

3

**MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)
"BRIDGING CORPORATE SECTOR AND MEDIA IN PROMOTING GOOD
GOVERNANCE (BCSMPGG)" PROJECT**

**AUDIT REPORT AND STATEMENT OF ACCOUNTS
FOR THE PERIOD ENDED MARCH 31, 2008**

A. WAHAB & CO.
CHARTERED ACCOUNTANTS

**MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)
"BRIDGING CORPORATE SECTOR AND MEDIA IN PROMOTING GOOD
GOVERNANCE (BCSMPGG)" PROJECT**

**AUDIT REPORT AND STATEMENT OF ACCOUNTS
FOR THE PERIOD ENDED MARCH 31, 2008**

MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)
“BRIDGING CORPORATE SECTOR AND MEDIA IN PROMOTING GOOD
GOVERNANCE (BCSMPGG)”PROJECT

FUNDED BY MANUSHER JONNO FOUNDATION

TABLE OF CONTENTS

SI #	Particulars	Page no.
1	Executive Summary	
2	Independent Auditor's Report	1
3	Balance Sheet	2
4	Income & Expenditure Account	3
5	Receipts & Payments Account	4
6	Statement of Budget Variance	5
7	Notes to the Financial Statements	6-8
8	Fund Reconciliation Statement	9
9	List of Fixed Asset (Annexure-A/1)	10
10	Independent Auditor's Report to the Management	11-12

MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)
"BRIDGING CORPORATE SECTOR AND MEDIA IN PROMOTING GOOD GOVERNANCE
(BCSMPGG)"PROJECT
FUNDED BY MANUSHER JONNO FOUNDATION
EXECUTIVE SUMMARY OF
AUDITOR'S REPORT FOR THE PERIOD ENDED MARCH 31, 2008

Sl. No	Details	Page No.
1.	We have audited the accompanying Balance Sheet of "Bridging Corporate Sector and Media in Promoting Good Governance (BCSMPGG)" Project Funded by Manusher Jonno Foundation implemented by "Management and Resources Development Initiative (MRDI))" as of March 31, 2008 and the related Income & Expenditure and Receipts and Payments Accounts for the period then ended.	1
2.	The Preparation of these financial statements is the responsibility of the organization's management.	1
3.	We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA).	1
4.	In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the project's affairs as of March 31, 2008 and the results of its operations for the period then ended.	1
5.	The opening balance of fund at the beginning of the period stands at Tk. 37,784 and the total Receipts of the Organization during the period is Tk. 242,116 which Includes from Manusher Jonno Foundation Tk. 242,116.	2 & 4
6.	Total payment for the project related expenses is Tk. 272,303. Closing balance cash in hand and at Bank as of March 31, 2008 is Tk. 7,597, which has been checked and found in order.	4
7.	Total budgeted amount of the project on account of MRDI stands at Tk. 279,900 out of which Manusher Jonno Foundation has disbursed Tk. 242,116.	5
8.	The Budget Variance of the project stands at Tk. 7,597, which in other words means that the NGO has utilized 100% of total budget for the period.	5
9.	Auditor's recommendations in the management report are not requirements instead they are constructive observations, which the project management should evaluate for their applicability in the context of the organization.	11-12

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying Balance Sheet of "**Bridging Corporate Sector and Media in Promoting Good Governance (BCSMPGG)**" Project Funded by Manusher Jonno Foundation and implemented by "**Management and Resources Development Initiative (MRDI)**" as of March 31, 2008 and 'Receipts and Payments Account' and 'Income and Expenditure Account' for the period then ended. The preparation of these financial statements is the responsibility of organization's management. Our responsibility is to express an independent opinion on these financial statements based on our 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 a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the 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.

In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the project's affairs as of March 31, 2008 and the results of its operations for the period then ended.



(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS.

Dhaka, September 18, 2008

This report is not intended for NGO Affairs Bureau

Management and Resources Development Initiative (MRDI)
Bridging Corporate Sector and Media in Promoting Good Governance (BCSMPGG)
Funded by Manusher Jonno Foundation
Balance Sheet
As At March 31, 2008

Particulars	Note	March 31, 2008	December 31, 2007
<u>Properties and Assets:</u>			
<u>Current Assets:</u>			
<u>Cash in Hand & Bank Balance:</u>		7,597	37,784
Cash in Hand	5.00	-	161
Cash at Bank	6.00	7,597	37,623
Total Properties & Assets :		7,597	37,784
 <u>Fund and Liabilities:</u>			
<u>Fund Account:</u>		7,597	37,784
Opening Balance		37,784	607,323
Less. Excess of Expenditure over Income		(30,187)	(569,539)
Total Fund & Liability :		7,597	37,784


The accompanying notes form an integral part of these financial statements.


Accounts Officer


Executive Director

Subject to our separate report of even date.

Dhaka, September 18, 2008


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

This report is not intended for NGO Affairs Bureau



Management and Resources Development Initiative (MRDI)
Bridging Corporate Sector and Media in Promoting Good Governance (BCSMPGG)
Funded by Manusher Jonno Foundation
Income and Expenditure Account
For The Period Ended March 31, 2008

Particulars	Notes	March 31, 2008
<u>Income:</u>		242,116
Fund Received from Manusher Jonno Foundation	7.00	242,116
Bank Interest		-
Total Income		242,116
<u>Expenditure :</u>		
Salary & Benefits	8.00	141,000
Office Rent	9.00	18,000
Office Maintenance/Repair & Cleaning Materials	10.00	8,395
Communication	11.00	13,112
Stationeries/Supplies	12.00	3,005
Travel, Lodging & Perdiem	13.00	2,618
Orientation of District Co-ordination/Pilot Study	14.00	78,485
Assessment Study	15.00	7,138
Overhead Cost		550
Total Expenditure		272,303
Excess of Expenditure Over Income		(30,187)

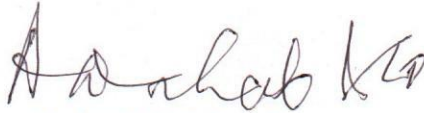
The accompanying notes form an integral part of these financial statements.


Accounts Officer


Executive Director

Subject to our separate report of even date.

Dhaka, September 18, 2008


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

This report is not intended for NGO Affairs Bureau



Management and Resources Development Initiative (MRDI)
Bridging Corporate Sector and Media in Promoting Good Governance (BCSMPGG)
Funded by Manusher Jonno Foundation
Receipts and Payments Account
For The Period Ended March 31, 2008

Particulars	March 31, 2008
Opening Balance:	37,784
Cash in Hand	161
Cash at Bank	37,623
Receipts:	242,116
Fund Received from Manusher Jonno Foundation	242,116
Bank Interest	-
Total	279,900
Payments:	
Salary & Benefits	141,000
Office Rent	18,000
Office Maintenance/Repair & Cleaning Materials	8,395
Communication	13,112
Stationeries/Supplies	3,005
Travel, Lodging & Peridium	2,618
Training/Meeting/Workshop/Capacity Building	78,485
News Paper Bill	7,138
Overhead Cost	550
Total Payments	272,303
Closing Balance:	7,597
Cash in Hand	-
Cash at Bank	7,597
Total	279,900

The accompanying notes form an integral part of these financial statements.

[Signature]
Accounts Officer

[Signature]
Executive Director

Subject to our separate report of even date.

Dhaka, September 18, 2008

[Signature]
(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

This report is not intended for NGO Affairs Bureau



Management and Resources Development Initiative (MRDI)
Bridging Corporate Sector and Media in Promoting Good Governance (BCSMPGG)
Funded by Manusher Jonno Foundation
Statement of Budget Variance
For The Period Ended March 31, 2008

Particulars	Budgeted Amount	Actually Spent	Variance	% of Utilization
Salary & Benefits:				
Project Coordinator	48,000	48,000	-	100
Project Assistant	19,500	19,500	-	100
Accountant	36,000	36,000	-	100
Programme Manager	37,500	37,500	-	100
Sub Total	141,000	141,000	-	100
Office Rent:				
Office Rent	18,000	18,000		100
Sub Total	18,000	18,000	-	100
Office/Maint/Repair/Cleaning				
Electricity, Gas, WASA	6,000	6,000	-	100
Cleaning Materials	900	900	-	100
Electrical & Other maintenance	1,500	1,495	5	100
Sub Total	8,400	8,395	5	100
Communication:				
Telephone Bill	5,000	5,000	-	100
Mobile Phone	14,000	8,112	5,888	58
Sub Total	19,000	13,112	5,888	69
Stationary & Supplies:				
Stationeries & Supplies	3,000	3,005	(5)	100
Sub Total	3,000	3,005	(5)	100
Travel, Lodging & Perdiem:				
Local conveyance	3,000	2,618	382	87
Sub total	3,000	2,618	382	87
Assessment Study:				
Newspaper Subscription	9,000	7,138	1,862	79
Sub total	9,000	7,138	1,862	79
Pilot Study:				
Travel allowance	7,500	7,500	-	100
Perdiem	30,000	30,000	-	100
Lunch & Tea Orientation	6,000	5,985	515	100
Sub total	43,500	43,485	515	100
Field Investigation:				
Honorarium	25,000	25,000	-	100
Conveyance & Communication	10,000	10,000	-	100
Sub total	35,000	35,000	-	100
Total Project Cost	279,900	271,753	8,147	100
Overhead Cost 7%	-	550	-	100
Grand Total:	279,900	272,303	7,597	100

Bridging Corporate Sector and Media in Promoting Good Governance (BCSMPGG)
A Project of Management And Resources Development Initiative (MRDI)
Funded By Manusher Jonno Foundation
Notes to the financial statements for the year ended March 31, 2008

100 **NGO Background:**

Management and Resources Development Initiative (MRDI) a multi disciplinary, not for profit, non government organization, as well as a company limited by guarantee is engaged to a wide spectrum of social development activities and seeks to render consultancy and technical assistance to national and international organizations, both in the public and private sectors.

Management And Resources Development Initiative (MRDI) established in the year 2003, registered with the office of the Registrar of Joint Stock Companies and Firms. Government of the PR Bangladesh under Companies Act 1994 vides certificate of Incorporation No. C-544 (57)/2006 dated 13 May 2003.

The development objectives of MRDI include upholding and strengthening standards of mass media and media professionals. Developing modern event management services. Enhancing physical and mental well being of the people, specially those who need them most. Augmenting empowerment of women, adolescents' children, minority and other vulnerable/marginalized section of the population, development of people's education and skill.

2.00 **Objectives of the Project:**

The main objectives of the project are as follows:

- i) Facilitate business community and mass media to set an agenda and adopt an action plan to institute/improve corporate governance, social responsiveness and labour and environmental standards.
- ii) Stimulate media and policymakers in favor of those compliances.
- iii) Capacity building of public relation and media practitioners to help establish a positive environment in the corporate sector.

3.00 **SIGNIFICANT ACCOUNTING POLICY:**

a) **Basis of Accounting:**

The financial statements have been prepared using cash basis of accounting for recording and reporting the transactions.

b) **Basis of Reporting:**

Financial statements presentation follows the recommendations and guideline of the management of Management and Resource Development Initiative (MRDI) and Manusher Jonno Foundation (MJF). They also conform to specific sections of IAS (International Accounting Standard) applicable for non-profit organizations.

c) **Reporting Period:**

The financial statements cover the period from January 01, 2008 to March 31, 2008.

d) **Fixed Assets:**

Fixed assets acquired by the project are not capitalized rather expensed.

BALANCE SHEET:

5.00 **Cash in Hand: Tk. Nil**

The cash in hand balance stands on March 31, 2008 at Tk. nil, which has been certified by the Management.

6.00 **Cash at Bank: Tk.7,597**

The above balance is lying with South East Bank Limited, Dhanmondi Branch, STD Account # 13100000945 which has been confirmed with bank statement.

INCOME AND EXPENDITURE:

7.00 **Fund Received: Tk.242,116.00**

The above balance is made-up as follows:

<u>Date</u>	<u>Installment</u>	<u>Amount</u>
02.03.2008	1st	242,116
		Taka: <u>242,116</u>

8.00 **Salary & Benefits: Tk. 141,000**

The above balance is made-up as follows:

<u>Particulars</u>	<u>Amount</u>
Coordinator	48,000
Accountant	36,000
Project Assistant	19,500
Program Manager	37,500
Taka: <u>141,000</u>	

9.00 **Office Rent: Tk. 18,000**

The above balance is made-up as follows:

<u>Particulars</u>	<u>Amount</u>
Office Rent	18,000
Taka: <u>18,000</u>	

10.00 **Office Maintenance and Cleaning Material: Tk. 8,395**

The above balance is made-up as follows:

<u>Particulars</u>	<u>Amount</u>
Electricity, Gas, WASA	6,000
Cleaning Material	900
Electrical & Other Office Maintenance	1,495
Taka: <u>8,395</u>	

11.00 **Communication: Tk.13,112**

The above balance is made-up as follows:

<u>Particulars</u>	<u>Amount</u>
Mobile Phone	8,122
Telephone Bill	5,000
Taka: <u>13,112</u>	



12.00 **Stationeries/Supplies: Tk 3,005**

The above balance is made-up as follows:

Particulars	Amount
Office Stationary	3,005
Taka:	3,005

13.00 **Travel Lodging & Perdiem: Tk. 2,618**

The above balance is made-up as follows:

Particulars	Amount
Local Conveyance	2,618
Taka:	2,618

14.00 **Orientation of District Co-ordination/Pilot Study: Tk. 78,485**

The above balance is made-up as follows:

Particulars	Amount
Travel Allowance	7,500
Perdiem	30,000
Launch & Tea for orientation	5,985
Honorarium for Journalist	25,000
Conveyance & Communication	10,000
Taka:	78,485

15.00 **Assessment Study: Tk. 7,138**

The above balance is made-up as follows:

Particulars	Amount
Newspaper Subscription	7,138
Taka:	7,138

Management and Resources Development Initiative (MRDI)
Bridging Corporate Sector and Media in Promoting Good Governance (BCSMPGG)
Funded By Manusher Jonno Foundation
Fund Reconciliation Statements
As At March 31, 2008

Particulars	Amount
Balance as per MJF's Books	155,957
Less: Expenditure of Jan. to March, 2008 not adjusted	<u>272,303</u>
	(116,346)
Balance as per PNGO	<u>7,597</u>
Deviation	<u>(123,943)</u>

NB: The above deviation has been occurred due to the previous years opening balance.

Management and Resources Development Initiative (MRDI)
Bridging Corporate Sector and Media in Promoting Good Governance (BCSMPGG)
Funded by Manusher Jonno Foundation
List of Fixed Assets

Annexure-A/1

Sl. No.	Particulars	Quantity	ID No.	Amount	Project Charge		Status
					MJ	%	
1.	Laptop with an UPS	1	MRDI/MJ-BCSMPGG/OE-01	115,000	115,000	100%	Active
2.	Multimedia Projector with Screen and External Document Camera	1	MRDI/MJ-BCSMPGG/OE-01	117,000	58,500	50%	Active
Total		2		232,000			

INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT

We have audited the financial statements of "Bridging Corporate Sector and Media in Promoting Good Governance" Project Funded by Manusher Jonno Foundation implemented by Management and Resources Development Initiative (MRDI)" as on March 31, 2008 and have issued our report thereon dated August 25, 2008.

As part of the audit, certain components of the program were evaluated for ways that might improve the efficiency and/or the internal control structure of the program. During the course of our examination certain minor discrepancies were noted that should be looked at.

Comments included in this report are not criticisms, but are constructive observations. Correspondingly, recommendations are not 'requirements' and management should review and evaluate each of the recommendations and its applicability in the context of the organization and its goals and if found feasible might implement in future operation.

We recognize that some of the recommendations may have been adopted prior to issuance of this report.

1.00 Personnel file not updated

Observation:

In the course of our audit, we have checked the personnel file of some of the employees to understand if salary paid and required qualification for the positions match. We came across the fact that personnel file of some of the employees were not updated or complete. Examples of such cases are as follows-

Name	Designation	Short comings
KNM Hossainul Haque	Manager Program & Communication	Academic Certificate Not Available
SK Shaniaz Ahmed	Accounts Officer	Academic Certificate Not Available
Sahil Zulfiquer	Head of media Monitoring	Academic Certificate Not Available

Effect:

Salary and benefits being related to personal information of employees, all relevant personal information of employees particularly of academic qualifications has financial implication.

Recommendation:

We suggest that, management should update the personnel files of the above-mentioned employees with necessary documents.

Management Responses:

MRDI works in such an area of development which requires personnel with working skill and capacity and who understand the media rather than their academic qualifications. However, we honor your observation which will be fulfilled in the future.

3.00 Non-Compliance of Financial Manual:

Observation:

According to the Financial Manual of MRDI (Clause-16) Ledger posting from cashbook shall be made by an accountant who is not responsible for maintaining the of cashbook. But we have observed that only one employee (Mr. Shaneaz Ahmed-Accountant) is performing both the responsibilities, which is a violation of MRDI financial manual.

Recommendation:

Management should follow either instructions of the financial manual or amend it if found necessary.

Management Responses:

Since we have only one accountant (Mr. Shaniaz Ahmed, Accountants) for the project, he has to take care of both the responsibilities. Maintenance of petty cash, cash book and ledger, etc. is part of his job as per his appointment letter

6.00 Report on Internal Control

As a part of the audit, we reviewed "Bridging Corporate Sector and Media in Promoting Good Governance (BCSMPGG) Project Funded by Manusher Jonno Foundation implemented by Management and Resources Development Initiative (MRDI)" accounting procedures and system of internal control for ways that the project might improve its efficiency and/or its internal control. We consider that, the internal control policies and procedures adopted in the project financial management were adequate and require no recommendation at the moment.

This report is intended solely for the information of Management and others within the organization and specific regulatory agencies, which has requested copies of the report.

We would be pleased to discuss the above comments and recommendations further with you and to assist in their implementation.

Sincerely,



(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

