Auditor's Report

Audit Completion Date: 02.03.2020.

Secretary
Secondary & Higher Secondary Education Division
Ministry of Education
Bangladesh Secretariat, Dhaka.

I. We have audited the accompanying Financial Statement for the year 2018-2019 of the "Higher Education Quality Enhancement Project (HEQEP)" financed by IDA credit No. 45440 & 53320-BD" as on 30.06.2019. According to ISSAI 1705 the preparation of Financial Statement is the responsibility of management. Our responsibility is to express an opinion on the financial statement based on our audit.

II. We conducted our audit following in accordance with International Standards on Auditing and practices of the INTOSAI/SAI, BD. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

III. The results of our audit disclosed the following materials aspects which affected the financial statement:-
i) The Project was unable to supply supporting documentation for Taka 1,74,35,687.00 of expenditure including with CD/VAT expenditure for the year ended 30.06.2019.
   ii) Discrepancy found Tk. 16,04,97,000.00 in between statement and project completion Report (PCR).

IV. In our opinion, except as stated in the preceding paragraphs, the financial statements, gives a fair view in all material aspects of the financial position of "Higher Education Quality Enhancement Project (HEQEP)" finance by IDA credit No. 4544 & 5332-BD" as on 30.06.2019 and the results of its operation and cash flows for the year then ended in accordance with the cash basis of accounting followed by the Government of Bangladesh.

V. Opinion Status: Qualified.

(Md. Tafazzal Hossain)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Phone: 9361788
Financial Statement
Higher Education Quality Enhancement Project (HEQEP)  
Project Financial Statement  
Financial Year 2018-2019  
Year Ended June 2019

<table>
<thead>
<tr>
<th>Project Resources</th>
<th>Notes</th>
<th>GOB</th>
<th>CONTASA</th>
<th>Tk in lac</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Cumulative Prior Period</td>
<td>Current Period</td>
<td>Current Period</td>
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<tr>
<td>Government of Bangladesh</td>
<td></td>
<td>12,416.73</td>
<td>10,250.00</td>
<td>22,666.73</td>
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<tr>
<td>Loan from IDA</td>
<td></td>
<td>144,862.11</td>
<td>10,383.43</td>
<td>155,245.54</td>
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<tr>
<td>Opening Cash Balance</td>
<td></td>
<td></td>
<td></td>
<td>433.92</td>
</tr>
<tr>
<td>Total Resources</td>
<td></td>
<td>157,278.84</td>
<td>10,250.00</td>
<td>10,817.35</td>
</tr>
</tbody>
</table>

Economic Code | Project Expenses | Notes | GOB | CONTASA | Tk in lac |
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 4500,4600,4700</td>
<td>Pay of officers, staff salary and allowances</td>
<td></td>
<td>2,040.34</td>
<td>294.86</td>
<td>2,335.20</td>
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<tr>
<td>2 4800</td>
<td>Supply and services</td>
<td></td>
<td>112,807.55</td>
<td>60.30</td>
<td>1,086.83</td>
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<tr>
<td>3 5900</td>
<td>Endowment fund for BdREN and Bangladesh Accreditation Council</td>
<td></td>
<td>7,817.30</td>
<td>9,150.00</td>
<td>16,967.30</td>
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<tr>
<td>4 6800</td>
<td>Acquisition of Assets</td>
<td></td>
<td>31,588.27</td>
<td>5,923.65</td>
<td>37,511.92</td>
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<tr>
<td>5 7000</td>
<td>Construction</td>
<td></td>
<td>230.18</td>
<td></td>
<td>230.18</td>
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<tr>
<td>6 7900</td>
<td>CD/VAT</td>
<td></td>
<td>2,361.29</td>
<td></td>
<td>2,361.29</td>
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<tr>
<td>Total Project expenses</td>
<td></td>
<td>156,844.93</td>
<td>9,505.16</td>
<td>7,010.48</td>
<td>173,360.57</td>
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<tr>
<td>7</td>
<td>CONTASA bank account</td>
<td></td>
<td>433.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>GOB bank account</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total Bank Closing Balance</td>
<td></td>
<td>433.92</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>refund to GOB and IDA</td>
<td></td>
<td>744.84</td>
<td>3,806.87</td>
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<tr>
<td>total Expenditure and refund to GOB and IDA</td>
<td></td>
<td>168,762.28</td>
<td>10,250.00</td>
<td>10,817.35</td>
<td>173,360.57</td>
</tr>
</tbody>
</table>

Professor Md. Farhadul Islam Bhuiyan  
Project Director (Attached)  
Higher Education Quality Enhancement Project.

Md. Shahidul Islam  
Audit and Accounts Officer  
Foreign Aided Projects Audit Directorate  
Sagoribagicha, Dhaka
AUDIT OPINION ON SOE

We have audited the Interim Un-Audited Report Statement of Expenditure (SOE) of the “Higher Education Quality Enhancement Project (HEQEP)” financed by IDA credit No. 4544 & 5332-BD as of 30th June 2019 submitted to the IDA for re-imbursement of expenditure in accordance with the IDA credit No. 4544 & 5332-BD Dated: April 05, 2009 & February 10, 2014.

The audit was conducted following International Standards on Auditing and practices of the INTOSAI/SAI, BD. which includes tests of the accounting records and supporting documentation.

In our opinion, the presentation and submission of claim to IDA authority on the basis of SOE is valid and can be relied upon by IDA.

Opinion Status: Unqualified.

(Md. Tafazzal Hossain)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Phone: 88-02-8391548
AUDITORS REPORTS ON SPECIAL ACCOUNT


2. Our audit was carried out in accordance with International Standards on Auditing ISSAI/SAI. Accordingly, our audit included such review of the tests of the accounting records and supporting documentation, verification of accounts balance and reconciliation that we have considered necessary under the circumstances.

3. The accompanying special account statement was prepared on the basis of initial deposits and withdrawal for the purpose of complying with above agreement.

4. In our opinion the receipts are properly accounted for and withdrawal were made for the purpose of the project in accordance with Credit Agreement the above special account gives a true and fair view of the beginning & ending balance and the account activity for the year ended 30th June 2019 on the basis of cash deposits and withdrawals.

5. The special account is being maintained according to the approval of Finance Division. The withdrawal of money is in accordance with authorization of Finance Division.

Opinion Status: Unqualified.

(Md. Tafazzal Hossain)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Phone: 88-02-83915