

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

Audit Report
on the Financial Statements for the Year ended 31 March 2016
of Combined Cycle Gas Turbine (CCGT) Power Plant Project
(Thaton)

Financed by World Bank
Implemented By
Electric Power Generation Enterprise
Ministry of Electricity and Energy

October 11, 2016

Audit Report on the Financial Statements for the Year Ended 31 March 2016 of Combined Cycle Gas turbine (CCGT) Power Plant Project (Thaton) implemented by Electric Power Generation Enterprise ,Ministry of Electricity and Energy with World Bank Loan

Introduction

1. The Project Financial Statements for the year ended 31 March 2016 of Combined Cycle Gas turbine (CCGT) Power Plant Project (Thaton) implemented by Electric Power Generation Enterprise, Ministry of Electricity and Energy with World Bank Loan IDA No. 5306-MM 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 for the 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 Combined Cycle Gas turbine (CCGT) Power Plant Project (Thaton) for the year ended 31st March 2016 implemented by Electric Power Generation Enterprise , Ministry of Electricity and Energy, have been properly prepared in accordance with generally accepted accounting principles except for including USD 150,000 and Myanmar Kyat 40,000,000 of the receipts and USD 26,107.17 and Myanmar Kyat 7,245,000 of the expenditure for 2014-2015 Fiscal Year in the receipts of USD 330,000 and Myanmar Kyat 100,000,000, and

Myanmar Electric Power Project
Project No: 5306 MM
BALANCE SHEET
As of 30 September 2016

Account Description	Actual YTD US\$	Actual YTD MMK
ASSETS		
Cash in Bank	2,659.14	10,063,379.25
Advances to EPGE	103.13	0.00
Total Assets (a)	2,762.27	10,063,379.25
PROJECT EXPENDITURES		
Component 1: Combined Cycle Gas Turbine (CCGT) Power Plant	14,848,347.33	0.00
Component 2: Technical Assistance and Advisory Services	380,276.37	89,936,620.75
Total Project Expenditures (b)	15,228,623.70	89,936,620.75
TOTAL ASSETS AND PROJECT EXPENDITURES (c = (a+b))	15,231,385.97	100,000,000.00
FUNDS		
IDA	15,231,385.97	100,000,000.00
TOTAL FUNDS (d)	15,231,385.97	100,000,000.00

CHECK (c = d)


 General Manager (Finance)
 Electric Power Generation Enterprise

Myanmar: Electric Power Project
Statement of Uses of funds by disbursement category
Semester ended 30th September 2016

(in MMK)


		Actual			Budget		Variance	
		Current Semester	Year to date	Cumulative to date	Current Semester	Current Year	Current Semester	Current Year
Expenditure by expenditure categories	(1) Goods							
	(2) Consultants Services			89,936,620.75	840,682,986.13	1,681,365,972.25	840,682,986.13	1,681,365,972.25
	(3) Non-Consulting Services				6,682,000.00	13,364,000.00	6,682,000.00	13,364,000.00
	(4) Training and Workshops							
	(5) Works						-	-
Total Expenditure				89,936,620.75	847,364,986.13	1,694,729,972.25	847,364,986.13	1,694,729,972.25


Myanmar: Electric Power Project
Project No:5306 MM
Sources and Uses of funds statement
Semester ended 30th September 2016

(in MMK)

	Actual			Budget Estimates			Variance	
	Current Semester	Year to date	Cumulative to date	Current Semester	Current Year	Current Semester	Current Semester	Current Year
Receipts								
Advance								
Direct Payment			100,000,000.00					
Total receipts				847,364,986.13	1,694,729,972.25	847,364,986.13		1,694,729,972.25
	(a)		100,000,000.00	847,364,986.13	1,694,729,972.25	847,364,986.13		1,694,729,972.25
Expenditure by project component								
Component 1: Combined Cycle Gas Turbine (CCGT) Power Plant								
Component 2: Technical Assistance and Advisory Services								
Total Payments								
			89,936,620.75	847,364,986.13	1,694,729,972.25	847,364,986.13		1,694,729,972.25
(b)			89,936,620.75	847,364,986.13	1,694,729,972.25	847,364,986.13		1,694,729,972.25

Excess/(deficit)/receipts over payments	c= a-b		10,063,379.25
Opening funds balance			
Cash of Bank	10,063,379.25	10,063,379.25	
Advance payments			
Petty Cash			
Total opening funds balance	(d)	10,063,379.25	10,063,379.25
Funds available	e=c+d	10,063,379.25	10,063,379.25
Closing funds balance			
Represented by:			
Cash of Bank	10,063,379.25	10,063,379.25	10,063,379.25
Advance payments			
Petty Cash			
Total	f	10,063,379.25	10,063,379.25
Check (all Should Zero)	g= e-f		

Approved By

U Than Naing Oo
Chief Engineer
Thermal Power Department, EPGE

Certified By

Daw Zaw Zaw Than
General Manager
Finance Department, EPGE

Check By

Daw Zin Nyein Aye
Assistant Director
Finance Department, EPGE

Myanmar: Electric Power Project
Project No:5306 MM
Statement of Uses of funds by project component/Sub-components
Semester ended 30th September 2016

(in US\$)

	Actual			Budget			Variance	
	Current Semester	Year to date	Cumulative to date	Current Semester	Current Year	Current Semester	Current Year	Current Year
Expenditure by component/sub-components								
Component 1: Combined Cycle Gas Turbine (CCGT) Power Plant								
1.1 "Turn Key" S&I service	3,787,497.23	3,787,497.23	14,848,347.33	24,698,443.58	49,396,887.15	20,910,946.35	45,609,389.92	
Component 2: Technical Assistance and Advisory Services								
2.1 Development of National Electrification Plan								
2.2 TA on corporate financial analysis and forecasting for electrical Enterprises	36,158.00	36,158.00	180,770.56	18,079.00	36,158.00	(18,079.00)	-	
2.3 Study on the economic value of natural gas for domestic use in Myanmar								
2.4 Owner's engineer				880,000.00	1,760,000.00	880,000.00	1,760,000.00	
2.5 Strengthening of procurement capacity and training on international procurement practices	-	-	146,467.17	-	-	-	-	
2.6 Improvement of financial management				47,493.00	94,986.00	47,493.00	94,986.00	
2.7 Strengthening of environmental and social safe guards capacity								
2.8 Implementation of the Environmental and Social Management Plan (ESMP)	53,038.64	53,038.64	53,038.64	260,000.00	520,000.00	206,961.36	466,961.36	
2.9 TA review electricity tariff procurement				375,000.00	750,000.00	375,000.00	750,000.00	
3.0 Procurement Expenditure				260,000.00	520,000.00	260,000.00	520,000.00	
Total Expenditure	3,876,693.87	3,876,693.87	15,228,623.70	26,539,015.58	53,078,031.15	22,662,321.71	49,201,337.28	