

AUDITED PROJECT FINANCIAL STATEMENTS

Loan No.: 2000002124

Grant No.: 2000002125

Period covered: 13 February 2018 to 30 June 2019

Promoting Resilience of Vulnerable Through Access to Infrastructure, Improved Skills and Information (PROVATI)

Prepared by Foreign Aided Projects Audit Directorate

Received on 11 June 2020

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)".



Office of the Director General
Foreign Aided Projects Audit Directorate
Audit Complex (6th& 11th Floor)
Segunbagicha, Dhaka.

No. 1514/FAPAD/Sector-1/IFAD/ PROVATI³/2018-2019/1510

Date: 11-06 -2020.

Senior Secretary
Local Government Division
Ministry of Local Government, Rural Development & Co-operative
Bangladesh Secretariat, Dhaka.

Subject: Audit Inspection Report on the Accounts of “Promoting Resilience of Vulnerable through Access to Infrastructure, Improved Skills and Information (PROVATI³) Project” financed by IFAD 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.

Enclosure:

Auditor's Report.
Financial Statement.
Management letter.
Special account statement.

(K T M Sharif)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Phone: 9331027

No. 1514/FAPAD/Sector-1/IFAD/PROVATI/2018-2019/1510

Date: 11-06-2020.

Copy for information and necessary action to:

1. Secretary, Economic Relation Division (ERD), Ministry of Finance, Sher-e- Bangla Nagar, Dhaka.
- ✓ 2. Country Program Officer, International Fund for Agricultural Development(IFAD), IDB Building (14th floor) Sher-E-BanglaNagar,Dhaka-1207.
3. Project Director, Promoting Resilience of Vulnerable through Access to Infrastructure, Improved Skills and Information (PROVATI³) Project, LGED RDEC Bhavan (Level-3), Agargaon Dhaka.

- a) Replies/Comments on the Auditor's Report and Management Letter may please be sent to the undersigned within thirty (30) days of receipt of this letter in your office.*
b) Observations in Part-A should be responded through the line Ministry and observations in Part-B should be responded to FAPAD directly.

4. Office Copy.

(K T M Sharif)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate

Audit Inspection Report

On

The Accounts of

**“Promoting Resilience of Vulnerable through Access to Infrastructure,
Improved Skills and Information (PROVATI³) Project”**

financed under IFAD Loan no. 2000002124 & Grant no. 2000002125

for the FY 2018-2019.

Part – I

Executive Summary

&

Audit Findings

**Foreign Aided Projects Audit Directorate
Segunbagicha, Dhaka.**

Information Regarding Audit

Name of the audit unit	: “Promoting Resilience of Vulnerable through Access to Infrastructure, Improved Skills and Information (PROVATI) Project” I
Nature of Audit	: Financial and Compliance Audit.
Audit Years	: 2018-2019.
Duration of Audit	: 27-03-2020 to 05-03-2020 (PMU, LGED, Dhaka), 08-03-2020 to 16-03-2020 (Gaibandha and Lalmonirhat), 18-03-2020 to 19-03-2020 (PD Office, LGED, Dhaka).
Audit Party	: Md. Shahidur Rahman, Audit & Accounts officer. Md. Abu Saied Sarker, Auditor.
Audit Methodology	: Verification of Financial Statements. Test Check of vouchers.
Scope of Audit	: Certification of Annual Financial Statements The audit was conducted following International Standards on Auditing (ISA) and practices of INTOSAI/SAI 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 system. Equipment management.
Project Duration	: 7 Years
Audit Statue	: 1 st Year
Commencement	: July-2018.
Completion	: December-2024.
Total estimated Cost	: <u>BDT 75768.00 lakh:</u> GOB: BDT. 22878.00 lakh RPA: BDT. 52890.00 lakh.
Current Year Cost	: <u>BDT. 1,005.72 lakh:</u> GOB: BDT. 284.22 lakh, RPA : BDT. 721.49 lakh.
Name of the Project Director	: Md. AnisulWahab Khan
Contract & Email No. of the PD	: [REDACTED]
Executing Ministry	: Local Government, Rural Development & Co-operatives/Local Government Division
Implementing agency	: Local Government Engineering Department (LGED)
Funding System	: GOB Fund: GOB fund of the project was released as per ADP allocation by the Ministry of LGRD and the project authority withdrawn fund time to time through submitting bills to the concerned CA & FO. RPA fund: RPA fund is received by the Project Director through SAFE account and kept vide A/C no. [REDACTED] with Janata Bank Ltd. Corporate Branch, Block-13, Planning Commission Campus, Dhaka-1207.
Funding agency	: IFAD & GOB.

Project Objectives

- : 1. To facilitate 'sustainable livelihoods for poor households and smallholders in selected Upazilas of the Brahmaputra-Teesta flood plain area of six North-central districts of Bangladesh.
2. To enhance climate resilience of population of 25 selected flood-prone Upazilas through resilient infrastructure development and resilience building at community level, off-farm employment creation through vocational training, and flood/climate adaptation research and early-warning dissemination.
3. To build Climate Resilient Infrastructure and Community Shelters.
4. To enhance Resilient Communities Through Employment and Early Flood Warning.
5. Estimated total number of directly benefiting households is 417,640. 59,640 households under rural roads, 303,000 households under rural market development and 45,000 households under vocational training & LCS. In addition, a total of about 0.5 million households will benefit from early warnings of floods.

AUDITOR'S REPORT

Audit completed on 19-03-2020.

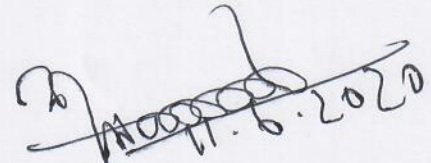
Senior Secretary
Local Government Division
Ministry of Local Government, Rural Development & Co-operative
Bangladesh Secretariat, Dhaka.

I. We have audited the Financial Statement of **"Promoting Resilience of Vulnerable through Access to Infrastructure, Improved Skills and Information (PROVATI³) Project"** financed under IFAD loan no 2000002124 and grant no. 2000002125 as on 30 June, 2019 and for the year then ended. The preparation of 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 following International Standards on Auditing and practices of INTOSAI/SAI, BD. 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, evidences 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. As such in our opinion the financial statement presents a true and fair view of all material aspect of the financial position of **"Promoting Resilience of Vulnerable through Access to Infrastructure, Improved Skills and Information (PROVATI³) Project"** as on 30 June, 2019 and the results of its operations and cash flows for the year then ended were 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: 9331027

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Local Government Engineering Department (LGED)
Promoting Resilience of Vulnerable through Access to Infrastructure, Improved Skills and
Information (PROVATI³)
Project Financial Statement

30th June, 2019

[Amount in Lakh Taka]

Resources			Notes	Cumulative prior period	Current period	Cumulative current period
Government of Bangladesh			1	-	284.34	284.34
Lender/ Donor : -						
IFAD Loan No. 2000002124			2		3,370.00	3,370.00
IFAD Grant No.2000002125					210.63	210.63
Other resources (Bank Interest & Exchange gain/loss)			3	-	3.38	3.38
Cash opening balance			4	-	-	-
TOTAL RESOURCES				-	3,868.35	3,868.35
EXPENDITURE AND CASH						
Expenditure						
Sl. No.	Economic Code	Name of Item				
1	3111	Salary and allowances			35.84	35.84
2	3211	Administrative Expenses			30.88	30.88
3	3231	Training & Workshop			57.04	57.04
4	3243	Petrol & Lubricants			3.39	3.39
5	3244	Travel & Transfer			5.23	5.23
6	3255	Printing & Stationary			13.41	13.41
7	3256	Usable Goods			10.27	10.27
8	3258	Repair and Maintenance			2.02	2.02
9	3257101	Consultancy			27.30	27.30
10	3831	Custom Duty & IT			14.38	14.38
11	4111	Civil Works			572.06	572.06
12	4112	Acquisition of Assets			233.95	233.95
13	3221108	Bank Charge			0.06	0.06
Total Expenditure				-	1,005.83	1,005.83
CASH CLOSING BALANCE						
Project Special Accounts				-	2,505.81	2,505.81
Project Operating Accounts				-	34.38	34.38
Operating Accounting of Field offices				-	322.32	322.32
TOTAL EXPENDITURE AND CASH				-	3,868.35	3,868.35

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Accountant
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18.02.2020
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Financial Specialist
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Md. Anisul Wahab Khan
(Md. Anisul Wahab Khan)
Project Director
PROVATI³, LGED, Dhaka.

Verified.

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Local Government Engineering Department (LGED)
Promoting Resilience of Vulnerable through Access to Infrastructure,
Improved Skills and Information (PROVATI³)
NOTES TO THE FINANCIAL STATEMENT

1. **GOVERNMENT OF BANGLADESH.**

[Amount in Lakh Taka]

Particulars	Inception to 30th June'2018	For the year 30th June'2019	Inception to 30th June'2019
Disbursements by GOB	0.00	339.38	339.38
Less : Refunds to GOB	0.00	55.04	55.04
Total :	0.00	284.34	284.34

2. **LOAN FROM LENDER / DONOR.**

Particulars	Inception to 30th June'2018	For the year 30th June'2019	Inception to 30th June'2019
Initial Advance (IFAD Loan No. 2000002124)	-	3,370.00	3,370.00
Initial Advance (IFAD Grant No. 2000002125)	-	210.63	210.63
Direct Payments	-	-	-
SOE Procedures	-	-	-
Non SOE Procedures	-	-	-
Others	-	-	-
Total :	-	3,580.63	3,580.63

3. **OTHER RESOURCES.**

Particulars	Inception to 30th June'2018	For the year 30th June'2019	Inception to 30th June'2019
Project Revenues (Bank Interest)	0.00	0.19	0.19
Exchange gains / losses	0.00	3.19	3.19
Total :	0.00	3.38	3.38

Muhammad
Accountant
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18.02.2020
(Dipak Saha)
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LGED HQ, Dhaka-1207.

(Md. Anisul Wahab Khan)
Project Director
PROVATI³, LGED, Dhaka.

Verified

Particulars	Inception to 30th June'2018	For the year 30th June'2019	Inception to 30th June'2019
Cash on hand	0.00	0.00	0.00
Special Accounts:			
IFAD Loan No. 2000002124 :Account Number:	0.00	2295.19	2295.19
IFAD Grant No. 2000002125 :Account Number:	0.00	210.63	210.63
Sub-Total:	0.00	2505.81	2505.81
Project Operating Account:			
Janata Bank Ltd. A/C. No.	0.00	34.38	34.38
Janata Bank Ltd. A/C. No.	0.00	0.00	0.00
Sub-Total	0.00	34.38	34.38
Operating Accounts of Field stations:			
Janata Bank Ltd., Lalmonirhat, A/C. No.	0.00	45.44	45.44
Janata Bank Ltd., Gaibandha, A/C. No.	0.00	71.87	71.87
Janata Bank Ltd., Jamalpur, A/C. No.	0.00	51.80	51.80
Janata Bank Ltd., Rangpur, A/C. No.	0.00	53.21	53.21
Janata Bank Ltd., Kurigram, A/C. No.	0.00	100.00	100.00
Janata Bank Ltd., Nilphamari, A/C. No.	0.00	0.00	0.00
Sub-Total:		322.32	322.32
Grand Total :	0.00	2862.51	2862.51

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Project Director
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Md. Shahidur Rahman
Audit & Accounts Officer
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Audit Complex (6th & 11th Floor)
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