

Comprehensive Approach Underscored Formulating 3rd PFM Strategy

Dr. Md. Khairuzzaman Mozumder, Secretary, Finance Division, Ministry of Finance, by inaugurating the formulation process of 3rd Public Financial Management (PFM) Strategy, underscored the need for a comprehensive approach with a new umbrella system to facilitate sector-wise unified reform for ensuring formulation of an integrated PFM strategy that would address the multifaceted challenges in the area of PFM.

Addressing the discussion session as the chairperson, held on 10 March 2024 at the Finance Division, Dr. Mozumder underlined the notable achievements of PFM Reform initiatives of the Government including government payment through Electronic Fund Transfer (EFT), online bill submission, online integration of social safety net programs, modernization of the government employee's leave system, success of the pension management system, implementation of A-challan system along with significant reforms in the activities of the National Board of Revenue (NBR).

He hoped that alignment with evolving standards and best practices of PFM, Bangladesh aims to enhance its PFM initiatives, fostering transparency, efficiency, and accountability to ensure good governance.

Senior officials from various government bodies including the Finance Division, Planning Commission, Bangladesh Parliament Secretariat, Cabinet Division, Office of the Controller General of Accounts, National Board of Revenue, Bangladesh Bank, as well as representatives from the World Bank participated in the discussion.

Participants, during discussion highlighted major issues for consideration of formulating 3rd PFM Reform Strategy which comprised of the necessity of stakeholder engagement and reflection of individual sector strategies of the ministries and divisions; revenue strategies; public procurement plans; integration of the "Smart Bangladesh" concept in the strategy; integration



international best practices; the importance of non-technical drivers such as incentives and change management; better coordination among the stakeholders and assured the continuous support from the World Bank; timely endorsement and approval of the strategy by the Ministry of Finance and advocating for collaborative efforts, and leveraging international consultancy services to a successful ending of the process; the important role of development partners and the need for collaborative efforts addressing the relevant issues of PFM reforms; the significance of the Delta plan and the importance of linking it to the overarching strategy devised for its execution; the need for efficient budget execution and sustainable procurement processes for better utilization of public funds and the alignment of Annual Development Program (ADP) with the Five-Year Plan and consider Public Expenditure and Financial Accountability (PEFA) recommendations in the process for a broader development perspective.

Reliable and Updated Macroeconomic Database to Overcome Limitations of Flow of Fund Method

Dr. Md. Khairuzzaman Mozumder, Secretary, Finance Division underscored the need for a reliable and updated macroeconomic database to overcome the limitations of currently practiced flow of fund method. Addressing as the Chief Guest of the workshop on Mnemonics of Data Variables in Macro-Fiscal Model (MFMod), held on 02 February 2024 at Coxes Bazar, the Secretary said that a reliable macroeconomic database has been built and MoUs have been signed with key macro data providers to get the macro series easily. After examining the available models in this arena, MFMod of World Bank has been chosen to use along with Flow-of-Fund Model, he added.

The workshop was addressed among other by Ms. Rehana Perven, Member (Secretary), Industry and Energy Division, Mr. Shirajun Noor Chowdhury, Additional Secretary (Budget and Expenditure Management), Ms. Suraiya Zannath, Task Team Leader, World Bank Dhaka Office. Dr. Mohammad Altaf-Ul-Alam, Additional Secretary, MEW & PIT Head made address of welcome. Officials of Finance Division's officials, representatives from Bangladesh Bank (BB), Bangladesh Bureau of Statistics (BBS), World Bank, and consultants of the related scheme of Strengthening Public Financial Management Program to enable Service Delivery (SPFMS) were also present.

The participants of the workshop opined that the macroeconomic forecasting is an important technique to reduce risk and uncertainty in the macro-fiscal



management of any economy. This model helps to determine the size of the government expenditure in a particular financial year. The macro-economic forecasting framework being used by the Macro-Economic Wing (MEW) of Finance Division is limited by inadequate data and less than optimal level of functionality. In the absence of a robust macro-economic model, the forecast reflects a strong element of targeting rather than realistic projections. As a result, mismatch between the budget target and the actual outcome has become a trend.

World Bank's Macro-Fiscal Model (MFMod) is a combination of both structural and non-structural macroeconomic features. In these equations, the estimates are calculated not only based on empirical data, but also rely on the

economic theories. The model projections in MFMod are generally conditional on the state of the economy and the economic relationships that have been built into the model. Since a model is only a guide the modeler needs to be aware of its limitations. The lack of historically available data constrains on key parameters while delays in data releases can lead to significant forecasting and policy revisions. Macro models deal with aggregates and can miss changes that take place on a micro scale such as loan advances to certain segments of households.

Think 'out of box' to Achieve Goals of (PFM) Reform Initiatives

Mr. Mohammad Saiful Islam, Additional Secretary, Budget-1 and National Program Director, SPFMS called upon the Program Executive and Coordinators (PECs), Implementation Support Consultant (ISC) and consultants to think 'out of box' with innovative ideas to achieve goals of the financial reform program (PFM) initiatives of the Government of Bangladesh.

Mr. Islam was addressing a 2-day Progress Review Meetings of Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS) Program as the Chairperson, held on 10-11 January 2024 at the conference room of Finance Division. The progresses and current status of seven schemes implemented by different wings/agencies under the Finance Division were discussed in the meetings. The PECs, ISCs, Senior Consultants and Consultants attended the meeting.

In day-1, Scheme on Improving the Budget Process through Capacity Development of BMCs and BWGs; C-10: Scheme on Internal Audit and Audit Follow-up, C-14: Scheme on PFM Reforms Leadership, Coordination and Monitoring made presentation. In day-2, Scheme on Improvement of Fiscal Forecasting through Development of Macro econometric Model, C-3: Scheme on Strengthening the Capacity of Treasury & Debt Management Wing of Finance Division, C-8: Scheme on Improving Pension Management System and Quality and Timelines of Financial Reporting and C-9: Scheme on Strengthening of State-Owned Enterprises Governance made presentation.



To boost the activities of Improving the Budget Process through Capacity Development of BMCs and BWGs, a series of recommendations were made. Some of the major recommendations comprised of data analytics using excel: effective budget preparation and execution; develop an Online Training Platform for BMC-BWG members and other relevant stakeholders, ensuring easy accessibility to all resource materials; introduce incentives for high performing ministries based on the score obtained on Peer Review and Performance Scorecard; incorporate new training ideas to improve the budget preparation process.

To expedite the activities of the scheme on Internal Audit and Audit Follow-up, the NPD instructed to all the Sr. Consultants/ Consultants to follow a Gantt chart to monitor the progress of the Scheme's activities by the Management. He emphasized to establish and integrated into the iBAS++ system in the future.

Reviewing the activities of the scheme on PFM Reforms Leadership, Coordination and Monitoring, the NPD suggested to take necessary preparation to organize 4th Steering Committee meeting and 3rd PFM Action Plan Stakeholder Retreat by July 2024. The review meeting emphasized on

expediting the communication activities of SPFMS and suggested to increase the media coverage and establish a strong link with media professionals. Besides, the meeting suggested to develop infographic, one-pager, two-pager etc. on different reform initiatives in a very simple language with pictures, figures and tables by the Communication Consultant in discussion with PEC and NPD.



The meeting suggested to develop a detailed manual for the documentation of the MFMod. For documentation, the scheme on Improvement of Fiscal Forecasting through Development of Macroeconomic Model should prepare a hard copy, video and power point presentation of the MFMod Operation Manual/ User Manual including the interpretation of the mnemonics. To collect data from iBAS++, Macro Scheme officials may provide the requirements of data. Based on the requirements, iBAS++ will provide data through APIs. Both scheme's IT officials will make the necessary developments in the concerned systems.

After reviewing the activities of the scheme on Strengthening the Capacity of Treasury & Debt Management Wing of Finance Division, the meeting suggested to publish the Debt Sustainability Analysis (DSA) on the website of Finance Division. The meeting stressed the need for a concept paper on the National Saving Schemes Management System's handover to the Department of National Savings (NSD), Internal Resources Division from the SPFMS program of Finance Division.

The meeting give direction for the scheme on Improving Pension Management system and quality and timeliness of Financial Reporting to take necessary preparation to organize a country-wide pension week. At present pensioners are facing problem to receive SMS of EFT and meeting suggested to go for alternative arrangement. To automate the pre-retirement phase, the meeting suggested to arrange for online availability of required documents, such as, administrative approval, leave statement, e-LPC and audit objection.



The meeting proposed expediting the process of generating the COFOG Report from iBAS++ and updating the account code, procedures manual, as well as designing and issuing a new reporting format to enhance the financial reporting system.

While reviewing the activities of Strengthening of State-Owned Enterprises' Governance, the meeting stressed the need for foreign exposure visit and suggested to arrange a study tour in South Korea to get ideas and replicate the experience back in Bangladesh. The meeting also suggested to take every effort to make the SOE database more intelligent than the current iBAS++. If necessary, hiring knowledgeable programmers via outsourcing will be allowed to meet the goal of creating a smart SOE database.

Lead Auditor Training on ISO Information Security Management Systems

Improvement of Public Financial Services Delivery through Implementation of BACS and iBAS++ under SPFMS program organized a Lead Auditor Training Course on ISO/IEC 27001:2022 (Information Security Management Systems). 10 consultants were participated in this training. ISO/IEC 27001 is the world's best-known standard for information security management systems (ISMS). The ISO/IEC 27001 standard provides companies of any size and from all sectors of activity with guidance for establishing, implementing, maintaining and continually improving an information security management system. With cyber-crime on the rise and new threats constantly emerging, it can seem difficult or even impossible to manage cyber-risks. ISO/IEC 27001 helps organizations become risk-aware and proactively identify and address weaknesses.



This training helped the participants to audit as per the requirements of ISO/IEC 27001:2022 Standard; understand the key elements of ISO 19011 and ISO/IEC 17021 Standards; understand the key information security issues; plan an audit against a set of audit criteria; successfully execute an Information Security Management System audit; create clear, concise and relevant audit reports and communicate the audit findings to a client.

Budget Preparation Training for field officials



Improvement of Public Financial Services Delivery through Implementation of BACS and iBAS++ under SPFMS program conducted a country-wide training on budget preparation for field level government officials. The purpose of the training was to develop the capacity of officials to develop their own budget online in a realistic and efficient manner.

A total of 4,100 government offices received this training from 17th December, 2023 to 25th January, 2024. This program had organized in different locations in Bangladesh.

Online budget preparation will help offices to get practical and flawless experiences on code wise budget without depending on relevant department for making budget. As a result, it saves huge amount of time and the chances of error is almost zero due to system generated budget system. This system would also help utilizing the budget on the 1st July of the financial year.

Public Asset Register for Motor Vehicles

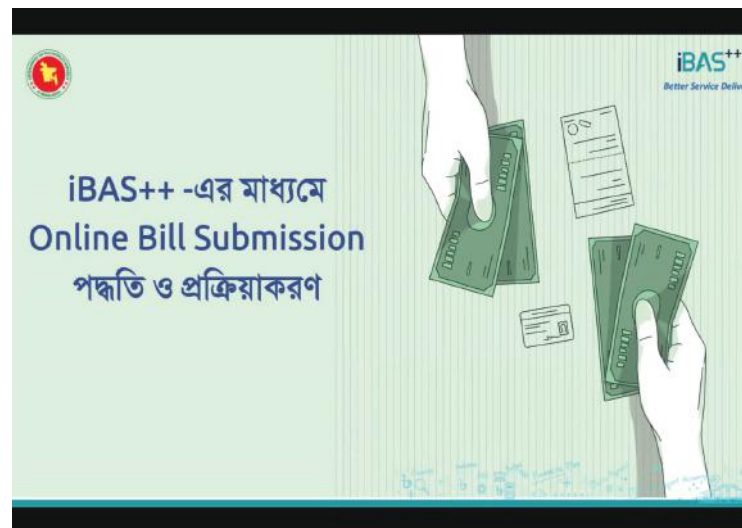
BACS and iBAS++ under SPFMS organized a workshop on "Public Asset Register for Motor Vehicles" held on 19 February 2024 at the Bangladesh Road Transport Authority (BRTA) headquarters in Dhaka.

The purpose of the workshop was to establishing and maintaining a comprehensive database or registry of motor vehicles of self or used by government entities or public institutions.

BRTA agreed to share information on motor vehicles owned by government. This will pave the way for establishing a comprehensive register, which will ultimately help to track and monitor vehicles with a view to controlling fuel and maintenance costs. Vehicle management will be much easier than earlier.



Budget Execution: DDO Other Bills

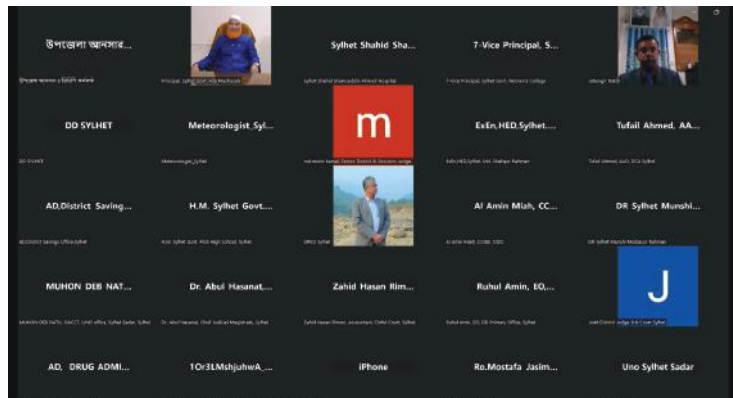


iBAS++ organized a 5-day online training program for Drawing and Disburse Officer (DDOs) and CAFOs under the Office of the Comptroller and Auditor General (CGA) from 10 – 14 March, 2024. The purpose of the workshop was to develop the capacity of DDOs and CAFOs to easily clear their bill online without any hassle.

DDOs for the divisional offices allows to access their bill status electronically from anywhere with an internet connection. DDOs can easily retrieve and review past bills, facilitating better record-keeping and financial management.

An automated payment system can help payments streamline processes, eliminate human error, cut costs, and speed up invoice processing. An automated payment system will allow suppliers, beneficiary, DDOs to receive bill payments directly via an electronic payment system (EFT). It will ensure paperless transactions in future.

Stock takes of Government Bank Accounts to Ensure Good Governance



Improvement of Public Financial Services Delivery through Implementation of BACS and iBAS++ under SPFMS program organized training program for all 65,567 primary schools across the country from 22 February– 04 March, 2024. Primary schools entered their bank account information after receiving the training on stock take of bank account.

A sub module for stock take of Government bank accounts has been developed to ensure good governance in banking services of public sector entities and strengthening the Transition Service Agreement (TSA). Public sector units require to enter their bank account information with year end balances.

The compiled report generated from the system will be reconciled with the individual bank. Stock taking of bank accounts will yield multiple benefits for the Government including preparing a database of bank account information of all public sector units; closing of dormant bank accounts; discouraging opening of unnecessary bank accounts; reducing numbers of bank accounts gradually.

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Fund Release Procedure of WB Funded Projects

Timely Fund Release Requires for Effective Budget Execution

A meeting on Fund Release Procedure for Project Directors of World Bank (WB) Funded Projects was held on 19 February 2024 in Dhaka with Mr. Mohammad Saiful Islam, Additional Secretary, Budget-1, Finance Division (FD) and National Program Director, SPFMS Program in the chair. The meeting was addressed by Mr. Abu Daiyan Mohammad Ahsanullah, Joint Secretary, Budget-1, Finance Division, Mr. Md. Nazrul Islam, Program and Executive and Coordinator (Joint Secretary), SPFMS, Ms. Rizwana Tabassum, Public Sector Specialist, World Bank among others.



Mr. Mohammad Saiful Islam called upon the project directors not to transfer any amount which could not be spent as the Government has to compensate huge amount to refund this unspent amount in the face of rise of dollar exchange rate. He suggested to take two modes of payment- one is Convertible Taka Special Account (CONTASA) and other Direct Project Assistance (DPA) during signing contract through Economic Relation Division (ERD). Big payment will be made through DPA and small payment through CONTASA. Those who are not able to do so they are suggested take special permission from Bangladesh Bank through Finance Division, he added.

Mr. Md. Zakir Hossain, Deputy Secretary, FD made a presentation on Fund Release Procedure of Development Projects. Explaining the philosophy of fund release he said, timely fund release is important for effective budget execution. Besides, the release of appropriations must be regulated for cash management, establishing proper balance between Government receipts and expenditure, spreading of plan over all the quarters proportionately to avoid disproportionate expenditure and the crowding of bills in the last quarter, he mentioned in his presentation.



Mr. Abul Basher Md. Amir Uddin, Senior Functional Consultant (BACS and iBAS++ Rollout) and Mr. Abu Saleh Md Zainal Abedin, Team Leader, iBAS++ made a Demonstration of Fund Release Procedure in iBAS++. More than 75 participants including senior officials of FD, Project Directors and Senior officials of different WB Funded projects participated in the meeting.

The participants took part in open discussion and shared their concerns in fund release process. In most cases projects have to wait for months to have the authorization of fund. Officials of FD explained that actually the line ministry of respective projects kills time to clear the necessary documents, relevant to provide authorization. If all necessary documents are produced before the relevant desk of FD, it may take two to three days to release the fund.

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Workshop on Finalization of M&E Indicator Matrix

The Successful Implementation of a Program Depends on M&E

The scheme on PFM Reforms Leadership, Coordination and Monitoring under Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS) organized a 2-day workshop on 07 and 08 February 2024 to finalize the indicator matrix for developing Monitoring and Evaluation (M&E) Guidelines of SPFMS Program. The workshop was held at SPFMS in Dhaka. The 1st day of the workshop was Chaired by Mr. Mohammad Saiful Islam, Additional Secretary, Budget-1, Finance Division and National Program Director, SPFMS with Mr. Shirajun Noor Chowdhury, Additional Secretary, Budget and Expenditure Management, Finance Division attended as the Chief Guest and Dr. Altaf Ul Alam and Mr. Mofidur Rahman Additional Secretaries, Finance Division, Ministry of Finance as Special Guests. The workshop was also attended by Program Implementation Teams (PITs), Program Executive and Coordinators (PECs), Senior Consultants, Implementation Support Consultants and Consultants from Component- 1,3,8 and 9 and the officials of SPFMS program. Ms. Tanima Tasmin, Program Executive and Coordinator (Joint Secretary), Dr. Manwar Hossein Malla, Program Executive and Coordinator (Deputy Secretary), Mr. Mohammad Moniruzzaman Bhuiyan, Implementation Support Consultant (ISC) took part in the discussion among others.

Ms. Annette Richter, International Consultant and Ms. Rukshana Hasin, ndc, Sr. Consultant (M&E) – made presentation in the workshop while Ms. Saima Shahin Sultana, Program Executive and Coordinator (PEC) of the SPFMS program in her introductory speech said that the workshop has been considered as a great opportunity for the PITs, PECs, ISCs and Consultants to share their expert opinions to finalize the M&E result-based indicators.

Mr. Shirajun Noor Chowdhury pointed out that the successful implementation of a program largely depends on monitoring and evaluation. The government has taken lots of projects but don't succeed just because of lack of implementation and result monitoring, he added. Mr. Shirajun Noor also emphasized the use of Theory of Change (ToC) and SMART criteria during preparing the result monitoring framework.

Dr. Altaf Ul Alam highlighted the importance of monitoring and evaluation processes during the budget preparation period. He also suggested that monitoring and evaluation process seemed important for measuring and tracking any kind of progress in a project timeframe.

Mr. Mohammad Saiful Islam in his speech underlined that adopting new projects seemed very common, but the impacts were not calculated at the same time. The outcomes and impacts of SPFMS program are the goal by which the service delivery will be improved, he added.

The workshop suggested the baseline data from each indicator should be collected before the upcoming meeting with the M&E team and the definition for populating existing and proposed indicators for each component should be reviewed critically.

In the second day, Mr. Tahmid Hasnat Khan, Additional Secretary, Admin & TDM, Finance Division attended the workshop as the Chief Guest. Chaired by Ms. Saima Shahin Sultana, Program Executive and Coordinator (PEC) of Scheme on PFM Reforms Leadership, Coordination and Monitoring, SPFMS Program, the workshop was addressed by Mr. Mohammad Manzarul Mannan, Additional Secretary, Admin & Coordination, Finance Division, Ministry of Finance attend as Special Guests. Mr. Nazrul Islam, Program Executive and Coordinator (Joint Secretary), Mr. Md. Rafiqul Islam, Program Executive & Coordinator (Joint Secretary), Mr. Muhammad Anisuzzaman, Program Executive and Coordinator (Deputy Secretary) took part in discussion among others. Mr. Tahmid Hasnat Khan said that M&E is a continual management role that allows actions to communicate their outcomes. M&E will vary from one to another depending on the needs of the particular organization, he added.

Mr. Mohammad Manzarul Mannan highlighted the importance of monitoring and evaluation is important part for management to done any work properly. SPFMS is working to build a good platform for management, he added.

Summarizing the workshop finding, Ms. Saima Shahin Sultana said that the workshop was organized as part of the SPFMS program's Scheme on PFM



Reforms Leadership, Coordination and Monitoring. She highlighted that DLR-10.5 is to prepare the M&E framework of SPFMS Program is to assist in achieving DLR-10.5 by ensuring at least 2 (two) M&E reports are prepared and published in the SPFMS website on an annual basis.

Performance Links with Budget Preparation



Workshop on Inter-Ministerial Peer Review of Selected Ministries/Divisions was held on 7 February 2024 in Dhaka with Mr. Shirajun Noor Chowdhury, Additional Secretary, Budget & Expenditure Management, Finance Division as the Chief Guest. Chaired by Mr. Mohammad Saiful Islam, Additional Secretary, Budget-1 and National Program Director, SPFMS, the workshop was attended by Mr. Abu Daiyan Mohammad Ahsanullah, Joint Secretary, Budget-1 as Special Guest.

Mr. Shirajun Noor Chowdhury said utilization of funds is not the only criterion of performance. Performance of an individual indicator has a direct link with budget preparation. Financial and Non-financial processes should be integrated. He hoped that this peer review would help learning from each other.

Performance of 10 Ministries/Divisions were reviewed. Secondary and Higher Education Division reviewed the performance of Primary and Mass Education Division; Primary and Mass Education Division reviewed the performance of Secondary and Higher Education Division; Bridge Division reviewed the performance of Road Transport and Highways Division while Highways Division did the same for Bridge Division. Performance of Local Government Division was reviewed by Rural Development and Cooperative division and the performance of Rural Development and Cooperative was reviewed by Local Government Division. The Health Services Division reviewed the Health Education and Family Planning Division while the Health Education Division did the same for the Health Services Division. The Ministry of Water Resources reviewed the Ministry of Agriculture and the Ministry Agriculture reviewed by Ministry of Water Resources.

The reviewers gave an initial score based on the set indicators. This score will be further reviewed and a final report will be prepared. With the approval of the relevant authority the score of different ministries will be released for media coverage.

SOEs and ABs Need Umbrella Act to Streamline Activities



Participants of the workshop on Plan for Preparation of Policy and Procedure Manual for Fixed Assets & Property Management of SOEs and ABs underscored the need for an umbrella act to streamline the SOEs and ABS to avoid any dissimilarities and contradiction with existing SOE law especially its financial management.

The workshop, organized by Monitoring Cell, Finance Division, Ministry of Finance was held on 2 January 2024 at the Finance Division in Dhaka with Mr. Shirajun Noor Chowdhury Additional Secretary, Budget-1 and National Program Director, SPFMS, Finance Division as the Chief Guest and Mr. Md. Hasanul Matin Additional Secretary (SOE Wing) and Ms. Nasrin Sultana, ADG, (Joint Secretary) MC, Finance Division as Special Guest. Chaired by Dr. Mohammad Abu Yusuf, DG (Additional Secretary), Monitoring Cell, Finance Division, the workshop was attended by Mr. Mohd. Rashedul Amin, Director-3 (Joint Secretary) Monitoring Cell, Dr. Md. Fardous Alom, PS to Finance Minister (Joint Secretary), Mr. Mohammad Rabiul Islam, Joint Secretary (SOE-2), FD as discussants. Officials from different wings of the Finance Division as well as from SPFMS, FD participated in the workshop.

Mr. Shirajun Noor Chowdhury in his speech said that the Government has taken a comprehensive step for improving SOE governance. He appreciated initiative to make the Plant, Property and Equipment manual and to stressed the need for such type of workshop and follow up meeting for completing the task on time. He hoped that the PPE manual of SOEs and ABs will show the right way to handle proper asset management.

Keynote speakers Mr. Firoz Ahmed, ADG-2 (Joint Secretary) Monitoring Cell and Mr. Md. Kamruzzaman, FCA, Senior Consultant, SOEs' Governance Scheme, SPFMS, Finance Division presented a detailed plan for preparation of policy and procedure manual for fixed assets & property management of SOEs and ABS. Mr. Md. Amirul Islam, Director-I, Monitoring Cell, Finance Division moderated the workshop.

The participants of the workshop suggested to include global best practice related to the assets recognition, depreciation, assets register or other assets management issues and complied in the Property Plant and Equipment (PPE) manual. Also suggested stakeholder's consultations drafting and finalizing the manual and the manual should be confusive with the Delegation of Financial Power delivered to SOEs and ABs and with the jurisdiction of the Expenditure Management Wing of FD.

BFIDC Needs a Comprehensive Strategy to Enhance Market Competition

Participants of a workshop on Proposed Performance Improvement Strategy for Bangladesh Forest Industries Development Corporation (BFIDC) stressed the need for a comprehensive strategy to enhance market competition. They pointed out the importance of share issuance, dividend payment, DSL Account maintenance, and DSL payment within the Performance Improvement Strategy report of BFIDC to uphold the interest of Government.



The workshop on "Performance Improvement Strategy of Bangladesh Forest Industries Development Corporation (BFIDC)" was organized by the Scheme on Strengthening of State-owned Enterprises Governance Scheme (SOE) under SPFMS, held at the Monitoring Cell (MC), Finance Division on 19 March 2024.

Dhaka. Chaired by Dr. Mohammad Abu Yusuf, DG (Additional Secretary), Monitoring Cell, Finance Division the workshop was attended by Mr. Md. Abdur Rahman Khan, Additional Secretary, Admin & TDM Wing, Finance Division as the Chief Guest and Mr. Mohammad Manjarul Mannan, Additional Secretary, Admin & Coordination Wing, Finance Division as Special Guest. Senior Officials from the Finance Division, BFIDC and the Ministry of Environment, Forest and Climate Change were also present in the workshop.

The major observation of the participants comprised of SWOT analysis should be done to address features and quality of wood, the lack of modern equipment, scarcity of efficient manpower, and the quality of rubber; recommendations should align with the findings of the SWOT analysis; initiatives are being taken to address the inadequate storage of facility for rubber; the strategy paper should investigate the reasons behind the high production cost of rubber compare to international market and suggest ways to reduce it; market analysis by BFIDC should cover both national and global markets and the need for sophisticated equipment to reduce impurities in rubber and ensure quality furniture production.

BFIDC to Develop Annual Financial Statements Ensuring Transparency and Accountability



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Automation of Pre-retirement Phase of Pension in Progress



Mr. Md. Hasanul Matin, Additional Secretary, Finance Division, addressing the inaugural session as the Chief Guest of the training on "Latest Development of Pension and Fund Management System" said that the Government is working to automate the pre-retirement phase of pension.

Addressing the training session, held on 28 January 2024 at the Institute of Public Finance, Segunbagicha, Dhaka, he suggested informing all the ministries and divisions regarding the automation of the pension management system.

Officials from 13 ministries including Economic Relations Division, Local Government Division, Rural Development & Cooperative Division, Public Security Division, Security Services Division, Women & Children Affairs Ministry, Ministry of Foreign Affairs, Legislative & Parliamentary Affairs Ministry, Law & Justice Division, Bangladesh Parliament Secretariat, Road Transport & Highways Division, Bridge Division & Ministry of Environment, Forest & Climate Change participated in the training.

Improving Pension Management System & Quality and Timeliness of Financial Reporting Scheme under Strengthening Public Financial Management Program to Enable Service Deliver (SPFMS) organized the day-long training. The purpose of the training was to inform the ministries and divisions about the latest development in Pension Management system t.

Chaired by Ms. Tanima Tasmin, Program Executive & Coordinator, SPFMS program, the event was addressed by Mr. Syed Rashedul Hasan, Director (Joint Secretary), IPF, Finance Division as special Guest.



Mr. Hasan Nazmul Kabir, Additional Deputy C&AG and Mr. Mamun-UI-Mannan facilitated the training sessions. In the first session, Mr. Nazmul Kabir explained the pension approving process in the administrative end and replied to the questions of the participants on this topic which was followed by a session on Development of Pension Management System & Live Verifications Apps. Mr. Mannan conducted the session on the Latest Development on GPF management. Mr. Samsuddin Munna, Implementation Support Consultant, SPFMS program made a presentation on the automation of pre-retirement phase as per the Pension Simplification Order 2020.

IMF SARTTAC TA Mission Conducted

IMF SARTTAC (South Asia Regional Training and Technical Assistance Center) TA Mission on GFS (Government Finance Statistics) was conducted from 4th February 2024 to 8th February 2024 in the SPFMS program. The mission, led by Mr. Andrew Evans, GFS PSDS Advisor, SARTTAC was attended by Ms. Tanima Tasmin, PEC, Pension scheme, Mr. Tanveer Akhter Hossain Khan, Senior Consultant, Pension scheme, Mr. Md. Amir Uddin Abul Basher, Senior Consultant, iBAS++, Mr. Samsuddin Munna, ISC, Pension scheme among others. Mr. Evans met Mr. Abul Kalam Azad, CGA and Mohammad Saiful Islam, Additional Secretary & NPD, SPFMS Program, Finance Division as part of this mission.

The purpose of the mission was to assist the government of Bangladesh to prepare quality data for GFS and to extend the GFS coverage from the Budgetary Central Government to the whole of the Government. Mission also reviewed the updates of the recommendations given in the previous mission, conducted from 19-23 March 2023.



During these five days mission, a training on GFS COFOG (Classification of the Functions of the Government) was also conducted for 25 officials from the Finance Division, OCAG and CGA at Institute of Public Finance to orient them with the groups, functions and details of the COFOG.

Training on IPSAS Certification Examination

IMF SARTTAC (South Asia Regional Training and Technical Assistance Pension Management and Financial Reporting Scheme, SPFMS program has arranged a training for 50 officials from Finance Division, OCAG, CGA and SPFMS program on IPSAS (International Public Sector Accounting Standard) certification course in two batches. A firm, named, LCBS, was appointed to conduct this training. The purpose of the training is to develop the capacity of these officials for IPSAS Certification Examination. After completion of the training they will sit for the IPSAS Certification Examination. The training is being provided at each Friday & Saturday from 12th January for seven weeks at Institute of Public Finance, Finance Division.

Ms. Tanima Tasmin, PEC, Pension Scheme mentioned that with the continuation of the previous four batches of IPSAS training, scheme has initiated to train the participants to prepare for the IPSAS examination. She informed that so far 70 participants has got the IPSAS certifications.

The inauguration session was held on 12th January at IPF, Mr. Abul Kalam Azad, Controller General of Accounts was present as the Chief Guest and Mr. Mohammad Saiful Islam, Additional Secretary & NPD, SPFMS program presided the session. Mr. Abul Kalam Azad thanked the Pension Management & Financial Reporting Scheme for arranging the training which will help the participants understand the importance the IPSAS accrual basis of accounting. The chair expected the participants will work for the smooth transition of IPSAS cash to IPSAS accrual basis of accounting.

IA Firm Inception and Workshop on IA Execution Work Plan held



The Scheme on Internal Audit & Audit follow up under the Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS) organized the Internal Audit (IA) Firm Inception and Workshop on IA Execution Work Plan held on 21 January 2024 at the SPFMS Program office in Dhaka. IA Consultancy Firms have been commissioned to provide capacity-building training for the designated officials of high spending departments including Roads and Highways Department (RHD), Local Government Engineering Department (LGED), Public Works Department (PWD), Directorate General of Health Services (DGHS) and Department of Primary Education (DPE). The capacity development training will be followed by the execution of IA activities and reporting, closing training (advanced training) sessions aimed at addressing capacity gaps and other related issues identified among the chosen officials within the concerned departments.

Presided over by Ms. Bilquis Jahan Rimi, Additional Secretary (Expenditure Management Wing), Finance Division (FD) and PIT Head of IA Scheme and workshop was attended by Mr. Kabirul Ezdani Khan, Chairman, National Pension Authority and prior Program Implementation Team (PIT) Head, IA Scheme attended as the Chief Guest. Mr. Md. Rafiqul Islam, Joint Secretary and Program Executive & Coordinator (PEC) of Internal Audit and Audit Follow-up Scheme made the welcome speech at the workshop.

Mr. Mohammad Iqbal Hossain, CIA, and Team Leader of S. F. Ahmed & Co, the designated IA Firm, presented the Inception report where he established a connection between the Public Expenditure and Financial Accountability (PEFA) assessment and the execution of IA within the public sector in Bangladesh. He also explained the position of Bangladesh related to the Public Sector Internal Audit Capability Model (IA-CM). Mr. Md. Enamul H. Choudhury, FCA, Senior Partner and Ms. Shayema Akter, FCA, Senior Director attended the workshop from the IA Firm. All Senior Consultants, Implementation Support Consultant (ISC), Consultants and Junior Consultants of Internal Audit Scheme also participated in the workshop. The workshop was moderated by Mr. Md. Rafiqul Islam, Joint Secretary and Program Executive & Coordinator (PEC) of Internal Audit and Audit Follow-up Scheme.

Mr. Kabirul Ezdani Khan said that the overall objective of this Internal Audit and Follow-up scheme is to establish a modern internal audit function in selected large spending and high-risk departments. This initiative would help establishing internal control using risk-based audit methods concentrating on systemic issues and providing independent and objective advice to the management, he added. He also pointed out that Internal Audit Charter and RBA Manual has been developed and execution of this manual would help ensuring consistency, efficiency, and effectiveness in the execution of their audit activities.

Ms. Bilquis Jahan Rimi in her speech expressed her satisfaction joint efforts of the PIT members, PEC and consultants contributed to achieving two out of four Disbursement Link Result (DLR) with in a very short period of the scheme since January 2021. She emphasized that the firm not only to carry out assigned tasks but also help integrating Internal Audit Functions at the departmental level, ensuring the sustainability of IA activities in the respective departments.

Mr. Md. Rafiqul Islam summarizing the discussion and shared the action points including development of a checklist for the IAU so that they can properly follow the procedures for IA execution; IA Execution reporting should be completed in such a way, so that it is helpful for the departments and sustains in the long run.

Internal Audit Helps Reducing External Audit

Scheme on the Internal Audit (IA) and Audit Follow-up under SPFMS program organized three Inception of Internal Audit Unit (IAU) at three high spending departments of the Government for efficient implementation of Internal Audit functions in a view to reduce the number of external audit observations.

The Inception of IAU of the Department of Primary Education (DPE) & IA Scheme Technical Team and Workshop on Basics of IA Execution was held on 24 January 2024 at the DPE, Mirpur Dhaka with Mr. Shah Rezwana Hayat, Director General, Directorate of Primary Education as the Chief Guest and Mr. Md Mahabubur Rahman, Additional Director General (Revenue) & Head of IAU, Directorate of Primary Education (DPE) as Special Guest.



Chaired by Ms. Bilquis Jahan Rimi, Additional Secretary (Expenditure Management Wing), FD & PIT Head, Internal Audit and Audit Follow-up Scheme, SPFMS, the workshop was moderated by Mr. Md. Rafiqul Islam, Joint Secretary and Program Executive & Coordinator (PEC) of Internal Audit and Audit Follow-up Scheme.

Mr. Shah Rezwana Hayat in his speech pointed out that out of approximately 19 lakh government officials, about 5 lakhs work under DPE and if we consider from grassroot level around 44 thousand position is still vacant. He however mentioned that there is a consistent emphasis on providing training in Government Accounting Management and iBAS++ system at the field level.

The Inception of IAU of the Roads and Highways Department (RHD) & IA Scheme Technical Team and Workshop on Basics of IA Execution was held on 25 January 2024 at the office of the RHD, Dhaka with Ms. Bilquis Jahan Rimi Additional Secretary (Expenditure Management Wing), FD & PIT Head, Internal Audit and Audit Follow-up Scheme, SPFMS as the Chief Guest. Chaired by Mr. Shoaib Ahmed, Additional Chief Engineer (Planning & Maintenance Wing), Roads and Highways Department (RHD), the function was also attended by the representative from IA Firm- S. F. Ahmed & Co, Ms. Shayema Akter, FCA, Senior Director along with the technical team participated in this inception ceremony and workshop. All the Sr. Consultants/ Consultants of Internal Audit Scheme actively engaged in the session. The workshop was moderated by Mr. Md. Rafiqul Islam, Joint Secretary and Program Executive & Coordinator (PEC) of Internal Audit and Audit Follow-up Scheme.



Objective of IA scheme including internal audit execution plan in the RHD. He added, for the last two years we have been developing the IA Charter and RBA Manual for the MDAs through a series of view-exchange meetings, seminars, workshops, trainings, validation program. Now, by co-sourcing with Internal Audit Consultancy Firm, we will execute the IA Functions in the concerned 5 Departments (RHD, DPE, LGED, PWD, & DGHS).

The participants of the workshop said that the Internal Audit would be effectively implemented in the department level and RHD will be at the forefront, pioneering the establishment of a fully functional and sustainable Internal Audit Unit in public sector. Additionally, she mentioned that our Internal Audit experts would assist the members of IAU at RHD for effectively carrying out internal audit tasks, encompassing Audit Planning, Risk Register, Audit Execution, and Reporting. Furthermore, she added, that a draft workplan would be presented during today's session, and upon receiving your feedback, it will be finalized and implemented. Mr. Rafiqul Islam, PEC of SPFMS program expressed his gratitude to all the participants for their active participation and also thanked the Sr. Consultant (IA) and Auditors for delivering a very informative presentation and to all the PIT members for their continuous efforts and cooperation.

Inception of IAU of Local Government Engineering Department (LGED) & IA Scheme Technical Team and Workshop on Basic of Internal Audit (IA) Execution was held on 01 February 2024 at LGED Bhaban in Dhaka with Mr. Md. Ali Akhtar Hossain, Chief Engineer, LGED as the Chief Guest and Mr. Md. Enamul Haque PEng, Addl. Chief Engineer (Audit), LGED and Mr. Md. Belal Hossain, Superintending Engineer (Current Charge), Administration as special guests.



Chaired by Ms. Bilquis Jahan Rimi, Additional Secretary (Expenditure Management Wing), FD & PIT Head, Internal Audit and Audit Follow-up Scheme, SPFMS the workshop was attended by representative from IA Firm S.F. Ahmed & Co, Ms. Shayema Akter, FCA, Senior Director along with the technical team participated in this inception ceremony and workshop. All the Sr. Consultants/ Consultants of Internal Audit Scheme actively engaged in the various sessions of this workshop. The workshop was moderated by Mr. Md. Rafiqul Islam, Joint Secretary and Program Executive & Coordinator (PEC) of Internal Audit and Audit Follow-up Scheme.

Ms. Bilquis Jahan Rimi, expressed optimism that the Internal Audit would be effectively implemented in the department level and LGED will be at the forefront, pioneering the establishment of a fully functional and sustainable Internal Audit Unit in public sector. She mentioned that LGED has already been engaged in Internal Audit activities through its previous programs and this will make it much easier for them to establish the IA function permanently.



Mr. Md. Ali Akhtar emphasized that LGED has already implemented Internal Audit activities previously, this will make it easier for them to successfully implement the risk-based internal audits within the department. He further stated that Internal Audit will not only assist in reducing external audit observations but also aid top management in identifying any gaps or faults in the process, which will ultimately enhance transparency and efficiency.

Non-Tax Revenue's Prospect for Economic Development



Participants of the 3rd divisional conference on "Creation of Awareness and Sensibility for Non-tax Revenue (NTR) Generation" underscored the need increase non-tax revenue for the interest of continuing the pace of economic development of the country. The conference, held at Sylhet on 11 February 2024, the participants also pointed out that the NTR has the prospect to generate huge volume of revenue.

Scheme on Strengthening the Capacity of Treasury and Debt Management Wing under the Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS), Finance Division organized the workshop to create awareness among people about realizing non-tax revenue.



Chaired by Mr. Md. Mofidur Rahman, Additional Secretary, Treasury and Debt Management Wing of the Finance Division, the function was addressed by Mr. Tahmid Hasnat Khan, Finance Division as the Chief Guest. Mr. Mohammad Manzarul Mannan, Additional Secretary, Admin and Coordination, Finance Division and Mr. Debojit Singha, Additional Divisional Commissioner (General & Director, Local Government) participated the conference as special guests and Ms. Homayra Begum, Additional Secretary, Finance Division made address of welcome. Ms. Khandker Sadia Arafin, Deputy Secretary and Sabiha Yeasmin, Deputy Secretary, Finance division jointly presented the key-note paper in the conference.

The conference highlighted the importance of importance of non-tax revenue and identified the different sources of such revenue collection.

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