

## AUDITOR'S REPORT

The Secretary  
Ministry of Primary and Mass Education  
Bangladesh Secretariat, Dhaka.

**Subject: Audit Inspection Report on the accounts of "Primary Education Development Programme-III (PEDP-III)" financed under ADB Loan no. 2761- BAN(SF) & IDA credit No. 4999-BD and other Development partners Aus-AID, CIDA, DFID, EU, SIDA, UNICEF & JICA for the year 2017-2018.**

We certify that we have audited the financial statements of the Primary Education Development Programme-III for the year ended 30 June 2018 under Article 128(1) of the Constitution of Bangladesh. The financial statements comprise a financial statement and explanatory notes.

### **Management Responsibility:**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Bangladesh financial reporting standards prescribed by the Comptroller and Auditor General as per the Constitution and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The PEDP-III Programme Office is to prepare the financial statements following the country system of accounts and reconcile these with the accounts of the Republic maintained by the accounts office.

### **Auditor's Responsibility:**

Our responsibility is to audit, certify and report on the financial statements in accordance with Article 128(1) of the Constitution of Bangladesh. To the extent possible within the limited period of time available, we conducted our audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs), which include the International Standards on Auditing (ISAs) in their entirety. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We are also required to obtain evidence sufficient to give reasonable assurance that the expenditures recorded in the financial statements have been applied to the purposes intended by the Parliament and the financial transactions recorded in the financial statements conform to the authorities who govern them.

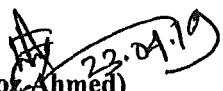
**Scope of the Audit of the Financial Statements:**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making the risk assessments, the auditor considers internal control relevant to the preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used, as well as evaluating the overall presentation of the financial statements.

In our opinion, the Financial Statement gives a true and fair view in all material aspects and the Financial Statement is prepared in accordance with the cash basis of accounting followed by the Govt. of Bangladesh.

**Report:**

We conducted seen and discussion on the audit findings and management related issues with the concerned authority on 14-03-2019. Moreover, an Exit meeting with all the relevant stakeholders held on -03-2019 and then finalised this report.

  
(Firoz Ahmed)  
Deputy Director  
&

Audit Team Supervisor  
Telephone-02-9331027  
Foreign Aided Project Audit Directorate.

Third Primary Education Development Programme (TPEP)  
Financial Statement 2017-18  
30th June-2018

(Figure In Lakh Taka)

| Resources                                    | Notes | Cumulative Prior Period | Current Period | Cumulative Current Period |
|--|-------|-------------------------|----------------|---------------------------|
| Government of Bangladesh                     | 1     | 4,620,906.24            | 1,301,277.19   | 5,922,183.43              |
| <b>Sub-Total</b>                             |       | 4,620,906.24            | 1,301,277.19   | 5,922,183.43              |
| the World Bank/IDA                           | 2     | 307,838.06              | 220,899.73     | 528,737.79                |
| Asian Development Bank                       | 2     | 255,843.85              | 28,610.90      | 284,454.75                |
| DFID (United Kingdom-UKAID)                  | 2     | 142,471.50              | 2,302.41       | 144,773.91                |
| European Union (EU)                          | 2     | 24,978.84               | 23,414.49      | 48,393.33                 |
| CIDA   | 2     | 29,614.81               | 5,442.92       | 35,057.73                 |
| Sida   | 2     | 27,553.76               | -              | 27,553.76                 |
| UNICEF                                       | 2     | 394.35                  | 83.70          | 478.05                    |
| JICA   | 2     | 16,500.75               | 3,223.82       | 19,724.57                 |
| DFAT (Aus-Aid)                               | 2     | 30,932.67               | 2,595.22       | 33,527.89                 |
| GPE  | 2     | 15,680.00               | 57,917.50      | 73,597.50                 |
| <b>Sub-Total</b>                             |       | 851,808.59              | 344,490.68     | 1,196,299.27              |
| <b>Total</b>                                 |       | 5,472,714.83            | 1,645,767.87   | 7,118,482.70              |
| JICA (DPA)                                   |       | 6,257.90                | -              | 6,257.90                  |
| Unicef Account (DPA)                         |       | 14,172.38               | 3,502.10       | 17,674.48                 |
| <b>Sub-Total</b>                             |       | 20,430.28               | 3,502.10       | 23,932.38                 |
| <b>Grand Total</b>                           |       | 5,493,145.11            | 1,649,269.97   | 7,142,415.08              |
|  |       | 0                       |                |                           |
| <b>Expenditure and Cash</b>                  |       |                         | 0              |                           |
| <b>Development Expenditure-A:</b>            |       |                         | 0              |                           |
| <b>Learning &amp; Teaching</b>               |       |                         | 0              |                           |
| Learning & teaching                          |       | 164,337.36              | 53,377.10      | 217,714.46                |
| Participation & Disparities                  |       | 927,573.05              | 301,502.88     | 1,229,075.93              |
| Decentralization & Effectiveness             |       | 132,996.00              | 51,690.74      | 184,686.74                |
| Planning and Management                      |       | 25,176.51               | 6,683.35       | 31,859.86                 |
| <b>Sub-Total</b>                             |       | 1,250,082.92            | 413,254.07     | 1,663,336.99              |
| Less: Actual Outstanding Advance             |       | 18,359.59               | -              | 18,359.59                 |
| <b>Development Expenditure</b>               |       | 1,231,723.33            | 413,254.07     | 1,644,977.40              |
|  |       |                         |                |                           |
| <b>Non-Development Expenditure-B:</b>        |       |                         |                |                           |
| Pay of Officers                              |       | 61,799.86               | 17,427.28      | 79,227.14                 |
| Pay of Establishment                         |       | 1,987,613.89            | 591,629.82     | 2,579,243.71              |
| Allowances                                   |       | 1,593,926.82            | 499,716.86     | 2,093,643.68              |
| Supplies and service                         |       | 197,154.50              | 84,652.52      | 281,807.02                |
| Repairs and Maintenance                      |       | 37,587.41               | 9,938.52       | 47,525.93                 |
| Grants in Aid                                |       | 178,059.08              | -              | 178,059.08                |
| Revenue General                              |       | -                       | -              | -                         |
| Capital expenditure                          |       | 184,799.47              | 28,685.03      | 213,484.50                |
| Civil Works                                  |       | 50.47                   | 463.78         | 514.25                    |
| Customs Duty & VAT                           |       | -                       | -              | -                         |
| <b>Sub-Total Non-Development Expenditure</b> |       | 4,760,991.50            | 1,232,513.80   | 5,993,505.30              |
| JICA Activities (DPA)                        |       | 6,257.90                | -              | 6,257.90                  |
| Unicef Activities (DPA)                      |       | 14,172.38               | 3,502.10       | 17,674.48                 |
| <b>Sub-Total DPA Expenditure</b>             |       | 20,430.28               | 3,502.10       | 23,932.38                 |

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(Figure in Lakh Taka)

| Resources                | Notes | Cumulative Prior Period | Current Period | Cumulative Current Period |
|--------------------------|-------|-------------------------|----------------|---------------------------|
| Grand Total Expenditure  |       | 5,493,145.11            | 1,649,269.97   | 7,142,415.08              |
| Cash Closing Balance:    |       |                         |                |                           |
| Imprest Account          |       |                         |                |                           |
| Operating Account (RPA)  |       |                         |                |                           |
| Operating Account (GOB)  |       |                         |                |                           |
| Account Current (CD VAT) |       |                         |                |                           |
| Unicef Account           |       |                         |                |                           |
| JICA                     |       |                         |                |                           |
| Total Expenditure & Cash |       | 5,493,145.11            | 1,649,269.97   | 7,142,415.08              |

Verified by  
Sreenibash Chandra Sahajee  
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Mahesh Chandro Roy  
Director (Finance)  
Section 2, Mirpur, Dhaka 1216  
Phone- 55074914

27/03/2019  
MD. DELWAR HOSSAIN (AKIR)  
AUDIT & ACCOUNTS OFFICER  
FOREIGN AIDED PROJECTS AUDIT DIRECTORATE  
AUDIT COMPLEX (6th FLOOR)  
SAGUNBAGICHA, DHAKA

Third Primary Education Development Programme (PEDP 3)

NOTES OF FINANCIAL STATEMENT

30th June-2018

1. GOVERNMENT OF BANGLADESH

Funds are allocated by the Government of Bangladesh to cover GOB's Share of eligible project expenditure, as specified in the Project Proforma and in the Annual Development 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 Lakh Taka)

| Description         | Notes | Inception to 30 th June 17 | For the year 2017-18 | Inception to 30th June 2018 |
|---------------------|-------|----------------------------|----------------------|-----------------------------|
| Disbursement by GOB | 1     | 4,620,906.24               | 1,301,277.19         | 5,922,183.43                |
| Less Refund to GOB  |       | -                          | -                    | -                           |
| <b>Total</b>        |       | <b>4,620,906.24</b>        | <b>1,301,277.19</b>  | <b>5,922,183.43</b>         |

Total Expenditure

2. LOAN FROM DEVELOPMENT PARTNER

The IDA, ADB, DFID, EU, NORAD, SIDA, CIDA, GPE, JICA, and UNICEF has provided funds to the project to cover its share of eligible project expenditures. These funds, which must be repaid to (name lender/donor) after the conclusion of the project have been drawn by the project in accordance with the following withdrawal procedures (In Lakh Taka)

| Description                        | Notes | Inception to 30 th June 17 | For the year 2017-18 | Inception to 30th June 2018 |
|------------------------------------|-------|----------------------------|----------------------|-----------------------------|
| DPA (Direct Payment)               | 2     |                            |                      |                             |
| RPA (Non SOE Procedure) JICA       |       | 6,257.90                   | -                    | 6,257.90                    |
| RPA (Non SOE Procedure) UNICEF     |       | 14,172.38                  | 3,502.10             | 17,674.48                   |
| <b>Sub-Total</b>                   |       | <b>20,430.28</b>           | <b>3,502.10</b>      | <b>23,932.38</b>            |
| <b>Donor Fund (Budget Support)</b> |       |                            |                      |                             |
| the World Bank/IDA                 | 2     | 276,298.06                 | 220,899.73           | 497,197.79                  |
| Asian Development Bank             | 2     | 282,807.31                 | 28,610.90            | 311,418.21                  |
| DFID (United Kingdom-UKAID)        | 2     | 130,323.68                 | 2,302.41             | 132,626.09                  |
| European Union (EU)                | 2     | 36,401.17                  | 23,414.49            | 59,815.66                   |
| CIDA                               | 2     | 34,916.84                  | 5,442.92             | 40,359.76                   |
| Sida                               | 2     | 27,553.76                  | -                    | 27,553.76                   |
| UNICEF                             | 2     | 394.35                     | 83.70                | 478.05                      |
| JICA                               | 2     | 16,500.75                  | 3,223.82             | 19,724.57                   |
| DFAT (Aus-Aid)                     | 2     | 30,932.67                  | 2,595.22             | 33,527.89                   |
| GPF                                | 2     | 15,680.00                  | 57,917.50            | 73,597.50                   |
| <b>Sub-Total</b>                   |       | <b>851,808.59</b>          | <b>344,490.68</b>    | <b>1,196,299.27</b>         |
| <b>TOTAL</b>                       |       | <b>872,238.87</b>          | <b>347,992.78</b>    | <b>1,220,231.65</b>         |

3. OTHER/NA

Other resources consist of the following

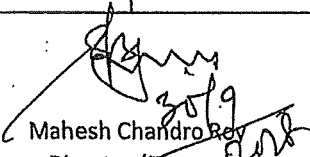
| Description           | Notes | Inception to 30 th June 17 | For the year 2017-18 | Inception to 30th June 2018 |
|-----------------------|-------|----------------------------|----------------------|-----------------------------|
| Project Revenues      |       | -                          | -                    | -                           |
| Exchange gains losses |       | -                          | -                    | -                           |
| <b>Total</b>          |       |                            |                      |                             |

4. CASH

The project maintained Bank Account in the Bangladesh Bank as a Cosulated Fund Account. Year end cash balances were as follows (In Lakh Taka)

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| Description              | Notes | Inception to<br>30 th June 17 | For the year<br>2017-18 | Inception to<br>30th June 2018 |
|--------------------------|-------|-------------------------------|-------------------------|--------------------------------|
| Imprest Account          |       | -                             | -                       | -                              |
| Balance in Field Level   |       | -                             | -                       | -                              |
| Operating Account (RPA)  |       | -                             | -                       | -                              |
| Account Current (CD/VAT) |       | -                             | -                       | -                              |
| Operating Account (GOB)  |       | -                             | -                       | -                              |
| <b>Total</b>             |       | -                             | -                       | -                              |

  
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