

Audited Project Financial Statements

Project Number: 42466-017
Loan Number: 3839-BAN(COL)
Period covered: 1 July 2020 to 30 June 2021

Bangladesh: Skills for Employment Investment Program - Tranche 3

Prepared by Finance Division, Ministry of Finance

For the Asian Development Bank
Date accepted by ADB: 12 January 2022

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Access to Information Policy and as agreed between ADB and the Economic Relations Division, Ministry of Finance.

Draft Audit Inspection Report

On

**The Accounts of
“*Skills for Employment Investment Program(2nd Revised)*
(Tranche-3)”**

**Financed under ADB Loan no.3839 BAN (COL)
for the FY 2020-2021**

**Foreign Aided Projects Audit Directorate,
Segunbagicha, Dhaka.**

INFORMATION RELATING TO AUDIT

- | | | |
|-----|--------------------------------------|---|
| 01. | Name of the Audit Unit | : “Skills for Employment Investment Program (2 nd Revised) (Tranche-3)” |
| 02. | Nature of Audit | : Financial & Compliance Audit. |
| 03. | Audit Year | : 2020-2021. |
| 04. | Duration of audit | : 15-11-2021 to 21-11-2021. |
| 05. | Audit Team Members. | : Team No-03
Mr. Shuvrendu kumer chanda
Audit & Accounts Officer.
Mohiuddin Md. Alamgir Al Masum
SAS Superintendent . |
| 06. | Audit Methodology | : ✓ Verification of Financial Statement.
✓ Test check of bill/vouchers. |
| 07. | Scope of audit | : ❖ Certification of Annual Financial Statement.
❖ Check of fund receipts & expenditure made by project authority.
❖ Check of procurement of goods, works & services.
❖ Verification of IPC's & Invoices.
❖ Audit opinion is limited to the fund receipts and expenditure incurred by the project authority.
❖ Review of Financial Management, Internal Control systems.
❖ Audit opinion is limited to the fund receipts and expenditure incurred by the project authority. |
| 08. | Project Duration | : 06 (Six) years and 06 (Six) months. |
| 09. | Date of Commencement | : November, 2019 |
| 10. | Date of Completion | : May,2024 |
| 11. | a) Total Estimated cost | : Total BDT. 371233.00 lac
GOB BDT.69944.00 lac
PA BDT. 292889 lac
IAs Contribution BDT.8400.00 lac |
| | b) Current year expenditure | : BDT 4382.54 Lakh |
| | c) Audit Status | : 2020-2021 |
| 12. | Executing Ministry | : Finance Division, Ministry of Finance. |
| 13. | Implementing agency | : Finance Division, Ministry of Finance. |
| 14. | Funding Agencies | : ADB, SDC & GoB. |
| 15. | Name & Contract No. of PD | Mr. Md. Zahidul Haque, Ph: +8801713-079052, Email:
epd@seip-fd.gov.bd |
| 16. | Funding Management System | : Special Account (Imprest Account) |
| 17. | Project Objectives | The Project objectives are:
The overall objective of the project is to qualitatively and quantitatively expand the skilling capacity of identified public and private training providers of Bangladesh by |

establishing responsive skill ecosystem and delivery mechanisms through a combination of well- defined set of funding triggers and targeted capacity support. Quality skills training will be strengthened by implementing vocational trainers development program; quality assurance functions and appropriate skills assessment. The project will enhance mid-level trainee targets with expanded partnership with private sector and public sectors. Institutional capacities for mid-level training would be strengthened and a national governance structure for skills development would be established. The project will support training providers to meet industry skill requirements; finance skills training of 502,000 trainees, with 351,400 job placement. Specifically, the objectives are to:

- i) Improve job focused skills along with up-skills of the existing workforce to enhance productivity and growth of industry sector;
- ii) Impart skills training linked to gainful employment or self employment through PKSf partners and their livelihood program;
- iii) Develop a network of training providers that are endorsed by industries for providing training to meet the skills needs of employers;
- iv) Establish and implement a strategy to address the special needs of disadvantaged groups specified in the NSDP and ensure their participation in SEIP programs;
- v) Implement a vocational trainer development program for trainers and assessors and a management leadership program for training provider management reflecting NSDP requirements;
- vi) Strengthen capacity of BTEB in the development of competency standards and training assessment system;
- vii) Support the training providers for capacity development to ensure quality training delivery mechanism;
- viii) Establish and institutionalize a credible recognition of prior learning (RPL) system;
- ix) Support the key government institutions related to skills development to strengthen institutional capacity to meet policy objectives of the NSDP;
- x) Support the establishment and operationalization of a National Human Resource Development Fund (NHRDF);
- xi) Enhance mid-level skills programs with increased numbers of private and public training providers as well as number of trainees.
- xii) Strengthen institutional capacities for mid-level skills training;
- xiii) Implement industry-specific mid and higher level managerial training programs;
- xiv) Strengthen quality assurance and monitoring system;
- xv) Establish a national unified funding mechanism for skills development.
- xvi) Implement skills training for migrant workers.

Summary of Audit Observation

Sl. no.	Subject	Comments
1.	Status of Financial Statement	Unqualified
2.	Summary of Management Letter:	Non compliance of financial rules and regulation

Para no.	Title	Amount involved/ Comments	Risk Category
	Part- A		
	Nil		
	Part- B		
	Nil		

CAUSES OF IRREGULARITY

Nil

Audit Recommendations

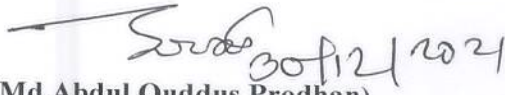
Nil

AUDITOR'S REPORT

Audit Completion Date: 21-11-2021.

The Senior Secretary
Finance Division
Ministry of Finance
Bangladesh Secretariat, Dhaka.

- I. We have audited the accompanying Financial Statement of the “Skills for Employment Investment Program (2nd Revised) (Tranche-3)” financed under ADB Loan no.3839 BAN (COL) as of 30th June, 2021 and for the year ended. According to ISSAI-1570 the preparation of the Financial Statement is the responsibility of the management. Our responsibility is to express an opinion on the Financial Statement based on our audit.
- II. The financial audit was conducted in accordance with the Government Auditing Standards (Part I and Part II). These standards are based on ISSAI 100- Fundamental Principles of Public Sector Auditing and ISSAI 200- Financial Audit Principles of the International Standards of Supreme Audit Institutions.
- III. In our opinion, the financial Statement gives a true and fair view in all material aspect the financial position “Skills for Employment Investment Program (1st Revised) (Tranche-3)” as on 30th June, 2021 due to contingent liability of audit observations. The result of its operations and cash flows for the year ended in accordance with the cash and accrual basis of accounting followed by the Government of Bangladesh.
- IV. Funds obtained from development partners are used in accordance with financing agreements. The project accounts properly present the expenditure and receipts for the year ended at 30th June, 2021.
- V. Opinion Status: **Unqualified.**


(Md. Abdul Quddus Prodhan)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Phone: 02-9362190.

Skills for Employment Investment Program (SEIP) Project

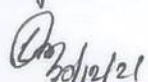
Project Financial Statement (For Tranche-3)

As at 30th June, 2021

ADB Loan No. 3839 BAN (COL)

(Figure in lakh Taka)

Resources	Notes	Total Budget upto 30 June, 2020 (As per RDPP)	Cumulative Actual upto 30 June, 2021	Actual Current period (FY July, 2020 to June, 2021)	Actual prior period upto June, 2020	Unspent Budget
(a)	(b)	(c)	(d)	(e)	(f)	(g) =(c-d)
A. Source of Fund						
Government of Bangladesh			-	-	-	
ADB Loan No. 3839 BAN (COL)	1		11,103.51	2,608.51	8,495.00	
Other resources (Contribution for Industry Association)	2		-	-	-	
Cash opening balance			-	8,468.34	-	
Total Resources		-	11,103.51	11,076.85	8,495.00	-
B. Usages of Fund						
B.1 Expenditure**						
a) Revenue Component			-			
Wages and Salaries			-	-	-	
Administrative Expenses			-	-	-	
Fees, Charges and Commissions			-	-	-	
Training			-	-	-	
Travel and Transport			-	-	-	
Printing and Stationary			-	-	-	
Professional Services			1.00	1.00	-	
Repairs and Maintenance			-	-	-	
Interest on Foreign Loan			139.78	139.78	-	
Other Miscellaneous Expenditure			2,748.59	2,721.93	26.66	
Total Revenue		-	2,889.37	2,862.71	26.66	
b) Capital Component:						
Non Residential Buildings			1,519.83	1,519.83	-	
Machinery and Equipment			-	-	-	
Total Capital		-	1,519.83	1,519.83	-	
Sub-total Revenue & Capital (a+b)		-	4,409.20	4,382.54	26.66	
C) Contingencies						
Physical Contingencies						
Price Contingencies		-				
C) Sub-Total Contingencies		-	-	-	-	
Advance		-	-	-	-	
Grand Total (a+b+c)			4,409.20	4,382.54	26.66	-
B.2 Cash Closing Balance						
Government of Bangladesh			-	-	-	
ADB Loan No. 3839 BAN (COL)	3		6,694.31	6,694.31	8,468.34	
Other resources			-	-	-	
Total Cash Closing Balance		-	6,694.31	6,694.31	8,468.34	-
Total Expenditure and Cash		-	11,103.51	11,076.85	8,495.00	

Verified

অনিন্দ কুমার চন্দ্র
 নিরীক্ষা ও হিসাবরক্ষণ কর্মকর্তা
 বৈদেশিক সাহায্যপত্র প্রকল্প অডিট অধিদপ্তর
 অডিট কমপ্লেক্স (৭ম ও ১২শ তলা)
 সেগুনবাগিচা, ঢাকা-১০০০


 (Mehedi Hayat Abbasi)
 Assistant Executive Project Director (FM)
 Phone-8392463-5
Mehedi Hayat Abbasi
 Assistant Executive Project Director (FM-2)
 [Deputy Secretary]
 Skills for Employment Investment Program (SEIP)
 Finance Division, Ministry of Finance

Skills for Employment Investment Program (SEIP) Project
NOTES TO FINANCIAL STATEMENT
As at 30th June, 2021

1. ADB Loan No. 3839 BAN (SF) - RPA Special

The ADB has provided funds to the Project to cover its share of eligible Project expenditures. These funds, which must be repaid to ADB after the conclusion of the Project have been drawn by the Project in accordance with the following withdrawal Procedures (In Lakh Taka)

Particulars	Cumulative Actual upto 30 June, 2021	Actual Current period (FY July, 2020 to June, 2021)	Actual prior period upto June, 2020
Initial Deposit (Advance) :	8,495.00	-	8,495.00
RPA (Special Account)	2,468.73	2,468.73	-
DPA (Reimbursable Project Loan (Interest Charge during implementation)	139.78	139.78	-
Non-SOE			-
ADB (RPA Special Account)	-		-
Total	11,103.51	2,608.51	8,495.00

2. OTHER RESOURCES (Contribution from 01 No. of Industry Associations)

Other resources consist of the following :

Particulars	Cumulative Actual upto 30 June, 2021	Actual Current period (FY July, 2020 to June, 2021)	Actual prior period upto June, 2020
Contribution from 05 No. of Industry Associations	-	-	-
Exchange gains/losses	-	-	-
Total	-	-	-

3. CASH

The Project maintains two Bank account, an imprest Bank Account, or revolving fund, which is kept at Bangladesh Bank to hold funds advanced by ADB & ADB Grant and operating account, which is kept at a commercial Bank to hold funds advanced by GOB as well as fund transferred from the imprest Account. Year end cash balances were as follows :

Particulars	Cumulative Actual upto 30 June, 2021	Actual Current period (FY July, 2020 to June, 2021)	Actual prior period upto June, 2020
Imprest Account :	-	-	3,495.00
ADB Loan No. 3839 BAN (COL)-Bangladesh Bank	-	-	-
Operating Account :			-
Cash Book Balance (Sonali Bank STD. Account No. (STD.0200014971270))	6,694.31	6,694.31	4,973.34
Closing Balance Amount	6,694.31	6,694.31	8,468.34

Verified
30/6/21

সুজন্দা কুমার চন্দ
 নিম্নোক্ত হিসাবরক্ষণ কর্মকর্তা
 বাংলাদেশ প্রকল্প অডিট অধিদপ্তর
 কমান্ডার (এম ও ১২শ তলা)
 অটোমোবাইল, ঢাকা-১০০০

(Mehedi Hayat Abbasi)
 Assistant Executive Project Director (FM)
 Phone-8392463-5

21-11-2021
Mehedi Hayat Abbasi
 Assistant Executive Project Director (FM-2)
 [Deputy Secretary]
 Skills for Employment Investment Program (SEIP)
 Finance Division, Ministry of Finance

Auditor's Report on Special Account

1. We have audited the special account Statement of "Skills for Employment Investment Program (2nd Revised) (Tranche-3)" for the year ended 30th June 2021, under the provision of ADB Loan no.3839 BAN (COL) on 30th June, 2021.
2. Our audit was carried out in accordance with International Standards on Auditing. Guidelines. Accordingly, our audit included such review of system of internal control tests of the accounting records and supporting documents, verification of account balance the other auditing procedures that we considered necessary under the circumstances.
3. Accompanying Special Account Statements was prepared on the basis of cash deposits and withdrawals for the purpose of complying with above credit agreement.
4. In our opinion the special account statement reflects the actual position of cash deposits and withdrawals including opening & closing balances.
5. Opinion Status: **Unqualified.**



(Md. Abdul Quddus Prodhan)

Deputy Director

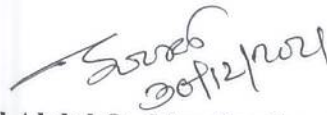
For Director General

Foreign Aided Projects Audit Directorate

Phone:02-9362190.

Audit Opinion on SOE

- I. We have audited the Statement of Expenditure (SOE) of the “Skills for Employment Investment Program (2nd Revised) (Tranche-3)” for the year ended on 30th June, 2021, submitted to the ADB for reimbursement of expenditure in accordance with the ADB Loan no.3839 BAN (COL).
- II. The audit was conducted following International Standard on auditing accordingly, it included such tests of the accounting records and supporting documentations, review of system of internal control, so far exists, and adopting necessary auditing procedures that we considered essential under the circumstances.
- III. In our opinion, Statement of Expenditure (SOE) of the project can be relied upon to support the application for loan disbursement by the ADB against expenditure incurred for the purpose of the project as specified in the particulars of withdrawal application.
- IV. Opinion Status: **Unqualified.**



(Md. Abdul Quddus Prodhan)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Phone: 02-9362190.