

Audited Project Financial Statements

Project Number: 42177
Loan 2878/Grant 0298
Period covered: 30 June 2015 to 30 June 2016

BAN: Urban Primary Health Care Services Delivery Project

Prepared by Ministry of Local Government, Rural Development and Cooperatives, Local Government Division

For the Asian Development Bank
Date received by ADB: 26 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 Local Government, Rural Development and Cooperatives, Local Government Division



বাংলাদেশের কম্পট্রোলার এন্ড অডিটর জেনারেল এর কার্যালয়
Office of the Comptroller and Auditor General of Bangladesh



Audit Inspection Report

On

Financial & Compliance Audit of
The Urban Primary Health Care Service Delivery Project Under
Ministry of Local Government, Rural Development and Cooperative
For the Financial Year: 2015-2016

Foreign Aided Project Audit Directorate
Section -05

AUDITOR'S REPORT

The Secretary

Ministry of the Local Government, Rural Development
and Cooperatives, Bangladesh Secretariate, Dhaka.

**Subject: Audit Report on the accounts of "Urban Primary Health Care Service Delivery Project (UPHCSDP)" financed under ADB and SIDA
Loan no. 2761- BAN(SF) & IDA credit No. 4999-BD and other Development partners SIDA for the year 2015-2016**

We certify that we have audited the financial statements of the **Urban Primary Health Care Service Delivery Project (UPHCSDP)** for the year ended 30 June 2016 under Article 128(1) of the Constitution of Bangladesh. The financial statements comprise a financial statement and explanatory notes.

Management Responsibility:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Bangladesh financial reporting standards prescribed by the Comptroller and Auditor General as per the Constitution and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The **Urban Primary Health Care Service Delivery Project (UPHCSDP)** Office is to prepare the financial statements following the country system of accounts and reconcile these with the accounts of the Republic maintained by the accounts office.

Auditor's Responsibility:

Our responsibility is to audit, certify and report on the financial statements in accordance with Article 128(1) of the Constitution of Bangladesh. To the extent possible within the limited period of time available, we conducted our audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs), which include the International Standards on Auditing (ISAs) in their entirety. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We are also required to obtain evidence sufficient to give reasonable assurance that the expenditures recorded in the financial statements have been applied to the purposes intended by the Parliament and the financial transactions recorded in the financial statements confirm to the authorities who govern them.

Scope of the Audit of the Financial Statements:

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making the risk assessments, the auditor considers internal control relevant to the preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used, as well as evaluating the overall presentation of the financial statements.

Basis for Unqualified opinion:

- In our opinion, the Financial Statement gives a true and fair view in all material aspects(except section –two) the financial position of “**Urban Primary Health Care Service Delivery Project (UPHCSDP)**” as of 30th June,2016.
- **Report:** We conducted seen and discussion on the audit findings and management related issues with concerned authority on 14-12-2016

Project Director of UPHCSDP.


(A.K. Jha)
Deputy Director
Foreign Aided Projects Audit Directorate.

Urban Primary Health Care Services Delivery Project (UPHCSDP)
Project Financial Statement
As at 30th June,2016

Figure in Lakh Taka

Resources	Notes	Total Budget up to 30th June 2017(As per DPP and Loan)	Cumulative Actual upto 30th June 2016	Actual Prior period (FY July 2014-June 15)	Actual Current period (FY Jul 15-Jun16)	Unspent Budget
(a)	(b)	(c)	(d)	(e)	(f)	(g)=(c-d)
A. Source of fund						
Government of Bangladesh	Note-1	7,612.11	4,954.85	1,449.00	1,406.25	2,657.26
Loan from DP-ADB	Note-2	39,383.20	20,219.18	3,347.63	8,719.00	19,164.02
Direct Payment-ADB		568.80	91.91	-	-	476.89
Grant from DP-SIDA		14,272.80	8,484.91	1,489.64	2,304.57	5,787.89
Direct Payment-SIDA		1,727.20	59.45	11.52	22.74	1,667.75
Grant from UNFPA		2,400.00				
Other Resource	Note-3	-	138.40	137.61	0.58	(138.40)
Cash Opening Balance	Note-4			5,210.08	2,318.04	-
Total Resources		65,964.11	33,948.70	11,645.48	14,771.18	29,615.41
B.Usage Of Fund						
B.1. Expenditure						
Manpower		989.99	908.20	271.18	301.46	81.79
PIU/PMU Operational Cost		1,200.00	661.53	150.22	159.08	538.47
International Consultant		2,296.00	-			2,296.00
Local Consultant		2,120.80	712.38	132.53	438.28	1,408.42
Regional Conference		320.00	223.97	223.97	-	96.03
Local Training & Workshop		960.00	253.56	54.46	135.04	706.44
Overseas Training		400.00	166.94	31.37	63.71	233.06
Facilities Mapping (GSI)		120.00				120.00
Audit Works		184.00				184.00
Urban Strategy Imple Support to LGD		160.00				160.00
Internet Charges		1,040.00				1,040.00
Service Charges to LGED		25.15	25.00	13.00	-	0.15
Income Taxes & VAT		2,774.28	3,021.29	983.86	902.78	(247.01)
Partnership Agreement(UPHCSDP)		26,776.53	13,265.23	4,422.15	4,314.35	13,511.30
Partnership Agreement (for UPHCP-II)		2,823.47	2,652.63	-	-	170.85
Reproductive Health Serv		2,204.00				2,204.00
Hiring Vehicles		504.00				504.00
Civil Work (LGED)		12,572.80	8,333.17	2,955.52	4,900.00	4,239.63
Land Registration		120.00	68.42	20.00	7.22	51.58
Vehicle		388.00	295.61	69.18	295.61	92.39
Furniture, Equipment & Mach.		252.80	117.70	-	31.11	135.10
Computer and Software		972.80	-			972.80
CD/VAT		2,470.59	53.42		32.89	2,417.17
Physical Contingency		1,295.87	-			1,295.87
Price Contingency		2,993.03	-			2,993.03
Total Expenditure		65,964.11	30,759.05	9,327.44	11,581.53	35,205.07
B.2 Cash Closing Balance						
Advances (PA NGO & Others)			2,501.01	2,031.91	2,501.01	
Imprest Account :						
ADB				-		
SIDA				-		
Operating Account :						
ADB			141.82	1.31	141.82	
SIDA			466.13	11.27	466.13	
GOB			34.11	194.08	34.11	
CD-VAT			46.58	79.47	46.58	
Total Cash Closing Balance			3,189.65	2,318.04	3,189.65	
Total Usage of Fund			33,948.70	11,645.48	14,771.18	

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RUL ALAM
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incharge

**URBAN PRIMARY HEALTH CARE SERVICES DELIVERY PROJECT
NOTES TO FINANCIAL STATEMENT**

As at 30th June,2016

1. GOVERNMENT OF BANGLADESH

Funds are allocated by the Government of Bangladesh to cover GOB's share of eligible Project expenditures, as specified in the project Proforma and in the Annual Development programme for each of the Project. Any allocated funds that have not been expended by the end of a fiscal year lapsed and must be returned to GOB. GOB contribution to the Project since inception are as follows (In Lakh Taka)

	Inception to 30th June,2015	For the Year 2015-2016	Inception to 30th June,2016
Disbursement by GOB	3,448.60	1,406.25	4,854.85
Account current	100.00	-	100.00
Less Refund to GOB	99.38	-	99.38
Total	3,449.22	1,406.25	4,855.47

2. LOAN/GRANT FROM DEVELOPMENT PARTNER

The ADB,SIDA,has provided funds to the Project to cover it's share of eligible Project expenditures. Unspent portion (if any) of these funds,must be refunded to ADB,SIDA after conclusion of the Project which have been drawn by the Project in accordance with the following withdrawl Procedures (In Lakh Taka)

	Inception to 30th June,2015	For the Year 2015-2016	Inception to 30th June,2016
Intial Deposit (Advance) :			
ADB	4,012.50	-	4,012.50
SIDA	1,605.00	-	1,605.00
DPA(Direct Payment) : ADB	91.91	-	91.91
DPA(Direct Payment) : SIDA	36.71	22.74	59.45
RPA (SOE + Non SOE Procedure)	-	-	-
ADB	7,487.68	8,719.00	16,206.68
SIDA	4,575.34	2,304.57	6,879.91
Total	17,809.14	11,046.31	28,855.45

3. OTHER RESOURCES

Other resources consist of the following :

	Inception to 30th June,2015	For the Year 2015-2016	Inception to 30th June,2016
Project Revenues	137.82	0.58	138.40
Adjustment	-	-	-
Exchange gains/losses	-	-	-
Total	137.82	0.58	138.40

4.CASH

The Project maintains two types of Bank account,an imprest Bank Account under each donor,or revolving fund,which is kept at Bangladesh Bank to hold funds advanced by ADB ,SIDA and an operating account, which is kept at a commercial Bank to hold funds advanced by GOB as well as funds transferred from the imprest Account. Year end cash balances were as follows :

	Inception to 30th June,2015	For the Year 2015-2016	Inception to 30th June,2016
Imprest Account :			
ADB	-	-	-
SIDA	-	-	-
Operating Account :			
ADB	-	141.82	141.82
SIDA	-	466.13	466.13
GOB	-	34.11	34.11
CD/VAT (Account Current)	-	46.58	46.58
Advances (PA NGO & Others)	-	2,501.01	2,501.01
Total	-	3,189.65	3,189.65

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Nurul Absar
Director (Finance)
Division

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ALAM
Officer