



Grant Thornton

Financial statements and Independent Auditors' Report

Strengthening Partnerships to Protect Endangered Wildlife in
Vietnam Project

GEF Grant No. TFA9935

For the period from 25 March 2019 to 31 December 2019

2020 -07- 1 0



Public Disclosure Authorized

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Part I

Financial Statements

Report of the Project Management Unit

The Project Management Unit submits its report together with the audited financial statements of the Strengthening Partnerships to Protect Endangered Wildlife in Vietnam Project ("the Project") for the period from 25 March 2019 to 31 December 2019.

Auditors

The financial statements for the period from 25 March 2019 to 31 December 2019 have been audited by Grant Thornton (Vietnam) Limited.

The Project Management Unit

The members of the Project Management Unit are responsible for overall direction and management of the Project during the period from 25 March 2019 to 31 December 2019 and to the date of this report were:

Name	Position
Mr. Nguyen Van Tai	Project Director
Ms. Hoang Thi Thanh Nhan	Vice Director
Ms. Nguyen Thi Thanh Thuy	Chief Accountant

Statement of the Project Management Unit

The Project Management Unit is responsible for preparing Financial Statements for the period from 25 March 2019 to 31 December 2019 which give a true and fair view of:

- the financial position of the Project;
- the funds received and expended for the period;
- the activities of the Designated account for the period and the balance of this account as at 31 December 2019; and
- the funds withdrawn for the period.

In preparing those Financial Statements, the Project Management Unit is required to:

- select suitable accounting policies and then apply them consistently in accordance with the GEF Grant No. TFA9935 between Socialist Republic of Vietnam and World Bank ("WB") and the Project Operation Manual (POM);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimise errors and frauds.

The Project Management Unit is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Project and to ensure that the accounting records comply with the accounting system as described in Note 3 to the financial statements and the Project Operation Manual. The Project Management Unit is responsible for ensuring that the Project funds are used only for the purposes of the Project, in accordance with the provisions of GEF Grant No. TFA9935 as well as legal requirements applicable to the Project. They are also responsible for safeguarding the assets of the Project and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Project Management Unit confirms that they have complied with the above requirements in preparing the financial statements.

Approval of the financial statements

We hereby approve the accompanying financial statements on pages 6 to 12 which give a true and fair view of the fund balance of the Strengthening Partnerships to Protect Endangered Wildlife in Vietnam Project as at 31 December 2019, the funds received and expenditures for the period from 25 March 2019 to 31 December 2019, the balance of the Project's Designated Account for the Grant from WB as at 31 December 2019 as well as movement of this account for the period from 25 March 2019 to 31 December 2019 in accordance with the accounting policies as described in Note 3 to the financial statements. In the opinion of the Project Management Unit, the grant withdrawals have been adequately reconciled to the statements of expenditure prepared by the Project during the period, and such statements of expenditure were adequately supported.

On behalf of the Project Management Unit,



Hoàng Thị Thanh Nhan
Vice Director

Hanoi, Vietnam
10 July 2020

Independent Auditors' Report

on the financial statements of
Strengthening Partnerships to Protect Endangered Wildlife in Vietnam Project
GEF Grant No. TFA9935
for the period from 25 March 2019 to 31 December 2019

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No. CS21/26062020/WLP-GT

To the Project Management Unit of Strengthening Partnerships to Protect
Endangered Wildlife in Vietnam Project

Auditors' opinion

We have audited the accompanying financial statements of Strengthening Partnerships to Protect Endangered Wildlife in Vietnam Project, financed under the GEF Grant No. TFA9935, prepared on 10 July 2020, which include Balance Sheet as at 31 December 2019, Statement of sources and uses of funds, Statement of designated account, Statement of grant withdrawals for the period from 25 March 2019 to 31 December 2019, and a summary of significant accounting policies and other explanatory notes (collectively referred to as "Financial Statements") as set out on pages from 6 to 12.

In our opinion, in all material respects:

- The accompanying financial statements give a true and fair view, in all material respects, of the financial position as at 31 December 2019 as well as of the funds received and expenditures of the Project for the period from 25 March 2019 to 31 December 2019 in conformity with the accounting policies described in Note 3 of the Notes to the financial statements.
- The accompanying statements of designated accounts give a true and fair view of the balance of the designated account as at 31 December 2019 and the Project's receipts and disbursements via this designated accounts for the period from 25 March 2019 to 31 December 2019 in conformity with the relevant covenants of GEF Grant No. TFA9935, the Project Operation Manual and relevant regulations established by the World Bank.
- Withdrawal Applications were adequately reconciled to the statements of expenditures ("SOEs") prepared by the Project Management Unit for the period and those SOEs were adequately supported by accounting vouchers.

Basic for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in *the Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Project in accordance with the ethical requirements that are relevant to our audit of the financial statements in Vietnam, 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.

Responsibility of the Project Management Unit for the financial statements

The Project Management Unit are responsible for the preparation and fair presentation of these financial statements in accordance with accounting policies as described in Note 3 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.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements of the Project 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 these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with the Project Management Unit, 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.

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Balance sheet

as at 31 December 2019

	Notes	31 December 2019 VND
ASSETS		
Cash		
Cash at bank	4	6,310,999,863
Receivables		
Short-term prepayments to suppliers	5	2,353,345,500
Expenditures		
Project implementation expenditures	8	3,752,154,637
TOTAL ASSETS		12,416,500,000
RESOURCES		
FUNDS		
Funds		
- Grant from IBRD (the World Bank)	6	11,566,853,700
- Counterpart fund	7	860,000,000
Foreign exchange differences		(10,353,700)
TOTAL RESOURCES		12,416,500,000

Hanoi, Vietnam

10 July 2020



Hoàng Thị Thanh Nhan
Vice Director



Nguyen Thi Thanh Thuy
Chief Accountant

Statement of Sources and Uses of funds

for the period from 25 March 2019 to 31 December 2019

	Notes	For the period from 25 March 2019 to 31 December 2019 VND
SOURCES		
- Grant from IBRD (the World Bank)	6	12,426,853,700
- Counterpart fund	7	11,566,853,700
		860,000,000
USES OF FUNDS		
- Strengthening legal and regulatory framework.	8	(3,752,154,637)
- Enhancing capacity to effectively implement and enforce policies and regulations related to wildlife protection.		(637,105,946)
- Promoting knowledge sharing and awareness raising.		-
- Project management and monitoring and evaluation.		(1,942,246,384)
		(1,172,802,307)
(Deficit)/Surplus of sources over use of funds		8,674,699,063
Foreign exchange differences		(10,353,700)
Fund balance at the beginning of the year/period		-
Fund balance at the end of the year/period		8,664,345,363

Presented by:

	31 December 2019
Cash	6,310,999,863
Short-term prepayments to suppliers	2,353,345,500
	8,664,345,363

Hanoi, Vietnam

10 July 2020



Hoang Thi Thanh Nhan
 Vice Director

Nguyen Thi Thanh Thuy
 Chief Accountant

Statement of Designated account

For the year: For the period from 25 March 2019 to 31 December 2019
 Account numbers: 1500201110166
 Depository Bank: Agribank – Hanoi Branch
 Address: No 77, Lac Trung Str., Hai Ba Trung District, Ha Noi
 Credit Agreement: No. GEF TFA9935
 Currency: USD

For the period from 25 March 2019
 to 31 December 2019
 USD

Part A- Account activity

Opening balance	-
<i>Add:</i>	
Advance from IBRD (WB) during the year/period	500,000.00
Replenishment to Designated Account during the year/period	-
<i>Less:</i>	
Total amount withdrawn from Designated Account	226,841.66
Bank Charge	10.00
Closing balance as at 31 December 2019	273,148.34

Part B- Account reconciliation

Amount advanced by WB at 25 March 2019	-
Amount advanced by WB during the year/period	500,000.00
Outstanding amount advanced to the Designated Account as at 31 December 2019	500,000.00

Account balance as at 31 December 2019	273,148.34
<i>Add:</i>	
Bank charge	10.00
Amount withdrawn but not yet claimed	226,841.66
Outstanding amount advanced to the Designated Account as at 31 December 2019	500,000.00

Hanoi, Vietnam

10 July 2020



Hoang Thi Thanh Nhan
 Vice Director

Nguyen Thi Thanh Thuy
 Chief Accountant

Statement of grant withdrawals

for the period from 25 March 2019 to 31 December 2019

Withdrawal number	Date of application	Advance USD	Equipment USD	Instructional Materials USD	Development USD	Staff Studies and surveys USD	Consulting services USD	Amount claimed		Date	Amount disbursed by WB	
								Total USD	USD		Amount	Differences USD
01	05 September 2019	500,000.00	-	-	-	-	-	500,000.00	500,000.00	11 December 2019	499,990.00	10.00
		500,000.00	-	-	-	-	-	500,000.00	500,000.00		499,990.00	10.00

(i) It represents bank charges that reduced received amount of Designated Account.



 Vice Director



Nguyen Thi Thanh Thuy
 Chief Accountant

Notes to the financial statements

for the period from 25 March 2019 to 31 December 2019

1. The Project

Strengthening Partnerships to Protect Endangered Wildlife in Vietnam Project ("WLP") was approved by GEF through World Bank with a grant No. TFA9935 with grant amount of USD3 million on 25 March 2019.

The Project's objective is to strengthen the legal and regulatory framework, and the related implementation capacity for the protection of threatened wildlife.

The Project has four components, including:

- Component 1: Strengthening legal and regulatory framework;
- Component 2: Enhancing capacity to effectively implement and enforce policies and regulations related to wildlife protection
- Component 3: Promoting knowledge sharing and awareness raising; and
- Component 4: Project management and monitoring and evaluation.

Project Management Unit's office is located at 10 Ton That Thuyet, Hanoi, Vietnam.

2. Fiscal year and accounting currency

2.1 Fiscal year

The first fiscal year of the Project is from 25 March 2019 (date of countersigned Grant Agreement) to 31 December 2019. Succeeding financial year will begin on 1 January and ends on 31 December.

2.2 Accounting currency

The accounting records of the Project are maintained in Vietnamese Dong ("VND"). The financial statements are prepared in Vietnamese Dong except for the Designated Account statement and Statement of grant withdrawals, which are prepared in the original currency of United States Dollars ("USD") as required by the World Bank.

3. Accounting policies

3.1 Basis of preparation of financial statements

The financial statements are prepared in accordance with the below accounting policies and the Project Operation Manual.

The Financial Statements are prepared in conformity with a modified cash basis of accounting rather than generally accepted accounting principles.

3.2 Foreign exchange

Transactions arising in currencies other than the reporting currency of VND are translated at the prevailing exchange rates at transaction dates. Foreign exchange differences arising on translation are recognized separately in the statement of income and expenditures for the purpose of reconciliation of balance as at beginning and closing accounting period.

3.3 Recognitions of sources and uses of fund

Project sources and uses of fund are recognized as follows:

- Grant from World Bank: Funds are recognized when direct payment from WB to suppliers or/and receipts from WB to Designated Account.
- Counterpart fund: Fund is recognised when direct payment from Treasury to suppliers and withdrawal from Treasury to cash on hand in compliance with regulations on State Budget.
- Expenditures are recognized when incurred.

3.4 Payables

Payables are recognised for amount to be paid in the future for goods and services received.

4. Cash

	31 December 2019	
	USD	VND equivalent
Cash on hand	-	-
Designated account	273,148.34	6,310,999,863
	273,148.34	6,310,999,863

5. Short-term prepayments to suppliers

	31 December 2019	
	VND	
Vietnam Sylviculture Agriculture Development Investment and Consultant Company limited	691,800,000	
Center for Biodiversity Conservation	921,732,000	
Center for Environment and Community Assets Development	391,513,500	
World Wide Fund for Nature in Vietnam (WWF)	348,300,000	
	2,353,345,500	

6. Grant from IBRD (WB)

	31 December 2019		Accumulated to 31 December 2019	
	USD	VND equivalent	USD	VND equivalent
Advance from WB to Designated account	500,000	11,566,853,700	500,000	11,566,853,700
	500,000	11,566,853,700	500,000	11,566,853,700

7. Counterpart fund

	31 December 2019		Accumulated to 31 December 2019	
	VND		VND	
Counterpart fund	860,000,000		860,000,000	
	860,000,000		860,000,000	

8. Expenditures

	For the period from 25 March 2019 to 31 December 2018			Accumulated to 31 December 2019		
	Grant from WB VND	Counterpart fund VND	Total VND	Grant from WB VND	Counterpart fund VND	Total VND
Consultants' services	765,800,000	76,248,615	842,048,615	765,800,000	76,248,615	842,048,615
Goods and non-consultant's services	461,100,000	-	461,100,000	461,100,000	-	461,100,000
Trainings/workshops	1,335,316,480	540,128,005	1,875,444,485	1,335,316,480	540,128,005	1,875,444,485
Incremental operating costs	326,840,806	243,623,380	570,464,186	326,840,806	243,623,380	570,464,186
Bank charges	3,097,351	-	3,097,351	3,097,351	-	3,097,351
	2,892,154,637	860,000,000	3,752,154,637	2,892,154,637	860,000,000	3,752,154,637

9. Approval for issuance of the financial statements

The financial statements were approved by the Project Management Unit and authorized for issue.

Hanoi, Vietnam

10/July/2020

Hoàng Thị Thanh Nhan
 Vice Director

Nguyen Thi Thanh Thuy
 Chief Accountant

Part II

Independent Auditors' Report on the Compliance

Independent Auditors' Report

on the Compliance of
Strengthening Partnerships to Protect Endangered Wildlife in Vietnam Project
GEF Grant No. TFA9935
for the period from 25 March 2019 to 31 December 2019

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To the Project Management Unit of Strengthening Partnerships to Protect Endangered Wildlife in Vietnam Project

We have been engaged to perform audit of the compliance of Strengthening Partnerships to Protect Endangered Wildlife in Vietnam Project ("the Project") financed under the GEF Grant No. TFA9935 for the period from 25 March 2019 to 31 December 2019.

The Project Management Unit's Responsibility

The Project Management Unit is responsible for complying with Applicable Laws, Regulations and the Procurement Procedures and other Provisions of the Grant Agreement and other Guidance from the World Bank.

Auditors' Responsibility

Our responsibility is to express an opinion on the Program's compliance with the requirements, based on our procedures. We conducted our engagement in accordance with the International Standard on Assurance Engagement 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the Project has complied with the requirements.

An assurance engagement to report on the compliance with regulatory and contractual requirements at a Program involves performing procedures to obtain evidence about whether the Program's activities are free of material non-compliance with the requirements. The procedures selected depend on the auditor's judgment, including the assessment of risks that the Project does not comply with the requirements and whether such non-compliance could have a direct and material effect on the Project's Financial Statements. Our procedures included testing the compliance with the requirements that we consider necessary to provide reasonable assurance that the requirements are complied by the Project.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditors' opinion

In our opinion, the Project was, in all material respects, in compliance with Applicable Laws, Regulations and the Procurement Procedures and other Provisions of the GEF Grant No. TFA9935 and other Guidances from the World Bank that could have a direct and material financial effect on the Project's Financial Statements for the period from 25 March 2019 to 31 December 2019.

This report is intended for the information of Project Management Unit of the Project and World Bank.

GRANT THORNTON (VIETNAM) LIMITED



Grant Thornton

Hanoi, Vietnam
10 July 2020

Part III

Independent Auditors' Report on the Internal Control

Independent Auditors' Report

on the Internal Control over financial reporting of
Strengthening Partnerships to Protect Endangered Wildlife in Vietnam Project
GEF Grant No. TFA9935
for the period from 25 March 2019 to 31 December 2019

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To the Project Management Unit of Strengthening Partnerships to Protect Endangered Wildlife in Vietnam Project

We have been engaged to perform audit of the internal control over financial reporting of Strengthening Partnerships to Protect Endangered Wildlife in Vietnam Project ("the Project") financed under the GEF Grant No. TFA9935 for the period from 25 March 2019 to 31 December 2019.

The Project Management Unit's Responsibility

The Project Management is responsible for designing and maintaining effective internal control over compliance with requirements that could have a direct and material financial effect on the financial statements as well as over financial reporting for the purpose of properly preparing and presenting the financial statements so as to minimise errors and frauds; and take responsibility for its assertions as to the effectiveness of such internal control.

Auditors' Responsibility

Our responsibility is to express an opinion on the Project's Financial Statements and on the design and operation of controls over financial reporting, based on our procedures. We conducted our engagement in accordance with the International Standards on Assurance Engagement 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board. That standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the Project's Financial Statements are fairly presented and the controls are suitably designed and operating effectively.

An assurance engagement to report on the description, design and operating effectiveness of controls at a project involves performing procedures to obtain evidence about the disclosures in the project's description of its system and design and operating effectiveness of controls. The procedures selected depend on the auditor's judgment, including the assessment of risks that the Project's Financial Statements is not fairly presented, and that controls are not suitably designed or operating effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the control objectives were achieved.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditors' opinion

In our opinion, in all material respects, the Project's internal controls over financial reporting were suitably designed throughout the period from 25 March 2019 to 31 December 2019 and the controls tested, which were those necessary to provide reasonable assurance that the control objectives were achieved, operated effectively throughout the period.

This report is intended for the information of Project Management Unit of the Project and World Bank.

GRANT THORNTON (VIETNAM) LIMITED



Grant Thornton

Hanoi, Vietnam
10 July 2020