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KAZI ZAHIR KHAN & CO.
Chartered Accountants
Since 1980

Associated Firm of

EHK Consulting
Always adding value

Dakbhanga-Bangladesh

Sultan Heritage, Shipahir Para, Thana Road, Ramu, Cox's Bazar-4730.

Management Report

on

Financial Statements

of

Dakbhanga Education Project, Phase-4

Implemented by: Dakbhanga-Bangladesh

Funded by: Dakbhanga-Belgium

for the year ended 16 November, 2022

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Project Name: Dakbhanga Education Project, Phase-4
Implemented By: Dakbhanga-Bangladesh
Funded By: Dakbhanga-Belgium

for the year ended 16 November, 2022

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Project Name: Dakbhanga Education Project, Phase-4
Implemented By: Dakbhanga-Bangladesh
Funded By: Dakbhanga-Belgium

for the year ended 16 November, 2022

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Second Phase

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The Country Representative
Dakbhanga-Bangladesh
Sultan Heritage, Shipahir Para, Thana Road,
Ramu, Cox's Bazar-4730.

Sub: Management Report on the Financial Statements of "Dakbhanga Education Project, Phase-4", a project of Dakbhanga-Bangladesh for the year ended 16 November, 2022.

Dear Sir,

In accordance to the appointment letter vide Memo No. Dakbhanga/21/2023/607 dated 23 November, 2022 we have audited the financial statements of "Dakbhanga Education Project, Phase-4", a project of Dakbhanga-Bangladesh financed by Damien Foundation-Belgium for the period from 17 November, 2021 to 16 November, 2022. As part of our audit, we have carried out an evaluation of the system of internal control employed by Dakbhanga-Bangladesh and the quality of accounting records and its effectiveness in ensuring an effective financial management.

Our examination revealed that the books and records and management of funds and certain other functions/activities set in our report enclosed herewith would require further attention of the management.

We have divided each issue included in this report as follows:

- Observations;
- Implication;
- Recommendations;
- Management Response.

We note that our audit procedures are designed primarily to enable us to form an opinion on the accounts as a whole. Accordingly, we have carried out test and evaluations of your systems only to the extent necessary to enable us to arrive at this opinion.

We take this opportunity of expressing our thanks to the management and staff of Dakbhanga-Bangladesh for the cooperation extended to us during the course of our audit.

Thanking you,

Yours' truly

Dated: Dhaka
14 January, 2023

KAZI ZAHIR KHAN & CO.
Chartered Accountants
DVC:
Abdulla-AI-Mahmud FCA, FCMA, FCS, LL.B, CISA
Engagement Partner (Enrolment No. 0915)

1.00 Introduction and Background:

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.

1.01 Management:

Member list of Executive Committee/Governing Body/Management Committee of the Dakbhanga-Bangladesh is given below:

The present Executive Committee constituted as follows:

<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. Abdul Kalam	Head Teacher, School-2, Member

1.02 About the Project:

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 Damien Foundation-Belgium.

1.03 Main Activities:

The main activities as approved by the NGOAB for the project through FD-6 are as follows:

- a) To run and maintained two primary schools in two villages of Ramu Upazila of Cox's Bazar District;
- b) To improve the educational level of the children of the area by providing primary education;
- c) 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;
- d) To ensure quality primary education by providing necessary training to the teachers, staff and the school committee members.

1.04 Methodology applied for the assignment

In order to perform an effective and efficient audit, the underlying working steps were followed in conducting the audit:

- Formation of an audit team comprising 01 Engagement Partner, 01 Engagement Manager, 01 Senior Auditor and 01 Junior Auditors;
- Arrangement of an introductory meeting with the Senior Management of Dakbhanga-Bangladesh;
- Verification that the Financial Manual of Dakbhanga-Bangladesh is being implemented and respected;
- Verification that the clauses of the project contract have been respected;
- Checking whether the funds are used exclusively for the implementation of the project;
- Checking the adequacy, transparent and correctness of all financial transactions related to all shared costs such as staff salaries, staff benefits, office rent, utilities and any other costs shared between different projects;
- Verification of expenditures authorization and validity of the supporting documents;
- Verification of the advance balance in the account;
- Verification of the existence and respect of purchasing procedures;
- Any other verification that the auditor may consider useful in the execution of his mandate;

- Checking whether segregation of function is properly in place;
- Checking the internal control system;
- Arrangement of debriefing meeting at Dakbhanga-Bangladesh -Discussed in brief the findings and observations of " Dakbhanga Education Project, Phase-4";
- Issuance of Draft Management reports;
- Receipt the Management Responses on Draft Management Report;
- Finalization of the draft Management incorporating Management Responses;
- Issuance of Final Management report.

1.05 Purpose of the audit:

The purpose of the audit is to express an independent opinion, to the organization upon the level to which the internal control environment supports and promotes to achieve the organizations objectives. The purpose of this external audit planning process is to ensure that resources are appropriately focused in order to provide maximum audit coverage.

Internal control is a process designed to provide reasonable assurance regarding the objectives on the following categories:

- Reliability of financial reporting and other management information;
- Adherence to local laws, policies and procedures;
- Effectiveness of operations;
- Supervision and monitoring;
- Strategic management.

2.00 Procedure and outcome of the audit:

The following most important procedures were undertaken during the audit including the outcome of the audit based on the procedures:

2.01 Review process regarding utilized fund in accordance with agreement:

Dakbhanga-Bangladesh utilized the project funds according to the agreement with Dakbhanga-Belgium. Project proposal along with the budget was submitted to NGO Bureau, which was approved for the implementation of the project. We have checked the approved budget, books of account and found that all the expenditures were made in accordance with agreement with donor.

2.02 Review process regarding grants management and bank account:

Funds of the project were received from Dakbhanga-Belgium totalling Tk. 5,406,663 through mother Current Account No. A/C-2044256799041 of IFIC Bank Ltd., Cox's Bazar Branch, Cox's Bazar and subsequently transferred to the project as same as mother account no. Current Account No.A/C-2044256799041 of IFIC Bank Ltd., Cox's Bazar Branch, Cox's Bazar.

3.00 Review process regarding financial reports and approved budget including explanations to deviations:

This financial statements of "Dakbhanga Education Project, Phase-4" have been prepared on accrual basis under historical cost convention in accordance with International Accounting Standards (IAS). Cash book and related ledgers are maintained by the project under double entry system. Budget and actual expenses are reported in compliance with the approved schedule of the NGO Affairs Bureau. There were no major deviations in the year under report.

4.00 Review process regarding fraud and corruption according to ISA 240:

All the project expenses were supported by relevant documents and no fraud or major errors were found during the course of our audit. A sound and systematic procedure of reporting on finance and it's activities have been maintained by the authority.

5.00 Signification Observations:

a) Books of Account:

Observation: We noted that books of account of the project are meticulously maintained manually and every transaction recorded in the project are easily identifiable with relevant vouchers and supporting documents. Books of account in the Office although maintained with arithmetical accuracy and expenditure in relation to vouchers and supporting documents. During the course of our audit and examination, there was a few clerical mistakes, which were corrected by the management spontaneously.

Recommendation: Cash book should be maintained through using computerized system to avoid the above situation.

Management Response: Already we implement the computerized system and hope that you will find the same in next term.

b) Stock Register:

Stock register is maintained which was found up to date.

c) Advanced Register:

We have observed that advanced was given against requisition for programme activities duly approved by the concerned authority. Advance register is maintained for the project.

d) Salary Register and payment procedure:

Salary register was maintained in the office following the salary sheet. Salary sheet was maintained in related office and the signature of the employees were taken, duly affixed with revenue stamp and this sheet is attached with the payment voucher. Salaries were paid through bank accounts.

e) Payment in Cash:

The payments were made against properly approved vouchers supported by necessary bills etc. The payment for purchase of Assets was made by A/C Payee cheque.

f) Personnel Files:

Observation: Our test basis of verification of employee's personnel file revealed that all the necessary documents were available without chronological page number.

Recommendation: Chronological page number should be given in the documents of personal file.

Management Response: The authority agreed with the recommendation and assured to follow it for future.

g) Voucher:

The project maintained three kinds of voucher namely debt, credit and journal voucher and also advance requisition form. The vouchers were prepared, checked and approved by authorized person.

In conclusion, we wish to extend our appreciation and thanks to the personnel of the organization their kind co-operation and assistance during the course of our audit.

INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT OF DAKBHANGA-BANGLADESH

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 16 November, 2022 and the Statement of Comprehensive Income, Statement of Receipts & Payments, notes to the financial statements for the year from 17 November, 2021 to 16 November, 2022 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, 2022 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 2.00 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)

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.03.07.2666.664.68.202.19-66 dated 30.01.2022 budgeted amount was for Tk. 12,216,571 and foreign donation received in Bangladeshi Currency amounting to Tk. 5,406,663.

Dated: Dhaka
14 January, 2023

KAZI ZAHIR KHAN & CO.
Chartered Accountants.

DVC:
Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA
Engagement Partner (Enrolment No. 0915)

FD-4 Form
Certificate issued by CA Firm

I undersigned is certifying that our CA Firm, Kazi Zahir Khan & Co., Chartered Accountants has completed the audit of Dakbhanga Education Project, Phase-4 of below mentioned organization's project for the period from 17 November, 2021 to 16 November, 2022. During the Audit, required books of accounts, bill, voucher and necessary evidence have been verified. According to the audited financial statement, relevant information are as follows:

1. Name of the NGO : **Dakbhanga-Bangladesh**
2. Registration Number : 1952
3. Address (with telephone number, website & email) : Sultan Heritage, Shipahir Para, Thana Road, Ramu, Cox's Bazar-4730.
Phone: 01711-122759
Website: www.dakbhanga.be
E-mail: dakbhanga@gmail.com
4. Name and duration of the project : **Dakbhanga Education Project, Phase-4**
for the period from 17 November, 2019 to 16 November, 2024 (5 Year)
5. Audit period of the project : 17 November, 2021 to 16 November, 2022
6. Opening balance of the period : Taka **192,487.41**
7. Foreign donation received during the audit period : Taka **5,406,663.00**
8. Foreign donation utilized during audit period : Taka **5,442,906.00**
9. Balance of unutilized foreign donation at the end of audit period : Taka **6,773,665.00**

FD-4(1) statement has been prepared appropriately as per line items of approved budget of the NGO Affairs Bureau.

Declaration

I hereby declaring that I have read all the related rules and regulations and all the information in the Statement of Expenditure found true and accurate.

Date: 14 Januray, 2023
Place: Dhaka

KAZI ZAHIR KHAN & CO.
Chartered Accountants

DVC:

Abdulla-AI-Mahmud FCA, FCMA, FCS, LL.B, CISA
Engagement Partner (Enrolment No. 0915)
Sultana Tower (Level-12), 2 No. Kalabagan,
Mirpur Road, Dhanmondi, Dhaka-1205.

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

Statement of Financial Position
as at 16 November, 2022

<u>Particulars</u>	<u>Notes</u>	as at 16 November, 2022 <u>Taka</u>	as at 16 November, 2021 <u>Taka</u>
<u>Property & Assets</u>			
Non-Current Assets			
Property, Plant & Equipment	3.00	2 291 773,60	2 831 301,00
Current Assets			
Cash & Cash Equivalents	4.00	164 034,66	192 487,41
Total Taka		2 455 808	3 023 788
<u>Fund & Liabilities</u>			
Donor's Fund	5.00	164 034,21	192 487,00
Fixed Assets Fund	6.00	2 291 773,60	2 831 301,00
Total Taka		2 455 808	3 023 788

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

0,45

0,41

Country Representative

Administrative Officer

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

Dated: Dhaka
14 January, 2023

KAZI ZAHIR KHAN & CO.
Chartered Accountants

DVC:
Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA
Engagement Partner (Enrolment No. 0915)

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

Statement of Comprehensive Income
for the year ended 16 November, 2022

<u>Particulars</u>	Note	for the year from 17 November, 2021 to 16 November, 2022 <u>Taka</u>	for the year from 17 November, 2020 to 16 November, 2021 <u>Taka</u>
Income			
Grant Realized as Income	7.00	5 406 663,00	5 791 206,00
Total Income		5 406 663	5 791 206
Expenditure			
Salary & Allowances	8.00	3 525 863,00	3 183 560,00
Training	9.00	116 890,00	151 383,00
Office Accommodation		142 000,00	189 045,00
Furniture & Office Equipment	10.00	69 525,00	483 538,00
Travelling & Daily Allowances		236 013,00	150 935,00
Utilities & Maintenances	11.00	452 939,56	590 076,00
Printing & Stationery	12.00	314 057,00	208 647,00
Post & Telephone	13.00	57 812,00	83 055,00
Motorcycle Maintenance		50 851,00	-
Education Materials & Other Materials for Primary Education	14.00	220 839,00	236 184,00
Non residentials (Category-2)		64 011,00	42 858,00
Advertisement		-	3 563,00
Audit Fees		40 000,00	55 000,00
Bank Costs		2 105,00	2 415,00
VAT/AIT		150 000,00	137 349,00
Depreciation		163 209,40	273 598,00
Excess of Expenditure over Income		(199 452,00)	-
Total Expenditure		5 406 663	5 791 206

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
14 January, 2023

KAZI ZAHIR KHAN & CO.
Chartered Accountants

DVC:
Abdulla-AI-Mahmud FCA, FCMA, FCS, LL.B, CISA
Engagement Partner (Enrolment No. 0915)

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

Statement of Receipts & Payments
for the year ended 16 November, 2022

<u>Particulars</u>	<u>Note</u>	for the year from 17 November, 2021 to 16 November, 2022	for the year from 17 November, 2020 to 16 November, 2021
		<u>Taka</u>	<u>Taka</u>
Receipts			
Opening Balances			
Cash in Hand		70 593,95	-
Cash at Bank		121 893,46	1 386 504,21
Fund Received from Dakbhanga-Belgium	7.00	5 406 663,00	4 188 769,20
Bank Interest		7 789,81	26 605,00
Total		5 606 940,22	5 601 878,41
Payments			
Salary & Allowances	8.00	3 525 863,00	3 183 560,00
Training	9.00	116 890,00	151 383,00
Office Accommodation		142 000,00	156 000,00
Furniture & Office Equipment	10.00	69 525,00	480 720,00
Travelling & Daily Allowances		236 013,00	139 212,00
Utilities & Maintenances	11.00	452 939,56	570 361,00
Printing & Stationery	12.00	314 057,00	198 634,00
Post & Telephone	13.00	57 812,00	77 986,00
Motorcycle Maintenance		50 851,00	-
Education Materials & Other Materials for Primary Education	14.00	220 839,00	219 888,00
Non residentials (Category-2)		64 011,00	38 785,00
Advertisement		-	3 098,00
Audit Fees		40 000,00	50 000,00
Bank Costs		2 105,00	2 415,00
VAT/AIT		150 000,00	137 349,00
Total Payments		5 442 905,56	5 409 391,00
Closing Balances			
Cash in Hand		-	70 593,95
Cash at Bank		164 034,66	121 893,46
Total		5 606 940,22	5 601 878,41

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

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14 January, 2023

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Engagement Partner (Enrolment No. 0915)

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

Statement of Financial Position
as at 16 November, 2022

<u>Particulars</u>	<u>Notes</u>	as at 16 November, 2022 <u>Taka</u>	as at 16 November, 2021 <u>Taka</u>
<u>Property & Assets</u>			
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Property, Plant & Equipment	3.00	2 291 773,60	2 831 301,00
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14 January, 2023

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Engagement Partner (Enrolment No. 0915)

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

Statement of Comprehensive Income
for the year ended 16 November, 2022

<u>Particulars</u>	Note	for the year from 17 November, 2021 to 16 November, 2022 <u>Taka</u>	for the year from 17 November, 2020 to 16 November, 2021 <u>Taka</u>
Income			
Grant Realized as Income	7.00	5 406 663,00	5 791 206,00
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Total Expenditure		5 406 663	5 791 206

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Dated: Dhaka
14 January, 2023

Administrative Officer

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Chartered Accountants

DVC:
Abdulla-AI-Mahmud FCA, FCMA, FCS, LL.B, CISA
Engagement Partner (Enrolment No. 0915)

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

Statement of Receipts & Payments
for the year ended 16 November, 2022

Particulars	Note	for the year from 17 November, 2021 to 16 November, 2022	for the year from 17 November, 2020 to 16 November, 2021
		Taka	Taka
Receipts			
Opening Balances			
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Utilities & Maintenances	11.00	452 939,56	570 361,00
Printing & Stationery	12.00	314 057,00	198 634,00
Post & Telephone	13.00	57 812,00	77 986,00
Motorcycle Maintenance		50 851,00	-
Education Materials & Other Materials for Primary Education	14.00	220 839,00	219 888,00
Non residentials (Category-2)		64 011,00	38 785,00
Advertisement		-	3 098,00
Audit Fees		40 000,00	50 000,00
Bank Costs		2 105,00	2 415,00
VAT/AIT		150 000,00	137 349,00
Total Payments		5 442 905,56	5 409 391,00
Closing Balances			
Cash in Hand		-	70 593,95
Cash at Bank		164 034,66	121 893,46
Total		5 606 940,22	5 601 878,41

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
14 January, 2023

KAZI ZAHIR KHAN & CO.
Chartered Accountants

DVC:
Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA
Engagement Partner (Enrolment No. 0915)

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

Notes to the Financial Statements
for the year ended 16 November, 2022

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.

1,03 Objective of the Project:

The main activities as approved by the NGOAB for the project through FD-6 are as follows:

- a) To run and maintained two primary schools in two villages of Ramu Upazila of Cox's Bazar District;
- b) To improve the educational level of the children of the area by providing primary education;
- c) 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;
- d) To ensure quality primary education by providing necessary training to the teachers, staff and the school committee members.

1,04 Management:

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

1,05 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.

1,06 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 financial statements have been prepared under the historical cost convention. Cash basis of accounting has been followed in recording and reporting the transactions. However accrual basis of accounting is adopted in case of audit fees and payable for program expense.

2,02 Recognition of 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 Dakbhangra-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, 2021 to 16 November, 2022.

2,09 General:

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

Note No.	Particular	for the year from 17 November, 2021 to 16 November, 2022	for the year from 17 November, 2020 to 16 November, 2021
		<u>Taka</u>	<u>Taka</u>
3,00	Property, Plant & Equipment:		
	Cost:		
	Opening Balance	5 246 322,00	4 765 602,00
	Add: Addition during the year	69 525,00	480 720,00
	Less: Deletion during the year	(546 015,00)	
	Add: Gain on Asset Disposal	100 172,00	
	Closing Balance	<u>4 870 004</u>	<u>5 246 322,00</u>
	Depreciation:		
	Opening Balance	2 415 021,00	2 141 423,00
	Add: Charged during the year	163 209,40	273 598,00
	Closing Balance	<u>2 578 230,40</u>	<u>2 415 021,00</u>
	Written Down Value	<u>2 291 773,60</u>	<u>2 831 301,00</u>
	Details are given in Appendix-1 with the report.		
4,00	Cash & Cash Equivalents:		
	The amount arrived at as under:		
	Cash in Hand	-	70 593,95
	Cash at Bank		
	IFIC Bank Ltd., Cox's Bazar Br., CC A/C. 2044-256799-041	164 034,66	121 893,46
	Total Taka	<u>164 034,66</u>	<u>192 487,41</u>
5,00	Donor's Fund:		
	Opening Balance	192 487,00	1 386 504,21
	Add: Fund Received during the period/year	5 406 663,00	4 188 769,20
	Add: Bank Interest on Foreign Fund	7 789,81	26 605,00
	Add: Depreciation Recovery	163 209,40	273 598,00
		<u>5 770 149,21</u>	<u>5 875 476,41</u>
	Excess of Expenditure over Income	(199 452,00)	-
	Less: Transferred to Realization of Income	5 406 663,00	5 682 989,41
	Closing Balance	<u>164 034,21</u>	<u>192 487,00</u>
6,00	Fixed Assets Fund:		
	Opening Balance	2 831 301,00	2 624 179,00
	Add: Addition during the year	69 525,00	480 720,00
	Less: Deletion during the year	546 015,00	-
	Add: Gain on assets disposal	100 172,00	-
	Less: Depreciation Charged during the year	163 209,40	273 598,00
	Closing Balance	<u>2 291 773,60</u>	<u>2 831 301,00</u>
7,00	Foreign Donation		
	The project has obtained approval of the NGO Affairs Bureau on 30 January, 2022 for the release of fund and revised budget amounting to Tk. 61,198,175. The Project received foreign donation through Current Account No. A/C-2044256799041 of IFIC Bank Ltd., Cox's Bazar Branch, Cox's Bazar is as follows:		

Date

01.02.2022	3 128 010,00	
28.08.2022	2 278 653,00	
Total Taka	5 406 663,00	

8,00 Salary & Allowances:

Managerial Staff:	1 028 959,00	784 967,00
Country Representative Assistant Country Rep.	309 309,00	252 956,00
Programme Coordinator	397 558,00	340 150,00
Administrative Officer	307 092,00	139 528,00
Assistant Administrative Officer (Part Time)	15 000,00	52 333,00
Skilled Staff:	2 398 904,00	2 357 093,00
Head Teacher-2	401 208,00	488 605,00
Teacher-2 (Senior)	237 904,00	404 319,00
Teacher-08	1 759 792,00	1 464 169,00
Unskilled Staff	98 000,00	41 500,00
Support Staff-2	98 000,00	41 500,00
Total Taka	3 525 863,00	3 183 560,00

9,00 Training:

Training for Managerial Staff -05	530,00	47 088,00
Training for Teacher-14	101 150,00	59 421,00
Traning for SMC-24	15 210,00	44 874,00
Total Taka	116 890,00	151 383,00

10,00 Furniture & Office Equipments:

Furniture:		
Office Furniture	25 240,00	47 088,00
School Furniture	37 625,00	59 421,00
Office Equipments:		
Computer and printer	6 660,00	44 874,00
Total Taka	69 525,00	151 383,00

11,00 Utilities & Maintenances:

Utilities	98 893,00	193 421,00
Construction/Maintenances	354 046,56	376 940,00
Total Taka	452 939,56	570 361,00

12,00 Printing & Stationery:

Printing & Stationery-Main Office	314 057,00	25 530,00
Printing & Stationery-School 1	-	21 222,00
Printing & Stationery-School 2	-	151 882,00
Total Taka	314 057,00	198 634,00

13,00 Post & Telephone:

Post & Telephone-Main Office	57 812,00	19 345,00
Post & Telephone-School 1	-	18 257,00
Post & Telephone-School 2	-	40 384,00
Total T	57 812,00	77 986,00

14,00 Education Materials & Other Materials for Primary Education:

Uniforms, Exercise & Text Books-School 1	155 093,00	888,00
Uniforms, Exercise & Text Books-School 2	-	219 000,00
Sports & Picnic	65 746,00	-
Total	<u>220 839,00</u>	<u>219 888,00</u>

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

**Schedule of Property, Plant & Equipment
for the year ended 16 November, 2022**

Name of Assets	Cost				Depreciation				Annexure-1	
	as at 17-11-2021	addition during the year	Deletion during the year	Gain on Asset Disposal	as at 16-11-2022	Rate %	as at 17-11-2021	charged during the year	as at 16-11-2022	Written down as at 16-11-2022
School Building	3 121 564,00	-	-	-	3 121 564,00	5	936 316,00	109 262,40	1 045 578,40	2 075 985,60
Furniture & Fixture	1 116 539,00	62 865,00	193 615,00	-	985 789,00	20	766 225,00	43 912,80	810 137,80	175 651,20
Office Equipment	718 719,00	6 660,00	212 400,00	-	512 979,00	20	462 808,00	10 034,20	472 842,20	40 136,80
Vehicles (Motor Cycle)	289 500,00		140 000,00	100 172,00	249 672,00	15	249 672,00	-	249 672,00	-
as at 16 November, 2022	5 246 322,00	69 525,00	546 015,00	100 172,00	4 870 004,00		2 415 021,00	163 209,40	2 578 230,40	2 291 773,60
as at 16 November, 2021	4 765 602,00	480 720,00	-	-	5 246 322,00		2 141 423,00	273 598,00	2 415 021,00	2 831 301,00

Date: 14 January, 2023

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, 2022 and has issued our report thereon dated 14 January, 2023. Our observation in compliance with the conditions laid down in the Circular No. 03.07.2666.657.43.253.17-619 dated 31-01-2022 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. Report should be prepared using the Format of Excel/Access Software.

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 and using the Format of Excel/Access Software.

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 Form FD-6/Form FD-7.

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 Form 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-

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 Statement of Receipts & Payments 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 and opinion should be given on the source of local donation as per stated in The Foreign Donations (Voluntary Activities) Regulation Act, 2016.

Observation and Comments:

Separate audit report was made for each project. No amount has been received as local income/donation except a small amount of Bank interest 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
1)	Date of the appointment letter for conducting the audit by CA firm	23-11-2022
2)	Name of the project	Dakbhanga Education Project, Phase-4
3)	Total project period	5 Year from 17 November, 2019 to 16 November, 2024
4)	Memo no. and date of project approval letter	03.07.2666.664.68.202.2019-71 dt. 14.01.2020
5)	Fund clearance memo no. and date	03.07.2666.664.68.202.19-66 dated 30.01.2022
6)	Amount released (mentioning instalment)	Tk. 5,788,126.00
7)	Foreign donation received	Tk. 5,406,663.00 (Two instalment)
8)	Whether the foreign donation received in mother account before clearance	No
9)	Year of audit	17 November, 2021 to 16 November, 2022
10)	Area of the project	Kachapia & Kawarkhop Union of Ramu Upozilla under Cox's Bazar District
11)	Number of beneficiaries	620 Students, 16 Teachers, 24 SMC Members and 20 Secondary Students.

A Statement of Receipts & Payments Account has 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 contingencies 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 the 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 of the Auditor. At the below of the full signature of the Auditor, the full name of the signatory, designation and enrolment number should be mentioned. Audit report of NGOs contains the following items:

First Phase:

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

Second Phase:

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

Observations & Comments:

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

Condition-8

Requirement:

For multi-year 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 ongoing that means same project name in the last year or same project and sent to the NGO Affairs Bureau.

Observations & Comments:

This is an 05 years project and this is the third year audit. Kazi Zahir Khan & Co., Chartered Accountants are the third year Auditor.

Condition-9

Requirement:

After completion of audit, one copy of audit report (original) is sealed and envelope should be sent directly to the Director General (Grade-1), NGO Affairs Bureau, Dhaka.

Observations & Comments:

One copy of audit report in sealed envelope is sent directly to the Director General (Grade-1), 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:

Development Organisation of the Rural Poor (DORP) registered with NGO Affairs Bureau, GOB vide Registration No. 1952 dated 31-08-2004 of the Foreign Donations (Voluntary Activities) Regulation Act, 2016 and renewed on 20-02-2020 and valid till 30-08-2029.

Condition-11

Requirement:

According to Rule-9 of the Foreign Donation (Voluntary Activities) Regulation Act, 2016 all foreign donation should be received through only one bank account. whether NGO dealt all kinds of foreign donations in only one bank account or not? If it is dealt with more than one bank then the name of such banks along with account no. and amount to be specified.

Observations & Comments:

Dakbhangha-Bangladesh received foreign donations for the Project "Dakbhangha Education Project, Phase-4" through Current Account No. A/C-2044256799041 of IFIC Bank Ltd., Cox's Bazar Branch, Cox's Bazar.

Condition-12

Requirement:

Donation received by approved bank, its account (mother 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 foreign donation has been received in one bank account, which details are as followings:

<u>Sl. No.</u>	<u>Particulars</u>	<u>Observations</u>
1	NGO Approved Bank Account Number	A/C- 2044256799041
2	Bank Name	IFIC Bank Limited
3	Branch	Cox's Bazar Branch, Cox's Bazar.
4	Donation Received	Tk. 5,406,663.00
5	Date of Donation Received	01 February, 2022 28 August, 2022
6	Name of Donor	Dakbhangha-Belgium
7	Closing Balance	Tk. 164,034.66

After received the foreign donation in the mother account, fund has been transferred to project bank account according to actual need. The details of project bank account are as follows:

<u>Sl. No.</u>	<u>Particulars</u>	<u>Observations</u>
1	Project Bank Account Number	A/C- 2044256799041
2	Bank Name	IFIC Bank Limited

3	Branch	Cox's Bazar Branch, Cox's Bazar.
4	Date of Donation Received	01 February, 2022 28 August, 2022
5	Closing Balance	Tk. 164,034.66

Bank reconciliation of both mother account and project accounts have been done properly.

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 from NGO Affairs Bureau or not, it is to be mentioned in the report. The above bank interest is not refundable to Donour Agencies. In case of need, it will be expensed in another project by NGO.

Observations & Comments:

Bank interest amounting to Tk. 7,789.81 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-12 of the Foreign Donations (Voluntary Activities) Regulation Act, 2016 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-12 of the Foreign Donations (Voluntary Activities) Regulations Act, 2016.

Condition-16

Requirement:

Whether the foreign aid projects (previous projects) implemented by NGOs have revolving credit funds (RLF) are being kept as individual /project-based donor funds, or an account is being maintained at all and the accounts are being audited separately every year, It must be mentioned. If the aggregate account of the Foreign Grants (RLF) is not kept separately and the loan is disbursed from the audited project, the service charges received should be mentioned as receipt.

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:

For implementation of Micro Credit Program, is there any certificate from Micro Credit Regulatory Authority of concerned NGO to be mentioned.

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 and if so the such excess expenses has been approved by the NGO Affairs Bureau or not.

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 over Tk. 10,000 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, prior approval of NGO Affairs Bureau 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 whether approval has been taken from NGO Affairs Bureau, 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 in the name of the project 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. As VAT and IT is the most important issue, for this full information must be given by the respective Firm and NGO.

Observations & Comments:

Dakbhanga-Bangladesh submitted no income tax return to National Board of Revenue every fiscal year as Legal Entity. No, foreign employees was 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:

The project has fixed assets under the ownership and details of which are stated in Annexure-2 with the report.

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:

We have issued a management letter and a copy of the management letter has been forwarded to the Deputy Director (Inspection & Audit of the NGO Affairs Bureau).

Condition- 32

Requirement:

One audit firm cannot audit the same project of a particular NGO for more than 5 consecutive years. For this, audit firm must certify the above matter.

Observations & Comments:

We certify of being auditor of "Dakbhanga Education Project, Phase-4" for the period ended 16 November, 2022 and this is our first term audit for the project.

Condition- 33

Requirement:

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

Observations & Comments:

Member list of Executive Committee/Governing Body/Management Committee of the Dakbhanga-Bangladesh 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. Abdul 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:

Audit Fees is borne by the Project.

Condition-35

Requirement:

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

Enlistment and Renewal: Serial No. 64
Memo No. 03.07.2666.657.43.253.17-619
Dated: 31-01-2022

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 the Organization 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 approval/certificate/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 by Dakbhanga-Bangladesh and submitted FD-6 of the project to Local Administration. In case of project implementation, Dakbhanga-Bangladesh management interact with Local Administration.

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.

Condition-39

Requirement:

DVC (Data Verification Code) to be mentioned in the Audit Report.

Observations & Comments:

DVC (Data Verification Code) has been mentioned in the Audit Report.

KAZI ZAHIR KHAN & CO.

Chartered Accountants.

DVC:

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

Engagement Partner (Enrolment No. 0915)

Date: 14 January, 2023

Enlistment Serial No-64

Renewal Memo No. 03.07.2666.657.43.253.17-619 dated 31-01-2022