

Audited Project Financial Statements

Project No. 42378-017

Loan: 3350-BAN

Period Covered: 1 July 2017 to 30 June 2018

BAN: Power System Expansion and Efficiency Improvement Investment Program – Tranche 3

Prepared by Bangladesh Rural Electrification Board

For the Asian Development Bank
Received on 31 December 2018

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Foreign-Aided Projects Audit Directorate
Audit Complex (6th & 11th Floor)
Segunbagicha, Dhaka.



No.486/FAPAD/S-3/ADB-/2017-2018/

Date: 31.12.2018

Sub: Audit Inspection Report on the accounts of “Establishment of Pre-payment e-metering of Dhaka Division under Rural Electrification Program” Electrification Program (Phase-01) financed by ADB under Loan No. 3350 for the year-2017-18.

The Auditor's Report along with a Management Letter containing audit observations on the accounts of the above mentioned project is enclosed here with for your kind information and necessary action. This report consists of 01 audit observation.

Enclosure:

1. Auditor's Report.
2. Financial Statement.
3. Management letter.
4. Report on internal control & other issues.

sd.
(Sarkar Mohammad Khairul Alam)

Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Tel: 88-02-8391548

Secretary

Ministry of Power, Energy & Mineral Resources.
Bangladesh Secretariat, Dhaka.

No.486/FAPAD/S-3/ADB-/2017-2018/154

Date: 31.12.2018

Copy for information and necessary action to:

- ✓ 1. **Country Director**, Asian Development Bank (ADB), E-31, Agargaon, Sher-e-Bangla Nagar, Dhaka.
2. **Project Director**, Establishment of “Pre-payment e- metering of Dhaka Division Under Rural Electrification Program (Phase-1), BREB, Khilkhet, Dhaka.

- | |
|---|
| <ol style="list-style-type: none">a) 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.b) Observations in Part-A (SFI) should be responded to through the Ministry concerned and observations in Part-B (Ordinary) should be responded to FAPAD directly. |
|---|

3. Office Copy.

31.12.18
(Sarkar Mohammad Khairul Alam)

Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Tel: 88-02-8391548

Audit Inspection Report

On

**The Accounts of
“Pre-payment e-metering of Dhaka Division under Rural
Electrification Program (Phase-1)
For the Year 2017-2018.**

**Foreign Aided Projects Audit Directorate
Audit Complex (6th & 11th Floor), Segunbagicha, Dhaka.**

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Part-I

- Auditor's Report &
- Management Letter

AUDITOR'S REPORT

Audit Completion Date: 08.10.2018

Secretary

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

We have audited the accompanying Financial Statement (FY 2017-2018) of the **“Pre-payment e metering of Dhaka Division under Rural Electrification Program (Phase-1)”** financed by ADB Loan No.3350 for the year 2017-2018.30th June 2018 and for the years 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.

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.

In our opinion and according to the statement of ISSAI 1705, the financial statement gives a true and fair view in all material respects of the financial position of **“Pre-payment e metering of Dhaka Division Under Rural Electrification Program (Phase-1)”** as of 30th June 2018 and the result of its operation and cash flows for the year ended in accordance with the cash basis of accounting followed by the Government of Bangladesh.

The Project accounts properly presents the expenditure and receipts for the year ended at 30-06-2018.

Opinion Status: Unqualified.



(Sarkar Mohammad KhairulAlam)
Deputy Director

For Director General
Foreign Aided Projects Audit Directorate
Tel: 88-02-8391548.

[Ref: Project Audit Manual, FAPAD. Page: 4.7.1]

FINANCIAL STATEMENT

office of the Project Director

Pre-payment e-metering of Dhaka Division Under Rural Electrification Program (Phase-
FY: 2017-2018

In Lakh Taka

RESOURCES	Notes	Cumulative Prior Period	Current Period	Cumulative Current Period
Government of Bangladesh	1	0.00	6.44	6.44
Loan from Development Partner	2	0.00	0.00	0.00
Other Resources	3			0.00
Cash / Opening Balance	4			0.00
Total Resources		0.00	6.44	6.44
Expenditure and Cash				
a) Local Currency: GOB				
(i) Pay & Allowances				0.00
(ii) Supplies & Service		0.00	0.50	0.50
(iii) Repairs and Maintenance		0.00	0.00	0.00
(iv) Asset Procurement		0.00	5.94	5.94
(v) Land Acquisition & Procurement				0.00
(vi) Construction Work				0.00
(vii) Establishment Cost (Construction)				0.00
(viii) CD VAT		0.00	0.00	0.00
(ix) Misc. Capital Expenditure			0.00	0.00
Sub Total (a)		0.00	6.44	6.44
b) Foreign Currency				
(i) DPA		0.00	0.00	0.00
(ii) RPA		0.00	0.00	0.00
Sub Total (b)		0.00	0.00	0.00
Total Expenditure (a+b)		0.00	6.44	6.44
Cash / Closing Balance	4			
Imprest Account			0.00	0.00
Operating (RPA)		0.00	0.00	0.00
Operating (GOB)		0.00	0.00	0.00
Total Expenditure & Cash			6.44	6.44

Md. Abdul Halim
Auditor

Project Director
BRES Dhaka-1229

Md. Rafiqul Islam
Project Director
PPM:DDREP (Phase-1)
BRES, Dhaka.

PROJECT FINANCIAL STATEMENT

office of the Project Director

Pre-payment e-metering of Dhaka Division Under Rural Electrification Program (Phase-1)

FY: 2017-2018

1. Government of Bangladesh

Funds are allocated by the Government to cover GOB'S share of eligible project expenditure, as specified in the Project Proforma and in the Annual Development Programme for each year 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 contribution to the project since inception are as follows (in lac taka)

	Inception to 30-Jun-17	For the Year 30-Jun-18	Inception to 30-Jun-18
Disbursements by GOB	0.00	6.50	6.50
Less: Refund to GOB	0.00	0.06	0.06
	0.00	6.44	6.44

2. Loan from Lender/Donor

The (name of the lender /donor) has provided funds to the project to cover its share of eligible project expenditures. These funds, which must be repaid to (name of the lender/donor) after the conclusion of the project, have been drawn by the project in accordance with the following withdrawal procedure (in lac taka).

	Inception to 30-Jun-17	For the Year 30-Jun-18	Inception to 30-Jun-18
Initial Deposit (Advance)	0.00	0.00	0.00
DPA (Direct Payment)	0.00	0.00	0.00
RPA (SOE Procure)	0.00	0.00	0.00
RPA (Non SOE Procure)	0.00	0.00	0.00
Others	0.00	0.00	0.00
Total	0.00	0.00	0.00

3. Other resources;

Other resources consist of the following:

	Inception to 30-Jun-17	For the Year 30-Jun-18	Inception to 30-Jun-18
Project revenue	0.00	0.00	0.00
Exchange gains/losses	0.00	0.00	0.00
Total	0.00	0.00	0.00

4. Cash

The project maintains two Bank accounts, an Imprest Bank account, or Revolving fund, which is kept at Bangladesh Bank to hold funds advance by ADB, an operating account, which is kept at a commercial Bank to hold funds advance by GOB as well as funds transferred from the imprest Bank account. Year end cash balance were as follows (in lac taka).

	Inception to 30-Jun-17	For the Year 30-Jun-18	Inception to 30-Jun-18
Imprest account	0.00	0.00	0.00
Operating account (RPA)	0.00	0.00	0.00
Operating account (GOB)	0.00	0.00	0.00
Total	0.00	0.00	0.00

Verified
20/11/18
Satiya Gopal Saha
 Audit & Accounts Officer
 e-emp. Mktg. Projects Audit Directorate
 Audit Complex (6th Floor)
 Agartala, Dhaka-100

Summary of Audit observations

Subject	Amount Involved	Risk Assessment	Remarks
Status of Financial Statement			Un-qualified <i>Internal control is in place. Fund management is satisfactory.</i>
Summary of Management Letter			<i>Government orders should be maintained properly.</i>

PART-A

NIL

PART-B

Para no.	Title	Amount Involved	Risk Assessment	Remarks
01.	Register of inventory relating to office Equipment & Furniture etc. not maintained.	-	Low	-

Overall Comments on Observations

Causes of irregularities & loss

- Non compliance of financial rules & regulations

Audit Recommendations

- Due care should be given for compliance of the Govt. financial rules and regulations.