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Reporting on Economy, Efficiency & Effectiveness in the use of Public Resources

AIN: SCID-2021-11

**FINANCIAL AUDIT REPORT OF THE
WORLD BANK FUNDED “COVID-19 EMERGENCY RESPONSE
AND HEALTH SYSTEMS PREPAREDNESS PROJECT”
MINISTRY OF HEALTH (MOH), THIMPHU**

PERIOD: 01/07/2020 TO 30/06/2021

NOVEMBER 2021



ཀྲུལ་གཞུང་ཚུམ་ཞིབ་དབང་འཛིན།

ROYAL AUDIT AUTHORITY

Bhutan Integrity House

Reporting on Economy, Efficiency & Effectiveness in the use of Public Resources



RAA/SCID/MoH(WB)/05/2021-2022/2103

Dated: 17th November 2021

The Director
Department of Microeconomic Affairs
Ministry of Finance
Tashichho Dzong, Thimphu

Subject: *Financial Audit Report of the World Bank funded “Covid-19 Emergency Response and Health Systems Preparedness Project,” implemented by the Policy and Planning Division, Ministry of Health, Thimphu for the period 1st July 2020 to 30th June 2021*

Sir,

Enclosed herewith, please find three sets of the audited **financial statements and auditors’ report thereon** in respect of the World Bank funded “Covid-19 Emergency Response and Health Systems Preparedness Project”, implemented by the Policy and Planning Division (PPD), MoH, Thimphu for the financial year ended 30th June 2021. The audit was conducted as required under the Audit Act of Bhutan 2018, and in accordance with International Standards of Supreme Audit Institutions (ISSAIs).

Two sets of the audited financial statements and auditor’s report may please be forwarded to IDA Head Office, N.W, Washington, C.20433, USA.

Auditor’s Report on the Financial Statement

As may be noted from the Auditors’ Report, the financial statements are prepared by the Covid-19 Emergency Response and Health Systems Preparedness Project Management Unit, PPD, MoH, in all material respects, in accordance with Financial Rules and Regulations 2016 and Project Agreement. Accordingly, the RAA has expressed unmodified (unqualified) opinion on the financial statements.

Audit Findings and Recommendations

The auditors’ review of the accounting records, internal controls and operations of the Covid-19 Emergency Response and Health Systems Preparedness Project revealed some deficiencies and lapses. However, one audit finding issued was settled in view of recoveries made, justifications provided, related documents and evidences furnished subsequently which are transmitted separately to the Project Management Unit, PPD, in the form of **Management Appraisal Report (MAR)** for future reference and compliance.

Achievements

The RAA has noted achievements made by the Covid-19 Emergency Response and Health Systems Preparedness Project, Ministry of Health during the period under audit, which are detailed in **Annexure B** of this report.

“Every individual must strive to be principled. And individuals in positions of responsibility must even strive harder.”
- His Majesty the King Jigme Khesar Namgyel Wangchuck

TITLE SHEET

1.	Title	: Financial Audit Report of the World Bank funded "Covid-19 Emergency Response and Health Systems Preparedness Project, PPD, MoH, Thimphu
2.	AIN	: SCID-2021-11
3.	Head of the Agency	: Ugyen Dophu, Secretary EID No. 8901064; CID No. 10811000537 Pandup Tshering, Secretary EID No. 9009097; CID No. 11410008392 (From 16 th March 2021 to till date)
4.	Drawing and Disbursing Officer	: Chening Peldon, Chief Finance Officer EID No. 9610067 CID No. 10905003453 (From 1 st January 2017 to till date)
5.	Finance Personnel	: Tshering Pelden, Account Assistant I EID No. 2107091 CID No. 11410008983 (From 1 st October 2017 to till date)
7.	Period Audited	: 01/07/2020 to 30/06/2021
8.	Schedule of Audit	: Start Date: 27/09/2021 End Date : 08/10/2021
9.	Composition of team	: Team Leader: Tashi, Audit Officer EID No. 20130101140 CID No. 11103000435 Team Members: 1. Sherab Jamtsho, Audit Officer EID No. 20170107998 CID No. 10709003704 2. Karma Thinley, Sr. Auditor II EID No. 200907230 CID No. 11911000333
10.	Supervising Officer	: Kencho Dorji, Assistant Auditor General (AAG) EID No. 2101195 CID No. 10703001411
11.	Overall Supervising Officer	: Tashi Tobgay, Dy. Auditor General EID No. 9811012 CID No. 10708001430
12.	Engagement Letter No	: RAA/DSA/SCID/04/2021-2022/1753 dated 27/09/2021
13.	Focal Person	: Karma Thinley, Sr. Auditor II
14.	Date of Exit Conference	: Not conducted

Acronyms

MoH	:	Ministry of Health
PPD	:	Policy and Planning Division
ISSAI	:	International Standards of Supreme Audit Institutions
RAA	:	Royal Audit Authority
ERHSPP	:	Emergency Response and Health System Prepared Project
MAR	:	Management Appraisal Report
AAG	:	Assistant Auditor General
AIN	:	Audit Information No.
AR	:	Audit Report
EID No.	:	Employee Identity Card Number
CID No.	:	Citizenship Identity Card Number
PLC	:	Project Letter of Credit account number
FTCF	:	Fast Track Covid-19 Facility
USD	:	United States Dollar
PPE	:	Personal Protective Equipment
BFP	:	Bank Facilitated Procurement
ICU	:	Intensive Care Unit
ERRH	:	Eastern Regional Referral Hospital

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**AUDITORS' REPORT ON THE FINANCIAL
STATEMENTS**



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ROYAL AUDIT AUTHORITY
Bhutan Integrity House

Reporting on Economy, Efficiency & Effectiveness in the use of Public Resources



AUDITORS' REPORT ON FINANCIAL STATEMENTS OF THE WORLD BANK FUNDED "COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEMS PREPAREDNESS PROJECT," IMPLEMENTED BY THE POLICY AND PLANNING DIVISION, MOH, THIMPHU FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Opinion

We have audited the accompanying financial statements of World Bank funded "Covid-19 Emergency Response and Health Systems Preparedness Project" implemented by the Policy and Planning Division (PPD), MoH, Thimphu (PLC Account No. 208.01/2030) which comprise the Receipt and payment Statement and schedules forming part of financial statements for the financial year ended 30th June 2021.

In our opinion, the financial statements are prepared, in all material respects, in accordance with the Financial Rules and Regulations 2016 and Project Agreement.

Basis for Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statement* section of our report. We are independent of Covid-19 Emergency Response and Health Systems Preparedness Management Unit, PPD, MoH, in accordance with *RAA's Oath of Good Conduct, Ethics and Secrecy of Auditors*, and we have fulfilled our responsibilities in accordance with the requirements outlined in this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for preparation of the financial statements in accordance with the Financial Rules and Regulations 2016 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Covid-19 Emergency and Health Systems Preparedness Project Management Unit, Ministry of Health's financial reporting process.

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 is 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 ISSAIs 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 these financial statements.

ENCLOSURES

Sl#	Particulars	FY 2020-2021	FY 2019-2020	Total Project period
A	Source of Fund			
1	Fund Release from DPA	26,196,442.00	139,594,000.00	165,790,442.00
2	Non-Revenue/Refundable/Other Receipts & Payments (Net)	-	-	-
3	In-Kind Releases	33,966,050.76	-	33,966,050.76
4	Revenue Receipts/Remittances	-	-	-
5	Retrospective Receipts	-	-	-
A	Total Source of Fund	60,162,492.76	139,594,000.00	199,756,492.76
B	Application of Fund			
1	Total Application of Fund	55,688,689.79	139,498,479.15	195,187,168.94
2	Net Change(A-B)	4,473,802.97	9,520.85	4,569,323.82
C	Opening Balance			
1	Cash			
2	Bank			
3	Net Change(C)			
4	PWA Advances b/f			
D	Total Opening Balances			
E	Closing Balance			
1	PWA Advances b/f	1,000,000.00	-	1,000,000.00
2	Non-Revenue Release	295,000.00	-	295,000.00
3	Bank	3,178,802.97	9,520.85	3,274,323.82
4	Cash			
5	Payment to DPA (cash Surrender)			
E	Total Closing Balance	4,473,802.97	9,520.85	4,569,323.82

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Project Director
COVID-19 (World Bank)
Ministry of Health

[Signature]
Chief Finance Officer
COVID-19 (World Bank)
Ministry of Health



Chief Finance Officer
Ministry of Health
Thimphu



Chief Planning Officer
Policy and Planning Division
Ministry of Health



[Signature]
Professional Accountant
COVID-19 (World Bank)
Ministry of Health

ROYAL GOVERNMENT OF BHUTAN

World Bank Credit no. IDA 66270 - BT
 DETAILS OF EXPENDITURE AS ON 30 JUNE 2021

Component	Activities	Amount (Nu)	
		Approved	Expenditure
Component 1:	Emergency COVID-19 Response	74,861,000.00	-
Component 2:	Community Engagement and Risk Communication	-	-
Component 3:	Implementation Management and Monitoring and Evaluation	55,688,689.79	-
Component 4:	Contingency Emergency Response Component (CERC)	-	-
	Total	-	55,688,689.79

Acdd
 Project Accountant
 COVID-19 (World Bank)
 Ministry of Health

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 Chief Finance Officer
 COVID-19 (World Bank)
 Ministry of Health

Chief Finance Officer
 Ministry of Health
 Thimphu

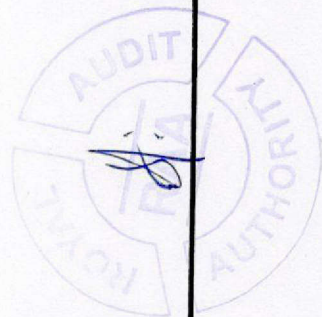


EXHIBIT C

MINISTRY OF HEALTH
 COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEMS PREPAREDNESS PROJECT (P173787)
 WORLD BANK CREDIT NO.1DA 66270-BT
 FUND RECONCILIATION STATEMENT
 FOR THE PERIOD FROM 1 JULY 2020 to 30 JUNE 2021

SI#	Particulars	Amount (Nu)	Remarks
1	Fund Received from Donor		
Less:-			
	Expenditure Incurred	55,688,689.79	Exhibit B
	Fund Balance as on 30th June 2021	17,924,390.41	
2	Fund Balance with designated Accounts		
Add:-			
	Fund Lapsed at Bank	3,178,802.97	
	Cash Surrendered to DPA	-	
	Closing advances	-	
	Release Balance at DPA	-	
	Bank Charges	-	
	Actual Fund Balance as on 30/06/2021	21,103,193.38	

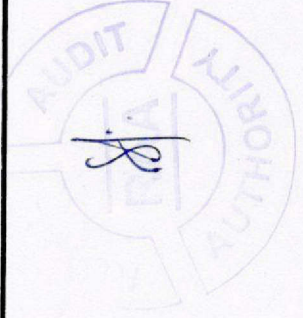
Seetha
 Project Accountant
 COVID-19 (World Bank)
 Ministry of Health

Uddan
 Chief Finance Officer
 COVID-19 (World Bank)
 Ministry of Health

Pushin Reddy
 Project Director
 COVID-19 (World Bank)
 Ministry of Health

Chief Finance Officer
 Ministry of Health
 Thimphu

Chief Planning Officer
 Policy and Planning Division
 Ministry of Health



**MINISTRY OF HEALTH
 COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEMS PREPAREDNESS PROJECT (P173787)
 WORLD BANK CREDIT NO.1DA 66270-BT
 RECONCILIATION OF CLAIMS TO TOTAL APPLICATIONS OF FUNDS
 FOR THE PERIOD FROM 1 JULY 2020 to 30 JUNE 2021**

Overall Reconciliation	Exhibit	Amount Nu
Part I		
A) Expenditures as per PEMS-as per World Bank FIC code	A	55,688,689.79
B) Expenditures as reported in project Interim Financial Reports (IFRS)	B	-
C) Expenditures claimed from World Bank during the year	C	-
Part II		
Explain the difference between A and B if any		-
Expenditure incurred but not claimed		-
Advances wrongly reported as expenditures		-
Expenditure not considered eligible by the World Bank		-
Part III		
Explain the difference between B and C if any		-
Fund Balance with designated account		-
Fund Lapsed at Bank		3,473,803.82
Cash Balance Surrendered		3,178,802.97
PWA Advances (Closing Balance)		-
Amount surrendered to DPA during the year		-
Bank Charges for Designated Account deducted by Bank		-
Total (Nu)		3,178,802.97

<p><i>Jeld</i> Project Accountant COVID-19 (World Bank) Ministry of Health</p>	<p><i>S. J.</i> Chief Finance Officer COVID-19 (World Bank) MOH</p>	<p><i>Tushin Pajon</i> Project Director COVID-19 (World Bank) MOH</p>
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Ministry of Health
Thimphu



AUDIT
THIMPHU
AUTHORITY



Ministry of Health
Thimphu

**FINANCIAL STATEMENT
ROYAL GOVERNMENT OF BHUTAN
COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEMS PREPAREDNESS PROJECT (P173787)
World Bank Credit No. IDA 66270 - BT
Details of Funds lapsed for the F.Y 2020-2021**

Sl.No	Particulars	Opening Balance	Total Release	Previous Year Advance recovery	Total Expenditure	PWA advance (closing)	Lapsed Fund
1	Project Management Unit (PMU)	-	26,196,442.00	1,295,000.00	21,722,639.03	0.00	3,178,802.97
2	In-kind releases		33,966,050.76		33,966,050.76		0.00
Total (Nu)							
3	Lapsed Fund Represented By:						
a	Lapsed Bank Balance						
b	unreleased balance with DPA						3,178,802.97
Total (Nu)							3,178,802.97

[Signature]
Project Accountant
COVID-19 (World Bank)
Ministry of Health

[Signature]
Chief Finance Officer
COVID-19 (World Bank)
Ministry of Health

[Signature]
Project Director
COVID-19 (World Bank)
Ministry of Health



Chief Planning Officer
Policy and Planning Division
Ministry of Health

EXHIBIT G

INVENTORY LIST 2020-2021

Sl#	Item	Total in Nu
1	ICU BED(5 Nos)	787,800.00
2	Laptop(3 Nos)	261,016.00
3	0.5ml AD syringes (363600 Nos)	1,308,960.00
4	Ultra Low Freezer (2 Nos)	1,810,000.00
5	Thermal Paper (350 Nos)	43,050.00
6	Re-agents for Bio-Chemistry analyzer	4,280,581.00
7	Barcode label printer(7 Nos)	139,300.00
8	Re-agents for hematology analyzer	1,209,630.00
		9,840,337.00

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Chief Finance Officer
Ministry of Health
Thimphu

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Chief Planning Officer
Policy and Planning Division
Ministry of Health

MINISTRY OF HEALTH
Receipts and Payments Statement
For A/C. No. 208.01/2030-PLC

For the Month of JUNE - 2021

No.	Group/Broad Head Of Account	Receipts		Payments		Cumulative Balance (-) Cr, (+) Dr
		For the Month (Nu.)	Annual Progressive (Nu.)	For the Month (Nu.)	Annual Progressive (Nu.)	
1	Opening Balance :					
	a. Cash	0.00	0.00			
	b. Bank	1,265,168.02				
2	Releases :					
	a. Budgetary	13,600,000.00	26,196,442.00			
	b. Non-Revenue	0.00	295,000.00			
	c. Refundable Deposits	0.00	0.00			
	d. Un-cashed Cheques					
3	Grants in-Kind :	0.00	0.00	0.00	0.00	
4	Borrowings in-Kind :	0.00	33,966,050.76	0.00	0.00	
5	Revenue Receipts/Remittances :	257,632.80	377,130.02	257,632.80	377,130.02	
6	Other Recoveries/Remittances :					
	a. GPF: Employee Contribution	0.00	0.00	0.00	0.00	
	b. Govt: Insurance Scheme	0.00	0.00	0.00	0.00	
	c. Other Insurance Premia	0.00	0.00	0.00	0.00	
	d. Loans from Fin. Instts.	0.00	0.00	0.00	0.00	
	e. Others	0.00	0.00	0.00	0.00	
7	Personal Advances :					
8	Miscellaneous Receipts/Payments :					
	a. Non-Revenue A/C. Deposits	0.00	0.00	0.00	295,000.00	
	b. Refundable Deposit A/C. Deposits	0.00	0.00	58,181.11	106,097.11	

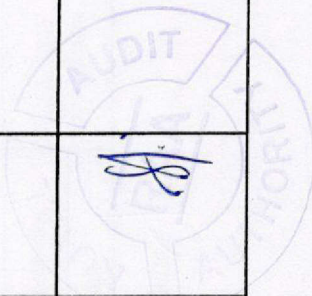
Expenditure Statement

For A/C No. : 208.01/2030 - PLC

Program Code : 067 - HEALTH POLICY DIRECTION SERVICES

For the Month Of JUNE - 2021

SP	AC	Codes			Name	Expenditure for the month (Nu.)			Current Budget Amount (Nu.)	Annual Progressive Expenditure (Nu.)				
		SAC	FIC	OBC		Amount	PERS ADV&PWA	Suspense		Amount	Personal Advance	Suspense		
			5243		covid-19 emergency response and health systems preparedness project	9,472,767.00			18,825,000.00			9,472,767.00		
				52.07	Plant & Equipt. - Hospital/Lab. Equipment	9,472,767.00						9,472,767.00		
				93.08	PWA:Deposit Works Advance (CA)			-8,139,434.00						
					Total FIC	9,472,767.00		-8,139,434.00				9,472,767.00		
					Total Sub-Activity	9,472,767.00		-8,139,434.00				9,472,767.00		
	49		5243		COVID19 PREPAREDNESS AND RESPONSE MEASURE									
				93.06	covid-19 emergency response and health systems preparedness project			414,250.00					414,250.00	
				93.07	PWA:Suppliers-Mobilisation Advances			565,750.00					565,750.00	
					Total FIC			1,000,000.00					1,000,000.00	
					Total Sub-Activity			1,000,000.00					1,000,000.00	
					Total Activity	18,825,799.05		-7,139,434.00				55,688,689.79	1,000,000.00	



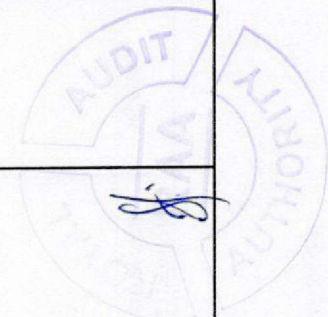
FINANCIAL INFORMATION ON EXTERNAL PROJECTS INCLUDING OUTSTANDING ADVANCES

FOR THE FISCAL YEAR 2019-2020 TO 2021-2022

FICCODE FROM - 5243 FICCODE TO- 5243 / DONOR - ALL

(Amount in Nu.)

FY/AU	FIC	ADMINISTRATIVE UNIT/PROJECT NAME	CASH RECEIPT	RELEASE	EXP-INCASH	OUTSTANDING ADVANCE	REFUND	CASH WITH GOV'T.
2019-2020 208.01	5243	MINISTRY OF HEALTH Balance from Previous years: covid-19 emergency response and health systems preparedness project Balance carried forward from Pems 208.01/01/00/067/001/009.09/5243[PURCHASE OF MEDICAL EQUIPMENT AND PPES]	139,594,922.00	139,594,000.00	139,498,479.15	0.00		0.00
		TOTAL 5243:	139,594,922.00	139,594,000.00	139,498,479.15	0.00	0.00	96,442.85
		TOTAL 208.01:	139,594,922.00	139,594,000.00	139,498,479.15	0.00	0.00	96,442.85
		TOTAL 2019-2020:	139,594,922.00	139,594,000.00	139,498,479.15	0.00	0.00	96,442.85
2020-2021 208.01	5243	MINISTRY OF HEALTH Balance from Previous years: covid-19 emergency response and health systems preparedness project Balance carried forward from Pems 208.01/01/00/067/001/009.09/5243[PROJECT MANAGEMENT UNIT FOR COVID 19 EMERGENCY RESPONSE AND HEALTH PREPAREDNESS OFFICE WORLD BANK]	26,100,000.00	2,626,442.00	1,867,358.96	1,000,000.00		96,442.85
		TOTAL 2020-2021:	26,100,000.00	2,626,442.00	1,867,358.96	1,000,000.00		96,442.85



FINANCIAL INFORMATION ON EXTERNAL PROJECTS INCLUDING OUTSTANDING ADVANCES

FOR THE FISCAL YEAR 2019-2020 TO 2021-2022

FICCODE FROM - 5243 FICCODE TO- 5243 / DONOR - ALL

(Amount in Nu.)

FY/AU	FIC	ADMINISTRATIVE UNIT/PROJECT NAME	CASH RECEIPT	RELEASE	EXP-INCASH	OUTSTANDING ADVANCE	REFUND	CASH WITH GOV'T.
		208.01/01/00/067/001/009.11/5243[SITE PREPARATION FOR INSTALLATION OF WALK IN COOLER AND CONSTRUCTION OF PRE CAUALTY UNIT AT ERRH]		679,000.00				
		208.01/01/00/067/001/009.12/5243[PROCUREMENT OF PARACETAMOL TABLETS]		500,000.00				
		208.01/01/00/067/001/009.49/5243[CONSTRUCTION OF FLU CLINIC IN THIMPHU]		3,143,000.00				
		TOTAL 5243:	5,408,000.00	4,994,000.00	119,000.00	1,000,000.00	0.00	3,887,803.82
		TOTAL 208.01:	5,408,000.00	4,994,000.00	119,000.00	1,000,000.00	0.00	3,887,803.82
		TOTAL 2021-2022:	5,408,000.00	4,994,000.00	119,000.00	1,000,000.00	0.00	3,887,803.82
		GRAND TOTAL:	171,102,922.00	170,784,442.00	161,340,118.18	1,000,000.00	0.00	3,887,803.82

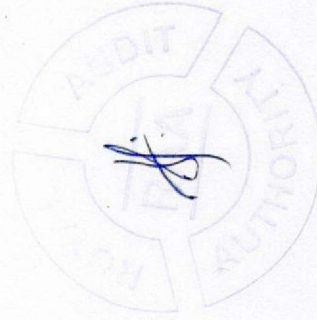
Formula for Cash With Government

Current FY:

Cash with Government= (Prev FY Bal + Curr FY Cash Receipt) - (Curr FY RELEASE + Curr FY REFUND)

Previous FY:

Cash with Government= (Prev FY Bal + Curr FY Cash Receipt) - (Curr FY EXPENDITURE + OutStandingADV + Curr FY



འབྲུག་གི་དངུལ་ཁང་།



BANK OF BHUTAN

STATEMENT OF ACCOUNT

ACCOUNT NO. : 202486647
CUSTOMER NO : 21278235
STATEMENT FROM : 01-JUN-2021 to 02-SEP-2021
DATE OF OPENING : 29-APR-2020
OD Limit : 0
CURRENT BALANCE : 17,924,390.41
RATE : 0

ACCOUNT TYPE : CA - CORPORATE
NAME : COVID 19 EMERGENCY RESPONSE AND HEALTH SYSTEMS PREPAREDNESS
ADDRESS : DEPARTMENT OF MACROECONOMIC AFFAIRS
THIMPHU
THIM=THROM NA
000000
BRANCH NAME : THIMPHU MAIN BRANCH

Opening Balance as on 21/06/2021: 32,340,390.41

POST DATE	VALUE DATE	PARTICULARS	CHEQUE NO/ REFERENCE	DEBIT	CREDIT	BALANCE
21/06/2021	21/06/2021	TO TO TRANSFER:DMEA/DMD/WB/TF-6627/2020-21/3468: BILL 000000010093572:00020		1,600,000.00		30,740,390.41
21/07/2021	21/07/2021	TO TO TRANSFER:DMEA/32 BASED ON REQUEST BY PMU MOH/385: BILL 000000010093572:00020		5,408,000.00		25,332,390.41
11/08/2021	11/08/2021	TO TO TRANSFER:DMEA/DMD/WB/TF-6627/2021-22/104: BILL 000000010093572:00020		3,704,000.00		21,628,390.41
24/08/2021	24/08/2021	TO TO TRANSFER:DMEA/DMD/WB/TF-6627/2021-22/123: BILL 000000010093572:00020		3,704,000.00		17,924,390.41
Total				14,416,000.00	0.00	

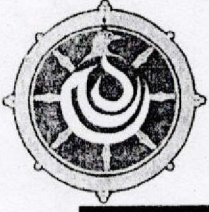
STATEMENT SUMMARY :-	OPENING BALANCE	TOTAL DEBIT	TOTAL CREDIT	CLOSING BALANCE
	32,340,390.41	14,416,000.00	0.00	17,924,390.41

END OF STATEMENT

UNLESS A CONSTITUENT NOTIFIES THE BANK IMMEDIATELY OF ANY DISCREPANCY FOUND BY HIM/HER IN HIS/HER STATEMENT OF ACCOUNT IT WILL BE TAKEN THAT HE/SHE FOUND THE ACCOUNT CORRECT.

THIS IS A COMPUTERIZED STATEMENT AND MAY NOT REQUIRE SIGNATURE.





དཔལ་ལྷན་འབྲུག་གཞུང་། གསོ་བ་ལྷན་ཁག། འབྲུག་ ཐིམ་ཕུ།
Royal Government of Bhutan, Ministry of Health, Thimphu, Bhutan
COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEMS PREPAREDNESS PROJECT
Credit Number 66270-BT



MoH-PPD/WB-M&E/2020-21/48

18th November 2021

Assistant Auditor General
Social, Communication & Information Division
Royal Audit Authority
Thimphu, Bhutan

[Subject: *Financial Statements for the Covid-19 Emergency Response & Health Systems Preparedness Project, Ministry of Health (Credit Number IDA 66270-BT)*]

Dear Sir,

This representation letter is provided in connection with your audit of the financial statements of the *Covid-19 Emergency Response & Health Systems Preparedness Project, Ministry of Health (Credit Number IDA 66270-BT)* for the fiscal year ended June 30, 2021 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, (or give a true and fair view) in accordance with the provision of the Public Finance Act, 2007; Public Finance (Amendment) Act, 2012 and the Financial Rules and Regulations 2016 of the Royal Government of Bhutan.

We confirm that (to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves):

Financial Statements:

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter reference number RAA/SCID/04/2021-2022/1753 dated 27th September 2021, for the preparation of the financial statements in accordance with International Financial Reporting Standards; in particular the financial statements are fairly presented (or give a true and fair view) in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- All events subsequent to the date of the financial statements and for which the provision of the Public Finance Act, 2007; Public Finance (Amendment) Act, 2012 and the Financial Rules and Regulations, 2016 of the Royal Government of Bhutan require adjustment or disclosure have been adjusted or disclosed.

Information Provided

- We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;



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Royal Government of Bhutan, Ministry of Health, Thimphu, Bhutan

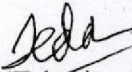
COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEMS PREPAREDNESS PROJECT
Credit Number 66270-BT



- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

The Financial Statements was prepared by Covid-19 Emergency Response & Health Systems Preparedness Project and the Finance Division of the Ministry of Health, Royal Government of Bhutan and signed on its behalf on 18th November 2021 by:


(Tashi Penjor)
Chief Planning Officer
Ministry of Health


(Tshering Peldon)
Accountant, DoS
Ministry of Health

Cc:

1. Hon'ble Secretary, Ministry of Health for kind information
2. Director, DoS, MoH for kind information
3. Office copy

དཔལ་ལྷན་འབྲུག་གཞུང་། གསོ་བ་ལྷན་ཁག། འབྲུག་ ཐིམ་ཕུ།

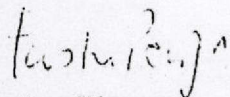
Royal Government of Bhutan, Ministry of Health, Thimphu, Bhutan

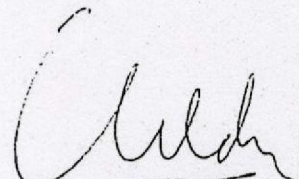
COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEMS PREPAREDNESS PROJECT



Significant Accounting Policies and Explanatory Notes

1. The Project Financial Statements have been prepared on cash basis;
2. Receipt of funds in the Project are recognized on the basis of receipt of release from the DPA, Ministry of Finance;
3. Expenditures are accounted for on cash basis as and when disbursements are made; and
4. Replenishments from the World Bank are made based on the Interim Unaudited Financial Report (IUFIR) submitted on quarterly basis.


(Project Director)
PPD, MoH


(Chief Finance Officer)
DoS, MoH

Background

The project is funded by the World Bank with the objective to prevent, detect and respond to threats posed by COVID-19 and strengthen national systems for public health preparedness. This project is prepared under the global framework of the World Bank COVID-19 Response financed as part of the Fast Track COVID-19 Facility (FTCF). The project came to effect on 27th April 2020 with signing of project financing agreement between the Hon'ble Finance Minister, Ministry of Finance and Acting Country Representative, The World Bank.

The total project amount is USD 5 million with project closing date on 31st December 2022.

The project consist of following components:

Component	Cost (US\$, millions)
s1. Emergency COVID-19 Response	4.35
1.1 Case Detection, Confirmation, Contact Tracing, Recording, Reporting	1.7
1.2 Health System Strengthening	2.65
2.Community Engagement and Risk Communication	0.40
3.Implementation Management and Monitoring and Evaluation	0.25
4.Contingency Emergency Response Component	0.00

