



Department of Public Health Engineering (DPHE)

Training Manual

for

Project Disbursement and Accounts with Computerized
Financial Management (on Financial Reports and Accounting
Records for the donor funded development Project along-with
Audit) for DPHE Accounts Personnel



Training Division, Public Health Engineering Department (DPHE)
Mahakhali, Dhaka 1212

Overall Assistance: Emergency Multi Sector Rohingya Crisis Response Project (EMCRP)
August, 2023



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Gratitude:

Concerned Officials of DPHE, EMCRP Project Officials and others Stakeholders

Major Focus of the Course

Strengthening the ability and capacity of the participants of EMCRP, DPHE along with the other projects of DPHE - so that the participants will be able to professionally perform on book-keeping, Accounting and Financial Management activities along with the Project Disbursement and Accounts in a Computerized Financial Management environment.

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Preface

Providing emergency services like water supply, sanitation, and healthcare is unbelievably challenging in any disaster or crisis. The Rohingya refugee influx in Cox's Bazar is a good example of these challenges. Supplying water, sanitation facilities, proper waste management, and health promotion in the densely populated refugee camps is a tremendous task. This immense population strain on Ukhia and Teknafupazilas significantly threatens the natural environment, socio-economic stability, and quality of life, hindering overall development in Cox's Bazar.

To address this, the Department of Public Health Engineering (DPHE) is implementing the Emergency Multi-Sector Rohingya Crisis Response Project (EMCRP) across Cox's Bazar, encompassing the Rohingya camps and the two sub-districts, with World Bank funding. This project includes various activities, such as building climate-resilient safe water supplies, implementing drainage systems, establishing sanitation systems, managing wastewater, handling solid waste, and promoting social and gender-inclusive hygiene practices.

To effectively manage the EMCRP's activities and achieve its goals, nine training manuals have been developed covering various relevant topics. These manuals aim to enhance the knowledge and skills of officials, employees, and stakeholders of DPHE involved in the project, including the project office, consultants, implementing agencies, and operation and maintenance organizations. This manual, "Training on Project Disbursement and Accounts with Computerized Financial Management (on Financial Reports and Accounting Records for the donor funded development Project along with Audit) for DPHE Accounts Personnel" plays a key role in equipping trainees with essential knowledge about financial management in Donor supported project and how to apply this knowledge in their daily work. Special attention has been given to making the training course engaging, and interactive, through various activities and exercises.

I want to express my sincere gratitude to the honorable Chief Engineer, DPHE for involving the Training Division, DPHE, and providing overall guidance and to the Project Director of EMCRP for providing invaluable support and assistance in preparing this manual. The following individuals have played a direct or indirect role in the preparation of this training manual: Mr. AKM Aminul Islam, Short-term Consultant, EMCRP, Mr. Abdullah-HilKafi, Assistant Engineer, Training Division, and Ms. Shiuli Akhter, Training Officer, Training Division. I hope that this manual will not only be instrumental in successfully implementing the EMCRP project but will also serve as a comprehensive resource for DPHE officials in the future.



Ruksana Parvin
Executive Engineer
Training Division
Public Health Engineering Department

Forward

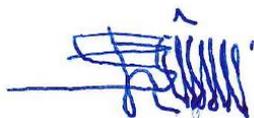
In August 2017, a large number of Rohingya refugees forcibly displaced from Myanmar entered the coastal district of Cox's Bazar in Bangladesh, creating one of the world's largest refugee crises. As of today, nearly 1.1 million displaced Rohingya refugees still reside in temporary camps in the two upazilas of Ukhia and Teknaf, under Cox's bazar district in Bangladesh, creating one of the world's largest refugee crises. This influx tripled the local population, placing immense strain on the already weak infrastructure and limited access to basic services. The area is also prone to natural disasters like cyclones and floods.

The World Bank, analyzing initial humanitarian efforts, coordinated its ongoing assistance with long-term initiatives for the Rohingya. As part of this, the Department of Public Health Engineering (DPHE) is currently implementing the "Emergency Multi-Sector Refugee Crisis Response Project (EMCRP)" to provide safe water, sanitation, and hygiene facilities to the displaced Rohingya population.

Nine training manuals have been developed on topics like water quality monitoring, sanitation system design, and waste management to equip officials, employees, consultants, and implementing organizations involved in the EMCRP. These manuals aim to enhance their knowledge and skills in delivering safe water supply, sanitation services, hygiene promotion, and waste management to the displaced Rohingya population.

I hope these manuals will play a crucial role in strengthening the skills of all concerned. This manual is one of the nine and is intended for DPHE officials. I envision it being used in future training courses for DPHE officials from other projects and potentially even incorporated into the department's regular training program.

I express my gratitude to all those who have played a direct or indirect role in the preparation of the training manuals by providing valuable opinions and suggestions. I congratulate and thank all colleagues including the Project Director of the EMCRP project of the Public Health Engineering Department, the Training Division, and the Short-Term Consultant, EMCRP for their cooperation in finalizing and preparing these manuals.



Engineer Md. Sarwar Hossain
Chief Engineer
Public Health Engineering Department

Acknowledgment

The Rohingya people have been fleeing persecution in Myanmar's Rakhine State since August 2017, entering Bangladesh's Cox's Bazar district. The Bangladesh government has provided them with temporary shelter in the Ukhiya and Teknafupazilas of Cox's Bazar, on a completely humanitarian basis. The presence of this large displaced Rohingya population has turned the Rohingya camps in Cox's Bazar into one of the most densely populated areas in the world, and meeting the basic needs of the population has become a major challenge. As a result, the development of Cox's Bazar district is being hampered and the quality of life of the local people is at risk.

To address this crisis, the Government of Bangladesh, with the support of the World Bank, is implementing the "Emergency Multi-Sector Refugee Crisis Response Project (EMCRP)", funded by the World Bank, to provide safe water, sanitation, and hygiene facilities to the displaced Rohingya population.

In order to improve the knowledge and skills of the officials, employees, and stakeholders of the Department of Public Health Engineering Department (DPHE), consultants, implementing, and management and maintenance organizations involved in the implementation and management of these activities, nine training manuals have been prepared on various relevant topics.

The training manual on "Project Disbursement and Accounts with Computerized Financial Management (on Financial Reports and Accounting Records for the donor funded development Project along with Audit) for DPHE Accounts Personnel" is part of this effort. This training manual includes a detailed discussion of the relevant topics, a plan for managing the sessions, and various necessary materials (learning and reference materials/reading materials). I firmly believe that this manual will improve the quality of financial management under the project and will accelerate the project activities.

I would like to express my gratitude to all those who have contributed to the enrichment of the manual through their valuable time, opinions, and suggestions. I would like to express my gratitude to Mr. Md. Sarwar Hossain, the Honorable Chief Engineer of the Department of Public Health Engineering, for his overall cooperation in preparing the manual by providing overall guidance. I am grateful to the World Bank authorities for their overall cooperation in project management through the original and additional funding of the project.

I hope that through this training manual, all concerned with the said work will be properly informed about all matters and will acquire the necessary skills.



Mohammad Abdul Kaiyum

Project Director

Multi-Sector Project to Address the Rohingya Crisis on an Emergency Basis

Training Schedule

Time	Topic
09:00 - 09:30	Opening Session <ul style="list-style-type: none"> · Inauguration and introduction; pre-assessment and expectation; · Course objectives, schedule & norms.
09.30 – 10.45	Session 1: Introduction , Icebreaking and Training (with Training methodologies) Session 2: Brief information on EMCRP and objective of the Training and process
10:45 - 11:00	Tea Break
11:00 - 12:00	Session 3: Introduction of the Training on Financial Management System for Foreign Aided Project in Public Sector
12:00 - 01:00	Session 4: Project Fund Management and accounting process as per DPP and PAD of a development Project like EMCRP
01:00 - 02:00	Prayer and Lunch Break
02:00 – 03:30	Session 5: Book Keeping Procedure for Development Project in Public Sector Session 6: Computerized Financial Management System of Development Project
03:30 – 03:45	Tea Break
03:45 – 04:30	Session 7: Fund Release Procedure for Foreign Aided Project in Public Sector
04:30– 05:15	Session 8: Budget Preparation Procedure for Development Project in Public Sector
05:15– 05:30	Closing Session of the Day

DAY 2

Time	Topic
09:00 – 9:15	Recap of the previous Day.
9.15 – 10:15	Session 9: Review budget execution process with special reference of iBAS ++
10:15 – 11:15	Session 10: Financial Management for Foreign Aided Project in Public Sector
11:15 - 11:30	Tea Break
11:30 - 12:30	Session 11: Procedures for Income Tax, VAT and CD deduction at source, Collection and Deposits Session 12: Review the roles of DPHE/EMCRP, DDO, Departmental accounts, pay bill, advance and arrear bill
12:30 - 01:30	Session 13: Review and discussion on Government core financial rules and regulation, general financial rules, treasury rules and subsidiary rules Session 14: Discussion and review on delegation of financial power, operational and development, TA/DA Rules (Local and Foreign)
01:30 - 02:30	Prayer and Lunch Break
02:30 - 03:30	Session 15: Review reforms automation in Government accounting, EFT, automated challan, online LPC, MICR cheque, centralized fund and deposits Session 16: Review current donor funded projects financial reporting system
03:30 - 03:45	Tea Break
03:45– 04:45	Session 17: Review financial management and reporting system Session 18 : Audit Management for Foreign Aided Projects
04:45 – 05:30	Closing Session: Course Evaluation; Post Assessment and Thanks Giving.

Day 1

Session 1 : Introduction , Icebreaking and Training (with Training methodologies to be followed):

Session Objective	To declare formally the training open. Consultants' introduces themselves; participants also introduce themselves and provide brief description of their accounting experience and job duties and responsibilities in EMCRP / DPHE's other projects.
Content	An introductory session will be organized where in the DPHE and PMU/ EMCRP officials, Training Consultants (TCs) will provide a brief explanation of the training course, the schedule, its materials and its expectations. The participants will express their hope and expectation in these sessions. DPHE and PMU/EMCRP officials and TCs are expected to define the overall objectives of the training, role of the attendees, their expected daily attendance and active participation with discussions.
Method	Speech Open Floor, Structured Learning Experiences (SLE) and Lecture with Relevant Examples and Q/A
Materials	Multi-media, Power Point Presentation, Poster Paper, Marker Pen, Hand-out, Session Plan, etc.
Time	One hour fifteen minutes
Impact and output	<p>Impact and output by organizing the introductory session:</p> <ul style="list-style-type: none"> ◆ Training will declare formally open by senior officials of the DPHE and EMCRP officials, TCs introduce and participants will introduce themselves and provide brief description of their accounting and financial management experience and job duties and responsibilities; ◆ To set out training objectives, content, methodology, exercises, and what the participants will learn from the training ◆ This will remove the stiffness of the participants and to let the participants get introduced and communicate with each other and the TCs;

Session 2 : Brief information on EMCRP and objective of the Training and process

The Government of the People's Republic of Bangladesh (GoB) has received grant and credit from the International Development Association (IDA) to implement the Emergency Multi-Sector Rohingya Crisis Response Project (EMCRP). Component 1A and 3B of the project is implementing by Department of Public Health Engineering (DPHE) under Ministry of Local Government, Rural Development and Cooperatives (MLGRD&C). The PMU is mandated to manage the project in keeping with the Borrower's obligation to use the project fund with due regard to economy and efficiency and only for the purpose for which project financing was provided. DPHE intends to apply a part of the proceeds of this grant to hire a 'Short-term Consultant' on the subjected activities. To implement the EMCRP project, the capacity of project officials, consultants, officials of DPHE, Representatives and officials local government institute (LGI) and concerned stakeholders would be enhanced through providing training on several issues like: emergency issues (on hazard-vulnerability-risk mitigation), WASH with water quality monitoring, sanitation/FSM, waste management, Gender parity, capacity building training for human resource development including unskilled labor etc.

A brief of the scheduled training is as follows:

S/L	Title of the Training with developing respective Training Manual :	No. of Batch	No. of Trainees per batch	Total no. of Trainees
1.	Project Disbursement and Accounts with Computerized Financial Management (on Financial Reports and Accounting Records for the donor funded development Project along-with Audit) for DPHE Accounts Personnel;	2	20	40
	Total:	2	20	40

Rationale: Over the past few decades, DPHE has achieved a considerable progress in extending its coverage of supplying safe water in the country. But contamination of groundwater and surface water by arsenic, saline, microbiological and other parameters have hindered the success/ progress. Government of Bangladesh (GoB) is working hard to overcome the situation implementing through different relevant investment projects, surveys and fundamental researches for ensuring safe water supply for all.

Capacity building/development is the process by which individuals/organizations obtain, improve, and retain the skills, knowledge, tools, equipment, and other resources needed to do their jobs competently. It allows individuals and organizations to perform at a greater capacity (larger scale, larger audience, larger impact, etc). Training is often the only considered activity (and strategy) within a capacity building programme. Little thought is given to what difference this training can make in real terms and what needs to happen within these organisations to use the newly acquired knowledge and skills in your work. Even when this is done, no follow-up activities are planned to support the participants in the implementation of their newly gained knowledge. Keeping the reality, EMCRP has an allocation of ‘Capacity Building Training’ and it intends to use a part of this through signing a MoU with ‘DPHE Training Division’ to impart the training as a qualified and professional platform of DPHE.

Vision of the training: The above mentioned Project Disbursement and Accounts with Computerized Financial Management for DPHE Accounts Personnel is developed as a result of needed improvements and raise awareness of the DPHE projects’ and EMCRP Accounts Personnel and finance officials to properly perform their mandated job as per requirements of World Bank and GOB.

Method: The training program has been designed to provide various training methods over the course of a 2 day period in 17 separate training sessions with Opening and closing session. The method to be used in the training will include lecture, overhead presentations as well as individual and group discussions of actual casework analysis, discussion in groups, practical exercise, test, guided study, brain storming etc. Details of training materials, synopsis and programme schedule will be separately outlined. Apart from that-

- Accounting and financial management standards and EMCRP and other projects of DPHE’s reporting requirements will be discussed thoroughly, focusing on the various questions and key elements of the EMCRP;
- Discussion on the sessions will be supplemented by practical printed materials (synopsis) on each contents selected. These synopses could be used as the basic guidelines of the DPHE’s other projects and EMCRP;
- Experienced resource persons will be hired from appropriate sources;
- Participants will share with the facilitators / resource persons to solve their day to day problems, encountered during implementation of the development programmes;
- Logistic support including computer facilities will be provided at need of the participants;

- At the beginning, status of the existing accounting and financial management of each participating entity's will be assessed to make the training workshop effective. The results of such assessment will be used in the training workshop as its methodology;
- The sessions will be conducted in both Bengali and English with a view to ensure effective communication and understanding of the subject;
- Performance of participants' will be assessed everyday at the beginning and closing of each content through questions and answers by participants. On completion of the training a post evaluation will be conducted to ensure that the training workshop has been completed as per requirement through questionnaire.

Participants: Total training attendance is expected to include 40 officials/Staffs comprised of men and women from different levels of DPHE management within the EMCRP and allied projects.

Speakers: Subject matter experts from the EMCRP, DPHE, Training Division of DPHE and several sectors from the Government will provide focused training presentations in order to add value and initiate thinking and discussions over best practices in comparison to actual or expected professional work product. Subject matter experts from the DPHE, EMCRP and the Training Consultant will provide expertise and discussion material based on the prevailing financial guidelines of the donors and Government of Bangladesh rules and regulations.

Materials: Training Materials will be provided and translated into a format, English and Bangali language the attendants should easily understand.

Required impact/outputs:

- A 2-day long training on the above Titled will be delivered;
 - Participants will technically be able to maintain proper books of accounts systematically and methodically as per accepted accounting principles. Thus, a uniform, transparent, efficient and effective accounting and financial management system will be established, increase professional capacity of financial accounting staffs in formulation of a self-explanatory financial report and QuFIRs as per donors requirements;
 - Orient on the DPHE financial accounting manual including banking policy, system for procurement, storing and payments to suppliers;
 - Build capacity of participants to perform their assigned jobs without seeking repeated instructions and guidance from the top management.

Presentation Descriptions: Training materials and subject matters will be theoretical in nature in light with DPHE/ EMCRP operational and financial aspects to comply the donors Reporting Obligation.

Observations: Class dynamics will optimal with a wide variety of interactive discussions between all attendants. During the course of sessions participant will have the opportunity to share the class which will be appreciative for the attendance of their counterparts from the other agency.

Case Studies: The TCs will prepare 2 case studies to be provided to all attendees for discussion and brainstorming. The case studies are to be exact copies of previously submitted audit reports with key identification information modified to avoid the scrutiny of any auditor or department.

Any cases not completed within the scheduled time will be provided as take-home-work to be reviewed and completed first thing the following morning.

The purpose of his assignment is to require each attendee to form an opinion over their own case and justify their conclusions with the scrutiny of the class.

The TCs is expected to allow the class dynamics to dominate the session in order to ensure agreements or disagreements take place with conflict resolution.

Session 3: Title: Introduction of the Training on Financial Management System for Foreign Aided Project in Public Sector

Session Objective	The Training Consultant will provide introduction and brief on the Financial Management System for Foreign Aided Project in Public Sector. Also provide training on Project Disbursement and Accounts with Computerized Financial Management.
Content	Book Keeping Procedure for Development Project in Public Sector; Fund Release Procedure for Foreign Aided Project in Public Sector; per DPP and PAD of a development Project like EMCRP; Budget preparation Procedure for Development Project in Public Sector; Financial Management for Foreign Aided Project in Public Sector; Procedures for Income Tax, VAT and CD deduction at source, collection and deposits; Audit Management for Foreign Aided Project; etc.
Method	Speech Open Floor, Structured Learning Experiences (SLE) and Lecture with Relevant Examples, Q/A and focus group discussion (FGD).
Materials	Reference Documents, Training Module, Multi-media, Power Point Presentation, Poster Paper, Marker Pen, Hand-out
Time	One hour
Impact and output	The participants will be able to understand about the training on Project Disbursement and Accounts with Computerized Financial Management. In details - Book Keeping Procedure for Development Project in Public Sector; Fund Release Procedure for Foreign Aided Project in Public Sector; per DPP and PAD of a development Project like EMCRP; Budget preparation Procedure for Development Project in Public Sector; Financial Management for Foreign Aided Project in Public Sector; Procedures for Income Tax, VAT and CD deduction at source, collection and deposits; Audit Management for Foreign Aided Project; etc.

OVERVIEW OF FINANCIAL MANAGEMENT SYSTEM:

Financial management is more than just keeping accurate accounting records. It also involves planning, controlling and monitoring financial resources to achieve organizational objectives. At a minimum, a financial management system should ensure that costs are properly categorized, tracked and charged to the appropriate accounts, and that managers are able to report financial information accurately to the Board and to donors. A good financial management system makes it easier to be accountable to donors and project beneficiaries, thereby enhancing their respect and confidence in the organization.

WHAT DOES GOOD FINANCIAL MANAGEMENT INVOLVE?

Good financial management involves planning, organizing, controlling and monitoring resources so that an organization can achieve its objectives and fulfill its commitments to beneficiaries, donors and other stakeholders.

Four Key Pillars of Financial Management

Although no one model of financial management fits every organization, the following components are essential to good financial management:

- Planning looks ahead to prepare for the future, such as developing budgets to cover activities of a program or the entire organization for a year or a longer period.
- Organizing clarifies who does what, why, when and how.
- Controlling establishes systems and procedures, checks and balances, to make sure that the financial resources of the organization are properly handled and that risks are managed.
- Monitoring compares plans with actual performance to identify strengths and weaknesses in planning and implementation and adjust as necessary.

Reporting:

Donors' rely on reports to know and understand what you have been doing with the funds they have awarded. Reports are usually written weeks or even months after the events occurred and it can be difficult to convey the full picture of an event or the circumstances surrounding a particular decision in the formats provided. On the other hand narrative and financial reports are the main means that an organization has to explain how brilliant the entity are and how, despite the inevitable obstacles and difficulties, managed to achieve the successes. It can be tempting to focus only on the successes, ignoring the things that didn't go well or things that did not happen at all. The problem with that approach is that nothing can be truly hidden. The finance report shows clearly what has been attempted, completed and not done at all. Both reports must tell the same story.

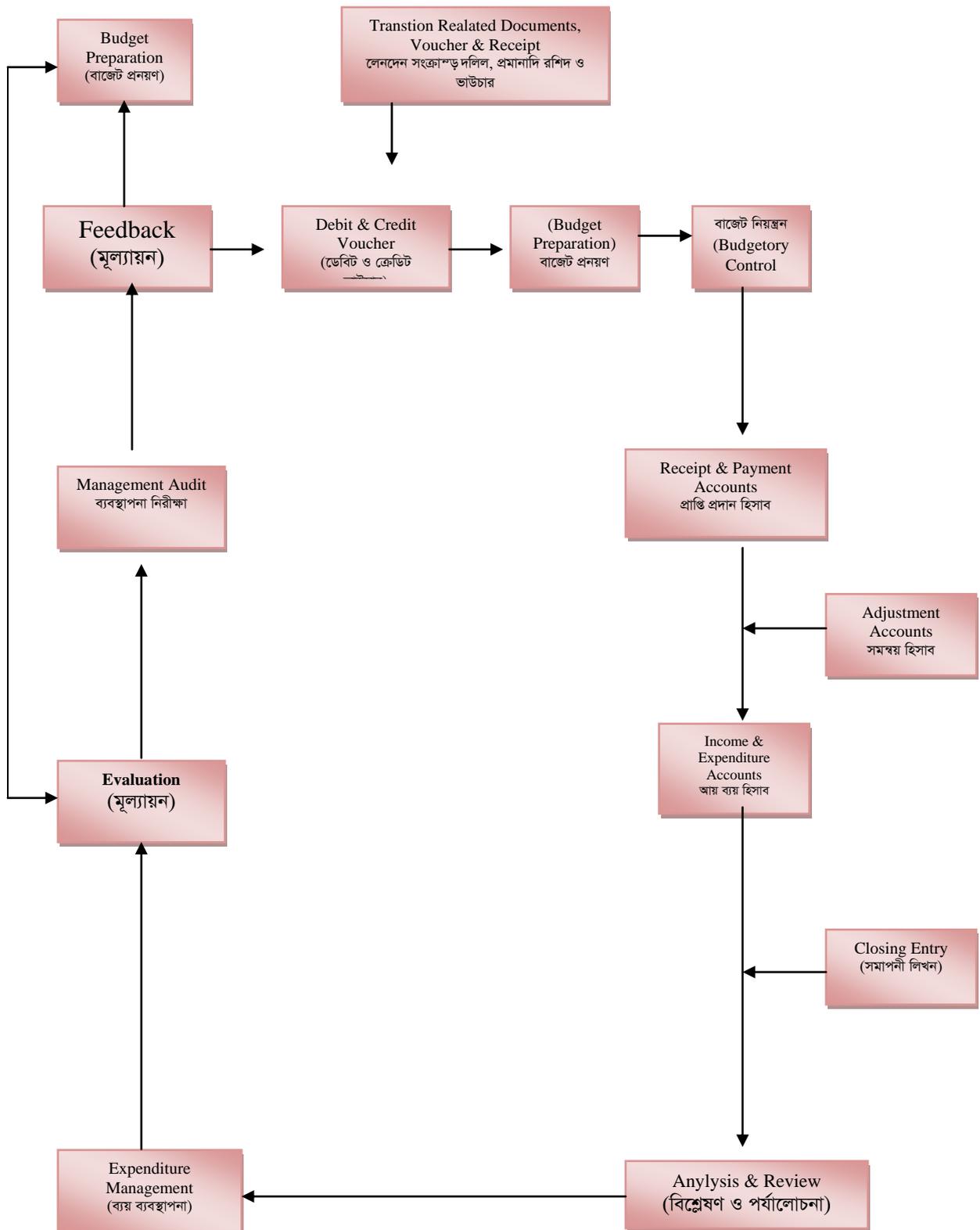
- Narrative Report "A narrative representation of the income and expenditures compared to budgets and plans for a defined period."
- A financial report is "A financial representation of activities, deeds and inactions compared to plans and expectations for a defined period."

Documentation:

Trust is a wonderful thing. It works best when there are two people who know each other quite well and the issue at stake is personal to one or both of them. With donor funds, there are always more than two people involved and only two of them have a personal stake in either the investment or the outcome. You are neither of those people. Both the parties to an award contract are acting as agents for others.

The donor is acting on behalf of all the people who paid money through taxation or donations and the implementer is acting on behalf of the beneficiaries who will benefit from the work you are doing. Neither the beneficiaries nor the individual donors can be present during the implementation to see things for themselves. However, both want to know that the funds have been used responsibly. Therefore, we have to keep documentary evidence of every financial transaction as proof that the purchases actually happened and the goods or services paid for were actually received.

Accounting Cycle



Session 4 Title: Project Fund Management and Accounting Process as per DPP and PAD of a development Project like EMCRP.

Session Objective	The sessions will provide a clear idea proper maintenance of books of accounts, in compliance with the DPP, Project Appraisal Document (PAD) and also prevailing rules of GOB and WB modality for proper reporting to WB and ensuring proper financial management. To learn how to Journalize the Transaction, mainly in control ledger for compilation of EMCRP accounts and SOE.
Content	<p>The TC and DPHE Training Resource persons will provide presentation on PAD detailing the – (i) Year-wise Expected Disbursement; (ii) Component-wise Project Cost Financing.</p> <p>Component A: (a) Infrastructural Improvement; Project Supervision Consultant.</p> <p>Component B: Institutional Strengthening; Goods; Training;</p> <p>Component C: Capacity Building; H R Development; Survey;</p> <p>Component D: Road Safety; Goods; Works, etc.</p> <p>In the session Training Resource persons will provide presentation on recording of grants in aid and currency accounts through adopting US Dollar currency rate and its conversion process.</p>
Method	Lecture in light with Bangladesh accounting standards, Government accounting standards, DPHE/EMCRP experience and examples, Speech Open Floor and practical exercise (individual/group).
Materials	Multi-media Presentation, Group Discussion, Q/A, Lecture with DPHE/ EMCRP experience and examples, Overhead presentations as well as individual and group discussions of actual case work.
Impact and output	After the session the TC and DPHE Training Resource persons will able briefed the training participants through presentation on the compliance PAD and DPP, recording of grants in aid and currency accounts through adopting US Dollar currency rate and its conversion process. Participant will know, the process of maintaining foreign currency accounts including collection of funds, each fund having a distinct purpose, ranging from operating expenses to funding the various activities of the organization.
Time	One hour

Scope of Review of the Accounting System: The review will ensure that:

- the accounting systems fulfill the requirements explained in this chapter;
- the basis of accounting is appropriate for the controls and reporting requirements of the project;
- the chart of accounts is prepared logically and makes it possible to aggregate sources of financing and expenditures under the main groups and sub groups, taking into consideration the requirements of the borrower, co-financiers, the Bank and other interested parties;
- groups and sub-groups of cost can be identified to allow comparison with physical and other monitor-able achievements;

- expenditures can be shown under disburseable cost categories works, goods, consultants' services and other, which may be further subdivided as required;
- sources of funds and expenditures can be shown by main locations where this information is required;
- individual expenditure categories are reduced to the minimum required; and there are appropriate groupings for assets, liabilities, and the accumulated project fund (where applicable).

Financial Management

The overall financial management risk is “Substantial”. Paragraph 12 of Bank Policy, Investment, Project Financing (IPF), dated November 10, 2017, Projects in Situations of Urgent Need of Assistance or Capacity Constraints is applicable to the proposed project on the ground of urgent need of assistance because of a natural or man-made disaster or conflict. The project design is complex in terms of multi sector involvement, identification of beneficiaries, modality of intervention, financial reporting risks for un reconciled balances with UN agencies and involvement of multiple agencies. In addition to UN agencies, specialized NGOs may serve as implementation partners. Expenditure reporting arrangements of the NGOs to be claimed in the Statement of Expenditures would be included in their respective contracts.

As per the institutional arrangements for this project, the fiduciary responsibility for fund flow, accounting, financial reporting and audit of project implementation would lie with DPHE. The agency has adequate experience in implementing World Bank funded projects

Each PIU will continue with the on-board Financial Management Consultants (FMCs) working for the original credit to lead and coordinate the FM activities under the project. The consultants will continue to support the project in strengthening budgeting practices, internal controls, fund reconciliations, and other relevant financial functions.

There will be two separate designated accounts (DAs) with variable ceiling with DPHE. Disbursements would initially be made on an advance and replenishment method, based on regular statements of expenditure (SOEs). The Project will send yearly cash flow projections within June 30 of each year and this projection will be updated on quarterly basis. Separate set of accounts/budget heads using the Budget and Accounting Classification System (BACS) would be maintained in the integrated budgeting and accounting system (iBAS++) for each financing to ensure charging of expenses related under the appropriate financing.

To avoid the risk of double dipping in sub component 1.B: Basic Services, Resilient Infrastructure, Emergency Response and GBV Prevention, for KfW's grant of Euro 7.0 million as parallel financing, there will be demarcated geographical segments in iBAS++ to track expenditure under KfW separately and details would be included in the OM. All implementing agencies will prepare a separate Interim Unaudited Financial Report (IUFR) from iBAS++, in the format agreed with the Bank, on a quarterly basis and submit to the World Bank for its review and clearance within 45 days from the end of each quarter. In case the use of iBAS++ faces challenges, the Project will use an alternative accounting system. The project Annual Financial Statements for the three implementing entities will be submitted to the Comptroller and Auditor General's Office (C&AG) of Bangladesh within three months of the end of each fiscal year. Taxes are estimated to be less than 15 percent of total IDA financing.

The Foreign Aided Project Audit Directorate (FAPAD) of the C&AG of Bangladesh shall carry out the annual financial statement audit of the project. Audited project financial statements will be submitted to the Bank within six months from the close of each fiscal year until the close of the grant. Additionally, a risk based internal audit by an independent audit firm will be performed each year over the project term. There are no outstanding audit reports of the implementing agencies.

Session 5: Title: Book Keeping Procedure for Development Project in Public Sector

Session Objective	Major objectives and Outcome/Impact of this Session will help the participants, realizing the importance of vouchers and to learn how to prepare and approval of different kinds of Vouchers and also to gain knowledge of different aspects of the required supporting documents (Invoice, Challan, Memo etc.) including the uses of these documents. Participant will aware about bad impact of misclassification of expenditures.
Content	TC / Resource person will provide presentation on documentation and classification of vouchers, maintenance of Cash Book, Bank Book and General Ledger, Preparation of R&P, Rectification of errors, etc with Banking Procedures & Bank Reconciliation. The session will help know about the purposes and importance of cash book, bank book and general ledger and to learn how to record the transactions properly in the Cash Book, Bank Book & General Ledger. Participants will understand about the meaning of accounting errors, classification of errors and the methods of rectification of the errors in the accounting books.
Method	Practical exercise (individual/group), Lecture on DPHE/EMCRP experience and examples, Overhead presentations as well as individual and group discussions of actual casework analysis, speech open floor.
Materials	Multi-media, Power Point Presentation, Poster Paper, Marker Pen, Hand-out
Impact and output	Book Keeping Procedure for Development Project in Public Sector. This Session will help the participants, realizing the importance of vouchers and to learn how to prepare and approval of different kinds of Vouchers and also to gain knowledge of different aspects of the required supporting documents (Invoice, Challan, Memo etc.) In addition, participant will gain knowledge on the necessity of banking system how to operate bank account and the process to prepare bank reconciliation statement to verify that the amounts reported in the accounting system agree with the amounts deposited to and disbursed from the corresponding bank accounts, identifies all differences and initiates the appropriate correcting entries.
Time	Thirty minutes

What is Voucher

A voucher is a document that shows the details of a transaction for any goods that have been purchased or any service that has been rendered. It can be said to be a written document that supports the entries made in the record books that helps in verifying the accuracy of the transactions

What is a Cash Book

Cash books are used to track the transactions between a business and its bank. They are an important part of effective cash management. This could include money that is received, paid out, and even deposited into or withdrawn from a bank account. Depending on how the transactions are recorded, a cash book can be either a debit or credit book.

Businesses or individuals can both use cash books. Businesses may use a cash book to track their income and expenses. Individuals may use a cash book to track their finances. Cash books come in a single column and can have an additional column.

How does a Cash Book Work

When money is received, it is recorded in the cash book as a debit. When money is paid out, it is recorded as a credit. This is the simplest way that a cash book works. However, there are different types of cash books which can be more complicated.

There are a few different types of cash books which all work slightly differently. The next section of this article will discuss more about each one.

Recording Transactions in a Cash Book

When recording transactions in a cash book, many things need to be considered. These include the date, the description, the amount and more. The date is the date of the transaction. The description is what the transaction is for. For example, if money has been received, the description might be “Received in cash from client for a service.” The amount is the amount of the transaction.

In order for a cash book to be accurate and up-to-date, it is important to record all transactions as soon as they happen. This includes both cash payments and cash receipts. If money is received on Monday, but not recorded until Wednesday, the cash book will be inaccurate.

Here are some other common questions surrounding cash book transactions.

What is Cash Balance in a Cash Book

The balance of cash in a cash book is the total amount of money that is currently in the account (in the form of cash). This includes both the money that has been deposited and the money that has been withdrawn. The cash flows will change with every transaction that is recorded in the petty cash book.

How do Record Daily Cash Balances in a Cash Book

The balance of cash in a cash book can be recorded in 2 ways.

1. The first way is to simply write the total amount of cash that is currently in the account.
2. The second way is to show the net cash balance. This is the total amount of cash that is currently in the account, minus any outstanding debts.

Different Types of Cash Books

There are three main types of cash books:

1. Single column
2. Double column
3. Triple column

A detailed cash book has its own unique way of recording transactions.

Double Column Cash Book

A double column cash book is similar to a single column cash book, but it has two columns instead of one. This type of cash book is used by businesses who want to track each individual transaction in more detail. Double column cash books will show things like bank transaction details.

Pros:

- Tracks individual transactions in more depth
- Better for small project
- Updates the total amount of money received or paid out at the end of each day

Cons:

- More complex than single column cash book

Why are Cash Books Important

Cash books are important because they allow businesses and/or project to track their finances in a detailed and organized way. This information can be used to make important decisions about the future of the business. Additionally, cash books can be used to create financial statements. These will provide a detailed overview of the project/business’ financial status. All of this information is very important for accounting and tax records. It is essential for project/ businesses to keep track of their finances in order to stay compliant with the law.

General Ledger Accounts Meaning and Definition

General Ledger is a book that contains the accounts. Any financial statement related to the financial position of the project emerges only from the accounts. Thus, this ledger is known as the principal book. So, the result of all this is that it is necessary to relate all the information for any account available is from the ledger. This book of accounts is the most important book for any business and that is why it is known as the king of all books. Also, the ledger book is also known as the book of the final entry. The Ledger account is thought of the book that has all the accounting information of the company.

Usually, a ledger account contains many things. Some of the things include dates, particulars and amount. This specimen is standardized across all the different places in Bangladesh.

Anywhere you go, you will find this specimen only. Also, in ledger accounts, this specimen is used for writing the entries of the accounting. Furthermore, ledger accounts also include the ledger posting.

General Ledger – General Ledger is divided into two types – Nominal Ledger and Private Ledger. Nominal ledger gives information on expenses, income, depreciation, insurance, etc. And Private ledger gives private information like salaries, wages, capitals, etc. Private ledger is not accessible to everyone.

Ledger Account Examples

Assets

- Cash
- Land
- Accounts receivable
- Equipment (Computer, Laptop, Printer, Scanner, Closed Circuit Camera, Generator, Fire Fighting Equipment, Multimedia etc)
- Vehicle

Operating Expenses

- Salaries and allowance
- Support Staff for PMU
- Labor wages
- Bank Charges
- Rent, Rates and Taxes
- Office Expenses
- POL
- Consultancy Fees
- Monitoring and supervision etc.

RECEIPTS & PAYMENTS ACCOUNT

Definition

A receipts and payments account is a summary of actual cash receipts and payments extracted from the cash book and ledger over a certain period of time.

All cash received and paid during the period, whether capital or revenue, is included in this account. Receipts are entered on the debit side of the receipts and payments account. This is the same as how receipts appear in the cash book.

Explanation

All receipts are grouped under headings such as Grant, donation, entrance fees, annual subscriptions, lifetime subscriptions, donations, interest, and sundry receipts.

All payments are entered on the credit side under headings such as salaries and wages, printing and stationery, office expenses, and rent, rates, and taxes.

The receipts and payments account starts with the opening cash balance. It closes with the cash balance at the end of the period.

Given that the receipts and payments account is simply a summary of cash transactions, it does not cover outstanding income or expenditure.

It also naturally fails to show the actual income or expenditure of the period it covers.

Income and Expenditure Account

The Income and Expenditure Account is a summary of all items of incomes and expenses which relate to the ongoing accounting year. It is prepared with the objective of finding out the surplus or deficit arising out of current incomes over current expenses.

BANK RECONCILIATION STATEMENT

Bank Reconciliations

Overview: The quality of financial information for the project depends on the integrity of data held in the general ledger. This in turn relies upon accurate capturing and entry of data into the ledger. Reconciliation of bank accounts is one of the most critical internal controls used to guarantee the accuracy of data being captured and entered into the ledgers and to safeguard the cash holdings. Bank reconciliations involve reconciling the accounting record balance of a bank account as recorded in the project ledger to the balance of the bank account as shown on the bank statements provided by the relevant financial institution.

Key Internal Controls:

- Reconciliations must be conducted at least monthly of the bank account of the project. Bank statements should be received at least once a month from the relevant bank.
- Officers responsible for project bank accounts must ensure that the monthly reconciliation of each account within three weeks of the end of each month.
- Each reconciliation must be checked and approved by one of the authorized signatories of the bank account or the chief financial officer of the project.
- Reconciliations and supporting documents must be retained for management control and audit purposes.

Reconciliations must reconcile the bank statement: Teams must implement and maintain proper control over receipts of fund. The 'Balance as per bank statement' must agree to the balance shown on the bank statement received from the financial institution. No adjusting or balancing items should be included in the reconciliation to make it balance. Differences in the balances or transaction items amounts must be investigated and the nature and treatment of them resolved prior to the completion of the reconciliation.

A Bank Reconciliation Statement is a record which shows the description between the cash book (bank column) and the bank statement.

Reasons for preparing Bank Reconciliation Statement:

1. To discover Items not entered and errors in the cash book.
2. To ensure that the cash book entries are complete. Items missing from the cash book will not have been recorded in other ledger accounts and the business records will be unreliable.
3. To discover dishonored cheques.
4. To discover Bank Error
5. To check on fraud

What is a Bank Statement?

It is a statement prepared by the bank which shows the transaction which took place between the bank and the account holder over a specific period of time.

Causes of differences between cash book balance and bank statement balance:

- **Unpresented (outstanding) cheque.** These are cheque already paid out by the project but they have not been brought to the bank for payment. In this case book balance will be lower as it will show that money has been paid out. Bank statement balance will be higher here. Is not shown that money has been paid out.
- **Bank lodgments/Deposit in transit/ Cheque (Deposit) not credited:** when a debtor pays by cheque. The debtors account created and the cash book debited. The cheque is with the company and the bank does not know about this cheque it has not yet been given to the bank. Also the cheque could have been presented after clearing time, in this case, the bank statement figure is lower than the figure shown in the project's cash book.
- **Credit Transfer/Bank Giro/Payments Made directly into the bank:** sometimes customers do not pay directly. They may own an account in the same bank. In such circumstances, bank statements balances would be greater than the cash book balance.
- **Standing Order:** Project management can instruct its bank to pay the regular amount of money at started dates to persons, project or firms. Due to this the Bank statement balance would be lesser then the cash book balance.
- **Direct Debit:** this is quite similar to standing order expect that the amount of money at stated dates to persons or firms, due to this the bank statement balance would be lesser than then cash book balance.
- **Dishonored Cheque:** This happens when a debtor has no money to pay through his account with bank. The Bank bounces the cheque. In this case cash book balance would be greater than bank statement balance.
- **Bank service charges:** This is the payment charged by the bank to the firm for service it renders. This charge is deducted from the bank statement. As a consequence the balance in the firms book tends be higher than the statements balance.

Illustration 1:

According to the bank statement of the EMCRP project balance as at 31st December 2022 was taka 7,450. But the cashbook of the project reflected a sum of taka 6,000 as on that date. Upon analysis of the project Cash Book and bank statement, the following issues were discovered.

- a) The following cheques were issued within 31 December 2022, but not presentated to the bank:
 - i. Cheque no. 000004610 dated 17.12.2022 Taka 1,200.00
 - ii. Cheque no.0000046713 dated 29.12.2022 Taka 2,300.00.
- b) The following cheques were deposited in to the bank within 31st December 2022 but not cleared:
 - i. Cheque deposited Taka 1,000 on 26.12.2022
 - ii. Cheque deposited Taka 1,500 on 27.12.2022
- c) On 28 December bank credited Taka 500 to the project bank account which has not been recorded in the EMCRP project's Cash book.
- d) As per bank statement, the following bank charges were deducted by the bank which have not been recorded in the EMCRP's project cashbook.
 - i. Bank charge deducted Taka 15.00 on 03.12.2022
 - ii. Bank charge deducted Taka 40.00 on 15.12.2022
 - iii. Bank charge deducted Taka 25.00 on 27.12.2022

Based on the above information it is necessary to prepare bank reconciliation statement as on 31.12.2022.

Figures will in '000' Taka

Solution of Example 1 as at 31.12.2022
EMCRP Project
Department of Public Health (DPHE)

Bank Reconciliation Statement
of
Sonal Bank, Kakrail Branch, Dhaka-1000
A/C no. 4412300000031
as at 31 December 2022

Figures will in '000' Taka

<u>Particulars</u>	<u>Taka</u>	<u>Taka</u>
Balance as per EMCPR Project Cash Book		6,000
Add: Cheque issued but not encashed with in 31 December 2022:		
Cheque no.0000046710 dated 17.12.2022	1,200	
Cheque no. 000046713 dated 29.12.2022	2,300	<u>3,500</u>
		7,500
Less: Cheque Deposited within 31 December 2022 but not cleared by the bank with that date:		
Dated 26.12.2022	1,000	
Dated 29.12.2022	1,500	<u>2,500</u>
		7,000
Add: interest credited by bank but not recorded in the project Cash Book:		<u>500</u>
		7,500
Less: Bank Charges deducted by bank but not recorded in the project cashbook:		
03.12.2022	15.00	
05.12.2022	10.00	
27.12.2022	25.00	<u>50</u>
Balance as per Bank Statement		<u>7,450</u>

Session 6: Computerized Financial Management System of Development Project

Session Objective	Major objectives and outcome/Impact of this Session will help the participants, realizing the importance of Computerized Financial Management System of Development Project .
Content	Understanding of Project financial agreement with donor, PAD, DPP, Computerized Financial Management System of Development Project
Method	Lecture on EMCRP and DPHE projects, experience and examples, Overhead presentations as well as individual and group discussions of actual casework analysis, speech open floor, Practical exercise individual/group).
Materials	Multi-media, Power Point Presentation, Poster Paper, Marker Pen, Hand-out.
Impact and output	The participants will be able to understand the Fund Release Procedure for Foreign Aided Project in Public Sector. Also the participants, realizing the importance of Fund Release Procedure for Foreign Aided Project in Public Sector as per fund disbursement procedure of the donor and government.
Time	One hour

Utilization of Accounting Software: Computerization facilitates timely and reliable financial reporting. The Bank is in the process of updating its data bank which lists selected software packages used by borrowers for project accounting. Some were designed for specific projects while others are off the shelf software, customized for particular projects. The data bank includes data on commercial packages which can be easily adapted to project needs and for which support is available.

The law of natural selection and the evolution of systems favors long standing, mainstream products with large market shares, and thousands of installed sites and users. The Bank's financial reporting formats are mainstream except for those additional reports relating to "cash withdrawal" and "forecasts." However, these reports rely on information provided in the main accounting system/reports and are only required on a quarterly basis.

Important considerations in the selection of accounting software are:

- the need for the software to accommodate the chart of accounts: enough fields, character positions and reporting capacity, given the need for flexibility as the project develops;
- the need to train staff in the use of software and the ways in which this can be achieved;
- the capacity of the supplier of the software to provide technical support for the product (proven mainstream products normally have strong technical support);
- the internal controls, security systems, drill-down features and audit trails provided by the software; and
- the capacity of the installed software to provide the timely and reliable information needed for project decision taking and reporting.

Scope of Review of Accounting Software: To achieve the above, the FMS should ensure that the software:

- has good internal controls, is auditable and will provide transparency;
- has a good track record for reliability, will be installed on time, will be within budget, and is well supported technically;
- can provide data: for periodic reporting (monthly, quarterly, annual etc.); by unit or activity; by funding source and expenditure categories; by actual and budget for the period and accumulated to date; to show variance between actual and budget/plan for period, accumulated for year, and to date;
- has the capability to work in the language of the borrower, in addition to English; and
- has the ability to work in the currency of the borrower, in addition to that of the Special Account (SA).

Financial Accounting System

Overview: The primary objective of the financial accounting system is to record in a systematic and controlled manner the financial transactions and events of the project and to report financial information for monitoring and controlling the project funds and project implementation. The financial accounting system is made up of the General Ledger and sub-systems, accounts and records for processing, recording and reporting assets, liabilities, revenue and expenditure of the project. The flow chart below shows the various steps involved in the financial accounting system:

- Petty Cash
- Advances
- Register
- General Journal
- Sub-system
- Bank
- Reconciliation
- General Ledger
- Receipting
- Payroll
- Payables
- Purchasing
- Inventory
- Assets

Accounting System: The accounting system will be computerized or a combination of the manual system and computerized system. The financial accounting system encompasses source documents, accounting records, financial outputs and financial management reports as illustrated in the following diagram. Financial accounting data flows from the source documents to the accounting records and then is produced in financial reports, either in detail (financial operational accounting reports) or in summary (financial management reports). The flow chart below demonstrates this flow:

- Project Activities
- Source of fund
- General Ledger
- Operating Financial Reports
- Financial Management Reports

The flow of financial information is the same for both manual and computerized accounting systems. Transactions are initially recorded manually on source documents. The data from these source documents is then entered into the relevant sub-system accounting records (eg. Supplier payment records) and then transferred to the general ledger. In the computerized accounting system, the source documents data is entered into the relevant module/menu window and the computer processes the information and performs the tasks of recording and printing journals, posting to the ledger accounts and determining account balances. Financial reports are prepared from the accounting data held in the sub-system records and the ledgers.

Accounting Process: The major steps in the accounting process for EMCRP are summarized below:

Transaction processing: Approve transactions and enter the transactions in the receipt and disbursements journal or general journal creating a record of events in date order (Receipts or Make Payment function of accounting software).

EA and the Project Team responsibilities in maintaining record keeping: The EA and the Project Team are responsible for ensuring:

- Official receipts are issued for all moneys received (except for Loan/Credit and counterpart fund deposits and bank interest), receipts are sequentially numbered and controlled.
- Receipts and project moneys are safeguarded.
- Staff are appointed with the appropriate authorizations to receive and account for project moneys.
- Proper internal controls are operating to properly account for and to regularly bank project receipts.
- Cashbooks are properly prepared in a timely manner.
- Revenue is posted in a timely manner into the ledgers.
- Revenue is correctly classified and posted to the appropriate revenue account codes in the ledgers.
- Timely production and issue of revenue budget comparison reports.
- Revenue performance against budgets is monitored by management (where applicable).

Computerized Accounting System Controls:

- Safeguarding of the receipting system passwords.
- Systematic/periodic data used in the receipting system is regularly reviewed and amendments are approved by an authorized officer.
- Access to the receipting and posting functions and data is restricted to authorized personnel.
- Adequate system audit trails are produced and monitored.

Activating Village Courts in Bangladesh Phase-II A Project of Bangladesh Legal Aid and Services Trust (BLAST)											
Multi Column Cash/Bank Book 1-Jan-2019 to 31-Dec-2019											
Date	Particulars	Voucher Type	Number	05.02.01- Establishment of Petty Cash Dr	06.02.88 -Sonali Bank -CTG -CA -0235 Dr	Date	Particulars	Voucher Type	Number	05.02.01- Establishment of Petty Cash Cr	06.02.88 -Sonali Bank -CTG -CA -0235 Cr
1-Jan-2019	Cr Opening Balance			10,000.00	4,09,711.00						
28-Jan-2019	Cr (as per details)	Rept	56930		85,00,000.00	29-Jan-2019	Dr (as per details)	Pymt	56930		6,36,000.00
	13.00.18-BLAST-GF						10.00.18-Hdly-Accrue			1,00,000.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			1,00,000.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			80,000.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			1,00,000.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			80,000.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			40,000.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			8,000.00	
28-Jan-2019	Cr (as per details)	Pymt	56930		50.00	29-Jan-2019	Dr (as per details)	Pymt	56930		1,89,047.00
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			80,000.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			8,000.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			4,000.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			2,146.00	
	10.00.11-Payable Cost						10.00.11-Payable Cost			30.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			1,804.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			80,000.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			40,000.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			5,000.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			3,000.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			600.00	
	10.00.11-Payable Cost						10.00.11-Payable Cost			480.00	
	10.00.11-Payable Cost						10.00.18-Hdly-Accrue			8,000.00	
29-Jan-2019	Dr (as per details)	Pymt	56930			29-Jan-2019	Dr (as per details)	Pymt	56930		6,32,599.00
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			30,000.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			1,34,000.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			17,000.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			4,000.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			30,000.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			1,000.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			3,000.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			600.00	
	10.00.18-Hdly-Accrue						10.00.11-Payable Cost			480.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			8,000.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			30,000.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			80,000.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			17,000.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			4,000.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			1,000.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			3,000.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			600.00	
	10.00.18-Hdly-Accrue						10.00.11-Payable Cost			470.00	
	10.00.18-Hdly-Accrue						10.00.18-Hdly-Accrue			8,000.00	

continued ...

What accounting software presently using at EMCRP:

For getting the realistic, professional and organized computerized arrangement of EMCRP financial activities, it use 'Tally'. Now we need to provide understanding through practical interaction on how Tally works and how the 'Financial Records and related Reports' are generated through Tally software system. The 'Table of Content' on discussion of 'Tally Software' is furnished below:

Lesson1:

- Simple & Easy Voucher Entry
- Books & Registers
- Statements of Accounts
- Credit Limits
- Bank Reconciliation
- Flexible Reporting

Lesson 2: Why is Tally the best for basic Financial Management?

- Fund Flows
- Payment performance of Debtors (Receivables Turnover)
- Branch Accounting
- Flexible Period Accounting
- Budgeting and Control
- Cost centers / Profit centers with multiple Cost Categories
- Ratio Analysis
- Scenario Management

Lesson 3: Why is Tally the best for advanced Financial Management?

- Multiple companies
- Multi-Currency
- Multiple financial year
- Multi-columnar reporting
- Memo Vouchers
- Post dated Vouchers
- User defined Vouchers
- Sales and Purchase extracts
- Cash Flows
- Daily Balance & Transaction Values
- Interest Calculations
- Percentage Based Reporting

Lesson 4: Why Tally is best for basic Inventory Management ?

4.1 Flexible units of Measure

- Separate Actual and Billed Quantities
- Gross Profits and Consumption Report
- Use Stock Item Names and / or Part Numbers
- POS Invoicing

Lesson 5: Why Tally is the best for advanced Inventory Management?

- Stock Query
- Multiple Warehouses / Locations
- Sub-Godowns
- Stock transfers to Godowns
- Multiple Stock Valuation

- Batch-wise / Lot-wise & Expiry Date Handling
- Sales and Purchase Order Processing
- Tracking Inventory
- Rejection In and Rejection Out
- Additional Costs Incurred on Purchase
- Unlimited Stock Item Classification
- Bill of Materials
- Tracking Additional Cost of Manufacturing
- Job Costing
- Stock Ageing Analysis
- Batch Related Stock Ageing Report
- Price List with Multi Price levels
- Reorder Levels
- Movement Analysis (Partywise/ Itemwise/ Stock Groupwise)
- Profitability Analysis (Stock Groupwise/Stock Itemwise/Invoicewise /Location-wise)

Lesson 6: The Technology Advantage of Tally.ERP

Behind the Scene

- Internet & Data exchange
- ODBC - Open Database Connectivity
- Automatic data replication/exchange with synchronisation
- Administration and Manageability
- Extensibility (TDL - Tally Definition Language)
 - Others
 - Internal Backup / Restore
 - Concurrent Multi-lingual Capability
 - Tally.NET
 - New Licensing Mechanism
 - Control Centre
 - Support Centre
 - Auditor's Edition of Tally.ERP 9

Lesson 7: Statutory Compliance Capabilities in Tally.ERP 9

- Value Added Tax (VAT)
- Service Tax
- Tax Deducted at Source (TDS)
- Excise (Manufacturer & Dealer)
- Fringe Benefit Tax
- Tax Collected at Source (TCS)
- Central Sales Tax

Lesson 8: Payroll Compliance in Tally.ERP 9

Enable Payroll

Create Payroll Masters

Record Attendance Voucher

View Payroll Reports

Note: The details 'Tally Operation Manual' is linked with this Manual. The key topics of this Manual will shared with the Participants only those are applicable for smooth financial operation of the concerned project.

Session 7, Title: Fund Release Procedure for Foreign Aided Project in Public Sector

Session Objective	Major objectives and outcome/Impact of this Session will help the participants, realizing the importance of Fund Release Procedure for Foreign Aided Project in Public Sector.
Content	Understanding of Project financial agreement with donor, PAD, DPP, Periodical and/or quarterly fund allocation, Placement of Disbursement Request to Donor.
Method	Lecture on EMCRP and DPHE projects, experience and examples, Overhead presentations as well as individual and group discussions of actual casework analysis, speech open floor, Practical exercise individual/group).
Materials	Multi-media, Power Point Presentation, Poster Paper, Marker Pen, Hand-out.
Impact and output	The participants will be able to understand the Fund Release Procedure for Foreign Aided Project in Public Sector. Also the participants, realizing the importance of Fund Release Procedure for Foreign Aided Project in Public Sector as per fund disbursement procedure of the donor and government.
Time	Forty five minutes

PLEASE REFER THE SESSION..... DEVELOPMENT PROJECT FUND RELEASE

07. Session Development Project Fund Release (24-09-18)

Session 8: Title: Budget Preparation Procedure for Development Project in Public Sector

Session Objective	Participant will have idea about the budget as a systematic financial plan. The session also provides an understanding about the budgetary control, periodical comparison of actual performance with budgetary allocation and revisioning process of budgets in the light of WB/ DPHE/ EMCRP modality.
Content	Project financial agreement with donor, PAD, DPP, Periodical and/or quarterly fund allocation, Placement of Disbursement Request to Donor.
Method	Lecture on EMCRP and DPHE projects, experience and examples, Overhead presentations as well as individual and group discussions of actual casework analysis, speech open floor, Practical exercise (individual/ group).
Materials	Multi-media, Power Point Presentation, Poster Paper, Marker Pen, Hand-out
Impact and output	At the end of the session the participants will be able to understand about the theoretical and practical aspects of budget and budgetary control system. Budget variance analysis. Budget re-visioning process etc.
Time	Forty five minutes

BUDGET PREPARATION AND BUDGETARY CONTROL PROCESS

1. What is Government Budgeting?

Government budgeting is the critical exercise of allocating revenues and borrowed funds to attain the economic and social goals of the country. It also entails the management of government expenditures in such a way that will create the most economic impact from the production and delivery of goods and services while supporting a healthy fiscal position.

2. Why is Government Budgeting is Important?

Government budgeting is important because it enables the government to plan and manage its financial resources to support the implementation of various programs and projects that best promote the development of the country. Through the budget, the government can prioritize and put into action its plans, programs and policies within the constraints of its financial capability as dictated by economic conditions. Economic Code-wise Cost Summary is given below:

EMCRP, DPHE: Economic Code-wise Comparison of Cost Summary as per the Original DPP:

Sl. No.	Economic code	Economic Sub-code	Economic Sub-code wise component Description	Latest Approved DPP									
				Unit	Quantity	Cost						Own Fund	Others
						Total cost *	GO B (FE)	PA		DP A			
								Through GO B	Special Account				
1	2	3	4	5	6	7	8	9	10	11	12		
	a) Revenue Component:												
1	31111- 31113	3111101-3111341	GOB Manpower	Pers on	7					-	-	-	
2	32111	3211131	Support staff/ Manpower for PMU and RPMU (outsourcing)	Pers on	6					-	-	-	
3	32111- 32581	3211101-3258139	Operating cost including PMU and field level offices	LS	LS					-	-	-	
4	32111- 32312	3231101-3231305	Capacity building, training, workshop, seminar and foreign training etc.	LS	LS					-	-	-	
5	32571	3257101	Training on O & M for caretaker, awareness program on sanitation, hygiene promotion, BCC campaign and sanitation marketing etc.	LS	LS					-	-	-	
6	32111	3211107	Vehicle Rental	VM	170					-	-	-	

Sl. No.	Economic code	Economic Sub-code	Economic Sub-code wise component Description	Latest Approved DPP									
				Unit	Quantity	Cost						Own Fund	Others
						Total cost *	GO B (FE)	PA		DP A			
								Throug GO B	Spe cial Accoun t				
1	2	3	4	5	6	7	8	9	10	11	12		
7	32571	3257101	Monitoring & supervision of water supply and sanitation schemes including review and update of existing drawing & design, SIA & EIA and establishment of ICT monitoring system.	LS	LS					-	-	-	
8	32571	3257101	Project Management Support Consultancies	PM	389					-	-	-	
9	32581	3258115	Operation of maintainance of mobile water treatment plant and water supply & sanitation activities.	LS	LS					-	-	-	
10	32211	3221105	Resettlement Assistance	-	-					-	-	-	
11	32211 & 32571	3221101 & 3257101	Feasibility study for fecal sludge & solid waste management system and Third party auditing.	LS	LS					-	-	-	
12	32211	3221105	Water quality monitoring and surveillance	LS	LS					-	-	-	
	Sub-Total (Revenue Component):									-	-	-	
	(b) Capital Component :												
13	41114	4111401	Land Development	LS	LS					-	-	-	
14	41113	4111308	Test Tube-well	No.	28					-	-	-	
15	41113	4111309	Mini piped water supply schemes including O & M	No.	28					-	-	-	
16	41113	4111309	Construction of community latrine including O & M	No.	70					-	-	-	
17	41113	4111308	Installation of Water options (point source)	No.	400					-	-	-	
18	41113	4111308	Installation of Rain Water Harvesting System	-	-					-	-	-	

Sl. No.	Economic code	Economic Sub-code	Economic Sub-code wise component Description	Latest Approved DPP									
				Unit	Quantity	Cost						Own Fund	Others
						Total cost *	GO B (FE)	PA		DP A			
								Through GO B	Special Account				
1	2	3	4	5	6	7	8	9	10	11	12		
19	41113	4111309	Construction of latrine with composting biogas plant including O & M	No.	30					-	-	-	
20	41113	4111309	Supply, Installation and O & M of fecal sludge and solid waste management system.	LS	LS					-	-	-	
21	41113	4111309	Drainage installation and Improvements	-	-					-	-	-	
22	41113	4111309	Installation of household toilet including renovation of existing toilets	No.	3000					-	-	-	
23	41113	4111309	Installation of household Bio-fill toilet	No.	500					-	-	-	
24	41113	4111317	Camp office	LS	LS					-	-	-	
25	41113	4111317	Surface water reservoir, treatment and distribution	-	-					-	-	-	
26	41113	4111317	Renovation and extension of PMU, RPMU, DPHE field level offices and Truck shade	LS	LS					-	-	-	
27	41113	4111317	WASH training facility construction at Cox's Bazar	-	-					-	-	-	
28	41121	4112101	Truck mounted for water carrier with O & M	No.	5					-	-	-	
29	41121	4112101	Vacutug with O & M	No.	6					-	-	-	
30	41121	4112101	Mini Covered Van with O & M	No.	3					-	-	-	
31	41123	4112316	Test Kit	LS	LS					-	-	-	
32	41121	4112101	Truck based mobile water treatment plant with O & M	No.	4					-	-	-	
33	41123	4112306	Equipment for Cox's Bazar Zonal Laboratory and other laboratories of DPHE	LS	LS					-	-	-	
34	41113- 41123	4111301- 4112317	Miscellaneous for immediate support	LS	LS					-	-	-	

Sl. No.	Economic code	Economic Sub-code	Economic Sub-code wise component Description	Latest Approved DPP									
				Unit	Quantity	Cost						Own Fund	Others
						Total cost *	GO B (FE)	PA		DP A			
								Through GO B	Special Account				
1	2	3	4	5	6	7	8	9	10	11	12		
35	41122	4112202	Computer with printer and Scanner including Laptop and Photocopier	No.	25					-	-	-	
36	41133	4113301	Accounting software for PMU	No.	1					-	-	-	
37	41123	4112303	Air Conditioner for PMU and RPMU	No.	6					-	-	-	
38	41123	4112314	Furniture & Fixtures for PMU and RPMU	LS	LS					-	-	-	
39	41113 & 41123	4111301-4112317	Contingency for emergency response	LS	LS					-	-	-	
	Sub-Total (Capital Component):									-	-	-	
	(c) Physical Contingency(1%)									-	-	-	
	(d) Price Contingency (1%)									-	-	-	
	Grand Total (a+b+c+d):									-	-	-	

Data Source: Project Cost by Category as per Project Appraisal Document (PAD) [Exp. EMCRP, DPHE]

PROJECT COMPONENTS	Type	Estimated Total Cost (US\$ in Million)	Amount (BDT Million)	% of total Cost	Estimated IDA Financing (Tk in Million)	Estimated IDA Financing (US\$ in Million)	Government financing (TK Million)	Government financing (US\$ Million)
COMPONENT 1 - POLICY ADVISORY SUPPORT AND CAPACITY STRENGTHENING								
1.1	Capacity building, training, workshop, seminar and foreign training etc.							
1.2	Training on O&M for caretaker, awareness program on sanitation, hygiene promotion and BCC campaign etc.							
1.3	Water quality monitoring and surveillance including test kit purchase							
1.4	Physical contingencies							
1.5	Price contingencies							
COMPONENT 2 - INVESTMENT FOR WATER SUPPLY AND SANITATION INFRASTRUCTURE								
2.1	Land Development							
2.2	Test Tube-well							
2.3	Mini piped water supply schemes including O & M							
2.4	Construction of community latrine including O & M							
2.5	Installation of Water options (point source)							
2.6	Construction of latrine with composting biogas plant including O & M							

PROJECT COMPONENTS	Type	Estimated Total Cost (US\$ in Million)	Amount (BDT Million)	% of total Cost	Estimated IDA Financing (Tk in Million)	Estimated IDA Financing (US\$ in Million)	Government financing (TK Million)	Government financing (US\$ Million)
2.7	Works	Supply, Installation and O & M of fecal sludge and solid waste management system.						
2.8	Works	Installation of household toilet including renovation of existing toilets						
2.9	Works	Installation of household Bio-fill toilet						
2.10	Goods	Truck mounted for water carrier with O & M						
2.11	Works	Camp office						
2.12	Goods	Truck based mobile water treatment plant						
2.13	Goods/works	Miscellaneous for immediate support						
2.14	Goods	Equipment for Cox's Bazar Zonal Laboratory						
2.15		Physical contingencies						
2.16		Price contingencies						
COMPONENT 3- PROJECT IMPLEMENTATION AND MANAGEMENT SUPPORT								
3.1	Goods	Setting up of PMU at DPHE (including office equipment, project vehicles, softwares)						

PROJECT COMPONENTS	Type	Estimated Total Cost (US\$ in Million)	Amount (BDT Million)	% of total Cost	Estimated IDA Financing (Tk in Million)	Estimated IDA Financing (US\$ in Million)	Government financing (TK Million)	Government financing (US\$ Million)
3.2	Project Management Support Consultancies							
3.3	Monitoring & supervision of water supply and sanitation schemes including review and update of existing drawing & design, SIA & EIA and establishment of ICT monitoring system.							
3.4	Feasibility study for fecal sludge & solid waste management system and Third party auditing.							
3.5	Operations Costs Support (including PMU operational costs)							
3.6	Vehicle Rental							
3.7	Support staff/Manpower for PMU and RPMU (outsourcing)							
3.8	PMU Staff salaries and allowance (100% GOB contribution)							
3.9	Renovation & extension of PMU, RPO office and truck shade							
3.10	Physical contingencies							
3.11	Price contingencies							
PROJECT TOTAL								

Day 2

Session 9: Title: Review budget execution process with special reference of iBAS++

Session Objective	To have idea about the budget as a systematic plan. The session also provides an understanding about the budgetary control, Periodical comparison of actual performance with budgetary performance and Revision of budgets in the light of changed circumstances.
Content	Participant will have idea about the budget as a systematic financial plan. The session also provides an understanding about the budgetary control, periodical comparison of actual performance with budgetary allocation and re-visioning process of budgets in the light of EC modality.
Method	A subject matter specialist will facilitate the session. Lecture on EMCRP and DPHE projects, experience and examples, Overhead presentations as well as individual and group discussions of actual casework analysis, speech open floor, Practical exercise (individual/group).
Materials	Multi-media, Power Point Presentation, Poster Paper, Marker Pen, Hand-out
Impact and output	Participants will understand about the budget review and execution process with special reference of iBAS++. Participant will have idea about the budget as a systematic financial plan. The session also provides an understanding about the budgetary control, periodical comparison of actual performance with budgetary allocation and re-visioning process of budgets in the light of EC modality.
Time	One hour

As per discussion with the ‘World Bank iBAS++ team’ on February 19, 2020, following findings and observations on that presentation was to introduce iBAS++ at EMCRP. The key information is furnished below:

1. Emergency Multi-Sector Rohingya Crisis Response Project (EMCRP) is an ‘Emergency nature project’ implementing at Cox’s Bazar District, Bangladesh. The project has three different implementing agencies namely MOD, LGED and DPHE. As per ‘Financial Agreement’ with different entity the disbursement categories are not same. In Bangladesh, World Bank funded different project ‘disbursement categories’ are not same. The ‘disbursement category’ varies from one ministry to others based upon the project nature, norms and mandate of that implementing agency. It is come to our concern that World Bank intends to introduce iBAS++ at EMCRP considering pilot project implementation. ***The World Bank needed to fix up disbursements categories’ for all 3 different entities under the project.***

2. iBAS++ use ‘Economic code wise Head’ but World Bank disbursement categories’ and DPP head is different. ***So introducing iBAS++ need to customize for each project separately.***

3. Emergency Multi-Sector Rohingya Crisis response project (DPHE-part) is an emergency project dedicated for ‘Forcedly Displaced Myanmar Nationals (FDMN)’. ***If iBAS++ piloting introduce in implementation of EMCRP, then the project personnel needed to pay a special attention/concentration on this issue then the attainment of ‘Project Development Objectives (PDO)’ of EMCRP may be badly hampered.***

4. EMCRP (DPHE part) Maintain Separate Bank Account at Sonali Bank Ltd, Kakrail Branch as per financing Agreement with World Bank. Bangladesh Bank representatives reply to the World Bank iBAS++ team. ***It is not possible EFT through Bangladesh Bank because fund is not available our account.***

4. World Bank iBAS++ payment procedure:

- Project Implementing unit (PIU) Workflow:
- Level 0/1: Accounts Officer - budget check & forwarding of bill
- Level 2: Project Finance Manager pass the bill with digital signature for online submission to CAO
- Level 3: The PD (DDO) as the signatory to the DA issues EFT with encryption and digital signature.

The mentioned payment procedure under iBAS++ is time consuming that may interrupt the smooth and steady EMCRP project progress.

6. EMCRP (DPHE part) project progress is 1st priority, we maintain three software based accounting systems (iBAS++ , PMIS Software & Accounting Software tally). We prepare various reports through MS Excel, but our project has only two finance employee designated as ‘Financial Management Consultant (FMC) salaried from project fund the other one is designated as ‘Assistant Accountant’ deputed from GOB. So it is not possible for us to start piloting another iBAS++ software. So, *introducing iBAS++ will impose another extra load on these 2 Finance Personnel additionally.*

Considering the above logical phenomenon, we hereby want to draw your rational consideration for not to introduce iBAS++ on a complex and emergency nature project like ‘EMCRP’.

For details on iBAS++ please refer separate file.

https://drive.google.com/file/d/1uOtx9FGpJW634LDop4Fg7N7gm0C4rdAI/view?usp=drive_link

Session 10: Title: Financial Management for Foreign Aided Project in Public Sector

Session Objective	Major objectives and outcome/Impact of this session will help the participants, realizing the importance of Financial Management System for Foreign Aided Project in Public Sector. Among others, this will include, reliability and comprehensiveness of financial reporting (IUFRR), entity financial position for relevant financial year and other financial operating information.
Content	The TC and DPHE Resource Persons will provide presentation on preparation of Cash Trial Balance/ Receipts & Payment A/C, Statement of Expenditures (SOE) as per DPHE and EMCRP requirements. Testing the accuracy of postings and also to determine the amount of fund received and disbursed. Internal audit and External audit. Requirement and process of the Financial Reporting (IFUR) of the EMCRP /WB as an integrated tool to generate the Quarterly/Six-monthly Statement of Expenditures (SOE) as per WB template and approved budget of each Project. Learn the techniques, preparing SOE for DPHE/EMCRP as per compliance of donor requirements. Cash Flow Statement and Fund Flow Statement.
Method	Lecture with DPHE/EMCRP experience and examples, Overhead and Multi-media Presentation, Individual and group discussions of actual casework, Q/A
Materials	Multi-media, Power Point Presentation, Poster Paper, Marker Pen, Hand-out
Impact and output	Participant will be able to gather knowledge on Financial Management for Foreign Aided Project in Public Sector. This session will help the participants, realizing the importance of Financial Management System for Foreign Aided Project in Public Sector. Among others, this will include, reliability and comprehensiveness of financial reporting (uFMS), entity financial position for relevant financial year and other financial operating information.
Time	One hour

Provisions of Financing Agreement

- Initial Advance (% of the total loan amount)
- Category –1 (consultancy) (percentage of exp.)
- Category –2 (good) (percentage of exp.)
- Category –3 (civil work) (percentage of exp.)
- Category –4 (unallocated) (percentage of exp.)

Project Appraisal Document

- A) year-wise expected Disbursement
- B) component-wise project cost financing

Project Cost Table

Component-1

Policy Advisory Support and Capacity Strengthening

Project Appraisal Documents

- Project Supervision consultant

Component-2

Investment For Water Supply and Sanitation Infrastructure

- Land Development
- Test Tube-well

Component-C

Project Implementation and Management Support

- Setting up of PMU at DPHE (including office equipment, project vehicles, softwares)
- Project Management Support Consultancies
- Monitoring & supervision of water supply and sanitation schemes including review and update of existing drawing & design, SIA & EIA and establishment of ICT monitoring system.....

Project Financial Management Arrangement

- FM Risk
- FM Responsibilities
- Fund Flow and disbursement Arrangements
- Reporting and monitoring
- Internal Audit
- External Audit
- Audit observation and reply
- Project audit committee
- Supervision plan

Prior or Post Review Thresholds

- Works (ICB)
- Works (NCB)
- Consultant (ICB)
- Goods (ICB)
- Goods (NCB)
- Direct Contract (SSS)
- Goods/Works/Consultancy

Disbursement

- SOE Based Disbursement
- Forecast Based Disbursement
- Expenditure
- Withdrawal Application
- IUFR Report

Disbursement Guidelines/Disbursement Letter

- Disbursement Method
- Advance
- Reimbursement
- Direct Payment
- Replenishment
- Disbursement Closing Date/Disbursement Deadline date
- Disbursement closing date mentioned in loan agreement
- The disbursement dateline date is 4 months after the closing date specified in the loan agreement

Withdrawal of Financing Proceeds

- Signature of the authorized Signatories
- Application for initial advance (using Specified Form)
- Electronic delivery
- Minimum Value of application
- Advance
 - Type of Designated Account
 - Currency of designated account: BDT
 - Financing institutions at which the designated account.
 - Ceiling : BDT
 - Withdrawal application for direct payment
 - Request for reimbursement (SOE & Non SOE form)
 - Reimbursement
 - Excess Advance refund

Project Financial Statement 30 June, 2023

Figure in Lakh Taka

Resources	Notes	Cumulative prior period	Current Period	Cumulative Current period
Govt. of Bangladesh	1	927.31	5,960.15	
Loan from Development Partner	2			
Other resource	3			
Cash opening balance	4			
Total resources				
Expenditure and cash				
1. 4500 Pay of officers				
2. 4600 Pay of establishment				
3. 4700 Allowances				
4. 4800 Supply & services				
5. 4900 Repair & Maintenance				
6. 6800 Purchase of Asset				
7. 7000 Civil Works				
Total Expenditure:				
Cash Closing Balance:				
Imprest Account				
Designated Account (RPA) (CONTASA)				
Operating Account (GOB) (CDVAT)				
Total Expenditure and Cash				

Session 11: Title: Procedures for Income Tax, VAT and CD deduction at source, Collection and Deposits

Session Objective	To have proper understanding about the significance of Income Tax and VAT Rules and to know how to create TIN and BIN number for IT & VAT as well as calculation of IT, VAT and CD.
Content	Significance of Income Tax and VAT. To know how to create ID for IT & VAT as well as calculation of IT & VAT with Income Tax, VAT and CD deduction at source, Collection and Deposits
Method	Lecture with DPHE/EMCRP experience and examples, Overhead presentations as well as individual and group discussions of actual casework. Practical exercise
Materials	Multi-media, Power Point Presentation, Poster Paper, Marker Pen, Hand-out
Impact and output	Participant will have proper understanding about the significance of Income Tax and VAT Rules and to know how to create TIN and BIN number for IT & VAT as well as calculation of IT, VAT and CD.
Time	Thirty minutes

Basic Discussion on Income Tax

- **Characteristics of Tax:**
 - ✓ Compulsory payment to the Government
 - ✓ No expectation of any direct benefit
 - ✓ Non-penal payment
 - ✓ Prime source of revenue of the Government
 - ✓ Can be imposed only by the Government.

Income Tax: is a tax on income and not on anything else.
- **Characteristics of Income Tax:**
 - It is a direct tax
 - Regulated by the ITO 1984
 - Charged on total income of an income year of a person in an assessment year.
 - Tax Rate is determined by the Government through the Finance Act

Tax [Section 2(62)]

Tax means income tax payable under the ITO 1984/Rule 2023 and includes any additional tax, excess profit tax, penalty, interest, fee or other charges leviable or payable under the IT Ordinance 1984.

- ✓ Any additional tax [Employment of any foreign individual (not a Bangladeshi Citizen) without BIDA permission u/s-16B, Penalty - higher of 50% of Tax Payable of the employer having income from business or profession or Tk. 5 lac]
- ✓ Any Excess Profit Tax [Section 16C, for Bank Company, Showing Return Income exceeding 50% of its capital together with reserve, @ 15% of such excess profit]
- ✓ Any Penalty [Section: 123-133; 164-171; some other sections]
- ✓ Any Interest [Section-57, 70, 151, etc.]
- ✓ Any Fee [Appeal Fees, Certified Copies Fees, etc.]
- ✓ Other charges [say for ADR Facilitator's Fees] leviable or payable under the ITO, 1984

Advance Payment of Tax means payment of tax by an assessee during financial year.

Various Tax Rates and Surcharge

- ✓ Rate of tax varies according to classes of assessees, sources, natures, place of business, etc.
- ✓ Minimum Tax
- ✓ Maximum Rate
- ✓ Final Tax
- ✓ Regular Tax

- ✓ Advance Tax
- ✓ Tax at Source
- ✓ Exemption or Rebate of Rate
- ✓ Holiday
- ✓ Reduced Rate
- ✓ Surcharge

Regular Tax Rate means the rate of tax that would be applicable if the tax exemption or the reduced rate were not granted [Section - 82BB (13)(c)]

Person [Section 2(46)] includes an individual, a firm, an association of persons (AOP), a Hindu undivided family (HUF), a Trust, a Fund, a local authority, a company, an entity, and every other artificial juridical person.

Person with Disability [Section 2(46A)] means an individual registered as such U/S-31 of প্রতিবন্ধী ব্যক্তির অধিকার ও সুরক্ষা আইন, 2013.

Assessee [Section 2(7)] means-

A person who is liable to pay any tax or any other sum of money under the Income Tax Ordinance 1984 / ITR 2023 and includes persons –

- In respect of whom any proceeding has been taken for the assessment of his income or the income of any other person [say for successor] in respect of which he is assessable or the amount of refund due[payment is higher than assessed tax] to him or to such other person;
- who is required to file a return u/s 75, 89 or 91;
- who desires to be assessed and submits his return of income;
- who is liable to pay minimum tax;
- Who is deemed to be an assessee;
- Who is an assessee in default [say for authority fails to deduct tax at source].

"Assessment [Section 2(8)] includes re-assessment and additional or further assessment.

Income [Section 2(34)]:

The definition is not exhaustive (in depth). Income includes-

- Any income, receipts, profits or gains chargeable to tax u/s 20 of the ITO, 1984.
- Any amount which is subject to collection or deduction of tax at source under any provision of the ITO, 1984.
- Any loss of such income, profits or gains [loss not arise in some sources, like-Salary, Int., OI]
- The profits and gains of any insurance business computed in accordance with paragraph 8 of the 4th Schedule.
- Any deemed income [Section-19]
- Any income accruing/arising/received or deemed to accrue/arise/be received in Bangladesh [Section-18]
- Any amount on which a tax is imposed.
- Any amount which is treated as income under any provision of the ITO, 1984.

Total Income [Section 2 (65)] means the total amount of income referred to in section 17 computed in the manner laid down in the ITO, 1984 and includes any income which is to be included in the total income of an assessee under any provision of the ordinance.[World Income]

Characteristics of Income:

Periodic Return (Certainty, Recurring)

Received from 3rd Party

Definite Source

Revenue Receipts (Not a Capital Receipts, different treatment for taxation)

No relation with legality (may be illegal but be taxed)

Income in kind or in form of perquisite

Received or accrued

- Real (not fictitious)

Tax Escaping Income (Section-93): means income escaped payment of tax (full/part) by way of –

- Escaping assessment
- Understatement of income
- Showing excessive loss, deduction, allowances or relief in the return
- Concealment or misreporting of any income, asset, expenditure, etc.
- Under assessment of income
- Income assessed at a lower rate than due rate
- Income subject to tax made subject to tax exemption
- Income determined subtracting excessive relief, excessive loss, excessive depreciation allowance or other allowances in excess than allowable
- Payable tax or another amount paid lower than due amount

Income from Regular Sources means income generated from any sources except for sources u/s-82C(2). **Income Year [Section 2(35)]:** means financial year immediately preceding the assessment year and includes [Substituted by Finance Act – 2020]

The period:

- Beginning with the date of setting up of a business and ending with the 30th day of June following setting up.
- Beginning with the date of arising a new source of income and ending with the 30th day of June following the source comes into existence.
- Beginning with the 1st day of July and ending with the date of discontinuance / dissolution /liquidation of business/ unincorporated body/ company as the case may be
- Beginning with the 1st day of July and ending with the date of retirement or death of a participant of the unincorporated body.
- For Bank, Insurance and Financial Institute, 12 months period commencing from the 1st day of January of the relevant year
- Period of Parent and subsidiary may be same or different
- Other cases, 12 months period commencing from the 1st day of July of the relevant year

Deduction at source Tax:

The whole meaning of TDS is Tax Deduction at Source which means any one have to pay tax at a specific rate at source. This is the Government order. According to Bangladesh tax law, you must pay 15% VAT and 10% TDS on fees and professional charges or similar any source. In case of the supply of any goods, execution of contract, must first deduct the VAT and then pay TDS

Collection Tax:

The Securities and Exchange Commission or Stock Exchange, as the case may be, at the time of transfer or declaration of transfer or according consent to transfer of securities or mutual fund units of a sponsor shareholder or director or placement holder of a company or sponsor or placement holder of a mutual fund listed with a Stock Exchange shall collect tax at the rate of five per cent on the difference between transfer value and cost of acquisition of the securities or mutual fund units.

Explanation.- For the purpose of this section-

(1) 'transfer' includes transfer under a gift, request, will or an irrevocable trust;

(2) 'transfer value' of a security or a mutual fund unit shall be deemed to be the closing price of securities or mutual fund units prevailing on the day of consent accorded by the Securities and Exchange Commission or the Stock Exchange, as the case may be, or where such securities or mutual fund units were not traded on the day such consent was accorded, the closing price of the day when such securities or mutual fund units were last traded.]

Deposits Tax:

Not with standing anything contained in this Ordinance or any other law for the time being in force in respect of exemption of tax, any person responsible for paying to a resident any sum by way of interest or share of profit on any saving deposits or fixed deposits or any term deposit maintained with any bank including a co-operative bank or any bank run on Islamic principles or non-banking financial institution or any leasing company or housing finance company, as the case may be, shall deduct, at the time of credit of such interest or share of profit to the account of the payee or at the time of payment thereof, whichever is earlier, income tax on such sum at the rate provided in the following table-

Table

Sl. No.	Types of the payee	Rate
1.	Where the payee is a company	20%
2.	Where the payee is a person other than a company	10%
3.	Where the payee is a public university, or an educational institution whose teachers are enlisted for Monthly Pay Order (MPO), following the curriculum approved by the Government and whose governing body is also formed as per Government rules or regulations, or any professional institute established under any law and run by professional body of Chartered Accountants, Cost and Management Accountants or Chartered Secretaries	10%
4.	Where the payee is recognized provident fund, approved gratuity fund, approved superannuation fund or pension fund	5%

- (2) Where the payee being a person required to submit return under section 75 fails to furnish proof of submission of return, the rate of deduction shall be 50% higher.
- (3) For the purpose of sub-section (2), the proof of submission of return of parent shall be considered as the proof of submission of return of a minor.
- (4) Nothing contained in this section shall apply-
 - (a) to interest or share of profit arising out of any deposit pension scheme sponsored by the Government or by a Bank with prior approval of the Government; or
 - (b) to such payee or class of payees as the Board may, by a general or special order, specify that income of such payee or class of payee is otherwise exempted from tax.]

Deduction at source VAT:

In Bangladesh, the standard VAT rate is 15% on fees and professional services. Once the VAT rate has been determined, the next step is calculating the VAT amount that should be deducted from the source. This is calculated by multiplying the value of the taxable supply by the applicable VAT rate.

Collection VAT:

Revenue collection is becoming increasingly dependent on the value-added tax (VAT). According to provisional data from the National Board of Revenue (NBR), the collection of VAT increasing year by year.

Deposits VAT:

If an advance or down payment is made in respect of a supply of goods or services then the normal tax point rules apply. The business must account for output VAT (as applicable) on the deposit on the earlier of issuing a VAT invoice and receiving the payment.

Session 12: Title: Review the roles of DPHE/EMCRP, DDO, Departmental accounts, pay bill, advance and arrear bill.

Session Objective	Provide presentation on the role of DPHE/ EMCRP, DDO, Departmental accounts, pay bill, advance and arrear bill. Resource person also deliver speech on WB and PPR procurement modality, applicable for EMCRP. Participants will also understand the functions of store ledger, procedure of maintaining store ledger. This will help to understand the impact and benefits of maintaining different kinds of departmental accounts, pay bills, advance and arrear bills.
Content	The TC and DPHE resource person will provide presentation on rules of DDO, Departmental accounts, pay bill, advance and arrear bill. Among others, submission of bill copies with signed contracts, contracts progress information sheets, Consultants certification, Certificate of site hand over to the contractor, BOQ, MB, work order, test reports, Insurance Copy, Challan (Laboratory, Roller rent, others), Time extension, Variatin Order approval, revised contract documents, etc
Method	Lecture with DPHE/EMCRP experience and examples, Multi-media Presentation, Group Discussion, Q/A. Overhead presentations as well as individual and group discussions of actual casework.
Materials	Multi-media, Power Point Presentation, Poster Paper, Marker Pen, Hand-out
Impact and output	The participants will understand about the roles of DDOs, regarding accounts, pay bills expenditures, advantage and adjustment, reimbursement process of expenditures.
Time	Thirty minutes

The key terminology of EMCRP (as abstracted from Project Appraisal Document of EMCRP:

Procurement process: All goods, works, non-consulting services and consulting services under the project will be procured in accordance with the requirements set forth or referred to in the World Bank Procurement Regulations. Retroactive financing would be provided for eligible payments under contracts implemented by DPHE. For the purposes of retroactive financing, the cut-off date is determined with respect to payment and not incurrence of expenditures. Such contracts will be eligible for Bank’s financing if the procurement procedures, including advertising, shall be found to have been consistent with Sections I, II and III of the Procurement Regulations.

Procurement risk of the project will assess, mainly due to multiple number of procurement packages, capacity constraint of the implementing agencies for contract management, delay in procurement process etc. Some of the key risk mitigation measures that will be put in place are: (i) recruiting local procurement consultants by the implementing agencies to conduct/support procurement activities under the project; (ii) using the national electronic governmentm procurement (e-GP) system for procurement of goods and services following national competitive procurement methods; (iii) training relevant project officials on procurement, contract management, and fiduciary due-diligence considering applicable Bank’s regulations and procedures; (iv) forming, in concurrence with the Bank, the bid/proposal evaluation committees (BEC/PEC) for the project’s procurement activities; (v) using Systematic Tracking of Exchanges in Procurement (STEP) system of the Bank to manage and monitor procurement activities against agreed time-line; (vi) engaging supervision consultants to supervise implementation of civil works; and (vii) preparing a Project Procurement Strategy for Development (PPSD) by the Implementing Agencies, in agreement with the Bank, taking into account the nature of the procurement activity, capacity of the procuring organization, prevailing marketn conditions, activity level risks etc. The PPSD document will spell out the detailed procurement arrangements (e.g.,

procurement packaging strategy, method, bid evaluation methodology o the major packages, timeline for the procurement activities, contracting arrangement etc.) for the Project including the detailed risk mitigation measures. Due to the situation of urgent need and capacity constraint the World Bank will assist the implementing agencies to prepare a simplified PPSD along with the procurement plan to be completed during project implementation.

In accordance with paragraph 5.3 of the World Bank Procurement Regulations, when approaching the national market, as agreed in the Procurement Plan, the country's own procurement procedures may be used. These procurement procedures shall be consistent with the Bank's Core Procurement Principles and ensure that the Bank's Anti-Corruption Guidelines and Sanctions Framework and contractual remedies set out in its Legal Agreement apply. When the Borrower uses its own national open competitive procurement arrangements as set forth in the Public Procurement Act 2006 and the Public Procurement Rules 2008, such arrangements shall be subject to paragraph 5.4 of the Procurement Regulations and the following conditions:

(i) lottery in award of contracts shall not be allowed, (ii) bidders' qualification[s]/experience requirement[s] shall be mandatory, (iii) bids shall not be rejected based on percentage above Emergency Multi-Sector Rohingya Crisis Response Project Additional Financing or below the estimated cost, (iv) Model Bidding Documents agreed with the Bank shall be used for all national open competitive procurement, (v) the eligibility of bidders shall be as defined under Section III of the Procurement Regulations. Accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Bank for reasons other than those provided in Section III of the Procurement Regulations, (vi) the request for bids/request for proposals document shall require that Bidders/Proposers submitting Bids/Proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the Bank's Anti-Corruption Guidelines, including without limitation the Bank's right to sanction and the Bank's inspection and audit rights, and (vii) Procurement Documents include provisions, as agreed with the Bank, intended to adequately mitigate against environmental, social (including sexual exploitation and abuse and genderbased violence), health and safety ("ESHS") risks and impacts.

When the Borrower uses other national procurement arrangements (other than national open competitive procurement), such arrangements shall be subject to paragraph 5.5 of the Procurement Regulations.

Bill payment procedure:

Submission of the Signed contract document copy as per attached sample 'A' attested.

- 1. ১ম চলতি বিল দাখিলের ক্ষেত্রে: (ফটোকপির ক্ষেত্রে Attested করে দিতে হবে।)
 - Contract progress information sheet (as per attached sample 'B')
 - Consultant representative's certificate (as per attached sample 'C')
 - Certificate of site handover to the contractor (as per attached sample 'E')
 - SWP form (2 copies original)
 - Bill copy (white color 2 copies original)
 - BOQ (photocopy attested)
 - Measurement book & site order book (photocopy to be attested by concerned UE or AE)
 - Invitation for bid (IFB) Gi paper cutting (একটি বাংলা এবং একটি ইংরেজী দৈনিক পত্রীকার নাম ও প্রকাশের তারিখসহ)
 - Work order/latter of proceed(photocopy attested)
 - Test report (photocopy attested)
 - Insurance copy
 - Challan (Laboratory, Roller rent & others)

Time extension approval letter (as per attested sample 'D')

Variation order approval letter (Photocopy attested)

Revised contract documents (photocopy attested)

অন্তর্বর্তীকালীন যেমন ২য়, ৩য়, ৪র্থ ৫ম....চলতি বিলের ক্ষেত্রেঃ (ফটোকপির ক্ষেত্রে Attested করে দিতে হবে।)

- Contract progress information sheet (as per attached sample 'B')
- Consultant representative's certificate (as per attached sample 'C')
- SWP form (2 copies original)
- Bill copy (White color 2 copies original)
- Measurement book & site order book (photocopy attested by concerned UE or AE)
- Test report (photocopy attested)
- Challan (Laboratory, Roller rent & others)

8. চূরান্ত বিলের ক্ষেত্রেঃ

- Contract progress information sheet (as per attached sample 'B')
- Consultant representative's certificate (as per attached sample 'C')
- Completion certificate of works (as per attached sample 'F')
- SWP form (2 copies original)
- Bill copy (Yellow color 2 copies original)
- Measurement book & site order book (photocopy attested by concerned UE or AE)
- Test report (photocopy attested)
- Challan (Laboratory, Roller rent & others)
- Certificate of site handover after completion by the contractor (as per attached sample 'G')
- Contract Gi কাজ শেষ হওয়ার পর পূর্ত কাজের signboard, Environmental signboard, Hot mixed plant, Equipments সহ stack yard | রাস্তা/ঘাট/ বাজারের পূর্তকাজ শুরু পূর্বের ও পরের ছবি দিতে হবে।

ইহা ছাড়াও প্রতিটি বিলের ক্ষেত্রে অফিস নথিতে উপরুক্ত দলিলটি ছাড়াও নম্নোক্ত তথ্য টি সংবরণ করতে হবে।

- Rough bill
- Thickness chart
- Temperature chart
- Materials approval form

Submission of Formal Contract Copy as per below attached sample Format:

SAMPLE- A

Government of the people's Republic of Bangladesh
Local Government Engineering Department
Second Rural Transport Improvement Project (EMCRP)
(IDA Credit/Grant No.....-BD)

1. Name of District : Cox's Bazar

Details of Contract Agreement for package No : Cox's Bazar/UNR-77

SL. No.	Details of work under the package
(a)	Rampura Bazar Kalachow road via Maramura-Parapura High School- Tarapalla road
(b)	Arpue Majar gate Kalachow road via Mohammadpur road
Content	(1) The Signed Contract Agreement for Tk
	(2) The Notification Award
	(3) The Completed Tender Submission Sheet
	(4) The priced Bill of Quantities as submitted by tenderer
	(5) The Particular Conditions of Contract
	(6) The General Condition of Contract
	(7) The Particular and General Specifications
	(8) Drawings
	(9) Work Program
	(10) Key Personnal (ITT 14, La, b and c)
	(11) Performance Security

SAMPLE-B
Contract Progress Information Sheet (CPIS)

Name of District : _____

1. Nam of Work:
2. Contract Package No:
3. Contractor's Name & Address:
4. Contractor's Bank Account No:

Name of Bank:

Name of Brunch & Address:

5. Physical Target :

6. Original Contract Cost: Tk. _____ 7. Revised Contract Cost: Tk _____

8. Original Completion Date: 9. Revised Completion Date:

10. Bill No & Date:

11. Amount of this Bill: Tk _____ 12. Cumulative Amount upto this Bill: Tk

13. Physical Progress in %:

14. Account number of Contractor/JV:

Name of Bank

Name of Branch & Address

Prepared By: Upazila Engineer

Signature:

Signature

Name:

AE/Sr. AE, EMPCR

XEN

Designation

Name:

Name:

Date:

Date:

Date:

2.2 Original bill copy (not photocopy)

2.3 Measurement Book & site Order book (photocopy to be attested by
concerned UE or AE)

2.4 Invitation for Bid (IFB) Paper Cutting (একটি বাংলা এবং একটি ইংরেজী
দৈনিক পত্রিকার নাম ও প্রকাশের তারিখ সহ)

**Consultant Representative's Certificate
(as per attached sample format below)**

**SAMPLE-C
(Full address & details in the heading as in sample A above)**

CERTIFICATION FOR WORK PERFORMED

This is to certify that the work mentioned above has been performed satisfactory as per approved Design, Drawing and specifications. The measurement recorded in the MB have been verified and found correct. Therefore the RA/final Bill No. in the amount of Taka. is recommended for payment.

Signature :
Name :
Designation :
Date :

SAMPLE-D
(Full address & details in the heading as in sample A)

APPLICATION FOR EXTENSION OF TIME BEYOND THE ORIGINAL INTENDED COMPLETION DATE

1	Name of District		
2	Name of Work		
3	Contract Package No		
4	Contract Amount		
5	Contractors Name & address		
6	Signing date of Contract		
7	Nos. of days allowed for completion of work (as shown in the invitation of tender (IFT) a) Commencement Date b) Indented Completion		
8	Site handover date		
9	Present physical Progress (in %) as of this application		
10	Physical progress (in%) yet to be completed		
11	Intended additional days for completion of work a) Revised intended completion Date		
12	Reasons for Extension of time (Please justify the reasons) Signature of contractor With seal & date		
13	Comments and recommendations of the site engineer's /Consultants a) Present Physical progress of work (in quantity) b) Present physical progress of work (in %) c) Specific comments on para 13 with Justification Signature with Seal & date		
14	(a) Comments / Recommendations of the Upazila Engineer: (b) Comments / Recommendations of Sr. AE/AE (EMCRP): (c) Comments / Recommendations of the EMPCR:		Signature with Seal & Date: Signature with Seal & Date: Signature with Seal & Date:

STATEMENT OF WORKS PERFORMED (SWP)

Name of Contractor.....
Contract Package No.....
Address.....
Slice No.....
Contract Date :.....
Description of works and Location:
.....

Part-A

Statement of Works performed (SWP)

(To be completed by or on behalf of the contractor)

Based on R/A Bill No..... Reporting period formto.....

1. Original Value of Contact (01) Tk.....
Amendment Ref:
Dated:..... Amount (02) Tk.....
New Total Amount (01 ± 02) Tk.....

2. Amount perviously billed :
up to R/A bill No..... (T1) Tk.
3. Bill amount up to This bill (T2) Tk.

- Total Amount to be paid Now Tk.
(T2 – T1)

Signed by:
(Contractor / Representative)
Date:

Part-B

CERTIFICATION AND PAYMENT

(to be completed by the Executive Engineer /Upazila Engineer)

1. Thsi is to certify that the work has been completed as per design and specification.
2. Approved for payment of Tk. as gross amount.

.....
Upazila Engineer Assistant Resident Engineer Executive Engineer Team Leader

Approved for payment Tk.
.....
Project Director

Part-C

CERTIFICATION FOR RECEIPT OF PAYMENT

(to be completed by the contractor or his Representative)

I have certify that for the works described above I have received payment in full of Tk.
..... (in word)

Signed by:
(Contractor / Representative – Dated)

Session 13: Title: Review and discussion on Government core financial rules and regulation, general financial rules, treasury rules and subsidiary rules.

Session Objective	In the session resource person will provide presentation on Government core financial rules and regulation general financial rules, treasury rules and subsidiary rules. Advance & Adjustment System, Salary Payment Procedures; Procurement and Store Management System. This will cover the internal control and internal check-system, relates to book-keeping and accounting practice. This will help to understand the impact and benefits of maintaining different kinds of registers and to know the different kinds of registers required for book keeping and accounting.
Content	Resource person will deliver speech on Government core financial rules and regulation general financial rules, treasury rules and subsidiary rules. Advance & Adjustment System, Salary Payment Procedures; Procurement and Store Management System. Also, discussion will be held on WB and PPR procurement modality, applicable for EMCPR. Participant will understand the functions of store ledger, procedure of maintaining store ledger.
Method	Multi-media and Overhead Presentation, Group Discussion, Q/A, Lecture with DPHE/ EMCPR experience and examples, Individual and group discussions of actual casework.
Materials	Multi-media, Power Point Presentation, Poster Paper, Marker Pen, Hand-out
Impact and output	Participants will gather a clear knowledge on government financial rules, regulations and other subsidiary rules enabling to manage financial transaction as per compliance.
Time	Thirty minutes

Session 14: Title: Discussion and review on delegation of financial power, operational and development, TA/DA Rules (Local and Foreign)

Session Objective	In the session TC and DPHC resource persons will make discussion on the delegation of financial power, operational and development, TA/DA Rules (Local and Foreign). Resource person will also deliver speech on the threshold limit of DDOs on the delegation of financial power, operational and development, TA/DA Rules, applicable for DPHE/EMCRP.
Content	Make discussion and review on the delegation of financial power, operational and development, Authority Matrix of Government Officials, Category of Expenditures, TA/DA Rules (Local and Foreign).
Method	Multi-media Presentation, Group Discussion, Q/A, Lecture with DPHE/EMCRP experience and examples, Overhead presentations as well as individual and group discussions of actual case work.
Materials	Multi-media, Power Point Presentation, Poster Paper, Marker Pen, Hand-out
Impact and output	At the end of the session the participant will understand about the delegation of financial power operational and development procedure, authority matrix of drawing and disbursement officers/ Project Directors. Category of expenditures to incurred as per procedure etc.
Time	Thirty minutes

Session 15: Title: Review reforms automation in Government accounting, EFT, automated challan, online LPC, MICR cheque, centralized fund and deposits.

Session Objective	In the session resource person will review and briefed on reforms automation in Government accounting, EFT, automated challan, online LPC, MICR cheque, centralized fund and deposits
Content	Introduction, purpose, scope, application modules, setup modules (Donor, Project type, Project, Bank, office, project user, authorization), chart of accounts. (Components minor heads, Component sub minor heads, Project Donor, Bank, Donor Components). (Donor fund, Bank Transfer, GOB fund received, PIO). Fund Release, Contract, Budget, Report, IFR Report (Source and Users Fund, Statement of Expenditures by component, Statement of Procurement and Contract Management). (Donors fund, claim and received reports, GoB fund received reports, SoE, Fund release to district).
Method	Multi-media Presentation, Group Discussion, Q/A, Lecture with DPHE/ EMCRRP experience and examples, Overhead presentations as well as individual and group discussions of actual casework.
Materials	Multi-media, Power Point Presentation, Poster Paper, Marker Pen, Hand-out.
Impact and output	The participants will understand the automation in government accounting standard, EFT automated challan, online LPC, MICR Cheque and others issue of automation noted in the content.
Time	Thirty minutes

Session 16: Title: Review current donor funded projects financial reporting system.

Session Objective	In the session resource person will review and briefed on current donor funded projects financial reporting system
Content	Introduction, purpose, scope Fund Release, Contract, Budget, Report, IFR Report (Source and Users Fund, Statement of Expenditures by component, Statement of Procurement and Contract Management). (Donors fund, claim and received reports, GoB fund received reports, SoE, Fund release to district). Statement of received and expenditure reports with opening and closing balance, budget variance report (budget minus expenditures). Preparation Bank reconciliation statement etc.
Method	Multi-media Presentation, Group Discussion, Q/A, Lecture with DPHE/ EMCRP experience and examples, Overhead presentations as well as individual and group discussions of actual casework.
Materials	Multi-media, Power Point Presentation, Poster Paper, Marker Pen, Hand-out
Impact and output	The participant will understand the donors funded project financial reporting system as per the contents noted above.
Time	Thirty minutes

Session 17: Review financial management and reporting system

Session Objective	In the session resource person will review and brief on the existing accounting, financial management and reporting system.
Content	Introduction on accounting, financial management and reporting system of EMCRP, DPHE and it's other projects.
Method	Multi-media Presentation, Group Discussion, Q/A, Lecture related with DPHE/ EMCRP experience and examples, Overhead presentations as well as individual and group discussions of actual casework.
Materials	Multi-media, Power Point Presentation, Poster Paper, Marker Pen, Hand-out
Impact and output	The participant will understand the on accounting, financial management and reporting system as per the contents noted above.
Time	Thirty minutes

Financial management & reporting system

Project Financial Management: Project financial management is a process which brings together planning, budgeting, accounting, financial reporting, internal control, auditing, procurement, disbursement and the physical performance of the project with the aim of managing project resources properly and achieving the project's development objectives.

The Need for Good Financial Management: Financial management, as broadly defined above, is essential for Bank-financed projects. It is more than an administrative and control process. Sound financial management is a critical ingredient of project success. Timely and relevant financial information provides a basis for better decisions, thus speeding the physical progress of the project and the availability of funds, and reducing delays and bottlenecks. This is why Bank policy and procedures require good financial management in World Bank-funded projects. Sound project financial management provides:

- essential information needed by those who manage, implement and supervise projects, including government oversight agencies and financing institutions;
- the comfort needed by the borrower country, lenders and donor community that funds have been used efficiently and for the purposes intended; and
- a deterrent to fraud and corruption, since it provides internal controls and the ability to quickly identify unusual occurrences and deviations.

Financial Management Arrangements: Before a project can be declared effective, the following key financial management arrangements must be in place for the project:

- Financial responsibilities defined
- Financial organizational structure decided and key financial staff recruited and trained
- Financial accounting and financial management systems, processes and procedures developed and made operational
- Funds flow arrangements defined
- Banking arrangements decided
- Financial Management Manual developed

Financial Management responsibilities: Financial management of a project is the responsibility of following bodies:

- Executing Agency
- Project Management Team.

Executing Agency : EMCRP, the Executing Agency (EA) have primary responsibility for ensuring that the project is implementing in accordance with project plans and that resources are used efficiently and effectively and only for project purposes. EA is accountable for all financial aspects of projects and must ensure there is compliance with all financial covenants and other obligations in the Loan/Credit and technical assistance agreements.

EMCRP specific responsibilities on FM affairs are:

- Establishing project management structures and staffing and ensuring financial staff are properly qualified and trained.
- Ensuring appropriate project bank accounts are established and signatories are maintained up-to-date.
- Maintaining proper financial accounting and management systems and procedures acceptable to the WB and line ministry.

- Implementing comprehensive and effective internal controls for project financial operations.
- Managing and safeguarding project assets.
- Preparing and submitting timely applications for withdrawal and replenishment of project funds.
- Monitoring financial performance of projects and timely decision making to address variances to plans/budgets.
- Ensuring compliance with the project financial reporting requirements.
- Monitoring audit results and ensuring appropriate response and actions are taken in relation to audit findings and recommendations.
- Contributing to the centralized information centre and the knowledge base on projects maintained by line ministry.

Project Financial Management Team: EMCRP is accountable for the financial management activities of project and also of ensuring compliance with all financial covenants and other obligations in the loan/credit and grant agreements. Specific responsibilities are:

- Managing and administering the financial affairs of the project.
- Ensuring compliance with the financial covenants of the project agreements and government and WB policies and procedures.
- Establishing and maintaining project budgets to support the mobilization of resources and as a management tool to support project management.
- Managing the project bank accounts and flow of funds.
- Establishing, maintaining and operating the project accounting and financial management systems and procedures.
- Administering the financial transactions of the project and maintaining proper accounts and records for the project.
- Undertaking all disbursement functions, tasks and activities of the project, in strict conformity with the guidelines and systems and procedures governing disbursements from the project account and the use of project resources.
- Prepares and approves applications for withdrawal and replenishment and submits the applications for payment or replenishment.
- Generating and distributing financial reports, evaluations and information necessary for effective and responsible financial management.
- Monitoring the financial performance of the project and taking actions to address variances to plans.
- Facilitating the audit of the project's financial statements and financial operations.
- Preparing and issuing all scheduled and non-scheduled reports on the project's financial matters to the EA, other reporting Agency under GoB, WB and other stakeholders of the project.
- Undertaking all tasks and activities related to the procurement of civil works, goods and services required by the project, in strict conformity with the guidelines, systems and procedures, governing the use of project resources.

Project Planning and Budgeting: The Project Appraisal Document (PAD) which forms part of the Loan/Credit agreement for the project contains cost tables which show the total planned expenditures and revenues for the project and a breakdown of these budgets by components and expenditures and revenue type. Budgeting is the process of estimating the financial requirements of the project, identifying sources of funds and adopting measures to ensure that such funds are made available on time.

Budgeting continues throughout the life of the project. Project staff is required to prepare an annual work plan and annual budgets. The project's budgets must be based on the annual work plan. The annual work plan and the budget set the expenditure allocations and revenue targets for the project components for the year. The annual procurement plan and budgets require the approval of the Executing Agency and Project Steering Committee (if applicable).

Project Funds Flows: The flow of funds for projects from the WB to the GOB and the EA will be specified in the Project Appraisal Document (PAD) and in the Grant Agreements of the project. Funds flows within the EA are also specified in the PAD. As part of the funds flow, the bank account requirements of the project must be specified and agreed prior to the implementation of the project.

FINANCIAL POLICIES AND STANDARDS

Fiscal Year and Reporting Periods: The government financial year is from July to June which is divided into 12 reporting periods (based on months).

Basis of Accounting and Accounting Standards: EA must identify the basis of accounting and the accounting standards that will be used for recording and reporting the financial transactions of the project. The three bases of accounting and related accounting standards that Project Teams may use are:

Basis of Accounting Standards: The basis of accounting, accounting standards and any additional financial accounting policies/standards used by the project must be specified in the annual financial statements of the project.

Currency of Recording and Reporting : Project Teams must record financial transactions and maintain the main project accounts and records in BDT and in US dollars (where required).

Importance of Record Keeping: The creation and maintenance of records is integral to the operation of the management system, and there is an implicit assumption that records are being created and are available to support each stage of the management cycle.

Maintaining Financial Records: A record is created for each financial transaction. Some are created by the project (e.g. orders for payment or for goods); others are created by entities with which the project deals (e.g. suppliers' invoices, bank statements). Records must be preserved and classified for easy access because they provide the paper trail on which the accounting system is based. A good record-keeping system facilitates financial accounting and reporting, internal control, project management and subsequent auditing. Records represent a particularly valuable type of information because they can provide verification and are therefore suitable as legal evidence.

When project financial management systems are being designed, the maintenance of records, and their computerization are also considered. Finance and audit laws generally require ministries to ensure that financial and accounting records are adequately kept. This helps those involved with the project (in particular the auditor) by providing supporting documentation for transactions. Financial regulations may set down further detailed requirements for keeping financial records, including the creation, filing, storage, production and disposal of prescribed forms and records. In addition, legislation relating broadly to the management of government records may also cover financial records even though they may not be referred to explicitly.

Bank Account Operation:

Special Accounts: Loan/Credit funds from the WB must be held in Special Accounts and these accounts must be used exclusively for the payment of project expenditures as defined in the loan/credit and grant agreements. The Special accounts must be maintained a Nationalized scheduled Bank of the country. The Special Account will have an authorized allocation/ceiling and an initial withdrawal advance which are set out in the Loan/Credit agreements of the Project. All expenditures from the Special Account must be

by bank transfer or cheque and may be in local or foreign currencies. Cash disbursements are not allowed. Project payments to a supplier for amounts in excess of what is stipulated in the Loan/Credit or Grant agreement cannot be made from the Special Accounts – Commitment or Direct Payment procedures must be used in such cases.

Applications to replenish the Special Account must be submitted to the WB regularly/as mentioned in the financial agreements. The policies and procedures for the replenishment of the Special Account and for commitment and direct payment procedures are set out in the Loan/credit /grant Withdrawal part.

Authorized Signatories: Following the effectiveness of the Loan/Credit Agreement the MEF would be designated as the borrower of the loan on behalf of the government and therefore as the authorized signatory to certify the eligibility of expenditures and submit withdrawals applications to the banks on the behalf of the government. With the approval of the ERD, officers of the EA could also be made authorized signatories. The terms and conditions for opening and operating of project bank accounts shall be acceptable to the WB. The authenticated specimen signatures of the authorized signatories are required to be submitted to the WB before any disbursements shall take place.

If there are changes to authorized signatories, the EA and the Project Team has the responsibility of informing the WB of the changes and must provide updated specimen signatures together with the relevant approvals for the change in authorized signatories

Key Internal Controls

Adequate segregation of duties:

- Proper appointment of Accountant.
- Safeguarding and control of official receipt forms.
- Safeguarding and proper control of cash and cheques.
- Adequate management information is produced to monitor the receipting of project monies and posting of revenue into the accounting records.
- Adequate management information is produced and used to monitor performance against revenue budgets (where applicable).

Processing Controls:

- Approval of all revenue postings by properly authorized officer
- Proper checking of receipts, bank deposit receipts and revenue ledger postings
- Regular and timely reconciliation of bank accounts

Session 18: Title: Audit Management for Foreign Aided Projects

Session Objective	To have a proper understanding about the Audit Management for Foreign Aided Projects (22 and 23) supported by Government, WB and other Development Partners
Content	<p>Constitutional provisions of the CAG's Appointment, Authority, and Jurisdiction. Brief introduction of CAG's appointment, authority and jurisdiction; Kinds of Audit; Reason for Audit Observation arises; Reasons for non settlement of audit observation; minimize and reduce audit observation; procedure of settlement; responsibility of the executing body; nature of audit observation; ordinary para; broad sheet reply, Advance para; draft para; audit management of foreign aid project;</p> <p>The TC (subject specialist) and DPHE Training Resource Person will contribute in the session. Participant will acquire knowledge about the different aspects of Government Audit. Participants will aware about government audit requirements, ethical standards, representing process of auditor and settlement of audit observations and objections. Apart from the above, requirement of auditor's will be discussed so that the auditees can fulfill the professional need of auditor enabling them to ensure financial transparency.</p>
Method	Discussions, Lecture on EMCRP and DPHE projects, experience and examples, Overhead presentations as well as individual and group discussions of actual casework analysis, speech open floor, Practical exercise (individual/group).
Materials	Hand-out, Multi-media, Power Point Presentation, Poster Paper, Marker Pen
Impact and output	Participant will have a proper understanding about the Audit Management for Foreign Aided Projects supported by Government, WB and other Development Partners.
Time	Thirty minutes

BRIEF INTRODUCTION OF CAG'S APPOINTMENT, AUTHORITY AND JURISDICTION

- Established in 1973 as per article 127-132 of the constitution, comptroller and auditor general (C&AG) is appointed by the president of the peoples republic of Bangladesh for 5 (five) years from the date of assuming or until he attains the age of 65, which comes earlier.
- Articles 128(1): Authorized CAG to have access to all documents, records, vouchers, cash, securities, stores or any other govt. property for audit purpose.
- C&G conduct audit on behalf of govt. article 132 the report of the CAG shall be submitted to the president, show shall cause them to be laid before the parliament.

Definition of Auditing: The audit is an independent examination of financial information of any entity whether profit oriented or not, and irrespective of its size, or legal form, when such examination is conducted with a view to expressing an opinion thereon (IGA 3). Balance Sheets, Income Statements or Profit and Loss Accounts, statement of changes in financial position, notes and other statements and explanatory materials which are identifies as being part of the financial statements (IGA 1).

Objective of Audit: The primary objective of an audit is to enable the auditor to form and express an independent and expert opinion as to whether the financial statements on which he has been asked to report give a true and fair view of:

- a) The state of affairs of the enterprise, and
- b) Its operating performance for the period under review financial statements are relied upon by a wide range of user groups including:
 - i) Members or other proprietors
 - ii) Employees
 - iii) Donor
 - iv) Government bodies

The audit gives credibility to these financial statements. The primary objective involves verifying the accuracy and dependability of the data being processed through the accounting system prior to conversion into the information contained in the financial statements. The formation and reporting of the opinion is the auditor's objective but to this can be added the secondary objectives:

- a) The detection of fraud and error;
- b) Providing assistance to his client to help him improve the running of this concern and prevent fraud and error.

Kinds of audit

- A) Financial Statement Audit
- B) Regularity of compliance Audit
 - Forensic Audit
 - Performance Audit

Kinds of Audit Opinion

- A) Unqualified Audit Opinion
- B) Qualified Audit Opinion
- C) Disclaimer Audit Opinion
- D) Adverse Audit Opinion

Why Audit Observation Arises

- Misstatement in Financial Statement
- Non Compliance of rules regulation agreement and other orders issued by GOB & DPs
- Non-compliance with loan covenants and lack of transparency in procurement
- Lack of internal control such as cash management and asset management
- Poor monitoring such as delay in preparation & submission of board sheet reply to audit
- Lack of adequate and skill manpower

Reasons for non settlement of audit observations

- Board sheet reply timely not submit to audit
- Incomplete audit reply
- Objection related Documents is not timely Supply.
- Reply Document not justified to the concern authority.
- The Authority not inform the cause of audit objection to the concern person.
- Timely not organize any Bi-lateral or tri-partite meeting
- Actual information not clarify in board sheet reply.

How to minimize and reduce audit observations

- Proper and update record keeping
- Maintenance of proper accounting books
- Compliance of rules
- Discussion with Audit team during audit
- Immediate response to the audit query
- Reply Should be submitted by proper documents
- Consultation of previous observation
- Proper monitoring of physical and financial activities and transactions
- Write off or money adjustment documents is needed
- Arrangement of Bi and Tripartite audit meeting
- Avoidance of expenditure in the non project areas

Procedure of settlement

- Spot reply
- Exit meeting
- Broadsheet reply
- Bi-lateral meeting
- Tri-partite meeting
- PAC meeting

Responsibility of the executing authority

- Necessity authority should supply auditable records & documents to audit as per requirement.
- The executing authority may take quick action against audit observations during audit.
- Experienced persons may be sent Bi-Lateral and tri-partite meeting
- To establish audit cell in very ministry/Division/organizations.
- Action should be justified in connection with objection.
- Action should be justified in connection with objection.

Action should be taken against the person concern for settlement of audit observations

Nature of Audit Observation

Ordinary Para

- Advance Para
- Draft Para

Ordinary Para

After receive the audits report the project director makes a board sheet format and wants a reply within a stipulated time to the respective areas. After receiving all replies Project Director will compile all board sheet replies and submit it to the FAPAD with his comments within stipulated time.

Board Sheet reply (Part-B)

- Name of office Project Director
- Name of project EMPCR
- Credit No:

Advance Para

Audit observations of serious financial irregularities are called advance para. Audit observation of advance para will submit to the FAPAD office through Ministry. SFIs are issued to the concern secretary giving stipulated time for reply. If broad sheet reply did not receive within the time then the audit authority will issue reminder letter within two weeks time after 2 weeks if FAPAD office did nit receive any reply the advance para will treated as draft para.

Broad Sheet reply (Part-A)

- Name of office Public Health Engineering Department (DPHE)
- Name of project Emergency Multi Sector Rohingya Crisis Response Project (EMCRP)
- Credit No: 5107-BD

Draft Para

Unsettled serious financial irregularities are sent to the secretary of the concerned Ministry for reply within 30 days. If replies are not received or nor satisfied then the audit Authority issued reminder letter giving 2 weeks time. At this stage if reply not received then the audit authority issued D.D letter by the director General to the secretary of the concerned Ministry for submitting reply giving 4 weeks time. If failure to reply the audit observation 2 weeks time for preparation of draft Auditors Report of the CAG.

Audit Management of Foreign Aided Projects

FAPAD office conduct audit of all foreign aided projects in favor of CAG as well as Donors requirements. Foreign Aided Projects Audit Directorate Gives Comments on Financial Statements according to the international standard on auditing as well as requirement of Donors. FAPAD also gives comments SOE.

Closing Session:

Session Title: Conclusion of the training session with practical evaluation

Training Evaluation

Session Objective	In the session TC and DPHE Training resource persons will evaluate overall training performance.
Content	Training evaluation will include post training evaluation, using structured check list, question answer, discussion;
Method	Multi-media Presentation, Group Discussion, Q/A, Lecture with DPHE/EMCRP experience and examples, Overhead presentations as well as individual and group discussions of actual casework. CASE Study.
Materials	Post-training Evaluation Questionnaires', Multi-media, Power Point Presentation, Poster Paper, Marker Pen,
Impact and output	The participants will be able to understand about the their professional progress derived out of training and the trainer will understand about the performance.
Time	Fifty minutes

Training on Project Disbursement and Accounts with Computerized Financial Management (on Financial Reports and Accounting Records for the donor funded development Project along-with Audit) for DPHE Accounts Personnel

Date(s) of Training:

Date of this Evaluation:

Training Event Evaluation Form

Question	<i>Circle One</i>			
	Disagree	Agree	
1. The training objectives were relevant and appropriate	1	2	3	4
2. We achieved the training objectives	1	2	3	4
3. Topics were relevant to my work	1	2	3	4
4. I gained new knowledge and skills	1	2	3	4
5. I will use new knowledge and skills in my daily work	1	2	3	4
6. New knowledge and skills will help me be more effective in my work	1	2	3	4
7. Resource persons were prepared and knowledgeable on the subject matter	1	2	3	4
8. Resource persons presentation skills were good	1	2	3	4
9. Presentation methods were appropriate and helped me to learn	1	2	3	4
10. Materials provided were appropriate and easy to understand	1	2	3	4
11. Time allocated for each topic was adequate to support learning and understanding	1	2	3	4
12. I had opportunity to participate and ask questions to clarify my understanding	1	2	3	4
13. Classroom climate was free and without fear—I felt I could ask questions and that mistakes were tolerated	1	2	3	4
14. Seating arrangement was comfortable and appropriate	1	2	3	4
15. Food and drink served were delicious	1	2	3	4
16. Overall, the venue was comfortable and suitable for this training	1	2	3	4

Question	<i>Circle One</i>			
	Disagree			Agree
17. Overall training organization and management were good	1	2	3	4
18. I would like to participate in more trainings like this in the future	1	2	3	4
19. <i>[Space for additional questions]</i>	1	2	3	4
20.	1	2	3	4
21.	1	2	3	4
General Comments:				

Name :

Organization :

Signature :

Thank you for completing this evaluation form!

