



ལྷན་གཞུང་ཕྱི་ས་ཞིབ་དབང་འཛིན།

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

AIN: GGD-2021-76

**FINANCIAL AUDIT REPORT OF THE  
WORLD BANK FUNDED PROJECT--“MDF GRANT FOR  
STRENGTHENING PUBLIC FINANCIAL MANAGEMENT”,  
IMPLEMENTED BY DEPARTMENT OF PUBLIC ACCOUNTS,  
MINISTRY OF FINANCE**

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

NFS

OCTOBER 2021

Department of Public Accounts  
Incoming Mail No.....  
Date..... 5/10/21.....  
Marked to.....

*"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*

P.O. Box: 191 | Kawangjangsa | Thimphu | Bhutan | Tel: +975-2-322111/328729/328730/324961 | Fax: +975-2-323491  
Website: [www.bhutanaudit.gov.bt](http://www.bhutanaudit.gov.bt) | Email: [info@bhutanaudit.gov.bt](mailto:info@bhutanaudit.gov.bt) and [auditorgeneral@bhutanaudit.gov.bt](mailto:auditorgeneral@bhutanaudit.gov.bt)

Public Disclosure Authorized

Public Disclosure Authorized



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**ROYAL AUDIT AUTHORITY**  
*Bhutan Integrity House*

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



RAA/GGD/Projects(MDFPFM-DPA)/05/2021-22/ 1810

Date 04/10/2021

The Director General  
Department of Macro Economics Affairs  
Ministry of Finance  
Thimphu

**Subject:** Financial Audit Report of World Bank Funded Project – “MDF grant for Strengthening Public Financial Management”, DPA, MoF, Thimphu for the period 01 July 2020 to 30 June 2021

Sir,

Enclosed herewith, please find three sets of audited **Financial Statements and Auditors' Report thereon** in respect of the World Bank Project “MDF grant for Strengthening Public Financial Management” implemented by the Department of Public Accounts, Ministry of Finance, Thimphu for the financial year ended 30 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 Auditors' Report may please be forwarded to World Bank Country Office, Thimphu.

#### Auditor's Report on the Financial Statement

As may be noted from the auditors' report, the financial statements are prepared by the Project, in all material respects, in accordance with Standard Conditions of the Project Agreement. Accordingly, the RAA has expressed unmodified (unqualified) opinion on the financial statements.

#### Achievements

RAA has also noted achievements made by the World Bank Project “MDF grant for Strengthening Public Financial Management”, DPA, MoF during the period under audit, which are detailed in **Annexure - B** of this report.

The Royal Audit Authority acknowledges the kind co-operation and assistance extended to the audit team by the officials of the project, which facilitated the completion of the audit.

*"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

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Website: [www.bhutanaudit.gov.bt](http://www.bhutanaudit.gov.bt) | Email: [info@bhutanaudit.gov.bt](mailto:info@bhutanaudit.gov.bt) and [auditorgeneral@bhutanaudit.gov.bt](mailto:auditorgeneral@bhutanaudit.gov.bt)

Yours sincerely,



(Chhoden)

**Assistant Auditor General**

*Copy to:*

1. ✓ The Director, Department of Public Accounts, Ministry of Finance, Thimphu
2. The Project Manager, MDF-PFM, DPA, MoF, Thimphu
3. The AAG, PPAARD, Royal Audit Authority, Thimphu
4. The AAG, Follow-Up & Clearance Division, Royal Audit Authority, Thimphu
5. Office copy

## TITLE SHEET

1.	Title	: Financial Audit Report of World Bank funded project, "MDF grant for Strengthening Public Financial Management", Implemented by the Department of Public Accounts, MoF, Thimphu
2.	AIN	: GGD-2021-76
3.	Head of the Agency	: Sonam Tobgyel, Chief Finance Officer EID No. 9407084 CID No. 10103000914
4.	Drawing and Disbursing Officer	: 1. Tshering Dorji, Chief Finance officer EID No. 9711016 CID No. 12007001991 2. Ugyen Tshewang, Deputy Chief Finance Officer EID No. 9410057 CID No. 12007003290
5.	Finance Personnel	: Sonam Mendrel Wangmo, Accounts Assistant EID No. 201007047 CID No. 10811000872
6.	Period Audited	: 01/07/2020 to 30/06/2021
7.	Schedule of Audit	: Start Date: 16/08/2021 End Date: 27/08/2021
		<b><u>Team Leader:</u></b> Thuji Lham, Senior Auditor EID No. 200607097 CID No. 11410004727
8.	Composition of Teams	: <b><u>Team Member:</u></b> Tshering Ngedup, Audit Officer EID No. 20170107999 CID No. 12005003636  Chimi Yangdon, Asstt. Audit Officer EID No. 20170709526 CID No. 11506006230
9.	Supervising Officer	: Chhoden, Assistant Auditor General EID No. 200501091
10.	Overall Supervising Officer	: Tashi Tobgay, Deputy Auditor General EID No. 9811012
11.	Engagement Letter No	: RAA/GGD/MoF(PFM-DPA)02/2020-21/1444 dated 13.08.2021
12.	Focal Person	: Thuji Lham
13.	Date of Exit Meeting	: N/A

### Glossary of Abbreviations & Acronyms

AAG	:	Assistant Auditor General
AR	:	Audit Report
ATR	:	Action Taken Report
DMEA	:	Department of Macro Economics
DPA	:	Department of Public Accounts
EID	:	Employee Identity Card
FUCD	:	Follow-Up and Clearance Division
GGD	:	General Governance Division
PLC	:	Project Letter of Credit
IUFR	:	Interim Unaudited Financial Report
MDF	:	Multi Donor Funded
MoF	:	Ministry of Finance
PFM	:	Public Financial Management
PP&AARD	:	Policy, Planning and Annual Audit Report Division
RAA	:	Royal Audit Authority
RGOB	:	Royal Government of Bhutan

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### ENCLOSURES:

1. *Statement of uses of funds & Projection by project activities*
2. *Advance Accounts Reconciliation Statement & Cash Projection*
3. *Statement of Fund Status from DPA*
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AUDITORS' REPORT ON THE FINANCIAL  
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ROYAL AUDIT AUTHORITY  
Bhutan Integrity House

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



**AUDITOR'S REPORT ON FINANCIAL STATEMENTS OF THE WORLD BANK FUNDED PROJECT "MDF GRANT FOR STRENGTHENING PUBLIC FINANCIAL MANAGEMENT", DEPARTMENT OF PUBLIC ACCOUNTS, THIMPHU FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**Opinion**

We have audited the accompanying financial statements of project (PLC Account No. 202.01/2011) which comprise the Summary of Sources and Uses of funds, Summary of expenditures by project activities, Statement of Expenditure (SoE)/ including summary of significant accounting policies for the financial year ended 30 June 2021.

In our opinion, the financial statements are prepared, in all material respects, in accordance with Standard Conditions of the Grant 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 World Bank Project "MDF grant for Strengthening Public Financial Management", DPA, MoF, Thimphu, 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.

**Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1 to the special purpose project financial statements, which describes the basis of accounting. The special purpose project financial statements are prepared to assist the project's management to comply with the financial reporting provisions of the Project Agreement, which requires the special purpose project financial statements to comply with the Standard Conditions of the Grant Agreement. As a result, the special purpose project financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

*'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*

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## **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 in accordance with Standard Conditions of the Grant Agreement 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 Project'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.

As part of audit in accordance with ISSAIs, we exercise professional judgement 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 omission, 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.

We communicate with the management, among others, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

## **Other Requirements**

### **We report that:**

- The flow of funds from the Foreign Currency Account and balance thereon could be fairly relied upon. The control mechanism put in place for the operation of the account could also be fairly relied upon;
- The funds provided under Grant No.: TF0A5549-BT have been utilized for the purpose for which they were provided;

- All expenditures incurred and reported are eligible for financing under the Grant Agreements;
- With respect to Statement of Expenditures (SoEs), adequate supporting documents has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and
- The FOREX conversation rate for fund transfer is recognized based on exchange rate prevailing on the date of transfer of fund to Department of Public Accounts (DPA) from the Designated Account maintained with Royal Monetary Authority (RMA) of Bhutan.
- The Direct Payment made by the World Bank in Foreign Currency has been converted to local currency at the exchange rate prevalent on the date of transaction.
- The overall reconciled fund balance of the Project as at 30 June 2021 stand at Nu. 72,206,867.50 represented by Nu. 7,670,776.96 with DPA and Nu. 64,536,090.56 with the Department of Macro Economics Affairs, MoF, Thimphu.

  
(Chhoden)

Assistant Auditor General

Date: 04 October 2021



ENCLOSURES

**Interim Unaudited Financial Report (IUFR)**  
**MINISTRY OF FINANCE**  
**PFM-MDF FINANCED STRENGTHENING PUBLIC FINANCIAL MANAGEMENT PROJECT**  
**Statement of Sources and Uses of Funds**

Semester - July - December 2020 - Fiscal Year 2020-2021

Particulars	Total upto June 2020	Fiscal Year 2020-2021			IUFR - 1
		July - Dec 2020	Jan - June 2021	This Year	
<b>A Sources of Funds</b>					
1 Bank/RGoB Fund Released	112,878,069.70	21,422,180.00		21,422,180.00	134,300,249.70
<b>Total Source of Funds</b>	<b>112,878,069.70</b>	<b>21,422,180.00</b>		<b>21,422,180.00</b>	<b>134,300,249.70</b>
<b>B Uses of Funds by Category</b>					
1 Expenditures - IDA Financed	95,529,457.12	11,702,129.30		11,702,129.30	107,231,586.42
2 Expenditures - RGoB Financed	-	-		-	-
<b>Total Fund Use</b>	<b>95,529,457.12</b>	<b>11,702,129.30</b>		<b>11,702,129.30</b>	<b>107,231,586.42</b>
<b>C Net Change (A-B)</b>	<b>17,348,612.58</b>	<b>9,720,050.70</b>		<b>9,720,050.70</b>	<b>27,068,663.28</b>
<b>D Opening Balances</b>					
1 PLC - Cash	-	-		-	-
2 PLC - Bank	-	-		-	-
3 PWA Advances	-	-		-	-
4 Others	-	-		-	-
<b>4 Net Change (C above)</b>	<b>17,348,612.58</b>	<b>9,720,050.70</b>		<b>9,720,050.70</b>	<b>27,068,663.28</b>
5 PW Advances B/F	-	-		-	-
<b>Total Opening Balances:-</b>	<b>17,348,612.58</b>	<b>9,720,050.70</b>		<b>9,720,050.70</b>	<b>27,068,663.28</b>
<b>E Closing Balances</b>					
1 PLC - Cash	44,068.00	-		-	-
2 PLC - Bank	8,044,474.88	9,720,050.70		9,720,050.70	44,068.00
3 PW Advances C/F	-	-		-	-
4 Lapsed bank balance	-	-		-	-
<b>Total Closing Balances:-</b>	<b>17,348,612.58</b>	<b>9,720,050.70</b>		<b>9,720,050.70</b>	<b>27,068,663.28</b>

*[Signature]*  
 Dechen Choden  
 Project Focal Officer

*[Signature]*  
 Phuntsho Wangdi  
 Director, DoS, MoF

*[Signature]*  
 Sonam Tobgyel  
 Project Manager

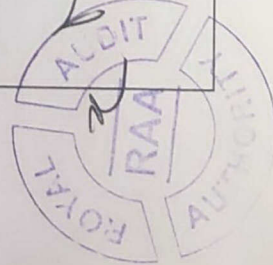
*[Signature]*  
 Tshering Dorji  
 Chief Finance Officer



**Interim Unaudited Financial Report (IUFR)**  
**MINISTRY OF FINANCE**  
**PFM-MDF FINANCED STRENGTHENING PUBLIC FINANCIAL MANAGEMENT PROJECT**  
**Statement of Sources and Uses of Funds**

Semester - Jan - June 2021 - Fiscal Year 2020-2021

Particulars	Total upto June 2020	Fiscal Year 2020-2021			IUFR - I Total Project Period
		July - Dec 2020	Jan - June 2021	This Year	
<b>A Sources of Funds</b>					
1 Bank/RGoB Fund Released	112,878,069.70	21,422,180.00	25,796,790.00	47,218,970.00	160,097,039.70
<b>Total Source of Funds</b>	<b>112,878,069.70</b>	<b>21,422,180.00</b>	<b>25,796,790.00</b>	<b>47,218,970.00</b>	<b>160,097,039.70</b>
<b>B Uses of Funds by Category</b>					
1 Expenditures - IDA Financed	95,529,457.12	11,702,129.30	30,206,631.66	41,908,760.96	137,438,218.08
2 Expenditures - RGoB Financed	-	0	-	-	-
<b>Total Fund Use</b>	<b>95,529,457.12</b>	<b>11,702,129.30</b>	<b>30,206,631.66</b>	<b>41,908,760.96</b>	<b>137,438,218.08</b>
<b>C Net Change (A-B)</b>	<b>17,348,612.58</b>	<b>9,720,050.70</b>	<b>(4,409,841.66)</b>	<b>5,310,209.04</b>	<b>22,658,821.62</b>
<b>D Opening Balances</b>					
1 PLC - Cash	-	-	-	-	-
2 PLC - Bank	-	-	9,720,050.70	-	-
3 PWA Advances	-	-	-	-	-
4 Others	-	-	-	-	-
<b>4 Net Change (C above)</b>	<b>17,348,612.58</b>	<b>9,720,050.70</b>	<b>(4,409,841.66)</b>	<b>5,310,209.04</b>	<b>22,658,821.62</b>
5 PW Advances B/F	-	-	-	-	-
<b>Total Opening Balances:-</b>	<b>17,348,612.58</b>	<b>9,720,050.70</b>	<b>5,310,209.04</b>	<b>5,310,209.04</b>	<b>22,658,821.62</b>
<b>E Closing Balances</b>					
1 PLC - Cash	44,068.00	-	-	-	-
2 PLC - Bank	8,044,474.88	9,720,050.70	5,310,209.04	5,310,209.04	5,310,209.04
3 PW Advances C/F	-	-	-	-	-
4 Lapsed bank balance	-	-	-	-	-
<b>Total Closing Balances:-</b>	<b>17,348,612.58</b>	<b>9,720,050.70</b>	<b>5,310,209.04</b>	<b>5,310,209.04</b>	<b>22,658,821.62</b>



*[Signature]*  
**Dachen Choden**  
 Project Focal Officer

*[Signature]*  
**Kunzho Wangdi**  
 Director, DoS, MoF

*[Signature]*  
**Sonam Tobgyel**  
 Project Manager

*[Signature]*  
**Tshering Dorji**  
 Chief Finance Officer

Interim Unaudited Financial Report  
MINISTRY OF FINANCE

PFM-MDF FINANCED STRENGTHENING PUBLIC FINANCIAL MANAGEMENT PROJECT

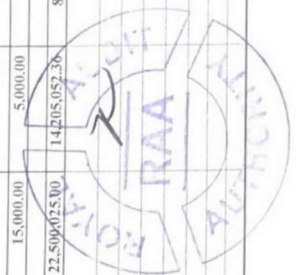
World Bank Grant no. TF0A5549

Statement of Uses of Funds & Projections by Project Activities

Semester (July 2020 - December 2020) Fiscal Year 2020-21

Amounts in Ngultrams

Com./ Sub-Com.	Component and Sub-Component Names	Expenditure Reported						Cumulative till date	Q2(Oct - Dec 2020)	Q3(Jan - March 2021)	Q4 (April - June 2021)	Total forecast for three quarters
		Cummulative till June 2020	July - Dec 2020	Jan - June 2021	Year to Date	Year to Date	Year to Date					
1	<b>Strengthening PFM Legal and Institutional Framework</b>	21,200,289.88	8,227,237.00	-	8,227,237.00	24,769,387.07	12,966,500.00	9,904,000.00	6,664,000.00	29,534,500.00		
a	Setting the legal and operational environment and developing a roadmap for the GST Introduction	16,542,150.07	8,227,237.00	-	8,227,237.00	24,769,387.07	10,266,500.00	7,204,000.00	6,664,000.00	24,134,500.00		
b	Public Investment Management (USD 0.150m)	-	-	-	-	-	2,700,000.00	2,700,000.00	-	-	5,400,000.00	
c	Improving Budget documentation, analysis and classification through enhanced focus on gender and climate change	4,658,139.81	-	-	-	-	-	-	-	-	-	
2	<b>Strengthening Budget Execution and Oversight Capacities</b>	74,281,443.71	3,473,297.30	-	3,473,297.30	#VALUE!	38,206,768.70	12,581,025.00	7,536,052.36	58,323,846.06		
A	<b>Strengthening Public Procurement Systems including automation</b>	10,810,437.49	398,889.30	-	398,889.30	11,209,326.79	1,184,290.00	1,191,275.00	275,290.00	2,650,855.00		
i	Design and Implementation of Electronic Government Procurement (eGP)	7,176,376.64	398,889.30	-	398,889.30	7,575,265.94	777,000.00	1,047,485.00	131,500.00	1,955,985.00		
ii	Procurement policy review and capacity development	3,634,060.85	-	-	-	3,634,060.85	407,290.00	143,790.00	143,790.00	694,870.00		
B	<b>Improving Accounting and Reporting Systems</b>	27,650,421.49	2,856,442.00	-	2,856,442.00	30,506,863.49	18,079,690.70	1,025,000.00	1,200,000.00	20,254,690.70		
i	Strengthening PFM processes and information systems and their integration for moving towards IFMIS	23,423,239.09	2,482,069.00	-	2,482,069.00	25,905,308.09	3,050,000.00	-	600,000.00	3,650,000.00		
ia	FRR Revision (USD 0.070m)	-	14,255.00	-	14,255.00	14,255.00	100,000.00	200,000.00	-	300,000.00		
ib	Online TADA System (USD 0.100m)	-	355,014.00	-	355,014.00	355,014.00	-	825,000.00	600,000.00	8,750,000.00		
ic	Clustering of Finance Services across the country (USD 0.150m)	-	-	-	-	-	-	7,325,000.00	-	-	-	
v	Implementing IPS,AS	4,227,182.40	5,104.00	-	5,104.00	4,232,286.40	7,554,690.70	-	-	7,554,690.70		
C	<b>Strengthening Internal Controls and Accountability Institutions</b>	20,823,849.68	20,823,849.68	-	20,823,849.68	20,823,849.68	18,320,788.00	5,060,000.00	942,012.36	24,322,800.36		
i	Enhancing Internal Audit Effectiveness	12,354,173.28	-	-	-	12,354,173.28	9,124,788.00	1,440,000.00	942,012.36	11,506,800.36		
ii	Supporting AASBB on Implementation of Accounting and Auditing Standards and Establishment of Professional Accountancy Organization	6,815,079.00	-	-	-	6,815,079.00	4,340,000.00	-	-	4,340,000.00		
iii	Capacity Building of Parliamentary Committees	1,654,597.40	-	-	-	1,654,597.40	4,856,000.00	3,620,000.00	-	8,476,000.00		
D	<b>Capacity development in PFM</b>	14,996,735.05	217,966.00	-	217,966.00	15,214,701.05	672,000.00	5,304,750.00	5,118,750.00	11,095,500.00		
3	<b>Project Implementation Unit (PIU)</b>	47,723.53	1,595.00	-	1,595.00	49,318.53	5,000.00	15,000.00	5,000.00	25,000.00		
	<b>Total</b>	95,529,457.12	11,702,129.30	-	11,702,129.30	107,231,586.42	51,178,268.70	22,500,253.00	14,205,052.36	87,883,346.06		



*Sonam Tobgyel*  
Project Manager

*Phunchok Wangdi*  
Project Focal Officer

*Tshering Dorji*  
Chief Finance Officer

Interim Unaudited Financial Report  
MINISTRY OF FINANCE

PFM-MIDE FINANCED STRENGTHENING PUBLIC FINANCIAL MANAGEMENT PROJECT

World Bank Grant no. TF0A5549

Statement of Uses of Funds & Projections by Project Activities  
Semester (Jan 2021 - June 2021) Fiscal Year 2020-21

Amounts in Ngultrams

Com./ Sub-Com.	Component and Sub-Component Names	Expenditure Reported					Quarterly Forecast			
		Commutative till June 2020	July - Dec 2020	Jan - June 2021	Year to Date	Cumulative till date	Q1 (July - Sept 2021)	Q2 (Oct - Dec 2021)	Q3 (Jan - March 2022)	Total forecast for three quarters
<b>I</b>	<b>Strengthening PFM Legal and Institutional Framework</b>	21,200,289.88	8,227,237.00	8,767,132.26	16,994,369.26	38,194,659.14	14,690,832.00	12,777,834.00	7,248,834.00	34,717,500.00
a	Setting the legal and operational environment and developing a roadmap for the GST Introduction	16,542,150.07	8,227,237.00	8,767,132.26	16,994,369.26	33,536,519.33	8,467,832.00	5,572,834.00	5,572,834.00	19,613,500.00
b	Public Investment Management (USD 0.150m)	-	-	-	-	4,144,000.00	2,960,000.00	-	-	7,104,000.00
c	Improving Budget documentation, analysis and classification through enhanced focus on gender and climate change	4,658,139.81	-	-	-	4,658,139.81	2,079,000.00	4,245,000.00	1,676,000.00	8,000,000.00
<b>2</b>	<b>Strengthening Budget Execution and Oversight Capacities</b>	74,281,443.71	3,473,297.30	21,439,253.40	24,912,550.70	99,193,994.41	20,269,051.72	43,022,849.94	25,127,842.22	68,150,692.16
<b>A</b>	<b>Strengthening Public Procurement Systems including automation</b>	10,810,437.49	398,889.30	1,237,908.00	1,636,797.30	12,447,234.79	1,556,933.00	1,804,024.50	3,167,929.50	6,528,887.00
i	Design and Implementation of Electronic Government Procurement (eGP)	7,176,376.64	398,889.30	1,237,908.00	1,636,797.30	8,813,173.94	911,700.00	1,118,791.50	2,522,696.50	4,553,188.00
ii	Procurement policy review and capacity development	3,634,060.85	-	-	-	3,634,060.85	645,233.00	685,233.00	645,233.00	1,975,699.00
<b>B</b>	<b>Improving Accounting and Reporting Systems</b>	27,650,421.49	2,856,442.00	15,460,161.09	18,316,603.09	45,967,024.58	8,423,618.72	20,557,825.44	6,812,412.72	35,793,856.88
i	Strengthening PFM processes and information systems and their integration for moving towards IFMIS	23,423,239.09	2,482,069.00	6,374,744.39	8,853,813.39	32,277,052.48	1,150,000.00	6,725,000.00	2,000,000.00	9,875,000.00
ia	FRR Revision (USD 0.070m)	-	14,255.00	5,956.00	20,211.00	20,211.00	1,100,000.00	690,000.00	2,030,000.00	3,820,000.00
ib	Online TA/DA System (USD 0.100m)	-	355,014.00	2,955,712.00	3,310,726.00	3,310,726.00	3,200,000.00	3,950,000.00	800,000.00	7,950,000.00
ic	Clustering of Finance Services across the country (USD 0.150m)	-	2,057,696.00	2,057,696.00	2,057,696.00	2,057,696.00	2,973,618.720	9,192,825.44	1,982,412.72	14,148,856.88
v	Implementing IPSAS	4,227,182.40	5,104.00	4,069,052.70	4,074,156.70	8,301,339.10	4,232,000.000	20,661,000.00	9,091,000.00	33,984,000.00
<b>C</b>	<b>Strengthening Internal Controls and Accountability Institutions</b>	20,823,849.68	-	4,271,610.45	4,271,610.45	25,095,460.13	2,600,000.000	13,233,000.00	6,309,000.00	22,142,000.00
i	Enhancing Internal Audit Effectiveness	12,354,173.28	-	279,710.00	279,710.00	12,633,883.28	1,632,000.000	3,808,000.00	2,782,000.00	8,222,000.00
ii	Supporting AASIBB on Implementation of Accounting and Auditing Standards and Establishment of Professional Accountancy Organization	6,815,079.00	-	528,000.00	528,000.00	7,343,079.00	5,118,497.85	3,620,000.00	-	3,620,000.00
iii	Capacity Building of Parliamentary Committees	1,654,597.40	-	3,463,900.45	3,463,900.45	5,118,497.85	6,056,500.000	-	-	12,113,000.00
<b>D</b>	<b>Capacity development in PFM</b>	14,996,735.05	217,966.00	469,573.86	687,539.86	15,684,274.91	6,056,500.000	-	6,056,500.00	12,113,000.00
<b>3</b>	<b>Project Implementation Unit (PIU)</b>	47,723.53	1,595.00	246.00	1,841.00	49,564.53	-	-	-	-
	<b>Total</b>	95,529,457.12	11,702,129.30	30,206,431.66	41,908,760.96	137,438,218.08	34,959,883.72	55,800,683.94	32,376,676.22	123,137,243.88

*[Signature]*  
Pechon Choden  
Project Focal Officer

*[Signature]*  
Dorjy Wangdi  
Director, DoS, MoF

*[Signature]*  
Sonam Tobgyel  
Project Manager

*[Signature]*  
Tshering Dorji  
Chief Finance Officer



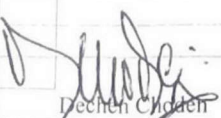
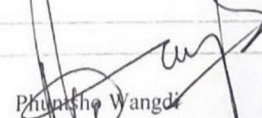
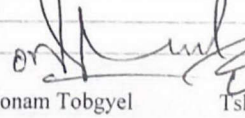
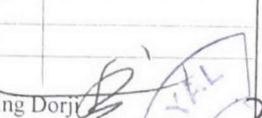
**Interim Unaudited Financial Report**  
**MINISTRY OF FINANCE**  
**PFM-MDF FINANCED STRENGTHENING PUBLIC FINANCIAL MANAGEMENT PROJECT**  
**World Bank Grant No. TF0A5549 - BT**

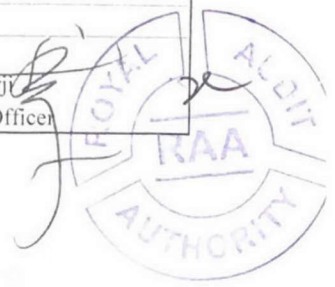
Semester (July 2020 - December 2020) Fiscal Year 2020-21  
**Designated Account Reconciliation Statement & Cash Projection**  
**Currency of Advance Account: Ngultrums**

<b>PART I</b>		<b>Nu.</b>
1	Total advance received as of last reporting period	173,028,872.71
2	Advance received this reporting period	36,616,212.89
3	Total advance received as of this reporting period (A)	<b>209,645,085.60</b>
4	Total documented as of last reporting period	95,529,457.12
5	Documented this reporting period	11,702,129.30
6	Total documented as of this reporting period (B)	<b>107,231,586.42</b>
7	<b>Total advance outstanding to be documented (A-B)</b>	<b>102,413,499.18</b>
<b>PART II</b>		
1	Total expenditures as of this reporting period (C)	107,231,586.42
2	Forecast for the next 3 quarters (D)	87,883,346.06
3	Total cash requirement as of this reporting period (E=C+D)	195,114,932.48
4	Less: Total advance received as of this reporting period (F)	209,645,085.60
5	Less: Advance already cleared by the Bank <b>not yet claimed</b> (G)	
6	<b>Additional advance to be requested (E-F-G)</b>	<b>(14,530,153.12)</b>
<b>PART III</b>		
1	Total advance received as of this reporting period (H)	209,645,085.60
2	Total transferred to Government treasury as of last reporting period (I)	125,108,995.04
3	Transferred to Government treasury in this reporting period (J)	0.00
4	<b>Designated Account Closing Balance as of this reporting period K=(H-I-J)</b>	<b>84,536,090.56</b>
5	<b>Actual Designated Account Closing Balance as of this reporting period (L)</b>	<b>47,919,877.67</b>
6	<b>Difference M=(K-L) * Refer the note below:</b>	<b>36,616,212.89</b>
<b>PART IV</b>		
1	Total transferred to Government Consolidated Account as of this reporting period	125,108,995.04
2	Less: Total expenditures as of this reporting period	107,231,586.42
3	<b>Balance in Government Consolidated Account as of this reporting period</b>	<b>17,877,408.62</b>

*Note: \* The Bank Statement of the Designated Account for the reporting period would show a difference of Nu.36,616,212.89. This is because the RMA had transferred this amount into a wrong account. DMEA has been requested vide letter No.DPA/AD-MDF/2020-2021/586 dated 25th January 2021 to rectify this to reflect accordingly in future reports. A copy of the latest bank statement is attached for reference.*

<b>Workings</b>		
Closing Bank Balance (Note: Release received in January: 4,044,000.00)		13,764,050.70
Fund with Govt. Budget Fund Account (4,113,357.92)		4,113,357.92
		<b>17,877,408.62</b>

 Dechen Choden Project Focal Officer	 Phuntsho Wangdi Director, Dos, MoF	 Sonam Tobgyel Project Manager	 Tshering Dorji Chief Finance Officer
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**Interim Unaudited Financial Report**  
**MINISTRY OF FINANCE**  
**PFM-MDF FINANCED STRENGTHENING PUBLIC FINANCIAL MANAGEMENT PROJECT**  
**World Bank Grant No. TF0A5549 - BT**

Semester (Jan 2021 - June 2021) Fiscal Year 2020-21  
**Designated Account Reconciliation Statement & Cash Projection**  
**Currency of Advance Account: Ngultrums**

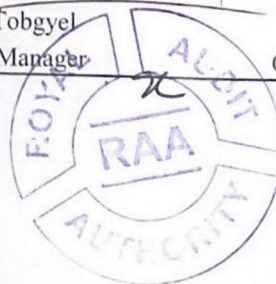
<b>PART I</b>		<b>Nu.</b>
1	Total advance received as of last reporting period	209,645,085.60
2	Advance received this reporting period	0.00
3	Total advance received as of this reporting period (A)	<b>209,645,085.60</b>
4	Total documented as of last reporting period	95,529,457.12
5	Documented this reporting period	11,702,129.30
6	Total documented as of this reporting period (B)	<b>107,231,586.42</b>
7	<b>Total advance outstanding to be documented (A-B)</b>	<b>102,413,499.18</b>
<b>PART II</b>		
1	Expenditure for current reporting period (C)	<b>30,206,631.66</b>
2	Total expenditures as of this reporting period (D)=( C+B)	137,438,218.08
3	Forecast for the next 3 quarters (D)	123,137,243.88
4	Total cash requirement as of this reporting period (E=C+D)	260,575,461.96
5	Less: Total advance received as of this reporting period (F)	209,645,085.60
6	Less: Advance already cleared by the Bank <b>not yet claimed</b> (G)	
7	<b>Additional advance to be requested (E-F-G)</b>	<b>50,930,376.36</b>
<b>PART III</b>		
1	Total advance received as of this reporting period (H)	209,645,085.60
2	Total transferred to Government treasury as of last reporting period (I)	125,108,995.04
3	Transferred to Government treasury in this reporting period (J)	20,000,000.00
4	<b>Designated Account Closing Balance as of this reporting period K=(H-I-J)</b>	<b>64,536,090.56</b>
<b>PART IV</b>		
1	Total transferred to Government Consolidated Account as of this reporting period	145,108,995.04
2	Less: Total expenditures as of this reporting period	137,438,218.08
3	<b>Balance in Government Consolidated Account as of this reporting period</b>	<b>7,670,776.96</b>
<b>Workings</b>		
Closing Bank Balance		-
Fund with Govt. Budget Fund Account		7,670,776.96
		<b>7,670,776.96</b>

*Dechen Choden*  
Dechen Choden  
Project Focal Officer

*Phurtscho Wangdi*  
Phurtscho Wangdi  
Director, Dos, MoF

*Sonam Tobgyel*  
Sonam Tobgyel  
Project Manager

*Tshering Dorji*  
Tshering Dorji  
Chief Finance Off



FINANCIAL INFORMATION ON EXTERNAL PROJECTS INCLUDING OUTSTANDING ADVANCES

FOR THE FISCAL YEAR 2019-2020 TO 2021-2022

FICCODE FROM - 4616 FICCODE TO- 4616 / DONOR - ALL

(Amount in Nu.)

FY/AU	FIC	ADMINISTRATIVE UNIT/PROJECT NAME	CASH RECEIPT	RELEASE	EXP-INCASH	OUTSTANDING ADVANCE	REFUND	CASH WITH GOVT.
2019-2020 202.01		MINISTRY OF FINANCE						
	4616	Balance from Previous years: MDF for Strengthening Public Financial Management Project	47,608,995.04			0.00		21,043,941.70
		Balance carried forward from Pems		7,804,000.00	5,035,213.00	0.00		
		202.01/05/00/040/002/006.01/4616[GOODS AND SERVICE TAX GST IMPLEMENTATION]		2,888,000.00	2,885,933.81			
		202.01/05/00/040/002/006.01/4616[GOODS AND SERVICE TAX GST IMPLEMENTATION]		11,838,000.00	8,088,344.58			
		202.01/05/00/040/002/006.02/4616[IMPROVING BUDGET REPORT ANALYSIS AND CLASSIFICATION]		9,250,000.00	9,030,698.57			
		202.01/05/00/040/002/006.03/4616[STRENGTHENING PUBLIC PROCUREMENT SYSTEM]		2,500,000.00	1,989,570.71			
		202.01/05/00/040/002/006.04/4616[STRENGTHENING PUBLIC FINANCIAL MANAGEMENT PROCESS AND SYSTEMS AND THEIR INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM IFMIS]		11,846,941.70	11,674,366.47			
		202.01/05/00/040/002/006.05/4616[IMPLEMENTATION OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS IPSAS]						
		202.01/05/00/040/002/006.06/4616[STRENGTHENING AND ENHANCING INTERNAL AUDIT EFFECTIVENESS]						



*[Handwritten signatures and initials]*

Printed Date:13/07/2021

**FINANCIAL INFORMATION ON EXTERNAL PROJECTS INCLUDING OUTSTANDING ADVANCES**  
FOR THE FISCAL YEAR 2019-2020 TO 2021-2022

FICCODE FROM - 4616 FICCODE TO- 4616 / DONOR - ALL

FY/IAU	FIC	ADMINISTRATIVE UNIT/PROJECT NAME	CASH RECEIPT	RELEASE	EXP-IN CASH	OUTSTANDING ADVANCE	REFUND	CASH WITH GOVT.
		202.01/05/00/040/002/006.08/4616[CAPACITY BUILDING OF PARLIAMENTARY COMMITTEES]		500,000.00	70,844.00			
		202.01/05/00/040/002/006.09/4616[CAPACITY DEVELOPMENT IN PUBLIC FINANCIAL MANAGEMENT PFM]		500,000.00	263,685.00			
		202.01/05/00/040/002/006.11/4616[PROJECT IMPLEMENTATION UNIT]		35,000.00	34,742.68			
		<b>TOTAL 4616:</b>	47,608,995.04	47,161,941.70	39,073,398.82	0.00	0.00	29,579,537.92
		<b>TOTAL 202.01:</b>	47,608,995.04	47,161,941.70	39,073,398.82	0.00	0.00	29,579,537.92
		<b>TOTAL 2019-2020:</b>	47,608,995.04	47,161,941.70	39,073,398.82	0.00	0.00	29,579,537.92
2020-2021	202.01	<b>MINISTRY OF FINANCE</b>						
	4616	MDF for Strengthening Public Financial Management Project	20,000,000.00			0.00		29,579,537.92
		Balance from Previous years:				0.00		
		Balance carried forward from Pems				0.00		0.00
		202.01/05/00/040/002/006.01/4616[GOODS AND SERVICE TAX GST IMPLEMENTATION ]			16,994,369.26			
		202.01/05/00/040/002/006.01/4616[GOODS AND SERVICE TAX GST IMPLEMENTATION]	17,682,655.00					

*[Handwritten signatures and initials]*

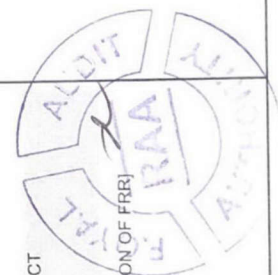
FINANCIAL INFORMATION ON EXTERNAL PROJECTS INCLUDING OUTSTANDING ADVANCES

FOR THE FISCAL YEAR 2019-2020 TO 2021-2022

(Amount in Nu.)

FICCODE FROM - 4616 FICCODE TO - 4616 / DONOR - ALL

FY/AU	FIC	ADMINISTRATIVE UNIT/PROJECT NAME	CASH RECEIPT	RELEASE	EXP-INCASH	OUTSTANDING ADVANCE	REFUND	CASH WITH GOVT.
		202.01/05/00/040/002/006.03/4616[STRENGTHENING PUBLIC PROCUREMENT SYSTEM]		1,946,720.00	1,636,797.30			
		202.01/05/00/040/002/006.04/4616[STRENGTHENING PUBLIC FINANCIAL MANAGEMENT PROCESS AND SYSTEMS AND THEIR INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM IFMIS]		8,965,400.00	8,853,813.39			
		202.01/05/00/040/002/006.05/4616[IMPLEMENTATION OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS IPSAS]		6,196,000.00	4,074,156.70			
		202.01/05/00/040/002/006.06/4616[STRENGTHENING AND ENHANCING INTERNAL AUDIT EFFECTIVENESS]		560,000.00	279,710.00			
		202.01/05/00/040/002/006.07/4616[SUPPORT TO ACCOUNTING AND AUDITING STANDARD BOARD OF BHUTAN AASBB ON IMPLEMENTING BHUTAN ACCOUNTING STANDARD BAS AND ESTABLISHMENT OF PAC]		2,080,000.00	528,000.00			
		202.01/05/00/040/002/006.08/4616[CAPACITY BUILDING OF PARLIAMENTARY COMMITTEES]		3,500,000.00	3,463,900.45			
		202.01/05/00/040/002/006.09/4616[CAPACITY DEVELOPMENT IN PUBLIC FINANCIAL MANAGEMENT PFM]		760,000.00	687,539.86			
		202.01/05/00/040/002/006.11/4616[PROJECT IMPLEMENTATION UNIT]		6,595.00	1,841.00			
		202.01/05/00/040/002/006.12/4616[REVISION OF FRR]		25,000.00	20,211.00			



*Handwritten signatures and initials:*  
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 [Signature]  
 [Signature]

Printed Date:13/07/2021

**FINANCIAL INFORMATION ON EXTERNAL PROJECTS INCLUDING OUTSTANDING ADVANCES**  
FOR THE FISCAL YEAR 2019-2020 TO 2021-2022

FICCODE FROM - 4616 FICCODE TO-4616 / DONOR - ALL (Amount in Nu.)

FY/IAU	FIC	ADMINISTRATIVE UNIT/PROJECT NAME	CASH RECEIPT	RELEASE	EXP-INCASH	OUTSTANDING ADVANCE	REFUND	CASH WITH GOV'T.
		202.01/05/00/04/002/006.13/4616[DEVELOPMENT OF ONLINE TADA SYSTEM]		3,311,000.00	3,310,726.00			
		202.01/05/00/04/002/006.14/4616[CLUSTERING OF FINANCE SERVICES]		2,185,600.00	2,057,696.00			
		<b>TOTAL 4616:</b>	20,000,000.00	47,218,970.00	41,908,760.96	0.00	0.00	7,670,776.96
		<b>TOTAL 202.01:</b>	20,000,000.00	47,218,970.00	41,908,760.96	0.00	0.00	7,670,776.96
		<b>TOTAL 2020-2021:</b>	20,000,000.00	47,218,970.00	41,908,760.96	0.00	0.00	7,670,776.96
		<b>GRAND TOTAL:</b>	67,608,995.04	94,380,911.70	80,982,159.78	0.00	0.00	7,670,776.96

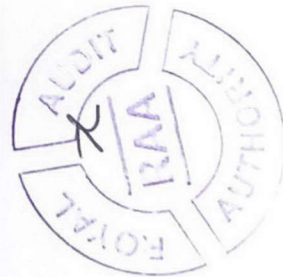
**Formula for Cash With Government**

**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



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BANK OF BHUTAN

STATEMENT OF ACCOUNT

ACCOUNT NO. : 200787259  
CUSTOMER NO : 20479827  
STATEMENT FROM : 01-JUL-2020 to 30-JUN-2021  
DATE OF OPENING : 10-OCT-2017  
OD Limit : 0  
CURRENT BALANCE : 64,536,090.56  
RATE : 0

ACCOUNT TYPE : CA - GOVERNMENT DEPT  
NAME : MDF FOR STRENGTHENING PUBLIC FINANCIAL  
MANAGEMENT PROJECT  
ADDRESS : DEPT OF MACROECONOMIC AFFAIRS  
: MOF  
: THIMPHU  
: THIM=THROM NA  
: 000000  
BRANCH NAME : THIMPHU MAIN BRANCH

Opening Balance as on 29/01/2021: 47,919,877.67

POST DATE	VALUE DATE	PARTICULARS	CHEQUE NO/ REFERENCE	DEBIT	CREDIT	BALANCE
29/01/2021	29/01/2021	BY BY TRANSFER:WRONGLY CREDITED TO ACC 200452959 DMEA/DMD/L/-5549: BILL 000000020045295:00020			36,616,212.89	84,536,090.56
08/03/2021	08/03/2021	TO TO TRANSFER:DMEA/DMD/G-5549/2020- 21/3133: BILL 000000010093572:00020		20,000,000.00		64,536,090.56
Total				20,000,000.00	36,616,212.89	

STATEMENT SUMMARY :-

OPENING BALANCE	TOTAL DEBIT	TOTAL CREDIT	CLOSING BALANCE
47,919,877.67	20,000,000.00	36,616,212.89	64,536,090.56

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.

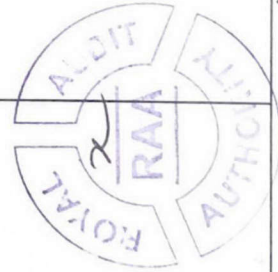
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**MINISTRY OF FINANCE**  
**Receipts and Payments Statement**  
 For A/C. No. 202,01/2011-PLC

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	<b>Opening Balance :</b> a. Cash b. Bank	0.00 12,208,269.74	44,068.00			
2	<b>Releases :</b> a. Budgetary b. Non-Revenue c. Refundable Deposits d. Un-cashed Cheques	9,965,572.00 0.00 0.00	47,218,970.00 144,000.00 0.00			
3	<b>Grants in-Kind :</b>	0.00	0.00	0.00	0.00	
4	<b>Borrowings in-Kind :</b>	0.00	0.00	0.00	0.00	
5	<b>Revenue Receipts/Remittances :</b>	427,713.00	915,602.00	427,713.00	915,602.00	
6	<b>Other Recoveries/Remittances :</b> a. GPF: Employee Contribution b. Govt. Insurance Scheme c. Other Insurance Premia d. Loans from Fin. Instts. e. Others	0.00 600.00 0.00 0.00 0.00	0.00 7,200.00 0.00 0.00 0.00	0.00 600.00 0.00 0.00 0.00	0.00 7,200.00 0.00 0.00 0.00	
7	<b>Personal Advances :</b>	0.00	0.00	0.00	0.00	
8	<b>Miscellaneous Receipts/Payments :</b> a. Non-Revenue A/C. Deposits b. Refundable Deposit A/C. Deposits	0.00 0.00	0.00 0.00	0.00 0.00	144,000.00 0.00	0.00



*[Handwritten signatures and initials]*

**MINISTRY OF FINANCE**  
 Receipts and Payments Statement  
 For A/C. No. 202.01/2011-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.)	
9	c. Payments to DPA	0.00	0.00	0.00	44,068.00	
	d. Others	0.00	0.00	0.00	0.00	
	<b>Suspense :</b>					
	a. Stock	0.00	0.00	0.00	0.00	0.00
	b. Purchases	0.00	0.00	0.00	0.00	0.00
	c. PW Advances	90,394.00	90,394.00	90,394.00	90,394.00	0.00
10	d. Intra-Agency Assignments	0.00	0.00	0.00	0.00	
	e. Deposit Works	0.00	0.00	0.00	0.00	
	f. Other Deposits	0.00	0.00	0.00	0.00	
	<b>Budgetary Expenditure :</b>					
	a. Current			0.00	0.00	
	b. Capital			16,863,632.70	41,908,760.96	
11	c. Lending			0.00	0.00	
	d. Repayment			0.00	0.00	
	<b>Closing Balances :</b>					
	a. Cash			0.00	0.00	
b. Bank			5,310,209.04	5,310,209.04		
	<b>Grand Total :</b>	<b>22,692,548.74</b>	<b>48,420,234.00</b>	<b>22,692,548.74</b>	<b>48,420,234.00</b>	



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 Head of Finance Section

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 (Signature)  
 Head of Office



MINISTRY OF FINANCE

Expenditure Statement

Printed Date : 13/07/2021

For A/C No. : 202.01/2011 - PLC

Program Code : 040 - PUBLIC ACCOUNTS SERVICES

For the Month Of JUNE - 2021

Codes			Expenditure for the month (Nu.)			Current Budget Amount (Nu.)			Annual Progressive Expenditure (Nu.)		
SP	AC	SAC	FIC	OBC	Name	Amount	PERS ADV&PWA	Suspense	Amount	Personal Advance	Suspense
002	006	01	4616		MANAGEMENT & SUPPLEMENTARY SERVICES				17,952.00		
				45.01	STRENGTHENING OF PUBLIC FINANCIAL MANAGEMENT PROJECT	276,037.00			142,000.00		
				45.02	GOODS AND SERVICE TAX GST IMPLEMENTATION	2,415,031.00			13,339,000.00		
				54.02	MDF for Strengthening Public Financial Management Project	1,605,470.00			5,767,000.00		
				54.03	Training - Human Resource Development	741,076.00			1,606,000.00		
				55.01	Training - Others				1,605,470.00		
				55.01	Office Equipment				1,606,000.00		
				55.01	Computers & Peripherals				1,605,470.00		
				55.01	Professional Services				1,605,470.00		
				93.05	PWA Others				3,674,000.00		
					<b>Total FIC</b>	<b>5,037,614.00</b>				<b>16,994,369.26</b>	
					<b>Current Capital Lending Repaymen</b>						
					<b>Total Sub-Activity</b>	<b>5,037,614.00</b>				<b>16,994,369.26</b>	
					<b>Current Capital Lending Repaymen</b>						
		03	4616		STRENGTHENING PUBLIC PROCUREMENT SYSTEM						
				45.02	MDF for Strengthening Public Financial Management Project	11,568.00			1,061,000.00		
				55.01	Training - Others	47,930.00			1,297,000.00		
				55.01	Professional Services				576,300.30		

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Printed Date :13/07/2021

Expenditure Statement

For A/C No. : 202.01/2011 - PLC

Program Code : 040 - PUBLIC ACCOUNTS SERVICES

For the Month Of JUNE - 2021

SP	AC	SAC	FIC	ORC	Name	Expenditure for the month (Nu.)			Annual Progressive Expenditure (Nu.)		
						Amount	PERS ADV&PWA	Suspense	Amount	Personal Advance	Suspense
					<b>Total FIC</b> Current Capital Lending Repayment	59,498.00			1,636,797.30		
					<b>Total Sub-Activity</b> Current Capital Lending Repayment	59,498.00			1,636,797.30		
	04				STRENGTHENING PUBLIC FINANCIAL MANAGEMENT PROCESS AND SYSTEMS AND THEIR INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM IFMIS						
			4616		MDF for Strengthening Public Financial Management Project						
				54.02	Office Equipment	228,400.00			250,899.00		
				54.03	Computers & Peripherals				374,630.00		
				55.01	Professional Services	5,182,126.50			8,228,284.39		
					<b>Total FIC</b> Current Capital Lending Repayment	5,410,526.50			8,853,813.39		
					<b>Total Sub-Activity</b> Current Capital Lending Repayment	5,410,526.50			8,853,813.39		
	05				IMPLEMENTATION OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS IPSAS						
			4616		MDF for Strengthening Public Financial Management Project						
				45.02	Training - Others				1,774,000.00		
									51,496.00		

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Printed Date : 13/07/2021

Expenditure Statement

For A/C No. : 202.01/2011 - PLC  
 Program Code : 040 - PUBLIC ACCOUNTS SERVICES

For the Month Of JUNE - 2021

SP	Codes			Name	Expenditure for the month (Nu.)			Annual Progressive Expenditure (Nu.)				
	AC	SAC	FIC		OBC	Amount	PERS ADV&PWA	Suspense	Current Budget Amount (Nu.)	Amount	Personal Advance	Suspense
				55.01	Professional Services	4,022,660.70			11,500,000.00	4,022,660.70		
				93.05	PWA Others	4,022,660.70				4,074,156.70		
					<b>Total FIC</b>	<b>4,022,660.70</b>				<b>4,074,156.70</b>		
					<b>Total Sub-Activity</b>	<b>4,022,660.70</b>				<b>4,074,156.70</b>		
					Current Capital Lending Repayment							
	06		4616	45.02	STRENGTHENING AND ENHANCING INTERNAL AUDIT EFFECTIVENESS MDF for Strengthening Public Financial Management Project				8,814,000.00	13,610.00		
				54.03	Training - Others				353,000.00	266,100.00		
					Computers & Peripherals	266,100.00						
					<b>Total FIC</b>	<b>266,100.00</b>				<b>279,710.00</b>		
					<b>Total Sub-Activity</b>	<b>266,100.00</b>				<b>279,710.00</b>		
					Current Capital Lending Repayment							
	07		4616	54.03	SUPPORT TO ACCOUNTING AND AUDITING STANDARD BOARD OF BHUTAN AASBB ON IMPLEMENTING BHUTAN ACCOUNTING STANDARD BAS AND ESTABLISHMENT OF PAO MDF for Strengthening Public Financial Management Project				528,000.00	528,000.00		
					Computers & Peripherals	528,000.00						

Printed Date : 13/07/2021

Expenditure Statement

For A/C No. : 202.01/2011 - PLC

Program Code : 040 - PUBLIC ACCOUNTS SERVICES

For the Month Of JUNE - 2021

SP	AC	SAC	FIC	OBC	Name	Expenditure for the month (Nu.)			Annual Progressive Expenditure (Nu.)		
						Amount	PERS ADV&PWA	Suspense	Amount	Personal Advance	Suspense
					<b>Total FIC</b>	528,000.00			528,000.00		
					<b>Total Sub-Activity</b>	528,000.00			528,000.00		
					Current Capital Lending Repaymen						
					Current Capital Lending Repaymen						
		08	4616		CAPACITY BUILDING OF PARLIAMENTARY COMMITTEES						
				45.01	MDF for Strengthening Public Financial Management Project				2,000,000.00		
				55.01	Training - Human Resource Development Professional Services				4,000,000.00		
					<b>Total FIC</b>				3,463,900.45		
					<b>Total Sub-Activity</b>				3,463,900.45		
					Current Capital Lending Repaymen						
					Current Capital Lending Repaymen						
		09	4616		CAPACITY DEVELOPMENT IN PUBLIC FINANCIAL MANAGEMENT PFM						
				45.01	MDF for Strengthening Public Financial Management Project						
					Training - Human Resource Development	181,567.50			2,189,000.00		
					<b>Total FIC</b>	181,567.50			687,539.86		
					<b>Total Sub-Activity</b>	181,567.50			687,539.86		
					Current Capital Lending Repaymen						
					Current Capital Lending Repaymen						

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Printed Date : 13/07/2021

Expenditure Statement

For A/C No. : 202.01/2011 - PLC  
 Program Code : 040 - PUBLIC ACCOUNTS SERVICES

For the Month Of JUNE - 2021

SP	AC	SAC	Codes			Name	Expenditure for the month (Nu.)			Annual Progressive Expenditure (Nu.)					
			FIC	OBC			Amount	PERS ADV&PWA	Suspense	Current Budget Amount (Nu.)	Amount	Personal Advance	Suspense		
		11	4616			Total Sub-Activity Current Capital Lending Repayment  PROJECT IMPLEMENTATION UNIT MDF for Strengthening Public Financial Management Project Professional Services	181,567.50			687,539.86					
				55.01		Total FIC Current Capital Lending Repayment	246.00			1,841.00					
		12	4616			Total Sub-Activity Current Capital Lending Repayment  REVISION OF FRR MDF for Strengthening Public Financial Management Project Training - Others	246.00			1,841.00					
				45.02		Total FIC Current Capital Lending Repayment				20,211.00			1,000,000.00		
		13	4616			Total Sub-Activity Current Capital Lending Repayment  DEVELOPMENT OF ONLINE TADA SYSTEM MDF for Strengthening Public Financial Management Project Training - Others				20,211.00					
				45.02		Total FIC Current Capital Lending Repayment				20,211.00			3,310,726.00		
										3,311,000.00					

Printed Date: 13/07/2021

Expenditure Statement

For A/C No. : 202.01/2011 - PLC  
 Program Code : 040 - PUBLIC ACCOUNTS SERVICES

For the Month Of JUNE - 2021

Codes				Expenditure for the month (Nu.)				Annual Progressive Expenditure (Nu.)				
SP	AC	SAC	FIC	OBC	Name	Amount	PERS ADV&PWA	Suspense	Current Budget Amount (Nu.)	Amount	Personal Advance	Suspense
					<b>Total FIC</b>					3,310,726.00		
					<b>Total Sub-Activity</b>					3,310,726.00		
					Current Capital Lending Repayment							
					Current Capital Lending Repayment							
					CLUSTERING OF FINANCE SERVICES							
					MDF for Strengthening Public Financial Management Project							
					Training - Others	171,820.00			1,000,000.00	823,806.00		
					Office Equipment	285,600.00			1,000,000.00	333,890.00		
					Computers & Peripherals	900,000.00			1,500,000.00	900,000.00		
					<b>Total FIC</b>					2,057,696.00		
					Current Capital Lending Repayment	1,357,420.00						
					<b>Total Sub-Activity</b>					2,057,696.00		
					Current Capital Lending Repayment	1,357,420.00						
					<b>Total Activity</b>					41,908,760.96		
					Current Capital Lending Repayment	16,863,632.70						
					<b>Total Sub-Program</b>					41,908,760.96		
					Current Capital Lending Repayment	16,863,632.70						

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Printed Date :13/07/2021

Expenditure Statement

For A/C No. : 202.01/2011 - PLC  
 Program Code : 040 - PUBLIC ACCOUNTS SERVICES

For the Month Of JUNE - 2021

Codes				Name	Expenditure for the month (Nu.)			Current Budget Amount (Nu.)		Annual Progressive Expenditure (Nu.)		
SP	AC	SAC	FIC		OBC	Amount	PERS ADV&PIWA	Suspense	Amount	Personal Advance	Suspense	
					Total Program	16,863,632.70						
					Current Capital Lending Repaymen							
					Grand Total	16,863,632.70			41,908,760.96			
					Current Capital Lending Repaymen							

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MINISTRY OF FINANCE

Bank Reconciliation Statement  
For A/C. No. 202.01/2011

Printed date : 05/07/2021

For the Month of June - 2020-2021

Particulars	Amount (Nu.)	Remarks
<b>A. Particulars :</b>		
1. Total Releases from DPA	47,362,970.00	
2. Less: Closing Balance as per Cash book	5,310,209.04	
3. Difference : Funds withdrawn as per Cash book (1-2)	42,052,760.96	
<b>B. Reconciliation :</b>		
1. Funds withdrawn as per Bank statement of the Bank	42,052,760.96	
2. Add: Cheques issued but not cashed (Annex - 1)	0.00	
3. Add: Amount debited in Cash book but not in Bank statement (Annex - 2)	0.00	
<b>Total (1+2+3)</b>	42,052,760.96	
4. Less: Amount debited in bank statement but not in cash book (Annex - 3)	0.00	
<b>Total(1+2+3-4)</b>	42,052,760.96	



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Head of Finance Section  
Page 1 of 1





BANK OF BHUTAN

Refresh Date: 7/2/2021

BaNCs ACCOUNT STATEMENT FOR LC/PLC ACCOUNT

Page 1

FROM 01-Jun-2021 TO 30-Jun-2021

Acct No : 500000251
Acct Branch : THIMPHU MAIN BRANCH
Acct Name : PFM MDF PROJECT MOF
Address1 : NIL
Address2 :

Total Budget Alloted : 0.00
Opening Bal : 28,888,102.96
Total Withdrawl : 42,052,760.96
Available Balance : -42,052,760.96

Table with columns: TXN DT, TXN DESCRIPTION, CHEQUE NO PARTICULARS, DEBIT AMOUNT, RUNNING BAL. Contains transaction details from 6/2/2021 to 6/25/2021.



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BANK OF BHUTAN

Refresh Date: 7/2/2021

Page 2

BaNCs ACCOUNT STATEMENT FOR LC/PLC ACCOUNT

FROM 01-Jun-2021 TO 30-Jun-2021

6/25/2021	WITHDRAWAL TRANSFE	PI2021062500415917\	031 032	5,718.00	37,999,459.46
6/25/2021	WITHDRAWAL TRANSFE	PI2021062500415943\	2709	18,816.00	38,018,275.46
6/25/2021	WITHDRAWAL TRANSFE	PI2021062500416115\	721	2,337,918.00	40,356,193.46
6/28/2021	WITHDRAWAL TRANSFE	PI2021062800421155\	2338	73,500.00	40,429,693.46
6/28/2021	WITHDRAWAL TRANSFE	PI2021062800422641\	00734	335,552.00	40,765,245.46
6/28/2021	WITHDRAWAL TRANSFE	PI2021062800422783\DV432184577262TDS		73,350.00	40,838,595.46
6/28/2021	WITHDRAWAL TRANSFE	SWIFT NO: 140051168 INT REF NO : 0000090525		715,423.50	41,554,018.96
6/28/2021		SWIFT NO: 140051168 INT REF NO : 0000090525		500.00	41,554,518.96
6/28/2021		SWIFT NO: 140051168 INT REF NO : 0000090525		1,431.00	41,555,949.96
6/29/2021	WITHDRAWAL TRANSFE	PI2021062900426352\DV4221846184751ds		275,640.00	41,831,589.96
6/29/2021	WITHDRAWAL TRANSFE	PI2021062900427628\DV4221846089891ds		22,127.00	41,853,716.96
6/29/2021	WITHDRAWAL TRANSFE	PI2021062900427792\ TA claim		11,568.00	41,865,284.96
6/29/2021	WITHDRAWAL TRANSFE	PI2021062900429086\ 033		4,940.00	41,870,224.96
6/29/2021	WITHDRAWAL TRANSFE	PI2021062900429126\ 33		168,168.00	42,038,392.96
6/29/2021	WITHDRAWAL TRANSFE	PI2021062900430111\DV4221845503031ds		3,524.00	42,041,916.96
6/30/2021	WITHDRAWAL TRANSFE	PI2021063000431931\ Less		10,844.00	42,052,760.96
				<b>Total Withdrawal:</b>	<b>42,052,760.96</b>

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ROYAL GOVERNMENT OF BHUTAN  
MINISTRY OF FINANCE  
TASHICHHO DZONG



MoF/ACCTS/PFM-MDF-01/20-21/266

August 26, 2021

The Auditor General  
Royal Audit Authority  
Royal Government of Bhutan

Hon'ble Dasho,

This assertion letter is provided in connection with your audit of the financial statements of the PFM-MDF financed strengthening public financial management project for the year ended June 2021. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the cash basis of accounting followed by the Royal Government of Bhutan, and we confirm to the best of our knowledge and belief, the following representations made to you during your audit:

- The project financial statements are free of material misstatements, including omissions.
- Project funds have been used for the purposes for which they were provided.
- Project expenditures are eligible for financing under the Credit/ Grant agreement.
- There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the project financial statements.
- We have made available to you all books of account and supporting documentation relating to the project.
- The project has complied with the conditions of all relevant legal agreements, including the Financial Agreement, the Project Agreement, the Project Appraisal Document, the Minutes of Negotiations and the Borrower's Project Implementation plan.

Yours Sincerely,

(Project Manager)  
Sonam Tobgyel



(Chief Finance Officer)  
Tshering Dorji



དུས་ཚོ་ས་ལྷན་ཁག།

ROYAL GOVERNMENT OF BHUTAN  
MINISTRY OF FINANCE  
TASHICHHO DZONG





MoF/ACCTS/PFM-MDF-01/ 20-21/267

August 20, 2021

### Significant Accounting Policies and Explanatory Notes

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

  
(Dechen Choden)  
Project Focal Officer

  
(Sonam Tobgyel)  
Project Manager

  
(Tshering Dorji)  
Chief Finance Officer

  
(Phuntsho Wangdi)  
Director, DoS, MoF



## ANNEXURES

**Annexure – A: Profile**

**Project Title:** Strengthening Public Financial Management (PFM)

**Project Duration:** 21.07.2017-30.11.2022.

**Project Funding:** USD 4.000 million

**Funding Agency:** World Bank funded Project-Multi-Donor Fund Grant

**Implementing Agency:** Department of Public Accounts, Ministry of Finance.

The Project components with its sub-component and their costing are as indicated below:

<b>PFM-MDF FINANCED "STRENGTHENING PFM PROJECT"</b>			
<b>Project Components/Sub-Components</b>		<b>Project cost</b>	<b>% of Total</b>
<b>1</b>	<b>Strengthening PFM Legal and Institutional Framework</b>	<b>1.000</b>	<b>25.0%</b>
i	Setting the legal and operational environment and developing a roadmap for the GST Introduction	0.800	20.0%
ii	Improving Budget documentation and classification through enhanced focus on gender and climate change	0.200	5.0%
<b>2</b>	<b>Strengthening Budget Execution and Oversight Capacities</b>	<b>2.200</b>	<b>55.0%</b>
<b>2a</b>	<b>Strengthening Public Procurement Systems including automation</b>	<b>0.400</b>	<b>10.0%</b>
i	Design and Implementation of Electronic Government Procurement (e-GP)	0.250	6.3%
ii	Procurement policy review and capacity development	0.150	3.8%
<b>2b</b>	<b>Improving Accounting and Reporting Systems</b>	<b>0.950</b>	<b>23.8%</b>
i	Strengthening PFM processes and information systems and their integration for moving towards IFMIS	0.600	15.0%
ii	Implementing IPSAS	0.350	8.8%
<b>2c</b>	<b>Strengthening Internal Controls and Accountability Institutions</b>	<b>0.550</b>	<b>13.8%</b>
i	Enhancing Internal Audit Effectiveness	0.350	8.8%
ii	Supporting AASBB on Implementation of Accounting and Auditing Standards and Establishment of Professional Accountancy Organization	0.100	2.5%
iii	Capacity Building of Parliamentary Committees	0.100	2.5%
<b>2d</b>	<b>Capacity Development in PFM</b>	<b>0.300</b>	<b>7.5%</b>
<b>3</b>	<b>Unallocated &amp; Contingences</b>	<b>0.800</b>	<b>20.0%</b>
<b>Total Project Costs</b>		<b>4.000</b>	<b>100.0%</b>

Total expenditure as of June 30, 2021: Nu. 41,908,760.96

### **Project Management**

1. Project Director: Tshering Dorji
2. Project Manager: Sonam Tobgyel
3. Sr. Finance Officer: Tshering Dorji
4. Accountant: Sonam Mendrel Wangmo
5. ADM Officer: Tshering Yangden
6. Procurement: Yeshey Tharchen

### **Major Activities:**

Despite the Covid-19 pandemic, RGoB remained committed to strengthening Public Financial Management (PFM) in the country. The Project's major activities in its third year of implementation are continued implementation of reforms such as strengthening of procurement process, Integrated Financial Management Information System (IFMIS), Internal Audit and implementation of cash basis International Public Sector Accounting Standards (IPSAS), The enactment of Goods and Service Tax (GST) Law, completion of Phase II of electronic Government Procurement (e-GP) system and notification of cash basis IPSAS. During the pandemic, the reforms introduced through the Project enabled RGoB to respond effectively. The online payment system - electronic Public Expenditure Management System (e-PEMS) facilitated uninterrupted financial services including the disbursement of Druk Gyalpo's Relief Kidu.

## **Annexure – B: Achievements**

The Royal Audit Authority while reviewing the accounting records and operations of the “MDF grant for Strengthening Public Financial Management”, Implemented by the Department of Public Accounts, MoF, Thimphu had also reviewed the plans and programs implemented during the period under audit and noted the following accomplishments:

- i. GST rules and regulations endorsed by the Ministry.
- ii. The Budget Report included a section on the Climate Change
- iii. Electronic Government Procurement System (eGP) Phase II launched in July 2020.
- iv. Completed IT audit of the Government PFM systems.
- v. Electronic Daily Allowance & Travel System (eDATS) launched in February 2021
- vi. Cluster Finance Service Offices launched in Paro, Bumthang & Tashi Yangtshi Dzongkhags and Judiciary in Thimphu
- vii. Completed training for the Members of Economic and Finance Committee on the Legislative Scrutiny of Budget Report

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