

The Republic of the Union of Myanmar
Ministry of Planning and Finance
Budget Department

Mr. Morten Larsen

Task Team Leader of EITI
Mining Specialist
Energy and Extractive Industries
World Bank Group

17 October 2016

Dear Mr. Morten,

Subject: Submission of Audit Report and Management Letter for EITI-MDTF Grant USD 290,000

Reference: The Office of the Auditor General of the Union, Audit Department's Letter No. Sahaa-5/4019 (257/2016) dated 17-10-2016

Warm greetings from MEITI Office!

With reference to the above mentioned letter from the Audit Department, the Office of the Auditor General of the Union I am pleased to send Standard Audit Report for the year ended 31 March 2016 including Audited Financial Statement, Auditor's Opinion and Management Letter of EITI-MDTF Grant (USD 290,000) funded by World Bank during 2015-2016 fiscal year.

This report had been prepared by Office of the Auditor General of the Union after they had audited the project implementation process during the month of August 2016. Please kindly see the attached files for necessary arrangement.

Thank you very much for your cooperation so far and I look forward with pleasure to receiving your acknowledgement on this matter at your earliest convenience.

Sincerely yours,



Khin Khin Lwin

Director

Fiscal Policy, Strategy and EITI Division

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

Letter No. Sahsa-5 / 4091 (236/ 2016)

Date. 29 September 2016

To /

Union Minister
Ministry of Planning and Finance

Subject: Submission of Audit Report and Management Letter

Reference: Ministry of Planning and Finance Letter No. SaBa/Bandar-5/2/3(2070/2016)
dated 12-7-2016

1. Reference is made to the above mentioned request letter, we have audited the Financial Statements for the year ended 31 March 2016 of Myanmar Extractive Industries Transparency Initiative (EITI) Project funded by the World Bank implemented during the fiscal year 2015-16 by Budget Department.

2. We hereby attached a copy of audit report and management letter for necessary action.

Attachment: (1) A copy of Audit Report (5 Pages)
(2) A Management letter (3 Pages)

(Signed)

On behalf of the Auditor - General of the Union
(Khin San Oo, Permanent Secretary)

Copy to:

- Office Copy
- Float file

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

Audit Report
on
Project Activities and Financial Statements
for the Year Ended 31 March 2016
of Myanmar Extractive Industries Transparency Initiative (METI) Project
Funded by the World Bank implemented during the Fiscal Year 2015-16

By

Budget Department
Ministry of Planning and Finance

Date: 29 September 2016

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Audit Report on the Financial Statements for the Year Ended 31 March 2016 of Myanmar Extractive Industries Transparency Initiative (MEITI) Project Funded by the World Bank Implemented during the Fiscal Year 2015-16 by Budget Department, Ministry of Planning and Finance.

Introduction

1. The Project Financial Statements for the year ended 31 March 2016 of Myanmar Extractive Industries Transparency Initiative (MEITI) Project funded by the World Bank implemented during the fiscal year 2015-16 by Budget Department, Ministry of Planning and Finance were audited by the Office of the Auditor General of the Union with supporting documents in accordance with the Generally Accepted Auditing Standards (GAAS).

Management's Responsibility on Financial Statements

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

Responsibility of Auditor

3. Our responsibility is to conduct audit on the financial statements in accordance with generally accepted auditing standards and those standards require us to comply with the code of ethics for auditors and to give appropriate audit opinion as per audit findings after conducting audit with reasonable assurance whether material misstatement exists in financial statements.

4. During the audit, regarding to figures and disclosures in financial statements, we obtained audit evidences by evaluating errors and deficiencies and applying audit procedures based on auditor's assessment and judgment. In this regards, we have obtained sufficient audit evidence in order to give audit opinion.

Audit Opinion

5. Financial Statements of Myanmar Extractive Industries Transparency Initiatives (MEITI) project for the year ended 31 March 2016, funded by the World Bank, implemented by Budget Department, Ministry of Planning and Finance, have been properly prepared in accordance with recognized standards on accounting for the project.

(Signed)

On behalf of the Director-General

(Khine Khine Aung , Deputy Director General)

TF A0156
 Myanmar Extractive Industries Transparency Initiatives
 Sources and Uses of Funds Statement
 Interim Financial Report for the year ended 31 March 2016

(MMK)

		Actual		
		Current Semester	Year to date	Cumulative to date
Receipts				
IDA		171,446,145.00	171,446,145.00	171,446,145.00
Direct Payment		135,183,290.90	135,183,290.90	135,183,290.90
Total receipts	(a)	306,629,435.90	306,629,435.90	306,629,435.90
Expenditure by project component				
Component 1: Production of Myanmar's First EITI Report		135,183,290.90	135,183,290.90	135,183,290.90
Component 2: Creation and Operation of the National Secretariat		171,442,305.82	171,442,305.82	171,442,305.82
Total payments	(b)	306,625,596.72	306,625,596.72	306,625,596.72
Excess (deficit) receipts over payments	c = a - b	3,839.18	3,839.18	3,839.18
Opening funds balance				
Cash at Bank		0	0	0
Advance payments				
Petty Cash				
Total opening funds balance	(d)	0	0	0
Closing funds balance	e = c + d	3,839.18	3,839.18	3,839.18
Represented by:				
Cash at Bank		3,839.18	3,839.18	3,839.18
Advance payments				
Petty Cash				
Total	f	3,839.18	3,839.18	3,839.18
Check (all should zero)	g = e - f	(0.00)	(0.00)	(0.00)


SIGNATURE: *S. Sun Win*
 NAME: Sun Win
 TITLE: Deputy Director
 DATE: _____

SIGNATURE: *e.f.*
 NAME: Daw Phyu Phyu Thant
 TITLE: Assistant Director
 DATE: _____

Myanmar: Extractive Industries Transparency Initiatives
Sources and Uses of Funds Statement
Interim Financial Report for the year ended 31 March 2016

(MMK)

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		Current Semester	Year to date	Cumulative to date
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Cash at Bank				
Advance payments				
Petty Cash				
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Closing funds balance	e = c + d	3,839.18	3,839.18	3,839.18
Represented by:				
Cash at Bank		3,839.18	3,839.18	3,839.18
Advance payments				
Petty Cash				
Total	f	3,839.18	3,839.18	3,839.18
Check (all should zero)	g = e - f	(0.00)	(0.00)	(0.00)

SIGNATURE: NAME: H. Sun WinTITLE: Deputy DirectorDATE: 13 May 2016SIGNATURE: NAME: Daw Phyu Phyu ThantTITLE: Assistant DirectorDATE: 13 May 2016

Myanmar: Extractive Industries Transparency Initiatives
Statement of Uses of Funds by Components
Interim Financial Report for the year ended 31 March 2016

(MMK)

	Budget			Actual			Variance
	Current Semester	Current year	Project budget per PAD	Current Semester	Year to date	Cumulative to date	Current year
Expenditure by component/sub-components							
Component 1: Production of Myanmar's First EITI Report	167,050,000.00	167,050,000.00	167,050,000.00	135,183,290.90	135,183,290.90	135,183,290.90	31,866,709.10
Component 2: Creation and Operation of the National Secretariat	205,600,000.00	205,600,000.00	205,600,000.00	171,442,305.82	171,442,305.82	171,442,305.82	34,157,694.18
Total Expenditure	372,650,000.00	372,650,000.00	372,650,000.00	306,625,596.72	306,625,596.72	306,625,596.72	66,024,403.28

For Component 1 : We budgeted USD 130,000 for Independent Administrator, Moore Stephens but in reality we utilized as actual cost of USD 108,575 for IA as per their financial proposal.

For Component 2 : We planned USD 160,000 for this component but the study tour for Congo PDR did not materialize due to taking time for getting visa.

Myanmar Extractive Industries Transparency Initiative
Statement of Uses of Funds by Categories
Interim Financial Report for the year ended 31 March 2016

Annex 4.3

	Budget(MMK)			Actual(MMK)			(MMK)
	Current Semester	Current year	Project budget per PAD	Current Semester	Year to date	Cumulative to date	Variance
							Current year
Expenditure by expenditure categories							
<i>Disbursement Category 1</i>							
Goods	39,835,000.00	39,835,000.00	39,835,000.00	36,220,460.00	36,220,460.00	36,220,460.00	3,614,540.00
Consultants Services	167,050,000.00	167,050,000.00	167,050,000.00	146,187,290.90	146,187,290.90	146,187,290.90	20,862,709.10
Non-Consulting Services	21,202,500.00	21,202,500.00	21,202,500.00	20,842,397.00	20,842,397.00	20,842,397.00	360,103.00
Training and Workshop	138,073,250.00	138,073,250.00	138,073,250.00	99,495,838.00	99,495,838.00	99,495,838.00	38,577,412.00
Incremental Operating Cost	6,489,250.00	6,489,250.00	6,489,250.00	3,879,610.82	3,879,610.82	3,879,610.82	2,609,639.18
							-
Total Expenditure	372,650,000.00	372,650,000.00	372,650,000.00	306,625,596.72	306,625,596.72	306,625,596.72	66,024,403.28

- For Goods: We bought office furniture and equipment as per procurement plan but some office furniture and equipment have not been purchased due to out of stock at that time.
- For Consultants Services: We set aside USD 130,000 for Independent Administrator's consultancy fees and Communication Skill consultancy fees, but actually we utilized USD 108,575 for IA fees and USD 8,000 for training consultant fees excluding taxes. (Taxes will be incurred by non-consulting services.)
- For Non-Consulting Services: We planned to utilize international bank charges in this category but we have no need to consume bank charges for such remittances.
- For Training and Workshop: We, at first, planned to visit Congo PDR as study tour, and budgeted USD 33,000 for this trip. But this trip did not materialize due to taking time for getting visa.
- For Incremental Operating Cost: We have budgeted USD 5,050 for purchasing office related consumable products but we only utilized USD 3,019 as actual cost due to some items are not eligible for this category.