

COAST Foundation

Minutes of the 126th Executive Committee (EC) Meeting, Place: Pr. Office, DT: 19-04-2025 at 10:30 am

Member Participated:

1. Gawher Nayeem Wahra, Vice-Chairperson (Acting Chairperson)
2. Mostafa Kamal Ahmed, FCA, Treasurer
3. Jasmeen Sultana Paru, Member-EC
4. Anjulika Khisa, Member ----- (On line)
5. Nurul Alam Masud, Member ----- (On line)
6. M Rezaul Karim Chowdhury, Member Secretary (Executive Director, COAST Foundation)

Agenda transacted:

1. Review and Confirmation of Minutes of the 124th EC Meeting
2. Internal audit report discussion
3. MF Trend Analysis [July'24 to March'25]
4. Budget variance and Financial reports [July'24-Mar'25]
5. Gender and CRM report
6. HRM status report
7. Legal case status
8. Donor Project Information Matrix
9. MRA Money laundering compliance
10. Any other Business (AoB)

The acting chairperson started the meeting with a welcome note to EC members and COAST staff participants and also gave thanks to all for attending the meeting. Due to other pre-set work engagements of the Chairperson, the Vice-Chairperson for presiding over the meeting. The discussions and decisions of the meeting are as follows.

1. Review of the last 125th Executive Committee (EC) Meeting Minutes held on 07-12-2024:

- i. **Internal Audit report:** In respect of misappropriation cases, some money embezzlement cases have been resolved, legal cases have been filed, and audit hearing sessions have been performed for accused staff. For donor projects, some observations are made, and later disciplinary action is taken against them. The Treasurer expressed his interest in attending the next Financial Management training course.
- ii. **MF Trend up to Nov'24 (5m):** Director-CP presented the Microfinance trend from July'24 to Nov'24. The meeting participants expressed their deep concern about increasing overdue and staff misappropriation and were later instructed to make plans to try to stop overdue and syndicate loans. Participants also discussed the MF business plan, including fund management and MF income, and later approved it.
A separate software section has been established to bring all MF operations, MFS transactions, HR management, and Finance under software-based operation by 2026.
- iii. **Budget Variance up to October 2024:** From July'24 to Oct'24 (04m), total expenditure incurred about 95%, including donor projects. Participants expressed their concern about exceeding the expense against budget and suggested rearranging or making an inter-head adjustment with the unspent budget.
- iv. **Regarding Senior staff separation,** COAST has given its legal answer against the legal notice issued by Ms. Rumeen and B.U. Maruf. Apart from this, as per the advice of the advocate, COAST did not attend the case sued by Mr. Ashek and Shohidul Kader at the labor court.
- v. **Gender and CRM:** All complaints have been addressed and resolved. Mitigation measures, including verbal and written warnings, suspension, and dismissal, were applied. EC Member, Jasmeen Sultana Paru requested to keep her in the next Gender Relations Development meeting, with prior notice before the meeting is scheduled, and also to include both female and male support staff in the gender relations meetings (segregated meetings).
- vi. **Legal cases:** 60 cases have been settled (Tk 15.45 lakh). The Vice Chair suggested exploring the Debt Arbitration Board for smoother settlements of these loan default cases.
- vii. The Secretary/ED presented the revised abroad travel policy. The meeting carefully reviewed the proposal and its impact on financial management and later on approved the policy which will be effected from 1st August 2024.
- viii. **Money laundering compliances of MRA:** The meeting discussed and reviewed the related reports and appreciated that COAST is following the Money Laundering Act-2015 (amendment) properly in the organization in respect of fund receiving and its utilization.

- ix. Due to different other engagements, the Chairperson (Dr. Tofail Ahamed) shared his intent to resign as Chairperson for both EC and GC. It is decided that Dr. Tofail Ahmed will continue his Chairmanship until the next AGM in 30-June'25 and his absence, Gawher Nayeem Wahra (Vice Chairperson) will act as Chairperson.
- x. **Minutes Approval:** The minutes were proposed for approval by the Treasurer and seconded by Jasmeen Sultana Paru. The Acting Chairperson finally approved the 125th ECM minutes.

2. Internal audit report:

Director-IACCA&EA presented the major findings from the internal audit section as follows,

Microfinance:

- Audit conducted in 73 MF branches (Nov'24–Mar' '25); Tk.43.15 lakh identified as misappropriated by 183 staff (39%). Tk.5.33 lakh recovered; the rest will be recovered through final payments and other measures.
- The MF Operation has some traditional irregularities like lack of procedural practice in loan disbursement and savings transactions, fake signatures, pocket credit, etc. which are solved instantly during the audit.
- Branch branch-wise audit discussion meeting has been held with all participants. Accordingly, different punitive measures like audit hearing, financial punishment, show-cause, etc. has been made.
- The Chairperson proposed to discuss with the advocate whether COAST could keep the passport during the time of giving bail by the court. Also advised to give advertisement in the newspaper against them.
- Meeting advised using red, yellow and green in personal files during the time of staff inter-transfer.
- Meeting has advised ED to discuss with MRA regarding taking actions against misappropriate staff so that everyone/NGO could identify them.

Donor Projects:

05 projects (i) Resilient Homestead and Livelihood Project (RHL), (ii) Education- UNICEF, (iii) RMTP (Street Food), (iv) CP-UNICEF, and (v) SLFFP Project- Vitrol Foundation are audited and the major observations are as follows:

- i. Stationery material purchases are overrated
- ii. Staff took the motorcycle rent and did not refund to COAST
- iii. VAT and Tax amount kept in cash and not deposited on the due date
- iv. Excess bill paid to vendor without completion of work
- v. Staff personal file is not updated
- vi. Bus fare paid without a proper ticket
- vii. Grant paid to the entrepreneur without ensuing beneficiary selection guidelines and verified business paper, and a living address
- viii. Bill paid without purchase request, original bill/challan from vendor
- ix. Appointment letter not found in PF except primary selection letter for more than 5 months
- x. Time sheet of shared staff not maintained for 04 months
- xi. Paid seal like "Paid from SLFFP project" not found in the voucher
- xii. The advance register is not maintained properly.

3. MF Trend Analysis

Director-CP presented the MF trend analysis from July'24 to Mar'25 (9m). He informed the meeting that,

- i. End of March'25, total No of Br. office is 130no. The total number of members is 1.71 lakh and loanees are 1.37 lakh, which is 80% of the total number of members.
- ii. The end of March'25 loan portfolio (OS) is Tk 588.33 cr, which was Tk 560.23 cr end of June'24. Increased 5%.
- iii. End of Mar'25 Savings balance is Tk.259 cr and secured portfolio is 44%. The meeting has suggested giving emphasis to increasing savings.
- iv. From July'24 to Mar'25 (9m) MF made net surplus Tk.7.73 cr whereas the 01-year projection was Tk.11.23 cr and achievement rate 69%. It has happened due to the present socio-economic hard condition, lack of discipline in field operation, and stopping pocket credit by CDOs.
- v. At the end of Mar'25, the accumulated surplus/Capital fund was Tk 124.98cr which was Tk 114.50cr end of June'24 (Increased 9.15% by 09 months). As per BP, the achievement rate is 96% (12m vs 9m).
- vi. End of Mar'25, Portfolio at Risk [PAR] is 13%, which was 7.91% end of June'24. It indicates, OD is increasing. The end of Mar'25 total OD is Tk 64.07cr, which was Tk 49.79cr end of June'24. Increased Tk.14.28cr (28.7%).
- vii. OD mobilization has increased from the Pr. Office to improve the OD situation.

- viii. The ED informed the meeting that all personal MFS accounts of field staff have been stopped and is working on introducing a wallet account for each branch.
- ix. COAST software unit is working, and next 03 years, COAST will develop and implement its own software for its operation as a part of digitalization and automation, cashless transactions and paperless office.
- x. Meeting has advised to influence/discuss MRA to take steps MFS service as an alternative to B-Kash/Nagad. Also advised to discuss with B-Kash/Nagad for reducing their service charge as a part of social responsibility.
- xi. The Treasurer-EC advised that before signing the agreement with MFS companies (Nagad, bKash and Upay) and data verification through the national server, the data security of the beneficiary has to be ensured. The ED will ensure this clause during the MFS agreement.

4. Budget Variance and Fund Management.

Joint Director-BF&C presented the budget variance report from July'24 to Mar'25.

- Total burn rate end of Mar'24 is 101% including MF and Operation (Budget up to Mar'25 Tk.87.46cr and Expense Tk.88.52cr).
- In some particular budget head, the expense has crossed the budget like,
 - i. Tk 17 lakh overspent in staff training and development head due to arrange additional training to develop the capacity of staff and awareness building in PSEA, which was not included in the existing budget,
 - ii. Tk 12 lakh overspent in Office maintenance cost due to setup of 05 new MF Br and setup of online meeting arrangement. Extra expenditure will adjust with next quarter expenditure.
 - iii. Tk 27 lakh over spent under repair & maintenance cost due to repair Borhanuddin br. office and additional expenditure of Charfashion guest house building.
 - iv. Tk 12 lakh overspent under social program support due to support in flood response.
 - v. Loan Loss Provision (LLP) increase due to an increase in loan overdue in all regions.
- The Chairperson instructed JD-BF&C to give a historical report on MRA service charge like rate of charge, basis of calculation, time to time change and its impact on organizational income, etc.
- From July'24 to Mar'25 it is received Tk 2.64cr from the donor project and from MF Tk 4.60cr, total Tk 7.24cr for maintaining Pr. Office and other operational expenditure. 56% of total operational costs recovered from MF and 44% recovered from development project.
- From July'24 to Mar'25, total Tk 136.86 lakh deposited in govt. treasury as VAT and Tax (VAT: Tk 52.93 lakh and Tax: Tk 83.93 lakh).
- The meeting suggested revisiting the presentation style, like sector-wise (i) budget vs expense, (ii) targeted income and achievement, (iii) Income vs expenditure, (iv) Assets and Liabilities, (v) Bank Balance report, etc. Here, the sector means Operation, MF, Donor Project and Others.

5. Gender and CRM report status

The Gender Relations Development Focal (Taharima Afroj Tumpa, Deputy-PM) presented the status of Gender Relations Development and Complaint Response (GRD&CR) mechanisms from Dec'24 to March'25 for both staff and program participants. Received complaints were like insensitive behavior, gender-insensitive language directed towards female staff, unprofessional conduct, complaints, and allegations of sexual exploitation, abuse, and harassment. All reported complaints have been addressed and successfully resolved. Mitigation measures, including verbal warnings, written warnings, suspension, and dismissal, were applied to the offenders as appropriate.

Meeting given the following suggestions for implementation:

- **Sharing of SEA Issues:** Sexual Exploitation and Abuse should be shared with the respective sectors to ensure appropriate disciplinary action. Furthermore, the organization should disclose the disciplinary actions taken.
- **Presence at Regional Meetings:** The presence of GC and EC members should be ensured by the relevant personnel at regional Gender Relations Development Meetings.
- **Encouraging Men's Participation:** Ensure the participation of men in Gender Relations Development meetings across all regions.

6. HRM Status Report

DED presented the HRM report at the end of March'25. The total no. of staff was 1,558, which is 6% excess than March'24 (1,475). He mentioned that end of March'25, the Male-Female ratio was 64:36. Among them core staff are

1,063, the Development Project staff are 144 and the Rohingya projects staffs are 351. The meeting also suggested reviewing the dropout ratio of highly educated (Masters) CDO and low-educated CDO.

DED informed that from Jan-Mar'25, a total of 39 staff resigned (2.5% of the total staff), 05 staff were suspended and 02 staff were dismissed. He mentioned that 50% of staff have resigned because of family affairs, 49% of staff for non-adjustment to COAST rules and regulations, and the remaining 1% for conflict with the supervisor. The Chairperson instructed to prepare the office-wise Male vs Female ratio, and also the ratio in key position holders.

7. Legal case status report

Director-Admin&SR presented the legal case status report at the end of March'25. He said that at the end of Mar'24, the total number of cases stood at 370 and the amount is around Tk.5.63 cr. Among them and considering the volume of amount, Cox's Bazar region is the highest, i.e., case no 126 and amount Tk 2.00 Cr, 2nd highest is Chattogram (114 case vs Tk. 1.82cr), and 3rd is Bhola (68 case vs Tk. 1.15 cr). Director-Admin&SR said that 02 new staff have been engaged in monitoring and settling the cases, where one is in Cox's Bazar and the other one is in Bhola. The meeting advised increasing contact with them to set aside the cases, giving some reduction. The Chairperson again suggested exploring the Debt Arbitration Board, which is supposed to make it easier to settle debt cases/legal issues.

8. Project Information Matrix

Director-P&DC mentioned that COAST is implementing 15 development projects, where 04 projects are related to the Rohingya and the Host Community in Ukhiya and Bhashan Char. For these projects Total approved fund is 81.27 cr. Among this amount, the total received was Tk. 48.30cr and expenses made Tk 38.90cr, i.e. utilization rate is 80.53%. A part, another new project name "Emergency Water access, Sanitation and Hygiene, and Nutritional Assistance" in the Rohingya camp in Cox's Bazar district, funded by Tearfund, will be commenced from April'25 to the next 02 years, and its grant amount will be Tk 3.60cr.

9. MRA Money Laundering Compliance

Director-ICEA&C informed that COAST is following the Money Laundering Act-2015 (amendment) properly till to the date. The issue regarding money laundering, terrorist financing, smuggling and illegal drug issues are being discussed in each group meetings as well as staff meetings. These issues are also mentioned in the passbooks so that the member participants can follow and be strict during spending their money borrowed from the organization.

The Director-ICEA&C also mentioned that there is not any illegal financing reported for money-laundering, terrorist financing, smuggling, illegal drug and any other illegal engagements in respect of MF operation (for loan disbursement, loan realization, members savings collection and other transactions), donor funded projects (fund receiving and its utilization) and other operation of COAST Foundation.

10. Any other business (AoB)

While the Secretary proposed, the meeting primarily approved the next ECM and AGM date, which is (i) 127th EC meeting on 27-June'25 and (ii) AGM is 28-June'25.

Having no other discussions, the Chairperson concluded the meeting with a vote of thanks to all.

Prepared by

M Rezaul Karim Chowdhury
Member Secretary and
Executive Director, COAST Foundation

21 April 2025

Approved by

Gawher Nayeem Wahra
Vice-Chairperson (Acting Chairperson)
COAST Foundation