

TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)

**Auditor's Report and Financial Statements
for the year ended 31 December 2015**

March 2016



S. F. AHMED & CO.
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 2015, the Statement of Profit or Loss and Other 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 2015, 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;
31 March 2016

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

Statement of Financial Position

as at 31 December 2015

Notes	Amount in Taka	
	2015	2014

Assets

Non-current assets

Property, plant and equipment

5 37,312,110 31,070,276

Intangible assets

6 720,533 1,233,649

38,032,643 32,303,925

Current assets

Advances, deposits & prepayments

7 6,361,212 8,396,781

Receivables

8 3,394,786 2,301,649

Cash & cash equivalents

9 110,420,522 276,939,682

120,176,520 287,638,112

Total assets

158,209,163 319,942,037

Capital fund and liabilities

Capital fund

Advance donor contribution

10 103,090,534 263,995,217

103,090,534 263,995,217

Non-current liabilities

Deferred income-investment in PPE & Intangible asset

11 38,032,644 32,303,925

38,032,644 32,303,925

Current liabilities

Accounts payable

12 17,085,984 23,642,894

17,085,984 23,642,894


Total capital fund and liabilities

158,209,163 319,942,037

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;
31 March 2016

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

TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)

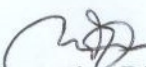
Statement of Profit or Loss and Other Comprehensive Income


For the year ended 31 December 2015

	Notes/ Annex	Amount in Taka	
		2015	2014
Income:			
Grants	13	378,805,339	309,423,182
Travel reimbursement	A/6	1,378,971	938,244
Grant from TIS	14	426,650	-
Membership subscription	15	19,200	38,900
Bank interest	16	125,521	878,171
Other income	17	1,974,086	1,168,452
Total income		382,729,767	312,446,949
Expenditure:			
Paribartan - Driving Change Project	18	-	236,121,355
General fund	19	1,927,156	1,121,074
NICSA	20	-	1,934,087
Road Map to Good Governance	21	2,797,657	1,301,456
FK Norway Exchange Programme	22	3,902,154	3,483,466
Climate Finance Governance Project	23	390,475	4,237,139
Bangladesh Water Integrity Network (BAWIN)	24	4,154,681	2,273,375
Building Integrity Blocks for Effective Change (BIBEC)	25	368,174,364	61,974,997
Climate Finance Policy & Integrity	26	373,859	-
Strengthening Civil Society Networks to Address		1,009,420	-
Corruption in Asia Pacific	27		
Total expenditure		382,729,767	312,446,949

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


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Dated, Dhaka;
31 March 2016


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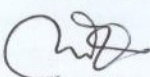
Statement of Receipts and Payments

For the year ended 31 December 2015

	Notes	Amount in Taka	
		2015	2014
Opening balance			
Cash in hand		283,648	275,551
Cash at bank		276,656,034	135,446,304
		276,939,682	135,721,855
Receipts			
Foreign grants	28	222,323,145	475,651,312
Travel reimbursement	29	1,378,971	938,244
Grants from TIS	14	426,650	-
Membership subscription	15	19,200	38,900
Bank interest	16	125,521	878,171
Other receipts	30	1,214,587	3,122,412
Other income received	31	1,701,986	-
Received against capital expenditure	32	204,327	-
Total receipts		227,394,386	480,629,039
Total		504,334,068	616,350,894
Payments			
Paribartan - Driving Change Project		-	242,319,605
General fund		10,630,664	21,827,710
Refund to TI-S-NICSA		175,899	1,897,287
Road Map to Good Governance		2,768,907	1,301,456
FK Norway Exchange Programme		3,888,191	3,630,710
Climate Finance Governance Project		115,067	4,013,838
Bangladesh Water Integrity Network (BAWIN)		3,843,282	2,278,415
Building Integrity Blocks for Effective Change (BIBEC)		370,681,803	62,142,193
Climate Finance Policy & Integrity		373,859	-
Strengthening Civil Society Networks to Address Corruption in Asia Pacific		974,420	-
Refund to TI-S-Climate Finance Governance Project		461,454	-
Total payments		393,913,546	339,411,212
Closing balance:			
Cash in hand		213,333	283,648
Cash at bank		110,207,189	276,656,034
		110,420,522	276,939,682
Total		504,334,068	616,350,894

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


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



Dated, Dhaka;
31 March 2016

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TRANSPARENCY INTERNATIONAL BANGLADESH CHAPTER (TIB)

Notes to the Financial Statements For the period ended 31 December 2015

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 04.09.2013.

3.00 TIB's Projects:

3.1 Building Integrity Blocks for Effective Change (BIBEC) project:

TIB is currently implementing its Building Integrity Blocks for Effective Change (BIBEC) project (October 2014- September 2019) which concentrates on building and strengthening a series of mutually supportive and reinforcing integrity blocks to effectively reduce corruption. "Blocks" here imply the key institutions policy/law, education, training, ethnics and values, and above all, the people of the country. BIBEC's goal is to promote a more enabling environment for reducing corruption with twin objectives: (a) advocate for reforms in laws, policies, processes, practices and oversight for improving governance in targeted institutions and sectors and (b) generate peoples' demand for good governance and to strengthen citizens' capacity to challenge corruption. To achieve this goal, TIB has adopted three-pronged strategies: 1) conduct research to generate knowledge on corruption and necessary reforms in selected sectors and institutions; 2) advocate and communicate with stakeholders to catalyze change in conduct and practice and 3) build capacity of stakeholders for effective engagement against corruption.

3.2 LGED: Road Map to Good Governance project:

Objective of this project is to support two outputs i) governance and fiduciary risks identified and agreed; and ii) 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 (Local Government Engineering Department). Duration of the project is 11 September 2014 to 31 March 2016.

3.3 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 willful 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 25.03.2014



with WIN-S for implementation of the project for the period from 01 January 2014 to 31 December 2016 by the grants received from Water Integrity Network Secretariat (WIN-S). To stimulate public debate and support for integrity in the water sector in Bangladesh by promoting transparency and accountability in policies and actions affecting the sector; to help institutions in the water sector measurably improve transparency and accountability in policies, programmes and operations through knowledge and fact-based advocacy, campaign and engagement; and to facilitate change both at the local and national level that improves content and quality of services in the water sector with particular emphasis on sustainable livelihood of all, especially the poor and disadvantaged sections of the society.

3.4 Exchange Programme between South Asian TI Chapters:

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. A Letter of Intent was received on 02 May 2012 from FK Norway for implementation of the project for the period from 01 July 2012 to 31 July 2013 as well as another Letter of Intent was received on 07 April 2013 from FK Norway for implementation of the project for the period from 01 July 2013 to 31 August 2016

3.5 Strengthening Civil Society Networks to Address Corruption in Asia Pacific Project:

Objective of this project will aim at exploring the perception and status of integrity of the youth in Bangladesh and also build their capacity to promote integrity among them through advocacy and peer learning. Duration of the project is 01 October 2014 to 31 August 2015

3.6 Climate Finance Policy and Integrity Project:

TI national chapters will focus on specific policy and practice reforms which they have identified as crucial to deter and correct corruption and corrupt behavior at the national level. Transparency International Bangladesh (TIB) will continue to advocate for an independent platform for effective and equitable use of climate funds in the future, by identifying gaps and supporting capacity development of the government's National Designated Authority on governance issues, as well as advocating for an open and transparent selection processes both for the National Implementation Entities (NIE) and projects in the pipeline for accessing funds from the Green Climate Fund (GCF). The Chapter will continue to push for an obligatory provision for all climate finance actors to engage affected communities in decision making and monitoring of project implementation, as well as for more pro-active disclosures of information in decision making process. TIB will employ its network of youth and community volunteers to further expand their community based adaptation project monitoring to a greater scope of climate affected regions in the country. The Chapter will continue to draw lessons through this local monitoring work on the governance strengths and weakness in project design, implementation and evaluation in the country, feeding up lessons to the national, regional and global level, and advocating for redress of specific cases of corruption that are identified through the monitoring process. Duration of the project is 01 August 2015 to 31 December 2017.

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 Equipment	33.33
Office Equipment	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 2015 to 31 December 2015 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



Annexure-1

Foreign Donation (Grants):

	Amount in Taka	
	2015	2014
PDC project	-	141,400,682
BIBEC	208,009,006	319,034,142
Exchange project	3,938,387	4,172,198
CFG project	-	4,552,599
BAWIN project	3,885,153	2,864,397
LGED:Road Map to Good Governance	2,230,302	2,701,000
NICSA project	-	926,294
CFPI	3,250,877	-
SCSN	1,009,420	-

Gross Total: 222,323,145 475,651,312

Name of the Donor	Project	Date of Receive	Bank Name & Branch	Account Type & No.	Amount in Taka	
					2015	2014
SIDA	PDC	17.06.13	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	-	-
		26.12.13	Do	Do	-	-
		Total (A)			-	-
SDC		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	-	-
		26.09.13	Do	Do	-	-
		02.12.13	Do	Do	-	-
		Total (B)			-	26,999,000
		DFID	12.03.14	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	
10.09.14			Do	Do		63,123,343
21.12.14			Do	Do	-	-
22.08.13			Do	Do	-	-
18.11.13			Do	Do	-	-
13.02.13			Do	Do	-	-
Total (C)			-	114,401,682		
DANIDA			28.04.13	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	-
		10.12.13	Do	Do	-	-
		Total (D)			-	-
Total of foreign donation received for PDC project					-	141,400,682
SDC	BIBEC	11.12.2014	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01		
		29.09.15			29,970,180	44,995,880
		Total (B)			29,970,180	44,995,880
SIDA		12.01.015	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	28,151,411	-
		8.12.15	Do	Do	38,450,465	-
		Total (A)			66,601,876	-
DFID		30.11.2014	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01		
		3.11.15			111,436,950	237,557,905
		Total (C)			111,436,950	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



Name of the Donor	Project	Date of Receive	Bank Name & Branch	Account Type & No.	Amount in Taka	
					2015	2014
Total of foreign donation received for BIBEC project					208,009,006	319,034,142
FK Norway	Exchange Programme	26.8.2014	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01		1,823,591
		30.7.15	Do	Do	1,714,072	1,240,064
		28.01.15	Do	Do	1,830,696	1,108,544
		20.04.15	Do	Do	393,619	-
Total of foreign donation received for Exchange Programme project					3,938,387	4,172,198
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	-	-
		29.04.13	Do	Do	-	-
		19.06.13	Do	Do	-	-
Total of foreign donation received for CFG project					-	4,552,599
WIN	BAWIN	26.06.14	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	-	2,864,397.00
		15.06.05	Do	Do	2,096,039	-
		29.09.15	Do	Do	1,789,114	-
Total of foreign donation received for BAWIN project					3,885,153	2,864,397
ADB	Road Map to Good Governance	9.11.14	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	-	1,351,000
		21.12.14	Do	Do	-	1,350,000
		17.02.15	Do	Do	50,952	50,952
		26.05.15	Do	Do	77,150	77,150
		20.08.05	Do	Do	2,025,000	2,025,000
		24.08.15	Do	Do	77,200	77,200
Total of foreign donation received for RMGGA project					2,230,302	2,701,000
TI-S	NCSA		Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	-	-
		29.04.13	Do	Do	-	-
		10.12.13	Do	Do	-	-
Total of foreign donation received for NCSA project					-	
TIS	CFPI	31.12.15	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	3,250,877	-
Total of foreign donation received for CFPI project					3,250,877	-
TIS	SCSN	28.01.15	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	502,678	-
		18.05.15	Standard Chartered Bank, Banani Branch	Current Account 01-6271472-01	506,742	-
Total of foreign donation received for SCSN					1,009,420	-

