

Audited Project Financial Statements

Project Number: 39225-034

Grant Number: 0400

Period covered: 1 July 2019 to 30 June 2020

Bhutan: South Asia Subregional Economic Cooperation Road Connectivity Project

Prepared by Department of Roads, Ministry of Works and Human Settlement and Thromde,
Phuentsholing

For the Asian Development Bank

Date received by ADB: 30 June 2021

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 Access to Information Policy and as agreed between ADB and the Department of Roads, Phuentsholing and Thromde, Phuentsholing.



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

AIN: 17398

**FINANCIAL AUDIT REPORT OF THE SUB REGIONAL
COOPERATION PROJECT ROAD CONNECTIVITY PROJECT
(SASEC), GRANT No. G-0400-BHU, FUNDED BY ASIAN
DEVELOPMENT BANK (ADB), IMPLEMENTED
BY PHUENTSHOLING THROMDE**

PERIOD: 01 JULY 2019 TO 30 JUNE 2020

JUNE 2021

"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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TITLE SHEET

1.	Title	:	Financial Audit Report of South Asian Sub Regional Economic Cooperation (SASEC) Road Connectivity Project, Phuentsholing Thromde
2.	AIN	:	
3.	Head of the Agency	:	<p>1. Mr. Lungten Jamtsho, Project Director (EID No: 2101064) From: 01 July 2019 to till date</p> <p>2. Mr. Bikash Sharma, Project Coordinator (EID No. 20140103286) From: 01 July 2019 to till date</p>
4.	Drawing and Disbursing Officer	:	<p>1. Mr. Lungten Jamtsho, Project Director (EID No: 2101064) From: 01 July 2019 to till date</p> <p>2. Mr. Bikash Sharma, Project Coordinator (EID No. 20140103286) From: 01 July 2019 to till date</p>
5.	Finance Personnel	:	Mr. Kinzang Nidup, Accounts Assistant (EID No.: 201007232) From 01 July 2018 to till date
6.	Period Audited	:	01 July 2019 to 30 June 2020
7.	Schedule of Audit	:	<p>Plan Start Date: 20 January 2021 End Date: 05 April 2021 Report Issue Date: 21 April 2021</p> <p>Actual Start Date: 20 January 2021 End Date: 05 February 2021 End Date: 01 March 2021</p>
8.	Composition of Teams	:	<p><u>Team Leader:</u> Gyam Dorjee, Sr. Auditor I (EID No. 9410051)</p> <p><u>Team Members:</u> 1. Yan Kr. Bhujel, Audit Officer (EID No. 20150104977)</p> <p>2. Kuch Kumari Subba, Auditor II</p>

			(EID No. 20170709537)
9.	Supervising Officer	:	Penjor, Assistant Auditor General (EID No. 200401105)
10.	Overall Supervising Officer	:	Minjur Dorji, Deputy Auditor General, DF&R, (EID No.200201009)
11.	Engagement Letter No	:	RAA (OAAG-P/ling) ENG-01)/2019-20/638 dated 08 February 2021
12.	Focal Person	:	Kuch Kumari Subba
13.	Date of Exit Meeting	:	13 April 2021

Acronyms& Abbreviation

AAG	:	Assistant Auditor General
AIN	:	Audit Information Number
ADB	:	Asian Development Bank
AR	:	Audit Report
ARA	:	Audit Recovery Account
ATR	:	Action Taken Report
CID No.	:	Citizen Identity Number
DPA	:	Department of Public Accounts
EID No.	:	Employee Identity Number
FY	:	Financial Year
IPC	:	Interim Payment Certificate
ISSAIs	:	International Standards of Supreme Audit Institutions
NBR	:	Northern By-pass Road
OAAG	:	Office of the Assistant Auditor General
PC	:	Project Coordinator
PLC	:	Project Letter of Credit
PMU	:	Project Management Unit
PPAARD	:	Policy, Planning & Annual Audit Report Division
RAA	:	Royal Audit Authority
RGoB	:	Royal Government of Bhutan
RMA	:	Royal Monetary Authority
SASEC	:	South Asia Sub-regional Economic Cooperation

**AUDITORS' REPORT ON THE FINANCIAL
STATEMENTS**



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ROYAL AUDIT AUTHORITY

OFFICE OF THE ASSISTANT AUDITOR GENERAL PHUENTSHOLING

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



AUDITORS' REPORT ON FINANCIAL STATEMENTS OF THE ADB FUNDED PROJECT- SOUTH ASIAN SUB REGIONAL ECONOMIC COOPERATION (SASEC) ROAD CONNECTIVITY PROJECT, GRANT NO. G-0400-BHU FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

Opinion

We have audited the accompanying financial statements of the Asian Development Bank funded Project, “**South Asian Sub-Regional Economic Cooperation (SASEC) Road Connectivity Project**”, implemented by the **Phuentsholing Thromde and Regional Office, Department of Roads, Phuentsholing** (PLC Account No.206.01/2025 which comprise the Receipts and Payments Statement and schedules forming part of financial statements for the financial year ended 30 June 2020.

In our opinion, the financial statements are prepared, in all material respects, in accordance with the Financial Rules and Regulations 2016 and Project Agreement.

Basis for Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). 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 **Phuentsholing Thromde and Regional Office, Department of Roads, Phuentsholing** in accordance with RAA's Code of 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.

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 Financial Rules and Regulations 2016 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 **Phuentsholing Thromde and Regional Office, Department of Road's** financial reporting process.

“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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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 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 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 **Thromde, Phuentsholing and Regional Office, Department of Roads'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 Loan/Grant No.: G-0400-BHU have been utilized for the purpose for which they were provided;
- All expenditures incurred and reported are eligible for financing under the Loan and Grant Agreements;
- With respect to Sources and Uses of Fund and Statement of Expenditures (SoEs), adequate supporting documents has been maintained to support claims to the Asian Development Bank for reimbursements of expenditures incurred;

- The FOREX conversation rate for fund transfer is recognized on the basis of exchange rate prevailing on the date of transfer of fund to the Department of Public Accounts (DPA) from the Foreign Currency Account maintained with Royal Monetary Authority (RMA) of Bhutan;
- The Direct Payment made by the ADB in Foreign Currency has been converted to local currency at the exchange rate prevalent on the date of transfer of fund to the Department of Public Accounts (DPA) from the Foreign Currency Account maintained with Royal Monetary Authority (RMA) of Bhutan;
- All expenditure incurred and reported under each Components are eligible under the Asian Development Bank Project Grant No. G-0400-BHU;
- The financial operations were carried out as per the project agreement and adequate controls instituted to ensure that the funds are used for project related activities;
- The outstanding Public Works Advance (PWA) amounting to Nu. 20,866,376.00 as on 30 June 2019 was found adjusted during the financial year 2019-2020.
- The total expenditure reported for Northern Bypass Road (NBR) Package II was noted to be Nu. 91,429,621.00 as on 30 June 2020, however, since the works were still under progress, therefore the verification is to be taken up in the subsequent audit engagement.



(Penjor)
Assistant Auditor General

Date: 30/06/2021



ENCLOSURES

ROYAL GOVERNMENT OF BHUTAN
PHUENTSHOLING THROMDE
SASEC ROAD CONNECTIVITY PROJECT(RCP) GRANT 0400-BHU
ASIAN DEVELOPMENT BANK(ADB)
FINANCIAL YEAR 1ST JULY 2019-30TH JUNE 2020
SOURCES AND USES OF FUNDS FOR PLC A/C No.- 206.01/2025

ANNEXURE - I

PARTICULARS	CUMMULATIVE TOTAL AS OF PREVIOUS FISCAL YEAR(as of June' 2019)(Nu)			FOR THE CURRENT FISCAL YEAR(Nu)			CUMMULATIVE TOTAL AS OF CURRENT FISCAL YEAR(Nu)		
	ADB	RGoB	Total	ADB	RGoB	Total	ADB	RGoB	Total
	(a)	(b)	(c)=(a)+(b)	(d)	(e)	(f)=(d)+(e)	(g)=(a)+(b)	(h)=(b)+(e)	(i)=(c)+(f)
A. Sources of Funds(Receipts)									
1. Budgetary Funds Released to PIU, PT by DPA	194,560,721.34	53,175,378.00	247,736,099.34	186,196,591.00	43,200,000.00	229,396,591.00	380,757,312.34	96,375,378.00	477,132,690.34
2. Non Budgetary Funds Released to PIU, PT by DPA(Non-Revenue, Refundable, Un-encashed Cheque)	-	-	-	13,950,474.00	3,272,333.00	17,222,807.00	13,950,474.00	3,272,333.00	17,222,807.00
3. Grants in Kind(Receipt)	64,324,272.00	-	64,324,272.00	11,386,209.00	-	11,386,209.00	75,710,481.00	-	75,710,481.00
4. Revenue Receipts/Remittances(Receipts)	5,655,640.00	700,622.00	6,356,262.00	4,464,937.00	895,452.00	5,360,389.00	10,120,577.00	1,596,074.00	11,716,651.00
5. Other Recoveries/Remittances(Recoveries)/Uncashed Cheque	327,015.00	-	327,015.00	-	-	-	327,015.00	-	327,015.00
6. Advance Recoveries/Payments(Recoveries)	22,371,923.00	5,472,605.00	27,844,528.00	25,035,447.00	5,337,829.00	30,373,276.00	47,407,370.00	10,810,434.00	58,217,804.00
7. Miscellaneous Receipts/Payments(Receipts)	12,736,960.00	2,987,681.00	15,724,641.00	18,921,249.00	4,438,317.00	23,359,566.00	31,658,209.00	7,425,998.00	39,084,207.00
8. Opening Cash Balance as on 1st July 2019	-	-	-	-	-	-	-	-	-
9. Opening Advance Balance as on 1st July 2019	-	-	-	-	-	-	-	-	-
Total Source of Funds(Receipts):-	299,976,531.34	62,336,286.00	362,312,817.34	259,954,907.00	57,143,931.00	317,098,838.00	559,931,438.34	119,480,217.00	679,411,655.34
B. Uses of Funds(Payments)									
1. Budgetary Expenditure at PIU, PT	238,777,555.00	43,152,067.98	281,929,622.98	214,728,296.00	42,321,400.90	257,049,696.90	453,505,851.00	85,473,468.88	538,979,319.88
2. Non Budgetary Expenditure(Non-Revenue /Refundable, Uncashed Cheques)	-	-	-	13,950,474.00	3,272,333.00	17,222,807.00	13,950,474.00	3,272,333.00	17,222,807.00
3. Revenue Receipts/Remittances(Remittances)	5,655,640.00	700,622.00	6,356,262.00	4,464,937.00	895,452.00	5,360,389.00	10,120,577.00	1,596,074.00	11,716,651.00
4. Other Recoveries/Remittances(Remittances)/Uncashed	327,015.00	-	327,015.00	-	-	-	327,015.00	-	327,015.00
5. Advance Recoveries/Payments(Payments)	39,712,370.00	8,998,534.00	48,710,904.00	7,695,000.00	1,811,900.00	9,506,900.00	47,407,370.00	10,810,434.00	58,217,804.00
6. Miscellaneous Receipts/Payments(Payments)	12,736,960.00	2,987,681.00	15,724,641.00	18,921,249.00	4,438,317.00	23,359,566.00	31,658,209.00	7,425,998.00	39,084,207.00
Total Fund Use(Payments):-	297,209,540.00	55,838,904.98	353,048,444.98	259,759,956.00	52,739,402.90	312,499,358.90	556,969,496.00	108,578,307.88	665,547,803.88
C. Net Change (A-B)	2,766,991.34	6,497,381.02	9,264,372.36	194,951.00	4,404,528.10	4,599,479.10	2,961,942.34	10,901,909.12	13,863,851.46
D. Opening Balance Starting Fiscal Year 2019 - 2020									
1. Opening Cash Balance as on 1st July 2019	-	-	-	-	-	-	-	-	-
2. Opening Bank Balance as on 1st July 2019	-	-	-	-	-	-	-	-	-
3. Opening Advance Balance as on 1st July 2019	-	-	-	-	-	-	-	-	-
Total Opening Balance:-	-	-	-	-	-	-	-	-	-
E. Closing Balance Ending Fiscal Year 2018 - 2019									
1. Closing Cash Balance as of 30th June 2020 :-	-	-	-	194,951.00	4,404,528.10	4,599,479.10	194,951.00	4,404,528.10	4,599,479.10
2. Closing Bank Balance as of 30th June 2020 :-	-	-	-	(17,340,447.00)	(3,525,929.00)	(20,866,376.00)	-	-	-
4. Closing Advance Balance as of 30th June 2020 :-	-	-	-	(17,145,496.00)	878,599.10	(16,266,896.90)	194,951.00	4,404,528.10	4,599,479.10
Total Closing Balance:-	-	-	-	(17,145,496.00)	878,599.10	(16,266,896.90)	194,951.00	4,404,528.10	4,599,479.10

(Kuenzang Nidup)
Project Accountant
Accounts Asstt.
SASEC Road Connectivity Project
Phuentsholing : Thromde

(Lungten Jamtsho)
Project Director
Executive Secretary
Phuentsholing : Thromde



MINISTRY OF WORKS & HUMAN SETTLEMENT

Receipts and Payments Statement

For A/C. No. 206.01/2025-PLC

For the Month of JUNE - 2020

Annexure - F1

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	Opening Balance :					
	a. Cash	0.00	0.00			
	b. Bank	8,941,133.28				
2	Releases :					
	a. Budgetary	13,886,968.00	229,396,591.00			
	b. Non-Revenue	0.00	0.00			
	c. Refundable Deposits	1,484,102.00	17,222,807.00			
	d. Un-cashed Cheques					
3	Grants in-Kind :	11,386,209.00	11,386,209.00	0.00	0.00	
4	Borrowings in-Kind :	0.00	0.00	0.00	0.00	
5	Revenue Receipts/Remittances :	714,918.00	5,360,389.00	714,918.00	5,360,389.00	
6	Other Recoveries/Remittances :					
	a. GPF; Employee Contribution	0.00	0.00	0.00	0.00	
	b. Govt. Insurance Scheme	0.00	0.00	0.00	0.00	
	c. Other Insurance Premia	0.00	0.00	0.00	0.00	
	d. Loans from Fin. Instts.	0.00	0.00	0.00	0.00	
	e. Others	0.00	0.00	0.00	0.00	
7	Personal Advances :	0.00	0.00	0.00	0.00	0.00
8	Miscellaneous Receipts/Payments :					
	a. Non-Revenue A/C. Deposits	0.00	0.00	0.00	0.00	
	b. Refundable Deposit A/C. Deposits	0.00	0.00	1,714,441.00	23,359,566.00	



MINISTRY OF WORKS & HUMAN SETTLEMENT

Receipts and Payments Statement

For A/C. No. 206.01/2025-PLC

Printed Date :27/09/2021

For the Month of JUNE - 2020

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.)	
	c. Payments to DPA	0.00	0.00	0.00	0.00	
	d.Others	0.00	0.00	0.00	0.00	
9	Suspense :					
	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	0.00	30,373,276.00	0.00	9,506,900.00	0.00
	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	1,714,441.00	23,359,566.00	1,484,102.00	17,222,807.00	-21,861,400.00
10	Budgetary Expenditure :					
	a. Current			0.00	0.00	
	b. Capital			29,614,831.18	257,049,696.90	
	c. Lending			0.00	0.00	
	d. Repayment			0.00	0.00	
11	Closing Balances :					
	a. Cash			0.00	0.00	
	b. Bank			4,599,479.10	4,599,479.10	
	Grand Total :	38,127,771.28	317,098,838.00	38,127,771.28	317,098,838.00	

(Signature)
Head of Finance Section
SASEC Road Connectivity Project
Phuentsholing : Thromde

(Signature)
Executive Secretary
Phuentsholing : Thromde

Page 2 of 2



ROYAL GOVERNMENT OF BHUTAN
PHUENTSHOLING THROMDE
SASEC ROAD CONNECTIVITY PROJECT(RCP) GRANT 0400-BHU
ASIAN DEVELOPMENT BANK(ADB)
FINANCIAL YEAR 1ST JULY' 2019-30TH JUNE' 2020
BUDGETARY EXPENDITURE BY CATEGORY/SUB-CATEGORY FOR PLC A/C No.:- 206.01/2025

ANNEXURE - III

Expenditure Category	PCSS Number	Expenditure For The Financial Year 2019 - 2020 (Nu)			Cumulative Expenditure For The Project Period(Nu)		
		ADB	RGoB	Total	ADB	RGoB	Total
Category 3101-Consulting Services							
1. Consultancy on Detail Design, Procurement Assistance and Construction Supervision for Alay LCS, MDP & Northern Bypass	G13510	22,691,258.00	-	22,691,258.00	136,530,093.00	-	136,530,093.00
Category 3101 Total Expenditure:-		22,691,258.00	-	22,691,258.00	136,530,093.00	-	136,530,093.00
Category 3201-Works and Equipments							
1. Construction of Phuentsholing Bypass Road Package-I	G18021	117,979,045.00	24,203,214.00	142,182,259.00	174,638,660.00	41,274,721.00	215,913,381.00
2. Construction of Phuentsholing Bypass Road Package-II	G18022	74,057,993.00	17,371,628.00	91,429,621.00	142,337,098.00	38,270,213.85	180,607,311.85
3. Construction of Alay Land Customs Station		-	-	-	-	-	-
4. Procurement of Equipments for Alay Land Customs Station		-	-	-	-	-	-
Category 3201 Total Expenditure:-		192,037,038.00	41,574,842.00	233,611,880.00	316,975,758.00	79,544,934.85	396,520,692.85
RGoB Contribution(PIU Management & Operational Cost)							
Budgetary Expenditure from RGoB Contribution		-	746,558.90	746,558.90	-	5,181,975.13	5,181,975.13
RGoB Total Expenditure:-		-	746,558.90	746,558.90	-	5,181,975.13	5,181,975.13
Grand Total Budgetary Expenditure:-		214,728,296.00	42,321,400.90	257,049,696.90	453,505,851.00	84,726,909.98	538,232,760.98

(Kuenzang Nidup),
Project Accountant

Accounts Asstt.
SASEC Road Connectivity Project
Phuentsholing : Thromde

(Lungten Jamtsho)
Project Director


Executive Secretary
Phuentsholing : Thromde



ROYAL GOVERNMENT OF BHUTAN
PHUENTSHOLING THROMDE
SASEC ROAD CONNECTIVITY PROJECT(RCP) GRANT 0400-BHU
ASIAN DEVELOPMENT BANK(ADB)
FINANCIAL YEAR 1ST JULY' 2019-30TH JUNE' 2020
STATEMENT OF TOTAL RELEASES RECEIVED FROM DPA, MOF TO PROJECT'S PLC A/C No.:- 206.01/2025

ANNEXURE - IV

Sl No	Details of Donor/RGoB Releases	Releases For the Year(Nu)			Cummulative Releases For the Project Period(Nu)		
		ADB	RGoB	Total Releases	ADB	RGoB	Total Releases
1	Total Donor and RGoB Fund Releases during the Financial Year 2019-2020.	186,196,591.00	43,200,000.00	229,396,591.00	380,757,312.34	96,375,378.00	477,132,690.34
	Total :-	186,196,591.00	43,200,000.00	229,396,591.00	380,757,312.34	96,375,378.00	477,132,690.34


 (Kuenzang Nidup)
 Project Accountant
 Accounts Asstt.
 SASEC Road Connectivity Project
 Phuentsholing : Thromde


 (Lungten Jamtsho)
 Project Director
 Executive Secretary
 Phuentsholing : Thromde



SASEC ROAD CONNECTIVITY PROJECT(ADB)

PROJECT GRANT NO. BHU-0400

PHUENTSHOLING THROMDE

STATEMENT OF DIRECT PAYMENTS TREATED AS GRANTS IN KIND FOR THE F.Y. 2019-2020

NAME OF

CONSULTANCY FIRM :- M/S SMEC INTERNATIONAL Pty. LTD. AUSTRALIA

NAME OF WORK :- DETAIL DESIGN, PROCUREMENT ASSISTANCE & CONSTRUCTION SUPERVISION

WORK CATEGORY :- 3101-CONSULTING SERVICES(International Consultancy Payment-Direct USD Payment from ADB HQ)

CONTRACT NO. :- PT/SASEC/2014/DD-PA & CSC

PCSS NO. :- G13510

Annexure-V

SL.NO.	NET DIRECT PAYMENT IN US\$	NET DIRECT PAYMENT IN EQUIVALENT BTN	3% TDS RETAINED IN US\$	3% TDS RETAINED & REMITTED IN EQUIVALENT BTN	GROSS INVOICE AMOUNT IN US\$	GROSS INVOICE AMOUNT IN BTN	PAID VIDE WA NO.	Date	EX. RATE APPLICABLE AS ON DATE OF FUND TRANSFER FROM FCA	REMARKS
1	64,888.00	4,505,823.00	2,007.00	139,366.00	66,895.00	4,645,189.00	00136	23.8.2019	69.44	Expenditure in BTN already treated for 3% TDS retained and remitted to DRC. Therefore, the budget line request in kind is requested only for net invoice amount.
2	2,721.00	188,946.00	84.00	5,833.00	2,805.00	194,779.00	00138	25.9.2019	69.44	
3	28,001.00	2,004,032.00	866.00	61,980.00	28,867.00	2,066,011.00	00146	27.11.2019	71.57	
4	25,106.00	1,782,777.00	776.00	55,104.00	25,882.00	1,837,881.00	00153	1.2.2020	71.01	
5	26,896.00	1,909,885.00	832.00	59,080.00	27,728.00	1,968,965.00	00157	24.3.2020	71.01	
6	11,135.00	847,151.00	344.00	26,172.00	11,479.00	873,322.00	00160	5.5.2020	76.08	
7	1,940.00	147,595.00	60.00	4,565.00	2,000.00	152,160.00	00161	3.6.2020	76.08	
8	0.00	-	0.00	-	-	-	-	-	-	
9	0.00	-	0.00	-	-	-	-	-	-	
10	0.00	-	0.00	-	-	-	-	-	-	
TOTAL:-	160,687.00	11,386,209.00	4,969.00	352,100.00	165,656.00	11,738,307.00				

(Kuenzang Nidup)
Project Accountant
SASEC Road Connectivity Project
Phuentsholing : Thromde

(Lungten Jamtsho)
Project Director
Executive Secretary
Phuentsholing : Thromde



ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF WORKS & HUMAN SETTLEMENT
PHUENTSHOLING THROMDE
SASEC ROAD CONNECTIVITY PROJECT (ADB: 8400-BHU)
FINANCIAL YEAR 1ST JULY 2019-30TH JUNE 2020
STATEMENT OF OBA for PLC A/C No.: 206.91/2025

ANNEXURE-VI

ANNEXURE-VI													
SL.NO.	NAME & ADDRESS OF OBA HOLDER	ADVANCE BROUGHT FORWARD FROM PREVIOUS F.Y.		CURRENT ADVANCE SANCTIONED		TOTAL ADVANCE	PRIOR YEAR'S ADVANCE ADJUSTED DURING THE YEAR		CURRENT ADVANCE ADJUSTED		TOTAL ADVANCE ADJUSTED	CLOSING ADVANCE BALANCE AS OF JUNE 2020	
		ADB	RGOB	ADB	RGOB		ADB	RGOB	ADB	RGOB			
Mobilization Advance													
1	Manushin Shitaka-Rigsar Construction JV(NBR-1)	7,648,221.00	1,270,493.00	-	-	8,918,714.00	7,648,221.00	1,270,493.00	-	-	8,918,714.00	-	-
2	Manushin Shitaka-Rigsar Construction JV(NBR-2)	9,694,226.00	2,255,436.00	7,695,000.00	1,805,000.00	21,449,682.00	9,694,226.00	2,255,436.00	7,695,000.00	1,805,000.00	21,449,682.00	-	-
PWA: Employees/Others													
1	Sonam Tobgyal,driver	-	-	-	6,900.00	6,900.00	-	-	-	6,900.00	6,900.00	-	-
	TOTAL :-	17,340,447.00	3,525,929.00	7,695,000.00	1,811,900.00	30,373,276.00	17,340,447.00	3,525,929.00	7,695,000.00	1,811,900.00	30,373,276.00	-	-

(Kuenzang Nidup)
Project Accountant

Accounts Asst.
SASEC Road Connectivity Project
Phuentsholing : Thromde

(Lungten Dorjsho)
Project Director

Executive Secretary
Phuentsholing : Thromde



ROYAL GOVERNMENT OF BHUTAN
PHUENTSHOLING THROMDE
SASEC ROAD CONNECTIVITY PROJECT(RCP) GRANT 0400-BHU
ASIAN DEVELOPMENT BANK(ADB)
FINANCIAL YEAR 1ST JULY' 2019 - 30TH JUNE' 2020
STATEMENT OF DEPOSITS & WITHDRAWALS OF FC ACCOUNT 20771

ANNEXURE - VII

Sl.No.	Narration	RMA's Reference No. & Transaction Date	WA No.	Credit	Debit	Debit Amount in Equivalent Nu		Balance
				USD	USD	Ex. Rate	NU	USD
1	Opening Balance as of 1st July' 2019			360,305.71	-	-	-	360,305.71
2	ADB Fund Withdrawn from FC for PIU, PT	CAM/BK08/1920/9463 dated 30/08/2019		-	360,305.71	71.57	25,787,079.66	-
3	ADB Fund Deposited vide requested WA as Replenishment for PIU, DoR	CAM/GV/1920/15492 dt. 11/10/2019		415,364.86	-	-	-	415,364.86
4	ADB Fund Deposited vide requested WA as Replenishment for PIU, PT	CAM/GV/1920/17663 dt. 25/10/2019	00137	165,921.32	-	-	-	581,286.18
5	ADB Fund Withdrawn from FC for PIU, DOR	CAM/BK08/1920/20186 dated 6/11/2019		-	409,682.72	70.53	28,894,922.24	171,603.46
6	ADB Fund Deposited vide requested WA as Replenishment for PIU, PT	CAM/GV/1920/20466 dated 8/11/2019	00141	76,960.79	-	-	-	248,564.25
7	ADB Fund Withdrawn from FC for PIU, PT	CAM/BK08/1920/23422 dated 26/11/2019		-	76,960.79	71.56	5,507,314.13	171,603.46
8	ADB Fund Deposited vide requested WA as Replenishment for PIU, PT	CAM/GV/1920/25571 dt. 6/12/2019	00144	261,685.08	-	-	-	433,288.54
9	ADB Fund Deposited vide requested WA as Replenishment for PIU, PT	CAM/GV/1920/26986 dt. 16/12/2019	00147	106,731.30	-	-	-	540,019.84
10	ADB Fund Withdrawn from FC for PIU, DOR	CAM/BK08/1920/28249 dated 19/12/2019		-	94,642.67	70.89	6,709,218.88	445,377.17
11	ADB Fund Deposited vide requested WA as Replenishment for PIU, DoR	CAM/GV/1920/28183 dt. 19/12/2019		508,530.95	-	-	-	953,908.12
12	ADB Fund Deposited vide requested WA as Replenishment for PIU, PT	CAM/GV/1920/28301 dt. 20/12/2019	00148	159,975.79	-	-	-	1,113,883.91
13	ADB Fund Withdrawn from FC for PIU, PT	CAM/BK08/1920/28547 dated 23/12/2019		-	368,416.38	71.01	26,161,247.14	745,467.53
14	ADB Fund Deposited vide requested WA as Replenishment for PIU, PT	CAM/GV/1920/35431 dt. 28/01/2020	00150	125,812.23	-	-	-	871,279.76
15	ADB Fund Deposited vide requested WA as Replenishment for PIU, PT	CAM/GV/1920/36124 dt. 31/01/2020	00151	285,670.61	-	-	-	1,156,950.37
16	ADB Fund Deposited vide requested WA as Replenishment for PIU, PT	CAM/GV/1920/37490 dt. 11/02/2020	00152	253,875.62	-	-	-	1,410,825.99
17	ADB Fund Withdrawn from FC for PIU, PT	CAM/BK08/1920/38555 dated 19/02/2020		-	571,458.63	71.36	40,779,287.84	839,367.36



18	ADB Fund Deposited vide requested WA as Replenishment for PIU, PT	CAM/GV/1920/39514 dt.26/02/2020	00155	101,217.24	-	-	-	940,584.60
19	ADB Fund Withdrawn from FC for PIU, DOR	CAM/BK08/1920/44381 dated 20/03/2020		-	585,491.74	74.92	43,865,041.16	355,092.86
20	ADB Fund Deposited vide requested WA as Replenishment for PIU, PT	CAM/GV/1920/48248 dt.08/04/2020	00156	437,710.58	-	-	-	792,803.44
21	ADB Fund Withdrawn from FC for PIU, PT	CAM/BK08/1920/48979 dated 14/04/2020		-	792,803.44	76.08	60,316,485.72	-
22	ADB Fund Deposited vide requested WA as Replenishment for PIU, DoR	CAM/GV/1920/52190 dt.30/04/2020		119,806.02	-	-	-	119,806.02
23	ADB Fund Deposited vide requested WA as Replenishment for PIU, PT	CAM/GV/1920/52190 dt.30/04/2020	00159	372,373.94	-	-	-	492,179.96
24	ADB Fund Withdrawn from FC for PIU, DOR	CAM/BK08/1920/60098 dated 11/06/2020		-	119,806.02	75.36	9,028,581.67	372,373.94
25	ADB Fund Deposited vide requested WA as Replenishment for PIU, DoR	CAM/GV/1920/64092 dt.26/06/2020		95,448.17	-	-	-	467,822.11
Total				3,847,390.21	3,379,568.10		247,049,178.44	467,822.11
Closing Balance as of 30th June' 2019 :-								467,822.11

(Kuenzang Nidup)
Project Accountant
Accounts Asstt.
SASEC Road Connectivity Project
Phuentsholing : Thromde

(Lungten Jamtsho)
Project Director
Executive Secretary
Phuentsholing : Thromde



**SASEC ROAD CONNECTIVITY PROJECT(ADB)
PROJECT GRANT NO. BHU-0400
PHUENTSHOLING THROMDE**

STATEMENT OF WITHDRAWAL APPLICATIONS SUBMITTED FOR DIRECT PAYMENT DURING THE FINANCIAL YEAR 2019-2020

Annexure-VIII

SL.NO.	WITHDRAWAL APPLICATION NUMBER	Date	WITHDRAWAL APPLICATION AMOUNT in USD	WITHDRAWAL APPLICATION AMOUNT in EQUIVALENT NU	REMARKS
1	00136	23.8.2019	64,888.00	4,505,823.00	WA for Direct Payment
2	00138	25.9.2019	2,721.00	188,946.00	WA for Direct Payment
3	00146	27.11.2019	28,001.00	2,004,032.00	WA for Direct Payment
4	00153	1.2.2020	25,106.00	1,782,777.00	WA for Direct Payment
5	00157	24.3.2020	26,896.00	1,909,885.00	WA for Direct Payment
6	00160	5.5.2020	11,135.00	847,151.00	WA for Direct Payment
7	00161	3.6.2020	1,940.00	147,595.00	WA for Direct Payment
TOTAL:-			160,687.00	11,386,209.00	

**SASEC ROAD CONNECTIVITY PROJECT(ADB)
PROJECT GRANT NO. BHU-0400
PHUENTSHOLING THROMDE**

STATEMENT OF WITHDRAWAL APPLICATIONS SUBMITTED FOR REPLENISHMENT DURING THE FINANCIAL YEAR 2019-2020

Annexure-VIII

SL.NO.	WITHDRAWAL APPLICATION NUMBER	Date	WITHDRAWAL APPLICATION AMOUNT in USD	WITHDRAWAL APPLICATION AMOUNT in EQUIVALENT NU	REMARKS
1	00137	2.10.2019	165,921.32	11,521,577.00	
2	00141	21.10.2019	78,960.79	5,344,157.00	
3	00144	26.11.2019	261,685.08	18,433,857.00	
4	00147	2.12.2019	106,731.30	7,638,759.00	
5	00148	5.12.2019	159,975.79	11,435,118.00	
6	00150	13.01.2020	125,812.23	8,873,536.00	
7	00151	18.01.2020	285,670.61	20,165,490.00	
8	00152	23.01.2020	253,875.62	18,060,883.00	
9	00155	09.02.2020	101,217.24	7,187,436.00	
10	00156	29.03.2020	437,710.58	31,144,355.82	
11	00159	19.04.2020	372,373.94	27,347,038.53	
12	00163	27.06.2020	332,583.36	25,302,943.38	
TOTAL:-			2,680,517.86	192,455,150.73	

(Kuenzang Nidup)
Project Accountant
SASEC Road Connectivity Project
Phuentsholing : Thromde

(Lungten Jamtsho)
Project Director
Executive Secretary
Phuentsholing : Thromde



ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF WORKS & HUMAN SETTLEMENT
SASEC ROAD CONNECTIVITY PROJECT(ADB: 0400-BHU)
FINANCIAL YEAR 1ST JULY,2019-30TH JUNE,2020
BUDGETARY VERSUS EXPENDITURE

Annexure IX

Expenditure Category	Budgetary Fund Released Amount			Expenditure For The FY 2019-2020(Nu.)		
	ADB	RGoB	Total	ADB	RGoB	Total
Category 3101- Consulting Services						
1.Construction Supervision & Capacity Development	11,500,000.00	-	11,500,000.00	11,305,049.00	-	11,305,049.00
2.Construction Supervision & Capacity Development(Direct payment by ADB)	-	-	-	11,386,209.00	-	11,386,209.00
Total released amount	11,500,000.00	-	11,500,000.00	-	-	-
Category 3201-Works & Equipments						
1.Construction of Northern By Pass Road Package 1	110,332,824.00	26,800,000.00	137,132,824.00	117,979,045.00	24,203,214.00	142,182,259.00
2.Construction of Northern By Pass Road Package 2	64,363,767.00	15,600,000.00	79,963,767.00	74,057,993.00	17,371,628.00	91,429,621.00
3.Construction of Mini Dry Port at Phuentsholing	-	-	-	-	-	-
Total released amount	174,696,591.00	42,400,000.00	217,096,591.00	-	-	-
Total released amount(3101+3201)	186,196,591.00	42,400,000.00	228,596,591.00			
Total Expenditure(3101+3201)	-	-	-	214,728,296.00	41,574,842.00	256,303,138.00
RGoB Contribution(PIU Management & Operation Cost)						
1.Budgetary Expenditure from RGoB Contribution	-	800,000.00	800,000.00	-	746,558.90	746,558.90
Grand Total Budgetary Released	186,196,591.00	43,200,000.00	229,396,591.00	-	746,558.90	746,558.90
Grand Total Budgetary Expenditure	-	-	-	214,728,296.00	42,321,400.90	257,049,696.90
ADVANCE RECOVERY FROM IPC	Opening balance			Recovery of Advance		
	ADB	RGoB	Total	ADB	RGoB	Total
1.Mobilization advance recovery from IPC of NBR 1	7,646,221.00	1,270,493.00	8,916,714.00	7,646,221.00	1,270,493.00	8,916,714.00
2.Mobilization advance recovery from IPC of NBR 2	17,389,226.00	4,060,436.00	21,449,662.00	17,389,226.00	4,060,436.00	21,449,662.00
3. Advance recovery from employees/others	-	6,900.00	6,900.00	-	6,900.00	6,900.00
Total Advance recovery	25,035,447.00	5,337,829.00	30,373,276.00	25,035,447.00	5,337,829.00	30,373,276.00

(Kuenzang Nidup)
Project Accountant
Accounts Asst.
SASEC Road Connectivity Project
Phuentsholing : Thromde

(Lungten Jamtsho)
Project Director
Executive Secretary
Phuentsholing : Thromde



Reconciliation between APFS and G/LFIS For the Year 2019-2020

Annexure-X

Withdrawal Application Nos.(WA)	Disbursement Method (Reimbursement, Direct Payment, etc)	Per APFS (amount reported in the project FS as reimbursement,direct payments,etc)				Per G/LFIS (actual paid)		Difference (a-b)	Reason for difference (ie. Timing, forex, pending or rejected claim)
		Date	In local currency	Exchange Rate	USD Equivalent (a)	Value date	In USD (b)		
00136	Direct Payment	23.08.2019	4,505,823.00	69.44	64,888.00	09.09.2019	64,888.00	-	
00138	Direct Payment	25.09.2019	188,946.00	69.44	2,721.00	17.10.2019	2,721.00	-	
00146	Direct Payment	27.11.2019	2,004,032.00	71.57	28,001.00	05.12.2019	28,001.00	-	
00153	Direct Payment	01.02.2020	1,782,777.00	71.01	25,106.00	06.02.2020	25,106.00	-	
00157	Direct Payment	24.03.2020	1,909,885.00	71.01	26,896.00	02.04.2020	26,896.00	-	
00160	Direct Payment	05.05.2020	847,151.00	76.08	11,135.00	11.05.2020	11,135.00	-	
00161	Direct Payment	03.06.2020	147,595.00	76.08	1,940.00	09.06.2020	1,940.00	-	
00137	Reimbursement	02.10.2019	11,521,577.00	69.44	165,921.32	21.10.2019	165,921.32	-	
00141	Reimbursement	21.10.2019	5,344,157.00	69.44	76,960.79	06.11.2019	76,960.79	-	
00144	Reimbursement	02.12.2019	18,433,857.00	71.57	262,714.56	01.12.2019	261,685.08	1,029.48	Rejected claim
00147	Reimbursement	02.12.2019	7,638,759.00	71.57	106,731.30	11.12.2019	106,731.30	-	
00148	Reimbursement	05.12.2019	11,435,118.00	71.48	159,975.79	18.12.2019	159,975.79	-	
00150	Reimbursement	13.01.2020	8,873,536.00	70.53	125,812.23	22.01.2020	125,812.23	-	
00151	Reimbursement	18.01.2020	20,165,490.00	70.59	285,670.61	27.01.2020	285,670.61	-	
00152	Reimbursement	23.01.2020	18,060,883.00	71.14	253,875.62	05.02.2020	253,875.62	-	
00155	Reimbursement	09.02.2020	7,187,436.00	71.01	101,217.24	18.02.2020	101,217.24	-	
00156	Reimbursement	29.03.2020	31,144,355.82	71.15	437,710.58	03.04.2020	437,710.58	-	
00159	Reimbursement	19.04.2020	27,347,038.53	73.44	372,373.94	24.04.2020	372,373.94	-	
00163	Reimbursement	27.06.2020	25,302,943.38	76.08	332,583.36	02.07.2020	332,583.36	-	
								-	
	TOTAL		203,841,359.73		2,842,234.34		2,841,204.86	1,029.48	

(Kuenzang Nidup)
Project Accountant
Accounts Asst.
SASEC Road Connectivity Project
Phuentsholing : Thromde

(Lungden Jamtsho)
Project Director
Executive Secretary
Phuentsholing : Thromde







Notes on Audited Project Financial Statements

1. Project Background

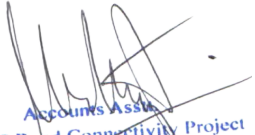
The MoU for SASEC Road Connectivity Project was signed on 5th March 2014 with project dateline of Dec 2019. The Project shall be implemented by DoR under MoWHS and Phuentholing Thromde .

1.1 Project Detail:

Name	-	South Asia Sub-Regional Economic Corporation Road Connectivity Project
Project No.	-	39225-03
Grant No	-	0400-BHU
Project Cost	-	US \$ 18,896,000.00
Actual Duration	-	5 th September 2014 –31 st December 2019
Revised	-	5 th September 2014-31 st December 2021

The Works implemented by Phuentholing Thromde are as mentioned below:

1. A Mini dry Port in Phuentholing and land customs station at Allay.
2. About 2.7Km of by Pass road in Phuentholing (works has been divided into 2 Parts)


Accounts Assst.
SASEC Road Connectivity Project
Phuentholing : Thromde







2. Project Accounting Policy

This financial statement has been prepared as per the Public Finance Act 2007, Public Finance (Amendment) Act 2012 and the Financial Rules and Regulations 2016.

The financial statements are based on the monthly accounts of the budgetary bodies recorded in the Electronic Public Expenditure Management System (ePEMS) and information received from other relevant agencies and organizations.

Sources and uses of funds for Project Letter of Credit (PLC), budgetary expenditure by category/sub category for Project categories and advance accounts statements, statement of direct payments treated as grants in kind are developed based on cash flow basis of accounting and double entry accounting system.

2.1 Fund Flow Mechanism

- Advance account financing is recognized when the funds from the ADB is transmitted to the Foreign Currency Account (upon approval of Withdrawal Application submitted through CPD for replenishment) maintained with the Royal Monetary Authority (RMA) of Bhutan. The fund from RMA is then transferred to the unique Financial Item Code (FIC) to the Department of Public Accounts (DPA) under the Ministry of Finance (MoF), Bhutan. Upon release request by the Project Office, the fund is then transmitted to the Project Letter of Credit maintained with the Bank of Bhutan. Thus the payments to the contractors, suppliers and supervision consultant are made from PLC.
- The co-financing from the Royal Government of Bhutan is being proposed annually from 1st July 2019 – 30th June 2020 (Financial Year of Bhutan) based on fund projections of the project submitted by consultant & Contractor.
- The direct payment made to the foreign account are reflected as grants in kind in financial statements in order to capture actual cost of project.
- 1 USD=Nu 73.00 approx. foreign currency transaction are translated into functional currency using the exchange rate prevailing at the date of transaction.

Accounts Asstt.
SASEC Road Connectivity Project
Phuentsholing : Thromde






2.2 Nature of Expenditures:

The Project expenditures stated in the financial statements is recognized on cash basis (when the payment is made to the contractors and consultants).

3. Project Financial Statement:

The Project Financial Statement is being prepared by the Project Accountant dully signed by Project manager, Coordinator and project director.

It has been prepared as per the Public Finance Act & Financial Rules and Regulation using ePEMS software.


Accounts Assn.
ASEC Road Connectivity Project
Phuentholing : Thromde

