AIN: 17103



# FINANCIAL AUDIT REPORT OF THE PROJECT TITLED 'PROMOTING INTEGRATED BAMBOO BASED ENTERPRISE DEVELOPMENT AMONG SAARC COUNTRIES' IMPLEMENTED BY TARAYANA FOUNDATION, THIMPHU

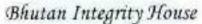
PERIOD: 01.01.2020 TO 31.12.2020

FEBRUARY 2021



## मैजाविटाईगावितार्यरापह्या

#### ROYAL AUDIT AUTHORITY



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

RAA/(OSA-01)/AR-TF/2021/ \SSY

Dated: 24/2/21

The Secretary General Tarayana Foundation Thimphu

Subject:

Financial Audit Report of Project titled 'Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries' implemented by Tarayana

Foundation for the period 01 January 2020 to 31 December 2020

Sir.

Enclosed herewith, please find the audited financial statements and auditors' report thereon in respect of the Project titled 'Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries' implemented by Tarayana Foundation for the period 1 January 2020 to 31 December 2020. The audit was conducted as required under the Audit Act of Bhutan 2018, and in accordance with International Standards of Supreme Audit Institutions (ISSAIs).

#### Auditor's Report on the Financial Statement

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 2016. Accordingly, the auditors have expressed unmodified (unqualified) opinion on the financial statements.

#### Achievements

The RAA has noted achievements made by the project during the period under audit, which are detailed in Annexure B of this report.

The Royal Audit Authority acknowledges the kind co-operation and assistance extended to the audit team by the officials of the project management which facilitated the completion of the audit

Yours sincerely,

(Karma Jambayyang)

Assistant Auditor General

Compliance & Outsourced Audit Division

That make aloud more return to be principled. That make about to provious of exponentiality weak even other hander."

One happens have supported the house strong papers have exchanged the angelous to

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#### Copy to:

- The AAG, PPAARD, Royal Audit Authority, Thimphu
- The AAG, Follow-Up & Clearance Division, Royal Audit Authority, Thimphu
- 3 The Member Secretary, Civil Society Organization Authority, Thimphu
- 4. The Partner, Tra Doen Associates Private Limited, Hejo, Thimphu
- 5. Office copy

#### TITLE SHEET

I.	Title	*	Financial Audit Report of Project titled 'Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries' implemented by Tarayana Foundation, Thimphu
2.	AIN	:	
3.	Head of the Agency	\$	Chime Paden Wangdi, Secretary General (CID No. 11410003243)
4.	Drawing & Disbursing Officer	1	Sonam Pem, Director of Programme (CID No. 10805002003) Roseleen Gurung, Chief Programme Officer (CID No. 10812000633)
5.	Finance Personnel	*	Tandin Wangchuk, Asst. Finance Officer (CID No. 11410005378)
6.	Period Audited	4	01.01.2020 to 31.12.2020
7.	Schedule of Audit	1	Planning: 16.02.2021 to 19.02.2021  Actual: 16.02.2021 to 17.02.2021  Reporting:
8.	Composition of Audit Team		Tenzin Jamtshok, Team Leader (CID No: 10712001342) Pema Rinchen, Team Member (CID No. 10706002796)
9.	Supervising Officer	*	Kesang Wangdi (CID No. 11605000217) Partner, Tra Doen Associates Pvt. Ltd.
10.	Overall Supervising Officer	3	Kesang Wangdi (CID No. 11605000217) Partner, Tra Doen Associates Pvt. Ltd.
11.	Audit Engagement Letter No.	1	RAA(OSA-01)/AC/2021/08 dated 14 February 2021
12.	Focal Person	4	Kesang Wangdi, Auditor kes_wang@yahoo.com
13.	Date of Exit Conference	*	Not Conducted

#### GLOSSARY OF ABBREVIATION & ACRONYMS

AAG : Assistant Auditor General

AR : Audit Report

CID No. : Citizen Identity Card Number

CFC : Common Facility Centres

COAD : Compliance & Outsourced Division

FUCD : Follow-Up and Clearance Division

IA : Implementing Agencies

RAA : Royal Audit Authority

SDF : SAARC Development Fund

TDAPL : Tra Doen Associates Pvt. Ltd.

TF : Tarayana Foundation

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## AUDITORS' REPORT ON THE FINANCIAL STATEMENTS



## ा रहार्च्य अह्य त्रहेव क्षेत्र हो रहेर त्रहेव। Tra Doen Associates Pvt. Ltd.

"Excellence in Financial Services"

AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE PROJECT TITLED 'PROMOTING INTEGRATED BAMBOO BASED ENTERPRISE DEVELOPMENT AMONG SAARC COUNTRIES' IMPLEMENTED BY TARAYANA FOUNDATION FOR THE PERIOD 01 JANUARY 2020 TO 31 DECEMBER 2020

#### Opinion

We have audited the financial statements of Project titled 'Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries' implemented by Tarayana Foundation, which comprise the Receipts and Payments Statement and schedules forming part of financial statements for the period 01 January 2020 to 31 December 2020.

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 project management, 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 project'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 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 judgement 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 expressing an opinion on
  the effectiveness of the project'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.

(Kesang Wangdi)

Partner

Dated : 24/2/2021

Place: Thimphu

## ENCLOSURE

#### Project Titled 'Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries' implemented by Tarayana Foundation

#### RECEIPTS & PAYMENTS STATEMENT

SDF Bamboo Project

For the period from 1 January 2020 to 31 December 2020

PARTICULARS	SCHEDULE	RECEII	TS	PAYME	NTS
FARTICULARS	SCHEDULE	BTN (Nu.)	USD	BTN (Nu.)	USD
Opening Balance:					
Cash in Hand	1 1	Section Commence	+2011017e09e0e		
Cash at Bank		2,572,932.38	37.127.45		
Revenue:					
1. Programme Grant from SDF	1		- 61		
2. Interest from Seeing	2	55,796,07	805.14		
Interim Borrowings from IA (Receipant)	3	363,400.00	5.243.87		
Recoveries & Remittances	4	10,489.16	151.36	51,224,58	739.17
Other Receivable from Core	5	28,658.46	413.54		
Advance & Adjustments	6	1,307,871.00	18,872,60	1,255,506,00	18,116.97
Program Activities Expenses:	7				
1. Establishment of CFC				818,433.00	11,810.00
2. Prod. Harvesting & Post-Harvest				237,153.00	3,422,12
3. Design & Product Development	1			614.836.00	8,872,09
4. Skill Bosed Trainings On	1 1	l l'		262,565.00	3,788,82
5. Marketing				360.826.00	5,206.72
6. Access to Finance	1			537,376.00	7,754.34
7. Common Activities (Regional)				100,575,00	1,451.30
Closing Balance:					
Cash in Hand				200	
Cash at Bank	"			100,652.49	1,452.42
Total		4,339,147,07	62,613,95	4,339,147,07	62,613.95

NOTE: Exchange Rate per US\$ is Nu.69.30, exchange rate at which fund was received

(Thukten Tshering) Finance Officer

Finance Officer Tarayana Foundation Thimphu: Phutan (Chinse Paden Wangdi) Secretary General (Tenzin Jameshok) Auditor





#### Schedules forming part of the Receipts and Payments for the period from 01.01.2020 to 31.12.2020

Schedule 1: Programme Budget (Grant from SDF - SAARC Development Fund)

Sl. No.	Date	Amount (BTN)	Dollar (USD)	Remarks
1		j+		Balance C/F from 2019
Fotal			*	

Note: The exchange rate @ 69.30

Schedule 2: Interest Earned from Saving Account

St. No.	Date	Amount (BTN)	Dollar (USD)	Remarks
1	31/01/2020	10,619.71	153.24	
2	28/02/2020	9,720.43	140,27	
3	31/03/2020	8,920.72	128.73	
4	30/04/2020	7,258.25	104.74	
5	31/05/2020	5,156,10	74:40	Exchange rate for the
6	30/06/2020	3,500.62	50.51	interest earned for the year
7	31/07/2020	3,590.91	51.82	@ 69.30
8	31/08/2020	2,314.74	33.40	35, 477.57
9	30/09/2020	1,842.14	26.58	
10	31/10/2020	1,768.72	25.52	7
11	30/11/2020	690.05	9.96	
12	31/12/2020	413.68	5.97	
Fotal		55,796.07	805.14	

Schedule 3: Details of Borrowings from Tarayana Core Fund

THE RESERVE TO SERVE THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NAMED	rom Tarayana Core Fund	The second of	ED 10 (\$100PD)	O
S1. No.	Date/Cheque No.	Amount (BTN)	Dollar (USD)	Remarks
1	27/11/2020-(007458)	76,400,00	1,102.45	
2	27/11/2020-(007458)	10,000,00	144.30	
3	27/11/2020-(007462)	106,000.00	1,529.58	
4	27/11/2020-(007462)	36,000.00	519.48	
5	27/11/2020-(007462)	84,000.00	1,212.12	
6	27/11/2020-(007462)	31,000.00	447.33	
7	27/11/2020-(007462)	26,000.00	288.60	
Fotal		363,400.00	5,243.87	

Note: The exchange rate @ 69.30

#### Schedule 4: Recoveries & Remittances

Sl. No.	Particulars (TDS)	Amount (BTN)	Dollar (USD)	Remarks
1	2% Bhutanese Contract	10,489.16	151,36	-21.75.000.00
2	3% Non-Bhutanese Contract	74 C		
Total		10,489.16	151.36	
iii. Remi	mitances			
1	RRCO	51,224.58	739.17	
Total		51,224.58	739.17	

and colored account the test of	TANK TO SERVICE STREET	or below the control of the control	NAME OF TAXABLE PARTY.	
Schedule	5. Other	Receivable	from Core	

i. Reimt	bursement to Staffs	0/		
1	Scnam Gyaltshen	16,456.00	237.46	
2	Tandin Wangchuk	8,880.00	128.14	
Total		25,336.00	365,60	
ii. Bank	Charges		-20000	
1	Deposit (Inter Bank Charges)	1,455.30	21.00	Bank SDF PIBBED
2	Vivekanand Shetty	481.59	6.95	Bank SDF PIBBED
3	INDEBO TRAVELS PVT LTD	624.59	9.01	Bank SDF PIBBED
4	Konkan Bamboo & Cane Development Centre	760.98	10.98	Bank SDF PIBBED
Total		3,322.46	47,94	
Total (i	+ 15)	28,658.46	413.54	

7			Advance			Adjustment			Balance	
No.	Name	Date	Amount (BTN)	Dollar (USD)	Date	Amount (BTN)	Dollar (USD)	Recevied	Dollar (USD)	Receviable
		07/02/2020	22,000,00	317.46	17/04/2020	22,000.00	317.46	0		
		07/02/2020	28,000.00	404.04	15/04/2020	28,000,00	404.04			ď
		28/02/2020	128,150.00	1,849,21	17/04/2020	128,150,00	1,849,21	(i)	N.	*
		15/04/2020	9,556.00	137.89	30/09/2020	9,556.00	137.89			
		02/08/2020	6,000.00	86.58	30/09/2020	6,000.00	86.58	i		
		07/08/2020	22,000.00	317,46	30/09/2020	22,000.00	317.46	à	a.	7
		07/08/2020	75,000,00	1,082.25	30/09/2020	75,000,00	1,082.25	٠	Y	
-	Sonum Gyeltshon	07/08/2020	51,600.00	744.59	30/09/2020	50,845.00	733.69	755,00	10.89	
7		10/08/2020	43,000.00	620,49	30/09/2020	41,360,00	596.83	1,640,00	23.67	*
		23/10/2020	97,800,00	1,411.26	14/12/2020	97,800,00	1,411.26	4		
		27/11/2020	106,000,001	1,529,58	25/12/2020	106,000,00	1,529,58	*	K	*
		27/11/2020	36,000,00	\$19.48	14/12/2020	36,000.00	519,48		•	•
		27/11/2020	84,000,00	1,212,12	14/12/2020	84,000,00	1,212.12	ý.	9	,
		27/11/2020	31,000,00	447.33	14/12/2020	31,000,00	447,33	٠		,
		27/11/2020	20,000,00	288,69	14/12/2020	20,000.00	288.63			*
		05/03/2020	152,600.00	2,202.02	01/04/2020	151,370.00	2,184,23	1,230.00	17.75	
		15/04/2020	31,350,00	452.38	13/05/2020	31,350.00	452,38			
ni	Passang Tobgas	16/06/2020	10,000,00	144,30	08/10/2026	00'008'6	141,41	200.00	2.89	1
	THE PERSON AND PROPERTY.	07/08/2020	40,300.00	581,53	08/10/2020	40,300.00	581.53		+	
		10/08/2020	174,750,00	2,521,65	08/10/2020	174,700:00	2,520.92	50,00	6.72	
**	Tandin Wanachuk	27/11/2020	\$6,400.00	1,246,75	17/12/2020	86,400.00	1,246,75			
Total			1,255,506.00	18,116.97		1,251,631.00	18,061.05	3,875,00	55.92	
Othe	Other Adjustments: Advance taken balance amount refund	ance taken bal	ance amount refu	pu						
-	Passang Tobgay	3/2/2020	42,485.00	90'219						
2	Sonam Gyelishen	3/2/2020	9,880.00	142.57	2.1					
Total			52,365.00	755.63						
1	Charles of Things		1 307 871 00	18.872.60						

SL	Particulars	Amount (BTN)	Dollar (USD)	Remarks
No.	ablishment of CFC:			
ESL	2.1 Construction / Lease of CFC Building:			
	2.1.1 Land & Building	581,387.00	8,389.42	
-	2.1.2 Design / Business Model	307,307,300	Mile Street	
	2.1.3 Procurement of Machinery	20,596.00	297.20	
	2.1.4 Other Establishment Cost		-	
	2.2 Operational Cost:			
	2.2.1 Human Rersouces			
	2.2.2 Utilities-recurring Costs	216,450.00	3,123,38	
Control	Establishment of CFC	818,433,00	11,810.00	
	od, Harvesting & Post-Harvest:	010/400100	2.1402.0000	
PF	3.1 Planting Matreial:			
	3.1.1 Setting of Bamboo Nursery	51,136.00	737.89	
	3.1.2 Plantation & Management	28,500.00	411.26	
	3.2 Harvesting:	20,500.00	71100	
	3.2.1 Harvesting Practices			
	3.2.2 Shoot Processing & Packing	99,929,00	1,441.98	7.
	3.3 Post-Harvest Processing & Packing	27,747,000	19773.00	
-	3.3.1 Post Harvesting Training	29,300.00	422.80	
	3.3.2 Seasoning, Store, Grad & Sort	28,288.00	408.20	-
The same		237,153.00	3,422.12	-
	I Prod, Harvesting & Post-Harvest	2011155100	obstance (A)	
4 LPE	sign & Product Development:	-		
-	4.1 Market Study / Assessment	614,836.00	8,872.09	
*****	4.2 Design & Development of prototypes	614,836.00	8,872.09	
ALC: UNKNOWN	I Skill Based Trainings On	014,030.00	0,072.09	
5 360	ill Based Trainings On:		+	
	5.1 Training of Trainers	-		
-	5.2 Cluster artisans/ Entrepreneurs:			
-	5.2.1 Handicraft	116,540.00	1,681.67	
	5.2.2 Furniture	44,408.00	640.81	
	5.2.3 Housing & Construction	The state of the s	1,466.33	
-	5.2.4 Lifestyle Products	101,617,00	3,788.82	
	l Skill Based Trainings On	262,565.00	31/00/04	
6 Ma	arketing	24.165.00	348.70	
	6.1 Explosure Visits	24,165.00	833.42	
	6.2 Participation in Exhibition	57,756.00		
	6.3 Product Branding	278,905.00	4,024.60 5,206.72	
	d Marketing	360,826.00	5,200,72	
7 Ac	cess to Finance:	637 376 00	7.704.77	
	7.1 Business Plan Development	537,376.00	7,754.34	
	d Access to Finance	537,376.00	7,754.34	
8 Co	ommon Activities - Regional (Knowledge Sharing IA Level)			
	8.1 Fecus Group Discussions			
	8.3 Experience & Knowledge Share	Line erre no	1 444 00	
	8.4 Project MNE	100,575.00	1,451.30	
	d Common Activities - Regional	100,575.00	1,451.30	
Cro	nd Total	2,931,764.00	33,433.30	

### COMPARISION OF BUDGET AND ACTUAL EXPENDITURES INCURRED BY THE PROJECT DURING THE YEAR -03, 2020

		Approved	Budget A	civilifes (4)	.fcm	d (80)
St. No.	Approved Activity	Budget (A)	Amount (BTN)	Dollar (USD)	Amount (BTN)	Dollar (USD)
1. Pres	implementation activities	8,600	2010-57		Medition.	
1.1	Baseline Study	4,000			10.	
12	Situation analysis & Resource Magning	4,000	-	- 3		+
	blishment of CFC	349(819,00				
21	Condruction, Large affCFC building	and the same of the same of	- Tribles	locus.	Contraction of the last	
211	Land and the drug part	95,549,670	43,661	652	581,397	\$,385
212	Design: Business Model of LTC	5,308,00	-	-		
218	Proceedings & installation of Machinery & Tools	1.14,780.00	2.547,273	58,019	20,596	297
23.4	Other employment cost (Statutory & Utility and allacam)	16,029.60	246,158	3:676		
22	Operanous courc	10000 to To 1000	georgiani	440040		
321	Humati Research	90,871.00	2,028,559	30,277		
232	Spilittes-recorning costs	25,914.00	578,746	8,638	216,450	3,123
L Ban	bus preduction, Harvesting and Pust-harvest processing	37,389				
1.1	Photong Mocrist					
311	Setting of model bumbon numers (50 kg/sc)	4.615.00	-	-	51,156	738
212	Training and model training marcal on humbon photation and	Mark to the			****	
0.14	muniperselli priefices	2,730.00		- 3	28,500	411
313	Damontiation of humbou plantation of annuscical species	0.00		-		
3.2	Harvesting					
121	Tracting and model training training in harvesting practices	6,(54.00	127.818	2,654		
122	Training in horders dance processing and purkaging	7,000.00	134,000	2,000	60.626	1,443
13	Post-harvest processing:	2162/0/9	1	2000	T. LOVER C.	171025
331	Training and training transaction post flam using	5,350.00	56,950	850	29,300	422
3.3.2	Towning on sensowing, storage, grading and sorting	6,500.00	154,000	2,000	25.258	908
ALTERNATION AND ADDRESS.	n and Product Development	33,474.00	134,0115		20200	910
41	Market Study / Assessment	5.065.00	-	-		
42	Design and Development of prototypes	27,966.00	335,000	5,000	614.836	K 872
	Based trainings on:	22,700.UH	333380	3,000	914,400	5,0/2
5.1	Lyaining of Trainers	21,540.00			_	
5.1.1	Fondicart	3,339.00	-	-	12	
5.1.2	Funiture	5.350.00				
613	Housing & Construction	5,340,00			- 1	
514	Lafestyle products	3,359.00		- 2	- 1	
5.2	And the state of t	The second secon	_	-		-
	Stall up gradation of cluster artisans/ entrepresents:	49,446.00	75.4 6.00	2,800		
3.21	ALL STATES AND ALL ST	11,595.50	254,600	3,800	744 745	Land
572	Familiae	12,923.00	275,839	4,117	116,540	1,682
523	Horsing & Construction	12,846.00	234,500	3,500	44,408	641
524	Lafesis fe products	12,682.00	225,455	3,365	101,617	1,466
525	Other transmiss rationed aspects	0.00				
6. Mar	and the little was a little was	40,712.00	1000000	2000	77777	- 12
6.1	Exposure visits	8,000,00	134,000	2,000	24,165	349
6.2	Participation in Edulphone / fam.	23,598,60	556,904	8,312	37,756	833
6.3	Product branding	9,114,00	271,610	4,057	278,905	4,005
	st to Finance	28,846,80				
3.1	Humes plan development	27,346,60	592,682	8,846	537,376	7,754
7.2	Linkages with Financial fundations	1,500:00	333500	500	+	-
_	wiedge Sharing & dissemination at IA's Level	33,536,00		-50		
8.1	Franc Group Documisms	1,400.00	33,500	500	- 3	-
52	Recieu Workshops	4,095.00	167,500	2,500		
8.3	Experience and knowledge sharing visits	9,962.00	278,318	4,154		
8.4	Project monitoring and Evaluation	8,000,00	and Edu	10/40	100,575	1,451
8.5	Shun tem: Trainings (loss than 2 weeks)	10,059,00	1		1000000	
5-1-5	Total	597,195,00	5,340,805	139,415	2,931,764	42,305

NOTE: Exchange Rate per US\$ is Nu.69.30, exchange rate at which find was received

Thukten Tshering) Finance Officer

Finance Officer Tarayana Foundation Thimphu: Shutan (Chime Paden Wangdi) Secretary General (Tenzie Jernishok)

#### Project Titled 'Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries' implemented by Tarayana Foundation

#### BANK RECONCILIATION STATEMENT

For the Period from 1 January 2020 to 31 December 2020

Exchange Rate 69.30 (Year-2020)

	Amoun	t (BTN)	Amount (USD)
A. Particulars:	20,000	3/5/07/17/1	The second second
Opening balance		2,572,932,38	37,127,45
i Total Receipts	- 1	112,713.53	1,626.46
ii Less: Closing Balance as per Cash Book		100,652.49	1,452,42
iii Difference: Amount Withdrawn as per cash book		2,584,993.42	37,301.49
B. Reconciliation:			
I Amount withdrawn as per Bank Statement (Debit Balance)		2,728,701.42	39,375,20
2 Add: Cheque issued but not Presented to Bank		-	
Total (1+2)		2,728,701.42	39,375.20
3 Less: Cheque issued in 2019 Presented in 2020		143,508.00	2,070.82
4 Less: Amount debited in Bank Statement but not in Cash Book	1	200.00	2.89
Ch. No. Nil dated 15/4/2020 & 4/11/2020	50.00	TERCONAL.	
Ch. No. Nil dated 31/12/2020	150.00		
Total (1+2-3-4)	377.37	2,584,993.42	37,301.49

(Thukten Tshering) Finance Officer COLOR OF THE PARTY OF THE PARTY

(Chime Paden Wangdi) Secretary General

#### ANNEXURE - A: PROFILE

Tarayana Foundation was founded by Her Majesty The Queen Mother Ashi Dorji Wangmo Wangchuck and formally launched on 4th May 2003, by His Majesty Jigme Khesar Namgyel Wangchuck, the present king of Bhutan. The Foundation is a Public Benefit Organization, registered with the Civil Society Organization Authority of Bhutan.

Vision: 'A happy and prosperous Bhutan'.

Mission: 'Tarayana Foundation believes in maximizing happiness and harmony among all Bhutanese people by providing opportunities for life improvement to the vulnerable communities in Bhutan. By helping community members learn and integrate new skills, Tarayana Foundation promotes self-empowerment and the importance of serving each other'.

The SDF supported project titled 'Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries' implemented by Tarayana Foundation, was approved on 30<sup>th</sup> March 2017. The programme could be implemented only from October 2017, as the Foundation had to furnish clearance documents with regard to the leased land in Kalapang, Mongar and CFC in Bjoka, Zhemgang. The ending date of the project is 30 March 2020.

The project is focused on a bamboo based integrated development model by creating opportunities across harvesting to production and then marketing. The development model is based on identification of key stakeholders and their key challenges across the value chain. The creation of sustainable high value economic opportunities will directly improve the quality of life for farmers, artisans, micro & small enterprises, designers, traders and exporters. It is proposed that the project will conduct research in the development of bamboo and its composites as engineering materials for various end-use applications. Project will develop various bamboo based enterprises and will provide technical backstopping and facilitation as needed through creating Common Facility Centers. The ultimate goal of the project is to create opportunities to access information, skills and entrepreneurial facilitation in bamboo based income generating activities for Kalapang and Zhemgang communities and makes them self-reliant using local resources and skills. The knowledge and technology base in the use and application of bamboo resources will be greatly enhanced. Reducing wastage of the resources, sustainable harvesting practices coupled with better designs and targeted marketing should collectively be able to give the rural communities higher rates of return for their efforts.

#### ANNEXURE - B: ACHIEVEMENTS

The Auditors while reviewing the accounting records and operations of the Project titled 'Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries' implemented by Tarayana Foundation, Thimphu had also reviewed the plans and programs implemented during the period under audit and noted the following accomplishments:

- Skill based trainings in the following areas were carried out in the first and second quarter of 2020:
  - In Mongar, six master artisans trained at Kudal were the facilitators for the skill up gradation for the artisans and farmers, and conducted training in bamboo skills enhancement and diversification in bamboo products
  - 109(63m, 46) artisans in Mongar (Brokser, Nagor, Gyalgong, Dhaksa, Pikari, Bagla, Pam and Sengor) were trained in bamboo handicrafts. 77(47m, 30f) SHG members in Mongar were trained in bamboo furniture making. A total of 77 (45 m, 32 f) community members in Mongar were trained in bamboo housing and construction components 94(53m,41f) people were trained in bamboo lifestyle products in Mongar
  - In Zhemgang, 30 people (17f and 13 m) in Kamati village were trained in bamboo handicrafts & furniture making in ZhemgangUnder Zhemgang in Kagtong, 31 artisans (18f, 13m) were trained in bamboo lifestyle products & handicrafts while in Rebati 26 artisans (14 f, 12 m) were trained in bamboo furniture & construction. A total of 30 artisans (20 f, 10m) from Nangla were trainined in bamboo handicrafts and lifestyle products whereas in Chapgoenpa a total of 18 (5 f,13 m) were trained in bamboo handicrafts, both in Zhemgang. In Zhemgang, 64 artisans (33 f, 31m) from Bjoka Trong were trained in bamboo handicrafts, furniture and lifestyle products, 34 artisans (16 f,18 m) in Barpong village and 15 artisans (10 f,5 m) in Manrandut were trained on making bamboo handicrafts. In Mewangang, 20 artisans (6 f, 14 m) were trained in bamboo furniture and handicrafts while in Dali the focus was on bamboo handicrafts with 31 artisans trained (17 f, 14 m).
- An exposure visit to Dumka where FMC has formed a bamboo cluster was planned for the artisans from Mongar and Zhemgang in March 2020. This had to be postponed in light of travel restriction placed due to Covid-19 pandemic.
- Artisans from Zhemgang participated in the Foothills Festival at Sarpang Dzongkhag from 16 to 18 Jauary, 2020 and earned an income of Nu. 190, 70 from the sale of their products
- Artisans from Mongar participated in the annual Gyalpozhing Tshechu from 5 to 7 February 2020.
- Brand logo "TSHAR" is registered with Dept. of Intellectual Property under Ministry of Economic Affairs and will be used exclusively in marketing of bamboo products from Zhemgang and Mongar.
- Second round of training was conducted in Business Plan Development at the project sites focused mainly on master artisans and SHG representatives; Mongar -3 to 7 March,2020 with 17 participants(14M,3 F), Zhemgang -9 - 13 March,2020 with 24 participants (17 M, 7F).
- Training manual on "Bamboo Propagation, Cultivation, Management, Harvesting and Post-Harvest Practices" has been printed and distributed to artisan in Mongar and Zhemgang to

enable to them to follow proper and proven methods for bamboo cultivation, harvesting, post harvesting, seasoning, storage, grading and sorting. A total of 64 copies of the training manual were printed (32 in Dzongkha and 32 in English) and distributed to the artisans.

- Though the COVID-19 pandemic didn't allow the organization of annual Tarayana Fair, a small in-house exhibition of bamboo products from Mongar and Zhemgang was organized in Thinphu from 4-6 May, 2020. Artisans from Zhemgang earned Nu.112, 770 and received additional orders worth Nu.150, 000. Meanwhile artisans from Mongar were able to sell products worth Nu.38, 900. The artisans from Mongar and Zhemgang displayed prototypes of bamboo handicrafts, lifestyle products and furniture. The artisans were able to jointly produce 25 prototypes each from handicrafts & lifestyle products and 10 for bamboo furniture.
- A total of 95 artisans (56m, 39f) were trained on greenhouse installation for bamboo nursery raising from 11/6/2020 to 10/7/2020 in Zhemgang. Artisans were also imparted training on bamboo pole harvesting, bamboo pole treatment with smoke, bamboo pole node fixing & alignment, green house ground labeling and bamboo nursery bed labeling. A total of eight greenhouses and 11 green nets were distributed to the artisan groups in Ngangla, Kagtong, Chapgoenpa, Dali, Barpong, Bjoka, Kamati and Mewangang in Zhemgang
- In Zhemgang, 102 artisans (49m &53f) participated in a training on bamboo plantation and management practices. They learnt propagation through root, culm, branch& stem cutting as well as propagation through rhizome/off-set planting. They were also trained on bamboo mulching, rhizome exposure, clump management and culm harvesting. Artisans from Ngangla, Lagtong, Chapgoenpa, Dali, Barpong, Bjoka, Kamati and Mewangang participated in the training.
- 20 artisans (4f, 16m) from Saling and Gongdue in Mongar were trained on bamboo shoot processing for income generation, packaging of bamboo pickles and bamboo shoot harvesting methods. Bamboo prototype development training was conducted for 30 artisans (10f, 20m) from Sengor, Pikari and Pam under Saling and Gongdue Gewog in Mongar. A total of 50 male artisans from Mongar were trained in bamboo furniture making. The artisans were from Yangbari, Resa, Thridangbi and Nagor under Saling, Silambi and Gongdue Gewog. The artisans learnt to make modern bamboo furniture and the use of different hand tools for furniture making. A total of 30 artisans (10f,20m) from Gyalgaon and Nagor under Silambi Gewog in Mongar were training on bamboo lifestyle products.
- From 12- 19 September, 2020 the Zhemgang Dzongkhag Administration led by Dasho Dzongda visited the bamboo artisans of Kaktong, Ngangla under Ngangla Gewog, Bjoka Tong, Kamati, in Bjoka Gewog, and Mewangan in Goshing Gewog. They were impressed by up gradation in the skills of the artisans as well as the opportunity to make an income through bamboo products and commended the SDF project's efforts to develop the bamboo sector while ensuring the welfare of the artisans dependent on it for livelihood. The artisans received orders worth Nu.185, 000 from the Zhemgang Dzongkhag administration.
- 20 artisans including four female were trained for a week on business concepts as well as to explore opportunities of enterprise development within the bamboo sector. This was the first of its kind training for the artisans and simplified methods had to be adopted for training. The training was held for the artisans in Mongar.
- Kalapang common facilitation centre construction was initiated sand, bricks, aggregate & boulders procured, earthwork for laboratory and multi-purpose hall completed. Architects' visit to the construction site was facilitated to ensure proper initiation of the process.

- Project technical partner, FMC connected Tarayana with Mr. Gaurav Sharma, Dean at the World University of Design, who will provide his knowledge in developing new bamboo prototypes. With his expertise and guidance, bamboo prototypes for the hospitality sector will be developed and tested in the Bhutanese market.
- 8 artisans from Ngangla, 7 from Mewangang, and 9 from Kaktong were trained in bamboo handicrafts in October, 2020. A total of 24 artisans in Zhemgang were trained on bamboo handicrafts in Q4, 2020.
- 5 artisans from Ngangla, 11 from Mewangang, 5 from Kaktong and 7 from Rebati were trained on bamboo furniture in October, 2020. A total of 28 artisans from Zhemgang were trained in bamboo furniture in Q4, 2020.5 artisans from Rebati were trained on bamboo construction.
- Training on bamboo handicrafts was conducted for 16 artisans (5m, 11f) in Gyalgong village under Mongar Dzongkhag from 14-16 December, 2020.
- 4 artisans from Ngangla, 6 from Mewangang and 7 from Kaktong were also trained on hamboo lifestyle products in October, 2020. The artisans were also trained to operate and manage hand tools supplied through the project. Over the course of the training, the artisans were trained to produce bamboo flower vase, cloth hanger, mobile stand, towel hander and shopping basket.
- Artisans in Ngangla and Kagtong received orders worth of Nu.145, 200 on handicrafts, lifestyle products and furniture from Trongsa Dratshang and Panbang Dungkhag. Artisans in Mewangang received orders worth Nu.55, 000 from handicraft shops in Trongsa.
- In order to facilitate access to finance, loan applications along with business plans were submitted to the Kuendhen Crowd Loan under the Royal Monetary Authority for the bamboo furniture SHG from Mewangang and bamboo shoot pickle groups from Rebati, Thridangbi and Yangbari. However none of the applications for loan were approved. The project team will facilitate application with financial institutions such as the CSI Bank, TMF, etc. in the coming days.
- The project team undertook a monitoring visit to the project sites in Mongar to keep track and verify progress of project activities. The team visited the CFC construction site at Kalapang to review the progress and plan smooth & efficient completion of the facility. Apart from these, the team reviewed and verified the financial transaction at the field level with regard to transportation cost, training programmes and payment for material and tools. The team also visited the project sites and interacted with the bamboo SHGs in Kalapang village, Thridangbi, Broksar, Gyalgong, Nagor, Yangbari, Pikari, Bagla and Pam to monitor distribution, usage and management of tools as well as for plans to continue facilitation for growth and enhance productivity of the groups. The project team had plans to monitor the sites and activities in Zhemgang but could not be carried out a travel as restricted since the sites fell in the red zone due to COVID19.
- Artisan income survey has been completed for 180 artisans in Zhemgang and Mongar. The data collected is currently being organized and analyzed to determine if the one of the project's objectives of enhancing the artisans' income by at least 50% through bamboo based activities has been realized.

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## यहमामासेन् द्वैमालियान्य न्यायद्वेषा

## JIGMI Audit & Financials

(A Private Limited Company)

AUDIT REPORT ON THE ACCOUNTS AND OPERATIONS OF "DEVELOPING CLIMATE RESILIENT COMMUNICATION THROUGH APPROPRIATE ADAPTATION AND MITIGATION INTERVENTIONS",
BHUTAN TRUST FUND FOR ENVIRONEMTAL CONSERVATION Grant No: MB190Y18

Grantee: TARAYANA FOUNDATION

PERIOD: 01.07.2020 - 30.06.2021

NOVEMBER 2021

HGMI Audit & Financials Pvt. Ltd. Lodrey Lam 11/B, P.O.Box No. 689 Thimphu 11001, Bhutan Tel.: +975 2 350868/350869 Mobile: +975 17601963/77719442

Email: pjrinzin@gmail.com. jafplc2018@gmail.com

Facebook: JIGMI Audit & Financials



### क्तुत्र मालुदः प्रेशः विचाद्यदः वर्दे । ROYAL AUDIT AUTHORITY

Bhutan Integrity House

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

RAA (BH-03)/NGO-04/COAD/2021/ >

Dated: 22 November 2021

The Executive Director Tarayana Foundation Thimphu

Subject: Financial Audit Report of the Bhutan Trust Fund for Environment Conservation (BTFEC) Funded Project (Grant: 190Y18) implemented by Tarayana Foundation,

Thimphu for the period 01/07/2020 to 30/06/2021

Sir.

Enclosed herewith, please find the audited financial statements and auditors' report thereon in respect of the BTFEC Funded Project implemented by Tarayana Foundation, Thimphu for the financial year ended 30 June 2021. The audit was conducted as required under the Audit Act of Bhutan 2018, and in accordance with International Standards of Supreme Audit Institutions (ISSAIs).

#### Auditor's Report on the Financial Statement

As may be noted from the auditors' report, the financial statements are prepared by the Tarayana Foundation, in all material respects, in accordance with Financial Reporting Guidelines for Core Project of the BTFEC. Accordingly, the RAA has expressed unmodified (unqualified) opinion on the financial statements.

#### Achievements

The RAA has noted achievements made by the BTFEC's Funded Tarayana Foundation, Thimphu during the period under audit, which are detailed in Annexure B of this report.

The Royal Audit Authority acknowledges the kind co-operation and assistance extended to the audit team by the officials of the BTFEC Funded Project for Tarayana Foundation, Thimphu which facilitated the completion of the audit.

Yours sincerely

(Karma Jambayyang)

Assistant Auditor General

Cc:

1. The Director, Bhutan trust Fund for Environmental Conservation, Thimphu

2. The AAG, PPAARD, Royal Audit Authority, Thimphu

3. The AAG, Follow-Up & Clearance Division, Royal Audit Authority, Thimphu

4. The Member Secretary, Civil Society Organization Authority, Thimphu

5. Office copy.

Heavy individual must strive to be principled. And infreducts in positions of responsibility must even strive bander."

Nia Majorty the King Hyper Klieuer Nampyel Wangshare.

#### TITLE SHEET

Title:	Financial Audit Report of BTFEC Funded Project of Tarayana Foundation, Thimphu
AIN No:	COAD=2021-237
Project:	MB190Y18: Developing Climate Resilient Communities through Appropriate Adaptation and Mitigation Interventions
Head of the Agency:	Sonam Pem, Executive Director CID No: 10805002003
Project Manager:	Palden Ongmo, Jr. Programme Officer CID No: 11401001719
Finance Personnel:	Thukten Tshering, Finance Officer CID No: 10709003203
Period Audited:	1 July 2020- 30 June 2021
Schedule of Audit:	Planning: 30 – 1 September,2021 Actual Audit Date: 2 September2021
Composition of Audit Team:	1. Jigmi Rinzin FCCA, Team Leader CID No.10905002564
	2.TsheringWangmo, Audit Associate CID No. 11513003706
	3. Puja Chamlagai, Junior Audit Associate CID: 11313000163
Supervising Officer:	Jigmi Rinzin FCCA, Partner, CID No. 10905002564
Engagement Letter:	RAA(O5A-10)/AC/2021/979 dated 10 June 2020
Focal Person:	Jigmi Rinzin, Managing Partner/CEO E-mail: pjrinzin@gmail.com Email: jafplc2018@gmail.com
Date of Audit Exit Conference:	11 October 2021



#### ACRONYMS and ABBREVIATIONS

BTFEC: Bhutan Trust Fund for Environmental Conservation

CEO: Chief Executive Officer
CID: Citizenship Identity Card
DPA: Department of Public Accounts

FCCA: Fellow Chartered Certified Accountants

ISSAIs International Standards of Supreme Audit Institutions

JAF: JIGMI Audit & Financials Private Ltd

Nu.: Ngultrum

PMU: Project Management Unit RAA: Royal Audit Authority RGoB: Royal Government of Bhutan

TF: Tarayana Foundation



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AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE BHUTAN TRUST FUND FOR ENVIRONMENTAL CONSERVATION'S FUNDED PROJECT MB190Y18: 'DEVELOPING CLIMATE RESILIENT COMMUNITIES THROUGH APPROPRIATE ADAPTATION AND MITIGATION INTERVENTIONS' FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

#### Opinion

We have audited the financial statements of BTFEC's Funded Project - MB190Y18: Developing Climate Resilient Communities through Appropriate Adaptation and Mitigation Interventions (the project), which comprise the Statement of Sources and Uses of Funds as at 30 June 2021, schedules of Disbursement & Fund Balance, the statement of Expenditure & Fund Balance, and notes to the financial statement including a summary of significant accounting policies.

In our opinion, the financial statements are prepared, in all material respects, in accordance with Financial Rules and Regulation prescribed by BTFEC for their Core Project.

#### Basis for apinlon

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 Statements section of our report. We are independent of the project management 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

Management is responsible for the preparation of the financial statements in accordance with the Financial Rules and Regulations prescribed by BTFEC for their Core Project 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 project's financial reporting process.

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Lodrey Lam 11/B, P.O. Box. No. 689, Thimphu 11001, Bhutan, Tel. +975 2 350868, +975 2 350869. Mobile: +975 17601963, +975 77719442, Email: jafplc2018@gmail.com, pirinxin@gmail.com



Auditors Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 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 project'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.

Jigmi Rinzin FCCA
(Membership No. 0283308)

Partner

Date: 42/4/2

## ENCLOSURES.



Statement of Sources and Uses of Funds (Nu.)

Grant Number: MB190Y17

Grant Title: Developing the Climate Resilient Communities through Approach Adaptation and Mitigation Interventions

Grantees Tarayana Foundation

Project Start Date: 1-Jul-2018

Approved Grant Amount: Nu 12,402,500.00

Project Completion Date: 30-Jun-2021	Jate: 30-Jun-2021		THE RESERVE THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NAMED IN COLUMN TWIND TWO IS NAMED IN COLUMN TWO IS NAMED IN COLUMN TWO IS NAMED IN	Grant Balance: Nu. 12,402,500,00	a. 12,402,500,00	
Source	Sources of Funds	THE PROPERTY.		Uses of Funds	Funds	
Account	FY 2020 - 21	Inception to Date	γv	Account	FY 2820 - 21	Inception to Date
Opening Balance:			Activity:		The second order of the second	The state of the s
Cash		*		Expenditure	1,264,632.94	12,427,750.84
Bank	7779,504.70					
DPA	•	8				
Advances	20,000.03	*				
Activity:			Closing Balance:			
Funds Received from BTREC	439,787.40	439,787,40		Cash		
Recoveries & Remittances				Bank		
Other Receipts	25,250,03	294,718.44		DPA		
				Advances		
Total	al 1,264,632.94	12,427,750.00		Total	1,264,632.94	12,427,750.00

For Bhutan Trust Fund for Environmental Conservation

Finance Division Designation

arayana Foundation Finance Officer

Head of the Agency Designation

Director, Programmes Tarayana Foundation Thimphu, Bhutan

or HGM1 Audit & Financials Potal.td.

(Membership No: 0283308) igmi Rinzin FCCA Partner

P 71175

## Statement of Disbursement (Nu.)

1 July 2020 to 30 June 2021

Grant Number: MB190Y17

Grant Title: Developing the Climate Resilient Communities through Approach Adaptation and Mitigation Interventis us

Grantee: Tarayana Foundation

	Object	Approved	Annual	Disbu	Disbursement	Disbursemen Budget Balance	Sudget Balance
OutputActivity	Head	Budget (A)	Budget (B)	FY 2026-21 (C)	Inception to Date (D)	Total (A-D)	Annual (B - C)
Activity 1.1.1 Community Consultation to implement the installation of electrical fencing		725,000			248,460	476,540	
Activity 1.1.2 Installation of electric fencings in 8 sites		5,050,000	325,700	33,894,40	5,408,994,40	(358,994,40)	291,805,60
Activity1.13 Training of community on maintenance of electric fencing		450,000	350,000		350,000	100,000	350,600
Activity 1.1.4 Provide technical and administrative imputs through monitoring		215,563	109,912	135,643	245,363	(341,000)	(25,731)
Activity 21.1Community consultation to assess water scarcity issues and its interventions and formation of 15 water user committee		725,000			457,843	267,157	
Activity 2.1.2 implementation appropriate interventions for water calchinent management.		3,181,125	212,634		3,393,159	(212,034)	212,034
which 21.3Community capacity building on water catchment management and Climate Change		500,000	351,892		449,283	30,715	351,892
Activity 2.1.4 Provide seed money for 15 Water User Committee		100,090	20,000		100,000		20,000
Activity 1.1.5Provide technical and administrative inputs through monitoring.		215,562	62,582		729,480	(23,918)	62,582
Project Management Cost 10%		1,240,250	480,000	270,230	1,240,250		209,750
Total		12,402,500	1,912,120	439,787.40	12,133,032,40	269,467,60	1,472,332.60

For Bhutan Trust Fund for Environmental Conscroation

Finance Division Designation

arayana Foundation Finance Officer

Director, of the Agendes Tarayana Foundation Thimpho, Bhutan

Designation ad of the

or HGMI Audit & Financials Pat. Lt. (Membership No: 0283308) ligmi Rinzin FCCA

Partner

## Statement of Expenditure (Nu.)

Grant Number: MB213Y21 1 July 2020 to 30 June 2021

Grant Title: Developing the Climate Resilient Communities through Approach Adaptation and Mitigation Interventions

Grantee: Tarayana Foundation

		Annual	Annual	Expen	Expenditure	Expenditure	Expenditure Sudget Balance
Output/Activity	Object	Grant Budget (A)	Grant Budget (B)	FY,2020-21 (C)	Inception to Date (D)	Total (A - D)	Annual (B-C)
Activity 1.1.1 Community Consultation to implement the installation of electrical fencing		248,460			248,458.86	1.14	
Activity 1.1.2 installation of electric fencings in 8 sites		5,416,540	325,700		5,397,036	19,364	325,700
Activity 1.1.3 Training of community on maintenance of electric fencing		230,000	350,000	282,908	335,083	194,912	260'29
Activity 1.1.4 Provide technical and administrative inputs through mentering		245,563	109,912	188,201	. 380,116	(134,553)	(78,289)
Activity 2.1.1 Community consultation to assess water scarcity issues and its interventions and formation of 15 water user committee.		457,843		×	267,843	000'061	
Activity 2.1.2 Implementation appropriate interventions for water calchinent management.		3,393,282	212,034		3,346,221.50	(152,999.50)	212,034
Activity 2.1.3 Community capacity building on water catchment management and Climate Change		530,000	351,892	309,211.34	465,332.48	64,667.52	42,680.66
Activity 2.1.4 Provide seed money for 15 Water User Committee		100,000	20,000	¥	08,850	1,150	20,000
Activity 1.1.5 Provide technical and administrative inputs through monttoring		240,563	62,582	191.130	448,560	(207,997)	(128,548)
Project Management Cost 10%		1,240,250	480,0000	293,183	1,240,250		186,817
Total		12,402,499.60	1,912,120	1,264,633.34	12,427,750.84	(25,249.84)	647,486.66

For Bhutan Trust Fund for Environmental Conservation

Finance Division Designation

Tarayana Foundation Thimphy: Ohyten Finance Officer

Head of the Agehcy Designation

Tamyana Foundation Chrecter, Programmes Thimphu, Bhutan

Jigmi Rinzin FCCA (Membership No: 0283308)

og HGML Andit & Financials Per Ltd

Partner



## तहेमाश्रात्रेन् स्टेश्वालेच ५८५५५० तहेमा JIGMI Audit & Financials

(A Private Limited Company

## ANNEXURES



#### Project Description

Grant No	MB190Y18	
Grant Title	Developing Climate Resilient Communities through Appropriate Adaptation and Mitigation Interventions	
Approved Grant	The state of the s	
Duration	1 July 2018 to 30 June 2021	
Funding Source	BTFEC	

#### Objective

The project aims to implement the resilience and adaptation scheme of the rural areas whereby the community members can protect, conserve and uphold the natural environment, which they depend on. The project also intends to increase the productivity of the people through the construction of modern cost-effective installations of solar/electric fencings to combat human wildlife conflicts and ensures food security.

#### Project Beneficiaries

The project beneficiaries are the most vulnerable and remote communities of Haa, Samtse, Sarpang, Mongar and Lhuntse. These communities are often the poorest villages identified according to the poverty index. Moreover, many of the implementations of these activities will supplement and complement the larger programs of the government.

- The tangible benefits would be identified through the physical verifications of tanks, fences, land management, afforestation efforts, etc.
- II. Physical progress reports of the project will be reported to PMU quarterly.
- III. Photographic updates and reports will be uploaded periodically on the website and other media platforms.

Intangible benefits are the capacity building, knowledge enhancement of the communities of traditional/indigenous ways of conserving water sources.



The project has made the following achievements during the year:

- I. Trained of community on maintenance of electric fencing.
- II. Provided technical and administrative inputs through monitoring.
- Conducted community capacity building on water catchment management and climate change.



#### NOTES ON ACCOUNTS

#### Significance Accounting Policies:

- The financial reports have been prepared by the Core Projects in accordance with the formats mandated by BTFEC;
- II. The reports from individual Core Projects are based on a fiscal year end of June 30, which is consistent with BTFEC's fiscal year end;
- III. Errors in the submitted financials reports do not result in restated financial reports. Adjustments are made during the next financial reporting period and an error resulting in refunds back to BTFEC is followed up as well in the next financial reporting period;
- IV. Disbursements from BTFEC to Core Projects are released on a semi-annual basis after the Projects submit their financial reporting to BTFEC detailing the expenditure incurred during that period. BTFEC reviews the expenditure reported against the approved expenditure budget before releasing the funds;
- V. The disbursements from BTFEC to Projects are routed through the Department of Public Accounts for grant recipients that are government agencies;
- VI. Disbursements to non-governmental recipients are transferred directly to recipients' bank accounts; and
- VII. Disbursements unspent at the time of project completion are refundable back to BTFEC by the Projects as per the terms in the grant agreement.

