



**Project "Strengthening Capacity and
Institutional Reform for green growth and
sustainable development in Vietnam (CIGG)"
(Project Id. 92226 and 100877)**

Report of factual findings

Period from 1 October 2016 to 30 September 2017

Mr. Nguyen Tuan Anh
Deputy National Project Director
Department of Science, Education, Natural Resources and Environment (DSENRE)
Ministry of Planning and Investment (MPI)
Room 603, 101A Nguyen Khuyen street,
Dong Da district, Hanoi, Vietnam

Hanoi, 23 January 2018

To: Mr. Nguyen Tuan Anh

**Re: Project "Strengthening Capacity and Institutional Reform for green growth and sustainable development in Vietnam (CIGG)" (Project Id. 92226 and 100877)
Report of Factual Findings for the period from 1 October 2016 to 30 September 2017**

We have performed the procedures agreed with you and enumerated below with respect to the programme disbursements related to Project "Strengthening Capacity and Institutional Reform for green growth and sustainable development in Vietnam (CIGG)" (Project Id. 92226 and 100877) for the period from 1 October 2016 to 30 September 2017, 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 (agency) 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 2016 to 30 September 2017 for the agreed-upon procedures engagement and perform the followings:
 - 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 reconciliations 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 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 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 there were no significant issues to report.
We randomly selected at least 10% of each budget lines, which were high value items.
Therefore, total coverage was higher than 20% as expected in TOR.
- (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 programme disbursements for the period from 1 October 2016 to 30 September 2017.

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,



Nguyen Viet Nga
Deputy General Director

**Project "Strengthening Capacity and Institutional Reform for green growth
and sustainable development in Vietnam (CIGG)"
(Project Id. 92226 and 100877)**

Annex: Spot Check Work Plan

Period from 1 October 2016 to 30 September 2017

Programme title:	"Strengthening Capacity and Institutional Reform for green growth and sustainable development in Vietnam (CIGG)"
Project title:	Strengthening Capacity and Institutional Reform for green growth and sustainable development in Vietnam (CIGG)" (Project Id. 92226 and 100877)
Name of IP:	Department of Science, Education, Natural Resources and Environment (DSENRE), Ministry of Planning and Investment (MPI)
Location of IP/programme:	Room 603, 101A Nguyen Khuyen street, Dong Da district, Hanoi, Vietnam
IP contact person and position:	Mr. Nguyen Tuan Anh – Deputy National Project Director
Start/end date of spot check	21 and 22 December 2017
Dates covered by FACE form selected for testing	Period from 1 October 2016 to 30 September 2017
Date of last spot check	This project was spot checked for period from 1 May 2015 to 30 September 2016 by UNDP on 10 and 11 November 2016.
Member(s) of the spot check team	<ul style="list-style-type: none"> • Ms. Nguyen Viet Nga - Partner • Ms. Nguyen Thu Phuong - Manager • Ms. Phung Thi Luong - Senior • Ms. Nguyen Thi Kim Tuyen- Assistant • Ms. Ta Thi Yen – Assistant • Ms. Nguyen Thi Chinh - Assistant
IP staff whom the spot check team met and worked with during the spot check	<ul style="list-style-type: none"> • Mr. Nguyen Tuan Anh – Deputy National Project Director • Ms. Bui Hong Phuong – Project Co-operator • Ms. Nguyen Viet Ha – Project Accountant

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

	Procedure	Findings
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.	Not applicable. We noted that there was some findings with regard to internal control system, noted in audited and spotcheck report, which were properly improved in this period.
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.	Not applicable. We noted that there was some findings with regard to internal control system, noted in audited and spotcheck report, which were properly improved in this period.

Samples of expenditures:

Project "Project "Strengthening Capacity and Institutional Reform for green growth and sustainable development in Vietnam (CIGG)" (Project Id. 92226 and 100877)

Annex: Spot Check Work Plan (continued)
Period from 1 October 2016 to 30 September 2017

No.	Sample expenditure description and voucher number	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 accounting records and bank statement? (Y/N)	Supporting documents are stamped "PAID", indicating which agency funded the transaction? (Y/N)	FACE form was submitted consistent with the periodicity of disbursement requirement in the HACT framework (within two weeks) (Y/N)	Price paid for goods or services against United Nations agreed standard rates (if readily available)	Findings
1	First payment (20%) of Research Contract - Activity 1.2.c.5 (MOT)	26,760,000	Y	Y	Y	Y	Y	Y	Y	None
2	First payment (20%) of research contract - Activity 1.3.4	89,556,000	Y	Y	Y	Y	Y	Y	Y	None
3	Payment of workshop costs dated 16/08/2016 in Hanoi (PTBV office)	15,400,000	Y	Y	Y	Y	Y	Y	Y	None
4	Payment of document costs for workshops of the VPPTBV	17,647,500	Y	Y	Y	Y	Y	Y	Y	None
5	Second payment (40%) of research contract (Deducted PIT - 1st time (20%) and 2nd time (40%))	115,322,220	Y	Y	Y	Y	Y	Y	Y	None
6	First payment (20%) of contract No.012016 / CIGG - CEGR dated 7/09/2016	306,600,000	Y	Y	Y	Y	Y	Y	Y	None
7	First payment (20%) of Contract No.022016 / CIGG - RCEE dated 06/12/2016	195,320,000	Y	Y	Y	Y	Y	Y	Y	None
8	Second payment (40%) of contract - Activity 1.3.3 (Deducted PIT)	104,364,000	Y	Y	Y	Y	Y	Y	Y	None
9	Payment of conference hotel expenses on November 10, 2016 (PTBV office)	76,419,091	Y	Y	Y	Y	Y	Y	Y	None
10	Second payment (40%) - Research contract (Deducted PIT)	80,280,000	Y	Y	Y	Y	Y	Y	Y	None
11	Third payment (40%) of consulting contract - Activity 2.2.a.3 (Deducted PIT)	78,480,000	Y	Y	Y	Y	Y	Y	Y	None

Project "Project "Strengthening Capacity and Institutional Reform for green growth and sustainable development in Vietnam (CIGG)" (Project Id. 92226 and 100877)

Annex: Spot Check Work Plan (continued)

Period from 1 October 2016 to 30 September 2017

No.	Sample expenditure description and voucher number	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", indicating which agency funded the transaction? (Y/N)	FACE form was submitted consistent with the periodicity of disbursement requirement in the HACT framework (within two weeks) (Y/N)	Price paid for goods or services against United Nations agreed standard rates (if readily available)	Findings
12	Payment of the airfare costs for business trips to Maroc (COP22 - 4 tickets)	326,456,000	Y	Y	Y	Y	Y	Y	Y	None
13	Third payment (40%) consultancy contract - Activity 3.3.B.1 (Deducted PIT)	196,200,000	Y	Y	Y	Y	Y	Y	Y	None
14	Third contract payment (40%) - Activity 1.2.c.1 (Deducted PIT)	48,168,000	Y	Y	Y	Y	Y	Y	Y	None
15	Final payment of the third contract (40%) - Activity 1.2.c.2 (Deducted PIT)	30,105,000	Y	Y	Y	Y	Y	Y	Y	None
16	Payment of 40% (third) research contract - activity 1.3.3. (Deducted PIT)	56,196,000	Y	Y	Y	Y	Y	Y	Y	None
17	Payment for hotel services for training workshop on 20-22 / 03/2017	30,000,000	Y	Y	Y	Y	Y	Y	Y	None
18	Payment for the seminar on 12/01/2017 and 20-22 / 03/2017	2,001,000	Y	Y	Y	Y	Y	Y	Y	None
19	Payment of seminar expenses on 12/01/2017.	27,500,000	Y	Y	Y	Y	Y	Y	Y	None
20	The third payment (40%) of the consultancy contract - activity 2.1.2 (Deducted PIT)	80,280,000	Y	Y	Y	Y	Y	Y	Y	None
21	First payment (20%) of operation consultancy contract 2.2.c.4 (Deducted PIT)	20,070,000	Y	Y	Y	Y	Y	Y	Y	None
22	Payment for airfare for the workshop on 20-22 / 03/2017 and travel abroad (Nguyen Le Thuy)	4,079,000	Y	Y	Y	Y	Y	Y	Y	None

**Project "Project "Strengthening Capacity and Institutional Reform for green growth and sustainable development in Vietnam (CIGG)"
(Project Id. 922226 and 100877)**

**Annex: Spot Check Work Plan (Continued)
Period from 1 October 2016 to 30 September 2017**

No.	Sample expenditure description and voucher number	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 accounting records and bank statement? (Y/N)	Supporting documents are stamped "PAID"/ indicating which agency funded the transaction? (Y/N)	FACE form was submitted consistent with the periodicity of disbursement requirement in the HACT framework (within two weeks) (Y/N)	Price paid for goods or services against United Nations agreed standard rates (if readily available)	Findings
23	Pay monthly salary 2.2017 for project staff.	34,742,800	Y	Y	Y	Y	Y	Y	Y	None
24	Payment of advertising expenses under contract No. 6074 / HD and contract 6075 / HD-BDT	5,300,000	Y	Y	Y	Y	Y	Y	Y	None
25	December stationery payment (Workshop and Training)	5,488,500	Y	Y	Y	Y	Y	Y	Y	None
26	Payment of courier services in 12.2016	936,281	Y	Y	Y	Y	Y	Y	Y	None
27	Payment of 20% (the first time) of contract No. 14062017-02 / CIGG - Deducted personal income tax	32,688,000	Y	Y	Y	Y	Y	Y	Y	None
28	Second payment (40%) of contract value 022016 / CIGG-RCEE signed on 06/12/2016	390,640,000	Y	Y	Y	Y	Y	Y	Y	None
29	Payment of 20% (the first time) of the contract number 14062017-07 / CIGG - Deducted personal income tax	18,390,240	Y	Y	Y	Y	Y	Y	Y	None
30	Payment of 20% (the first time) of contract No. 14062017-04 / CIGG - Deducted personal income tax	32,688,000	Y	Y	Y	Y	Y	Y	Y	None
31	First payment (20%) research contract 1.2.d.3 (Deducted personal income tax) - MOT	28,602,000	Y	Y	Y	Y	Y	Y	Y	None
32	Payment for printing materials for	22,044,000	Y	Y	Y	Y	Y	Y	Y	None

Project "Project "Strengthening Capacity and Institutional Reform for green growth and sustainable development in Vietnam (CIGG)"
(Project Id. 922226 and 100877)

Annex: Spot Check Work Plan (Continued)

Period from 1 October 2016 to 30 September 2017

No.	Sample expenditure description and voucher number	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 accounting records and bank statement? (Y/N)	Supporting documents are stamped "PAID", indicating which agency funded the transaction? (Y/N)	FACE form was submitted consistent with the periodicity of disbursement requirement in the HACT framework (within two weeks) (Y/N)	Price paid for goods or services against United Nations agreed standard rates (if readily available)	Findings
	workshop on 07/07/2017 (SDD)									
33	Payment of US business mission (Nguyen Le Thuy - VA21) from 10 - 20/07/2017.	63,790,000	Y	Y	Y	Y	Y	Y	Y	None
34	Payment of car hire expenses for Cao Bang on 11/07/2017 (Consultation workshop on self-assessment)	5,454,545	Y	Y	Y	Y	Y	Y	Y	None
35	Payment for the cost of airline tickets for business trips Conference on 13-14 / 09/2017 in Can Tho.	17,006,000	Y	Y	Y	Y	Y	Y	Y	None
36	Payment for workshop on "Strengthening investment and public investment management capacity for climate change and information exchange" on 13-14 / 09/2017 in Can Tho city.	10,613,000	Y	Y	Y	Y	Y	Y	Y	None
37	PMU salary payment in July,	156,507,960	Y	Y	Y	Y	Y	Y	Y	None
38	Payment of advertising costs on the Internet auction in 08.2017	3,630,000	Y	Y	Y	Y	Y	Y	Y	None
39	Payment of advertising expenses according to the contracts No. 8065 and 8064 / HD - BDT	5,000,000	Y	Y	Y	Y	Y	Y	Y	None
40	Internet bill payment in 07.2017	418,000	Y	Y	Y	Y	Y	Y	Y	None
41	Payments for office supplies in July	2,717,000	Y	Y	Y	Y	Y	Y	Y	None
42	The 3rd Payment (40%) for contract of active 1.1.3 - after deducted PIT	122,105,880	Y	Y	Y	Y	Y	Y	Y	None

No.	Sample expenditure description and voucher number	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 accounting records and bank statement? (Y/N)	Supporting documents are stamped "PAID", indicating which agency funded the transaction? (Y/N)	FACE form was submitted consistent with the periodicity of disbursement requirement in the HACT framework (within two weeks) (Y/N)	Price paid for goods or services against United Nations agreed standard rates (if readily available)	Findings
43	The 2nd payment (40%) for the contract number 012016 / CIGG signed on September 7, 2016) - Activity 1.2.A.5	613,200,000	Y	Y	Y	Y	Y	Y	bsY	None
44	The first payment (50%) for the research contract 1.2.a.6 (Deducted PIT)	80,380,000	Y	Y	Y	Y	Y	Y	Y	None
45	The 3rd Payment (40%) for the research contract - 2.2.c.3 (Deducted PIT)	80,280,000	Y	Y	Y	Y	Y	Y	Y	None
46	The 3rd payment (40%) for the research contract - 2.2.c.5 (Deducted PIT)	48,168,000	Y	Y	Y	Y	Y	Y	Y	None
47	First payment (20%) for the contract - Activity 1.3.1.A (communication)	636,207,981	Y	Y	Y	Y	Y	Y	Y	None
48	Airline ticket payment for workshop delegates on 20/04/2017 (MoC) and 15-16 / 06/2017 (MPI)	28,895,454	Y	Y	Y	Y	Y	Y	Y	None
49	Payment for airfare to work Indonesia and Germany (Ng.T.Dieu.Trinh)	27,232,920	Y	Y	Y	Y	Y	Y	Y	None
50	The 1st payment (50%) for the contract number 012017 / CIGG-VECC	402,272,727	Y	Y	Y	Y	Y	Y	Y	None
51	The 2nd payment (20%) for the contract (Deducted PIT)	20,150,100	Y	Y	Y	Y	Y	Y	Y	None
52	Payment of salary of Jun.2017 to PMU	156,507,960	Y	Y	Y	Y	Y	Y	Y	None
53	Purchase equipment for the project (computers, printers) in 2017	99,972,727	Y	Y	Y	Y	Y	Y	Y	None
54	Payment of advertising costs of contracts	7,500,000	Y	Y	Y	Y	Y	Y	Y	None

No.	Sample expenditure description and voucher number	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 accounting records and bank statement? (Y/N)	Supporting documents are stamped "PAID", indicating which agency funded the transaction? (Y/N)	FACE form was submitted consistent with the periodicity of disbursement requirement in the HACT framework (within two weeks) (Y/N)	Price paid for goods or services against United Nations agreed standard rates (if readily available)	Findings
	No. 5060 & 6065 / HD - BDT dated 15/03/2017 and 06/09/2016.									
55	Bank interest in Jun.2017	(647,109)	Y	Y	Y	Y	Y	Y	Y	None
56	Bank charges in Jun.2017	876,928	Y	Y	Y	Y	Y	Y	Y	None
57	Payment of telephone charges in Apr/2017	539,003	Y	Y	Y	Y	Y	Y	Y	None
58	Payment of internet charges in May 2017	418,000	Y	Y	Y	Y	Y	Y	Y	None
59	Payment for stationary costs from January 1-4 / 2017 and VPP for workshops	8,186,000	Y	Y	Y	Y	Y	Y	Y	None
60	Payment of express delivery in March 2017	952,391	Y	Y	Y	Y	Y	Y	Y	None
61	Payment for maintenance service fees in Apr 2017	1,485,000	Y	Y	Y	Y	Y	Y	Y	None
	Total sample expenditures:	5,018,264,099								
	Total expenditures during period under spot check:	14,578,443,866								
	Percentage coverage:	34%								

Note:

(*) : We randomly selected sample expenditure.



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