Minutes of the 98th Board of Trustee Meeting of Coastal Association for Social Transformation Trust held on 27th October, 2018 at COAST Principal Office, House-13, Road-2, Shyamoli, Dhaka.

Member participated:
1. Begum Shamsun Nahar, Chairperson
2. Minar Monsur, Vice-Chairperson
3. M. Zahirul Alam, FCA, Treasurer
4. Dr. Abbas U Bhuiya, Member
5. Ruma Akter, Member (PO leader, Cox’s Bazar)
6. Halima Begum (PO leader, Bhola)
7. Rezaul Karim Chowdhury, Ex-officio Secretary (Executive Director, COAST)

Agenda transacted:
1. Review of the last 97th BoT Meeting
2. Deed of Trustee revision
3. HR Policy revision
4. Report from internal audit sections
5. Micro finance and financial trend analysis
7. Plans and Budget 2018-19 Fiscal Yr.
8. Project Information matrix
9. Bad-debt mobilization
10. Legal procedures status (Case update):
11. Money laundering compliances of MRA
12. Any other Business (AoB)

The meeting has been started with the welcome address from the Chairperson. The decisions and major discussions of the meeting are as follows.

1. Review of the last 96th BoT meeting minutes:
   a. IDCOL Loan: The Secretary informed that COAST has successfully repaid all IDCOL loan against Solar Home System. A certificate has to be collected from IDCOL by AD-CP.
   b. Reporting on Syndicate Loans: Board has suggested to develop a system to identify those MF staff specially CDO and BM who are involved with for providing syndicate loans. By 15th November ‘18 a study has to be conduct for identifying the reason of it like who paid, why paid, recovery strategy etc. AD-CP informed that in next BoT meeting a report will be presented related to its progress and performance on the realization of syndicate loans which was identified by COAST internal audit section.

2. Deed of Trust Revision: The Secretary has briefed the change matrix of the Deed of Trust as a part of its revision and registration. The board has given the provisional approval and also instructed to send the revised Deed to all members for its further revision and comments from Trustees.

3. HR Policy revision: The Director has briefed the change matrix of the HR policies. Board has requested Dr. Ahbbas Bhuiya and Minar Monsur for its further revision and critical feedback.

4. Report from internal audit sections and decisions:
   i. 54 Br. Are audited during the period
   ii. Misappropriated amount were Tk. 4, 87,344, Recovered Tk. 3, 71,839 (1, 12,505/- to be realized).
iii. 490 loan captured by 167 syndicate member where Outstanding - 1, 05, 34,694 and OD - 23, 92,965 (22.70%).

iv. Staff are engaged with misappropriation in connivance with beneficiaries in loan disbursement process and a portion of loan taken from members after disbursement.

v. A Development education lesson will be prepared for members on the issues of transaction with staff, misappropriation responsibility & liability. Apart loan form also will be revise including a clause on “transaction & misappropriation liability if happen between staff and members”.

vi. A case study and report to be prepared for organizational learning on misappropriation by staff and its management strategies.

vii. Director will study & analyze on Staff Welfare Fund especially its capacity to secure misappropriation incidents by staff.

viii. Checklist and an observation report to be prepared on syndicate loan mentioning;
   i. Why its happen
   ii. Process of detection and monitoring
   iii. Realization and impact
   iv. Organization learning

ix. A case should be filed against Lutfinnesa (KK) and Hur E Zannat (BSK).

x. A new staff will be deployed for OD mobilization and monitoring.

xi. Observations on MF by Ext. Audit will be discussed in the MCM (e.g. Group size, NID mismatch, Cash in hand etc.)

Donor Projects:

xii. All audit report (Org external audit) will be uploaded in COAST website

xiii. All project will establish and maintain “Audit Register” in their respective projects.

xiv. Omar Faruk and Faysol will continue assess the capacity of Accounts Officers in their respective financial management and performance.

xv. Finance Section (Their team member) will emphasize the procurement and fixed asset management of all project during follow up.

5. MF Trend analysis:
Asst. Director has presented the MF performance up to September 2018.

i. Up to Sep 2018, some indicators related with MF operational plan are showing declined performance, those are following;
   - Outstanding 182.20 Corer (6% less than March’18)
   - Overdue 7.17 corer (PAR-5.1% and increasing trend)
   - Accumulated Surplus (Jul’17-June’18) - 8.57 corer (61% of BP).
   - Capital Fund 34.13 corer (87% of BP and increasing trend).

ii. New 17 branch will be open during 2018-19 operational period in COAST existing working areas in reaching some new upazilla.
iii. Fund Flow is ensured up to March’19 according the plan.
iv. Dinner meeting will be held with Bankers on 26 Nov’18 to enhance relation with ensuring fund flow.
v. Remittance and Agent Banking are running and assume potential in view of surplus generation and fund support in future.

6. Ext. Audit by SF Ahmed & CO. The DD-FC-CA has presented the findings of COAST external auditor for the FY 2017-18. The board has instructed to give proper orientation and training to the concern accountants and project focal for their further development of financial management specially on VAT and Tax and procurement.

7. Plans and Budget : The Director has briefed the plans and budget for the year 2018-19 and its execution plan. The board has approved the plan and give instruction to take necessary steps on it.

A. Major achievement in 2017-18
   - Annual staff conference.
   - New branches are (10 branch) open.
   - 84% achieved of Business Plan
   - Well managed of FDMN projects

B. Not achieved
   - Required fund for MF
   - Overdue arrest at a satisfactory level
   - Fund manage for Community Radio.
   - Staff misappropriation.

C. Major plan & Strategies
   - OD realization will be emphasized through giving special support from Principal Office.
   - Establish the community radio station in Cox’s Bazar.
   - Managing more fund from private sectors for revolving credit fund.
   - Management and monitoring streamlining for MF and the projects.
   - Strengthen the climate change adaptation through CITEP.
   - Coverage of 50% of member participants with primary health care service.

D. Comparative Financial Plan (Expenditure Budget)
   - Proposed budget, 61.18 corer (25% increased)
   - Income from MF, 39.94 corer
   - Income from other sources 21.24 corer.

8. Project Information Matrix: The Director has presented a matrix on the latest scenario of ongoing project and their progress in to the meeting.

   i. Total 21 projects are running both Dev. & FDMN
   ii. Estimated budget are BDT 676.69 million
   iii. Fund utilization up to Sep’ 318.71 million (88% Burn Rate according target).

9. Bad-debt Mobilization: The Director has briefed the Bad debt status to the board up to September 2018.
- Written-off amount [Dec’12-Sep’18] was BDT 4.38 corer
- Collection target was 2.57 corer [56% of Bad Debt].
- Total collection up to Sep’18 is Tk. 86.11 lac (33%) in against the target.
- Collection achieved 18% of total Bad Debt.

10. Legal procedures status (Case update):
   The AD-HR has presented the legal/case update up to September 2018. At present COAST has been dealing with 46 case against staff. At least 08 number of case will be set as final solution in next quarter.

11. Money laundering compliances of MRA:
   The Director has informed the board that COAST has been 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. The group members have invested their loan at right schemes. No any illegal financing has been reported for money laundering, terrorist financing, smuggling, illegal drug and any other illegal engagements or purpose. The savings fund of borrower also been utilizing properly in MF program and also as FDR.

   The Director also stated that the donor projects are also maintained properly. From internal audit section and also from central finance section, the audit and financial monitoring have been doing as per plan. No any suspicious and irregular/abnormal transactions have not been made within the organization.

12. AoB: The board has requested to arrange the next meeting at Charfassion, Bhola.

Having no other discussion, the Chairperson has concluded the meeting with a vote of thanks.

Prepared by          Approved by
Rezaul Karim Chowdhury       Begum Shamsun Nahar
Executive Director and       October 29, 2018   Chairperson-BoT
Ex-Officio Secretary-BoT, COAST       COAST Trust