

Ministry of Finance
Corona Fund
Statement of Expenditure for
The period from inception on March 15, 2020 to
31 December 2020

Ministry of Finance
Corona Fund
Amman – The Hashemite Kingdom of Jordan

Table of Contents

Independent Auditor's Report

Exhibit

Statement of Expenditure

A

Page

Notes to the Statement of Expenditure

1 – 3

Independent Auditor's Report
Ministry of Finance
Corona Fund
Amman – The Hashemite Kingdom of Jordan

Opinion

We have audited the attached statement of expenditure for Corona Fund - Ministry of Finance, for the period from inception on March 15, 2020 to 31 December 2020, in addition to a summary of significant accounting policies and other explanatory information.

In our opinion, the statement of expenditure attached is presented fairly in all substantial aspects, Corona Fund – Ministry of Finance for the period from inception on March 15, 2020 to 31 December 2020, and in accordance with accounting policies stated in Note (2).

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 Auditors' Responsibilities for the Audit of the statement of expenditure section of our report. We are independent of the Fund in accordance with the professional code of ethics standards of legal accountants', issued by the Code of Ethics for Professional Accountants, in addition to the other professional code of ethics requirements that are relevant to the audit of the statement of expenditure in Jordan, and we have fulfilled the professional code of ethics and the Code of Ethics for Professional Accountants.

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

Explanatory paragraph

As indicated in details in Note No. (1b) of the notes to the statement of expenditure, the final amount approved amounts to JD 100,000,000. However, the actual expenditure amount is JD 100,123,837.

Other Matters

As indicated in details in Note No. (3) of the notes to the statement of expenditure we carried out the audit for all expenditure based on the financial system of the Hashemite Kingdom of Jordan government No. (3) For the year 1994 and the applied instructions of the financial affairs No. (1) for the year 1995 and its amendments.

Restriction of use and distribution

Without qualification, and as mentioned in note (2) in the statement of expenditure which stated the accounting basis used to prepare this statement of expenditures, the statement of expenditure is prepared for management purposes only and not to be used for any other purposes.

Responsibilities of Management and Those in charge of Governance for the statement of expenditure

Corona Fund management is responsible for the preparation and fair presentation of the statement of expenditure in accordance with accounting policies stated Note (2), and for such internal control as management determines is necessary to enable the preparation of statement of expenditure that is free from substantial misstatement, whether due to fraud or error.

The management is also responsible in preparing the statement of expenditure for assessing the Fund's continuity ability, and disclose when applicable, matters related to continuity and using the continuity concern basis of accounting, unless management either intends to liquidate the Fund or to cease its operations if it has no realistic alternative but to do so.

Those in charge of governance are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the statement of expenditure

Our objectives are to obtain reasonable assurance about whether the statement of expenditure as a whole is free from substantial misstatement, whether due to fraud or error, and to issue an auditors' 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 substantial misstatement when it exists.

Misstatements can arise from fraud or error and are considered substantial if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement of expenditure.


As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of substantial misstatement of the statement of expenditure, 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 base for our opinion. The risk of not detecting a substantial 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 system.
- Obtain an understanding of internal control system relevant to the audit processes in order to design audit procedures that are appropriate depending on the circumstances, but not for the purpose of expressing opinion on the effectiveness of the Fund's internal control system.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the accounting continuity principle and, based on the audit evidence obtained, whether a substantial uncertainty exists related to events or conditions that may cast significant doubt on the Fund's continuity ability. If we conclude that substantial uncertainty do not exist we are required to draw attention in our auditors' report to the related disclosures in the statement of expenditure, and if such disclosures are inadequate, we will modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue its operations.
- Evaluate the overall presentation, structure and content of the statement of expenditure, including the disclosures, and whether the statement of expenditure represents the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those in charge of the governance regarding, among other matters, the scope and timing of the planned audit and significant audit findings, including any significant deficiencies in internal control system that we identify during our audit.

PKF – Jordan
Khattab & Co.


Mohammed Khattab
(License No.730)



Amman – The Hashemite Kingdom of Jordan
June 17, 2021

Ministry of Finance
Corona Fund
Amman – The Hashemite Kingdom of Jordan

Statement of Expenditure for the period from inception on March 15, 2020 to 31 December 2020

Exhibit - A

	<u>Notes</u>	for the period from inception on March 15, 2020 to 31 December 2020 <u>JD</u>
Jordan Armed Forces- Arab Army (JAF)		37,299,751
Ministry of Health		32,311,086
Public Security Directorate (PSD)		15,957,360
Jordan Royal Medical Services (JRMS)		8,069,163
Ministry of Public Works & Housing (MOPWH)		3,986,477
Civil Defense Directorate (CDD)		2,500,000
Total (*)	5	<u>100,123,837</u>

(*) The Council of Ministers took a decision during the meeting held on March 15, 2020 to establish Corona Fund in order to finance the efforts directed to face the impact of Covid-19 pandemic amounting to JD 50,000,000 and the Council of Ministers decided to increase the amount to JD 100,000,000 during the meeting held on December 7, 2020. The actual amount of expenditure till December 31, 2020 amounted to JD 100,123,837, which shows an excess amount of JD 123,837 of the approved amount above (JD 100,000,000).

The statement of expenditure was approved by Dr. Abdul Hakim Al- Shebly on June 17, 2021:

Signature

Ministry of Finance
Corona Fund
Amman – The Hashemite Kingdom of Jordan

Notes to the statement of expenditure

1. General

(a) Corona Virus (Covid-19) was classified on March 11, 2020 by the World Health Organization as a global pandemic; as a result, the local economy was affected by the suspension of flights and the closure of borders with other countries. The COVID-19 pandemic, in addition to imposing the necessary measures to contain the virus, has led to an economic downturn, and has caused an unprecedented economic crisis as there are great doubts at the present time about the duration and degree of impact of the virus.

(b) Due to the above-mentioned, the Council of Ministers took a decision during the meeting held on March 15, 2020 to establish Corona Fund in order to finance the efforts directed to face the impact of Covid-19 pandemic amounting to JD 50,000,000 and the Council of Ministers decided to increase the amount to JD 100,000,000 during the meeting held on December 7, 2020. The actual amount of expenditure till December 31, 2020 amounted to JD 100,123,837, which shows an excess amount of JD 123,837 of the approved amount above (JD 100,000,000).

(c) The objective of this Fund is to face the impact of the pandemic.

The statement of expenditure was approved by Dr. Abdul Hakim Al- Shebly on June 17, 2021 and it is subject to the Ministry of Finance approval.

2. Basis of Preparation

(a) Statement of Compliance

The Fund follows the cash basis in recording accounting transactions. Accordingly the statement of expenditure was prepared for management purposes - Ministry of Finance use only.

(b) Function Currency

The statement of expenditure have been presented in Jordanian Dinars "JOD" which is the functional currency of the Corona Fund.

Ministry of Finance
Corona Fund
Amman – The Hashemite Kingdom of Jordan

Notes to the statement of expenditure

3. General Policies

The financial information for Corona Fund has been prepared in accordance with the accounting policies described in note (2).

Financial Affairs, Receivables, Expenditure, and Account Closing

The necessary policies and procedures regulates and maintains the Corona Fund, and how to receive, exchange, bookkeep, record accounts, set annual budgets, and close account and other related aspects, based on the financial system of the Hashemite Kingdom of Jordan government No. (3) for the year 1994 and the applied instructions of the financial affairs No. (1) for the year 1995 and its amendments.

Income

There is no specific revenue authority to finance the Corona Fund, as the expenses are covered directly from the treasury of governance.

Expenditure

The Corona Fund implied the voucher cycle which mentioned in the financial system to get the approvals from Secretary-General and Minister of Finance of the Ministry of Finance.

4. Summary of significant accounting policies

Expenditure

The Ministry of Finance issued a generalization to spending agencies requesting them to clarify who the beneficial owners are, in addition to the natural owners. Ministry of Finance received a list of natural person owners based on the commercial registration for each winning company.

The expenses are recognized when they are paid, and all expenditure is recorded according to the actual claims and all expenses were spent on the actual beneficiary. To give this process more legal weight in the future vendors should sign papers claiming that these natural persons are their beneficial owners.

Corona Fund follows the procedures in compliance with the government procurement system and according to Article No. (49) of the Ministry of Finance financial system, the procurement process for the Corona Fund spending happened almost exclusively through competitive tenders. However, in rare cases, procurement was done through direct award procedures due to the exceptional health circumstances at that time, which is allowed according to the above-mentioned Article No. (49).

Ministry of Finance

Corona Fund

Amman – The Hashemite Kingdom of Jordan

Notes to the statement of expenditure

5. Expenditure Details

Entity name	Building of field Hospitals	Building Factories (Oxygen cylinders)	Procurement of medical equipment (Medicine, Oxygen cylinders, Medical devices, etc.)	Rent a private hospital and Buildings	Building (units and Caravans, etc.) for quarantine	Quarantine costs (food, drinks, Maintenance, Fuel, Electricity, etc.)	other cash advances to face the costs of the pandemic (covering security expenses, meeting emergency obligations)	Total
Jordan Armed Forces- Arab Army (JAF)	11,050,000	2,328,445	12,168,690	-	1,095,000	4,657,616	6,000,000	37,299,751
Ministry Of Health	14,400,000	-	16,197,713	1,713,373	-	-	-	32,311,086
Public Security Directorate (PSD)	-	-	4,746,612	99,000	-	-	11,111,748	15,957,360
Jordan Royal Medical Services (JRMS)	-	-	8,069,163	-	-	-	-	8,069,163
Ministry of Public Works & Housing (MOPWH)	-	-	-	-	3,986,477	-	-	3,986,477
Civil Defense Directorate (CDD)	-	-	-	-	-	2,500,000	-	2,500,000
Total	25,450,000	2,328,445	41,162,178	1,812,373	5,081,477	7,157,616	17,111,748	100,123,837