

Audited Project Financial Statements

Project Number: 47086-002

Loan 3199

Period covered: 10 May 2015 to 31 March 2016

MYA: Maubin-Phyapon Road Rehabilitation Project

Prepared by the Department of Highways, Ministry of Construction
for the Asian Development Bank
Received on 6 December 2016

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Public Communications Policy (2011) and as agreed between ADB and the Ministry of Construction, Department of Highways.



ကန့်သတ်

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး

စစ်ဆေးရေးဦးစီးဌာန

စာအမှတ်	1342
ရက်စွဲ	25.11.2016

စာအမှတ်၊ စဆ-၅ / ၃၀၂၂ (၂၇၀ / ၂၀၁၆)

ရက်စွဲ၊ ၂၀၁၆ ခုနှစ်၊ နိုဝင်ဘာလ(၂၅)ရက်

သို့

ညွှန်ကြားရေးမှူးချုပ်

လမ်းဦးစီးဌာန

အကြောင်းအရာ။ မအူပင် - ကျိုက်လတ် - ဖျာပုံလမ်း အဆင့်မြှင့်တင်ခြင်းလုပ်ငန်း စီမံကိန်း၏ ၂၀၁၅-၂၀၁၆ ဘဏ္ဍာရေးနှစ် စာရင်းစစ်အစီရင်ခံစာနှင့် စီမံခန့်ခွဲမှုအကြောင်းကြားစာပေးပို့ရန်ကိစ္စ

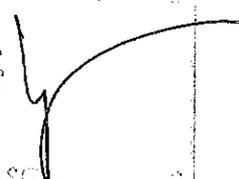
ရည်ညွှန်းချက် ။ လိပ်မူပါဌာန၏ ၂၇-၁၀-၂၀၁၆ ရက်စွဲပါစာအမှတ်၊၀၃၆/PMU/ရသုံး-၁/၂၀၁၆-၂၀၁၇

၁။ ဆောက်လုပ်ရေးဝန်ကြီးဌာန၊ လမ်းဦးစီးဌာနမှ ADB ချေးငွေဖြင့်ဆောင်ရွက်လျက်ရှိသော မအူပင်-ကျိုက်လတ်-ဖျာပုံလမ်း အဆင့်မြှင့်တင်ခြင်းလုပ်ငန်း စီမံကိန်း၏ ၂၀၁၅-၂၀၁၆ ဘဏ္ဍာရေးနှစ် စာရင်းစစ်အစီရင်ခံစာနှင့် စီမံခန့်ခွဲမှုအကြောင်းကြားစာ တို့အား အင်္ဂလိပ်ဘာသာသို့ ပြန်ဆိုထားခြင်းကို ရည်ညွှန်းချက်ပါစာဖြင့်ပေးပို့လာပါသည်။

၂။ သို့ဖြစ်ပါ၍ လိပ်မူပါရုံးမှ ပေးပို့လာသည့် အင်္ဂလိပ်ဘာသာပြန်ဆိုထားသော မအူပင်-ကျိုက်လတ် -ဖျာပုံလမ်း အဆင့်မြှင့်တင်ခြင်းလုပ်ငန်း စီမံကိန်း၏ ၂၀၁၅-၂၀၁၆ ဘဏ္ဍာရေးနှစ် စာရင်းစစ်အစီရင်ခံစာနှင့် စီမံခန့်ခွဲမှုအကြောင်းကြားစာတို့အား ဤရုံးမှ စိစစ်ပြီးဖြစ်ပါ၍ လိုအပ်ချက်များကို ပြန်လည်ပြင်ဆင် ပေးပို့အပ်ပါသည်။

ပူးတွဲ- စာရင်းစစ်အစီရင်ခံစာရွက်ရေ(၆)ရွက်
စီမံခန့်ခွဲမှုအကြောင်းကြားစာရွက်ရေ(၇)ရွက်

ဒု-ညွှန်ကြားမှု(စီမံရေး)
မိခင်ထောင်စုစာရင်းဦးစီးဌာန



ဦးတင်အောင်
လမ်းဦးစီးဌာန

ညွှန်ကြားရေးမှူးချုပ်(ကိုယ်စား)
(ခိုင်ခိုင်အောင်၊ ဒုတိယညွှန်ကြားရေးမှူးချုပ်)

၅-၈၂၈၈၈၇၊



ကန့်သတ်



Restricted

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

Letter No. Sahsa-5 /3022(248 /2016)

Date. 11th October 2016

To

Union Minister
Ministry of construction

Subject: Submission of Audit Report and Management Letter

**Reference: Ministry of construction Letter No. Sah Ka Pha/ audit/
ADB / 2016-2017 dated 15- 6- 2016**

1. Reference is made to the above mentioned request letter, we have audited the financial statements for the year ended 31st March 2016 of Maubin - Kyaiklatt - Pyapon Road Rehabilitation Project Funded by Government Counterpart and Loan from Asian Development Bank implemented during the fiscal year 2015-2016 by Highway Department.

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

Attachment; (1) A copy of Audit Report (6 pages)

(2) A Management Letter (7 pages)

(Signed)

On behalf of the Auditor General of the Union

(Khin San Oo, Permanent Secretary)

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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 Statement
of the year ended 31st March 2016
(From 10th May 2015 to 31st March 2016)

Of Maubin - Kyaiklat- Pyapon Road Rehabilitation Project
Funded by Government Counterpart and Loan from Asian Development Bank
during the Fiscal year 2015-2016

By

Highway Department
Ministry of Construction

Date-11th October 2016

Restricted

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Restricted

Audit report on the Financial Statements for the year ended 31st March 2016 of Maubin - Kyaiklatt - Pyapon Road Rehabilitation Project Funded by Government Counterpart and Loan from Asia Development Bank implemented during the Fiscal year 2015-2016 by Highway Department, Ministry of Construction

Introduction

1. The Project Financial Statements for the year ended 31st March 2016 of Moubin - Kyaiklatt - Pyapon Road Rehabilitation Project Funded by Government Counterpart and Loan from Asia Development Bank implemented during the Fiscal year 2015-2016 (10th May 2015 to 31st March 2016) by Highway Department, Ministry of Construction in accordance with Cash Basis of International Public Sector Accounting Standards (IPSAS-Cash Basis) were audited by the Office of the Auditor General of the Union in accordance with the International Standard of Supreme Audit Institutions (ISSAIs).

Management's Responsibility on Financial Statements

2. The project's Management is responsible for preparation of financial statement which are in line with the Project Administration Manual, Standard and Procedure for Project Accounting, International Public Sector Accounting Standards (IPSAS- Cash Basis); And those statements must be free from material misstatement, whether due to fraud or errors which can lead to the wrong management decisions for internal control system.

Responsibilities of the Auditor

3. Our responsibility is to conduct audit on the financial statements in accordance with International Standard of Supreme Audit Institutions (ISSAIs) 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. The Project Financial Statements of Moubin - Kyaiklatt - Pyapon Road Rehabilitation Project for the year ended 31st March 2016 Funded by Government Counterpart and Loan from Asia Development Bank implemented during the Fiscal year 2015-2016 (10th May 2015 to 31st March 2016) by Highway Department, Ministry of Construction have been properly prepared in accordance with Cash Basis International Public Sector Accounting Standards (IPSAS-Cash Basis) except including 4.010 millions Kyat for compensation paid by using Government counterpart fund in 2014-2015 as project cost of 2015-2016 fiscal year and that has impart on appropriateness for cut-off objective.

6. Moreover, we assumed that project cost for upgrading of Maubin - Kyaiklat- Pyapon Highway, for the year ended 31st March 2016 (from 10-5-2015 to 31-3-2016) were spent in line with the objectives of the ADB Loan Agreement.

(Sign)

On Behalf of Director General
(Khine Khine Aung- Deputy Director General)

ASIAN DEVELOPMENT BANK
 MAUBIN PYAPON ROAD REHABILITATION PROJECT
 LOAN NO. 3199-MYA
 STATEMENT OF SOURCES AND USES OF FUNDS
 FOR THE YEAR ENDED 31 MARCH 2016

	2015-2016			Cumulative to Date
	Notes	ADB LOAN FUNDS MMK	COUNTERPART MMK	TOTAL MMK
Sources of Funds/Receipts of Funds				
Imprest Account	6	73,320,000.00		73,320,000.00
Direct Payment				
SMEC International Pty Ltd	4	1,044,676,580.29		1,044,676,580.29
ICB -1	4	435,159,779.79		435,159,779.79
ICB -2	4	3,684,510,371.89		3,684,510,371.89
Government Counterpart	5		4,010,000.00	4,010,000.00
Subtotal		<u>5,237,666,731.97</u>	<u>4,010,000.00</u>	<u>5,241,676,731.97</u>
Less: Uses of Funds/Expenditures by Category				
Civil Works	4	4,119,670,151.68		4,119,670,151.68
Materials and Equipment	4	0.00		0.00
Environmental and Social Mitigation	5	0.00	4,010,000.00	4,010,000.00
Construction Supervision and Project Implementation Support	4	1,044,676,580.29		1,044,676,580.29
Incremental Administrative Expenses	6	73,197,750.00		73,197,750.00
Interest payments during Construction	7	0.00		0.00
TOTAL PAYMENTS		<u>5,237,544,481.97</u>	<u>4,010,000.00</u>	<u>5,241,554,481.97</u>
Balance (Receipts less Expenditures)		122,250.00	0.00	122,250.00
Add/Less: Reconciling items to Imprest Account Balance				
Bank Charges	8	115,356.80	0.00	115,356.80
Foreign Exchange Differences	9	0.00	0.00	0.00
Net Interest Earned	10	0.00	0.00	0.00
Net Balance of Funds		<u>6,893.20</u>	<u>0.00</u>	<u>6,893.20</u>

ASIAN DEVELOPMENT BANK
MAUBIN PYAPON ROAD REHABILITATION PROJECT
LOAN NO. 3199-MYA
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2015-2016		Cumulative*	
		Receipts / Payments	Payments by Third Parties	Receipts / Payments	Payments by Third Parties
		MMK	MMK	MMK	MMK
CASH RECEIPTS					
External Assistance					
Asian Development Bank - Loans Received	3	73,320,000.00		73,320,000.00	
Asian Development Bank - Third Party Payments for ICB-1	4		435,159,779.79		435,159,779.79
Asian Development Bank - Third Party Payments for ICB-2	4		3,684,510,371.89		3,684,510,371.89
Asian Development Bank - Third Party Payments for SMEC International Pty Ltd	4		1,044,676,580.29		1,044,676,580.29
Other Receipts					
Government of Myanmar	5	4,010,000.00		4,010,000.00	
Total Cash Receipts		77,330,000.00	5,164,346,731.97	77,330,000.00	5,164,346,731.97
CASH PAYMENTS					
Civil Works	4		4,119,670,152		4,119,670,152
Materials and Equipment	4		0.00		0.00
Environmental and Social Mitigation	5	4,010,000.00		4,010,000.00	
Construction Supervision and Project Implementation Support	4		1,044,676,580.29		1,044,676,580
Incremental Administrative Expenditures	6	73,197,750.00		73,197,750.00	0.00
Interest payments during Construction	7		0.00		0.00
Other payments					
Bank Charges	8	115,356.80		115,356.80	0.00
Total Cash Payments		77,323,106.80	5,164,346,731.97	77,323,106.80	5,164,346,731.97
CASH RECEIPTS LESS CASH PAYMENTS					
		6,893.20	0.00	6,893.20	0.00
Add: Foreign Exchange Difference	9	0.00	0.00	0.00	0.00
Net Change in Cash		6,893.20	0.00	6,893.20	0.00
Cash at beginning of Period	2	0.00	0.00	0.00	0.00
Add: Net Change in Cash		6,893.20	0.00	6,893.20	0.00
Net Cash Available		6,893.20	0.00	6,893.20	0.00
Cash at end of Period	2	6,893.20	0.00	6,893.20	0.00

This Statement is to be read in conjunction with the Notes to and forming part of the Statement of Cash Receipts and Payments on pages 5 through 7

*Cumulative figures include years 2015-2016