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**KAZI ZAHIR KHAN & CO.**  
**Chartered Accountants**  
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***Dakbhanga-Bangladesh***  
Nur Villa, Shipahir Para, Ramu, Cox's Bazar-4700

***Independent Auditors' Report & FD-4 on Financial Statements of  
Dakbhanga Education Project, Phase-4 (funded by Dakbhanga-Belgium)  
for the year ended 16 November, 2020***

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**Dakbhanga-Bangladesh**  
**Dakbhanga Education Project, Phase-4**  
**for the year ended 16 November, 2020**

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**Dakbhanga-Bangladesh**  
**Dakbhanga Education Project, Phase-4**  
**for the year ended 16 November, 2020**

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# **INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT OF DAKBHANGA-BANGLADESH**

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## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of “Dakbhanga Education Project, Phase-4”, a project of Dakbhanga-Bangladesh financed by Dakbhanga-Belgium, which comprise the Statement of Financial Position as at 30 June, 2020 and the Statement of Comprehensive Income, Statement of Receipts & Payments, notes to the financial statements for the year from 17 November, 2019 to 16 November, 2020 including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of “Dakbhanga Education Project, Phase-4”, a project of Dakbhanga-Bangladesh as at 16 November, 2020 and of its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs as explained in note 1 to 2 and for such internal control as management determines in necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The applicable laws and regulations require the management to ensure effective internal audit, internal controls and risk management functions of the entity.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Independent Auditors' Report (Continued)**

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Regulatory Requirements**

In accordance with relevant circulars issued by NGO Affairs Bureau under Prime Minister's Office and other applicable laws and regulations, we also report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the organization so far as it appeared from our examination of those books;
- c) the Statement of Financial Position and the Statement of Comprehensive Income dealt with by the report are in agreement with books of accounts; and
- d) that its budget was duly approved by the NGO Affairs Bureau, Government of the People's Republic of Bangladesh, vide its Memo No. 03.07.2666.664.68.202.2019-71 date 14.01.2020 & 03.07.2666.662.68.202.19-1008 dated 15.11.2020 and budgeted amount was for Tk. 11,252,500.00 and foreign donation received in Bangladeshi Currency amounting to Tk.4,337,704.36.

Dated: Dhaka  
29 November, 2020

**KAZI ZAHIR KHAN & CO.**  
**Chartered Accountants.**  
Engagement Partner  
Abdulla-AI-Mahmud FCA, FCMA, FCS, LL.B, CISA

**Dakbhanga Education Project, Phase-4**  
**Implemented by: Dakbhanga-Bangladesh**  
**Funded by: Dakbhanga-Belgium**

**Statement of Financial Position**  
**as at 16 November, 2020**

<b><u>Particulars</u></b>	<b><u>Notes</u></b>	<b>as at 16 November, 2020 <u>Taka</u></b>	<b>as at 16 November, 2019 <u>Taka</u></b>
<b><u>Property &amp; Assets</u></b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	3.00	2 624 179,00	2 542 126,00
<b>Current Assets</b>			
Cash & Cash Equivalents	4.00	1 386 504,21	1 320 804,00
<b>Total Taka</b>		<b><u>4 010 683,21</u></b>	<b><u>3 862 930,00</u></b>
<b><u>Fund &amp; Liabilities</u></b>			
<b>Fund</b>			
Donor's Fund	5.00	1 386 504,21	1 320 804,00
Fixed Assets Fund	6.00	2 624 179,00	2 542 126,00
<b>Total Taka</b>		<b><u>4 010 683,21</u></b>	<b><u>3 862 930,00</u></b>

The accounting policies and other notes form an integral part of the financial statements.

**Country Representative**

**Administrative Officer**

This is the Statement of Financial Position  
referred to in our report of even date.

Dated: Dhaka  
29 November, 2020

**KAZI ZAHIR KHAN & CO.**  
**Chartered Accountants**  
Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA  
Engagement Partner

**Dakbhanga Education Project, Phase-4**  
**Implemented by: Dakbhanga-Bangladesh**  
**Funded by: Dakbhanga-Belgium**

**Statement of Comprehensive Income**  
**for the year ended 16 November, 2020**

<u>Particulars</u>	<u>Notes</u>	for the year from 17 November, 2019 to 16 November, 2020 <u>Taka</u>	for the year from 17 November, 2018 to 16 November, 2019 <u>Taka</u>
<b>Income</b>			
Grant Realized as Income	5.00 & 7.00	4 530 967,61	6 025 660,00
<b>Total Income</b>		<b>4 530 967,61</b>	<b>6 025 660,00</b>
<b>Expenditure</b>			
Salary & Allowances	8.00	3 060 302,00	3 360 450,00
Training	9.00	9 970,00	133 000,00
Office Accommodation		141 500,00	114 000,00
Furniture & Office Equipment	10.00	46 470,00	66 000,00
Travelling & Daily Allowances		214 115,00	238 140,00
Utilities & Maintenances	11.00	276 538,00	502 510,00
Printing & Stationery	12.00	181 972,00	132 000,00
Post & Telephone	13.00	47 955,00	33 000,00
Motorcycle Maintenance		25 752,00	43 000,00
Education Materials & Other Materials for Primary Education	14.00	259 019,00	301 000,00
Secondary & Higher Secondary Assistance Expenses	15.00	27 450,00	260 000,00
Renewal of Registration		-	507 000,00
Audit Fees		20 000,00	20 000,00
Bank Costs		1 092,61	-
VAT/AIT		26 040,00	116 900,00
Depreciation		192 792,00	198 660,00
<b>Total Expenditure</b>		<b>4 530 967,61</b>	<b>6 025 660,00</b>

The accounting policies and other notes form an integral part of the financial statements.

**Country Representative**

**Administrative Officer**

This is the Statement of Comprehensive Income referred to in our report of even date.

Dated: Dhaka  
29 November, 2020

**KAZI ZAHIR KHAN & CO.**  
**Chartered Accountants**  
Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA  
Engagement Partner

**Dakbhanga Education Project, Phase-4**  
**Implemented by: Dakbhanga-Bangladesh**  
**Funded by: Dakbhanga-Belgium**

**Statement of Receipts & Payments**  
**for the year from 17 November, 2019 to 16 November, 2020**

<u>Particulars</u>	<u>Notes</u>	for the year from 17 November, 2019 to 16 November, 2020 <u>Taka</u>	for the year from 17 November, 2018 to 16 November, 2019 <u>Taka</u>
<b>Receipts</b>			
<b>Opening Balances</b>			
Cash in Hand		-	-
Cash at Bank		1 320 804,00	1 297 631,00
Fund Received from Dakbhanga-Belgium	7.00	4 337 704,36	5 827 808,00
Bank Interest		66 171,46	22 365,00
<b>Total</b>		<b><u>5 724 679,82</u></b>	<b><u>7 147 804,00</u></b>
<b>Payments</b>			
Salary & Allowances	8.00	3 060 302,00	3 360 450,00
Training	9.00	9 970,00	133 000,00
Office Accommodation		141 500,00	114 000,00
Furniture & Office Equipment	10.00	46 470,00	66 000,00
Travelling & Daily Allowances		214 115,00	238 140,00
Utilities & Maintenances	11.00	276 538,00	502 510,00
Printing & Stationery	12.00	181 972,00	132 000,00
Post & Telephone	13.00	47 955,00	33 000,00
Motorcycle Maintenance		25 752,00	43 000,00
Education Materials & Other Materials for Primary Education	14.00	259 019,00	301 000,00
Secondary & Higher Secondary Assistance Expenses	15.00	27 450,00	260 000,00
Renewal of Registration		-	507 000,00
Audit Fees		20 000,00	20 000,00
Bank Costs		1 092,61	-
VAT/AIT		26 040,00	116 900,00
<b>Total Payments</b>		<b><u>4 338 175,61</u></b>	<b><u>5 827 000,00</u></b>
<b>Closing Balances</b>			
Cash in Hand		-	-
Cash at Bank		1 386 504,21	1 320 804,00
<b>Total</b>		<b><u>5 724 679,82</u></b>	<b><u>7 147 804,00</u></b>

The accounting policies and other notes form an integral part of the financial statements.

**Country Representative**

**Administrative Officer**

This is the Statement of Receipts & Payments referred to in our report of even date.

Dated: Dhaka  
29 November, 2020

**KAZI ZAHIR KHAN & CO.**  
**Chartered Accountants**  
Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA  
Engagement Partner



**Dakbhanga-Bangladesh  
Dakbhanga Education Project, Phase-4**

**Notes to the Financial Statements  
for the year ended 16 November, 2020**

**1.00 Background:**

**1.01 Legal Status:**

The Dakbhanga-Bangladesh started its activities since November, 2004 as NGO vide Registration No. 1952, dated 31-08-2004 of the Foreign Donations (Voluntary Activities) Ordinance, 1978 and renewed on 20-02-2020 for till 30-08-2029 under NGO Affairs Bureau, GOB.

**1.02 Project & its Activities:**

The overall objective of the project is to improve the educational status of the children of Kachapia and Kawarkhop Union of Ramu Upazila through supporting the government to achieve the national goal "Educational For All". This is the forth phase and this phase is 5 years project started from 17 November, 2019 and will be ended on 16 November, 2024. The project is financed by Dakbhanga-Belgium. The specific objectives of the project are:

- To run and maintained two primary schools in two villages of Ramu Upazila of Cox's Bazar District;
- To improve the educational level of the children of the area by providing primary education;
- To improve secondary educational level of the children of the area by providing support for the secondary/higher education to the poor and meritorious students who passed from the primary schools;
- To ensure quality primary education by providing necessary training to the teachers, staff and the school committee members.

**1.03 Management:**

Dakbhanga Education Project, Phase-4, the project of Dakbhanga-Bangladesh has been managed by a Project Manger appointed by the Dakbhanga-Belgium.

**1.04 Scope of Audit:**

We confirm that our examination of the books of account and other records of the project have been carried out in conformity with the generally accepted auditing standards and accordingly included such tests and examination as we considered necessary and found feasible under the circumstances. The scope of our examination includes checking of the cash transactions and verification of cash and bank balances.

**1.05 Statement of Legal & Reporting Compliance:**

The financial statements have been prepared in accordance with International Accounting Standards (IAS). The financial statements also comply with the terms and conditions of NGO Affairs Bureau, The Foreign Donations (Voluntary Activities).

**2.00 Significant Accounting Policies:**

**2.01 Basis of Accounting:**

The accounts have been prepared on cash basis as going concern concept under generally accepted accounting principle consistently applied on historical cost convention.

**2.02 Grant Income:**

International Accounting Standard (IAS) 20 "Accounting for Government Grants and Disclosure of Government Assistance" has been followed for recognition of grant income. Grant income has been recognized using the income approach whereby grant income is matched against the related costs, which they are intended to compensate.

**2.03 Cash and Cash Equivalents:**

Cash and cash equivalents comprises of cash in hand and cash at bank that are readily convertible to a known amount of cash and subject to insignificant risk to change in value.

**2.04 Property, Plant & Equipment:**

The cost of an item of property, plant and equipment is recognized as an asset if, it is probable that the future economic benefits associated with the item will flow to the organization/project and the cost of item can be measured reliably. Property, plant and equipment are stated at cost less accumulated depreciation. Cost represents the cost of acquisition includes purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use as per International Accounting Standard (IAS) 16 "Property, Plant and Equipment".

**Depreciation of PPE:**

Depreciation is calculated on the cost of property, plant and equipment in order to write off such amounts over the estimated useful lives of such property, plant and equipment. The rates of depreciation used on reducing balance method which are as follows:

Particulars	Rate
School Building	5%
Furniture & Fixture	20%
Office Equipment	20%
Vehicles (Motor Cycle)	15%

**2.05 Income:**

The source of income of the project was from grant received from Dakbhanga-Belgium and a small amount of bank interest.

**2.06 Expenditure:**

The main head of expenditure was running costs of the project details are shown in Income & Expenditure Account.

**2.07 Reporting currencies and Level of Precision:**

The figures in the financial statements represent Bangladeshi Taka currency, and rounded off to the nearest Taka except where indicates otherwise.

**2.08 Reporting Period:**

Financial statements of the project cover one year from 17 November, 2019 to 16 November, 2020.

**2.09 General:**

Wherever considered necessary, previous period's figures have been rearranged for the purpose of comparison.

<u>Sl. No. Particulars</u>	<u>for the year from 17 November, 2019 to 16 November, 2020 Taka</u>	<u>for the year from 17 November, 2018 to 16 November, 2019 Taka</u>
<b>3.00 Property, Plant &amp; Equipment:</b>		
<b>Cost:</b>		
Opening Balance	4 490 757,00	3 974 757,00
Add: Addition during the year	274 845,00	516 000,00
Closing Balance	<u>4 765 602,00</u>	<u>4 490 757,00</u>
<b>Depreciation:</b>		
Opening Balance	1 948 631,00	1 749 971,00
Add: Charged during the year	192 792,00	198 660,00
Closing Balance	<u>2 141 423,00</u>	<u>1 948 631,00</u>
<b>Written down value</b>	<u>2 624 179,00</u>	<u>2 542 126,00</u>
Details are shown in Appendix-1 & 2.		
<b>4.00 Cash &amp; Cash Equivalents:</b>		
The amount arrived at as under:		
Cash in Hand	-	-
Cash at Bank		
IFIC Bank Ltd., Cox's Bazar Br., CC A/C. 2044-256799-041	1 386 504,21	1 320 804,00
<b>Total Taka</b>	<u>1 386 504,21</u>	<u>1 320 804,00</u>
<b>5.00 Donor's Fund:</b>		
Opening Balance	1 320 804,00	3 522 417,00
Add: Fund Received during the period/year	4 337 704,36	5 827 808,00
Add: Bank Interest on Foreign Fund	66 171,46	22 365,00
Add: Depreciation Recovery	192 792,00	198 660,00
	5 917 471,82	9 571 250,00
Less: Transferred to Realization of Income	4 530 967,61	6 025 660,00
Less: Transferred to Fixed Assets Fund	-	2 224 786,00
<b>Closing Balance</b>	<u>1 386 504,21</u>	<u>1 320 804,00</u>
<b>6.00 Fixed Assets Fund:</b>		
Opening Balance	2 542 126,00	2 224 786,00
Add: Addition during the year	274 845,00	516 000,00
Less: Depreciation Charged during the period/year	192 792,00	198 660,00
<b>Closing Balance</b>	<u>2 624 179,00</u>	<u>2 542 126,00</u>
<b>7.00 Foreign Donation:</b>		
The project has obtained approval of the NGO Affairs Bureau on 14 January, 2020 and 15 November, 2020 for the release of fund of Tk. 11,252,500.00 . The Project received foreign donation through Current A/C-2044-256799-041, IFIC Bank Ltd., Cox's Bazar Branch is as follows:		
<b>Date</b>		
03-02-2019	-	2 576 240,00
29-07-2019	-	3 251 568,00
28-01-2020	2 748 161,96	-
16-11-2020	1 589 542,40	-
<b>Total Taka</b>	<u>4 337 704,36</u>	<u>5 827 808,00</u>
<b>8.00 Salary &amp; Allowances:</b>		
<b>Managerial Staff:</b>	<b>806 558,00</b>	<b>1 238 665,00</b>
Country Representative	224 696,00	477 043,00

<u>Sl. No. Particulars</u>	<u>for the year from 17 November, 2019 to 16 November, 2020 Taka</u>	<u>for the year from 17 November, 2018 to 16 November, 2019 Taka</u>
Assistant Country Representative	-	-
Programme Coordinator	302 129,00	454 864,00
Administrative Officer	252 733,00	279 758,00
Assistant Administrative Officer (Part Time)	27 000,00	27 000,00
<b>Skilled Staff:</b>	<b>2 203 744,00</b>	<b>2 071 785,00</b>
Head Teacher-2	464 122,00	435 855,00
Teacher-2 (Senior)	358 858,00	381 979,00
Teacher-10	1 380 764,00	1 253 951,00
<b>Unskilled Staff</b>	<b>50 000,00</b>	<b>50 000,00</b>
Support Staff-2	50 000,00	50 000,00
<b>Total Taka</b>	<b>3 060 302,00</b>	<b>3 360 450,00</b>
<b>9.00 Training:</b>		
Training for Managerial Staff	4 000,00	36 000,00
Training for Teacher	5 970,00	68 000,00
School Management Committee Members Training	-	29 000,00
<b>Total Taka</b>	<b>9 970,00</b>	<b>133 000,00</b>
<b>10.00 Furniture &amp; Office Equipment</b>		
<b>Furniture</b>	-	<b>66 000,00</b>
Office Furniture	-	22 000,00
School Furniture	-	44 000,00
<b>Office Equipment</b>	<b>46 470,00</b>	-
Computer & Printer	46 470,00	-
<b>Total</b>	<b>46 470,00</b>	<b>66 000,00</b>
<b>11.00 Utilities &amp; Maintenances:</b>		
Utilities	48 163,00	52 510,00
Construction/Maintenances	228 375,00	450 000,00
<b>Total Taka</b>	<b>276 538,00</b>	<b>502 510,00</b>
<b>12.00 Printing &amp; Stationery:</b>		
Printing & Stationery-Main Office	8 879,00	5 942,00
Printing & Stationery-School 1	14 174,00	93 998,00
Printing & Stationery-School 2	158 919,00	32 060,00
<b>Total Taka</b>	<b>181 972,00</b>	<b>132 000,00</b>
<b>13.00 Post &amp; Telephone:</b>		
Post & Telephone-Main Office	12 690,00	12 295,00
Post & Telephone-School 1	17 980,00	16 415,00
Post & Telephone-School 2	17 285,00	4 290,00
<b>Total T</b>	<b>47 955,00</b>	<b>33 000,00</b>
<b>14.00 Education Materials &amp; Other Materials for Primary Education:</b>		
<b>Uniforms, Exercise &amp; Text Books:</b>	<b>165 471,00</b>	<b>204 000,00</b>
Uniforms, Exercise & Text Books-School 1	450,00	116 908,00
Uniforms, Exercise & Text Books-School 2	165 021,00	87 092,00
<b>Sports &amp; Picnic</b>	<b>93 548,00</b>	<b>97 000,00</b>

<u>Sl. No. Particulars</u>	for the year from 17 November, 2019 to 16 November, 2020 <u>Taka</u>	for the year from 17 November, 2018 to 16 November, 2019 <u>Taka</u>
<b>Total</b>	<b>259 019,00</b>	<b>301 000,00</b>
<b>15.00 Education Materials &amp; Other Materials for Primary Education:</b>		
School Fees & Education Materials	27 450,00	260 000,00
Total	<b>27 450,00</b>	<b>260 000,00</b>
<b>16.00 Unutilized Foreign Donation:</b>		
Last year's unutilized donation	1 190 521,00	1 189 713,00
Add: Received during the year	4 337 704,36	5 827 808,00
Add: Bank Interest	66 171,46	-
	<u>5 594 396,82</u>	<u>7 017 521,00</u>
Less: Spent during the year	4 338 175,61	5 827 000,00
<b>Closing Balance</b>	<b>1 256 221,21</b>	<b>1 190 521,00</b>
<b>17.00 Others:</b>		

FD-4 along with annexure A-1 showing utilization of fund and notes there on for the reasons of budget variation during the year is attached to this report.

**Dakbhanga Education Project, Phase-4  
Implemented by: Dakbhanga-Bangladesh  
Funded by: Dakbhanga-Belgium**

**Annexure-Y**

**Management Report on the Accounts  
for the year from 17 November, 2019 to 16 November, 2020**

**Observation:**

During the course of our audit, we noted that books of account in the project are properly maintained and every transaction recorded in the project are easily identifiable with relevant vouchers and supporting documents.

We have examined all the relevant vouchers and supporting documents of transactions, recorded in the books of account and confirmed about their correctness and fairness in relation to approved budgeted expenditure.

During the course of our audit and examination, there was a few trivial errors which were corrected by the management spontaneously.

**Recommendation:**

Accountant should give more attention while making entry in the books of account.

**Dakbhanga Education Project, Phase-4**  
**Implemented by: Dakbhanga-Bangladesh**  
**Funded by: Dakbhanga-Belgium**

**Schedule of Property, Plant & Equipment**  
**for the year ended 16 November, 2020**

Name of Assets	Cost			Rate %	Depreciation			Written down value as at 16-11-2020
	as at 17-11-2019	addition during the year	as at 16-11-2020		as at 17-11-2019	charged during the year	as at 16-11-2020	
School Building	2 893 189,00	228 375,00	3 121 564,00	5	700 237,00	121 066,00	821 303,00	2 300 261,00
Furniture & Fixture	863 848,00	-	863 848,00	20	632 345,00	46 301,00	678 646,00	185 202,00
Office Equipment	444 220,00	46 470,00	490 690,00	20	381 674,00	17 156,00	398 830,00	91 860,00
Vehicles (Motor Cycle)	289 500,00	-	289 500,00	15	234 375,00	8 269,00	242 644,00	46 856,00
<b>as at 16 November, 2020</b>	<b>4 490 757,00</b>	<b>274 845,00</b>	<b>4 765 602,00</b>		<b>1 948 631,00</b>	<b>192 792,00</b>	<b>2 141 423,00</b>	<b>2 624 179,00</b>
<b>as at 16 November, 2019</b>	<b>3 974 757,00</b>	<b>516 000,00</b>	<b>4 490 757,00</b>		<b>1 749 971,00</b>	<b>198 660,00</b>	<b>1 948 631,00</b>	<b>2 542 126,00</b>

Appendix-2

**Dakbhanga Education Project, Phase-4  
Implemented by: Dakbhanga-Bangladesh  
Funded by: Dakbhanga-Belgium**

**Details of Fixed Assets  
upto 16 November, 2020**

Particulars	Quantity	Month of Procurement	Purpose	Amount (Tk.)
<b>School Building</b>		Aug, 06 to Nov, 06	For School	727 566,00
School Building		Nov, 09 to Nov, 2010	For School	146 098,00
School Building		May, 2017 to Nov, 2017	For School	950 000,00
School Building		Nov, 09 to Nov, 2010	For School	169 525,00
School Building		Nov, 2017 to Nov, 2018	For School	450 000,00
School Building		Nov, 2018 to Nov, 2019	For School	450 000,00
School Building		Nov, 2019 to Nov, 20120	For School	228 375,00
<b>Playing Facility and Instrument</b>				
<b>Office Equipment</b>				
Photocopy machine	1	Nov, 05	For Office	155 000,00
Stabilizer	1	Dec, 05	For Office	8 000,00
Computer-Daffodil	1	Nov, 08	For Office	39 000,00
Printer-Canon	1	Nov, 08	For Office	10 400,00
Laptop	1	July, 2011	For Office	42 000,00
Photocopier	1	September, 2011	For Office	123 000,00
Computer	1	January, 2016	For Office	42 000,00
Photocopy machine accessories	1	January, 2017	For Office	13 500,00
Computer Accessories	1	March to October, 2017	For Office	11 320,00
Computer Accessories	1	Nov, to November, 2020	For Office	46 470,00
<b>Furniture &amp; Fixture</b>				
Almirah-wooden	2	Nov, 05	For Office	4 000,00
File Rack-wooden	2	Nov, 05	For Office	9 000,00
Table-wooden	5	Nov, 05	For Office	12 750,00
Chair-steel	13	Dec, 04	For Office	6 750,00
Display/white board	3	Nov, 05	For Office	1 950,00
Ceiling fan	3	Oct, 05	For Office	5 118,00
School benches	30	Nov, 05	For School	7 326,00
Almirah-steel	1	Nov, 06	For School	8 000,00
File rack-wooden	1	Nov, 06	For School	6 000,00
Table-wooden	17	Nov, 06	For School	23 000,00
Chair-plastic	20	Nov, 06	For School	7 400,00
School benches	110	Nov, 06	For School	55 715,00
Black board-wooden	4	Apr, 06	For School	4 000,00
Almirah-steel	1	Oct, 07	For Office	10 500,00
School benches	20	Oct, 07	For School	20 627,00
Ceiling fan	2	Feb, 07	For School	3 740,00
Ceiling fan	3	Feb, 07	For Office	5 660,00
Display board	8	Mar, 07	For School	2 079,00
Computer table	1	Jan, 2010	For Office	6 700,00
Steel chair	2	Jan, 2010	For Office	6 500,00
School benches	30	Feb, 2010	For School	59 305,00
School benches	40	Feb, 2010	For School	60 991,00
Table	4	Feb, 2010	For School	10 250,00
Table	4	Feb, 2011	For School	11 867,00
School benches	33	Sep, 2012	For School	69 000,00
File rack-wooden	2	Sep, 2012	For School	9 000,00
Chair-steel	2	Feb, 2012	For Office	7 200,00
File Rack-wooden	2	Sep, 2012	For Office	9 000,00
Book self-wooden	1	Nov, 2012	For School	12 500,00
Book self-wooden	1	Jan, 2013	For School	12 500,00
File rack-wooden	2	Feb, 2013	For School	18 870,00
Almirah-wooden	1	May, 2013	For Office	9 950,00
File cabinet-wooden	1	Nov, 2013	For School	11 000,00
Book self-wooden	2	Sep, 2014	For Office	18 500,00
Round table	2	Sep, 2014	For School	13 772,00
Chair	12	Sep, 2014	For School	17 746,00



Particulars	Quantity	Month of Procurement	Purpose	Amount (Tk.)
Book self-wooden	1	Sep, 2014	For School	23 651,00
Chair with handal	2	July, 2014	For School	2 677,00
Chair	2	July, 2014	For School	2 444,00
Bench	8	October, 2014	For School	14 710,00
Computer table	2	March, 2015	For School	9 000,00
Bench	10	September, 2015	For School	28 000,00
Table	2	August, 2016	For Office	8 800,00
Bench	7	September, 2016	For School	11 900,00
Table	2	September, 2016	For School	3 012,00
Conference room (Decoration)	1	September, 2016	For School	14 088,00
Steel file cabinet	1	May, 2017	For Office	6 000,00
Office table	4	October, 2017	For Office	14 000,00
School benches-Steel	15	May, 2017	For School	40 000,00
Steel almira	1	June, 2018	For Office	14 570,000
Computer table	1	June, 2019	For Office	3 200,000
Tea table	2	August, 2018	For Office	2 030,00
School benches-Steel	21	March, 2018	For School	31 710,00
Table-Wooden	4	April, 2018	For School	9 790,00
Steel file cabinet	1	April, 2019	For Office	7 500,00
Almirah-steel	1	April, 2019	For Office	14 500,00
School iron benches (high)	16	May, 2019	For School	24 000,00
School iron benches (low)	16	May, 2019	For School	20 000,00
<b>Vehicles</b>				
Motor cycle	1	Nov, 05	For Office	140 000,00
Motor cycle	1	Feb, 2012	For Office	149 500,00
<b>Total</b>				<b><u>4 765 602,00</u></b>

Date: 29 November, 2020

**FORM FD-4**

**Certificate to be given by the Auditors'**

I/We have audited the Accounts of "Dakbhanga, Education Project, Phase-4", a project of Dakbhanga-Bangladesh, Nur Villa, Shipahir Para, Ramu, Cox's Bazar-4700 Vide Registration No. 1952 Dated 31-08-2004 and renewed on 20-02-2020 for till 30-08-2029 under NGO Affairs Bureau, GOB for the year ended 16 November, 2020 and examined all relevant books, vouchers and certify that according to the audited Accounts:

1. The brought forward Foreign Donation at the beginning of the 17 November, 2019 was Tk. 1,190,521.00.
2. The Foreign Donations amounting to Tk. 4,337,704.36 were received by the organisation during the year ended 16 November, 2020 and the Organisation received bank interest through project account amounting to Tk. 66,171.46.
3. The balance of unutilized Foreign Donation by the organisation was Tk. 1,256,221.21.
4. Foreign Donations amounting to Tk. 4,338,175.61 have been utilized for the following purposes (to be submitted project - wise).

Name of the project: Dakbhanga, Education Project, Phase-4

Head of Expenditure	Amount as per Approved Budget (Tk.)	Amount Actually Spent (FD) (Tk.)	Difference Amount (Tk.)
As per approved Budget of the project, e.g. Annexure A-1	11,252,500.00	4,338,175.61	6,914,324.39

5. Certified that the organisation has maintained the accounts of Foreign Donation and records relating thereto in the manner specified as in section 5 of the Foreign Donation (Voluntary Activities) Regulation Ordinance, 1978 read with rule 6 and 7 to the said Ordinance.
6. The information furnished above is correct and checked by me/us.

Signature of the Chartered Accountants

Date: 29 November, 2020  
Place: Dhaka

**KAZI ZAHIR KHAN & CO.**  
**Chartered Accountants**  
Engagement Partner  
Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA  
281/3, Jafrabad (Sankor), Ground Floor,  
West Dhanmondi, Dhaka-1207

**Annexure-A-1**

**Statement of Budget Variance**

1. Organization Name	Dakbhanga-Bangladesh
2. Project's Name	Dakbhanga Education Project, Phase-4
3. Date of Govt. Approval with memo no.	Letter no. 03.07.2666.664.68.202.2019-71 dated 14-01-2020
4. Fund clearance memo no.	Letter no. 03.07.2666.664.68.202.2019-71 dated 14-01-2020 & 03.07.2666.662.68.202.19-1008 dated 15-11-2020
5. Project period	for the period from 17 November, 2019 to 16 November, 2024
6. Reporting period	for the period from 17 November, 2019 to 16 November, 2020
7. Total Project Amount	Tk. 60,007,654.00
8. Total Fund Clearance Amount	Tk. 11,252,500.00
9. Project Area:	Kachapia & Kawarkhop Unions of Ramu Upazila under Cox's Bazar District.

Sl. No.	Head of Expenditure	Amount as per Approved Budget	Amount Actually Spent	Balance	Reason for variation
<b>1</b>	<b>Salary &amp; Allowances-Local</b>	<b>7 020 000,00</b>	<b>3 060 302,00</b>	<b>3 959 698,00</b>	
	<b>Managerial Staff:</b>	<b>3 445 000,00</b>	<b>806 558,00</b>	<b>2 638 442,00</b>	
	Country Representative	1 235 000,00	224 696,00	1 010 304,00	
	Assistant Country Representative	715 000,00	-	715 000,00	
	Programme Coordinator	650 000,00	302 129,00	347 871,00	
	Administrative Officer	520 000,00	252 733,00	267 267,00	
	Assistant Administrative Officer (Part Time)	325 000,00	27 000,00	298 000,00	
	<b>Skilled Staff</b>	<b>3 263 000,00</b>	<b>2 203 744,00</b>	<b>1 059 256,00</b>	
	Head Teacher-2	507 000,00	464 122,00	42 878,00	
	Teacher-2 (Senior)	481 000,00	358 858,00	122 142,00	
	Teacher-10	2 275 000,00	1 380 764,00	894 236,00	
	<b>Unskilled Staff</b>	<b>312 000,00</b>	<b>50 000,00</b>	<b>262 000,00</b>	
	Support Staff-2	312 000,00	50 000,00	262 000,00	
<b>2</b>	<b>Training</b>	<b>290 000,00</b>	<b>9 970,00</b>	<b>280 030,00</b>	
	Training for Managerial Staff	70 000,00	4 000,00	66 000,00	
	Training for Teacher	160 000,00	5 970,00	154 030,00	
	School Management Committee Members Training	60 000,00	-	60 000,00	
<b>3</b>	<b>Office Accommodation</b>	<b>180 000,00</b>	<b>141 500,00</b>	<b>38 500,00</b>	
<b>4</b>	<b>Furniture &amp; Office Equipment</b>	<b>941 500,00</b>	<b>46 470,00</b>	<b>895 030,00</b>	
<b>4.A.</b>	<b>Furniture</b>	<b>190 000,00</b>	<b>-</b>	<b>190 000,00</b>	
	Office Furniture	50 000,00	-	50 000,00	
	School Furniture	140 000,00	-	140 000,00	
<b>4.B.</b>	<b>Office Equipment</b>	<b>751 500,00</b>	<b>46 470,00</b>	<b>705 030,00</b>	
	Computer & Printer	130 000,00	46 470,00	83 530,00	
	Laptop	189 000,00	-	189 000,00	
	Scanner	12 500,00	-	12 500,00	
	Motor Cycle	220 000,00	-	220 000,00	
	Photocopier	200 000,00	-	200 000,00	
<b>5</b>	<b>Travelling &amp; Daily Allowances</b>	<b>360 000,00</b>	<b>214 115,00</b>	<b>145 885,00</b>	
<b>6</b>	<b>Other Costs:</b>	<b>2 461 000,00</b>	<b>865 818,61</b>	<b>1 595 181,39</b>	
<b>6.A.</b>	<b>Utilities &amp; Maintenances</b>				
	Utilities-Office & 2 Schools	360 000,00	48 163,00	311 837,00	
	Maintenances of School Building-2 Schools	400 000,00	228 375,00	171 625,00	
<b>6.B.</b>	<b>Printing &amp; Stationery</b>	<b>360 000,00</b>	<b>181 972,00</b>	<b>178 028,00</b>	
<b>6.C.</b>	<b>Post &amp; Telephone</b>	<b>60 000,00</b>	<b>47 955,00</b>	<b>12 045,00</b>	
<b>6.D.</b>	<b>Motorcycle Maintenance</b>	<b>180 000,00</b>	<b>25 752,00</b>	<b>154 248,00</b>	
<b>6.E.</b>	<b>Education Materials &amp; Other Materials for Primary Education</b>				

SI. No.	Head of Expenditure	Amount as per Approved Budget	Amount Actually Spent	Balance	Reason for variation
6.F.	Uniforms, Exercise & Text Books	360 000,00	165 471,00	194 529,00	a
	Sports & Picnic	200 000,00	93 548,00	106 452,00	
6.G.	Secondary & Higher Secondary Assistance Expenses				
	School Fees & Education Materials	480 000,00	27 450,00	452 550,00	
	Others				
	Evaluation	-	-	-	
	Renewal of Registration	-	-	-	
	Audit Fees	30 000,00	20 000,00	10 000,00	
	Bank Costs	3 000,00	1 092,61	1 907,39	
	Advertisement	3 000,00	-	3 000,00	
	VAT/AIT	25 000,00	26 040,00	(1 040,00)	
<b>Total Taka</b>		<b>11 252 500,00</b>	<b>4 338 175,61</b>	<b>6 914 324,39</b>	

**Reasons for Variation:**

- a. This over expenditure has been made due to project requirement.

**Dakbhanga Education Project, Phase-4**  
**Implemented by: Dakbhanga-Bangladesh**  
**Funded by: Dakbhanga-Belgium**

**Notes to FD-4**  
**for the year ended 16 November, 2020**

1. Reconciliation of unutilized fund with closing balance of Statement of Receipts & Payments:

Particulars	for the period from 17 November, 2019 to 16 November, 2020
	Taka
Opening Balance	1 190 521,00
Add: Foreign Donation Received during the period	4 337 704,36
Add: Bank Interest	66 171,46
<b>Foreign Fund Available</b>	<b>5 594 396,82</b>
Less: Expenses out of Foreign Donation Available	4 338 175,61
<b>Foreign Donation unutilized as at 16 November, 2020</b>	<b>1 256 221,21</b>
Add: Bank Interest (Cumulative)	130 283,00
<b>Closing Balance as per Statement of Receipts &amp; Payments</b>	<b>1 386 504,21</b>

2. Reconciliation of Statement of Comprehensive Income with Statement of Receipts & Payments:

Particulars	for the period from 17 November, 2019 to 16 November, 2020
	Taka
Total Expenses as per Statement of Comprehensive Income	4 530 967,61
Less: Depreciation charged during the period	(192 792,00)
<b>Total Payments as per Statement of Receipts &amp; Payments</b>	<b>4 338 175,61</b>

Date: 29 November, 2020

### **Report as per condition prescribed by NGO Affairs Bureau**

We have audited the financial statements of “Dakbhanga Education Project, Phase-4”, a project of Dakbhanga-Bangladesh for the year ended 16 November, 2020 and has issued our report thereon dated 29 November, 2020. Our observation in compliance with the conditions laid down in the circular No. 03.07.2666.657.43.253.17-51 dated 16-01-2020 issued from the NGO Affairs Bureau, Prime Minister’s Office, Government of the People’s Republic of Bangladesh are listed below:

#### **Condition-1**

Requirement:

During the audit of NGOs, the audit firms should perform their duties with maximum responsibility and independently.

Observations and comments:

We have conducted in accordance with International Standards of auditing (ISA) and maintain strictly the “IFAC Code of Ethics” according to which reasonable steps have been taken to identify circumstances that could pose a conflict of interest. We have also complied with the terms and conditions of the audit procedure.

#### **Condition-2**

Requirement:

During the audit of NGOs, the audit firm will check whether the NGOs complied with the procedures prescribed for NGOs in The Foreign Donations (Voluntary Activities) Regulation Act, 2016 and whether the project has been implemented and expenses incurred properly as per the terms of approval of the FD-6.

Observations and Comments:

Our audit revealed that Dakbhanga-Bangladesh had complied with all applicable rules, regulations and procedures. Dakbhanga-Bangladesh also implemented the project and incurred expenses properly as per terms of approval of the FD-6.

### Condition-3

Requirement:

The audit firm, along-with their audit report, must have to issue a certificate on foreign donation receipts and expenses related matter in separate form FD-4 and Annexure-A-1 as prescribed by the Bureau. All information regarding foreign donation must be based on cash basis not accrual basis. That's mean no amount will be shown as negative or receivable regarding the foreign donation. Total amount will be disclosed when difference will be made between the FD-4 and actual expenses. Details item wise break-up and reason of difference will be disclosed at annexure-A/1 between approved budget and actual expenses. Annexure-A/1 must reflect the approved project's budget and its details items must be followed by annexure-C.

Observations and Comments:

Format FD-4 and Annexure-A-1 as prescribed by the Bureau in respect of foreign donations are duly enclosed. Details of the receipts and expenses from these are shown in the Receipts & Payments Account of the Report.

### Condition-4

Requirement:

Separate audit report will be made for every project and report should correspond relevant project year basis (highest 12 months). Local income/donation earned by the project, if any should be shown separately.

Observation and Comments:

Separate audit report was made for each project. No amount has been received as local income/donation and a small amount of Bank interest earned during the year.

### Condition-5

Requirement:

The project background and its activities in short must be stated in the audit report. The audit report also mention the name of the project, total project year, memo no. and date of project approval letter, amount released by NGO Affairs Bureau, amount released (mentioning instalment), foreign donation received, whether the foreign donation received in mother account before clearance, year of audit, area of the project, number of beneficiaries and date of the appointment letter of audit firm.

Observation and Comments:

Project briefing & main activities are described under note no 1 & 2 of the accounts. Other information is given below:

Sl. No.	Particulars	Details
a.	Name of the project	Dakbhanga Education Project, Phase-4
b.	Total project years	5 years from 17 November, 2019 to 16 November, 2024
c.	Memo no. and date of project approval letter	03.07.2666.664.68.202.2019-71 dated 14.01.2020
d.	Fund clearance memo no. and date	03.07.2666.664.68.202.2019-71 dated 14.01.2020 03.07.2666.662.68.202.19-1008 dated 15-11-2020
e.	Amount released (mentioning instalment)	Tk. 11,252,500.00 (two instalment)
f.	Foreign donation received	Tk. 4,337,704.36
g.	Whether the foreign donation received in mother account before clearance	No
h.	Year of audit	The year from 17 November, 2019 to 16 November, 2020
i.	Area of the project	The project covers two Unions namely Kachapia and Kawarkhop of Ramu Upazila under Cox's Bazar District.
j.	Number of beneficiaries	620 Students, 16 Teachers, 24 SMC Members and 20 Secondary Students.
k.	Date of the appointment letter of audit firm	28-06-2020

A Receipts and Payments Statement have been prepared in conformity with the receipts and payments line items of ledger maintained by Dakbhanga-Bangladesh.  
There is no difference between line items of ledger and that of the FD-4 and related Annexure-A/1.

**Condition-6**

Requirement:

Balance Sheet, Income & Expenditure Account and Receipts & Payments Account to be part of the audit report and those must be signed by the authority of the NGO. If no balance sheet is needed for a particular project then reason should be disclosed. Receipts & Payments Account should be prepared in conformity with the Receipts & Payments line items of ledger maintained by NGOs. If there is any contingences or others line items then details allocation of expenses must be stated.

Observations & Comments:

Balance Sheet, Income & Expenditure Account and Receipts & Payments Account are enclosed with report.

**Condition-7**

Requirement:

Each page of the audit report of the NGO should contain page number, name, designation and signature of proper authority and common seal of the audit firm. But in case of Audit Report, Balance Sheet, Accounts Statement, FD-4 Certificate and Report as per TOR must contain full signature with name, designation and mention the title FCA/ACA. Audit report of NGOs contains the following items:

First phase:

- Audit Report with scope, opinion etc.;
- Balance Sheet;
- Income & Expenditure Account;
- Receipts & Payments Account;
- Notes to the Financial Statements;
- Schedule/Annexure/Others.

Second Phase:

- FD-4 Certificate;
- Annexure A/1;
- Notes to FD-4 (if any);
- Report as per TOR of NGO Affairs Bureau.

Observations & Comments:

The audit report has been duly prepared following the prescribed conditions of the TOR.

**Condition-8**

Requirement:

For multi-years project, whether audit of last year was made and sent to the NGO Affairs Bureau that should be mentioned in the report. The auditors should also mention whether audit was made in case of on-going that means same project name in the last year or same project and sent to the NGO Affairs Bureau.

Observations & Comments:

This is a 5 years project and first term audit has been made by us.

**Condition-9**

Requirement:

After completion of audit, one copy of audit report is sealed and envelope should be sent directly to the Deputy Director (Inspection and Audit), NGO Affairs Bureau.

Observations & Comments:

One copy of audit report in sealed envelope is sent directly to the Deputy Director, NGO Affairs Bureau.

**Condition- 10**



Requirement:

The Organization has to mention first Registration Number with date and last Renewal date from NGO Affairs Bureau.

Observations & Comments:

The Dakbhanga-Bangladesh registered with NGO Affairs Bureau, GOB vide Registration No. 1952, dated 31-08-2004 under the Foreign Donations (Voluntary Activities) Regulation Ordinance, 1978 and last renewed on 20-02-2020 for till 30-08-2029.

**Condition-11**

Requirement:

According to Rule-7 of the Foreign Donation (Voluntary Activities) Regulation Rules, 1978 whether a NGO dealt all kinds of foreign donations in only one bank account or not? If it is dealt with more than one banks then the name of such banks along with account no. and amount to be specified.

Observations & Comments:

Foreign donation received during the year was made through one bank account namely Current Account No. 2044-256-799-041 of IFIC Bank Limited, Cox's Bazar Branch, Cox's Bazar.

**Condition-12**

Requirement:

Donation received by approved bank, its account no., bank name, branch, how much donation received along with detail particulars of donor to be furnished to NGO Affairs Bureau. Relevant project bank account no, bank name, branch and balance of account should be stated. Auditor should give opinion whether the bank reconciliation of both mother account and project accounts are correct or wrong.

Observations & Comments:

We have observed the followings:

<u>Sl. No.</u>	<u>Particulars</u>	<u>Observations</u>
1.	NGO Approved Bank Account Number	Current Account No. 2044-256799-041
2.	Bank Name	IFIC Bank Limited
3	Branch	Cox's Bazar Branch
4	Donation received	Tk. 4,337,704.36
5	Name of Donor	Dakbhanga-Belgium

The bank balances have been confirmed and reconciled with respective bank statements.

**Condition-13**

Requirement:

If any donation is received in kinds then its proper valuation to be made and the said amount to be included in the receipt of donation as per FD-4 (either separate or combined) and to furnish its use and details of balances as per FD-5.

Observations & Comments:

No donation was received in the form of goods.

**Condition-14**

Requirement:

Interest/exchange gain earned on donation to be specified separately in the statement of accounts and for its use whether the NGO obtained approval of revised budget from NGO Bureau or not. It is to be mentioned in the report.

Observations & Comments:

Bank interest amounting to Tk. 66,171.46 was earned by the NGO during the period but obtained no approval of revised budget from NGO Affairs Bureau regarding this matter.

#### **Condition-15**

Requirement:

As per Rule-6 of the Foreign Donations (Voluntary Activities) Regulation Rules 1978 whether books of account, cash book, bank book, ledger, stock register, asset register and other register of NGO are maintained properly under double entry system of book keeping or not.

Observations & Comments:

It is observed that NGO Accounts that is Cash Book, Bank Book, Ledger, Stock Register, Asset Register and other Register are maintained under the double entry Accounting System as mentioned under Rule-6 of the Foreign Donations (Voluntary Activities) Regulations Rules, 1978.

#### **Condition-16**

Requirement:

If there is Revolving Loan Fund (RLF) operated by the NGO, project/donor wise accounts have been maintained or not. If loan is distributed from project then its receipts against service charges to be mentioned in the receipt account. Whether separate accounts are maintained and separate audit is done in respect of Consolidated Micro Credit Fund. If no separate audit was made against the RLF operated from foreign donation and credit given from the project, then ensure the service charges as receipts.

Observations & Comments:

As reported by the management of the organization and during our review this project has no Revolving Loan Fund (RLF).

#### **Condition-17**

Requirement:

As regards implementation of Micro Credit Program by foreign donation, is there any certificate from Micro Credit Regulatory Authority of concerned NGO.

Observations & Comments:

Dakbhanga-Bangladesh does not conduct any Micro Credit Program. Hence, licence from the Micro Credit Authority is not applicable.

#### **Condition-18**

Requirement:

If donations are spent in foreign currency then detail particulars to be mentioned.

Observations & Comments:

No amount was paid in foreign currency against foreign donations in this Project.

#### **Condition-19**

Requirement:

If expenses in any head exceeded the budget or adjustment has been made to other head or whether expenses in unapproved head is adjusted with approved head or not then the proposed and causes of such excess expenses to be specified in details.

Observations & Comments:

Favourable and unfavourable variances both took place. Objective and for variance have been explained in Annexure-A/1. There were no instance of excess expenditure of one head adjusted with other head and unbudgeted expenditure adjusted with budgeted expenditure.

#### **Condition-20**

Requirement:

Whether the salary of the employees/staff and other expenses over Tk. 10,000 are paid through bank cheque or cash to be mentioned.

Observations & Comments:

Salary of the employees/staff and other expenses were paid through bank cheque. But, in some cases, program expenses over Tk. 10,000, transactions were made through cash where necessary.

**Condition-21**

Requirement:

If project has been implemented by taking loan then the information about the source of loan and approval of Executive Committee to be disclosed.

Observations & Comments:

No loan was taken for implementation of the project during the year.

**Condition-22**

Requirement:

Whether any member of the general body and/or executive committee of the organization take any salary or honorarium. If takes, then details to be specified with information of Executive Committee approval. In other case if Chief Executive of the NGO takes salary/remuneration from the project under audit or other project then details to be specified.

Observations & Comments:

No salary or honorarium taken by any member of general body and/or executive committee.

**Condition-23**

Requirement:

The auditors should mention whether Internal control system of the organization is satisfactory or not.

Observations & Comments:

It is observed that the overall internal control system of the organization is quite satisfactory.

**Condition-24**

Requirement:

If any money remitted and/or transferred to the donor agency then details of that to be mentioned.

Observations & Comments:

No money remitted and /or transferred to the donor agency.

**Condition-25**

Requirement:

Whether necessary Revenue Stamp fixations, VAT/Advance Income Tax are deducted from bill/voucher as per National Board of Revenue (NBR) that is Government Rules and deducted VAT/IT is properly deposited to the national exchequer-Auditor should give opinion on that issue. How much money was deposited as VAT & IT that should be disclosed?

Observations & Comments:

Necessary Revenue Stamp has been affixed and VAT & Advance Income Tax has been deducted and deposited to the national exchequer as per Government Rules by the management of the organization. Details are given in **Annexure-1** with the report.

**Condition-26**

Requirement:

As per Income Tax Ordinance, 1984 whether the organization submitted income tax return to National Board of Revenue as Legal Entity in every fiscal year or not? At the same time if any foreigner engaged in the Organization whether they paid regular Income Tax or not and whether their income tax return have been completed for the last income year that should be disclosed.

Observations & Comments:

Dakbhanga-Bangladesh submitted no income tax return to National Board of Revenue every fiscal year as Legal Entity. No foreigner has engaged in the Organization.

**Condition-27**

Requirement:

Whether any Income Generating Activities-IGA under the Organization's Project or not? If any, then mention the name of IGA and whether the imposed income tax are paid or not? Or, income tax exemption certificate is collected from the NBR authority or not. Audit firm has to give opinion in this matter.

Observations & Comments:

There is no Income Generating Activities-IGA under the Project.

**Condition-28**

Requirement:

If any officer/employee/member of executive committee or general body of the organization made foreign tour by utilizing foreign donation in air ticket/any other benefits then whether the approval of NGO Affairs Bureau regarding the such tour has been taken or not. It's description to be given.

Observations & Comments:

No foreign travel was made under this project during the year.

**Condition-29**

Requirement:

If there is any fixed assets/documents/deed of house rent/donated land/car or other assets in the name of organization/project in the report then the schedule of the same to be attached.

Observations & Comments:

Schedule of fixed assets has been provided in the reporting purpose. All the assets are in the name of project and all relevant papers and documents are available with the entity. Office rent agreement is in the name of the organization.

**Condition-30**

Requirement:

If any fixed assets/current assets purchased by the project were sold or transferred then it should be disclosed whether those are approved by the NGO Affairs Bureau or not.

Observations & Comments:

During the period under audit there is no such incidence.

**Condition- 31**

Requirement:

Whether the Audit Firm has submitted Management Letter to the Management after completion of Audit of the concerned Project of the NGO mentioning the irregularity/illegal expenses/unauthorized expenses/expenses beyond the budget and one copy of such report will be sent to Deputy Director (I&A) with the audit report. If there is no needed for such type of report that should be mentioned.

Observations & Comments:

Management letter is given in the annexure-Y with the report following the above requirements.

**Condition- 32**

Requirement:

One audit firm cannot audit the same project of a particular NGO for more than 05 consecutive years. For this, audit firm must certify the above matter.

Observations & Comments:

We certified that our firm have completed the audit work of the project for this year only.

**Condition- 33**

Requirement:

Member list of Executive Committee/Governing Body/Management Committee has to mention in Audit Report.

Observations & Comments:

In the course of our audit, we found that Dakbhanga-Bangladesh has no general body and/or executive committee member in Bangladesh. However, a Management Committee consisted by its employees were found which is given below:

<u>Name</u>	<u>Designation</u>
Md. Masum Billah Khan	Country Representative, Chairman
Mr. Supananda Barua	Asstt. Country Representative, Member
Md. Jewel Talukder	Project Co-ordinator, Member
Md. Rokonzaman Khan	Admin Officer, Member
Md. Salim Ullah	Head Teacher, School-1, Member
Mr. Abul Kalam	Head Teacher, School-2, Member

**Condition- 34**

Requirement:

Whether the NGO bears all the related expenditure from the project or not that should be specified.

Observations & Comments:

Yes, the NGO bearded the audit cost from the project.

**Condition-35**

Requirement:

Audit report should contain the enlistment renewal serial no and date.

Enlistment and Renewal:           Serial No. 50  
Memo No. 03.07.2666.657.43.253.17-51  
Dated: 16-01-2020

**Condition-36**

Requirement:

All the financial transactions of the Organization have been free from Money Laundering and Terrorist Financing that should be examined and give opinion on it.

Observations & Comments:

Yes, all the financial transactions of the project of Dakbhanga-Bangladesh have been free from Money Laundering and Terrorist Financing.

**Condition-37**

Requirement:

Whether the terms of the project approval has been properly followed; and the audit firm give detailed opinion with related documents whether the local administration has been involved in the implementation of the project.

Observations & Comments:

Yes, the terms of the project approval has been properly followed and Dakbhanga-Bangladesh submitted FD-6 of Dakbhanga Education Project, Phase-4 for the period from 17 November, 2019 to 16 November, 2020. In case of project implementation, Dakbhanga-Bangladesh management interact with Local Government Division, Policy Support Branch.

**Condition-38**

Requirement:

Whether the audit activities have been performed within the stipulated time; If not, the logical reason for this to be mentioned.

Observations & Comments:

The audit activities have been performed within the stipulated time.

**KAZI ZAHIR KHAN & CO.**

**Chartered Accountants.**

Engagement Partner

Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA

Date: 29 November, 2020

Enlistment Serial No-50

Renewal Memo No. 03.07.2666.657.43.253.17-51 dated 16-01-2020

**Dakbhanga-Bangladesh  
Dakbhanga Education Project, Phase-4**

**Statement of Deductible, Deducted and Outstanding Amount of VAT/AIT  
for the year from 17 November, 2019 to 16 November, 2020**

Sl. No.	Head of expenses (with sub head)	Amount Spent (Tk.)	Deductible Amount (Tk.)		Deducted Amount (Tk.)		Deposited Amount (Tk.)		Due Amount (Tk.)		VAT Challan			Tax Challan		
			VAT	Tax	VAT	Tax	VAT	Tax	VAT	Tax	No.	Date	Amount (Tk.)	No.	Date	Amount (Tk.)
1	Salary & Allowances	3 060 302.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Training	9 970.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Office Accommodation	141 500.00	21 225.00	7 075.00	-	-	-	-	21 225.00	7 075.00	-	-	-	-	-	-
4	Furniture & Office Equipment	46 470.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Travelling & Daily Allowances	214 115.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Utilities & Maintenance	276 538.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Printing & Stationery	181 972.00	4 549.30	-	-	-	-	-	4 549.30	-	-	-	-	-	-	-
8	Post & Telephone	47 955.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Motorcycle Maintenance	25 752.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Education Materials & Other	259 019.00	6 475.48	-	-	-	-	-	6 475.48	-	-	-	-	-	-	-
11	Secondary & Higher Secondary Assistance Expenses	27 450.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Others	27 132.61	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Audit Fees	20 000.00	-	2 000.00	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>4 338 175.61</b>	<b>32 249.78</b>	<b>9 075.00</b>	-	-	-	-	<b>32 249.78</b>	<b>9 075.00</b>	-	-	-	-	-	-