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Mohammed Nazrul Islam
Project Director
Specialized Peri-Urban Housing Finance Project-Second Phase
Director, Head Office, Dhaka

Md. Jafor Ullah, ACA
MBA (NUBS, UK)
Partner
Syful Shamsul Alam & Co
Chartered Accountants
Paramount Heights (Level-6)
65/2/1, Purana Paltan, Dhaka-1000, Bangladesh.

**CONTRACT FOR CONSULTING SERVICES FOR THE
Financial Auditing Services of Rural and Peri-urban Housing Finance
Project-Second Phase
Small Assignments
LUMP-SUM CONTRACT**

THIS CONTRACT ("Contract") is entered into this October 05, 2025, by and between 'BANGLADESH HOUSE BUILDING FINANCE CORPORATION' ("the Client") having its principal place of business at Project Management Unit, Head Office, Bangladesh House Building Finance Corporation, 22 Purana Paltan, Dhaka-1000,

AND

UHY SYFUL SHAMSUL ALAM & CO. ("the Consultant") having its principal office located at Paramount Heights (Level-6), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000.

WHEREAS, the Client wishes to have the Consultant perform the services hereinafter referred to, and

WHEREAS, the Consultant is willing to perform these services,

NOW THEREFORE THE PARTIES hereby agree as follows:

1. Services.

- The Consultant shall perform the services specified in Annex A, "Terms of Reference and Scope of Services," which is made an integral part of this Contract ("the Services").
- The Consultant shall provide the personnel listed in Annex B, "Consultant's Personnel," to perform the Services.
- The Consultant shall submit to the Client the reports in the form and within the time periods specified in Annex C, "Consultant's Reporting Obligations."

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“দেশপ্রেমের শপথ নিন, দুর্নীতিকে বিদায় দিন”



গছ ৩৯৮২৩৩৪

Mohammed Nazrul Islam
Project Director
Rural and Agricultural Housing Finance Project - Second Phase
District Head Office, Dhaka

Md. Jafor Ullah, ACA
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Partner
Syful Shamsul Alam & Co
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15/2/11, Purana Paltan, Dhaka

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2. **Term.**

The Consultant shall perform the Services during the period commencing July 01, 2024 and continuing through June 30, 2029, or for the period of 5 years or any other period as may be subsequently agreed by the parties in writing.

3. **Payment.**

A. Ceiling

- For Services rendered pursuant to Annex A, the Client shall pay the Consultant an amount not to exceed a ceiling of 85,00,000 BDT (without VAT i.e.). This amount has been established based on the understanding that includes all of the Consultant's costs and profits as well as any tax obligation that may be imposed on the Consultant. The payments made under the Contract consist of the Consultant's remuneration and of the reimbursable expenditures as defined in the Contract. On the basis of applicable law and rule of the country, tax amount may vary. Project auditor/Consultant will bear the any variable amount of tax, whatever is mentioned in agreement. Client/BHBFC will bear VAT as per applicable law and rule of the country.

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“দেশপ্রেমের শপথ নিন, দুর্নীতিকে বিদায় দিন”



গছ ৩৯৮২৩৩৫

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Mohammed Nazrul Islam
Project Director
সিটি এনসিআর প্রকল্প পরিচালক
কাজী আব্দুল হক চৌধুরী, ঢাকা

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Md. Jafor Ullah, ACA
MBA (NUBS, UK)
Partner
Syful Shamsul Alam & Co
Chartered Accountants
Paramount Heights (Level-6)
Purana Pallan, Dhaka-1100, Bangladesh

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B. Schedule of Payments

The schedule of payments is specified below:

Type of the Report	Base Price Per report	Number of the Report	Total Base price	Tax Deduction at Source	Payable Price Per Report	Total Payable Price
1	2	3	4=2*3	5	6=2-2*5	7=6*3
The Quarterly Report	201,875.00	10	2018750.00	7.5%	186,734.38	1,867,343.75
The Half Yearly Report	403,750.00	5	2018750.00	7.5%	373,468.75	1,867,343.75
The Yearly Report	807,500.00	5	4037500.00	7.5%	746,937.50	3,734,687.50
Consolidated	425,000.00	1	425000.00	7.5%	393,125.00	393,125.00
Total		21	8500000.00			7,862,500.00

- On the basis of applicable law and rule of country, tax amount may vary. Project auditor/Consultant will bear the any variable amount of tax, whatever is mentioned in agreement.
- Client/BHBFC will bear VAT as per applicable law and rule of the country.

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“দেশপ্রেমের শপথ নিন, দুর্নীতিকে বিদায় দিন”



Mohammed Nazrul Islam
Project Director
Director of Planning and Housing, Ministry of Planning, Government of Bangladesh



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C. Payment Conditions

Payment shall be made in BDT, no later than **30** days following submission by the Consultant of invoices in duplicate to the Coordinator designated in paragraph 4.

Payment shall be made to Consultant's bank account:

Account Name: SYFUL SHAMSUL ALAM & CO.

Account No.: 4009-391476-000

Bank: AB Bank PLC, Kakrail Branch, Dhaka, Bangladesh.

Routing No.: 020273370

Swift Code: ABBLBDDH009

4. Project Administration

A. Coordinator.

The Client will notify the name of the Coordinator to the consultant before the starting date; the Coordinator will be responsible for the coordination of activities under this Contract, for acceptance and approval of the reports and of other deliverables by the Client and for receiving and approving invoices for the payment.

B. Reports.

The reports listed in Annex C, "Consultant's Reporting Obligations," shall be submitted in the course of the assignment, and will constitute the basis for the payments to be made under paragraph 3.

C. Records and Accounts

The Consultant shall keep accurate and systematic records and accounts in respect of the Services, which will clearly identify all charges and expenses. The Client reserves the right to audit, or to nominate a reputable accounting firm to audit, the Consultant's records relating to amounts claimed under this Contract during its term and any extension, and for a period of three months thereafter.

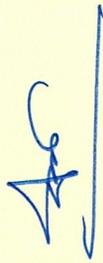
5. Performance Standards.

The Consultant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity. The Consultant shall promptly replace any employees assigned under this Contract that the Client considers unsatisfactory

6. Confidentiality.

The Consultant shall not, during the term of this Contract and within two years after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client.

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Mohammed Nazrul Islam
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Sylhet and Panchlaha Housing Finance Project-Special Phase
BHERC Head Office Dhaka



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7. Ownership of Material.

Any studies reports or other material, graphic, software or otherwise, prepared by the Consultant for the Client under the Contract shall belong to and remain the property of the Client. The Consultant may retain a copy of such documents and software. To share, use or publish these documents with anybody/ media is strictly prohibited without the prior approval of the Client.

8. Consultant not to be engaged in Certain Activities.

The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.

9. Insurance.

The Consultant will be responsible for taking out any appropriate insurance coverage.

10. Assignment.

The Consultant shall not assign this Contract or sub-contract any portion of it without the Client's prior written consent.

11. Law Governing Contract and Language.

The Contract shall be governed by the laws and existing rules of Bangladesh and the language of the Contract shall be English.

12. Fraud and Corruption

The Consultant and their personnel shall not engage in corrupt, fraudulent, collusive, coercive, or obstructive practice as defined in the Guidelines for Procurement of Consultant Services Under IsDB Project Financing (Extract provided in Attachment for ease of reference). The Beneficiary and IsDB reserve the right to reject a proposal of award; remove personnel; cancel financing for the portion of the contract; and/or seek sanctions against the Consultant if it is determined that the Consultant engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a IsDB-financed contract.

13. Dispute Resolution.

Any dispute arising out of the Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration or as otherwise agreed.

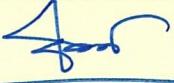
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14. Entry into force

This Contract shall come into force and effect upon signature by both parties and fulfillment of the following conditions:

In witness whereof, the parties hereto have caused this Contract to be signed by their duly authorized representatives in 3 (three) copies in the city of Dhaka, Bangladesh on the day and year first above written.

For and on behalf of the client


05/10/2025

(Mohammed Nazrul Islam)
Project Director
Rural and Peri-urban Housing
Finance Project-2nd phase
Bangladesh House Building
Finance Corporation

For and on behalf of the Project Auditor


05/10/25

Md. Jafor Ullah, ACA
Partner
UHY SYFUL SHAMSUL ALAM
& CO.
Chartered Accountants

Witnessed:

1. S.M. Ehtashamul Anam, SPO, BHBFC
2. Kamrun Nahmen, Manager, SSAC



Mohammed Nazrul Islam
Project Director
Supervising Engineer Housing Finance Project, Sec-1, Phase-1
B-1/200, Head Office, Dhaka



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1 **ATTACHMENT 1: ISDB'S POLICY – CORRUPT AND FRAUDULENT PRACTICES**

[“Notes to the Client”: the text in this Attachment 1 shall not be modified]

Guidelines for Procurement of Consultant Services under Islamic Development Project Financing, (April 2019 edition, amended from time to time)

Fraud and Corruption:

1.20.1. It is IsDB policy to require that Beneficiaries as well as Consultant Firms and Individual Consultants, and their agents (whether declared or not), sub-contractors, sub-consultants, service providers or Suppliers, and any personnel thereof, to observe the highest standard of ethics during the selection and execution of IsDB financed contracts¹. In pursuance of this policy, the requirements of IsDB Group Anti-Corruption Guidelines on Preventing and Combating Fraud and Corruption in IsDB Group-Financed Projects and Cross Debarment Agreement shall be observed at all times. IsDB:

- a) Defines, for the purposes of this provision, the terms set forth below as follows:
- i. “corrupt practice” is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - ii. “fraudulent practice” is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
 - iii. “collusive practices” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
 - iv. “coercive practices” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party; and
 - v. “obstructive practice” is deliberately destroying, falsifying, altering, or concealing of evidence material to an investigation or making false statements to investigators in order to materially impede an IsDB investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or acts intended to materially impede the exercise of IsDB inspection and audit rights provided for under Paragraph 1.20.1 (e) below.

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¹ In this context, any action taken by a Contractor or Consultant or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, Suppliers, and/or their employees, to influence the selection process or contract execution for undue advantage is improper.



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Director, Financial Services Project, Second Phase
Dhaka, Bangladesh



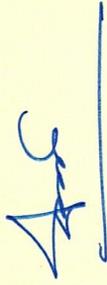
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- b) Will reject a Proposal for award if it determines that the Consultant recommended for award, or any of its personnel, or its agents, or its sub-Consultants, sub-contractors, service providers, Suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
- c) Will declare misprocurement and cancel the portion of the Project Financing allocated to a contract if it determines at any time that representatives of the Beneficiary or of a recipient of any part of the proceeds of IsDB Project Financing were engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the selection process or the implementation of the contract in question, without the Beneficiary having taken timely and appropriate action, satisfactory to IsDB, to address such practices when they occur, including by failing to inform IsDB in a timely manner at the time they knew of the practices;
- d) Will sanction a Firm or an individual, at any time, in accordance with prevailing IsDB sanctions procedures², including by publicly declaring such Firm or individual ineligible, either indefinitely or for a stated period of time:
 - i. to be awarded a IsDB financed contract; and
 - ii. to be a nominated sub-contractor, Consultant, sub-Consultant, Supplier, or service provider of an otherwise eligible Firm being awarded a IsDB-financed contract; and
- e) Will require that a clause be included in the RFP and in contracts financed by IsDB requiring Consultants, and their agents, personnel, sub-consultants, sub-contractors, service providers, or Suppliers, to permit IsDB to inspect all accounts, records, and other documents relating to the submission of Proposals and contract performance, and to have them audited by auditors appointed by IsDB.

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² A Firm or individual may be declared ineligible to be awarded an IsDB financed contract upon: (a) completion of the IsDB sanctions proceedings as per its sanctions procedures, including, inter alia, cross-debarment as per IsDB's Cross Debarment Agreement; and (b) as a result of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding.



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LIST OF ANNEXES

- Annex A:** Terms of Reference and Scope of Services
- Annex B:** Consultant's Personnel
- Annex C:** Consultant's Reporting Obligations

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Rural and Peri-urban Housing Finance Project-Second Phase
BHBFC, Dhaka



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TERMS OF REFERENCE (TOR)

For
Consultancy Services for Project Financial Auditing

Project Name: Rural and Peri-urban Housing Finance Project- Second Phase
Project No : BGD-1087
Financing No :
Project cost :

Total Cost	: 336.06 mEuro
IsDB Financing	: 270.57 mEuro
Gob/BHBFC	: 5.68 mEuro
Owner's Equity	: 59.81 mEuro
Implementation Period	: 01.07.2024 to 30.06.2029 (5 years)

Project Background:

1. The Government of Bangladesh (GoB) has obtained approval for credit from the Islamic Development Bank (IsDB) in the mode of Installment Sale Finance and OCR loan to finance the implementation of 'Rural and Peri-urban Housing Finance-Second Phase' referred as the "Project". Bangladesh House Building Finance Corporation (BHBFC) is the state owned body and is entrusted to the execution and supervision of the implementation of the project through a Project Management Unit (PMU) located at the Head Office, Dhaka, BHBFC, within the under control of Financial Institutions Division (FID), Ministry of Finance, GoB. The legally binding terms and conditions of the financing Agreements dated: 29.04.2024, which may be amplified by supplemental letters and /or an amendment even after signing financing agreement for the project. As to the agreement be signed between GoB and IsDB, a subsidiary loan agreement would be signed between Government of Bangladesh (represented by the Finance Division, Ministry of Finance, hereinafter referred to as the "Government" and the BHBFC as "Executing Agency" for the purpose of the proceed of the finance towards end beneficiaries of this project. The IsDB Report and Recommendation of Management (RRM) and the project appraisal document (PAD) on the Proposed financing for the Project is also an important source of information and references to understand the project goal and impact envisaged.

Project Objectives:

2. The project is designed to attain the objectives are:

- i. to expand access to affordable finance for constructing sustainable multi-storied housing with improved quality and necessary basic facilities for lower and middle-income people dwelling in rural and peri-urban areas;
- ii. to ensure optimum use of land and save cultivable land and iii) to address the climate change issue by introducing climate resilient housing for climatically vulnerable segments and eco-friendly housing for reducing Green House Gases(GHG) emissions.





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Project Components:

3. The project will be implemented under the following components-

a. **Component-A Financing for construction of houses/building with related facilities:**

This is the main component of the project, mainly financing for the construction of multi-story buildings in project areas. The said financing will ensure the development of sufficient numbers of planned houses with improved basic facilities (water supply, sanitation facilities and electricity). It will also lead a participation of country's effort in reduction of Green House Gas (GHG) emissions through the financing to Eco-friendly and Climate resilient housing.

b. **Component-B Capacity Development Program for developing housing model and related financing:**

This component will finance for the recruitment of consultants for developing convenient housing model under and in the line with project objectives. It will help the EA to assess the needs and identification of the suitable IT system & potential solutions for further development in its IT sector appointing Need Assessment Consultants. It will also finance for purchasing of IT instruments (hardware & software) for BHBFC staffs.

c. **Component-C Project Auditor:**

The purpose of component is the selection of External financial Auditor who would perform financial and physical audit of the project.

d. **Component-D: Support to PMU & Administrative Services, startup workshop and familiarization visit:**

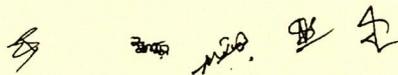
This component includes the PMU's support activities in the form of office equipment, purchase of Vehicles, communication & visibility, training, sensitizations awareness, familiarization visit, and startup workshop etc. It includes the selection of individual consultants (Financial Management Specialist, Procurement Specialist and Monitoring and Evaluation Expert) for the support to PMU.

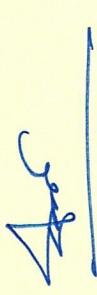
e. **Component-E: Contingency Emergency Response Component (CERC):**

This component is a standalone zero-value component embedded in the project to allow the use of the project resources to cover emergency response activities.

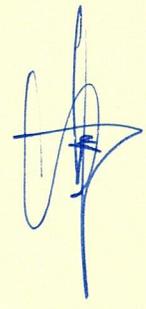
Context:

4. According to the Financing Agreements, BHBFC (Executing Agency), the governing body of the Project shall at all times maintain a financial management system, including records & accounts and prepare financial statements for the project in a format acceptable to the IsDB and adequately reflect the operations, resources and expenditures related to the Project. Also the Executing Agency shall maintain records and supporting documents for all expenditures with respect to which withdrawals from the financing were made. The records should reflect all categories of withdrawals SOEs, direct payments.





Mohammed Nazrul Islam
Project Director
Islamic Development Bank
Finance Project-Second Phase
8, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 58, 60, 62, 64, 66, 68, 70, 72, 74, 76, 78, 80, 82, 84, 86, 88, 90, 92, 94, 96, 98, 100, 102, 104, 106, 108, 110, 112, 114, 116, 118, 120, 122, 124, 126, 128, 130, 132, 134, 136, 138, 140, 142, 144, 146, 148, 150, 152, 154, 156, 158, 160, 162, 164, 166, 168, 170, 172, 174, 176, 178, 180, 182, 184, 186, 188, 190, 192, 194, 196, 198, 200, 202, 204, 206, 208, 210, 212, 214, 216, 218, 220, 222, 224, 226, 228, 230, 232, 234, 236, 238, 240, 242, 244, 246, 248, 250, 252, 254, 256, 258, 260, 262, 264, 266, 268, 270, 272, 274, 276, 278, 280, 282, 284, 286, 288, 290, 292, 294, 296, 298, 300, 302, 304, 306, 308, 310, 312, 314, 316, 318, 320, 322, 324, 326, 328, 330, 332, 334, 336, 338, 340, 342, 344, 346, 348, 350, 352, 354, 356, 358, 360, 362, 364, 366, 368, 370, 372, 374, 376, 378, 380, 382, 384, 386, 388, 390, 392, 394, 396, 398, 400, 402, 404, 406, 408, 410, 412, 414, 416, 418, 420, 422, 424, 426, 428, 430, 432, 434, 436, 438, 440, 442, 444, 446, 448, 450, 452, 454, 456, 458, 460, 462, 464, 466, 468, 470, 472, 474, 476, 478, 480, 482, 484, 486, 488, 490, 492, 494, 496, 498, 500, 502, 504, 506, 508, 510, 512, 514, 516, 518, 520, 522, 524, 526, 528, 530, 532, 534, 536, 538, 540, 542, 544, 546, 548, 550, 552, 554, 556, 558, 560, 562, 564, 566, 568, 570, 572, 574, 576, 578, 580, 582, 584, 586, 588, 590, 592, 594, 596, 598, 600, 602, 604, 606, 608, 610, 612, 614, 616, 618, 620, 622, 624, 626, 628, 630, 632, 634, 636, 638, 640, 642, 644, 646, 648, 650, 652, 654, 656, 658, 660, 662, 664, 666, 668, 670, 672, 674, 676, 678, 680, 682, 684, 686, 688, 690, 692, 694, 696, 698, 700, 702, 704, 706, 708, 710, 712, 714, 716, 718, 720, 722, 724, 726, 728, 730, 732, 734, 736, 738, 740, 742, 744, 746, 748, 750, 752, 754, 756, 758, 760, 762, 764, 766, 768, 770, 772, 774, 776, 778, 780, 782, 784, 786, 788, 790, 792, 794, 796, 798, 800, 802, 804, 806, 808, 810, 812, 814, 816, 818, 820, 822, 824, 826, 828, 830, 832, 834, 836, 838, 840, 842, 844, 846, 848, 850, 852, 854, 856, 858, 860, 862, 864, 866, 868, 870, 872, 874, 876, 878, 880, 882, 884, 886, 888, 890, 892, 894, 896, 898, 900, 902, 904, 906, 908, 910, 912, 914, 916, 918, 920, 922, 924, 926, 928, 930, 932, 934, 936, 938, 940, 942, 944, 946, 948, 950, 952, 954, 956, 958, 960, 962, 964, 966, 968, 970, 972, 974, 976, 978, 980, 982, 984, 986, 988, 990, 992, 994, 996, 998, 1000



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5. The Project Financial Statements (“PFS”) are comprised of (i) Project balance sheet at the fiscal year closing date (ii) Statement of funds receipts and expenditures incurred on the Project for the year then ending (iii) Reconciliation statement for the balance of the Project’s Account as of yearend. For procurements of goods, works and services to the Project, the Governing Body is required to comply with the Islamic Development Bank’s Procurement Guidelines. The Financing Agreement requires that the records, accounts and financial statements mentioned above for each fiscal year to be audited, in accordance with auditing standards acceptable to the Bank, consistently applied, by independent auditors acceptable to the Bank. Audited PFS along with its Auditor’s report should be submitted to the Islamic Development Bank as soon as they become available but not later than three months after the end of the fiscal year. In fulfillment of this statutory (or Financing Agreement) requirement, the Governing Body should engage a qualified independent audit firm according to terms of reference and scope of work acceptable to the Islamic Development Bank, as summarized below.

Objective:

6. The primary objective of the audit engagement is to enable the auditor to express a professional opinion as to whether

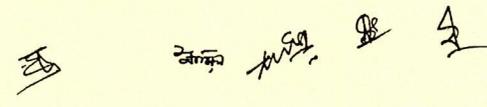
- (i) the Project Financial Statements (PFS) show true and fair view of the Project’s financial position as of 01.07.2024 to 30.06.2029 (or the project implementation period) and funds receipts and expenditures incurred during the period then ending.
- (ii) Expenditures reimbursed on basis of Statements of Expenditures are eligible to Bank financing and are reflected on the PFS, and for this purpose, the auditor shall carry out whatever necessary examinations of the statements and underlying records and control systems. The Audit opinion should also state whether the Procurement Guidelines of the Islamic Development Bank have been properly applied and in accordance with the Project’s Financing Agreements.

Scope:

7. The audit subject of this Terms of Reference is considered as a special purpose contractual agreement audit for which, in addition to compliance with international standards as explained below, the auditor needs to take into consideration the Islamic Development reporting requirements and compliance with Islamic Development Procurement Guidelines.

8. The audit will be carried out in accordance with Generally Accepted Auditing Standards (GAAS) such as the International Standards on Auditing (IAS) issued by the International Federation of Accountants (IFCA) or the Audit Standards issued by the International Organization of Supreme Audit Institutions (INTOSAI), having regard to relevant financing agreements and Islamic Development Bank’s particular requirements, and should pay special attention to the following:

- a) All funds provided to the Project have been used, accounted for and classified in accordance with the relevant financing agreements;
- b) All the transactions related to the project are reflected in the PFS issued according to Generally accepted Accounting Policies;
- c) Goods, works and services financed have been procured in accordance with the relevant financing agreement;



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- d) All necessary copy of supporting documents, records, and accounts have been kept in respect of all project. Clear linkages should exist between the books of account and reports presented to IsDB;
 - e) Compliance with specific covenants of the Project's Financing Agreements, (e.g., compliance with the short-term and long-term borrowing conditions, cash flow covenant);
 - f) Eligibility of expenditures claimed under Statement of Expenditures submitted to the Islamic Development Bank for replenishment. This is in addition to substantiation of these expenditures;
 - g) External funds have been used in accordance with the conditions of the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided;
 - h) Counterpart funds have been provided and used in accordance with the relevant financing agreements, and only for the purposes for which they were provided;
 - i) The PFS have been prepared in accordance with generally accepted accounting principles and practices, and give a true and fair view of the financial position of the Project as of Date: ...and of the resources and expenditures for the fiscal year then ending.
9. The Auditor will:
- a. Issue an opinion as to whether the project financial statements (PFS) and the supplementary financial information presents fairly, in all material respects, the financial position of the project, the funds received and the disbursements made during the period audited, as well as the cumulative disbursements at the end of the period, in accordance with the International Standards on Auditing (ISA) and the requirements of the respective agreement(s) with the Islamic Development Bank.
 - b. Issue an opinion as to whether the expenditures reported are eligible for financing, and the funds have been used only for the purposes of the project.
 - c. Issue an opinion with respect to the Executing Agency's compliance with the covenants of the financing agreements and the applicable laws and regulations.
 - d. Issue an opinion as to whether the Special Accounts (if any) used for managing the funds provided by the Bank presents fairly the availability of funds at the end of the period audited, as well as the transactions made during the same period, in accordance with the provisions for the use of the funds established in the corresponding agreements with the Bank.
 - e. Issue an assessment with respect to the adequacy of internal control mechanisms of the project performed by the Executing Agency (EA) and the Project Management Unit (PMU).
 - f. Issue an assessment with respect to whether counterpart's funds have been provided and used in accordance with the relevant financing agreements, and only for the purposes for which they were provided.
 - g. The auditor will be expected to review all correspondences with the Islamic Development Bank in relation to the Project including copies of the Aide Memoires, Mission Reports, and assess progress on all financial issues. The auditor will pay special attention to any specific risk area as mentioned in the project documents (such as RRM, PAD etc.)

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General Replenishment Finance Project-Second Phase
Dhaka Head Office, Dhaka



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I. Audit Deliverables

10. There are two main deliverables of the audit engagement:

- (i) **Audit Report** which shall include an explicit professional opinion whether
 - (a) The project financial statements give a true and fair view of the state of the Project's affairs,
 - (b) Expenditures reimbursed on basis of Statements of Expenditures are eligible to Bank financing and are reflected on the PFS. The Auditors should take into account relevant statutory and other mandatory disclosures and accounting requirements stipulated in the Financing Agreement and express in the report any relevant exception and the impact of the exception on the PFS.
 - (c) furthermore, the specific deliverables for auditor will be Quarterly, Half Yearly, Annual and Consolidated final audit reports and delivered within agreed timeline, i.e. one month time for the Quarterly and Half yearly as from the end of each term, six months for the Annual after the end of the fiscal year and Consolidated final audit report within three months of the project's physical closure of the project.
 - (d) Special Account of the project and the statement of expenditure will be audited and certified before each replenishment.
- (ii) **Management Letter** which should report any significant accounting and control issues arising from the audit, as identified during the internal control mechanisms review together with the related risk. The letter, with management responses, and recommendation to address the situation and insufficiencies, should be made available to the Project's governing body in time. As annex of the Management Letter the auditor will mention whether or not recommendations issued on the previous Management Letter have been considered by the PMU and/or Executing Agency.

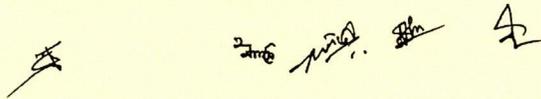
II. Irregularities Including Fraud

11. The Executing Agency is responsible for ensuring the establishment and maintenance of an adequate system of internal control. It is also responsible for ensuring compliance with statutory and other regulations, and for the prevention and detection of irregularities, including fraud. Although, the Auditors are not required to search specifically for such matters, the audit shall be planned and conducted so that the Auditors have a reasonable expectation of detecting material misstatements in the accounts resulting from irregularities, including fraud, or breach of regulations.
12. The Auditors will report in writing any serious weaknesses, fraud, irregularities or accounting break-downs that they come across in the normal course of their duties to the designated office holder, Executing Agency, and the Islamic Development Bank without delay.

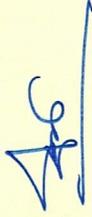
III. Access

13. The Auditors can use the Executing Agency's office space at head office as well as field offices during auditing activities and shall have rights of access to the books, accounts, vouchers, Financing Agreement, Project Agreement and related Supplemental Letters, Project Appraisal Document, correspondence, and all other documents in relation of the Project and to such information and explanations as auditors consider necessary to perform their duties and fulfill their responsibilities.

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Project Director
Baitul Ameen Housing Finance Project, Second Phase
Dhaka, Bangladesh

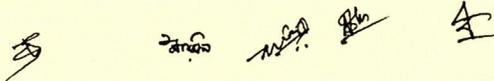


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14. In addition, the auditors will be provided with copies of the Islamic Development Bank's relevant publications that the governing body has to recognize, including the Islamic Development Bank's "Procurement Guidelines" (Current Version).
15. In turn, on occasions the Islamic Development Bank's representatives may wish to meet with Projects' auditors, in connection with a visit to the auditor's office, review of the audit working papers files and discussion of the work performed and conclusion reached by the auditors. The Auditor should not limit access in any way and must reply to all inquiries raised by the Islamic Development Bank's representative. Failure to comply with this provision may disqualify the auditors from dealing with the all projects funded or administered by the Islamic Development Bank. Formal discussion should normally be arranged through the Project's designated office holder or representative. The Islamic Development Bank will have this exclusive right during performance of the audit and within two years after completion of the audit engagement.
16. **Competence of Audit Firm:**
The applicants must prove that they have solid auditing & technical background and operational strength to undertake and take this assignment forward without any hindrances. Applicant must also have adequate technical ability, human resources and processes. As such, following are identified as minimum qualifications criteria:
 - Minimum 10 years' general experience in Auditing, Accounting and Financial Management as a registered firm/ company/entity in Institute of Chartered Accountants of Bangladesh (ICAB). Applicant's headquarter must be located at Dhaka;
 - Registered entity with Register of Joint Stock Companies (RJSC) in Bangladesh;
 - Firm must submit the copies of updated Trade License, VAT, and TIN certificate;
 - The firm must be enlisted by Bangladesh Bank as eligible for Auditing Banks and Financial institutions;
 - Firms shall declare a complete history of litigation and arbitration in which the organizations/firms have been involved in the last 3 (three) years. Firms with litigation and/or arbitration in the last three years shall be rejected;
 - Must have at least 3 years' specific experience on auditing in bank and financial institution within last 10 years;
 - Should have extensive understanding of Bangladesh government financial management, accounting and auditing procedures;
 - Should have knowledge on financial management and audit requirements of IsDB and/or Multilateral Development Bank (MDBs) or any other international institutions. Preparation of audit report with at least one project funded by MDBs or any international organizations is mandatory;
 - Firm should have the minimum amount of liquid assets i.e. working capital or credit line(s) Taka 75 (Seventy Five) lac to invest in the specific project;
 - Logistical capabilities: well-equipped office setup at Dhaka with necessary facilities
 - Management capacity (brochures and other documents describing similar assignments, experience, availability of appropriate experience professional staff and experience among applicant's staff, resources to carry out the assignment);

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Mohammed Nazrul Islam
Project Director
Rural and Peri-urban Housing Finance Project- Second Phase
BHBFC Head Office, Dhaka



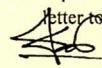
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- The experience of proposed professional staff is:
 - Team Leader/ Project Manager:** A senior level Auditor or Accounting Specialist holding Bachelor Degree as well as Professional Degree/s (FCA/FCMA) with at least 10 years' experience in Auditing, Accounting and Financial Management preferably in the housing financing institution.
 - Senior Auditor:** A senior Auditor or Accounting Specialist holding Bachelor Degree as well as professional Degree/s (FCA/FCMA) with at least 5 years' experience in Auditing, Accounting and Financial Management preferably in the housing financing institution.
 - Auditor:** An Auditor or Accounting Specialist holding Bachelor Degree with at least 3 years' experience in Auditing, Accounting and Financial Management preferably in the housing financing institution.

Miscellaneous

- Meetings.** The Auditor will be requested to attend the meeting of the Executing Agency to which the Project's reports and financial statements of account are presented. The Auditor will receive all notices and other communications relating to that meeting which any member of the Executing Agency is entitled to receive. The Auditor will discuss the audit report and management report and any part of the business which concerns the auditor.
- Termination of Appointment.** If there are serious shortcomings on the part of the Auditor, the Governing Body, after consultation with the Islamic Development Bank, may pass a resolution to remove the Auditors before the expiry of their assignment.
- Restriction of Auditor's Liability.** There is no limitation of the auditors' liability in respect of audit opinions given under this assignment. The Project's Executing Agency will not agree to any such restriction in liability.
- The responsibility for the preparation of financial statements including adequate disclosure is that of the management of the Bangladesh House Building Finance Corporation. This includes the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, and the safeguarding of the assets of the entity. As part of the audit process, the auditor will request from management written confirmation concerning representations made to the auditor in connection with the audit.
- The financial statements, including the audit opinion, and management letter should be received by the Project's Executing Agency, no later than three months after the end of the audited fiscal year. The Project's implementing agency should then promptly forward two copies of the audited project financial statements (including audit opinion) and management letter to the IsDB Bank.


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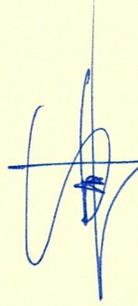
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Project Director
Batalan Rehabilitation Housing Finance Project Second Phase
Senior Lead Officer (Finance)



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Annex-B

PROJECT AUDITOR'S PERSONNEL

Sl	Name	Position
1.	Md. Syful Islam, FCA, FCMA	Team Leader / Engagement Partner
2.	Md. Rafiqul Islam, FCA	Senior Auditor/Project Manager
3.	Md. Jafor Ullah, ACA	Auditor/Audit Supervisor
4.	Shamsur Rahman	Sr. Audit Associate
5.	Jubaer Wahab	Sr. Audit Associate
6.	Nafiz Mahmud Joy	Sr. Audit Associate
7.	Md. Zahidul Islam	Audit Associate
8.	Md. Zahidul Islam	Audit Associate
9.	Md. Mehrab Hossain	Audit Associate

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Mohammed Nazrul Islam
Project Director
Specialized Per-Urban Housing Finance Project, Special Purpose Vehicle

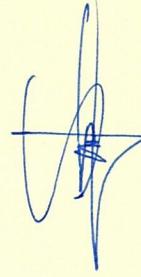


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- (i) The Consultant shall submit to the Client two main deliverables which are (a) Audit Report (b) Management Letter.
- (ii) The Consultant shall submit to the Client the reports and documents specified in the following paragraphs, in the form, in the numbers and within the time periods set forth in the said paragraphs:
- (a) Name : Quarterly Audit Reports.
Description : These audit reports shall be submitted after the expenditure
Of Quarterly disbursement, and Verification of the Statement of Expenditure (SOE) and Reconciliation Bank Statement (RBS) for Withdrawal Application (WA) to the Special Account, associated with each replenishment.
Number of report : 2 per year. Total 10 for 5 years.
Time of delivery : within 30 days after the notification by the client.
- (b) Name : Half Yearly Audit Reports.
Description : These audit reports shall be submitted on the basis of the half-yearly auditing of the project, ending on every 31 December of the project implementation period.
Number of report : 1 per year. Total 5 for 5 years.
Time of delivery : within 30 days after the end of a half yearly closing.
- (c) Name : Yearly Audit Reports.
Description : These audit report shall be submitted on the basis of the yearly auditing of the project ended on 30 June.
Number of report : 1 per year. Total 5 for 5 years.
Time of delivery : within 180 days after the end of a fiscal year.
- (d) Name : Consolidated Report.
Description : These audit report shall be submitted on the basis of the auditing of the total implementation of the project.
Number of report : Total 1 for 5 years.
Time of delivery : Within 90 days after the project implementation period.
- (iii) Final Reports and Consolidated Reports shall be delivered in CD ROM/any suitable IT device in addition to the hard copies.
- (iv) Auditors must provide draft reports for each Final Report (Quarterly, Half Yearly and Yearly).



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(v) List of the reports to be submitted:

Type of the Report	Name of the Report	Number of the Report	Time of delivery
1	2	3	4
1. The Quarterly Report	Draft	10	within 30 days
	Final		
2. The Half Yearly Report	Draft	5	within 30 days
	Final		
3. The Yearly Report	Draft	5	within 180 days
	Final		
3. Consolidated	Final	1	Within 90 days
Total		21	