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

AIN: 15560

FINANCIAL AUDIT REPORT

OF

**MADANJEET SINGH CENTER FOR SOUTH ASIA
FORESTRY STUDIES (MCSAFS) FUND FOR UGYEN
WANGCHUCK INSTITUTE FOR CONSERVATION AND
ENVIRONMENTAL RESEARCH, LAMAIGOMPA,
BUMTHANG.**

PERIOD: 01.07.2017 TO 30.06.2018

OCTOBER 2018

'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

P.O. Box: 111, Bumthang, Bhutan. Tel: 03 - 631198/ 631871, Fax: 03 - 631659

Website: www.bhutanaudit.gov.bt, Email: info@bhutanaudit.gov.bt; dwangchuk@bhutanaudit.gov.bt



ཀྲུལ་གཞུང་ཚུལ་ཞེས་དབང་འཛོམས།

ROYAL AUDIT AUTHORITY OFFICE OF THE ASSISTANT AUDITOR GENERAL BUMTHANG



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

RAA/OAAG-BT/MoAF - 18)2018/ 51

Date: 31/10/2018

The Director,
Ugyen Wangchuk Institute for Conservation and Environmental Research,
Thimphu.

Subject: Financial Audit Report of Madanjeet Singh Centre for South Asia Forestry Studies Fund for Ugyen Wangchuck Institute of Conservation & Environmental Research (UWICER), Lamai Goempa for the period 1 July 2017 to 30 June 2018.

Sir,

Enclosed herewith please find the *Financial Statements and Auditors' Report thereon* in respect of the Madanjeet Singh Center for South Asia Forestry Studies Fund for Ugyen Wangchuck Institute for Conservation & Environmental Research (UWICER), Lamai Goempa, Bumthang for the financial year ended 30 June 2018. The audit was conducted as required under the Audit Act of Bhutan 2006, and in accordance with International Standards of Supreme Audit Institutions (ISSAIs).

Auditors' Report on the Financial Statements

As may be noted from the auditors' report, the financial statements are prepared by the Project in all material respects, in accordance with Financial Rules and Regulations 2001 & 2016. Accordingly, the RAA has expressed unmodified (clean) opinion on the financial statements.

The Royal Audit Authority acknowledges the kind co-operation and assistance extended to the audit team by the officials of the UWICER, Lamai Goempa which facilitated the completion of the audit.

Yours faithfully,

(Dorji Wangchuk)

Asst. Auditor General

ASSTT AUDITOR GENERAL

OFFICE OF THE ASSTT AUDITOR GENERAL

1. ~~ROYAL DIRECTORATE~~ ROYAL DIRECTORATE, Ministry of Agriculture, Thimphu.
2. The ~~BUA CHAIRMAN~~ BUACHAIRMAN, RAA, Thimphu for information and record
3. Follow up Section/ Office Copy, OAAG, RAA, Bumthang.

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TITLE SHEET

1. Title	:	Financial Audit Report of the Madanjeet Singh Centre for South Asia Forestry Studies Fund for Ugyen Wangchuk Institute for Conservation and Environmental Research , Lamei Goempa, Bumthang.
2. Head of the Agency	:	1) Shacha Dorji, Director EID No. 9101154
3. Drawing and Disbursing Officer	:	1) Shacha Dorji, Director EID No. 9101154
4. Finance Personnel	:	Rinzin Namdrol, Assistant Accounts Officer, EID No. 20130101144
5. Period Audited	:	01/01/2017 to 30/06/2018
6. Schedule of Audit	:	Planning : 06/08/2018 to 14/08/2018 Actual : 06/08/2018 to 14/08/2018 Reporting: 21/09/2018
7. Composition of teams	:	Team Leader: Tshomo, Senior Audit Officer EID No. 200801149 Team Members: 1. Sigey Dorji, Dy. Chief Auditor EID No. 9308081 2. Dorji Nima, Senior Auditor EID No. 8701051 3. Chojay Wangmo, Assistant Audit Officer EID No.
8. Supervising Officer	:	Dorji Wangchuk, Assistant Auditor General EID No. 200201004
9. Overall Supervising Officer	:	Ugyen Dorji, Dy. Auditor General, DFR&HRM, EID No. 9610066
10. Engagement Letter No	:	OAAG/BT/ADM-01/2018/45 dated 06/08/2018
11. Focal Person	:	Sigey Dorji
12. Date of Exit Conference	:	17/09/2018



Disclaimer Note

The coverage of this report is based on the facts, figures and information made available and accessible to the audit team by the *Ugyen Wangchuck Institute for Conservation & Environmental Research, Lamai Goempa, Bumthang*. The opinion of the auditors shall confine to the period covered and information made available till the time of issue of this report.

This is also to certify that the auditors during the audit had neither yielded to pressure, nor dispensed any favour or resorted to any unethical means that would be considered as violation of the Royal Audit Authority's Oath of Good Conduct, Ethics and Secrecy of Auditors.

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Acronyms

AAG	:	Assistant Auditor General
AR	:	Audit Report
BT	:	Bumthang
CID	:	Citizen Identity Number
EID	:	Employee Identity Number
MCSAFS	:	Madanjeet Singh Center for South Asia Forestry Studies
MOAF	:	Ministry of Agriculture and Forest
PP&AARD	:	Policy, Planning and Annual Audit Report Division
QAAG	:	Office of the Assistant Auditor General
RAA	:	Royal Audit Authority



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ROYAL AUDIT AUTHORITY

OFFICE OF THE ASSISTANT AUDITOR GENERAL
BUMTHANG

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



AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MADANJEET SINGH CENTER FOR SOUTH ASIA FORESTRY STUDIES FUND FOR UGYEN WANGCHUK INSTITUTE FOR CONSERVATION AND ENVIRONMENTAL RESEARCH, LAMAIGOEMPA, BUMTHANG, FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018.

Opinion

We have audited the accompanying financial statements of 'Madanjeet Singh Center for South Asia Forestry Studies Fund' implemented by UWICER, Lamai Goempa, Bumthang which comprise the Receipts and Payments Statement and schedules forming part of financial statements for the year ended 30 June 2018.

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

Basis for Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). 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 the **UWICER, Lamai Goempa, Bumthang**, in accordance with RAA's Oath of Good 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 UWICER's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

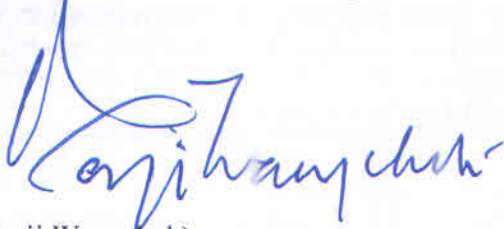
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement

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when it exists. Misstatements can arise from fraud or error and are considered material 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.

A further description of our responsibilities for the audit of the financial statements is included in **Appendix-I** of this auditor's report, which forms part of auditor's report.



(Dorji Wangchuk)
Assistant Auditor General
OFFICE OF THE ASSTT AUDIT GENERAL
Date: **ROYAL AUDIT AUTHORITY**
BUMTHANG

Appendix – I

Auditor's Responsibilities for the Audit of the 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 UWICER'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.

ENCLOSURES

**UGYEN WANGCHUCK INSTITUTE FOR CONSERVATION AND ENVIRONMENTAL RESEARCH,
BUMTHANG
MADANJEET SINGH CENTER FOR SOUTH ASIA FOUNDATION - PROGRAM
ACCOUNT NUMBER: 0100027303001
STATEMENT OF OVERALL FUND RECONCILIATION
(For the period from inception to till 30/06/2018)**

Particulars	For the period (01/07/2017 to 30/06/2018	Cumulative from Inception till 30/06/2018
1. Fund Received	4,899,866.42	40,994,775.39
Add Bank Interest received		293,501.34
Add: Other Recoveries		357,015.82
Add: Advance Recovery	450,542.00	
Less: Advance payment		(2,243,651.49)
	5,350,408.42	39,401,641.06
Less: Expenditure	4,365,527.50	28,673,249.62
Less: Advance payment		
Add : Unencashed cheque	10,191.80	
Fund Balance	995,072.72	10,728,391.44
Fund Represented by:		
2. Fund Balance with UWICER		40,478.08
(i) Cash		10,687,913.36
(ii) Bank	995,072.72	10,728,391.44
Fund Balance	995,072.72	10,728,391.44
Difference in Total (1)-(2)	-	-


Director
Ugyen Wangchuck Institute for
Conservation and Environmental Research
Lama Goempa, Bumthang
(Rigzin Namdol)
Finance Officer


(Shacha Dorji)
Director
Ugyen Wangchuck Institute for
Conservation and Environmental Research
Lama Goempa, Bumthang


Dr. Kaka Tshering
MCSAFS Program Director
UNESCO Madanjeet Singh Centre for
South Asian Forestry Studies
Ugyen Wangchuck Institute for
Conservation and Environmental Research
Lama Goempa, Bumthang


Royal Audit Authority

ANNEXURE

ANNEXURE – A: Profile

Memorandum of Understanding between the Ugyen Wangchuck Institute for Conservation and Environmental Research and the South Asia Foundation for the establishment of the Madanjeet Singh Center South Asia Forestry Studies (MCSAFS) at the Ugyen Wangchuck Institute for Conservation and Environmental Research was signed by the Chairman of South Asia Foundation, Lyonpo Sangay Nyedup and Lyonpo Pema Gyamtsho, the then Minister for Agriculture and Forest on 17th March 2010, with the following aims:

- (i) To offer Diploma, BSC. and Msc. Courses in forestry in collaboration with the College of Natural Resources, Lobesa. The MCSAFS will also facilitate and conduct research in areas related to the Forestry with relevance to South Asia.
- (ii) The MCSAFS will offer at least 8 fully paid Madanjeet Singh group scholarship including travel, board and lodging and tuition fees to South Asian students based on gender equality, one from each of the eight SAARC countries, and
- (iii) Subject to availability of funds, a number of visiting Research Fellowship shall be offered to Ph.D students from SAARC countries for data collection, consultation and field studies for a maximum of six months.

Objectives of the MCSAFS

- a. The MCSAFS shall through the promotion of science and education in the field of forestry to nurture a new generation of ecological and environmental leaders to contribute towards the building of a sustainable future South Asia and the planet as a whole.
- b. By bringing together the next generation of forest scientist and leaders, the MCSAFS shall also achieve its preeminent objective of fostering and promoting Regional Co-operation.

A. Governing Council

- Honourable Minister, MoAF : Chairperson
- Chairperson of SAF - Bhutan Chapter : Co-Chairperson
- SAF Founder/ His Representative : Member
- Director, UWICER : Member Secretary

B. Advisory Council

- Hon'ble Secretary, MoAF : Chairperson
- One SAF Trustee and 4 subject experts nominated by the SAF Founder (2 from SAARC Countries) : Members
- Director, College of Natural Resource, Royal University of Bhutan : Member
- Head, Forestry Faculty, College of Natural Resource, Royal University of Bhutan : Member
- Director, UWICER : Member
- Finance Officer, UWICER : Member
- Head, Sustainable Forestry Department, UWICER : Member Secretary

C. The Advisory Council shall provide functional directions for the Center. The Advisory Council meeting shall be convened at least once a year. The member Secretary of the Advisory Council shall present the Annual Report; the Audited Accounts and the coming years budget and activity plan.

*For the audit of Madanjeet Singh Centre for South Asia Forestry Studies (MSCSAFS)
Fund for UWICER, Lamai Goempa for the financial year 2017- 2018*

1. Tshomo, Team Leader

- Planning and preparation of field programme.
- Supervision of work assigned to team members.
- Co-ordination between the auditee agency and the Division Chief on audit issues.
- Editing of draft report submitted by team member and further submission to Division Chief for further edition for further submission to RQAD and DAG.

2. Sigey Dorji, Team Member


- Certification of Financial Statements of the Project.
- Documentation of audit working paper/evidences.
- Drafting of audit report and submission to the team leader for necessary action and onward submission to the Division Chief.

3. Dorji Nima, Team Member

- Vouching of normal LC accounts.
- Drafting of preliminary audit observations.
- Documentation of audit working paper/evidences.

4. Chojay Wangmo, Team Member

- Vouching of expenses related to professional services which are travelling nature
- Drafting of preliminary audit observations
- Documentation of audit working paper/evidences.


(Tshomo)
Team Leader