

Audited Project Financial Statements

Project Number: 45207

Loan 3135

Period covered: 1 July 2014 to 30 June 2015

BAN: Irrigation Management Improvement Project

Prepared by the Bangladesh Water Development Board

For the Asian Development Bank

Received on 31 December 2015

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Public Communications Policy (2011) and as agreed between ADB and the Ministry of Water Resources.

Foreign Aided Projects Audit Directorate
Audit Complex (6th floor)
Segunbagicha, Dhaka- 1000



NO: 470/FAPAD/S-1/ADB/2014-15/ 864

Date: 31-12-2015

Secretary,
Ministry of Water Resources
Bangladesh Secretariat, Dhaka

Sub: Audit Inspection Report on the Accounts of "Irrigation Management Improvement Project (IMIP)" financed by ADB loan No. 3135 BAN (SF) for the FY 2014-2015.

The Auditor's Report along with a Management Letter containing audit opinion on the accounts of the above-mentioned project is enclosed herewith for your kind information and necessary action.

Enclosure:

1. Auditor's Report
2. Financial Statements
3. Management Letter
4. Auditor's Report on Special Account
5. Audit Opinion on SOE

Sd/-
(Md. Abul Kalam Azad)
Deputy Director
for Director General
Foreign Aided Projects Audit Directorate
Tel: 9361788.

NO: 470/FAPAD/S-1/ADB/2014-15/

Date: -12-2015

Copy for kind information and necessary action:

1. Secretary, Economic Relations Division, Ministry of Finance, Sher-e-Bangla Nagar, Dhaka
- ✓ 2. Country Director, ADB, E-31, Agargaon, Sher-e-Bangla Nagar, Dhaka.
3. Project Director, "Irrigation Management Improvement Project (IMIP)" Hasan Court, (3rd Floor), 23/1 Motijheel, C/A, Dhaka.

- a) *Replies/comments on the Auditor's Report and Management Letter may please be sent to the undersigned within 35(thirty five) days of receipt of this letter in your office.*
- b) *Observations in Part-B (Ordinary) should be responded to FAPAD directly.*



(Md. Abul Kalam Azad)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Tel: 9361788.

Audit Inspection Report

On

The accounts of

‘Irrigation Management Improvement Project
(IMIP)’ Financed by ADB loan No. 3135 BAN (SF) for the
FY 2014-15.

PART-I

Executive Summary
&
Audit Findings

Foreign Aided Projects Audit Directorate
Segunbagicha, Dhaka.

Information Regarding Audit

1.	Name of the Audit Unit	:	'Irrigation Management Improvement Project (IMIP)'.
2.	Nature of Audit	:	Financial Audit
3.	Year of Audit	:	2014-2015
4.	Duration of Audit	:	22-09-2015 to 30-09-2015
5.	Audit Team	:	a) M.A. Matin, Audit & Accounts officer. b) Mo. Sohel Rana, Auditor
6.	Audit Methodology	:	✓ Test check of vouchers ✓ Verification of Financial Statement
7.	Scope of Audit	:	✓ The audit was conducted following International Auditing Standards (IAS) and practices of INTOSAI and also as per procedure prescribed by GOB and Development Partner. ✓ Audit opinion is limited to the fund received and expenditure incurred by project authority. ✓ Review of Financial Management and Internal Control System
8.	Project Profile		
	(a) Total Estimated Cost	:	Tk. 45735.72 lakh (GOB- 8935.72 + ADB- 36800.00)
	(b) Current Cost	:	Tk. 857.23 lakh (GOB- 207.96 lakh + ADB-649.27 lakh)
	(c) Audit Status	:	1 st Year Audit
	(d) Duration of Project	:	Four years Ten months
	(e) Commencement of Project	:	August, 2014
	(f) Completion of Project	:	June, 2019
	(g) Executing Ministry	:	Ministry of Water Resources
	(h) Executing Agency	:	Bangladesh Water Development Board (BWDB)
	(i) Funding Agencies	:	ADB & GOB
	(j) Fund Management System	:	GOB: The Ministry of Water Resources released GOB fund in favour of Director (Finance) BWDB. Accordingly the Director (Finance) placed the fund to DD, RAC Dhaka for incurring project expenditure. RPA: The project authority maintained an imprest account with the Bangladesh Bank, Dhaka for RPA fund. The project also maintained an operating account of RPA Fund with Janata Bank, 29 Dilkusha Branch, Dhaka vide No. SND Account No-3936001271. As per withdrawal application the donor provided RPA fund to the imprest account of the project. Then RPA fund is transferred to the project operating accounts mentioned above. Subsequently the RPA fund is disbursed to the DD, RAC, Dhaka to meet up the RPA related expenditure. Direct Payment fund was expended by the Development Partner directly with the concurrence and after vetting of the bills/vouchers by the project Authority

(k) Project Objectives	<p>:</p> <ul style="list-style-type: none"> • To reduce poverty by enhancing food security through increased yield of crops. • The IMIP will address Muhuri Irrigation Project (MIP) to be implemented in 2014-15 to 2018-19 • This Project will also undertake feasibility study of (i) Ganges–Kobadak Irrigation Project (GKIP), dry season irrigated area of about 96,000 ha and (ii) Teesta Barrage Project (TBP) dry season irrigation area about 60,000 ha for formulation of Development Project Proposal (DPP) later of under the financial assistances of the Asian Development Bank (ADB). • The Projects targets at rehabilitation of the water infrastructure of the MIP for gross 60,258 ha area in Purshuram, Phulgazi, Chhgyal Naiyyia, Sonagazi and Sadar Upazila of Feni District and Mirsarai Upazila of Chittagong District. The net cultivable area of the project is 28,663 ha; net irrigated area of 17,900 ha (with surface water and ground water) in the pre-project condition ; but the “With –Project “ irrigated area will be 23,600 ha. • The two projects targeted for feasibility study under this project as mentioned above are located respectively in the South Western Region (GKIP) and in the North West Region (TBP). The GKIP covers areas in the Districts of Kushtia, Jhenaidah, Chuadanga and Magura and the TBP covers areas in the Districts of Rangpur, Nilphamari, and Dinajpur.
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AUDITOR'S REPORT

Audit completion date: 30.09.2015

Secretary,
Ministry of Water Resources
Bangladesh Secretariat, Dhaka.

I. We have audited the accompanying Financial Statement of 'Irrigation Management Improvement Project (IMIP)' financed by ADB loan No: 3135-BAN (SF) as on 30, June 2015. The preparation of Financial Statement is the responsibility of the management. Our responsibility is to express an opinion on the financial statement based on our audit.

II. We conducted our audit following International Auditing Standards. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statement is free of material misstatement. Audit includes examining, on test basis, evidences supporting the amounts and disclosures in the Financial Statement. Audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

III. In our opinion, the Financial Statement presents a fair view, in all material aspects, of the financial position of the 'Irrigation Management Improvement Project (IMIP)' as on 30, June 2015 and the results of its operation and cash flows for the year ended on the date in accordance with the cash basis of accounting followed by the Govt. of Bangladesh.

IV. *Opinion Status: Unqualified.*



31.12.15

(Md. Abul Kalam Azad)

Deputy Director

For Director General

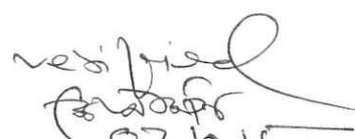
Foreign Aided Projects Audit Directorate

Irrigation Management Improvement Project (IMIP). ADB Loan No 3135 BAN (SF).

Financial Statement (Statement of Cash Receipts & Payments and Changes in Cash Balance) For the year ended 30 June, 2015.

(Figure in lakh Taka)

Resources	Notes	Cumulative prior period June-2014	Current Period	Cumulative Current Period
1. Government of Bangladesh	1	-	207.96	207.96
2. Loan from Development partner RPA	2	-	1,166.85	1,166.85
3. Other resources DPA		-	360.45	360.45
4. Cash opening balance (RPA)		-	-	-
Total Resources		-	1,735.25	1,735.25
Expenditure and Cash				
1. Pay & Allowances (4700) GOB		-	1.98	1.98
2. Supplies (4800) GOB		-	5.48	5.48
3. Consulting Services:				-
GOB		-	162.32	162.32
RPA		-	288.83	288.83
DPA		-	360.45	360.45
4. Studies, Training & workshop (4840)			-	-
GOB			-	-
RPA			-	-
DPA			-	-
5. Repair & Maintenance (4900)		-	1.95	1.95
6. Purchase of Motor Vehicles :				-
RPA			-	-
DPA			-	-
GOB			7.44	7.44
7. Purchase of Office Equipment.				-
RPA			-	-
DPA			-	-
GOB			28.79	28.79
8. Electrification		-	-	-
RPA			-	-
DPA			-	-
GOB			-	-
9. Civil Works			-	-
RPA		-	-	-
DPA			-	-
GOB			-	-
10. CD VAT				-
Total Expenditure		-	857.23	857.23
Cash Closing Balance				
Imprest Account			536.85	536.85
Operating Account (RPA)			341.17	341.17
Operating Account (GOB)			-	-
Total Expenditure and Cash		-	1,735.25	1,735.25


 07.10.15
 M. A. Matin
 Audit & Accounts Officer
 Foreign Aided Projects Audit Directorate
 Audit Complex (6th Floor)
 Segunbagicha, Dhaka


 30.9.15
 (Mohammad. Shahabuddin)
 Project Director
 &
 Addl. Chief Engineer
 IMIP, MIP
 BWDB, Dhaka.

Name of the Project: Irrigation Management Improvement Project (IMIP). ADB Loan No 3135 BAN (SF).

NOTES TO FINANCIAL STATEMENT

30th June, 2015

1. GOVERNMENT OF BANGLADESH

Funds are allocated by the Government of Bangladesh to cover GOB's share of eligible project expenditure, as specified in the Project Proforma and in the Annual Development Programmed for each of the project. Any allocated funds that have not been expended by the end of a fiscal year lapse and must be returned to GOB. GOB contributions to the Project since inception are as follows

(In Lakh Taka).

Description	Inception to 30 th June 2014	For the year 2014-2015	Inception to 30 th June 2015
Disbursement by GOB	0	275.00	275.00
Less: Refund to GOB	0	67.04	67.04
Total:	0	207.96	207.96

2. LOAN FROM DEVELOPMENT PARTNER

Asian Development Bank has provided funds to the project to cover its share of eligible project expenditures. These funds, which must be repaid to Asian Development Bank after the conclusion of the project, have been drawn by the project in accordance with the following withdrawal procedures

(In Lakh Taka).

	Inception to 30 th June 2014	For the year 2014-2015	Inception to 30 th June 2015
Initial Deposit (Advance)	0	1166.85	1166.85
DPA (Direct Payment)	0	360.45	360.45
RPA	0	0	0
Total		1527.30	1527.30

3. OTHER RESOURCES

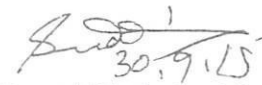
Other resources consist of the following: Not Applicable.

	Inception to 30 th June 2014	For the year 2014-2015	Inception to 30 th June 2015
Project Revenues	-	-	-
Exchange gains/losses	-	-	-
Total			

4. CASH:

The project maintains an imprest bank account, which is kept at Bangladesh Bank to hold funds advanced by ADB, and two operating account, which are kept at a commercial bank to hold funds transferred from the imprest bank account. Year end cash balances were as follows (In Lakh Taka)

	Inception to 30 th June 2014	For the year 2014-2015	Inception to 30 th June 2015
Imprest Account	0	536.85	536.85
Operating Account (RPA)	0	341.17	341.17
Total	0	878.02	878.02


30.9.15
Mohammad Shahabuddin
Project Director
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