



Minutes of the 92nd Board of Trustee Meeting of Coastal Association for Social Transformation Trust held on December 16, 2016 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. Tofail Ahmed, Member
5. Halima Begum, Member
6. Ruma Akter, Member
7. Rezaul Karim Chowdhury, Secretary (Executive Director, COAST)

Agenda transacted:

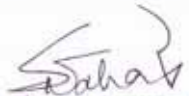
1. Review of the last 91st BoT Meeting
2. Report review from internal audit sections
3. Micro finance trend analysis
4. Salary review 2017
5. Land and Building report
6. Abroad travel policy 2017
7. Invitation letter to Dr. Abbas U Bhuiya as Trustee member
8. Money laundering compliances of MRA
9. Any 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 91st BoT meeting minutes

- a. **Mobile Banking:** At present, the activities of mobile banking are not in proper track according to the previous organizational objective. This happened due to unable to reach in an agreement by IFIC bank with mobile operator "Robi" at Cox's Bazar area. Apart, the present service charge is also high that discouraging for our MF borrowers. However we do not want to dump it rather will take further strategies following the MRA rules & regulations.
- b. **Follow up top-10 branches based on the outstanding:** Following the issue, Deputy Branch Manager is set in a branch (Lalmohon) where outstanding crossed more than our official target. Web-based daily collection and overdue also is being monitored. Apart from this, financial monitoring is being done from central finance regular basis especially daily cash transaction, cheque book & cash book. The meeting has advised to put extra follow up in view of financial security measures as there are two branch (Lalmohon and Chokoria) already crossed their Portfolio more than 04 crore as outstanding.
- c. **The Treasurer has planned to visit the Cox's Bazar area on 25th December** and will participate in a meeting with MF staff (All RPCs, AM and BMs). Asst. Director is requested to facilitate the event accordingly.
- d. **External audit report 2015-16:** Deputy Director-FC&CA has presented the external audit report to the board and the board has reviewed its financial statements comparing with last year report, reviewed the management report and its action matrix solemnly. The board finally approved the report and given permission for its publication as per organizational need.
- e. **Overdue situation:** The board has expressed their concern for increasing overdue at Cox's Bazar area comparing to other area. The board also suggested to give emphasis on arresting overdue and strengthening monitoring and support supervision in there. If needed legal action can taken in this regard.


Rezaul Karim Chowdhury
Executive Director
COAST Trust


Begum Shamsun Nahar
Chairperson-Board of Trustee
COAST Trust



2. Internal audit report review (MF and Donor projects)

A. MF Program :

Internal audit section has presented the summary of audit findings on last quarter (June-Aug'2016). There 12 branches are audited and following major observations are critical based on the findings and related discussion;

i. **Financial Misappropriation:** Misappropriation trend shows the reducing level in latest audit. The amount of misappropriated money is tk. 46,327/- comparing with previous amount of tk. 5, 52,032/-. 40% staffs are engaged with this misappropriation and tk. 24,420/- has been realized. Rest of amount is under process of realization.

Chair of the meeting also suggested for making details regarding left staffs, those have record of misappropriation and has left the organization without following proper process.

ii. **Syndicate loan** Latest audit observation reflects the number of syndicate loan in 7 branches out of 12 audited. There are 19 member have captured 57 no. of loans. Present outstanding of these loans are as tk. 12, 37,615/-. Chair of the meeting has expressed his concern and advised to place the detail information and action plan on syndicate loan in the meeting.

iii. **Transaction from daily collection** still in practice. Major no of branches (09 branches found in latest audit 03-16 days) are found with this irregularities. This is a violation of PKSF rules and even impinging our internal monitoring and control system. RPCs daily monitoring seems very weak in this case; proper assessment needed why they are doing this and need to follow up with proper strategy.

Apart from the above observations, the audited branches are also in practice of fund transferring without taking any formal approval. Loan disbursement has been doing by violating rules & process and also holding over cash without approval of respective RPCs. These are common phenomenon and similarly critical for monitoring and financial discipline.

B. Donor projects:

During the last quartet, Internal Audit section has audited two donor projects of SGSP and ECOFISH. The major observations are found on VAT & Tax deduction process and was solved instantly.

The secretary informed that the internal audit section and the central finance section of COAST have been strengthened their monitoring and audit system especially for donor funded projects. The internal audit has been running as per plan. The observations are discussed into the meeting firmly and would conduct audit hearing at Principal Office if there is happen any major irregularities.

3. Micro finance trend analysis

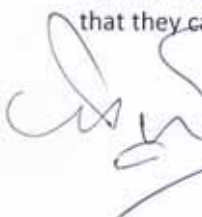
- Asst. Director-CO has presented the latest (Jan -Nov'2016) performance of MF where it's viewed the following;

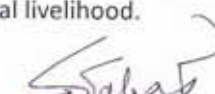
- The micro finance program has reached its loan outstanding as BDT 132cr. in Nov' 2016. Simultaneously, the portfolio is also running with increasing trend on its member (1.01 cr.), savings accumulation (48.59 cr.) and surplus generation (376.95 cr.) up to the month.

- Overdue seen as increasing trend (net overdue is stand as 4.74 crore in reported month) which reflecting 4.0% as PAR. Level of quality disbursement can be minimized option for this concern.

- Accumulated Surplus: The accumulated surplus has created the capital balance as 16.40 crore in Nov'16. Currents surplus is also observing as increasing trend.

The Executive Director has informed that COAST has planned to sit with business institute and banks so that they can work with COAST at coastal areas for the improvement of coastal livelihood.


Rezaul Karim Chowdhury
Executive Director
COAST Trust


Begum Shamsun Nahar
Chairperson-Board of Trustees
COAST Trust



4. Salary review 2017

The Executive Director has proposed the new salary structure for organization from the year 2017 and the last structure was passed during the year 2011. The new salary structure has been prepared through adopt of following principle and methodology;

Principle:

All level of staff (CDO-ED) could be able to mobilize at least 80% resource for purchase a home in their respective areas after 20 years job completion with COAST.

Methodology:

- i. Based on the above principle, existing livelihood expenditure has analyzed of CDO (Credit Development Officer) to ED (Executive Director) to set the minimum salary level standard.
- ii. Reviewed the present salary structure of 15 MF-NGOs (05 big, 05 medium and 05 small NGOs). This review has helped the team to compare and identify the salary gap in accordance with present market and to set an average level of salary, which will be based for proposed new structure.

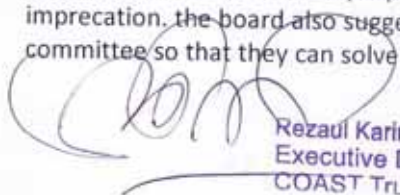
Proposed Structure:

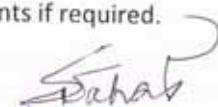
Proposed New Salary Structure			
<u>Position</u>	<u>Increased by Review</u>	<u>Regular Increment (1-Step)</u>	<u>Total Increased</u>
Support Staff	15%	13%	28%
Driver	15%	11%	26%
<u>Position</u>	<u>Increased by Review</u>	<u>Regular Increment (1-Step)</u>	<u>Total Increased</u>
CDO	17%	10%	27%
BM	16%	10%	26%
AM/AC	15%	10%	25%
RPC/C	14%	10%	24%
Head	14%	9%	23%
A. Director	13%	9%	22%
D. Director	12%	9%	21%
Director	6%	9%	15%
E. Director	7%	8%	15%
Average increased	14.5%	9.8%	24.3%

Financial Sustainability for New Structure:

New Salary structure will increase addition expenditure as BDT 14.30 lac per month and yearly Tk.1.70 crore which is 6.8% more comparing with present salary expenses. COAST has been generating its surplus as Tk. 95.00 lac to Tk.1.00 crore per month as net capital. Up to November'2016, COAST has generated its net surplus Tk.2.59 crore and the capital outstanding is Tk.16.40 crore. At the end of financial year (up to June'17), the net surplus will be generated as Tk.8.33 crore after adjustment of additional expenditure.

The board has reviewed the proposed structure thoughtfully and given the approval for its imprecation. the board also suggested to create a replacement policy and to form an appeal committee so that they can solve the problems and can give necessary adjustments if required.


Rezaul Karim Chowdhury
 Executive Director
 COAST Trust


Begum Shamsun Nahar
 Chairperson-Board of Trustees
 COAST Trust



5. Land and Building report

The Deputy Director-FC&CA has presented the land and building report to the board. He informed that the entire assets of the organization has been managing from Pr. office by a separate Estate officer and all original deeds have been keeping at Pr. Office. He also informed that at there are total 288 decimal lands & buildings (06 nos) are at Bhola, 97.5 decimal lands (02nos) are at Cox's Bazar, 7.93decimal lands (04 nos) at Outreach islands under Bhola district. The office space of Principal office is 6,968 Sqft (04 units) and there has no any land at Dhaka. DD-FC&CA also informed that every year a separate external audit report for fixed assets has been produced by the auditor. Organizational assets inventory will be conducted after end of December'16.

Dr. Tofail Ahmed (Trustee) has proposed to purchase land at Savar and as per his knowledge there has a land of 25Katha where ler Katha land is about tk.10.00 lac. The land could be used for office and flat for staff as residential purpose. COAST should consider it since it has no any land at Dhaka.

6. Revision of Abroad Travel Policy 2017:

It is decided to review the proposed abroad policy in next board meeting. The board also instructed to present the amendments, comparison with other organizations and its financial impacts in to the next meeting.

7. Invitation letter to Dr. Abbas U Bhuiya as trustee member

The Secretary has informed that a formal letter of invitation has given to Dr. Abbas U Bhuiya as Trustee for his participation at 92nd BoT meeting and he has gladly accepted this. But die to his relatives sudden death, he could not attend at this meeting and form next he will continue his participation.

8 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. From July'16 to Nov'16, total loan disbursement was Tk.101.75crore and the group members are invested their loan at right schemes. No any illegal financing has been made for money laundering, terrorist financing, smuggling and illegal drug purpose. The savings fund of borrower also been utilizing properly at MF program and as FDR.

The director also mentioned that the donor projects also been maintaining properly. From internal audit section and also from central finance section, the audit and financial monitoring has been doing as per plan. No any suspicious and irregular/abnormal transactions has been made within the organization.

9. AoB:

The Vice-Chairperson (Mr. Minar Monsur) has suggested to give a brief presentation in next meeting on how COAST has been planning to tackle Ruhinga issues in order to keep safe COAST's different programs especially MF programs from their negative grabbing at Cox's bazar area.

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

Prepared by

Rezaul Karim Chowdhury
Secretary-BoT, COAST Trust

Rezaul Karim Chowdhury
Executive Director
COAST Trust

Approved by

Chairperson-BoT
COAST Trust

Begum Shamsun Nahar
Chairperson-Board of Trustees
COAST Trust

December 18, 2016