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**United Nations Development
Programme**

Spot Check

**National Park, Wildlife and Plant Conservation
Department**

December 2016

No. 0407/2016

9 December 2016

Dear sirs,

Deloitte Touche Tohmatsu Jaiyos Advisory co., ltd. (DTTJ) is pleased to submit the Report of Factual Findings according to the Appendix Da: Terms of Reference for Spot Checks.

The attached Report of Factual Findings was provided based on specific, agreed upon procedures performed according to the Appendix Da: Terms of Reference for Spot Checks Annex 2. ISRS 4400 Agreed-upon Procedures Report Template.

We would like to thank you your staffs for their coordination and assistance provided during our audit fieldwork.

We appreciate this opportunity to provide our services to you on this important project and we look forward to continuing our long-term relationship with you. If you have any questions, please do not hesitate to contact Sittichai at +662-034-0000 ext 13033 for any clarification.

Yours sincerely,
DELOITTE TOUCHE TOHMATSU JAIYOS ADVISORY CO., LTD.



Weerapong Krisadawat
Partner – Risk Advisory

REPORT OF FACTUAL FINDINGS
To United Nations Development Programme

We have performed the procedures agreed with you and enumerated below with respect to the programme disbursements related to Catalyzing Sustainability of Thailand's Protected Areas System (CATSPA) Project ID: 73656 for the 8 months period ended 31 August 2016, set forth in the accompanying management letter. Our engagement was undertaken in accordance with the ISRS 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 United Nations Development Programme and are summarized as follows:

1. Compare documentation obtained describing the 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 8 month period ended 31 August 2016 for the agreed-upon procedures engagement and perform the following:
 - Select a sample of expenditures using a Non-statistical approach (haphazard sampling method) amounting to more than 50% of total expenditures for the period. At least one item should be selected from each expense category that is more than 5% of the total expenditure for the period. Extend the sample if ineligible expenses are discovered in the respective expense category.
 - For each sample selection performed the following procedures:
 - Verify that documentation exists to support the expenditure in accordance with the IP's rules and procedures and agreements with the agency.
 - 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 IP's rules and procedures and agreements with the agency.
 - Verify that the expenditure was reflected on a certified FACE form submitted to the agency.
 - Verify that the expenditure was reflected in the IP's accounting records and bank statement.
 - Verify that supporting documents are stamped 'PAID from UNDP grant', indicating which agency funded the transaction.
 - Verify that the FACE form was submitted consistent with the periodicity-of-disbursement requirement in the HACT framework (within two weeks).
 - Verify the price paid for goods or services against United Nations agreed standard rates (if readily available).
4. If separate bank accounts are maintained for agency-granted funds, 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 a 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 and 2, review the changes or inconsistencies of current internal control against latest internal control audit result, we found the following changes:

- There are significant change on project team member (Project Manager and Finance Staffs) which may lead to misunderstand on the existed controls. However, based on our reviewed control design effectiveness, we noted that there are adequate and appropriate controls in place as follow:
 - There is the Authority Level in place. And there is the delegation process in case that authorized person is not available.
 - There are Procurement and Accounting Policy (Government Policies) in place.
 - There are segregation of duties in place on review and approve on expenditure documents and FACE Forms.
 - There is Bank Reconciliation in place to ensure that cash receipt/payment is completely recorded.

(b) With respect to item 3, sample of expenditure, we found that based on the randomly selected sample of expenditures during the period from 1 January 2016 – 31 August 2016 which amount to 70.24% of the total expenditure, we noted the following:

i. Inappropriate supporting document for the expenditure in accordance with the IP's rules and procedures.

- Procurement process
 - We noted that there is 1 price comparison case which business purpose of some candidates are not relevance with required goods/service as follow:

Vendor name	Business Purpose	Required goods/service	Bidding result
La-ngoo Kawatsadu Co.,Ltd.	Construction materials	Buoy	Winner
Khongkudkawatsadu	Non-register		Loser
Winai chareonkit	Non-register		
Siamnakarin Co.,Ltd.	Stationary / Office Equipment		
Sea-Float Technology Co.,Ltd.	Machinery and equipment		

- We also noted that candidates in Summary Bidding Report are inconsistent with supporting document. We did not found all Quotation for all candidates.

Vendor name	Quotation	bidding report
La-ngoo Kawatsadu Co.,Ltd.	Found	Found
Khongkudkawatsadu	Not found	Found
Winai chareonkit	Not found	Found
Siamnakarin Co.,Ltd.	Found	Not found
C-Float Technology Co.,Ltd.	Found	Not found

- There are 2 cases for inconsistent on number of workshop attendee and supporting document such as accommodation name list or picture of attendee.
- Accounting and Payment Process
 - Direct Payment: Supporting Documents of Direct payment at IP Office are not matched with UNDP's records as below:

Direct Payment			
Doc.no	AAA	Doc at UNDP	Doc. at IP
THA10-00080772-1-2-ACCR-DST	1,386.10	1,386.10	1,122.10
THA10-00080775-1-2-ACCR-DST	7,644.00	7,644.00	1,500.00
THA10-00080716-1-2-ACCR-DST	16,129.00	16,129.00	N/A
THA10-00080717-1-2-ACCR-DST	17,000.00	17,000.00	N/A

Based on our further reviewed at UNDP Office, we found that Direct Payment Supporting Documents at UNDP Office were original copy which completed and agreed with UNDP records. Therefore IP may not properly maintain the copy of supporting document at IP office.

- IP provide improper supporting document to UNDP and IP decide to avoid this reimbursement. However, IP did not void FACE Form accordingly.

Description	AAA	Evidence	Face
Telephone	N/A	2,886.00	2,886.00

ii. There is no 'PAID' stamp over paid document for all expenditure.

- (c) With respect to item 4, bank reconciliation, we found that IP prepared Bank Reconciliation correctly and completely.

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 programme disbursements for the 8 months period ended 31 August 2016.

Had we performed additional procedures or had we performed an audit or review of the financial statement in accordance with International Standards on Auditing or

International Standards on Review Engagements, 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.

 W. krisadawat

Weerapong Krisadawat

9 December 2016

AIA Sathorn Tower, 23rd – 27th Floor 11/1 South Sathorn Road Yannawa, Sathorn
Bangkok 10120 , Thailand

Spot Check Work Plan

Programme title:	Catalyzing Sustainability of Thailand's Protected Areas System (CATSPA)
Project title:	Catalyzing Sustainability of Thailand's Protected Areas System (CATSPA)
Name of IP:	National Park, Wildlife and Plant Conservation Department
Location of IP/programme:	Bangkok
IP contact person and position:	K.Komkit (Project Manager) K.Kansuree (Project Coordinator)
Start/end date of spot check (dd/mm/yyyy – dd/mm/yyyy):	5-9 September 2016
Dates covered by FACE form selected for testing (dd/mm/yyyy – dd/mm/yyyy):	1 January – 31 August 2016
Date of last spot check (dd/mm/yyyy – dd/mm/yyyy):	February 2016
Member(s) of the spot check team (Name, designation, section/organization):	Sittichai Choosupanasorn DTTJ
IP staff whom the spot check team met and worked with during the spot check (names and titles)	K.Komkit (Project Manager) K.Kansuree (Project Coordinator)

Internal Controls:

Complete the following table covering specific procedures regarding internal controls.

	Procedure	Finding
1	Compare documentation obtained describing the IP's financial management internal controls against the most recent micro assessment from the corresponding programme cycle. Document any changes or inconsistencies identified.	<ul style="list-style-type: none">• There are significant change on project team members (Project Manager and Finance Staffs) which may lead to misunderstand on the existed controls. However, based on our reviewed control design effectiveness, we noted that there are adequate and appropriate controls in place as follow:<ul style="list-style-type: none">○ There is the Authority Level in place. And there is the delegation process in case that authorized person is not available.○ There are Procurement and Accounting Policy (Government Policies) in place.○ There are segregation of duties in place on review and approve on expenditure documents and FACE Forms.○ There is Bank Reconciliation in place to ensure that cash receipt/payment is completely recorded.

Sample of Expenditures.

This is a minimum requirements template. It may be modified to include additional sections.

Test procedures:

A: Documentation exists to support expenditure in accordance with IP's applicable rules and procedures and agreements with the agency? (Y/N) – document the evidence reviewed

B: Activity is related to expenditure in accordance with work plan? (Y/N) – document the line item in the budget or work plan

C: Expenditure has been reviewed and approved in accordance with IP's applicable rules and procedures and agreements with the agency? (Y/N) – document the level of review and approval.

D: Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)

E: Supporting documents are stamped 'PAID from XXX grant', indicating which agency funded the transaction or coded to and recorded in a UN specific fund? (Y/N)

F: Expenditure was recorded in the IP's accounting records and reflected in a certified FACE form in the period in which it was incurred(Y/N)

G: Price paid for goods or services against United Nations agreed standard rates (if readily available) and according to budget.

Sample expenditure			A	B	C	D	E	F	G	Comment / Note
Number	Amount	Description								
C1601-003	458,324.00	Salary December 2015	N	Y	Y	Y	N	Y	N/A	Supporting Documents of Direct payment at IP Office are not matched with UNDP's records
C1602-001	381,300.00	Salary January 2016	Y	Y	Y	Y	N	Y	N/A	
C1603-001	489,959.49	Salary February 2016	Y	Y	Y	Y	N	Y	N/A	
C1604-010	488,777.00	Salary March 2016	Y	Y	Y	Y	N	Y	N/A	
C1605-003	483,783.00	Salary April 2016	Y	Y	Y	Y	N	Y	N/A	
C1608-001	534,944.00	Salary July 2016	Y	Y	Y	Y	N	Y	N/A	
C1509-001	915.00	Direct Payment – Stationary	Y	Y	Y	Y	N	Y	N/A	
C1510-002	29,200.00	Direct Payment – Per Diem, Accommodation, Boat Rental	Y	Y	Y	Y	N	Y	N/A	
C1510-007	17,505.00	Direct Payment – Stationary	Y	Y	Y	Y	N	Y	N/A	
C1510-008	8,905.00	Direct Payment – Agriculture material	Y	Y	Y	Y	N	Y	N/A	
C1511-018	5,910.30	Direct Payment – Per Diem, Accommodation and Transportation	N	Y	Y	Y	N	Y	N/A	Supporting Documents of Direct payment at IP Office are not matched with UNDP's records
C1512-008	33,644.00	Direct Payment – Meeting Expense and Transportation (HKK)	N	Y	Y	Y	N	Y	N/A	<ul style="list-style-type: none"> Inconsistent on number of workshop attendee and supporting document

Sample expenditure			A	B	C	D	E	F	G	Comment / Note
Number	Amount	Description								
										such as accommodation name list or picture of attendee <ul style="list-style-type: none"> Supporting Documents of Direct payment at IP Office are not matched with UNDP's records
C1512-011	24,000.00	Direct Payment – Meeting Expense (MW)	N	Y	Y	Y	N	Y	N/A	Inconsistent on number of workshop attendee and supporting document such as accommodation name list or picture of attendee
C1512-012	10,000.00	Direct Payment – Meeting Expense (MW)	N	Y	Y	Y	N	Y	N/A	Inconsistent on number of workshop attendee and supporting document such as accommodation name list or picture of attendee
C1512-017	52,000.00	Direct Payment – Honorarium	Y	Y	Y	Y	N	Y	N/A	
C1512-028	82,800.00	Direct Payment – Meeting Expense and Accommodation	Y	Y	Y	Y	N	Y	N/A	
C1603-002	167,950.00	Direct Payment – Meeting Expense and Accommodation	Y	Y	Y	Y	N	Y	N/A	
C1603-012	371,100.00	Direct Payment – Purchasing buoys	N	Y	Y	Y	N	Y	N/A	Inappropriate supporting document for the expenditure
C1604-002	54,000.00	Direct Payment – Purchasing construction materials for Weir	Y	Y	Y	Y	N	Y	N/A	
C1604-003	50,000.00	Direct Payment – Purchasing construction materials for Weir	Y	Y	Y	Y	N	Y	N/A	
C1604-004	37,580.00	Direct Payment – Purchasing construction materials for Weir	Y	Y	Y	Y	N	Y	N/A	
C1604-005	37,580.00	Direct Payment – Purchasing construction materials for Weir	Y	Y	Y	Y	N	Y	N/A	
C1604-006	54,000.00	Direct Payment – Purchasing construction materials for Weir	Y	Y	Y	Y	N	Y	N/A	
C1604-007	50,000.00	Direct Payment – Purchasing construction materials for Weir	Y	Y	Y	Y	N	Y	N/A	
C1604-009	188,250.00	Direct Payment – Meeting Expense and Accommodation	Y	Y	Y	Y	N	Y	N/A	
C1604-033	92,894.00	Direct Payment – Stationary	Y	Y	Y	Y	N	Y	N/A	
C1604-042	117,192.00	Direct Payment – Honorarium and Transportation Expense	Y	Y	Y	Y	N	Y	N/A	

Sample expenditure			A	B	C	D	E	F	G	Comment / Note
Number	Amount	Description								
C1604-045	430,000.00	Direct Payment – Hiring for build base buoys concrete	Y	Y	Y	Y	N	Y	N/A	
C1605-005	97,500.00	Direct Payment – Hiring local consultant	Y	Y	Y	Y	N	Y	N/A	
C1605-006	38,400.00	Direct Payment – Accommodation and Conference room	Y	Y	Y	Y	N	Y	N/A	
C1605-013	209,700.00	Direct Payment – Hiring local consultant	Y	Y	Y	Y	N	Y	N/A	
C1606-009	498,000.00	Direct Payment – Hiring for build orchid plant nurseries	Y	Y	Y	Y	N	Y	N/A	
C1606-012	298,500.00	Direct Payment – Hiring for build base buoys concrete	Y	Y	Y	Y	N	Y	N/A	
C1608-005	80,000.00	Direct Payment – Hiring for production video Elephant and way of life of people in EFCOM	Y	Y	Y	Y	N	Y	N/A	
C1608-008	120,000.00	Direct Payment – Hiring for production media public relations of CATSPA	Y	Y	Y	Y	N	Y	N/A	
Total sample expenditures:	6,094,612.79									
Total expenditures reported on FACE forms during period under spot check:	8,677,170.56									
Percentage coverage: (Total sample expenditures divided by total expenditures reported on FACE forms during period under spot check)	70.24%									

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