

AUDITED PROJECT FINANCIAL STATEMENTS

Project N° : 2000001465

IFAD Loan N°. : 2000002124

IFAD Grant N°. : 2000002125

Period covered : 01 July 2019 - 30 June 2020

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

Prepared by : Foreign-Aided Projects Audit Directorate

Received on : 31 December 2020

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Audit Inspection Report

On

The Accounts of

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

Financed by

IFAD Loan no. 2000002124 & Grant no. 2000002125

for the FY 2019-2020.

Foreign Aided Projects Audit Directorate

Audit Complex (6th & 11th Floor)

Segunbagicha, Dhaka


Part – I

EXECUTIVE SUMMARY

&

AUDIT FINDINGS

Information Regarding Audit

Name of the audit unit	:	Promoting Resilience of Vulnerable through Access to Infrastructure, Improved Skills and Information (PROVATI³) Project
Nature of Audit	:	Financial and Compliance Audit.
Audit Years	:	2019-2020
Duration of Audit	:	16-11-2020 to 10-12-2020
Audit Party	:	Team No.04 Muhammad Sazzad Masood , Audit & Accounts officer. Anuj Chandra Paul , 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	:	6 Years & 6 Months
Audit Status	:	2 nd Year
Commencement	:	July-2018.
Completion	:	December-2024.
Total estimated Cost	:	BDT 75768.00 lakh: GOB: BDT. 22878.00 lakh RPA: BDT. 52890.00 lakh.
Current Year Expenditure	:	BDT. 4210.82 lakh
Name of the Project Director Contract & Email No. of the PD	:	Md. Anisul Wahab Khan  Email: pd.provati@lged.gov.bd
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GOB Fund: GOB fund of the project was released as per ADP allocation by the Ministry of LGRD and the project authority withdrawn fund time to time through submitting bills to the concerned CA & FO.

	<p>RPA fund: RPA fund is received by the Project Director through SAFE account and kept vide [REDACTED] with Janata Bank Ltd. Corporate Branch, Block-13, Planning Commission Campus, Dhaka-1207.</p>
<p>Funding agency</p>	<p>: IFAD & GOB.</p>
<p>Project Objectives</p>	<p>: 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.</p> <p>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.</p> <p>3. To build Climate Resilient Infrastructure and Community Shelters.</p> <p>4. To enhance Resilient Communities Through Employment and Early Flood Warning.</p> <p>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.</p>

AUDITOR'S REPORT

Audit completed on 10-12-2020.

Senior Secretary,

Local Government Division

Ministry of Local Government, Rural Development & Co-operative

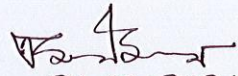
Bangladesh Secretariat, Dhaka.

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, 2020 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 best practices of INTOSAI and SAI of Bangladesh. 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, 2020 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.**



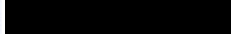
31.12.2020

(Mohammad Jahangir Alam)

Deputy Director

For Director General

Foreign Aided Projects Audit Directorate



Local Government Engineering Department (LGED)
Promoting Resilience of Vulnerable through Access to Infrastructure, Improved Skills and Information (Provati3)
Project Financial Statement
30th June, 2020

Resources	Note	Cumulative Prior Period	Current Period	Cumulative Current Period
Government of Bangladesh	1	284.34	693.69	978.03
Lender/Donor:				0.00
IFAD Loan No.2000002124	2	3370.00	5800.00	9170.00
IFAD Grant No.2000002125	3	210.63	190.85	401.48
Others Resources & Bank Interest & Exchange gain/loss	4	3.38	3.09	6.47
Cash Opening Balance			356.70	356.70
Refund Retention Money(Operating Account)			18.79	
Total Resources		3868.35	7063.12	10912.68

EXPENDITURE AND CASH

SL.No	Economic	Name of Item				
	3111	Salary and allowance		35.84	66.07	101.91
	3211	Administrative Expense(Recurrent)		30.88	81.22	112.10
		Grant Administrative Expense		0.00	190.50	190.50
	3231	Traning&Workshop		57.04	41.40	98.44
	3243	Petrol&Lubricants		3.39	9.65	13.04
	3244	Travel& Transfer		5.23	18.77	24.00
	3255	Printing & Stationary		13.41	19.19	32.60
	3256	Usable Goods		10.27	6.34	16.61
	3258	Repair & Maintence		2.02	35.11	37.13
	3257	Consultancy		27.30	388.15	415.45
	3831	Custom Duty & IT		14.38	2.59	16.97
	4111	Civil Works		572.06	3244.61	3816.67
	4112	Acquisition of Assets		233.95	87.47	321.42
	3221	Bank Charge		0.06	1.07	1.13
	3257	Honorarium		0.00	0.00	0.00
		Bangladesh Bank Deposit		0.00	0.08	0.08
		Topo Survey		0.00	18.60	18.60
		Total Expenditure=		1005.83	4210.82	5216.65

CASH CLOSING BALANCE

Project Special Accounts(Loan)		2505.81		2505.81
Project Special Accounts(Grant)		0.00		0.00
Project Operating Accounts(Loan)		34.38	80.85	115.23
Project Operating Accounts(Grant)		0.00	0.35	0.35
Operating Accounting of Field Offices		322.32	2771.10	3093.42
Total Closing Balance		2862.51	2852.30	5714.81
TOTAL EXPENDITURE AND CASH		3868.34	7063.12	10931.46

Mahin
 Accountant
 PROVATI³
 LGED, Dhaka
 23/09/20

Sig
 17/11/20
 Financial Specialist
 PROVATI³
 LGED HQ, Dhaka-1207.

Verified
 Legged
 10.12.2020
 (Md. Anisul Wahab Khan)
 Project Director
 PROVATI³, LGED, Dhaka.
 Muhammad Sazzad Masood
 Audit & Accounts Officer
 Foreign Aided Projects Audit Directorate
 Audit Complex, Segunbagicha, Dhaka.

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 2019	For the year 30th June 2020	Inception to 30th June 2020
Disbursement by GoB	339.38	782.00	1121.38
Less: Refunds to GoB	55.04	88.31	143.35
Total:	284.34	693.69	978.03

2. LOAN FROM LENDER/DONOR

Particulars	Inception to 30th June 2019	For the year 30th June 2020	Inception to 30th June 2020
Initial Advance (IFAD Loan No. 2000002124)	3370.00	5800.00	9170.00
Initial Advance (IFAD Grant No. 2000002125)	210.63	190.85	401.48
Direct Payments			
SOE Procedures			
Non SOE Procedures			
Others			
Total:	3580.63	5990.85	9571.48

3. OTHER RESOURCES.

Particulars	Inception to 30th June 2019	For the year 30th June 2020	Inception to 30th June 2020
Project Revenues (Bank Interest)	0.00	0.00	0.00
Exchange gains/losses	0.00	3.09	3.09
Total:	0.00	3.09	3.09

Mahin
Accountant
PROVATI³
LGED, Dhaka
 23.09
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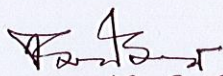
Sir
 17/11/20
Financial Specialist
PROVATI³
 LGED

Verified
Sayed
 10.12.2020
Muhammad Sazzad Masood
Audit & Accounts Officer
Foreign Aided Projects Audit Directorate
Audit Complex, Segunbagicha, Dhaka.

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

AUDITOR'S REPORT ON SPECIAL ACCOUNT(SAFE)

1. We have audited the Special Account Statement of **“Promoting Resilience of Vulnerable through Access to Infrastructure, Improved Skills and Information (PROVATi3) Project”** for the year ended 30 June, 2020, under the provision of IFAD Loan No. 2000002124 and Grant No. 2000002125 on 13 February, 2018.
2. Our audit was carried out in according with International Auditing Guidelines. Accordingly, our audit included such review of system of internal control tests of the accounting records and supporting documents, verification of account balance and other auditing procedures that we considered necessary under the circumstances.
3. Accompanying Special Accounts Statement was prepared on the basis of cash deposits and withdrawals for the purpose of complying with the above loan covenant and the related co-financing agreement.
4. In our opinion, the receipts were properly accounted for and withdrawals were made for the purpose of the project in accordance with the loan agreement and the above special account statement gives a true and fair view of the beginning and ending balances and the account activity for the year ended 30 June, 2020 on the basis of cash deposit and withdraw.
5. Opinion Status: **Unqualified.**


31.12.2020

(Mohammad Jahangir Alam)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Tel: 02-48310247

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

SPECIAL ACCOUNT STATEMENT (Imprest)

	Figure in Lac
For the year ending	30.06.2020
Account Loan No	
Account Grant No	
Depository Bank	
Address	
Related Loan/Credit agreement	2000002124
Related Grant/Credit agreement	2000002125
PART-A ACCOUNT ACTIVITY	
Beginning balance as on 01-07-2019	
Add:	
Total amount deposited by the IFAD(2019-20) (BDT)	5800
Total interest earning if deposited in account	
Total amount refunded to cover ineligible expenditure	Nil
Deduct:	
Total amount withdrawn (BDT)	5800
Total amount service charges if not included above in amount withdrawn	
Total amount withdrawn (BDT)	5800
Ending balance as on 30-06-2020 (USD)	6840.05

হিসাব রক্ষক ১০/১২/২০
অবকাঠামোগত দক্ষতা উন্নয়ন ও তথ্যপ্রযুক্তি মাধ্যমে
রূকিপূর্ণ জনগোষ্ঠীর সহনশীলতা বৃদ্ধি
(প্রভাতী প্রকল্প)
এমজিইডি, সদর দপ্তর, ঢাকা।

10/12/20
Md. Shaheenul Hoque
Financial Specialist
PROVATI³
LGED HQ, Dhaka-1207

প্রকল্প পরিচালক
অবকাঠামোগত দক্ষতা উন্নয়ন ও তথ্যের মাধ্যমে
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(প্রভাতী প্রকল্প)
এমজিইডি, সদর দপ্তর, ঢাকা।

Verified
Muhammad Sazzad Masood
Audit & Accounts Officer
Foreign Aided Projects Audit Directorate
Audit Complex, Segunbagicha, Dhaka.

Bank Account Information

Name of the Project : Promote Resilience of Vulnerable Through Access to Infrastructure, Improved Skills and Information (PROVATI³)

Agreement No. & Date :

Name of the Development Partner : IFAD

1. Bank where special Account is kept

Name :

Address :

Account No. :

Bank Balance as on 01.07.2019 : USD 27,24,260.36

Bank Balance as on 30.06.2020 : USD 6,840.05

2. Bank where Operating A/C(RPA) is kept

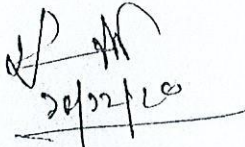
Name :

Address :


Account No. :

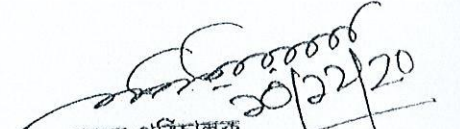
Bank Balance as on 01.07.2019 : 5,39,28,526

Bank Balance as on 30.06.2020 : 8,75,30,187.47


20/12/20

হিসাব রক্ষক
অনুষ্ঠানমোহিত দক্ষতা উন্নয়ন ও তথ্যের মাধ্যমে
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(প্রভাতী প্রকল্প)
এনজিইডি, সদর দপ্তর, ঢাকা।


10/12/20
Md. Shahenul Hoque
Financial Specialist
PROVATI³
GED HQ, Dhaka-1207


20/12/20
প্রকল্প পরিচালক
অনুষ্ঠানমোহিত দক্ষতা উন্নয়ন ও তথ্যের মাধ্যমে
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(প্রভাতী প্রকল্প)
এনজিইডি, সদর দপ্তর, ঢাকা।

Verified


10.12.20
Muhammad Sazzad Masood
Audit & Accounts Officer
Foreign Aided Projects Audit Directorate
Audit Complex, Segunbagicha, Dhaka.