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EEP's milestone in avoiding auditing scam

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Ethiopian Electric Power (EEP) has established a strong financial system that helped the organization to obtain encouraging results that are free from audit scam and criticism.

EEP Chief Financial Executive Officer (CEO) Demere Assefa said that the encouraging audit findings show the dedication and strength of the leaders and workers of the organization.

EEP builds electricity infrastructure that requires high investment and huge finance flow. It also purchases construction materials and carries out various sales to realize the prosperity journey of the country.

The money needed to carry out these activities are fetched from sources that are latent for the country but still not utilized. Selling power to domestic and foreign customers, the domestic loan from the Commercial Bank of Ethiopia, loans and grants from foreign countries, and especially development partners as well as other small financial sources are lucrative business ideas.

Furthermore, when most of the



promising power generation projects are fully completed and put into operation, the organization will have a great opportunity to increase its income by generating and providing enough power to the market.

However, the country reduces the selling price of energy to accelerate growth and attract Foreign Direct Investment but the tariff should be revised since the organization should pay back the money that borrows for construction and expansion works.

Apart from revising the tariff, the organization is working to expand market options and reduce costs. Particularly, exporting electricity to neighboring

countries and the power sale agreement between Ethiopia and Kenya is exemplary work in expanding income sources. In addition to this, the organization earns income by renting optical fiber "OPGW" to Ethio Telecom, Safaricom, and similar institutions.

Despite the huge financial resources and utilization, EEP is free from audit findings in the last four consecutive years. Because the organization is able to properly manage the resources, arrange financial documents for auditing, organize accounting information, enter the data into the computer system, saved the information in hard copy, and provide it to a third party who needs the information.

Making payment systems in accordance with the agreement has contributed to the effectiveness of the financial system. Identifying and preparing appropriate asset management systems, hiring a consulting firm, and applying an International Financial Reporting System (IFRS) has helped the organization not only to manage the resources appropriately but also to be free from audit findings.

All the departments of the organization have done their financial and related work

consistently. Hence, the result is not only the accounting department staff but also the implementation of the proper financial management system from the CEO to the lower project staff, according to the CEO.

Although sometimes there is a slight payment delay by domestic and foreign customers, EEP has no significant revenues collection challenges which could be taken as the success of the organization's financial management system.

According to him, except for the Great Ethiopian Renaissance Dam and Koisha hydroelectric dams that are currently being built, most of the electric distribution stations and transmission lines are being built by the organization with its own financial capacity.

EEP has a huge responsibility and is expected to be the engine of the economy. Therefore, it is anticipated to properly manage its resources by modernizing the financial system. Besides, all the employees of the organization should work in a spirit of cooperation to strengthen the success and reach the goal, he urged.

Ethiopia's Electric Power Startup Process

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