

COAST Foundation

Minutes on 28th Pre-EC Finance & Audit Committee meeting.

Held on Zoom, Date: 17 June 2022, at 10.00am to 12.00pm.

A. Member Participated

1. Md. Mostafa Kamal Ahmed, FCA (Treasurer-GC/EC, COAST)
2. Rezaul Karim Chowdhury, Executive Director [ED] and Member Secretary-GC/EC
3. Sanat K. Bhowmik, Deputy Executive Director (as staff participant).
4. Aminul Hoque, Director- ME & IA (as staff participant).
5. Tarik Sayed Harun, Director- Core Program (as staff participant)
6. Mostafa Kamal Akand, Director (as staff participant)

B. Agenda Transacted

1. Minutes [27th Meeting] Review
2. Report from internal audit sections (MF program and Projects)
3. MF Trend Analysis [Up to May 2022].
4. Org Budget Variance Analysis [Up to May 2022].
5. Update on Legal Procedures [Cases against staff]
6. Any other Business (AoB).

C. Decision Matrix

SI	Agenda	Decision	Remarks
01	Minutes Review	<ul style="list-style-type: none">- Executive Director has reviewed the 27th meeting minutes and brief the highlights as;<ul style="list-style-type: none">i. Gratuity Fund registration is important for Tax exemption on staff final payments. Executive Director request to Director-Finance to initiate the process ASAP as because staff suffering.ii. Dinner meeting with Bankers also planned to host in July 2022 as much as possible. Treasure has advised to invite BB and MRA high officials.	
02	Report from Internal Audit	<ul style="list-style-type: none">- 29 MF branch and 03 donor project are audited during the period from March to May 2022.	
		<ul style="list-style-type: none">- Tk. 1, 42,505/- identified as misappropriation by 80 (43%) staff where 1, 41,198/- are realized. Tk. 1307/- to be realized during final payment as two staff left the organization.	
		<ul style="list-style-type: none">- Executive Director asked to Director-COp to make a brief about major misappropriate happened by one staff [tk. 76182] in Dagon Bhuyan branch.- Director-COp has briefed 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. Treasurer also briefed on the detail procedures of COAST IA meeting and satisfied.- Informal syndications are observed among the loanee in 10 branches among the 29. Around 37.20 lac disbursement against 57 members are captured by 23 syndicators where amount outstanding 15.74 lac and 47% of outstanding amount [tk. 7.38 lac] has already been overdue.	

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		<ul style="list-style-type: none"> - Meeting has advice to pay appropriate follow up on this issue. 	
		<ul style="list-style-type: none"> - Three donor project [A2Jus, UNHCR and ACCORD] are audited from IA section. Major observations are Lack following proper procurement process, misappropriation, over payment made, mis-posting of expenditure and VAT and Tax have not properly deducted and deposited. - Treasurer suggested to orient the A/C staff and strengthen follow up and monitoring in this regard. 	
03	MF Trend Analysis	<ul style="list-style-type: none"> - At the end of May 2022, total branches are 107. Total member in MF program is 1.51 lac and number of loanee is 1.26 lac (83.4% of member). Performance trend observed as positive growth due to increased demand in the field. - Total MF portfolio is stand on May'22 as Tk. 414.60 cr. is satisfactory and increasing trend and will reach to 500 cr. By the end of this year. - Surplus is observed increasing trend [137% achievement than target] during this financial year. From July to May 2022 financial year, MF program has made a net surplus 12.23 cr. against the target of 8.9cr. - Accumulated Capital fund is stand as tk. 56.15 cr. in May 2022. - PAR [Portfolio at Risk] is 8.40% is continue reducing after pandemic and would go below 5% by end of the financial year. - He also presented an analysis on following portfolio management indicators. <ul style="list-style-type: none"> - Salary cost 41% of total operational expenditure which is below national standard and average. - Cost of fund 28% a little bit high due to fluctuation of payment schedule & interest provision. - Admin cost is 9%. - Bank Liability is 75.37 cr. at present which is 18% of total fund. and - Debt to Equity" ratio is 6.20:1. Portfolio yield is 20% and Rate of Return is 3.69%. Based on the indicators, organization has gained a Credit Rating "A" for long term and ST-3 for short term perspective. 	
		Director-COp has presented a plan for coming year 2022-23. The proposed portfolio will be composite of 110 branch, 1.71 lac member, BDT 522.00 cr. Outstanding and with a capital fund of 72 corer in June 2023.	
04	Org. Budget Variance Analysis	<ul style="list-style-type: none"> - Up to May 2022, the total budget utilization rate is 79% and as cumulative, it is 40.65% comparing the percentage with total annual budget. - Some of the expenditures have crossed the budgetary allocation those are Office running cost 105%, Travel 132%, Radio Saikat 124%, Fuel & Gas 178%, and General Medical support 240%. Treasurer suggested to prepare next year plan considering the price hike and real needs. - COAST has paid VAT & Tax around 80.37 lac in current financial year. There are no due in this regard as these are paying timely. 	

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05	Update on Legal Procedures [Cases against staff]	Director-Admin &SR gives an update on legal procedures [Case running against staff and members]. There are in total 78 cases running where claimed money is around 1.15 corer in May 22. ED advice to increase contact with them and set aside the cases giving some discount.	
06	AoB	- Executive Director thanks to all and made a reminder on the next EC meeting will be held in Bhola on 24 June 2022 instead of 25 as the opening ceremony of Padma Bridge on that day.	

Prepared By: Aminul Hoque
COAST Foundation.