

AUDITED PROJECT FINANCIAL STATEMENTS

Project №: 2000001464

IFAD Loan No. 2000002293
IFAD Grant No. 2000002294

Period covered 2018 - 2019

Smallholder Agricultural Competitiveness Project (SACP)

Prepared by: Foreign Aided Projects Audit Directorate

Received on 1 June 2020

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INFORMATION REGARDING AUDIT

- **Name of the audit unit** : Smallholder Agricultural Competiveness Project (SACP)
- **Nature of Audit** : Financial Audit
- **Audit Year** : 2018-2019
- **Duration of Audit** : 04-12-2019 to 11-12-2019
- **Audit Party** : **Team No.38**
Biplob Chandra Baroi, A&AO
Moniruzzaman, Auditor

- **Audit Methodology** : Verification of Financial Statement.
Test check of vouchers.
- **Scope of Audit** : Certification of Annual Financial Statement. The audit was conducted following International Standards on Auditing (ISA) and practices of INTOSAI/SAI of 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 project authority.
 - ❖ Review of Financial Management, Internal Control systems.

- **Project Duration** : 01 July 2018 to 30 June 2024 (As per DPP).
- **Commencement** : 01 July 2018
- **Completion** : 30 June 2024 (As per DPP).
- **Executing Ministry** : Ministry of Agriculture.
- **Implementing agency** : Department of Agricultural Extension (DAE)(Lead Agency)
Department of Agricultural Marketing(DAM)
Bangladesh Agricultural Development Corporation (BADC)
Bangladesh Agricultural Research Institute (BARI).

- **Funding agency** : IFAD.

- **Project director & Address** : Md. Ayub Ali.

- **Total Estimate Cost** : a) GOB= Tk. 23509.64 Lac
b)IFAD=54523.45 Lac

- **Current Cost** : GOB Tk. 749.27 lac
RPA= 1605.27lac
Total=**2354.54**lac

□ **Fund Management System** : i) **GOB Fund:** GOB fund of the project was released by the Ministry of Agriculture with the concurrence of the Ministry of Finance. The Project Director's office, Component Directors Office withdrew the fund submitting bills to the Chief Accounts officer, Ministry of Agriculture.

ii) **RPA:** There is a SAFE Account No [REDACTED] (USD) & SAFE Account No [REDACTED] (USD) Bangladesh Bank, operated with SND Account No [REDACTED] & [REDACTED] Bangladesh Krishi Bank. Khamarbari Branch, Dhaka on the basis of authorization issued by the ministry of finance for the project RPA fund. Project Director spend fund from the said account for project activity through issuing cheque and advice.

□ **Project objectives** : The overall objective of the project is to increase farmer incomes and livelihood resilience through demand-led productivity growth, diversification and marketing in a changing climatic condition.

Specific objectives of the project are:

Component 1-Enhanced production of HVC and technology adoption.

- 1.1: Assessment of HVCs and group mobilization.
- 1.2: Demand-driven production and market-led research
- 1.3 Institutional support for research and extension

Component 2 - Processing and marketing of HVC.

- 2.1: Improving market linkage
- 2.2: Increasing Post-harvest and processing investments
- 2.3: Development of food safety and nutrition measures along the value chain

Component 3-Climate Resilient Surface Water Management.

- 3.1: Sustainable surface water management, drainage, conservation and utilization
- 3.2: Institutional support for Capacity Building.

AUDITOR'S REPORT

Audit Completion Dated: 11-12-2019

Secretary

Ministry of Agriculture

Bangladesh Secretariat, Dhaka-1000.

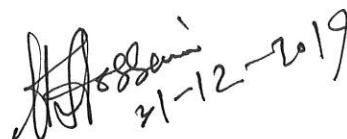
I. We have audited the accompanying financial statement of the **“Smallholder Agricultural Competiveness Project (SACP)” financed by IFAD Loan No. 2000002293, Grant No. 2000002294 for the fiscal year 2018-2019.** The preparation of financial statement is the responsibility of management. Our responsibility 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. 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 give a true and fair view in all material respects of the financial position of the **“Smallholder Agricultural Competiveness Project (SACP)” financed by IFAD Loan No. 2000002293, Grant No. 2000002294 for the fiscal year 2018-2019.** as on 30th June 2019 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.

The Project accounts properly presents the expenditure and receipts for the year ended at 30-06-2019.

(IV) Opinion Status: Unqualified.



((Md. Tafazzal Hossain))

Deputy Director

For Director General

Foreign Aided Projects Audit Directorate

Tel: 02-8391547

Loan No 2000002293 & Grand No 2000002294
Smallholder Agricultural Competitiveness Project (SACP)
Department of Agricultural Extension
Sech Bhaban (5th Floor), 22 Manik Miah Avenue , Shere banglanagar, Dhaka-1207
Project Financial Statement
For the year ended June 30, 2019

Fig. In Lakh Taka

Resources	Notes	Cumulative prior period (Upto June30, 2018)	Current Period (2018-19)	Cumulative prior period (Upto June 30, 2019)
Government of Bangladesh	1	-	749.41	749.41
Loan from Development partner	2	-	-	-
RPA-SoE	3	-	-	-
RPA-(Initial Advance)	5	-	2,080.00	2,080.00
DP (Direct Payment)	6	-	-	-
Other Resources	7			
Cash Opening balance:			-	-
		-	2,829.41	2,829.41
Expenditure Cash				
Expenditure				Revenue
Revenue Expenditure				
Salary & Allowances	1	-	20.38	20.38
Supplies and services	2	-	437.59	437.59
Repairs, Maint. & Rehabilitation	3	-	78.29	78.29
Total Revenue Expenditure		-	536.26	536.26
Capital Expenditure				
Procurement	1	-	1,776.43	1,776.43
Civil Work	2	-	41.99	41.99
Total Capital Expenditure		-	1,818.42	1,818.42
Total Expenditure		-	2,354.68	2,354.68
Cash closing balance:			-	-
SAFE Account		-	-	-
Operating account (RPA)	4	-	474.73	474.73
Operating Account (GOB)		-	-	-
Total expenditure and Cash		-	2,829.41	2,829.41

H:\Financial Statement.


 04.12.2019
 (Md. Ayub Ali)
 Project Director
 Smallholder Agricultural
 Competitiveness Project (SACP)
 Ministry of Agricultural
 Sech Bhaban 22 Manik Miah Avenue, Dhaka.

Smallholder Agricultural Competitiveness Project (SACP)

Notes on Project Financial Statement

30 June 2019

1 GOVERNMENT OF BANGLADESH

Funds are allocated by the Government of Bangladesh to cover the GOB's share of eligible project expenditure, as specified in the project Proforma and in the Annual Development Programme for each of the project. Any allocated funds that have not been expended by the end of fiscal year lapse and must be returned to GOB. GOB contribution to the project since inception are as follows (lakh taka).

	Inception to 30th June 2018	For the year 2018 -2019	Inception to 30th June 2019	Remarks, if any
Disbursement by GoB	-	822.00	822.00	
less: Refund to GoB	-	72.73	72.73	
Total:	-	749.27	749.27	

2 LOAN FROM DEVELOPMENT PARTNER:

IFAD has provided funds to the project to cover its share of eligible project expenditures. These funds, which must be repaid to IFAD after the conclusion of the project, have been drawn by the project in accordance with the following withdrawal procedures (in lakh taka):

	Inception to 30th June 2018	For the year 2018 -2019	Inception to 30th June 2019	Remarks, if any
Initial deposit (Advance)	-	2,080.00	2,080.00	
DP (Direct Payment) *	-	-	-	
RPA (SOE)	-	-	-	
RPA (NON-SOE Procedure)	-	-	-	
Others	-	-	-	
Total:	-	2,080.00	2,080.00	

3 Other Resources:

Other Resources consist of the following:

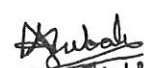
	Inception to 30th June 2018	For the year 2018 -2019	Inception to 30th June 2019	Remarks, if any
Project revenues	-	-	-	
Received from a/c	-	-	-	
Total:	-	-	-	

4 CASH:

The project maintains two bank accounts, an SAFE Account or revolving fund, which is kept at a commercial bank to hold funds advanced by GoB as well as funds transferred from the SAFE Bank Account. Year end cash balances were as follows (in lakh Taka):

	Inception to 30th June 2018	For the year 2018 -2019	Inception to 30th June 2019	Remarks, if any
SAFE Account (At BB)	-	0.00	0.00	
Operating account (RPA)	-	474.73	474.73	
Operating account (GOB)	-	-	-	
Cash in Hand	-	-	-	
Total:	-	474.73	474.73	

* SAFE Account at Bangladesh Bank (BB).


 (Md. Ayub Ali)
 Project Director
 Smallholder Agricultural
 Competitiveness Project (SACP)
 Ministry of Agricultural
 Extension, 22 Manik Mia Avenue, Dhaka.
 21/12/19