

Office of the Director General
Civil Audit Directorate
Audit Complex (1th Floor)
Segunbagicha, Dhaka.

Email: civilaudit2020@gmail.com



No- 82.11.0000.011.16.047.24 .৯৫৫

Date: 20.03.2025

Executive Program Director (EPD)

Skills for Industry Competitiveness and Innovation program (SICIP)
Probashi kalayan Bhaban (15th Floor), 71-72 Old Elephant Road
Eskaton Garden, Dhaka-1000, Bangladesh.

Sub: Audit Inspection Report on the accounts of “Skills for Industry Competitiveness and Innovation Program (SICIP)” financed by ADB Loan No: 4334BAN(COL) for the year 2023-2024.

The Auditor's Report along with a Management Letter containing audit observations (6 memo's out of 7 memo's have been settled in light of the reply and one observation remains unsettled) on the accounts of the above mentioned Program is enclosed for your kind information and necessary action.

Enclosure:

1. Auditor's Report
2. Financial Statements
3. Management letter

Kazirashidul Azam
(Kazi Rashidul Azam)
Director

Phone: 02-226663260

E-mail: kazirashidulazam@gmail.com

No- 82.11.0000.011.16.047.24 .৯৫৫

Date: 20.03.2025

Copy for information and necessary action to

1. Country Director, The Asian Development Bank's (ADB).
Address: Plot E-31, Sher-e-Bangla Nagar, Dhaka 1207, Bangladesh.
2. Office Copy.
3. Guard file

(Mohammad Ruhul Amin)
Deputy Director

Phone: 02-226663262

E-mail: ruhul.aac21@gmail.com

নির্বাহী প্রোগ্রাম পরিচালকের দপ্তর, SICIP, অর্থ বিভাগ, অর্থ মন্ত্রণালয়	
তারিখ: 20/03/25	তারিখ: 20/03/25
ভাইসী নম্বর: ১০৮/১২৫	• প্রয়োজনীয় ব্যবস্থা নিম্ন
উপ-নির্বাহী প্রোগ্রাম পরিচালক (পারদল / আইসিই-১/২ / অর্থ মন্ত্রণালয়)	• পরীক্ষাপূর্বক উপস্থাপন করুন
সহকারী নির্বাহী প্রোগ্রাম পরিচালক	• আলোচনা করুন
নিয়ম - ১/২/০/৮/৫/৬/৭	• প্রায় তৈরী করুন
ফাইল ম্যানেজমেন্ট-১/২/৩/৪	☐ চক্করী ☐ অতি চক্করী ☐ প্রত
পরামর্শ (আইসিই-১/২/৩/৪) / ১০৮/১২৫ / ১০৮/১২৫	
আইসি / ১০৮/১২৫ / ১০৮/১২৫ / ১০৮/১২৫	
লিড / ১০৮/১২৫	স্বাক্ষর:

Audit Inspection Report
On
The Accounts of
“Skills for Industry Competitiveness and In-
novation (SICIP)” financed by ADB Loan No:
4334BAN(COL) for the year 2023-2024.

INFORMATION REGARDING AUDIT

Name of the Audit Unit	: Skills for Industry Competitiveness and Innovation (SICIP).
Nature of Audit	: Audit of Financial Statements of FY 2023-2024
Year of Audit	: 2024-2025
Duration of audit	: From 21.11.2024 to 28.11.2024.
Audit Team	: 1. Mr. Yeunus Ahmed Bhuiyan, Asst. Director (Team Leader) 2. Mr. Pijush Kumar Sarkar, SAS Superintendent (Member) 3. Mr. Md. Mehedi Hasan, SAS Superintendent (Member) 4. Mr. Md. Abdus Sattar, Auditor, (Member)
Audit Methodology	: - o Verification of Financial Statements. - o Test check of vouchers. - o Examination of F/S. - o Program Document - o Annual Action Plan
Scope of Audit	: - o Certification of Annual Financial Statement. - o The audit was conducted following Government Auditing Standards of Bangladesh (GASB) and practices of INTOSAI/SAI and also as per procedures prescribed by GOB & Development Partner. - o Audit of financial system and transaction including an evaluation of compliance with applicable statutes and regulations. - o Review of Financial Management, Internal Control System; and Equipment/Inventory management. - o Audit opinion is limited to funds received and expenditure incurred by the Program authority.
Applicable Authorities:	: o Program Document, Annual Action Plan, Financial Statement (FS), Bank Statement, Expenditure Statement, Delegation of Financial Power, Cash Book, Bill Register, Stock Register, Asset Register, Progress Report.
Project Duration	: August 2023 - 30 June 2029, 6 years.
Total Cost	: 175.00 million US Dollar (ADB 300.00 million, GOB=75.00 million US Dollar)
Current cost (2020-2021)	: Total Tk. 10,52,48000.00
Commencement	: August/2023
Completion	: June/2029
Funding System	: ADB & GOB: Fund for the Program both ADB and GOB was disbursed through Treasury Single Account (TSA) and payment was recorded in the iBAS ++.
Executing Ministry	: Ministry of Finance.
Implementing Agency	: Finance Division
Funding Agency	: ADB &GOB

**Pro-
gram
Objec-
tives**

- :
1. The economy of Bangladesh is growing steadily benefiting from reforms and increasing openness. Annual GDP growth has accelerated from 4.1% in the period FY1973-1978 to 6.2% in FY2008-2013. Excitingly, since FY 2015-16 Bangladesh has been experiencing more than 7.0% GDP growth which crossed 8.0% in 2018-19 that gives the country an aspiration to claim up to double digits. Literacy rate has increased over past decades, so has school enrollment, and particularly girls and women's participation in education. Population and labor force is predominantly young with more than a third in the 15-34 age group in 2010. Bangladesh is well-placed to benefit from the demographic dividend up to 2050 and perhaps beyond due to decline in fertility rates which, combined with effective policies and markets, triggers faster rates of economic growth and human development.
 2. This may be reinforced by the growth of labor productivity through skills development and technological progress especially Information and Communication Technology (ICT) driven move towards a knowledge economy. However, skill is recognized after infrastructure and energy as the prime factor to industrial growth, productivity, export diversification and producing high value products. It needs to be mentioned here that the Asian Development Bank's (ADB) Bangladesh Country Partnership Strategy (for 2012-2016) identifies the low competitiveness of firms as a key constraint to growth particularly the low skills and low productivity of the workforce.
 3. Foreign remittances play a very vital role in Bangladesh economy. Bangladeshi expatriates are the main source of this remittance. But most of the Bangladeshis working abroad are unskilled or semiskilled are sending very low remittance when compared to South East Asian Countries. For steady and higher remittance inflows, enhancement of skills of the aspirant migrant workers has no alternative.
 4. To coordinate the existing skills development and training programs sporadically being implemented by about 23 ministries and divisions, the Government has formulated National Skills

Development Policy, 2011. To run the skills development programs in a holistic, coordinated and standardized way the Government has recently established National Skills Development Authority (NSDA) which will bring all skills development activities under one umbrella to ensure uniform quality and standard across the country. Side by side with the government's fiscal support to the skills development programs additional source of funding will be ensured through National Human Resource Development Fund (NHRDF) which has already been established. Deserving public and private training institutes will benefit from this fund to carry on their training activities.

Auditor's Report

Audit Completion Date: 28-11-2024.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL

I. Certification

We certified that on behalf of the Comptroller and Auditor General of Bangladesh we have audited the accompanying Financial Statements of the *"Skills for Industry Competitiveness & Innovation Program" (SICIP)*, financed by ADB LOAN No. 4334-BAN(COL) for the year ended on June 30, 2024.

II. Respective Responsibilities of the responsible party and Auditor.

Program Director (Responsible Party) is responsible for the preparation of the Financial Statements for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements based on our audit findings with a special attention towards material misstatement due to fraud and error.

III. Audit Standards followed

We have conducted the audit in accordance with Government Auditing Standards of Bangladesh (GASB) which are based on ISSAI-100,200,300,400. These standards require that we plan and perform audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

IV. Scope of the audit for the financial statements

An audit includes examining, on a test basis, evidences 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 on the Financial Statements for the year 2023-2024.

V. Opinion on financial statements

In our opinion, the financial statements give a true and fair view of the financial position of *"Skills for Industry Competitiveness & Innovation Program" (SICIP)* as at the end of the 30 June 2024. The financial statements of the SICIP have been properly prepared in accordance with applicable financial reporting framework prescribed by the Comptroller and Auditor General of Bangladesh subject to the audit observations raised in the management letter for the period.

VI. Opinion Status: Unqualified

VII. Basis of the Opinion

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.


(Kazi Rashidul Azam)
Director
Civil Audit Directorate

FINANCIAL STATEMENT

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Notes

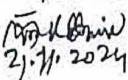
Government of the People's Republic of Bangladesh
Finance Division, Ministry of Finance
Skills for Industry Competitiveness and Innovation Program (SICIP)
Probashi Kallyan Bhaban (Level 16)
71-72 old Elephant Road, Eskaton Garden, Dhaka - 1000
Project Financial Statement
Receipts and Expenditure Statement
For the year ended 30 June, 2024

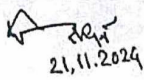
(Figure in Lakh)

Receipts/Resources	Notes	Cumulative Prior Period	Current period (FY 2023-24)	Cumulative Current period
1	2	3	4	5 = (3+4)
Government of Bangladesh	4	-	210.50	210.50
Loan from Development Partner (Net)	5	-	841.98	841.98
Total Resources		-	1,052.48	1,052.48

Expenditure	Notes	Cumulative Prior Period	Current period (FY 2023-24)	Cumulative Current period
1	2	3	4	5 = (3+4)
Revenue Expenditure				
Wages & Salaries			1.55	1.55
Administrative Expenses			137.29	137.29
Fees, Charges and commissions			-	-


Dulal Kumar Shill
Accounts Officer

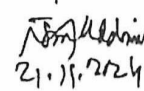

Mohammad Jasim Uddin
Assistant Executive Program Director (F&D)

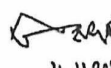

Myenul Hasan
Deputy Executive Program Director (F&D)

288

Training and visit			283.54	283.54
Travel and Transport			0.31	0.31
Printing and Stationary			0.19	0.19
Professional Services			593.06	593.06
Repairs and maintenance			36.54	36.54
Sub Total (Revenue Expenditure)		-	1,052.48	1,052.48
Capital Expenditure				
Building and Structures			-	-
Machinery and Equipment			-	-
Sub Total (Capital Expenditure)		-	-	-
Total Expenditure		-	1,052.48	1,052.48


Dulal Kumar Shill
Accounts Officer


21.11.2024
Mohammad Jasim Uddin
Assistant Executive Program Director (F14-2)


21.11.2024
Myenul Hasan
Deputy Executive Program Director (F14)


21/11/24
Mohammed Walid Hossain
Executive Program Director (EPD)
Skills for Industry Competitiveness
and Innovation Program (SICIP)
Finance Division, Ministry of Finance

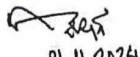
Skills for Industry Competitiveness and Innovation Program (SICIP)
Budget vs Actual Expenditure Statement
For the year ended 30 June, 2024

(Figure in Lakh)

Expenditure	Notes	Budget for current Year	Actual for current Year	Variation	Percentage of variation	Remarks
1	2	3	4	5=(3-4)	6=5/3x100	7
Revenue Expenditure : (As per Program Documents)						
Wages & Salaries		2.00	1.55	0.45	22.50	
Administrative Expenses		174.50	137.29	37.21	21.32	
Fees, Charges and commissions		15.00	-	15.00	100.00	
Training and visit		1,725.00	283.54	1,441.46	83.56	
Travel and Transport		25.00	0.31	24.69	98.76	
Printing and Stationary		7.50	0.19	7.31	97.47	
Professional Services		905.00	593.06	311.94	34.47	
Repairs and maintenance		71.00	36.54	34.46	48.54	
Sub Total (Revenue Expenditure)		2,925.00	1,052.48	1,872.52	64.02	
Capital Expenditure						
Building and Structures		130.00	-	130.00	100.00	
Machinery and Equipment		275.00	-	275.00	100.00	
Sub Total (Capital Expenditure)		405.00	-	405.00	100.00	
Total Expenditure		3,330.00	1,052.48	2,277.52	68.39	



Mohammad Jasim Uddin
21.11.2024



21.11.2024

Mohammad Jasim Uddin Myenui Hasan
Assistant Executive Program Director (FM-2) Deputy Executive Program Director (FM)
Accounts Officer



Mohammed Walid Hossain
21/11/24
Executive Program Director (EPD)
Skills for Industry Competitiveness
and Innovation Program (SICIP)
Finance Division, Ministry of Finance