

**Minutes of the 114<sup>th</sup> Executive Committee (EC) Meeting (both face to face and virtual) of COAST Foundation held at COAST Bhola Center, Bhola on 26<sup>th</sup> March, 2022 at 10:30am**

**Member participated:**

1. Professor Tofail Ahmed PhD, Chairperson
2. Gawher Nayeem Wahra, Vice-Chairperson
3. Mostafa Kamal Ahmed, FCA, Treasurer
4. Jasmeen Sultana Paru, Member
5. Jacob Kumar Sarker, Member
6. Rezaul Karim Chowdhury, Member Secretary (Executive Director, COAST)

**Agenda transacted:**

1. Review of the last 113<sup>th</sup> EC Meeting minutes
2. Internal audit findings report discussion
3. MF Trend Analysis
4. Organization Finance and Budget Variance
5. GRD and CRM response mechanism
6. Project Information Matrix
7. Status of Legal Actions/Court cases
8. Update of Sonarpara Land & Building Construction Plan
9. Money laundering compliances of MRA
10. Any other business (AoB)

The Chairperson started the EC meeting with welcome note to all EC members and other COAST staff participants and remembering deeply who sacrificed their lives for the independence of the country in the Independence Day of Bangladesh, 26<sup>th</sup> March, 2022. The Chairperson said that, by shedding blood of 3 million martyrs, disgrace of millions of mothers and sisters and nine-month war, Bangladesh got the independence. The spirit and slogan of the liberation war are Nationalism, Socialism, Democracy and Secularism to build a nation in establishing a democratic and non-exploitative society.

The major discussions and decisions of the meeting are as follows.

**1. Review of the last 113<sup>th</sup> Executive Committee (EC) meeting minutes:**

- a. The meeting expressed satisfaction observing the MF performance up to December 2021 in context of COVID pandemic, especially the trend of loan investment and its return, increased staff movement for field operation, fund management, savings performance, etc. Apart, the meeting has advised to arrest syndicate loan, migration of group member by examining loan proposal and to increase central staff engagement for arresting overdue loan.
- b. The Secretary informed that the problem of disputed 21decimal land in Sonarpara, Ukhiya will be solved by June'22 and for managing fund, the Chakmarkul land sale process is going on and it will also be executed by June'22. The secretary also informed that land usage approval from CoUK (Cox's Bazar Unnayan Kortipokkho) will be got by May 2022 and construction work approval will be got by June 2022. The meeting given thanks for updating the overall progress of the Sonarpara campus construction activities.
- c. The Secretary informed the meeting that the 5 years review process of the organization is in progress. The respective section/sectors have completed their internal reviews by engaging their staff and external consultants and have submitted the report. Apart, COAST has engaged three additional consultants for preparing the organizational strategy for 2023-27. The meeting appreciated the initiatives and expressed their interest to have a meeting with the consultants in the next EC meeting.
- d. The Secretary informed the meeting that COAST has been following the Money Laundering Act-2015 properly. The issue regarding money laundering, terrorist financing, smuggling and illegal drug issues are being discussed in each group meeting as well as staff meeting. These issues also mentioned in the passbooks so that the member participants can follow and be strict during spending their money taken from the organization.

- e. The Treasurer proposed and the meeting hereby approved the minutes of 113<sup>th</sup> Executive Committee Meeting (ECM) held on 27<sup>th</sup> January 2022.

## 2. Internal audit findings report discussion

Director-IA&ME has presented the major findings from internal audit section as follows,

### Microfinance:

- Total 31 MF branch and 03 donor project are audited during the period from Dec'21 to Feb'22. Major observations are,
- Tk. 2,46,906/- identified as misappropriation by 86 (44%) staff where Tk.2,39,482/- are realized and Tk.7,424/- to be realized during final payment as two staff left the organization. The Executive Director expressed his concerned about major misappropriate happened by one staff (Tk.76,182) in Dagon Bhuiya br. Director-CP has brief on detail action and regulatory measures on this and respective BM is transferred due to his lack of supervision.
- There are some financial irregularities [e.g., lack of approval, illegal adjustment etc.] also observed where Treasurer advised for timely action and properly.
- Informal syndications are observed among the borrower in 15 branches among the 31 branches. Around Tk. 82.15 lac disbursement are captured by 46 syndicators of which loan outstanding is Tk.41.05 lac and 63.24% of loan outstanding amount [Tk. 25.25 lac] has already been overdue. Meeting has advice to pay appropriate follow up on this issue.

### Projects:

- Three donor project [A2Jac, UNHCR and Tear Fund] are audited from IA section. Major observations are,
- Wrong vendor selection, over payment made, advances paid without approval and VAT and Tax have not been properly deducted and deposited.
- The Treasurer suggested to open an audit register in the respective branch and project offices along with report where needed. It will support senior official and donors to understand the audit activities. The Treasurer also advised to ensure NBR compliances as we are always under surveillance of VAT and tax authority.

## 3. MF Trend Analysis

The Director-Core Program presented the Micro Finance trend analysis up to February, 2022, where major observations are;

- At the end of Feb 2022, 11 new branches have opened, and total branches are 107. Total member in MF program is 1.49 lac and number of borrowers is 1.25 lac (84% of member). Performance trend observed as positive growth due to increased demand in the field.
- Total MF portfolio is stand on Feb'22 as Tk 393.26 cr. is satisfactory and increasing trend and will reach to Tk 400 cr. outstanding keeping two months ahead of the current financial year.
- Surplus is observed increasing trend [188% achievement than target] during this financial year. From July to Feb 2022 financial year, MF program has made a net surplus of Tk 7.31 cr. against the target of Tk 3.89cr.
- Accumulated surplus/Capital fund is as Tk 51.40 cr. in February, 2022.
- PAR [Portfolio at Risk] is 9.70% is continue reducing after pandemic and would go below 5% by end of the financial year.
- The meeting has given thanks to MF Operation for this achievement and expressed their concern on proper planning for overdue management and syndicate loan and appropriate forecasting for fund management and financial possible risk.
- Director-CP informed that the target has been achieved over 100% in many indicators as we have made the plan very conservative considering the pandemic and its impact to stop MF activities at least two months in current financial year. Apart the bank finance also available beyond assessment which is a factor for stimulating the growth.

- He also presented an analysis on following portfolio management indicators.
  - Salary cost 41% of total operational expenditure, which is below national standard and average.
  - Cost of fund 29% a little bit high due to fluctuation of payment schedule & interest provision.
  - Admin cost is 11%.
  - Bank Liability is 91.93 cr. at present, which is 22% of total fund. and
  - Debt to Equity” ratio is 3.48:1. Portfolio yield is 22.20% and Rate of Return is 3.34%. Based on the indicators, organization has gained a Credit Rating “A” for long term and ST-3 for short-term perspective.

#### **4. Organization Finance and Budget Variance**

- Up to Feb 2022, the total budget utilization rate is 79% and as cumulative it is 54% comparing the percentage with total annual budget.
- Some of the expenditures have crossed the budgetary allocation those are Utilities 104%, Office running cost 115%, Travel 133%, Radio Saikat 136%, Covid support 155%, Fuel & Gas 181%, and General Medical support 214%.

#### **5. Gender Relation Development and CRM response mechanism Update**

Deputy Director- Gender, Training & Community Radio (Ms. Rume) presented the gender status and Complaint Response Mechanism report end of March 2022. She informed the meeting that,

- COAST has taken initiatives for separate toilet for female colleague as well for female clients including necessary sanitary napkin in the toilet.
- A female CDO (MF) has been suspended due to keep illegal relation with her tenant.
- Necessary measures have been taken for not sending pregnant female staff at long distance groups/Shomity rather than close groups for MF operation.
- MF has taken initiatives for giving scooty (motorcycle) loan to female staff under easy loan condition. The ED informed that, COAST always encourage female to ride motorcycle as a part of woman empowerment.

#### **6. Project Information Matrix**

The Deputy Executive Director presented the project information in the meeting. He mentioned that the organization is implementing 17 development projects where 08 projects are related to Rohingya and Host Community in Ukhiya and Teknaf. For these project total approved fund is BDT 81.47 crore, total received BDT 52.85 crore and expenditure made BDT 47.56 crore and the utilization rate is 90%.

On the other hand, three projects are in pipeline named (i) School Feeding Program (SFP) in Poverty Prone areas, (ii) Alternative Gender and Coastal Aquaculture (GCA) Project yet to get the approval from NGOAB and (iii) Alternative Livelihood Development in Kutubdia, Cox’s Bazar.

The Chairperson suggested giving emphasis on primary education and health care for the community and needs to search grant for establishing medical hospital. He also mentioned that medical social work at hospital is one kind of psycho-social treatment for boosting-up the patients’ mental condition. College going to upward students can be engaged for giving such kind of support to the patients. It will add values and image of the organization.

The Chair also suggested that COAST may make plan for engaging youths with different profession for their training and development like engaging at catering service, mobile repairing, hotel management, motor car workshop, etc. MJF is giving fund for capacity development of the disadvantaged children.

#### **7. Update of Legal Issues (Court cases against staff and member-participants) update**

Director-Admin & SR presented the legal cases status of the organization. He informed that total 75 cases are running against the staff and group members at the end of Feb’22. The amount is claimed as 1.97 crore. He told that it is under process to solve at least 35 cases through mutual discussion, where amount claimed below Tk.2 lac and total amount is Tk 45.84 lac.

**8. Update of Sonarpara Land & Building Construction Plan:**

The secretary informed that the problem of disputed 21decimal land in Sonarpara, Ukhiya will be solved by June'22 and for managing fund, the Chakmarkul land sale process is going on and it will also be executed by June'22. The secretary also informed that land usage approval from CoUK (Cox's Bazar Unnayan Kortipokkho) will get by May'22 and construction work approval will get by June'22. The meeting given thanks for updating the overall progress of the Sonarpara campus construction activities.

**9. Money laundering compliances of MRA**

The Director-FCC&EA informed the meeting that COAST is following the Money Laundering Act-2015 (amendment) properly. The issue regarding money laundering, terrorist financing, smuggling and illegal drug issues have been discussion in each group meeting as well as staff meeting. These issues also mentioned in the passbooks so that the member participants can follow and be strict during spending their money taken from the organization.

The Director-FCC&EA also mentioned that there are no any illegal financing has been reported for money-laundering, terrorist financing, smuggling, illegal drug and any other illegal engagements in respect of MF operation (for loan disbursement, loan realization, members savings collection and other transactions), donor funded projects (fund receiving and its utilization) and other operation of COAST Foundation.

**10. AoB :**

The decision has been taken that the next EC Meeting and AGM will be held on 25<sup>th</sup> June, 2022 in person. EC Meeting will be held at morning and AGM will be held after lunch.

Having no other discussions, the Chairperson concluded the meeting with a vote of thanks and hoped to follow the health protocol to protect the COVID-19.

Prepared by

M Rezaul Karim Chowdhury  
Member Secretary and  
Executive Director, COAST Foundation

28 March, 2022

Approved by

Professor Tofail Ahmed, PhD  
Chairperson  
COAST Foundation