

# Audited Project Financial Statements

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Project No: 44213-016 and 44213-017  
Loan Number: 3047-BAN(COL) and 3320-BAN(COL)  
Period Covered: 1 July 2016 to 30 June 2017

## BAN: Secondary Education Sector Investment Program – Tranche 1 and Tranche 2

Prepared by Local and Revenue Audit Directorate

For the Asian Development Bank  
Received on 31 March 2017

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**Government of the People's Republic of Bangladesh**  
**Local & Revenue Audit Directorate**  
Audit Complex (4<sup>th</sup> & 5<sup>th</sup> floor)  
Segunbagicha, Dhaka-1000.

Memo no: 3313/las-02/ AIR/2016-2017/1229

Date: 25-04-2018

25 April 2018

~~MANMOHAN Parikash~~

Country Director  
Asian Development Bank  
Bangladesh Resident Mission  
Plot No E-31, Sher-e-Bangla Nagar  
Dhaka-1207, Bangladesh.

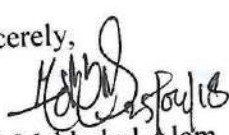


**Subject: Submission of Audit Report of Secondary Education Sector Investment Program (SESIP) for financial year 2016-2017.**

Dear Mr. Kazuhiko Higuchi

Please find attached the audit inspection report for your consideration and immediate action.

Sincerely,

  
Md. Mahbubul Alam  
Deputy Director  
LAS-Sector  
Phone: 8391269

Memo no: 3313/las-02/ AIR/2016-2017/1229

Date: 25-04-2018

For kind information & necessary action:

01. Secretary, Secondary and Higher Secondary Education Division, Ministry of Education, Dhaka.
02. Project Director, SESIP, Secondary and Higher Secondary Education Babon, Dhaka.

Md. Mahbubul Alam  
Deputy Director  
LAS-Sector  
Phone: 8391269





# **Audit Inspection Report**

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

Directorate of Secondary and Higher Secondary Education,  
Education Bhaban, Dhaka.

Audit year: 2017-18

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

## **Information Related to the Audit**

Audit Unit: Secondary Education Sector Investment Program (SESIP)

Audit Year: 2017-2018

Period of Audit: From 13/12/2017 to 28/02/2018

Executive Ministry: Ministry of Education

Implementing Agency: Directorate of Secondary and Higher Secondary Education

Funding organizations: ADB and GOB

Funding system: Treasury model

Source of finance: GOB-95.7%, ADB-2.9% and IDA-1.4%

Audit Mandate: As per Article 128 of the Constitution of Bangladesh


Types of Audit: Compliance Audit

Number of Audit teams: 02

# Report from the Auditor

Program Director  
Secondary Education Sector Investment Program (SESIP) and  
Director General  
DSHE  
Shikkha Bhaban, Dhaka

1. The compliance audit of 2017-18 financial year has been conducted on SESIP which is jointly financed by GOB and ADB and supervised by DSHE.
2. The audit has been completed in compliance with ISSAI guidelines. To complete the audit successfully, an audit team was sent to DSHE to collect information from 13-12-2017 to 14-12-2017. As per audit rules, the team asked for necessary documents including details of accounts. Though the audit team drew attention of the PD, the team was not provided with necessary documents. Subsequently, with the approval of Director General of LRAD, the audit teams conducted audit in different educational institutions from 15-12-2017 to 28-02-2018. The accounts signed by PD provided to the audit team was examined and found that the money was spent for MPO sectors under the code 5900. As a result, the PD should have provided information about the system of MPO inclusion, exclusion and payment. Besides, information related to concerned accounts or response of queries was not entertained from the PD. But the information about MPO from the beneficiaries of different institutions was given in due time. The field level audit in different divisions was completed by two teams. Due to inadequate information gathered, this audit will give limited assurance on the accounts.
3. Audit opinion: Due to lack of information about MPO inclusion, exclusion and payment method, the audit team cannot assure whether the money was spent in a transparent and accountable manner. But from the information gathered so far, the audit team has agreed to provide qualified opinion.

  
(Mir Mohammed Nasiruddin)  
Audit and Accounts officer  
Local and Revenue Audit Directorate  
Audit Complex (4th and 5<sup>th</sup> floor)  
Segunbagicha, Dhaka.

Secondary Education Sector Improvement Program (SESIP)  
Annual Financial Statement  
For Financial Year 2016-17

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ASIAN DEVELOPMENT BANK  
BANGLADESH RESIDENT MISSION

(Figure in Lakh)

Particulars	notos	As per IBAS generated report from CGA		Actual Expenditure		Un spent balance deposited in to treasury FY 2016-17
		FY 2016-2017 in BDT	FY 2016-2017 in USD	FY 2016-2017 in BDT	FY 2016-2017 in USD	
(a)	(b)	(c)	(d)	(e)	(f)	(g)=(c-f)
Sources of funds						
Government of Bangladesh**		1,400,514.80	17,376.11	1,398,868.19	17,355.68	
Asian Development Bank		47,933.16	594.70	47,933.16	594.70	
Other Development Partners		-	-	-	-	
<b>Total Receipts</b>		<b>1,448,447.96</b>	<b>17,970.82</b>	<b>1,446,801.35</b>	<b>17,950.39</b>	
Usages of funds						
<b>Non-Development Expenditures</b>						
4500 Pay of officers	1	50,234.43	623.26	50,234.43	623.26	-
4600 Pay of Establishment	2	8,803.58	109.23	8,803.58	109.23	-
4700 Allowances	3	39,251.88	487.00	39,251.88	487.00	-
4800 Supplies and services	4	18,096.65	224.52	18,096.65	224.52	-
4900 Repairs, Maintenance	5	13,938.00	172.93	13,938.00	172.93	-
5900 Grants in AID	6	1,245,506.32	15,452.93	1,245,506.32	15,452.93	-
6800 Capital Expenditure	7	2,562.37	31.79	2,562.37	31.79	-
7000 Civil Works	8	28,075.85	348.34	28,075.85	348.34	-
<b>Total of Non-Development Expenditures</b>		<b>1,406,469.08</b>	<b>17,449.99</b>	<b>1,406,469.08</b>	<b>17,449.99</b>	-
<b>Development Expenditures ***</b>						
Revenue Expenditure						
4500 Pay of officers	9	3,379.69	41.93	3,349.57	41.56	30.12
4600 Pay of Establishment	10	168.18	2.09	168.18	2.09	-
4700 Allowances	11	2,491.77	30.92	2,457.22	30.49	34.55
4800 Supplies and services	12	14,848.52	184.22	13,701.33	169.99	1,147.19
4900 Repairs & Maintenance	13	115.15	1.43	110.92	1.38	4.23
5900 Grants in AID	14	6,939.66	86.10	6,438.29	79.88	501.37
<b>Total Revenue Expenditures</b>		<b>27,942.97</b>	<b>346.69</b>	<b>26,225.51</b>	<b>325.38</b>	<b>1,717.46</b>
Capital Expenditure						
6800 Capital Expenditure	15	6,817.82	84.59	6,821.76	84.64	(3.94)
7000 Civil Works	16	7,218.09	89.55	7,285.00	90.38	(66.91)
<b>Sub total Capital Expenditures</b>		<b>14,035.91</b>	<b>174.14</b>	<b>14,106.76</b>	<b>175.02</b>	<b>(70.85)</b>
<b>Total Development Expenditures</b>		<b>41,978.88</b>	<b>520.83</b>	<b>40,332.27</b>	<b>500.40</b>	<b>1,646.61</b>
<b>Grand total of Non-Development and Development Expenditures</b>		<b>1,448,447.96</b>	<b>17,970.82</b>	<b>1,446,801.35</b>	<b>17,950.39</b>	<b>1,646.61</b>
<b>Grand total of Expenditures in \$</b>		<b>17,970.82</b>		<b>17,950.39</b>		<b>20.43</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 80.60 as of 30 June 2017 at Bangladesh Bank

25.05.18  
Moheuddin Ahmed (018002)  
Assistant Director  
Finance and Procurement Wing  
Directorate of Secondary & Higher Education  
Bangladesh, Dhaka.

M. Kabir Hossain  
Deputy Director  
Local and Revenue Audit Directorate  
Segunbagicha, Dhaka-1000

Secondary Education Sector Investment Program  
INTERIM FINANCIAL REPORT (IFR)  
For the Financial Year 2016-17

Explanatory notes to the statement of sources and uses of Fund as of 30 June 2017

(Amount in lakh)

Economic code	Functional code	Description	As per iBAS generated report from CGA		Actual Expenditure		Unspent balance deposited into treasury FY 2016-17
			FY 2016-17 in BDT	FY 2016-17 in USD	FY 2016-17 in BDT	FY 2016-17 in USD	
A. Non-Development expenditure							
Note 1:							
4500		Pay of officers					
	2501	Secretariat MOE	630.39	7.82	630.39	7.82	-
	2531	Directorate of secondary and higher education	9,935.57	123.27	9,935.57	123.27	-
	2534	Upazilla secondary education office	2,096.53	26.01	2,096.53	26.01	-
	2535	Teacher training College	2,300.01	28.54	2,300.01	28.54	-
	2536	Govt. Secondary school	31,537.74	391.29	31,537.74	391.29	-
	2538	Government Madrasah	446.98	5.55	446.98	5.55	-
	2542	Bangladesh Madrasah Teachers Institute	128.91	1.60	128.91	1.60	-
	2571	Education Engineering Department	2,876.85	35.69	2,876.85	35.69	-
	2573	Directorate of Inspection & Audit	164.22	2.04	164.22	2.04	-
	2579	Bureau of Educational Information & statistics	117.23	1.45	117.23	1.45	-
		Sub-total	50,234.43	623.26	50,234.43	623.26	-
Note 2:							
4600		Pay of Estblishment					
	2501	Secretariat MOE	149.03	1.85	149.03	1.85	-
	2531	Directorate of secondary and higher education	1,359.20	16.86	1,359.20	16.86	-
	2534	Upazilla secondary education office	2,680.67	33.26	2,680.67	33.26	-
	2535	Teacher training College	693.50	8.60	693.50	8.60	-
	2536	Govt. Secondary school	2,663.69	33.05	2,663.69	33.05	-
	2538	Government Madrasah	81.83	1.02	81.83	1.02	-
	2542	Bangladesh Madrasah Teachers Institute	26.13	0.32	26.13	0.32	-
	2571	Education Engineering Department	817.07	10.14	817.07	10.14	-
	2573	Directorate of Inspection & Audit	114.33	1.42	114.33	1.42	-
	2579	Bureau of Educational Information & statistics	218.13	2.71	218.13	2.71	-
		Sub-total	8,803.58	109.23	8,803.58	109.23	-
Note 3:							
4700		Allowances					
	2501	Secretariat MOE	476.23	5.91	476.23	5.91	-
	2531	Directorate of secondary and higher education	7,784.91	96.59	7,784.91	96.59	-
	2534	Upazilla secondary education office	3,586.17	44.49	3,586.17	44.49	-
	2535	Teacher training College	1,880.44	23.33	1,880.44	23.33	-
	2536	Govt. Secondary school	22,526.56	279.49	22,526.56	279.49	-
	2538	Government Madrasah	343.47	4.26	343.47	4.26	-
	2542	Bangladesh Madrasah Teachers Institute	121.87	1.51	121.87	1.51	-
	2571	Education Engineering Department	2,117.61	26.27	2,117.61	26.27	-
	2573	Directorate of Inspection & Audit	174.90	2.17	174.90	2.17	-
	2579	Bureau of Educational Information & statistics	239.72	2.97	239.72	2.97	-
		Sub-total	39,251.88	487.00	39,251.88	487.00	-
Note 4:							
4800		Supplies & services					
	2501	Secretariat MOE	5,301.52	65.78	5,301.52	65.78	-
	2531	Directorate of secondary and higher education	6,935.21	86.04	6,935.21	86.04	-

25.09.18  
Moheuddin Ahmed (018002)  
Assistant Director  
Finance and Procurement Wing  
Directorate of Secondary & Higher Education  
Bangladesh, Dhaka.

M. Kabir Hossain  
Deputy Director  
Local and Revenue Audit Directorate  
Dhaka-1000

Economic code	Functional code	Description	As per iBAS generated report from CGA		Actual Expenditure		Unspent balance deposited into treasury FY 2016-17
			FY 2016-17 in BDT	FY 2016-17 in USD	FY 2016-17 in BDT	FY 2016-17 in USD	
	2534	Upazilla secondary education office	767.30	9.52	767.30	9.52	-
	2535	Teacher training College	378.32	4.69	378.32	4.69	-
	2536	Govt . Secondary school	1,806.77	22.42	1,806.77	22.42	-
	2538	Government Madrasha	56.69	0.70	56.69	0.70	-
	2542	Bangladesh Madrasha Teachers Institutue	166.46	2.07	166.46	2.07	-
	2571	Education Engineering Department	1,900.61	23.58	1,900.61	23.58	-
	2573	Directorate of Inspection & Audit	83.68	1.04	83.68	1.04	-
	2579	Bureau of Educational Information & statistics	700.09	8.69	700.09	8.69	-
		Sub-total	18,096.65	224.52	18,096.65	224.52	-
Note 5							
	4900	Repairs & Maintence & Rehabilitation					
	2501	Secretariat MOE	17.06	0.21	17.06	0.21	-
	2531	Directorate of secondary and hihger education	114.58	1.42	114.58	1.42	-
	2534	Upazilla secondary education office	126.07	1.56	126.07	1.56	-
	2535	Teacher training College	15.83	0.20	15.83	0.20	-
	2536	Govt . Secondary school	129.40	1.61	129.40	1.61	-
	2538	Government Madrasha	-	-	-	-	-
	2542	Bangladesh Madrasha Teachers Institutue	3.49	0.04	3.49	0.04	-
	2571	Education Engineering Department	13,471.64	167.14	13,471.64	167.14	-
	2573	Directorate of Inspection & Audit	12.22	0.15	12.22	0.15	-
	2579	Bureau of Educational Information & statistics	47.71	0.59	47.71	0.59	-
		Sub-total	13,938.00	172.93	13,938.00	172.93	-
Note 6							
	5900	Grants in Aid					
	2505	Autonomous Bodies & other Institutions	72,717.84	902.21	72,717.84	902.21	-
	2531	Directorate of secondary & Higher Education	17,051.99	211.56	17,051.99	211.56	-
	2540	Non Govt . Educational Institute	1,149,965.06	14,267.56	1,149,965.06	14,267.56	-
	2571	Education Engineering Department	5,771.43	71.61	5,771.43	71.61	-
		Sub-total	1,245,506.32	15,453	1,245,506.32	15,453	-
Note 7							
	6800	Acquisition of Assets					
	2501	Secretariat MOE	268.59	3.33	268.59	3.33	-
	2531	Directorate of secondary and hihger education	66.20	0.82	66.20	0.82	-
	2534	Upazilla secondary education office	115.86	1.44	115.86	1.44	-
	2535	Teacher training College	27.70	0.34	27.70	0.34	-
	2536	Govt . Secondary school	585.70	7.27	585.70	7.27	-
	2538	Government Madrasha	11.64	0.14	11.64	0.14	-
	2542	Bangladesh Madrasha Teachers Institutue	2.99	0.04	2.99	0.04	-
	2571	Education Engineering Department	1,390.95	17.26	1,390.95	17.26	-
	2573	Directorate of Inspection & Audit	24.19	0.30	24.19	0.30	-
	2579	Bureau of Educational Information & statistics	68.55	0.85	68.55	0.85	-
		Sub-total	2,562.37	31.79	2,562.37	31.79	-
Note 8							
	7000	Construction & Works					
	2571	Education Engineering Department	28,075.85	348.34	28,075.85	348.34	-
		Sub-total	28,075.85	348.34	28,075.85	348.34	-
		Total Non Dev Expenditure	1,406,469.08	17,449.99	1,406,469.08	17,449.99	-
B. Development Expenditur (SESIP 5026)							
Revenue Expenditure( Development Budget)							
Note 9							
	4500	Pay officers					
	2531	Directorate of Secondary and Higher Education	3379.69	41.93	3,349.57	41.56	30.12

Economic code	Functional code	Description	As per iBAS generated report from CGA		Actual Expenditure		Unspent balance deposited into treasury FY 2016-17
			FY 2016-17 in BDT	FY 2016-17 in USD	FY 2016-17 in BDT	FY 2016-17 in USD	
		Sub-total	3379.69	41.93	3,349.57	41.56	30.12
Note10							
4600		Pay of Establishment					
	2531	Directorate of Secondary and Higher Education	168.18	2.09	168.18	2.09	-
		Sub-total	168.18	2.09	168.18	2.09	-
Note 11							
4700		Allowance					
	2531	Directorate of Secondary and Higher Education	2491.77	30.92	2,457.22	30.49	34.55
		Sub-total	2491.77	30.92	2,457.22	30.49	34.55
Note12							
4800		Supplies & services					
	2531	Directorate of secondary and higher education	14848.52	184.22	13,701.33	169.99	1,147.19
		Sub-total	14848.52	184.22	13,701.33	169.99	1,147.19
Note13							
4900		Repair & Maintenance					
	2531	Directorate of Secondary and Higher Education	115.15	1.43	110.92	1.38	4.23
		Sub-total	115.15	1.43	110.92	1.38	4.23
Note 14							
5900		Grants in Aid					
	2531	Directorate of Secondary and Higher Education	6939.66	86.10	6,438.29	79.88	501.37
		Sub-total	6939.66	86.10	6,438.29	79.88	501.37
Note 15							
6800		Acquisition of Assets					
	2531	Directorate of Secondary and Higher Education	6817.82	84.59	6,821.76	84.64	(3.94)
		Sub-total	6817.82	84.59	6,821.76	84.64	(3.94)
Note 16							
7000		Construction & Works					
	2531	Directorate of Secondary and Higher Education	7218.09	89.55	7,285.00	90.38	(66.91)
		Sub-total	7218.09	89.55	7,285.00	90.38	(66.91)
		Total Dev. Expenditures	41978.88	520.83	40,332.27	500.40	1,646.61
		Grand total of Dev & Non Dev Expenditure (A+B)	1,448,447.96	17,970.82	1,446,801.35	17,950.39	1,646.61

25.02.18  
 Moheuddin Ahmed (018002)  
 Assistant Director  
 Finance and Procurement Wing  
 Directorate of Secondary & Higher Education  
 Bangladesh, Dhaka

Mohammed Kabir Hossain  
 Deputy Director  
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