

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

Geneva

Report of the independent Auditor

On the Financial Statements for the Emergency
Appeal "Haiti - Earthquake and Cholera"
For the period from August 15, 2021 to
December 31, 2022

Report of the Independent Auditor on the IFRC's Financial Statements of the project focused on the Emergency Appeal Haiti - Earthquake and Cholera, MDRHT018. The period covered in the scope of audit is August 15, 2021 to December 31, 2022

Opinion

We have audited the accompanying financial statements of the project focused for the Emergency Appeal Haiti - Earthquake and Cholera, MDRHT018. The period covered in the scope of audit is August 15, 2021 to December 31, 2022, which comprise the statement of income and expenditure and notes to the financial statements including a summary of significant accounting policies for the period ended December 31, 2022.

In our opinion, the accompanying financial statements for the Emergency Appeal Haiti - Earthquake and Cholera, MDRHT018 are prepared, in all material aspects, in accordance with IFRC accounting policies set out in the notes to the financial statements.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the IFRC in accordance with the ethical 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 and Restriction on Distribution and Use

We draw attention to Note 2 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. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Management for the Financial Statements

The Management of the IFRC is responsible for the preparation of this financial statement in accordance with the accounting policies set out in the notes and for such internal control as the Management of the IFRC 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 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 the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 for 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 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.

Forvis Mazars SA

Michael Ackermann
Licensed audit expert
(Auditor in charge)

Fanny Chapuis
Licensed audit expert

Geneva, September 19 2024

Attachments:

- Financial statements (statement of income and expenditure and notes) for the period from August 15, 2021 to December 31, 2022.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EMERGENCY APPEAL (MDRHT018) – HAITI - EARTHQUAKE AND CHOLERA**

**INCOME AND EXPENDITURE STATEMENT
FOR THE PERIOD 15 AUGUST 2021 TO 31 DECEMBER 2022**

		Period from 15-Aug-2021 to 31-Dec-2022
OPERATING INCOME	Notes	CHF
Voluntary contributions	4	4,683,542
Donations	5	3,405,882
Total INCOME		<u>8,089,424</u>
OPERATING EXPENDITURE		
Other resources: Humanitarian Response		
Employee benefits		1,951,957
Relief supplies, transportation and storage		1,870,402
Contributions to national societies		572,200
Contributions to other organisations		123,400
Supplementary services cost recoveries		368,065
Other costs & allocations	6	<u>1,169,023</u>
Total direct costs		<u>6,055,047</u>
Indirect cost recovery		384,321
Pledge fees		42,374
Total OPERATING EXPENDITURE		<u>6,481,742</u>
NET SURPLUS FROM OPERATING ACTIVITIES		1,607,682
Finance (expense), net		<u>(15,082)</u>
NET SURPLUS FOR THE PERIOD		<u><u>1,592,600</u></u>
FUNDS HELD FOR OPERATIONS		
Net surplus for the period		1,592,600
FUNDS HELD FOR OPERATIONS		<u><u>1,592,600</u></u>

The notes on pages 4 to 10 are an integral part of these Appeal Financial Statements.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EMERGENCY APPEAL (MDRHT018) – HAITI - EARTHQUAKE AND CHOLERA**

**NOTES TO THE APPEAL FINANCIAL STATEMENTS
FOR THE PERIOD 15 AUGUST 2021 TO 31 DECEMBER 2022**

1. Activities

Founded in 1919, the International Federation of Red Cross and Red Crescent Societies (IFRC) is a membership organisation comprising 191 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 191 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 2030* – 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 14 August 2021, a 7.2 magnitude earthquake struck Haiti causing 2,248 deaths and injuring 12,763 people. The earthquake destroyed 53,815 homes and a further 83,770 were damaged. The total area affected covers 500 square kilometres and over 800,000 people have been directly affected. Total economic damage and losses are estimated at USD 1.6 billion, or about 10 per cent of the gross domestic product (GDP). Haiti already has a deteriorating humanitarian situation with high levels of insecurity, violence, food scarcity, internally displaced people and significant population movement, and these are compounded by the current crises. Cholera also re-emerged in the country on 2 October 2022 after more than three years with no presence of the disease reported. The national authorities reported two confirmed cases of *Vibrio cholerae* O1 in the greater Port-au-Prince area and in the commune of Cité Soleil. As of 30 November, more than 12,541 suspect cases had been reported by the Ministère de la Santé Publique et de la Population (MSPP), with 1,110 cases confirmed and 233 deaths.

On 15 August 2021, the IFRC, on behalf of the Haiti Red Cross, launched an Emergency Appeal with a Disaster Relief Emergency Fund (DREF) allocation of 750,000 Swiss Francs for immediate action. Subsequently, the IFRC launched a 10 million Swiss Francs Emergency Appeal on behalf of Haiti Red Cross Society to provide emergency assistance and recovery for 35,000 people affected by the earthquake. In October 2021, a revised appeal increasing the funding requirements to 19.2 million Swiss Francs was published. On 9 December 2022, the second appeal revision was issued maintaining the overall 19.2 million Swiss Francs appeal yet increasing the appeals geographical coverage, number of beneficiaries and implementation period to 28 months.

The financial statements presented comprise the Income and Expenditure Statement and supporting notes of the Haiti Earthquake and Cholera Appeal (MDRHT018) and are hereto referred to as the Appeal Financial Statements.

2. Basis of accounting

The 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 Consolidated Financial Statements of the IFRC are prepared in accordance with International Financial Reporting Standards (IFRS). The information contained in these appeal financial statements has been extracted from the Consolidated Financial Statements of the IFRC, except for the following:

- a) payments made under leases, as covered in the consolidated financial statements by IFRS 16 Leases, are included in operating expenditure in the appeal financial statements and are recognised on a straight-line basis over the periods of the leases;

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EMERGENCY APPEAL (MDRHT018) – HAITI - EARTHQUAKE AND CHOLERA**

**NOTES TO THE APPEAL FINANCIAL STATEMENTS
FOR THE PERIOD 15 AUGUST 2021 TO 31 DECEMBER 2022**

2. Basis of accounting (continued)

- b) obligations for contributions to post-employment benefit plans (the IFRC's pension arrangements), as covered by IAS 19 Employee benefits in the consolidated financial statements, are included within operating expenditure in the appeal financial statements and are recognised as contributions fall due for payment.

The IFRC has concluded that with respect to these appeal financial statements, the adopted bases of accounting for leases and post-employment benefit plan contributions provide more relevant and useful information to users of these appeal financial statements, notably contributors and donors to the Haiti Earthquake and Cholera Appeal (MDRHT018).

The Appeal Financial Statements present operating expenditure by function (see note 3.3(a)). All operating expenditure included within the appeal financial statements is classified under the Humanitarian Response functional category. For information purposes, the 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 Haiti Earthquake and Cholera Appeal (MDRHT018), are always launched in Swiss Francs and expenditure is budgeted and managed in Swiss Francs.

Monetary assets and liabilities denominated in foreign currencies are translated into Swiss Francs using the exchange rate at the reporting date. Foreign currency transactions are translated into Swiss Francs using actual rates that were applied to transactions or rates which approximate to the prevailing rate at the date of the transactions. Exchange gains and losses resulting from the settlement of foreign currency transactions and from translation are included under Finance expense, net in the Income and Expenditure Statement, with the exception of realised and unrealised exchange gains and losses on voluntary contributions and donations, which are included under Voluntary contributions and Donations, net in the Income and Expenditure Statement.

3.2 Income

Income comprises voluntary contributions and donations. Voluntary contributions are contributions to the IFRC voluntarily made by National Societies. Donations are donations or other financial assistance to the IFRC, voluntarily made by private individuals, States, or any other public or private institutions. Voluntary contributions and Donations are recognised when a signed agreement (pledge) has been received from the National Society or other donor. In the absence of a signed agreement, the contribution is recognised upon receipt of cash.

Government grants for specific projects and donations that are subject to specific contractual obligations similar to government grants, are reported as deferred income and recognised as income when expenditure is incurred and contractual obligations are fulfilled. Government grants that are neither for specific projects nor identifiable assets, and are both earmarked and managed at appeal level, are recognised when a confirmed written pledge has been received from the donor and accepted by the IFRC.

Donations where receipt of funding is conditional and contingent upon uncertain future events not wholly within the IFRC's control are not accounted for but are disclosed as contingent assets.

After initial recognition, subsequent changes to Voluntary contributions and Donations are recognised as additions to, or reductions of income, in the period in which the change is agreed. The IFRC is unable to evaluate the impact of such changes on the income reported in these appeal financial statements.

Voluntary contributions from National Societies and donations from non-National Societies are recognised based on the level of earmarking, as summarised in the below table:

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EMERGENCY APPEAL (MDRHT018) – HAITI - EARTHQUAKE AND CHOLERA**

**NOTES TO THE APPEAL FINANCIAL STATEMENTS
FOR THE PERIOD 15 AUGUST 2021 TO 31 DECEMBER 2022**

3.2 Income (continued)

Earmarked	<p><i>Fully under the control of the IFRC</i></p> <p>Can be restricted in terms of nature, timeframe, or subject matter Amounts are recognised within restricted income Unspent amounts included within restricted reserves at the end of the accounting period</p>
	<p><i>Not fully under the control of the IFRC</i></p> <p>Can be restricted in terms of nature, timeframe, or subject matter Earmarked for use in a future period Amounts are recognised as deferred income in the current period Amounts are recognised within restricted income in the future period for which they are earmarked Subject to specific contractual obligations, similar to government grants Amounts are recognised within restricted income as expenditure is incurred and contractual obligations are fulfilled Amounts received but not recognised are included in deferred income</p>

Income recognition policy for voluntary contributions from National Societies and donations from non-National Societies is summarised in the below table:

Donors	Category	Earmarking	Income recognition
National Societies	Fully under the control of the IFRC	Unearmarked	Recognised upfront in the current period
	Not fully under the control of the IFRC	Earmarked for use in a future period	Deferred in the current period and recognised in the future period for which the funds are earmarked
Non-National Societies (Governments, multi-lateral agencies, corporations, and others)	Fully under the control of the IFRC (e.g., non-refundable donations, funding managed at appeal level including DREF, contribution towards multi-donor action)	Unearmarked or earmarked at an appeal level	Recognised upfront in the current period
	Not fully under the control of the IFRC	Earmarked for use in a future period	Deferred in the current period and recognised in the future period for which they are earmarked
		Subject to specific contractual obligations, similar to government grants	Recognised as expenditure is incurred and contractual obligations are fulfilled. Amounts received but not recognised in the current period are included in deferred income

Voluntary contributions and Donations are mainly received in cash but may be received as in-kind goods (relief supplies) or services (staff). The fair value of in-kind goods is taken as the value indicated by the donor. 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

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EMERGENCY APPEAL (MDRHT018) – HAITI - EARTHQUAKE AND CHOLERA**

**NOTES TO THE APPEAL FINANCIAL STATEMENTS
FOR THE PERIOD 15 AUGUST 2021 TO 31 DECEMBER 2022**

3.2 Income (continued)

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 directly employ a person in a similar position.

In-kind contributions are recognised at their estimated fair value in accordance with the following table:

In-kind contribution category	Income recognition	Expenditure recognition
Relief supplies	Recognised on date of receipt equally as both income and expenditure.	
Services	Recognised on date of receipt equally as both income and expenditure.	

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 this emergency appeal activities is classified under the Other resources: Humanitarian response programmes functional expense category, which 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 IFRC applies a full cost recovery principle to its activities and operations. As such, each functional expense category 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. These include costs recovered from operations for the provision of specific supplementary services.

Indirect costs

The direct costs of programmes and services are subject to standard indirect cost recovery rate 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 contributions and donations to cover the costs associated with meeting these specific donor requirements.

(c) Provisions for operations and Contributions to National Societies

The IFRC advances funds to member Red Cross and Red Crescent National Societies. Depending on the IFRC's assessment of risk, one of two approaches to make cash contributions may be adopted, cash working advances or cash contributions.

(i) Cash working advances - Provisions for operations

The IFRC provides cash working advances to National Societies for them to implement activities on behalf of the IFRC. Amounts advanced are recognised as receivables until such time as recipient National Societies report to the IFRC on their use of the funds. A provision is recognised for the value of working advances which has not been reported on by the recipient National Societies, and the related expense is recorded as Provisions for operations included in Other costs & allocations in the Income and Expenditure statement. When recipient National Societies report on their use of the funds, the provision is reversed, and the expense is reclassified according to its nature.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EMERGENCY APPEAL (MDRHT018) – HAITI - EARTHQUAKE AND CHOLERA**

**NOTES TO THE APPEAL FINANCIAL STATEMENTS
FOR THE PERIOD 15 AUGUST 2021 TO 31 DECEMBER 2022**

3.3 Expenditure (continued)

(ii) Contributions to National Societies

The IFRC makes cash contributions to fund the activities of member National Societies. Such contributions are recognised as Operating Expenditure as they are incurred. Cash transfers are made to National Societies that have been risk-assessed by the IFRC to have the organisational capacity and internal controls to effectively manage funds received from the IFRC to meet project objectives and satisfy stakeholders' accountability requirements. The recipient National Society manages the use of the funds based on its own internal regulations and reports its use of the funds back to the IFRC without the need to submit detailed supporting documentation for individual expenses incurred. National Societies operating under Cash Transfer are subject to periodic audits of their use of funds transferred.

(iii) Contributions to Other Organizations

The IFRC can make cash contributions to fund the activities of other movement partners, primarily the ICRC. Such contributions are recognised as Operating Expenditure as they are incurred. The recipient partner organization manages the use of the funds based on its own internal regulations and reports its use of the funds back to the IFRC without the need to submit detailed supporting documentation for individual expenses incurred. Other partner organizations operating under Cash Transfer are subject to periodic audits of their use of funds transferred.

3.4 Finance expense, net

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

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.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EMERGENCY APPEAL (MDRHT018) – HAITI - EARTHQUAKE AND CHOLERA**

**NOTES TO THE APPEAL FINANCIAL STATEMENTS
FOR THE PERIOD 15 AUGUST 2021 TO 31 DECEMBER 2022**

4. Voluntary contributions

	Cash	Services	Period from
	CHF	In-Kind	15-Aug-2021
		CHF	to 31-Dec-2022
			TOTAL
			CHF
American Red Cross	1,146,391	-	1,146,391
Austrian Red Cross	52,509	-	52,509
Austrian Red Cross (from Austrian Government)	52,509	-	52,509
British Red Cross	776,963	8,561	785,525
British Red Cross (from Jersey Overseas Aid)	115,000	-	115,000
Finnish Red Cross	108,908	-	108,908
French Red Cross	-	51,716	51,716
German Red Cross (from German Government)	100,000	-	100,000
Hong Kong Red Cross, Branch of the Red Cross Society of China	-	26,852	26,852
Irish Red Cross Society	19,456	-	19,456
Italian Red Cross	98,489	-	98,489
Japanese Red Cross Society	336,731	-	336,731
Red Cross of Monaco	53,750	-	53,750
Spanish Red Cross	-	22,114	22,114
Swedish Red Cross	172,969	-	172,969
Swiss Red Cross	100,000	-	100,000
Swiss Red Cross (from Swiss Government)	100,000	-	100,000
The Canadian Red Cross Society	366,348	130,296	496,644
The Canadian Red Cross Society (from Canadian Government)	370,780	-	370,780
The Netherlands Red Cross (from Netherlands Government)	429,217	-	429,217
The Republic of Korea National Red Cross	39,835	-	39,835
Other donors (including online donations and those with donations less than CHF 10,000)	4,147	-	4,147
	<u>4,444,003</u>	<u>239,539</u>	<u>4,683,542</u>

The Cash column includes realised gains and losses from settlement of foreign currency pledges during the period and unrealised gains and losses from translation of outstanding foreign currency pledges as at reporting date (see note 3.4).

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EMERGENCY APPEAL (MDRHT018) – HAITI - EARTHQUAKE AND CHOLERA**

**NOTES TO THE APPEAL FINANCIAL STATEMENTS
FOR THE PERIOD 15 AUGUST 2021 TO 31 DECEMBER 2022**

5. Donations

	Period from 15-Aug-2021 to 31-Dec-2022 Cash and Total CHF
Canadian Government	136,060
Czech Government	105,805
ICRC	175,000
Irish Government	380,693
Italian Government Bilateral Emergency Fund	540,071
Japanese Government	279,337
Monaco Government	32,030
New Zealand Government	630,300
Republic of Korea Government	457,077
Romanian Government	53,689
Slovenia Government	32,036
Spanish Government	270,035
Supreme Master Ching Hai	27,500
Swiss Government	250,000
Other donors (including online donations and those with donations less than CHF 10,000)	36,249
	<u>3,405,882</u>

The figures include realised gains and losses from settlement of foreign currency pledges during the period and unrealised gains and losses from translation of outstanding foreign currency pledges as at reporting date (see note 3.4).

6. Other costs & allocations

	Period from 15-Aug-2021 to 31-Dec-2022 CHF
Administration, office and general	120,134
Consultancy fees	46,293
Information	57,698
Travel	265,231
Vehicles and equipment	34,545
Workshops & training	52,285
Other costs and allocations	592,837
	<u>1,169,023</u>

Included within Other Costs and allocations is a provision for cash working advances not yet reported by National Society amounting to CHF 446,866.