

# Audited Project Financial Statements

---

Project No.: 44213-016  
Loan Number: 3047-BAN(COL)  
Period Covered: 1 July 2017 to 30 June 2018

## BAN: Secondary Education Sector Investment Program (Tranche 1)

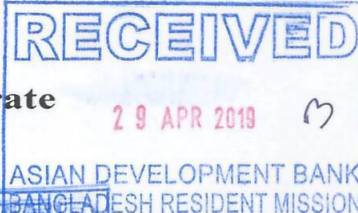
Prepared by Ministry of Education

For the Asian Development Bank  
Received on 31 March 2019

The audited project financial statements are document 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 Access to Information Policy and as agreed between ADB and the Ministry of Education.

**Foreign-Aided Projects Audit Directorate**

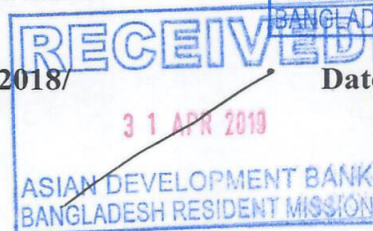
Audit Complex (6<sup>th</sup> & 11<sup>th</sup> Floor)  
Segunbagicha, Dhaka.



NO: 492 /FAPAD/S-3/SESIP/ADB-BAN-44213/2017-2018/

Date: 31-03-2019.

The Secretary  
Ministry of Education  
Bangladesh Secretariat, Dhaka.



**Sub: Audit Inspection Report on the Accounts of “Secondary Education Sector Investment Program (SESIP)” Financed Under ADB Loan No. 3047-BAN (SF)& 3320-BAN (SF) for the year 2017-2018**

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.

**Enclosure:**

1. Auditor’s Report
2. Financial Statement & Notes
3. Management Letter

SH -  
(Nazma parvin)  
Deputy Director  
For Director General  
Foreign Aided Projects Audit Directorate  
Tel: 9331545.

NO: 492 /FAPAD/S-3/SESIP/ADB-BAN-44213/2017-2018/ 64

Date: 31-03-2019.

Copy for information and necessary action to: -

1. Secretary, Economic Relations Division, 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. Program Director, “Secondary Education Sector Investment Program (SESIP)”, Shikkha Bhaban, Dhaka,

- 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) Reply of the observation in part-A should be sent through Ministry concerned and part-B directly to FAPAD.



Handwritten: 31.3.2019  
(Nazma parvin)  
Deputy Director  
For Director General  
Foreign Aided Projects Audit Directorate  
Tel: 9331545.

# Audit Inspection Report

On

the accounts of  
***“Secondary Education Sector Investment Program (SESIP)”***  
financed under ADB Loan No. 3047-BAN (SF) & 3320-BAN (SF)  
for the year 2017-2018.

## PART-I

Executive Summary  
&  
Audit Findings

Foreign Aided Projects Audit Directorate  
Segunbagicha, Dhaka.



## INFORMATION REGARDING AUDIT

<input type="checkbox"/> Name of the audit unit	:	<i>Secondary Education Sector Investment Program (SESIP).</i>
<input type="checkbox"/> Nature of Audit	:	Financial Audit.
<input type="checkbox"/> Audit Years	:	2017-2018
<input type="checkbox"/> Duration of Audit	:	04-02-2019 to 14-03-2019
<input type="checkbox"/> Audit Team	:	<b>Team No-16</b> ✓ Md. Noman Mahmud, Audit & Accounts Officer ✓ Md. Karimul Mostafa, Auditor <b>Team No-17</b> ✓ Nitai Kumar Biswas, Audit & Accounts Officer ✓ Mr. Md. Iqbal Hossain, Auditor <b>Team No-18</b> ✓ Mr. Md. Mansur Ali, Audit & Accounts Officer ✓ Mr. Md. Enamul Haque, Auditor <b>Team No.-19</b> ✓ Mr. Sattya Gopal saha, Audit & Accounts Officer. ✓ Mr. Md. Golam Kibria, Auditor. <b>Team No-20</b> ✓ Mr. Rafiqul Islam, Audit & Accounts Officer ✓ Mr. Abdus Sattar, Auditor. <b>Team No-21</b> ✓ Mr. Shah Md. Mohsin Reza, Audit & Accounts Officer ✓ Md. Ashiqul Islam, Auditor
<input type="checkbox"/> Audit Methodology	:	<input type="checkbox"/> Test check of vouchers. <input type="checkbox"/> Verification of FS.
<input type="checkbox"/> Scope of Audit	:	❖ Certification of Annual Financial Statement. ❖ Audit was conducted following International Standard on Auditing 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 Program authority. ❖ Review of Financial Management, Internal Control Systems.
<input type="checkbox"/> Program Duration	:	04 years and 6 months (from July,2013 to December, 2017).
<input type="checkbox"/> Commencement	:	July'2013.
<input type="checkbox"/> Completion	:	December, 2019 (Revised).

<input type="checkbox"/> <b>Total estimated cost</b>	:	Tk. 382692.47 Lakh ( GOB: Tk. 168192.47 Lakh, PA: Tk. 214500.00 Lakh) .
<input type="checkbox"/> <b>Expenditure of the audited year</b>	:	62895.51 Lakh (as per FS).
<input type="checkbox"/> <b>Executing Ministry</b>	:	Ministry of Education.
<input type="checkbox"/> <b>Implementing Agency</b>	:	Directorate of Secondary and Higher Education (DSHE)
<input type="checkbox"/> <b>Funding Agencies</b>	:	ADB and GOB.
<input type="checkbox"/> <b>Funding System</b>	:	DSHE follow the regular government system for budget execution and payment made through the CGA system. Fund was released by Ministry of Education. Afterwards Program Director reallocated the GOB fund for his own office and the concerned offices. Later on the fund was drawn by concerned offices through submission of bills to Chief Accounts Office (CAO) Ministry of Education, DCA, DAOs and UAOs .
<input type="checkbox"/> <b>Program objectives</b>	:	<p>The specific objectives of the project are:</p> <ul style="list-style-type: none"> <li>a) To provide support to enhance quality and relevance of secondary education through reviewing the quality and relevance of secondary level curriculum ;</li> <li>b) To support activity based science teaching and teachers training ;</li> <li>c) To provide relevant teaching-learning materials and science equipment to schools and madrasahs;</li> <li>d) To organize e-learning media campaign to popularize science subject at secondary level;</li> <li>e) To improve assessment and examination system based on pedagogy and taxonomy of learning;</li> <li>f) To facilitate enhanced use of ICT for pedagogy and establishment of school information Hub in selected institutions;</li> <li>g) To increase equitable access &amp; retention and reduction of dropout rate;</li> <li>h) To support pro-poor through providing stipends and harmonize the stipend programs;</li> <li>i) To strengthen education management and governance through decentralization;</li> <li>j) To increase capacity of teachers on life skill based education;</li> <li>k) To strengthen the EMIS;</li> <li>l) To support capacity building of DSHE. .</li> </ul>



## AUDITOR'S REPORT

*Audit Completion date: 14.03.2019*

### **The Secretary**

Ministry of Education  
Bangladesh Secretariat, Dhaka.

We have audited the accompanying financial statements of the “Secondary Education Sector Investment Program (SESIP)” for the year ended 30 June 2018. iBAS generated Expenditure Statement and Books of accounts of the program comprise of the sources and uses of funds, Notes to the Expenditure by activity of budget Vs. Actual and related explanatory notes for the year ended 30 June 2018.

Program management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policy framework as described in the financial statements as followed by the Government of Bangladesh on a cash basis accounting, 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Government Auditing standards adopted by the Office of the Comptroller and Auditor General Bangladesh which are based on Auditing Standards issued by International Organization of Supreme Audit Institutions (INTOSAI). 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's presentation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the

consolidated financial statements. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The result our audit disclosed the following material aspects which affected the financial statement.

- a) Discrepancy of Tk. 2283.00 lakh was found between financial statement (actual expenditure statements prepared by SPSU) and IFR (generated from iBAS) (detailed in para-01-I)
- b) ADB fund was not reflected in the Project Financial Statement.

In our opinion, except stated on the preceding paragraph the financial statements present true and fairly, in all material respects, the financial position of Statements of the “Secondary Education Sector Investment Program (SESIP)” as of June 30, 2018 and of its receipts and payments, budgeted allocations and cash flows for the year then ended in accordance with Cash Basis Accounting Standards followed by the Government of Bangladesh.

Opinion Status: **Qualified.**

*Nazma Parvin*  
31.3.2019  
(Nazma Parvin)  
Deputy Director  
For Director General  
Foreign Aided-Project Audit Directorate  
Phone: 9331545.



GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH  
SECONDARY EDUCATION SECTOR INVESTMENT PROGRAM  
ADB LOAN NO: 3047 & 3320 -BAN(COL)

**FINANCIAL STATEMENT (FY 2017-2018)**

30-Jun-2018

(In lac Taka)

<b>(A) TOTAL RESOURCES:</b>								
SL NO.	RESOURCES	Code No.	NOTES	Total Budget (As per RDPP)	CUMULATIVE ACTUAL PRIOR PERIOD ( UP TO 30TH JUNE 2017)	ACTUAL EXPENDITURE CURRENT PERIOD (FY 2017-2018)	CUMULATIVE ACTUAL ( CURRENT PERIOD UP TO 30TH JUNE 2018 )	UNSPENT BALANCE AS ON 30TH JUNE 2017
1	Government of Bangladesh (GOB)		1	382,692.47	86,176.95	62,895.51	149,072.46	233,620.01
2	RPA through (GOB)		2		-	-	-	-
3	Loan from lender/donor (RPA)		3		-	-	-	-
4	Loan from lender/donor (DPA)		3		-	-	-	-
5	Bank Interest Gain		3		-	-	-	-
6	Refund from Stipend		3		-	-	-	-
7	Others Resources		2		-	-	-	-
8	Refund from Field/Other Resource		3		-	-	-	-
9	Sale proceeds/Revenue Received		4		-	-	-	-
10	Cash, Opening balance (IMPREST)		5		-	-	-	-
11	Cash, Opening balance (RPA)		5		-	-	-	-
12	Cash, Opening balance (GOB)		5		-	-	-	-
<b>(A) Total Resources:</b>				<b>382,692.47</b>	<b>86,176.95</b>	<b>62,895.51</b>	<b>149,072.46</b>	<b>233,620.01</b>
<b>(B) TOTAL EXPENDITURE:</b>								
<b>(I) REVENUE EXPENDITURES:</b>								
1	Salary Officer	4500		14383.92	6,579.42	3,412.04	9,991.46	4,392.46
2	Salary Staff	4600		861.10	318.28	159.20	477.48	383.62
3	Allowances	4700		9866.80	4,443.16	2,458.93	6,902.09	2,964.71
4	Incremental Recurrent Cost			1393.75	-	-	-	1,393.75
5	Travelling Allowance	4801		2316.11	1,207.16	572.59	1,779.75	536.36
6	Rent Office	4806		1440.00	6.37	6.87	13.24	1,426.76
7	Out Sourcing Staff	4899		861.50	464.55	325.66	790.21	71.29
8	Postage	4815		426.00	-	-	-	426.00
9	Telephone	4816		446.40	33.94	9.11	43.05	403.35
10	Gas	4822		81.60	40.28	40.02	80.30	1.30
11	Fuel	4823		690.10	269.82	209.36	479.18	210.92
12	Bank Comission/Charge	4826		648.75	320.19	55.75	375.94	272.81
13	Office Stationery	4828		1273.00	151.84	63.92	215.76	1,057.24
14	Advertisement	4833		98.00	68.04	18.85	86.89	11.11
15	Entertainment	4845		47.00	22.48	14.67	37.15	9.85
16	Honorarium	4883		96.00	56.52	21.51	78.03	17.97
17	Internet/Broad Brand	4817		2960.55	32.31	36.11	68.42	2,892.13
18	Others	4899		1798.00	1,089.69	532.45	1,622.14	175.86
19	Workshop, Seminar and Meetings	4842		2702.84	426.14	137.21	563.35	2,139.49
20	Education and Tarning Materials	4831		5696.18	1,816.20	644.47	2,460.67	3,235.51
21	Studies and Sub-Contract	4829		7389.54	256.24	459.04	715.28	6,674.26
22	Training ( Overseas)	4840		10485.30	1,450.52	2,882.13	4,332.65	6,152.65
23	Training ( Local)	4840		75289.11	21,807.49	16,569.09	38,376.58	36,912.53
24	Research expenses	4829		25.00	-	-	-	25.00
25	Consultant ( International)	4874		3694.60	2,010.82	810.31	2,821.13	873.47
26	Consultant ( National)	4874		2256.83	1,528.92	665.01	2,193.93	62.90
27	Vehicles repiar	4901		198.60	113.64	69.43	183.07	15.53
28	Computer and Officer equipment repiar	4911		275.00	98.00	45.15	143.15	131.85
29	Office equipment repiar	4916		244.00	-	-	-	244.00
30	Others equipment repiar	4999		618.00	-	-	-	618.00
31	Interest on foreign debt	5921		4326.00	-	-	-	4,326.00
32	Teachers/Staff Salary	5903		13537.50	2,992.93	1,110.87	4,103.80	9,433.70
33	Stipend	5963		25964.67	16,958.40	5,623.00	22,581.40	3,383.27
34	Reading Habit Development	5919		240.00	-	-	-	240.00

Verified  
31-3-19  
Md. Noman Mahmud  
Joint Program Director  
Secondary Education Sector  
Investment Program (SESIP)  
DSHE, Ministry of Education

31-3-19  
My Doc. ISESIPAudit 2006-2007(1)  
MD. ABU SAYED SK  
(Additional Secretary)  
Joint Program Director  
Secondary Education Sector  
Investment Program (SESIP)  
DSHE, Ministry of Education



GOVERNMENT OF PEOPLES' REPUBLIC OF BANGLADESH  
SECONDARY EDUCATION SECTOR INVESTMENT PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
30TH JUNE'2018



**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 Program for each year of the project. Any allocated funds that have not been expended by the end of a FY lapse and must returned to GOB. GOB Contributions to the project since inception are as follows (in lac taka).

(Figure in Lac TK.)

	Inception to 30th Jun-18	For the Year 2017-2018	Inception to 30th Jun-18
Disbursement by GOB	102,901.00	75,620.15	178,521.15
Refund to GOB	16,724.05	12,724.64	29,448.69
<b>Total:</b>	<b>86,176.95</b>	<b>62,895.51</b>	<b>149,072.46</b>

**2. GOVERNMENT OF BANGLADESH:**

Funds are allocated by the Government of Bangladesh to cover GOB's ( RPA through GOB) Share of eligible project expenditures as specified in the project proforma and in the Annual Development Program for each year of the project. Any allocated funds that have not been expended by the end of a FY lapse and must returned to GOB. RPA Through GOB Contributions to the project since inception are as follows (in lac taka).

(Figure in Lac TK.)

	Inception to 30th Jun-18	For the Year 2017-2018	Inception to 30th Jun-18
Disbursement by GOB	-	-	-
Refund to GOB	-	-	-
<b>Total:</b>	<b>-</b>	<b>-</b>	<b>-</b>

**3. LOAN FROM DONOR:**

ADB has provided funds to the Secondary Education Sector Development Project Financed Under ADB LOAN NO: 3047 & 3320 -BAN(COL) to cover it's Share of eligible project Expenditures. This fund, which must be repaid to ADB after the conclusion of the project. Have been drawn by the project in accordance with the following withdrawal procedures (in lac taka).

	Inception to 30th Jun-18	For the Year 2017-2018	Inception to 30th Jun-18
Initial Deposit (Advance)	-	-	-
DPA (Direct Payment)	-	-	-
RPA (SOE Procedure)	-	-	-
RPA (Non SOE Procedure)	-	-	-
Refund from Stipend	-	-	-
Others	-	-	-
<b>Total:</b>	<b>-</b>	<b>-</b>	<b>-</b>

**4. OTHER RESOURCES:**

Other resources consist of the following.

	Inception to 30th Jun-18	For the Year 2017-2018	Inception to 30th Jun-18
Sale proceeds/revenue received	-	-	-
Project revenues	-	-	-
Exchange gains/losses	-	-	-
Bank Interest gain	-	-	-
<b>Total:</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note : Deposite to Government Account.

**5. CASH:**

The Program maintained two bank accounts: (a) a current account No: 0200002758024, which is kept Agrani Bank, National Press club Branch, Dhaka, (b) Special account(Stipend) STD A/c No:0200002758028 , Agrani Bank, National Press club branch, Dhaka, Bangladesh.

	Inception to 30th Jun-18	For the Year 2017-2018	Inception to 30th Jun-18
Imprest A/C (DOSA)	-	-	-
Opening Balance (STD A/C)	-	-	-
Opening Balance (Stipend A/C)	-	-	-
Opening Balance (Curr. A/C)	-	-	-
<b>Total:</b>	<b>-</b>	<b>-</b>	<b>-</b>

( Md. Abu Sayed SK)

JOINT PROGRAM DIRECTOR (Additional Secretary)