



**K. M. ALAM & CO.**  
CHARTERED ACCOUNTANTS

**Audit Report  
And  
Statement of Accounts  
of**

**BANGLADESH DISASTER PREPAREDNESS  
CENTER (BDPC)  
HOUSE #15/A, ROAD # 8  
GULSHAN-1, DHAKA.**

**31st December, 2011**

**For the Year/ Period Ending .....**

- ☆ **Auditing and Accounts**
- ☆ **Management Consultancy**
- ☆ **Taxation, Company Law Matters etc.**



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**K. M. ALAM & CO.**  
**CHARTERED ACCOUNTANTS**

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Date : **17 JUN 2012**

## AUDITORS' REPORT

The Executive Committee  
Bangladesh Disaster Preparedness Centre (BDPC)  
House # 15/A, Road # 8,  
Gulshan-1, Dhaka- 1212

We have audited the accompanying Statement of Financial Position of Bangladesh Disaster Preparedness Centre (BDPC) as on 31<sup>st</sup> December, 2011 and related Statement of Consolidated Comprehensive Income and the Statement of Receipts & Payments for the year then ended. The preparation of these financial statements is the responsibilities of Project management. Our responsibility is to express an independent opinion on this Statement of Financial Position 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 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 statement presentation. We believe that our audit provides a reasonable basis of our opinion.

We report that:

- i. Opening balance of Cash and Bank does not match with last year's Closing Cash and Bank balance as per audit report. Current year's opening balance has been reported less than last year's closing balance by Tk. 150,800.73.
- ii. The Consolidated Statement of Receipts & Payments includes transactions of BDPC A/C, along with its transaction of three projects i.e. "Manusher Jonno Foundation (MJF)", "SDC Shelter Based Community Risk Reduction Project (SDC)" and "Community Based DRR and CCA Fortified Livelihoods Initiative Through Good Governance (CAP)". We have audited the transactions of BDPC only. The transactions of MJF, SDC and CAP are not certified by us.



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Subject to our above observations, in our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of affairs of the Organization as of December 31, 2011.

We further report that:

- (a) We have obtained all the information and explanations that we required for the purpose of audit.
- (b) In our opinion, the Organization has kept proper books of account as required by law so far as it appeared from our examination of those books.
- (c) The Statement of Financial Position, Statement of Consolidated Comprehensive Income and Statement of Receipts & Payments dealt with by the report are in agreement with the books of account.
- (d) The expenditure incurred was for the purpose of the Organization's goal.



*K.M. ALAM & CO.*  
K.M. ALAM & CO.  
Chartered Accountants



**BANGLADESH DISASTER PREPAREDNESS CENTER(BDPC)**  
Statement of Financial Position  
As on 31 December 2011

Particulars	Notes	Taka(31.12.11)	Taka(31.12.10)
<b>Assets and Property:</b>			
Fixed Asstets(At Cost Less Depreciation)	14.00	1,237,836.00	1,426,770.00
Loan to Projects	15.00	-	1,018,330.00
Advances	16.00	44,295.00	48,670.00
Cash and Bank Balances	17.00	10,080,296.57	5,305,552.00
<b>Total:</b>		<b>11,362,427.57</b>	<b>7,799,322.00</b>

Particulars	Notes	Taka(31.12.11)	Taka(31.12.10)
<b>Fund and Liabilities:</b>			
Fund Account	18.00	10,966,060.57	7,670,675.00
Loan from Projects	19.00	-	128,647.00
Receipts against Sumpense account		386,367.00	
Provision for Audit Fees		10,000.00	
<b>Total:</b>		<b>11,362,427.57</b>	<b>7,799,322.00</b>

The Annexed notes form an integral part of this Balance Sheet.  
Signed in terms of our separate report of even date annexed.

Date: **17 JUN 2012**



*K.M. Alam & Co.*  
K.M. Alam & Co.  
Chartered Accountants

Bangladesh Disaster Preparedness Centre (BDPC)  
Statement of Consolidated Comprehensive Income  
For the Year ended December 31, 2011

Particulars	BDPC	MJF	SDC	CAP	Total
<u>Income:</u>					
Fund Received	13,152,297.00	11,482,536.00	1,445,866.00	5,839,555.00	31,920,254.00
Bank Interest		7,524.00	-	10,531.00	18,055.00
Grand Total	13,152,297.00	11,490,060.00	1,445,866.00	5,850,086.00	31,938,309.00

Expenditure:

Expenses(Projects and others)	13,958,223.00	9,872,145.00	1,663,717.00	2,716,848.70	28,210,933.70
Depreciation	271,189.00	-	-	-	271,189.00
Provision for Audit Fees	10,000.00	-	-	-	10,000.00
Excess/(Deficit) of income over expenditure	(1,087,115.00)	1,617,915.00	(217,851.00)	3,133,237.30	3,446,186.30
Grand Total	13,152,297.00	11,490,060.00	1,445,866.00	5,850,086.00	31,938,309.00



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**Bangladesh Disaster Preparedness Centre (BDPC)**  
Statement of Consolidated Receipts and Payments  
For the Year ended December 31, 2011

Particulars	BDPC	MJF	SDC	CAP	Total
<u>Received:</u>					
Opening Balance: 01.01.11	4,370,929.61	349,687.66	434,134.00	-	5,154,751.27
Cash	9,318.50	21,349.00	1,222.00	-	31,889.50
Bank SB	3,757,616.50	328,338.66	432,912.00	-	4,518,867.16
Bank SC	603,994.61	-	-	-	603,994.61
Advance	45,170.00	3,500.00	-	-	48,670.00
Fund Received 10.00	13,152,297.00	11,482,536.00	1,445,866.00	5,839,555.00	31,920,254.00
Loan Realized 11.00	5,118,830.00	2,600,000.00	1,100,000.00	340,500.00	9,159,330.00
Received against Suspense	386,367.00				386,367.00
Bank Interest		7,524.00	-	10,531.00	18,055.00
<b>Grand Total</b>	<b>23,073,593.61</b>	<b>14,443,247.66</b>	<b>2,980,000.00</b>	<b>6,190,586.00</b>	<b>46,687,427.27</b>

<u>Payments:</u>					
Payments 12.00	13,958,223.00	9,872,145.00	1,663,717.00	2,716,848.70	28,210,933.70
Loan Payment 13.00	4,229,147.00	2,600,000.00	1,100,000.00	340,500.00	8,269,647.00
Office Equipment	49,350.00	-	-	-	49,350.00
Furniture & Fixed Assets	32,905.00	-	-	-	32,905.00
Advance/Loan	25,500.00	10,000.00	-	8,795.00	44,295.00
Closing (cash+bank) 31.12.11	4,778,468.61	1,961,102.66	216,283.00	3,124,442.30	10,080,296.57
Cash	7,356.50	16,869.00	3,214.00	6,766.00	34,205.50
Bank SB	4,167,692.50	1,944,233.66	213,069.00	3,117,676.30	9,442,671.46
Bank SC	603,419.61	-	-	-	603,419.61
<b>Grand Total</b>	<b>23,073,593.61</b>	<b>14,443,247.66</b>	<b>2,980,000.00</b>	<b>6,190,586.00</b>	<b>46,687,427.27</b>

Note:

Opening balance of cash and bank does not match with last year's Closing cash and bank balance as per audit report. Current year's opening balance has been reported less than last year's closing balance by Tk 150,800.73



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Chartered Accountants



**BANGLADESH DISASTER PREPAREDNESS CENTER**  
**Schedule of Fixed Assets**  
**As on 31 December 2011**

Schedule-A

Sl. No.	Particulars	At Cost		Depreciation			W.D.V as on 31.12.11
		Balance as on 01.01.11	Addition during the year	Balance as on 31.12.11	Charged during the year	Balance as on 31.12.11	
1	Furniture & Fixture	335,756	32,905	368,661	10%	93,130	275,531.00
2	Office Equipment	895,028	49,350	944,378	20%	431,200	513,178.00
3	Vehicles	877,200		877,200	20%	428,073	449,127.00
	<b>Total:</b>	<b>2,107,984</b>	<b>82,255</b>	<b>2,190,239</b>		<b>952,403</b>	<b>1,237,836.00</b>

# BANGLADESH DISASTER PREPAREDNESS CENTER (BDPC)

Accounting Policies and Notes  
For the year ended 31 December 2011

## 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 12 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.





10.00 Fund Received: Tk. 31,920,254.00

Break up of above amounts are as follows;

Particulars

Amount(Tk.)

BDPC

10.01 13,152,297.00

MJF

11,482,536.00

SDC

1,445,866.00

CAP

5,839,555.00

Total:

31,920,254.00

10.01 Received from BDPC: Tk. 13,152,297.00

Break up of above amounts are as follows;

Particulars

Amount(Tk.)

General Members Fees

8,500.00

Care Project

585,482.00

Save the Children W+K

18,650.00

Save the Children

635,649.00

IR- NARRI

604,571.00

Oxfam-GB

625,169.00

Save the Children F+T

38,890.00

Visa Fees

7,100.00

Grand fund received from SDC-SBP

1,445,866.00

Fund from World Vision

1,723,190.00

Electricity Bill

8,578.00

DM Training

15,400.00

Fund from SDC- CB

625,000.00

Fund received from MJF- W.B

159,093.00

Contribution

219,600.00

Office Rent

261,000.00

Utilities

102,700.00

Overhead

228,304.00

Grand fund received from CAP

5,839,555.00

Total:

13,152,297.00

11.00 Loan Realized: Tk. 5,118,830.00

Break up of above amounts are as follows;

Particulars

Amount(Tk.)

Loan Realized from CAP

340,500.00

Loan Realized from SDC SBP

1,100,000.00

Loan Realized from MJF

2,600,000.00

Loan Realized from SDF

1,018,330.00

Loan Realized from others

60,000.00

Total:

5,118,830.00





12.00 Payments: Tk. 28,210,933.70

Break up of above amounts are as follows;

Particulars

Amount(Tk.)

BDPC

12.01 13,958,223.00

MJF

12.02 9,872,145.00

SDC

12.03 1,663,717.00

CAP

12.04 2,716,848.70

Total:

28,210,933.70

12.01 Payment for BDPC: Tk. 13,958,223.00

Break up of above amounts are as follows;

Particulars

Amount(Tk.)

Care Project

168,295.00

Save the Children W+K

13,610.00

Save the Children

71,567.00

IR- NARRI

462,481.00

Oxfam-GB

723,460.00

Save the Children F+T

30,519.00

SDC-SBP

1,445,866.00

World Vision

445,348.00

Electricity Bill

90,677.00

DM Training

8,337.00

SDC- CB

384,449.00

MJF- W.B

380.00

Office Rent

365,800.00

CAP

5,839,555.00

Stationery

52,626.00

Conveyance bill

19,374.00

Entertainment

67,671.00

Car Expenses (Fuel)

55,565.00

Car Expenses R & M

73,627.00

Office Maintenance

24,967.00

Photocopy bill

12,454.00

Machinaries Expenses (Generator)

18,660.00

Postage

7,160.00

Transportation

400.00

Service charge

95,183.00

Mobile bill Director

21,405.00

Mobile bill Others

3,600.00

Misc. Expenses

1,491.00

Printing Expenses

39,610.00

Reg. and Certificate

1,000.00

Repair & Maintanance

10,200.00



Consultant Fee	23,000.00
Auditor fees	15,740.00
Gas Bill	9,691.00
News Paper Bill	7,060.00
Telephone bill & Mobile office	63,575.00
Computer & Network	55,495.00
Computer & Network toner	98,120.00
Intrnet bill	24,800.00
Accounting Software	75,400.00
Bd. Jobs. Com	20,000.00
IFRCS project	82,842.00
UNCRD	1,500.00
Training Exp.	31,327.00
Travel & Conveyance	16,556.00
Fooding	4,317.00
Lodging	2,966.00
Daily Allowance Bill	12,045.00
Insurance	21,040.00
Honorarium	567,900.00
Bank Charge	7,776.00
Salary	2,261,736.00
Total:	<u>13,958,223.00</u>

**12.02 Payment for MJF: Tk. 9,872,145.00**

Break up of above amounts are as follows;

Particulars	Amount(Tk.)
Salary & Benefits	3,176,355.00
Office Rent	460,000.00
Utilities	264,389.00
Office Mint/Repair and Cleaning Materials	30,551.00
Office Stationeries, Printing & Supplies	124,938.00
Travel, Lodging & per diem	764,615.00
Staff meeting	21,333.00
Staff Recruitment & Bank charge	12,869.00
Vehicle fuel, repair & maintenance for administrative purpose	79,373.00
Printing, Production / Reproduction of IEC Materials	470,874.00
Workshop for staff, DDMC, UzDMC, UDMC, HH & GOB	687,857.00
Training (SA, CA, GG, DRR, WDPC, Safety Net, RTI, Staff & SPA	1,192,032.00
Meeting with CA, WDPC, PG, DMC, PHM	229,145.00
Day observation, Gathering	358,868.00
Social Audit	91,964.00
Evaluation, Survey, Assessment	160,007.00
Information & Service Fair	1,139,762.00
Overhead Cost	265,827.00
Contingencies Cost	341,386.00
Total:	<u>9,872,145.00</u>



12.03 Payment for SDC: Tk. 1,663,717.00

Break up of above amounts are as follows;

Particulars	Amount(Tk.)
Director	180,000.00
Travel	6,860.00
Per diems	1,492.00
Field Coordinator	114,000.00
Social Mobilizer	65,645.00
Community Organizer	84,000.00
Accounts & Admin Officer	54,194.00
Support staff	36,000.00
Travel	4,188.00
Per diems	5,851.00
Office rent, Utilities, others	29,894.00
Stationery	26,106.00
Office material	5,331.00
Motor cycle fuel & maintenance cost	12,062.00
Local conveyance	14,963.00
Bank Charge	4,981.00
Booklet development on DRR	92,750.00
Booklet development on early response of cyclone	53,000.00
Cultural program	71,446.00
Orientation program on Disaster Risk Reduction	124,715.00
Public meeting	72,600.00
Mock demonstration	57,590.00
Posters development on the use of shelters	52,500.00
Constitution development meeting	42,296.00
Sharing meeting with UDMC and UzDMC	3,200.00
Training on Disaster Risk Reduction	47,281.00
Shelter Management Training	46,558.00
Coordination meeting with ABC and GC members	16,788.00
Meeting with ABCs and GCs for the development of guideline	50,015.00
Meeting with UzDMC, UDMC	3,306.00
Shelter management guideline production	24,932.00
Training on IGAs by the selected departments	59,362.00
Orientation programs on IGAs with the participation	28,830.00
Coordination meeting ABC, GC, NGO, GOs representatives	12,072.00
Workshop on effective use of shelters through networking	29,389.00
Coordination Meeting with SDC	1,520.00
Transportation Cost for IEC Materials	8,000.00
Audit fess	120,000.00
Total:	1,663,717.00





12.04 Payment for CAP: Tk. 2,716,848.70

Break up of above amounts are as follows;

Particulars	Amount(Tk.)
PSF, Ponds re-excavation and Rain water harvesting	1,658.00
Community Risk Assessment (CRA) & Evaluation	35,137.00
Tree Plantation	109,760.00
Selection & Formation of Sacheton Dal (beneficiaries)	27,000.00
Orientation on DRR , CCA & Sacheton Dal	121,122.00
Orientation on livelihood related services for Sacheton Dal	118,528.00
Formation of Upazila Facilitation Committee	1,920.00
Workshop with Upazila Facilitation Committee	9,423.00
Coordination Meeting with Upazila Facilitation Committee	975.00
ToT on DRR, Climate CCA and for the Project Staff	37,032.00
Identification and selection of CAs) and WDMC	21,600.00
Training on DRR , CCA and Good Governance for the CA	16,176.00
Workshop with WDMC on DRR, CCA	66,224.00
Coordination Meeting with WDMC	17,626.00
Sensitization meeting with UDMC-2 meeting	2,695.00
Sensitization meeting with UzDMC-1 meeting	1,500.00
Planning workshop with UDMC	17,665.00
Planning workshop with UzDMC	14,239.00
Coordination meeting with UzDMC	2,500.00
Coordination meeting with UDMC	8,440.00
IEC materials/publication	64,890.00
Travel, Lodging & Peridium	113,880.00
Vehicle fuel cost & local conveyance	56,468.00
Staff development orientation on project activities	14,789.00
Salary and benefits	1,009,242.00
Office Furniture, Fixture & Equipment	280,173.00
Office rent:	47,000.00
Utilities Cost	25,227.00
Office Mint/Repair and Cleaning Materials	7,479.00
Office Stationeries, Printing & Supplies	18,596.00
Salary & Benefits for admin staff	352,500.00
Office rent:	66,000.00
Utilities cost	16,263.00
Office Stationeries, Printing & Supplies	7,344.00
Bank charge	5,777.70
Total:	2,716,848.70



13.00 Loan Paid: Tk. 8,269,647.00

Break up of above amounts are as follows;

Particulars

BDPC

MJF

SDC

CAP

Total:

Amount(Tk.)

13.01 4,229,147.00

2,600,000.00

1,100,000.00

340,500.00

8,269,647.00

13.01 Loan Paid from BDPC: Tk. 4,229,147.00

Break up of above amounts are as follows;

Particulars

CAP

SDC SBP Paid

Repayment of SDC SBP (Last Years)

MJF

Others

Total:

Amount(Tk.)

340,500.00

1,100,000.00

128,647.00

2,600,000.00

60,000.00

4,229,147.00

14.00 Fixed Assets: Tk. 1,237,836.00

The above amount arrived as at under;

Balance as on 1 January 2011

Add: Addition during the year

Less: Depreciation

Balance as on 31 December 2011

Amount(Tk.)

1,426,770.00

82,255.00

1,509,025.00

271,189.00

1,237,836.00

15.00 Loan to Projects: Tk. Nil

The above amount arrived as at under;

Balance as on 1st January 2011

Add:

Less: Loan realized during the year

Add: Adjustment with Fund Account

Balance as on 31 December 2011

Amount(Tk.)

1,018,330.00

-

1,018,330.00

-

-

-



16.00 Advances: Tk. 44,295.00

The above amount arrived as at under;

Balance as on 1 January 2011

BDPC

MJF

Add: Advance during this year

BDPC

MJF

CAP

Amount(Tk.)

48,670.00

45,170.00

3,500.00

44,295.00

25,500.00

10,000.00

8,795.00

92,965.00

Less: Advance realized against Mother Account

Advance realized against Project

Balance as on 31 December 2011

45,170.00

3,500.00

44,295.00

17.00 Cash & Bank Balances: Tk. 10,080,296.57

Cash in hand

Cash at Bank

34,205.50

10,046,091.07

10,080,296.57

Break up of Cash and Bank Balances are as follows;

Name of Bank	Cash	Bank
Sonali Bank(A/C-33004779)	7,357.00	4,167,692.50
Sonali Bank(A/C-33005918)	3,214.00	211,041.00
Sonali Bank(A/C-1013656)	-	2,028.00
Sonali Bank(A/C-36000313)	4,377.00	1,725,822.76
Sonali Bank(A/C-36000387)	4,219.00	2,705,857.30
Sonali Bank(A/C-201333002716)	437.00	48,492.50
Sonali Bank(A/C-004000555)	2,547.00	411,819.00
Sonali Bank(A/C-827)	-	1,446.00
Sonali Bank(A/C-1223)	-	1,550.00
Sonali Bank(A/C-1395)	5,949.00	104,097.00
Sonali Bank(A/C-1757)	6,106.00	62,825.00
Standard Bank(A/C-115789501)	-	603,420.01
Balance as on 31 December 2011	34,206.00	10,046,091.07





18.00 Fund Account: Tk. 10,966,060.57

The above amount arrived as at under;

Balance as on 1 January 2011

Add: Excess of Income over Expenditure during the year

Amount(Tk.)

7,519,874.27

3,446,186.30

10,966,060.57

Add: Adjusted with Loan Account

Balance as on 31 December 2011

10,966,060.57

Opening balance of Fund Account has been reduced by Tk. 150,800.73 to adjust mismatch between last year's closing cash and bank balance as per audit report and opening cash and bank balance of current year's accounts.

19.00 Loan from Projects: Nil

The above amount arrived as at under;

Balance as on 1 January 2011

Add: Loan received during year

Amount(Tk.)

128,647.00

-

Less: Loan refund during the year

Balance as on 31 December 2011

128,647.00

-





**K. M. ALAM & CO.**  
**CHARTERED ACCOUNTANTS**

**Audit Report  
And  
Statement of Accounts  
of**

**Management Report  
on the Financial Statements of  
Bangladesh Disaster Preparedness Centre (BDPC)**

**For the Year/ Period Ending ..... 31<sup>st</sup> December, 2011**

- ☆ **Auditing and Accounts**
- ☆ **Management Consultancy**
- ☆ **Taxation, Company Law Matters etc.**



কে, এম, আলম এণ্ড কোং  
**K. M. ALAM & CO.**  
**CHARTERED ACCOUNTANTS**

**Partners :**

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61, Ahsan Ahmed Road (2nd Fl), Khulna-9100, Tel : 041-2830395

Date : **17 JUN 2012**

The Director  
Bangladesh Disaster Preparedness Centre (BDPC)  
House #15/A, Road # 8  
Gulshan-1, Dhaka - 1212.

**Subject: Management Report on the Financial Statements of Bangladesh Disaster Preparedness Centre (BDPC) for the year ended 31<sup>st</sup> December, 2011.**

Dear Sir

We have audited the financial statements of **Bangladesh Disaster Preparedness Centre (BDPC)** for the year ended 31<sup>st</sup> December, 2011 and submitted our statutory Auditors' Report to you. In addition to that, we take this opportunity to share our observations on operational process and financial statements which should be addressed by the management.

Our examination has been carried out in accordance with Generally Accepted Auditing Standard and accordingly included such test and examination of accounting records and such other auditing procedures as we considered necessary in the circumstances. Our audit procedures were conducted on test check basis to enable us to form an opinion on the financial statements of the Organization as a whole.

## **1.00 BACKGROUND**

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 next disaster. BDPC set out to put vulnerable communities at the centre of disaster management, adopting a community based approach, complemented by advocacy, policy 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 SCOPE OF WORK AND AUDIT METHODOLOGY:**

### **2.01 Scope of Work**

We conducted the audit in accordance with International Standards on Auditing as adopted in Bangladesh. 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 statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We have designed the audit in the manner for enabling us to authenticate and assess the fairness as well as the appropriateness of financial transaction along with the assessment of adequacy and effectiveness of related internal control thereof and also to measure the adequacy and the degree of compliance with the policies, rules and procedures of the entity. As a result, our audit included such test of accounting records, books vouchers, registers and other relevant documents and such other auditing procedures as were considered necessary deemed appropriate and found feasible under the individual circumstances.

It is pertinent to mention here that our audit procedures are primarily designed to enable us to form an opinion on the financial statement and the fulfillment of the rules and procedures of the entity.

The scope of our work, Inter alias included the followings:

- ❖ To assess cash management process and give recommendation for betterment.
- ❖ To review Micro Credit Program and assess its effectiveness and development scope, if any.
- ❖ To examine inventory management process and recommendation for betterment.
- ❖ To check all payment and receipt vouchers of the NGO and validate with authority limit.
- ❖ To assess internal control system of the NGO and give recommendation.
- ❖ To provide suggestion on application of International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) in preparing final accounts of the NGO.

### **2.02 Audit Methodology**

- ❖ Audit Planning, determination of scope and extent of audit work, preparation of program and selection of skilled and competent audit team
- ❖ Introductory meeting with the management of the audit organization.
- ❖ Reviewing and assessing the accounting system.
- ❖ Reviewing and assessing the control environment.
- ❖ Supervision and review of audit work by senior audit personnel.
- ❖ Time to time discussion with the management on audit observation and disposal thereof.
- ❖ Closing meeting with the management.



### 3.00 OBSERVATION & FINDINGS

#### FACT 1:

Opening balance of Cash and Bank does not match with last year's Closing Cash and Bank balance as per audit report. Current year's opening balance has been reported less than last year's closing balance by Tk. 150,800.73.

#### IMPACT

- a) The authenticity of financial statements of the Organization for the years under audit will be in question.
- b) The determination procedure of Cash and Bank balances mentioned in financial statement is unknown and non transparent.
- c) The company is exposed to risk against misappropriation of cash.

#### RECOMMENDATION:

- a) The transactions should be recorded in the cash book and bank books at the point of receiving cash/bank amount and/or making any payments in cash or issuing cheque.
- b) The cash balance should be verified physically by any responsible officer at regular interval besides surprise counting.
- c) The internal control system should be strengthened. Same person should not be engaged in preparation of vouchers, bills checking and recording of the same in accounting software to ensure segregation of duties.
- d) Any differences between cash and bank balance at periodical end as per Cash and Bank Book and as per audited financial statements should be reconciled and explained.



## **FACT 2:**

The financial statements audited by us represented consolidated financial statements of BDPC Mother Account, 'Manushser Jonno Foundation (MJF) Project', 'SDC Shelter Based Community Risk Reduction Project (SDC)' and 'Community Based DRR and CCA Fortified Livelihoods Initiative Through Good Governance (CAP) Project'. We have audited the transactions of Mother Account of BDPC only. The transactions of other three projects were not audited by us and no audit report of those projects for the auditing period was provided to us.

## **IMPACT**

- a) Authenticity of financial statements prepared by the company will be in question.
- b) The company is exposed to risk in terms of presentation of financial statements.

## **RECOMMENDATION**

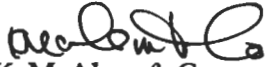
The auditor of Mother Account should have access to audit report of any other projects which form integral part of consolidated financial statement of Mother Account.

## **CONCLUSION**

We express our sincere thanks to Board of the BDPC for extending necessary cooperation to us for smooth completion of the Audit.

Thanks and regards

Yours sincerely

  
K. M. Alam & Co.  
Chartered Accountants

