

Audited Project Financial Statements

Project No. 34418-023
Loan/Grant: 3302-BAN(SF) and 0441-BAN(EF)
Period Covered: 1 July 2015 to 30 June 2016

BAN: Southwest Area Integrated Water Resources Planning and Management Project - Additional Financing

Prepared by the Ministry of Water Resources

For the Asian Development Bank
Received on 27 November 2016

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



No. 444/FAPAD/S-3/ADB-2188-BAN/2015-2016/ 48

Date: 22-11-2016.

Senior Secretary
Ministry of Water Resources
Bangladesh Secretariat, Dhaka.

Sub: Audit Inspection Report on The Accounts of "Southwest Area Integrated water Resources Planning & Management -2nd Phase(AF)" Financed Under ADB Loan No.3302-BAN(SF) & Dutch Grant No.0441-BAN(EF) 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 action.

Enclosure:

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

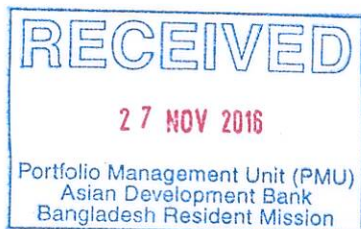
(Md. Abul Kalam Azad)
Deputy Director
for Director General
Foreign Aided Projects Audit Directorate
Tel: 9361788

No. 444/FAPAD/S-3/ADB-2188-BAN/2015-2016/

Date: 22-11-2016.

Copy for information and necessary action to:-

- ✓ 1. **Country Director**, ADB, E-31, Agargaon, Sher-e-Bangla Nagar, Dhaka
2. **Project Director**, "Southwest Area Integrated water Resources Planning & Management -2nd Phase (AF,149 Motijheel Answar Chamber(7th Floor), Dhaka.
3. Office Copy.



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

Audit Inspection Report

On

The accounts of
“Southwest Area Integrated water Resources Planning & Management -2nd Phase(AF)” Financed under ADB Credit
no. 3302-BAN(SF) & Dutch Grant No. 0441-BAN(EF) for
the year 2015-2016.

(Part-I)
Executive Summary
&
Audit findings

Foreign Aided Projects Audit Directorate,
Segunbagicha, Dhaka.

Information Relating to Audit

- | | | |
|---------------------------------|---|--|
| ❑ Name of the audit unit | : | Southwest Area Integrated water Resources Planning & Management -2 nd Phase(AF) |
| ❑ Nature of Audit | : | Financial Audit. |
| ❑ Audit Years | : | 2015-2016 |
| ❑ Duration of Audit | : | 05-09-2016 to 18-09-2016 |
| ❑ Audit team | : | Team No-18
Mr. Abu Daud Md. Touhidul Islam Khandoker,
Audit & Accounts Officer.
Mr. Sonjoy Kumar Roy, Auditor. |
| ❑ Audit Methodology | : | Certification of financial statement and Test check of Voucher. |
| ❑ Scope of Audit | : | <ul style="list-style-type: none"> ❖ Certification of Annual Financial Statements ❖ The audit was conducted following International Standards on Auditing (ISA) and practices of INTOSAI/SAI and also as per procedures prescribed by GOB 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. ❖ Equipment management. |
| | | |
| ❑ Name of Project | : | Southwest Area Integrated water Resources Planning & Management -2 nd Phase(AF) |
| ❑ Duration | : | 7 (Seven) Years (Original) |
| ❑ Total estimated Cost | : | Tk. 48210.00 Lakh (GOB: Tk. 7858.13 lakh, RPA: Tk. 35520.28 Lakh, DPA: Tk. 40351.87 lakh) |
| ❑ Current Cost | : | 212.53 Lakh |
| ❑ Commencement | : | July 2015. |
| ❑ Completion | : | June 2022 |
| ❑ Executing Ministry | : | Ministry of Water Resources. |
| ❑ Implementing agencies | : | Bangladesh Water Development Board |
| ❑ Fund Management System | : | GOB: GOB Fund is provided in the Annual Development Programme of the Government. As per Provision of ADP. The Project authority withdrew GOB fund by submitting bills to the respective CAO office.
DPA: No RPA Fund was released during the year 2015-2016. DPA fund was expended by the Development Partner directly with the concurrence and after vetting of the bills/vouchers by the project authority. |
| | | |
| ❑ Funding agencies | : | ADB |
| ❑ Objectives | : | The Goal of the Project is to reduce poverty incidence measured in terms of incomes and nutritional status of the beneficiary population, and to institutionalize effective mechanisms for enhancing and sustaining the performance of FCD/I systems. Its specific objective is to enhance productivity and sustainability of the selected existing FCD/I systems from low performance and high incidence of poverty. This will be measured in terms of (i) economic indicators including increased agriculture and fishery production, income and employment in the subproject areas, and (ii) institutional indicators associated with sustainable O&M (Including sound WMA and joint management institute establishment and adequate O & M),and approved service delivery agency performance. |

Auditor's Report

Audit completion date: 18-09-2016

Secretary
Ministry of Ministry of Water Resources
Bangladesh Secretariat, Dhaka.

I. We have audited the accompanying Financial Statement of the "Southwest Area Integrated Water Resources Planning & Management Project-Phase-2(AF)" financed under ADB Credit no. 3302-BAN(SF) & Dutch Grant No. 0441-BAN(EF) as of 30th June 2016 and for the years then ended. The preparation of 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 in accordance with 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, evidence 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 aspects of the financial position of " Southwest Area Integrated Water Resources Planning & Management Project-Phase-2(AF)" as of 30th June, 2016 and the result of its operation and cash flows for the year then ended in accordance with the cash basis of accounting followed by the Government of Bangladesh.

V. Opinion Status: **Unqualified.**



(Md. Abul kalam Azad)

Deputy Director

For Director General

Foreign Aided Projects Audit Directorate

Tel: 9361788.

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Name of the Project: Southwest Area Integrated Water Resources Planning and management
Project-2nd Phase (Additional Financing) (Project Financial Statement) 30th June, 2016
(Figure in Lakh Taka)

Resources	Notes	Cumulative Prior Period 30 June 2015	Current Period 2015-2016	Cumulative Period upto 30 June 2016
(a)	(b)	(c)	(d)	(e)
Government of Bangladesh (GOB Fund)	01		39.59	39.59
Loan from Development Partner (ADB & Netherlands (RPA Imprest Advance)	02		321.44	321.44
Loan from Development Partner (ADB Retroactive Financing) (RPA)	02		50.16	50.16
Opening Balance of CD VAT				-
Opening balance of Imprest Account				-
Opening balance of Operating A/C				-
Total Resources			411.19	411.19
Expenditure and Cash				
GOB :				
A) Pay of Establishment Code no 4700			8.79	8.79
B) Supply & services: Code no 4800			25.38	25.38
C) Repair Preservation & Rehabilitation: (Code No-4900)			4.68	4.68
D) Purchase & Procurement of Assets (Code No-6800)			0.75	0.75
E) Acquisition of Land (Code No-6901)				-
F) Construction & Works (Code No-7100)				-
G) CD & VAT (Code No-7901)				-
Sub- Total			39.60	39.60
RPA:				
A) Supply & services: Code no 4800			96.18	96.18
B) Repair Preservation & Rehabilitation: (Code No-4900)			32.52	32.52
C) Purchase & Procurement of Assets (Code No-6800)			44.23	44.23
E) Construction & Works (Code No-7100)				-
G) Bank Charge				-
Sub- Total			172.93	172.93
DPA:				
A) Supply & services: Code no 4800				
B) Purchase & Procurement of Assets (Code No-6800)				
Sub- Total			-	-
Total Expenditure [{GOB + RPA} (A)]			212.53	212.53
Cash Closing Balance				
Special Account (Imprest Account) (Bangladesh Bank)			97.44	97.44
Project Operating Account (RPA) (Janata & Agrani Bank)			101.22	101.22
Operating Account (GOB) CD VAT				-
Total Expenditure and Cash (B)	04		198.66	198.66
Total C=(A-B)			411.19	411.19

Verified
21.10.2016
Abul Javad Md. Touhidul Islam Khanbaker
Audit & Accounts Officer
Foreign Aided Project Audit Directorate
Audit Complex (5th Floor)
Shanghaibasha, Dhaka

11/8/16
(Md. Humayun Kabir Bhuiyan)
Accounts Officer
Southwest Area Integrated Water
Resources Planning & Management
Project, BWDB, Dhaka.

11/8/16
(Md. Anisul Islam)
Project Director
SWAIWRPMP-AF
BWDB, Dhaka.

Name of the Project: Southwest Area Integrated Water Resources
Planning and management Project-2nd Phase (Additional Financing)

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, 2015	For the year 30 th June, 2015	Inception to 30 th June, 2015
Disbursement by GOB		56.00	56.00
Less: Refund to GOB		16.41	16.41
Total:		39.59	39.59

2. LOAN AND GRANT FROM DEVELOPMENT PARTNER

The (Asian Development Bank & Government of Netherlands) have provided funds to the project to cover its share of eligible project expenditures. These funds, which must be repaid to (Asian Development Bank & Government of Netherlands) 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, 2015	For the year 30 th June, 2015	Inception to 30 th June, 2015
Initial Deposit (Advance)		321.44	321.44
DPA (Direct Payment)			
RPA (Retroactive Financing) RPA		50.16	50.16
Total		371.60	371.60

3. OTHER RESOURCES

Other resources consist of the following: Not Applicable.

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

4. CASH: Not Applicable.

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, 2015	For the year 30 th June, 2015	Inception to 30 th June, 2015
Cash in hand			
Special Account (Imprest Account)		97.44	97.44
Project Operating Account (RPA)		101.22	101.22
Total		198.66	198.66

Verified
21/08/2016
Accounts Officer
Foreign Assets Project Audit Directorate
Shedding

(Md. Humayoun Kabir Bhuiyan)
Accounts Officer
Southwest Area Integrated Water
Resources Planning & Management

(Md. Anisul Islam)
Project Director
SWAIWRPMP-AF
BWDB, Dhaka.