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**The Honourable James Marape, MP**  
 Prime Minister & Minister for National Planning & Monitoring  
 Office of the Minister  
 P.O Parliament Haus  
**WAIGANI**  
 National Capital District

**Our Reference: 69-9-4**

**INDEPENDENT AUDIT REPORT ON THE  
 WATER SUPPLY & SANITATION DEVELOPMENT PROJECT – PART 1 & 2  
 – (WB IDA CREDIT NO. 5940-PG)  
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**OPINION**

In accordance with *Section 8(4) of the Audit Act, 1989 (as amended)*, I have audited the accompanying special purpose financial statements of the **Water Supply & Sanitation Development Project – Part 1 & 2 (WB IDA Credit No. 5940-PG)** for the year ended **31 December 2022**, which comprise the Statement of Cash Receipts and Payments, Statement of Comparison of Budget and Actual amounts and notes to the Statements of Cash Receipts and Payments, including a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the accompanying financial statements;

- i) are based on proper accounts and records;
- ii) are in agreement with those accounts and records and present fairly, in all material respects, the Project's financial performance for the year ended 31 December 2022;
- iii) comply with generally accepted accounting practice and statutory requirements in Papua New Guinea; and
- iv) funds were used for the purpose of the Project as set out in the *Financing Agreement – IDA Credit No. 5940-PG* and the *GoPNG Funds*.

**BASIS FOR OPINION**

I conducted my audit in accordance with *International Standards on Auditing* and the *Audit Act, 1989 (as amended)*. My responsibilities under those standards are further described in the Auditor-General's responsibilities for the audit of the financial statements section of my report.

I am independent of the Water Supply & Sanitation Development Project – Part 1 & 2 in accordance with the ethical requirements that are relevant to my audit of the financial statements in Papua New Guinea, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **KEY AUDIT MATTER**

### **Project Reporting Requirement under the *Financing Agreement***

*Section II: B (3)* of the *Financing Agreement* requires the Project (Recipient) to have its financial statements audited and shall cover the period of one (1) fiscal year of the Project and have the audited financial statements furnished to the Association (World Bank) not later than six (6) months after the end of the fiscal year.

However, my review noted that the Project had not complied by submitting the financial statements for the 2022 fiscal year before the first six (6) months of 2023 (30<sup>th</sup> June 2023) to be audited hence, the financial statements for the year ended 2023 was submitted two (2) months before 30<sup>th</sup> June but the supporting documentations were provided in July 2023 for audits.

The Project (PMU) had not fulfilled its responsibility and failure to provide financial statements or accounts on time is a breach of the *Financing Agreement*.

## **EMPHASIS OF MATTER**

### **Direct Payment (Reimbursement) from Loan Proceed Account**

Disclosed under *Annex I* at the end of the *Notes* to the financial statements contained details of direct payments totaling to K1.1 million (K1,141,471) disbursed by World Bank directly to Consultants from the Loan Proceed Account.

My audit coverage did not cover the records on the Loan Proceed Account as it was kept by World Bank-IDA therefore, I will not comment on those direct consultancy payments and/or services rendered as highlighted in the financial statements.

My opinion is not modified in respect of this matter.

### **Responsibilities of the Project Management and those charged with Governance for the Financial Statements**

The Management overseeing the Project Monitoring Unit (PMU) at the Department of National Planning and Monitoring is responsible for the preparation and fair presentation of the financial statements submitted under *Section 63(3)* of the *Public Finances (Management) Act, 1995 (as amended)* in accordance with the *International Public Sector Accounting Standards: Financial Reporting under the Cash Basis of Accounting*, as stated in *Note (1a)* of the financial statements 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.

Those charged with governance are responsible for overseeing the Water Supply & Sanitation Development Project – Part 1 & 2 financial reporting process.

### **Auditor-General’s Responsibilities for the Audit of the Financial Statements**

My 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 my 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 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 this financial statements.

As part of an audit in accordance with *International Standards on Auditing*, I exercise professional judgment and maintain professional scepticism throughout the audit. I also;

- Identify and assess the risks of material misstatement of the statement of cash receipts and payments, whether due to fraud or error, design and perform audit procedures responsible to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 entity’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the overall presentation and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with 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 I identify during my audit.

A handwritten signature in blue ink, appearing to read 'G Kega'.

**GORDON KEGA MBA, CPA**  
*Auditor-General*

**27 October, 2023**



**PAPUA NEW GUINEA**

**DEPARTMENT OF NATIONAL PLANNING AND MONITORING  
WaSH PMU**

**WATER SANITATION AND HYGIENE PROJECT**

**IDA CREDIT NO: 59400-PG (P155087)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2022**

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**Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)**

*Water Sanitation and Hygiene Project*  
*Annual Report and Financial Statements for the Year Ended December 31, 2022*

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## **Project Background Information and Overview**

Water, Sanitation and Hygiene (WaSH) is a fundamental human right of critical importance to health, education and wellbeing. Unsafe drinking water, lack of sanitation and poor hygiene practices directly contribute to the transmission of diseases, including diarrhea, cholera, dysentery and typhoid. WaSH related diseases have long term impacts on Papua New Guinea's (PNG) population causing higher morbidity and death, reducing educational attainment and workplace participation and cause significant economic impacts at both household and national level.

Water, Sanitation and Hygiene is cross cutting and core to PNG'S development agenda. The implementation of the National WaSH Policy 2015-2030 will help reverse the trends and improve WaSH service delivery for the benefits of the people and as a result, improve personal health, productivity and well-being.

Despite tremendous efforts contributed by our development partners and key stakeholders to deliver on the Policy targets, various factors continue to pose significant threat to lack of proper coordination of WaSH services, monitoring, implementation and reporting thus, affecting progress. Apart from Covid-19, certain issues like the lack government funding, capacity constraints, geographical location, subnational level sector knowledge and effective monitoring continues to contribute to the sectors delay in meeting its annual Medium Term Development Plan (MTDP) and Sustainable Development Goals (SDGs) targets.

In order to achieve the policy target, the government of PNG need collaboration between several development partners, and stakeholders to undertake evidence – based planning, financing and service delivery while closely considering the impacts of climate change on WaSH infrastructure and water security.

World Bank has been a key partner of the government in the WaSH Sector over the years. Through World Bank support, the government was able to develop the National WaSH policy and also provide Loan Proceed to implement the Water Supply and Sanitation Development Project in the country. The project has three components, in which component 1 & 2, was under Department of National Planning and Monitoring – WaSH PMU and component 3, under the management of Water PNG. The government of PNG has been the counter-funding partner for the Water Supply and Sanitation Development Project.

This particular report only covers component 1&2, of the World Bank Loan Proceed – IDA for Water Supply and Sanitation Development Project. Component 1: Institutional Structure for the Implementation of National WaSH Policy and component 2: Rural and Peri – urban Water and Sanitation.



**Statement of Project Management Responsibilities**

The *Acting Secretary* for Department of National Planning and Monitoring, and the *Project Coordinator* for *Water Supply and Sanitation Development Project*, are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the year ended on December 31, 2022.

This responsibility includes (i) Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

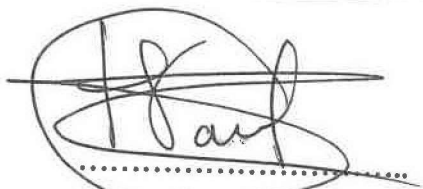
The *Acting Secretary* for Department of National Planning and Monitoring and the *Project Coordinator* for *Water Supply and Sanitation Development Project* accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Acting Secretary* for Department of National Planning and Monitoring and the *Project Coordinator* for *Water Supply and Sanitation Development project* are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended December 31, 2022, and of the Project's financial position as at that date. The *Acting Secretary* for Department of National Planning and Monitoring and the *Project Coordinator* for *Water Supply and Sanitation Development Project* further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The *Acting Secretary* for Department of National Planning and Monitoring and the *Project Coordinator* for *Water Supply and Sanitation Development Project* confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**Approval of the Project Financial Statements**

The Project financial statements were approved by the *Acting Secretary* for Department of National Planning and Monitoring and the *Project Coordinator* for *Water Supply and Sanitation Project* on 25<sup>th</sup> of October 2023 and signed by them.



**Koney Samuel**  
**Acting Secretary**



**Takale Tuna**  
**Project Coordinator**



**Gibson Kaul Michael**  
**Project Accountant**

*Water Sanitation and Hygiene Project  
Annual Report and Financial Statements for the Year Ended December 31, 2022*

**Statement of Receipts and Payments for the Period Ended December 31, 2022**

Receipt	Note	2022		2021		Total	Cumulative to-date (from inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payments controlled by the entity	Payments made by third parties		
		PGK	PGK	PGK	PGK		
External assistance – IDA	2	-	-	-	-	-	3,141,471
Budget from Counterpart Funding - GoPNG	3	-	-	421,007	-	421,007	3,336,236
Miscellaneous receipts		20	-	-	-	-	183
<b>Total receipts</b>		<b>20</b>	<b>-</b>	<b>421,007</b>	<b>-</b>	<b>421,007</b>	<b>6,477,890</b>
<b>Payments</b>							
Consultant services	4	3,862	-	-	-	-	1,165,793
Purchase of goods and services	5	239,690	-	1,214,266	-	1,214,266	1,689,224
<b>Total payments</b>		<b>243,552</b>	<b>-</b>	<b>1,214,266</b>	<b>-</b>	<b>1,214,266</b>	<b>2,855,027</b>
<b>(Deficit)/Surplus</b>		<b>(243,532)</b>	<b>-</b>	<b>(793,259)</b>	<b>-</b>	<b>(793,259)</b>	<b>3,622,873</b>

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



*Water Sanitation and Hygiene Project  
Annual Report and Financial Statements for the Year Ended December 31, 2022*

**Statement of Financial Assets as at December 31, 2022**

Description	Note	2022	2021
		PGK	PGK
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	6	3,622,873	3,866,405
Cash balances			
Cash equivalents (Short-term deposits)			
<b>Total cash and cash equivalents</b>		<b>3,622,873</b>	<b>3,866,405</b>
Imprests and advances			
<b>Total financial assets</b>		<b>3,622,873</b>	<b>3,866,405</b>
<b>Financial Liabilities</b>			
Deposits and retention monies			
<b>Net Assets</b>		<b>3,622,873</b>	<b>3,866,405</b>
<b>Represented by:</b>			
Fund balance brought forward		3,866,405	4,659,664
Prior year adjustments			
(Deficits)/Surplus for the Year		(243,532)	(793,259)
<b>Net Financial Position</b>		<b>3,622,873</b>	<b>3,866,405</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.



*Water Sanitation and Hygiene Project  
Annual Report and Financial Statements for the Year Ended December 31, 2022*

**Statement of Cash Flow for the Period Ended December 31, 2022**

Description	Note	2022 PGK	2021 PGK
<b>Cash flow from operating activities</b>			
<b>Receipts</b>			
Receipts from external assistance – IDA	2	-	-
Budget appropriation/ Counterpart funding - GoPNG	3	-	421,007
Miscellaneous receipts		20	-
<b>Total receipts</b>		<b>20</b>	<b>421,007</b>
<b>Payments</b>			
Payment for consultant services	4	3,862	-
Purchase of goods and services	5	239,690	1,214,266
<b>Total payments</b>		<b>243,552</b>	<b>1,214,266</b>
<b>Adjustments during the year</b>			
Prior year adjustments		-	-
Decrease/(increase) in accounts receivable		-	-
Increase/(decrease) in accounts payable:		-	-
<b>Net cash flow from operating activities</b>		<b>(243,532)</b>	<b>(793,259)</b>
<b>Cash flow from investing activities</b>			
Acquisition of non-financial assets		-	-
<b>Net cash flows from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>			
Proceeds from foreign borrowings		-	-
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
Net increase in cash and cash equivalents		(243,532)	(793,259)
<b>Cash and cash equivalent at beginning of the period</b>		<b>3,866,664</b>	<b>4,659,664</b>
<b>Cash and cash equivalent at end of the period</b>	<b>6</b>	<b>3,622,873</b>	<b>3,866,405</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.



*Annual Report and Financial Statements for the Year Ended December 31, 2022*

Statement of Comparison of Budget and Actual Amounts for the Period Ended December 31, 2022

Receipts/Payments Item	Original Budget A	Adjustments B	Final Budget C = A + B	Actual on Comparable Basis D	Budget Utilization Difference E = C - D	% of Utilization F = D/C %
<b>Receipts</b>						
Receipts from external assistance - IDA	26,345,057	-	26,345,057	3,141,471	23,203,586	
Receipts from Counterpart funding - GoPNG	2,915,229	421,007	3,336,236	3,336,236	-	
Miscellaneous receipts	-	-	-	183	(183)	-
<b>Total Receipts</b>	<b>29,260,286</b>	<b>421,007</b>	<b>29,681,293</b>	<b>6,477,890</b>	<b>23,203,403</b>	<b>22%</b>
<b>Payments</b>						
Consultant services	26,345,057	-	26,345,057	1,165,793	25,179,264	
Purchase of goods and services	2,915,229	421,007	3,336,236	1,689,224	1,647,012	
<b>Total Payments</b>	<b>29,260,286</b>	<b>421,007</b>	<b>29,681,293</b>	<b>2,855,017</b>	<b>26,826,276</b>	<b>10%</b>
<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,622,873</b>	<b>(3,622,873)</b>	

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 1 & 2 to these financial statements.



## Notes to the Financial Statements

### 1 Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

#### 1.1 Statement of Compliance and Basis of Preparation;

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted have been consistently applied to all the years presented.

#### 1.2 Reporting Entity

The financial statements are for the Project managing Part 1&2 - under Department of National Planning and Monitoring - Water Sanitation Hygiene Program Management Unit (WaSH PMU). Part 1: Institutional Structure for the Implementation of National WaSH Policy and Part 2: Rural and Peri-Urban Water and Sanitation. The Project is implemented by Department of National Planning and Monitoring - WaSH PMU, as per the Project Agreement Between International Development Association (IDA) and Independent State of Papua New Guinea, dated 22nd March, 2017.

The WaSH Programme Management Unit (PMU) is under the oversight of the Department of National Planning and Monitoring. The WaSH PMU Project Coordinator oversee the implementation and reporting of key Government WaSH programs. The Project Coordinator is given the recognition as senior manager of the Department and provide the additional support to the Senior Management Committee (SMC) in achieving Department targets.

WaSH PMU's efforts in providing the national level sector coordination to all WaSH interventions across the country in collaboration with Development Partners, NGOs, CSOs, line agencies and relevant sector stakeholders to provide a unified approach in achieving the ambitious WaSH targets. Through consistent collaboration and partnership with key stakeholders, the sector has made significant improvement to ensure universal and equitable access to water, sanitation and hygiene service is delivered to meet the targets outlined in the National WaSH Policy 2015-2030.

#### 1.3 Nature of Operation

The Project through DNPM-WaSH PMU has the responsibility to manage Part 1&2 - component of the Water Supply & Sanitation Development Project. Funding under the IDA loan agreement of SDR 6.55 million comprising Category 1 of SDR 6.20 million for Goods, Consulting Services & Training, and Category 2 of SDR 350,000 for incremental Operating costs.

As per the loan agreement the counter funding comes from the GoPNG. The counterpart funding from GoPNG, are mostly to cover administrative cost and other expenses not captured on the agreement. Apart from that, any payment made by DNPM-WaSH PMU, that are captured in the agreement are reimbursable by World Bank through lodging of Withdrawal Application on WB Client Connection for reimbursement.



**Notes to the Financial Statements (continued)**

**1.4 Reporting Period**

The reporting period is from 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022.

**1.5 Payment by Third parties**

The third party payment are incurred when the World Bank does direct payment to goods and service providers from the Loan Proceeds Account. The Loan Proceeds Account is under custody of the World Bank. The direct payments by third parties are actually indirect receipts of the Project as they are paid on behalf of disbursement for Part 1 & 2 component of the Project.

**1.6 Income Tax**

The project did not provide for income tax during the period as the project is exempted from income tax, under Section 25 of the Income Tax Act, 1959 (as amended).

**1.7 Reporting currency**

The financial statements are presented in Papua New Guinea Kina (PGK), which is the functional and reporting currency of the Project and all values are rounded to the nearest Papua New Guinea Kina.

**1.8 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**1.9 Restriction on Cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

**1.10 Imprests and Advances**

For the purposes of these financial statements, imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.



**Notes to the Financial Statements (continued)**

**1.11 Exchange Rate Differences**

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Papua New Guinea Kina. Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

**1.12 Comparative Figures**

Where necessary comparative figures for the previous financial year/period have been amended or reconfigured to conform to the required changes in financial statement presentation.

**1.13 Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended December 31, 2022.

**1.14 Prior Period Adjustments**

Prior period adjustments relate to the correction of errors and other adjustments arising from previous periods.





*Water Sanitation and Hygiene Project  
Annual Report and Financial Statements for the Year Ended December 31, 2022*

Notes to the Financial Statements (continue)

2. External assistance – IDA

	2022		2021		Total	Receipts controlled by third parties	Total	Cumulative to-date (from inception)
	Receipts controlled by the entity	Receipts controlled by third parties	Receipts controlled by the entity	Receipts controlled by third parties				
<b>Receipts</b>								
Initial advance to the designated account by WB	PGK -	PGK -	PGK -	PGK -	PGK -	PGK -	PGK -	2,000,000
Direct Payment by World Bank from Loan Proceed	-	-	-	-	-	-	-	1,141,471
<b>Total receipts</b>	-	-	-	-	-	-	-	<b>3,141,471</b>

There were no advance made during this reporting period by World Bank to the project designated account and also there were no direct payment made from World Bank Loan Proceed account. The initial advance of PGK 2,000,000, made to the designated account, maintained by BSP Bank is captured here and the previous periods third party payments made directly by World Bank is presented in Annex I.



*Water Sanitation and Hygiene Project  
Annual Report and Financial Statements for the Year Ended December 31, 2022*

Notes to the Financial Statements (continued)

3. Budget appropriation/counterpart funding

	Receipts controlled by the entity		Receipts controlled by third parties		Total	Receipts controlled by the entity		Receipts controlled by third parties		Total	Cumulative to-date (from inception)
	2022	PGK	PGK	PGK		2021	PGK	PGK	PGK		
Receipts		PGK	PGK	PGK	PGK		PGK	PGK	PGK	PGK	
Advance release to WSSDP trust account - GoPNG	-		-		-	421,007		-		421,007	3,336,236
<b>Total receipts</b>	-		-		-	<b>421,007</b>		-		<b>421,007</b>	<b>3,336,236</b>

There were no advance made into WSSDP Trust Account – GoPNG.

4 Payment from World Bank Loan Proceed - IDA

	Payments controlled by the entity		Payments made by third parties		Total	Payments controlled by the entity		Payments made by third parties		Total	Cumulative to-date (from inception)
	2022	PGK	PGK	PGK		2021	PGK	PGK	PGK		
Payment from Designated Account	3,862		-		3,862	-		-		-	24,322
Direct Payment made by WB	-		-		-	-		-		-	1,141,471
<b>Total receipts</b>	<b>3,862</b>		<b>-</b>		<b>3,862</b>	<b>-</b>		<b>-</b>		<b>-</b>	<b>1,165,793</b>

From the initial advance of K2,000,000 made by World bank to designated account, an amount of K3,862 were disburse for consultancy payment for the period. No direct payment done from World Bank Loan Proceed account for this period.



*Water Sanitation and Hygiene Project  
Annual Report and Financial Statements for the Year Ended December 31, 2022*

**Notes to the Financial Statements (continued)**

**5 Purchase of goods and services**

	Payments controlled by the entity		Payments made by third parties		Total	Payments controlled by the entity		Payments made by third parties		Total	Cumulative to-date (from inception)
	2022	PGK	PGK	PGK		2021	PGK	PGK	PGK		
Goods	13,200		-		13,200	16,032		-		16,032	PGK 59,214
Services	1,645		-		1,645	525,882		-		525,882	626,757
Staff costs	224,845		-		224,845	672,351		-		672,351	1,003,251
<b>Total receipts</b>	<b>239,690</b>		<b>-</b>		<b>239,690</b>	<b>1,214,266</b>		<b>-</b>		<b>1,214,266</b>	<b>1,689,222</b>

A detailed analysis of purchase of goods and services is presented in Annex II.

**6 Bank balances**

**Cash and cash equivalents**

Bank balances – IDA designated account (T/A-World Bank)

Bank balances – Trust Account- GoPNG

**Total cash and cash equivalents**

	2022	2021
	PGK	PGK
	1,975,669	1,979,541
	1,647,204	1,886,864
	<u>3,622,873</u>	<u>3,866,405</u>



**Annex I**

**Statement of Direct Payment (Reimbursement) from Loan Proceed Account kept by WB**

<b>WB TN</b>	<b>Payee Reference</b>	<b>Value Date</b>	<b>Amount in PGK</b>	<b>Balance in PGK</b>
	Bal brought forward	31/12/2021	145,145	1,141,471
			<b>1,141,471</b>	

**Annex II**

**Detailed Analysis of Purchase of Goods and Services**

<b>ACCOUNTS</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>Cumulative Balance</b>
		<b>PGK</b>	<b>PGK</b>	<b>PGK</b>	<b>PGK</b>
Domestic Travel			7,535		7,535
Capacity Building – Training			8,085		8,085
Fuel	13,200		12,000		25,200
Vehicle Service & Repair	1,645		5,843		7,488
Contractual Service			2,646		2,646
Consultancy Service		525,883	70,,910		596,793
Computer & Laptops			5,823		5,823
Office Stationery		11,532	12,159		23,691
Office Expenses		4,500	1,925		6,425
Salary	224,845	672,351	106,055		1,003,251
Petty Cash			2,000		2,000
Bank charges	40			286	326
<b>TOTAL EXPENSES</b>	<b>239,690</b>	<b>1,214,266</b>	<b>234,981</b>	<b>286</b>	<b>1,689,223</b>