

**COAST Foundation**

**Minutes on 30<sup>th</sup> Pre-EC Finance & Audit Committee meeting.**

**Held on Zoom, Date: 23 Dec 2022, at 10.00am to 12.30pm.**

**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. Ahsanul Karim Babor, Director- FCC&EA (as staff participant)
6. Tarik Sayed Harun, Director- Core Program (as staff participant)
7. Mostafa Kamal Akand, Director-(as staff participant)

**B. Agenda Transacted**

1. Minutes [29<sup>th</sup> Meeting] Review
2. New Salary Structure 2023
3. Report from internal audit sections (MF program and Projects)
4. MF Trend Analysis [July to Nov 2022].
5. Financial Trend and Budget Variance [July-Nov 22].
6. Update on Legal Procedures [Cases against staff]
7. Any other Business (AoB).

**C. Decision Matrix**

SI	Agenda	Decision	Remarks
01	Minutes Review	<p>- Executive Director reviewed the 29<sup>th</sup> meeting minutes and brief the highlights as;</p> <p>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 and completed by next quarter of 2023.</p> <p>Treasurer advised to take a “Gratuity Valuation Certificate” assigning third party to have NBR registration easily.</p> <p>ii. Dinner meeting with Bankers also planned to host by Jan last week or first week of Feb’2023 as much as possible. Treasure has advised to invite BB and MRA high officials along with prepare presentation.</p> <p>iii. Treasurer suggested to set-aside ongoing COAST-NBR issues as soon as possible during the existing DTC as he may not stay long in same position.</p>	
02	New Salary Structure 2023	Director-CoP present a new salary structure 2023 for organization. The major features of salary structure are increment 21% in average; 6.34 crore new liability [long term liabilities] will be waived for COAST in 2023 as the structure didn’t considered to increase the basic amount. Treasurer has primarily agreed on new structure.	
		<p>- 29 MF branch and 05 donor project are audited during the period from Sep to Nov 2022.</p>	
		<p>- Tk. 1, 96,418/- identified as misappropriation by 85 (45%) staff where 1, 59,003 are realized. Tk. 37415/- to be realized during final</p>	

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03	Report from Internal Audit	payment as staff left the organization. No misappropriation found in one branch.	
		- Director-COP has brief and clarified on big amount of misappropriation happened [Hnila and Morichha Br.] and their necessary action taken against them. On the issues of controlling fake signature at field level, new register introduced for withdrawal saving where staff will take sign before transaction.	
		- Five donor projects [A2Jac, TOGETHER, ERBCR, CJRF and ACCORD] are audited from IA section. Major observations are procedural especially lack of following approval process, inappropriate calculation of VAT and Tax and its deposition and incomplete register and documents. All are solved during audit.	
04	MF Trend Analysis	- At the end of Nov 2022, total branches are 110. Total member in MF program is 1.58 lac and number of loanee is 1.33 lac (84% of member). Performance trend observed as satisfactory growth as per target during the financial year.	
		- Total MF portfolio is stand on Nov'22 as Tk. 497.20 cr. is satisfactory and increasing trend and will reach to the 500 cr. by the end of this year.	
		- Surplus is observed increasing trend [323% achievement than target] during this financial year. From Jul to Nov 2022 financial year, MF program has made the net surplus as 12.28 cr. - Accumulated Capital fund is stand as tk. 70.23cr. in Nov 2022. - PAR [Portfolio at Risk] is 6.63% is continue reducing after pandemic and would go below 5% by end of the financial year.	
		- Director also presented an analysis on following portfolio management indicators. - Salary cost 34% of total operational expenditure which is below national standard and average. - Cost of fund 23% a little bit high due to fluctuation of payment schedule & interest provision. - Admin cost is 8%. - Bank Liability is 99.12 cr. at present which is 19% of total fund. and - Debt to Equity" ratio is 5.93:1. Portfolio yield is 21.80% and Return on Asset is 6.37%. Based on the indicators, organization has gained the Credit Rating "A" for long term and ST-3 for short term perspective with stable outlook.	
		COAST has made agreement with BKAS for MFS [Mobile Financial Services] for its repayment collection from migrated borrowers. Treasurer advised to explore the opportunity to work with merchant payment system for MFS and better options.	
05	Financial Trend and Budget Variance [July-Nov'2022	- Expenditure made around 34% against estimated annual budget for July-Nov period and 80% against the five-month periodic total.	

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		<ul style="list-style-type: none"> <li>- The amount crossed the estimated budget lines are medial [232%], Utilities [137%] Honorarium [103%, Travel [150%] and Fuel &amp; Gas [139%].</li> </ul> <p>Treasurer advised to revise the budget following its expenditure trend to make it effective and without variance.</p>	
06	Update Legal Procedures [Cases against staff]	<ul style="list-style-type: none"> <li>- As on the end of Dec 2022, there are 80 case will be running after solution of three cases indeed. Among the cases Cox's Bazar-63, Ctg-10, Nokhali-05 and Bholra-05 case to be handled.</li> <li>- 10 cases are trying to solve by next quarter of 2023.</li> </ul>	

Prepared By: Aminul Hoque  
COAST Foundation.