

Audit Report and Accounts

Of

BS -IDEA Project

of

BANCHTE SHEKHA

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

Funded by: IDEA ONLUAS-ITALY.

For the year ended December 31, 2013.

M. M. HOSSAIN & CO.

Chartered Accountants

MOUCHAK TOWER (4TH FLOOR)

83/B, New Circular Road.

Malibagh, Dhaka-1217.

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First Part

Auditor's Report and Financial Statements

Principal
MD. MOAZZEM HOSSAIN FCA

AUDITOR'S REPORT

We have audited the accompanying Balance Sheet of **Name of Project: "BS-IDEA Project"** of **BANCHTE SHEKHA** of Shaheed Mashiur Rahman Road, Arabpur, Jessore-7400, Bangladesh for the year ended December 31, 2013 and the related Income and Expenditure Account and Receipts and Payments Account for the year ended from January 01, 2013 to December 31, 2013. 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 **BS-IDEA Project** of **BANCHTE SHEKHA** for the year ended from January 01, 2013 to December 31, 2013 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 by **BS - IDEA Project** of **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.

Dated: Dhaka, Bangladesh.
January 20, 2014.




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

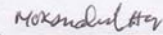
**BS - IDEA Project
Of
BANCHTE SHEKHA
Shaheed Mashiur Rahman Road, Arabpur, Jessore-7400, Bangladesh.**

**Funded By: IDEA ONLUS- Italy.
Balance Sheet as at December 31, 2013.**

Particulars	Notes	Amount
<u>Property & Assets:</u>		
Non Current Assets		
Fixed Assets	9	17,009.60
Current Assets		
Cash & Bank Balance	10	531,237.44
Total: Tk.		548,247.04
<u>Fund & Liabilities:</u>		
Capital Fund		
Fund Account	11	548,247.04
Current Liabilities		
Loan Account	12	-
Total: Tk.		548,247.04



Executive Director

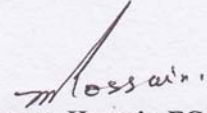


Ast. Director Accounts

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

Dated: Dhaka, Bangladesh.
January 20, 2014.




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

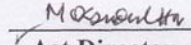
BS - IDEA Project
Of
BANCHTE SHEKHA
Shaheed Mashiur Rahman Road, Arabpur, Jessore-7400, Bangladesh.

Funded By: IDEA ONLUS-Italy.

Income & Expenditure Accounts for the year ended December 31, 2013.

Particulars	Amount
<u>Income:</u>	
Donation Receipt from Education All Project	3,269.35
Donation Received from IDEA ONLUS-Italy	3,421,596.52
Bank Interest	18,791.56
Total: Tk.	3,443,657.43
<u>Expenditure:</u>	
Personnel Cost	1,511,048.00
Monitoring by Management Staff	44,503.00
Supplies & Operating Cost	977,261.00
Housing & Sanitation	220,000.00
Overhead Cost	138,345.99
Depreciation during the year	4,252.40
Surplus/Deficit during the year	548,247.04
Total: Tk.	3,443,657.43

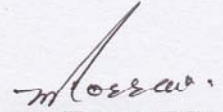

Executive Director


Ast. Director-Accounts

Examined & Found Correct.

Dated: Dhaka, Bangladesh.
January 20, 2014.

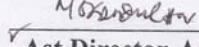



Md. Moazzem Hossain FCA (Principal)
M.M. HOSSAIN & CO.
Chartered Accountants.

BS - IDEA Project
Of
BANCHTE SHEKHA
Shaheed Mashiur Rahman Road, Arabpur, Jessore-7400, Bangladesh.
Funded By: IDEA ONLUS-Italy.
Receipt & Payment Accounts for the year ended December 31, 2013.

Particulars	Notes	Amount
Receipts:		
Opening Balance	13	-
Donation Receipt from Education All Project		3,269.35
Loan Received BS General Management		1,030,000.00
Donation Received from IDEA ONLUS-Italy	14	3,421,596.52
Bank Interest		18,791.56
Total: Tk.		4,473,657.43
Payments:		
Personnel Cost	15	1,511,048.00
Monitoring by Management Staff	16	44,503.00
Office Equipment	17	21,262.00
Supplies & Operating Cost	18	977,261.00
Housing & Sanitation	19	220,000.00
Overhead Cost	20	138,345.99
Total Project Cost: Tk.		2,912,419.99
Loan Refund		1,030,000.00
Closing Balance	21	531,237.44
Total: Tk.		4,473,657.43

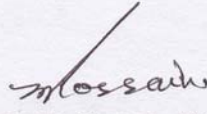

Executive Director


Ast. Director-Accounts

Examined & Found Correct.

Dated: Dhaka, Bangladesh.
January 20, 2014.




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

M.M. HOSSAIN & CO.
Chartered Accountants.

**BS-IDEA Project
Of
BANCHTE SHEKHA**

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

Funded By: "IDEA ONLUS - Italy".

General Information

1. 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 **BANCHTE SHEKHA** of Shaheed Mashiur Rahman Road, Arabpur, Jessore, Bangladesh where necessary books of Accounts, Vouchers etc. were produced by the management of the organization.

2. 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, Date: 04-10-2007, FD-145, Date: 06-07-1983 & Renewal Date: 15-05-2010, Society ACT, S-728/(470)-07 & Date 02-12-2007 & Micro Credit Regulatory Authority (MRA) vide Registration No.03446-01309-00328 & Dated: 07-10-2008.

3. Object of the Project:

Most of the people of project area are vulnerable and socially excluded:

- * To places special emphasis on helping to provide children with the chance to go to school and learn.
- * Creating equal education opportunities for people living in distance/remote areas and under development areas.
- * To increase enrolment of students in the school.
- * To help increase basic education competencies among vulnerable and excluded children.
- * To motivate the guardians about health, hygiene & saving issues in order to make them awareness and self-reliance for the future.
- * To contribute to government efforts to raise the national rate of literacy.

4. Management of the Organization:

The affairs of the organization have been entrusted to an Executive Committee consisting of Nine Members elected in the Annual General meeting. Ms. Angela Gomes is the Secretary of the committee. The following persons are in the Executive Committee.

1. Ms. Rokeya Afzal Rahman	Chairman
2. Mr. Dr. Kazi Azizul Haque	Vice Chairman
3. Ms. Angela Gomes	General Secretary
4. Mr. Prof Khandaker Moksudul Huq	Treasurer
5. Mr. Robert Ponkoj Gomes	Member
6. Ms. Habiba Shefa	Member
7. Ms. Wadudur Rahman	Member
8. Mr. Kizi Luthfunnessa	Member
9. Ms. Hamida Khanom Minoty	Member



5. Accounting Records:

The organization maintains Cash book, Ledger book, Salary register, Stock register, and Separate books of accounts were maintained for every office and each program.

6. Source of Fund:

The source of fund of the Project is to receive from Funded By: “**IDEA ONLUS – Italy**”.

7. Significant Accounting Policies:

The financial statements of the project have been prepared under historical cost convention both cash and accrual basis.

8. Presentation of Financial Statement:

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

- Balance Sheet as at December 31, 2013.
- Income and Expenditure Account for the year ended December 31, 2013.
- Receipts and Payments Account for the year ended December 31, 2013.
- FD - 4
- FD Annexure A/1



9 Fixed Assets: Tk. 17,009.00	
Break up of above is as under:	
Balance as on 01.01.2013.	-
Additions during the Period	21,262.00
	<u>21,262.00</u>
Less: Depreciation during the year	4,252.40
Total: Tk.	<u><u>17,009.60</u></u>
10 Cash & Bank Balance: Tk. 531,237.44	
Break up of above is as under:	
Cash in hand	16.00
Cash at Bank	531,221.44
Total: Tk.	<u><u>531,237.44</u></u>
11 Fund Account: Tk. 548,247.04	
Break up of above is as under:	
Balance as on 01.01.2013.	-
Less: Surplus/Deficit during the year	548,247.04
Total: Tk.	<u><u>548,247.04</u></u>
12 Loan Account: Tk. Nil.	
Break up of above is as under:	
Balance as on 01.01.2013.	
Add: Received during the year	1,030,000.00
	<u>1,030,000.00</u>
Less: Refund during the year	1,030,000.00
Total: Tk.	<u><u>-</u></u>
13 Opening Balance: Tk. Nil.	
Break up of above is as under:	
Cash in hand	-
Cash at Bank	-
Total: Tk.	<u><u>-</u></u>
14 Foreign Donation Received: Tk. 3,421,596.52	
The Organization had received the above foreign donation of Tk. 3,421,596.52 from Funded By : "IDEA ONLUS- Italy". Subsequently transferred from the Organization's Mother bank account to Project bank account.	
Total: Tk.	<u><u>3,421,596.52</u></u>
15 Personnel Cost: Tk. 1,511,048.00	
Break up of above is as under:	
Executive Director	94,501.00
Project Director	132,301.40
Project Co-ordinator	378,004.00
Accountant	72,164.40
Community Motivator	216,493.20
Tuition Teacher	617,584.00
Total: Tk.	<u><u>1,511,048.00</u></u>



16 Monitoring by Management Staff: Tk. 44,503.00

Break up of above is as under:

Monitoring by Management Staff 44,503.00

Total: Tk. 44,503.00

17 Office Equipment: Tk. 21,262.00

Break up of above is as under:

Computer & Accessories 2,870.00

Digital Camera 18,392.00

Total: Tk. 21,262.00

18 Supplies & Operating Cost: Tk. 977,261.00

Break up of above is as under:

i) Nutrition Materials

Hot Meal 87,922.00

Tiffin Programme 123,830.00

Sub Total: Tk. 211,752.00

ii) Education Materials

School Bag 16,260.00

Uniform 158,404.00

Shoe & Socks 19,017.00

Latern 2,520.00

Umbrella 15,527.00

Sharpner 90.00

Erraser 45.00

Copy Book 44,796.00

Pencil 360.00

Pen 6,087.00

Geometry Box 566.00

Crayons 1,764.00

Book/Slate 5,572.00

Chalk for Tuition Programme 616.00

Sub Total: Tk. 271,624.00

iii) Tuition Support

Tuition Support 42,000.00

Sub Total: Tk. 42,000.00

iv) Health For All

Special Medicine Support 12,625.00

Community Medical Camp with Medicine for all 46,664.00

Body Soap 72,975.00

Washing Soap 43,681.00

Sub Total: Tk. 175,945.00



v) **Others Support & Collaboration**

Rickshaw Van-Training & Working Capital	30,514.00
Cow Rearing-Training & Working Capital	167,850.00
Tailoring Training-Training & Machine	27,576.00
Fish Farming Capital	25,000.00
Fish Business Capital	25,000.00

Sub Total: Tk. 275,940.00

Total: Tk. 977,261.00

19 **Housing & Sanitation: Tk. 220,000.00**

Break up of above is as under::

Housing with Sanitary Latrine	160,000.00
Housing-Partly Repairing with Sanitary Latrine	60,000.00

Total: Tk. 220,000.00

20 **Overhead Cost: Tk. 138,345.99**

Break up of above is as under:

Office Rent	36,000.00
Festival Greetings & Thanks Letter	18,656.00
Report & Brochure	-
Telephone & Internet	35,940.00
Fuel & Lubricants	17,395.00
Repair & Maintenance-Motorcycle	3,440.00
Travelling & Transportation	8,340.00
Printing, Stationary & Photocopy	3,400.00
Bank Charge	5,323.99
Miscellaneous	9,851.00

Total: Tk. 138,345.99

21 **Closing Balance: Tk. 531,237.44**

Break up of above is as under:

Cash in hand	16.00
Cash at Bank	531,221.44

Total: Tk. 531,237.44



BS - IDEA Project
OF
BANCHTE SHEKHA
Shahed Mashnur Rahman Road, Arabpur, Jessore-7400, Bangladesh.
Funded By: IDEA ONLUS- Italy.
Schedule of Fixed Assets as at December 31, 2013.

Sl. No.	Particulars	Book Value as at 01-01-2013	Addition During the Year	Total	Rate of Dep.(%)	Depreciation During the Year	WDV as on 31-12-2013
1	Digital Camera	-	18,392.00	18,392.00	20%	3,678.40	14,713.60
2	Computer & Accessories	-	2,870.00	2,870.00	20%	574.00	2,296.00
Total: Tk.		-	21,262.00	21,262.00		4,252.40	17,009.60



Second Part

Requirements by the NGO Affairs Bureau

Principal
MD. MOAZZEM HOSSAIN FCA

FD-4
BS-IDEA Project
Of
BANCHTE SHEKHA

Shaheed Mashiur Rahman Road, Arabpur, Jessore, Bangladesh.

Funded By: "IDEA ONLUS - Italy".

AUDITOR'S CERTIFICATE

We have audited the Accounts of "BS-IDEA Project" of BANCHTE SHEKHA of Shaheed Mashiur Rahman Road, Arabpur, Jessore -7400, Bangladesh. Which duly registered vide NGO Affairs Bureau bearing FD registration No.145, Dated: 06/07/83 & Renewal Dated: 15/05/2010 of Govt. Approval with memo No. 03.09.0000.662.68.234.13-137 & Dated: 14-08-2013 for the Period January 01, 2013 to December 31, 2013 and examined all relevant books and vouchers and certify that according to the audited accounts.

1. The brought forward foreign donation at the beginning of the year was Tk. Nill.
2. The foreign donation amounting to Tk. 3,421,596.52 was received by the organization during the Period.
3. The closing balance of unutilized foreign donation was Tk. 509,176.53
(For details please refer to annexed A/1 Fund reconciliation)
4. Foreign donation amounting to Tk. 2,912,419.99 has been utilized for the following purpose.

Project Title: "BS-IDEA Project".

Head of Expenditure	Amount As Per Approved Budget	Amount Actually Spent	Difference if Any
As Per Annexure A/1	3,732,210.00	2,912,419.99	819,790.01
Total: Tk.	3,732,210.00	2,912,419.99	819,790.01

5. Certified that the organization has maintained the accounts of the foreign donation and records relating there to 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.
January 20, 2014.



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

Our enlistment with NGO Affairs Bureau:

Vide Memo No. NGOAB/PIN-2/CA FIRM /745/2010-37 Dated January 12, 2012, Serial # 93.

BS- IDEA Project
Of
Banchte Shekha
Shaheed Mashiur Rahman Road, Arabpur, Jessore-7400, Bangladesh.

Name of Project: "BS-IDEA Project".

Funded By: IDEA ONLUS- Italy.

Statement of Budget Variance for the year ended December 31, 2013

Annexure A/1

Sl. No.	Head of Expenditure	Amount as per approved	Amount actually Spent	Budget balance/Vari	Reasons for Variation
i	Civil Construction				
ii	Others Materials input Including Furniture & Fixture:				
	Moving Chair	10,000.00	-	10,000.00	
	Table	20,000.00	-	20,000.00	
	Sub Total:	30,000.00	-	30,000.00	
iii	Personnel:				
	a) Program Personnel:				
	Executive Director	94,900.00	94,501.00	399.00	
	Project Director	132,600.00	132,301.40	298.60	
	Project Co-ordinator	378,300.00	378,004.00	296.00	
	Accountant	72,800.00	72,164.40	635.60	
	Community Motivator	217,100.00	216,493.20	606.80	
	Tuition Teacher	650,000.00	617,584.00	32,416.00	
	Sub Total:	1,545,700.00	1,511,048.00	34,652.00	
	b) Skilled				
	Monitoring by Management Staff	45,000.00	44,503.00	497.00	
	Sub Total:	45,000.00	44,503.00	497.00	
iv	Consultants				
v	Revolving Loan				
vi	Training				
vii	Meeting/Workshop & Conference				
viii	Office Accommodation				
ix	Office Equipment:				
	Computer & Accessories	52,000.00	2,870.00	49,130.00	
	Digital Camera	15,000.00	18,392.00	(3,392.00)	
	Sub Total:	67,000.00	21,262.00	45,738.00	
x	Vehicles				
xi	Traveling allowances and daily allowances				
xii	Custom Duty and Sales Tax				
xii	Charged				
xiii	Contingency				
xiv	Others:				
A)	Supplies & Operating Cost				
i)	Nutrition Materials				
	Hot Meal	90,000.00	87,922.00	2,078.00	
	Tiffin Programme	144,000.00	123,830.00	20,170.00	
ii)	Education Materials				
	School Bag	19,600.00	16,260.00	3,340.00	
	Uniform	224,000.00	158,404.00	65,596.00	
	Shoe & Socks	19,600.00	19,017.00	583.00	
	Latern	16,800.00	2,520.00	14,280.00	
	Umbrella	25,200.00	15,527.00	9,673.00	
	Sharpner	1,400.00	90.00	1,310.00	
	Erraser	1,400.00	45.00	1,355.00	
	Copy Book	67,200.00	44,796.00	22,404.00	
	Pencil	2,240.00	360.00	1,880.00	
	Pen	10,080.00	6,087.00	3,993.00	
	Geometry Box	650.00	566.00	84.00	
	Crayons	25,200.00	1,764.00	23,436.00	
	Book/Slate	5,000.00	5,572.00	(572.00)	
	Chalk for Tuition Programme	1,620.00	616.00	1,004.00	



Sl. No.	Head of Expenditure	Amount as per approved	Amount actually Spent	Budget balance/Vari	Reasons for Variation
iii)	Tuition Support				
	Tuition Support	72,000.00	42,000.00	30,000.00	
iv)	Sports/Game Materials				
	Sports/Game Materials	1,600.00	-	1,600.00	
B)	Health For ALL				
	Special Medicine Support	36,000.00	12,625.00	23,375.00	
	Community Medical Camp with Medicine for all	200,000.00	46,664.00	153,336.00	
	Body Soap	76,800.00	72,975.00	3,825.00	
	Washing Soap	69,120.00	43,681.00	25,439.00	
C)	Others Support & Collaboration				
	Rickshaw Van-Training & Working Capital	42,000.00	30,514.00	11,486.00	
	Vocational Training	18,000.00	-	18,000.00	
	Cow Rearing-Training & Working Capital	210,000.00	167,850.00	42,150.00	
	Tailoring Training-Training & Machine	28,000.00	27,576.00	424.00	
	Fish Farming Capital	35,000.00	25,000.00	10,000.00	
	Fish Business Capital	25,000.00	25,000.00	-	
D)	Housing & Sanitation				
	Housing with Sanitary Latrine	260,000.00	160,000.00	100,000.00	
	Housing-Partly Repairing with Sanitary Latrine	99,000.00	60,000.00	39,000.00	
E)	Staff Recruitment & Orientation				
	Staff Recruitment & Orientation	15,000.00	-	15,000.00	
F)	Overhead Cost				
	Office Rent	48,000.00	36,000.00	12,000.00	
	Festival Greetings & Thanks Letter	21,000.00	18,656.00	2,344.00	
	Report & Brochure	10,000.00	-	10,000.00	
	Telephone & Internet	36,000.00	35,940.00	60.00	
	Fuel & Lubricants	18,000.00	17,395.00	605.00	
	Repair & Maintenance-Motorcycle	3,900.00	3,440.00	460.00	
	Travelling & Transportation	24,000.00	8,340.00	15,660.00	
	Printing, Stationary & Photocopy	14,400.00	3,400.00	11,000.00	
	Bank Charge	2,100.00	5,323.99	(3,223.99)	
	Audit Fees	10,000.00	-	10,000.00	
	Miscellaneous	15,600.00	9,851.00	5,749.00	
	Sub Total:	2,044,510.00	1,335,606.99	708,903.01	
	Total Program Cost	3,732,210.00	2,912,419.99	819,790.01	



M.M. HOSSAIN & CO.
Chartered Accountants.

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

BS- IDEA Project
Of

BANCHTE SHEKHA

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

Funded By: "IDEA ONLUS- Italy".

Our observation in compliance with the condition laid down in the circular No. NGOAB/NIP-2/CA FIRM /745/2010-37 dated: Januray 12, 2012 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:

During the course of the NGO audit we have performed our duties with due responsibility and kept ourselves fully independent and complied with the terms and conditions of the audit.

Condition-2

Requirement:

During the course of audit of NGO'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-6, FD-7, or 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 **Name of Project: "BS-IDEA Project"**. The project has been implemented properly as per terms of approval of the FD-6, FD-7, or 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 one line item of ledger and that are explained in the Annexure-A/1 of FD-4 and. Statement of Receipts & Payments. Statement of Income & Expenditure and Balance Sheet have been incorporated in this audit report. In FD-4 of the project we found total approved amount is BDT. 3,732,210.00 where actual expenditure was made BDT. 2,912,419.99 Head wise reason for variance has given in Annexure-A/1.



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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:

The NGO has been prepared separate audit report for each project and as project year basis, and local Contribution of Tk. Nill have been found received mixed together under 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 are mentioned to the General Information of the Audit Report. Also we found-

- | | | |
|--|---|---|
| a) Name of Project | : | Name of Project: "BS-IDEA Project". |
| b) Project Duration | : | 03 Year from January 01, 2013 to December 31, 2015. |
| c) Memo & Date(Project Approval) | : | Date of Govt. Approval with Memo No. 03.09.0000.662.68.234.13-137. Dated: 14.08.2013. |
| d) Memo & Date(Fund Realized Order) | : | Date of Govt. Approval with Memo No. 03.09.0000.662.68.234.13-137. Dated: 14.08.2013. |
| e) Amount as per Fund Realized Order | : | BDT 3,732,210.00 (One installment) |
| f) Amount of Foreign Donation | : | BDT 3,421,596.52 |
| g) Whether mother account gets the foreign donation amount before fund realization | : | No. |
| h) Project period under audit | : | 1(One) year from January 01, 2013 to December 31, 2013. |
| i) Project Area | : | The Upzilla Jessore Sadar & Sharsa of Jessore District. |
| j) The Numbers of Beneficiaries | : | About 210 Families . |
| k) Auditor's Appointment Dated | : | 05/01/2014. |

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 submitting 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 and Receipts & Payments accounts with their name and designation. Balance Sheet, Income & Expenditure and Receipts & Payments accounts 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. Balance Sheet, Income & Expenditure and Receipts & Payments accounts have been prepared in accordance with generally accepted accounting principles and have included in the Auditors' Report.



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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 are mentioning 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 on the Auditor's Report, 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 01(One) years and this is the 1st time audit of our firm.

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:

One copy of audit report in sealed envelope will be sent 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 project has been implemented by BANCHTE SHEKHA



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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, Date: 04-10-2007, FD-145, Date: 06-07-1983 & Renewal Date: 15-05-2010, Society ACT, S-728/(470)-07 & Date 02-12-2007 & Micro Credit Regulatory Authority (MRA) vides Registration No.03446-01309-00328 & Dated: 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. Foreign donations were received by the NGO for the Project through its mother account maintained with IFIC Bank Ltd, 59, N.S.C Rad, Jessore Brance. Account No. 4061-250387-031,

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 donations BDT. 3,421,596.52 were received by the NGO for the Project through its mother account maintained IFIC Bank Ltd, 59, N.S.C Rad, Jessore Brance, Jessore Account No. 4061-250387-031. Thereafter, the fund have been transferred to project account maintained with Account No. 1631200000393, Dutch Bangla Bank Ltd, Jessore Brance, Jessore for implementation of the project activities. However, during the audit we found correct position of fund between mother account and project account with bank reconciliation statement.

Name of the Project	Receiving Date	Amount (BDT)
Project Title: "BS-IDEA Project".	27-08-2013.	3,421,596.52
	Grand Total:Tk.	3,421,596.52

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 audit the NGO has not received any donation in kinds under the project.

Condition-15



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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 NGO has received Bank interest Tk.18,791.56 under our audit period.

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 been 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 implemented 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 such 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:

Reason of expenses exceeded the particular budgeted line item has been mentioned in the FD-4, Annex-A/1 and any unapproved expenditure have not found or unapproved expenditure has adjusted against regular expenses of the project.



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Condition-21

Requirement:

Any sum of money payable to executives/employees of NGO as salary and allowances and any other payment more than Tk. 10,000.00 should be paid through account payee cheque. If the NGO, does not follow the rule that should be mentioned.

Observation and Comments:

During our audit we found salary and allowances and any other payment for this project more than Tk. 10,000.00 were not paid through 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:

During our audit against this project received loan of Tk. 1,030,000.00 for implementation of the project but the such information regarding approval of the Executive Committee has been furnished.

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:

No such transaction has found during our audit of the projects.

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 and overall of their internal control system is satisfactory.

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 record no such refund has been made.

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:

The NGO affix revenue stamps where it is necessary and during the year under audit there were no expenditure where AIT and VAT is liable to be deducted.

Condition-27



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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 has submitted Income Tax Return for each tax year to the National Board of Revenue in accordance with the Income Tax ordinance. TIN No.412-400-0043/ Circle-2.

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 the period under audit for going abroad by taking air 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:

During the audit the organization has purchased fixed assets under the project of the NGO has shown in Fixed Assets Schedule.

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:

We have not found any Irregularities/ Illegal Expenses/unapproved Expenses/Expense out side Budget for the project.

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:

We have audited the project for the 1st time.



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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 auditor's 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 organization will pay all the expenses against the audit from the project.

Condition-35

Requirements:

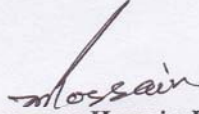
The audit report should contain the memorandum number with date of firm's enlistment and renewal.

Observation and Comments:

Our enlistment with NGO Affairs Bureau: Serial # 93.

Vide Memo No. NGOAB/PIN-2/CA FIRM /745/2010-37 Dated January 12, 2012.

Dated: Dhaka, Bangladesh.
January 20, 2014.


Md. Moazzem Hossain-FCA
M.M. HOSSAIN & CO.
Chartered Accountants.



