

Audited Project Financial Statements

Project Number: 42378-016

Loan 3087

Period covered: 01 July 2015 to 30 June 2016

Bangladesh: Power System Expansion and Efficiency Improvement Program – Tranche 2

Prepared by the Ministry of Energy, Power, and Mineral Resources and Power Grid Company of Bangladesh Ltd.

For the Asian Development Bank
Received on 29 December 2016

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 Energy, Power, and Mineral Resources.

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

No. 983/FAPAD/S-5/ADB/2015-2016/ ৩১৭

Date: 29 /12/2016.

Secretary
Power Division
Ministry of Power, Energy and Mineral Resources
Bangladesh Secretariat, Dhaka.



Sub: Audit Inspection Report on the accounts of "400/230/132 KV Grid Network Development Project" (PGCB component) Financed by ADB Loan n. 3087BAN for the year 2015-2016.

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 actions.

Enclosure:

1. Auditor's Report
2. Financial Statement
3. Management letter

3d! -
(A.K.M Jubaer)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Tel: 9356303


No. 983/FAPAD/S-5/ADB/2015-2016/ ৩১৭

Date: 29/12/2016.

Copy for kind information and necessary action to:

- ✓ 1. **Country Director**, Asian Development Bank (ADB), E-31, Sher-e-Bangla Nagar, Agargaon, Dhaka-1207.
2. **Project Director**, 400/230/132 KV Grid Network Development Project" PGCB Bhaban, 7th floor, Aftabnagar, Dhaka

Replies/Comment on the Auditor's Report and management letter may please be send to your undersigned with thirty five (35) days of receipt of this letter in your office.
Observation in Part-B (Ordinary) should be responded to FAPAD directly.


 (A .K.M . Jubaer)
 Deputy Director
 For Director General
 Foreign Aided Projects Audit Directorate.
 Phone: 9356303.

Audit Inspection Report

On

**The Accounts of
“400/230/132 KV Grid Network Development Project”
Financed by ADB Loan no 3087BNA
for the year 2015-2016.
(PGCB COMPONENT)**

Part-I

**Executive Summary
&
Audit Finding**

Foreign Aided Project Audit Directorate
Segunbagicha, Dhaka.

INFORMATION REGARDING AUDIT

- **Name of the Audit Unit** : “400/230/132 KV Grid Network Development Project”
Financed by ADB & IDB
- **Nature of Audit** : Financial Audit.
- **Year of the Audit** : 2015-2016.
- **Duration of Audit** : 14-08-2016 to 18-08-2016.
- **Audit Party** : **Party No-29**
Md, Noman Mahmud, A&AO.
Md. Zohirul Haque, super.
- **Audit Methodology** : ❖ Verification of F/S
❖ Test checking of relevant vouchers.
- **Scope of Audit** : ❖ Certification of annual financial Statement.
❖ The audit was conducted following International Standards on Auditing (ISA) and practices of INTOSAI/SAI of Bangladesh and also as per procedures prescribed by OB and Development Partner.
❖ Audit opinion is limited to the fund receipts and expenditure incurred by the project authority.
❖ Review of Financial Management & Internal Control systems.
- **Project Duration** : 4 years
- **Commencement of Project** : July 2013
- **Completion** : June/2017.
- **Total Estimated Cost** : Tk. 322707.28 lakh
- **Execution Ministry** : Ministry of Power, Energy and Mineral Resources.
Power Division
- **Implementing Agency** : Power Grid Company Limited of Bangladesh.(PGCB)
- **Funding Agency** : ADB&IDB
- **Current Year Expenditure** : **GOB** : 200.00.Lakh
PGCB : 2653.68 lakh
PA : 2788.14 Lakh

Total : Tk. 5641.82s Lakh

Project Objectives

- i To evacuate power from upcoming power plants at Ghorasal
- ii. Upgradation of 230kv transmission Network at North Eastern region of Dhaka.
- iii. To meet the growing demand of greater Dhaka, Sylhet and chittagong area.
- iv. Upgradation of existing 3 nos of 132 kv substations at comilla (South), Modunghat (Chittagong) and Manikgonj.

SUMMARY OF AUDIT FINDINGS

| Sl. no. | Subject | Comments |
|-----------------|--|--|
| 01. | Status of Financial Statement | <i>Unqualified</i> |
| 02. | Summary of Management Letter: | Financial Rules & Regulations not observed |
| Para no. | TITLE | Amount involved (Tk.) |
| | PART-A | |
| | Nil | |
| | PART- B | |
| 01. | Inventory of Assets register were not found. | BTD 327.84 Lakh |

AUDITOR'S REPORT

Secretary

Power Division

Ministry of Power, Energy and Mineral Resources

Bangladesh Secretariat, Dhaka.

1. We have audited the accompanying financial statement of "400/230/132 KV Grid Network Development Project" Financed by ADB under loan no. 3087BAN as on 30 June 2016 audited the year then ended for the year 2015-2016. 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.
2. We have 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 in the test basis, evidences supporting the amounts and disclosures made in the Financial Statement. An 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
3. In our opinion the Financial Statement gives a fair view in all material aspects of the financial position of "400/230/132 KV Grid Network Development Project" as at 30 June, 2016 and the result of its operations and cash flows for the year then ended in accordance with cash basis of accounting followed by the Government of Bangladesh.
4. Opinion status: **Unqualified.**



(A.K.M Jubaer)
Deputy Director
For Director General
Foreign-Aided Projects Audit Directorate.
Phone: 9356303.


Loan # 3087-BAN
Project Name: 400/230/132 KV GND Project
Project Financial Statement
As on 30th June,2016

Figure in Lakh Taka

| Resources | Notes | Cumulative Actual up to 30th June,2015 | Actual Current Period (FY July 2015-June16) | Total |
|-----------------------------------|--------|--|---|-----------------|
| (a) | (b) | (c) | (d) | (c+d) |
| A. Source of Fund | | | | |
| Government of Bangladesh | Note 1 | | 200.00 | 200.00 |
| ADB: | Note 2 | | | - |
| RPA | | | | - |
| DPA | | | 2,788.14 | 2,788.14 |
| Other Resources (PGCB Own Fund) | Note 3 | 2,808.20 | 2,629.50 | 5,437.70 |
| Cash Opening Balance | Note 4 | | 65.63 | |
| Total Resources (A) | | 2,808.20 | 5,683.27 | 8,425.84 |
| B. Usages of Fund | | | | |
| B.1 Expenditure | | | | |
| Salary & Allowances | | 215.27 | 240.38 | 455.65 |
| Land Acquisition | | 2,153.00 | 2,366.98 | 4,519.98 |
| Office Furniture | | 12.16 | 0.97 | 13.13 |
| Office Equipment | | 9.33 | - | 9.33 |
| Vehicles | | 304.41 | - | 304.41 |
| Substation Construction | | - | 2,788.14 | 2,788.14 |
| Route/Site/IEE Survey | | 30.70 | 1.45 | 32.15 |
| Feasibility Study | | 12.70 | - | 12.70 |
| Environmental Assessment | | 5.00 | - | 5.00 |
| Consultancy | | - | - | - |
| IDC | | - | - | - |
| Tax & Vat | | - | 43.90 | 43.90 |
| Total Expenditure | | 2,742.57 | 5,441.82 | 8,184.39 |
| B.2 Cash Closing Balance | | | | |
| Government of Bangladesh (CDVAT) | | - | 200.00 | 200.00 |
| ADB (Imprest Account) | | - | - | - |
| Other Resources (PGCB Own Fund) | | 65.63 | 41.45 | 41.45 |
| Total Cash Closing Balance | | 65.63 | 241.45 | 241.45 |
| Total Usages of Fund (B) | | 2,808.20 | 5,683.27 | 8,425.84 |

e-mail : ce-gndp@pgcb.org.bd


18.08/2016
Manager - Accounts
400/230/132 KV GND Project
PGCB, Dhaka

verified

27.11.16


12/08/16
Project Director & Chief Engineer
400/230/132 KV GND Project
PGCB, Dhaka

MD. NOMAN MAHMUD
AUDIT & ACCOUNTS OFFICER
FOREIGN AIDED PROJECTS AUDIT DIRECTORATE
AUDIT COMPLEX (8th FLOOR)
GUNBAGICHA, DHAKA.

Note 1: Government of Bangladesh:

in Lac Taka

| | Inception to 30 th June,2015 | For the year 30 th June,2016 | Inception to 30 th June,2016 |
|----------------------|---|---|---|
| Disbursements by GOB | - | 200 | 200 |
| Less: Refund to GOB | - | - | - |
| Total | - | 200 | 200 |

Note 2: Loan from Development Partner/Donor:

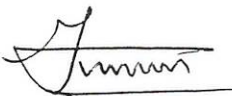
| | Inception to 30 th June,2015 | For the year 30 th June,2016 | Inception to 30 th June,2016 |
|-------------------------|---|---|---|
| Initial Advance | | | |
| Direct Payments (DPA) | - | 2788.14 | 2788.14 |
| SOE Procedures (RPA) | | | |
| Non SOE Procedure (RPA) | | | |
| Total | - | 2788.14 | 2788.14 |

Note 3: Other Resources:

| | Inception to 30 th June,2015 | For the year 30 th June,2016 | Inception to 30 th June,2016 |
|----------------------------------|---|---|---|
| Project Revenues (PGCB Own Fund) | 2,808.20 | 2,629.50 | 5,437.70 |
| Exchange gain/losses | - | - | - |
| Total | 2,808.20 | 2,629.50 | 5,437.70 |

Note 4: Cash:

| | Inception to 30 th June,2015 | For the year 30 th June,2016 | Inception to 30 th June,2016 |
|---|---|---|---|
| Cash on hand | | | |
| Special Account | | | |
| Project Operating Account (RPA) | | | |
| Project Operating Account (GOB) | - | 200 | 200 |
| Project Operating Account of Field Station (PGCB) | 65.63 | 41.45 | 41.45 |
| Total | 65.63 | 241.45 | 241.45 |



Manager
Accounts & Finance
PGCB, Dhaka.



(Engr. Sanjit Kumar Saha)
Dy. Project Director (S.E.)
400/230/132 Kv GND Project
PGCB, Dhaka.