

# Audited Project Financial Statements

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Project No.: 44213-016  
Loan Number: 3047-BAN(COL)  
Period Covered: 1 July 2018 to 30 June 2019

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

Prepared by Ministry of Education

For the Asian Development Bank  
Received on 27 August 2020

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**Office of the Director General  
Foreign-Aided Projects Audit Directorate**

Audit Complex (6<sup>th</sup> & 11<sup>th</sup> Floor)

Segunbagicha, Dhaka.

**NO: 513/FAPAD/S-3/SESIP/ADB-BAN-44213/2018-2019/ 212**

**Date: 25-08-2020.**

The Secretary  
Secondary & Higher Education Division  
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 2018-2019**

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 & Notes
3. Management Letter

*Sd/-*  
(Nazma parvin)

Deputy Director

For Director General

Foreign Aided Projects Audit Directorate

Tel: 48310545.

**NO: 513/FAPAD/S-3/SESIP/ADB-BAN-44213/2018-2019/ 212**

**Date: 25-07-2020.**

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.

4. Office Copy.

*Nazma*  
(Nazma parvin)

Deputy Director

For Director General

Foreign Aided Projects Audit Directorate

Tel: 48310545.

# 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 2018-2019.

## PART-I

Executive Summary  
&  
Audit Findings

Foreign Aided Projects Audit Directorate  
Segunbagicha, Dhaka.



### INFORMATION REGARDING AUDIT

<input type="checkbox"/> Name of the audit unit	:	Secondary Education Sector Investment Program (SESIP).
<input type="checkbox"/> Project Number	:	224012100
<input type="checkbox"/> Loan Agreement Number	:	3047 BAN- (SF) & 3302 BAN- (SF)
<input type="checkbox"/> Development Partner	:	ADB
<input type="checkbox"/> Nature of Audit	:	Financial Audit.
<input type="checkbox"/> Audit Years	:	2018-2019
<input type="checkbox"/> Duration of Audit	:	27-02-2020 to 22-03-2020
<input type="checkbox"/> Audit Team	:	<b>Team No-09</b> ✓ Md. Humaywn Kabir, Audit & Accounts Officer ✓ Shibly Rayhan, Auditor <b>Team No-10</b> ✓ Mohammed Anower Hossain, Audit & Accounts Officer ✓ Mr. Md. Saiful Islam, Auditor <b>Team No-11</b> ✓ Mr. Satta Gopal Saha, Audit & Accounts Officer ✓ Mr. Md. Nuruzzaman, SAS Super <b>Team No.-12</b> ✓ Faruk Ahamed, Audit & Accounts Officer. ✓ Md. Mizanur Rahman, SAS Super <b>Team No-24</b> ✓ Md. MujiburRahman, Audit & Accounts Officer ✓ Mr. Md. Harun, SAS Super
<input type="checkbox"/> Name of the PD & Location of PD office	:	Md. Abu Sayed Sk Directorate of Secondary and Higher Education, Shikkha Bhaban, Abdul Goni Road, Dhaka.
<input type="checkbox"/> Contract No	:	Phone: 029553542
<input type="checkbox"/> Name & Contact No. of Joint Program Director	:	Md. Abu Sayed Sk Ph-029553712, <a href="mailto:email-jpd.sesip@gmail.com">email-jpd.sesip@gmail.com</a>
<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.



□ <b>Program Duration</b>	:	04 years and 6 months (from July, 2013 to December, 2017).
□ <b>Program Duration (Revised)</b>	:	07 years and 6 months (from July, 2013 to December, 2020).
□ <b>Commencement</b>	:	July 2013.
□ <b>Present Status</b>	:	6 <sup>th</sup> year
□ <b>Completion</b>	:	December, 2020 (Revised).
□ <b>Total estimated cost</b>	:	Tk. 382692.47 Lakh ( GOB: Tk. 168192.47 Lakh, PA: Tk. 214500.00 Lakh).
□ <b>Expenditure of the audited year</b>	:	73421.83Lakh (as per FS).
□ <b>Executing Ministry</b>	:	Ministry of Education.
□ <b>Implementing Agency</b>	:	Directorate of Secondary and Higher Education (DSHE)
□ <b>Funding Agencies</b>	:	ADB and GOB.
□ <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 and Finance Office (CA&FO) Ministry of Education, CA&FO, DA&FOs and UA&FOs.
□ <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: 22-03-2020

### **The Secretary**

Secondary & Higher Education Division  
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 2019 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 2019.

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 of 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 reasonable basis for our audit opinion.

In our opinion, the financial statements present true and fairly, in all material aspects, the financial position of Statements of the "Secondary Education Sector Investment Program (SESIP)" as of June 30, 2019 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: **Unqualified.**

*Nazma*  
25/08/2020

(Nazma Parvin)  
Deputy Director  
For Director General  
Foreign Aided-Project Audit Directorate  
Phone: 48310545.



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

FINANCIAL STATEMENT (FY 2018-2019)

30-Jun-2019

(A) TOTAL RESOURCES:								(In lac Taka)
SL NO.	RESOURCES	Code No.	NOTES	Total Budget (As per RDPP)	CUMULATIVE ACTUAL PRIOR PERIOD (UP TO 30TH JUNE 2018)	ACTUAL EXPENDITURE CURRENT PERIOD (FY 2018-2019)	CUMULATIVE ACTUAL (CURRENT PERIOD UP TO 30TH JUNE 2019)	UNSPENT BALANCE AS ON 30TH JUNE 2019
1	Government of Bangladesh (GOB)		1	382,692.47	149,072.46	73,421.83	222,494.29	160,198.20
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		-	-	-	-
(A) Total Resources:				382,692.47	149,072.46	73,421.83	222,494.29	160,198.20
(B) TOTAL EXPENDITURE:								-
(I) REVENUE EXPENDITURES:								-
1	Salary Officer	3111101		16000	9,991.46	3,283.99	13,275.45	2,724.55
2	Salary Staff	3111201		996.79	477.48	137.25	614.73	382.06
3	Allowances	3111300		11500.00	6,902.09	2,386.03	9,288.12	2,211.88
4	Incremental Recurrent Cost			0.00	-	-	-	-
5	Travelling Allowance	3244101		3646.00	1,779.75	633.80	2,413.55	1,232.45
6	Rent Office	3211129		48.41	13.24	9.30	22.54	25.87
7	Out Sourcing Staff	3211104		2324.98	790.21	348.89	1,139.10	1,185.88
8	Postage	3211119		12.50	-	-	-	12.50
9	Telephone	3211120		111.27	43.05	9.23	52.28	58.99
10	Gas	3243102		189.96	80.30	50.91	131.21	58.75
11	Fuel	3243101		945.12	479.18	231.42	710.60	234.52
12	Bank Comission/Charge	3221110		799.99	375.94	56.81	432.75	367.24
13	Office Stationery	3255105		337.00	215.76	93.81	309.57	27.43
14	Advertisement	3211125		145.50	86.89	12.42	99.31	46.19
15	Entertainment	3211106		76.89	37.15	12.54	49.69	27.20
16	Honorarium	3257206		163.36	78.03	43.86	121.89	41.47
17	Internet/Broad Brand	3211117		1032.36	68.42	107.39	175.81	856.55
18	Others	3256101		1040.57	785.34	8.30	793.64	246.93
19	Workshop, Seminar and Meetings	3211111		1218.21	563.35	217.87	781.22	436.99
20	Education and Tarining Materials	3211127		4580.33	2,460.67	881.88	3,342.55	1,237.78
21	Studies and Sub-Contract	3257103		2803.74	715.28	502.97	1,218.25	1,585.49
22	Training ( Overseas)	3231301		12040.30	4,332.65	4,192.99	8,525.64	3,514.66
23	Training ( Local)	3231301		71793.71	38,376.58	10,727.78	49,104.36	22,689.35
24	Registration Fee	3221104		150.00	-	-	-	150.00
25	Electricity	3211113		10.00	-	-	-	10.00
26	Wages to non govt. employee	3211109		9500.00	-	-	-	9,500.00
27	Research expenses	3257103		100.00	-	-	-	100.00
28	Consultant ( International)	3257101		5407.55	2,821.13	1,080.76	3,901.89	1,505.66
29	Consultant ( National)	3257101		3182.04	2,193.93	137.19	2,331.12	850.92
30	Vehicles repiar	3258101		346.60	183.07	68.36	251.43	95.17
31	Computer and Officer equipment repiar	3258103		323.06	143.15	76.83	219.98	103.08
32	Office equipment repiar	3258105		96.17	-	-	-	96.17
33	Others equipment repiar	0		0.00	-	-	-	-
34	Interest on foreign debt	0		0.00	-	-	-	-
35	Teachers/Staff Salary	3631101		14066.49	4,103.80	2,099.58	6,203.38	7,863.11
36	Stipend	3821117		31702.38	22,581.40	5,942.72	28,524.12	3,178.26

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MD. ABU SAYED SK  
(Additional Secretary)  
Joint Program Director  
Secondary Education Sector  
Investment Program (SESIP)  
WSE, Ministry of Education



SL NO.	RESOURCES	Code No.	NOTES	Total Budget (As per RDPP)	CUMULATIVE ACTUAL PRIOR PERIOD ( UP TO 30TH JUNE 2018)	ACTUAL EXPENDITURE CURRENT PERIOD (FY 2018-2019)	CUMULATIVE ACTUAL ( CURRENT PERIOD UP TO 30TH JUNE 2019 )	UNSPENT BALANCE AS ON 30TH JUNE 2019
37	Reading Habit Development	0		0.00	-	-	-	-
38	Block Allocation for contingenc, price escalation and others under revenue expenditure.	6600		1910.44	-	-	-	1,910.44
39	VAT			1694.76	398.79	106.83	505.62	1,189.14
40	Income Tax			684.30	438.01	128.27	566.28	118.02
41	General Printing			50.00	-	10.25	10.25	39.75
42	Bank Interest diposited				-	-	-	-
Sub -Total:				201,030.76	101,516.10	33,600.23	135,116.33	65,914.45
(II) CAPITAL EXPENDIURES:								
43	Vehicles	4112101		2723.16	2,163.80	-	2,163.80	559.36
44	Computer and Software, Pheripherals	4113301		1000.00	-	738.79	738.79	261.21
45	Computer and Office Equipment	4112202		18478.89	15,726.61	326.70	16,053.31	2,425.58
46	Office Equipments	4112310		32828.37	1,201.11	-	1,201.11	31,627.26
47	Learning Materials	4112312		1916.36	390.88	-	390.88	1,525.48
48	Furniture	4112314		9837.10	1,561.74	2,639.88	4,201.62	5,635.48
49	Science equipments	4112306		24000.00	9,025.10	12,106.23	21,131.33	2,868.67
50	Equipments			0.00	-	-	-	-
51	Civil Works	4111201		73877.83	13,935.00	24,010.00	37,945.00	35,932.83
52	CD/VAT ( Custom Duty)	3821100		15000.00	3,552.12	-	3,552.12	11,447.88
53	Physical Contingencies	0		2000.00	-	-	-	2,000.00
54	Price Contingencies	6681			-	-	-	-
Sub -Total:				181,661.71	47,556.36	39,821.60	87,377.96	94,283.75
Total Expenditure (B):				382,692.47	149,072.46	73,421.83	222,494.29	160,198.20
(C) Total Balance(Cash):								
Cash, Closing balance (RPA):					-	-	-	-
Cash, Closing balance (GOB):					-	-	-	-
Total balance (C):					-	-	-	-
Total Expenditure & Cash(B+C):				382,692.47	149,072.46	73,421.83	222,494.29	160,198.20

Verified  
 24.06.2020  
 Md. Humaywn Kabir  
 Audit & Accounts Officer  
 creign Aided Projects Audit Directorate  
 Audit Complex (6 th Floor)  
 Segunbagicha Dhaka-1000

( Md. Abu Sayed SK )  
 Joint Program Director ( Additional Secretary)



**GOVERNMENT OF PEOPLES' REPUBLIC OF BANGLADESH**  
**SECONDARY EDUCATION SECTOR INVESTMENT PROGRAM**  
**NOTES TO FINANCIAL STATEMENTS**  
**30TH JUNE'2019**

**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 2018-2019	Inception to 30th Jun-19
Disbursement by GOB	178,521.15	79,105.00	257,626.15
Refund to GOB	29,448.69	5,683.17	35,131.86
<b>Total:</b>	<b>149,072.46</b>	<b>73,421.83</b>	<b>222,494.29</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 2018-2019	Inception to 30th Jun-19
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 and 3320-BAN (SF) 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 2018-2019	Inception to 30th Jun-19
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>

ADB disbursed the funds US\$27 Million for the year 2018-19 to the Government' Consolidated Fund of MoF to a designated account with the Bangladesh Bank.

**4. OTHER RESOURCES:**

Other resources consist of the following.

	Inception to 30th Jun-18	For the Year 2018-2019	Inception to 30th Jun-19
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 2018-2019	Inception to 30th Jun-19
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)