

Audited Project Financial Statements

Project No. 40540-018

Loan: 3883-BAN

Period Covered: 1 July 2020 to 30 June 2021

Bangladesh: South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project, Phase 2-Tranche 2

Prepared by Roads and Highways Department
For the Asian Development Bank
Date received by ADB: 31 December 2021

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 Access to Information Policy and as agreed between ADB and Roads and Highways Department.



Office of the Director General
Foreign-Aided Project Audit Directorate
Audit Complex (6th & 11th Floor)
Segunbagicha, Dhaka.



No-82.08.0000.501.35.005.21. ১০৬

Dated: 30-12-2021.

Sub: Audit Inspection Report on the accounts of "SASEC Road Connectivity Project-II: Improvement of Elenga-Hatikamrul-Rangpur Road to a 4-lane Highway" financed by ADB under Loan No. 3592/3593/3883-BAN for the financial year 2020-2021.

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

Enclosures:

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

Sd/-

(Farida Yeasmin)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Phone: 88-02-48310545

Secretary

Road Transport and Highways Division
Ministry of Road Transport and Bridges
Bangladesh Secretariat
Dhaka-1000.

No-82.08.0000.501.35.005.21. ১০৬

Dated: 30-12-2021.

Copy for information and necessary action to: -

- ✓ Country Director, Asian Development Bank (ADB), E-31, Sher-E-Bangla Nagar, Agargaon, Dhaka.
2. Chief Engineer, Roads and Highways Department, Sarak Bhaban, Tejgaon, Dhaka-1208.
3. Project Director, "SASEC Road Connectivity Project-II: Improvement of Elenga-Hatikamrul-Rangpur Road to a 4-lane Highway", Roads and Highways Department, Sarak Bhaban, Tejgaon, Dhaka-1208.

(a) Replies/comments on the Audit Report and Management Letter may please be sent to the undersigned within 30(Thirty) days of receipt of this letter in your office.

(b) Observations in Part-A (SFI) should be responded to through the Ministry concerned.

4. Office copy.

Farida Yeasmin
30.12.21

(Farida Yeasmin)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Phone: 88-02-48310545

Audit Inspection Report

On

The Accounts of

**“SASEC Road Connectivity Project-II: Improvement of
Elenga-Hatikamrul-Rangpur Road to a 4-lane Highway”**

**Project Financed by
Asian Development Bank (ADB)
Loan No. 3592/3593/3883-BAN
For the financial year 2020-2021.**

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

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Information Relating to Audit

Name of the Audit Unit : "SASEC Road Connectivity Project-II: Improvement of Elenga-Hatikamrul-Rangpur Road to a 4-lane Highway" Project.

Project Code : 5335

Nature of Audit : Financial & Compliance Audit.

Year of Audit : 2020-2021

Duration of audit : 17-10-2021 to 24-10-2021

Name of audit Team : Mr. Md, Monzur Kader, A&AO.
Mr. Abdur Rahim, SAS Superintendent.
Mr. Kh. Jahangir Alam, SAS Superintendent.

Project Profile

Duration : 5years

Total Project cost : The Loan Agreement was signed on the 22 November 2017. The resources of the project as per DPP were as under:

Sl no	Sources	Original Amount
a.	GOB	BDT 254,404.80 lakh
b.	ADB	BDT 935,496.41 lakh
Total Tk.		BDT 1,189,901.21 lakh

Current year fund : Tk.102287.18 lac (GOB TK. 89806.60 lac + RPA TK. 12480.58 lac)

Current Year :

Expenditure : Tk. 102287.18 lac.

Commencement : September'2016

Completion : August'2021

Executing Ministry : Ministry of Road Transport and Bridges.

Implementing Agency : Roads and Highways Department.

Project Director's Contact and PIU address : Project Director's Name: Mr. Quazi Shahriar Hossain,
Designation: ACE, RHD.
Contact No: 01799985240
E-mail Address: pd.sasecii.rhd@gamil.com
Sarak Bhaban, Tejgaon, Dhaka.

Funding Agencies : GOB and ADB

- Funding System : GOB fund was released by the Ministry of Road Transport and Bridges in quarterly as per ADP allocation and was drawn by submitting bills to Chief Accounts Office, Ministry of Road Transport and Bridges.
- DPA (DONOR) The DPA fund was directly disbursed by the donor on the basis of Project Director withdrawal application.
- Project Objectives : •Upgrade the existing 190.40 km Elenga-Hatikamrul-Rangpur Road to a 4-lane Highways to enhance the Sub regional connectivity among the South Asian nations by providing accessibility to land ports, Sea ports, export processing zones(EPZ), and economic zones(EZ).
- To construct Slow Moving Vehicular Traffic (SMVT) Lane on both side of 190.40 km project road to reduce the safety hazard.
- To construct 03 Flyovers(2635 m), 01 railway overpass (411 m), 32 Bridges (1922 m), 161 Culvert (1102 m), 11 Pedestrian Overpass (397 m), 39 Underpass (195 m) and 01 interchange (1500m).
- Institutional Strengthening of RHD including establishment of (i) RHD center of Excellence for quality research and Human Resource Development and (ii) Road Operation Unit for Overload Control, Road Asset Management and Safety operations.
- To enhance some potential activities like promotion new investments in the project areas and the EPZ, EZ etc.; promoting economic growth; opening avenues for the development of new tourism zones; providing access to better health care and education institutions and generating employment for people within the project area.

Part-I

- Auditor's Report &
- Management Letter

The Secretary

Road Transport and Highways Division,
Ministry of Road Transport and Bridges,
Bangladesh Secretariat, Dhaka-1000.

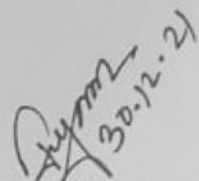
I. We have audited the accompanying Financial Statement (FY 2020-2021) of the "SASEC Road Connectivity Project-II: Improvement of Elenga-Hatikamrul-Rangpur Road to a 4-lane Highway" financed by Asian Development Bank (ADB), Loan No. 3592/3593 and 3883 BAN as of 30th June 2021 and for the year then ended. According to ISSAI 1570 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 Government Auditing Standards (GASB). 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. As such in our opinion and according to the statement of ISSAI 1705, The Financial Statement gives a true and a fair view in all material aspects of the financial position of "SASEC Road Connectivity Project-II: Improvement of Elenga-Hatikamrul-Rangpur Road to a 4-lane Highway" Financed Under ADB Loan No. 3592/3593 and 3883 BAN as on 30th June'2021 and the results of its operations and cash flows for the year ended in accordance with the cash basis of accounting followed by the Government of Bangladesh.

IV. Funds obtained from development partners are used in accordance with financing agreement. The Project accounts properly present the expenditure and receipts for the year ended at 30th June 2021.

Opinion Status: **Unqualified.**


(Farida Yeasmin)
Deputy Director

For Director General
Foreign Aided Projects Audit Directorate
Phone: 88-02-48310545

Financial Statement

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South Asia Sub regional Economic Cooperation (SASEC) Dhaka-North West Corridor Road Project -Phase 2 (SASEC Road Connectivity Project -2 "Improvement of Elenga-Hatikamrul-Rangpur to a 4 Lane Highway")

Sarak Bhaban, Tejgoan, Dhaka-1208, Bangladesh

Project Financial Statement


As on 30th June 2021


(Amount in Lakh Taka)

Resources	Notes	Cumulative up to Prior Period	Current Period (FY 2020 -2021)	Cumulative up to Current period
(a)	(b)	(d)	(e)	(f)=(d+e)
A. Source of Fund				
Government of Bangladesh	5.00	148291.21	160,499.79	308,791.00
Loan from Development Partner (Asian Development Bank)-Direct Project Aid	6.00	52237.6	46,189.00	98,426.60
Loan from Development Partner (Asian Development Bank)-Reimbursible Projec Aid (RPA) through GOB	6.00	9584.06	9,699.99	19,284.05
Other Recourses	7.00	-	-	-
Cash opening Balance	8.00	-	-	-
Total Resources		210,112.87	216,388.78	426,501.65
B. Usages of Fund				
B.1 Expenditure				
Revenue Exp.:				
Economic Code	Economic Code wise Item description			
4500	Officer's Salary	269.31	118.58	387.89
4700	Officer's allowances	201.02	93.22	294.24
4800	Other Supplies and Services (TA/DA, Fuel,Gas, Printing, Honorium etc)	183.43	57.82	241.25
4818	Vehicle Registration Fee	12.99	-	12.99
4893	Outsourcing of staff	273.39	177.89	451.28
4874	Consultancy Services (PIC)	5439.9	7,600.00	13,039.90
4874	NGO Service	546.23	150.69	696.92
4901	Repairs and Maintenance (Vehicles)	12.73	4.70	17.43
Capital Expenditure:				
6800	Acquisition of Assets	1087.4	0.20	1,087.60
6900	Land acquisition	136792.23	154,929.01	291,721.24
6900	Resettlement	1515.77	1,920.94	3,436.71
7981	Relocation of Utility	8499.78	3,046.94	11,546.72
7000	Civil Work	55278.69	48,288.79	103,567.48
Total Expenditure		210,112.87	216,388.78	426,501.65
B.2 Cash Closing Balance				
Government of Bangladesh			-	-
ADB (Imprest Account)		-	-	-
Total Expenditure and Cash (B1+B2)		210,112.87	216,388.78	426,501.65

verified

Md. Monzur Rader
 Audit & Accounts Officer
 Foreign Aided Projects Audit Directorate
 Audit Complex
 Segunbagicha, Dhaka-1000




(Md. Waliur Rahman)
 ID No-005083
 Project Director (ACE, C.C.), RHD
 SASEC Road Connectivity Project-2
 Sarak Bhaban, Tejgaon, Dhaka

South Asia Sub regional Economic Cooperation (SASEC) Dhaka-North West Corridor Road Project -Phase 2
(SASEC Road Connectivity Project -2 "Improvement of Elenga-Hatikamrul-Rangpur to a 4 Lane Highway"

Sarak Bhaban, Tejgoan, Dhaka-1208, Bangladesh

Notes to the Accounts

1.00 GOVERNMENT OF BANGLADESH

Funds are allocated by the Government of Bangladesh to cover GoB's share of eligible project expenditures, as specified in the Development Project Pro-forma (DPP) and in the Annual Development Programme (ADP) 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)

	Inception to 30th June 2020	For the year 2020- 2021	(In Lakh Taka) Inception to 30th June 2021
Disbursement by GOB	148,302.61	160,500.00	308,802.61
Less : Refund /Surrender	11.40	0.21	11.61
Total :	148,291.21	160,499.79	308,791.00

2.00 LOAN FROM DEVELOPMENT PARTNER

The Asian Development Bank (ADB) has provided funds to the project to cover it's share of eligible project expenditures. These funds, which needs to be repaid to ADB, have been drawn by the project in accordance with the following withdrawal procedures (In Lakh Taka)

	Inception to 30th June 2020	For the year 2020- 2021	(In Lakh Taka) Inception to 30th June 2021
Initial Deposit (Advance)	-	-	-
DPA (Direct Payment Procedure)	52,237.60	46,189.00	98,426.60
RPA Through GoB	9,584.06	9,699.99	19,284.05
RPA (Non SOE Procedure)	-	-	-
Total :	61,821.66	55,888.99	117,710.65

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2.10 Loan wise break down from Asian Development Bank:

The break down of ADB's Loan are given below:

Loan no	Inception to 30th June 2020	For the year 2020- 2021	(In Lakh Taka) Inception to 30th June 2020
3592 BAN	56,381.76	20,985.16	77,366.92
3593 BAN -COL	5,439.90	7,600.00	13,039.90
3883 BAN		27,303.83	27,303.83
Total :	61,821.66	55,888.99	117,710.65

3.00 OTHER RESOURCES - N/A

4.00 CASH

The project does not maintain any bank accounts for project aid from ADB. The project uses the Direct Payment Methods.

Verified
Md. Monzur Kader
Audit & Accounts Officer
Foreign Aided Projects Audit Directorate
Audit Complex
Segunbagicha, Dhaka-1000

(Md. Waliur Rahman)
ID No-005083
Project Director (ACE, C.C.), RHD
SASEC Road Connectivity Project-2
Sarak Bhaban, Tejgaon, Dhaka