

**AUDIT REPORT AND
AUDITED FINANCIAL STATEMENTS**

OF

**Bangladesh Insurance Academy
For The Year Ended June 30, 2022
53, Mohakhali C/A, Dhaka-1212**

Auditor



MZ Islam & Co.
Chartered Accountants



*An International Affiliated Member Firm of
MGM Accountants Pty Ltd. Australia*

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Bangladesh Insurance Academy Table of Contents

SL. No.	Particulars	Page
01.	Auditor's Report	1-3
02.	Statement of Financial Position	4-4
03.	Statement of Income and Expenditure	5-5
04.	Statement of Cash Flows	6-6
05.	Notes to the Financial Statements	7-19
06.	Schedule of Property, Plant and Equipment (Annexure-A)	20-20
07.	Schedule of Investment in FDR (Annexure-B)	21-22
08.	Schedule of Rent Receivable and Rent Received (Annexure-C)	23-23
09.	Training Schedule (Annexure-D)	24-25





**Independent Auditors' Report
To the Bangladesh Insurance Academy
Report on the Audit of the Financial Statements**

Qualified Opinion

We have audited the financial statements of **Bangladesh Insurance Academy (BIA)**, which comprise the Statement of Financial Position as at June 30, 2022 and the Statement of Income and Expenditure, Statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in notes 01 to 28 and annexure A to D.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the Financial Position of the academy as at June 30, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Qualified Opinion

1. Rent amount of Tk. 20,868 and Tk. 2,390,066 from Khandaker Group of Co. & Khandaker Corporation was receivable from 1992 and 1997 respectively, but the entity did not make any recoverability test and did not make any provision against those receivable as per IFRS 9 Para 5.4.4. Bangladesh Insurance Academy has filed court cases against them in 2007 which is still unsolved.
2. Advances was remaining unadjusted since 2004-
 - Advance to lawyer for litigation charges amount to Taka 108,500 unadjusted for a long time.
3. Training course fee receivable Tk. 79,000 from various party carry forward from long time but the entity did not make any recoverability test and did not make any provision against those receivable as per IFRS 9 Para 5.4.4.

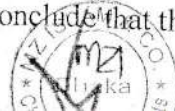
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the academy in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement





of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the academy ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the academy or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the academy's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable related safeguards.


From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the academy so far as it appeared from our examination of these books;
- c) The statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.

Dated: Dhaka
04 January, 2023



Mohammad Fakhru Alam Patwary FCA
Managing Partner
M. Z. Islam & Co.
Chartered Accountants
DVC: 230 216 1249 AS 1272 15



Bangladesh Insurance Academy
Statement of Financial Position
As at June 30, 2022

Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
ASSETS		156,811,032	158,088,820
Non-Current Assets			
Property, Plant and Equipment	5.00	25,162,756	26,440,021
Intangible Asset	6.00	1,046	1,569
Investment in FDR	7.00	131,647,230	131,647,230
		52,361,075	42,631,678
Current Assets			
Office Supplies and Stationaries	8.00	51,410	37,578
Advances	9.00	36,014,280	26,871,780
Security Deposit	10.00	115,900	85,900
Receivables	11.00	3,170,784	3,090,753
Cash and Cash Equivalents	12.00	13,008,701	12,545,667
Total Assets		209,172,107	200,720,498
FUND AND LIABILITIES		206,541,955	196,208,209
Fund and Sources			
General Fund	13.00	71,468,455	61,940,257
Reserve Fund	14.00	114,197,230	114,197,230
Gratuity and Other Fund	15.00	20,876,270	20,070,722
		2,630,152	4,512,289
Current Liabilities			
Advance Rent Received	16.00	50,000	218,749
Security Deposit Received	17.00	2,084,430	2,084,430
Provision for Expenses	18.00	427,204	1,419,127
Accounts Payable	19.00	68,518	789,983
Total Fund and Liabilities		209,172,107	200,720,498

The annexed notes from 01 to 28 and Annexure from A to D are integral part of these financial statements.

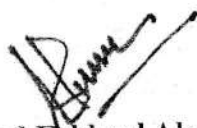

Accounts Officer


Secretary


Director

Signed in term of our separate report of even date.

Dated: Dhaka
04 January, 2023


Mohammad Fakhru Alam Patwary FCA
Managing Partner
M.Z. Islam & Co.
Chartered Accountants
DVC 2302 161249A5127275



Bangladesh Insurance Academy
Statement of Income and Expenditure
For the year ended June 30, 2022

Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
Income:			
Grant from Jiban Bima Corporation		1,000,000	1,000,000
Grant from Shadharan Bima Corporation		2,500,000	2,500,000
Grant from Government		17,474,956	15,478,343
Interest on Deposit and Others (net off tax)	20.00	5,983,326	5,764,977
Income from Rent	21.00	8,942,711	8,545,669
Income from Training, Seminar, Courses and Publications	22.00	4,182,136	3,084,568
Others Income	23.00	218,980	19,307
Total		40,302,109	36,392,864
Expenditure:			
Staff Related Expenses	24.00	19,426,485	17,514,293
Office Related Expenses	25.00	2,863,318	3,038,458
Building Related Expenses	26.00	1,560,913	1,825,173
Training, Seminar and Publications Expenses	27.00	4,562,344	4,043,431
Other Expenses	28.00	2,360,328	2,505,561
Amortization Expenses	6.00	523	784
Total Expenditure		30,773,911	28,927,700
Surplus/(deficit) amount transferred to General Fund		9,528,198	7,465,164
Total		40,302,109	36,392,864

The annexed notes from 01 to 28 and Annexure from A to D are integral part of these financial statements.



Accounts Officer


Secretary


Director

Signed in term of our separate report of even date.

Dated: Dhaka
04 January, 2023


Mohammad Fakhru Alam Patwary FCA
Managing Partner
M.Z. Islam & Co.
Chartered Accountants
DVC 0302161249 AS 127215



Bangladesh Insurance Academy
Statement of Cash Flows
For the year ended June 30, 2022

Particulars	Amount in Taka	
	June 30, 2022	June 30, 2021
Cash flows from operating activities		
Excess of income over expenditure	9,528,198	7,465,164
Adjustment for the items not involving movement of cash		
Depreciation & amortization	1,542,887	1,706,445
(Increase)/ Decrease in current assets		
Office Supplies and Stationaries	(13,832)	(11,523)
Advances	(9,142,500)	(6,187,813)
Security Deposit	(30,000)	(203,792)
Receivables	(80,031)	1,462,217
Increase/ (Decrease) in current liabilities		
Advance Rent Received	(168,749)	168,749
Provision for Expenses	(991,923)	1,106,260
Accounts Payable	(721,465)	789,983
Net cash flows from operating activities (A)	(77,415)	6,295,690
Cash flows from investing activities		
Increase/(Decrease) in investment	-	(13,400,000)
Increase/(Decrease) in other fund	805,548	2,245,291
Addition of property, plant and equipment	(265,099)	(895,850)
Net cash used in investing activities (B)	540,449	(12,050,559)
Cash flows from financing activities		
Net cash inflows from financing activities (C)	-	-
Net changes in cash and cash equivalents (A+B+C)	463,034	(5,754,869)
Cash and cash equivalents at the beginning of the year	12,545,667	18,300,536
Cash and cash equivalents at the end of the year	13,008,701	12,545,667

The annexed notes from 01 to 28 and Annexure from A to D are integral part of these financial statements.



Accounts Officer



Secretary



Director

