

Audited Project Financial Statements

Project Number: 52174-001

Grant 0582-BAN

Period covered: 1 July 2019 to 30 June 2020

Emergency Assistance Project

Prepared by Local Government Engineering Department

For the Asian Development Bank

Received on 31 December 2020

The audited project financial statements are documents 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 People's Republic of Bangladesh.

AUDITOR'S REPORT

Audit Completion Date: 25-11-2020.

The Senior Secretary
Local Govt. Division
Ministry of LGRD & Co-operatives
Bangladesh Secretariat, Dhaka.

- I. We have audited the accompanying Financial Statement of the "Bangladesh: Emergency Assistance Project - (LGED part)" financed under ADB Grant Agreement No.- ADB-0582-BAN(SF) for the financial year 2019-2020 as of 30th June 2020 and for the years 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. 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 "Bangladesh: Emergency Assistance Project - (LGED part)" financed under ADB Grant Agreement No.- ADB-0582-BAN(SF) 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.*


(K T M Sharif)
Deputy Director

For Director General
Foreign Aided Projects Audit Directorate
Phone: 88-02-8391548

Financial Statement

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Bangladesh: Emergency Assistance Project - (LGED part)
ADB Grant No: 0582- BAN(SF)
Project Financial Statement
As on 30th June 2020

(Amount in Lakh Taka)

Resources		Notes	Cumulative up to Prior Period	Current Period (FY 2019 - 2020)	Cumulative up to Current period
(a)		(b)	(c)	(d)	(e) = (c+d)
A. Source of Fund					
Government of Bangladesh		5.00	387.12	811.97	1,199.09
Grant from Development Partner (Asian Development Bank)		6.00	2,746.26	3,370.91	6,117.17
Other Resources		7.00	-	2.63	2.63
Cash opening Balance		8.00	-	1,692.61	-
Total Resources			3,133.38	5,878.12	7,318.89
B. Usages of Fund					
B.1 Expenditure					
Economic Code No	Account Head				
3111101	Pay of officer		4.69	16.26	20.95
3111201	Pay of Establishment		2.63	5.63	8.26
3111301-38	Allowances of officers & Staff		7.86	18.94	26.80
3211101-31& 3244101- 3256106	Administrative Expenses		47.19	51.19	98.38
3257101	Consultancy (GOB + RPA)		185.51	210.78	396.29
3258101	Repairs and Maintenance		2.29	2.48	4.77
4112101-314	Equipment and Assets		146.24	5.43	151.67
4111201-307	Civil Works (GOB + RPA)		1,044.36	5,132.20	6,176.56
Total Expenditure			1,440.77	5,442.91	6,883.68
B.2 Cash Closing Balance		8.00	1,692.61	435.21	435.21
ADB (Imprest Account)			886.26	-	-
Operating Account (RPA)				435.21	435.21
Operating Account (PIU) (RPA)			806.35		-
Operating Account (GoB)			-	-	-
Total Expenditure and Cash			3,133.38	5,878.12	7,318.89

27/09/20
 verified
 [Signature]

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 17.9.2020
 (Malay Kumar Chakraborty)
 Project Director
 BAN: Emergency Assistance Project
 (LGED Part)
 LGED HQ, Dhaka.

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Bangladesh: Emergency Assistance Project - (LGED part)

ADB Grant No: 0582- BAN(SF)

Notes to the Accounts

1.00 Reporting entity:

These financial statements relates to Bangladesh: Emergency Assistance Project - (LGED part) which is executed and implemented by the Government of Bangladesh, and is funded by Asian Development Bank (ADB) under the Grant Agreement (the Agreement) dated 09 August 2018. The closing date of Emergency Assistance Project is 30th June 2021. The administrative closing date of the project is 31st December 2020.

The designated representative of Bangladesh: Emergency Assistance Project - (LGED part) for Government of Bangladesh is Ministry of Local Government, Rural Development and Co-operatives, People's Republic of Bangladesh. Project Management Units (PMU) for *Bangladesh: Emergency Assistance Project - (LGED part)* is Local Government Engineering Department, Local Government Division under the Ministry of Local Government, Rural Development and Co-operatives.

The objectives of Bangladesh: Emergency Assistance Project - (LGED part) is to.

- Develop road access to and within camps to facilitate air and other humanitarian support to forcibly displaced Myanmar nationals.
- Develop other infrastructures such as Multipurpose Cyclone Shelters, Food Distribution center, Hillside protection, and Storm water drainage network to cope with the Disasters.
- Strengthening and widening of Upazila, Union and Village Roads for the affected community.
- Create both short term and long term employment opportunities for the rural poor.

2.00 Financial Statements

These Financial Statements have been presented in Bangladeshi Taka. The financial statements comprises of the Statement of Receipts and Payments, Statements of SoE and Reconciliation statements.

3.00 Financial Reporting Framework

These financial statements have been prepared in accordance with Generally Accepted Accounting Principles, as applicable in Bangladesh. This refers to the cash basis accounting applied with due regard to the General Financial Rules and similar financial rules and codes as are in effect and applicable to the operation of the project. The financial statements have been prepared to ensure maximum alignment with the principles of the cash basis of International Public Sector Standards (IPSAS)

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4.00 Reporting period

The financial statements apply to the financial period ended from 1 July 2019 to 30 June 2020 .

The principal accounting policies applied in the preparation of these financial statements are set out below:

4.01 Basis of preparation

The financial statements are prepared on cash basis of accounting in which revenue is recognized when received and expenses are recognized when paid. The financial statements are also prepared in accordance with ADB's Handbook for Borrowers on the Financial Management and Analysis of Projects.

4.02 Measurement basis

The financial statements have been prepared using cash basis of accounting

4.03 Changes in accounting policies

There have been no material changes in accounting policies during the Period.

4.04 Foreign currency translation

Foreign currency transactions are translated at the exchange rates prevailing at the date of the transactions.

4.05 Cash and cash equivalents

Cash and cash equivalents comprise of balances in the bank, which pertain to funds received from ADB which is restricted to the implementation of Bangladesh: Emergency Assistance Project - (LGED part)

4.06 Inventories

Inventory comprising of stationery and office equipment are not capitalized, but treated as expenditure during the year of purchase. Therefore, financial value of stock balances at year-end is not shown as assets in the financial statements.

4.07 Receipts and disbursements

a. Receipts

a) Receipts are accounted in the period in which such receipts are received. Receipts consist of external assistance received of grant proceeds from ADB as well as Government allocation for the project .

b. Payments

Payments are accounted in the period in which such disbursements are made. Payments consist of expenses towards stipulated components o Bangladesh: Emergency Assistance Project - (LGED part)

4.08 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the reporting period.


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4.09 Compliance with Laws, Regulations and others:

The project has complied with relevant Government laws and regulations such as Public Procurement ACT 2006 and Public Procurement Rules-2008, General Financial Rules, Income Tax Ordinance 1984, Finance Act'19, VAT Act -2012 and other applicable laws and regulations. In Addition,

(A) The project has utilized all proceeds of the grant withdrawn from the grant account only for the purposes of the projects in accordance with the Grant Agreement and no proceeds of the grant have been utilized for other purposes; and

(B) The Project was in compliance as at the end of reporting period with all financial covenants of the grant agreement.

5.00 GOVERNMENT OF BANGLADESH

Funds are allocated by the Government of Bangladesh to cover GoB's share of eligible project expenditures, as specified in the Development Project Proposal (DPP) and in the Annual Development Programme (ADP) for each of the project. Any allocated funds that have not been expended by the end of a fiscal year lapse and must be returned to GOB. GOB contributions to the project since inception are as follows (In lakh Taka)

	(In Lakh Taka)		
	Inception to 30th June 2019	For the year 2019- 2020	Inception to 30th June 2020
Disbursement by GOB	400.00	840.00	1,240.00
Less : Refund /Surrender	12.88	28.03	40.91
Total :	387.12	811.97	1,199.09

6.00 GRANT FROM DEVELOPMENT PARTNER

The Asian Development Bank (ADB) has provided funds to the project to cover it's share of eligible project expenditures. These funds, which needs to be repaid to ADB, have been drawn by the project in accordance with the following withdrawal procedures (In Lakh Taka)

	(In Lakh Taka)		
	Inception to 30th June 2019	For the year 2019- 2020	Inception to 30th June 2020
Initial	2,258.66	-	2,258.66
DPA (Direct Payment Procedure)	-	-	-
RPA (SOE Procedure)	487.60	3,370.91	3,858.51
RPA (Non SOE Procedure)	-	-	-
Total :	2,746.26	3,370.91	6,117.17

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7.00 OTHER RESOURCES – N/A

Other resources consist of the following:

	Inception to 30th June 2019	For the year 2019- 2020	Inception to 30th June 2020
Project Revenues			
Foreign Currency Exchange gains/losses	-	2.63	2.63
Total :		2.63	2.63

8.00 CASH

The project maintains four bank accounts, an imprest bank account or revolving fund, which is kept at Bangladesh Bank to hold funds advanced by ADB. two separate sub-account maintained for Project Management Unit (PMU) and Project Implementing Unit (PIU) as mentioned in Project Administration Manual. An operating bank account maintained for GoB fund . Year-end cash

(In Lakh Taka)

	Inception to 30th June 2019	For the year 2019- 2020	Inception to 30th June 2020
Imprest Account- Bangladesh Bank	886.26		-
Operating Account (GoB)	-		-
Operating Account Sub-Account-	806.35	435.21	435.21
Operating Account Sub-Account	-		
Total :	1,692.61	435.21	435.21

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(Malay Kumar Chakraborty)
Project Director
BAN: Emergency Assistance Project
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