

## COAST Trust

### Meeting minutes of the 8<sup>th</sup> BoT Audit & Finance Committee meeting held on 07 Feb, 2015 at COAST Principal Office, Dhaka.

#### A. Member Participated

1. M. Zahirul Alam FCA, Treasurer, BoT (as BoT member participant)
2. Rezaul Karim Chowdhury, Executive Director (as staff 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

#### B. Agenda Transacted

1. Review of the last (7<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

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 have reviewed the minutes of 7<sup>th</sup> BoT audit committee meeting and the following decisions are taken for further actions;

- a. There are **two mobile banking are in operation** in COAST program areas. One is **"Sure Cash"** working in Bhola and around 2700 member admitted till January 2015. **Another one is "IFIC bank"** and working in Cox's Bazar areas and there are only 200 members admitted due to its network only AKTEL based and other networks unavailable.

Following the problem, **meeting has decided to communicate with IFIC** through core operation on expedite the mobile banking as according plan.

- b. **Yearly external audit is already completed of COAST** own self according schedule. Draft report already prepared by the auditor and requested to submit and take comments from the Treasurer before finalize. DD-FC & CA will handling and coordinate this issue.
- c. **Study on financial security mechanism** on MF branches is being done from DD-FC & CA. the study will be highlighted the present security measures whether it is adequate or further improvement needed. Report also discuss at the BoT audit meeting. Top 10 outstanding branches will be monitor and reported.

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

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

- i. Trend of **misappropriation observes reducing in MF program** during the last period of audit in terms of amount rather than the number of staff engaged. There are significant numbers of staff (38%) are still engage with financial irregularities where strong follow up and monitoring needed improving program quality.
- ii. **Syndicate loan is major concern** for the program especially in case of keeping quality repayment and collection. Staff (CDOs) have need to orient on preventing syndicate loan as maximum are new and apart COAST has already start and expanded new program areas.

- iii. **Internal fund transfer is happening without proper process** and approval. Meeting has expressed deep concern on it and recommended to make the fund transfer process through Core Operation approval.
- iv. Computer automation for MF program is under trial by two distinct companies (PC Link and Grameen Communication). Field trial is completed and by March 2015, Installation will be started in all branches.

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

During the last quarter, three donor projects (SEEDS, CLS and SGSP) have audited from the internal audit section and by external auditors have audited two projects those are RUP and Ma-Moni. The major observations are found process irregularities those have mitigated on the spot instantly.

### 4. MF Trend analysis: DD-ME & IA has presented the latest (up to Dec'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 5%) and this OD is stand 3.74 corer in Dec' 2014 despite written off. Level of quality disbursement can be minimized option for this concern.
- iii. **Surplus is earned during the last six month (July-Dec'14) 49.35 lac net** and capital fund stand 7.83 corers at the end of Dec 2014.

### 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 273.68 million. Till the date, the projects have received the amount of tk. 97.88 million and the fund utilization rate is 94%.

### 6. Statutory Fund Statement: DD-FC&CA has presented the statutory fund report and its detail status. The following assessment is made based on the reporting;

- During the period July'14 to Dec'14 the Staff gratuity and PF fund has collected from respective sectors and projects properly and also deposited this fund in to the respective bank account properly. Moreover, during this period the **PF liability of Tk.3.00 lakh and Gratuity liability of Tk.2.00 lakh has been reduced** from head office part. End of Dec'14 the PF investment is 32% against PF fund and for Gratuity it is 66% against its fund.
- Regarding provisional expense of **LLPE, DMFE and DRFE it is almost 98% has been achieved against target**. But in respect of investment it is 10% for LLP, 43% for DRF and 19% for DMF. Investment rate is increasing gradually.
- End of Dec'14 total FDR amount is Tk.517.70 lakh (Principal) where for MF (savings) Tk.180.00 lakh, MF (Capital) Tk.70.00 lakh, MF (Reserve) Tk.53.00 lakh, Operation Tk.3.50 lakh, CREP Tk.48.00 lakh, PF Tk.65.00 lakh and Gratuity Tk.98.00 lakh.
- The board has given emphasis to increase the investment (deposition of bank) rate against fund especially for PF and Gratuity.

### 7. Bad-debt Mobilization:

The Director has presented the latest performance and progress on bad debt mobilization and shown that there is 71.5% achievement against the target on bad debt collection.

### 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 COAST has able to realize the amount tk. 8.21 lac in against of spending 3.75 lac.

### 9. AoB: There was no major discussion made in AoB.

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

Prepared by

Aminul Hoque  
Secretary of the meeting  
COAST Trust

Dated : 07 February' 2015

Approved by

M. Zahirul Alam FCA  
Treasurer- BoT  
COAST Trust