



Report No: FIN-2021-82(E)

23 November 2021

PROJECT FOR CONSTRUCTION OF RATHAFANDHOO SCHOOL BUILDING IN GAAFU DHAALU ATOLL UNDER “JAPAN’S GRANT ASSISTANCE FOR GRASSROOTS HUMAN SECURITY PROJECT”

PERIOD ENDED 31 DECEMBER 2019



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AUDITOR GENERAL'S OFFICE

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AUDITOR GENERAL'S REPORT

TO THE MINISTRY OF EDUCATION ON THE FINANCIAL STATEMENT OF THE GRANT FROM THE GOVERNMENT OF JAPAN FOR 'THE PROJECT FOR CONSTRUCTION OF RATHAFANDHOO SCHOOL BUILDING IN GAAFU DHAALU ATOLL'

Opinion

We have audited the financial statement of the 'Project for Construction of Rathafandhoo School Building in Gaafu Dhaalu Atoll' financed by the Government of Japan under its Grant Assistance for Grassroots Human Security Project (GGP) scheme. This financial statement comprises of the Statement of Receipts and Payments for the project period ended 31 December 2019 and notes to the financial statement, which includes a summary of significant accounting policies and other explanatory information set out in pages 3 to 5.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the cash receipts and cash payments for the period ended 31 December 2019 and cash balances as at the period then ended in accordance with International Public Sector Accounting Standard: *Financial Reporting under the Cash Basis of Accounting*.

In addition, we can provide assurance that:

- (a) The funds provided under the Grant have been utilised for the purposes for which they were provided;
- (b) The bank account transactions and its balance as at 31st December 2019 have been presented truly and fairly on the financial statement, in accordance with International Public Sector Accounting Standard: *Financial Reporting under the Cash-Basis of Accounting*, and the cash balance as at 31st December 2019 shown on the Statement of Receipts and Payments reflects the cash balance which is reconciled to that of the bank account;

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Project in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the management and those charged with governance for the financial statements

The Management is responsible for the preparation and fair presentation of this financial statement in accordance with the International Public Sector Accounting Standard (IPSAS): Financial Reporting under the Cash Basis of Accounting. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Those charged with governance of the project 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 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 ISAs 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 an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 omissions, 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 the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the project regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Review of the Project's Progress

The construction of the school building was completed on 24th November 2019, following which the project was closed on 31st December 2019.



Hussain Niyazy
Auditor General

23rd November 2021



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STATEMENT OF RECEIPTS AND PAYMENTS

FOR THE PERIOD 19 February 2019 to 31 December 2019

	Note	For the period 19 February 2019 to 31 December 2019 (USD)
Receipts		
Fund received	3	81,757
Total Receipts		81,757
Payments		
Payments to the Contractor	4	77,670
Total Payments		77,670
Increase/(Decrease) in Cash		4,087
Cash at beginning of the period		-
Increase/(Decrease) in Cash		4,087
Cash at end of the period		4,087

Management of the School is responsible for the preparation and presentation of the financial statement.

The Statement of Receipts and Payments were approved by Rathafandhoo School on 23rd November 2021.

Signed for and on behalf of the Project:



Hassan Zareer
School Principal



The accounting policies and notes on pages 4 through 5 form an integral part of the Statement of Receipts and Payments.



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NOTES TO THE FINANCIAL STATEMENTS

1. PROJECT INFORMATION

- 1.1 PROJECT TITLE:** “The Project for the Construction of Rathafandhoo School Building in Gaafu Dhaalu Atoll” under Government of Japan’s Grant Assistance for Grassroots Human Security Project (GGP) Scheme.
- 1.2 STARTED DATE:** 19-02-2019
- 1.3 CLOSING DATE:** 31-12-2019
- 1.4 PROJECT DURATION:** 316 days
- 1.5 TOTAL GRANT AMOUNT:** US\$ 81,757 (Eighty-One Thousand, Seven Hundred and Fifty-Seven U.S. Dollars)
- 1.6 FUNDED BY:** The Project is funded by the Embassy of Japan in Maldives. The project is financed under Japan’s Grant Assistance for Grassroots Human Security Project. The grant contract signed on 19th February 2019 between The Embassy of Japan in Maldives (the donor) and Rathafandhoo School (the recipient) states, that the donor will make available to the recipient a grant up to USD 81,757 (Eighty-One Thousand, Seven Hundred and Fifty-Seven U.S. Dollars) to assist in financing the project.
- 1.7 FUND MANAGER:** Rathafandhoo School
- 1.8 OBJECTIVES:** Assist in expanding the physical facilities of Rathafandhoo School

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Statement of Receipts and Payments is prepared in accordance with International Public Sector Accounting Standard: *Financial Reporting under the Cash-Basis of Accounting*.

2.2 Recognition of Receipts and Payments

Receipts and payments are accounted for on cash basis. Receipts are recognised when the Embassy of Japan transferred the grant funds to the bank account of Rathafandhoo School. Payments are recognised at the time of outflow of cash from the bank account.

2.3 Presentation Currency

The Statement of Receipts and Payments has been presented using the United States Dollars (USD). All figures have been rounded off to the nearest Dollar.

2.4 Foreign Currency Translation

For receipts of the Project, USD equivalents in Maldivian Rufiyaa are transferred from Embassy of Japan’s bank account at main branch of Bank of Maldives limited, Male’ to the bank account of Rathafandhoo School held at G. Dh. Thinadhoo Branch of Bank of Maldives. USD equivalents in Maldivian Rufiyaa are determined



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by converting USD amounts into Rufiyaa at 15.00 Rufiyaa per US Dollar. As such receipts of USD 81,757 (approximately MVR 1,226,355) have been received from the Embassy of Japan for the Project.

Since all the payments have been made in MVR, the payments have been converted to USD for the purpose of the preparation of financial statements. These amounts have been converted to USD at the exchange rate initially used to convert the receipts (USD/MVR exchange rate of 15.00).

2.5 Reporting Period

Financial statement is generally prepared for a period of one year (calendar year) with the exception of commencement and/or closure of the project. Depending on the date of commencement or closure, a period shorter or longer than one year may be covered. The period for which financial statement is prepared is disclosed on the face of the financial statement. For this financial statement, the start of the reporting period is on the date the grant contract is signed up and ends on completion of the project (after 10 Months and 13 days from the start date).

2.6 Comparatives

No comparative figure since this is the first period of financial reporting.

3. Receipts

	For the Period 19 February 2019 to 31 December 2019
	USD
Grant Funds Received	81,757
	<u>81,757</u>

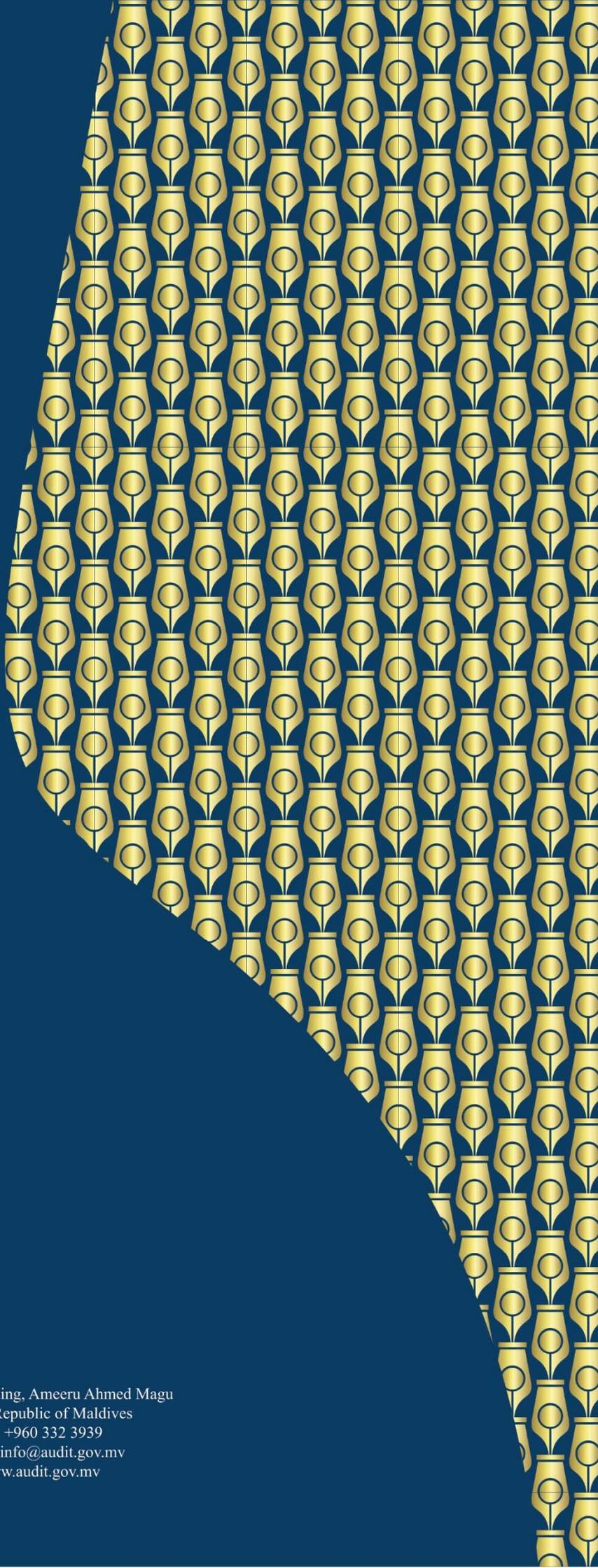
4. Payments

	For the Period 19 February 2019 to 31 December 2019
	USD
Payment for the Construction of the School Building	77,670
	<u>77,670</u>

5. Payable

	For the Period 19 February 2019 to 31 December 2019
	USD
5% Retention (Payable after 6 months from completion and handover of the building)	4,087





Ghaazee Building, Ameeru Ahmed Magu
Male', Republic of Maldives
Tel: +960 332 3939
Email: info@audit.gov.mv
www.audit.gov.mv