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# Howladar Yunus & Co.

Independent Auditor's Report on Financial Audit of  
"Neighborhood programme for women" in Basatpur, Jessore,  
Supported by: City Bank Ltd., Bangladesh  
Initiated by: Banchte Shekha and Gramer Kagoj, Jessore  
Under Supervision & Monitoring by  
Management and Resources Development Initiative (MRDI)  
Reporting period: From 01 January 2014 to 30 November 2014

Independent Auditor's Report on Financial Audit of  
"Livelihood programme for women" in Basatpur, Jessore,  
Supported by: City Bank Ltd., Bangladesh  
Implemented by: Banchte Shekha and Gramer Kagoj, Jessore  
Under Supervision & Monitoring by  
Management and Resources Development Initiative (MRDI)  
For the period: From 01 January 2014 to 30 November 2014

Submitted by  
Howladar Yunus & Co.  
Chartered Accountants

January 29, 2015

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# Howladar Yunus & Co.

## Transmittal Letter

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Executive Director

Management and Resources Development Initiative (MRDI)  
8/19 Sir Syed Road (3<sup>rd</sup> floor), Mohammadpur,  
Dhaka -1207.

**Independent Auditor's report and Management letter on audit of the financial statement of "Livelihood programme for women" in Basatpur, Jessore, for the period from 01 January 2014 to 30 November 2014.**

Dear Sir,

We have pleasure in informing you that we have completed the audit of the financial statements of the aforesaid project implemented by MRDI, for the period from 01 January 2014 to 30 November 2014. Now we would like to attach herewith a memorandum.

We have conducted the audit in accordance with We conducted our audit in accordance with International Standards on Auditing (ISA) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). In planning and performing the audit we reviewed and assessed the internal control environment of MRDI with a view to establish a basis for placing reliance on such control system of the entity and also to determine the scope and extent of our work in connection with the said audit.

The accompanying memorandum includes our auditors' report, financial statements, audit observations and suggestions for improvement of accounting procedures and internal controls that came to our attention as a result of our examination of the financial statements of "Livelihood Programme for Women" project implemented by Banchte Shekha and Gramer Kagoj under supervision and monitoring by MRDI.

We take this opportunity to express our appreciation for the courtesies and cooperation extended to our representatives during the course of our audit. We would be pleased to discuss further our suggestions, comments and assist in their implantation if you consider appropriate.

Yours faithfully,

  
Chartered Accountants

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## Independent Auditor's Report

We have audited the accompanying Financial Statements of the project titled "Livelihood programme for women" implemented by "Banchte Shekha and Gramer Kagoj" under supervision and monitoring of MRDI supported by The City Bank Ltd., Bangladesh which comprise the Balance Sheet as on November 30, 2014 and the Statement of Income & Expenditure and Statement of Receipts and Payments for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

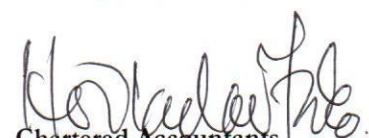
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on the auditors judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion


In our opinion, the financial statements present fairly, in all material respects, the financial position of project titled "Livelihood programme for women" implemented by Banchte Shekha and Gramer Kagoj under supervision and monitoring of MRDI, supported by The City Bank Ltd., Bangladesh and its financial performance and its cash flows for the year then ended in accordance with International Standards on Auditing (ISA) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).


  
Chartered Accountants  
Dated: Dhaka, 29 January, 2015

**Project: Livelihood Programme for Women**  
**Implemented by: Banchte Shekha and Gramer Kagoj, Jessore**  
**Under Supervision and Monitoring by: Management and Resources Development Initiative (MRDI)**  
**Funded by: The City Bank Ltd.**  
**Balance Sheet**  
**As on November 30 , 2014**

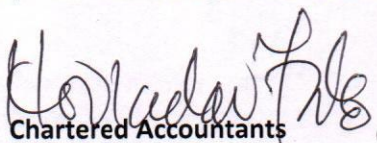
Particulars	Notes	Taka 2014	Taka 2013	Taka 2012
<b>Property &amp; Assets:</b>				
Cash in hand & Cash at Bank	3	661,682	420,322	665,472
Fixed Assets	4	1,777,087	1,737,087	1,507,789
Advance	5	-	33,000	-
<b>Total Asset</b>		<b><u>2,438,769</u></b>	<b><u>2,190,409</u></b>	<b><u>2,173,261</u></b>
<b>Fund &amp; Liabilities</b>				
Outstanding liabilities	6	23,000	28,000	105,200
Working Capital	7	300,000	-	-
Unutilized Fund	7	338,682	425,322	560,272
Fixed Asset Fund	8	1,777,087	1,737,087	1,507,789
<b>Total Fund &amp; Liabilities</b>		<b><u>2,438,769</u></b>	<b><u>2,190,409</u></b>	<b><u>2,173,261</u></b>

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

  
(Md. Abdul Gofur)  
Manager, Finance

  
(Hasibur Rahman)  
Executive Director


Signed as per our annexed report of even date.


  
Chartered Accountants  
Dated: Dhaka- January 29, 2015

**Project: Livelihood Programme for Women**  
**Implemented by: Banchte Shekha and Gramer Kagoj, Jessore**  
**Under Supervision and Monitoring by: Management and Resources Development Initiative (MRDI)**  
**Funded by The City Bank Ltd.**  
**Statement of Income & Expenditure**  
**From January 01,2014 to November 30 , 2014**

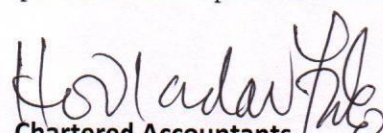
Particulars	Notes	Taka 2014	Taka 2013	Taka 2012
<b>Income:</b>				
Grants Income	10	368,417	1,099,851	1,244,808
<b>Total Income</b>		<u><u>368,417</u></u>	<u><u>1,099,851</u></u>	<u><u>1,244,808</u></u>
<b>Expenditure:</b>				
Salary & allowances	11	247,460	432,703	424,500
Center Launching		-	-	78,815
Trainee Allowances	12	-	360,950	384,050
Training materials	13	-	31,362	135,799
Office Expenses	14	52,433	58,230	49,756
Audit fees		23,000	23,000	23,000
Project Operational Expense	15	45,524	193,606	148,888
<b>Total Expenditure</b>		<u><u>368,417</u></u>	<u><u>1,099,851</u></u>	<u><u>1,244,808</u></u>

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

  
 (Md. Abdur Gofur)  
 Manager, Finance

  
 (Hasibur Rahman)  
 Executive Director


Signed as per our annexed report of even date.


  
**Chartered Accountants**  
 Dated: Dhaka- January 29, 2015

**Project: Livelihood Programme for Women**  
**Implemented by: Banchte Shekha and Gramer Kagoj, Jessore**  
**Under Supervision and Monitoring by: Management and Resources Development Initiative (MRDI)**  
**Funded by: The City Bank Ltd.**  
**Statement of Receipt and Payment**  
**From January 01, 2014 to November 30, 2014**

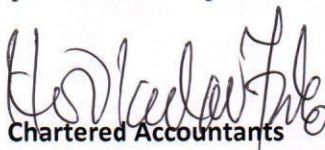
Particulars	Notes	Taka 2014	Taka 2013	Taka 2012
<b>Opening Balance</b>		420,322	665,472	-
<b>Receipts:</b>				
Grants Received	9	611,620	1,187,755	3,297,655
Interest on Bank Deposit		6,637	6,444	15,214
Miscellaneous Income		3,520	-	-
Advance Realised		58,000	-	-
<b>Total Receipts</b>		<u><u>1,100,099</u></u>	<u><u>1,859,671</u></u>	<u><u>3,312,869</u></u>
<b>Payments:</b>				
Salary & allowances	11	247,460	427,703	370,600
Fixed assets		40,000	229,298	1,494,989
Center Launching		-	-	78,815
Trainee Allowances	12	-	360,950	368,550
Training materials	13	-	31,362	135,799
Office Expenses	14	52,433	58,230	49,756
Project Operational Cost	15	45,524	193,606	148,888
Advance		25,000	33,000	-
Payment outstanding Liabilities		28,000	105,200	-
<b>Total Payment</b>		<u><u>438,417</u></u>	<u><u>1,439,349</u></u>	<u><u>2,647,397</u></u>
<b>Closing Balance</b>				
Cash at Bank		661,682	420,322	665,472
<b>Total</b>		<u><u>1,100,099</u></u>	<u><u>1,859,671</u></u>	<u><u>3,312,869</u></u>

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

  
(Md. Abdul Gofur)  
Manager, Finance

  
(Hasibur Rahman)  
Executive Director

Signed as per our annexed report of even date.

  
Chartered Accountants  
Dated: Dhaka- January 29, 2015



**Management and Resources Development Initiative (MRDI)**  
**Project: Livelihood Programme for Women,**  
**Funded by: The City Bank Ltd., Bangladesh,**  
**Implemented by: Banchte Shekha and Gramer Kagoj, Jessore**  
**Under supervision and Monitoring by MRDI**  
**Notes to the Financial Statements**  
**For the period from 01 January 2014 to 30 November 2014**

**1.00 Background Material Information:**

**1.01 About the Organizations**

**1.01.01 Management and Resources Development Initiative (MRDI)**

Management and Resources Development Initiative (MRDI) established in the year 2003, registered with the office of the Register of Joint Stock Companies and Firms. Government of the Peoples Republic of Bangladesh under Companies Act 1994 vide certificate of Incorporation No. C-544(57)/2003 dated 13 May 2003. It is also registered with the NGO Affairs Bureau having registration # 1962 dated 21.09.2004 under the Foreign Donation Regulation Ordinance 1978 which was renewed on 12 November, 2014.

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 wide spectrum of social development activities and seeks to render consultancy and technical assistance to national organizations, both in the public and private sectors

The development objectives of MRDI include upholding and strengthening standards of mass 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.

**1.01.02 Banchte Shekha (BS)**

Banchte Shekha (BS) is an NGO located at Shaheed Mashiur Road, Arabpur, Jessore is working to bring about an improved quality for life for the poor women and children in the social and economic sphere, specially by using awareness techniques to empower the beneficiaries with the skills to survive and assist them to access their legal and democratic rights.

**1.01.03 Gramer Kagoj (GK)**

Gramer Kagoj (GK), Post office para, Jessore, is the highest circulated local Daily Newspaper published from Jessore.

**1.02 About the Project:**

Management and Resources Development Initiative (MRDI) undertook an initiative in partnership with Manusher Jonno Foundation (MJF) to sensitize the corporate sector and the media on CSR and how CSR funds could effectively be used for supporting sustained development effort.

The project under this initiative "Mainstreaming CSR to Address Poverty (MCAP)" aims to utilize CSR funds in addressing poverty alleviation issues in an effective and sustainable manner. Before going to direct interventions, a multi-phase needs' assessment exercise was conducted through media content screening to identify the issues and areas related to poverty and deprivation. Also the officials of corporate houses with major involvement in CSR activities were interviewed. Based on the findings of the assessment, the project team initially selected three issues of interventions and locations for their implementation. One such intervention is Livelihood Programme for Poor Women to be implemented at Basatpur village in Sharsha upazila in Jessore district.

MRDI proposed The City Bank Ltd., Bangladesh to finance the project. MRDI requested Banchte Shekha and Gramer Kagoj to implement the project. On 03 December, 2011 a Memorandum of Understanding was signed among the parties regarding the project.



### 1.03 Objective of the Project:

The main objectives of the project are as follows:

- To create women empowerment that would refrain them from going abroad for job.
- To facilitate safe livelihood option for women through developing their skills and involving them in income generating activities.
- To save them from harassment and violence during their journey and in their work place.
- To eliminate the health risk of the girls and women of Basatpur as well as the locality.

### 2.00 Significant Accounting policies:

#### 2.01 Basis of Accounting:

The financial statements of the project have been prepared in accordance with Bangladesh Accounting Standards under Historical cost convention.

#### 2.02 Accounting for Grant

Bangladesh Accounting Standard (BAS) 20 "Accounting for Government Grants and Disclosure of Government Assistance" has been followed during the year under audit for recognition of grant income. Accordingly accounting adjustments and effects for the prior years have been considered in these accounts.

As per BAS 20, grants received are initially recorded as liability. Grant amount used to acquire fixed assets has been shown as "Fixed Assets Fund". Grant amount used for project expenses has been recognized as income to the extent of expenses incurred.

#### 2.03 Fixed Asset:

No depreciation is charged on project assets.

#### 2.04 General:

The financial Statements are presented in Bangladesh currency, which has been rounded off to the nearest Taka.



Note	Particulars	Taka 2014	Taka 2013	Taka 2012
3.00	<b>Cash in Hand &amp; Cash at Bank</b>			
	Cash in Hand	-	1,537	15,900
	Cash at Bank	661,682	418,785	649,572
	(with City Bank Ltd., Jessore Branch Account No-3101342/2/001)			
	<b>Total</b>	<b>661,682</b>	<b>420,322</b>	<b>665,472</b>
4.00	<b>Fixed Assets</b>			
	Centre Building (note-4.01)	1,517,767	1,477,767	1,344,499
	Machine & equipments (note-4.02)	206,510	206,510	118,160
	Furniture & fixture (note-4.03)	52,810	52,810	45,130
	<b>Total</b>	<b>1,777,087</b>	<b>1,737,087</b>	<b>1,507,789</b>
4.01	<b>Centre building</b>			
	Labour	367,888	367,888	326,830
	Brick	245,475	245,475	231,875
	Rod	240,353	240,353	199,228
	Cement	215,930	215,930	194,895
	Sand	101,500	101,500	90,700
	Grill, Door, Gate etc.	105,000	105,000	105,000
	Painting	41,030	41,030	37,030
	Electric wiring	68,228	68,228	66,578
	Sanitary fittings	43,534	43,534	43,534
	Other Expenses	48,829	48,829	48,829
	Electricity Line	40,000	-	-
	<b>Total</b>	<b>1,517,767</b>	<b>1,477,767</b>	<b>1,344,499</b>
4.02	<b>Machine and Equipment</b>			
	Butterfly sewing Machine (10 pcs)	68,060	68,060	68,060
	Overlock Machine (1 Pcs)	5,800	5,800	5,800
	Electric Machine	34,000	34,000	-
	Computer	36,776	36,776	36,776
	Printer	7,524	7,524	7,524
	Block print & taidal Setup	54,350	54,350	-
	<b>Total</b>	<b>206,510</b>	<b>206,510</b>	<b>118,160</b>
4.03	<b>Furniture &amp; fixture</b>			
	Cutting Table	8,210	8,210	2,210
	Chair	21,200	21,200	19,520
	Almira	8,000	8,000	8,000
	Floor Mat	800	800	800
	Table	14,600	14,600	14,600
	<b>Total</b>	<b>52,810</b>	<b>52,810</b>	<b>45,130</b>
5.00	<b>Advance (Mrs. Rokeya Begum)</b>			
	Date 15 September 2013	-	20,000	-
	Date 23 December 2013	-	13,000	-
	<b>Total</b>	<b>-</b>	<b>33,000</b>	<b>-</b>

Note	Particulars	Taka 2014	Taka 2013	Taka 2012
<b>6.00</b>	<b>Outstanding Liabilities</b>			
	Construction of Centre (Brick)	-	-	12,800
	Trainee Allowances-Tailoring	-	-	15,500
	Audit Fees	23,000	23,000	23,000
	<b>Staff Salary:</b>			
	Centre in Charge	-	-	9,000
	Master Trainer	-	-	29,400
	Cutting Master	-	-	8,000
	Embroidery Trainer	-	5,000	-
	Night Guard	-	-	1,500
	Accountant	-	-	6,000
	<b>Total</b>	<b>23,000</b>	<b>28,000</b>	<b>105,200</b>
<b>7.00</b>	<b>Unutilized Fund</b>			
	Opening Balance	425,322	560,272	-
	Fund from City Bank Ltd., Bangladesh (Note-09)	611,620	1,187,755	3,297,655
	Add: Interest on Bank deposit	6,637	6,444	15,214
	Add: Sale of training materials	3,520	-	-
	Fund Available for utilization	<b>1,047,099</b>	<b>1,754,471</b>	<b>3,312,869</b>
	Less: Fund Transferred to Revenue Income (Note-09)	368,417	1,099,851	(1,244,808)
	Less: Fund transferred to Fixed Asset Fund for Electric Line	40,000	229,298	(1,507,789)
	Less: Transferred to Working Capital	300,000	-	-
	<b>Unutilized Fund</b>	<b>338,682</b>	<b>425,322</b>	<b>560,272</b>
<b>8.00</b>	<b>Fixed Asset Fund</b>			
	Opening	1,737,087	1,507,789	-
	Add: Transfer from fund during the year (Note-07)	40,000	229,298	1,507,789
	<b>Total</b>	<b>1,777,087</b>	<b>1,737,087</b>	<b>1,507,789</b>
<b>9.00</b>	<b>Fund from The City Bank Ltd., Bangladesh</b>			
	1st Installment on 27.12.2011	-	-	1,495,495
	2nd Installment on 12.08.2012	-	-	1,048,256
	3rd Installment on 21.11.2012	-	-	753,904
	4th Installment 09.04.2013	-	343,256	-
	5th Installment 08.09.2013	-	844,499	-
	6th Installment 20.01.2014	386,830	-	-
	7th Installment 08.09.2013	224,790	-	-
	<b>Total</b>	<b>611,620</b>	<b>1,187,755</b>	<b>3,297,655</b>
<b>10.00</b>	<b>Revenue Income</b>			
	Transfer from fund received during the year for revenue expenditure (Note-07)	<b>368,417</b>	<b>1,099,851</b>	<b>1,244,808</b>
<b>11.00</b>	<b>Salary &amp; allowances</b>			
	Centre-in-Charge	99,600	108,003	94,000
	Master Trainer	-	147,000	165,000
	Cutting Master	-	48,000	88,000
	Asst. Trainer	25,200	14,000	-
	Night Guard	26,200	25,500	16,500
	Accountant	86,460	85,200	61,000
	Embroidery Trainer	10,000	5,000	-
	<b>Total</b>	<b>247,460</b>	<b>432,703</b>	<b>424,500</b>



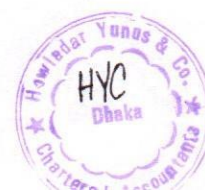
Note	Particulars	Taka 2014	Taka 2013	Taka 2012
12.00	<b>Trainee Allowances</b>			
	Trainee Allowances-Tailoring	-	182,750	196,950
	Trainee Allowances-Embroidery	-	178,200	187,100
	<b>Total</b>	<u>-</u>	<u>360,950</u>	<u>384,050</u>
13.00	<b>Training Materilas</b>			
	Purchase	-	82,318	-
	Less: Sales of Training Materials	-	(50,956)	-
	<b>Total</b>	<u>-</u>	<u>31,362</u>	<u>135,799</u>
14.00	<b>Office Expenses</b>			
	Postage & Communication	95	1,290	260
	Phone/Mobile	3,300	2,100	200
	Conveyance	2,290	10,955	31,100
	Maintenance	27,095	21,147	4,499
	Electricity bill	10,700	10,663	6,700
	Office Stationery	8,953	12,075	6,997
	<b>Total</b>	<u>52,433</u>	<u>58,230</u>	<u>49,756</u>
15.00	<b>Project Operational Cost (For implementing organization)</b>			
	The Daily Gramer Kagaj	22,762	96,803	74,444
	Banchte Shekha	22,762	96,803	74,444
	<b>Total</b>	<u>45,524</u>	<u>193,606</u>	<u>148,888</u>



(Md. Abdul Gofur)  
Manager, Finance



(Hasibur Rahman)  
Executive Director



Management Letter of  
 "Livelihood Programme for Women" Project  
 Funded by: The City Bank Ltd., Bangladesh,  
 Implemented by: Banchte Shekha and Gramer Kagoj, Jessore  
 Under supervision and Monitoring by MRDI  
 1<sup>st</sup> January 2014 to 30<sup>th</sup> November 2014

**Findings:**

**Revenue stamp not affixed on payment voucher.**

**Fact**

As per Stamp act 1988 "RECEIPT" as defined by section 2(23) for any money or other property the amount or value of which exceeds Taka 400 stamp should be affix Taka 10" but on our verification we observe that in some cases there management of Gramer Kagoj not affixed stamp on the voucher. Instances are given below:

Date	Voucher No	Purposes	Amount in BDT
16.01.2014	217	Toner & Office Stationary	4,155
08.05.2014	244	Toner Purchase	3,500
03.07.2014	256	Computer Servicing	1,000

**Effect:**

This is the violation of Stamp act.

**Management Response**

The mentioned items purchased in cash directly from the shop and the sellers issued cash memo. So no revenue stamp possible to collect & affixed from the sellers. We will affix the revenue stamp.

**Recommendation:**

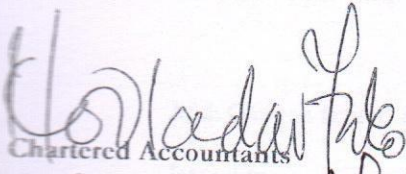
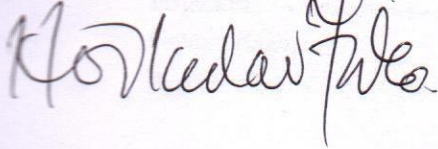
Management should sincere and careful to complied the local laws properly.

**Implementation Status of last year Audit Observation:**

Sl No	Observation	Management Response	Implementation Status
1	Cash holding exceeds the approved limit.	The above cash transaction has been occurred during the training period for purchasing training materials, payment of trainee allowance etc. Having findings after finalizing the first years audit in June 2013 the project management is avoiding the cash transaction.	Implemented



Sl No	Observation	Management Response	Implementation Status
2	Payment was made in cash instead of bank transfer or account payee cheque	Cash transaction made for purchasing rod & cement for setting 6 pillars in centre house as the sellers in remote areas didn't agree to take payment through cheque. Also this cash transaction saved some cost. Having findings after finalizing the first years audit in June 2013, the project management is paying salary through bank transfer.	Implemented

  
 Chartered Accountants  




**Project: Livelihood Programme for Women**  
**Implemented by: Banchte Shekha and Gramer Kagoj, Jessore**  
**Under Supervision and Monitoring by: Management and Resources Development Initiative**  
**Funded by The City Bank Ltd.**  
**Bank Reconciliation Statement**  
**As on 30 November 2014**  
**(The City Bank Ltd., Jessore Branch, A/C No. 3101342727001)**

Balance as per Cash Book

661,682

Add: Cheque issued & disbursed but not presented for encashment

<u>Issued to</u>	<u>Cheque No.</u>	<u>Amount</u>	
Gramer Kagoj	2180682	22,762	
Banchte Shekha	2180683	22,762	45,524

Balance as per Bank Statement

707,206



(Md. Abdul Gofur)  
Manager, Finance



(Hasibur Rahman)  
Executive Director

