

Audited Project Financial Statements

Project Number: 42378-016
Loan 3087
Period covered: 01 July 2014 to 30 June 2015

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 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 Energy, Power, and Mineral Resources.

Audit Inspection Report

On

**The Accounts of
“400/230/132 KV Grid Network Development Project” Financed by ADB and
IDB for the year 2014-2015. (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 for the year 2014-2015
(PGCB Component).
- **Nature of Audit** : Financial Audit.
- **Year of the Audit** : 2014-2015.
- **Duration of Audit** : 06-09-2015 to 08-09-2015.
- **Audit Party** : **Party No-31**
Md, Tahejul Islam Talukder, A&AO.
Md. Shomsul Alam, Auditor.
- **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 : No expenditure.
PGCB :1666.94 lakh
PA/RPA :No expenditure

- **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	
	Para:01 Title: Less deduction of Vat from the supplier for Non-submission of Mushuk-11 Ka form.	Tk. 47,262.00

AUDITOR'S REPORT

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

We have audited the accompanying financial statement of "400/230/132 KV Grid Network Development Project" Financed by ADB&IDB for the year 2014-2015. 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.

- I. 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
- II. 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 June, 2015 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.
- III. Opinion status: **Unqualified.**


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

Loan # 3067-BAN
 Project Name: 400/230/132 KV GND Project
 Project Financial Statement
 As on 30th June, 2015

Figure in Lakh Taka

Resources	Notes	Total Budget upto 30th June, 2015	Cumulative Actual up to 30th June, 2015	Actual Current Period (FY July 2014-2015)	Actual Prior Period (FY July 2013- June 14)	Unspent Budget
(a)	(b)	(c)	(d)	(e)	(f)	(g)=(c-d)
A. Source of Fund						
Government of Bangladesh	Note 6					
ADB:	Note 7					
RPA						
DPA						
Other Resources (PGCB Own Fund)	Note 8	6,664.33	2,808.20	1,708.60	1,099.60	
Cash Opening Balance	Note 9			23.97		
Total Resources (A)		6,664.33	2,808.20	1,732.57	1,099.60	
B. Usages of Fund						
3.1 Expenditure						
Salary & Allowances		538.00	215.27	182.63	32.64	322.73
Land Acquisition	Note 10	5,069.30	2,153.00	1,260.03	892.97	2,916.30
Office Furniture		13.33	12.16	8.86	3.30	1.17
Office Equipment		9.15	9.33	3.85	5.48	(0.18)
Vehicles		519.55	304.41	193.87	110.54	215.14
Route/Site/TEE Survey		65.00	30.70	-	30.70	34.30
Feasibility Study		95.00	12.70	12.70	-	82.30
Environmental Assessment		5.00	5.00	5.00	-	-
Consultancy		50.00	-	-	-	50.00
Feasibility Study		-	-	-	-	-
Tax & Vat		300.00	-	-	-	300.00
Total Expenditure		6,664.33	2,742.57	1,666.94	1,075.63	3,921.76
3.2 Cash Closing Balance						
Government of Bangladesh		-	-	-	-	-
ADB (Imprest Account)		-	-	-	-	-
Other Resources (PGCB Own Fund)		-	65.63	65.63	23.97	-
Total Cash Closing Balance		-	65.63	65.63	23.97	-
Total Usages of Fund (B)		6,664.33	2,808.20	1,732.57	1,099.60	-

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Section
Signature
 Md. Tallejul Islam Talukder
 Audit and Account Officer
 Design Aided Projects Audit Directorate
 Audit Complex (6th Floor)
 Segun Bagicha, Dhaka.

20.08/2015

Manager
 (Accounts & Administration)
 400/230/132 KV GND Project
 PGCB, Dhaka.

Signature
 Project Director (Chief Engineer)
 400/230/132 KV
 Grid Network Development Project
 PGCB, Dhaka.
 20.08.2015

6 GOVERNMENT OF BANGLADESH :

	Inception to 30 th June, 2014	For the year 30 th June, 2015	Inception to 30 th June, 2015
Disbursements by GOB	---	---	---
Less: Refunds to GOB	---	---	---
Total:	---	---	---

7 LOAN FROM LENDER / DONOR :

	Inception to 30 th June, 2014	For the year 30 th June, 2015	Inception to 30 th June, 2015
Initial Advance	---	---	---
Direct Payments	---	---	---
SOE Procedures	---	---	---
Non SOE Procedures	---	---	---
Total:	---	---	---

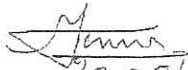
8 OTHER RESOURCES :

	Inception to 30 th June, 2014	For the year 30 th June, 2015	Inception to 30 th June, 2015
Project Revenues (P&A own fund)	1099.60	2808.20	2808.20
Exchange gains / losses	---	---	---
Total:	---	---	---

9 CASH :

	Inception to 30 th June, 2014	For the year 30 th June, 2015	Inception to 30 th June, 2015
Cash on hand	---	---	---
Special Account	---	---	---
Project Operating Account No.	---	---	---
Project Operating Account (SOE)	---	---	---
Operating Account of Field Unit	---	---	---
Total:	---	---	---


 (Md. Tahejul Islam Talukder)
 Audit and Account Officer
 Foreign Aided Projects Audit Directorate
 Audit Complex (6th Floor)
 Segun Bagicha, Dhaka.


 20.08/2015
 Manager
 (Accounts & Administration)
 400/230/132 KV
 PGCBL


 20.08.2015
 Project Director (Chief Engineer)
 400/230/132 KV
 Grid Network Development Project
 PGCBL, Dhaka.