

Draft Minutes of the 3rd GC meeting and 106th Virtual Executive Committee (EC) Meeting of Coastal Association for Social Transformation (COAST) Trust held on 18th July, 2020

Member participated:

1. Abbas U. Bhuiya, Ph.D, Chairperson
2. Minar Monsur, Vice-Chairperson
3. Mostafa Kamal Ahmed, FCA, Treasurer
4. Gawher Nayeem Wahra, Member
5. Jacob Kumar Sarker, Member
6. Dr. Tofail Ahmed, Member- (GC Member)
7. M Zahirul Alam FCA, Member- (GC Member)
8. Begum Shamsun Nahar, Member- (GC Member)
9. Nurul Alam Masud, Member- (GC Member)
10. Rezaul Karim Chowdhury, Member Secretary (Executive Director, COAST)

Agenda transacted:

1. Review of the last 105th Executive Committee Meeting
2. Report from Internal Audit
3. MF Trend Analysis
4. Org. Plans & Budget 2020-21 ----- (GC Agenda)
5. External Auditor Appointment ----- (GC Agenda)
6. HRP Revision (New Clause addition)
7. Money laundering compliances of MRA
8. Any other business (AoB)

The Chairperson started the online meeting with welcome to all members and other COAST staff participants. The major discussions and decisions of the meeting are as follows.

1. Meeting Review:

- a. The Deputy Executive Director (DED) presented the Staff Salary Due Plan due to lock down of COVID-19. He explored some information about the present financial and staff situations of the organization and its financial negative impact due to COVID-19 lock down. He mentioned that the due salary will be in an average 46% (highest 80% and lowest 40%) and effective from April, 2020 and after starting the micro finance operation the due plan will be lifted. The meeting approved plan and its execution.
- b. The Deputy Executive Director presented the COVID-19 response by the organization. He mentioned that i) COAST developed the Code of Conducts and bio-safety rules, mandatory online course completion by staff from WHO and Department of Health, ii) Printed 4.5 lack leaflets on five different issues related to COVID-19, iii) Printed 1.5 lack leaflets with Burmese language through discussion with refugees, iv) Donated BDT 16.00 lack to Government created COVID-19 Relief Fund, v) Developed videos on health issues related to COVID-19, vi) Distribution of PPE, Nebulizers and other protective materials, vii) Support with PPE to the Graveyard Committee and viii) Provided food to 350 vulnerable families at slum. The board appreciated initiatives.
- c. Regarding the status of joint stock application and NSI investigation, the Director-CP informed the meeting that the NSI has discussed with the Chairperson of EC, COAST and by middle of August 2020 the final JS registration will be completed.
- d. The meeting appreciated that, COAST has following the Money Laundering and Terrorist Finance Act-2015 properly in respect of all transections happening in the organization.

2. Report from Internal Audit

- a. Short audit [only passbook and financial document check] done in 22 branches during the period (June-July 2020) due to COVID-19. Total Misappropriated amount found Tk. 84,646/- from where it has been recovered Tk. 80,164/- till the date and Tk. 4482/- to be realized.
- b. Major misappropriation done by Tk.12,304/- (Sadam Hossion-CDO, Barabkunda), Tk.4,232/- [Mizanur-CDO-Kankirhat. Staff left.] and Tk.3,948/- [Julan Malakar-Barob Kunda].
- c. Two donor project [Tear Fund and Host Community project] is audited and investigated on cash transfer activities where major observations were as follows;
 - One staff of NRC Youth project at FDMN found engaged with financial irregularities who has taken Tk.1,000/- from five adolescent and later on realized.
 - Revenue stamp not found in some vouchers of Host community payment and solved.
 - Cash Book found incomplete at 23 transaction days of Host community project and solved.

3. MF Trend Analysis :

- i. Member [1.31 Lac] & Loanee [1.03 Lac] inclusion were satisfactory in last year 2019-20. Loanee coverage were 79%.
- ii. Growth on Outstanding loan portfolio trend observe downward at the end of June 2020 and stood as Tk.252 crore from Tk.262 crore in 2019 due to Corona pandemic.
- iii. Accumulation Capital fund is added negative amount Tk.1.00 corer during the business year and Capital Fund stand as Tk. 36.4 corer on June 2020 [37.9 corer in 2019 FY].
- iv. Around Tk.121 crore has been planned to borrow from PKSf and bank to achieve the MF Portfolio transaction / turnover target in 2020-21 FY.

4. Org. Plans & Budget 2020-21

The Deputy Executive Director has presented the Plans & Budget 2020-21 in the meeting. He mentioned that,

- i. The trend of Income and Expenditure projection are gone down respectively around 18% and 15% for FY2020-21 in comparison with the FY2019-2020 due to corona pandemic. Annual expenditure plan for the FY2019-20 was BDT 82.52cr and for new FY2020-21 it will be BDT 70.05cr.
- ii. Simultaneously Organizational Surplus also calculated as 46% less in FY2020-21 based on FY2019-20. (Surplus in FY2019-20 was BDT 7.82cr and in FY2020-21 will be 4.21cr).
- iii. Target on "Portfolio Turnover/Transaction is calculated around Tk.705 corer for the year 2020-21 which is 14% higher than the year 2019-20 FY.

The board has approved the Plans & Budget FY2020-21 and given motivation to overcome the financial crisis for achieving the plan.

5. External Auditor Appointment:

The Treasurer has proposed the new audit firm named "SK Barua & Company, Chartered Accountants" as an external auditor of COAST for the year 2019-20. The Treasurer mentioned that this far has good reputation in respect of NGO audit at PKSf, MRA and donor community. They are very well known about the laws and compliances of Money Laundering and Terrorist Finance Act, govt. Tax/VAT, MRA, PKSf and NGOs. Considering the statement of the Treasurer, the meeting decided to appoint "SK Barua & Company" as external auditor of COAST for the year 2019-2020 with an audit fee of BDT1.85 Lac including VAT and Tax. The board also instructed the Director-FCA&HRM for preparing the audit ToR through a discussion with the Treasurer.

6. HRP Revision (New Clause addition)

The Secretary has proposed to include a new clause as 31.9 regarding "Call for explanation and its response to the supervisor" in HR manual, which said, "Against any call for explanation/show

cause, the response or answer must be done by next 03 working days to the respective supervisor". The board has approved the clause as 31.9 that will be considered as a part of existing HR policy, and has advised to incorporate it at the time of HR policy revision later on.

7. Money laundering compliances of MRA

The Deputy Executive Director 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 member participants have invested their loan at right schemes. From July'2019 to June, 2020 total loan disbursement was BDT 355.85 crore, savings collection was BDT 74.61 crore , loan outstanding was BDT 252.71 crore and members savings balance was BDT 95.69 crore The Director 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 or purpose. The savings fund of borrowers also been utilizing properly in MF program and also as FDR.

The Deputy Executive 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 been made within the organization.

8. AoB:

1. The meeting has appreciated to assist and giving financial support to the COVID affected staff for their medical treatment. The meeting said that it indeed will increase the commitment of staff to the organization.
2. The meeting has proposed the next Executive Committee meeting date on 10th October and 12th December 2020.

Having no other discussions, the Chairperson concluded the meeting with a vote of thanks and hopes to follow the health issues to protect the COVID-19 and wishes that all should stay safe in this crisis period.

Prepared by

Approved by

M Rezaul Karim Chowdhury
Member Secretary-EC&GC and
Executive Director, COAST Trust

20 July, 2020

Abbas U. Bhuiya, Ph.D
Chairperson-EC&GC
COAST Trust