

COAST Foundation**Minutes on 24th Pre-EC Finance & Audit Committee meeting****Held on Zoom, Date: 18 June 2021, at 10.00pm to 12:30pm.****A. Member Participated**

1. Md. Mostafa Kamal Ahmed, FCA (Treasurer-GC/EC, COAST)
2. Rezaul Karim Chowdhury, Executive Director and Member Secretary-GC/EC
3. Sanat K. Bhowmik, Deputy Executive Director (as staff participant)
4. Aminul Hoque, Director- ME & IA (as staff participant)
5. Md. Ahsanul Karim (Babor), Director-FC &CA (as staff participant)
6. Tarik Sayed Harun, Director- Core Program (as staff participant)
7. Finance & Audit Personnel [Sector Head to Asst. Director].

B. Agenda Transacted

1. Report from internal audit sections (MF program and Projects)
2. MF Trend Analysis and Annual Business Plan for 2021-22 FY.
3. Budget vs. Expenditure of FY 21 and Projection [with cost recovery] of FY-22
4. Legal Issues (Case against staff and others) update.
5. Any other Business (AoB).

C. Decision Matrix

SI	Agenda	Decision	Remarks
01	Report from Internal Audit	- 12 MF branch and 02 donor project are audited during the period from May-June' 21.	
		- Tk. 1, 30,635/- identified as misappropriation by 39 (52%) staff where 1, 21,410/- are realized. Tk. 9,225/- to be realized as staff left the organization.	
		- Trend is observed overall static condition in both of the indicators as staff engagement and misappropriation comparing between the previous and current audit period. - Syndicate loan observed in seven branches among the 12. Around 37.18 lac disbursement are captured by 35 syndicators where amount outstanding 19.84 lac and 34.81% already been overdue.	
		- Director core operation opined the misappropriation trend in COAST is observed below than national trend [3% of total income in MF program]. We always cautious and keep continue our monitoring.	
		- Financial irregularities observed as loan approval and savings return process where need proper monitoring from operation as well. - Treasurer suggest to reduce such common practice to strengthen better discipline. - Reza Bhai emphasis to strengthen the automation process as early and discuss the audit report regularly with Managers [BM-RPCs] for better monitoring the MF performance.	
		- Two donor project [ACCORD, UNICEF-CP] are audited from IA section. Major observation in VAT that is due and didn't deposit due to complicated procedure of UNICEF.	

SI	Agenda	Decision	Remarks
		<ul style="list-style-type: none"> - Treasurer advised to ensure organizational compliance as we are always under surveillance of VAT authority. 	
02	MF Trend Analysis	<ul style="list-style-type: none"> - At the end of May 2021, total member in MF program is 1.43 lac and number of Loanee is 1.19 lac (82% of member). Performance trend found almost static comparing the month of May due to fund shortage. 	
		<ul style="list-style-type: none"> - Total portfolio is stand on May'21 as Tk. 315.90 cr. is satisfactory according revised BP for 20-21 financial year. 	
		<ul style="list-style-type: none"> - Surplus is observed decreasing trend during April & May'21. This is happened due to impose lock down in April and program also face fund shortage. - Accumulation Capital fund is stand as tk. 42.65 cr. in May 2021. 	
		<ul style="list-style-type: none"> - Director COp has presented the MF annual Business Plan for 2021-22 FY. The BP-22 has targeted to achieve following portfolio indicators; <ul style="list-style-type: none"> - Establish 10 new branch in three region - Member coverage will be increased at least 12000. - Portfolio outstanding will reach from BDT 308 cr. to 402 cr. - Add capital fund tk. 10.87 cr. with existing balance by end yr. - Executive Director suggested to think on the impact of local lock down sudden impose by government and explore the scope on how MF operation keep continue under such a situation. 	
03	Budget vs. Expenditure of FY 21 and Projection [with cost recovery] of FY-22.	<ul style="list-style-type: none"> - Finance section has presented their current year [2020-2021FY] expenditures and budget variance and shown that 94% burn rate will be achieved at end of the year. 	
		<ul style="list-style-type: none"> - Section also presented the new budget tk. 9.32 crore for COAST operation for 21-22 fiscal year which is around 26% high comparing the previous. - Tk. 2.40 crore will come from different project as cost recovery. Rest of the fund will provided from MF income. 	
04	Legal Issues (Case against staff and others) update	<ul style="list-style-type: none"> - Total 56 case running against the staff and others at the end of March 2021. - The amount claimed 2.01 corer while filed the case against staff. The figure is inflated for pressuring them to realize money, but in the negotiation process, actual amount will be realized. 	
		<ul style="list-style-type: none"> - Management decided to solve at least 29 cases through mutual discussion, where amount claimed below 02 lac. 	
05	AoB	<ul style="list-style-type: none"> - Executive Director proposed the next meeting schedules are as Sep-18 and Dec-18 [Saturday] at same time. If the pandemic situation improve, the events maybe held in person instead online. 	

Prepared By:
Aminul Hoque, COAST Foundation.