

## COAST Trust

### Meeting minutes of the 6<sup>th</sup> BoT Audit & Finance Committee meeting held on 21<sup>st</sup> June, 2014 at COAST Principal Office, Dhaka.

#### A. Member Participated

1. M. Zahirul Alam FCA, Treasurer, BoT (as member participant)
2. Rezaul Karim Chowdhury, Executive Director (as member participant)
3. Sanat K. Bhowmik, Director (as staff participant)
4. Aminul Hoque, Deputy Director-IA&ME (as staff participant)
5. Md. Ahsanul Karim, Deputy Director-FC&CA (as staff participant) and
6. Tarik sayed Harun, Assistant Director- Core Program (as staff participant)

#### B. Agenda Transacted

1. Review of the last (5<sup>th</sup>) Audit Committee minutes
2. Report from internal audit sections (MF program)
3. Report on Internal auditor's (Donor projects)
4. Micro finance and financial trend analysis
5. Project Information matrix
6. Statutory Fund Status report
7. Bad debt mobilization update
8. Legal procedures status (Case update)
9. Any other business
  - i. BU and Char Kajol Land sale
  - ii. PF contribution increase (10%)
  - iii. New Gratuity policy

The meeting has presided by the Treasurer-BoT, COAST Trust and the major discussion and decisions of the meeting are as follows;

1. **Review of the last meeting minutes:** Deputy Director-ME & IA has reviewed the minutes of 5<sup>th</sup> BoT audit committee meeting and the following decisions are taken for further actions;
  - a. COAST management has decided to follow and further study on the mobile banking system and its new applications for its group members. Its need wait and take more time to introduce effectively.

Board also informed that, an initiative has taken with a company named "Sure Cash" to introduce mobile banking but a limited service will be offered as the member is no familiar yet. There are 4500 member admission and opened their account but transaction not yet start. Mobile banking will support our members primarily to out side transaction and in future it will provide loan & installment services.

Apart from this, we are communicating with Kyoso University of Japan to introduce digital pass book. This is assessment process and if fit with our context will be initiated.
  - b. Staff facilities have increased giving 02 days leave at field level. This facility made positive impression among the staff but no hamper of performance observed in an analysis.

OD mobilization increased the collection of overdue and there staff are being provided breakfast and tk. 50/- for lunch as they are working at field for day long. There are significant amount realized and few members also come into a regularization process is positive.

## **2. Report from internal audit sections (MF program)**

Internal audit section has presented the summary of audit findings on last quarter (April-May 2014). There 15 branches are audited where following major decisions are made based on the findings and related discussion;

- i. Study and an assessment will be initiated by management (Operation & Admin section) on how security money could be taken from the staff at the time of joining, because there are concerns of financial irregularities and misappropriation experienced.
- ii. Paper advertisement also be a part of strategies realizing money from the fraud staff and misappropriated. This action would be taken following legal jurisdiction indeed.
- iii. Case study will be prepared on the financial irregularities happened in CS-2 and Pekua branches. This study will provide the management learning in case of future decision making process.
- iv. Action of financial security checking on MF branches will be reported that is being done from DD- FC & CA. the report will be send to the respective sectors especially core and audit for their own compliances. Report also discuss at the BoT audit meeting. Top 10 outstanding branches will be monitor and reported.

## **3. Report on Internal & External auditor's (Donor projects)**

Observation and related response must be send to the treasurer in case of any external audit and submit after comments of treasurer.

## **4. MF Trend analysis: AD-Core program has presented the latest (up to May'2014) performance of MF where it's viewed the following;**

- i. Member balance, disbursement & realization and income-surplus scenario have been showing upward trend.
- ii. Overdue seen as decline trend considering its outstanding amount but concern to its portfolio quality (Portfolio At Risk is 8%) ad this OD is stand 5.93 corer in May' 2014 despite written off. Level of quality disbursement can be minimized this concern.
- iii. Surplus is stand during the year at the amount of tk. 105.00 lac and capital fund stand 7.47 corers at the end of May 2014.
- iii. Written off is needed in PKSF micro finance part to keep the portfolio performance update. Treasurer asks to prepare an analysis on written off calculation before come into action.

## **5. Project Information Matrix:**

The Director has presented a matrix on the latest scenario of ongoing project and their progress in to the meeting. Total projects are 11 in number and total fund is taka 26.50 corer. Till the date, the projects have received the amount of tk. 6.00 corer and the fund utilization rate is 81%.

## **6. Statutory Fund Statement:**

DD-F&CA has presented the statutory fund report and its detail status. The following assessment is made based on the reporting;

- i. LLP found short 1.43 corer according the target and investment only 4% according provision.
- ii. 100% provision (BDT 17.59 lac) achieve in DMF but investment is 64% achieved (BDT 11.40 lac)
- iii. There have a shortage in PF (2.05 corer) and Gratuity fund (1.5 corer) in May'2014 reported and increasing trend observed. Central operation didn't paid their liabilities in time. The meeting has taken decision to make an action plan for next year to way out the scope of paying these liabilities.
- iv. At present (May'2014), there are total FDR with interest in the different Bank accounts are tk. 7.82 corer.

**7. Bad-debt Mobilization:**

The Director has presented the latest performance and progress on bad debt mobilization and shown that there is 70% achievement against the target on bad debt collection. Analyzing the scenario, the treasurer has instructed to give emphasis on the region of Bhola and Cox's Bazar as their bad debt is high and also branch wise performance should be analyzed through cost effectiveness.

**8. Legal procedures status (Case update):** The Director has presented the latest updating on legal actions taken against the staff engaged with misappropriation. There are 31 no of cases ongoing and the ED & Director have been following up these cases directly. At the end of May'2014 Coast has able to realize the amount tk. 7.85 lac in against of spending 3.18 lac.

**9. AoB:** ED has proposed the following issue for discussion and comments those to be settled in the next BoT general meeting will be held on 27<sup>th</sup> June 2014;

- a. BU land sale: 20 decimal land will be sold from BU area office which is COAST asset and this money will spend to construct new training building at Bhola-Sadar office as well. Treasurer has agreed to this proposal.
- b. PF & Gratuity: Staff Provident Fund (PF) is proposed 10% contributory instead of existing 5% contributory. Staff gratuity also proposed with a new policy applicable from July'2014. the details analysis will be presented in BoT general meeting and finalized.

The meeting has concluded with thanks from all participants having no other discussion.

Prepared by

Approved by

Aminul Hoque  
Secretary of the meeting  
COAST Trust

Dated : 25<sup>th</sup> June, 2014

M. Zahirul Alam FCA  
Treasurer- BoT  
COAST Trust