

Private and Confidential

BANGLADESH DISASTER PREPAREDNESS CENTER (BDPC)

HOUSE-15/A, ROAD-8, GULSHAN-1, DHAKA-1212

AUDITOR'S REPORT WITH FINANCIAL STATEMENTS & MANAGEMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012



হাফিজ আহমেদ এন্ড কোং

Hafiz Ahmed & Co.

CHARTERED ACCOUNTANTS

House-6, Road-1, Block-B, Section-6, Mirpur,
Dhaka-1216.

Cell-01719875359

হাফিজ আহমেদ এন্ড কোং

Hafiz Ahmed & Co.

CHARTERED ACCOUNTANTS

House-6, Road-1, Block-B, Section-6,
Mirpur, Dhaka-1216.
Cell-01719875359

AUDITORS' REPORT

We have audited the accompanying Balance Sheet of **BANGLADESH DISASTER PREPAREDANCE CENTER (BDPC), House-15/A, Road-8, Gulshan-1, Dhaka-1212** as on 31 December 2012 and the related Income and Expenditure Account and Receipts and Payments Account for the year then ended. The preparation of these financial statements is the responsibility of the management. Our responsibility is to express an independent 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of materials misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the enclosed financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the enclosed financial statements prepared in accordance with Bangladesh Accounting Standards (BSA) give a true and fair view of the organization's affairs as on 31 December 2012 and its financial transactions for the year then ended.

We also report that:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) The financial statements dealt with by this report are in agreement with the books of accounts; and
- c) In our opinion, proper books of accounts have been maintained as required by rules.

Date: 28 February 2013



Signed by: Hafiz Ahmed FCA

Principal

Hafiz Ahmed & Co.

Chartered Accountants

BANGLADESH DISASTER PREPAREDNESS CENTER(BDPC)

House-15/A, Road-8, Gulshan, Dhaka-1212

Consolidated Balance Sheet

As on 31 December 2012

Particulars	Notes	Amount in Taka	
		31.12.2012	31.12.2011
Assets and Property:			
Fixed Assets(At Cost Less Depreciation)	17.00	1,039,502	1,237,836
Loan to Projects	18.00	-	-
Advances	18.00	78,295	44,295
Cash and Bank Balances	19.00	11,869,481	10,080,297
Total:		12,987,278	11,362,428

Particulars	Notes	Amount in Taka	
		31.12.2012	31.12.2011
Fund and Liabilities:			
Fund Account	20.00	12,842,550	10,966,061
Loan from Projects	21.00	144,728	386,367
Provision for Audit Fees	22.00	-	10,000
Total:		12,987,278	11,362,428

Examined and found correct.



Signed by: Md. Hafiz Ahmed FCA

Principal

Hafiz Ahmed & Co.

Chartered Accountants



Date: The Dhaka
28 February 2013,


Md. Saïdur Rahman
Director
Bangladesh Disaster Preparedness Centre

BANGLADESH DISASTER PREPAREDNESS CENTER(BDPC)

House-15/A, Road-8, Gulshan-1, Dhaka-1212
Statement of Consolidated Income & Expenditure
For the year ended 31 December 2012


Particulars	BDPC-GF	DRR	EPFL	CAP	MJF	TOTAL
A: Income:						
Fund From Donors (<i>Note-10</i>)	16,531,016	-	-	12,862,575	8,208,108	37,601,699
Income against Program & Admin Cost(<i>Note-11</i>)	236,796	-	-	-	-	236,796
Income against Overhead Cost	301,262	-	-	-	-	301,262
Interest on Bank Deposit	4,000	-	-	-	75,924	79,924
Total:	17,073,074	-	-	12,862,575	8,284,032	38,219,681
B: Expenditure:						
Salaries & Honorarium	1,667,646	170,000	-	1,696,950	3,316,390	6,850,986
Office Rent	408,800	-	-	79,194	-	487,994
Admin & Program Support Cost(<i>Note-13</i>)	633,995	70,600	48,600	348,929	994,420	2,096,544
Program Expenses(<i>Note-14</i>)	452,870	-	2,488,578	5,669,462	4,010,067	12,620,977
Project Cost(<i>Note-15</i>)	14,065,907	-	-	-	230,784	14,296,691
Depreciation	225,434	-	-	-	-	225,434
	17,229,218	240,600	2,537,178	7,794,535	8,551,661	36,353,192
Excess of Income Over Expenditure	(156,144)	(240,600)	(2,537,178)	5,068,040	(267,629)	1,866,489
Total:	17,073,074	-	-	12,862,575	8,284,032	38,219,681

Examined and found correct.

Date: The Dhaka
28-Feb-13



Signed by: Md.Hafiz Ahmed FCA
Principal
Hafiz Ahmed & Co.
Chartered Accountants


Muhammad Saidur Rahman
Director
Bangladesh Disaster Preparedness Centre

BANGLADESH DISASTER PREPAREDNESS CENTER(BDPC)


House-15/A, Road-8, Gulshan-1, Dhaka-1212
Statement of Consolidated Receipts & Payments
For the year ended 31 December 2012

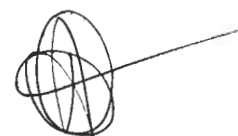
Particulars	BDPC-GF	DRR	EPFL	CAP	MJF	TOTAL
A: Receipts:						
Opening Balance(as on 01.01.2012):	4,994,752	-	-	3,124,442	1,961,103	10,080,297
Cash in Hand	10,571	-	-	6,766	16,869	34,206
Cash at Bank	4,984,181	-	-	3,117,676	1,944,234	10,046,091
Fund From Donors (Note-10)	16,531,016	-	-	12,862,575	8,208,108	37,601,699
Income against Program & Admin Cost(Note-11)	236,796	-	-	-	-	236,796
Income against Overhead Cost	301,262	-	-	-	-	301,262
Interest on Bank Deposit	4,000	-	-	-	75,924	79,924
Loans Received(Note-12)	2,740,000	240,600	2,537,178	12,590	-	5,530,368
Advances	714,380	-	-	5,000	10,000	729,380
Total Receipts	20,527,454	240,600	2,537,178	12,880,165	8,294,032	44,479,429
Total:	25,522,206	240,600	2,537,178	16,004,607	10,255,135	54,559,726


Particulars	BDPC-GF	DRR	EPFL	CAP	MJF	TOTAL
B: Payments:						
Salaries & Honorarium	1,667,646	170,000	-	1,696,950	3,316,390	6,850,986
Office Rent	408,800	-	-	79,194	-	487,994
Admin & Program Support Cost(Note-13)	633,995	70,600	48,600	348,929	994,420	2,096,544
Program Expenses(Note-14)	452,870	-	2,488,578	5,669,462	4,010,067	12,620,977
Project Cost(Note-15)	14,065,907	-	-	-	230,784	14,296,691
Office Equipment	27,100	-	-	-	-	27,100
Loans Refund(Note-16)	5,537,778	-	-	8,795	-	5,546,573
Advances	691,380	-	-	-	72,000	763,380
Total Payments	23,485,476	240,600	2,537,178	7,803,330	8,623,661	42,690,245
Closing Balance(as on 31.12.2012):	2,036,730	-	-	8,201,277	1,631,474	11,869,481
Cash in Hand	913	-	-	5,098	18,340	24,351
Cash at Bank	2,035,817	-	-	8,196,179	1,613,134	11,845,130
Total:	25,522,206	240,600	2,537,178	16,004,607	10,255,135	54,559,726

Examined and found correct.

Date: The Dhaka
28-Feb-13


Sakur Rahman
Manager
Disaster Preparedness Centre


Signed by: Md. Hafiz Ahmed FCA
Principal
Hafiz Ahmed & Co.
Chartered Accountants



BANGLADESH DISASTER PREPAREDNESS CENTER (BDPC)

Notes to the financial statements
For the year ended 31 December 2012

1.0 Background Information of the Organization:

The Bangladesh Disaster Preparedness Centre (BDPC) was established in 1992 as Bangladesh's first independent, local NGO focused solely on disaster risk reduction (DRR). Devastating floods in 1988 and a cyclone claiming 138,000 lives in 1991 highlighted the need for a shift from post-disaster response to pre-disaster preparedness. Although billions had been spent on relief and recovery, communities remained vulnerable and under prepared for the next disaster. BDPC set out to put vulnerable communities at the centre of disaster management, adopting a community-based approach, complemented by advocacy, policy advice and knowledge sharing.

Twenty years later, change is evident. Disaster risk reduction has been integrated into policies and practices, disaster management committees have been formed from national to local levels of government and public awareness programs have been established. BDPC has been one of many players in this process of change, alongside the Government of Bangladesh and numerous local and international NGOs.

But there is still a long way to go, with millions of people being affected each year by floods, cyclones, drought, riverbank erosion and storm surge.

BDPC is continuing its strategy of community empowerment, knowledge promotion and advocacy. We work with national and international donor agencies to ensure that communities drive their own disaster preparedness, best practices are shared across the disaster management field and the Government of Bangladesh is well-informed of the needs and capacities of disaster-prone communities.

2.00 Our mission

BDPC aims at reducing the risks of people vulnerable to disasters through empowering them to establish their rights.

3.00 Our vision

Reduction of loss of life and property caused by natural hazards

4.00 Our values

Change from the bottom up

Reducing the risk of disaster is a basic human right. It is not acceptable that thousands of homes and livelihoods are lost each year, when the resources and knowledge are available to avert these disasters. Sometimes it is simply a matter of repairing a damaged embankment or ensuring effective dissemination of warning messages. Working with vulnerable communities and local government service providers, we facilitate the planning and implementation of local disaster risk



reduction plans, enabling communities to take control of their own risk management with the support of an accountable and proactive local government.

Keeping it local

As the only Bangladeshi national level organization dedicated solely to disaster risk reduction, BDPC aims to ensure that local capacity for disaster management is not compromised through over reliance on external assistance. Our capacity building activities develop the skills and knowledge of local DRR practitioners, promoting professionalism in the field of disaster management in Bangladesh.

Sharing knowledge for global best practice

Global best practice for disaster risk reduction requires input from a multitude of sources. The latest scientific knowledge must be complemented by the experiences of vulnerable communities, while political players and NGOs need to turn the knowledge into action.

5.00 Networks and Organizations:

BDPC has functional relationships with different networks and organizations:

International:

International Strategy for Disaster Reduction (ISDR) of Geneva, Asian Disaster Reduction Center (ADRC) of Japan, Asian Disaster Reduction and Response Network (ADRRN) of Malaysia, partnership with Asian Disaster Preparedness Center (ADPC) of Bangkok, National Society for Earthquake Technology (NSET) of Nepal and Disaster Management Committee of South Asian Association for Regional Cooperation - (SAARC-DMC).

National:

BDPC has working experience with the Ministry of Food and Disaster Management (MoFDM), Disaster Management Bureau (DMB), Directorate of Relief and Rehabilitation (DRR), Bangladesh Water Development Board (BWDB), Flood Forecasting and Warning Centre (FFWC), Disaster Emergency Response Group (DERG), Cyclone Preparedness Programme (CPP), Bangladesh Meteorological Department (BMD), and Comprehensive Disaster Management Programme (CDMP). Moreover, BDPC keeps active relationships with district, upazila and union level DMCs and GoB agencies.

Local:

BDPC has a network with a large number of micro-level organizations.

active participant in global disaster management networks and events. As well as keeping our own knowledge up to date, this enables us to share internationally our experience of community-based disaster risk reduction in one of the world's most vulnerable nations.



6.00 Legal Status/Registration

BDPC is a not-for-profit entity and registered as a Non-Government Voluntary Organization with the NGO Affairs Bureau (No. 1043, dated 27.05.1996) of Bangladesh.

7.00 Governance

BDPC governance is administered and maintained by two committees:

The General Committee is the policy making body of BDPC. The general committee, comprising 17 members, is the highest committee which is responsible for adopting policy decisions and approval of the activities of the executive committee.

The Executive Committee, accountable to General Committee, is responsible for the smooth operation and overall management. There are seven members in the Executive Committee, as listed below.

Name and Position	Profession
Prof. Quazi Quamruzzaman Chairman	Medical Practitioner
Mr. Md. Rafiqul Alam Vice-Chairman	NGO Leader
Mr. Habibullah Bahar Member	Development Worker
Ms. Rawshan Jahan Moni Member	Development Worker
Mr. Md. Shafiqur Rahman Member	Social Worker
Mr. Mirza Md. Azim Haider Treasurer	NGO Leader
Mr. Muhammad Saidur Rahman Member Secretary/Director	Disaster Management Specialist

8.00 Basis of Accounting:

The organization has been maintaining the accounts on cash basis under the historical cost convention and the financial statements have prepared accordingly.

9.00. Scope of Audit:

Our audit was carried out in accordance with the Bangladesh standards on Auditing (BSA) and accordingly included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances.



10 Fund from Donors Tk. **37,601,699**

Break up of above amounts are as follows;

Particulars	BDPC-GF	DRR	EPFL	CAP	MJF	Total
OXFAM-GB	773,099	-	-	-	-	773,099
IR-NARRI Project	604,571	-	-	-	-	604,571
CA Project	12,889,962	-	-	-	-	12,889,962
MJF-WB Fund	230,784	-	-	-	-	230,784
SOD Project	443,000	-	-	-	-	443,000
SDC Project	9,520	-	-	-	-	9,520
EPEL Project	1,580,080	-	-	-	-	1,580,080
Fund from MJF	-	-	-	-	8,208,108	8,208,108
Fund from CA	-	-	-	12,862,575	-	12,862,575
Total:	16,531,016	-	-	12,862,575	8,208,108	37,601,699

11 Income against Program & Admin Cost Tk. **236,796**

Break up of above amounts are as follows;

Particulars	BDPC-GF	DRR	EPFL	CAP	MJF	Total
Furniture & Fixture	500	-	-	-	-	500
Office Equipment	1,000	-	-	-	-	1,000
Office Rent(CA)	96,500	-	-	-	-	96,500
Office Rent(MJF)	30,000	-	-	-	-	30,000
Electricity(CA)	15,002	-	-	-	-	15,002
Utilities(MJF)	72,400	-	-	-	-	72,400
Stationeries(CA)	3,394	-	-	-	-	3,394
DM Training	18,000	-	-	-	-	18,000
Total:	236,796	-	-	-	-	236,796

12 Loans Received Tk. **5,530,368**

Break up of above amounts are as follows;

Particulars	BDPC-GF	DRR	EPFL	CAP	MJF	Total
Loan Adjustment(MJF)	2,740,000	-	-	-	-	2,740,000
Loan from BDPC-GF	-	240,600	2,537,178	-	-	2,777,778
Loan Realized	-	-	-	12,590	-	12,590
Total:	2,740,000	240,600	2,537,178	12,590	-	5,530,368

13 Admin & Program Support Cost Tk. **2,096,544**

Break up of above amounts are as follows;

Particulars	BDPC-GF	DRR	EPFL	CAP	MJF	Total
Car Expenses	146,120	-	-	89,403	-	235,523
Computer & Network	60,440	38,500	-	-	-	98,940
Conveyance	14,247	-	-	-	-	14,247
Utilities	111,434	-	-	72,186	-	183,620
Entertainment	69,986	-	-	-	-	69,986
Internet	39,300	-	-	-	-	39,300
Machineries Expenses	26,320	-	-	-	-	26,320
Mobile bill	26,477	-	-	-	-	26,477



Telephone bill	42,498	-	-	10,482	-	52,980
Newspaper	6,246	-	-	-	-	6,246
Office Maintenance & Expenses	20,993	-	-	15,793	831,266	868,052
Repair & Maintenance	7,500	-	-	-	-	7,500
Photocopy	6,747	-	-	3,280	-	10,027
Postage	4,055	4,650	-	-	-	8,705
Printing Expenses	3,250	1,950	-	-	-	5,200
Registration & Certificate	10,466	-	-	-	-	10,466
Stationeries	32,558	5,500	-	31,629	-	69,687
Audit & Legal Fess	-	20,000	48,600	40,000	-	108,600
Overhead	-	-	-	72,600	163,154	235,754
Bank Charge	5,358	-	-	13,556	-	18,914
Total:	633,995	70,600	48,600	348,929	994,420	2,096,544

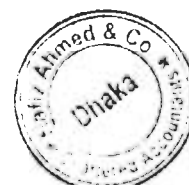
14 Program Expenses

TK.

14,773

Break up of above amounts are as follows:

Particulars	BDPC-GF	DRR	EPFL	CAP	MJF	Total
Traveling , Fooding, Lodging & Perdiem	202,819	-	-	107,945	822,469	1,133,233
Field Visit	14,773	-	-	-	-	14,773
Advertisement	20,800	-	-	-	-	20,800
Meeting/ Program Expenses	56,600	-	-	-	16,142	72,742
LCGDER Meeting	21,026	-	-	-	-	21,026
DM Training	20,000	-	-	-	-	20,000
Visa Fees	17,120	-	-	-	-	17,120
Service Charges	87,542	-	-	-	-	87,542
Insurance Medical	12,190	-	-	-	-	12,190
Staff Development Orientation	-	-	-	-	65,825	65,825
Need Based Livelihood Assistance	-	-	-	2,400,000	-	2,400,000
Evaluation, Survey, Assessment	-	-	-	35,551	1,099,681	1,135,232
Information & Service Fair	-	-	-	-	733,038	733,038
Beneficiaries	-	-	-	-	1,272,912	1,272,912
Tree Plantation	-	-	-	97,080	-	97,080
Public Hearing	-	-	-	69,021	-	69,021
DRR Activities	-	-	-	303,855	-	303,855
PSF, Ponds re-excavation & Rain Water	-	-	-	645,376	-	645,376
Micro Enterprise	-	-	-	600,000	-	600,000
Assistance to Fisher Folk Communities	-	-	-	600,000	-	600,000
Vaccination Camp	-	-	-	25,353	-	25,353
IEC Materials	-	-	-	313,205	-	313,205
Project Signed Board	-	-	-	3,572	-	3,572
Experience Sharing Meeting	-	-	-	10,495	-	10,495
Orientation	-	-	-	290,940	-	290,940
Training & Workshop	-	-	775,032	107,437	-	882,469
Dinner for Reception	-	-	80,102	-	-	80,102
Travel in Outside of Country	-	-	786,633	-	-	786,633
Coordination Meeting	-	-	846,811	59,632	-	906,443
Total:	452,870	-	2,488,578	5,669,462	4,010,067	12,620,977



5 Projects Cost TK. 14,296,691

Break up of above amounts are as follows;

Particulars	BDPC-GF	DRR	EPFL	CAP	MJF	Total
IFRCS Project	106,000	-	-	-	-	106,000
MJF-WB Project	389,497	-	-	-	-	389,497
UNCRD Project	2,720	-	-	-	-	2,720
IR-NARRI Project	286,000	-	-	-	-	286,000
SOD Project	59,744	-	-	-	-	59,744
CA Project	12,889,962	-	-	-	-	12,889,962
SDC Project	298,874	-	-	-	-	298,874
TPU Project	30,610	-	-	-	-	30,610
TPM Project	-	-	-	-	230,784	230,784
PAI Project	2,500	-	-	-	-	2,500
Total:	14,065,907	-	-	-	230,784	14,296,691

15 Loans Refund TK. 5,546,573

Break up of above amounts are as follows;

Particulars	BDPC-GF	DRR	EPFL	CAP	MJF	Total
Loan to MJF	1,000,000	-	-	-	-	1,000,000
Loan to CA	1,600,000	-	-	8,795	-	1,608,795
Loan to MJF-WB	160,000	-	-	-	-	160,000
Loan to EPFL	2,537,178	-	-	-	-	2,537,178
Loan to DRR	240,600	-	-	-	-	240,600
Total:	5,537,778	-	-	8,795	-	5,546,573

17 Fixed Assets: TK. 1,039,502

The above amount arrived as at under;

Balance as on 1 January 2012	1,237,836
Add: Addition during the year	27,100
	1,264,936
Less: Depreciation	225,434
Balance as on 31 December 2012	1,039,502

18 Advances: TK. 78,295

The above amount arrived as at under;

Balance as on 1 January 2012	44,295
Add: Advance given during the year	763,380
	807,675
Less: Advance realized during the year	729,380
Balance as on 31 December 2012	78,295



19 Cash & Bank Balances: TK. 11,869,481

Cash in hand						24,351
Cash at Bank						11,845,130
						<u>11,869,481</u>

Break up of Bank Balances are as follows;

Name of Bank	BDPC-GF	DRR	EPFL	CAP	MJF	Total
Bank(A/C-33004779)	1,695,141	-	-	-	-	1,695,141
Bank(A/C-918)	5,397	-	-	-	-	5,397
Bank(A/C-387)	-	-	-	8,166,662	-	8,166,662
Bank(A/C-313)	-	-	-	-	1,191,828	1,191,828
Bank(A/C-555)	-	-	-	29,517	-	29,517
Bank(A/C-395)	-	-	-	-	144,965	144,965
Bank(A/C-716)	-	-	-	-	95,364	95,364
Bank(A/C-827)	-	-	-	-	1,446	1,446
Bank(A/C-223)	-	-	-	-	1,550	1,550
Bank(A/C-757)	-	-	-	-	177,981	177,981
Standard Bank(A/C-115789501)	335,279	-	-	-	-	335,279
	<u>2,035,817</u>	-	-	<u>8,196,179</u>	<u>1,613,134</u>	<u>11,845,130</u>

Cash and Bank Balances have been verified with cash books and found in correct.

20 Fund Account: TK. 12,842,550

The above amount arrived as at under;			
Balance as on 1 January 2012			10,966,061
Add: Excess of Income over Expenditure during the year			1,866,489
			<u>12,832,550</u>
Add: Adjusted with Prov. Of Audit Fee			10,000
Balance as on 31 December 2012			<u>12,842,550</u>

21 Loan from Projects: TK. 144,728

The above amount arrived as at under;			
Balance as on 1 January 2012			386,367
Add: Loan received during year			5,530,368
			<u>5,916,735</u>
Less: Loan refund during the year			5,546,573
			<u>370,162</u>
Less: previous years adjustment			225,434
Balance as on 31 December 2012			<u>144,728</u>

22 Provision for Audit Fee TK. -

The above amount arrived as at under;			
Balance as on 1 January 2012			10,000
Add: Provision made during year			-
			<u>10,000</u>
Less: Adjustment with Fund A/C during the year			10,000
Balance as on 31 December 2012			<u>-</u>



BANGLADESH DISASTER PREPAREDNESS CENTER

Schedule of Fixed Assets

As on 31 December 2012

Schedule-A

Sl. No.	Particulars	At Cost		Addition during the year	Balance as on 31.12.12	Rate	Depreciation			W.D.V as on 31.12.12	W.D.V as on 31.12.11
		Balance as on 01.01.12	368,661				Balance as on 01.01.12	Charged during the year	Balance as on 31.12.12		
1	Furniture & Fixture	368,661	368,661	-	368,661	10%	93,130	27,553	120,683	247,978	275,531
2	Office Equipment	944,378	971,478	27,100	971,478	20%	431,200	108,056	539,256	432,222	513,178
3	Vehicles	877,200	877,200	-	877,200	20%	428,073	89,825	517,898	359,302	449,127
	Total:	2,190,239	2,217,339	27,100	2,217,339		952,403	225,434	1,177,837	1,039,502	1,237,836



হাফিজ আহমেদ এন্ড কোং

House-6, Road-1, Block-B, Section-6,
Mirpur, Dhaka-1216.
Cell-01719875359

Hafiz Ahmed & Co.

CHARTERED ACCOUNTANTS

To

Dated: 28 February 2013

The Chief Executive Officer
Bangladesh Disaster Preparedness Centre (BDPC)
House-15A, Road-08, Gulshan-01
Dhaka - 1212

Sub: Auditors' Letter to the Management of Bangladesh Disaster Preparedness Centre (BDPC) for the year ended 31 December 2012.

Dear Sir,

We have completed the audit of the financial statements of **Bangladesh Disaster Preparedness Centre (BDPC)** for the year ended 31 December 2012. Now we have the pleasure in submitting our comments and findings to the management of BDPC as enclosed.

The accompanying pages contain our observations on various aspects like operational procedures, fund management, internal control system, maintenance of books of accounts and records, system of financial transaction and internal check and also the presentation and reporting of financial statements of BDPC as came to our notice during our verification and test check. Our findings have been reported in a format containing following captions:

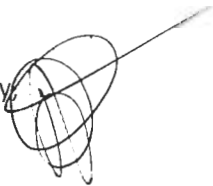
1. Criteria (What should be done as per rules, regulations or standard practice);
2. Fact (What actually happened/done);
3. Effect (What was the effect for not complying with the standard practice); and
4. Recommendation (Our recommendation for improvement and compliance).

These matters have been pointed out as suggestion for the consideration of the management of BDPC for modifying and improving the internal control and monitoring systems of financial and administrative practices and procedures as laid down in applicable policies, procedures, rules and regulations.

Finally, we would like to take this opportunity to express our deep appreciation for the courtesies and co-operation extended to our representatives during the course of our audit.

Thank you,

Yours faithfully,



Hafiz Ahmed & Co.
Chartered Accountants



**Bangladesh Disaster Preparedness Centre (BDPC)
Auditors' Comments and Findings**

1.00 Methodology Applied

The methodology we have applied in conducting the audit of financial statements Bangladesh Disaster Preparedness Centre (BDPC) for the period under review consists of three broad categories of activities namely (i) planning, (ii) transaction testing and (iii) evaluating the findings and communicating the results of review in the form of report.

2.00 Auditor's Checklist

Details	Remarks
<p>Project Agreement: The auditor should check that the fund has been utilized as per project agreements.</p>	<p>The fund has been utilized as per project agreements.</p>
<p>Accounts Manual: The project is required to maintain Accounts Manual. The auditor shall have to check and report whether an Accounts Manual is available and whether the procedures are living up to sound accounting principles.</p>	<p>Updated Accounts Manual was found.</p>
<p>Financial Records: The project is to maintain prescribed accounting records and to prepare financial statements giving a true and fair view of the state of the project's affairs for the period mentioned above.</p>	<p>Bangladesh Disaster Preparedness Centre (BDPC) maintained prescribed accounting records and prepared financial statements as enclosed.</p>
<p>Interview: Whether interview has been conducted with the concerned staff for collecting information.</p>	<p>We made interview with concerned staff for collection of necessary information /data which we required for our audit.</p>
<p>Irregularities and Fraud: To check and report as to whether the project follows adequate system on internal control and ensures the responsibility to comply with the regulations including those in relation to prevention and detection of irregularities and fraud. The audit plan must be made in a way so that a reasonable expectation of detecting material misstatement in the financial statements resulting from fraud or breach of regulations.</p>	<p>We found some errors and weakness relating to internal control system as mentioned finding herein after.</p>
<p>Physical Inventory: Carry out physical inventory of the project assets and report as to whether the assets are registered according to laid down procedures.</p>	<p>We have carried out physical inventory of fixed assets in Head office and found in order.</p>
<p>Field/Spot Visit: If necessary the auditor can visit/spot check the respective field/spot of the organization to justify the fund utilization in the field level.</p>	<p>We could not visit the field office of BDPC.</p>



Details	Remarks
<p>Procurement/Tenders/Contractor Selection: The auditor shall assess whether Procurement, Tenders and Contractor Selection is carried out according to the project accounts/procurement manual/Bangladesh standards. If necessary give suggestions for improvements of the systems and procedures.</p>	<p>During the course of our audit we reviewed the procurement related vouchers and documents.</p>
<p>Expense Accounts as per budget lines: The auditor should check the total expenditure of each approved budget line, which is available in the NGO and report on any difference with an explanation for future adjustment.</p>	<p>We checked the total expenditure of each budget line on test basis.</p>
<p>Bank Accounts/Cash: The auditor should check and report as to whether all financial transactions of the project are done through the prescribed bank accounts. The auditor should check and confirm the balances with the cash book, bank statements. And report on any difference with an explanation for future adjustment.</p>	<p>All financial transactions of the project are done through cash and prescribed bank accounts. We have checked and confirmed the balances with the cash/ bank book, bank statements.</p>
<p>Project Income: If the project receives income from various sources the auditor shall check and record as to whether the income is realized and accounted for in the project accounts.</p>	<p>Incomes from other sources were properly recorded in the project books of accounts and expenditure were made for the project purpose.</p>
<p>Bank Interest on project funds: Auditors should check whether bank interest on fund has been credited to respective project bank accounts (if any) and report accordingly.</p>	<p>Bank interest was earned during the period under audit and credited in to the project accounts accordingly.</p>
<p>Recommendation: A separate section should be devoted to recommendation against individual finding for improvement of administrative systems and procedures. The section should be as practical as possible in order to guide the project management so that this could be included in an action plan.</p>	<p>A separate section has been inserted against individual finding.</p>

I hereby sign that the above tasks have been carried out.



Md. Hafiz Ahmed FCA
Principal
Hafiz Ahmed & Co.
Chartered Accountants



Findings - 01

Few Cases Revenue Stamps were not affixed:

Fact

In course of our audit, we observed that maximum bills were paid with affixing revenue stamps. However, in some cases revenue stamp were not affixed with bills. Instances are given below:

Sl. No.	Particulars	Vr. No.	Vr. Date	Supporting Amount
1.	Stationeries	Dr. 306	19.12.12	3,785

Effect

It indicates the non-compliance with the Revenue Stamp Act 1899 and the organization may face the legal problem in future.

Recommendation:

Management should take proper steps regarding affixing of Revenue Stamp as it is necessary.

Management Response:

Instruction has been given to accounts department to follow the rule strictly and ensure to affix the revenue stamp, when it's applicable

Findings - 02

Salary Statement

Fact

During the course of our audit, we observed that salary of staff have been paid through bank transfer or account payee cheque. However, in few cases receiver signatures were not available on salary statement and revenue stamps were not affixed in salary statement.

Effect

It indicates the non-compliance with the Revenue Stamp Act 1899 and lack of internal control over salary payment

Recommendation

Management should follow the stamp rule and all staff should be signed on salary statement.

Management Response:

Instruction has been given to the accounts section to follow the rule strictly from now on.



Findings # 03**Inventory of Fixed Assets:****Fact**

During the course of our audit, we observed that physically inventory of fixed assets were not conducted at the year of end.

Effect

It is indicate lake of internal control over fixed assets of the organization.

Recommendation

Management should form an inventory committee so that the committee would conduct physical inventory for each year ending.

Management Response:

Recommendation has been taken positively and we will take step in this regard from next year.

Findings-4**Internal Control System:**

During our visit in **BDPC** interaction with program personnel and finance staff and also reviewed the Internal Control System of the organization and found quite satisfactory. Following written policies and guideline are developed and same introduce in the organization for ensure proper internal control over fund management and program activities.

- HR Manual
- Financial Manual
- Procurement policy
- Recruitment policy
- Administrative office order
- Written authority
- Quarterly Board Meeting Option

However, we have reviewed the overall Internal Control System of the organization and noted above lack.

5.00 Conclusion:

During the period under audit we found that BDPC's financial transactions were under taken in relation to the expenditures incurred out of the fund received from Donors. We have checked the transaction on test basis and have found some errors and weakness relating to recording system, financial management and control system as mentioned above. Proper action should be taken immediately to rectify these errors and weaknesses for prevention of recurrence in future.



