



M. M. HOSSAIN & CO.

Chartered Accountants

MOUCHAK TOWER (4TH FLOOR)

83/B, New Circular Road.

Malibagh, Dhaka-1217.

**Audit Report and Accounts
of**

Banchte Shekha

Shaheed Mashiur Rahman Road, Arabpur, Jessore-7400, Bangladesh.

Name of Project: Education for all.

Funded By: IDEA ONLUS, ITALY.

For the year ended December 31, 2010.

M. M. HOSSAIN & CO.

Chartered Accountants

MOUCHAK TOWER (4TH FLOOR)

83/B, New Circular Road

Malibagh, Dhaka-1217.

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Principal

MD. MOAZZEM HOSSAIN FCA

AUDITORS' REPORT

We have audited the accompanying Balance Sheet of **Education for all of Banchte Shekha** of Shaheed Mashur Rahman Road, Arabpur, Jessore-7400, Bangladesh as on December 31, 2010 and the related Income and Expenditure Account and Receipts and Payments Account for the year then ended on that date. The preparation of these financial statements is the responsibility of the **Banchte Shekha** management. Our responsibility is to express an independent opinion on these financial statements based on our Audit.

Basis of Audit:

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion:

In our opinion, the above mentioned financial statement, in all material respect, present a true and fair view of the financial position of the **Banchte Shekha** as on December 31, 2010 and of the result of its operations for the year ended on that date.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and we have made due verification thereof;
- b) In our opinion, proper books of account, in generally accepted manner have been kept **Banchte Shekha** for its so far as it appeared from our examination of those books;
- c) The Balance Sheet, Income and Expenditure Account and Receipts and Payments Account dealt with this report are in agreement with the books of account.



Date : Dhaka, Bangladesh.
April 03, 2011.


Md. Moazzem Hossain FCA (Principal)
M.M HOSSAIN & CO.
Chartered Accountants.

Our enlistment with NGO Affairs Bureau:

Vide Memo No. NGOAB/NIP-2/CA Firm/745/2010-574 Dated May 26, 2010, Serial # 41.

Banchte Shekha

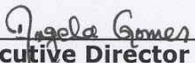
Shaheed Mashiur Rahman Road, Arabpur, Jessore-7400, Bangladesh.

Name of Project: Education for all.

Funded By: IDEA ONLUS, ITALY.

Balance Sheet as at December 31, 2010.

Particulars	31-12-2010
Fund and Liabilities:	
Fund Account	112,928
Balance as on 01.01.10	402,835
Less: Deficit during the year	(289,907)
Loan Account (Temporary)	18,000
Balance as on 01.01.10	-
Add: Received during the year	238,000
Less: Refund during the year	220,000
Provision for Audit Fees	5,000
Balance as on 01.01.10	10,000
Add: Provision during the year	5,000
Less: Paid during the year	10,000
Total Tk.	135,928
Property & Assets:	
Fixed Assets	115,566
Balance as on 01.01.10	44,340
Add: Addition during the year	75,660
Less: Depreciation during the year	4,434
Cash and Bank Balance	20,362
Cash in Hand	7,335
Cash at Bank(Dutch Bangla Bank, Jessore Branch, Jessore, STD Account No. 393)	13,027
Total Tk.	135,928

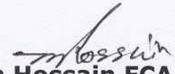

Executive Director
Banchte Shekha


Accounts & Finance
Banchte Shekha

Signed in terms of our separate report of even date annexed.



Dated: Dhaka, Bangladesh.
April 03, 2011.


Md. Moazzem Hossain FCA (Principal)
M.M. HOSSAIN & CO.
Chartered Accountant

Banchte Shekha

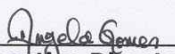
Shaheed Mashiur Rahman Road, Arabpur, Jessore-7400, Bangladesh.

Name of Project: Education for all.


Funded By: IDEA ONLUS, ITALY.

Income and Expenditure Account for the period from January 01, 2010 to December 31, 2010.

Particular	Amount
Income :	
Fund Received from IDEA ONLUS, ITALY.	875,305
Bank Interest	4,107
Deficit during the year	289,907
Total I.K.	1,169,319
Expenditure :	
Salary & Allowance	556,500
Monitoring by Management Staff	30,500
Staff Recruitment & Orientation	1,890
Festival Allowance	45,500
Travelling & Transportation	25,722
Operating Cost:	
Rice	228,170
Potato	17,879
Dal	42,229
Soyabin Oil	25,870
Salt	3,765
School Bag	6,220
Uniform	21,000
Shoe & Socks	6,872
Latern	6,980
Umbrella	6,195
Sharpner	488
Eraser	540
Copy Book	5,639
Pencil	1,199
Pen	1,920
Geometry Box	300
Body Soap	10,135
Washing Soap	7,241
Tuition Support	28,770
Medical Check-up	20,052
Sports/Game Materials	1,072
Overhead:	
Festival Greetings & Thanks Letter	12,708
Telephone & Internet	32,100
Stationery, Photocopy & Printing	7,471
Bank Charge	1,318
Provision for Audit Fees	5,000
Incidental (Miscellaneous) Exp.	3,640
Total Program Expenses	1,164,885
Depreciation	4,434
Total TK.	1,169,319


Executive Director
Banchte Shekha




Accounts & Finance
Banchte Shekha

Examined & Found Correct.

Date: Dhaka, Bangladesh.
April 03, 2011.

3


Md. Moazzem Hossain FCA (Principal)
M.M. HOSSAIN & CO.
Chartered Accountants.

Banchte Shekha

Shaheed Mashiur Rahman Road, Arabpur, Jessore-7400, Bangladesh.

Name of Project: Education for all.

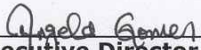
Funded By: IDEA ONLUS, ITALY.

Receipts and Payments Account for the period from January 01, 2010 to December 31, 2010.

Particular	Amount
Received:	
Opening Balance	
Cash in Hand	1,337
Cash at Bank	367,158
Fund Received from IDEA ONLUS, ITALY.	875,305
Temporary Loan Received	238,000
Bank Interest	4,107
Total TK.	1,485,907
Payments:	
Operating Cost:	
Salary & Allowance	556,500
Monitoring by Management Staff	30,500
Staff Recruitment & Orientation	1,890
Festival Allowance	45,500
Travelling & Transportation	25,722
Rice	228,170
Potato	17,879
Dal	42,229
Soyabin Oil	25,870
Salt	3,765
School Bag	6,220
Uniform	21,000
Shoe & Socks	6,872
Latern	6,980
Umbrella	6,195
Sharpner	488
Eraser	540
Copy Book	5,639
Pencil	1,199
Pen	1,920
Geometry Box	300
Body Soap	10,135
Washing Soap	7,241
Tuition Support	28,770
Medical Check-up	20,052
Sports/Game Materials	1,072
Overhead:	
Festival Greetings & Thanks Letter	12,708
Telephone & Internet	32,100
Stationery, Photocopy & Printing	7,471
Bank Charge	1,318
Audit Fees	10,000
Incidental (Miscellaneous) Exp.	3,640
Capital Cost:	
Computer & Accessories	6,160
Motorcycle	69,500
Total Program Cost:	1,245,545




Temporary Loan Refund	220,000
Closing Balance:	
Cash in Hand	7,335
Cash at Bank(Dutch Bangla Bank, Jessore Branch, Jessore, STD Account No. 393)	13,027
Total: Tk.	1,485,907


Executive Director
Banchte Shekha


Accounts & Finance
Banchte Shekha

Examined & Found Correct.

Date: Dhaka, Bangladesh.
April 03, 2011.


Md. Moazzem Hossain FCA (Principal)
M.M. HOSSAIN & CO.
Chartered Accountants.



Banchte Shekha

Shaheed Moshir Rahman Road, Arabpur, Jessore, Bangladesh.

GENERAL INFORMATION

1.00 SCOPE OF AUDIT:

We have carried out our examinations in accordance with generally accepted auditing standards and accordingly it included test of such accounting records and such other auditing procedures as were considered necessary and found feasible under the circumstances. The audit was conducted at the Head Office of the Organization Shaheed Moshir Rahman Road, Arabpur, Jessore, Bangladesh Where necessary books of Accounts, Vouchers etc. were produced by the management of the organization.

2.00 LEGAL STATUS OF THE ORGANIZATION:

This is a Voluntary Women organization Registered Under Social welfare Act, 1961 from the department of Social welfare Government of the People Republic of Bangladesh bearing Registration No.-185/81, FD-146/83, Society Act, S-728/(470)-07 and Date 02/12/2007 . Micro Credit Regulatori Authority (MRA) vide Registration No.0038. Date: 07/10/2008.

3.00 OBJECT OF THE ORGANIZATION:

To find out the poor problems and solution of education, health, economy, society and culture. Besides to Implement its dream **Banchte Shekha** wants to create combination of voluntary organization by creation auto-leadership.

4.00 MANAGEMENT OF THE ORGANIZATION:

The Affairs of the Organization have been entrusted to a Governing Body consisting of 7 (seven) members elected in the Annual General Meeting (AGM) .The following persons were in the committee during the period of our audit.

1.Ms. Taherunnessa Abdullah	Chairperson
2.Dr. Quzi Azizul Hque	Vice- Chairperson
3.Ms. Angela Gomes	General Secretary
4.Pro. (Retd) Khandaker Moksudul Haq	Treasurer
5.Md. Ariful Islam	Member
6.Ms. Habiha Shefa	Member
7.Md. Salim Ahmed Pervez	Member

5.00 SIGNIFICANT ACCOUNTING POLICIES:

- 1) The financial statements have been prepared under historical cost convention and on cash basis.
- 2) Grant Receive as revenue.
- 3) Fixed assets have been shown at cost less depreciation other than land. Depreciation has charged on reducing balance method.
- 4) The figure has been round off to Taka.

6.00 ACCOUNTING RECORDS:

The organization maintains a double column cash book, ledger book, salary register, Chaque register Regulation Book and separate books of accounts were maintains by the organization for each Program.

7.00 REPORTING:

This report covers comments from 1st January 2010 to December 31, 2010.

8.00 FINANCIAL STATEMENT:

The following financial statement are prepared and presented for management information purpose:

- Balance Sheet as at December 31, 2010.
- Income and Expenditure Account for the period from 1st January 2010 to December 31, 2010.
- Receipts and Payments Account for the period from 1st January 2010 to December 31, 2010.
- FD-4
- FD-Annexure A/1

9.00 Opinion:

We extend our thanks, appreciation and felicitation to the organization for extending their best good-self co-operation in conducting our audit works.



Principal

MD. MOAZZEM HOSSAIN FCA

FD-4

Banchte Shekha

Shaheed Moshir Rahman Road, Arabpur, Jessore, Bangladesh

Project Title: Education for all.
Funded By: IDEA ONLUS, ITALY.

AUDITOR'S CERTIFICATE

We have audited the accounts Overcoming the "Education for all" of **Banchte Shekha**, of Shaheed Moshir Rahman Road, Arabpur, Jessore, Bangladesh for the Period from 1st January 2010 to December 31, 2010 and examined all relevant books and vouchers and certify that according to the audited accountants:

1. The brought forward foreign donation at the beginning of the year was Tk. 362,810/-
2. The foreign donation amounting to Tk. 875,305/- was received by the organization during the year.
3. The balance of unutilized foreign donation by the organization was Tk. Nil
4. Foreign donation amounting to Tk. 1,245,545/- has been utilized for the purposes as detailed in Annexure A/1.

Project Title: Education for all,

Head of Expenditure	Amount As Per Approved Budget	Amount Actually Spent	Difference if Any
As Per Annexure A/1	1,721,998/-	1,245,545/-	476,453/-
Total : TK.	1,721,998/-	1,245,545//-	476,453/-

Notes: The project expense Tk. 1,245,545/- of Which Tk. 362,810/- was last year unexpended balance and Tk. 875,305/- for current year Foreign Fund and the rest of Tk. {1,245,545-(362,810 + 875,305)}Tk.7,430/- has been expensed from BS Loan.

5. Certified that the organization has maintained the accounts of the Foreign Donation and records relating thereto in the manner specified as mentioned in section 5 of the Foreign Donation (Voluntary Activities) Regulation Ordinance 1978 read with rule 6 and 7 to the said ordinance.
6. The information furnished above is fair and checked by us.

Dated: Dhaka, Bangladesh.
April 03, 2011.



M. Hossain
Md. Moazzem Hossain FCA (Principal)
M.M. HOSSAIN & CO.
Chartered Accountants

Our enlistment with NGO Affairs Bureau:

Vide Memo No. NGOAB/NIP-2/CA Firm/745/2010-574 Dated May 26, 2010, Serial # 41.

Banchte Shekha

Shaheed Mashiur Rahman Road, Arabpur, Jessore-7400, Bangladesh.

Name of Project: Education for all.

Funded By: IDEA ONLUS, ITALY.

Date of Govt. Approval with Memo No. ABBU/Pro-1/12-44/10-871, Dated: 21/06/10.

SL.NO.	Head of Expenditure	Amount as per Approved Budget	Amount Actually Spent	Budget Balance/ Variance	Reasons for Variation
I	Civil Construction:				
ii	Others Materials input Including Furniture & Fixture:				
	Furniture & Fixture	8,000	-	8,000	
	Sub Total:	8,000	-	8,000	Non-Require
iii	Pay & Salary:				
	a) Program Personnel:				
	Executive Director	60,000	60,000	-	
	Project Director	84,000	84,000	-	
	Project Coordinator	240,000	240,000		
	Accountant	36,000	36,000	-	
	Community Motivator	108,000	105,000	3,000	
	Tuition Teacher	216,000	31,500	184,500	
	Sub Total:	744,000	556,500	187,500	Non-Require
	b) Skilled				
	Monitoring by Management Staff	28,800	30,500	(1,700)	
	Sub Total:	28,800	30,500	(1,700)	Non-Require
	c) Un skilled				
	Staff Recruitment & Orientation	5,000	1,890	3,110	
	Festival Allowance	62,000	45,500	16,500	
	Sub Total:	67,000	47,390	19,610	Non-Require
iv	Consultants:				
v	Training:				
vi	Meeting/Workshop & Conference:				
vii	Office Accommodation:				
	Office Rent	24,000		24,000	
	Sub Total:	24,000	-	24,000	Non-Require
viii	Office Equipment:				
	Computer & Accessories	40,000	6,160	33,840	
	Printer	15,000	-	15,000	
	Sub Total:	55,000	6,160	48,840	Non-Require
ix	Vehicles:				
	Motorcycle	105,000	69,500	35,500	
	Sub Total:	105,000	69,500	35,500	Non-Require
x	Traveling allowances and daily allowances				
	Travelling & Transportation	9,600	25,722	(16,122)	The project's Branch office is about 25 Kilometers distance from the Head Office .As this project is become operating under the Head office. So this budgetary amount is not sufficient for communicating with the branch office in a year.
	Sub Total:	9,600	25,722	(16,122)	Require
xi	Custom Duty and VAT:				
xii	Head Office and Branch Office's Expenses Charged:				
xiii	Contingency:				



xiv	Others:				
	a) Operating Cost:				
	i) Nutrition Materials				
	Rice	256,320	228,170	28,150	
	Potato	21,360	17,879	3,481	
	Dal	42,720	42,229	491	
	Soyabin Oil	45,390	25,870	19,520	
	Salt	9,612	3,765	5,847	
	ii) Education Materials				
	School Bag	12,460	6,220	6,240	
	Uniform	53,400	21,000	32,400	
	Shoe & Socks	14,240	6,872	7,368	
	Latern	10,680	6,980	3,700	
	Umbrella	16,020	6,195	9,825	
	Sharpner	890	488	402	
	Eraser	1,335	540	795	
	Copy Book	12,816	5,639	7,177	
	Pencil	2,848	1,199	1,649	
	Pen	6,408	1,920	4,488	
	Geometry Box	195	300	(105)	
	iii) Hygiene Materials				
	Body Soap	17,088	10,135	6,953	
	Washing Soap	12,816	7,241	5,575	
	iv) Tutuon Support	30,000	28,770	1,230	
	v) Medical Check-up	22,500	20,052	2,448	
	vi) Sports/Game Materials	800	1,072	(272)	
	b) Overhead Cost:				
	Festival Greetings & Thanks Letter	18,000	12,708	5,292	
	Report & Brocheure	3,000	-	3,000	
	Telephone & Internet	36,000	32,100	3,900	
	Fuel & Lubricants (Motorcycle)	14,400	-	14,400	
	Maintenance(Motorcycle)	1,500	-	1,500	
	Stationery, Photocopy & Printing	7,200	7,471	(271)	
	Bank Charge	600	1,318	(718)	
	Audit Fees	5,000	10,000	(5,000)	Require
	Incidental (Miscellaneous) Exp.	5,000	3,640	1,360	
	Sub Total:	680,598	509,773	170,825	Non-Require
	Grant Total	1,721,998	1,245,545	476,453	



Report as per condition prescribe by NGO Affairs Bureau Government of the People's
Republic of Bangladesh

Name of the Organization: Banchte Shekha
Shaheed Mashiur Rahman Road, Arabpur, Jessore-7400, Bangladesh.

Project Title: Education for all.

Funded By: IDEA ONLUS, ITALY.

Our observation in compliance with the condition laid down in the circular No. NGOAB/NIP 2/CA FIRM/745-2010-574 dated May 26, 2010 issued from the NGO Affairs Bureau, Prime Minister's Office. Governments of the People's Republic of Bangladesh are listed below:

**Condition-1:
Requirements:**

During the course of NGO audit the audit firm will perform their duties independently and with maximum responsibility.

Observation and Comments:

We have conducted the audit with the due responsibility and kept ourselves fully independent while conducting the audit. We have also complied with the terms and conditions of the audit.

**Condition-2:
Requirement:**

During the course of audit of NOG's the audit firm will ensure their compliance with the Rules and Regulations promulgated for the NGOs i.e. The Foreign Donations (Voluntary Activities) Regulation Ordinance, 1978 the Foreign Contribution Regulation ordinance, 1982 and rules of notification No. 33.43.27.00.00.01. 2000-107 dated 29 May 2001 circulated by the Prime Minister's Office (wherever applicable) and the auditor will ensure whether the project has been implemented as per terms of approval of the FD-4, FD-6, FD-7or FC-1, properly (in which objective and target and items wise detail budget has been included).

Observation and Comments:

During our audit we have checked compliance of all the applicable rules, regulations and circulars mentioned above and found that title of project is **Education for all**. The project has been implemented properly as per terms of approval of the FD-4, FD-6, FC-1 and the terms of project approval.

**Condition-3
Requirement:**

The audit firm, along with the audit report, must issue a certificate regarding receipt and expenditure of foreign donation in form FD-4 prescribed by the Bureau and Annexure-A/1 attached there to. All information of foreign donation in FD-4 should be in cash basis not accrual basis, i.e. foreign donation will not be shown as receivable. In FD-4, approved budget, actual expenses and variance of them will be mentioned showing total amount of Taka. Head wise approved budget, actual expenses, variance of them and reason of variance will be reported in Annexure-A/1. Heads/ Sub Heads mentioned in annexure A-1 and budget against the same will follow the approved project (Such as Annexure-C).

Observations and Comments:

Statement of Receipts Payments has been prepared in conformity with the receipts and expenditure line items of ledger maintained by the organization. We found difference between line items of ledger and that in the FD-4, Annexure-A/1. Statement of Receipts and Payments. Statement of Income and Expenditure and Balance Sheet have been incorporated in this audit report. In FD-4 of the project we found total approved amount is BDT.1,721,998/-, where actual expenditure was made BDT. 1,245,545/-.



Condition-4

Requirement:

Separate audit report will be prepared for each project and report will be prepared project-year basis. Local income of project/donation mixed together then the same have to be shown separately.

Observations and Comments:

We observed that separate audit report has been preparing for each project as project-year basis. No such local income/donation has received for the project.

Condition-5

Requirement:

Objectives, aims and main programs of the project should be mentioned in the audit report briefly. Name of Project, Memo no. and date regarding approval from bureau, area of project, duration of project, total project cost and project year have to be mentioned clearly in audit report.

Observations and Comments:

Brief about project objectives, aims and main programs, area of project, duration of project and project year have mentioned in the audit report clearly. Project name, memo no. and date of the project approval letter; reference number, date, amount of approved budget and fund clearance contained in the fund clearance letter and program period have been disclosed in annexure-A/1 of FD-4. The financial statements have been prepared according with the accounting records maintained by the NGO. Reconciliation of expenditure in the NGO's accounts with those in the Annexure A/1 has been shows in the report.

Condition-6

Requirement:

Balance Sheet, Income & Expenditure Account and Receipt & Payments Account will be the part of Audit Report and the same will be signed by the concerned authority of NGO. If any case, Balance Sheet need not require to submit then the reason has to be explained. The audit firm has to ensure whether Receipt & Payment account have been prepared in accordance with the accounting record maintained by the NGO. Necessary notes have to enclose in the report showing break-up of expenses under the head contingency, others.

Observations and Comments:

The concerned authority of the NGO has given signature on project's Balance Sheet, Income & Expenditure Accounts and Receipts & Payments accounts with their name and designation. The Receipts and Payments Account have been prepared in accordance with head of accounts of ledger and necessary notes have been enclosed in the report showing break-up of expenses. The Balance Sheet, Income and Expenditure Account and Receipts and Payments Account have been prepared in accordance with generally accepted accounting principles and are included in the Auditors' Report.

Condition-7

Requirement:

Audit firm will mention page no. and each page of the audit report of the NGO will contain sign and common seal of the proper authority of the audit firm. The auditor must put his full signature in Preamble Audit Report, Balance Sheet, Account Statements, FD-4 Certificates and report in accordance with the TOR. The name, designation of FCA/ACA will be mentioned below of his full signature. Following sequence has to be maintained in respect of NGOs Audit Report:



First Part

- Audit Report regarding scope, opinion etc.
- Balance Sheet
- Income and Expenditure Statement
- Receipts and Payments Statement
- Notes to Financial Statements
- Schedule/Appendix/others

Second Part

- FD-4 Certificate
- Annex A/1
- Notes to FD-4 (If any)
- Report in accordance with TOR issued by NGO Bureau (Conditions of TOR will follow vividly)

Observations and Comments:

We have mentioned page no. and each page of the audit report contain sign and common seal of the proper authority of the audit firm, also put full signature with name, designation of FCA in the Auditor's Report, Balance Sheet, Account Statements, FD-4 Certificates and sequence of Audit Report has been maintained in accordance with the TOR.

Condition-8

Requirement:

In respect of multi year project whether the audit of previous year was completed and if completed, whether the audit report was submitted to the NGO Bureau it will be mentioned. In respect of continuous project i.e. in the past year if the NGO have project under the same name/same nature then whether audit was completed and if completed whether the same has been submitted to the NGO Bureau that have to be mentioned.

Observations and Comments:

During our audit we found that the NGO Affairs Bureau approved the project as multi year project. Previous year the project was audited by A.K.DEB & CO. (Chartered Accountants) and the report was submitted to the NGO Bureau.

Condition-9

Requirement:

After completion of audit, one copy of audit report in sealed envelope should be sent directly to the Deputy Director (Inspection and Audit) NGO Affairs Bureau.

Observations and Comments:

We will send one copy of audit report in sealed envelope, directly to the Deputy Director (Inspection and Audit) NGO Affairs Bureau, after completion of audit.

Condition-10

Requirement:

If the project of NGO under audit has partner NGO then the partner NGO has to be audited. Information has to be given whether the audit has been completed properly and satisfactorily.

Observations and Comments:

The NGO under audit has not any partner NGO for this project.

Condition-11

Requirement:

The first registration & the latest renewal number should be included in the audit report.



Observations and Comments:

This is a Voluntary Women organization Registered Under Social welfare Act, 1961 from the department of Social welfare Government of the People Republic of Bangladesh bearing Registration No.-185/81, FD-146/83, Society Act, S-728/(470)-07 and Date 02/12/2007 . Micro Credit Regulatori Authority (MRA) vide Registration No.0038. Date: 07/10/2008.

Condition-12

Requirement:

In accordance with rule 7 of The Foreign Donation (Voluntary Activities) Regulation Rules 1978, all foreign donations will be received through single bank account. Whether all the foreign donations received through single bank account as per aforesaid rule that has to be mentioned or if the NGO received foreign donation more than one account not following the rule then the name of bank, account no. amount have to be mentioned.

Observations and Comments:

Foreign donation has been received through single bank account in accordance with the rule 7 of the Foreign Donations (Voluntary Activities) Regulation Rules, 1978. All Foreign donations were received by the NGO for the Project through its mother account maintained with IFIC Bank Ltd., Jessore Branch, Jessore Account No. SB-4061-250387-031 and old A/C No.S/B-6134014582.

Condition-13

Requirement:

Bank Account No. (Mother account) approved by the NGO Bureau, name of bank and branch, date wise receiving of donation have to be mentioned. Relevant project bank account no. name of bank and branch and bank balance should be mentioned. Whether the mother account and project account shows correct position that should be mentioned along with Bank Reconciliation Statement.

Observations and Comments:

Foreign donation Tk. 875,305.34 was received as current year project grant through single bank account in accordance with the rule 7 of the Foreign Donations (Voluntary Activities) Regulation Rules, 1978. Foreign donations were received by the NGO for the Project through its mother account maintained with IFIC Bank Ltd., Jessore Branch, Jessore Account No. SB-4061-250387-031 and old A/C No.S/B-6134014582. Thereafter the fund has been transferred to the project bank account maintained with Duthch-Bangla Bank Ltd. Jessore Branch, Jessore account No. SND-016312000000333 for implementation of the project activities and we found correct position between mother account and project account balance along with Bank Reconciliation Statement.

Name of the Project	Receiving Date	Amount (BDT)
Project Title: Education for all.	04.11. 2010	288,488/-
Project Title: Education for all.	05.09. 2010	258,700/-
Project Title: Education for all.	05.07. 2010	251,025/-
Project Title: Education for all.	03.01.2010	77,092/-
Total Tk.		875,305/-

Condition-14

Requirement:

Donation received in kinds should be accounted for after proper valuation and shown in Form FD-4 with donations received (separately or in consolidated from). The portion utilized and unutilized balance should be submitted as per Form FD-5.

Observations and Comments:

During the year under audit the project did not receive any donations in kind.



Condition-15

Requirement:

The bank interest/exchange gain on foreign donations should be accounted for in the accounts separately and whether approval of NGO Affairs Bureau has been taken to use of the same should be mentioned.

Observations and Comments:

During the audit the NOG has received Tk. 4107/- as bank interest in the project bank account, which is kept in the project bank account and accounted for separately.

Condition-16

Requirement:

Whether the accounts, cash book/bank book and ledger book, stock register, assets register and other registers have been maintained by the NGO under double entry system as per Rule-6 of the foreign donations (Voluntary Activities) Regulations Rules, 1978.

Observations and Comments:

The NGO have prepared cash book/bank book and ledger book under the double entry system of accounting in accordance with the rules-6 of the Foreign Donations (Voluntary Activities) Regulation Rules, 1978.

Condition-17

Requirement:

All those foreign aided projects (Including previous projects) implemented by the NGO, which has Revolving Loan Fund (RLF), whether they maintain their accounts project/donor wise separately or maintain consolidated accounts of those funds and their books of accounts are audited separately that have to be mentioned. If foreign donated RLF are not maintain their books of account separately and if loan has been disbursed from the project under audit then audit firm will ensure that received service charge are properly recorded.

Observation and Comments:

The NGO does not implement any foreign aided project including previous project which have any Revolving Loan Fund and therefore it does not maintain any accounts for this purpose.

Condition-18:

Requirement:

Whether the concerned NGO implemented Micro Credit Program by using foreign donation is a certified member of Micro Credit Regulatory Authority should be mentioned.

Observation and Comments:

Separate Micro Credit Programs are not implemented by the concerned NGO by using foreign donation.

Condition-19:

Requirement:

If any expenditure is made in foreign currency out of the receipt of donation, detail description should be given in the report.

Observation and Comments:

No expenditures were made utilizing foreign currencies out of the receipt of donation.

Condition-20:

Requirement:

If any expense exceeded the budget amount or adjusted with another budget line item or if any unapproved expenditure is adjusted against regular expense then purpose of over expenditure should be mentioned with reason and detail description.



Observation and Comments:

Over-expenditure of particular head has not been adjusted with another budget line item of head or unapproved head of expenditure.

Condition-21:

Requirement:

Any sum of money payable to executives/employees of NGO as salary and allowances and any other payment more than Tk. 10,000/- should be paid through account payee cheque. If the NGO, does not follow the rule that should be mentioned.

Observation and Comments:

The NGO has been paid to executives and all staffs' salaries/allowances more than Tk. 10,000.00 by account payee cheque.

Condition-22:

Requirement:

If any loan has been received to implement the project activities of the NGO than the source of such loan and information regarding approval of the Executive Committee have to be furnished.

Observation and Comments:

The NGO has received Tk. 238,000./- as temporary loan from Banchte Shikha General Account and during our audit Temporary loan amount Tk. 220,000/- has refund to General account, and all transaction have been furnished with proper approval of Executive Committee.

Condition-23:

Requirement:

Whether any member of General Committee or Executive Committee draw salary, allowance or honorarium from the NGO, if so, then the details of approval of Executive Committee have to be furnished. Besides, if the Chief Executive of the NGO draws any full or partial salary, allowance then the details of the same should be furnished.

Observation and Comments:

Executive Director of the NGO has drawn partial salary from the project and we found approval of Executive Committee that is furnished accurately.

Condition-24:

Requirement:

Whether internal control system of the NGO is satisfactory should be mentioned.

Observation and Comments:

The internal control and fund management system of organization has been made in accordance with the requirement of the donor and the budget shown in FD-4 of NGO Affairs Bureau Regulation Rules, 1978.

Condition-25:

Requirement:

Whether any amount refunded to the donor by the NGO, if so, then the details of the same has to be furnish.

Observation and Comments:

As per accounting record no amount has been refunded during the year under audit.



Condition-26:

Requirement:

Whether the NGO affix revenue stamps during transaction, as per govt. rules, deducted VAT/AIT from bills and whether the deducted VAT/AIT has been deposited properly to the govt. account in time that should be mentioned. Amount of deposited VAT/AIT should be mentioned separately.

Observation and Comments:

During the audit, we observed that the NGO has deducted and deposited into bank of VAT/AIT at source by following the Govt. rules of VAT/AIT. Also affixed revenue stamps wherever it needed. Details of VAT & AIT deduction & deposit the same into govt. account is furnished below:

Sl.No.	Particulars	Date	Nature of Payments	Amount in Taka
1.	VAT	23.01.2011	Assets(Motor cycle)	1,167/-

Condition-27:

Requirement:

Whether the NGO, as a legal entity, submits Income Tax Return each year to the National Board of Revenue, in accordance with the Income Tax ordinance 1984.

Observation and Comments:

The NGO as a legal entity submitted Income Tax Return for the past year, bearing TIN-412-400-0043/09-10.

Condition-28:

Requirement:

Whether under the jurisdiction of project of NGO has Income Generating Activity (IGA). If so, then whether the NGO gives income tax applicable on such income should be mentioned along with name of IGA, or the NGO whether the NGO collected income tax exemption certificate that should be reported.

Observation and Comments:

The NGO has not implemented any Income Generating Activity (IGA) under this project activity.

Condition-29:

Requirement:

Whether any executive/employee/any member of executive committee or general committee traveled abroad by taking air ticket or other facilities from foreign source of money. If so, then particulars of such travel and in respect of travel whether approval of NGO Bureau was taken that should be mentioned.

Observation and Comments:

As per accounting records no such transaction was found during our Audit. The period under audit for going local area by taking bus ticket or other facilities from foreign source of money.

Condition-30:

Requirement:

Fixed assets owned by the NGO have been shown in fixed assets schedule and the same will be affixed in the audit report. Whether the fixed assets/Deeds/ Rental Agreement/ Vehicles and other assets are in the name of the NGO that should be mentioned.

Observation and Comments:

The NGO under audit owned fixed assets in the name of the NGO.



M.M. HOSSAIN & CO.
Chartered Accountants

Condition-31:

Requirement:

At the end of the audit of the project of the NGO the audit firm will submit Management Letter/Report to the management of the NGO identifying Irregularities/ Illegal Expenses/unapproved Expenses/Expense out side Budget and a copy of the same has to be sent to the Deputy Director (Inspection and Audit) along with audit report. If the audit firm feels that such report is not require the same has to be mentioned.

Observation and Comments:

During our auditing we have not found any Irregularities/ Illegal Expenses/unapproved Expenses/Expense out side Budget. So, such reports need not to submit.

Condition-32:

Requirement:

The audit firm will not audit the project of same NGO more than three consecutive years. For this reason the audit firm will certify that they did not audit the NGO more than three consecutive years.

Observation and Comments:

The project under our audit is the first year and the previous year of the project has been audited by **A.K.DEB & CO.** (Chartered Accountant)

Condition-33:

Requirement:

List of persons of Executive Committee/Governing Body/Management Committee have to be submitted.

Observation and Comments:

The list of executive committee members is included in the audit report as schedule has been prepared by the management for submission; also we find that there is no family relationship within the committee members.

Condition-34:

Requirement:

Whether all the expenses against audit of the NGO have been paid from the project of the NGO that should be mentioned.

Observation and Comments:

The audit fees of the project will be paid from the related project.

Condition-35:

Requirements:

The audit report should contain the memorandum number with date of firm's enlistment and renewal.

Observation and Comments:

Enlistment and Renewal

Our enlistment with NGO Affairs Bureau: Serial # 41.

Vide Memo No. NGOAB/NIP-2/CA FIRM/745/2010-574 dated May 26, 2010.



