

# Audited Project Financial Statements

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Project No. 42466-015  
Loan/Grant: 3131-BAN (SF) and 0391-BAN  
Period Covered: 1 July 2014 to 30 June 2015

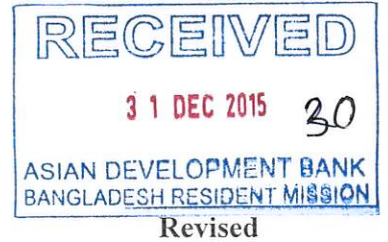
## BAN: MFF: Skills For Employment Investment Program-Tranche 1

Prepared by the Ministry of Finance, Finance Division

For the Asian Development Bank  
Received on 31 December 2015

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Foreign Aided Projects Audit Directorate  
Audit Complex (6th Floor)  
Segunbagicha, Dhaka.



No. 473/FAPAD/S-1/ADB/2014-2015/ 862

Date: 30-12-2015.

To  
**The Secretary**  
Ministry of Finance, Finance Division,  
Bangladesh Secretariat, Dhaka.

**Sub: Audit Inspection Report on the accounts of "Skills for Employment Investment Programme (Phase-1) Project" financed by ADB Loan no.3131- BAN (SF) & SDC Grant no.0391-BAN (EF) for the year 2014-2015.**

The Auditor's Report along with a Management Letter containing audit observations on the accounts of the above mentioned project is enclosed for your kind information and necessary action.

**Enclosure:**

1. Auditor's Report
2. Financial Statement & its note.
3. Management letter
4. Opinion on SOE.
5. Opinion on Special Account


  
(A K M Jubaer)  
Deputy Director  
For Director General  
Foreign Aided Projects Audit Directorate  
Tel: 9356303.

No. 473/FAPAD/S-1/ADB/2014-2015/ 862

Date: 30-12-2015.

Copy forwarded for kind information and necessary action to: -

1. **The Secretary**, Economic Relations Division (ERD), Ministry of Finance, Sher-e-Bangla Nagar, Dhaka.
2. **The Country Director**, Asian Development Bank (ADB), E-31, Agargaon Sher-e-Bangla Nagar, Dhaka.
3. **The Executive Project Director**, Skills for Employment Investment Programme (Phase-1) Project, UCEP Cheney Tower (2<sup>nd</sup> floor), 25, Segunbagicha, Dhaka-1000

  
(A K M Jubaer)  
Deputy Director  
For Director General  
Foreign Aided Projects Audit Directorate  
Tel: 9356303.

# **Audit Inspection Report**

**On**

**The Accounts of  
“Skills for Employment Investment Programme  
(Phase-1) Project”  
Financed under ADB Loan no. 3131- BAN(SF)  
and SDC Grant No: 0391-BAN (EF)  
for the FY 2014-2015**

**Part-I**  
Executive Summary  
&  
Audit Findings

Foreign Aided Projects Audit Directorate,  
Segunbagicha, Dhaka.

## **INFORMATION RELATING TO AUDIT**

01. Name of the Audit Unit : "Skills for Employment Investment Programme (Phase-1) Project"
02. Nature of Audit : Financial Audit.
03. Audit Year : 2014-2015.
04. Duration of audit : 22-09-2015 to 24-09-2015
05. Audit Team Members. : Kazi Shameem Hasan, Audit & Accounts Officer.  
Md. Nasir Hossain Talukder, Auditor.
06. Audit Methodology : ✓ Verification of Financial Statement.  
✓ Test check of vouchers.
07. Scope of audit : ❖ Certification of Annual Financial Statement.  
❖ The audit was conducted following International Standards on Auditing (ISA) and practices of INTOSAI/SAI and also as per procedures prescribed by GOB and Development Partner.  
❖ Audit opinion is limited to the fund receipts and expenditure incurred by the project authority.  
❖ Review of Financial Management, Internal Control Systems & Equipment Management.
08. Project Duration : 04 (Four) years.
09. Date of Commencement : July, 2014.
10. Date of Completion : December'2017
11. a) Total Estimated cost : Tk.105056.00 lakh (GOB Tk.21,697 lakh +  
ADB Tk.78,000.00 + SDC Tk.5,358 lakh)
- b) Current Cost(2014-15) : Tk2265.89 lakh, (GOB Tk.58.50 lakh +  
ADB Tk.2207.39 lakh)
- c) Audit Status : 1<sup>st</sup> year (2014-2015)
12. Executing Ministry : Ministry of Finance, Finance Division.
13. Implementing agency : Ministry of Finance, Finance Division.
14. Funding Agencies : ADB, SDC & GoB.
15. Funding Management System : Special Account (Imprest Account)

#### 16. 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. The project will support training providers to meet industry skill requirements; finance skills training of 260,000 trainees, with 182,000 job placement; implement a vocational trainer development programme; and implement a skills assessment, certification and quality assurance system.



## **AUDITOR'S REPORT**

To,

**The Secretary**

Ministry of Finance, Finance Division,  
Bangladesh Secretariat, Dhaka.

- I. We have audited the accompanying Financial Statement of the "Skills for Employment Investment Programme (Phase-1) Project" financed under ADB Loan no.2425- BAN (SF) and SDC Grant no.0391-BAN (EF) as of 30<sup>th</sup> June 2015 and for the year then ended. 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. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from materials misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- III. In our opinion, the Financial Statement gives a fair view in all material aspect of the financial position of the "Skills for Employment Investment Programme (Phase-1) Project" as of 30<sup>th</sup> June, 2015 and the results of its operations and cash flows for the year then ended in accordance with the cash basis of accounting followed by the Government of Bangladesh.

V. **Opinion Status: *Unqualified.***



**(A K M Jubaer)**

Deputy Director

For Director General

Foreign Aided Projects Audit Directorate

Tel: 9356303.

Skills for Employment Investment Program (SEIP) Project  
Project Financial Statement  
As at 30th June,2015

(Figure in lakh Taka)

Resources	Notes	Cumulative Prior Period	Current Period	Cumulative Current Period
Government of Bangladesh	1	-	58.50	58.50
RPA Through GOB	2a	-	2,200.16	2,200.16
ADB Loan Fund (RPA Special Account)	2b	-	3,892.50	3,892.50
Other resources	3	-	-	-
Cash opening balance		-	-	
<b>Total Resources</b>		<b>-</b>	<b>6,151.16</b>	<b>6,151.16</b>
<b>Expenditure and Closing Balance</b>				
<b>Expenditure:</b>				
Equipment				
Local Training				
Overseas Training				
International Consultants				
National Consultants			7.23	7.23
Grants for Training (Association, BB and PKSP)		-	2,200.16	2,200.16
Grants for Training (PTIs)		-	56.70	56.70
Seminar and Workshop				-
stipend for disadvantaged group				-
Operating Cost				-
Interest Charge during implementation				-
VAT			1.08	1.08
Misc. Tax		-	0.72	0.72
<b>Total Expenditure</b>			<b>2,265.89</b>	<b>2,265.89</b>
<b>Closing Balance</b>	4	-	<b>3,885.27</b>	<b>3,885.27</b>
<b>Total Expenditure and Cash</b>		<b>-</b>	<b>6,151.16</b>	<b>6,151.16</b>
			-	-

*Verified*  
*20/12/2015*  
KAZI SHAMEEM HASAN  
Audit & Accounts Officer  
Foreign Aided Project Audit Directorate  
Govt. of the People's Republic of Bangladesh  
Audit Complex (6th Floor)  
Segun Bagicha, Dhaka.

*AV*  
*25/8/15*  
Executive Project Director  
SDCMU/SEIP  
*25/8/15*



**Skills for Employment Investment Program (SEIP) Project**  
**NOTES TO FINANCIAL STATEMENT**  
As at 30th June,2015

**1. GOVERNMENT OF BANGLADESH**

Fund are allocated by the Government of Bangladesh to cover GOB's share of eligible Project expenditures, as specified in the project Proforma and in the Annual Development programme for each of the Project. Any allocated funds that have not been expended by the end of a fiscal year lapse and must be returned to GOB. GOB contribution to the Project since inception are as follows (In Lakh Taka)

	Inception to 30th June,2014	For the Year 2014-2015	Inception to 30th June,2015
Disbursement by GOB	-	204.00	204.00
Account current	-	-	-
Less.Refund to GOB	-	145.50	145.50
Total	-	58.50	58.50

**2a. RPA Through GOB**

	Inception to 30th June,2014	For the Year 2014-2015	Inception to 30th June,2015
ADB (RPA Through GOB)	-	2,200.16	2,200.16

**2b. LOAN FROM DEVELOPMENT PARTNER**

The ADB has provided funds to the Project to cover it's 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 withdrawl Procedures (In Lakh Taka)

	Inception to 30th June,2014	For the Year 2014-2015	Inception to 30th June,2015
Initial Deposit (Advance) :		3,892.50	3,892.50
RPA (Special Account)			
SOE			
Non-SOE			
ADB (RPA Special Account)	-		
Total	-	3,892.50	3,892.50

**3. OTHER RESOURCES**

Other resources consist of the following :

	Inception to 30th June,2014	For the Year 2014-2015	Inception to 30th June,2015
Project Revenues	-	-	-
Exchange gains/losses	-	-	-
Total	-	-	-

**4. 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 :

	Inception to 30th June,2014	For the Year 2014-2015	Inception to 30th June,2015
Imprest Account :			
ADB Loan	-	-	-
Operating Account :			
Agrani Bank STD. Account No. (A/C No.0200002936093)	-	3,885.27	3,885.27
Total	-	3,885.27	3,885.27

*Verified*  
*2.12.2015*  
**KAZI SHAMEEM HASAN**  
Audit & Accounts Officer  
Foreign Aided Project Audit Directorate  
Govt. of the People's Republic of Bangladesh  
Audit Complex (6th Floor)  
Segun Bagicha, Dhaka.

*for,*

*SP/2015/18/15*  
**Executive Project Director**  
SDCMU/SEIP

*25/11/15*