

**COAST Foundation****Minutes on 29<sup>th</sup> Pre-EC Finance & Audit Committee meeting.****Held on Zoom, Date: 28 Sep 2022, at 7.00pm to 8.30pm.****A. Member Participated**

1. Md. Mostafa Kamal Ahmed, FCA (Treasurer-GC/EC, COAST)
2. Rezaul Karim Chowdhury, Executive Director [ED] 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. Tarik Sayed Harun, Director- Core Program (as staff participant)

**B. Agenda Transacted**

1. Minutes [28<sup>th</sup> Meeting] Review
2. Report from internal audit sections (MF program and Projects)
3. MF Trend Analysis [Up to May 2022].
4. Procurement Policy [Revised and Updated].
5. Update on Legal Procedures [Cases against staff]
6. Any other Business (AoB).

**C. Decision Matrix**

| SI | Agenda                     | Decision  | Remarks |
|----|----------------------------|---|---------|
| 01 | Minutes Review             | <ul style="list-style-type: none"> <li>- Executive Director reviewed the 28<sup>th</sup> meeting minutes and brief the highlights as;               <ol style="list-style-type: none"> <li>i. Gratuity Fund registration is important for Tax exemption on staff final payments. Executive Director request to Director-Finance to initiate the process ASAP as because staff suffering.</li> <li>ii. Dinner meeting with Bankers also planned to host in July 2022 as much as possible. Treasure has advised to invite BB and MRA high officials.</li> <li>iii. Treasurer suggested to develop a yearly calendar to conduct refreshers workshop for accounts staff.</li> </ol> </li> </ul> |         |
| 02 | Report from Internal Audit | - 34 MF branch and 04 donor project are audited during the period from June to Aug 2022.  |         |
|    |                            | - Tk. 1, 71,671/- identified as misappropriation by 94 (44%) staff where 1, 71,329 are realized. Tk. 342/- to be realized during final payment as staff left the organization. No misappropriation found in one branch.   |         |
|    |                            | <ul style="list-style-type: none"> <li>- Director-COp has briefed on the issues of controlling fake signature at field level. New register introduced for withdrawal saving where staff will take sign before transaction.</li> <li>- Treasurer appreciated staff for Zero misappropriation and suggested to explore the prizing system to encourage such exercise in the field.</li> </ul>   |         |
|    |                            | - Four donor project [APFP, UNHCR, CJRF and PACE] are audited from IA section. Major observations are Lack of following approval process, inappropriate calculation of VAT and Tax and its deposition and incomplete register and documents. All are solved during audit.   |         |

| SI | Agenda            | Decision  | Remarks |
|----|-------------------|---|---------|
| 03 | MF Trend Analysis | - At the end of Aug 2022, total branches are 110. Total member in MF program is 1.55 lac and number of loanee is 1.29 lac (83.4% of member). Performance trend observed as positive growth due to increased demand in the field.  |         |
|    |                   | - Total MF portfolio is stand on Aug'22 as Tk. 446.48 cr. is satisfactory and increasing trend and will reach around 475 cr. By the end of this year.   |         |
|    |                   | - Surplus is observed increasing trend [157% achievement than target] during this financial year. From Jan to Aug 2022 financial year, MF program has made a net surplus 04.09 cr.<br>- Accumulated Capital fund is stand as tk. 62.04cr. in Aug 2022.<br>- PAR [Portfolio at Risk] is 7.50% is continue reducing after pandemic and would go below 5% by end of the financial year.  |         |
|    |                   | - He also presented an analysis on following portfolio management indicators. <ul style="list-style-type: none"> <li>- Salary cost 40% of total operational expenditure which is below national standard and average.</li> <li>- Cost of fund 25% a little bit high due to fluctuation of payment schedule &amp; interest provision.</li> <li>- Admin cost is 8%.</li> <li>- Bank Liability is 90.62 cr. at present which is 19% of total fund. and</li> <li>- Debt to Equity" ratio is 6.20:1. Portfolio yield is 20.79% and Rate of Return is 3.69%. Based on the indicators, organization has gained a Credit Rating "A" for long term and ST-3 for short term perspective.</li> </ul> |         |
|    |                   | Treasurer advice to make a comparison between other MFI with same portfolio to assess the performance if possible.  |         |
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Prepared By: Aminul Hoque  
COAST Foundation.