

Audited Project Financial Statements

Project No. 42378-017

Loan: 3350-BAN and 3087-BAN

Period Covered: 1 July 2019 to 30 June 2020

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

Prepared by Power Grid Company of Bangladesh Ltd

For the Asian Development Bank
Received on 31 December 2020

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



No: 82.08.0000.501.27.037.20.413

Dated: 30.12.2020

Subject: Audit Inspection Report on the accounts of “400/230/132 KV Grid Network Development Project” (PGCB component) financed by ADB Loan no. 3087 and 3350 BAN & IDB Loan no. BD-0172 for the year 2019-2020.

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

Enclosures:

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

Sdf

(K T M Sharif)

Deputy Director

For Director General

Foreign Aided Projects Audit Directorate

Phone: 88-02-8391548

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

No: 82.08.0000.501.27.037.20.413

Dated: 30.12.2020

Copy for information and necessary action to :

1. The Secretary, Economic Relations Division (ERD), Ministry of Finance, Sher-e-Bangla Nagar, Dhaka.
- ✓ 2. Country Director, Asian Development Bank (ADB), E-31, Sher-e-Bangla Nagar, Agargaon, Dhaka-1207.
3. Project Director, 400/230/132 KV Grid Network Development Project” PGCB (NLDC) Bhaban, 7th floor, Aftabnagar, Dhaka.

(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 through the line Ministry and observations in Part-B (Ordinary) should be responded to FAPAD directly.

4. Office Copy.



F:\SECTOR-05 (FAPAD)\Audit Report 2020-21 (1st Phase)\Team for Mr. Shahabuddin Sir\Final Report\1179-Corrected 400 pgcb final report 19-20.doc

30/12/2020

(K T M Sharif)

Deputy Director

For Director General

Foreign Aided Projects Audit Directorate

Phone: 88-02-8391548

Audit Inspection Report

On

**THE ACCOUNTS OF
“400/230/132 KV Grid Network Development Project”
Financed by ADB Loan no 3087& 3350 BAN & IDB Loan no. BD-0172
for the year 2019-2020
(PGCB COMPONENT)**

Part-I

**Executive Summary
&
Audit Findings**

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

Information Relating to Audit

Name of the Audit Unit	:	400/230/132KV Grid Network Development Project.			
Nature of Audit	:	Financial & compliance Audit.			
Year of Audit	:	2019-2020			
Duration of audit	:	19.10.2020 to 22.10.2020			
Name of audit Team	:	Md. Shahidul Islam , Audit & Accounts Officer. Md. Nazmul Abedin, Superintendent.			
Scope of Audit	:	Certification of Annual Financial Statement. The audit was conducted following International Standards on Auditing (ISA) and Practices of INTOSAI/ SAI, Bangladesh 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.			
Total Project cost	:	The Loan Agreement was signed on the 11 February 2014 & 19 October 2014 respectively. The resources of the project as per RDPP/2019 were as under:			
		Sl no	Sources	Original Amount	Revised Amount
		a.	GOB	Tk.46957.22 Lakh	Tk.44883.23
		b.	PA	Tk. 233816.40 lakh	TK.192602.55
		c.	PGCB	Tk.41933.67 Lakh	Tk.38342.64
		Total		26456.00 lakh	275828.42 Lakh
Current Year Expenditure	:	TOTAL= 32566.37 lac (GOB = 7500.00 lac, DPA = 20584.06 lac , Others (PGCB) = 4482.31 lac)			
Commencement	:	July 2013			
Completion	:	June/2021			
Executing Ministry	:	Ministry of Power, Energy and Mineral Resources. Power Division			
Implementing Agency	:	PGCB			
Project Director's Contact and PIU address	:	Project Director's Name: Engr. Sanjit Kumar Shaha. Designation: Project Director. Contact No: 01777743221 E-mail Address: : ce-gndp@pgcb.org.bd			
Funding Agencies	:	GOB ,PGCB, IDB and ADB			
Funding System	:	GOB Fund : GOB fund of the project was released by administrative Ministry on the basis as ADP allocation. The fund was drawn by submitting bills to concerned CA & FO. PGCP Fund: As per requirement of Project Director, PGCB Head			

		<p>office disburse fund to the Project Director's Operating A/C as per RDDP. SND A/C No- 003236000528 and CD A/C no- 003233024901 National Bank, Malibag Branch Dhaka.</p> <p>DPA fund: ADB/IDB Paid direct payment to the Contractors on the basis of withdrawal application/LC of project director.</p>
Project Objectives	:	<p>To evacuate power from upcoming power plants at Ghorasal</p> <p>Upgradation of 230kv transmission Network at North Eastern region of Dhaka.</p> <p>To meet the growing demand of greater Dhaka, Sylhet and chittagong area.</p> <p>Upgradation of existing 3 nos. of 132 kv substations at Comilla (South), Modunghat (Chittagong) and Manikgonj.</p>

AUDITOR'S REPORT


The Secretary

Power Division

Ministry of Power, Energy and Mineral Resources

Bangladesh Secretariat, Dhaka

- I. We have audited the accompanying Financial Statement of the “400/230/132 KV Grid Network Development Project” Financed by ADB under loan no. 3087, 3350 BAN & IDB Loan no. BD-0172 as on 30 June 2020 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 International Standards on Auditing and practices of INTOSAI/SAI BD. 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 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 “400/230/132 KV Grid Network Development” Project as of 30th June 2020 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.
- IV. Opinion Status: **Unqualified.**


30/12/2020

(K T M Sharif)

Deputy Director

For Director General

Foreign Aided Projects Audit Directorate

Phone: 88-02-8391548

Financial Statement **&** **Notes to Financial Statement**

POWER GRID COMPANY OF BANGLADESH LIMITED
ADB Loan # 3087-BAN & 3350-BAN and IDB Loan No. BD-0172
Project Name: 400/230/132 KV GND Project
Project Financial Statement
As on 30th June, 2020

Figure in Lakh Taka

Resources	Notes	Cumulative Actual up to 30th June, 2019	Actual Current Period (FY July 2019- June 2020)	Total
(a)	(b)	(c)	(d)	(c+d)
A. Source of Fund				
Government of Bangladesh	1	12,605.00	7,500.00	20,105.00
ADB:				
RPA				
DPA	2	60,296.52	20,584.06	80,880.58
Other Resources (PGCB Own Fund)	3	11,768.92	4,687.02	16,455.94
Cash Opening Balance	4		61.22	
Total Resources (A)		84,670.44	32,832.30	117,441.52
B. Usages of Fund				
B.1 Revenue Expenditure				
Salary & Allowances		2,190.88	587.43	2,778.31
B.2 Capital Expenditure				
Land Acquisition		4,531.48	-	4,531.48
Office Furniture		14.27	-	14.27
Office Equipment		20.10	0.26	20.36
Vehicles		403.31	-	403.31
Substation Construction		47,063.55	19,979.52	67,043.07
Transmission Line Construction		13,232.98	1,012.96	14,245.94
Route/Site/IEE Survey		35.13		35.13
Feasibility Study		75.54	2.88	78.42
Right of Way & Compensation		6.59	1.00	7.59
Environmental Assessment		5.00		5.00
Consultancy		-		-
IDC		2,628.23	2,830.95	5,459.18
CDVAT		12,764.08	7,500.00	20,264.08
Tax & Vat		1,638.08	651.37	2,289.45
Total Expenditure		84,609.22	32,566.37	117,175.59
B.3 Cash Closing Balance				
Government of Bangladesh (CDVAT)		-	-	-
ADB (Imprest Account)		-		-
Other Resources (PGCB Own Fund)		61.22	265.93	265.93
Total Cash Closing Balance		61.22	265.93	265.93
Total Usages of Fund (B)		84,670.44	32,832.30	117,441.52

e-mail : ce-gndp@pgcb.org.bd

[Signature]
04/10/2020
Jr. Asst. Manager - Accounts
400/230/132 KV GND Project
PGCB, Dhaka

[Signature]
04.10.2020
Manager - Accounts
400/230/132 KV GND Project
PGCB, Dhaka

[Signature]
04.10.2020
Project Director
400/230/132 KV GND Project
PGCB, Dhaka

Verified
[Signature]
30.12.2020
Md. Shahidul Islam
Audit and Accounts Officer
Foreign Aided Projects Audit Directorate
Sgunbagicha, Dhaka

POWER GRID COMPANY OF BANGLADESH LIMITED
 Loan No.ADB:3087-BAN, 3350-BAN & IDB: BD-0172
 Project Name : 400/230/132KV GND Project
 PGCB,Dhaka.

Note 1: Government of Bangladesh:

in Lac Taka

	Inception to 30 th June,2019	For the year 30 th June,2020	Inception to 30 th June,2020
Disbursements by GOB	12,605	7,500	20,105
Less: Refund to GOB	-	-	-
Total	12,605	7,500	20,105

Note 2.a: Loan from Development Partner/Donor:

	Inception to 30 th June,2019	For the year 30 th June,2020	Inception to 30 th June,2020
Initial Advance			
Direct Payments (DPA)			
ADB Loan No.3087-BAN	17,163.94	---	17,163.94
ADB Loan No.3350-BAN	25,599.28	2,748.92	28,348.20
IDB Loan No. BD-0172	17,533.31	17,835.14	35,368.45
SOE Procedures (RPA)			
Non SOE Procedure (RPA)			
Total	60,296.53	20,584.06	80,880.59

Note 3: Other Resources:

	Inception to 30 th June,2019	For the year 30 th June,2020	Inception to 30 th June,2020
Project Revenues (PGCB Own Fund)	11,768.92	4,687.02	16,455.94
Exchange gain/losses	-	-	-
Total	11,768.92	4,687.02	16,455.94

Note 4: Cash:

	Inception to 30 th June,2019	For the year 30 th June,2020	Inception to 30 th June,2020
Cash on hand			
Special Account			
Project Operating Account (RPA)			
Project Operating Account (GOB)			
Project Operating Account of Field Station (PGCB)	61.22	265.93	265.93
Total	61.22	265.93	265.93

[Signature]
 04.10.2020
 Manager-Accts
 400/230/132KV:GND Project
 PGCB,Dhaka

[Signature]
 30.12.2020
Md. Shahidul Islam
 Audit and Accounts Officer
 Foreign Aided Projects Audit Directorate
 Segunbagicha, Dhaka

[Signature]
 04.10.2020
 Project Director
 400/230/132KV GND Project
 PGCB,Dhaka