

Audited Project Financial Statements

Project No. 44212-013

Loan/Grant: L3133-BAN(SF), L8284-BAN(SCF) and G0394-BAN(SCF)

Period Covered: 1 July 2014 to 30 June 2015

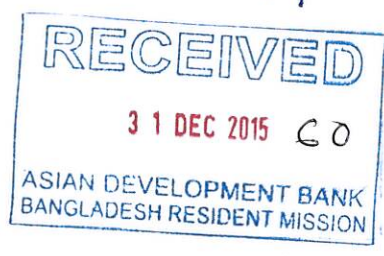
BAN: Coastal Town Environmental Infrastructure Project

Prepared by the Ministry of Local Government, Rural Development and Co-operatives

For the Asian Development Bank
Received on 31 December 2015

The audited project financial statements are document 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 Local Government, Rural Development and Co-operatives

YT/EM



Foreign Aided Project Audit Directorate
Audit Complex (6th Floor)
Segunbagicha, Dhaka.

No. 421 /FAPAD/S-3/ ADB/CTEIP/2014-2015/

Date: 31-12-2015.

Secretary
Local Government Division
Ministry of Local Government Rural Development
and Co-operatives
Bangladesh Secretariat, Dhaka.

Sub: Audit Inspection Report on the Accounts of "Coastal Town Environmental Improvement Project(CTEIP)" financed by ADB Loan No.3133-BAN(SF),ADB Loan No.8284-BAN (SCF), ADB Grant No. 0394-BAN(SCF) and ADB Grant No. 0395-BAN(EF) for the Year 2014-2015.

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

Enclosure :

1. Auditor's Report.
2. Financial Statement.
3. Management letter.
4. Opinion on SOE
5. Opinion on Imprest Account.

sd -
(Gouranga Chandra Debnath)
Deputy Director
for Director General
Foreign Aided Projects Audit Directorate.
Tel: 9362478.

No. 421 /FAPAD/S-3/ ADB/CTEIP/2014-2015/ 04

Date: 31-12-2015.

Copy for information and necessary action to:-

- ✓ 1. **The Country Director**, Asian Development Bank, E-31, Agargaon, Sher-e-Bangla Nagar, Dhaka.
2. **Chief Engineer**, Local Government Engineering Department, LGED Bhaban , Agargaon, Dhaka.
3. **The Project Director**, Coastal Town Environmental Improvement Project (CTEIP), RDEC Bhaban, Level-13, LGED, Agargaon, Dhaka.

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 .Observation in part-A through Ministry concerned and part-B directly to FAPAD.

Gouranga
31/12/2015
(Gouranga Chandra Debnath)
Deputy Director
For Director General
Foreign Aided Project Audit Directorate
Tel: .9362478

Audit Inspection Report

on

The Accounts of
“Coastal Town Environmental Improvement Project”
**financed by ADB Loan No.31333-BAN(SF), ADB Loan
No.8284-BAN (SCF), ADB Grant No. 0394-BAN(SCF)
ADB Grant No. 0395-BAN(EF) for the Year 2014-2015.**

PART-1

EXECUTIVE SUMMARY & AUDIT FINDINGS

Foreign Aided Projects Audit Directorate
Audit Complex, Segunbagicha, Dhaka.

Information Regarding Audit

- **Name of the audit unit** : Coastal Town Environmental Improvement Project(CTEIP)
- **Name of Development Partner:** ADB
- **Nature of Audit** : Financial Audit.
- **Audit Year** : 2014-2015.
- **Duration of Audit** : 15-09-2015 to 21.10.2015
- **Audit team** : Ratan Kumar Roy, Audit & Accounts Officer.
Md. Harun, Super.

- **Audit Methodology** : Sampling of vouchers.
- **Scope of Audit** :
 - Certification of Annual Financial Statement.
 - Audit opinion is limited to the fund receipts and expenditures incurred by the project authority.
 - Review of Financial Management, Internal Control systems.
 - Equipment management.

- **Audit Status** : 2nd year audit.
- **Project Duration** : 06 Years
- **Total Cost** : Tk.87476.00 lakh.
- **Current Cost** : Total Tk. 3437.95 lakh
(GOB Tk. 895.00 lakh + RPA Tk. 1478.95 DPA Tk. 1064.00 lakh)
- **Commencement** : January/2014.
- **Completion** : May/2020
- **Executing Ministry** : Ministry of Local Govt. Rural Development and Co-operatives.
- **Implementing agencies** : Local Government Engineering Department (LGED).
- **Funding agencies** : ADB
- **Fund Management System** : **GOB fund:** Funds are allocated by Government of Bangladesh to cover GoB's share of eligible project expenditures. The Ministry of LGRD & Co-Operatives released GOB fund with the concurrence of the Ministry of Finance. The Project Director's office withdrew the fund submitting bills to the Chief Accounts officer, M/O LGRD & Co-operatives . The pourashava offices withdrew the fund submitting bills to the DAOs and to UAOs time to time.

Donor Fund (RPA): Imprest Account was maintained with the Bangladesh Bank for ADB Loan No.3133-BAN(SF),ADB Loan No.8284-BAN (SCF), ADB Grant No. 0394-BAN(SCF) . Later on, fund was transferred to the project operating Bank account no. STD-031436001302, STD-031436001285 and STD-031436001277, Janata Bank Ltd, Sher-e-Banglanagar, Dhaka on the basis of Fund authorization issued by the Ministry of Finance.

DPA Fund: DPA fund was disbursed by the Donor directly on the basis of withdrawal application sent by the project authority.

➤ **Project objectives**

- : The specific objectives of the program are:
- I. To strengthen climate resilience and disaster preparedness in 8 vulnerable coastal pourashavas (secondary towns) of Bangladesh.
 - II. To provide climate-resilient municipal infrastructure in the project pourashavas. Key infrastructure investments include (a) drainage (b) water supply (c) sanitation (d) cyclone shelters and (e) other municipal infrastructure including emergency access roads and bridges, solid waste management, bus terminals, slum improvements, boat landings and markets.
 - III. To Strengthen institutional capacity, local governance, and public awareness for improved planning and service delivery considering climate change and disaster risks and
 - IV. To achieve improved wellbeing in the 8 selected coastal towns through the above mentioned development interventions based on a holistic and integrated approach to urban development.

AUDITOR'S REPORT

Audit Completion Date: 21.10.2015

Secretary

Ministry of LGRD and Co-operatives
Bangladesh Secretariat
Dhaka.

- I. We have audited the accompanying Financial Statement of the "Coastal Climate Resilient Infrastructure Improvement Project (CTEIP)" financed by ADB Loan No-3133 BAN(SF), ADB Loan No-8284 BAN(SCF), ADB Grant No-0394(SCF) and ADB Grant No-0395(EF) as of 30th June, 2015 and for the year then ended. The preparation of the Financial Statement is the responsibility of management. Our responsibility is to express an opinion on the Financial Statement based on our audit.
- II. We conducted our audit following International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statement is free of material misstatement. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the Financial Statement. An audit also includes assessing the accounting principles used and significant estimates made by 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 gives a fair view in all material respects the financial position of " Coastal Town Environmental Improvement Project (CTEIP)" for the year 2014-2015 and the results of its operations and cash flows for the year then ended in accordance with the cash basis of accounting followed by the Government of Bangladesh.
- IV. Opinion Status: **Unqualified.**


31/12/2015
(Gouranga Chandra Debnath)

Deputy Director
For Director General
Foreign Aided Project Audit Directorate
Tel: .9362478

Coastal Towns Environmental Infrastructure Project
Financial Statement 30th June, 2015

(Figure in Lakh Taka)

Resources	Notes	Cumulative Prior Period	Current Period	Cumulative Current
Government of Bangladesh	1	29.37	895.00	924.37
Loan from Development Partner	2	-	4261.52	4261.52
Other resources	3	-	-	-
Cash opening balance	4	-	-	-
Total Resources		29.37	5156.52	5185.89

Expenditure and Cash(According to PP)				
4500 Establishment		2.69	22.33	25.02
4600 Establishment		0.49	5.44	5.93
4700 Establishment		3.15	31.82	34.97
4800- Supplies & Services		17.59	229.00	246.59
4874- Consultancy		-	1,518.13	1,518.13
4900- Repair, Maintanance & Reh.		0.45	6.37	6.82
6800- Procurement of Assets.		5.00	7.94	12.94
6900- Land Acquisition		-	507.77	507.77
7000- Civil Works(RPA+GOB)		-	1109.15	1109.15
Total Expenditure		29.37	3437.95	3467.32

Cash Closing Balance		-	-	-
Imprest Account		-	927.52	927.52
Operating Account (RPA/PA)		-	791.05	791.05
Operating Account (GOB)		-	-	-
Total Expenditure and Cash		29.37	5156.52	5185.89

A.K.M. Shakhawat Hossain
Accountant
Coastal Towns Environmental
Infrastructure Project (CTEIP)
LGED HQ, Dhaka.

MD. Abul Bashar
Project Director
Coastal Towns Environmental
Infrastructure Project (CTEIP)
LGED HQ, Dhaka.

Verified

25.10.2015

Accountant
Coastal Towns Environmental
Infrastructure Project (CTEIP)
LGED HQ, Dhaka.

Coastal Towns Environmental Improvement Project
NOTES TO FINANCIAL STATEMENT
30th June 2015

GOVERNMENT OF BANGLADESH

Fund are allocated by the Government of Bangladesh to cover GOB's share of eligible Project expenditures, as specified in the Project Proforma and in the Annual Development Programme for each of the project. Any Allocated finds that have not been expended by the end of a fiscal year lapse and must be refruned to GOB. GOB contribution to the Project since inception and as follows (In lakh Taka)

	Inception to 30 June 2014	For the Year 2014-15	Inception to 30 June 2015
Disbursement by GOB	30.00	1479.00	1509.00
Less: Refund to GOB	0.63	584.00	584.63
Total :	29.37	895.00	924.37

2 LOAN FROM DEVELOPMENT PARTNER

Loan aggrement Signed below ADB and Government of Bangladesh on 29/06/2014. Loan will be effective very Soon.

	Inception to 30 June 2014	For the Year 2014-2015	Inception to 30 June 2015
Intital Deposit(Advance)	-	2643.02	2643.02
DPA (Direct Payment)	-	1,064.00	1,064.00
RPA (SOE Procedure)	-	554.50	-
RPA(Non SOE Procedure)Received from PD DAE Component	-	-	-
Others	-	-	-
Total	-	4261.52	3707.02

3 OTHER RESOURCES

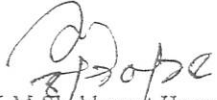
Other resources consist of the following:


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

4 CASH

After effective of loan Account will be open.

	Inception to 30 June 2014	For the Year 2014-2015	Inception to 30 June 2015
Imprest Account	-	927.52	927.52
Operating Account (RPA)	-	791.05	791.05
Operating Account (GOB)	-	-	-
Total	-	1718.57	1718.57


 A.K.M Shakhawat Hossain
 Accountant
 Coastal Towns Environmental
 Infrastructure Project (CTEIP)
 LGED HQ, Dhaka.


 MD. Abul Bashir
 Project Director
 Coastal Towns Environmental
 Infrastructure Project (CTEIP)
 LGED HQ, Dhaka