

AUDITED PROJECT FINANCIAL STATEMENTS

Loan numbers: L-E--3-
L-I--847-
Grant number: G-I-C-847-
Additional Financing – Grant: G-C-ASP-847-A

Period covered: 01 July 2017 to 30 June 2018

Haor Infrastructure and Livelihood Improvement Project

Climate Adaptation and Livelihood Protection

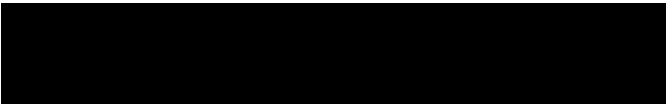
Prepared by Foreign Aided Projects Audit Directorate (FAPAD)

Received on 31 December 2018

The Audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those IFAD's Board of Directors, Management or Staff. These documents are made publicly available in accordance with the "IFAD Handbook for Financial Reporting and Auditing of IFAD-Financed Projects (2018)".

Information Regarding Audit

1. Name of the audit unit	:	<i>Haor Infrastructure and Livelihood Improvement Project (HILIP)</i>		
2. Nature of Audit	:	Financial Audit.		
3. Audit Year	:	2017-2018		
4. Duration of Audit	:	02-10-2018 to 02-12-2018.		
5. Audit Team	:	Audit Team No. 37 1) A. K.M. Faridul Islam, Audit & Accounts Officer 2) Md. Afser Uddin Biswas, Super 3) Md. Nasir Hossain Talukder, Auditor		
6. Audit Methodology	:	<input type="checkbox"/> Scrutiny of Project Financial Statement (PFS) <input type="checkbox"/> Verification of Auditable Data <input type="checkbox"/> Test checking of vouchers.		
7. Scope of Audit	:	<input type="checkbox"/> Certification of Annual Financial Statement. <input type="checkbox"/> 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. <input type="checkbox"/> Audit opinion is limited to the fund receipts and expenditure incurred by the project authority. <input type="checkbox"/> Review of financial management and internal control system.		
8. Project Duration	:	7 years (From July/2012 to June/2019)		
9. Commencement of Project	:	July/ 2012		
10. Completion of Project	:	June/2019		
11. Total Estimated Project Cost (BDT in Lakh)	:	RPA	IFAD Loan : 44416.67 IFAD Grant : 857.79 IFAD Trust Loan: 23702.28 ASAP Grant: -11662.00	80638.74
		GOB		26992.76
		Exchange Gain/Loss		
		Net Interest Gain		-
		Cash Opening Balance		-
		Total		107632.00
	:	RPA	IFAD Loan, IFAD Grant, STF Loan & ASAP Grant:	5527.50
		GOB		2999.38
		Exchange Gain/Loss		
		Cash Opening Balance		5178.99
		Total		14982.92

13. Executing Ministry	:	Local Govt Rural Development
14. Implementing agency	:	LGED
15. Funding agencies	:	IFAD, STF, ASAP & GOB.
16. Project Area	:	Netrokona, Kishoreganj, Sunamganj, Hobiganj & B. Baria (05 districts)
17. Fund flow system	:	<p>GOB funding: GOB fund of the project was released by the Administrative Ministry of Local Government, Rural Development & Co-operatives on the basis of ADP allocation. The fund was drawn by submitting bills/vouchers to concerned CAO & District Accounts Office.</p> <p>RPA funding: The Project authority (Project Director) incurred expenditure from Donor's (RPA) fund as required from SAFE Account No. IFAD Loan No.1-847-BD, IFAD Grant No. IC-847-BD, Trust Loan-E-3-BD and ASAP Trust Grant No-G-COFIN-ASP-847A-BD and there Operating Account bearing  Dhaka on the basis of authorization issued by the Ministry of Finance.</p>
18. Project objectives	:	<p>The goal of the project is to contribute to the reduction of poverty in the Haor Basis. The development objective of the project is to improve living standards and reduce vulnerability of the poor. The main outcomes expected from the project include;</p> <ul style="list-style-type: none"> ❖ enhanced access to markets, livelihood opportunities and social services; ❖ enhanced village mobility, reduction in production losses and protection against extreme weather events; ❖ enhanced access to fishery resources and conservation of biodiversity, follow up SCBRMP learning; ❖ enhanced production, diversification and marketing of crop and livestock produce; and ❖ efficient, cost effective and equitable use of project resources.

Auditor's Report

Audit Completion Date : 02/12/2018

Secretary

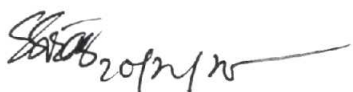
Local Government Division
Ministry of LGRD and Co-operatives
Bangladesh Secretariat, Dhaka.

I. We have audited the accompanying Financial Statement of the ***“Hoar Infrastructure and Livelihood Improvement Project (HILIP)”*** financed under IFAD Loan No.I-847BD, IFAD Grant No.I-C-847BD, STF Loan No.E-3BD and ASAP Grant No-G-COFIN-ASP-847A-BD as of 30th June 2018 and for the year then ended. Preparation of the Financial Statement is the responsibility of the Management. Our responsibility is to express an opinion on the Financial Statement based on our audit.

II. We have 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 also 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, the Financial Statement gives a true and fair view in all material respects of the financial position of the ***“Hoar Infrastructure and Livelihood Improvement Project (HILIP)”*** financed under IFAD Loan No.I-847BD, IFAD Grant No.I-C-847BD, STF Loan No.E-3BD and ASAP Grant No-G-COFIN-ASP-847A-BD as of 30th June 2018 and the results of its operations and the cash flows for the year then ended in accordance with cash basis of accounting followed by the Government of Bangladesh.

IV. Opinion Status: ***Unqualified.***


(Shahzahan Siraz)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Phone: 02-8391547.

HAOR INFRASTRUCTURE AND LIVELIHOOD IMPROVEMENT PROJECT

IFAD Loan No.I-847- BD, IFAD Trust No.E-3- BD Grant No. I-C-847-BD &

ASAP TRUST GRANT No: G-COFIN-ASP-847A-BD

Project Financial Statement for the year ended 30th June, 2018

(Figure In Lac Tk)

	Resources	Notes	Cumulative Prior Period	Current Period	Cumulative Current Period
	Government of Bangladesh	1	13,131.43	2,299.38	15,430.81
	IFAD Loan No.I-847- BD.	2	23,042.19	6,002.66	29,044.85
	IFAD Trust Loan No.E-3- BD.		17,347.43	-	17,347.43
	IFAD Grant No.I-C-847-BD.		346.79	-	346.79
	ASAP TRUST GRANT No: G-COFIN-ASP-847A-BD		4,496.33	1,497.35	5,993.67
	Others Resources	3	(177.90)	4.54	(173.36)
	Cash Opening Balance	4		5,178.99	
	Total Resources		58,186.27	14,982.91	67,990.20
	Expenditure	5			
1	Civil Works (GOB)		12,396.96	2,129.52	14,526.48
2	Civil Works (RPA)		30,849.91	3,485.83	34,335.74
3	Vehicles & Equipment ASSET (GOB)		123.78	-	123.78
4	Vehicles & Equipment ASSET (RPA)		870.88	-	870.88
3	Salaries & Allowances (RPA)		3,569.59	726.60	4,296.19
4	Consulting Services (GOB)		84.95	37.00	121.95
5	Consulting Services (RPA)		397.99	140.60	538.59
6	Operating Cost (GOB)		455.89	69.65	525.53
7	Operating Cost (RPA)		1,715.93	382.16	2,098.09
8	Vehicles & Equipment (GOB)		40.21	19.89	60.11
9	Vehicles & Equipment (RPA)		108.69	51.99	160.68
10	Training & Workshops (GOB)		29.65	43.33	72.97
11	Training & Workshops (RPA)		2,362.85	864.30	3,227.16
	Total Expenditure		53,007.28	7,950.86	60,958.14
	CASH CLOSING BALANCE :-				
	IFAD Loan No.I-847- BD		19.58	787.54	787.54
	IFAD Trust No.E-3- BD		2.00	2.08	2.08
	IFAD Grant No.I-C-847-BD		8.60	9.14	9.14
	ASAP TRUST GRANT No: G-COFIN-ASP-847A-BD		0.03	0.99	0.99
	Project Operating Account PMU & DIST.		5,148.78	6,232.31	6,232.31
	Sub- Total :		5,178.99	7,032.05	7,032.05
	Total Expenditure & Cash:		58,186.27	14,982.91	67,990.20

verified
20/11/2018
A.K.M. Faridul Islam
Audit & Accounts Officer
Foreign Aided Projects Unit (D-200)
Audit Complex, Dhaka-1000.
Sgunbagicha, Dhaka-1000.

28.11.18

28/12/18
Jopai Chandra Sarker
Project Director
for Infrastructure & Livelihood
Improvement Project
GEM HQ Dhaka

HAOR INFRASTRUCTURE AND LIVELIHOOD IMPROVEMENT PROJECT

Notes to Financial Statement

30th June, 2018.

1. GOVERNMENT OF BANGLADESH:

Fund 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 Programme 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 Contribution to the Project since inception are as follows(In Lac Taka)

	Inception to 30 th June'2017	For the Year 2017-18	Inception to June'2018
Disbursement by GOB	13,140.00	2500.00	15640.00
Less: Refund to GOB (Surrendered)	8.57	200.62	209.19
Total:	13131.43	2299.38	15430.81

2 LOAN FROM DEVELOPMENT PARTNER :

The (Name of the Development Partner) IFAD has provided funds to the project to cover its share of eligible project expenditure these funds which must be repaid to(name lender /donor) IFAD after the conclusion of the project have been drawn by the project in accordance with the following withdrawal procedure (In Lac Taka)

	Inception to 30 th June'2017	For the Year 2017-18	Inception to June'2018
Initial Deposit (Advance)	44,172.97	7,500.00	51,672.97
DPA (Direct Payment)	-	-	-
RPA (SOE Procedure)	728.44	-	728.44
Others (NoN SOE Procedure)	331.34	-	331.34
Total:	45,232.75	7,500.00	52,732.75

3. OTHER RESOURCES

Other resources consist of the following:

	Inception to 30 th June'2017	For the Year 2017-18	Inception to June'2018
Project Revenues	-	-	-
Exchange gains/ Losses	(198.23)	24.87	(173.36)
Net Interest Gain	20.33	(20.33)	-
Total:	(177.90)	4.54	(173.36)

4. CASH :

The project maintains four special Bank account or Revolving fund, which is kept at Bangladesh Bank to hold funds advanced by IFAD and two operating account's, which are kept at a commercial Bank to hold funds advanced by GOB as well as funds transferred from the speacial Bank account. Year end cash balances were as follows (In Lac Taka)

	Inception to 30 th June'2017	For the Year 2017-18	Inception to June'2018
	19.58	787.54	787.54
	2.00	2.08	2.08
	8.60	9.14	9.14
	0.03	0.99	0.99
	5148.78	6232.31	6232.31
Total:	5178.99	7032.05	7032.05

NB. Special Accounts Closing Balance Calculated as
on 30-06-2018

1 US\$=83.7 BDT
1EURO=97.7867

[Signature]
28/12/18
Project Director
for Infrastructure & Livelihood
Improvement Project
GED HQ Dhaka

[Signature]
28.11.18