



**Project "Vietnam COVID-19 Emergency  
Response Project"**

**Audited Financial Statements**

Under Financing Agreement No. TF0B3197 between  
the World Bank and the Government of the Socialist  
Republic of Vietnam

Period from 1 August 2020 to 31 March 2021

MINISTRY OF HEALTH

National Institute of Hygiene and Epidemiology

Project "Vietnam COVID-19 Emergency Response Project"

*Under Financing Agreement No. TFOB3197 between the World Bank and the Government of the Socialist Republic of Vietnam*

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## MINISTRY OF HEALTH

National Institute of Hygiene and Epidemiology

Project "Vietnam COVID-19 Emergency Response Project"

*Under Financing Agreement No. TF0B3197 between the World Bank and the Government of the Socialist Republic of Vietnam*

### **STATEMENT OF THE PROJECT MANAGEMENT UNIT**

Project Management Unit of the Project "Vietnam COVID-19 Emergency Response Project" ("Project Management Unit") submits this report with the special purpose audited financial statements of the Project "Vietnam COVID-19 Emergency Response Project" ("the Project") using the World Bank's aids and the counterpart funds from the Government of Vietnam for the period from 1 August 2020 to 31 March 2021.

#### **The Project**

Project "Vietnam COVID-19 Emergency Response Project" ("WB-VNCOVID-19") was funded by the World Bank from Trusted Fund of Pandemic Emergency Financing Facility (Pandemic Emergency Financing Facility – PEF) for the implementation period from 1 August 2020 to 31 January 2021 through Financing Agreement No. TF0B3197 dated 30 July 2020 (The Project had a 2 month extension).

Total investment of the Project was of USD6,559,523 (equivalent to VND152,443,314,520) including non-refundable ODA of USD6,227,824 (equivalent to VND144,734,629,760) and the counterpart funds of USD331,699 disbursed in the following forms: Cash of USD20,000 (equivalent to VND464,800,000); infrastructure, available equipment and part of the personnel costs of the units participating in the Project, amounting to USD311,699 (equivalent to VND7,243,884,760).

Project Management Unit: Ministry of Health.

Project Owner Agency: National Institute of Hygiene and Epidemiology.

Co-implementer: The Center for Research and Production of Vaccines and Medical Biologicals (POLYVAC) and project beneficiaries.

Location: The Project was implemented in all provinces in Vietnam.

The implementation period of the Project was from 1 August 2020 to 31 March 2021 (including a 2-month extension).

The overall objective of the Project: Strengthen the capacity of Vietnam's health sector in its efforts to detect and respond to risks posed by the Covid-19 pandemic.

Specific objectives of the Project include:

- Objective 1: Strengthening the SARS-CoV-2 monitoring and testing capacity of the Central Institute of Hygiene and Epidemiology to help test quickly, accurately and ensure bio-safety to respond promptly and effectively to the COVID-19 pandemic;
- Objective 2: Strengthening research capacity for COVID-19 vaccines and test kits; and
- Objective 3: Strengthen the testing capacity of laboratory systems in response to the COVID-19 pandemic.

MINISTRY OF HEALTH

National Institute of Hygiene and Epidemiology

Project "Vietnam COVID-19 Emergency Response Project"

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**STATEMENT OF THE PROJECT MANAGEMENT UNIT (CONTINUED)**

The Project consists of the following parts:

- Part 1: Strengthening surveillance and testing capacities in response to the Covid-19 pandemic;
- Part 2: Strengthening research capacity for COVID-19 vaccines and test kits; and
- Part 3: Communication, Project Management, monitoring and evaluation.

**Project Management Unit**

The Project Management Unit was established by the Project owner as the Ministry of Health in Decision No. 3377/QD-BYT dated 31 July 2020 on the establishment of the Technical Assistance Project Management Board "Vietnam COVID-19 Emergency Response Project".

The Project Management Unit members responsible for the management of the Project for the period from 1 August 2020 to 31 March 2021 and at the date of this report were as follows:

Mr. Dang Duc Anh	Director
Ms. Le Thi Quynh Mai	Deputy Director
Mr. Tran Nhu Duong	Deputy Director
Mr. Nguyen Dang Hien	Deputy Director
Mr. Nguyen Hoang	Chief Accountant

**Auditors**

The accompanying Financial Statements for the period from 1 August 2020 to 31 March 2021 have been audited by NEXIA STT Co., Ltd.

MINISTRY OF HEALTH

National Institute of Hygiene and Epidemiology

Project "Vietnam COVID-19 Emergency Response Project"

*Under Financing Agreement No. TFOB3197 between the World Bank and the Government of the Socialist Republic of Vietnam*

**STATEMENT OF THE PROJECT MANAGEMENT UNIT (CONTINUED)**

**Responsibility of the Project Management Unit in respect of the Financial Statements**

The Project Management Unit is responsible for the Financial Statements which give a true and fair view of the financial position and the designated account balance of the Project as at 31 December 2020 and of its funds and expenditures, operations of the designated account and total funds withdrawn for the period from 1 August 2020 to 31 March 2021. In preparing the Financial Statements, the Project Management Unit is required to select suitable accounting policies and then apply them consistently.

The Project Management Unit is responsible for ensuring that proper accounting records are kept which enable the Financial Statements to be prepared in compliance with the accounting policies set out in Note 2 to the Financial Statements. The Project Management Unit is 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 assumes the responsibility to provide, and has provided, the auditors with all accounting records, supporting and other documents, minutes, any pertinent information and explanations, either orally or by written confirmation, necessary for the audit.

**Approval of the Financial Statements**

We hereby approve the accompanying Financial Statements of the Project "Vietnam COVID-19 Emergency Response Project" on pages 11 to 19 which give a true and fair view of the financial position and the designated account balance as at 31 March 2021 and its funds and expenditures, operations of the designated account and total funds withdrawn for the period from 1 August 2020 to 31 March 2021 in accordance with the accounting policies as described in Note 2 to the Financial Statements and grant withdrawals have been adequately reconciled to the statements of expenditures prepared by the Project during the period, and such statements of expenditures were adequately supported. The Financial Statements were prepared in compliance with the Applicable Provisions of the Agreement and other Guidance from the World Bank.

On behalf of the Project Management Unit

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Mr. Dang Duc Anh  
*Director*

Hanoi, date

## **INDEPENDENT AUDITORS' REPORT**

On Project Financial Statements

**To: The Management Unit of the Project "Vietnam COVID-19 Emergency Response Project"**

### **Audit opinion**

We have audited the accompanying Balance Sheet as at 31 March 2021, the Statement of Funds and Expenditures, the Statement of Designated Account and the SOE Withdrawal Schedule for the period from 1 August 2020 to 31 March 2021 (collectively referred to as the "Financial Statements") of the Project "Vietnam COVID-19 Emergency Response Project" implemented by the World Bank's aids through the International Development Association ("IDA") and counterpart funds, and summary of significant accounting policies and other explanatory information.

In our opinion, in all material respects:

- a) The Balance Sheet and the Statement of Funds and Expenditures give a true and fair view of the financial position of the Project as at 31 March 2021 and of its funds and expenditures for the period from 1 August 2020 to 31 March 2021 in conformity with the accounting policies described in Note 2;
- b) The Statement of Designated Account and the SOE Withdrawal Schedule give a true and fair view of the designated account balance as at 31 March 2021 and of operations of the designated account, and of the funds withdrawn for the period from 1 August 2020 to 31 March 2021, in conformity with the accounting policies described in Note 2; and
- c) The Statements of Expenditures and Summary Sheets are fully prepared and maintained with adequate supporting documents to support for the replenishment requests submitted to the World Bank. Funds have been used through these expenditure statements and expenditure summary in accordance with the purposes stated in Funding Agreement No. TF0B3197.

### **Basis 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 accordance with International Ethics Standards, 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.

## **Responsibilities of the Project Management for the Financial Statements**

The Project Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with Note 2 and for such internal control as management determines is necessary to enable the preparation of Financial Statements that is free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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 auditors' 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 the Financial Statements.

A further description of the auditors' responsibilities for the audit of the Financial Statements are included in Appendix I of this auditors' report. This description, which is represented at page 20, forms part of our auditors' report.

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### **NEXIA STT Co., Ltd.**

Nguyen Viet Nga

*Deputy General Director*

Audit Practicing Registration Certificate

No. 2041-2018-225-1

Audit report No.:

Hanoi, date

## **INDEPENDENT AUDITORS' REPORT**

On Compliance with the Applicable Laws, Regulations, Procurement Procedures  
and Other Provisions of the Financing Agreement

**To: The Management Unit of the Project "Vietnam COVID-19 Emergency Response  
Project"**

### **Audit opinion**

We have audited the Compliance with the Applicable Laws, Regulations, Procurement Procedures and Other Provisions of Financing Agreement No. TF0B3197 of the Project "Vietnam COVID-19 Emergency Response Project" ("the Project") implemented by the World Bank's aids through International Development Association ("IDA") and counterpart funds for the period from 1 August 2020 to 31 March 2021.

In our opinion in all material respects, the Project has complied with the Laws, National Procurement Procedures Regulations, and Other Provisions of Financing Agreement No. TF0B3197, which may have a direct and material impact on the Project's financial statements for the period from 1 August 2020 to 31 March 2021.

### **Basis for opinion**

We conducted our engagement in accordance with International Standards on Assurance Engagements 3000. Our responsibility is to express an opinion on the effectiveness of internal control over compliance with requirements that could have a direct and material effect on the Financial Statements as well as internal control over financial reporting based on our examination. We are independent of the Project in accordance with the ethical requirements that are relevant to the audit to evaluate the effectiveness of internal controls on the compliance of the requirements that may directly and materially affect the financial statements as well as of internal control in preparation of financial statements in accordance with International Ethics Standards, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of the Project Management**

The Project Management Board is responsible for compliance with the Applicable Laws, Regulations, Procurement Procedures and Other Provisions of Financing Agreement No. TF0B3197 that could have a direct and material effect on the Financial Statements for the period from 1 August 2020 to 31 March 2021.

### **Auditors' Responsibilities**

Our responsibility is to express an opinion on the Project's compliance with the requirements, based on our procedures. We conducted our engagement in accordance with International Standards on Assurance Engagements 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, 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 the Project involves performing procedures to obtain evidence about whether the Project's activities are free of material noncompliance 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 noncompliance 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.

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**NEXIA STT Co., Ltd.**  
Nguyen Viet Nga  
*Deputy General Director*  
Audit Practicing Registration Certificate  
No. 2041-2018-225-1

Audit report No.:

Hanoi, date

## **INDEPENDENT AUDITORS' REPORT**

On the effectiveness of internal control over compliance with requirements that could have a direct and material financial effect on the Financial Statements as well as of internal control over financial reporting

**To: The Management Unit of the Project "Vietnam COVID-19 Emergency Response Project"**

### **Audit opinion**

We have audited, in accordance with International Standards on Auditing, the Financial Statements of the Project "Vietnam COVID-19 Emergency Response Project" ("the Project") implemented by the World Bank's credits through the International Development Association ("IDA") and counterpart funds for the period from 1 August 2020 to 31 March 2021 and issued the auditors' report thereon expressing an unqualified opinion on those Financial Statements.

In connection with our audit of the Financial Statements, we also examined the effectiveness of internal control over compliance with requirements that could have a direct and material financial effect on the Financial Statements as well as of internal control over financial reporting.

In our opinion, the Project has maintained, in all material respects, effective internal control over compliance with requirements that could have a direct and material financial effect on the Financial Statements as well as of internal control over financial reporting for the period from 1 August 2020 to 31 March 2021.

### **Basis for opinion**

We conducted our engagement in accordance with International Standards on Assurance Engagements 3000. Our responsibility is to express an opinion on the effectiveness of internal control over compliance with requirements that could have a direct and material effect on the Financial Statements as well as internal control over financial reporting based on our examination. We are independent of the Project in accordance with the ethical requirements that are relevant to the audit to evaluate the effectiveness of internal controls on the compliance of the requirements that may directly and materially affect the financial statements as well as of internal control in preparation of financial statements in accordance with International Ethics Standards, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Responsibilities of the Project Management**

The Project Management is responsible for designing and maintaining effective internal control over compliance with requirements that could have a direct and material 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 minimize errors and frauds; and take responsibility for its assertions as to the effectiveness of such internal control.

## **Auditors' Responsibilities**

Our responsibility is to express an opinion on the effectiveness of internal control over compliance with requirements that could have a direct and material effect on the Financial Statements as well as internal control over financial reporting based on our examination.

Our examination was conducted in accordance with International Standard on Assurance Engagement 3000, accordingly, included obtaining an understanding of internal control over compliance with requirements that could have a direct and material effect on the Financial Statements as well as of internal control over financial reporting, testing, and evaluating the design and operating effectiveness of the internal control, and performing such other procedures as we considered necessary in the circumstances to obtain sufficient appropriate evidence on which to base our opinion.

Because of inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not to be prevented or detected on a regular basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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### **NEXIA STT Co., Ltd.**

Nguyen Viet Nga

*Deputy General Director*

Audit Practicing Registration Certificate

No. 2041-2018-225-1

Audit report No.:

Hanoi, date

MINISTRY OF HEALTH

National Institute of Hygiene and Epidemiology

Project "Vietnam COVID-19 Pandemic Emergency Response"

*Under Financing Agreement No. TFOB3197 between the World Bank and the Government of the Socialist Republic of Vietnam*

*Financial Statements for the period from 1 August 2020 to 31 March 2021*

**BALANCE SHEET**

As at 31 March 2021

	<b>Note</b>	<b>As at 31/3/2021 VND</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash at bank – Designated Account	3	16,482,658
Cash at bank – VND account	3	479,242,551
		<hr/>
<b>TOTAL ASSETS</b>		<b>495,725,209</b>
		<hr/>
<b>RESOURCES</b>		
<b>Fund balance</b>		
Fund balance, end of the period	9	495,725,209
		<hr/>
<b>TOTAL RESOURCES</b>		<b>495,725,209</b>
		<hr/> <hr/>

Prepared by:

Approved by:

\_\_\_\_\_  
Nguyen Hoang  
*Chief Accountant*

\_\_\_\_\_  
Dang Duc Anh  
*Director*

Hanoi, date

MINISTRY OF HEALTH

National Institute of Hygiene and Epidemiology

Project "Vietnam COVID-19 Pandemic Emergency Response"

Under Financing Agreement No. TF0B3197 between the World Bank and the Government of the Socialist Republic of Vietnam

Financial Statements for the period from 1 August 2020 to 31 March 2021

**STATEMENT OF FUNDS AND EXPENDITURES**

Period from 1 August 2020 to 31 March 2021

	Note	Period from 1 August 2020 to 31 March 2021			
		IDA Funds VND	Counterpart funds VND	Other funds VND	Total VND
<b>Funds</b>		<b>140,782,101,070</b>		<b>23,600</b>	<b>140,782,124,670</b>
Funds received from the World Bank	4	140,782,101,070	-	-	140,782,101,070
Counterpart funds		-	-	-	-
Other income - Bank interest		-	-	23,600	23,600
<b>Expenditures</b>		<b>139,240,302,291</b>			<b>139,240,302,291</b>
1. Component 1: Strengthening Surveillance and testing capacities in response to the Covid-19 pandemic	5	102,355,676,384	-	-	102,355,676,384
2. Component 2: Strengthening research capacity for COVID-19 vaccines and test kits	6	29,867,000,000	-	-	29,867,000,000
3. Component 3: Communication, Project Management, monitoring and evaluation	7	7,017,625,907	-	-	7,017,625,907
<b>Fund Balance</b>		<b>1,541,798,779</b>		<b>23,600</b>	<b>1,541,822,379</b>
<b>Foreign exchange differences</b>		<b>(1,046,097,170)</b>			<b>(1,046,097,170)</b>
<b>Fund balance, end of the period</b>	9	<b>495,701,609</b>		<b>23,600</b>	<b>495,725,209</b>
<b>Represented by:</b>					
Cash balance (Note 3)					495,725,209

Prepared by:

\_\_\_\_\_  
Nguyen Hoang  
Chief Accountant

Hanoi, date

Prepared by:

\_\_\_\_\_  
Dang Duc Anh  
Director

*The accompanying notes form an integral part of the Financial Statements*

MINISTRY OF HEALTH

National Institute of Hygiene and Epidemiology

Project "Vietnam COVID-19 Pandemic Emergency Response"

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*Financial Statements for the period from 1 August 2020 to 31 March 2021*

**STATEMENT OF DESIGNATED ACCOUNT**

Period from 1 August 2020 to 31 March 2021

*Account No.: 1400288001589*  
*Account holder: Vietnam COVID-19 Emergency Response Project Management*  
*Bank: Vietnam Bank for Agriculture and Rural Development (Agribank)*  
*Address: Lang Ha Branch, 24 Lang Ha, Dong Da District, Hanoi*  
*Financing Agreement No.: TFOB3197*

<b>Part A – Account activities</b>	<b>Note</b>	<b>USD</b>
Balance as at 1 August 2020		-
<b>Add:</b>		
Total amount advanced to the Designated Account		6,077,612.18
<b>Deduct:</b>		
Total amount withdrawn		(6,076,899.94)
		<hr/>
Balance as at 31 March 2021	4	712.24
		<hr/>
<b>Part B – Account reconciliation</b>		
Amount advanced from the World Bank		6,077,612.18
<b>Deduct:</b>		
Amount recovered by the World Bank		(6,076,899.94)
		<hr/>
Outstanding amount advanced to the Designated Account as at 31 March 2021		712.24
		<hr/>
Balance of the Designated Account as at 31 March 2021	3	712.24
		<hr/>
Total advances to the Designated Account as at 31 March 2021		712.24
		<hr/>

Prepared by:

Approved by:

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Nguyen Hoang  
Chief Accountant

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Dang Duc Anh  
Director

Hanoi, date

MINISTRY OF HEALTH

National Institute of Hygiene and Epidemiology

Project "Vietnam COVID-19 Pandemic Emergency Response"

Under Financing Agreement No. TF0B3197 between the World Bank and the Government of the Socialist Republic of Vietnam

Financial Statements for the period from 1 August 2020 to 31 March 2021

**SOE WITHDRAWAL SCHEDULE – ACCOUNT NO. 1400288001589**

Period from 1 August 2020 to 31 March 2021

*Unit: USD*

Withdrawal applications		Amount claimed and documented					Amount received		Variance (*)
No.	Date	<i>Strengthening Surveillance and testing capacities in response to the Covid-19</i>	<i>Strengthening research capacity for COVID-19 vaccines and test kits</i>	<i>Communication, Project Management, monitoring and evaluation</i>	Advance	Total	Date	Amount	
0001	13/8/2020	-	-	-	2,000,000.00	2,000,000.00	14/8/2020	2,000,000.00	-
0002	26/11/2020	1,124,937.38	388,340.33	56,292.31	-	1,569,570.02		-	1,569,570.02
0003	7/1/2021	-	-	-	3,000,000.00	3,000,000.00	8/1/2021	3,000,000.00	-
0004	26/1/2021	-	-	-	1,000,000.00	1,000,000.00	27/1/2021	1,000,000.00	-
0005	12/3/2021	3,114,898.12	910,976.03	96,826.08	-	4,122,700.23		-	4,122,700.23
0006	18/3/2021	-	-	-	77,612.18	77,612.18	19/3/2021	77,612.18	-
0007	25/3/2021	212,004.65	-	172,625.04	-	384,629.69		-	384,629.69
<b>Total</b>		<b>4,451,840.15</b>	<b>1,299,316.36</b>	<b>325,743.43</b>	<b>6,077,612.18</b>	<b>12,154,512.12</b>		<b>6,077,612.18</b>	<b>6,076,899.94</b>

(\*) Differences were due to the recovered amount to Project's expenditures through reimbursements 0002, 0005, and 0007.

Prepared by:

Approved by:

Nguyen Hoang  
Chief Accountant

Dang Duc Anh  
Director

Hanoi, date

*The accompanying notes form an integral part of the Financial Statements*

## MINISTRY OF HEALTH

National Institute of Hygiene and Epidemiology

Project "Vietnam COVID-19 Pandemic Emergency Response"

*Under Financing Agreement No. TF0B3197 between the World Bank and the Government of the Socialist Republic of Vietnam*

*Financial Statements for the period from 1 August 2020 to 31 March 2021*

### **NOTES TO THE FINANCIAL STATEMENTS**

Period from 1 August 2020 to 31 March 2021

#### **1. Project background**

Project "Vietnam COVID-19 Emergency Response Project" ("WB-VNCOVID-19") was funded by the World Bank from Trusted Fund of Pandemic Emergency Financing Facility (Pandemic Emergency Financing Facility – PEF) for implementation period from 1 August 2020 to 31 January 2021 through Financing Agreement No. TF0B3197 dated 30 July 2020 (The Project had 2 months extension).

Total investment of the Project was of USD6,559,523 (equivalent to VND152,443,314,520) including non-refundable ODA of USD6,227,824 (equivalent to VND144,734,629,760) and the counterpart funds of USD331,699 disbursed in the following forms: Cash of USD20,000 (equivalent to VND464,800,000); infrastructure, available equipment and part of the personnel costs of the units participating in the Project, amounting to USD311,699 (equivalent to VND7,243,884,760).

Project Management Unit: Ministry of Health.

Project Owner Agency: National Institute of Hygiene and Epidemiology.

Co-implementer: The Center for Research and Production of Vaccines and Medical Biologicals (POLYVAC) and project beneficiaries.

Location: The Project was implemented in all provinces in Vietnam.

The implementation period of the Project was from 1 August 2020 to 31 March 2021 (including 2 months extension).

The overall objective of the Project: Strengthen the capacity of Vietnam's health sector in its efforts to detect and respond to risks posed by the Covid-19 pandemic.

Specific objectives of the project include:

- Objective 1: Strengthening the SARS-CoV-2 monitoring and testing capacity of the Central Institute of Hygiene and Epidemiology to help test quickly, accurately and ensure bio-safety to respond promptly and effectively to the COVID-19 pandemic;
- Objective 2: Strengthening research capacity for COVID-19 vaccines and test kits; and
- Objective 3: Strengthen the testing capacity of laboratory systems in response to the COVID-19 pandemic.

The Project consists of the following components:

- Component 1: Strengthening surveillance and testing capacities in response to the Covid-19 pandemic;
- Component 2: Strengthening research capacity for COVID-19 vaccines and test kits; and
- Component 3: Communication, Project Management, monitoring and evaluation.

## MINISTRY OF HEALTH

National Institute of Hygiene and Epidemiology

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*Financial Statements for the period from 1 August 2020 to 31 March 2021*

## 2. Summary of significant accounting policies

The significant accounting policies, which have been adopted by the Project Management Unit in the preparation of the Financial Statements, are as follows:

### Reporting currency

The Balance Sheet and the Statement of Funds and Expenditures are expressed in Vietnam Dong ("VND"). The Statement of Designated Account and SOE Withdrawal Schedule are expressed in United States Dollar ("USD").

### Basis of preparation of the Financial Statements

The Financial Statements are prepared and presented by the Project, complying with Circular No. 107/TT-BTC dated 10 October 2017 ("Circular 107") issued by the Ministry of Finance. The financial statements are prepared on the modified cash basis.

### Funds

IDA funds are recorded when credited to the Designated Account of the Project.

### Expenditures

Expenditures financed by IDA are recorded when the obligation to pay them arises rather than when actually paid.

### Fiscal year

The Project's fiscal years was from 1 January to August 2020 to 31 March 2021 (including a 2-month extension).

### Foreign exchange differences

Fund from World Bank received in United States Dollar ("USD") are converted into Vietnam Dong ("VND") according to exchange rates announced by the Ministry of Finance at the date of receipt.

Transactions incurred in the year via the Designated Account are converted into VND using exchange rates ruled by the Project bank at transaction dates for expenditures denominated in VND.

Foreign exchange differences are taken up in the Statement of Funds and Expenditures into Funds received from the World Bank account.

### Designated Account

Designated Account is a deposit account in USD opened at the Vietnam Bank for Agriculture and Rural Development (Agribank) for settlements of the Project. Payments made via the Designated Account are for eligible expenditures of the Project in accordance with provisions of Financing Agreement No.TFOB3197 dated 30 July 2020.

MINISTRY OF HEALTH

National Institute of Hygiene and Epidemiology

Project "Vietnam COVID-19 Pandemic Emergency Response"

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*Financial Statements for the period from 1 August 2020 to 31 March 2021*

**3. Cash at bank**

No.	Account	As at 31/3/2021	
		Original amount USD	Equivalent to VND
1	USD 1400288001589 (*)	712.24	16,482,658
2	VND 1400288001572 (**)	-	479,242,551
		<hr/>	<hr/>
		712.24	495,725,209
		<hr/>	<hr/>

Accounts were opened in Vietnam Bank for Agriculture and Rural Development (Agribank), Lang Ha Branch, No. 24 Lang Ha, Dong Da District, Hanoi.

(\*): The account balance designated to receive ODA funds as at 31 March 2021 represented the amount to be repaid to the World Bank. This account was closed on 19 April 2021 after the Bank had reviewed and approved the refund amount according to Withdrawal Application No. 0008.

(\*\*): The VND account balance as of 31 March 2021 represented the amount that will be used to pay the cost of auditing the financial statements of the Project "Vietnam COVID-19 Emergency Response Project" for the period from 1 August 2020 to 31 March 2021 and the amount of interest arising on this account.

**4. Funds received from the World Bank**

Details of fund received from the World Bank for the period from 1 August 2020 to 31 March 2021 were as follows:

Date of receipts	Period from 1/8/2020 to 31/3/2021		
	USD	Equivalent to VND	
14 August 2020	2,000,000.00	46,418,000,000	
8 January 2021	3,000,000.00	69,426,000,000	
27 January 2021	1,000,000.00	23,142,000,000	
19 March 2021	77,612.18	1,796,101,070	
		<hr/>	<hr/>
		6,077,612.18	140,782,101,070
		<hr/>	<hr/>

MINISTRY OF HEALTH

National Institute of Hygiene and Epidemiology

Project "Vietnam COVID-19 Pandemic Emergency Response"

*Under Financing Agreement No. TFOB3197 between the World Bank and the Government of the Socialist Republic of Vietnam*

*Financial Statements for the period from 1 August 2020 to 31 March 2021*

**5. Component 1: Strengthening surveillance and testing capacities in response to the COVID-19 pandemic**

	<b>Period from 1/8/2020 to 31/3/2021 VND</b>
Training cost	4,514,133,563
Research costs	2,033,752,000
Cost of consumables	6,353,679,000
Equipment cost	89,216,684,621
Other costs	237,427,200
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	102,355,676,384
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**6. Component 2: Strengthening research capacity for COVID-19 vaccines and test kits**

This represented expenses covered by the World Bank fund to purchase equipment for the Center for Research and Production of Vaccines and Medical Biological (POLYVAC).

**7. Component 3: Communication, Project Management, monitoring and evaluation**

	<b>Period from 1/8/2020 to 31/3/2021 VND</b>
Consultants fees	4,719,284,000
Office expenses	371,021,774
Cost of monitoring and evaluation	785,620,133
Cost of making a documentary about Vietnam's fight against COVID-19	1,141,700,000
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	7,017,625,907
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MINISTRY OF HEALTH

National Institute of Hygiene and Epidemiology

Project "Vietnam COVID-19 Pandemic Emergency Response"

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**8. Exchange rate difference**

This represented the exchange rate difference arising when paying the Project's costs from the World Bank's fund.

**9. Fund balance, end of the period**

Fund balance, end of the period included the balance in VND account (including the audit fee for the audit of the financial statements of the Project and the interest arising on the account) and the balance of the Designated Account that must be refunded to the World Bank. The PMU returned the balance on the Designated Account to the World Bank in accordance with Withdrawal Application No. 008 dated 19 April 2021.

Prepared by:

Approved by:

\_\_\_\_\_  
Nguyen Hoang  
*Chief accountant*

\_\_\_\_\_  
Dang Duc Anh  
*Director*

Hanoi, date

## MINISTRY OF HEALTH

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Appendix I – Auditors' Responsibilities for the Audit of the Financial Statements

*Period from 1 August 2020 to 31 March 2021*

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.
- Evaluate the appropriateness of accounting policies used and related disclosures made by Project Management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with Project Management Unit regarding, 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.

We also provide those charged with Project Management Unit with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with Project Management Unit, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters, We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.