

# **TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)**

## **Auditor's Report and Financial Statements** *for the year ended 31 December 2012*

**April 2013**



**S. F. AHMED & CO.**  
**Chartered Accountants**

*Bangladesh Representative of ERNST & YOUNG Global since 1993*

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## INDEPENDENT AUDITOR'S REPORT

To

**The Board of Trustees of Transparency International Bangladesh (TIB)**

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Transparency International Bangladesh (TIB), which comprise the Statement of Financial Position as at 31 December 2012, the Statement of Comprehensive Income, and the Statement of Receipts & Payments for the year then ended, 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 and for such internal control as management determines is 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 Bangladesh Standards on Auditing. 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 audit opinion.

### ***Opinion***

In our opinion, the financial statements present fairly, in all material respects, the financial position of Transparency International Bangladesh (TIB), as at 31 December 2012, and (of) its financial performance and its Receipts & Payments for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with applicable laws and regulations.



Dated, Dhaka;  
02 April 2013

*S. F. Ahmed & Co.*

**S. F. Ahmed & Co.**  
Chartered Accountants

# TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)

## Statement of Financial Position

as at 31 December 2012

	Notes	Amount in Taka	
		2012	2011
<b>ASSETS:</b>			
<b>Non-current assets:</b>			
Property, plant & equipment		-	-
		-	-
<b>Current assets:</b>			
Advances	5	80,525,667	91,120,288
Cash & cash equivalents	6	4,840,320	6,213,041
		75,685,347	84,907,247
<b>Current liabilities:</b>			
Current liabilities	7	23,975,807	22,063,643
<b>Net current assets</b>		23,975,807	22,063,643
		56,549,860	69,056,645
<b>Total net assets</b>		56,549,860	69,056,645
<b>FUND AND LIABILITIES:</b>			
Capital fund	8	56,549,860	69,056,645
<b>Total fund and liabilities</b>		56,549,860	69,056,645

*The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.*

  
Treasurer

  
Executive Director

  
Chairperson

*Signed in terms of our separate report of even date annexed.*



Dated, Dhaka;  
02 April 2013

  
**S. F. Ahmed & Co.**  
Chartered Accountants

# TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)

## Statement of Comprehensive Income For the period ended 31 December 2012

	Notes	Amount in Taka	
		2012	2011
<b>Income:</b>			
Grants	9	304,452,468	304,863,174
Membership subscription	10	66,400	16,500
Other income	11	623,155	363,872
<b>Total income</b>		<b>305,142,023</b>	<b>305,243,546</b>
<b>Expenditure:</b>			
Paribartan - Driving Change Project	12	300,812,848	270,056,665
General fund	13	632,231	48,958
NICSA	14	795,237	-
Citizen's charter-UNDP	15	1,262,577	2,597,571
FK Norway Exchange Programme	16	2,305,913	3,527,994
Climate Finance Governance Project	17	10,169,372	5,588,141
Bangladesh Water Integrity Network (BAWIN)	18	505,123	294,599
Other expenses	19	-	2,012,570
<b>Total expenditure</b>		<b>316,483,301</b>	<b>284,126,498</b>
Net surplus/(deficit) transferred to capital fund		<b>(11,341,278)</b>	<b>21,117,048</b>

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Treasurer


  
Executive Director

  
Chairperson

*Signed in terms of our separate report of even date annexed.*



Dated, Dhaka;  
02 April 2013

  
S. F. Ahmed & Co.  
Chartered Accountants



# TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)

## Statement of Receipts and Payments For the year ended 31 December 2012

Notes	Amount in Taka	
	2012	2011

### Opening balance:

Cash in hand	226,792	193,108
Cash at bank	84,680,455	57,821,973
	<b>84,907,247</b>	<b>58,015,081</b>

### Receipts:

Grants	304,452,468	304,863,174
Membership subscription	66,400	16,500
Other income	623,155	363,872
<b>Total receipts</b>	<b>305,142,023</b>	<b>305,243,546</b>
<b>Total</b>	<b>390,049,270</b>	<b>363,258,627</b>

### Payments:

Paribartan - Driving Change Project	298,386,099	264,281,547
General fund	2,261,841	48,958
NICSA	795,237	-
Citizen's charter-UNDP	799,217	2,597,571
FK Norway Exchange Programme	2,183,779	3,527,994
Climate Finance Governance Project	9,433,206	5,588,141
Bangladesh Water Integrity Network (BAWIN)	504,544	294,599
Other expenses	-	2,012,570
<b>Total payments</b>	<b>314,363,923</b>	<b>278,351,380</b>

### Closing balance:

Cash in hand	327,514	226,792
Cash at bank	75,357,833	84,680,455
	<b>75,685,347</b>	<b>84,907,247</b>
<b>Total</b>	<b>390,049,270</b>	<b>363,258,627</b>

*The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.*

  
Treasurer


  
Executive Director

  
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*Signed in terms of our separate report of even date annexed.*



Dated, Dhaka;  
02 April 2013

  
**S. F. Ahmed & Co.**  
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# TRANSPARENCY INTERNATIONAL BANGLADESH CHAPTER (TIB)

## Notes to the Financial Statements For the period ended 31 December 2012

### 1.00 Background:

Transparency International Bangladesh (TIB) was established on 10 January 1996 as a Trust. It has a Board of Trustees. It will be the endeavor of TIB to set the anti-corruption agenda for Bangladesh. TIB would be a willing partner in seeing through the political and administrative reforms undertaken by the Government. TIB can be a Catalyst in that process of transparency.

### 2.00 Affiliation and registration:

TI is a non-profit, non-governmental organization with the aim of countering corruption both in international business transactions and through its national chapter at national levels. The National Chapter of TI are developing their own agenda in ways, which reflect the core value of TI. At present there are ninety-five National chapters. TIB was launched in 1996 and then it started its activities in 1997 as a recognized chapter. It is currently registered under the NGO Affairs Bureau (No. 1301) dated 22.10.1998, renewed on 14.12.2004 and 20.08.2008.

### 3.00 TIB's projects:

**Paribartan–Driving Change (PDC):** Project is to advocate and promote greater transparency and accountability in public institution and transaction to reduce costs of corruption for benefit of the poor. A memorandum of understanding was signed on June 25, 2008 with four donors, the UK Department for International Development (DFID), the Danish International Development Agency (DANIDA), The Swiss Agency for Development Cooperation and The Swedish International Development Cooperation Agency (SIDA). The total budget for the project is Taka 1,372,848,000.00 for a five-year period (January 2009 to December 2013).

**Bangladesh Water Integrity Network (BAWIN):** The Water Integrity Network (WIN), formed in 2006, aims to fight corruption in the water sector. It stimulates anti-corruption activities in the water sector locally, nationally and globally. It promotes solutions-oriented action and coalition-building between civil society, the private and public sectors, media and governments. WIN's vision is a world with equitable and sustained access to water and a clean environment, which is no longer threatened by corruption, greed, dishonesty and wilful malpractice. WIN's mission is to increase integrity levels and reduce corruption in the water sector through a pro-poor and pro-equity focus. TIB is coordinating Water Integrity Network in Bangladesh since April 2012. A Memorandum of Understanding was signed on 08.03.2012 with TI-S for implementation of the project during the period April 2012 to March 2013 by the grants received from TI.

**National Integrity Context and System Analysis (NICS):** Objective of TIB's NICS project is Measuring Anti-Corruption Context, Systems and Progress towards Demand for Effective Reform. A Memorandum of Understanding was signed on 24 June 2012 with TI-S for implementation of the project during the period of 1 July 2012 to 31 June 2014 by the grants received from Aus AID. Exchange Program: The key objective of TIB's "Exchange Programme between South Asian TI Chapters" Project funded by Fredskorpset (FK) Norway, for which the following assignment is being offered, the participating chapters will build strong research and outreach base, create strong institutions, develop effective techniques of advocacy and communications, develop effective techniques in investigative journalism, expertise in fund raising and strategic planning skills, promote skills for high quality research, work towards enhancing institutional capacity in implementing good governance tools such as: Integrity Pact (IP), Right to Information (RTI) and social/value audit, influence political leaders to be more transparent and accountable to the general masses





## **Strengthening Transparency Accountability and Integrity in Climate Finance Governance Project:**

The objective of this project coordinated by the Transparency International Secretariat (TI-S), is to increase the capacity of the stakeholders for effective engagements, cooperate and contribute to climate finance policy formulation, implementation and governance, advocate for policy changes and oversight for transparency, integrity and accountability in the flow and use of funds, increasing local and global stakeholder capacities to engage to address implications of climate change in Bangladesh. Accordance with these objectives, the Project government organizations, individuals and networks working on or interested to work on the issues of ensuring transparency and accountability in climate finance, good governance and right based approach.

### **Exchange Program between South Asia TI Chapters:**

The key objective of TIB's "Exchange Programme between South Asian TI Chapters" Project funded by Fredskorpset (FK) Norway, for which the following assignment is being offered, the participating chapters will build strong research and outreach base, create strong institutions, develop effective techniques of advocacy and communications, develop effective techniques in investigative journalism, expertise in fund raising and strategic planning skills, promote skills for high quality research, work towards enhancing institutional capacity in implementing good governance tools such as: Integrity Pact (IP), Right to Information (RTI) and social/value audit, influence political leaders to be more transparent and accountable to the general masses.

## **4.00 Significant accounting policies & other material information:**

### **4.1 Basis of accounting**

The financial statements have been prepared on going concern basis under historical cost convention on accrual basis.

### **4.2 Basis of presentation of financial statements**

Presentation of the financial statements has been made in accordance with BAS-1.

### **4.3 Fixed assets**

Fixed assets are treated as expenditure and accordingly no depreciation is charged on the project's assets.

### **4.4 Taxation**

In accordance with the existing Income Tax rules, all NGOs working in Bangladesh are assessable entities and submission of Income Tax return is mandatory whether the income of any NGO for any year is taxable or not which is to be decided only after regular assessment is made by the assessing authority.

### **4.5 Provisions for liabilities**

Provisions and accrued expenses are to be recognized in the financial statement when the project has a present obligation resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

### **4.6 Foreign currency transactions**

Transparency International Bangladesh (TIB) maintains its books of account in Bangladeshi Taka. Transactions in foreign currencies are accounted for in Bangladeshi (Taka) at the rate of exchange ruling on the date of transactions.

### **4.7 Cash and cash equivalents**

Cash and cash equivalents for the purpose of the statement of receipts and payments comprise cash and bank balance. Cash and bank balances include donation received through donor grants which are available for use by the organization without any restrictions.



#### **4.8 Reporting period**

These financial statements covered one calendar year from 01 January 2012 to 31 December 2012 which is to be followed consistently.

#### **4.9 General**

- i) Figures have been rounded off to the nearest Taka.
- ii) Previous years figures have been re-arranged to conform to the current years presentation and comparison

## Foreign Donation (Grants):

Name of the Donor	Date of Receive	Bank Name & Branch	Account Type & No.	Amount (Taka)	Projects
SIDA	17.05.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	24,002,340	PDC Project
SIDA	26.12.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	24,271,044	PDC Project
Total (A)				48,273,384	
SDC	09.04.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	950,000	PDC Project
SDC	27.05.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	14,500,000	PDC Project
SDC	29.07.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	14,500,000	PDC Project
SDC	02.12.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	14,500,000	PDC Project
Total (B)				44,450,000	
DFID	27.04.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	50,733,929	PDC Project
DFID	13.09.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	78,964,365	PDC Project
DFID	05.11.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	27,735,144	PDC Project
Total ( C )				157,433,438	
DANIDA	11.07.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	23,042,000	PDC Project
DANIDA	11.12.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	16,893,540	PDC Project
Total (D)				39,935,540	
FK Norway	24.04.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	319,394	Exchange Project
FK Norway	22.07.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	670,074	Exchange Project
Total (E)				989,468	
TI-S	16.04.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	3,632,321	CFG
TI-S	10.07.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	1,472,547	CFG
TI-S	31.10.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	3,092,814	CFG
TI-S	29.11.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	824,235	CFG
Total (F)				9,021,917	
TI-S	24.09.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	418,724	BAWIN
Total (G)				418,724	
TI-S	03.09.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	1,964,959	NICSA
TI-S	TI-S directly paid			113,420	NICSA
Total (H)				2,078,379	
Total (A+B+C+D+E+F+G+H)				302,600,850	