternal Newborn and Child Health (MNCH) that can save lives and, two 'Enablers'. The Pillars are:

- (1) Improving Maternal, Newborn and Child Health;
- (2) Improving routine immunisation coverage and achieving Polio eradication;
- (3) Elimination of Mother to Child Transmission of HIV;
- (4) Scaling up access to essential medicines and commodities;
- (5) Malaria control;
- (6) Improving child nutrition.

The two enablers are:

- (1) Strengthening logistics and supply chain management and
- (2) Promoting innovation and use of technology to improve health services.

The SOML Programme involves:

- (i) Re-orientating the discussion of service delivery to results rather than just inputs;
- (ii) Clearly anticipating strategic priorities for the FGON and the rest of the health sector and strengthening the long term commitment to improving the delivery of these high impact interventions.

## **SAVING ONE MILLION LIVES PROGRAMME FOR RESULTS (SOML-PforR)**

### **PROGRAMME INFORMATION/PROFILE FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2016**

- (iii) Establishing a limited set of clear and measureable indicators by which to track success.
- (iv) Strengthening data collection so that these indicators can be measure more frequently and more robustly.
- (v) Bolstering accountability so that managers and health workers at all levels are engaged, and incentivized to achieve better results, and
- (vi) Fostering innovations that increase the focus on results and include greater openness to working with the private sectors.

## **SAVING ONE MILLION LIVES PROGRAMME FOR RESULTS (SOML-PforR)**

### **PROGRAMME INFORMATION/PROFILE FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2016**

#### **MEMBERS OF NATIONAL PROJECT STEERING COMMITTEE**

- |                                                                          |               |
|--------------------------------------------------------------------------|---------------|
| 1. The Honourable Minister of Health                                     | Chairman      |
| 2. The Honourable Minister of State                                      | Vice Chairman |
| 3. The Permanent Secretary, FMOH                                         | Member        |
| 4. Director-General, NACA                                                | Member        |
| 5. Director-General, NHIS                                                | Member        |
| 6. Executive Secretary, NPHCDA                                           | Member        |
| 7. National Coordinator, NCDC                                            | Member        |
| 8. Honourable Commissioners of Health for<br>the 36 States and the FCT.  | Members       |
| 9. Representatives of State Ministry of Finance                          | Members       |
| 10. Development Partners (WHO, DFID, JIDA,<br>UNICEF, UNFPA, BMGF, etc). |               |

#### **PRINCIPAL OFFICERS OF THE PROGRAMME**

- |                          |   |                            |
|--------------------------|---|----------------------------|
| 1. Dr. Ibrahim Kana      | - | National Programme Manager |
| 2. Dr. Ojuolape Sholanke |   | Senior Programme Manager   |
| 3. Dr. Chima Elewune     |   | Senior Programme Officer   |
| 4. Dr. Dogara Okara      |   | Senior Programme Officer   |
| 5. Dr. Suleiman Jibrin   |   | Senior Programme Officer   |
| 6. Mr. Feeder Mbamo      |   | Programme Accountant       |

All the Principal Officers held offices from the inception of the Programme in June till the end of the year. Mr Anthony Hassan (Director, F&A) and Dr (Mrs) Adebisi, Adebimpe Olugbeiniyi (Director, Family Health) are also signatories to the accounts of the Programme, but are neither members of the PMU nor the Steering Committee. The programme had no standing Procurement Officer and Internal Auditor; these activities are carried out using the Ministry organs.

## **SAVING ONE MILLION LIVES PROGRAMME FOR RESULTS (SOML-PforR)**

PROGRAMME INFORMATION/PROFILE FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2016

### **AUDITORS**

#### **Office of the Auditor-General for the Federation**

Plot 273, Samuel Ademulegun Street,  
Central Business District,  
P.M.B. 28, Garki ,  
Abuja.

Web site: [www.oaugf.ng](http://www.oaugf.ng)

e-mail: [info@oaugf.ng](mailto:info@oaugf.ng)

### **PROGRAMME HEAD OFFICE**

Saving One Million Lives Programme for Results (SOML-PforR)

4, Kukawa Close,  
Off Ikole Street,  
Off Port Harcourt Crescent,  
Off Gimbiya Street,  
Area 11, Garki, Abuja.

### **PROGRAMME FINANCIER**

1. The World Bank

### **PROGRAMME IMPLEMENTING AGENCY**

Federal Ministry of Health  
Federal Secretariat Phase III,  
Ahmadu Bello Way, Central Business District,  
P.M.B. 083, Garki, Abuja.

### **BANKER**

Central Bank of Nigeria  
Central Business District  
P.M.B. 0187, Abuja.

# OFFICE OF THE AUDITOR-GENERAL FOR THE FEDERATION

## DEPARTMENT

### HEADQUARTERS:

Audit House,  
Plot 273, Samuel Ademulegun Street,  
Central Business District,  
P.M.B. 128, Garki- Abuja, Nigeria



### LAGOS OFFICE :

5, Sir Mobolaji Bank Anthony Street,  
P.M.B. 12503  
Lagos , Nigeria  
Tel:+234(1) 2632335

Ref No.....

Date.....

THE PRINCIPAL OFFICERS (MANAGEMENT),

### REPORT OF THE INDEPENDENT AUDIT ON THE FINANCIAL STATEMENTS OF THE SAVING ONE MILLION LIVES PROJECT (WORLD BANK ASSISTED)

We have audited the Financial Statements of the Saving One Million Lives Project (World Bank Assisted) for the year ended 31<sup>st</sup> December, 2016 as set out on pages 9 to 15 which have been prepared on the basis of the Accounting Policies set out in Note 1 on page 16 – 18.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Management of the Project is responsible for the preparation and fair presentation of the Financial Statements in accordance with the International Public Sector Accounting Standards (IPSAS) accrual and also for instituting such internal controls as the Management determines it necessary to enable the Financial Statements that are free from material misstatement.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an independent opinion on the Financial Statements based on our audit. We conducted the audit of Saving One Million Lives Project in accordance with the International Standards of Supreme audit Institutions (ISSAIs) as promulgated by the International Organisation of Supreme Audit Institutions (INTOSAI). These standards require that we comply with ethical requirement, plan and perform the audit so as to obtain reasonable assurance about whether the Financial Statements free from material misstatements, whether caused by fraud or other irregularity or error.

The procedures selected for obtaining assurance and evidence to support audit opinion depends on the auditors' judgment, including assessment of the risk of material misstatement of the Financial Statements. In making those risk assessment, we considered the Internal Control relevant to Saving One Million Lives Project preparation and fair presentation of the Financial Statements. We also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion, the Financial Statements, which are in agreement with the books of account, present a true and fair view of the financial position of Saving One Million Lives Project (World Bank Assisted) as at 31<sup>st</sup> December, 2016, and of its performance of its operations, changes in net assets, its cash flows for the year ended 31<sup>st</sup> December, 2016 and have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) accrual, accounting principles generally accepted in Nigeria and in the manner required by the World Bank.

  
I. A. ADELEYE

For: Auditor-General for the Federation

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**SAVING ONE MILLION LIVES PROGRAMME FOR RESULTS (SOML-PforR)**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2016**

|                            | \$                           | N                              |
|----------------------------|------------------------------|--------------------------------|
| <b>REVENUE</b>             |                              |                                |
| Interest Income (Note 3)   | 62,708.20                    | 18,747,901.91                  |
| Less:                      |                              |                                |
| <b>EXPENDITURE</b>         |                              |                                |
| Operating Cost (Note 4)    | 1,014,210.49                 | 303,219,018.75                 |
| R.R.I. Expenses            | 337,169.30                   | 100,803,741.00                 |
| PMU Expenses               | 410,160.30                   | 122,625,831.00                 |
| FMOH Expenses              | <u>143,926.74</u>            | <u>43,029,850.05</u>           |
|                            | <b><u>1,905,467.05</u></b>   | <b><u>569,678,440.80</u></b>   |
| <b>Surplus / (Deficit)</b> | <b><u>(1,842,758.85)</u></b> | <b><u>(550,930,538.89)</u></b> |

*The accounting policies on Page...and notes on Pages form integral part of these financial statements.*

*Audited by the Office of the Auditor-General for the Federation.*

**SAVING ONE MILLION LIVES PROGRAMME FOR RESULTS (SOML-PforR)**  
**STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2016**

|                                                  | \$                          | #                               |
|--------------------------------------------------|-----------------------------|---------------------------------|
| <b>ASSETS</b>                                    |                             |                                 |
| <b>CURRENT ASSETS</b>                            |                             |                                 |
| Cash at Bank (Note 5)                            | <u>9,059,059.25</u>         | <u>2,724,575,482.18</u>         |
| <b>Total Current Assets</b>                      | <b><u>9,059,059.25</u></b>  | <b><u>2,724,575,482.18</u></b>  |
| <b>NON-CURRENT ASSETS</b>                        |                             |                                 |
| Others – Performance Grant to<br>States (Note 6) | <u>54,000,000.00</u>        | <u>16,240,878,000.00</u>        |
| <b>Total Non-Current Assets</b>                  | <b><u>54,000,000.00</u></b> | <b><u>16,240,878,000.00</u></b> |
| <b>Total Assets</b>                              | <b><u>63,059,059.25</u></b> | <b><u>18,965,453,482.18</u></b> |
| <b>LIABILITIES &amp; NET ASSETS</b>              |                             |                                 |
| <b>CURRENT LIABILITIES</b>                       |                             |                                 |
| Payables (Creditors)                             | -                           | -                               |
| <b>Total Current Liabilities</b>                 | <u>-</u>                    | <u>-</u>                        |

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**SAVING ONE MILLION LIVES PROGRAMME FOR RESULTS (SOML-PforR)**  
**STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2016**

**NET ASSETS /FUNDS**

|                                    |                             |                                 |
|------------------------------------|-----------------------------|---------------------------------|
| Accumulated Surplus / (Deficit)    | (1,842,758.85)              | (550,930,538.89)                |
| Exchange Difference                | (62,701.59)                 | 93,909,087.29                   |
| IDA Credit (Funding) to Date       | <u>64,964,519.69</u>        | <u>19,422,474,933.78</u>        |
| <b>Net Assets /Fund</b>            | <b><u>63,059,059.25</u></b> | <b><u>18,965,453,482.18</u></b> |
| <b>Total Liabilities &amp; Net</b> |                             |                                 |
| <b>Assets/Funds</b>                | <b><u>63,059,059.25</u></b> | <b><u>18,965,453,482.18</u></b> |

**Dr Ibrahim Kana (National Programme Manager)** .....

**Mr Mbamo Feeder (Programme Accountant)** .....

The accounting policies on Page...and notes on Pages form integral part of these financial statements.

**SAVING ONE MILLION LIVES PROGRAMME FOR RESULTS (SOML-PforR)**  
**STATEMENT OF CHANGES IN NET ASSETS/FUNDS FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2016**  
**IN NAIRA (N)**

|                | IDA CREDIT               | SURPLUS/DEFICIT         | EXCHANGE<br>DIFERENCE | TOTAL                    |
|----------------|--------------------------|-------------------------|-----------------------|--------------------------|
|                | N                        | N                       | N                     | N                        |
| As at 1/1/16   | -                        | -                       | -                     | -                        |
| Addition       | 19,422,474,933.78        | (550,930,538.89)        | 93,909,087.29         | 18,965,453,482.18        |
| Transfers      | -                        | -                       | -                     | -                        |
| As at 31/12/16 | <u>19,422,474,933.78</u> | <u>(550,930,538.89)</u> | <u>93,909,087.29</u>  | <u>18,965,453,482.18</u> |
| As at 1/1/16   | <u>-</u>                 | <u>-</u>                | <u>-</u>              | <u>=</u>                 |
| As at 31/12/16 | <u>19,422,474,933.78</u> | <u>(550,930,538.89)</u> | <u>93,909,087.29</u>  | <u>18,965,453,482.18</u> |

*Audited by the Office of the Auditor-General for the Federation.*

**SAVING ONE MILLION LIVES PROGRAMME FOR RESULTS (SOML-PforR)**  
**STATEMENT OF CHANGES IN NET ASSETS/FUNDS FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2016**

**IN USD(\$)**

|                | IDA CREDIT           | SURPLUS/DEFICIT       | EXCHANGE<br>DIFERENCE | TOTAL                |
|----------------|----------------------|-----------------------|-----------------------|----------------------|
|                | \$                   | \$                    | \$                    | \$                   |
| As at 1/1/16   | -                    | -                     | -                     | -                    |
| Addition       | 64,964,519.69        | (1,842,758.85)        | (62,701.59)           | 63,059,059.25        |
| Transfers      | -                    | -                     | -                     | -                    |
| As at 31/12/16 | <u>64,964,519.69</u> | <u>(1,842,758.85)</u> | <u>(62,701.59)</u>    | <u>63,059,059.25</u> |

*The accounting policies on Page...and notes on Pages form integral part of these financial statements  
Audited by the Office of the Auditor-General for the Federation.*

**STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2016**

|                                                   | \$                            | N                                 |
|---------------------------------------------------|-------------------------------|-----------------------------------|
| <b>Cash Flow from Operating Activities</b>        |                               |                                   |
| Surplus/Deficit for the year.                     | (1,842,758.85)                | (550,930,538.89)                  |
| <b>Items not involving movement of cash</b>       |                               |                                   |
| Exchange Difference                               | (62,701.59)                   | 93,909,087.29                     |
| <b>Net Cash Flow Operating Activities</b>         | <b><u>(1,905,460.44)</u></b>  | <b><u>(457,021,451.60)</u></b>    |
| <b>Cash flow from investing activities</b>        |                               |                                   |
| Performance Transfer to States                    | (54,000,000.00)               | (16,240,878,000.00)               |
| <b>Net cash flow from investing Activities</b>    | <b><u>(54,000,000.00)</u></b> | <b><u>(16,240,878,000.00)</u></b> |
| <b>Cash flow from financing activities</b>        |                               |                                   |
| IDA Credit                                        | 64,964,519.69                 | 19,422,474,933.78                 |
| <b>Net cash flow from financing Activities</b>    | <b><u>64,964,519.69</u></b>   | <b><u>19,422,474,933.78</u></b>   |
| <b>Net cash changes for the year</b>              |                               |                                   |
| Cash & Cash equivalent @ beginning<br>Of the year | -                             | -                                 |
| Cash & Cash equivalent @ end<br>Of the year       | 9,059,059.25                  | 2,724,575,482.18                  |
| <b>Cash and cash equivalent @<br/>End of year</b> | <b><u>9,059,059.25</u></b>    | <b><u>2,724,575,482.18</u></b>    |

*The accounting policies on Page...and notes on Pages form integral part of these financial statement.  
Audited by the Office of the Auditor-General for the Federation.*

**SAVING ONE MILLION LIVES PROGRAMME FOR RESULTS (SOML-PforR)**  
**STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2016**

**Reconciliation of cash and cash  
Equivalents**

|                                |                            |                                |
|--------------------------------|----------------------------|--------------------------------|
| BIS / CBN USD \$ Account       | 7,621,607.33               | 2,292,251,755.75               |
| CBN Programme Fund Account (N) | 1,437,451.92               | 432,323,726.43                 |
| <b>Total</b>                   | <b><u>9,059,059.25</u></b> | <b><u>2,724,575,482.18</u></b> |

## **SAVING ONE MILLION LIVES PROGRAMME FOR RESULTS (SOML-PforR)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2016**

#### **1. STATEMENT OF COMPLIANCE WITH IPSAS**

The preparation and contents of these Financial Statements are in accordance with the requirements of the International Public Sector Accounting Standards (IPSAS) accrual basis, except that Statement of Budget and Actual of the Coordinating Unit was excluded because it has not been made publicly available as required by IPSAS 24.

#### **2. ACCOUNTING POLICIES**

The following is the summary of the significant Accounting Policies adopted in the preparation of the Project's Financial Statements.

##### **a. BASIS OF PREPARATION**

The Financial Statements have been prepared under the historical cost convention and in accordance with the accrual basis of International Public Sector Accounting Standards (IPSAS)

##### **b. PRINCIPAL ACTIVITIES**

The Programme, which does not have profit motive, is principally engaged in the following activities:

- Improving Maternal, Newborn and Child Health
- Improving routine immunisation coverage and achieving Polio eradication;
- Elimination of mother to child transmission of HIV;
- Scaling up access to essential medicines and commodities;
- Malaria control;
- Improving child nutrition. The two enablers are:
- Strengthening logistics and supply chain management and
- Promoting innovation and use of technology to improve health services

##### **c. FUNDS**

All contributions by the Financier were only recognised when received and capitalised as IDA Credit/Fund. This fund is subsequently increased or reduced by surplus or deficit from the statement of financial performance.



**d. RECOGNITION OF REVENUE & EXPENDITURE**

Revenue and expenditure were recognised when they become receivable or incurred.

**e. NON CURRENT ASSETS**

- a. Non-current assets acquired during the year (if any) were stated at cost.
- b. Depreciation:  
No depreciation was provided on the Non-current Assets
- c. In the opinion of the Principal Officers, non-current assets will be transferred to the Implementing Agency – Federal Ministry of Health at the end of the Project’s life, at cost.

**f. REPORTING/FOREIGN CURRENCY**

The financial statements were prepared in the USD (\$) with a corresponding column showing Nigerian Naira version. Transactions in foreign currency were translated at the average rate for the period, while all foreign accounts balances were translated at the rate of exchange at the reporting date; i.e. ₦300.757/\$1.00.

**g. DEFFERED TAXATION**

No provision was made for deferred taxation because the Project is exempted from payment of income tax by law.

**3. REVENUE**

These are interest income earned on the USD (\$) BIS / CBN Account for the period July to December, 2016. No interest was recorded in respect of the Programme Fund Account (Naira) maintained with the Central Bank of Nigeria.

**4. OPERATING COST**

|                              | \$                         | N                            |
|------------------------------|----------------------------|------------------------------|
| Duty Tour Allowances & T & T | 138,470.84                 | 41,398,695.00                |
| Bank Charges                 | 369.08                     | 110,344.50                   |
| Donations to Cameroon        | 426,512.12                 | 127,514,542.25               |
| Staff Welfare and Incentives | <u>448,858.45</u>          | <u>134,195,437.00</u>        |
| <b>Total</b>                 | <b><u>1,014,210.49</u></b> | <b><u>303,219,018.75</u></b> |

*Audited by the Office of the Auditor-General for the Federation.*

## 5. CASH AT BANK

|                            | \$                         | N                              |
|----------------------------|----------------------------|--------------------------------|
| BIS / CBN (USD) Account    | 7,621,607.33               | 2,292,251,755.75               |
| CBN Programme Fund Account | <u>1,437,451.92</u>        | <u>432,323,726.43</u>          |
| <b>Total</b>               | <b><u>9,059,059.25</u></b> | <b><u>2,724,575,482.18</u></b> |

## 6. OTHERS – PERFORMANCE GRANT TO STATES'

A total amount of USD (\$) 55,500,000 was mandated for payment of initial grants to 36 + 1 States @ \$1,500,000.000.00 each. However, only \$54,000,000.00 had been debited to 36 States. \$1,500,000.00 is still outstanding unpaid in respect of one states which has not been identified.

## 7. ACCUMULATED SURPLUS

|                            | \$                           | N                              |
|----------------------------|------------------------------|--------------------------------|
| Revenue (Interest Income)  | 62,708.20                    | 18,747,901.91                  |
| Less: Expenditures         | <u>(1,905,467.05)</u>        | <u>(569,678,440.80)</u>        |
| <b>Surplus / (Deficit)</b> | <b><u>(1,842,758.85)</u></b> | <b><u>(550,930,538.89)</u></b> |

*The accounting policies on Page...and notes on Pages form integral part of these financial statement*

## 8. RENTAL

Include in the PMU Expenses was an amount of N29,106,000.00 paid in respect of Rent of Office apartment for the programme which take effect from 16<sup>th</sup> December, 2016. No provision was made in the account for the accruals.