

25

Journalism in Bangladesh"

Project

Implemented by

Management and Resources Development Initiative (MRDI)

Funded by

Deutsche Welle Akademie, Federal Republic of Germany

Auditor's Report, Audited Financial Statements and For FD-4
Certificate

for the period of 3(three) months from 01 October to 31
December 2014



ACNABIN

Chartered Accountants

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BAKER TILLY
INTERNATIONAL

Participation, Capacity Building, Transparency: Strengthening
Journalism in Bangladesh"

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Contents

Sl. #	Particulars	Page #
1	Independent Auditor's Report	1
2	Statement of Financial Position	3
3	Statements of Income	4
4	Statements of Receipts & Payments	5
5	Notes to the Financial Statements	6
6	FD-4 certificate	9
7	Annex-A/1	10
8	35 Conditions	11

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Management and Resources Development Initiative (MRDI)

8/19, Sir Syed Ahmed Road
Mohammadpur
Dhaka- 1207

Report on the Financial Statements

We have audited the accompanying financial statements of the project "Participation, Capacity Building, Transparency: Strengthening Journalism in Bangladesh" implemented by Management and Resources Development Initiative (MRDI) funded by the Deutsche Welle Akademie, Federal Republic of Germany" which comprise the Statement of Financial Position as at 31 December 2014 and the Statement of Income and Statement of Receipts and Payments for the period from 01 October to 31 December 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the 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 auditor's judgment, 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 auditor considers internal control relevant to the entity's preparation and fair 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 opinion.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the project "Participation, Capacity Building, Transparency: Strengthening Journalism Partnership with the Deutsche Welle Akademie, Federal Republic of Germany" Implemented by Management and Resources Development Initiative (MRDI) funded by the Deutsche Welle Akademie, Federal Republic of Germany" as at 31 December 2014 and its financial performance and its receipts and payments for the period from 01 October to 31 December 2014 in accordance with Bangladesh Financial Reporting Standards (BFRSs) and comply with other applicable laws and regulations.

Dated: Dhaka
02 February 2015


ACNABIN
Chartered Accountants



Participation, Capacity Building, Transparency: Strengthening Journalism in Bangladesh"

Funded by
Deutsche Welle Akademie, Federal Republic of Germany
Implemented by
Management and Resources Development Initiative (MRDI)

Statement of Financial Position
as at 31 December 2014

Notes	Amount in Taka
	31.12.2014

Assets

Current Assets:

Cash and Bank Balances	3	453,834
		453,834

Fund and Liabilities

Unutilized Donor Fund	4	373,834
Audit fee outstanding		80,000
		453,834

The annexed notes form an integral part of the Statement of Financial Position.

Manager, Finance
MRDI

Executive Director
MRDI

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

Dated: Dhaka
02 February 2015

ACNABIN
Chartered Accountants
Signed by
Mohammad Nurun Nabi, FCA
Partner



Participation, Capacity Building, Transparency: Strengthening Journalism in Bangladesh"

Funded by
Deutsche Welle Akademie, Federal Republic of Germany
Implemented by
Management and Resources Development Initiative (MRDI)

Statement of Income
for the period of 03(three) months from 01 October to 31 December 2014

Notes	Amount in Taka
	01 October to 31 December 2014

Income

Grant Income	6	4,371,483
Bank Interest Received		7,048
		4,378,531

Expenditure

Developing a new curriculum for Universities	7	744,198
TOT for University Teachers (2 TOT)	8	1,207,427
Situation analysis of community radio of Eastern Region (Rajshahi)	9	514,539
Situation analysis of community radio of Eastern Region (Chittagong)	10	480,406
Programme Management		1,350,309
Audit Fee		80,000
Bank Charges		1,652
		4,378,531

The annexed notes form an integral part of the Statement of Income.

Manager, Finance
MRDI

Executive Director
MRDI

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

Dated: Dhaka
02 February 2015

ACNABIN
Chartered Accountants
Signed by
Mohammad Nurun Nabi, FCA
Partner

Participation, Capacity Building, Transparency: Strengthening Journalism in Bangladesh"

Funded by
Deutsche Welle Akademie, Federal Republic of Germany

Implemented by
Management and Resources Development Initiative (MRDI)

Statement of Receipts and Payments
for the period of 03(three) months from 01 October to 31 December 2014

	Amount in Taka
	01 October to 31 December 2014
Opening balance	
Cash in Hand	-
Cash at Bank	-
Receipts	
Fund Received from Donor	4,745,317
Loan from MRDI	80,000
Bank Interest Received	7,048
	4,832,365
Payments	
Developing a new curriculum for Universities	744,198
TOT for University Teachers (2 TOT)	1,207,427
Situation analysis of community radio of Eastern Region (Rajshahi)	514,539
Situation analysis of community radio of Eastern Region (Chittagong)	480,406
Programme Management	1,350,309
Loan from MRDI	80,000
Bank Charge	1,652
	4,378,531
Closing Balance	453,834
Cash in Hand	-
Cash at Bank	453,834
	4,832,365

The annexed notes form an integral part of the Statement of Receipts and Payments


Manager, Finance
MRDI


Executive Director
MRDI



Participation, Capacity Building, Transparency: Strengthening Journalism in Bangladesh"

**Implemented by
Management and Resources Development Initiative (MRDI)**

**Notes to the Financial Statements
for the period of 03(three) months from 01 October to 31 December 2014**

1.0 Background Information

1.01 About 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 September 21, 2004 under the Foreign Donations Regulation Ordinance 1978 which was renewed on November 12, 2014.

1.02 About the project

DW, through its international media development and training center DW Akademue, and MRDI will establish a cooperation in the fields of strengthening journalism education at Universities in Bangladesh, Developing a new curriculum for Universities, Training of Trainers (TOT) for Universities teachers, Situation analysis of community radios in Northern and Eastern Region for Bangladesh, training activities and consultation to support media and journalism in Bangladesh.

1.03 Objectives of the project

The overall objective of the project are as follows:

- To establish cooperation in the fields of strengthening journalism education at universities in Bangladesh
- To conduct a study on situation analysis and sustainability of community radio in Bangladesh

2.0 Significant Accounting Policies

2.01 Basis of Accounting

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS).

2.02 Accounting for Grants

Grants are recognized as income in accordance with Bangladesh Accounting Standard-20. Grant income is recognized over the period necessary to match them with the related costs of the period.

2.03 General

Amounts have been rounded off to the nearest Taka.



Amount in Taka
31.12.2014

3. Cash & Bank Balances

Cash in Hand

Cash at Bank (A/C #13831010028180 Prime Bank Limited , Asadgate Branch Dhaka)

453,834

453,834**4. Unutilized Donor Fund**

Opening Balance

Add: Fund Received from Donor (note: 4.1)

4,745,317

4,745,317

Less: Grant Income

4,371,483

373,834**4.1 Unutilized Donor Fund (Cash Basis)**

Opening Balance

Add: Fund Received from Donor (note: 4.2)

4,745,317

4,745,317

Less: Grant Income

4,291,483

453,834**4.2 Fund Received from Donor**

The amount was received from Deutsche Welle Akademie, Germany during the period under audit against fund release Tk. 4,980,000 by NGO Affairs Bureau. Details are as follows:

Name of Donor	Date	Account No. & Branch	BDT
Deutsche Welle Akademie,Germany	09.11.2014	(A/C #001211100006616, Southeast Bank Limited, Dhanmondi Branch Dhaka)	2,377,686
	21.12.2014		1,898,396
	30.12.2014		469,235
			4,745,317

5.00 Loan From MRDI

Opening Balance

Add: Received during the Period

80,000

80,000

Less: Paid during the Period

80,000

-

Amount in Taka
01 October 14 to 31 December'14

6 Grant Income (Accrual Basis)

Revenue Expenditure as per Income Statement

4,378,531

Less: Bank Interest

7,048

4,371,483**6.1 Grant Income (Cash Basis as per NGO TOR: Condition 3)**

Revenue Expenditure as per Income Statement

4,378,531

Less: Bank Interest

7,048

Less: Non-cash expenses Audit fee

80,000

4,291,483



		Amount in Taka
		31.12.2014
7	Developing a new curriculum for Universities	
	Team Leader	250,000
	Team Leader	200,000
	Focus Group Discussion (FGD) including time cost, venue and Food	113,821
	Interaction meeting with University Teachers	146,259
	Transportation for Meetings as University	11,618
	Daily allowance for team members	12,000
	Accommodation for Interaction Meeting for team members	10,500
		744,198
8	TOT for University Teachers (2 TOT)	
	Fee for Course Supervisor	180,000
	Fee for Resource Persons	67,500
	Training Kit	70,956
	Entertainment	116,243
	Venue	172,500
	Banner	9,000
	Certificate	11,000
	Lodging for Participant	162,000
	Travel for Participants	216,000
	Daily allowance for Participant	108,000
	Transportation	34,228
	Photo Documentation	4,000
	Equipments	36,000
	Miscellaneous Expenses	20,000
		1,207,427
9	Situation analysis of community radio of Eastern Region (Rajshahi)	
	Team Leader	187,500
	Team Member	125,000
	Focus Group Discussion (FGD)	61,226
	Transportation for field visit for situation analysis team	37,813
	Daily allowance for field visit for situation analysis team and MRDI staff	18,000
	Accommodation for field visit for situation analysis team and MRDI staff	22,500
	Equipment Support for Team Leader	62,500
		514,539
10	Situation analysis of community radio of Eastern Region (Chittagong)	
	Team Leader	187,500
	Team Member	125,000
	Focus Group Discussion (FGD)	22,156
	Transportation for field visit for situation analysis team	39,000
	Local transportation for field visit for situation analysis team	28,750
	Daily allowance for field visit for situation analysis team and MRDI staff	7,500
	Accommodation for field visit for situation analysis team and MRDI staff	8,000
	Equipment Support for Team Leader	62,500
		480,406
11	Programme Management	
	Team Leader	450,000
	Coordinator	247,749
	Assistant Coordinator	109,419
	Finance Coordinator	123,141
	Conveyance & Local transportation	22,500
	Internet, Phone, fax etc	30,000
	Stationeries & office supplies	24,000
	Facility Charges	150,000
	Utility & Office Maintenance	30,000
	Office Rent	163,500
		1,350,309

**FORM FD-4****AUDITORS' CERTIFICATE**

We have audited the accounts of "Participation, Capacity Building, Transparency: Strengthening Journalism in Bangladesh" In Partnership with Deutsche Welle Akademie, Federal Republic of Germany a project of Management and Resources Development Initiative (MRDI), 8/19, Sir Syed Road (3rd Floor), Block- A, Mohammadpur, Dhaka- 1207, vied Registration No. 1962, dated 21.09.2004 and renewed on 12.11.2014 active up to 20.09.2019. We have examined all relevant books and vouchers and certify that according to the audited accounts for the period from 01 October to 31 December 2014;

1. The brought forward Foreign Donation at 1st October, 2014 was Nil.
2. Foreign Donations amounting to Taka 47,45,317 were received by the organization during this period.
3. The balance of un-utilized Foreign Donations by the organization at 31 December 2014 was Tk. 453,834.
4. Foreign Donations amounting to Taka 4,291,483 have been utilized as shown in the Annexure A/1

Name of the Project: "Participation, Capacity Building, Transparency: Strengthening Journalism in Bangladesh"

Head of Expenditure	Amount as per approved Budget	Amount actually spent	Difference if any with reason
As per approved budget of the project (Annexure A/1)	4,980,000	4,378,531	601,469

5. Certified that the organization has maintained the accounts of Foreign Donations and records relating thereto in the manner specified in section 5 of the Foreign Donations (Voluntary Activities) Regulations Ordinance 1978 read with rule 6 & 7 to the said Ordinance.
6. The information furnished above is correct and checked by us.

Dated: Dhaka
02 February 2015

ACNABIN**Chartered Accountants**

Signed by

Mohammad Nurun Nabi, FCA

Partner

BDBL Bhaban (level-13)

12 Kawran Bazar Commercial Area Dhaka-
1215, Bangladesh.



Management and Resources Development Initiative (MRDI)

Name of the Project: Participation, Capacity Building, Transparency: Strengthening Journalism in Bangladesh

Date of Govt. approval with memo no. ABBU/A-4/MRDI/99-1/2011-859 **Date:** 01/10/2014 and
ABBU/A-4/MRDI/99-1/2011-1064 **Date:** 11/12/2014

Project year: 01 October to 31 December 2014

S.L No	Head of Accounts	Approved Budget	Actual Expenditure	Variance	Variance (%)	Reason for Variances
01	Developing a new curriculum for universities	830,000	744,198	85,802	10%	As the cost shared with another programme of MRDI, in some cases no budget was required during the project period.
02	ToT for university teachers (2 ToT)	1,490,000	1,207,427	282,573	19%	Expenses required less than the budgeted as per session plan approved by DW. Daily Star charged negotiated cost for venue and food. Budget was prepared keeping in mind that Chittagong University Journalism department contains 20 teachers but one of them was out of country and another got married on the training period.
03	Situation analysis of community radio of northern region (Rajshahi)	662,500	514,539	147,961	22%	Most of the cases venue rent was not required, simple snacks were served instead of lunch and cost of coordination and assistance was minimum.
04	Situation analysis of community radio of Eastern region (Chittagong)	564,500	480,406	84,094	15%	Most of the cases venue rent was not required, simple snacks were served instead of lunch and cost of coordination and assistance was minimum.
05	Programme Management	1,433,000	1,431,961	1,039	0%	Expenses required as per actual payment.
	Grand Total	4,980,000	4,378,531	601,469		



**Auditor's Comments on the Terms of Reference (TOR) given by NGO Affairs Bureau
Government of the People's Republic of Bangladesh**

Name of Organisation : Management and Resources Development Initiative (MRDI)

Name of Project : Participation, Capacity Building, Transparency: Strengthening
Journalism in Bangladesh"

Our observations and comments in respect of the conditions for NGOs audit laid down in Circular Circular # 3.09.0000.658.74.01.12-215 dated 12 February 2014 issued from the NGO Affairs Bureau, Prime Minister's Office, and Government of the People's Republic of Bangladesh are given below:

Condition-1

CA firm should maintain most responsible and independent role in case of audit of NGOs.

Observations and comments

We have conducted the audit in accordance with the Bangladesh Standards on Auditing and maintained strictly the 'ICAB Code of Ethics' according to which reasonable steps have been taken to identify circumstances that to ensure independence.

Condition-2

During the audit of NGOs, the audit firm will ensure their compliance with the Rules and Regulations promulgated for the NGOs i.e. the Foreign Donations (Voluntary Activities) Regulation Ordinance, 1978, the Foreign Donations (Voluntary Activities) Regulation Rules, 1978, the Foreign Contributions Regulation Ordinance, 1982 and Rules of Notification # 33.43.27.00.00.01.2000-107 dated 29 May 2001 circulated by the Prime Minister's Office (wherever applicable) and whether the project has been implemented in terms of approval of the FD-6, FD-7 or FC-1 properly (in which objective and target and items-wise detail budget has been mentioned) and the terms of project approval.

Observations and comments

During our audit we have checked compliance of all the applicable rules, regulations and circulars mentioned above and found that the Project has complied with them. Management and Resources Development Initiative (MRDI) has been implemented properly as per terms of approval of the FC-1 and the terms of project approval.

Condition-3

The CA firm, along with the audit report, must issue a certificate regarding receipts and expenditure of foreign Donation in form FD-4 and Annexure A/1 prescribed by the Bureau. All information in FD-4 regarding foreign donation should be presented on cash basis not accrual. It means no foreign donation should be shown as receivables. Approved budget in FD-4, actual expenditure and variance between the two should be shown in Taka. Item-wise approved budget, actual expenditure, variance and reasons for variance should be shown in Annexure A/1. Heads and sub-heads and budget against those in Annexure A/1 would be as per approved project.

Observations and Comments

Format FD-4 (Certificate) and Annexure-A/1 as prescribed by the NGOAB in respect of foreign donations are enclosed with the report. Foreign donations are stated in cash and budget variance is given in Annexure-A/1.

Condition-4

Separate audit report should be prepared for each project and the reports should be based on project year. If the project includes any local income/donation then it should be shown separately.

Observations and Comments

Separate audit report has been prepared for the project based on project period. The project accounts cover period of 03 months from 01 October to 31 December 2014. No local donation has been received during the period.

Condition-5

The audit report should contain a brief description of the project goals, objectives and its main activities. The accurate information about the following particulars is to be given in the mentioned format.

Observations and Comments

A detail description of the project is given in note # 1 to the financial statements. The memo number of project approval, date, total value of the project, project Period and the amount released is given in the following table:

Project Name	: Participation, Capacity Building, Transparency: Strengthening Journalism in Bangladesh" in Partnership with Deutsche Welle Akademie, Federal Republic of Germany
Project Period	: 3 Months (01 October 2014 to 31 December 2014)
Approval letter # and date	: ABBU/A-4/MRDI/99-1/2011-859 Date:01/10/2014 and ABBU/A-4/MRDI/99-1/2011-1064 Date:11/12/2014
Amount Released date & Ref #	: ABBU/A-4/MRDI/99-1/2011-859 Date:01/10/2014 and ABBU/A-4/MRDI/99-1/2011-1064 Date:11/12/2014
Amount Released	: Tk. 4,980,000
Foreign Donation received	: Tk. 47,45,317
Foreign Donation received in mother Bank Account	: (Southeast Bank Ltd,Account no. # 001211100006616,Dhanmondi Branch, Dhaka-



	1207
Audit Period	: 01 October 2014 to 31 December 2014
Total project budget	: Tk. 4,980,000
Project Area	: Rajshahi, Chittagong
Audited Period Budget	: Tk. 4,980,000
Date of Auditor's Appointment	: 07 January 2015

Condition- 6

Balance sheet, Income & Expenditure Account and Receipts and Payments Account should be the part of the audit report and should contain signature of the NGO Management. If in any case the presentation of Balance Sheet is not necessary then an explanation should be included. Auditor should confirm whether the Receipts and Payments Account was prepared based on the ledger items maintained by NGO. In the items where gross amount has been shown, (such as contingency and others), a detail breakdown should be shown in notes.

Observations and Comments

The Balance Sheet (Statement of Financial Position), Income & Expenditure Account (Statement of Income) and Receipts & Payments Account (Statement of Receipts & payments) of the project have been annexed to the report and duly signed by the organization's management. The Statement of Receipts and Payments has been prepared based on the ledger items maintained by NGO. The detailed break-up of the items has been provided in the Notes to the Financial Statements.

Condition-7

Every page of the NGO's audit report should contain page number. Every page of the audit report must contain initial of authorized person of CA firm with common seal. But Auditor's certificate, balance sheet, accounts statement, FD-4 certificate and report as per TOR should contain full signature of the Auditor. Full name and designation of the FCA/ACA are to be given below the full signature of the auditor. NGO audit reports should have the following sequence-

First part

- Auditor's certificate including scope, opinion etc.
- Balance sheet.
- Income & Expenditure Account/Statement.
- Receipts & Payment Account/Statement.
- Notes to Financial Statements.
- Schedule/Appendix/Others Statement.

Second part

- FD-4 certificate.
- Annex-A/1.
- Notes of FD-4 (if any).
- Report should be prepared based on TOR of NGOAB (Conditions of TOR should be sequenced exactly like the TOR).



Observations and Comments

Every page of the NGO audit report contains page number, initial of authorized person of CA firm and common seal and Auditor's certificate, Statement of Financial Position, Statement Income, Statement of Receipts and Payments, FD-4 certificate and report as per TOR contain full signature of the Auditor. Moreover, NGO audit reports have the above-mentioned sequence.

Condition-8

In case of multiple year project audits, the audit report should contain whether it was audited in the earlier year, if yes, whether the report was submitted to the NGOAB. In case of continuous project i.e. the project continued in the same name/same type in the earlier year, whether it was audited in the earlier year, if yes, whatever the report was submitted to the NGOAB.

Observations and Comments

The project is for only three month and it was not audited in the earlier.

Condition-9

After completion of audit, one original copy of audit report in sealed envelope should be sent directly to the Deputy Director (Inspection & Audit), NGO Affairs Bureau, Dhaka. It is mentioned that the report as directly received in Inspection & Audit section will be subject to verify.

Observations and Comments

One copy of audit report in sealed envelope will be sent directly to the Deputy Director (Inspection & Audit), NGO Affairs Bureau in due time.

Condition-10

If there is any partner organization of auditee NGO project then that accounts of Partner organization should also be audited. Information should be furnished as to whether such audit has been conducted and whether that was a satisfactory audit.

Observations and Comments

There was no partner NGO of the audited project during our audit period.

Condition-11

The number and date of first registration of the NGO with NGOAB should be mentioned along with the latest date of renewal of registration.

Observations and Comments

First Registration Number and Date	1962 dated 21 September 2004
Registration Renewal Date	12 November 2014



Condition-12

It should be reported whether the NGO has received all the foreign donations in a single Bank Account as per Rule-7 of the Foreign Donations (Voluntary Activities), Regulation Rules, 1978. The name of the Bank, Account number and Amount should be mentioned if the foreign donation has been received through more than one Bank Account non-complying this rule.

Observations and Comments

The NGO has received all the foreign donations through a single Bank Account.

Condition-13

The account number approved by the NGO Affairs Bureau for receipt of foreign donation (mother account) including name of the Bank and its Branch, amount of donation received with date and name of the donor in detail should be mentioned. Bank account numbers, branch name, and bank balance of relevant project account should be mentioned. Bank reconciliation between mother account and project account should be checked and certified whether it is correct.

Observations and Comments

Details are given below:

Mother Account

- i) Account No : 001211100006616
- ii) Name of Bank : Southeast Bank Ltd
- iii) Name of Branch : Dhanmondi Branch, Dhaka
- iv) Name of Donor : The Deutsche Welle Akademie, Federal Republic of Germany
- v) Foreign Donation received during the period Tk. 47,45,317 through the mother a/c, which are as follows:

Particulars	Dates of receipts	Amount in Taka
1. Grant Receipt	09.11.2014	23,77,686
2. Grant Receipt	21.12.2014	18,98,396
3. Grant Receipt	30.12.2014	469,235
Total		47,45,317

Project Account

- i) Account No. : 13831010028180
- ii) Name of Bank : Prime Bank Ltd.
- iii) Name of Branch : Asadgate branch
- iv) Bank balance : Tk 1,644,524 (As on 31 December 2014)
- vi) Bank Reconciliation : Yes

Conditon-14

Donations received in kind should be accounted for after proper valuation and shown in Form FD-4. The portion utilised and the unutilised balance should be submitted as per Form FD-5.

Observations and Comments

As reported by the management of the organisation no donation in kind was received during the period under audit.

Conditon-15

The bank interest/exchange gain on foreign donations should be accounted for in the accounts separately. It should be mentioned whether permission has been accorded by the NGO Affairs Bureau for use of it.

Observations and Comments

No bank interest/ exchange gained on foreign donation.

Conditon-16

It should be reported as per Rule-6 of the Foreign Donations (Voluntary Activities), Regulation Rules, 1978, whether the accounts of NGO is maintained under double entry system of book keeping and cash book/bank book, ledger book, stock register, fixed asset register and other registers are maintained properly.

Observations and Comments

The accounts of project is maintained by the management in the Tally software based on the principle of double entry bookkeeping system that complies with the provision of Rule-6 of the Foreign Donations (Voluntary Activities) Regulations Rule 1978.

Conditon-17

It should be reported whether separate Revolving Loan Fund (RLF) for each foreign donated project (including earlier projects) or consolidated account is maintained and whether RLF is audited separately in each year. If RLF from Foreign Donation is not recorded separately and loan disbursed from auditee project then it should be ensured that the service charge is recorded as receipts.

Observations and Comments

The project had no Revolving Loan Fund during the period of our audit.

Condition-18

It should be mentioned that whether the NGO has obtained license from Micro Credit Regulatory Authority (MRA) for implementation of Micro Credit activities.

Observations and Comments

There is no Micro Credit Activities in this NGO.



Condition-19

If any expenditure is made in foreign currency out of the receipt of donation, detail description should be given in the report.

Observations and Comments

No expenditure was made in foreign currency by the organization during the period of our audit.

Condition-20

It should be mentioned whether any amount of certain head of account spent beyond budget and adjusted with other head of accounts or some unapproved amount of any head of expense has been adjusted with the regular head of account. If yes, the intention and reason for such over expenditure should be mentioned.

Observations and Comments

Favourable and unfavourable variances both took place. Objective and reason for variance have been explained in Annexure A/1. No amount was adjusted with another budget line item or no unapproved expenditure was adjusted against regular expenses during the period under the audit.

Condition-21

Any amount of salaries and allowances of officer/ staff and any other expenses above Tk.10,000 are to be paid by bank cheque and bank transfer as per instruction in relevant circular. If the NGO has non-complied with that and paid in cash, that should be mentioned in the report.

Observations and Comments

Salaries and allowances of all officers and staffs of the organization were paid through bank.

Condition-22

If the project is implemented through procurement of loan then the source of loan and information regarding approval of Executive Committee of the NGO should be furnished.

Observations and Comments

No loan has been procured during the project period. A temporary loan an amount of taka 80,000 has been taken from general fund and repaid during the period .

Condition-23

Detail information should be furnished if the members of general body or executive committee receive salary or honorarium. Moreover, it should be mentioned whether the Chief Executive of the Project received any full/part salary/ honorarium from auditee project and other projects.

Observations and Comments

Detail information about the members of general body or executive committee receive salary or



honorarium from the project fund during the period under audit

Name	Position in MRDI Board	Project designation	Total Amount Received (For 3 months)
Inam Ahmed	Chairman	Team Member	125,000
Hasibur Rahman	Executive Director	Team Leader	450,000
Farid Hossain	Director	Team Member	200,000
Syed Ishtiaque Reza	Director	Resource Person	10,000
Grand Total			785,000

Condition-24

It should be mentioned whether the internal control system of the organisation is satisfactory or not.

Observations and Comments

We found that the internal control system of the organization is satisfactory level.

Condition-25

Whether any money was refunded to the donor, if refunded, details are to be given.

Observations and Comments

No such instance of refunding money to the donor without prior approval of the Bureau was evident.

Condition-26

Comment of the audit firm as to whether Revenue Stamp was affixed where required, VAT and IT were properly deducted from the bill/vouchers according to the government laws and regulations and deposited to Government Treasury by the organisation has to be given. The amount of deductible, deducted and outstanding VAT and IT have to be mentioned in the following table.

SI#	Particulars	Expenses (Taka)	Deductable amount (Taka)		Deducted amount (Taka)		Deposited amount into Government Treasury (Taka)		Outstanding amount (Taka)	
			VAT	IT	VAT	IT	VAT	IT	VAT	IT

Observations and Comments

On the basis of information made available to us and from the result of our random verification of bills and vouchers it was evident that the NGO deducted IT and VAT from bills/ payments and Revenue Stamp was affixed where required. The particulars of VAT and IT amount have been given in the following table:



S I #	Particulars	Expenses (Taka)	Deductible amount (Taka)		Deducted amount (Taka)		Deposited amount into Government Treasury (Taka)		Outstanding amount (Taka)	
			VAT	IT	VAT	IT	VAT	IT	VAT	IT
1.	Developing a new curriculum for Universities	744,198	3,527	52,000	3,527	52,000	3,527	52,000	-	-
2.	TOT for University Teachers (2 TOT)	1,207,427	44,229	39,305	44,229	39,305	44,229	39,305	-	-
3	Situation analysis of community radio of Eastern Region (Rajshahi)	5,14,539	2,340	40,002	2,340	40,002	2,340	40,002	-	-
4.	Situation analysis of community radio of Eastern Region (Chittagong)	4,80,406	3,806	31,250	3,806	31,250	3,806	31,250	-	-
	Total	2,948,570	53,902	162,557	53,902	162,557	53,902	162,557		

Condition-27

It should be reported whether the NGO, as a legal entity, submits income tax return to NBR as per Income Tax Ordinance 1984 for each year.

Observations and Comments

The NGO has submitted their Income Tax return.

Condition-28

The audit report should state whether any Income Generating Activities (IGA) are included as a ongoing project of the organization, if so, mention whether tax are paid properly on income from such IGA with the name of the source or whether the organization has collected any Income Tax Exemption Certificate from the NBR.

Observations and Comments

Participation, Capacity Building, Transparency: Strengthening Journalism Partnership with the Deutsche Welle Akademie, Federal Republic of Germany has no Income Generating Activities (IGA) in this project.

Condition-29

It should be reported whether any officer/employee member of executive committee or general committee availed foreign travel by using donation fund through air ticket/any other facility ,if so, the details of such travel and whether permission from NGO Affairs Bureau were taken in respect of the travel.

Observations and Comments

No such travel was made by the officer/ employee, member of executive committee or general committee.

Condition-30

The audit report should contain statement of Fixed Assets owned by NGO; and relevant fixed assets deed/office rent agreement or donated land or vehicle and other asset reported in the accounts are in the name of the entity.

Observations and Comments

The project had no Fixed Assets during the period of our audit.

Condition-31

The audit firm should issue management letter mentioning the irregularities/ ineligible cost/unauthorized expenditure/unapproved budgeted expenditure to the management of the organization after completion of the audit. A copy of the management letter should be submitted to Deputy Director (Inspection & Audit). It should be mentioned if such report is not required.

Observations and Comments

No management letter would be issued as no mentionable irregularities were observed during the audit.

Condition-32

A CA Firm cannot consecutively audit same NGO for more than Five years. For this reason, the CA Firm should certify that they did not audit the auditee NGO consecutively for more than Five years.

Observations and Comments

We have not audited the accounts of the project for consecutive Five years.

Condition-33

List of the members of the organization's Executive Committee/Governing Body/Management Committee is to be enclosed in the audit report.



Observations and Comments

List of the members of the organization's Executive Committee is given below:

Sl.	Name of the members	Designation
1.	Inam Ahmed	Chairman
2.	Mr. Hasibur Rahman	Director
3.	Mr. Sakiul Millat	Director
4.	Mr. Md Abdur Rahim	Director
5.	Md. M. Emamul Haque	Director
6.	Mr. Syed Ishtiaque Reza	Director
7.	Rokia Afzal Rahman	Director
8.	Mr. Farid Hossain	Director

Condition-34

It should be mentioned whether all the expenses for audit of the project is paid by the organization from the project expenditure.

Observations and Comments

All the expenses for audit of the project were paid by the donor organization.

Condition-35

The audit report should contain the memorandum number with date of firm's enlistment and renewal.

Observations and Comments

Enlistment & renewal : Serial # 2
03.09.0000.658.74.01.12-215 dated: 12.02.14

Dated: Dhaka
02 February 2015


ACNABIN

Chartered Accountants

Signed by
Mohammad Nurun Nabi, FCA
Partner
12, BDBL Bhaban (Level-13), Kawran Bazar
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