

**Project "Capacity Building for the Ratification  
and Implementation of the Nagoya Protocol on  
Access and Benefit Sharing in Vietnam"  
(Project ID: 91409)**

**Report of factual findings**

Period from 1 October 2019 to 30 June 2020



Mr. Nguyen Van Tai  
*Project Director*  
Vietnam Environment Administration (VEA)  
Ministry of Natural Resources and Environment (MONRE)  
Detech building, No.8 Ton That Thuyet, My Dinh  
Hanoi, Vietnam

Hanoi, 30 December 2020

To: Mr. Nguyen Van Tai

**Re: Project "Capacity Building for the Ratification and Implementation of the Nagoya Protocol on Access and Benefit Sharing in Vietnam" (Project ID: 91409)  
Report of Factual Findings for the period from 1 October 2019 to 30 June 2020**

We have performed the procedures agreed with you and enumerated below with respect to the programme disbursements related to the Project "Capacity Building for the Ratification and Implementation of the Nagoya Protocol on Access and Benefit Sharing in Vietnam" (Project ID: 91409) for the period from 1 October 2019 to 30 June 2020, set forth in the accompanying management letter. Our engagement was undertaken in accordance with International Standard on Related Services ("ISRS") 4400 applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the validity of accounting records that support cash transfers from UNDP and are summarized as follows:

1. Compare documentation obtained describing the Implementing partner (IP)'s financial management internal controls against the most recent micro assessment from the corresponding programme cycle. Document any changes or inconsistencies.
2. Inquire of IP management whether there have been any changes to internal controls since the prior micro assessment from the current programme cycle. Document any changes identified.
3. Obtain a listing of all programme related expenditures during the period from 1 October 2019 to 30 June 2020 for the agreed-upon procedures engagement and perform the following:
  - Randomly select a sample of expenditures amounting to a 20% percentage of total expenditures. Provide a detailed listing of expenditures selected as samples.
  - For each sample selection perform the following procedures:
    - ✓ Verify that documentation exists to support the expenditure in accordance with the applicable rules and procedures and agreements with UNDP.
    - ✓ Verify that the activity related to the expenditure is in accordance with the work plan.
    - ✓ Verify that the expenditure has been reviewed and approved in accordance with the applicable rules and procedures and agreements with UNDP.
    - ✓ Verify that the expenditure was reflected on a certified FACE form submitted to UNDP.
    - ✓ Verify that the expenditure was reflected in the IP's accounting records (official book of accounts) and bank statement.
    - ✓ Verify that supporting documents are stamped "PAID".
    - ✓ Verify that the FACE form was submitted consistent with the periodicity-of disbursement requirement (10 days).
    - ✓ Verify the price paid for goods or services against United Nations agreed standard rates (i.e. the applicable UN-EU Guidelines for Financing of local Costs in Development Co-operation with Vietnam).

4. Obtain statements and reconciliation of the separate bank account for the UNDP funded projects and perform the following procedures:

- Verify that the activity per the bank statements agrees with that reflected in the accounting records. Document any variances noted; and
- Confirm that bank reconciliation was completed and the balance has been reconciled to the accounting records. Document any variances noted.

We report our findings below:

(a) With respect to item 1 we noted that there were no significant issues to report.

(b) With respect to item 2 we noted that there were no significant issues to report.

(c) With respect to item 3 we noted that:

(i) Timing of appraisal and approving of some bidding packages was incompliant with the provisions of the Bidding Laws; and (ii) Information on the Bid dossiers was not responding with requirements in the Bid invitation documents.

Refer to management letter for details of these findings. Except for these issues, there were no other significant issues to report.

(d) With respect to item 4 we noted that there were no significant issues to report.

Because these procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the disbursements for the period from 1 October 2019 to 30 June 2020.

Had we performed additional procedures or had we performed an audit or review of the financial statement in accordance with International Standards on Auditing International Standards on Review Engagements (or relevant national standards or practices); other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information. It is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the items specified above and does not extend to any financial statement of the implementing partner, taken as a whole.

Yours sincerely,



CÔNG TY  
TRÁCH NHIỆM HỮU HẠN  
NEXIA STT  
ĐỒNG ĐÀ

Nguyen Viet Nga  
Deputy General Director

**Project "Capacity Building for the Ratification and Implementation of the  
Nagoya Protocol on Access and Benefit Sharing in Vietnam"  
(Project ID: 91409)**

**Annex 1: Spot Check Work Plan  
Period from 1 October 2019 to 30 June 2020**

<b>Project title:</b>	Project "Capacity Building for the Ratification and Implementation of the Nagoya Protocol on Access and Benefit Sharing in Vietnam" (Project ID: 91409)
<b>Name of the IP:</b>	Vietnam Environment Administration (VEA) - Ministry of Natural Resources and Environment (MONRE)
<b>Location of the IP/programme:</b>	Detech building, No. 8 Ton That Thuyet street, My Dinh ward, Hanoi, Vietnam
<b>IP contact person and position:</b>	Mr. Nguyen Van Tai – Deputy Director General of Vietnam Environment Administration – Project Director
<b>Start/end date of the spot check</b>	22 and 23 October 2020
<b>Dates covered by FACE forms selected for testing</b>	Period from 1 October 2019 to 30 June 2020
<b>Date of the last spot check</b>	9 and 10 December 2019 for the period from 1 October 2018 to 30 September 2019
<b>Member(s) of the spot check team</b>	<ul style="list-style-type: none"> <li>• Ms. Nguyen Viet Nga – Deputy General Director</li> <li>• Ms. Nguyen Thu Phuong – Senior Audit Manager</li> <li>• Ms. Tran Thuy Linh – Auditor In-charge</li> <li>• Ms. Nguyen Thi Van Anh – Audit Assistant</li> <li>• Mr. Dinh Thanh Huyen – Audit Assistant</li> <li>• Ms. Doan Ngoc Hoang Anh – Audit Assistant</li> </ul>
<b>IP staff whom the spot check team met and worked with during the spot check</b>	<ul style="list-style-type: none"> <li>• Ms. Nguyen Thi Minh Tham – Project Manager</li> <li>• Mr. Nguyen Ba Tu – Project Coordinator</li> <li>• Ms. Ngo Thi Thu Hien – Project Chief Accountant</li> <li>• Ms. Nguyen Thu Huyen – Project Accountant</li> </ul>

**Project "Capacity Building for the Ratification and Implementation of the Nagoya Protocol on Access and Benefit Sharing in Vietnam" (Project ID: 91409)**

**Annex 1: Spot Check Work Plan (continued)  
Period from 1 October 2019 to 30 June 2020**

**Internal Controls:** Complete the following table covering specific procedures regarding internal controls

	<b>Procedure</b>	<b>Findings</b>
<b>1</b>	Compare documentation obtained describing the Project's financial management internal controls against the most recent micro assessment from the corresponding programme cycle. Document any changes or inconsistencies identified.	We obtained the most recent documentation describing internal controls on financial management of implementing partners (IP) and micro assessment reports to make comparison. The most recent micro assessment was about the financial management of the responsibility party, Vietnam Environment Administration - Ministry of Natural Resources and Environment and we noted that there were no changes or inconsistencies in documentation of Implementing partner's (IPs) financial management internal controls.
<b>2</b>	Inquire of Project Management Board whether there have been any changes to internal controls since the prior micro assessment from the current programme cycle. Document any changes identified.	<p>We interviewed the management of the implementing partner to assess if there were any internal control changes since the most recent micro assessment. The most recent micro assessment was about the financial management of the responsibility party, the Vietnam Environment Administration – the Ministry of Natural Resources and Environment. According to the micro assessment report, the national implementing partner and implementing partners were recommended to:</p> <ol style="list-style-type: none"> <li>1. Follow up and implement recommendations of independent reviewers;</li> <li>2. Use specialized accounting software for Projects;</li> <li>3. Obtain approval for supplemented ODA budget of the Project;</li> <li>4. Set up a structured procurement unit at the Vietnam Environment Administration and the Project level;</li> <li>5. Set up procedures to assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers; and</li> <li>6. Keep track of database of trusted suppliers.</li> </ol> <p>At the time of the review, we noted that the IP implemented all recommendations of the independent micro assessment.</p>

**Samples of expenditures:**

**Project "Capacity Building for the Ratification and Implementation of the Nagoya Protocol on Access and Benefit Sharing in Vietnam"**  
 (Project ID: 91409)

**Annex 2: Spot Check Work Plan**

Period from 1 October 2019 to 30 June 2020

No.	Sample expenditure description	Sample expenditure amount reported (VND) (*)	Documentation exists to support accordance with IP's applicable rules and procedures and agreements with the agency? (Y/N)	Activity is related to expenditure in accordance with work plan? (Y/N)	Expenditure has been reviewed and approved in accordance with IP's applicable rules and procedures and agreements with the agency? (Y/N)	Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)	Supporting documents are stamped "PAID"? (Y/N)	FACE form was submitted consistent with the periodicity-of disbursement requirement (10 days) (Y/N)	Price paid for goods or services against United Nations agreed standard rates (if readily available)	Findings
1	Payment of printing fee in the 1 <sup>st</sup> quarter 2020	113,500,000	Y	Y	Y	Y	Y	Y	N/A	N
2	Payment of organizing technical seminar expenses of "Reviewing and evaluating the content of management of access to genetic resources" on 17 February 2020 in La Thanh Hotel	33,637,182	Y	Y	Y	Y	Y	Y	N/A	N
3	Payment of 20% of the consulting contract "Development of financial mechanism guidelines for reinvesting revenues from access to genetic resources and benefit sharing (ABS) activities in biodiversity conservation"	40,887,000	Y	Y	Y	Y	Y	Y	N/A	
4	Second payment of the contract "Development of guidance on financial mechanism for reinvesting revenues from access to genetic resources"	45,252,000	Y	Y	Y	Y	Y	Y	N/A	Y

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5	Second payment - 60% of the contract "Development of guidance on a financial mechanism for reinvesting revenues from access to genetic resources"	76,928,400	Y	Y	Y	Y	Y	Y	N/A	N
6	Payment for organizing 2 technical seminar on ABS revenue re-investment financial mechanism dated 20 February 2020 and 6 March 2020 at the Center for Women and Development	56,762,727	Y	Y	Y	Y	Y	Y	N/A	N
7	Payment of 80% of the package "Advisory to build guidance on management and registration for protection of traditional knowledge associated with genetic resources"	129,600,000	Y	Y	Y	Y	N	Y	N/A	Y
8	Payment of 40% of the consultancy fee to develop management guidance and protection registration for traditional knowledge associated with genetic resources	75,600,000	Y	Y	Y	Y	Y	Y	N/A	N

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9	Third payment of contracts for implementation of conservation measures to protect relevant biological genetic resources at the demonstration site	547,716,818	Y	Y	Y	Y	Y	Y	N/A	N
10	Payment of car rental fee in the 4 <sup>th</sup> quarter 2019 under contract No. 01/2017/HDDV-ABS	58,036,364	Y	Y	Y	Y	Y	Y	N/A	N
11	Payment for organizing a training workshop on access to genetic resources and benefit sharing in Hanoi from 14 to 18 June 2020	148,961,818	Y	Y	Y	Y	Y	Y	N/A	N
12	First payment (20%) of contract "Support to increase wild genetic resources data"	392,413,600	Y	Y	Y	Y	Y	Y	N/A	N
13	Second payment - 40% of the package: "Support for wild genetic data (expanding and investigating, collecting and updating data on genetic resources and traditional knowledge)"	355,040,876	Y	Y	Y	Y	Y	Y	N/A	N





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**Annex 2: Spot Check Work Plan (continued)**  
**Period from 1 October 2019 to 30 June 2020**

No.	Sample expenditure description	Sample expenditure amount reported (VND) (*)	Documentation exists to support expenditure in accordance with IP's applicable rules and procedures and agreements with the agency? (Y/N)	Activity is related to expenditure in accordance with work plan? (Y/N)	Expenditure has been reviewed and approved in accordance with IP's applicable rules and procedures and agreements with the agency? (Y/N)	Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)	Supporting documents are stamped "PAID"? (Y/N)	FACE form was submitted consistent with the periodicity-of disbursement requirement (10 days) (Y/N)	Price paid for goods or services against United Nations agreed standard rates (if readily available)	Findings
14	Third payment of bidding package for building audio-visual products of project activities	335,072,727	Y	Y	Y	Y	Y	Y	N/A	N
<b>Total sample expenditures:</b>		<b>2,409,409,512</b>								
<b>Total expenditures during period under the spot check:</b>		<b>7,636,935,675</b>								
<b>Percentage coverage:</b>		<b>32%</b>								

**Note:**

(\*): We randomly selected sample expenditure.

