



**International Federation of Red Cross
and Red Crescent Societies (IFRC), Geneva**

Independent Auditor's Report

To the Management of IFRC
On the IFRC's Financial Statements for the
Combined Ebola Virus Disease Emergency Appeals
Guinea (MDRGN007), Sierra Leone (MDRSL005),
Liberia (MDRLR001), Africa Ebola Coordination
and preparedness (MDR60002)
for the period from 1 January 2017 to 31 October 2018



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Independent Auditor's Report on the IFRC's Financial Statements for the Combined Ebola Virus Disease Emergency Appeals Guinea (MDRGN007), Sierra Leone (MDRSL005), Liberia (MDRLR001), Africa Ebola Coordination and preparedness (MDR60002) to the Management of

International Federation of Red Cross and Red Crescent Societies (IFRC), Geneva

Opinion

We have audited the accompanying grant financial statements for the Combined Ebola Virus Disease Emergency Appeals Guinea (MDRGN007), Sierra Leone (MDRSL005), Liberia (MDRLR001), Africa Ebola Coordination and preparedness (MDR60002) of the International Federation of Red Cross and Red Crescent Societies ("IFRC"), which comprise the income and expenditure statement and notes to the financial statements, including a summary of significant accounting policies ('the financial statements') for the period from 1 January 2017 to 31 October 2018.

In our opinion, the accompanying financial statements for Combined Ebola Virus Disease Emergency Appeals Guinea (MDRGN007), Sierra Leone (MDRSL005), Liberia (MDRLR001), Africa Ebola Coordination and preparedness (MDR60002) for the period from 1 January 2017 to 31 October 2018 are prepared, in all material respects, in accordance with the IFRC accounting policies as described in the notes to the financial statements.

Basis of 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 the IFRC in accordance with the requirements of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants, 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Notes 2 and 3 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the IFRC to comply with the financial reporting provisions of the IFRC.

Responsibilities of the Management for the Financial Statements

The management of the IFRC is responsible for the preparation of the financial statements in accordance with the basis of accounting described in the notes and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.



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 International Standards on Auditing (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 judgement 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 of 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 IFRC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

We communicate with the management and those charged with governance of IFRC 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.

KPMG SA

Karina Vartanova
Licensed Audit Expert

Yann Thoron

Geneva, 3 September 2019

Enclosure:

Financial statements (income and expenditure statement and explanatory notes) for the period from 1 January 2017 to 31 October 2018

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS
GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), AFRICA EBOLA
COORDINATION AND PREPAREDNESS (MDR60002)**

**COMBINED INCOME AND EXPENDITURE STATEMENT
FOR THE PERIOD FROM 1 JANUARY 2017 TO 31 OCTOBER 2018**

		Period from 1-Jan-2017 to 31-Oct-2018	Year ended 31-Dec-2016
	Note	CHF	CHF
OPERATING INCOME			
Voluntary contributions	4	(115,937)	1,315,271
Donations	5	1,745,809	6,552,947
Other income		5,867	615
Total INCOME		<u>1,635,739</u>	<u>7,868,833</u>
OPERATING EXPENDITURE			
Programmes and coordination: Humanitarian Response			
Employee benefits		3,145,376	8,703,007
Relief supplies, transportation and storage		1,426,307	2,033,447
Contributions to National Societies		48,667	-
Depreciation and amortisation		4,724	11,218
Supplementary services cost recoveries		294,008	1,746,310
Other costs & allocations	7	<u>1,737,172</u>	<u>3,964,688</u>
Total direct costs		<u>6,656,254</u>	<u>16,458,670</u>
Indirect cost recovery		340,990	1,098,558
Pledge fees		17,973	101,275
Total OPERATING EXPENDITURE	6	<u>7,015,217</u>	<u>17,658,503</u>
NET (DEFICIT) FROM OPERATING ACTIVITIES		(5,379,478)	(9,789,670)
Finance (expense), net	8	<u>(127,338)</u>	<u>(458,884)</u>
NET (DEFICIT) FOR THE PERIOD		<u><u>(5,506,816)</u></u>	<u><u>(10,248,554)</u></u>
FUNDS HELD FOR OPERATIONS			
Brought forward		8,416,372	18,509,209
Allocations from other IFRC funds or appeals		-	155,717
Net (deficit) for the year		<u>(5,506,816)</u>	<u>(10,248,554)</u>
FUNDS HELD FOR OPERATIONS		<u><u>2,909,556</u></u>	<u><u>8,416,372</u></u>

The notes on pages 4 to 12 are an integral part of these Combined Appeal Financial Statements.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS
GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), AFRICA EBOLA
COORDINATION AND PREPAREDNESS (MDR60002)**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2017 TO 31 OCTOBER 2018**

1. Activities

Founded in 1919, the International Federation of Red Cross and Red Crescent Societies (IFRC) is a membership organisation comprising 190 member Red Cross and Red Crescent societies governed by a Governing Board and with management support provided by a Secretariat with more than 60 delegations to support activities around the world. The Secretariat headquarters' address is 17, Chemin des Crêts, Petit-Saconnex, 1209 Geneva, Switzerland.

The IFRC's mission is to improve the lives of vulnerable people by mobilizing the power of humanity. Working through its 190 member National Societies, the IFRC acts before, during and after disasters and health emergencies to meet the needs and improve the lives of vulnerable people. It does so with impartiality as to nationality, race, gender, religious beliefs, class and political opinions.

The IFRC coordinates international support for large-scale disasters and health crises, strengthens the capacities and leadership of its member National Societies, and acts at the international level to raise resources and persuade decision makers to act at all times in the interests of vulnerable people.

Guided by *Strategy 2020*, a collective plan of action for the IFRC and its member National Societies to tackle the major humanitarian and development challenges of this decade, the IFRC is committed to 'saving lives and changing minds'.

On 21 March 2014, an outbreak of the Ebola virus disease (EVD) was declared in Guinea. In response to this and other EVD outbreaks in the West Africa region, the IFRC launched five country specific Emergency Appeals and one Africa Coordination Emergency Appeal seeking contributions in cash or kind in support of National Societies responding to the EVD emergency. The Emergency appeals employed a five-pillar approach focusing on: Beneficiary communication and social mobilization; Contact tracing and Surveillance; Psychological support; Case management; and Safe and dignified burials and disinfection. Details of the appeals are provided below: -

Guinea (MDRGN007)

On 28 March 2014, to fund activities undertaken in response to an outbreak of EVD in Guinea, CHF 250k was allocated from the IFRC Disaster Relief Emergency Fund (DREF). On 4 April 2014, an Emergency Appeal was launched seeking CHF 926k in cash, kind or services to support the Red Cross Society of Guinea to provide 6 months' assistance to over 3 million people at risk. Through a number of emergency appeal revisions between 2014 and 2016, the appeal was revised and the timeframe was extended. On 22 July 2016, the Emergency Appeal was revised to CHF 39.0 million with timeframe ending 31 December 2016. The final report was issued on 21 September 2017.

Sierra Leone (MDRSL005)

On 7 April 2014, CHF 113k was allocated from the IFRC DREF to fund preparedness activities in Sierra Leone in response to an outbreak of EVD in Guinea. On 10 June 2014, a second DREF allocation for CHF 114k was made. On 26 June 2014, an Emergency Appeal was launched seeking CHF 880k in cash, kind or services to support the Sierra Leone Red Cross Society to deliver assistance and support to 6 million people, for 8 months. Through a number of emergency appeal revisions between 2014 and 2016, the appeal was revised and the timeframe was extended. In November 2017, the Emergency Appeal was revised to CHF 64.3 million and timeframe extended to 30 June 2018. The final report was issued on 31 October 2018.

Liberia (MDRLR001)

On 9 April 2014, CHF 101k was allocated from the IFRC DREF to fund preparedness and response activities in Liberia following two confirmed EVD cases in the country. On 30 April 2014, an Emergency Appeal was launched seeking CHF 467k in cash, kind or services to support the Liberian Red Cross Society to provide a 6-month assistance to 1.5 million people at risk. Through a number of emergency appeal revisions between 2014 and 2016, the appeal was revised and the timeframe was extended. In September 2016, the Emergency Appeal was revised to CHF 22.2 million with timeframe ending 31 December 2016. The final report was issued on 24 May 2017.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS
GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), AFRICA EBOLA
COORDINATION AND PREPAREDNESS (MDR60002)**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2017 TO 31 OCTOBER 2018**

1. Activities (continued)

Africa: Ebola Coordination and Preparedness (MDR60002)

On 19 August 2014, a regional coordination and preparedness Emergency Appeal was launched seeking CHF 2.9 million in cash, kind or services to strengthen and scale up operations support, coordination, communication, capacity building and preparedness for at risk countries in Africa and beyond, over 9 months. In January 2016, the Emergency Appeal was revised to CHF 14.1 million and the timeframe was extended to 31 December 2016. On 10 January 2017, the timeframe was extended to 31 March 2017. The final report was issued on 30 September 2018.

The combined appeal financial statements presented comprise the Income and Expenditure Statement and supporting notes of the Ebola Virus Disease Emergency Appeals for Guinea (MDRGN007), Sierra Leone (MDRSL005), Liberia (MDRLR001) and the Africa: Ebola Coordination and Preparedness Emergency Appeal (MDR60002) and are hereto referred to as the Combined Appeal Financial Statements.

The Combined Appeal Financial Statements for the period ended 30 June 2018 does not include the Emergency Appeals for Nigeria (MDRNG017) and Senegal (MDRSN010) which were included in prior years as these appeals have ended. The final reports were issued on 3 September 2015 and 2 February 2016 respectively.

2. Basis of accounting

The combined appeal financial statements are presented in Swiss Francs and have been prepared using the accrual basis of accounting, under which, the effects of transactions and other events are recognised when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

The information contained herein has been extracted from the Consolidated Financial Statements of the IFRC which are prepared in accordance with International Financial Reporting Standards (IFRS).

The Consolidated Financial Statements present operating expenditure by function (see note 3.3(a)). All operating expenditure included within the Ebola Virus Disease Emergency Appeals for Guinea, Sierra Leone, Liberia, Nigeria, Senegal, and the Africa: Ebola Coordination and Preparedness Emergency Appeal is classified under the Humanitarian response functional category. For information purposes, the Combined Income and Expenditure Statement provides further analysis of operating expenditure.

3. Significant accounting policies

3.1 Foreign currency transactions

The presentation and functional currency of the IFRC is the Swiss Franc, as operating cash flows are primarily denominated in, and influenced by, the Swiss Franc. The IFRC's operations are not concentrated in any one economic environment, but appeals, including the Ebola Virus Disease Emergency Appeals for Guinea, Sierra Leone, Liberia, Nigeria, Senegal, and the Africa: Ebola Coordination and Preparedness Emergency Appeal, are always launched in Swiss Francs and expenditure is budgeted and managed in Swiss Francs.

Foreign currency transactions are translated into Swiss Francs using rates which approximate to the rates prevailing on the dates of the transactions.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS
GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), AFRICA EBOLA
COORDINATION AND PREPAREDNESS (MDR60002)**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2017 TO 31 OCTOBER 2018**

3. Significant accounting policies (continued)

3.2 Income

Income comprises voluntary contributions in cash or in-kind from member National Societies, and donations in cash or in-kind from donors.

(a) Voluntary contributions and donations

Voluntary contributions and donations are identified according to the level of earmarking. National Societies and donors can earmark contributions for use in field operations at the appeal, programme, project or sub-project level. Such earmarked contributions are fully under the control of the IFRC, and, unless they are also subject to specific contractual obligations or earmarked for use in a future period (see paragraph below), are recognised in the Income and Expenditure Statement when pledged. At the end of the accounting period, unspent earmarked contributions are included in Funds held for operations.

Government grants and contributions that are based on contracts for specific projects, akin to government grants, are recognised as expenditure is incurred and contractual obligations are fulfilled. The IFRC typically receives such contributions from diplomatic missions, United Nations (UN) agencies, European Community Humanitarian Office (ECHO) and other government agencies such as the United States Agency for International Development (USAID). Amounts received, but not recognised, are deferred for recognition in future periods as expenditure is incurred and contractual obligations are fulfilled. Government grants that are not for specific projects but are earmarked at appeal level are recognised when a confirmed written pledge has been received from the donor.

Contributions and donations that are subject to specific contractual obligations or earmarked for use in a future period are not fully under control of the IFRC. Donations that are subject to specific contractual obligations are recognised in income as expenditure is incurred and contractual obligations are fulfilled, similar to government grants. Amounts received, but not recognised, are deferred for recognition in future periods as expenditure is incurred and contractual obligations are fulfilled. Contributions and donations which are earmarked for use in a future period are deferred for recognition in income in the future period for which they are earmarked.

In-kind contributions or donations of goods (comprising relief supplies) and services (in the form of staff or transport) are recognised on the date of receipt of the goods or service and are recognised equally as both contributions or donations, and expenses in the Income and Expenditure Statement. In-kind goods and services received in response to the Appeal are measured at fair value.

The fair value of in-kind goods is based on the contributing National Society's or other donors' indication of the value. This value is tested for reasonableness by comparing it to the cost that the IFRC would incur if it were to buy in the open market similar goods for the same intended use. If the market value is found to be significantly different to the value indicated by the donor, the value is revised to the market value. The fair value of in-kind staff is taken as the average cost that would be incurred by the IFRC, if it were to employ a person in a similar position.

The IFRC sometimes agrees with a contributing National Society or other donor that the value of a confirmed written pledge previously received shall be changed - either increased or decreased. Such changes are recognised as additions to, or reductions of, income, during the period in which the change was agreed. The IFRC is not able to evaluate the potential impact of such changes on voluntary contribution and donation income reported in these Appeal Financial Statements.

(b) Other Income (Income from the sale of goods)

Income from the sale of goods, principally from publications and promotional goods, is recognised when performance obligation is satisfied, including the transfer of control over the goods.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS
GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), AFRICA EBOLA
COORDINATION AND PREPAREDNESS (MDR60002)**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2017 TO 31 OCTOBER 2018**

3.3 Expenditure

(a) Functional expenditure categories

All IFRC expenditure is classified under functional expense categories that aggregate costs related to each category. Expenditure incurred as part of the Ebola Virus Disease Emergency Appeals for Guinea, Sierra Leone, Liberia, and the Africa: Ebola Coordination and Preparedness Emergency Appeal activities, is classified under the Programmes and coordination: Humanitarian response functional expense category. This functional expense category comprises: Coordination during the immediate response phase of disasters and crises which require international assistance, in order to ensure adequate resources are available to meet the needs of disaster affected people. Within this functional expense category, the classification of operational expenditures by nature has been aligned with the Consolidated Financial Statements of the IFRC.

(b) Costing principles

The costing principle of the IFRC is one of full cost recovery therefore each appeal, including the Ebola Virus Disease Emergency Appeals for Guinea, Sierra Leone, Liberia, and the Africa: Ebola Coordination and Preparedness Emergency Appeal includes all associated direct costs, indirect costs and pledge fees.

Direct costs

Direct costs are those costs that can be readily and specifically identified with a particular project or service. Direct costs include employee benefits including salary and benefit costs of international delegates and national staff.

In keeping with the IFRC's principle of full cost recovery, costs are recovered from operations for specific services provided in addition to the essential services funded by indirect cost recovery (below). Such recoveries include specific logistics services recoveries based on the value of procurement services provided, global fleet services including provision of the vehicle rental scheme and country level services related to the basic costs of having a presence (an IFRC office) in a given country.

Indirect costs

The direct costs of programmes and services are subject to 6.5% indirect cost recovery to fund the costs of providing indirect support services, essential to the success of operations. Such indirect support services include management and leadership, information and communication technology and professional and services functions in the areas of programme quality, reporting, resource mobilisation, finance, information technology and human resources.

Pledge fees

Costs are incurred to meet specific donor requirements. These requirements may include the tracking of expenses where a donation has been given for a specific activity or needs to be spent within a specific timeframe, or requires customised financial and / or narrative reports. Pledge fees are charged to donations to cover the costs associated with meeting these specific donor requirements.

(c) Working with National Society partners

In implementing its activities in the ordinary course of its business, the IFRC advances funds to member Red Cross and Red Crescent National Societies. Two mechanisms are used to advance funds to member National Societies for the implementation of activities – cash working advances and cash contributions.

Working advances to National Societies

The IFRC provides cash working advances to National Societies for them to implement activities on behalf of the IFRC. An expense is recognised for the value of working advances which has not been reported on by the recipient National Societies and is recorded in Operating expenditure – Other costs & allocations. When recipient National Societies report on their use of the funds, this expense is reclassified according to its nature.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS
GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), AFRICA EBOLA
COORDINATION AND PREPAREDNESS (MDR60002)**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2017 TO 31 OCTOBER 2018**

3. Significant accounting policies (continued)

Contributions to National Societies

The IFRC makes cash contributions to fund the activities of member National Societies. Such contributions are recognised as operational expenditure as they are incurred.

3.4 Finance (expense), net

Exchange gains and losses resulting from the settlement of foreign currency transactions and from translation are included under Finance income, net, in the Income and Expenditure Statement, with the exception of realised exchange gains and losses on voluntary contributions, which are included under Voluntary contributions.

3.5 Funds held for operations

The cumulative excess of income received over operating expenditure incurred is recorded as Funds held for operations. In the event that the funds cannot be spent, the IFRC obtains agreement from the donors to reallocate the unspent funds for a different use, or reimburses them to the donors.

The IFRC DREF is a source of un-earmarked money created by IFRC in 1985 to ensure that immediate financial support is available for Red Cross Red Crescent responses to emergencies. The DREF is a vital part of the IFRC's disaster response system and increases the ability of National Societies to respond.

DREF allocations to Emergency Appeals such as the Ebola Virus Disease Emergency Appeals for Guinea, Sierra Leone, Liberia, and Senegal are considered as start-up funding for the operation until un-earmarked donor pledges have been made in response to the Emergency Appeal. An automatic recovery of the full allocation of the DREF loan is made for all Emergency Appeals which have received 150% of the value of the DREF loan in un-earmarked funds. For Emergency Appeals where the coverage is below 150% of the DREF loan, a complete or partial reimbursement plan is agreed. In cases where no or only partial reimbursement of the DREF loan could be made during the operation timeframe, balance of funds at the closure of the Emergency Appeal is returned to DREF up to the value of the loan.

All DREF allocations to the Ebola virus disease emergency appeals have been fully reimbursed except for Senegal. In 2016, an amount of CHF 5,068 was reimbursed to DREF for Senegal Ebola virus disease emergency appeal, and CHF160,785 was returned from other IFRC appeals, which had received allocation for Ebola preparedness activities in 2014 and 2015. In 2015, CHF790,234 was allocated to other IFRC appeals for Ebola preparedness activities.

Subject to donor approval, the unspent balances in Ebola Virus Disease Emergency appeals will be reallocated to operational plans focussed on Disaster Risk Reduction, Health in Emergencies, and Capacity Strengthening to respond to Disease Outbreaks.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS
GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), AFRICA EBOLA
COORDINATION AND PREPAREDNESS (MDR60002)**

4. Voluntary contributions

	Period from 1-Jan-2017 to 31-Oct-2018 TOTAL CHF	Year ended 31-Dec-2016 TOTAL CHF
British Red Cross	2,368	107,263
British Red Cross (from DEC (Disasters Emergency Committee))	(2,745)	231,501
China Red Cross, Hong Kong branch	(24,960)	98,825
Danish Red Cross	12,298	(15,690)
Japanese Red Cross Society	137	87,659
New Zealand Red Cross	-	35,600
Swedish Red Cross	(103,035)	770,113
Total	<u>(115,937)</u>	<u>1,315,271</u>

The figures include unrealised gains and losses from revaluation of outstanding foreign currency pledges, and realised gains and losses from settlement of foreign currency pledges (see note 3.4).

5. Donations

	Period from 1-Jan-2017 to 31-Oct-2018 TOTAL CHF	Year ended 31-Dec-2016 TOTAL CHF
Belgian Federal Government	-	839,421
Bill & Melinda Gates Foundation	(1,582)	342,642
European Commission - DG ECHO	(7,971)	198,307
Expertise France/Agence Française d'Expertise Tech	(1,062)	120,284
Japanese Government	452,141	4,258,611
Nethope INC.	263	45,764
Other donors (including contributions less than CHF10,000)	(130,501)	(14,978)
UNDP - United Nations Development Programme	1,389,728	661,384
United States Government - USAID	44,793	101,512
Total	<u>1,745,809</u>	<u>6,552,947</u>

The figures include unrealised gains and losses from revaluation of outstanding foreign currency pledges, and realised gains and losses from settlement of foreign currency pledges (see note 3.4).

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS
GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), AFRICA EBOLA COORDINATION AND PREPAREDNESS
(MDR60002)**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2017 TO 31 OCTOBER 2018**

6. Operating expenditure by Emergency Appeal

	Guinea	Sierra Leone	Liberia	Africa Ebola Coordination & Preparation	Period from 1-Jan-2017 to 31-Oct-2018 TOTAL	Year ended 31-Dec-2016 TOTAL
	CHF	CHF	CHF	CHF	CHF	CHF
OPERATING EXPENDITURE						
Employee benefits	87,572	2,574,829	107,058	375,917	3,145,376	8,703,007
Relief supplies, transportation and storage	21,717	1,307,925	20,526	76,139	1,426,307	2,033,447
Contributions to National Societies	-	-	-	48,667	48,667	-
Depreciation and amortisation	-	4,724	-	-	4,724	11,218
Supplementary services cost recoveries	-	264,959	3,360	25,689	294,008	1,746,310
Other costs & allocations	331,140	849,265	62,527	494,240	1,737,172	3,964,688
Total direct costs	440,429	5,001,702	193,471	1,020,652	6,656,254	16,458,670
Indirect cost recovery	(2,806)	333,089	876	9,831	340,990	1,098,558
Pledge fees	(637)	17,318	1,287	5	17,973	101,275
Total OPERATING EXPENDITURE	436,986	5,352,109	195,634	1,030,488	7,015,217	17,658,503

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS
GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), AFRICA EBOLA
COORDINATION AND PREPAREDNESS (MDR60002)**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2017 TO 31 OCTOBER 2018**

7. Other costs & allocations

	Period from 1-Jan-2017 to 31-Oct-2018 TOTAL CHF	Year ended 31-Dec-2016 TOTAL CHF
Workshops & training	628,290	1,199,764
Administration, office and general	327,392	285,458
Vehicles and equipment	208,301	531,344
Travel	300,756	802,186
Consultancy fees	88,553	130,337
Information	348,190	514,771
Other	(164,310)	500,827
	<u>1,737,172</u>	<u>3,964,688</u>

Included within Other costs and allocations are reversal of working advance not yet reported by National Societies amounting to CHF 1,757,369 (2016: CHF 931,326). Additionally included under Other costs and allocations are refunds to donors amounting to CHF 1,514,010 (2016: CHF 7,014).

8. Finance expense, net

	Period from 1-Jan-2017 to 31-Oct-2018 TOTAL CHF	Year ended 31-Dec-2016 TOTAL CHF
Foreign exchange losses	(127,338)	(458,884)
	<u>(127,338)</u>	<u>(458,884)</u>

The foreign exchange gains and losses resulting from conversion of foreign currency transactions into Swiss Francs and revaluation of assets and liabilities in foreign currency into Swiss Francs are reported under Finance income / (expense), net. From November 2014 to June 2017, the automatically maintained exchange rates between CHF and SLL in the IFRC's financial system were lower than the market rate, and in accordance with IFRC's accounting policy, market rates have been used to correctly state the expenditure, resulting in net foreign exchange losses.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS
GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), AFRICA EBOLA
COORDINATION AND PREPAREDNESS (MDR60002)**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2017 TO 31 OCTOBER 2018**

9. Events during the period of the appeals

9a. Guinea

In 2016, following a fraud allegation, the IFRC conducted a review of irregularities related to vehicle hire, volunteer payments, and custom clearance services. The review revealed confirmed and at risk losses of approximately CHF 1.5 million, which includes undocumented and unjustified supplier payments amounting to CHF 354,500; these were adjusted as losses and included under Other Costs and allocations in the combined financial statements for the year ended 31 December 2016. At the date of this report, the case is with the local authorities for investigation.

9b. Sierra Leone

In 2016, following a fraud allegation regarding currency exchange from United States Dollars (USD) to Sierra Leonean Leones (SLL), the IFRC commissioned an independent review. The review revealed instances of currency trades below the market trading value. The resultant loss is estimated at CHF 2 million. The impact of this loss was reflected in the combined appeal financial statements for the year ended 31 December 2015, where the SLL denominated assets, liabilities, and expenditure were revalued using market trading foreign exchange rates. At the date of this report, the case is with the local authorities for investigation.

In 2016, the IFRC introduced guidelines on cash disbursements and intra-account transfers to strengthen the internal control on currency trades to prevent similar fraud from recurring. In 2017, the IFRC adopted a foreign exchange risk management policy to further strengthen the control environment.

9c. Liberia

In 2016, following a fraud allegation, the IFRC commissioned an independent review on Liberia Red Cross Society. The review revealed instances of non-compliance with procedures and misappropriation of funds, including an overpayment of CHF 462,715 for relief items. This overpayment was adjusted as a loss and included under Other costs and allocations in the combined appeal financial statements for the year ended 31 December 2015. The investigation also identified other examples of irregularities. The impact of these irregularities could not be quantified and therefore has not been adjusted in the combined appeal financial statements.