

To
Ms. Shaheen Anam
Executive Director
Manusher Jonno Foundation(MJF)
House # 47, Road # 35/A (old)
Gulshan-2, Dhaka -1212

Audited Financial Statements
And
Management Report
Of



"Promoting Citizens' Access to Information (PCAI)" Project
Implemented by- Management and Resources Development
Initiative (MRI);

Funded by- Manusher Jonno Foundation (MJF)
For the period from 01 August 2013 to 30 September 2014

"Promoting Citizens' Access to Information (PCAI)" Project
Implemented by- Management and Resources Development Initiative (MRDI)
Funded by- Manusher Jonno Foundation (MJF)
For the period from 01 August 2013 to 30 September 2014

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Hoda Vasi Chowdhury & Co

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of "Promoting Citizens' Access to Information (PCAI)" Project Implemented by-Management and Resources Development Initiative (MRDI) and funded by Manusher Jonno Foundation (MJF), which comprise the balance sheet as at 30 September 2014, and the statement of income and expenditure, statement of receipts and payments for the period from 01 August 2013 to 30 September 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

MRDI is responsible for preparation and fair presentation of these financial statements in accordance with the statement of compliance as stated in note 2.1, and for such internal control as management it is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

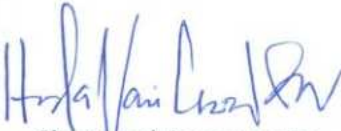
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to the entity's preparation and presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of "Promoting Citizens' Access to Information (PCAI)" Project implemented by MRDI, funded by Manusher Jonno Foundation (MJF) as at 30 September 2014 and its financial performance and its receipts and payments for the aforementioned period in accordance with the statement of compliance as stated in note 2.1 and other applicable laws and regulations.

Dhaka, 28 FEB 2015


Chartered Accountants



"Promoting Citizens' Access to Information (PCAI)" Project
Implemented by- Management and Resources Development Initiative (MRDI)
(Registered with NGOAB bearing reg. no. 1962 dated 21 September 2004)
Funded by - Manusher Jonno Foundation (MJF)

Balance Sheet

As at 30 September 2014

	<u>Notes</u>	<u>2014</u> <u>Taka</u>
Assets		
Cash and bank balance	3	402,481
Advance	4	133,600
Total Assets		<u><u>536,081</u></u>
Liabilities		
Due to MJF	5	536,081
Total Liabilities		<u><u>536,081</u></u>

These Financial Statements should be read in conjunction with the Annexed notes


Accounts Coordinator


Manager Finance


Executive Director

Auditor's Report
See annexed report of date

Dhaka, 28 FEB 2015


Chartered Accountants



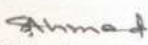
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Statement of Income & Expenditure
For the period from 01 August 2013 to 30 September 2014

	<u>Notes</u>	<u>2014</u> <u>Taka</u>
Income		
Grant income		
Total income	2.3	<u>7,197,766</u> <u>7,197,766</u>
Expenditure		
Salaries & Benefits		
Office Rent	7	2,923,798
Utilities	8	720,408
Repair, Maintenance and Cleaning Materials	9	74,074
Stationeries, Printing & Supplies	10	35,689
Recruitment & Audit Fees	11	54,554
Furniture Fixtures & Equipment		21,178
Travel, Lodging & per diem	12	273,272
Training, Meeting & Material for Beneficiaries	13	960,338
Evaluation, Survey, Assessment	14	1,826,361
Overhead & Contingency	15	166,961
	16	141,133
		<u>7,197,766</u>

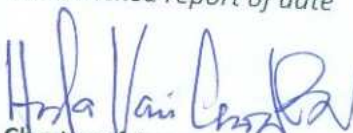
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Dhaka, 28 FEB 2015

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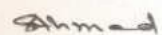
Funded by-Manusher Jonno Foundation (MJF)

Statement of Receipts and Payments

For the period from 01 August 2013 to 30 September 2014

	<u>Note</u>	<u>2014</u> <u>Taka</u>
Receipts		
Opening balance		
Cash in hand		-
Cash at bank		-
		-
Fund received from MJF	5.1	7,710,534
Loan received from General Fund	6	5,000
Bank interest		23,313
		<u>7,738,847</u>
Payments		
Salaries and benefits	7	2,923,798
Office rent	8	720,408
Utilities	9	74,074
Repair, Maintenance and Cleaning Materials	10	35,689
Stationeries, Printing & Supplies	11	54,554
Recruitment & Audit Fees		21,178
Furniture Fixtures & Equipment	12	273,272
Travel, Lodging & perdiem	13	960,338
Training, Meeting & Material for Beneficiaries	14	1,826,361
Evaluation, Survey, Assessment	15	166,961
Overhead cost	16	141,133
Loan Repayment to General Fund	6	5,000
Advance	4	133,600
		<u>7,336,366</u>
Closing balance		
Cash in hand		5,000
Cash at bank		397,481
		402,481
		<u>7,738,847</u>

These Financial Statements should be read in conjunction with the Annexed notes


Accounts Coordinator


Manager Finance


Executive Director



"Promoting Citizens' Access to Information (PCAI)" Project

Implemented by- Management and Resources Development Initiative (MRDI)

(Registered with NGOAB bearing reg. no. 1962 dated 21 September 2004)

Funded by- Manusher Jonno Foundation (MJF)

Notes to the Financial Statements

For the period from 01 August 2013 to 30 September 2014

1. Background

1.1 Promoting Citizens' Access to Information (PCAI) - The project

Background

MJF and MRDI entered into an agreement on 01 August 2013 to implement a project titled "Promoting Citizens' Access to Information (PCAI)". The latest amendment of that agreement was made on 01 August 2014, however, this amendment of DoA is retrospectively effected 01 July 2014.

Goal of the project

The goal is to promote access to information for the people by keeping the demand – supply chain of information rolling.

Project implementing areas

The project is being implemented in two districts namely Barisal and Jessore, twelve upazillas and twelve unions to reach 5,875 direct beneficiaries.

Estimated cost of the project

The latest approved budget for the project is Tk. 21,857,394. The actual disbursement to the MRDI is limited to Tk.21,752,394 . The remaining balance of Tk. 105,000 is supposed to be spent by MJF for project evaluation and audit purposes.

Project duration

The total duration of the project is 36 months starting from 01 August 2013 and ending on 31 July 2016.

1.2 Management and Resources Development Initiative (MRDI)- Organization

Management and Resources Development Initiative (MRDI) is a non-profit, non-Government and voluntary organization and was established in the year 2003. MRDI is registered with NGO affairs Bureau, Government of the Peoples' Republic of Bangladesh vide registration no. 1962 dated September 21, 2004 and renewed on November 12, 2014.

1.3 Manusher Jonno Foundation (MJF)-Donor

MJF, an organization being registered with NGO Affairs' Bureau bearing registration no 2175 renewed dated 28 December 2011, Government of Bangladesh. MJF provides funding and capacity building support to organizations working on human rights and governance. MJF works in partnership with different stakeholders such as civil society organizations, NGOs, CBOs, government and private sector research organizations etc. MJF through its partners assists to ensure entitlements of people by building their capacity to demand basic services and raise voice against human rights violation.



1.4 Involvement of MJF

MJF have the right at any time to inspect and, in consultation with the partner organization to examine books, vouchers and the documentary evidence of the partner organization for the project.

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance

The financial statements of the project have been prepared in accordance with the guideline as set out in the Deed of Agreement and other laws and regulations applicable for the non-profit organization following the cash basis as opposed to accrual basis of accounting.

2.2 Basis of measurement

Financial statements have been prepared following the historical cost convention.

2.3 Accounting for grant income

Bangladesh Accounting Standards (BAS) 20 "Accounting for Government Grants and Disclosure of Government Assistance" has been followed. Donor grants received during the period from 01 August 2013 to 30 September 2014 by MRDI for implementing the project is initially recorded as liability under the head "Donor grants due to/(from)". For the utilization of donor grants for accomplishing program activities, income is recognized to the extent of the expenditure incurred for the project in a particular period.

2.4 Fixed Assets

Fixed assets acquired by the project are not capitalized rather treated as revenue expenditure. However, details of fixed assets are shown in the list of the fixed assets.

2.5 Reporting Period

These financial statements covered from 01 August 2013 to 30 September 2014.

2.6 Comparative information

Comparative information has not been disclosed in respect of previous period as it is the first period of operation for Phase 3 of this project. However, all numeric information, narrative and descriptive information is provided where it is relevant for understanding of the current period's financial statements.

2.7 General

The financial statements are presented in Bangladesh currency (Taka), which has been rounded off to the nearest Taka.

Hoda Vasi Chowdhury & Co

2014

Taka

3. Cash and Bank balance

Cash in hand	5,000
Cash at bank (Prime Bank Ltd, Asad Gate, Dhaka. SND ACC # 13831060024716)	397,481
	<u>402,481</u>

4. Advance

Md. Hamidul Islam (PC)	126,600
Syed Habibur Rahman (Land Lord)	6,000
Excess payment against Overhead	1,000
	<u>133,600</u>

5 Due to MJF

Opening balance

Fund received from MJF (Note 5.1)	7,710,534
Bank interest	23,313
Fund available for use	7,733,847
Transfer to the statement of income and expenditure	(7,197,766)
Closing balance	<u>536,081</u>

5.1 Fund received from MJF

During the year, MRDI Bangladesh received fund from MJF through Prime Bank Ltd (SND ACC # 13831060024716) Asad Gate Branch, Dhaka by the following installments:

Date received

1-Oct-13	881,306
11-Nov-13	1,732,053
10-Feb-14	1,197,099
28-Apr-14	1,962,216
23-Jul-14	1,937,860
	<u>7,710,534</u>

6. Loan received from General Fund

Opening Balance	-
Addition During the period	5,000
	5,000
Adjustment during the year	(5,000)
	<u>-</u>

7. Salaries & Benefits

Admin Staff (Note-7.1)	264,011
Program staff (Note-7.2)	2,659,787
	<u>2,923,798</u>

7.1. Administrative Purpose

Executive Director (partial)	108,750
Accounts Coordinator	119,948
Support Staff (Full time)	35,313
	<u>264,011</u>



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	2014 <u>Taka</u>
7.2. Programmatic Purpose	
Executive director (Partial)	326,238
Technical Expert (Partial)	484,516
Programme Coordinator (Full time)	585,893
Training & Monitoring Coordinator (75% Working time)	319,351
Accounts Coordinator (80% Working time)	479,784
Support Staff (Full time)	82,398
Field Intervention Coordinator	381,607
	<u>2,659,787</u>
8. Office Rent	
Administrative Purpose	60,350
Programmatic Purpose (Note-8.1)	660,058
	<u>720,408</u>
8.1. Programmatic Purpose	
Rent for head office	543,150
Rent for field office	116,908
	<u>660,058</u>
9. Utilities	
Administrative Purpose (Note-9.1)	5,400
Programmatic Purpose (Note-9.2)	68,674
	<u>74,074</u>
9.1. Administrative Purpose	
Electricity, Service charge, Gas bill, Water	2,250
Telephone, Mobile, Internet	3,150
	<u>5,400</u>
9.2. Programmatic Purpose	
Electricity, Service charge, Gas bill, Water	20,250
Telephone, Mobile, Internet	28,350
Mobile phone expenses for field coordinator	5,850
Internet bill for field coordinator	3,795
Field office utility bills (Electricity & Water)	7,429
Staff mobile expenses	3,000
	<u>68,674</u>
10. Repair, Maintenance and Cleaning Materials	
Administrative Purpose (Note-10.1)	10,078
Programmatic Purpose (Note-10.2)	25,611
	<u>35,689</u>
10.1 Administrative Purpose	
Office maintenance	705
Cleaning materials	933
Furniture & Equipment Maintenance	8,440
	<u>10,078</u>
10.2 Programmatic Purpose	
Office Maintenance	9,166
Cleaning Materials	8,281
Furniture & Equipment Maintenance	8,164
	<u>25,611</u>



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	2014 Taka
11. Stationeries, Printing & Supplies	
Administrative Purpose (Note-11.1)	3,726
Programmatic Purpose (Note-11.2)	50,828
	54,554
11.1 Administrative Purpose	
Office Stationery and supplies	3,726
	3,726
11.2. Programmatic Purpose	
Office Stationery and supplies	38,258
Field office Stationery & Supply	12,570
	50,828
12. Furniture Fixtures & Equipment	
Laptop & Zoom for field office	176,288
Printer	16,300
Table, Chair, Fan & File cabinet	80,684
	273,272
13. Travel, Lodging & perdiem	
Travel (Note-13.1)	569,082
Lodging (Note-13.2)	178,241
Perdiem (Note- 13.3)	166,690
Local Conveyance (Note-13.4)	46,325
	960,338
13.1 Travel	
Travel-Baseline survey (Vehicle rent)	47,912
Travel-Perception survey on Article 7 (Vehicle rent)	210,031
Travel-2-day training for govt.officials-(Vehicle rent)	75,415
Travel-Preintervention Meeting at Upozila	66,402
Travel-Inception Meeting at Upozila & formation of Citizen forum	56,480
Travel-Day-long orientation of Forum Member at district level	60,031
Travel-Field Supervision visit of PC	20,731
Travel-Field Intervention Coordinator Dhaka visit (Bus)	11,480
Travel-Field visit of Executive Director	20,600
	569,082
13.2 Lodging	
Lodging -Baseline survey	9,945
Lodging -Perception survey on Article 7	74,771
Lodging -2-day training for govt.officials	14,400
Lodging -Preintervention Meeting at Upozila	21,750
Lodging -Inception Meeting at Upozila & formation of Citizen forum	18,915
Lodging -Day-long orientation of Forum Member at district level	17,220
Lodging -Field Supervision visit of PC	17,710
Lodging -Field Intervention Coordinator Dhaka visit	1,250
Lodging -Field visit of ED	2,280
	178,241



	2014 Taka
13.3 Perdiem	
Perdiem -Baseline survey	13,440
Perdiem -Perception survey on Article 7	51,710
Perdiem -2-day training for govt.officials	18,800
Perdiem -Preintervention Meeting at Upozila	18,640
Perdiem -Inception Meeting at Upozila & formation of Citizen forum	15,840
Perdiem -Day-long orientation of Forum Member at district level	18,160
Perdiem -Field Supervision visit of PC	20,720
Perdiem -Field Intervention Coordinator Dhaka visit	7,140
Perdiem-Field visit of ED	2,240
	<u>166,690</u>
13.4 Local Conveyance	
Local Conveyance for MRDI Dhaka office	30,477
Local Conveyance for field office (Fuel cost for Motor cycle)	15,848
	<u>46,325</u>
14. Training, Meeting & Material for Beneficiaries	
Perception survey on Section 7	648,678
Day Observation & report launching	23,940
Training Content on " RTI Act for Govt. officials"	15,677
2-day training for govt.officials focusing RTI Act	296,423
Technical Assistance provided to Ministries to develop Information disclosure Policy (IDP)	233,876
Training Content for "ToT on RTI"	16,805
Day observance at upazilla level	144,362
Pre-intervention Meeting at Upzilla	54,589
Inception Meeting at Upzilla and formation of Citizen forum	6,728
Day-long orientation of Citizen forum members on RTI at District Level	273,662
Meeting of Citizen forum on RTI	7,975
Project Presentation Meeting with DC & NGOs	103,646
	<u>1,826,361</u>
15. Evaluation, Survey, Assessment	
Venue & snacks for FGD	27,461
Conveyance/Wage compensation for participants	37,500
Fee for Local Coordinator	90,000
Interviewer for baseline assessment	12,000
	<u>166,961</u>
16. Overhead & Contingency	
Overhead	<u>141,133</u>
As per the DoA between MRDI and MJF overhead is charged @ 2% on total admin and program cost during the period.	


Accounts Coordinator


Manager Finance


Executive Director



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Statement of Budget Variance
For the period from 01 August 2013 to 30 September 2014

Sl. No	Head of Expenditure	Total Approved Budget	Actual Expenditure	Variance		Remarks
				Amount in Tk.	%	
A	Adminstrative Cost					
	Salaries & Benefits	264,146	264,011	135	0%	
	Office Rent	60,350	60,350	-	0%	
	Utilities	5,700	5,400	300	5%	
	Repair, Maintenance & Cleaning Materials	13,047	10,078	2,969	23%	
	Stationeries, Printing & Supplies	3,936	3,726	210	5%	
	Recruitment & Audit Fees	56,178	21,178	35,000	62%	
	Total adminstrative cost	403,357	364,743	38,614	10%	
B	Programatic Cost					
	Salaries & Benefits	2,729,763	2,659,787	69,976	3%	
	Office Rent	664,174	660,058	4,116	1%	
	Utilities	74,900	68,674	6,226	8%	
	Repair, Maintenance & Cleaning Materials	30,629	25,611	5,018	16%	
	Stationeries, Printing & Supplies	59,205	50,828	8,377	14%	
	Furtniture, Fixtures & Equipment	273,272	273,272	-	0%	
	Travel, Lodging & Perdiem	1,036,022	960,338	75,684	7%	
	Training, Meeting & Material for Beneficieries	2,233,443	1,826,361	407,082	18%	
	Evaluation, Survey, Assessment	166,961	166,961	-	0%	
	Total Program Cost	7,268,369	6,691,890	576,479	8%	
C	Overhead & Contingency	179,680	141,133	38,547	21%	
	GRAND TOTAL COST(A+B+C)	7,851,406	7,197,766	653,640	8%	


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"Promoting Citizens' Access to Information (PCAI)" Project

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Funded by- Manusher Jonno Foundation (MJF)

Statement of Fund Reconciliation

For the period from 01 August 2013 to 30 September 2014

	2014 Taka
Opening balance	-
Fund received from MJF (Note 5.1)	7,710,534
Bank interest	23,313
Fund available for use	7,733,847
Transfer to the statement of income and expenditure	(7,197,766)
Closing balance as per the book of MRDI	536,081
Unadjusted last quarter expenditure	2,049,617
Unrecorded bank interest received in 4th quarter	(15,698)
Closing balance as per the book of MJF	2,570,000


Accounts Coordinator


Manager Finance


Executive Director



Hoda Vasi Chowdhury & Co

Annexure-C

"Promoting Citizens' Access to Information (PCAI)" Project
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(Registered with NGOAB bearing reg. no. 1962 dated 21 September 2004)

Funded by- Manusher Jonno Foundation (MJF)

Statement of Bank Reconciliation

As at 30 September 2014

Name of the Bank:

Prime Bank Ltd, Asad Gate, Dhaka


Bank A/C No-

#13831060024716

Name of Bank A/C

Management and Resources Development Initiative (MRDI)

Particulars	Taka	Taka
Balance as per bank statement as at 30 September 2014		564,232
Less: Outstanding Cheque		
<u>Date</u> <u>Cheque No</u> <u>Description</u>		
29.9.14 2017571826 Rabeya knitting mills for T-shirt purchase	121,635	
30.9.14 2017571828 Petty cash	3,987	
30.9.14 2017571829 Overhead Cost	41,129	
		(166,751)
Balance as per bank book as at 30 September 2014		397,481


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"Promoting Citizens' Access to Information (PCAI)" Project
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Schedule of Furniture, Fixtures and Equipment (FF&E)

As at 30 September 2014

Sl. No.	Asset ID. No.	Name of the Asset	Cost in BDT (MJF portion)	Location (Head Office, Project Office, Partner)	Current Condition			Remarks
					Sold	Write Off	Out of order/ Destroyed/	
1	MRDI-433/OE/Zoom-6	GP Modem	2,144	Dhaka Office				
2	MRDI-434/OE/Zoom-7	GP Modem	2,144	Dhaka Office				
3	MRDI-440/CPM/Laptop-16	Laptop	43,000	Dhaka Office				
4	MRDI-441/CPM/Laptop-17	Laptop	43,000	Dhaka Office				
5	MRDI-442/CPM/Laptop-18	Laptop	43,000	Jessore Office				
6	MRDI-443/CPM/Laptop-19	Laptop	43,000	Dhaka Office				
7	MRDI-444/CPM/Printer-10	Printer	16,300	Dhaka Office				
8	MRDI-451/OE/C.Fan-35	Cilling Fan	3,328	Barisal Office				
9	MRDI-452/OE/C.Fan-36	Cilling Fan	2,808	Jessore Office				
10	MRDI-453/FF/ Table-39	Table	9,859	Barisal Office				
11	MRDI-454/FF/ Chair-96	Chair	3,941	Barisal Office				
12	MRDI-455/FF/ Chair-97	Chair	3,942	Barisal Office				
13	MRDI-456/FF/ Chair-98	Chair	3,942	Barisal Office				
14	MRDI-457/FF/ File Cabinet-01	File Cabinet	15,590	Barisal Office				
15	MRDI-460/FF/ Table-40	Table	9,859	Jessore Office				
16	MRDI-461FF/ Chair-99	Chair	3,941	Jessore Office				
17	MRDI-462/FF/ Chair-100	Chair	3,942	Jessore Office				
18	MRDI-463/FF/ Chair-101	Chair	3,942	Jessore Office				
19	MRDI-464/FF/ File Cabinet-02	File Cabinet	15,590	Jessore Office				
Total			273,272					



Sumit
 Account Coordinator

[Signature]
 Manager Finance

[Signature]
 Executive Director

**Hoda Vasi
 Chowdhury & Co**

MANAGEMENT REPORT

On

"Promoting Citizens' Access to Information (PCAI)" Project

Implemented by- Management and Resources Development Initiative (MRDI)

Funded by- Manusher Jonno Foundation (MJF)

For the period from 01 August 2013 to 30 September 2014



"Promoting Citizens' Access to Information (PCAI)" Project

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(Registered with NGOAB bearing reg. no. 1962 dated 21 September 2004)

Funded by- Manusher Jonno Foundation (MJF)

For the period from 01 August 2013 to 30 September 2014

Executive Summary

Project Name	:	"Promoting Citizens' Access to Information (PCAI)"
Duration of the project	:	1 August 2013 to 31 July 2016 (36 months)
Total budget	:	Tk. 21,857,394
Fund received during the audit period	:	TK. 7,710,534
Expenditure during the audit period	:	TK. 7,197,766
Expenditure to date	:	Tk. 7,197,766 (33 % of Total budget)
Period covered under audit	:	01 August 2013 to 30 September 2014
Audit time frame	:	Field visit - 9 to 12 November 2014

About the Project

Manusher Jonno Foundation (MJF) and Management and Resources Development Initiative (MRDI) entered into an agreement on 01 August 2013 to implement a project titled 'Promoting Citizens' Access to Information (PCAI). The latest amendment of that agreement was made on 01 July 2014. The goal is to promote access to information for the people by keeping the demand – supply chain of information rolling.

The latest approved budget for the project is Tk. 21,857,394. The actual disbursement to the MRDI is limited to Tk. 21,752,394. The remaining balance of Tk. 105,000 is supposed to be spent by MJF for project evaluation and audit purposes. The total duration of the project is 36 months starting from 01 August 2013 and ending on 30 September 2014. Against the current year budget of Tk. 7,851,406 an aggregate amount of Tk. 7,197,766 has been spent during the period under review.

Major Project Objectives

- To sensitize authorities and beneficiaries about demand for and supply of information;
- To develop capacity of information seekers and providers under the RTI Act.



Expected outcome during the project period:

- Baseline scenario of the demand and supply aspects of information disclosure in selected 12 upazillas in place.
- Recommendation on prevention of the misuse of the article 7 of the RTI Act worked out and placed before the information commission.
- Awareness created on RTI among people.
- A total of 60 officers of 5 departments of selected ministries in 12 upazillas developed capacity on information management and disclosing pro- activity and on demand in compliance with the RTI Act. Information provided to 600 applicants by these officers in 3 years.
- 60 offices of upazillas facilitated regarding supply of information.
- 180 members of 12 RTI forums oriented through 6 programmers.
- People's awareness created on access to information and applying RTI Act for seeking information. A total of 90 RTI applications field during the camp.

Summary Audit Findings

In the course of our audit we have identified some significant weaknesses in the financial and internal controls; deviations from MRDI's policy and procedures; operational inefficiencies. These are preventable and controllable by the management; and compliance of local laws and donor's conditions. We also developed recommendations concerning matters which have been discussed with the management of MRDI.

Summary of the issues identified are as follows:

• Matters relating to the Compliance Issue

1. Full-time staffs are used for Baseline Survey instead of hiring experts
2. Non-compliance with the Finance and Accounts manual of MRDI

• Matters relating to Internal Control

3. Meeting resolution minutes for meetings with Ministries were not maintained
4. Position vacant during the audit period
5. The reasonableness of expenditure under budget line item 59.03.04, 59.01.08 and 59.02.07 for information materials and information Kits amounting BDT. 39,150 could not be assessed
6. Time sheet was not maintain for shared staff
7. Personnel files were not updated

• Matters relating to Financial Statements

8. Cost sharing policy for some common expenses were not developed



Details of the above issues together with our recommendations and management responses have been given in the enclosed "Memorandum of Audit Findings". Minor issues which we have identified, discussed and resolved/adjusted during our audit were not incorporated in this report.

Follow-up of last year's audit finding

This is the first period of audit for this project hence there is no follow-up.

Conclusion

The issues identified above, although, represent deviations from internal control policies and procedures, are not as material as to give rise to a need for modifications to our audit opinion.



"Promoting Citizens' Access to Information (PCAI)" Project

Implemented by- Management and Resources Development Initiative (MRDI)

(Registered with NGOAB bearing reg. no. 1962 dated 21 September 2004)

Funded by- Manusher Jonno Foundation (MJF)

For the period from 01 August 2013 to 30 September 2014

Memorandum of Audit Findings

Matters relating to compliance Issues

1. Full-time staffs are used for Baseline Survey instead of hiring experts

Observation

MRDI was required to collect minimum 03 (three) quotations for any kind of procurement ranging Tk.50,001 to Tk.2,00,000 from the source is open market or enlisted vendor as per Clause 6.4 of DOA. MRDI did not comply with this requirement rather hired Divisional Coordinators of Barisal and Jessore district who are the full-time employees of MRDI for the Baseline Survey. These coordinators were paid an amount of Tk. 90,000 in addition to their regular salary for this survey. As a result, not being independent consultants there are risks that the work done are not of professional quality and biasness may occur.

Recommendation

MRDI should comply strictly to the requirements of the DoA with MJF and ensure that professional people are engaged for survey to the project objective.

Response by the management

1. MRDI does not have any office outside Dhaka except MJF project office in Jessore and Barisal with a single staff i.e. Field Intervention Coordinator. MRDI implements all of its project activities in the field through using support of the local coordinators. These coordinators are not salaried staff of MRDI; rather they are paid as per provision of the project budget on daily basis. Local coordinators were selected by MRDI since its inception based on requisite qualifications. Their names are available in the MRDI website.

When the coordinators were assigned for this specific survey, question of bidding did not arise. Even budget head for this expenditure is "Fee for local coordinator."

2. Non-compliance with the Finance and Accounts manual of MRDI

Observation

As per the Finance and Accounts manual of MRDI implies that the traveler shall prepare the report and travel advance within five working days from the date of completion of the event for which travel was made and the Finance and Accounts department shall check the report and forward the same to the Executive Director for approval (clause 11.7 and 11.8.) During the course of our audit, we observed that in some cases there was no travel Expense report, unsigned trip report and activity report for different event wise travelling of an aggregate amounting BDT. 110,836. So In the absence of those report programs related activity cannot be verified and we could not justify the expenses in relation to those reports. Details are described below:



Date	Voucher no.	Taka
18.6.2014	DV-137	20,159
11.5.2014	DV-106	30,000
14.9.2014	DV-180	18,800
17.9.2014	DV-182	24,828
30.6.2014	DV-149	17,049
Total		110,836

Recommendation

The outcome of the training is shared through the activity and trip report and so the management should strictly comply with the Finance and Accounts Manual and prepare activity and trip reports accordingly.

Response by the management

Our understanding as per clause 11.7 & 11.8 of MRDI Financial and administrative Manual the traveler settled all the travel advances within 5 working days from the date of completion of the event for which travel was made. For the purpose of advance settlement, the traveler submitted a "Travel Expense Report" i.e. statement of advance reconciliation to finance department. After checking the report the finance department forwarded the same to the Executive Director for approval. This process was properly followed in all the cases.

Expenses related to DV-137, DV-106 and DV-149 are the air fare and vehicle rent for the Chief Information Commissioner, Secretary, Information Commission and technical expert of the project who is currently the Information Commissioner and former Secretary of Information Commission. DV-180 is air fare for field supervision visit to Jessore by ED and DV-182 is also vehicle rent for programme staff to organize training of government officials in Barisal. Field programme reports of these visits are kept in separate files.

But in the case of field programme report, some were sent through mail by the programme personnel and some print copies also remained unsigned. This, however, is not an issue related to Finance and Accounts Manual. We kept the reports from the starting of this project, though all of them were not signed by the programme personnel and approved by ED. After the exit meeting with the audit team we started maintaining signed reports by the programme personnel approved by the ED.

Matters relating to Internal Control

3. Meeting resolution minutes for meetings with Ministries were not maintained

Observation

MRDI did not maintain properly meeting minutes, resolution or any other documents for every meeting with Ministries under the budget head 59.03.03.01. As a result we could not confirm whether meetings were arranged according to their guideline. Such meeting is the primary place of implementing the project work. So it is essential to keep the appropriate records of the meetings. Some of the instances are given below but not limited to:

Date	Voucher no.	Taka
23.9.2014	JV-46	12,000
21.9.2014	JV-45	24,946
31.8.2014	JV-43	19,200
Total		56,146

Recommendation

Management of MRDI should take reasonable steps to keep the records of every meetings held for the beneficiaries to monitor that the project can achieve its goals and objectives.

Response by the management

To make this initiative successful MRDI partnered with Information Commission (IC) and IC took all necessary measures and provided technical assistance to MRDI for developing IDPs of ministries. Under budget head 59.03 03.01 we have the following evidence of organizing meetings.

1. Programme reports prepared by PC.
2. Communication evidence with the Information Commission, Bangladesh regarding the partnership.
3. Copy of letters to relevant ministries issued by Information Commission, Bangladesh regarding the meetings
4. Attendance sheets of participants of different ministries
5. Payment acknowledgment sheet of participants

The expenditure against JV-43 is not relevant to this head. It is an advance issued to the PC for field monitoring visit.

4. Position vacant during the audit period

Observation

During the course of our audit, we have observed that Technical expert position was vacant from March 2014 till reporting date. The technical expert was responsible for many of the crucial activities to achieve the objectives of the project such as to provide technical assistance to Ministries to develop information disclosure policies, sensitization and awareness building on demand for and supply of information.

Recommendation

MRDI should take initiative to hire appropriate human resource to fill in the above mentioned positions immediately to smoothly run the project to achieve the objectives.

Response by the management

The position of Technical expert was vacant from 15 September 2014 afternoon. Mr. Nepal Chandra Sarker, former Secretary, Information Commission, Bangladesh was appointed as Technical expert of the project from 1 September 2013. This position fell vacant because Mr. Sarker was appointed by the Honorable President of the People's Republic of Bangladesh to join as an Information Commissioner of Information Commission, Bangladesh. MRDI has already taken approval from MJF to use technical assistance from such experts, from Mr. Sarker as well.

5. The reasonableness of expenditure under budget line item 59.03.04, 59.01.08 and 59.02.07 for information materials and information Kits amounting BDT. 39,150 could not be assessed

Observation

A total amount of BDT 39,150 was spent for purchasing bag, paper folder, and stationary under the budget line item. In this case we could not confirm that the items procured as mentioned above have been distributed to the beneficiary as there was no distribution list of the procured items so we could not ensure report was made. As a result, we were unable to assess the reasonableness of the expenditure. Details are described below:

Date	Voucher no.	Taka
30.8.2014	DV-161	10,450
29.3.2014	DV-78	28,700
Total		39,150

Recommendation

Management should maintain budget line item for purchase all item.

Response by the management

Expenditure against DV-161 incurred for purchasing of 25 pcs bag for 2-days Training for Govt. officials on RTI act 2009 in Barisal district and expenditure against DV-78 incurred for purchasing of paper folder for 7 programmes of perception survey on article 7 of the RTI act 2009.

Items of information kit paper folder, bags, writing pad, pen etc. was distributed among the participants of the programmes. So a signed attendance sheet is there, no separate acknowledgment is required for receiving the training kits & materials. This is a standard practice as per our knowledge. We would appreciate the auditor's recommendation on this point.

6. Time sheet was not maintain for shared staff

Observation:

The salaries of some staffs are shared from this MJF funded projects. MRDI does not maintain any time sheets for such shared staffs and without proper time sheet it was difficult to determine his/her involvements in the project as such the salaries of these shared staffs is not justifiable. The employees and their respective salaries charged in this project are as follows:

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Designation	Salary charged in the project
Executive Director	326,238
Technical Expert	484,516
Training and monitoring coordinator	319,351
Accounts Coordinator	479,784
Total	1,609,889

Recommendation:

MRDI should maintain properly time sheets and other supporting documents for shared staffs in the projects that will enable to evaluate the extent of time spent by the staffs in the project and the salary should be charged to the extent of effort given.

Response by the management

As per clause 5.14 (page-13 and 9.1.1 (page-90) of the MRDI financial and administrative manual we maintain a common attendance register for all staff members which contains information of office staffs attendance for the purpose of administration and salary payment.

As the chief executive is appointed by the board, the Executive Director does not sign the register. Also as per condition of appointment, the technical expert does not require attendance sheet.

Apart from the MRDI manual we follow the guideline of the donor (if any). There is no other guideline in the DoA with MJF in this regard.

7. Personnel files were not updated

Observation

We observed that the personal file of Mr. Liton Bashar (Divisional Coordinator) one of the project employees was not updated properly. Educational certificate, certificate relating to trainings and workshops, annual assessment, tax identification number (TIN) etc were not kept in the personal file. Due to the lack of above mentioned documents the fair basis of recruitment could not be evaluated

Recommendation:

Personnel files should be maintained according to the service rules.

Response by the management

Mr. Liton Bashar is neither a regular staff of MRDI nor of the project. He is the bureau chief of the Daily Ittefaq, Barisal. After the field intervention coordinator resigned suddenly, he was assigned to carry out the project activities for a limited period i.e. from 14th August 2014 to 31 January 2015 on contractual basis. Approval has been taken from MJF programme focal person.

Considering his present designation as the Bureau Chief of the Daily Ittefaq, the local coordinator of MRDI since its inception and short period of appointment, academic certificate has not been filed. Copy of appointment letter and TIN number has been duly filed.



Matters relating to financial statements:

8. Cost sharing policy for some common expenses were not developed

Observation:

Common cost sharing policies for Electricity, Internet and Mobile expenses were not developed. These costs are charged in the project based on the maximum limit of the budget with MJF.

Recommendation:

MRDI should develop a complete cost sharing policy as early as possible to ensure proper utilization of project's fund.

Management response:

During the budget negotiation MJF agreed the budget limit which they considered allowable. MRDI board has approved a cost sharing policy where share cost shall be distributed among the projects proportionate to the number of project implemented in each month. As the number of project is not consistent in MRDI, MJF preferred the fixed amount of utility expenses.

Exit Meeting Note

Date of Meeting : 12 November 2014
Place of Meeting : Management and Resources Development Initiative (MRDI)
Project Name : Promoting Citizens' Access to Information (PCAI)
Audit Period : 01 August 2013 to 30 September 2014
Period of Visit : 9 to 12 November 2014.

The following observations are discussed and shared in the meeting and obtained responses from the NGO management.

Summary of Observations	Detail observation with reference	NGO management comments/response
1. Service procures without comparative selection process or MOU.	As per the agreement if purchase amount is (BDT. 10,001-50,000) then at least two quotations should be collected and all cases purchase order will be issued (<i>clause 6.4</i>). During our audit, we have observed that the purchase order, comparative statement, MOUs/agreements with the vendors was not found for the transportation rent of an aggregate amounting BDT. 283,571 Because of, not conducting any comparative selection process for appointing different vendors as well as no MOU preserved and the service procures process was not transparent and competitive. Furthermore MRDI did not prepare transportation related rent agreements in legal paper rather than those were made in organizational paper without being stamped and signature of nominated vendors. So MRDI will not be able to claim anything usually in case of any dispute.	Agreed
2. No travel expense report and activity report found for different training and other activity related travelling.	As per the Finance and Accounts manual of MRDI implies that the traveler shall prepare the report and travel advance within five working days from the date of completion of the event for which travel was made and the Finance and Accounts department shall check the report and forward the same to the Executive Director for approval (<i>clause 11.7 and 11.8</i>) During the course of our audit, we observed that in some cases there was no travel Expense report, unsigned trip	Agreed

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	report and activity report for different event wise travelling. of an aggregate amounting BDT. 110,836 So In the absence of those report programs related activity cannot be verified and we could not justify the expenses in relation to those reports.	
consultant hired for without proper process	During our review we found that DIC ^{MRDI} did not follow proper selection procedures for the purpose of hiring the consultant. In this case we found two person was selected for Baseline survey who was the Divisional Coordinator in Barisal and Jessore district of the MRDI. So we could not ascertain that the consultant was selected in a competitive hiring process. As such an aggregate amounting of BDT. 90,000, it was not understandable whether the project actually was benefitted by the service of the hired consultant. The procurement of service was not transparent and competitive also.	Agreed.
maintain the participant different training	We observed that in the proposed participants list for conducting training have not been mentioned. So we could not confirm for which activity the proposed list was made. In absence of such document we were unable to verify satisfactorily an aggregated amount of BDT. 580,900 spent for the purpose of meal cost, accommodation expense and conveyance allowance for the participants.	Agreed.
lack of sufficient supporting documents programmatic activity and expenses.	Due to lack of proper documentation, i.e. Meeting minutes, attendance sheet, field visit report and evaluation report, we could not be able to verify the programmatic expenditure an aggregate amount of BDT. 64,096.	Agreed.
the reasonableness of expenditure under budget line item 04,59.01.08 and 07 for information materials and Kits	A total amount of BDT 39,150(as per ledger) was spent for purchasing bag, paper folder, and stationary under the budget line item In this case we could not confirm that the items procured as mentioned above have been distributed to the beneficiary as there was no distribution list of the procured items	Agreed.



amounting BDT. 39,150 could not be assessed.	or detailed activity report was made. As a result, we were unable to assess the reasonableness of the expenditure.	
7. No report found for programmatic and financial monitoring and evaluation.	As per the agreement "PO will monitor and evaluate the project on regular basis and recommendations based on the findings shall be documented and considered as the priorities.(clause 13.1) ". - During our verification, we have found that financial monitoring visit was not done but programmatic monitoring was done. It is worth mentioning that no report found for programmatic and financial monitoring and evaluation. So It implies that the monitoring systems are weak and the expenditure related to these visit is not justifiable.	Agreed.
8. Position vacant during the audit period.	During the course of our audit, we have observed that Technical expert position was vacant till date. So absence of human resource will hamper to achieve the program objective.	Agreed.
9. Remuneration of Executive Director could not be justified.	During our course of the audit, we observed that the organization did not have any appointment letter of the Executive Director. Furthermore, they do not maintain any time sheet of the above person. He was also involved in other projects as well.	Resolved.
10. Internal control weakness.	During our audit, we have observed some weakness in internal control. Instances are given below: <ul style="list-style-type: none"> • Time sheet not maintain for shared staff. • No cost sharing policy • Personal file not properly update: Mr. Liton basar • Trip report prepared without signed of traveller. 	Agreed.



Name and signature of the meeting participants¹:

Name	Designation with Organization	Signature
Hoda Vasi Chowdhury & Co		
Ms. Shabnam Jahan	Audit In charge	<i>Shabnam</i>
Ms. Shahana Shumy	Senior Auditor	<i>Shahana Shumy</i>
Ms. Fariha Tahmeed	Audit Assistant	<i>Fariha Tahmeed</i>
MRDI		
Hasibur Rahman	Executive Director	<i>Hasibur Rahman</i>
Md. Hamidul Islam Hillol	Project Coordinator	<i>Md. Hamidul Islam Hillol</i>
Aktarun Naher	Training & Monitoring Coordinator	<i>Aktarun Naher</i>
Md. Abdul Gofur	Manager, Finance	<i>Md. Abdul Gofur</i>
Sk. Shaniaz Ahmed	Accounts Coordinator	<i>Sk. Shaniaz Ahmed</i>
Md. Mominul Islam	Asstt. Manager, Finance	<i>Md. Mominul Islam</i>

¹ At least ED or representative of ED as part of NGO management, PC or project head and Accountant of the project should be participants from the NGO and all the auditors attended in the meeting.

"Promoting Citizens' Access to Information (PCAI)" Project

Implemented by- Management and Resources Development Initiative (MRDI)

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Funded by- Manusher Jonno Foundation (MJF)

For the period ended from 01 August 2013 to 30 September 2014

Follow-up of Last Year's Audit Findings

This is the first period of audit of this project and hence there is no follow up.

