

TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)

**Auditor's Report and Financial Statements
for the year ended 31 December 2014**

April 2015



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Chartered Accountants

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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 2014, 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 2014, 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;
16 April 2015



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

TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)

Statement of Financial Position

as at 31 December 2014

	Notes	Amount in Taka	
		2014	2013
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	5	31,070,276	15,583,946
Intangible assets	6	1,233,649	1,320,584
		32,303,925	16,904,530
<i>Current assets</i>			
Advances, deposits & prepayments	7	8,396,781	2,710,342
Receivables	8	2,301,649	544,296
Cash & cash equivalents	9	276,939,682	135,721,855
		287,638,112	138,976,493
Total assets		319,942,037	155,881,022
Capital fund and liabilities			
<i>Capital fund</i>			
Advance donor contribution	10	263,995,217	112,078,016
		263,995,217	112,078,016
<i>Non-current liabilities</i>			
Deferred income-investment in PPE & Intangible asset	11	32,303,925	16,904,530
		32,303,925	16,904,530
<i>Current liabilities</i>			
Accounts payable	12	23,642,894	26,898,476
		23,642,894	26,898,476
Total capital fund and liabilities:		319,942,037	155,881,022

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;
16 April 2015


S. F. Ahmed & Co.
Chartered Accountants

TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)

Statement of Comprehensive Income

For the year ended 31 December 2014

Notes	Amount in Taka	
	2014	2013

Income:

Grants	13	309,423,182	314,608,584
Travel reimbursement		938,244	1,553,238
Local Contribution	14	-	12,200
Membership subscription	15	38,900	39,700
Bank Interest	16	878,171	921,816
Other income	17	1,168,452	277,973
Total income		312,446,949	317,413,511

Expenditure:

Paribartan - Driving Change Project	18	236,121,355	302,261,372
General fund	19	1,121,074	1,663,604
NICSA	20	1,934,087	2,764,112
Road Map to Good Governance	21	1,301,456	-
FK Norway Exchange Programme	22	3,483,466	2,249,239
Climate Finance Governance Project	23	4,237,139	8,165,296
Bangladesh Water Integrity Network (BAWIN)	24	2,273,375	309,887
Building Integrity Blocks for Effective Change (BIBEC)	25	61,974,997	-
Total expenditure		312,446,949	317,413,511

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


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Executive Director


Chairperson

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Dated, Dhaka;
16 April 2015


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TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)

Statement of Receipts and Payments

For the year ended 31 December 2014

	Notes	Amount in Taka	
		2014	2013
Opening balance			
Cash in hand		275,551	327,514
Cash at bank		135,446,304	75,357,833
		135,721,855	75,685,347
Receipts			
Foreign Grants	26	475,651,312	369,943,731
Travel reimbursement	27	938,244	1,008,942
Local Contribution		-	12,200
Membership subscription		38,900	39,700
Bank Interest		878,171	921,816
Other receipts	28	3,122,412	14,630,531
Total receipts		480,629,039	386,556,920
Total		616,350,894	462,242,267
Payments			
Paribartan - Driving Change Project		242,319,605	311,083,086
General fund		21,827,710	1,964,392
NICSA		1,897,287	2,764,112
Road Map to Good Governance		1,301,456	-
FK Norway Exchange Programme		3,630,710	2,435,679
Climate Finance Governance Project		4,013,838	7,447,677
Bangladesh Water Integrity Network (BAWIN)		2,278,415	825,466
Building Integrity Blocks for Effective Change (BIBEC)		62,142,193	-
Total payments		339,411,212	326,520,412
Closing balance:			
Cash in hand		283,648	275,551
Cash at bank		276,656,034	135,446,304
		276,939,682	135,721,855
Total		616,350,894	462,242,267

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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Dated, Dhaka;
16 April 2015


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

Notes to the Financial Statements

For the period ended 31 December 2014

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:

3.1 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 period (January 2009 to December 2014).

3.2 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 2013 to 30 September 2014 by the grants received from Aus AID.

3.3 Road Map to Good Governance Project :

The objective of Road Map to Good Governance project is agreeing and identifying governance and fiduciary risks and creating a road map with clear milestones and dates to ensure good governance, including immediate, intermediate and long-term actions requiring further funding, developed and operationalized by LGED. Duration of the project is from 01 July 2014 to 30 June 2015.

3.4 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.

3.5 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.

3.6 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 January 2014 to December 2016 by the grants received from TI.

3.7 Building Integrity Blocks for Effective Change (BIBEC) Project:

Objective of "Building Integrity Blocks for Effective Change (BIBEC)" is to advocate for reforms in laws, policies, processes, practices and oversight for improving governance in targeted institutions and sectors; to generate peoples' demand for good governance and to strengthen citizens' capacity to challenge corruption. Duration of the project is 01 July 2014 to 30 June 2019.

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 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

4.4 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.

4.5 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.

4.6 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.

4.7 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

4.8 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.

4.9 Reporting period

These financial statements covered one calendar year from 01 January 2014 to 31 December 2014 which is to be followed consistently.

4.10 General

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



Amount (Taka)	Amount (Taka)
2014	2013

Foreign Donation (Grants):

PDC project	141,400,682	358,424,989
BIBEC	319,034,142	-
Exchange project	4,172,198	2,439,823
CFG project	4,552,599	6,048,592
BAWIN project	2,864,397	402,465
LGED: Road Map to Good Governance	2,701,000	-
NICSA project	926,294	2,627,862
Gross Total:	475,651,312	369,943,731

Name of the Donor	Project	Date of Receive	Bank Name & Branch	Account Type & No.	Amount (Taka)	Amount (Taka)
					2014	2013
SIDA	PDC	17.06.13	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	-	23,939,268
		26.12.13	Do	Do	-	23,350,923
		Total (A)			-	47,290,191
01.04.14		Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	14,210,000	-	
09.07.14		Do	Do	12,789,000	-	
02.12.12		Do	Do	-	-	
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)			26,999,000	42,920,000		
DFID		12.03.14	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	51,278,339	-
		10.09.14	Do	Do	63,123,343	-
		21.12.14	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)			114,401,682	225,693,216
DANIDA		28.04.13	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	-	11,521,000
		10.12.13	Do	Do	-	31,000,583
		Total (D)			-	42,521,583
Total of foreign donation received for PDC project					141,400,682	358,424,989
SDC	BIBEC	11.12.2014	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	44,995,880	-
		Total (B)			44,995,880	
30.11.2014		Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	237,557,905	-	
Total (C)			237,557,905	-		
DANIDA		14.12.2014	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	36,480,358	-
		Total (D)			36,480,358	
Total of foreign donation received for BIBEC project					319,034,142	358,424,989
FK Norway	Exchange Programme	26.8.2014	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	1,823,591	-
		26.2.2014	Do	Do	1,240,064	644,190
		19.5.2014	Do	Do	1,108,544	557,175
		02.09.13	Do	Do	-	1,238,457
Total of foreign donation received for Exchange Programme project					4,172,198	2,439,823



Name of the Donor	Project	Date of Receive	Bank Name & Branch	Account Type & No.	Amount (Taka)	Amount (Taka)
					2014	2013
TI-S	CFG	29.01.14	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	3,640,406	-
		26.2.14	Do	Do	912,193	-
		06.03.13	Do	Do	-	1,006,162
		29.04.13	Do	Do	-	1,492,968
		19.06.13	Do	Do	-	3,549,462
Total of foreign donation received for CFG project (F)					4,552,599	6,048,592
WIN	BAWIN	26.06.14	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	2,864,397	-
		06.03.13	Do	Do	-	402,465
Total of foreign donation received for BAWIN project (G)					2,864,397	402,465
ADB	Road Map to Good Governanc	9.11.14	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	1,351,000	-
		21.12.14	Do	Do	1,350,000	-
Total of foreign donation received for RMGGA project (H)					2,701,000	-
TI-S	NICSA		Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	926,294	-
		29.04.13	Do	Do	-	486,004
		10.12.13	Do	Do	-	2,141,858
Total of foreign donation received for NICSA project (I)					926,294	2,627,862

