

# Audited Project Financial Statements

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Project Number: 43319-022

Loan/Grant Number: 3041

Period covered: 1 October 2014 to 30 September 2015

## LAO: Greater Mekong Subregion East-West Economic Corridor Towns Development Project

Prepared by Ministry of Public Works and Transport

For the Asian Development Bank

Date received by ADB: 10 March 2016

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Lao's People Democratic Republic  
Peace Independence Democracy Unity Prosperity

**Note to the Financial Statement**  
**of Greater Mekong Subregion East-West Economic**  
**Corridor Towns Development Project for the fiscal year 2014-2015.**

**I. References**

- With reference to the Audit Law No. 16/NA, dated 06 July 2012;
- With reference to Laws, decrees and regulations to Lao PDR and Donor;
- With reference to Grant Agreement ADB Loan No. 2931, ADB Grant No. 0313 and Grant 0314 dated 04 December 2012;
- Pursuant to the operation plan by the Central Regional Audit Organization for the fiscal year 2015-2016;
- Basing on the Decision of Vice President No. 209/SAO, dated 30 December 2015 regarding formation of a team of auditors for the Greater Mekong SubRegions East - West Economic Corridor Towns Development Project 2014-2015;

**II. Administrative Site, Purposes, Project Structure and Regulatory Guidelines**

**1. Project Headquarter**

The Mekong SubRegions East-West Economic Corridor Towns Development Project is under administrative structure of Department of Public Works and Transportation of Savannakhet Province, Telephone: 041 215 332 , and Fax: 041 215 332.

**2. The project objective are as followed:**

The priorities are based on standards that were discussed during the meeting of the parties there include:

1. To improve infrastructure and developing the economy of the Savannakhet Province became a center of trade and investments attraction under GMS east west economic corridor towns;
2. Strategy local economy development plans (SLEDP) are adopted and implemented in Kaison Phomvihanh , Phine and Dansavanh;
3. Priority urban infrastructure investment are implemented ;
4. Developing capacity of institution agencies and to strengthened for future management.



### **3. Funding sources**

<b>Total Project budget approved on Octobre 24, 2005</b>	<b>= 47,738,000.00 US\$, which are:</b>
- Asian Development Bank (ADB) Loan	= 26,600,000.00 US\$
- Asian Development Bank (ADB) Grant	= 14,230,000.00 US\$
- UFPF	= 638,000.00 US\$
- Lao Government Contribution Fund	= 6,270,000.00 US\$

### **4. Lenght of Operation**

The duration of the project is 05 years, starting on 2013 until 2018 and extension to 30/6/2019.

### **5. Regulatory Guidelines**

- Mekong SubRegions East West Economic Corridor Towns Development Project used double entry bookkeeping in accordance to Project Accounting manual. Project transactions were recorded in English with two currencies: National currency (Lao kip) and USD used as a reference to report the donor. The accounting year were 12 month based on the fiscal year;
- Accounting code for each activity and category of project expenditure such as: loan account, grant account, government contribution account, saving account and expenditure by category. There was the staff who responsible for records all the transaction into the accounting software base on the supporting document;
- Summarization and preparing of the financial statements are made on month and yearly basis;
- The bidding, construction, maintenance were implemented the Prime Minister's decree of government procurement of goods, works, maintenance and services number 03/PMO, dated January 09<sup>th</sup>, 2004 and regulations of the Asian Development Bank that prescribed in the Grant Agreement.



## 6. Implementing of budget.

- Implementing of budget Allocation

(USD Currency)

Category code	Project Category	Founds Allocation	Payment			Balance
			Up to last Period 2013-2014	Current fiscal year 2014-2015	Cumulative Up to Date 2014-2015	
A	A. Civil works	29,160,000.00	0.00	0.00	0.00	29,160,000.00
B	B. Equipment	3,070,000.00	384,963.87	38,000.00	422,963.87	2,647,036.13
C	C. Training & Capacity Development	770,000.00	0.00	0.00	0.00	770,000.00
D	D. Resettlement & social Safeguard	6,270,000.00	49,999.36	50,000.00	99,999.36	6,170,000.64
E	E. Recurrent Administration	950,000.00	85,613.07	148,901.78	234,514.85	715,485.15
F	F. Consult Service	6,115,000.00	635,382.65	873,577.60	1,508,960.25	4,606,039.75
	Interest charge	570,000.00	2,425.13	7,588.27	10,013.40	559,986.60
	Contingencies	833,000.00				833,000.00
	<b>Total</b>	<b>47,738,000.00</b>	<b>1,158,384.08</b>	<b>1,118,067.65</b>	<b>2,276,451.73</b>	<b>45,461,548.27</b>

- Implementing of budget for the fiscal year 2014-2015.

(USD Currency)

Category code	Project Category	Founds Allocation	Current fiscal year	Balance
A	Civil works	00.00	0.00	
B	Equipment	38,500.00	38,000.00	500.00
C	Training & Capacity Development	00.00	0.00	00.00
D	Resettlement & social Safeguard	50,000.00	50,000.00	00.00
E	Recurrent Administration	149,300.00	148,901.78	398.22
F	Consult Service	873,600.00	873,577.60	22.40
	Interest charge	7,600.00	7,588.27	11.73
	Contingencies	00.00	0.00	00.00
	<b>Total</b>	<b>1,119,000.00</b>	<b>1,118,067.65</b>	<b>932.35</b>

## III. The Financial Statements for fiscal year 2014-2015

### 1. The first Generation Imprest-Account (MOF) 5521

#### a. The first Generation Imprest-Account of Loan No. 2931

The balance of the project's imprest-account at 1<sup>st</sup> October 2014 was US\$ 139,913.20 The total receipts deposited into the imprest-account during the fiscal year 2014-2015 under review amounted to US\$ 277,522.08 The total payments made from the Imprest-account under review amounted to US\$ 409,700.06. The imprest-account Balance at 30<sup>th</sup> September 2015 was US\$ 7,735.22.





**b. The first Generation Imprest-Account of Grant No. 0313**

The balance of the project's imprest-account at 1<sup>st</sup> October 2014 was US\$ 39,232.17 The total receipts deposited into the imprest-account during the fiscal year 2014-2015 under review amounted to US\$ 115,168.47 The total payments made from the Imprest-account under review amounted to US\$ 53,986.17. The imprest-account Balance at 30<sup>th</sup> September 2015 was US\$ 100,413.93.

**2. Project's Second generation Imprest-account 5522**

**a. Project's Second generation Imprest-account of Loan No. 2931 (5522.01)**

The balance of the project's sub-account at 1<sup>st</sup> October 2014 was US\$ 9,530.81. The total receipts deposited into the Sub-account during the fiscal year 2014-2015 under review amounted to US\$ 95,251.59. The total payments made from the Sub-account under review amounted to US\$ 104,394.89. The sub-account Balance at 30<sup>th</sup> September 2015 was US\$ 387.51.

**b. Project's Second generation Imprest-account of Grant No. 0313 (5522.02)**

The balance of the project's sub-account at 1<sup>st</sup> October 2014 was US\$ 15,705.77. The total receipts deposited into the Sub-account during the fiscal year 2014-2015 under review amounted to US\$ 56,595.19. The total payments made from the Sub-account under review amounted to US\$ 47,816.46. The sub-account Balance at 30<sup>th</sup> September 2014 was US\$ 24,484.50.

**3. The Project Petty Cash (5711)**

**a. The project's Petty Cash at the project Management unit (PMU 5711.01)**

The balance of the project's petty cash at 1<sup>st</sup> October 2014 was US\$ 1,323.49. The total receipts into the petty cash during the fiscal year 2014-2015 under review amounted to US\$ 28,822.27. The total payments made from the petty cash under review amounted to US\$ 30,004.51. The sub-account Balance at 30<sup>th</sup> September 2015 was US\$ 141.25.

**b. The project's Petty Cash at the project implementation (PIT Kaison 5711.02)**

The balance of the project's petty cash at 1<sup>st</sup> October 2014 was US\$ 1,245.18. The total receipts into the petty cash during the fiscal year 2014-2015 under review amounted to US\$ 3,918.99. The total payments made from the petty cash under review amounted to US\$ 3,933.59. The sub-account Balance at 30<sup>th</sup> September 2015 was US\$ 1,230.58.

**c. The project's Petty Cash at the project implementation (PIT Phine 5711.03)**

The balance of the project's petty cash at 1<sup>st</sup> October 2014 was US\$ 1,245.18. The total receipts into the petty cash during the fiscal year 2014-2015 under review amounted to US\$



**3,279.36.** The total payments made from the petty cash under review amounted to **US\$ 3,289.32.**  
The sub-account Balance at 30<sup>th</sup> September 2015 was **US\$ 1,235.22.**

**d. The project's Petty Cash at the project implementation (PIT Sepon 5711.04)**

The balance of the project's petty cash at 1<sup>st</sup> October 2014 was **US\$ 1,245.18.** The total receipts into the petty cash during the fiscal year 2014-2015 under review amounted to **US\$ 4,149.55.** The total payments made from the petty cash under review amounted to **US\$ 4,164.10.**  
The sub-account Balance at 30<sup>th</sup> September 2015 was **US\$ 1,230.63.**

**e. The project's Petty Cash at the project Cooperative Unit (PCU 5711.05)**

The balance of the project's petty cash at 1<sup>st</sup> October 2014 was **US\$ 83.24.** The total receipts into the petty cash during the fiscal year 2014-2015 under review amounted to **US\$ 10,614.68.** The total payments made from the petty cash under review amounted to **US\$ 9,468.89.** The sub-account Balance at 30<sup>th</sup> September 2015 was **US\$ 1,229.03.**

**4. Lao Government Contribution Fund**

In the fiscal year 2014-2015. The total payments made from the Lao Government Contribution Fund under amount to **US\$ 50,000.00.**

**5. Expenditures**

The total payment made by the Greater Mekong subregion East-West Economic Corridor Towns Development Project during fiscal year 2014-2015 under review amounted **US\$ 1,118,067.65** of which were paid for the following categories:

US\$ Currency

Category code	Title of category	Actual expenses				
		ADB Loan No. 2931	ADB Grant No. 0313	UFPF	Beneficiaries	TOTAL
A	Civil works	00.00	00.00	00.00	00.00	00.00
B	Equipment	00.00	38,000.00	00.00	00.00	38,000.00
C	Training	00.00	00.00	00.00	00.00	00.00
D	Involuntary Resettlement	00.00	00.00	00.00	50,000.00	50,000.00
E	Recurrent Administrative Cost	103,693.80	45,207.98	00.00	00.00	148,901.78
F	Consulting Services	597,114.88	276,462.72	00.00	00.00	873,577.60
	Interest During Implementation	7,588.27	00.00	00.00	00.00	7,588.27
<b><u>Total</u></b>		<b><u>708,396.95</u></b>	<b><u>359,670.70</u></b>	<b><u>00.00</u></b>	<b><u>50,000.00</u></b>	<b><u>1,118,067.65</u></b>

**6. Direct Payment:**

**a. Loan No. 2931**

The total direct payment made by ADB for the fiscal year 2014-2015 amounted to **US\$ 443,423.15** for Consulting services to **US\$ 435,834.88** for Interest during implementation to **US\$ 7,588.27.**



**b. Grant No. 0313**

The total direct payment made by ADB for the fiscal year 2014-2015 amounted to US\$ **276,462.72** for consulting services to US\$ **276,462.72**.





Financial Statement

The Greater Mekhong Subregion East west Economic Corridor Towns Development Project

ADB Loan No. 2931, Grant. No.0313 and No. 0314

Statement of Cash Receipts and Payments

For the Period From 1 October 2014 to 30 september 2015

Liscription		Notes	9/30/2015	9/30/2014	Cumultative
<b>CASH RECEIPTS</b>			<b>1,039,819.68</b>	<b>1,365,382.01</b>	<b>2,405,201.69</b>
<b>Govrnment Fund</b>		<b>III 4</b>	<b>50,000.00</b>	<b>49,999.36</b>	<b>99,999.36</b>
<b>ADB</b>		<b>III 6</b>	<b>989,819.68</b>	<b>1,315,382.65</b>	<b>2,305,202.33</b>
<b>Loan No. 2931</b>	Direct payment		435,834.88	426,680.48	862,515.36
	Imprest-account		277,522.08	359,000.00	636,522.08
<b>Grant No. 0313</b>	Direct payment		276,462.72	208,702.17	485,164.89
	Imprest-account			321,000.00	321,000.00
<b>UFPF</b>			-	-	-
<b>Other</b>			-	-	-
<b>CASH PAYMENTS</b>		<b>III.5</b>	<b>1,118,067.65</b>	<b>1,158,384.08</b>	<b>2,276,451.73</b>
<b>A</b>	<b>Civill work</b>		-	-	-
<b>B</b>	<b>Equipment</b>		38,000.00	384,963.87	422,963.87
<b>C</b>	<b>Training</b>		-	-	-
<b>D</b>	<b>Involuntary Resettlement</b>		50,000.00	49,999.36	99,999.36
<b>E</b>	<b>Recurrent Administrative Cost</b>		148,901.78	85,613.07	234,514.85
<b>F</b>	<b>Consulting services</b>		873,577.60	635,382.65	1,508,960.25
	<b>Interest During Implementation</b>		7,588.27	2,425.13	10,013.40
<b>Cash Receipts Less Cash Payments</b>			<b>(78,247.97)</b>	<b>206,997.93</b>	<b>128,749.96</b>
<b>Add:</b>	<b>Foreign Exchange Difference</b>		-	-	-
	<b>Net Change in Cash</b>		<b>(78,247.97)</b>	<b>206,997.93</b>	<b>128,749.96</b>
<b>Opening Cash Balances</b>			<b>209,523.05</b>	<b>-</b>	<b>209,523.05</b>
<b>Loan No. 2931</b>	Imprest-account	<b>III 1.a</b>	139,913.20	-	139,913.20
	Sub-account	<b>III 2.a</b>	9,530.81	-	9,530.81
<b>Grant No. 0313</b>	Imprest-account	<b>III 1.b</b>	39,232.17	-	39,232.17
	Sub-account	<b>III 2.b</b>	15,705.77	-	15,705.77
	Petty Cash	<b>III 3</b>	5,141.10	-	5,141.10
<b>Add:</b>	<b>Foreign Exchange Difference</b>				
	<b>Net Change in Cash</b>		<b>131,275.08</b>	<b>206,997.93</b>	<b>338,273.01</b>





<b>Closing Cash Balances</b>			138,087.64	209,523.05	347,610.69
Loan No. 2931	Imprest-account	<b>III 1.a</b>	7,735.22	139,913.20	147,648.42
	Sub-account	<b>III 2.a</b>	387.52	9,530.81	9,918.33
Grant No. 0313	Imprest-account	<b>III 1.b</b>	100,413.93	39,232.17	139,646.10
	Sub-account	<b>III 2.b</b>	24,484.50	15,705.77	40,190.27
	Petty Cash	<b>III 3</b>	5,066.47	5,141.10	10,207.57





Lao People's Democratic Republic  
Peace Independence Democracy Unity Prosperity

Central Regional Audit Organization

No: **0138**/CRAO  
Vientiane Capital, Dated: **24 FEB 2016**

Management Letter

**To:** The project management of the **Greater Mekong Subregion East West Economic Corridor Towns Development Project.**

**Re:** Report on audit findings of the **Greater Mekong Subregion East West Economic Corridor Towns Development Project**, ADB loan No: 2931 LAO-(SF) and grant No: 0313 LAO-(SF) for the fiscal year 2014-2015

The audit team conducts an audit the project implementation in the fiscal year 2014-2015 and also reviews the previous year's commendations, of which observes that there are some goodness, weakness, implications about internal control system, financial, accounting system and relevant issues. The audit team made some recommendations and solutions to the project management in order to improve weakness in the near future, the details are following:

**I. Audit findings on the project's implementation for the fiscal year 2014-2015**

**1. Accounting**

**1.1. Loan account**

**A. Goodness**

The project recorded transactions incurred into the journal voucher on loan, the said journal summarized by diary, month and year as prescribed by law.

**B. Weakness**

Through audit the Loan and Grant Financial Information Service "Paid and Posted" on the dated July 31<sup>st</sup> 2015, the audit team noted that the Asian Development Bank (ADB)

transferred fund into the project's account at amount of US dollar 22.697,08. However, in the reality, the project did not make replenishment and the project did not receive the said amount from ADB. (ANNEX 1)

**C. Implications**

The figure showed in the Loan, Grant Financial Information Service "Paid and Posted" was not correct as actual, and the project did not be able to know how that's figure happened and when.

**D. Recommendations**

*The project management should have to give advices to the related staff to coordinate with the donor in order to clarify the unbalance figure. Moreover, the responsible staff of the project should increase his/her responsibility concerning to the amount received and expended. At the end of month, the project should prepare reconciliation document between journal book on loan account and Loan, Grant Financial Information Services "Paid and Posted" and ADB semi-monthly as per prescribed in the article 23 of the law on accounting (amended version) No: 47/NA, dated December 26<sup>th</sup> 2013.*


**Management's response:** Agree to improve as the recommendation of audit team.

**1.2. First Generation Imprest Account (FGIA)**

**A. Goodness**

The Greater Mekong Subregion East West Economic Corridor Towns Development Project opened its first generation imprest account in the bank of Lao P.D.R (BOL) in Vientiane capital. The project has journal book on FGIA, the journal chronologically recorded and summarized by month in completeness.

**B. Weakness**

The replenishment fund into the first generation account delayed, this result to low ending balance such as on May 2015 at amount of US dollar 4.179,09 in comparison to the initial ceiling at amount of US dollar 360.000,00 or equivalent to 1,16%. 

**C. Implications**



The activities implementation of the project may not be smooth and may not achieve as planned.

**D. Recommendations**

*In order to assure the activities implementation of the project achieve as planned, the project management should have to coordinate with the donor about the process on replenishment fund into the project's account as fast as possible and to avoid the low ending balance of the FGIA. The reason is to comply with clause C, article 11 of the ODA instruction No: 2065/MOF, dated November 01<sup>st</sup> 2010.*

**Management's response:** Agree to improve as the recommendations of audit team.

**2. Expenditures**

**2.1. Vehicles**

**A. Goodness**

The project purchased vehicle to use for administration work, the said purchasing made comparison from three suppliers, the project appointed procurement committee and procurement followed as per prescribed procurement's rule.

**B. Weakness**

The total cost for the procurement on vehicle at amount of US dollar 38.000,00 was paid 100% from loan account, the audit team noted that the percent for the loan payment was higher as per prescribed in the project administration manual (PAM) such as the percent payment from loan is 57% and 33% from grant account.

**C. Implications**

The interest amount from loan would be increased and would affect to the budget use in the project's activities would not enough as per planned.

**D. Recommendations**

*In order to make the activities implementation of the project meets efficiency effectiveness, the disbursement of the project into activities should have to follow as*



*prescribed percentage of each fund source in compliance to the project administration manual (PAM) dated 2013.*

Management's response: Agree to improve as the recommendations of audit team.

The project will propose and consult with donor in order to resolve the issue.

## **2.2. Consulting services**

### **A. Goodness**

The project received the services from consultants in order to support activities and to improve the capacity of the human resources of the project. The project paid for the consultant services by form of direct payment and each disbursement attached complete set of documents in compliance to the rule and regulation.

### **B. Weakness**

The project disbursed fund to the consultant services at mount of US dollar 873.577,60, the percentage of the said amount for loan was 68,35% and 31,65% was for grant. The audit team noted that those said percentage did not comply with the prescribed percent in the project administration manual (PAM) such as 58% is for loan and 42% is for grant.

### **C. Implications**

The interest amount from loan would be increased and would affect to the budget use in the project's activities would not enough as per planned.

### **D. Recommendations**

*To ensure the project's activities follow as planned, the project should have to disburse fund for the consulting services as per prescribed percentage in the project administration manual (PAM), dated December 4<sup>th</sup>, 2012.*

Management's response: Agree to improve as the recommendations of audit team.

The project will propose and consult with donor in order to resolve the issue.

## **3. Preparation on Financial statement**

### **A. Goodness**



The project formulated financial statements of which summarized whole sources of fund into one sheet, the said financial statements prepared by month and year as per stated in the accounting standard.

**B. Weakness**

Through the audit financial statements of the previous year, the audit team noted that the total cost of the project was US dollar 47.728.000,00. Nevertheless, the total cost of the project of which the Asian Development Bank (ADB) and Lao government signed in the December 4<sup>th</sup>, 2012 at amount of US dollar 47.738.000,00 with unbalance of US dollar 10.000,00 and the said unbalance amount was recorded into the financial statement of the fiscal year 2014-2015.

**C. Implications**

The figure showed in the financial statements for the fiscal year 2014-2015 was not accurate as per prescribed in the agreement between Lao government and ADB.

**D. Recommendations**

*End year, before making accounting summary the project should have to pay attention on checking/inspecting relating to the transactions, amount etc in order to comply with the loan agreement dated December 4<sup>th</sup>, 2012 and clause 2 article 23 "end year accounting summary" of the law on accounting No: 47/NA, dated December 26<sup>th</sup>, 2013.*

Management's response: Agree to improve as the recommendations of audit team.

**II. The audit on the previous year recommendations**

**1. The weakness in the fiscal year 2013-2014 have resolved**

Through reviews the previous year recommendations, the audit team notes that the Greater Mekong Subregion East West Economic Corridor Towns Development Project pays more attention to resolve the weakness, the details are following:

1) The project have recorded loan and grant disbursement journal by date on actual transactions incurred from ADB, the said journal has improved as prescribed form in the project accounting system manual, the journal has summarized by month and reconciliation document between journal and ADB semi-monthly has provided;





2) The counterfoil of cheque has recorded in compliance to the rule and regulation. In addition, the project has stamped the cancellation to the counterfoil of cheque and cheque of which not use;

3) The project has prepared voucher before recorded transactions to the journal, the account has segregated by each category and the recording has completed by category;

4) The project's fixed assets stated the use of lated sectors, affixed code and year end the fixed assets committee has appointed and the said committee has conducted physical counting on assets;

5) The expending on Recurrent Administration Cost has followed as to prescribed rule and regulation, the said expenditure has approved by higher management and composed complete sets of documents;

6) The recording on government contribution fund (GOL) has recorded as per dated on actual occurred. The GOL fund has summarized into trial balance and also into financial statements in completeness;

7) The project procured vehicles and equipment as per initial planned;

8) The replenishment into imprest account (first general imprest account) has implemented as per prescribed ceiling in the ODA rule and regulation;

9) The manual on finance- accounting of the project has described form, process on approving, the composition of documents in details.

## **2. The weakness in the fiscal year 2013-2014 have not resolved**

In parallel, the solved points as said above, we noted that the Greater Mekong Subregion East West Economic Corridor Towns Development Project has not been resolved, the details as below:

1. The project did not prepare and summarized budget plan of each category by month and quarter.

2. The project did not summary and prepare financial statements by each source of fund.

### **A. Causes**

The related staffs did not pay attention to prepare and summary budget plan, accounting and financial statements.

## **B. Implications**

- The project may not know amount on the use, check and compare figure by each source of fund;
- The project may not be able to assess on the use of fund by each source into the actual implementation.

## **C. Recommendations**

*To be reference for the activity implementation, the project management should have to modify budget plan of each source of fund in details and should prepare by month and quarter. Moreover, the project should give advices to the staff responsible for finance-accountant to prepare financial statements by segregate in each source of fund in compliance as to clause 4.14 form 12 of the project accounting system manual No: 1013/MOF, dated June 26<sup>th</sup>, 1998.*

**Management's response:** Agree to improve as the recommendations of audit team.

3. Some months, the fund replenishment into second general imprest account of the project delayed, this conducted to the low ending balance reached 2/3 in comparison to the prescribed ceiling such as: June 2015 at amount of US dollar 252,54 and September 2015 at amount of US dollar 290,51. Moreover, the project did not prepare reconciliation document between first generation imprest account and bank statement.

## **A. Causes**

The staffs responsible for finance accounting did not pay attention to make fund replenishment into the project's bank accounts

## **B. Implications**

The activity implementation of the project may not be smooth and may not achieve as planned.

## **C. Recommendations**

*In order to ensure the activity implementation of the project achieve as timeline and as per prescribed planned, the project management should have to give advices to the staffs responsible for finance accounting to compose documents for fund replenishment into project's bank account as fast as possible, this reason is to avoid low ending balance in the*



*bank account. Moreover, the project should have to prepare reconciliation documents between journal and bank statement as per prescribed ANNEX 2 form 13 of the project accounting system manual No: 1013/MOF, dated June 26<sup>th</sup>, 1998.*

**Management's response:** Agree to improve as the recommendations of audit team.

### **III. Conclusion**

In general, the management system of the **Greater Mekong Sub-region East West Economic Corridor Towns Development Project**, ADB Loan no: 2931-LAO (SF), ADB Grant no: 0313 and Lao Government Contribution Fund has implemented according to guidelines of the Lao PDR government and that of the funder, with fully attached documents. In any case, in order that the strict enforcement of internal control to improve and optimize the project operational objectives, with efficiency and effectiveness, the project management needs a close oversight and adherence to the recommendations as cited above.

**Head**

**Central Regional Audit Organization**



**Khamlar OUMALY**





Lao People's Democratic Republic  
Peace Independence Democratic Unity Prosperity

Savannakhet Province

Savannakhet Provincial Department of Public Works and Transport

Greater Mekong Subregion East-West Economic Corridor Towns Development Project

ADB Loan No. 2931 - LAO (SF)/ Grant No. 0314 (UEIF). GOL

0098

Ref:...../GMSEWEC-SK

Savannakhet, Date:.....

10 NOV 2015

Statement of Sources of Fund  
For the fiscal year 2014-2015 as ending of 30/9/2015

Sources of Fund	Total up to the last fiscal year of 2012-2013 & 2013-2014		Current fiscal year 2014-2015 ended as: 30/09/2015			Total up to date		
	ADB FY 2012-2013 & 2014	GOL FY: 2012-2013 & 2013-2014	Total	ADB FY 2014-2015	GOL FY 2014-2015	Total	ADB	GOL
<b>I. Government of Lao PDR</b>	-	12,499.36	37,500.00	49,999.36	-	50,000.00	-	99,999.36
1. Contribution in cash		12,499.36	37,500.00	49,999.36	50,000.00	50,000.00		99,999.36
2. Contribution in Kind								
<b>II. ADB Loan and Grant</b>	1,317,807.78			1,317,807.78	997,407.95	997,407.95	2,315,215.73	2,315,215.73
+ Direct Payment - ADB Loan no. 2931	426,680.48			426,680.48	435,834.88	435,834.88	862,515.36	862,515.36
+ Interest Account - ADB Loan no. 2931	359,000.00			359,000.00	277,522.08	277,522.08	636,522.08	636,522.08
+ Interest Payment	2,425.13			2,425.13	7,588.27	7,588.27	10,013.40	10,013.40
+ Direct Payment - ADB Grant no. 0313	208,702.17			208,702.17	276,462.72	276,462.72	485,164.89	485,164.89
+ Interest Account - ADB Grant no. 0313	321,000.00			321,000.00	-	-	321,000.00	321,000.00
<b>III. Other Sources</b>								
1. Exceptional incomes								
Total:	1,317,807.78	12,499.36	37,500.00	1,367,807.14	997,407.95	1,047,407.95	2,315,215.73	2,415,215.09

Form 1

Project Director

Project Accountant

Director General of Savannakhet Provincial Department  
of Public Works and Transport

Singapo SAYAVONG

Prouthalom SAYSANAVONGPHET



Lao People's Democratic Republic  
Peace Independence Democratic Unity Prosperity

Savannakhet Province

Savannakhet Provincial Department of Public Works and Transport  
Greater Mekong Subregion East-West Economic Corridor Towns Development Project  
ADB Loan No. 2931-LAC (SF/Grant No. 0313 (SF/Grant No. 0314 (EIF), GOL.

0099  
Ref: ...../GMS/WWC/SK  
Savannakhet, Date: 10 NOV 2015

Statement of Expenditures by Category  
As ending of 30/09/2015

Cat. No.	Project Category	Budget	Total up to the last fiscal year 2013-2014			Current Fiscal Year 2014-2015, ended as:			Total up to date		
			ADB	GOL	Total	ADB	GOL	Total	ADB	GOL	Total
1	A. Civil Works	29,160,000.00									
2	B. Equipment	3,070,000.00	381,963.87		381,963.87	38,000.00		38,000.00	422,963.87		422,963.87
3	C. Training & Capacity Development	770,000.00									
4	D. Resettlement & social Safeguard	6,270,000.00		37,500.00	37,500.00		50,000.00	50,000.00		87,500.00	87,500.00
5	E. Recurrent Administrative Cost	950,000.00	85,613.07		85,613.07	148,901.78		148,901.78	234,514.85		234,514.85
6	F. Consulting Services	6,115,000.00	635,382.65		635,382.65	873,577.60		873,577.60	1,508,960.25		1,508,960.25
	Interest charges	570,000.00	2,425.13		2,425.13				10,013.40		10,013.40
	Contingencies (price - physical)	833,000.00									
	Total:	47,238,000.00	1,108,384.72	37,500.00	1,145,884.72	1,068,067.65	50,000.00	1,118,067.65	2,476,452.37	87,500.00	2,263,952.37

USS Form 3

Project Director

Director General of Savannakhet Provincial Department of  
Public Works and Transport

Project Accountant

Phouthalom SAYSANAVONGPHET

Singhapo SAYSANVONG





Peace, Independence, Democratic Unity, Prosperity

## Savannah Province

Savannahet Provincial Department of Public Works and Transport

(Greater Mekong Subregion East-West Economic Corridor Towns Development Project)

AD3Toun No. 293] - LAO (SF) Grant No. 0313 (SF) Grant No. 0314 (H.F.), GOL.

### Statement of Sources & Use of Fund

As the end of 30/9/2015

No. / Use of Fund	Previous Fiscal Year 2012-2013	Previous Fiscal Year 2013-2014	Current Fiscal Year 2014-2015	Total	Sources of Fund	Previous Fiscal Year 2012-2013	Previous Fiscal Year 2013-2014	Current Fiscal Year 2014-2015	Total
<b>Category</b>	<b>12,499.36</b>	<b>1,145,894.72</b>	<b>1,118,067.65</b>	<b>2,276,451.73</b>	<b>III. Opening Balance:</b>	<b>-</b>	<b>-</b>	<b>138,087.63</b>	<b>347,510.69</b>
1 A. Civil Works					ADB Loan 2931 - Imprest Account HOJ.			7,735.22	147,648.42
2 B. Equipment		384,963.87	58,000.00	422,963.87	ADB Loan 2931 Sub-imprest accounts BCEI.		9,530.81	387.52	9,918.33
3 C. Training & Capacity Development				-	ADB Grant 0313 - Imprest Account HOJ.		39,232.17	100,413.93	139,646.10
4 D. Resettlement & social Safeguard	12,499.36	37,500.00	50,000.00	99,999.36	ADB Grant 0313 - Sub-imprest accounts BCEI.		15,705.77	24,484.50	40,190.27
5 E. Recurrent Administrative Cost		85,613.07	148,901.78	234,514.85	Petty cash		5,141.11	3,066.47	10,207.58
6 F. Consulting Services		635,382.65	873,577.60	1,508,960.25	Others (Deposited for opening account)		100.00		
7 Interest charges		2,425.13	7,588.27	10,013.40	<b>IV. Fund received</b>	<b>12,499.36</b>	<b>1,355,307.78</b>	<b>1,047,407.95</b>	<b>2,415,215.09</b>
Contingencies (price + physical)					<b>Government Contribution</b>	<b>12,499.36</b>	<b>37,500.00</b>	<b>50,000.00</b>	<b>99,999.36</b>
					Contribution in cash		37,500.00		99,999.36
					Contribution in Kind				
<b>Closing Balance:</b>	<b>-</b>	<b>209,423.06</b>	<b>138,087.65</b>	<b>347,510.69</b>	<b>Loan and Grant 10B</b>	<b>-</b>	<b>1,317,807.78</b>	<b>997,407.95</b>	<b>2,315,215.73</b>
ADB Loan 2931 - Imprest Account HOJ.			7,735.22	7,735.22	Direct Payment - ADB Loan no. 2931		426,680.48	435,834.88	862,515.36
ADB Loan 2931 Sub-imprest accounts BCEI.			387.52	387.52	Imprest Account - ADB Loan no. 2931		359,000.00	277,522.08	636,522.08
ADB Grant 0313 - Imprest Account HOJ.			100,413.93	100,413.93	Interest Payment		2,425.13	7,588.27	10,013.40
ADB Grant 0313 - Sub-imprest accounts BCEI			24,484.50	24,484.50	Direct Payment - ADB Grant no. 0313		208,702.17	276,462.72	485,164.89
Petty Cash			5,066.47	5,066.47	Imprest Account - ADB Grant no. 0313		321,000.00	-	321,000.00
Others (Deposited for opening account)									
<b>Sub Total:</b>	<b>12,499.36</b>	<b>1,355,307.78</b>	<b>1,256,155.28</b>	<b>2,623,962.42</b>		<b>12,499.36</b>	<b>1,564,730.81</b>	<b>1,185,495.58</b>	<b>2,762,725.78</b>

Project Director

Director General of Savannakhet Provincial Department of Public Works and Transport

Project Accountant

Phouthalom SAYSAVONGPHET

SHOGUN SAWONG





Lao People's Democratic Republic  
Peace Independence Democratic Unity Prosperity

Savannakhet Province

Savannakhet Provincial Department of Public Works and Transport  
Greater Mekong Subregion East-West Economic Corridor Towns Development Project  
ADB Loan No. 2031 - LACUSP Grant No. 0313 (SP) Grant No. 0314 (IP) (COP)

0099  
Ref: .../GMS/WEC/SK  
Savannakhet, Date: 10 NOV 2015

Statement of Expenditures by Category  
As ending of 30/9/2015

Cat. No.	Project Category	Budget	Total up to the last fiscal year 2013-2014			Current Fiscal Year 2014-2015, ended as:			Total up to date		
			ADB	GOL	Total	ADB	GOL	Total	ADB	GOL	Total
1	A. Civil Works	29,160,000.00	381,963.87		384,963.87	38,000.00		38,000.00	422,963.87		422,963.87
2	B. Equipment	3,070,000.00									
3	C. Training & Capacity Development	770,000.00									
4	D. Resettlement & social Safeguard	6,270,000.00		37,500.00	37,500.00		50,000.00	50,000.00		87,500.00	87,500.00
5	E. Recurrent Administrative Cost	950,000.00	85,613.07		85,613.07	148,901.78		148,901.78	234,514.85		234,514.85
6	F. Consulting Services	6,115,000.00	635,382.65		635,382.65	873,577.60		873,577.60	1,508,960.25		1,508,960.25
	Interest charges	570,000.00	2,425.13		2,425.13	7,588.27		7,588.27	10,013.40		10,013.40
	Contingencies (price - physical)	835,000.00									
	Total:	47,738,000.00	1,108,384.72	37,500.00	1,145,884.72	1,068,067.65	50,000.00	1,118,067.65	2,176,452.37	87,500.00	2,263,952.37

155 Form 3

Project Director

Director General of Savannakhet Provincial Department of  
Public Works and Transport

Project Accountant

Phouthalom SAYSANAVONGPHET

Singhapho SAYSANAVONG



Lao People's Democratic Republic  
Peace Independence Democratic Unity Prosperity

Savannakhet Province

Savannakhet Provincial Department of Public Works and Transport

Greater Mekong Subregion East-West Economic Corridor Towns Development Project

ADB Loan No. 2931 - LAO (SFY) Grant No. 0313 (SFY) Grant No. 0314 (UEF), GOL

0100

Ref:...../GMSEWEC.SK

Savannakhet, Date: 10 NOV 2015

Statement of Loan Disbursement  
As the end of 30/9/2015

Project Category		Budget Allocation		Brought forward FY 2013-2014		Current Fiscal FY 2014-2015		Total Amount disbursement as of 30/9/2015		Balance as of 30/9/2015	
		USD	SDR	USD	SDR	USD	SDR	USD	SDR	USD	SDR
1	A Civil Works	29,160,000.00		-	-	-	-	-	-	29,160,000.00	-
2	B Equipment	3,070,000.00		384,963.87	-	38,000.00	-	422,963.87	-	2,647,036.13	-
3	C Training & Capacity Development	770,000.00			-		-		-	770,000.00	-
4	D Resettlement & social Safeguard	6,270,000.00		37,500.00	-	50,000.00	-	87,500.00	-	6,182,500.00	-
5	E Recurrent Administrative Cost	950,000.00		85,613.07	-	148,901.78	-	234,514.85	-	715,485.15	-
6	F Consulting Services	6,115,400.00		635,382.65	-	873,577.60	-	1,508,960.25	-	4,606,439.75	-
7	Interest charges	570,000.00		2,425.13	-	7,588.27	-	10,013.40	-	559,986.60	-
8	Contingencies (price + physical)	833,000.00			-		-		-	833,000.00	-
Total:		47,738,000.00	-	1,145,884.72	-	1,118,067.65	-	2,263,952.37	-	45,474,047.63	-

US\$ Form 4

Project Director

Project Accountant

Director General of Savannakhet Provincial  
Department of Public Works and Transport

Phouthalom SAYSANAVONGKUT





Lao People's Democratic Republic  
Peace Independence Democratic Unity Prosperity

Savannakhet Province

Savannakhet Provincial Department of Public Works and Transport

Greater Mekong Subregion East-West Economic Corridor Towns Development Project

ADB Loan No. 2931 - LAO (SF)/ Grant No. 0313 (SF)/ Grant No. 0314(UEIF), GOL

0101  
Ref: ...../GMSEWEC.SK  
Savannakhet, Date: 10 NOV 2015

Statement on Budget, ADB and GOL

As of 01/10/2014 - 30/09/2015

US\$ Form 5

No	Title of Category Budget Line	Budget Allocation	Budget 2014 - 2015			Actual Expenses 2014 - 2015			Balance		
			ADB	GOL	TOTAL	ADB	GOL	TOTAL	ADB	GOL	TOTAL
1	A Civil Works	29,160,000.00	-	-	-	-	-	-	-	-	-
2	B. Equipment	3,070,000.00	38,500.00	-	38,500.00	38,000.00	-	38,000.00	500.00	-	500.00
3	C Training & Capacity Development	770,000.00	-	-	-	-	-	-	-	-	-
4	D. Resettlement & social Safeguard	6,270,000.00	-	50,000.00	50,000.00	-	50,000.00	50,000.00	-	-	-
5	E. Recurrent Administrative Cost	950,000.00	149,300.00	-	149,300.00	148,901.78	-	148,901.78	398.22	-	398.22
6	F. Consulting Services	6,115,000.00	873,600.00	-	873,600.00	873,577.60	-	873,577.60	22.40	-	22.40
7	Interest during construction	570,000.00	7,600.00	-	7,600.00	7,588.27	-	7,588.27	11.73	-	11.73
8	Contingencies (price + physical)	833,000.00	-	-	-	-	-	-	-	-	-
	Total	47,738,000.00	1,069,000.00	50,000.00	1,119,000.00	1,068,067.65	50,000.00	1,118,067.65	932.35	-	932.35

Project Director



Director General of Savannakhet Provincial Department of  
Public Works and Transport



Project Accountant



Singapo SAYAVONG

Phouthalom SAYANAVONGPHET



## Loan and Grant Financial Information Services

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Lao People's Dem Rep ▾ 2931-LAO(SF) ▾

## LOAN ID

Loan Number:	2931-LAO(SF)		
Loan Title:	GMS EAST-WEST ECONOMIC CORRIDOR TOWNS DEVELOPMENT PROJECT	Loan Type:	Project
Original Amount:	US\$ 26,600,000.00	Loan Status:	Active
	SDR 17,562,000.00	Project Number:	43319
Net Amount:	US\$ 24,358,200.28	Fund Source:	03 - ASIAN DEVELOPMENT FUND
	SDR 17,562,000.00	Fully/Partially Administered Indicator:	

Executing Agency: All Executing Agencies ▾

Category: All Categories ▾

Procedure: All Procedure Type ▾

Kind: All Kind Type ▾

Value Date  
From: 1 ▾ October ▾ 2014 ▾  
To: 30 ▾ September ▾ 2015 ▾ [Go](#)
[View in SDR Equivalent](#)

As of 17 Jan 2016

W/Appl. No.	CP Trans. No.	Appl. Amount	W/Auth. No.	Amount Disbursed	US\$ Equivalent	Value Date	Acctg Month
00003		US\$ 300,219.16	0001	US\$ 22,697.08	22,697.08	31 Jul 2015	201507
			0002	61,600.00	61,600.00	31 Jul 2015	201311
			0003	17,846.00	17,846.00	31 Jul 2015	201311
			0004	78,600.00	78,600.00	31 Jul 2015	201311
			0005	38,000.00	38,000.00	31 Jul 2015	201311
			0006	81,476.08	81,476.08	31 Jul 2015	201311
C0002		US\$ 55,654.40	0002	US\$ 55,654.40	55,654.40	15 Oct 2014	201410
C0003		US\$ 56,138.24	0003	US\$ 56,138.24	56,138.24	04 Nov 2014	201411
C0004		US\$ 33,983.36	0004	US\$ 33,983.36	33,983.36	15 Dec 2014	201412
C0005		US\$ 74,183.68	0005	US\$ 74,183.68	74,183.68	11 Jun 2015	201506
C0006		US\$ 81,244.16	0006	US\$ 81,244.16	81,244.16	11 Jun 2015	201506
C0007		US\$ 42,919.68	0008	US\$ 42,919.68	42,919.68	11 Jun 2015	201506
C0008		US\$ 26,456.96	0010	US\$ 26,456.96	26,456.96	22 Jun 2015	201506
C0009		US\$ 39,261.44	0009	US\$ 39,261.44	39,261.44	22 Jun 2015	201506
C0010		US\$ 16,985.60	0007	US\$ 16,985.60	16,985.60	11 Jun 2015	201506
C0011		US\$ 36,183.68	0011	US\$ 36,183.68	36,183.68	09 Jul 2015	201507
C0012		US\$ 28,478.08	0012	US\$ 28,478.08	28,478.08	09 Jul 2015	201507
CAP		US\$ 10,013.40	9150	US\$ 4,346.42	4,346.42	15 Jul 2015	201507
			915A	3,241.85	3,241.85	15 Jan 2015	201501



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