中华人民共和国湖南省审计厅

Hunan Provincial Audit Office of the Republic of China

**审 计 报 告**

Audit Report

湘审报〔2017〕64号

HUNAN AUDIT REPORT〔2017〕NO.64

项目名称：世界银行贷款湖南森林生态恢复和发展项目

Project Name: World Bank Loan-Hunan Forest Restoration and Development Project

项目执行单位：湖南省林业厅外资项目管理办公室

Project Entity: Hunan Provincial Forestry Department

Project Office

会计年度： 2016

Accounting Year：2016

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一、审计师意见

审计师意见

湖南省林业厅外资项目管理办公室：

我们审计了世界银行贷款湖南森林生态恢复和发展项目2016年12月31日的资金平衡表及截至该日同年度的项目进度表、贷款协定执行情况表、专用帐户报表（第5页至第14页）及财务报表说明。

**（一）项目执行单位对财务报表的责任**

编制上述财务报表是你办的责任，这种责任包括：

1．按照中国的会计准则、会计制度和本项目贷款协定的要求编制项目财务报表，并使其实现公允反映；

2．设计、执行和维护必要的内部控制，以使项目财务报表不存在由于舞弊或错误而导致的重大错报。

**（二）审计责任**

我们的责任是在执行审计工作的基础上对财务报表发表审计意见。我们按照中国国家审计准则和国际审计准则的规定执行了审计工作，上述准则要求我们遵守审计职业要求，计划和执行审计工作以对项目财务报表是否不存在重大错报获取合理保证。

为获取有关财务报表金额和披露信息的有关证据，我们实施了必要的审计程序。我们运用职业判断选择审计程序，这些程序包括对由于舞弊或错误导致的财务报表重大错报风险的评估。在进行风险评估时，为了设计恰当的审计程序，我们考虑了与财务报表相关的内部控制，但目的并非对内部控制的有效性发表意见。审计工作还包括评价所选用会计政策的恰当性和作出会计估计的合理性，以及评价财务报表的总体列报。

我们相信，我们获取的审计证据是适当的、充分的，为发表审计意见提供了基础。

**（三）审计意见**

我们认为，第一段所列财务报表在所有重大方面按照中国的会计准则、会计制度和本项目贷款协定的要求编制，公允反映了世界银行贷款湖南森林生态恢复和发展项目 2016年12月31日的财务状况及截至该日同年度的财务收支、项目执行和专用账户收支情况。

**（四）其他事项**

我们审查了本期内由省财政厅报送给世界银行第6-7号提款申请书及所附资料。我们认为，这些资料均符合贷款协议的要求，可以作为申请提款的依据。

本审计师意见之后，共同构成审计报告的还有两项内容：财务报表及财务报表说明和审计发现的问题及建议。

中华人民共和国湖南省审计厅

二O一七年六月二十八日

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I. Auditor’s Opinion

Auditor’s Opinion

To Hunan Provincial Forestry Department Project Office

We have audited your unit’s Balance Sheet and Summary of Sources and Uses of Funds by Project Component, by Dec.31,2016, and Statement of Implementation of Loan Agreement and Special Account Statement (from page 5 to page 14), and Notes to the Financial Statements.

**Project Entity 's Responsibility for the Financial Statements**

These statements are the responsibilities of your management. These responsibilities include:

i. Preparing and fair presenting the accompanying financial statements in accordance with Chinese accounting standards and system, and the requirements of the project Financing Agreement;

ii. Designing, implementing and maintaining necessary internal control to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the “Government Auditing Standards of the People’s Republic of China” and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entities’ preparation and fair presentation of the financial statements 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements identified in the first paragraph present fairly, in all material respects, the financial position of the World Bank Loan-Hunan Forest Restoration and Development Project as of December 31, 2014, its financial receipts and disbursements, the project implementation and the receipts and disbursements of special account for the year then ended in accordance with Chinese accounting standards and system, and the requirements of the project Financing Agreement.

**Other Matters**

We also examined the withdrawal application No.four and five and the attached documents submitted by Provincial Finance Department to the th World Bank during the period. In our opinion, those documents comply with the project grant agreement and can serve as basis for loan withdrawal.

The audit report consists of the Auditor’s Opinion and two more parts hereinafter: Financial Statements and Notes to the Financial Statements, Audit Findings and Recommendations.

Hunan Provincial Audit Office of the People’s Republic of China

June 28,2017

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The English translation is for the convenience of report users; Please take the Chinese audit report as the only official version.



（五）财务报表说明

财务报表说明

**1、项目概况**

根据中国政府和世界银行2013年3月签订的《贷款协定》，世行贷款湖南森林恢复和发展项目由世界银行提供8000万美元(按项目评估文件中确定的汇率1：6.25折合人民币5亿元)，中方资金人民币2.2亿元，概算总投资人民币7.2亿元。

**2、财务报表编制范围**

本财务报表的数据包括湖南省项目办、湖南省森林植物园、22个县项目办的财务收支情况。

本报表数据期间为2016年1月1日至2016年12月31日。

**3、主要会计政策**

3.1会计核算基础：本项目会计核算按权责发生制进行，采用借贷复式记账法记账，以人民币为记账本位币。

3.2会计年度：会计年度为公历1月1日至12月31日。

3.3财务报表：项目执行单位按贷款协定要求为该项目设立了单独的账目，本财务报表全面反映了世行贷款湖南森林恢复和发展项目省项目办、省森林植物园、项目县等经济活动。

**4、报表有关科目说明**

4.1在建工程

2016年度项目在建工程支出本期发生额为人民币125,638,742.02元，累计支出600,072,704.78元，其中：

森林重建和恢复支出：本年度支出人民币120,435,192.23元，累计支出人民币564,667,606.30元。

机构支持与技术增强支出：本年度支出人民币5,203,549.79 元，累计支出人民币34,155,947.08元。

4.2预付及应收款

2016年12月31日余额为人民币7,879,565.54 元，主要是预付项目工程周转金。

4.3 固定资产

2016年12月31日余额为人民币9,953,040.78 元，为项目县自行购入的办公设备、项目经批准统一采购的设备以及苗圃升级形成的资产。

4.4项目拨款

22个项目县、省林业厅外资办、省森林植物园财务报表数据汇总情况：截止2016年12月31日,项目拨款余额为人民币 175,341,912.04 元，其中：省级配套22,730,434.75元，县级配套35,287,264.42元，受益人投资117,324,212.09元。

4.5项目借款

截止2016年12月31日国外借款余额为人民币420,603,583.18元, 为向世界银行提取的项目贷款资金,其中:项目提款报账资金371,367,188.46元, 专用账户年末余额折人民币49,236,394.72元。

4.6应付款

2016年12月31日余额合计为人民币82,956,259.28元，主要是项目实施单位应支付的苗木费及劳务费。

4.7其他收入

2016年12月31日余额人民币20,962.09元，为项目单位银行存款利息收入。

4.8非流动资产基金

2016年12月31日余额为人民币9,953,040.78元，为固定资产的对应科目。

**5、报表有关数据说明**

5.1、本报告财务数据截止日为2016年12月31日。

52、本报告数据由宁乡县、醴陵市、耒阳市、常宁市、衡南县、新邵县、平江县、岳阳县、桃源县、鼎城区、汝城县、资兴市、苏仙区、桂东县、桂阳县、安仁县、永兴县、双牌县、金洞区、麻阳县、沅陵县、泸溪县、湖南省森林植物园、省项目办财务数据汇总而成。

5.3、专用账户数据

世行贷款湖南森林恢复和发展项目专用账户设在湖南省财政厅，由湖南省财政厅外经处管理。专用账户2016年年初余额为9,052,420.11美元,本年世行回补14,537,118.56美元,利息收入4,305.29美元,本期支付16,496,194.44美元,结余7,097,649.52美元。

按2015年12月31日美元兑人民币汇率1:6.4893折算，专用账户2016年初余额为人民币58,743,869.82元，按财政部2017年1月3日通知美元兑人民币汇率1:6.9370折算，专用账户年末余额为人民币49,236,394.72元。

Ⅴ.Notes To The Financial Statement

Notes To The Financial Statement

**1. Project Profile**

On the basis of the *Loan Agreement* dated March, 2013 between the Government of the People’s Republic of China and the World Bank, the World Bank Loan for the project is 80 millions USD (500 million RMB at the exchange rate 1:6.25 identified in the Project Evaluation), Chinese capital 220 million RMB, and total investment is 720 million yuan.

**2. Scope of Financial Statement**

The data of the financial statement is gathered from the financial statements of PPO, Hunan Forest Botanical Garden and 22 CPOs.

The duration of the financial statement is from January 1st, 2016 to December 31st, 2016.

**3. Major Accounting Policies**

3.1 Basis of accounting: Subject to the Accrual Basis Accounting principle, the statement employs the debit credit double entry bookkeeping technique and adopts RMB as the bookkeeping base currency.

3.2 Fiscal year: From January 1st to December 31st.

3.3 Financial Statement: The PIE established a separate account for the project as per the *Loan Agreement*. The financial statement reflects comprehensively the economic activities of PPO, Hunan Forest Botanical Garden and CPOs.

**4. Illustration of Related Subjects**

4.1 Construction in progress

2016 Balance of expenditure of construction in progress: RMB 125,638,742.02, and a grand total of RMB 600,072,704.78 is disbursed.

Expenditure of forest reforestation and restoration: current annual expenditure RMB 120,435,192.23, accumulated expenditure RMB 564,667,606.30.

Expenditure of institutional support and technique enhances: current annual expenditure RMB5,203,549.79, accumulated expenditure RMB 34,155,947.08.

4.2 Prepayments and receivables

Balance on December 31st, 2016 is RMB 7,879,565.54, mainly used to prepay the project construction revolving funds.

4.3 Fixed assets

Balance on December 31st, 2016 is RMB 9,953,040.78, which are office facilities purchase by project counties, project equipments procured after approval and assets formed by nursery upgrade.

4.4 Project appropriation

Gathered data of financial statements of FFPO (Hunan Forestry Department Foreign Funds Project Office), Hunan Forest Botanical Garden and 22 CPOs: up to December 31st, 2016, the balance of project appropriation is RMB 175,341,912.04. Provincial counterpart fund is RMB 22,730,434.75. county counterpart fund is RMB 35,287,264.42. beneficiaries’ investment is RMB 117,324,212.09.

4.5 Project debt

Up to December 31st, 2016, the balance of foreign debt is RMB 420,603,583.18, which is the project loan withdrawed from the World Bank. The cost of the project to be reimbursed is RMB 371,367,188.46. The remaining balance of the special account is RMB 49,236,394.72 by year end.

4.6 Payables

Balance on December 31st, 2016 is RMB 82,956,259.28 in total, which are mainly the seedling fee and labor fee that PIEs should pay.

4.7 Other incomes

Balance on December 31st, 2016 is RMB 20,962.09, which is interest on deposit of PIEs.

4.8 non-current assets

Balance on December 31st, 2016 is RMB 9,953,040.78, which is the corresponding subject of fixed assets.

**5. Illustration of Related Data**

5.1. The expiry date of the data of the financial statement is December 31st, 2016.

5.2. The data is gathered from the financial statements of Ningxiang County, Liling City, Leiyang City, Changning City, Hengnan County, Xinshao County, Pingjiang County, Yueyang County, Taoyuan County, Dingcheng District, Rucheng County, Zixing City, Suxian District, Guidong County, Guiyang County, Anren County, Yongxing County, Shuangpai County, Jindong District, Mayang County, Yuanling County, Luxi County, Hunan Forest Botanical Garden and PPO.

5.3. Data of Special Account

The special account for World Bank-Loan Hunan Forest Restoration and Development Project is set up in Hunan Finance Department and managed by Foreign Economy Office of Hunan Finance Department. The balance of the special account is 9,052,420.11 dollar in early 2016. The World Bank replenished the fund with 14,537,118.56 dollar this year. The interest revenue is 4,305.29 dollar. The disbursement is 16,496,194.44 dollar, the surplus is 7,097,649.52 dollar in the current period.

At the exchange rate of 1 dollar to 6.4893 yuan by 31st Dec 2015 the balance of the special account is RMB 58,743,869.82 at the beginning of last year. At the exchange rate of 1 dollar to 6.9370 yuan published by Financial Ministry on 3rd Jan 2017 the balance of the special account is RMB 49,236,394.72 at the end of last year.

三、审计发现的问题及建议

审计发现的问题及建议

除对财务报表进行审计并发表审计意见外，审计中我们还关注了项目执行过程中相关单位国家法规和项目贷款协定遵守情况、内部控制和项目管理情况、项目绩效以及上一年度审计建议整改落实情况。我们发现存在如下问题：

1. **违反国家法规或贷款协定的问题**

**1.配套资金未及时足额到位，涉及金额1392.32万元。**

2016年度项目应到位配套资金2810.62万元(不含劳务折资)，实际至2016年底止到位配套资金1418.3 万元，未到位1392.32万元，占比49.54%。且各项目办的到位情况参差不齐，有的根本未予配套，

如湘西州泸溪县项目办2016年度应到位配套资金116 万元，其中：省级 47.02 万元、县级54.62万元，实际到位19 万元，全部为省级配套，县级未配套，到位率16.58%；常德市鼎城区项目办2016年度应到位配套资金69.49 万元，其中：省级31.13 万元、县级38.36 万元，实际到位26万元，其中：省级18万元、县级8万元; 到位率37.42%；岳阳市岳阳县项目办2016年度应到位配套资金118.42万元，其中:省级58.37万元、县级60.05万元;实际到位45万元，其中：省级10万元、县级35万元，到位率38%；衡阳市常宁市项目办2016年度省级配套资金计划53.6万元，实际到位26万元，到位率48.5%；衡阳市衡南县项目办2016年度县级配套资金计划12.49万元，实际未配套，到位率0%。衡阳市耒阳市项目办 2016年省级配套资金计划45.4万元，实际到位0万元，到位率为0%；岳阳市平江县项目办2016年度应到位省级配套资金82.26万元，实际到位12万元，到位率14.59%；醴陵县项目办2016年度应到位配套资金 91.62万元，其中：省级47.17万元、县级44.45 万元。实际到位省级0万元，县级3.21 万元(为财政代项目单位缴纳的保险费)，到位率3.5 %；新邵县项目办2016年度应到位配套资金114.56万元，其中：省级53.19万元,县级61.37万元，实际到位35万元，其中：省级16万元，县级19万元，到位率30.55%；双牌县项目办2016年度应到位配套资金177.36万元，其中：省级84.88万元，县级92.48万元,实际到位省级5万元，县级未配套，到位率2.82 %；桂阳县项目办2016年度应到位县级配套资金35.5万元，实际未配套，到位率0 %；安仁县项目办2016年度应到位县级配套资金79.9万元，实际到位34万元，到位率12.76%；永兴县项目办2016年度应到位配套资金105.34万元，其中：省级49.3万元,县级56.04万元，实际到位27 万元，其中：省级27万元，县级 0万元，到位率25.63 %。由于配套资金不到位，在一定程度上影响了项目的正常实施，也导致了拖欠项目款的情况。

上述做法违反了《国际金融组织贷款赠款项目财务管理暂行办法》（财际〔2011〕10号）第十一条“各出资部门应按照协议约定履行出资责任。项目单位应当按照有关协议以及项目评估报告的要求，及时足额筹集配套资金”的相关规定。建议你办督促各级财政及相关单位按规定及时足额配套项目资金，确保项目实施进度和效果。你办已接受审计建议。

**2、滞留项目资金327.11万元。**

岳阳县财政局2016年2月22日，收到湖南省财政厅下拨的第五次报账资金300.11万元，至2016年5月11日才拨付岳阳县项目办；永兴县财政局2016年5月30日收到省级配套资金27万元，至2017年6月2日审计之日尚未拨付。

上述做法违反了《国际金融组织和外国政府贷款赠款管理办法》（财政部38号令）第二十八条“……不得以任何理由和形式滞留、截留、挪用贷款资金或者擅自改变贷款资金用途”、《中华人民共和国预算法实施条例》第三十八条“各级政府、各部门、各单位应当加强对预算支出的管理，严格执行预算和财政制度”的规定。建议你办督促相关财政部门按规定将项目资金及时足额拨付到位。你办已接受审计建议。

**3、部分单位项目资金未专户管理，也未设立专户核算。**

泸溪县项目办未设立专户核算世行贷款资金，项目资金与其他项目资金同一账户储存，未专户核算；常宁市项目办未设立专户核算世行贷款资金，而是与油茶产业等资金共用一帐户；耒阳市项目办未设立专户核算世行贷款资金，而是与防护林工程等资金共用一帐户，且耒阳市财政局将其他世行贷款资金与森林世行贷款资金在同一个帐户核算；衡南县项目办未设立专户核算世行贷款资金，所有资金都在县国库集中支付局的县林业局零余额帐户，且衡南县财政局将其他世行贷款资金与森林世行贷款资金在同一个帐户核算；平江县项目办未设立专户核算世行贷款资金，而是与与世界银行贷款国家贫困地区林业项目共用一个账户，未进行独立分账核算。桃源县项目办未设立专户核算，项目资金与其他项目资金同一账户储存，未专户核算。金洞管理区林业外资办未设立专户核算，而是与永州市金洞林场基本账户共用一个帐户。

上述做法违反了财政部《国际金融组织贷款赠款项目财务管理暂行办法》（财际〔2011〕10号）第五条“项目贷款资金实行专户管理、专账核算。原则上不同项目单独设立指定账户，按项目分账核算。同一赠款方同一币种赠款资金，只能开设一个账户，按项目分账核算。项目国内配套资金可参照办理”的规定。建议你办督促相关县项目办对本项目资金按规定实行专户管理、专账核算。你办已接受审计建议。

**（二）项目管理方面存在的问题**

**1、项目原始资料不准确，存在与实际不符的情况。**

鼎城区2016年项目M7模型中9竹1阔，原生的是竹林，林户应该补充种植的是阔叶树种，但合同的有效期选定的是竹林的轮伐期3年（2016年1月1日至2018年12月31日），与补植的阔叶树种的轮伐期不符，应按阔叶树种的轮伐期调整合同的有效期。

泸溪县项目办2016年达岚镇潮底村M5模型项目作业设计为杉、柏、枫、栾树种森林恢复，而设计图（图幅号：H49G095032）显示原有林地为油茶与项目明显不符。梁家潭乡灯油坪村M1模型项目作业设计图（图幅号：H49G089033）显示原有林地为油茶，与《2016年度造林小班作业设计一览表》中反映地类宜林荒山不一致。原因为作业设计图采用了1979年绘制的林业地图，现状已与之不符。

桃源县2016年项目实施合同的签订时间为2016年4月30日，项目验收的时间为5月20日，省项目办最终下达调整计划时间为2016年7月20日，上述相关时间存在逻辑问题。同时省项目办下达桃源县的计划（湘林外资〔2016〕26号）为557公顷，而验收面积为913.3公顷，存在较大差异。桃源县2016年黄甲铺乡杨家庄村M1模型作业设计图显示原地类为油茶林，与《2016年变更作业设计造林小班一览表》中反映地类宜林荒山荒地不一致。

醴陵市贺家桥镇新台村43028111069、43028111070、43028111071小班验收资料与实际存在差异，湿地松的存活率数量比例偏低，未达到设计要求。2016年抚育验收报账资料使用的项目验收合格证是第一次造林施工验收合格证，验收日期为2013年，没有针对抚育情况进行验收的资料。贺家桥镇新台村、七星村等地的项目实施区林地没有纳入生态公益林管理，与世行要求的项目区是已经界定为生态公益林的要求不符。

永兴县洋塘乡铁垅村、马田镇罗家村、项目类型为2016年度新造林（M1），洋塘乡铁垅村造林树种为湿地松、枫香、木荷槐等树种、面积为66.7 公顷，马田镇罗家村设计造林树种为湿地松、枫香、木荷槐等树种；实际造林树种为柏树、面积为11.8 公顷。上述项目基本未进行全面抚育，且小部分树种与项目设计完全不符，且所有的项目点均未按世行要求实行小面积混交。

建议你办认真核查各项目办的项目资料并督促各项目办按你办相关要求和实际情况进一步完善相关手续，加强项目管理工作。你办已接受审计建议。

**2、项目区未设立永久性标志。**

桃源县黄甲铺乡杨家庄村承包大户文蓉晖的项目，未设置项目标识牌。永兴县洋塘乡铁垅村、马田镇罗家村的项目均未设置项目标识牌。醴陵市除示范林外，其余项目均未按世行要求设立标志牌。

上述做法不符合《世界银行贷款湖南森林恢复和发展项目管理办法》（湘林外资【2013】41号）第四款第九条“项目区应设立永久性标志。工程牌应设置在本县主体工程靠近主要交通干道的醒目位置。工程牌式样按省项目办统一要求设置。”的规定。建议你办依照《世界银行贷款湖南森林恢复和发展项目管理办法》要求，督促相关县项目办设置统一要求的工程牌式。你办已接受审计建议。

**3、未及时拨付工程款96.14万元。**

岳阳县项目办未严格按工程进度及时拨付工程款85.13万元。2016年6月岳阳县世行项目办验收2016年造林合格面积224.3公顷，金额85.13万元，至 2017年1月岳阳县世行项目办才支付农户工程款85.13万元，资金拨付缓慢。

衡南县项目办2015年因部分农户验收不合格未发放抚育资金11.01万元，但至2017年审计之日尚未组织再次验收，抚育资金亦未拨付。

上述做法不符合《国际金融组织和外国政府贷款赠款管理办法》（2006年财政部第38号令）第二十八条“贷款资金的使用应当符合贷款法律文件的规定，任何单位和个人均不得以虚报、冒领或者其他手段骗取贷款资金，不得以任何理由和形式滞留、截留、挪用贷款资金或者擅自改变贷款资金用途”的规定。建议你办督促岳阳、衡南两县项目办进一步做好抚育工作检查和验收，整改到位后及时将造林资金按要求兑付给造林主体。你办已接受审计建议。

**（三）上一年度审计发现问题未整改情况**

审计发现，上一年度审计报告中披露的9个问题中，部份县级配套资金不到位、未设立专户核算2个问题未得到整改，本年度仍然存在。

上述做法不符合《中华人民共和国审计法》第四十七条 审计机关在法定职权范围内作出的审计决定，被审计单位应当执行的规定。

建议你办切实制定和落实整改措施，完善制度，加强管理，促进项目顺利实施。你办已接受审计建议。

**Ⅲ. Audit Findings and Recommendations**

**Audit Findings and Recommendations**

Except from expressing an opinion on these financial statements based on our audit, we have also paid close attention to their adherence to the national laws and regulations of related units, compliance with the Loan Agreement, internal control, project management, performance during the implementation of the project, and rectification on the audit recommendation last year. And we have found the following problems.

**Violation of national laws and regulations or the Loan Agreement**

**1．The counterpart funds do not reach into account at the time and in full amount, RMB 13923.2 thousand involved.**

The project counterpart funds that should have been allocated in 2016 is 28.1062 million yuan (labor capital excluded), but the actually allocated counterpart fund is 14.183 million yuan by the end of 2016, accounting for 50.46% of the plan. The allocation varies with each county and some counties even do not have allocation of counterpart funds.For instance, the counterpart funds that should have been allocated to the CPO of Luxi County in 2016 is 1,160,000 yuan, including provincial finance 470,200 yuan and county finance 546,200 yuan. Up to the audit day, the actually allocated counterpart funds is 190,000 yuan, entirely financed by provincial government, accounting for 16.58％of the planned total. The counterpart funds that should have been allocated to the CPO of Dingcheng District of Changde City in 2016 is 694，900 yuan, including provincial finance 311,300 yuan and county finance 383,600 yuan. Up to the audit day, the actually allocated counterpart funds is 260,000 yuan, including provincial finance 180,000 yuan and county finance 80,000 yuan, accounting for 37.42% of the planned total.The counterpart funds that should have been allocated to the CPO of Yueyang County in 2016 is 1,184,200 yuan, including provincial finance 583,700 yuan and county finance 600,500 yuan. Up to the audit day, the actually allocated counterpart funds is 450,000 yuan, including provincial finance 100,000 yuan and county finance 350,000 yuan, accounting for 38% of the planned total.The provincial counterpart funds that should have been allocated to the CPO of Changning County in 2016 is 536,000 yuan. the actually allocated counterpart funds is 260,000 yuan, accounting for 48.5% of the planned total. The county counterpart funds that should have been allocated to the CPO of Hengnan County in 2016 is 124,900 yuan. the actually allocated counterpart funds is none, accounting for 0% of the planned total.The provincial counterpart fund that should have been allocated to the CPO of Leiyang County in 2016 is 454,000 yuan. the actually allocated counterpart funds is none, accounting for 0% of the planned total.The provincial counterpart fund that should have been allocated to the CPO of Pingjiang County in 2016 is 822,600 yuan. The actually allocated counterpart fund is 120,000, accounting for 14.59% of the planned total.The counterpart fund that should have been allocated to the CPO of Liling County in 2016 is 916,200 yuan, including provincial finance 471,700 yuan and county finance 444,500 yuan. Up to the audit day, the actually allocated provincial counterpart fund is none, and actually allocated county counterpart fund is 32,100 yuan(insurance premium), accounting for 3.5% of the planned total.The counterpart fund that should have been allocated to the CPO of Xinshao County in 2016 is 1,145,600 yuan, including provincial finance 531,900 yuan and county finance 613,700 yuan. Up to the audit day, the actually allocated counterpart fund is 350,000 yuan, including provincial finance 160,000 yuan and county finance 190,000 yuan, accounting for 30.55% of the planned total.The counterpart fund that should have been allocated to the CPO of Shuangpai County in 2016 is 1,773,600 yuan, including provincial finance 848,800 yuan and county finance 924,800 yuan. Up to the audit day, the actually allocated provincial counterpart fund is 50,000 yuan, and actually allocated county counterpart fund is none, accounting for 2.82% of the planned total.The county counterpart fund that should have been allocated to the CPO of Guiyang County in 2016 is 355,000 yuan. The actually allocated counterpart fund is none, accounting for 0% of the planned total.The county counterpart fund that should have been allocated to the CPO of Anren County in 2016 is 799,000 yuan. The actually allocated counterpart fund is 340,000 yuan, accounting for 12.76% of the planned total.The counterpart fund that should have been allocated to the CPO of Yongxing County in 2016 is 1,053,400 yuan, including provincial finance 493,000 yuan and county finance 560,400 yuan. Up to the audit day, the actually allocated counterpart fund is 270,000 yuan, including provincial finance 270,000 yuan and county finance 0 yuan, accounting for 25.63% of the planned total.The counterpart funds are not in place, to some extend it leads to project funds arrears, affecting the project implementation performance.The above-mentioned act violates the Article 11 of Interim Measures of Financial Management of Project Financed by International Financial Organization: each contributing institution shall perform the duty of contribution in adherence to the agreement. Project institutions shall ensure the full amount of the counterpart fund in place in time, complying with the requirements of related agreement and evaluation report. And we suggest that you raise counterpart funds actively to ensure the project can be completed as scheduled. You have taken the recommendation.

**2．Retention of a RMB 3,271,100 Fund**

Yueyang County Finance Bureau received a RMB 3,001,100 fund of the fifth reimbursement on 22nd Feb 2016. The fund was not appropriated to Yueyang County PMO until 11th May 2016. Yongxing County Finance Bureau received a RMB 270,000 provincial counterpart fund on 30th May 2016, but did not appropriate it to the CPMO by the day of audit.

The above-mentioned act violates the Article 28 of The Management of Loans and Grants of International Financial Organizations and Foreign Governments (The Ministry of Finance Decree NO.38): ······ shall not retain, intercept or embezzle loan funds or change the usage of loan funds without authorization for any reason and in any way, The Article 38 of *The Budget Law of the PRC* government at every level, every department and every organization shall reinforce the management of budget expenditure, and strictly abide by the budget and finance rules. And we suggest that you urge the related Finance Department to appropriate the project funds timely. You have taken the recommendation.

**3．Some CPMOs haven’t set up special accounts.**

Luxi County PMO hasn’t set up special account for the World Bank project. The project fund is reserved with funds of other project. Changning City PMO hasn’t set up special account for the World Bank project, using the same account with tea-oil tree industry. Leiyang City PMO hasn’t set up special account for the World Bank project, and uses the account for protection forest project instead. Leiyang City Finance Bureau puts other funds of the World Bank in the same account for forest project. Hengnan County PMO hasn’t set up special account, with all the funds in a zero balance account of treasury. Hengnan County Finance Bureau reserves forest fund of the World Bank together with other funds of the World Bank in the same account. Pingjiang County PMO hasn’t set up special account, using the account for poverty-stricken region forestry project funded by the World Bank. Taoyuan County PMO hasn’t set up special account, using the account for other project. Jindong District PMO hasn’t set up special account, using one with Jindong Forest Farm.

The above-mentioned act violates the Article 5 of Interim Measures of Financial Management of Project Financed by International Financial Organization: project fund should be holden in separately managed account. Special account should be set up for one project. No more than one account should be set up for project funded by one organization of one currency. The same is suitable for national counterpart fund. We suggest that you urge relevant county PMO to set up special account for the project. You have taken the recommendation.

**Problems of Project Management**

**1．The original materials are inaccurate**

Model7 in Dingcheng District consists of 9 species of bamboo and 1 broad leaf species. The original forest is bamboo. Peasant household should replant broad leaf species. But the period of validity of the contract is 3 years (from 1st Jan 2016 to 31st Dec 2018), which is in collision with the circulation period of broad leaf species. The period of validity of the contract should be adjusted to apply to broad leaf species.

Model5 in Chaodi Village Dalan Town Luxi County is designed to be restoration of fir, cypress, maple and Koelreuteria. But the design drawing (H49G095032) shows the original forest is oil tea. The design drawing of Model1 in Dengyouping Village Liangjiatan Town shows the original forest is oil tea, in collision with *forest operating design 2016*, which claims the original land is barren hills suitable for afforestation. The reason is that the design drawing refers to forestry map of 1979.

The contract of project implementation in Taoyuan County was signed on 30th Apr 2016. the project was checked and accepted on 20th May 2016. the provincial adjusted the plan on 20th Jul 2016. there is logical fallacy in the above mentioned dates. The project area in Taoyuan County is designed to be 557 hectare. But the project area checked and accepted is 913.3 hectare. The design drawing of Model1 in Yang Family Village Huangjiapu Town shows the original forest is oil tea, in collision with *forest operating design 2016*, which claims the original land is barren hills suitable for afforestation.

There are discrepancies between the acceptance materials of subcompartment 43028111069, 43028111070, 43028111071 in Xintai Village Hejiaqiao Town and the reality. The survival rate of slash pine is lower than the standard. The application for reimbursement of tending in 2016 uses the acceptance certificate of 2013. Acceptance materials of tending are missing. The project sites in Qixing Village and Xintai Village are not incorporated to ecological public welfare forest, which is in collision with the requirement of the World Bank.

New Afforestation (Model1) in 2016 consists of slash pine, sweetgum and schima superba in Tielong Village, covering an area of 66.7 hectare. The project site in Luo Family Village is planned to consist of slash pine, sweetgum and schima superba. But the species actually used is cypress. The area is 11.8 hectare. These areas are in need of thorough tending. A small portion of the species used unconformable to the project design. And there is no mixed plantation in all the project sites.

We suggest that you check the materials of each PMO, and urge PMOs to improve procedures and reinforce management. You have taken the recommendation.

**2．There are no permanent markers in project area.**

Project boards are not set up in some project sites such as contracted land of Wen Ronghui in Taoyuan county, two project areas in Yongxing County, every project site in Liling City except the demonstration site.

The above-mentioned act violates the Subparagraph 4 Article 9 of The Project Management of World Bank Loan-Hunan Forest Restoration and Development Project (Hunan Forestry Foreign Funds [2013] NO.41): Project area shall set up permanent markers. The project board shall be at the full position of main project near main traffic artery and the design shall as per the uniform requirements of PPO. And we suggest you set up project boards according to the requirements of The Project Management of World Bank Loan-Hunan Forest Restoration and Development Project.

**3．Payment of RMB 961,400 in arrears**

Yueyang County PMO didn’t appropriate construction payment of RMB 851,300. The PMO checked and accepted an afforestation area of 224.3 hectare in June 2016, but didn’t pay the construction cost of RMB 851,300 to peasant households until January 2017.

Hengnan County didn’t pay the tending cost of RMB 110,100 to some peasant households because of non-conformation. But the PMO haven’t taken another check since then. The tending cost is still unreimbursed.

The above-mentioned act violates the Article 28 of The Management of Loans and Grants of International Financial Organizations and Foreign Governments (The Ministry of Finance Decree NO.38): ······ any unit or individual shall not swindle loan funds by making fraudulent applications and claims or other means, and shall not retain, intercept or embezzle loan funds or change the usage of loan funds without authorization for any reason and in any way. We suggest that you urge Yueyang and Hengnan County PMOs to appropriate the fund timely. You have taken the recommendation.

**Unsolved problems of last audit year**

Among the nine problems disclosed in the report of last audit year, two remain unsolved: PMOs (Project Management Office) haven’t set up special accounts; some county counterpart funds are not in place.

The above-mentioned act violates the Article 47 of the Law of Audit of the PRC： the audited should follow the decision by the audit office within the limits of authority.

We suggest that you rectify the situations, improve the system, reinforce the management, for smooth progress in implementation of the project. You have taken the recommendation.

附件：

审计发现问题的整改情况

项目区未设立永久性标志问题已整改；其余问题，正在积极采取措施整改。

审计建议已全部采纳。