

中华人民共和国辽宁省审计厅
Liaoning Provincial Audit Office of the People's
Republic of China

审 计 报 告

Audit Report

辽审投报〔2021〕28号

LIAO AUDIT REPORT〔2021〕NO. 28

项目名称：世界银行贷款辽宁城镇供水安全可持续发展示范项目

Project Name: Liaoning Safe and Sustainable Urban Water Supply Project
financed by World Bank

贷款号： 8837-CN

Loan No. : 8837-CN

项目执行单位：辽宁省财政厅、辽宁省城市建设改造项目办公室

Project Entity: Liaoning Provincial Finance Department and
Liaoning Urban Construction & Renewal Project Office

会计年度： 2020

Accounting Year: 2020

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一、 审计师意见

审计师意见

辽宁省财政厅、辽宁省城市建设改造项目办公室：

我们审计了世界银行贷款辽宁城镇供水安全可持续发展示范项目2020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和专用账户报表等特定目的财务报表及财务报表附注（第5页至第18页）。

（一）辽宁省财政厅对财务报表的责任

编制上述财务报表中的资金平衡表、项目进度表、贷款协定执行情况表和专用账户报表是辽宁省财政厅的责任，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辽宁城镇供水安全可持续发展示范项目 2020 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执行情况。

（四）其他事项

我们审查了本期内由辽宁省财政厅报送给世界银行的第 5 号、第 6 号和第 7 号提款申请书及所附资料。我们认为，这些材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附注和审计发现的问题及建议。

中华人民共和国辽宁省审计厅
2021 年 6 月 21 日

地址：中国辽宁沈阳市皇姑区北陵大街 45-1 号

邮政编码：110032

电话：86-24-8689 2625

传真：86-24-8689 3670

I. Auditor's Opinion

Auditor's Opinion

To Liaoning Provincial Finance Department & Liaoning Urban Construction & Renewal Project Office

We have audited the special purpose financial statements (from page 5 to page 18) of Liaoning Safe and Sustainable Urban Water Supply Project financed by World Bank which comprise the Balance Sheet as of December 31, 2020, the Summary of Sources and Uses of Funds by Project Component, the Statement of Implementation of Loan Agreement and the Special Account Statement for the year then ended, and Notes to the Financial Statements.

Liaoning Provincial Finance Department's Responsibility for the Financial Statements

Your entity is responsible for the preparation of the financial statements mentioned above, which includes:

- i. Preparing and fair presenting the accompanying financial statements in accordance with Chinese accounting standards and system, and the requirements of the project loan 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, financial position of Liaoning Safe and Sustainable Urban Water Supply Project financed by World Bank as of December 31, 2020 its financial receipts and disbursements and the project implementation for the year then ended in accordance with Chinese accounting standards and system, and the requirements of the project loan agreement.

Other Matter

We also examined the withdrawal application NO.5 to NO.7 and the attached documents submitted to World Bank during the period. In our opinion, the attached documents comply with the project loan 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.

Liaoning Provincial Audit Office of People's Republic of China
June 21, 2021

Address: No.45-1 Beiling Street, Huanggu District,
Shenyang, Liaoning, China

Postcode: 110032

Tel.: 86-24-86892625

Fax:86-24-86893670

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

二、财务报表及财务报表附注

II. Financial Statements and Notes to the Financial Statements

(一) 资金平衡表

i. Balance Sheet

资金平衡表
BALANCE SHEET

2020年12月31日
(As of December 31, 2020)

项目名称: 世界银行贷款辽宁城镇供水安全可持续发展示范项目

Project Name: Liaoning Safe and Sustainable Urban Water Supply Project financed by World Bank

编报单位: 辽宁省财政厅

单位: 人民币元

Prepared by: Liaoning Provincial Finance Department

Currency Unit: RMB yuan

资金占用 Application of Fund	行次 Line No.	期初数 Beginning Balance	期末数 Ending Balance	资金来源 Sources of Fund	行次 Line No.	期初数 Beginning Balance	期末数 Ending Balance
一、项目支出合计 Total Project Expenditure	1	144,702,749.01	346,758,912.29	一、项目拨款合计 Total Project Appropriation Funds	28	68,907,184.77	79,307,038.32
1、交付使用资产 Fixed Assets Transferred	2	-	-	二、项目资本与项目资本公积 Project Capital and Capital Surplus	29	-	-
2、待核销项目支出 Construction Expenditures to be disposed	3	-	-	其中: 捐赠款 Grant Fund	30	-	-
3、转出投资 Investment Transferred-out	4	-	-	三、项目借款合计 Total Project Loan	31	164,594,035.40	345,461,362.62
4、在建工程 Construction in Progress	5	144,702,749.01	346,758,912.29	1、项目投资借款 Total Project Investment Loan	32	164,594,035.40	345,461,362.62
二、应收生产单位投资借款 Investment Loan Receivable	6	-	-	(1) 国外借款 Foreign Loan	33	74,122,125.00	242,349,452.22
其中: 应收生产单位世行贷款 Including: World Bank Investment Loan Receivable	7	-	-	其中: 国际开发协会 Including: IDA	34	-	-
三、拨付所属投资借款 Appropriation of Investment Loan	8	-	-	国际复兴开发银行 IBRD	35	74,122,125.00	242,349,452.22
其中: 拨付世行贷款 Including: appropriation of World Bank Investment Loan	9	-	-	技术合作信贷 Technical Cooperation	36	-	-
四、器材 Equipment	10	-	1,654,300.00	联合融资 Co-financing	37	-	-
其中: 待处理器材损失 Including: Equipment Losses in Suspense	11	-	-	(2) 国内借款 Domestic Loan	38	90,471,910.40	103,111,910.40
五、货币资金合计 Total Cash and Bank	12	97,030,613.06	145,714,302.77	2、其它借款 Other Loan	39	-	-

1、银行存款 Cash in Bank	13	97,018,436.56	145,714,116.27	四、上级拨入投资借款 Appropriation of Investment Loan	40	-	-
其中：专用账户存款 Including: Designated Account	14	41,391,410.08	75,274,468.00	其中：拨入世行贷款 World Bank Loan	41	-	-
2、现金 Cash on Hand	15	12,176.50	186.50	五、企业债券资金 Bond Fund	42	-	-
六、预付及应收款合计 Total Prepaid and Receivable	16	30,000.00	15,026,267.94	六、待冲项目支出 Construction expenditures to be offset	43	-	-
其中：应收世行贷款利息 Including: World Bank Loan Interest Receivable	17	-	-	七、应付款合计 Total Payable	44	8,254,790.03	83,317,209.17
世行贷款承诺费 World Bank Loan Commitment Fee Receivable	18	-	-	其中：应付世行贷款利息 Including: World Bank Loan Interest Payable	45	-	-
应收世行贷款资金占用费 World Bank Loan Service-fee Receivable	19	-	-	应付世行贷款承诺费 World Bank Loan Commitment Fee Payable	46	-	-
七、有价证券 Marketable Securities	20	-	-	应付世行贷款资金占用费 World Bank Loan Service Fee Payable	47	-	-
八、固定资产合计 Total Fixed Assets	21	-	-	八、未交款合计 Other payables	48	-	-
固定资产原价 Fixed Assets, Cost	22	-	-	九、上级拨入资金 Appropriation of Fund	49	-	-
减：累计折旧 Less: Accumulated Depreciation	23	-	-	十、留成收入 Retained Earnings	50	7,351.87	1,068,172.89
固定资产净值： Fixed Assets, net	24	-	-		51		
固定资产清理 Fixed Assets Pending Disposal	25	-	-		52		
固定资产损失待处理 Fixed assets losses in suspense	26	-	-		53		
资金占用合计： Total Application of Fund	27	241,763,362.07	509,153,783.00	资金来源合计： Total Sources of Fund	54	241,763,362.07	509,153,783.00

(二) 项目进度表

ii. Summary of Sources and Uses of Funds by Project Component

项目进度表 (一)

SUMMARY OF SOURCES AND USES OF FUNDS

BY PROJECT COMPONENT I

本期截至 2020 年 12 月 31 日

(For the period ended December 31, 2020)

项目名称: 世界银行贷款辽宁城镇供水安全可持续发展示范项目

Project Name: Liaoning Safe and Sustainable Urban Water Supply Project financed by World Bank

编报单位: 辽宁省财政厅

单位: 人民币元

Prepared by: Liaoning Provincial Finance Department

Currency Unit: RMB yuan

	本期 Current Period			累计 Cumulative		
	本期计划额 Current Period Budget	本期发生额 Current Period Actual	本期完成比 Current Period % Completed	项目总计划额 Life of PAD	累计完成额 Cumulative Actual	累计完成比 Cumulative % Completed
资金来源合计 Total Sources of Funds	619,480,600.00	191,267,180.77	30.88%	2,665,374,721.25	424,768,400.94	15.94%
一. 国际金融组织贷款 International Financing	523,244,400.00	168,227,327.22	32.15%	1,725,000,000.00	242,349,452.22	14.05%
1. 国际复兴开发银行 IBRD	523,244,400.00	168,227,327.22	32.15%	1,725,000,000.00	242,349,452.22	14.05%
二. 配套资金 Counterpart Financing	96,236,200.00	23,039,853.55	23.94%	940,374,721.25	182,418,948.72	19.40%
1. 无偿配套资金 Appropriation Funds	56,798,000.00	10,399,853.55	18.31%	805,374,721.25	79,307,038.32	9.85%
2. 有偿配套资金 Domestic Loan	39,438,200.00	12,640,000.00	32.05%	135,000,000.00	103,111,910.40	76.38%
3. 项目资本 Project Capital	-	-		-	-	
资金运用合计 Total Application of Funds	619,460,600.00	202,056,163.28	32.62%	2,665,374,721.25	346,758,912.29	13.01%
1、供水设施改善 Water Supply Infrastructure Improvement	424,864,100.00	177,825,511.73	41.85%	1,981,266,000.00	274,751,308.77	13.87%
2、供水服务改善 Water Supply Service Improvement	172,616,900.00	2,480,475.96	1.44%	393,852,000.00	4,304,107.96	1.09%
3、项目实施支持和机构加强 Project implementation support and institutional strengthening	13,559,600.00	16,759,111.72	123.60%	116,955,000.00	51,294,627.43	43.86%
4、先征费 Front-end Fee	120,000.00	-282,062.50	-235.05%	4,277,038.00	4,078,062.50	95.35%
5、项目实施期财务费用 Financial Charges During Implementation	8,300,000.00	5,273,126.37	63.53%	169,024,683.25	12,330,805.63	7.30%
差异 Difference		-10,788,982.51			78,009,488.65	
1. 应收款变化 Change in Receivables		14,996,267.94			15,026,267.94	

	本期 Current Period			累计 Cumulative		
	本期计划额 Current Period Budget	本期发生额 Current Period Actual	本期完成比 Current Period % Completed	项目总计划额 Life of PAD	累计完成额 Cumulative Actual	累计完成比 Cumulative % Complete
2. 应付款变化 Change in Payables		-75,062,419.15			-83,317,209.17	
3. 货币资金变化 Change in Cash and Bank		48,683,689.72			145,714,302.77	
4. 其它 (包括汇兑损益) Other (Including Exchange Gain & Loss)		593,478.98			586,127.11	

项目进度表（二）
SUMMARY OF SOURCES AND USES OF FUNDS
BY PROJECT COMPONENT II

本期截至 2020 年 12 月 31 日
 (For the period ended December 31, 2020)

项目名称：世界银行贷款辽宁城镇供水安全可持续发展示范项目

Project Name: Liaoning Safe and Sustainable Urban Water Supply Project financed by World Bank

编报单位：辽宁省财政厅

Prepared by: Liaoning Provincial Finance Department

单位：人民币元
 Currency Unit: RMB yuan

项目内容 Project Component	项目支出 Project Expenditure							
	累计支出 Cumulative Amount	已交付资产 Assets Transferred				在建工程 Work in Progress	待核销项目支出 Expenditures to be Disposed	转出投资 Investments Transferred-out
		固定资产 Fixed Asset	流动资产 Current Asset	无形资产 Intangible Asset	递延资产 Deferred Asset			
1、供水设施改善 Water Supply Infrastructure Improvement	274,751,308.77					274,751,308.77		
2、供水服务改善 Water Supply Service Improvement	4,304,107.96					4,304,107.96		
3、项目实施支持和机构加强 Project implementation support and institutional strengthening	51,294,627.43					51,294,627.43		
4、先征费 Front-end Fee	4,078,062.50					4,078,062.50		
5、项目实施期财务费用 Financial Charges During Implementation	12,330,805.63					12,330,805.63		
总计 Total	346,758,912.29					346,758,912.29		

(三) 贷款协定执行情况表

iii. Statement of Implementation of Loan Agreement

贷款协定执行情况表

STATEMENT OF IMPLEMENTATION OF LOAN AGREEMENT

本期截至 2020 年 12 月 31 日

(For the period ended December 31, 2020)

项目名称: 世界银行贷款辽宁城镇供水安全可持续发展示范项目

Project Name: Liaoning Safe and Sustainable Urban Water Supply Project financed by World Bank

编报单位: 辽宁省财政厅

单位: 人民币元

Prepared by: Liaoning Provincial Finance Department

Currency Unit: RMB yuan

类别 Category	核定贷款金额 Loan Amount 美元 (USD)	本年度提款 Current-period Withdrawals		累计提款数 Cumulative Withdrawals	
		美元 (USD)	折合人民币 (RMB)	美元 (USD)	折合人民币 (RMB)
1. 土建及货物 Civil Works & Goods	240,235,000.00	11,140,853.10	72,692,952.39	11,140,853.10	72,692,952.39
(1) 沈阳水务集团有限公司 Shenyang Water Supply Group Co.	85,040,000.00	195,022.64	1,272,503.22	195,022.64	1,272,503.22
(2) 鞍山市水务集团有限公司 Anshan Water Group Co.	40,050,000.00	300,521.92	1,960,875.48	300,521.92	1,960,875.48
(3) 抚顺市供水(集团)有限公司 Fushun Water Supply Group Co.	61,890,000.00	5,634,892.90	36,767,112.68	5,634,892.90	36,767,112.68
(4) 阜新市水务有限公司 Fuxin Water Co.	28,605,000.00	3,256,771.31	21,250,107.12	3,256,771.31	21,250,107.12
(5) 盖州水务有限公司 Gaizhou Water Co.	24,650,000.00	1,753,644.33	11,442,353.89	1,753,644.33	11,442,353.89
2. 非咨询服务, 增量运行成本, 培训, 研讨会和咨询服务 Non-consulting services, Incremental Operating Costs, Training and Workshops and consultants' services	9,140,000.00	376,394.63	2,455,937.33	376,394.63	2,455,937.33
3. 先征费 Front-end Fee	625,000.00			625,000.00	4,078,062.50
4. 专用账户 Designated Account		15,000,000.00	97,873,500.00	25,000,000.00	163,122,500.00
5. 其他 Others					
总计 Total	250,000,000.00	26,517,247.73	173,022,389.72	37,142,247.73	242,349,452.22

(四) 专用账户报表

iv. Advance Account Statement

专用账户报表

SPECIAL ACCOUNT STATEMENT

本期截至 2020 年 12 月 31 日

(For the period ended December 31, 2020)

项目名称: 世界银行贷款辽宁城镇供水安全可持续发展示范项目

Project Name: Liaoning Safe and Sustainable Urban Water Supply Project financed by World Bank

贷款号: 8837-CN

Loan No. 8837-CN

编报单位: 辽宁省财政厅

Prepared by: Liaoning Provincial Finance Department

开户银行名称: 中国建设银行

Depository Bank: China Construction Bank

账号: 21050137000800000692

Account No:21050137000800000692

货币种类: 美元

Currency : USD

A 部分: 本期专用账户收支情况	Part A - Account Activity for the Period	金额 Amount
期初余额	Beginning balance	5,933,231.57
增加	Add:	
本期世界银行回补总额	Amount replenished by World Bank in the period	26,517,247.73
本期利息收入总额 (存入专用账户部分)	Interest earned in the period if deposited in Designated Account	1,731.31
本期不合格支出归还总额	Amount refunded to cover ineligible expenditures	
减少	Deduct:	
本期支付总额	Total amount withdrawn	20,915,716.87
利息转出	Total Interest withdrawn	
期末包括在支付额中的服务费支出	Service charges if not included in above amount withdrawn	
期末余额	Ending balance	11,536,493.74
B 部分: 专用账户调节	Part B - Designated Account Reconciliation	
1. 世界银行预付款金额	Amount advanced by World Bank	25,000,000.00
2. 世界银行预付款回收总额	Amount recovered by World Bank	
3. 专用账户预付款净额	Outstanding amount advanced to the Designated Account	25,000,000.00
4. 专用账户期末余额	Ending balance of Designated Account	11,536,493.74
增加	Add:	
5. 截至期末已申请报账但尚未回补金额	Amount claimed but not yet credited at the period end	

申请书号(财政厅)	Application No.	
6.截至期末已支付但尚未申请报账金额	Amount withdrawn but not yet claimed	13,466,291.42
7.服务费累计支出 (如未含在 5 和 6 栏中)	Cumulative service charges (if not included in item 5. or 6.)	
减少	Deduct:	
8.累计利息收入 (存入专用账户部分)	Interest earned (if deposited in Designated Account)	2,785.16
9. 期末专用账户预付款总额	Total advance to Designated Account at the period end	25,000,000.00

（五）财务报表附注

财务报表附注

1. 项目概况

世界银行贷款辽宁城镇供水安全可持续发展示范项目(以下简称本项目)于2018年6月4日获得世行董事会批准,我国政府于2018年8月6日正式与世界银行签订本项目的《贷款协定》。《贷款协定》于2018年10月23日生效。世行贷款金额为2.5亿美元,贷款号为8837-CN。本项目的发展目标是改善项目地区供水设施的水质和运行效率,项目将影响辽宁省5个市的供水服务,惠及569万人口。项目预计2023年6月30日完工,2023年6月30日贷款账户关账。项目总投资估计为3.86亿美元,其中将从世界银行贷款2.5亿美元,占项目总投资的65%,其余35%将由各参与城市的配套资金提供。

项目实施机构包括:

沈阳水务集团有限公司

鞍山市水务集团有限公司

抚顺市供水(集团)有限公司

阜新市水务集团有限责任公司

盖州市水务有限责任公司

2. 财务报表编制范围

本财务报表的编制范围包括5个子项目的财务报表及省财政厅专用账户报表。

3. 主要会计政策

3.1 本项目财务报表按照财政部《世界银行贷款项目会计核算办法》(财际字〔2000〕13号)的要求编制。

3.2 会计核算年度采用公历年制,即公历每年1月1日至12月31日。

3.3 本项目会计核算以“权责发生制”作为记账原则,采用借贷复式记

账法记账，以人民币为记账本位币。

3.4 期末外币业务按照中国人民银行发布的汇率中间价折算。2020年12月31日的汇率为 USD1=人民币 6.5249 元。

4.报表科目说明

4.1 项目成本

本期内发生项目成本 202,056,163.28 元，截至 2020 年 12 月 31 日，累计项目成本 346,758,912.29 元，均为在建工程，占总投资计划的 13.01%。

4.2 器材

期末器材余额 1,654,300.00 元，为鞍山子项目已采购尚未使用的器材。

4.3 货币资金

期末货币资金余额 145,714,302.77 元，其中专用账户存款余额折合人民币 75,274,468.00 元。

4.4 预付及应收款

期末预付及应收款账上余额为 15,026,267.94 元。

4.5 项目拨款

期末项目拨款余额为 79,307,038.32 元，占项目拨款计划额的 9.85%。

4.6 项目借款

期末项目借款余额为人民币 345,461,362.62 元，其中国外借款折合人民币 242,349,452.22 元，占国外借款计划额的 14.05%；国内借款余额 103,111,910.40 元，占国内借款计划额的 76.38%。

4.7 应付款

期末项目应付款余额为 83,317,209.17 元。

4.8 留成收入

期末留成收入余额为 1,068,172.89 元，包括专用账户的利息收入和盖州水司没收的承包商投标保证金。

5.贷款协定执行情况

本期内共提取贷款资金 26,517,247.73 美元，折合人民币 173,022,389.72；期末累计提取贷款资金 37,142,247.73 美元，折合人民币 242,349,452.22 元。

6.专用账户使用情况

本期内专用账户收到世行新拨付的预付金 15,000,000.00 美元，使得预付金总额达到 25,000,000.00 美元。本期支付贷款资金 20,915,716.87 美元，期末该账户余额为 11,536,493.74 美元，包括 2,785.16 美元的利息收入。

7.其他需要说明的事项

项目资金平衡表中世界银行贷款期末数与期初数之差、项目进度表中相应本期发生额与贷款协定执行情况表人民币本期提款数不一致是由于历年汇兑损益造成的。

II. Notes to the Financial Statements

Notes to the Financial Statements

1. Project overview

Liaoning Safe and Sustainable Urban Water Supply Project (hereinafter referred to as ‘Project’) was approved by board of director of World Bank (hereinafter referred to as ‘WB’) on June 4th 2018. The government of the People’s Republic of China officially signed the Loan Agreement with WB on August 6th, 2018. The Loan Agreement became effective on October 23th, 2018. The WB loan amount is USD 250 million for implementation of the Project. The WB Loan Number is 8837-CN. The project development objective is to improve water quality and operational efficiency of selected water supply utilities in the project areas. The project will impact the water supply services in five cities, benefiting a total population of 5.69 million people. The Project implementation is expected to be completed by June 30th 2023 and the closing date for loan account is June 30th 2023. The total investment amount in the project is estimated as USD 386.29 million, among which the WB loan amount is USD 250,000,000.00 accounting for 65% of the total investment. The remaining 35% comes from counterpart funding by the relevant cities.

The implementing agencies include:

- Shenyang Water Group Company Ltd;
- Anshan Water Group Company Ltd;
- Fushun Water Group Company Ltd;
- Fuxin Water Group Company Ltd;
- Gaizhou Water Company Ltd.

2. Consolidation Scope of the Financial Statements

Consolidation scope of the financial statements covers the financial statements of five subprojects and the statement of Designated Account set up in the Liaoning Provincial Department of Finance.

3. Accounting Policies

3.1 The Financial Statements of the Project are prepared according to the

requirements of Accounting Methods for the World Bank Financed Projects (Caijizi[2000]No.13) .

3.2 In accounting practice, the Gregorian calendar year is adopted as the fiscal year from January 1 to December 31.

3.3 The accrual basis and the debit/credit double entry bookkeeping method are adopted. RMB yuan is used as the recording currency for bookkeeping.

3.4 The exchange rate used in the financial statements is the middle exchange rate recorded by the People's Bank of China, which is USD1=RMB6.5249 yuan on December 31, 2020.

4. Explanation of Accounts

4.1 Project Expenditure

The project expenditure incurred during the current period was RMB202,056,163.28 yuan, while the total project cost by December 31, 2020 was RMB346,758,912.29 yuan, all of which are the construction in process, accounting for 13.01% of the total investment plan.

4.2 Equipment to be installed

The ending balance of equipment was RMB1,654,300.00 yuan, which was the equipment already purchased but yet to be installed on Anshan subproject.

4.3 Total Cash and Bank

The balance of cash in the bank and on hand was totally RMB145,714,302.77 yuan, among which the cash balance of the Designated Account was RMB75,274,468.00 yuan equivalent.

4.4 Advanced Payment and Receivable

The ending balance for advanced payment and receivable was RMB15,026,267.94 yuan.

4.5 Project Appropriation Funds

The ending balance for the appropriation funds was RMB79,307,038.32 yuan, accounting for 9.85% of the appropriation fund plan.

4.6 Project Loan

The ending balance of total loan of the project was RMB345,461,362.62 yuan, among which the foreign loan was RMB242,349,452.22 yuan equivalent, accounting for 14.05% of the planned foreign loan. Domestic

borrowing was RMB103,111,910.40 yuan, accounting for 76.38% of the domestic borrowing plan.

4.7 Payable

The ending balance of account payable was RMB83,317,209.17 yuan.

4.8 Retained Earnings

RMB1,068,172.89 yuan was accounted as the ending balance of retained earnings which included the interest income earned in the Designated Account and a bid guarantee fund confiscated by Gaizhou Water Supply Company as a penalty to a non-compliant bidding contractor.

5. Loan Agreement Implementation

During this period, a total of USD26,517,247.73 of loan funds were drawn down, equivalent to RMB173,022,389.72 yuan. The ending balance of the accumulated loan funds drawn was USD 37,142,247.73, equivalent to RMB 242,349,452.22 yuan.

6. Designated Account

During the period, the Designated Account received a new advance of USD15,000,000.00 from the World Bank, bringing the total advance to USD25,000,000.00. The loan funds disbursed during the period were USD20,915,716.87, and the ending balance of the Designated Account was USD11,536,493.74 including USD2,785.16 of earned interest income.

7. Other Explanations

The discrepancy among the World Bank loan difference between ending and beginning balances in Balance Sheet, the World Bank loan current period actual in Summary of Sources and Uses of Funds by Project Component I, and World Bank loan current period withdrawals in Statement of Implementation of Loan Agreement is resulted by exchange gain and loss.

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、项目绩效及上年度审计建议整改落实情况。我们发现存在如下问题：

（一）违反国家法规或贷款协定的问题

已投入使用设备未计入固定资产，资产原值合计 2,327.63 万元。

沈阳水务集团有限公司和阜新水务集团有限责任公司两个子项目实施单位，未将已实际交付使用的设备计入固定资产并计提折旧，资产管理不规范，相关资产原值合计 2,327.63 万元，其中，沈阳子项目涉及资产原值 2,267.63 万元。

不符合《中华人民共和国企业所得税法实施条例》（国务院令 512 号）第五十九条“企业应当自固定资产投入使用月份的次月起计算折旧”的规定。依据上述规定，项目实施单位应及时将已交付使用资产登记入账，规范财务管理。

III. Audit Findings and Recommendations

Audit Findings and Recommendations

In addition to performing the audit and expressing an opinion on the financial statements, we also make observations with respect to compliance with applicable provisions of state laws and regulations and the loan agreement of the relevant entities, its internal financial control and project management, project performance and the follow-up of previous recommendations during the project implementing process. We found the

following issues:

A. Issues related to violation of national regulations or loan agreements

The equipment that has been put into use is not included in the fixed assets. The original value of the assets is RMB 23.2763 million.

The two sub project implementation units: Shenyang Water Group Co., Ltd. and Fuxin Water Group Co., Ltd. have not included the equipment actually delivered into the fixed assets and accrued depreciation. The asset management is not regulated, and the original value of related assets is RMB23.2763 million, of which the original value involved in Shenyang subproject is RMB22.6763 million.

It does not comply with the provisions of Article 59 of the regulations of the "Implementation Regulations of the Enterprise Income Tax Law of the People's Republic of China" (State Council Order No. 512), "enterprises shall calculate depreciation starting from the month following the month in which fixed assets are put into use". According to the above regulations, the project implementation units shall register the delivered assets in time and the financial management shall be regulated.

附件 1

项目采购检查的情况。

按照世行要求，我们对 7 个合同开展了采购检查，合同金额合计 14,978,862.21 美元，分别占应检查合同数和应检查合同金额的 46.67%和 32.82%（详见附件 2）。此次检查为项目生效后的第 2 次检查，应检查后审合同数的统计期间是 2020 年 1 月 1 日至 2020 年 12 月 31 日。检查中我们关注了采购过程、合同管理和治理情况，未发现上述合同存在需进行澄清、调查和整改的问题。

Annex I: Issues on project procurement post review

As required by the World Bank, we conducted post review of 7 contracts, with a total value of USD14,978,862.21, which respectively accounted for 46.67% and 32.82% of total number and value of post review contracts. This is the second post review since project effectiveness, and the post review contracts duration is from January 1,2020 to December 31,2020(Please find the details in Annex II). We make observations with respect to procurement processes, contract administration and governance. We found no issue for clarification, investigation and correction.

附件 2: 已检查合同清单

Annex II: List of Contracts Reviewed

货币单位: 美元/人民币元

Currency Unit: USD/RMB Yuan

序号 NO.	采购类别 Procurement category	采购方式 Procurement method	合同编号 Contract number	合同日期 Contract signed date	合同简介 Contract description	合同执行情况简介 (简要说明合同阶段、支付进度) Contract implementation description	承包商/供货商/咨询顾问名称 Name of contractor/supplier/consultant	合同金额 Contract amount (RMB and USD Equivalent)
1	货物 Goods	ICB	SY-E01	20200425	水质检测仪器及测漏仪器	合同已签订, 截至 2020 年 12 月 31 日 已完成供货。支付 90%设备款, 10%质保金尚未支付。	辽宁省仪器仪表有限责任公司	RMB8, 591, 000. 00 yuan USD1, 263, 382. 35
2	货物 Goods	ICB	SY-E02	20200430	供水管网抢修机械 设备购置及流量计	合同已签订, 截至 2020 年 12 月 31 日 已完成供货。支付 90%设备款, 10%质保金尚未支付。	中国通用机械工程有 限公司	RMB13, 267, 000. 00 yuan USD1, 951, 029. 41
3	咨询服务 Consultant Services	QCBS	SY-ZX01	20200828	土建工程施工监理	合同已签订, 土建 工程未开始施工, 未发生支付。	中辽国际工程建设项 目管理有限公司	RMB9, 980, 000. 00 yuan USD1, 467, 647. 06

4	货物 Goods	询价	SY-E09	20200612	办公装备	合同已签订，截至2020年12月31日已完成供货。支付95%设备款，5%质保金尚未支付。	得力集团有限公司	RMB818,333.00 yuan USD120,343.09
5	货物 Goods	ICB	FX-E01	20200228	老旧小区供水设施改造设备材料采购	合同已签订，货物已验收入库并投入使用；已付款100%。	辽宁汇明国际贸易有限公司	RMB21,890,000.00 yuan USD3,219,117.65
6	货物 Goods	Shopping	FX-E06	20191025	阜新项目办公装备	合同已签订，货物已验收并投入使用，已付款100%。	沈阳华信测绘仪器销售有限公司	RMB609,930.00 yuan USD89,695.59
7	土建 Works	NCB	FX-C01	20200901	阜新市老旧小区供水设施改造施工（一标段）	合同已签订；已支付10%的预付款。	泰通建设集团有限公司	RMB46,700,000.00 yuan USD6,867,647.06
合计								RMB101,856,263.00 yuan USD14,978,862.21