

# Audited Project Financial Statements

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Project Number: 42173  
Loan Number: 3051  
Period covered: 1 July 2014 to 30 June 2015

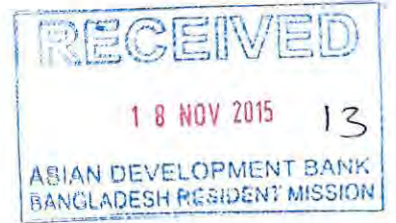
## BAN: Dhaka Environmentally Sustainable Water Supply Project

Prepared by Dhaka Water Supply and Sewerage Authority

For the Asian Development Bank  
Date received by ADB: 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 Dhaka Water Supply and Sewerage Authority.

YT/PH/KF



**Foreign-Aided Project Audit Directorate**  
**Audit Complex (6<sup>th</sup> Floor)**  
**Segunbagicha, Dhaka.**

NO: 478/FAPAD/S-1/ADB-3051-BAN/2014-2015/

Dt: - -2015

**Secretary,**  
Ministry of LGRD & Co-Operative  
(Local Govt. Division)  
Bangladesh Secretariat, Dhaka.

**Sub : Draft Audit Inspection Report on the Accounts Of "Dhaka Environmentally Sustainable Water Supply Project" Financed Under ADB Loan Agreement No. 3051-BAN For The Year 2014-2015.**

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

**Enclosure :**

1. Auditor's Report.
2. Financial Statement.
3. Management letter.
4. Auditor's opinion on Impress Account.

*Sd/-*  
**(A K M Jubaer)**

Deputy Director  
For Director General

Foreign Aided Projects Audit Directorate.  
Phone: 9356303

NO: 478/FAPAD/S-1/ADB-3051-BAN/2014-2015/ ৪২৭

Dt: ০৭ - ১১ -2015

Copy for information and necessary action to :-

1. **Secretary**, Economic Relations Division, Ministry of Finance, Sher-e-Bangla Nagar, Dhaka.
2. **Country Director**, Asian Development Bank (ADB), E-31, Agargaon, Sher-e-Bangla Nagar, Dhaka.
3. **Project Director**, "Dhaka Environmentally Sustainable Water Supply Project", PGCB, WASA Bhaban, (8<sup>th</sup> Floor), Kawran Bazar, 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.*

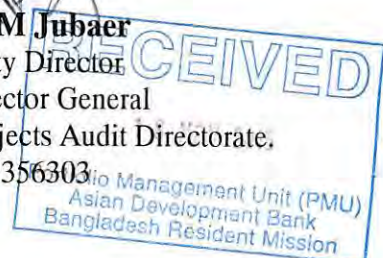
*(A K M Jubaer)*  
**(A K M Jubaer)**

Deputy Director

For Director General

Foreign Aided Projects Audit Directorate.

Phone: 9356303



Audit Inspection Report

On

The Accounts of  
*Dhaka Environmentally Sustainable Water Supply Project*  
Financed Under ADB Loan Agreement No. 3051-BAN(SF)  
For the Year 2014-2015.

**Part-I**

**Executive Summary  
&  
Audit Finding**

Foreign Aided Projects Audit Directorate  
Segunbagicha, Dhaka.

## INFORMATION REGARDING AUDIT

- **Name of the Audit Unit** : *“Dhaka Environmentally Sustainable Water Supply Project”*
  
- **Nature of Audit** : Financial Audit.
- **Year of the Audit** : 2014-2015.
- **Duration of Audit** : 06-09-15 to 08-09-15
- **Audit Party** : ✓ Team no-07.  
✓ Golam Mohammad Sarker, Audit and Accounts Officer  
✓ A.S.M Farid Ahmed, SAS Super  
✓ S.M.Al-Mamun, 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 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.
  
  
- **Project Duration** : 5Years
- **Commencement of Project** : October, 2013
- **Completion** : December, 2019.
- **Total Estimated Cost** : Total Tk. 5248.06 core (1) GOB= Tk. 1738.77core (2) PA Tk. 3499.29 core (3) WASA Tk. 10.00 core
- **Expenditure of audited year (2014-2015)** : Total Tk. 2945.68 lakh (1) GOB: Nil (2) PA Tk. 1846.09 Lakh (3) DPA Tk. 1918.61 Lakh
- **Audit Status(2014-2015)** : 1<sup>st</sup> Year
- **Execution Ministry** : Ministry of LGRD and Co-Operatives.
- **Implementing Agency** : WASA
- **Funding Agency** : Asian Development Bank (ADB).
- **Fund Management System** : ADB(RPA) & DPA
- **Project Objectives** : ✓ The principle objective of the project shall be to contribute to environmentally sustainable provision and operations of urban water supply, particularly in Dhaka city from surface water instead of ground water resources.  
✓ Currently 79% supply water is being extracted from ground water resources and rest 21% coming from surface water.  
✓ Dhaka WASA as well as the government intension to decrease the dependency on ground water resources and target is to reach the dependency as 30% on ground water and 70% on surface water supply by 2030.

## **AUDITOR'S REPORT**

### **Secretary**

Ministry of LGRD & Co-Operatives.  
Local Govt. Division.  
Bangladesh Secretariat, Dhaka.

- I. We have audited the accompanying financial statement of "***Dhaka Environmentally Sustainable Water Supply Project***" financed under ADB loan No. -3051 BAN as of 30<sup>th</sup> June, 2015 and for the year 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 have conducted our audit to accordance with International Standers on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of materials misstatement. An audit includes examine on a test basis, evidence supporting the amounts and disclosers made in the financial statement. An audit also includes assessing the accounting principals 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 "***Dhaka Environmentally Sustainable Water Supply Project***" as at 30<sup>th</sup> June, 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.***



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

Dhaka Environmentally Sustainable Water Supply Project  
Project Financial Statement  
As on 30, June 2015

(Figure in Lakh Taka)

Resources	Notes	Cumulative Prior Period	Current Period	Cumulative Current Period
Government of Bangladesh		-	-	-
Loan from ADB-RPA		-	1,846.09	1,846.09
Loan from ADB-DPA			1,918.61	1,918.61
Other resources ( Bank Interest)		-	-	-
Cash opening Balance		-	-	-
<b>Total Resources</b>		-	3,764.70	3,764.70

Expenditure and Cash				
Distribution Network Improvement (ICB-02.7)-RPA			766.62	766.62
Distribution Network Improvement (ICB-02.7)-DPA			1,918.61	1,918.61
Construction of Guard Shade			22.09	22.09
Sub Soil Investigation Work			4.51	4.51
Double Cabin Pick up purchase-5 Nos			233.85	233.85
<b>Total Expenditure</b>			2,945.68	2,945.68

Cash closing Balance				
Cash closing Balance				
Imprest Account ( Banladesh Bank)			1.09	1.09
ADB-RPA			817.93	817.93
GOB			-	-
<b>Total Expenditure and Cash</b>			3,764.70	3,764.70

*Verified*

*MS 08-09-15*  
GOLAM MOHAMMED SARKER  
Audit & Accounts Officer  
Foreign Aided Project Audit Directorate  
Ministry of the People's Republic of Bangladesh  
Dhaka, Bangladesh

*7/9/15*  
Engr. Md. Mahmudul Islam  
Superintendent  
PMU, Dhaka

**Dhaka Environmentally Sustainable Water Supply Project (DESWSP)**  
**NOTES TO FINANCIAL STATEMENT**  
As on 30, June 2015

**1 GOVERNMENT OF BANGLADESH**

Fund are allocated by the Government of Bangladesh to cover GOBS share of eligible project expenditures, as specified in the development project Proforma (DPP) and annual development program (ADP). GOB contribution to the project since inception are as follows (In Lakh Taka)

	Figure in Lac		
	Inception to 30 June 2015	For the Year 2014-15	Inception to 30 June 2015
Disbursement by GOB	-	-	-
Less-Refund to GOB	-	-	-
<b>Total</b>	-	-	-

**2 LOAN/GRANT FROM DEVELOPMENT PARTNER:**

The ADB Has Provided funds to the project to cover its share of eligible project expenditures which must be repaid to donor after the conclusion, have been drawn by the project in accordance with the following withdrawal procedures (( In Lakh Taka)

	Inception to 30 June 2015	For the Year 2014-15	Inception to 30 June 2015
Initial Deposite (Advance)	-	-	-
DPA( Direct Payment)	-	1,918.61	1,918.61
RPA ( SOE Procedure)	-	1,846.09	1,846.09
RPA ( NonSOE Procedure)	-		
Others	-		
<b>Total</b>	-	3,764.70	3,764.70

**3 OTHER RESOURCES:**

Other resources consist of the following:

	Inception to 30 June 2015	For the Year 2014-15	Inception to 30 June 2015
Project Revenues		-	-
Exchange Gains/Losses		-	-
Others		-	-
<b>Total</b>		-	-

**4 CASH**

The project maintains an imprest bank account of Bangladesh Bank, one operating account for RPA fund.

	Inception to 30 June 2015	For the Year 2014-15	Inception to 30 June 2015
Imprest Account-Bangladesh Bank	-		
Operating Account (RPA)	-	1.09	1.09
Operating Account (GOB)	-	817.93	817.93
Others	-	-	-
<b>Total</b>	-	819.02	819.02

  
7/9/15  
Engg. Md. Mostafizur Rahman  
Supervising Engineer  
P.O. Box 1000, Dhaka-1000