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PRIVATE AND CONFIDENTIAL

Management Report

On the Accounts of
Management and Resources Development Initiative (MRDI)
For the year to June 30, 2003

**KHAN JAHED & CO.
CHARTERED ACCOUNTANTS**

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Ref :-

Date :

July 05, 2003

The Director, Operations
Management and Resources Development Initiative (MRDI)
2/8 Sir Sayed Road (ground floor), Block # A
Mohammadpur, Dhaka 1207.

Sub: Management Report on the Accounts of **Management and Resources Development Initiative (MRDI)** for the year to June 30, 2003.

Dear Sir,

We have carried out the audit of the accounts of "**Management and Resources Development Initiative (MRDI)** 2/8 Sir Sayed Road (ground floor), Block # A, Mohammadpur, Dhaka-1207, for the year that ended on June 30, 2003 with the books of accounts as maintained and produced to us at the time of our audit and we report that:

Scope of Audit:

During the course of audit, we have applied generally accepted auditing standards and accordingly have adopted such test and examinations, as we considered necessary in order to satisfy ourselves.

(a) Policy / Accounting Manual:

Organisation has got its own policies and accounting manual. Organisation, as a whole, follows the policies for procurement of goods, purchase of assets, staff appointment, advance etc. Accounting Dept maintained the accounts on the basic of policies and accounting guideline.

(b) Fixed Assets:

It appears from the accounts that during the year only Tk 73,368.00 was spent for purchase of computer. There was no other purchase of assets other than the said assets.

We were given to understand that fixed assets register has been maintained by the organisation and physical verification of fixed assets was carried out at the close of the financial year.

(c) Recruitment:

Staffs are employed by usual formalities, such as advertisements in newspapers, personal interviews, board for selection of candidate etc, were followed.

(d) Store Management:

At the time of audit we observed that stationery was purchased for TK 28,100.00 and properly booked in stationery register.



(c) **Leave Management:**

Standard attendance register is introduced by the organisation to maintained discipline among the staff and at the end of the month the accountant prepares salary sheet going through the said register. The said register contains all the information, such as leave, attendance, presence outside office etc. But, during our audit period, organisation did not maintain the register properly.

(f) **Salary & Honorarium:**

Salary & Honorarium should be paid by bank through account payee cheque. But during the course of our audit we observed that Salary & Honorarium was paid through bearer cheques only.

(g) **Deduction of Source Tax:**

As per the existing rules of Bangladesh Government Income Tax, source tax should be deducted against professional or technical service fee under Section 52A. At the time of our audit, we observed that tax was deducted and deposited with the Bangladesh Bank in a professional manner.

(h) **Payment Procedure:**

All payments were made with the proper authorisation of the chief executive. We have checked 9 months' vouchers and observed the following weaknesses:

Date	Voucher No.	Particulars	Amount	Remarks
20.07.2002	Dr.26	Traveling Bill	1800.00	Supporting voucher was not affixed with the top voucher
18.08.2002	Dr.49	Do	2450.00	Do
24.08.2002	Dr.57	Postage	560.00	Voucher was not approved
02.10.2002	Dr.92	Electricity Bill	790.00	Original voucher was not produced before us
7.12.2002	Dr.135	Do	784.00	Do
05.03.2003	Dr.209	Printing Bill	1750.00	Revenue Stamp was not affixed with the payment voucher.
29.05.2003	Dr.259	Purchase of Stationery	1320.00	Do

In fine, we acknowledge with thanks the co-operation extended to us by the officials and staff of the organisation during the course of audit.

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KHAN JAHED & CO.
Chartered Accountants.

