

**Auditor's Report and Financial Statements**  
*for the year ended 31 December 2013*

**April 2014**



**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 2013, 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 2013, 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;  
21 April 2014

S. F. Ahmed -

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

# TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)

## Statement of Financial Position

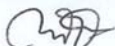
as at 31 December 2013

	Notes	Amount in Taka	
		2013	2012 Restated
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment	3	15,583,946	16,715,485
Intangible assets	4	1,320,584	95,118
		<b>16,904,530</b>	<b>16,810,603</b>
<i>Current assets</i>			
Advances, deposits & prepayments	5	3,254,638	4,840,320
Cash & cash equivalents	6	135,721,855	75,685,347
		<b>138,976,493</b>	<b>80,525,667</b>
<b>Total assets</b>		<b>155,881,023</b>	<b>97,336,270</b>
<b>Capital fund and liabilities</b>			
<i>Capital fund</i>			
Advance donor contribution	7	112,078,016	56,549,860
		<b>112,078,016</b>	<b>56,549,860</b>
<i>Non-current liabilities</i>			
Deferred income-investment in NCA	8	16,904,530	16,810,603
		<b>16,904,530</b>	<b>16,810,603</b>
<i>Current liabilities</i>			
Accounts payable	9	26,898,477	23,975,807
		<b>26,898,477</b>	<b>23,975,807</b>
<b>Total capital fund and liabilities:</b>		<b>155,881,023</b>	<b>97,336,270</b>

*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;  
21 April 2014

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

# TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)

## Statement of Comprehensive Income

For the period ended 31 December 2013

Notes	Amount in Taka	
	2013	2012 Restated
<b>Income:</b>		
Grants income	10 314,608,584	320,017,494
Travel reimbursement	1,553,238	434,586
Local Contribution	11 12,200	356,912
Membership subscription	12 39,700	66,400
Bank interest	13 921,816	421,786
Other income	14 277,973	1,261,489
<b>Total income</b>	<b>317,413,511</b>	<b>322,558,667</b>


### Expenditure:

Paribartan - Driving Change Project	15 302,261,372	306,487,394
General fund	16 1,663,604	632,231
NICSA	17 2,764,112	795,237
Citizen's charter-UNDP	18 -	1,262,577
FK Norway Exchange Programme	19 2,249,239	2,344,867
Climate Finance Governance Project	20 8,165,296	10,531,238
Bangladesh Water Integrity Network (BAWIN)	21 309,887	505,123
<b>Total expenditure</b>	<b>317,413,511</b>	<b>322,558,667</b>

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

  
Treasurer

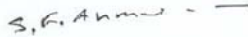
  
Executive Director

  
Chairperson

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



Dated, Dhaka;  
21 April 2014

  
S. F. Ahmed & Co.  
Chartered Accountants



# TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)

## Statement of Receipts and Payments

For the year ended 31 December 2013

Notes	Amount in Taka	
	2013	2012 Restated
<b>Opening balance</b>		
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>Receipts</b>		
Foreign grants	22 369,943,731	302,600,850
Travel reimbursement	23 1,008,942	434,586
Local contribution	12,200	356,912
Membership subscription	39,700	66,400
Bank interest	921,816	421,786
Other income	277,973	1,261,489
Other receipts	24 14,352,558	-
<b>Total receipts</b>	<b>386,556,920</b>	<b>305,142,023</b>
<b>Total</b>	<b>462,242,267</b>	<b>390,049,270</b>
<b>Payments</b>		
Paribartan - Driving Change Project	311,083,086	298,386,099
General fund	1,964,392	2,261,841
NICSA	2,764,112	795,237
Citizen's charter-UNDP	-	799,217
FK Norway Exchange Programme	2,435,679	2,183,779
Climate Finance Governance Project	7,447,677	9,433,206
Bangladesh Water Integrity Network (BAWIN)	825,466	504,544
<b>Total payments</b>	<b>326,520,412</b>	<b>314,363,923</b>
<b>Closing balance:</b>		
Cash in hand	275,551	327,514
Cash at bank	135,446,304	75,357,833
	<b>135,721,855</b>	<b>75,685,347</b>
<b>Total</b>	<b>462,242,267</b>	<b>390,049,270</b>

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

  
Treasurer

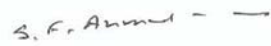
  
Executive Director

  
Chairperson

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



Dated, Dhaka;  
21 April 2014

  
S. F. Ahmed & Co.  
Chartered Accountants

# TRANSPARENCY INTERNATIONAL BANGLADESH CHAPTER (TIB)

## Notes to the Financial Statements

For the period ended 31 December 2013

### 1.10 **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.

### 1.20 **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.

### 1.30 **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 (NICSA):** Objective of TIB's NICSA 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.

**2.00**

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

**2.1 Basis of accounting**

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

**2.2 Basis of presentation of financial statements**

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

**2.3 Property, plant & equipment**

**(a) Recognition and measurement**

**Recognition**

Fixed assets should be disclosed in the financial statements at the net book value, which represents historical cost (plus capital expenditure) less accumulated depreciation and impairment losses.

Periodical capital expenditures budget of a project includes a list of capital expenditure to be undertaken during the next financial period. The approval of the budget serves as authorization for all capital expenditures. Additional capital expenditures not budgeted for must be approved by the donor/trustee in advance.

An asset will be treated as capital asset when it meets the following criteria:

- Authorized and approved expenditure of BDT 5,000 or more ( including VAT) for an item which meets the definition of a fixed asset, The asset should be recognized on the TIB's balance sheet as fixed assets; and
- Costs of enhancements (not repairs and renewals), which significantly extend the life of the asset or provides additional benefits.

### **Measurement at recognition**

An item of asset eligible for recognition as fixed asset will be measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the assets. The cost asset includes the following:

- the cost of materials and direct labor;
- any other costs directly attributable to bringing the assets to a working condition for their intended use (including VAT);

#### **(b) Subsequent costs**

The cost of replacing or upgrading of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the organization and its cost can be measured reliably.

#### **(c) Depreciation**

Depreciation is the allocation of the depreciable cost of fixed asset over its estimated useful life to reflect its usage over time. Depreciation is charged against fixed assets except land over the expected useful life of the asset to reflect the usage of the asset over time. Items of fixed assets are depreciated on straight line basis in statement of comprehensive income over the estimated useful lives of each component.

For addition to fixed assets, depreciation is charged from the month of recognition and no depreciation is charged in the month of disposal. All tangible fixed assets, other than Fixed Assets in Progress must be depreciated on straight-line basis over their useful lives (recognized cost divided by useful life) as follows:

Items of PPE	Rate of depreciation (%)
Furniture & Fixtures	20
IT Equipments	33.33
Office Equipments	20
Motor Vehicle	20

## **2.4 Intangible assets**

### **(a) Recognition and measurement**

Intangible assets that are acquired by the organization and have an economic useful life more than one year are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per IAS/BAS 38: Intangible assets are met.

### **(b) Subsequent cost**

Subsequent costs are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognized in statement of comprehensive income.

### **(c) Amortization**

Intangible assets should be amortized over the expected useful life of that asset. Intangible assets should be disclosed in the financial statements at the net book value under non-current assets, which represents historical cost (plus any revaluations or capital expenditure) less accumulated amortization and impairment losses. All intangible assets must be amortized on straight-line basis over the three years (i.e. @ 33.33% p.a.) of their useful lives (recognized cost divided by useful life).

### **(d) Capital work in progress**

Capital work in progress consists of acquisition costs of software and related installation cost until the date placed in service. Capital work in progress is recognized when risks and rewards associated with such assets are transferred to the organization.



## **2.5 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.

## **2.6 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.

## **2.7 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

## **2.8 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.

## **2.9 Reporting period**

These financial statements covered one calendar year from 01 January 2013 to 31 December 2013 which is to be followed consistently.

## **2.10 General**

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

## TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)

## Schedule of foreign donation received

For the period ended 31 December 2013

Amount in Taka	
2013	2012

## Foreign Donation (Grants):

PDC project	358,424,989	290,092,362
Exchange project	2,439,823	989,468
CFG project	6,048,592	9,021,917
BAWIN project	402,465	418,724
NICSA project	2,627,862	2,078,379
<b>Gross Total:</b>	<b>369,943,731</b>	<b>302,600,850</b>

Name of the Donor	Project	Date of Receive	Bank Name & Branch	Account Type & No.	Amount in Taka	
					2013	2012
SIDA		17.05.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	-	24,002,340
		26.12.12	Do	Do	-	24,271,044
		17.06.13	Do	Do	23,939,268	-
		26.12.13	Do	Do	23,350,923	-
		Total (A)			47,290,191	48,273,384
SDC		09.04.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	-	950,000
		27.05.12	Do	Do	-	14,500,000
		29.07.12	Do	Do	-	14,500,000
		02.12.12	Do	Do	-	14,500,000
		21.05.13	Do	Do	14,210,000	-
		26.09.13	Do	Do	14,210,000	-
		02.12.13	Do	Do	14,500,000	-
		Total (B)			42,920,000	44,450,000
DFID		27.04.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	-	50,733,929
		13.09.12	Do	Do	-	78,964,364
		05.11.12	Do	Do	-	27,735,145
		30.05.13	Do	Do	40,720,759	-
		22.08.13	Do	Do	60,027,521	-
		18.11.13	Do	Do	43,769,043	-
		13.02.13	Do	Do	81,175,893	-
		Total (C)			225,693,216	157,433,438
DANIDA		11.07.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	-	23,042,000
		11.12.12	Do	Do	-	16,893,540
		28.04.13	Do	Do	11,521,000	-
		10.12.13	Do	Do	31,000,583	-
		Total (D)			42,521,583	39,935,540

FK Norway	Exchange	24.04.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	-	319,394
		22.07.12	Do	Do	-	670,074
		24.02.13	Do	Do	644,190	-
		27.03.13	Do	Do	557,175	-
		02.09.13	Do	Do	1,238,457	

Name of the Donor	Project	Date of Receive	Bank Name & Branch	Account Type & No.	Amount in Taka	
					2013	2012
TI-S	CFG	16.04.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	-	3,632,321
		10.07.12	Do	Do	-	1,472,547
		31.10.12	Do	Do	-	3,092,814
		29.11.12	Do	Do	-	824,235
		06.03.13	Do	Do	1,006,162	-
		29.04.13	Do	Do	1,492,968	-
		19.06.13	Do	Do	3,549,462	-

TI-S	BAWIN	24.09.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	-	418,724
		06.03.13	Do	Do	402,465	
Total of foreign donation received for BAWIN project (G)					402,465	418,724

TI-S	NICSA	03.09.12	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	-	1,964,959
		29.04.13	Do	Do	486,004	
		10.12.13	Do	Do	2,141,858	
		TI-S directly paid			-	113,420
Total of foreign donation received for NICSA project (H)				2,627,862	2,078,379	