

# Audited Project Financial Statements

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Project No. 44213-016 and 44213-017  
Loan/Grant: 3047-BAN (COL) and 3320-BAN (COL)  
Period Covered: 1 July 2015 to 30 June 2016

## Secondary Education Sector Investment Program - Tranche 1 and Tranche 2

Prepared by the Ministry of Education

For the Asian Development Bank  
Received on 31 March 2017

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# **Audit Inspection Report**

**FY 2015-16**

**Secondary Education Sector Investment Program (SESIP)**


**Directorate of Secondary and Higher Education**

**Dhaka, Bangladesh**

**Local and Revenue Audit Directorate**  
**Audit Complex (4<sup>th</sup> & 5<sup>th</sup> Floor), Segunbagicha**  
**Dhaka-1000**

## Declaration

This is a translated English version for the purpose of development partner's apprehensibility. The Bangla version of the audit report should be considered as authentic version. In the event of confusion or conflict between the Bangla and English version, the Bangla version will prevail.

  
18.07.17  
(Shamim Ahamed Uzzal)

Deputy Director  
Local and Revenue Audit Directorate (LAD)  
Audit Complex (4<sup>th</sup> and 5<sup>th</sup> Floor)  
Segunbagicha, Dhaka-1000

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### Abbreviation

MPO	Monthly Payment Order
DSHE	Directorate of Secondary and Higher Education
ADB	Asian Development Bank
BDT	Bangladeshi Taka
CAG	Comptroller and Auditor General
CAO	Chief Accounts Officer
DPP	Development Project Proposal
FAM	Facility Administration Manual
FY	Financial Year
GOB	Government of Bangladesh
IBAS	Integrated Budget & Accounting System
IDA	International Development Association
INTOSAI	International Organization of Supreme Audit Institutions
ISSAI	International Standard on Supreme Audit Institutions
MPO	Monthly Payment Order
MOE	Ministry of Education
SESIP	Secondary Education Sector Investment Program
USD	United States Dollar
VAT	Value Added Tax

## **Part-1**

### **Executive Summary & Audit Observations**



### **Information on Audit**

Audited Unit	:	Secondary Education Sector Investment Program (SESIP), DSHE, Dhaka
Audited Year	:	2015-2016
Period of Audit	:	19 <sup>th</sup> February 2017 to 25 <sup>th</sup> March 2017 & 23 <sup>th</sup> May 2017 to 25 <sup>th</sup> May 2017
Executive Ministry	:	Ministry of Education
SESIP Implementing Agency	:	Department of Secondary and Higher Education (DSHE)
Financing agencies	:	ADB, GOB
Financing Sources	:	GOB 95.7%, ADB 2.9% and IDA 1.40%
Financing Procedures	:	Government Treasury System
Audit Mandate	:	Article 128 of Constitution of Peoples Republic of Bangladesh
Audit Methodology	:	Compliance Audit (Test Audit) under Post Audit
Number of Audit Teams	:	04

## **Members of Audit Teams**

### **Audit Team No-01 (Lead Team)**

Shamim Ahamed Uzzal, Deputy Director  
Mr. Mohammed Hossain, Audit and Accounts Officer  
Mr. Md. Mujibur Rahman, Super (In Charge)  
Mr. Mozammel Haque, Auditor

### **Audit Team No-02**

Shamim Ahamed Uzzal, Deputy Director  
Mr. Abu Sayed Sheikh, Audit and Accounts Officer  
Mr. Md. Faruq Hossain, Auditor  
Mr. Md. Anwar Hossain, Auditor

### **Audit Team No-03**

Shamim Ahamed Uzzal, Deputy Director  
Mr. Sheikh Haider Ali, SAS Super  
Mr. Md. Ujjal Hossain, Super (In Charge)  
Mr. Helal Uddin, Super (In Charge)

### **Audit Team No-04**

Shamim Ahamed Uzzal, Deputy Director  
Mr. Aslam Hossain Talukder, Audit and Accounts Officer  
Mr. Delwar Hossain Khan, SAS Super  
Mrs. Zinat Rehana, Super (In Charge)



## Auditor's Report

Program Director  
Secondary Education Sector Investment Program (SESIP)  
&  
Director General  
Directorate of Secondary and Higher Secondary Education  
Shiksha Bhaban, Dhaka-1000

1. Compliance Audit on Financial Statement of Secondary Education Sector Investment program (SESIP) for the year 2015-16 has been completed which is a joint funding program by Government of Bangladesh and Asian Development Bank (ADB). Preparation of Financial Statement lies with the management and Auditor's responsibility is to form comprehensive and logical opinion on that financial statement.
  2. This audit was performed in accordance with International Standards on Supreme Audit Institutions (ISSAI). Two audit teams conducted audit at office of the Program Director, SESIP for the year 2015-16 from 19<sup>th</sup> February, 2017 to 26<sup>th</sup> February, 2017 in DSHE. Audit teams placed their demand for Financial Statement of SESIP and other related documents. Audit teams prayed the attention of Program Director SESIP but the response was not accordingly. Relevant documents for audit were not placed in front of audit in time. Audit was not completed within stipulated time as Program Director did not provide relevant document of accounts. Director General of Local Audit sent audit team again to program director office assigned man days from 22<sup>th</sup> May, 2017 to 27<sup>th</sup> May, 2017. The program director office was unable to provide necessary documents for the second time also. Then again after discussion during EXIT meeting audit was held 23/5/2017 to 25/5/2017.
  3. Financial Statement of SESIP signed by program director shows 94% of expenditure related to Monthly Payment Order (MPO) mainly managed by the Program Director office. Therefore detailed information of MPO management i.e. MPO inclusion, cancellation and payment procedures were necessary for the purpose of audit. But PD office did not furnish required information for audit. In contrast field level MPO institutions provided required information. Four audit teams conducted the audit in different geographical division of Bangladesh. Lack of completeness of information causes limited assurance on this audit instead of reasonable assurance.
1. Audit Opinion: Based on information collected from Secondary Education Sector Investment Program (SESIP) except for as stated in part 2, the financial Statement truly presents the expenditures and sources of fund. Audit team expresses 'Qualified Opinion' on the financial statement of SESIP FY 2015-16.

(Shamim Ahamed Uzzal)  
Deputy Director  
Local and Revenue Audit Directorate (LAD)  
Audit Complex (4<sup>th</sup> and 5<sup>th</sup> Floor)  
Segunbagicha, Dhaka

Secondary Education Sector Improvement Program (SESIP)

**Annual Financial Statement**

For Financial Year 2015-16

(Figure in Lakh)

Particulars	Notes	As per IBAS generated report from CGA		Actual Expenditure		Un spent balance deposited in to treasury FY 2015-16
		FY 2015-2016 in BDT	FY 2015-2016 in USD	FY 2015-2016 in BDT	FY 2015-2016 in USD	
(a)	(b)	(c)	(d)	(e)	(f)	(g) =(c-f)
<b>Source of Fund</b>						
Government of Bangladesh **		1,319,741.99	16,836.02	1,319,405.37	16,831.73	
Asian Development Bank		34,698.00	440.00	34,698.00	440.00	
Other Development Partners						
<b>Total Receipts</b>		<b>1,354,439.99</b>	<b>17,276.02</b>	<b>1,354,103.37</b>	<b>17,271.73</b>	
<b>Usages of Fund</b>						
<b>Non-Development Expenditures</b>						
4500 Pay of Officers	1	44,021.42	561.50	44,021.42	561.50	
4600 Pay of Establishment	2	7,793.29	99.40	7,793.29	99.40	
4700 Allowances	3	29,252.97	373.12	29,252.97	373.12	
4800 Supplies and Service	4	13,184.82	168.17	13,184.82	168.17	
4900 Repairs & Maintenances	5	12,668.80	161.59	12,668.80	161.59	
5900 Grants in AID	6	1,207,130.89	15,397.08	1,207,130.89	15,397.08	
6800 Capital Expenditure	7	2,205.83	28.14	2,205.83	28.14	
7000 Civil Works	8	11,057.29	141.04	11,057.29	141.04	
<b>Total of Non-Development Expenditures</b>		<b>1,327,315.31</b>	<b>16,930.04</b>	<b>1,327,315.31</b>	<b>16,930.04</b>	-
<b>Development Expenditures***</b>						
<b>Revenue Expenditure</b>						
4500 Pay of Officers	9	2,631.39	33.56	2,694.46	34.37	(63.07)
4600 Pay of Establishment	10	128.45	1.64	128.45	1.64	(0.00)
4700 Allowances	11	1,397.54	17.83	1,374.87	17.54	22.67
4800 Supplies and Service	12	10,227.02	130.45	9,964.28	127.10	262.74
4900 Repairs & Maintenances	13	63.87	0.81	65.20	0.83	(1.33)
5900 Grants in AID	14	6,414.39	81.82	6,291.94	80.25	122.45
<b>Total Revenue Expenditures</b>		<b>20,862.67</b>	<b>266.11</b>	<b>20,519.20</b>	<b>261.72</b>	<b>343.47</b>
<b>Capital Expenditure</b>						
6800 Capital Expenditure	15	2,618.82	33.40	2,618.86	33.40	(0.04)
7000 Civil Works	16	3,643.19	46.47	3,650.00	46.56	(6.81)
<b>Sub total Capital Expenditures</b>		<b>6,262.01</b>	<b>79.87</b>	<b>6,268.86</b>	<b>79.96</b>	<b>(6.85)</b>
<b>Total Development Expenditures</b>		<b>27,124.68</b>	<b>345.98</b>	<b>26,788.06</b>	<b>341.68</b>	<b>336.62</b>
<b>Grand total of Non-Development and Development Expenditures</b>		<b>1,354,439.99</b>	<b>17,276.02</b>	<b>1,354,103.37</b>	<b>17,271.73</b>	<b>336.62</b>
<b>Grand total of Expenditures in \$</b>		<b>17,276.02</b>		<b>17,271.73</b>		<b>4.29</b>
<b>Balance : Surplus / (Deficit)</b>		-	-	-	-	

Disclosures:

\* The information related to this statement based on IBAS generated information, please note that the figures of expenditure statement are not yet final, it may change during the preparation of appropriation Account of MoE.

\*\* Balancing figure

\*\*\* This includes all development actual expenditure in the SESIP.

Conversion rate USD 1 = BDT 78.40 as of 30 June 2016



মহিউদ্দীন আহমদ (০১৮০০২)

সহকারী পরিচালক

ফাইন্যান্স অ্যান্ড প্রকিউরমেন্ট উইং

প্রাথমিক ও উচ্চশিক্ষা অধিদপ্তর

রাহদাদেশ, ঢাকা





শামীম আহমদ উজ্জ্বল

উপ-পরিচালক

মানব সম্পদ বিভাগ অডিট অধিদপ্তর

সপ্তমবাগিচা ঢাকা-১০০



**SECONDARY EDUCATION SECTOR INVESTMENT PROGRAM (SESIP)  
INTERIM FINANCIAL REPORT (IFR)  
for the Financial Year 2015-16**

Explanatory Notes to the Statement of Sources and Uses of Fund as of 30 June 2016

Amount in lakh

Economic Code	Functional Code	Description	As per IBAS generated report from CGA		Actual Expenditure		Un spent balance deposited in to treasury FY 2015-16
			FY 2015-2016 in BDT	FY 2015-2016 in USD	FY 2015-2016 in BDT	FY 2015-2016 in USD	
A. Non-Development Expenditure							
Note 1:							
4500		Pay of Officers					
	2501	Secretariat MOE	632.70	8.07	632.70	8.07	
	2531	Directorate of Secondary and Higher Education	9,099.37	116.06	9,099.37	116.06	
	2534	Upazilla Secondary Education office	1,793.89	22.88	1,793.89	22.88	
	2535	Teachers' Training College	1,904.09	24.29	1,904.09	24.29	
	2536	Government Secondary School	27,359.31	348.97	27,359.31	348.97	
	2538	Government Madrasahs	364.95	4.65	364.95	4.65	
	2542	Bangladesh Madrasa Teachers Training Institute	109.66	1.40	109.66	1.40	
	2571	Education Engineering Department	2,500.46	31.89	2,500.46	31.89	
	2573	Directorate of Inspection and Audit	160.78	2.05	160.78	2.05	
	2579	Bureau of Educational Information and Statistics	96.21	1.23	96.21	1.23	
		Total	44,021.42	561.50	44,021.42	561.50	-
Note 2:							
4600		Pay of Establishment					
	2501	Secretariat MOE	136.35	1.74	136.35	1.74	
	2531	Directorate of Secondary and Higher Education	1,254.71	16.00	1,254.71	16.00	
	2534	Upazilla Secondary Education offices	2,488.46	31.74	2,488.46	31.74	
	2535	Teachers' Training College	607.50	7.75	607.50	7.75	
	2536	Government Secondary School	2,163.19	27.59	2,163.19	27.59	
	2538	Government Madrasahs	71.95	0.92	71.95	0.92	
	2542	Bangladesh Madrasa Teachers Training Institute	29.71	0.38	29.71	0.38	
	2571	Education Engineering Department	756.22	9.65	756.22	9.65	
	2573	Directorate of Inspection and Audit	102.66	1.31	102.66	1.31	
	2579	Bureau of Educational Information and Statistics	182.54	2.33	182.54	2.33	
		Total	7,793.29	99.40	7,793.29	99.40	-
Note 3							
4700		Allowances					
	2501	Secretariat MOE	406.02	5.18	406.02	5.18	
	2531	Directorate of Secondary and Higher Education	5,342.27	68.14	5,342.27	68.14	
	2534	Upazilla Secondary Education offices	2,758.03	35.18	2,758.03	35.18	
	2535	Teachers' Training College	1,329.60	16.96	1,329.60	16.96	
	2536	Government Secondary School	17,062.56	217.63	17,062.56	217.63	
	2538	Government Madrasahs	245.77	3.13	245.77	3.13	
	2542	Bangladesh Madrasa Teachers Training Institute	96.89	1.24	96.89	1.24	
	2571	Education Engineering Department	1,690.81	21.57	1,690.81	21.57	
	2573	Directorate of Inspection and Audit	147.79	1.89	147.79	1.89	
	2579	Bureau of Educational Information and Statistics	173.23	2.21	173.23	2.21	
		Total	29,252.97	373.12	29,252.97	373.12	-
Note 4							
4800		Supplies and Services					
	2501	Secretariat MOE	2,389.43	30.48	2,389.43	30.48	
	2531	Directorate of Secondary and Higher Education	6,221.53	79.36	6,221.53	79.36	
	2534	Upazilla Secondary Education office	614.09	7.83	614.09	7.83	
	2535	Teachers' Training College	306.38	3.91	306.38	3.91	
	2536	Government Secondary School	1,394.98	17.79	1,394.98	17.79	
	2538	Government Madrasahs	48.99	0.62	48.99	0.62	
	2542	Bangladesh Madrasa Teachers Training Institute	167.82	2.14	167.82	2.14	
	2571	Education Engineering Department	1,535.18	19.58	1,535.18	19.58	
	2573	Directorate of Inspection and Audit	70.90	0.90	70.90	0.90	
	2579	Bureau of Educational Information and Statistics	435.52	5.56	435.52	5.56	
		Total	13,184.82	168.17	13,184.82	168.17	-
Note 5							
4900		Repairs, Maintenance and Rehabilitation					
	2501	Secretariat MOE	19.74	0.25	19.74	0.25	
	2531	Directorate of Secondary and Higher Education	101.31	1.29	101.31	1.29	
	2534	Upazilla Secondary Education office	117.70	1.50	117.70	1.50	
	2535	Teachers' Training College	14.42	0.18	14.42	0.18	
	2536	Government Secondary School	101.35	1.29	101.35	1.29	
	2538	Government Madrasahs	-	-	-	-	
	2542	Bangladesh Madrasa Teachers Training Institute	3.23	0.04	3.23	0.04	
	2571	Education Engineering Department	12,280.37	156.64	12,280.37	156.64	
	2573	Directorate of Inspection and Audit	5.93	0.08	5.93	0.08	
	2579	Bureau of Educational Information and Statistics	24.75	0.32	24.75	0.32	
		Total	12,668.80	161.59	12,668.80	161.59	-
Note 6							
5900		Grants in Aid					
	2505	Autonomous Bodies & Other Institutions	48,343.85	616.63	48,343.85	616.63	
	2531	Directorate of Secondary and Higher Education	12,407.46	158.26	12,407.46	158.26	
	2540	Non-Govt. Educational Institute	1,143,407.84	14,584.28	1,143,407.84	14,584.28	
	2571	Education Engineering Department	2,971.74	37.90	2,971.74	37.90	
		Total	1,207,130.89	15,397.08	1,207,130.89	15,397.08	-
Note 7							

*Amul*

*মহিউদ্দীন আহমদ (০১৮০০২)*  
মহিউদ্দীন আহমদ (০১৮০০২)  
স্বাক্ষরী পরিচালক  
ফাইন্যান্স অ্যান্ড এক্সিকিউটিভ উইং  
প্রাথমিক ও উচ্চশিক্ষা অধিদপ্তর  
বাহারাদেশ, ঢাকা।

*Signature*



Economic Code	Functional Code	Description	As per IBAS generated report from CGA		Actual Expenditure		Un spent balance deposited in to treasury FY 2015-16
			FY 2015-2016 in BDT	FY 2015-2016 in USD	FY 2015-2016 in BDT	FY 2015-2016 in USD	
6800		<b>Acquisition of Assets</b>					
	2501	Secretariat MOE	236.83	3.02	236.83	3.02	
	2531	Directorate of Secondary and Higher Education	88.37	1.13	88.37	1.13	
	2534	Upazilla Secondary Education office	106.75	1.36	106.75	1.36	
	2535	Teachers' Training College	24.52	0.31	24.52	0.31	
	2536	Government Secondary School	505.00	6.44	505.00	6.44	
	2538	Government Madrasahs	11.56	0.15	11.56	0.15	
	2542	Bangladesh Madrasah Teachers Training Institute	2.98	0.04	2.98	0.04	
	2571	Education Engineering Department	1,210.15	15.44	1,210.15	15.44	
	2573	Directorate of Inspection and Audit	9.08	0.12	9.08	0.12	
	2579	Bureau of Educational Information and Statistics	10.59	0.14	10.59	0.14	
		<b>Total</b>	<b>2,205.83</b>	<b>28.14</b>	<b>2,205.83</b>	<b>28.14</b>	
Note 8							
7000		<b>Construction and Works</b>					
	2571	Education Engineering Department	11,057.29	141.04	11,057.29	141.04	
		<b>Total</b>	<b>11,057.29</b>	<b>141.04</b>	<b>11,057.29</b>	<b>141.04</b>	
		<b>Total Non-Development Expenditure</b>	<b>1,327,315.31</b>	<b>16,930.04</b>	<b>1,327,315.31</b>	<b>16,930.04</b>	
		<b>B. Development Expenditure (SESIP 5026)</b>					
Note 9							
4500		<b>Pay of Officers</b>					
	2531	Directorate of Secondary and Higher Education	2,631.39	33.56	2,694.46	34.37	(63.07)
		<b>Total</b>	<b>2,631.39</b>	<b>33.56</b>	<b>2,694.46</b>	<b>34.37</b>	<b>(63.07)</b>
Note 10							
4600		<b>Pay of Establishment</b>					
	2531	Directorate of Secondary and Higher Education	128.45	1.64	128.45	1.64	-
		<b>Total</b>	<b>128.45</b>	<b>1.64</b>	<b>128.45</b>	<b>1.64</b>	<b>-</b>
Note 11							
4700		<b>Allowances</b>					
	2531	Directorate of Secondary and Higher Education	1,397.54	17.83	1,374.87	17.54	22.67
		<b>Total</b>	<b>1,397.54</b>	<b>17.83</b>	<b>1,374.87</b>	<b>17.54</b>	<b>22.67</b>
Note 12							
4800		<b>Supplies and Services</b>					
	2531	Directorate of Secondary and Higher Education	10,227.02	130.45	9,964.28	127.10	262.74
		<b>Total</b>	<b>10,227.02</b>	<b>130.45</b>	<b>9,964.28</b>	<b>127.10</b>	<b>262.74</b>
Note 13							
4900		<b>Repair &amp; Maintenance</b>					
	2531	Directorate of Secondary and Higher Education	63.87	0.81	65.20	0.83	(1.33)
		<b>Total</b>	<b>63.87</b>	<b>0.81</b>	<b>65.20</b>	<b>0.83</b>	<b>(1.33)</b>
Note 14							
5900		<b>Grants in Aid</b>					
	2531	Directorate of Secondary and Higher Education	6,414.39	81.82	6,291.94	80.25	122.45
		<b>Total</b>	<b>6,414.39</b>	<b>81.82</b>	<b>6,291.94</b>	<b>80.25</b>	<b>122.45</b>
Note 15							
6800		<b>Acquisition of Assets</b>					
	2531	Directorate of Secondary and Higher Education	2,618.82	33.40	2,618.86	33.40	(0.04)
		<b>Total</b>	<b>2,618.82</b>	<b>33.40</b>	<b>2,618.86</b>	<b>33.40</b>	<b>(0.04)</b>
Note 16							
7000		<b>Construction and Works</b>					
	2531	Directorate of Secondary and Higher Education	3,643.19	46.47	3,650.00	46.56	(6.81)
		<b>Total</b>	<b>3,643.19</b>	<b>46.47</b>	<b>3,650.00</b>	<b>46.56</b>	<b>(6.81)</b>
		<b>Total of Development Expenditure</b>	<b>27,124.68</b>	<b>345.98</b>	<b>26,788.06</b>	<b>341.68</b>	<b>336.62</b>
		<b>Grand Total Non-Development &amp; Development Expenditures (A+B)</b>	<b>1,354,439.99</b>	<b>17,276.02</b>	<b>1,354,103.37</b>	<b>17,271.73</b>	<b>336.62</b>

*[Signature]*

*[Signature]*

মহিউদ্দীন আহমদ (০১৮০০২)  
সহকারী পরিচালক  
ফাইন্যান্স অ্যান্ড প্রকিউরমেন্ট উইং  
মাধ্যমিক ও উচ্চশিক্ষা অধিদপ্তর  
বাংলাদেশ, ঢাকা।

*[Signature]*  
23.04.17  
শামীম আহমদ উজ্জল  
উপ-পরিচালক  
প্রাথমিক ও রাজস্ব অডিট অধিদপ্তর  
সেতুনবাগিচা, ঢাকা-১০০০