



AUDITOR GENERAL'S OFFICE

Malé, Republic of Maldives

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Press Release

Subject: Auditor General's report to the Ministry of Environment and Energy on the Financial Statement of Clean Energy for Climate Mitigation Project

Mr. Niyaz Ibrahim, the Auditor General, issued a report on 30 June 2014 on the 2013 financial statements of Clean Energy for Climate Mitigation Project. The report has been published today on the AGO's official website: www.audit.gov.mv.

In his report, the Auditor General issues an unmodified opinion on the Project's financial statements acknowledging the fact that the Statement of Receipts and Payments of the Project fairly complies with the cash basis accounting principles. The AGO's report also provides assurance that the Grant provided to fund the Project was utilised for the purposes for which it had been given and that the transactions pertaining to Special Account and the Special Account balances were presented truly and fairly while also finding that the cash balance shown at the year-end shown on Statement of Receipts and Payments reflected the cash balance which had been reconciled to that shown in the Special Account.

The Financial Monitoring Reports could be used for the purpose of submitting applications for withdrawals in accordance with the requirements laid out in the Grant Agreement; the Project management has maintained adequate supporting documentation to support claims to the IDA for reimbursement of expenses incurred for project purposes, and for the project staff and the IDA to determine which expenses were eligible for reimbursement under the Grant Agreement.

According to the report, the members of project staff complied with the procurement guidelines of the World Bank in procuring goods and services under the project.

While the project financial statements have not been qualified, the AG draws the attention of stakeholders to certain management issues observed from his review of the project's progress.

The project management failed to achieve target deliverables under component two as per the deliverables and time schedule of contract as agreed with the consultant hired under the project. The contract signed between the Ministry of Environment and Energy (MEE) and Danish Energy Management (Denmark) on 4th April 2013 specified a total of 5 deliverables, consisting of 14 outputs that had to be delivered within 16 months from the date of signing the contract. While the project made progress during the financial year ended 31 December 2013 in delivering inception report and



draft audit report for commercial and public building facilities based on survey conducted at GDh. Thinadhoo Island, three outputs under deliverable number 3 and two outputs under deliverable number 4 had not been achieved within the five to seven month period agreed in the contract, according to the AGO. In addition, the sub-component two-*The Technology Assessment and Power Systems Planning Consultancy*- had also experienced delays in achieving the deliverables. A contract signed between the Ministry of Environment and Energy (MEE) and Fichtner GmbH & Co.KG (Germany) on 6th May 2013 required the consultant to achieve a total of 5 deliverables within 10 months from the date of commencement of the assignment; of these five deliverables, the Inception Brief needed to be delivered within two weeks while the Technology Assessment Report had to be submitted within five months from the commencement of the assignment . However, it took the consultant three months (12 weeks) to deliver the Inception Brief after the agreed time frame on 26th August 2013, whilst the consultant only managed to deliver a draft Technology Assessment Report on 19th December 2013 (two months after the greed time frame).

Stakeholder Relations
Auditor General's Office

