

**MINISTRY OF FINANCE  
PERMANENCE SECRETARIAT OFFICE  
PROJECT IMPLEMENTATION UNIT (PIU)**

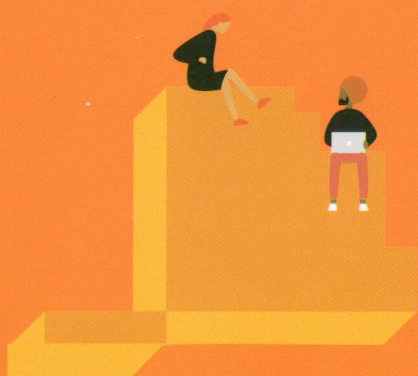
**ENHANCING PUBLIC FINANCE MANAGEMENT  
THROUGH INFORMATION AND COMMUNICATION  
TECHNOLOGY AND SKILLS (E-FITS)**



**pwc**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2024**



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**MINISTRY OF FINANCE  
PERMANENCE SECRETARIAT OFFICE  
PROJECT IMPLEMENTATION UNIT (PIU)**

**ENHANCING PUBLIC FINANCE MANAGEMENT THROUGH INFORMATION AND  
COMMUNICATION TECHNOLOGY AND SKILLS (E-FITS)**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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<b>Contents</b>	<b>Page(s)</b>
Statement by the Project management	1
Independent auditor's report	2 - 4
Statement of receipts and disbursements	5 - 6
Statement of fund balance	7
Notes to the financial statements	8 - 10

**MINISTRY OF FINANCE  
PERMANENCE SECRETARIAT OFFICE  
PROJECT IMPLEMENTATION UNIT (PIU)**

**ENHANCING PUBLIC FINANCE MANAGEMENT THROUGH INFORMATION AND  
COMMUNICATION TECHNOLOGY AND SKILLS (E-FITS)**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

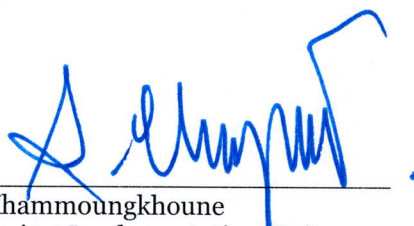
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**Statement by the Project management**

The Government of Lao PDR (GoL) is strengthening the management of its public finances through establishing guiding principles and policies for improved public finance management (PFM). As part of its objective to strengthen the management of its public finances, the Ministry of Finance (MoF) has adopted the Vision to 2030 and Public Finance Development Strategy to 2025 (PFM Strategy) to improve policy consistency, efficiency, transparency and accountability in public expenditure and revenue management by strengthening institutional systems and capacity, as well as making progress towards meeting appropriate international financial management standards.


To support implementation of the PFM Strategy, the GoL has agreed on the World Bank Credit in the amount of USD 20 million to support the implementation of the Enhancing Public Finance Management through ICT and Skills (E-FITS) Project, from its effectiveness to its expected closing date on August 2025.

On behalf of the Project:



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Somchit Khammoungkhoun  
Head of Project Implementation Unit  
Date: 19 March 2025



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Chittakone Savathdy  
Deputy Head of Project Implementation Unit  
Date: 19 March 2025



## **Independent auditor's report**

**To Ministry of Finance, Permanence Secretariat Office, Project Implementation Unit (PIU), The Enhancing Public Finance Management through Information and Communication Technology and Skills (E-FITS)**

### **Our opinion**

In our opinion, the financial statements of Enhancing Public Finance Management through Information and Communication Technology and Skills (the E-FITS or the Project) for the year ended 31 December 2024 are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

### **What we have audited**

The Project's financial statements comprise:

- the statement of receipts and disbursements for the year ended 31 December 2024
- the statement of fund balance as at 31 December 2024, and
- the notes to the financial statements, which include significant accounting policies, and other explanatory information.

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

### **Independence**

We are independent of the Project in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### **Emphasis of Matter - Basis of accounting and restriction on distribution and use**

We draw attention to Note 2 to the financial statements, which describe the basis of accounting. The financial statements are prepared in accordance with accounting policies described in Note 2 to the financial statements. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the Project and donors and should not be distributed to or used by parties other than the Project and donors. Our opinion is not modified in respect of this matter.



### **Responsibilities of the director for the financial statements**

The Head of Project Implementation Unit is responsible for the preparation of the financial statements in accordance with accounting policies described in Note 2 to the financial statements, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Project or to cease operations, or has no realistic alternative but to do so.

### **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 Director.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Programme to cease to continue as a going concern.



We communicate with the Head of Project Implementation Unit 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.

For PricewaterhouseCoopers (Lao) Sole Company Limited



By Apisit Thiengtrongpinyo  
Partner

Vientiane Capital, Lao PDR  
Date: 19 March 2025

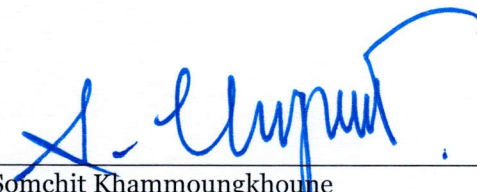



**MINISTRY OF FINANCE  
PERMANENCE SECRETARIAT OFFICE  
PROJECT IMPLEMENTATION UNIT (PIU)**

**ENHANCING PUBLIC FINANCE MANAGEMENT THROUGH INFORMATION AND COMMUNICATION TECHNOLOGY AND SKILLS  
(E-FITS)**

**STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Cumulative as at 31 December 2023 USD	For the year ended 31 December 2024 USD	Cumulative as at 31 December 2024 USD
<b>Receipts</b>			
Designated account replenishment	2,944,052	828,554	3,772,606
Direct disbursements	534,246	-	534,246
	<b>3,478,298</b>	<b>828,554</b>	<b>4,306,852</b>
<b>Disbursements</b>			
Foundations for a core public financial management system	1,887,019	175,797	2,062,816
Public finance management skills program and change management	695,621	366,948	1,062,569
Project implementation	612,197	161,918	774,115
	<b>3,194,837</b>	<b>704,663</b>	<b>3,899,500</b>
<b>Surplus of receipts over disbursements</b>	<b>283,461</b>	<b>123,891</b>	<b>407,352</b>

  
Somchit Khammoungkhoun  
Head of Project Implementation Unit  
Date: 19 March 2025

  
Chittakone Savathdy  
Deputy Head of Project Implementation Unit  
Date: 19 March 2025

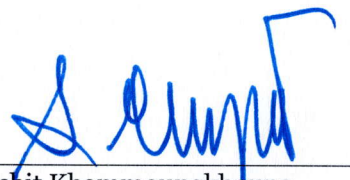
The accompanying notes on page 8 to 10 are an integral part of these financial statements.


MINISTRY OF FINANCE  
PERMANENCE SECRETARIAT OFFICE  
PROJECT IMPLEMENTATION UNIT (PIU)

ENHANCING PUBLIC FINANCE MANAGEMENT THROUGH INFORMATION AND  
COMMUNICATION TECHNOLOGY AND SKILLS (E-FITS)

STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 USD	2023 USD
<b>Receipts</b>			
Designated account replenishment		828,554	650,081
Direct disbursements		-	222,548
		<b>828,554</b>	<b>872,629</b>
<b>Disbursements</b>			
Foundations for a core public financial management system	3	175,797	488,175
Public finance management skills program and change management	4	366,948	260,509
Project implementation	5	161,918	169,834
		<b>704,663</b>	<b>918,518</b>
<b>Surplus/(deficit) of receipts over disbursements</b>		<b>123,891</b>	<b>(45,889)</b>

  
Somchit Khammoungkhoun  
Head of Project Implementation Unit  
Date: 19 March 2025

  
Chittakone Savathdy  
Deputy Head of Project Implementation Unit  
Date: 19 March 2025

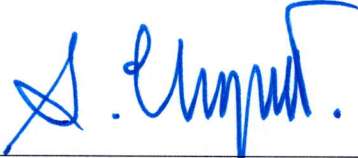



MINISTRY OF FINANCE  
PERMANENCE SECRETARIAT OFFICE  
PROJECT IMPLEMENTATION UNIT (PIU)

ENHANCING PUBLIC FINANCE MANAGEMENT THROUGH INFORMATION AND  
COMMUNICATION TECHNOLOGY AND SKILLS (E-FITS)

STATEMENT OF FUND BALANCE  
AS AT 31 DECEMBER 2024

	Note	2024 USD	2023 USD
<b>Fund balance</b>			
Opening fund balance		283,461	329,350
Surplus/(deficit) of receipts over disbursements		123,891	(45,889)
<b>Closing fund balance</b>		<b>407,352</b>	<b>283,461</b>
<b>Represented by:</b>			
Cash at banks	6	407,352	283,461
		<b>407,352</b>	<b>283,461</b>

  
Somchit Khammoungkhoun  
Head of Project Implementation Unit  
Date: 19 March 2025

  
Chittakone Savathdy  
Deputy Head of Project Implementation Unit  
Date: 19 March 2025

**MINISTRY OF FINANCE  
PERMANENCE SECRETARIAT OFFICE  
PROJECT IMPLEMENTATION UNIT (PIU)**

**ENHANCING PUBLIC FINANCE MANAGEMENT THROUGH INFORMATION AND  
COMMUNICATION TECHNOLOGY AND SKILLS (E-FITS)**

**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**1. General information of the project**

The Government of Lao PDR (GoL) is strengthening the management of its public finances through establishing guiding principles and policies for improved public finance management (PFM). As part of its objective to strengthen the management of its public finances, the Ministry of Finance has prepared a comprehensive Public Finance Management Development Strategy to 2025 to improve policy consistency, efficiency, transparency and accountability in public expenditure and revenue management by strengthening institutional systems and capacity, as well as making progress towards meeting appropriate international financial management standards.

The GoL has requested a USD 20 million credit from the World Bank for the implementation of the Enhancing Public Finance Management through ICT and Skills (E-FITS) Project to contribute to the reliability, timeliness and transparency of financial reporting and to enhance public financial management skills.

The Project Implementation Unit (PIU) was established in December 2018. Under the oversight of the MoF's PFM Reform Secretariat, the PIU will be responsible for the implementation of the E-FITS Project (P167534) and the PFM Reform Grant (P179016). The PIU will be the central executing agency, responsible for overall implementation monitoring, fiduciary oversight, and provision of technical, procurement, and financial management support to MoF implementing departments responsible for the technical implementation of project / program components. Furthermore, the PIU will be responsible for the preparation of work plans and for the provision of logistics, administration and coordination across implementing departments.

These financial statements were authorised for issue by the Head of Project Implementation Unit on 19 March 2025.

**2. Significant accounting policies**

The Project will adopt "modified cash basis" of accounting and will use "double entry" recording methodology to record transactions. The accounting system should be computerized using appropriate accounting software which is to be tailored according to the requirements of the Project. Adequate accounting books and records will be maintained and monitored by the FM Consultant.

The Project will be following the accounting policies:

- a) The accounting system will be based on a modified cash basis of accounting in which revenues and expenses are recorded when cash is actually received or paid out. Where cash advance is issued, it will be recognized as receivables and are recorded as expense only after the liquidation and presentation of documents, receipts are recognized when received rather than when earned and expenditures are recognized when paid rather than when incurred and this is also recorded in the audited financial statements presented by external auditors;
- b) Accounting transactions will be recorded in the US Dollars in parallel with Lao Kip (local currency) and entered into the Project accounting system. Transactions arising in other foreign currencies shall be translated at the exchange rates ruling at transaction dates into US Dollars.



**MINISTRY OF FINANCE  
PERMANENCE SECRETARIAT OFFICE  
PROJECT IMPLEMENTATION UNIT (PIU)**

**ENHANCING PUBLIC FINANCE MANAGEMENT THROUGH INFORMATION AND  
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**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**2. Significant accounting policies (continued)**

- c) Monetary assets and liabilities denominated in other foreign currencies at the balance sheet date are translated at the rate of exchange ruling at the balance sheet date. All exchange differences are dealt with in the receipts and expenditure account.
- d) The financial statements are prepared under the historical cost basis. No depreciation will be charged for the fixed assets as these items are expensed in full during the month of purchase and at the end of the project life all assets will be transferred to the Government of Lao PDR in line with the Government asset management policy.
- e) A separate Fixed Assets Register will be maintained by the Project to ensure that all money expended purchasing assets are recorded in detail listing date in use, location and condition and person responsible for the asset.
- f) The reports may be presented in US Dollars which is in accordance with the requirements of the Project.

**3. Foundations for a core public financial management system**

	<b>2024 USD</b>	<b>2023 USD</b>
Goods	-	121,363
Consulting services*	143,467	326,739
Training and workshop	24,987	25,730
Incremental operating costs	7,343	14,343
	<b>175,797</b>	<b>488,175</b>

\*This mainly consists of payment for short-term consulting services on design, supply and installation system (IFMIS) to Deloitte Touche Tohmatsu India LLP, amounting to USD 118,168.

**4. Public finance management skills program and change management**

	<b>2024 USD</b>	<b>2023 USD</b>
Goods	19,500	-
Consulting services*	334,462	251,318
Training and workshop	7,365	-
Incremental operating costs	5,621	9,191
	<b>366,948</b>	<b>260,509</b>

This mainly consists of payment for consulting services to CH ACADEMY for management training on the financial system, amounting USD 269,878.

**MINISTRY OF FINANCE  
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PROJECT IMPLEMENTATION UNIT (PIU)**

**ENHANCING PUBLIC FINANCE MANAGEMENT THROUGH INFORMATION AND  
COMMUNICATION TECHNOLOGY AND SKILLS (E-FITS)**

**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**5. Project implementation**

	<b>2024 USD</b>	<b>2023 USD</b>
Consulting services	154,417	158,714
Training & Workshop	247	540
Incremental operating costs	7,254	10,580
	<b>161,918</b>	<b>169,834</b>

**6. Cash at banks**

	<b>2024 USD</b>	<b>2023 USD</b>
Cash at designated bank account	336,003	214,293
Cash at operating bank account	71,349	69,168
	<b>407,352</b>	<b>283,461</b>



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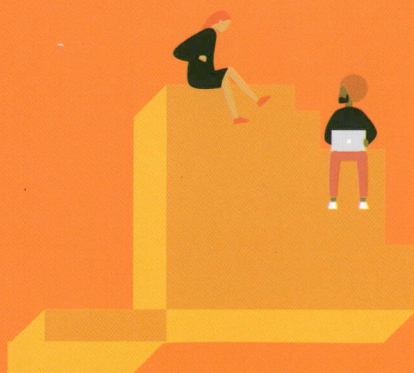
**ENHANCING PUBLIC FINANCE MANAGEMENT  
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TECHNOLOGY AND SKILLS (E-FITS)**



**pwc**

**MANAGEMENT LETTER**

**31 DECEMBER 2024**



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Date: 19 March 2025

Mr Somchit Khammoungkhoun  
Head of Project Implementation Unit  
Enhancing Public Finance Management through Information and Communication Technology and Skills (E-FITS)

## **Management Letter for the year ended 31 December 2024**

We are pleased to inform you that we have completed our audit of the financial statements of Enhancing Public Finance Management through Information and Communication Technology and Skills (E-FITS or the Project) for the year ended 31 December 2024.

### **Audit scope**

As detailed in our letter of engagement, we concentrated only on areas in the financial statements where there is a risk of material misstatement to reach our opinion cost-effectively. Our procedures are designed for us to form an audit opinion on the financial statements as a whole, so issues discussed in this report are only those that we believe need to be brought to your attention. This approach means that we can't be held responsible for reporting all your business risks or internal control deficiencies. Please note that it's your management's responsibility to maintain an adequate system of internal controls.

### **Contents of this report**

We've outlined the matters we found during our audit in the enclosed report, along with our recommendations. Each point was discussed with management and their responses are included.

### **Use of this report**

This report has been prepared solely for the use of the Project's management and should not be made available to third parties. If a third party were to obtain a copy without our written consent, we would not accept any responsibility for any reliance that they may place on it.





Finally, we'd like to thank you for your assistance and cooperation during the audit.

Kindly sign and date the acknowledgement copy of this letter in the space provided and return it to us as soon as possible.

If you have any questions or would like to discuss another engagement, please contact Sousakhone Mixaykone at telephone number +856 21 222 718-9.

Yours sincerely,

PricewaterhouseCoopers (Lao) Sole Company Limited



By Apisit Thiengtrongpinyo  
Partner

PricewaterhouseCoopers (Lao) Sole Company Limited  
Vientiane, Lao PDR

Date: 19 March 2025



Acknowledgement copy

Received by

Signed

A handwritten signature in blue ink, appearing to be 'Chittakone', written over a horizontal line.

Name in print

Chittakone SAVATHDY

Date

19 MAR 2025



**MINISTRY OF FINANCE  
PERMANENCE SECRETARIAT OFFICE  
PROJECT IMPLEMENTATION UNIT (PIU)**

**ENHANCING PUBLIC FINANCE MANAGEMENT THROUGH INFORMATION AND  
COMMUNICATION TECHNOLOGY AND SKILLS (E-FITS)**

**MANAGEMENT LETTER  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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	<b>Contents</b>	<b>Impact area</b>	<b>Priority</b>	<b>Page (s)</b>
<b>I.</b>	<b>Executive summary</b>			6
<b>II.</b>	<b>Current year finding</b>			
<b>1.</b>	<b>Property, plant and equipment</b>			
<b>1.1</b>	Fixed Asset Register (FAR) not properly updated with asset conditions	Control	Low	7
<b>2.</b>	<b>Payroll</b>			
<b>2.1</b>	Incorrect calculation of Personal Income Tax (PIT)	Regulations	To be determined by the authorities	8-9
<b>III.</b>	<b>Appendix</b>			10

**MINISTRY OF FINANCE  
PERMANENCE SECRETARIAT OFFICE  
PROJECT IMPLEMENTATION UNIT (PIU)**

**ENHANCING PUBLIC FINANCE MANAGEMENT THROUGH INFORMATION AND  
COMMUNICATION TECHNOLOGY AND SKILLS (E-FITS)**

**MANAGEMENT LETTER  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**I Executive summary**

We completed our audit of Enhancing Public Finance Management through Information and Communication Technology and Skills (E-FITS)'s financial statements for the year ended 31 December 2024. Our audit was based on the accounting policies set out in Note 2 for this engagement, and our work was conducted in accordance with the International Standards on Auditing

Our findings are summarized below:

<b>High (H)</b>	Reportable condition – A matter that represents a significant deficiency in the design or operation of internal controls that could adversely affect the organisation's ability to record, process, summarise, and report financial data consistent with the assertions of management in financial reports. This can be of such magnitude to be considered a material deficiency.
<b>Medium (M)</b>	Recommendations Matters are not categorised as 'High' but implementing the recommendation would significantly improve internal accounting controls. This involves situations where, although the risk of misappropriation or errors in accounting records don't appear imminent, controls and procedures should be strengthened or implemented for a more comprehensive internal control system. This also relates to matters that, although possibly mitigated by other accounting controls, are typically found in an effective internal control system.
<b>Low (L)</b>	Recommendations Matters of lesser significance for which recommendations should be considered to enhance internal accounting or management controls, but for which sufficient mitigating controls or other factors exist to preclude 'High' or 'Medium' classification.



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PROJECT IMPLEMENTATION UNIT (PIU)

ENHANCING PUBLIC FINANCE MANAGEMENT THROUGH INFORMATION AND  
COMMUNICATION TECHNOLOGY AND SKILLS (E-FITS)

MANAGEMENT LETTER  
FOR THE YEAR ENDED 31 DECEMBER 2024

II. Current year finding, implication and recommendation

Financial year/ML point No.	Finding and implication	Recommendation	Priority	Management response
<b>1. Property, plant and equipment</b>				
<b>1.1 Fixed Asset Register (FAR) not properly updated with asset conditions</b>				
<b>FY2024 No.1</b>	<p><b>Finding</b></p> <p>During our audit, we conducted an inspection of the fixed assets and identified several issues. Some assets were not located in their designated places, and there were instances where assets had been reassigned to new responsible persons without the corresponding updates in the records. Additionally, we found discrepancies in tag numbers, where the tags on the assets did not match the records. These issues have not been corrected in the FAR. For detailed examples, please refer to Appendix 1.</p> <p>After we informed management of this finding, they agreed and promptly updated the FAR in accordance with the recommendations.</p> <p><b>Implication</b></p> <p>Incorrect location data can result in inaccurate reporting, affecting the disposal and impairment of assets in the Project's control listing report.</p> <p>If no one is clearly responsible for an asset, the risk of theft or damage increases, potentially leading to financial losses.</p> <p>Mismatched or incorrect tagging can propagate errors throughout the asset management system, impacting reports and decision-making processes.</p>	<p>The inspection, review, and update of the FAR should be conducted regularly. Items that have been relocated, reassigned to a different responsible person, or are broken or lost need to be identified for proper updating. The resulting report should be generated, reviewed, and approved by management before making any adjustments or updates to the FAR. Additionally, this practice will help management reconcile and monitor the project's assets.</p>	Low	<p><b>Response:</b> Completed on 27 January 2025.</p> <p><b>Responsible party:</b> Finance and Accounting team.</p> <p><b>Estimated completion date:</b> Subsequently resolved in January 2025.</p>

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COMMUNICATION TECHNOLOGY AND SKILLS (E-FITS)**

**MANAGEMENT LETTER  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**II. Current year finding, implication and recommendation**

Financial year/ML point No.	Finding and implication	Recommendation	Priority	Management response
<b>2. Payroll</b>				
<b>2.1 Incorrect calculation of Personal Income Tax (PIT)</b>				
<b>FY2024 No.2</b>	<p><b>Finding</b></p> <p>During the audit of Project, it was identified that the calculation of PIT was incorrectly based on the minimum scale of LAK 1.6 million instead of the correct scale of LAK 1.3 million. This error resulted in an under-recording of expenditures for the year and an underpayment of PIT, amounting to a total misstatement of LAK 1,185,000.00 (equivalent to USD 55.49). Please refer to Appendix 2 for detailed calculations.</p> <p>Management agreed to re-file the underpayment with the Authority, and this amount was subsequently paid in January 2025.</p>	<p>Use the rates specified under Tax Law, Reference number 259/ၵၵၵ, Dated 31 July 2019, Article: 39</p> <p>The person responsible for reviewing and approving payroll should ensure that all information on payroll sheets is sufficient, appropriate, and compliant with the law.</p>	To be determined by the authorities	<p><b>Response:</b> Completed on 17 January 2025 after informed by the auditor during audit field work.</p> <p><b>Responsible party:</b> Finance and Accounting team.</p> <p><b>Estimated completion date:</b> Resolved in January 2025</p>



MINISTRY OF FINANCE  
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ENHANCING PUBLIC FINANCE MANAGEMENT THROUGH INFORMATION AND  
COMMUNICATION TECHNOLOGY AND SKILLS (E-FITS)

MANAGEMENT LETTER  
FOR THE YEAR ENDED 31 DECEMBER 2024

Financial year/ML point No.	Finding and implication	Recommendation	Priority	Management response																												
2. Payroll (Continued)																																
2.1 Incorrect calculation of Personal Income Tax (PIT) (Continued)																																
FY2024 No.2	<b>Finding (Continued)</b>  Accordance to the Tax Law, Reference number 259/ථථථ, Dated 31 July 2019, Article: 39 – Income tax rate shall be applied for calculation is following table:	Use the rates specified under Tax Law, Reference number 259/ථථථ, Dated 31 July 2019, Article: 39  The person responsible for reviewing and approving payroll should ensure that all information on payroll sheets is sufficient, appropriate, and compliant with the law.	To be determined by the authorities	<b>Response:</b> Completed on 17 January 2025 after informed by the auditor during audit field work.  <b>Responsible party:</b> Finance and Accounting team.  <b>Estimated completion date:</b> Resolved in January 2025																												
	<table><tr><th>Level</th><th>Gross salary</th><th>Calculation scale</th><th>Rate</th></tr><tr><td>1.</td><td>From LAK 1,300,000 below</td><td>LAK1,300,000</td><td>0%</td></tr><tr><td>2.</td><td>Over LAK 1,300,000 to LAK 5,000,000</td><td>LAK3,700,000</td><td>5%</td></tr><tr><td>3.</td><td>Over LAK 5,000,000 to LAK 15,000,000</td><td>LAK10,000,000</td><td>10%</td></tr><tr><td>4.</td><td>Over LAK 15,000,000 to LAK 25,000,000</td><td>LAK10,000,000</td><td>15%</td></tr><tr><td>5</td><td>Over LAK 25,000,000 to LAK 65,000,000</td><td>LAK40,000,000</td><td>20%</td></tr><tr><td>6</td><td>Over LAK 65,000,000</td><td>.....</td><td>25%</td></tr></table>				Level	Gross salary	Calculation scale	Rate	1.	From LAK 1,300,000 below	LAK1,300,000	0%	2.	Over LAK 1,300,000 to LAK 5,000,000	LAK3,700,000	5%	3.	Over LAK 5,000,000 to LAK 15,000,000	LAK10,000,000	10%	4.	Over LAK 15,000,000 to LAK 25,000,000	LAK10,000,000	15%	5	Over LAK 25,000,000 to LAK 65,000,000	LAK40,000,000	20%	6	Over LAK 65,000,000	.....	25%
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	<b>Implication</b>  When salaries or payroll expenses, particularly those subject to PIT, do not comply with tax law calculations, several implications can arise for both the employer and the employee. Non-compliance with tax laws can lead to significant penalties and fines imposed by tax authorities, thereby increasing the financial burden on the employer.																															

**MINISTRY OF FINANCE  
PERMANENCE SECRETARIAT OFFICE  
PROJECT IMPLEMENTATION UNIT (PIU)**

**ENHANCING PUBLIC FINANCE MANAGEMENT THROUGH INFORMATION AND  
COMMUNICATION TECHNOLOGY AND SKILLS (E-FITS)**

**MANAGEMENT LETTER  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**III. Appendix**

**Appendix 1: Fixed Asset Register (FAR) not properly updated with asset conditions**

Fixed asset type	Reference	Items	Cost (USD)	Asset condition	Location per FAR	Explanation
Computer	PIU-IFID-21020	1 item	1,195.35	Active	EFDD	This asset was not updated when assigned to a new responsible person. According to FAR, this asset is under the responsibility of the Deputy Director of the Financial Resources Management Department, instead of the Deputy Director of the Department of Planning, Monitoring, and Public Debt Management, who has the asset on hand currently.
Server/IT equipment	PIU-IFID-21004	1 item	307.89	Active	EFDD	<ol style="list-style-type: none"> <li>1. There are mismatched tag numbers: the tag on the asset is PPE-PIU-IFID-21004, while the tag per FAR is PIU-IFID-21060.</li> <li>2. The location is not updated: according to FAR, the asset is located at External Finance and Debt Department, but the actual asset is on the 2nd floor of the Tax Department.</li> </ol>

**Appendix 2: Incorrect calculation of Personal Income Tax (PIT)**

Description	Amount in original currency LAK	Amount equivalent to USD
The initial calculation of the Personal Income Tax for the 12-month year ending on 31 December 2024, was submitted and paid to the authorities.	575,873,474.00	26,740.62
The re-calculation of the Personal Income Tax for the 12-month year ending on 31 December 2024.	577,058,474.00	26,796.11
Variance under filling	(1,185,000.00)	(55.49)