



Howladar Yunus & Co.
CHARTERED ACCOUNTANTS

13

Implemented by Management and Resources
Development Initiative (MRDI)
IE PERIOD FROM 01 OCTOBER 2010 TO 30 JUNE 20

Submitted By:

Auditors' Report
On
The Financial Statements of the project titled ""HOW TO
BEST CHANGE TOBACCO CONTROL POLICIES IN
BANGLADESH""
SUPPORTED BY: CAMPAIGN FOR TOBACCO FREE KIDS
(CFTFK)
Implemented by Management and Resources
Development Initiative (MRDI)
FOR THE PERIOD FROM 01 OCTOBER 2010 TO 30 JUNE 2011

Submitted By:

Howladar Yunus & Co.
Chartered Accountants
September 13, 2011



Howladar Yunus & Co.

CHARTERED ACCOUNTANTS
67, Dilkusha Commercial Area (2nd Floor)
Dhaka-1000, Bangladesh

HEAD OFFICE

Phone : 880-2-9554119, 9551872
Fax : 880-2-9552989
E-mail : hyc@howladaryunus.com
Web : www.howladaryunus.com

AUDITORS' REPORT

We have audited the accompanying Balance Sheet as at 30 June 2011 of "HOW TO BEST CHANGE TOBACCO CONTROL POLICIES IN BANGLADESH" project, Implemented by the Management and Resources Development Initiative (MRDI) and the related Income & Expenditure Statement and Receipts & Payments Statement for the period then ended together with accounting notes thereof. The preparation of these financial statements is the responsibility of the Organization's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conduct our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements preparation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the Organization's affairs as on 30 June 2011 and of the results of its operations for the period then ended and comply with applicable laws and regulations.

We also report that:

- (i) 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;
- (ii) In our opinion, proper books of accounts as required by law have been kept by the Organization so far as it appeared from our examination of those books;
- (iii) The Organization's Balance Sheet, Income & Expenditure Account and Receipts & Payments Account dealt with by this report are in agreement with the books of account.


Chartered Accountants

Dated: Dhaka
September 13, 2011

MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)
PROJECT: HOW TO BEST CHANGE TOBACCO CONTROL POLICIES IN BANGLADESH
SUPPORTED BY: CAMPAIGN FOR TOBACCO FREE KIDS (CFTFK)

BALANCE SHEET

As on June 30, 2011

Particulars	Note	Amount in Taka
<u>Assets:</u>		
Cash at Bank		23,226
Fund Receivable from CFTFK	4.00	1,578,325
Total		<u>1,601,551</u>
<u>Liabilities:</u>		
Fund: Excess of Income over expenditure		128,302
Loan from MRDI		665,000
Outstanding Liabilities	12.00	808,249
Total		<u>1,601,551</u>

The Accompanying notes an integral part of this financial statement


Manager, Finance


Executive Director

Signed as per our annex report of even date


Howladar Yunus & Co.
Chartered Accountants

Dated: September 13, 2011

MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)
PROJECT: HOW TO BEST CHANGE TOBACCO CONTROL POLICIES IN BANGLADESH
SUPPORTED BY: CAMPAIGN FOR TOBACCO FREE KIDS (CFTFK)
INCOME & EXPENDITURE ACCOUNT
FOR THE PERIOD FROM 01 OCTOBER 2010 TO 30 JUNE 2011

Particulars	Note	Amount in Taka
Grant from CAMPAIGN FOR TOBACCO FREE KIDS (CFTFK)	4.00	6,134,192
Interest on Bank Deposit		24,853
Total INCOME		6,159,045
EXPENDITURE:		
Identification of Key Policy Actors influencing Tobacco Control Policy	5.00	94,444
In-Depth Interviews with key policy actors	6.00	50,000
Political mapping	7.00	266,100
Media content analysis	8.00	573,600
Policy dialogue	9.00	1,539,350
Personel	10.00	2,470,000
Administrative costs	11.00	459,000
Audit of the Accounts		30,000
Overhead Cost		548,249
Total Expenditure		6,030,743
Excess of Income over Expenditure		128,302
Total		6,159,045

The Accompanying notes an integral part of this financial statement


Manager, Finance


Executive Director

Signed as per our annex report of even date


Howladar Yunus & Co.
Chartered Accountants

Dated: September 13, 2011

MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)
PROJECT: HOW TO BEST CHANGE TOBACCO CONTROL POLICIES IN BANGLADESH
SUPPORTED BY: CAMPAIGN FOR TOBACCO FREE KIDS (CFTFK)
RECEIPTS & PAYMENTS STATEMENT
FOR THE PERIOD FROM 01 OCTOBER 2010 TO 30 JUNE 2011

	Note	Amount in Taka
RECEIPTS:		
Grant from CAMPAIGN FOR TOBACCO FREE KIDS (CFTFK)	4.00	4,555,867
Loan from MRDI		665,000
Interest on Bank Deposit		24,853
Total Receipts		5,245,720
PAYMENTS:		
Identification of Key Policy Actors influencing Tobacco Control Policy	5.00	94,444
In-Depth Interviews with key policy actors	6.00	50,000
Political mapping	7.00	266,100
Media content analysis	8.00	573,600
Policy dialogue	9.00	1,309,350
Personel	10.00	2,470,000
Administrative costs	11.00	459,000
Total Payment		5,222,494
Balance with STD A/C # 13831090015579 with Prime Bank Ltd. Asad Gate Branch, Dhaka		23,226
Total		5,245,720

The Accompanying notes an integral part of this financial statement


Manager, Finance


Executive Director

Signed as per our annex report of even date


Howladar Yunus & Co.
Chartered Accountants

Dated: September 13, 2011

Notes to the Financial Statement of the
PROJECT: 'HOW TO BEST CHANGE TOBACCO CONTROL POLICIES IN BANGLADESH'
Implemented by
Management and Resources Development Initiative (MRDI)
FOR THE PERIOD FROM 01 OCTOBER 2010 TO 30 JUNE 2011

1. Legal form & Significant Accounting Principles:

a. Legal form of the Organization:

Management and Resources Development Initiative (MRDI) a multidisciplinary Not for Profit, Non-Government Organization engaged to a wide spectrum of social development activities and seeks to render services to national and international organizations, both in the public and the private sector. MRDI is registered with the office of the Registrar of the Joint Stock Companies & Firms, Government of the People's Republic of Bangladesh under Section 28 of the Companies Act, 1994 having incorporation # C-544 (57)/2003 dated May 13, 2003 as a Company limited by guarantee. It is also registered with the NGO affairs Bureau having registration # 1962 dated 21-09-2004 under the Foreign Donations Regulation Ordinance 1978.

b. Objective of the Project:

The objective of the project is to conduct a Needs Assessment identifying, evaluating and suggesting advocacy strategies for moving forward tobacco control policies in Bangladesh. This assessment will include political mapping of key actors, media scan, stakeholder interviews and focus groups.

c. Specific Objective

The action will contribute to assess the existing policy factors in the country and will analyze and provide recommendations on how to change tobacco control policies in Bangladesh through identification of key policy actors, interviewing, political mapping, comprehensive media scanning and cases studies. An inclusive communication strategy will be developed through these assessments which will analyze the whole chain of the tobacco sector.

2. Accounting policies

a) Basis of accounting

The accounts have been prepared in a going concern basis under generally accepted accounting principles on historical cost convention and accrual basis.

3. General The figures in the financial statement represent amount in Taka.



MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)
PROJECT: HOW TO BEST CHANGE TOBACCO CONTROL POLICIES IN BANGLADESH
NOTES TO ACCOUNT FOR THE PERIOD FROM 01 OCTOBER 2010 TO 30 JUNE 2011

4.00 Grant from CAMPAIGN FOR TOBACCO FREE KIDS (CFTFK)

Received in two Installments

On 20.11.2010	\$42,848.50	2,999,395
On 15.02.2011	\$21,424.25	1,556,472
		<u>4,555,867</u>
Add: Outstanding Installment (3rd Installment)	\$21,424.25	1,578,325
Total		<u><u>6,134,192</u></u>

5.00 Identification of Key Policy Actors influencing Tobacco Control Policy

Literature review	20,000
Key Informant Interview (KII)	15,000
Focus Group Discussion	59,444
Total	<u><u>94,444</u></u>

6.00 In-Depth Interviews with key policy actors

Interview of Government officials	10,000
Interview of External actors (NGOs, Donors)	8,000
Interview of members of political parties	10,000
Interview of pressure groups	12,000
Interview of media gatekeepers	10,000
Total	<u><u>50,000</u></u>

7.00 Political mapping

Questionnaire development and finalisation meeting	40100
Civil Society Index (questionnaire interview)	-
Literature review	-
In-depth Interview	-
Interview with policy makers	85,000
Interview with NGOs	10,000
Interview mass people (including TA/DA)	45,000
Interview workers (including TA/DA)	30,000
Interview farmers (including TA/DA)	13,500
Interview tobacco producers (including TA/DA)	7,500
Interview reporters	15,000
Interview gatekeepers	15,000
Interview donors	-
Vendor	5,000
Total	<u><u>266,100</u></u>

8.00 Media content analysis

Media Monitoring Officer	187,200
Data entry operator	62,400
Print Media Archive charge	180,000
Electronic media subscription	144,000
Total	<u><u>573,600</u></u>

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MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)
PROJECT: HOW TO BEST CHANGE TOBACCO CONTROL POLICIES IN BANGLADESH
NOTES TO ACCOUNT FOR THE PERIOD FROM 01 OCTOBER 2010 TO 30 JUNE 2011

9.00 Policy dialogue

Policy dialogue with The Daily Star including one page supliment and event	498,550
Policy dialogue with Prothom Alo including one page supliment and event	810,800
	1,309,350
Add: Outstanding	
Developing and printing brochure (findings from the policy dialogue)	230,000
Total	1,539,350

10.00 Personel

Team Leader	712,500
Coordinator	475,000
Project Manager	570,000
Researcher	475,000
Accounts Manager	237,500
Total	2,470,000

11.00 Administrative costs

Office Rent (Partial)	270,000
Internet, telephone/mobilephone, fax (Partial)	54,000
Stationery & supplies (Partial)	45,000
Utilities (Partial)	45,000
Conveyance, Postage, Assistance (Partial)	45,000
Total	459,000

12.00 Outstanding Liabilities

For Developing and printing brochure	230,000
For Audit of the Accounts	30,000
For Overhead Cost (10% On Tk. 54,82,494/-)	548,249
Total	808,249

13.00 Foreign Donation Utilised:

Total fund utilized	5,222,494
Add: Cash at Bank	23,226
	5,245,720
Less: Loan from MRDI	(665,000)
Less: Less: Bank Interest	(24,853)
Total	4,555,867

FORM FD - 4

Certificate to be given by the Auditors

We have audited the Accounts of the Project titled: '**HOW TO BEST CHANGE TOBACCO CONTROL POLICIES IN BANGLADESH**' supported by **Campaign for Tobacco Free Kids (CFTFK)** implemented by Management and Resources Development Initiative (MRDI), 2/9 Sir Syed Road (3rd floor), Block-A, Mohammadpur, Dhaka-1207 bearing Registration # 1962 dated 21/09/2004 (Last Renewal on 19 November 2009) under the Foreign Donations Regulation Ordinance 1978 for the period from October 2010 to June 2011 examined all relevant books and vouchers and certify that according to the audited accounts.

- (1) The brought forward Foreign Donations at the beginning of the period was **Taka. NIL**
- (2) Foreign Donations amounting to **Taka. 45,55,867.00** was received by the Organisation during the period
- (3) The Balance of unutilized Foreign Donations by the Organisation during the year was **Taka. NIL**
- (4) Foreign Donations received during the year amounting to **Taka. 45,55,867.00** have been fully utilised. Besides Taka 665,000 was taken as loan, bank interest earned amounting to Taka 24,853 was also received by the project and utilized to meet the following purpose.

HOW TO BEST CHANGE TOBACCO CONTROL POLICIES IN BANGLADESH

Head of Expenditure	Amount as per approved budget	Amount actually spent	Difference, if any with reasons
As per Annexure-A/1	5,870,260.00	5,222,494.00	647,766.00

(5) Certified that the Organisation has maintained the accounts of Foreign Donations and records relating thereto in the manner specified as in section 5 of the Foreign Donations (Voluntary Activities) Regulation Ordinance, 1978 read with rule 6 and 7 to the said ordinance.

(6) The information furnished above is correct and checked by us.


Howladar Yunus & Co.
Chartered Accountants

Dated: Dhaka
Dated: September 13, 2011

NGO Affairs Bureau Enlistment/Renewal Memo No. NGOAB/Nip-2/CA FIRM/745/2010-574 dated may 26, 2010.(Sl. No. 4)

ANNEXURE 'A-1'

- 1 Name of the Project : HOW TO BEST CHANGE TOBACCO CONTROL POLICIES IN BANGLADESH
- 2 Date of Govt. Approval with Memo no. : ABBU/PRO-4/MRDI/99-7/10-714, dated: 31-10-2010.
- 3 Clearance for Release of fund during the period : October 2010 to June 2011
- 4 Fund received during the Period : BDT 4,555,867
- 5 Funding Period : October 2010 to June 2011
- 6 Funded By : Campaign for Tobacco Free Kids (CFTFK)

Sl.	Head of Expenditure	Amount as per approved Budget	Amount Actually Spent	Variance Surplus/ (Deficit)	Reason of Variance
(i)	Civil Construction, if any	-	-	-	
	Sub-total	-	-	-	
(ii)	Other material inputs including furniture and	-	-	-	
	Sub-total	-	-	-	
(iii)	Personnel: Number man-months				
	a) Chief Executive:				
	Team Leader (Local)	712,500	712,500	-	
	b) Other managerial staff				
	1. Foreign				
	2. Local				
	Coordinator	475,000	475,000	-	
	Project Manager	570,000	570,000	-	
	Researcher	475,000	475,000	-	
	Accounts Manager	237,500	237,500	-	
	c) Skilled				
	d) Unskilled	-	-	-	
	Sub-total	2,470,000	2,470,000	-	
(iv)	Consultants: Number man-months				
	a. Foreign	-	-	-	
	b. Local	-	-	-	
	Sub-total	-	-	-	
(v)	Revaluing loan fund	-	-	-	
	Sub-total	-	-	-	
(vi)	Training if any field duration Number of Trainees				
	Sub-total	-	-	-	
(vii)	Seminar/Workshop/discussion	-	-	-	
	A. Policy dialogue				
	Policy dialogue with The Daily Star including two page supplement and event cost (1 event x 4,00,000/-)	400,000	498,550	(98,550)	As per MOU with Tk. 4,00,000/- was paid against supplement in The Daily Star and cost of food & venue to The Daily Star. A part from these venue decoration, sound with recording system, invitation card printing, banner, payment to paper presenter and information kit had to be provided by the MRDI against which TK 98,550 was spent by MRDI. We got formally approval from CFTFK. In this respect the agreed to maintain the excess cost by reducing cost from Developing and printing brochure.



Policy dialogue with Prothom Alo including one page supplement and event cost (1 event x 6,00,000/-)	600,000	810,800	(210,800)	As per final negotiation with The Prothom Alo Tk. 8,00,000/- had to be paid against supplement publication as rate of supplement of Prothom Alo increased from June 2011. Food & venue was provided by Prothom Alo. MRDI paid for information kit and TA/DA of one participant from Bandarban. We got it approved formally from CFTFK. The agreed to maintain the excess cost by reducing cost from Developing and printing brochure.
Developing and printing brochure (findings from the policy dialogue) (2 brochure 2,00,000/-)	400,000	-	400,000	Remain outstanding. Total cost of publication of 800 copies is Tk. 2,30,000/-.
Sub-total	1,400,000	1,309,350	90,650	
(iii) Office accommodation (Office space)				
(a) Office Rent (9 Months x 30,000.00)	270,000	270,000	-	
Sub-total	270,000	270,000	-	
(a) Office equipment				
Sub-total	-	-	-	
(a) Vehicles				
Sub-total	-	-	-	
(a) Travelling Allowances and Daily Allowances for consultants & project personnels				
Sub-total	-	-	-	
(a) Custom duty and VAT				
VAT will be deducted at Source as per applicable Rate				
Sub-total	-	-	-	
(a) Head office and branch office's expenses, charged, if any				
Sub-total	-	-	-	
(a) Administrative Cost				
(a) Internet, telephone/mobilephone, fax	54,000	54,000	-	
Stationery & supplies	45,000	45,000	-	
Utilities	45,000	45,000	-	
Conveyance, Postage, Assistance	45,000	45,000	-	
Sub-total	189,000	189,000	-	
(a) Others (please specify item-wise)				
A. Identification of Key Policy Actors influencing Tobacco Control Policy				
Literature review (1 x 20,000/-)	20,000	20,000	-	
Key Informant Interview (KII) (10 interview x 1,500/-)	15,000	15,000	-	
Focus Group Discussion (2 FGD x 30,000/-)	60,000	59,444	556	Cost as per requirement
Sub-total	95,000	94,444	556	
B. In-Depth Interviews with key policy actors				
Interview of Government officials (5 Government officials x 2,000/-)	10,000	10,000	-	
Interview of External actors (NGOs, Donors) (5 external actors x 2,000/-)	10,000	8,000	2,000	Conducted interview as per requirement
Interview of members of political parties (5 political parties member x 2,000/-)	10,000	10,000	-	



Interview of pressure groups (5 pressure groups x 2,000/-)	10,000	12,000	(2,000)	One more interview had to be conducted to cross check information with other interviews as per team's decision.
Interview of media gatekeepers (5 Gatekeepers x 2,000/-)	10,000	10,000	-	
Sub-total	50,000	50,000	-	
C. Political mapping				
Questionnaire development and finalisation meeting (including honorarium 2 experts, food and venue)	40,000	40,100	(100)	As payment have to make as per actual bill.
Civil Society Index (questionnaire interview) (9 Interview x 1,000/-)	9,000	-	9,000	Not Required
Literature review (1 Review x 10,000)	10,000	-	10,000	Not Required
In-depth Interview		-	-	
Interview with policy makers (30 interview x 2,000/-)	60,000	85,000	(25,000)	To ensure quality of the mapping, the project team needed to interview Agriculture minister, Health minister, Law minister, Industries Minister and NBR Chairman through a one to one in-depth interview. The team developed a guideline for the purpose.
Interview with NGOs (5 interview x 2,000/-)	10,000	10,000	-	
Interview mass people (including TA/DA) (30 interview x 1,500/-)	45,000	45,000	-	
Interview workers (including TA/DA) (20 interview x 1,500/-)	30,000	30,000	-	
Interview farmers (including TA/DA) (5 interview x 1,500/-)	7,500	13,500	(6,000)	Two additional in-depth reports were made from field level to know the overall scenario of the process of tobacco farming as per requirement.
Interview tobacco producers (including TA/DA) (5 interview x 1,500/-)	7,500	7,500	-	
Interview reporters (15 interview x 1,000/-)	15,000	15,000	-	
Interview gatekeepers (15 interview x 1,000/-)	15,000	15,000	-	
Interview donors (5 interview x 2,000/-)	10,000	5,000	5,000	Interviewed 5 vendors instead of donors which the team thought more effective for the mapping.
Sub-total	259,000	266,100	(7,100)	
D. Media content analysis				
Media Monitoring Officer (3 Persons x 78 Days x 800/-)	187,200	187,200	-	
Data entry operator (1 persons x 78 Days x 800.00)	62,400	62,400	-	
Print Media Archive charge (10 newspapers x 30 days x 24 Months x 25/-)	180,000	180,000	-	
Electronic media subscription (4 TV channels x 30 days x 24 Months x 50/-)	144,000	144,000	-	
Sub-total	573,600	573,600	-	
E) Auditing cost				
Auditing Cost	30,000	-	30,000	Remain Outstanding
Sub-total	30,000	-	30,000	
F) Overhead Cost				
Overhead cost 10% on total project cost Tk. 53,36,600.00)	533,660	-	533,660	Remain Outstanding. Actual outstanding Tk. 5,48,249/- on Tk. 54,82,494/-
Sub-total	533,660	-	533,660	
Sub-total of (xv) Others	1,541,260	984,144	557,116	
GRAND TOTAL	5,870,260	5,222,494	647,766	



NOTES TO THE FD-4

NOTE-1: Reconciliation between Cash and Bank Balances and Unutilized Foreign Donation as at June 30, 2011

	<u>Foreign Donation</u>	<u>Local Income</u>	<u>Loan Received</u>	<u>Total Taka</u>
Opening Balances as on January 01, 2010	-	-	-	-
Fund received from donor	4,555,867	-	-	4,555,867
Bank Interest	-	24,853	-	24,853
Loan received from MRDI central account	-	-	665,000	665,000
A Total Funds Available	4,555,867	24,853	665,000	5,245,720
Expenditure (As per Annexure-A-1)	5,222,494	-	-	5,222,494
B Total Payments	5,222,494	-	-	5,222,494
 Unutilized Foreign Donation as at June 30, 2011 (A-B)	 (666,627)	 24,853	 665,000	 23,226

The unutilized balance refers to the actual cash & bank balances as at June 30, 2011.



**Additional report required
By NGO Affairs Bureau, GOB**

In addition to our auditors' report, we also report on the specific points required by the NGO Affairs Bureau, vide its circular # ABBU/NIP-2/CA Firm/745/2010/574 dated 26-05-2010. Which is made on the basis of our examination of the books and records of the concerned NGO as follows:

1. We have conducted the audit with due responsibility and we kept ourselves fully independent while conducting the audit.
2. The NGOs' has complied with the rules and regulation of "The Foreign Donations (Voluntary Activities) Regulations Ordinance, 1978"; "The Foreign Donations (Voluntary Activities) Regulations Rules, 1978; "The Foreign Contributions (Regulation) Ordinance, 1982 and the guidelines of circulars nos. 33, 43, 27, 00.00.01, 2000-107 issued on dated 29/05/2001 by the office of the Prime Minister and whether the project has been implemented and expenses incurred properly as per terms of approval of the FD-6, FD-7 or FC-1.
3. We have issued a certificate in separate format FD-4 and have enclosed Annexure A/1 as prescribed by NGO affairs Bureau only for receipts & expenses of foreign donations. All information of foreign donation has been based on cash not accrual. No amount has been shown as negative but last installment has been shown as receivable. Total amount has been mentioned in case of approved budget, actual expenditures & difference between two in FD-4. Details of these, such as approved budget, actual expenditures, variances and explanation of variances has been mentioned. Budget line item/sub-line item of Annexure-A/1 has been presented as per approved project.
4. Separate audit report has been prepared for each project and the report will be as per concerned project period. There is no local income earned but interest has been received of Tk.24,853.00.
5. A brief description of the goal, object & main programs is mentioned in paragraph b & c of the note no. 1 of the audit report. Project name, project area, memo number of NGO Bureau approval & date of approval, project period, approved budget amount and amount released by NGO Bureau are mentioned below:



Name of The Project	Project Areas	Approval letter Reference	Project period	Approved total budget amount (Taka)	Amount released by NGO Bureau for the project (Taka)
How to Best Change Tobacco Control Policies in Bangladesh	Dhaka	ABBU/PRO-4/MRDI/99-7/10-714, dated: 31-10-2010,	1 st October, 2010 to 30 June, 2011	5,870,260.00	5,870,260.00 (100%)

6. Balance Sheet, Income & Expenditure Account and Receipts & Payments Statement have been incorporated in audit report. Receipts & Payments statement has been prepared in conformity with the Receipts & Payments line items of the ledger maintained by the NGO. Break-up of gross expenses are enclosed to notes.
7. Each page of the audit report of NGO contains initials of the competent authority of us and Common Seal. Auditor certification at the beginning of report, balance sheet, accounts statements, FD-4 certificate & report as per requirement of TOR of NGO Bureau contained full signature of auditor with mentioning FCA/ACA, full name and designation. Audit report of NGO is presented in the following sequential form.

First Part:

Certificate of Auditor mentioning scope, opinion etc,
Balance Sheet
Income-Expenditure Statement
Receipts- Payments Statement
Notes to Financial Statements

Second Part:

FD-4 Certificate
Annex A/1
Notes to FD-4 (If any)
Report as per requirement of NGO Bureau (Condition of the TOR shall be mentioned as per sequential serial number of TOR)

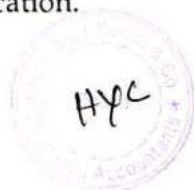
8. "How to Best Change Tobacco Control Policies in Bangladesh" is a project of Management and Resources Development Initiative (MRDI).
9. After completion of audit one copy (main copy) of audit report in sealed envelope sent directly to Deputy Director (Inspection & Audit) NGO Affairs Bureau Dhaka.



10. Under the audited project, the NGO has no partner NGO.
11. The first registration number of the NGO with NGO Affairs Bureau is 1962 on 21-09-2004 and renewed on 19.11.2009.
12. Organization maintains one bank account to receive foreign donation as per section 7 of the Foreign Donations (Voluntary Activities) Regulation Rules 1978.
13. Details of approved bank account by NGO Affairs Bureau to receive foreign donations:

Name of Bank: Southeast Bank Ltd.
Name of Bank Branch: Dhanmondi Branch, Dhaka
Bank A/C No: CD-001211100006616
Name of Donor: Campaign for Tobacco Free Kids (CFTFK).
Received Amount with date: Taka 2,999,395 dated 20.11.2010, Taka 1,556,472 dated 15-02-2011.

The NGO maintain a separate bank account named MRDI-CFTFK, A/C No Special Notice Deposit-13831090015579, Prime Bank Ltd, Asad Gate Branch. The closing balance at 30th June 2011 of this account was Taka 23,226.00 Bank reconciliation of mother bank account & project bank account has been done and found correct.
14. Organization has not received any goods in kind for the project. So a detail of goods in kind (if any received by NGO) has not been mentioned in FD-4 separately or cumulatively with proper valuation & submission of statement of its uses & balances as per FD-5.
15. Their exists exchange gain in the donation received by the organization due to higher conversion rate approved NGO affairs Bureau. As the organization is yet to receive the final payment, the actual exchange gain/loss is yet to be determined.
16. NGO has followed section 6 of the Foreign Donations (Voluntary Activities) Regulation Rules, 1978 to maintain double entry system of accounting in regard to cashbook/bankbook, ledger book, stock register, assets register & other register.
17. The financial statements of the project have not included any Revolving Loan Fund (RLF).
18. Organization has not incurred any expenditure in foreign currency.
19. On the basis of the information available to us, and the results of our review of the books of accounts which was conducted on a sample basis, during the period under audit, the Project did not adjust any budget over-runs in one line item with surplus budget in another line item, or did not charge any unapproved expenditure under approved line items.
20. All salary and benefits of the staff, and other expenses in excess of Taka. 5,000 has been paid through the bank account as per the books and records maintained by the NGO, and provided to us for our verification.



21. Loan amounting to Tk.665, 000 has been taken by the NGO from organization account to implement the project activities.
22. Any amount of salaries-allowances / honorarium has not been paid out to the member of the General Committee and Executive Committee during the audit period.
24. Internal Control System of the NGO is satisfactory.
25. No money has been refunded to the Donor Agency during the year.
26. Based on the results of our audit of transactions, which has been done on a sample basis, in our opinion, Income Tax and VAT have been deducted from bill payments and have been duly deposited into the Treasury. Revenue stamps have affixed in applicable cases. During the year, the NGO deposited the following amounts to the Treasury:
- | | |
|------------|--------------------|
| Income Tax | Taka. 1, 50,407.00 |
| VAT | Taka. 2,005.00 |
27. As a legal entity, NGO has submitted income tax return to NBR for the assessment year 2010-11 as per Income Tax Ordinance-1984.
28. MRDI has no income generating activities under the project.
29. No officer/employee/member of executive committee or general committee of the NGO have visited foreign country with the money received from foreign sources/tickets/receiving other facilities in this case.
31. Based on the results of our examinations of the books and records, we have issued a separate Management Letter containing our observation on the propriety of the expenditure and internal control system to the NGO management and one copy of the same shall be submitted to Deputy-Director (Inspection& Audit) with audit report.
32. We confirm that we have not carryout the audit continuously for more than 3 years of this project.

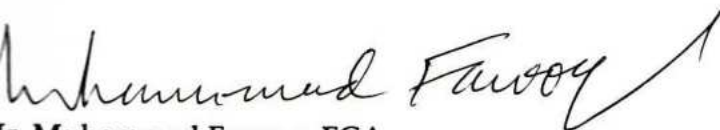


3. List of Board Members are as follows:

Sl. No.	Name	Designation	Present Address
01	Inam Ahmed	Chairman	House # 2/1, Lalmatia, Block- C, Apt- 3A, Dhaka
02	Hasibur Rahman	Executive Director	3/F-C/1 North Dhanmondi, Kalabagan, Bashiruddin Road, Dhaka-1205
03	Dr. Baquirul Islam Khan	Director	125, Kalabagan 1st lane, Dhaka-1205
04	Sakiul Millat Morshed	Director	390/H, Madhubag, Magbazar, Dhaka-1217
05	Syed Ishtiaque Reza	Director	Apt- 2/ A, F-7, Niketon, Gulshan-1, Dhaka
06	M. Emamul Haque	Director	House # 11/B, Apt # 103/B, Road # 71, Gulshan, Dhaka-1212
07	Md. Abdur Rahim	Director	Apt.- A-1, House # 8 Road # 121, Gulshan, Dhaka 1212

4. The audit fees of this project will be paid from the project fund after completing the audit report.

5. Enlistment & Renewal: Serial No.28 Ref. # ABBU/NIP-2/CA Firm/745/2010/574 dated 26/05/2010



Mr. Muhammad Farooq, FCA
Partner

Dated: September 13, 2011

Howladar Yunus & Co.
Chartered Accountants