



Report No: FIN-2024-60(E)

16 May 2024

**MALDIVES COVID-19 EMERGENCY
INCOME SUPPORT PROJECT
(ADDITIONAL FINANCING)
FOR THE FINANCIAL YEAR ENDED
31ST DECEMBER 2023**



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AUDITOR GENERAL'S OFFICE

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AUDITOR GENERAL'S REPORT

TO THE MINISTRY OF ECONOMIC DEVELOPMENT ON THE FINANCIAL STATEMENTS OF MALDIVES COVID-19 EMERGENCY INCOME SUPPORT PROJECT (ADDITIONAL FINANCING)

Opinion

We have audited the accompanying financial statements; Statement of Receipts and Payments and Statement of Comparison of Budget and Actual Amounts for the financial year ended 31st December 2023 and notes to these statements, which include a summary of significant accounting policies and other explanatory information set out in pages 4 to 10 of Maldives Covid-19 Emergency Income Support Project (Additional Financing ID: P174014), financed by International Development Association of the World Bank.

In our opinion, the accompanying financial statements present fairly, in all material respects, the cash receipts and cash payments for the financial year ended 31st December 2023 and cash balances at the year then ended, in accordance with International Public Sector Accounting Standard: *Financial Reporting under the Cash Basis of Accounting*.

In addition to the opinion, we can provide assurance that:

- (a) The funds provided under the Financial Agreements have been utilised for the purposes for which they were provided; and
- (b) The Procurement guidelines of the World Bank have been complied with in the procurement of goods and services under the project.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Management in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), 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 opinion.

Responsibilities of Management and those charged with Governance for the Financial Statements

The Management is responsible for the preparation and fair presentation of this financial statement in accordance with the International Public Sector Accounting Standard (IPSAS): Financial Reporting under the Cash Basis of Accounting. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Auditor's 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 auditor's 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 scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 of the project 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.

16 May 2024



Hussain Niyazy

Auditor General



**MINISTRY OF ECONOMIC DEVELOPMENT
MALDIVES - COVID-19 EMERGENCY INCOME SUPPORT PROJECT (P174014)**

**STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

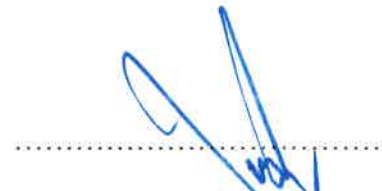
	Note	2023 D-IDA USD	2022 D-IDA USD	Cumulative to-date D-IDA USD
<u>RECEIPTS</u>				
DISBURSEMENTS FROM THE WORLD BANK	3.1	2,911,004	3,400,000	21,017,887
OTHER DEPOSITS	3.2	5,995	-	5,995
TOTAL RECEIPTS		2,916,999	3,400,000	21,023,882
<u>PAYMENTS</u>				
COVID-19 SUPPORT ALLOWANCES	4.1	-	-	(14,706,883)
PROJECT IMPLEMENTATION, MANAGEMENT AND REPORTING	4.3	(1,450,177)	(757,802)	(2,207,979)
APPRENTICESHIP ALLOWANCES (INCLUDING TRANSPORT ALLOWANCES)	4.2	(77,536)	(49,772)	(127,308)
STIPENDS (INCLUDING TRANSPORT ALLOWANCES)	4.2	(299,291)	(694,604)	(993,896)
BUSINESS DEVELOPMENT GRANT	4.2	(2,596,730)	-	(2,596,730)
TOTAL PAYMENTS		(4,423,735)	(1,502,179)	(20,632,797)
Increase / (Decrease) in Cash		(1,506,736)	1,897,821	391,085
Cash balance at beginning of the year		2,057,306	-	-
Increase / (Decrease) in Cash		(1,506,736)	2,057,306	550,570
Cash balance at the end of the year		550,570	2,057,306	550,570

Management of the Project is responsible for the preparation and presentation of the financial statements.

Signed for and on behalf of the MCEISP PMU:



Shuhad Ibrahim
(Project Director)



Ahmed Fazeel
(Financial Specialist)



**MINISTRY OF ECONOMIC DEVELOPMENT
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**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2023**

Item	Note	Budgeted Amount (USD)	Actual Amount (USD)	Difference (USD)
COVID-19 SUPPORT ALLOWANCES	4.1	14,706,883	(14,706,883)	-
STIPENDS (INCLUDING TRANSPORT ALLOWANCES)	4.2	1,094,372	(993,896)	100,476
APPRENTICESHIP ALLOWANCES (INCLUDING TRANSPORT ALLOWANCES)	4.2	193,517	(127,308)	66,209
BUSINESS DEVELOPMENT GRANT	4.2	2,996,177	(2,596,730)	399,447
PROJECT IMPLIMENTATION, MANAGEMENT AND REPORTING	4.3	2,105,865	(2,207,979)	(102,114)
Total		21,096,814	(20,632,797)	464,017



**MINISTRY OF ECONOMIC DEVELOPMENT
MALDIVES - COVID-19 EMERGENCY INCOME SUPPORT PROJECT (P174014)**

NOTES TO THE FINANCIAL STATEMENT

1. PROJECT INFORMATION

Key Highlights

Project Title: Maldives-Covid-19 Emergency Income Support Project

Start Date: 13th May 2020

Closing Date: 31st December 2023

Approved Budget: USD 34.4 Million (Initial US\$12.8 million and additional US\$21.6 million)

Funded by: International Development Association (IDA) World Bank and Government of Maldives

1.2 Impact and Outcome

The Project Development Objective (PDO) is to mitigate the economic impact of the COVID-19 crisis on workers and their families, and to increase the capacity of social protection programmes to respond to future emergencies. In addition, under the restructuring programmes training programmes are arranged to facilitate a pathway for affected workers to join the workforce and to assist self-employed workers to restart their work.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements are prepared by the management in accordance with International Public Sector Accounting Standard (IPSAS): Financial Reporting under the Cash Basis of Accounting, issued by the International Federation of Accountants

The financial statements comprise:

- Statement of Cash Receipts and Payments.
- Reconciliation Statement of Designated Account; and
- Notes to the Financial statements, including the summary of significant accounting policies.

2.2 Cash Basis of accounting

Receipts and payments are accounted for on cash basis. Receipts are recognised when the Maldives Monetary Authority (MMA) receives the funds from World Bank (WB) to the bank account maintained for the project with it. This account is maintained in United States Dollars (USD). Payments are recognised at the time of outflow of cash either from the bank account, or from the cash account maintained for cash payments.



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The financial statement prepared based on cash method presents information on the source of cash, application of funds objectives and cash balances at the reporting date. The measurement focus in the financial statement is balances of cash and changes therein.

2.3 Recognition of Receipts and Payments

Receipts and payments are accounted for on cash basis. Receipts are recognised when the Maldives Monetary Authority (MMA) receives the funds from World Bank (WB) to the bank account maintained for the project with it. This account is maintained in United States Dollars (USD). Payments are recognised at the time of outflow of cash either from the bank account, or from the cash account maintained for cash payments.

2.4 Presentation Currency

The financial statement has been presented using the United States Dollars (USD). And all the figures have been rounded to the nearest Dollar.

2.5 Foreign Currency Translation

Receipts and Payments in currencies other than reporting currency (USD) are converted at the MMA exchange rate between the transaction currency and the reporting currency prevailing at the date of payment. Cash balances in currencies other than USD as at the end of the reporting period are shown in the financial statements at the exchange rate between the transaction currency and reporting currency that was prevailing at the last day of the reporting period and resulting exchange gain/loss (if any) is recognised in the financial statements.

2.6 Reporting Period

Financial statement is generally prepared for one year (calendar year). Period for which financial statement is prepared are disclosed on the face of the financial statement.

2.7 Comparatives

In addition to the figures for the financial year ended 31 December 2023, the financial statements show the figures for the financial year ended 31 December 2022.



**MINISTRY OF ECONOMIC DEVELOPMENT
MALDIVES - COVID-19 EMERGENCY INCOME SUPPORT PROJECT (P174014)**

	For the period from 01 Jan 2023- 31 Dec 2023 D-IDA USD	For the period from 01 Jan 2022- 31 Dec 2022 D-IDA USD	Cumulative as at 31 Dec 2023 D-IDA USD
3 FUNDS RECEIVED			
DISBURSEMENTS FROM THE			
3.1 WORLD BANK			
Project Imprest Account (Grant No: IDA D7660-MV)	2,911,004	3,400,000	6,311,004
3.2 Other Deposits			
Refund	5,995	-	5,995
Total	2,916,999	3,400,000	6,316,999

4 PAYMENTS
COVID-19 SUPPORT
4.1 ALLOWANCES
Under Grant No: IDA D7660-MV

	For the period from 01 Jan 2023- 31 Dec 2023 D-IDA USD	For the period from 01 Jan 2022- 31 Dec 2022 D-IDA USD	Cumulative as at 31 Dec 2023 D-IDA USD
COVID-19 Support Allowances under Part 1 (a) of the Project (Payments to NSPA)	-	-	(14,706,883)
Total	-	-	(14,706,883)

4.2 UPSKILLING OF JOBSEEKERS IN PRIORITY TRADES
Under Grant No: IDA D7660-MV

	For the period from 01 Jan 2023- 31 Dec 2023 D-IDA USD	For the period from 01 Jan 2022- 31 Dec 2022 D-IDA USD	Cumulative as at 31 Dec 2023 D-IDA USD
Stipends (including Transport Allowances) under Part 1(b) of the Project (a) of the Project	(299,291)	(694,604)	(993,896)
Apprenticeship Allowances (including Transport Allowances) under Part 1(c) of the Project	(77,536)	(49,772)	(127,308)
Business Development Grants under Part 1(d) of the Project	(2,596,730)	-	(2,596,730)
Total	(2,973,558)	(744,377)	(3,717,934)



**MINISTRY OF ECONOMIC DEVELOPMENT
MALDIVES - COVID-19 EMERGENCY INCOME SUPPORT PROJECT (P174014)**

**PROJECT IMPLEMENTATION,
4.3 MANAGEMENT AND REPORTING**

Under Grant No: IDA D7660-MV

	For the period from 01 Jan 2023- 31 Dec 2023 D-IDA USD	For the period from 01 Jan 2022- 31 Dec 2022 D-IDA USD	Cumulative as at 31 Dec 2023 D-IDA USD
Goods, non-consulting services and consulting services, Training and Workshops and Incremental Operating Costs for Part 1 and 2 of the Project	(1,450,177)	(757,802)	(2,207,979)
Total	(1,450,177)	(757,802)	(2,207,979)

5 OTHER INFORMATION

5.1 RECEIVABLE

Under Grant No: IDA D7660-MV

	Total Refund to be received	Total Received (PBA)	Receivable as at 31 December 2023
Refund-to be received from overpayments and payments to ineligible applicants	64,354	19,289	45,065
Total	64,354	19,289	45,065

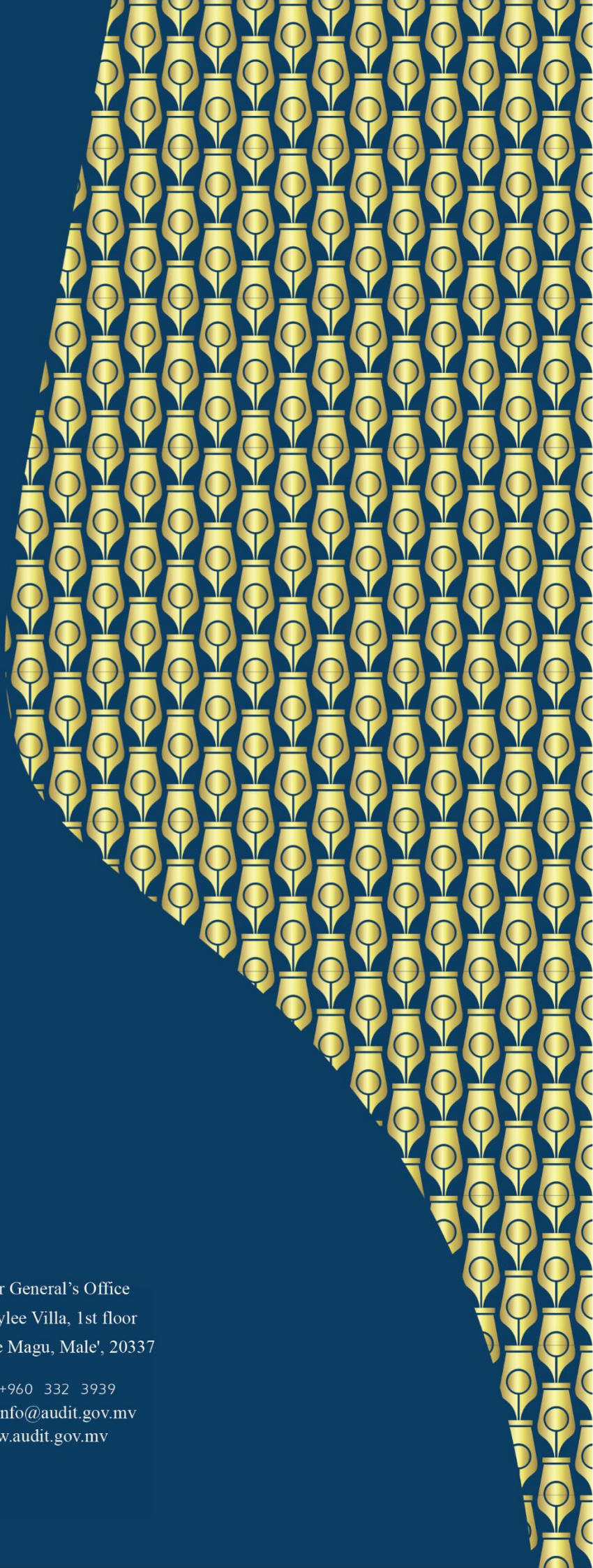


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**5.2 ADJUSTMENTS TO BANK
ACCOUNTS IN RESPECT OF
REFUND PAYMENTS**
Under Grant No: IDA D7660-MV

	Refund Received to PBA	Transfer red to DA	Balance to be transferred to DA
Refund-to be received from overpayments and payments to ineligible applicants	19,289	5,995	13,294
	19,289	5,995	13,294





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