

Auditors' Report

To the Board of Trustees of Transparency International Bangladesh Chapter (TIB)

We have audited the accompanying Balance Sheet of Transparency International Bangladesh Chapter (TIB), National Integrity Programme Phase II: Making Waves Project, for the period 01 January 2006 to 31 December 2006 and the related Income & Expenditure statement, Receipt & Payment statement for the year then ended.

Respective Responsibilities of Management and Auditors

TIB management is responsible for preparing the financial statements, which give a true and fair view, in accordance with the Generally Accepted Accounting Principles (GAAP). Our responsibility is to express an independent opinion based on our audit on those statements and to report our opinion. This responsibility is established by TIB Financial Procedure Manuals and International Standards on Auditing adopted by the ICAB.

Basis of Audit opinion

We conducted our audit in accordance with International Standards on Auditing as adopted by the ICAB. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit also includes an assessment of the significant estimates and judgments made by the TIB in the preparation of the financial statements, and of whether the accounting policies are appropriate to the TIB circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations, which we considered necessary, in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements present fairly, the financial position of National Integrity Programme Phase II: Making Waves Project of TIB for the period from 01 January 2006 to 31 December 2006 and of the results of its operation for the period then ended according to the best of our information and explanations given to us and shown by the books of the TIB.

Further to our opinion in the above paragraph, we state that:

- a. We have obtained the relevant information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. Proper books of account as required have been kept by the TIB so far as it appeared from our examination of those books;
- c. The Balance Sheet, Income & Expenditure statement and Receipt and Payment statement dealt with the report are in agreement with the books of account and returns.

Dhaka, 29 April 2007

Hoda Vasi Chowdhury
Chartered Accountants

Auditors' Certificate

This is to certify that the attached document is a formal annual audit of Transparency International Bangladesh, National Integrity Programme Phase- II: Making Waves Project, for the year ended 2006 funded jointly by DFID-UK, NORAD, DANIDA and Sida (Sweden).

It is not possible to separate the funds by categorizing the Income- disbursement by particular Donor for the year 2006. Funds received during 2006 from each of the four donor agencies were pooled into a single fund from which expenditure was made.

We hereby certify that the total income and total expenditure in respect of Grant of the four donors (DFID, DANIDA, NORAD and Sida) to TIB was expended in keeping with the terms and conditions of the Grant Document and the official Memorandum of understanding between the TIB and the four Donors.

We planned and performed our audit so as to obtain all the information and explanations, which we considered necessary, in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misst

We, the auditing Firm, Hoda Vasi Chowdhury & Co, affirm that our review of financial flows, vouchers, the ledgers, and other financial documents of the TIB during calendar year 2006, show that donor funds were not used in any purpose other than those set out in the Grant Document, the approved Annual Work Plans and the Annual Budgets (approved by all Donors). All audit requirements, as set by the Donors, have been fully addressed by us.


Dhaka, 29 April 2007

Hoda Vasi Chowdhury & Co
Chartered Accountants

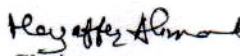
**TRANSPARENCY INTERNATIONAL BANGLADESH CHAPTER
MAKING WAVES : NATIONAL INTEGRITY PROGRAMME PHASE II
BALANCE SHEET
As at 31 December 2006**

PROPERTY & ASSETS	Notes	Amount in Taka	
		2006	2005
Current Assets:			
Cash in Hand	7	539,283	337,949
Cash at Bank	8	19,560,562	27,088,246
Advances and Deposits	9	935,000	791,000
Total		21,034,845	28,217,195
FUND & LIABILITIES:			
Current Liabilities	10	14,038,642	-
Balance as on 01-01-2006		28,217,195	2,340,829
Donor fund received in excess/(shortage) of expenditure		(21,220,993)	25,876,366
Total		21,034,845	28,217,195

These Financial Statements should be read in conjunction with annexed notes


Treasurer


Executive Director


Chairman

Auditors' Report
See annexed Report of date

Dhaka, 29 April 2007


Chartered Accountants

**TRANSPARENCY INTERNATIONAL BANGLADESH CHAPTER (TIB)
MAKING WAVES : NATIONAL INTEGRITY PROGRAMME PHASE II
INCOME & EXPENDITURE STATEMENT**

For the period from 01 January 2006 to 31 December 2006

INCOME:

Notes

Amount in Taka	
2006	2005

Grant	11	83,337,706	85,037,924
Other Income	12	494,076	348,629
A. TOTAL INCOME		83,831,782	85,386,553

EXPENDITURE:


Committees of Concerned Citizens (CCCs)	13	38,518,512	15,193,092
Advice and Information Centres (AICs)	14	4,170,523	1,799,114
Research and Documentation Centre (RDC)	15	13,060,471	5,527,113
Advocacy and Campaigning (AC)	16	24,300,836	15,370,780
Dhaka Cost Centre (DCC)	17	25,002,433	21,620,088
B. TOTAL EXPENDITURE		105,052,775	59,510,187

**C. DONOR FUND RECEIVED IN EXCESS/(SHORTAGE) OF
EXPENDITURE (A-B)**

(21,220,993) 25,876,366

83,831,782 85,386,553

These Financial Statements should be read in conjunction with annexed notes


Treasurer


Executive Director


Chairman

Auditors' Report
See annexed Report of date

Dhaka, 29 April 2007


Chartered Accountants

**TRANSPARENCY INTERNATIONAL BANGLADESH CHAPTER (TIB)
MAKING WAVES : NATIONAL INTEGRITY PROGRAMME PHASE II
RECEIPTS AND PAYMENTS STATEMENT**

For the period from 01 January 2006 to 31 December 2006

INFLOW OF FUNDS:

	Amount in Taka	
	2006	2005
Cash at Bank	27,088,246	1,346,110
Cash in Hand	337,949	147,719
Grant	83,337,706	85,037,924
Other Income	494,076	348,629
TOTAL GENERATION OF FUND	111,257,977	86,880,382


OUTFLOW OF FUNDS:


Committees of Concerned Citizens (CCCs)	36,271,039	15,193,092
Advice and Information Centres (AICs)	3,866,520	1,799,114
Research and Documentation Centre (RDC)	11,810,596	5,527,113
Advocacy and Campaigning (AC)	23,465,496	15,370,780
Dhaka Cost Centre (DCC)	15,744,482	21,564,088
TOTAL OUTFLOW OF FUNDS:	91,158,133	59,454,187


CLOSING BALANCE:

Cash at Bank	19,560,562	27,088,246
Cash in hand	539,283	337,949
	20,099,844	27,426,195

These Financial Statements should be read in conjunction with annexed notes


Treasurer


Executive Director


Chairman

Dhaka, 29 April 2007