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The Republic of the Union of Myanmar
The Office of the Auditor General of the Union

Letter No. Sasa-3/2059(506/2015)

Dated -7th October, 2015

To/

Union Minister

Ministry of Livestock, Fisheries and Rural Development

Subject: Submission of Audit Report and Management Letter

Reference: Ministry of Livestock, Fisheries and Rural Development's letter No. 4/3000/Mwe Yea Kye (830/2015) dated on 8-6-2015.

- 1 According to the request of reference letter, financial statements for the 2014-2015 fiscal year of Community Driven development Project (including Government contribution of Project cost) implemented by Department of Rural Development and financed by The World Bank has been inspected.
- 2 A copy of audit report and a management letter are attached herewith for your necessary action.

Attachment (1) A copy of Audit Report (8 Pages)

(2) A Management letter (9 Pages)

Myo Myint
Deputy Auditor General

Copy to/

- Office Copy
Concerned

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The Republic of the Union of Myanmar
The Office of the Auditor General of the Union
Audit Department

Audit Report

For the fiscal year 2014-15 of National Community Driven Development Project
Implemented by Department of Rural Development, Financed by the World Bank
Ministry of Livestock, Fisheries and Rural Development

Date 7th October 2015

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Audit Report on the Financial Statements for the year ended 31 March 2015 of NCDD Project implemented during the fiscal year 2014-15 by Department of Rural Development, The Ministry of Livestock, Fisheries and Rural Development, financed by the World Bank

Introduction

1. The audit was conducted according to the Generally Accepted Auditing Principles on NCDD project financed under the IDA Grant No; H814 MM (including Government contribution of project cost) for the fiscal year 2014-2015, ended on (31-3-2015). Project financial statements have been inspected with supporting financial documents and in accordance with the Generally Accepted Auditing Principles.

Management's Responsibility on Financial Report

2. The project's managements is responsible for preparation of financial statements which are in line with the project's Financial Management Manual and the Generally Accepted Auditing Principles. And, those reports must be free from material misstatement, whether due to fraud and mistakes which can lead to the wrong administrative decisions for internal supervision.

Responsibility of Auditor

3. Our responsibility is to express an audit opinions based on our generally accepted auditing principles. Those principles require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. Our audit involves performing audit procedures to obtain audit evidence about the amounts and the financial statement. During the inspection, the auditors reviewed the financial reports and documents to check the material misstatement of the financial statements, whether due to fraud or error. The auditors believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

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Audit Opinion

5. I, undersigned, The Office of the Auditor General states the Project Financial Statements of NCDD project for the year 2014-2015 (ended up to 31-3-2015), implemented by Department of Rural Development have been prepared in accordance with recognized standard on accounting.

xxxx

Naing Thet Oo

Director General

National Community Driven Development Project (NCDDP)

Project No: I1814-MM

Balance Sheet

Report Date: 31 March 2015

31-Mar-15

31-Mar-14

Description

Kyat

Kyat

ASSETS AND PROJECT EXPENDITURE

Cash	-	-
Bank	435,208,724	511,168,127
Advance	15,583,063	16,934,450
Total Assets	450,791,787	528,102,577

PROJECT EXPENDITURES:

Com 1: Community Block Grants	11,783,068,000	1,557,828,000
Com 2: Facilitation and Capacity Development	2,602,799,964	567,403,789
Com 3: Knowledge and Learning	251,369,154	11,279,235
Com 4: Implementation Support	1,955,173,672	418,018,718

Total Project Expenditure 16,592,410,790 2,554,529,742

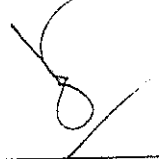
TOTAL ASSETS AND PROJECT EXPENDITURE 17,043,202,578 3,082,632,319

FUND

Funds Received from the Government	79,987,000	-
Funds Received from IDA - DA - A - A/c - Block Grants	11,706,108,000	1,557,828,000
Funds Received from IDA - DA - B - A/c - Other Components	2,425,226,132	858,266,606
Direct Payment by IDA	2,831,881,446	666,537,713
Funds Received from Other Donors	-	-

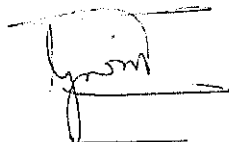
TOTAL FUNDS 17,043,202,578 3,082,632,319

Approved by



U. Khant Zaw
Director General

Certified by



Daw Nyo Nyo Win
Senior Finanee Officer

Prepared by



Daw Thin Yu Hliang
Accountant

National Community Driven Development Project (NCDDP)

Project No: H814-MM

Statement of Sources and Uses of Funds

Quarter Ended: 31 March 2015

	Actual		Budget		Variance		PAD		
	Current Quarter	Year to date	Cumulative to date	Current Quarter	Year to date	Current Quarter	Year to date	Life of Project	
								Kyat @ 872 (000's)	USD (000's)
Receipts									
Funds Received from Government	79,987,000	79,987,000	79,987,000	80,000,000	80,000,000	13,000	13,000	-	-
<u>Funds Received from IDA</u>	-	-	-	-	-	-	-	69,760,000	80,000
- DA - A A/c for Block Grants	-	10,140,000,000	11,706,108,000	-	10,140,000,000	-	-	-	-
- DA - B A/c for Other Components	908,103,485	1,575,239,526	2,425,226,132	908,103,485	1,575,239,526	-	-	-	-
Direct Payments by IDA	646,374,729	2,165,343,732	2,831,881,445	646,374,729	2,165,343,732	-	-	-	-
Funds Received from Other Donors	-	-	-	-	-	-	-	-	-
Total Receipts	1,634,465,214	13,960,570,258	17,043,202,577	1,634,478,214	13,960,583,258	13,000	13,000	69,760,000	80,000
Expenditure by Project Component									
Com 1 Community Block Grants	9,776,960,000	10,225,240,000	11,783,068,000	77,000,000	10,225,280,000	(9,699,960,000)	40,000	45,518,400	52,200
Com 2 Facilitation & Capacity	721,833,720	2,035,596,176	2,602,799,964	700,000,000	2,051,694,740	(21,833,720)	16,298,564	12,382,400	14,200
Com 3 Knowledge & Learning	120,924,167	240,089,919	251,369,154	90,000,000	242,455,333	(30,924,167)	2,365,414	1,569,600	1,800
Com 4 Implementation Support	701,775,527	1,537,154,954	1,955,173,972	580,000,000	1,553,997,500	(121,775,527)	16,842,546	10,289,600	11,800
Total Payments	11,321,493,415	14,037,981,048	16,592,410,790	1,447,000,000	14,073,427,573	(9,874,493,415)	35,546,525	69,760,000	80,000
Excess/(deficit) receipts over payments	(9,687,028,200)	(77,310,790)	(450,791,787)	187,478,214	(112,844,315)	9,874,506,415	(35,533,525)	-	-
Opening funds balance									
Cash at Bank	9,983,264,388	511,168,127	-	-	-	-	-	-	-
Advance Payments	154,555,600	16,934,450	-	-	-	-	-	-	-
Petty Cash	-	-	-	-	-	-	-	-	-
Total opening funds balance	10,137,819,988	528,102,577	-	-	-	-	-	-	-
Closing funds balance	450,791,787	450,791,787	450,791,787						
Closing funds balance									
Represented by:									
Cash at Bank	435,208,724	435,208,724	435,208,724	-	-	-	-	-	-
Advance Payments	15,583,063	15,583,063	15,583,063	-	-	-	-	-	-
Petty Cash	-	-	-	-	-	-	-	-	-
Total	450,791,787	450,791,787	450,791,787						

Note:

∫. PAD - Project Appraisal Document. The exchange rate of Kyat is based on the exchange rate stated in PAD.

Myanmar National Community Driven Development Support Project

Under the Financing Grant Agreement No: H 814 - MM between the Republic of the Union of Myanmar and the International Development Association (IDA)

STATEMENT OF FINANCIAL POSITION
As at 31 March 2015

	Notes	2014 / 2015 MMK	2013 / 2014 MMK
Assets			
Cash			
Government of Myanmar		40,029.00	-
International Development Association - DA - A	3, 13.1	-	8,280,000.00
International Development Association - DA - B	3, 13.1	432,733,995.22	502,888,127.00
Total cash		<u>432,774,024.22</u>	<u>511,168,127.00</u>
Advances			
International Development Association	3	17,062,763.00	16,934,450.00
Total advances		<u>17,062,763.00</u>	<u>16,934,450.00</u>
Total assets		<u>449,836,787.22</u>	<u>528,102,577.00</u>
Accumulated excess of sources of funds over expenditure			
Beginning balance		528,102,577.00	-
Excess / (deficiency) of source of funds over expenditure		(78,265,789.78)	528,102,577.00
		<u>449,836,787.22</u>	<u>528,102,577.00</u>

U Mynt Oo
Project Manager

Daw Nyo Nyo Win
Senior Finance Officer

U Khant Zaw
Director General

The accompanying notes form an integral part of the financial statements.

Myanmar National Community Driven Development Support Project

Under the Financing Grant Agreement No: H 814 - MM between the Republic of
the Union of Myanmar and the International Development Association (IDA)

STATEMENT OF DESIGNATED ACCOUNT AND DIRECT PAYMENTS
For the year ended 31 March 2015

	Notes	For the Year Ended 31 March 2015	For the period from 14 November 2012 to 31 March 2014
		MMK	MMK
A. Sources of funds			
Funds received			
World Bank			
- Designated Account - A	13.3	10,140,000,000.00	1,566,108,000.00
- Designated Account - B	13.3	1,575,239,526.00	849,986,606.00
- Direct Payments		2,165,343,732.66	666,537,712.84
Government of Myanmar		79,987,000.00	-
Balance brought forward		528,102,577.00	-
Other receipts		-	-
		<u>14,488,672,835.66</u>	<u>3,082,632,318.84</u>
B. Use of funds			
Block Grants		10,225,240,000.00	1,557,828,000.00
Consultant services		1,904,829,375.48	564,235,392.84
Goods		865,008,667.60	257,072,913.00
Training, workshops and study tours		324,716,408.86	30,250,431.00
Incremental operating costs		719,041,596.50	145,143,005.00
		<u>14,038,836,048.44</u>	<u>2,554,529,741.84</u>
Excess of sources of fund over expenditure		<u>449,836,787.22</u>	<u>528,102,577.00</u>
Represented by:			
Cash in bank	3	432,774,024.22	511,168,127.00
Cash on hand	3	-	-
Advances	4	17,062,763.00	16,934,450.00
		<u>449,836,787.22</u>	<u>528,102,577.00</u>


U Mynt Oo
Project Manager


U Khant Zaw
Director General


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The accompanying notes form an integral part of the financial statements.