

Accelerating Livelihoods Options for The Poor

A Project of
Dipti Foundation

REPORT AS PER TOR PRESCRIBED BY NGO AFFAIRS BUREAU GOVERNMENT OF THE PEOPLES REPUBLIC OF BANGLADESH

- 1.00** We have conducted the audit in accordance with International Standards on Auditing (ISA) and disposed of our obligations with utmost responsibility remaining fully with independent audit firm.
- 2.00** We have carried out the audit in compliance with the following listed Rules, Regulations and Circulars as applicable for the audit purpose:
- The Foreign Donations (Voluntary Activities) Regulation Act 2016.
 - Project approval related FC-1 [FD-7 or FD-6 is not applicable].
 - The conditions of the project approval.
- 3.00**
- The audit certificates in the form prescribed by the NGO bureau related to receipts of donation and expenditures in FD-4 and Annexure have been attached with the audit report.
 - All the information contained in FD-4 has been prepared on cash basis. Consequently, no negative balances have been appeared in consideration of foreign donation/grants receipts (excepts as reported above)
 - The total amount has been shown in FD-4 in respect of approved budget and the actual expenditure incurred there-against and the difference thereof.
 - The head wise approved budget, actual expenditure, variance in percentage and the reasons for variance has been explained in Annexure-A/1.
 - Head wise/Subhead wise expenditure and the budget against thereof have been shown in the light of the approved project.
- 4.00** Separate audit report has been certified for each project and the report was prepared based on project period. The project does not have any local income/donations during the period under audit.

5.0 a. Goal & objectives of the project:

Overall Objective of the Project:

To improve the quality of life for the poor church member (women) in north bengal area through income generating activities (IGA) support.

Specific objective of the project:

To develop skill for the poor women and create earning opportunities.

b. Principal Activities of the Project:

Sl No.	Principal Activities	Approved Budget	Number of Beneficiaries
1	Handloom Trainers Fee/Honarium	94,500	
2	Participants Food &Transport of Trainer	3,60,000	
3	Handloom Machine	90,000	
4	Shed Making	15,000	
5	Thread & Others	1,50,000	
6	Human Resources	94,500	
7	Monthly Meeting & Office rent	14,000	
8	Office Equipment (Camera & Printer)	85,000	
9	Travelling & Stationery	31,200	
10	Audit Fee	25,000	
11	Office Maintenance	50,400	

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c. project Particulars:

C. Project Particulars.

Appointment Date of audit firm	04.01.2023			
Name of the Project	" Accelerating Livelihoods Options for The Poor"			
Total Project Period	August 01, 2022 to December 31, 2022			
Memo number and date of the project approved and fund released by the Bureau:	03.07.2666.664.68.267.20-476, dated 24.07.2022 (Approval)			
Amount of fund received:	BDT 10,75,688			
Amount of fund released by NGO AB:	BDT 11,44,660 (1 installments)			
The NGO has received Foreign Donation through mother account after receiving the fund clearance letter.				
Project period under Audit:	August 01, 2022 to December 31, 2022			
	Thana	District	Thana	District
	Lakkhi Chap	Nilfamari	Ranipukur	Rangpur
Number of Beneficiaries	Total: 30			

6.00

- The Statement of Financial Position, Statement of Comprehensive Income and Statement of Receipts & Payments form an integral part of the audit report having been signed by the authorities of the NGO.
- The Statement of Receipts and Payments has been prepared in accordance with the heads of accounts maintained in the ledger book of the NGO.
- The details breakup of the expenditures under the consolidated head of accounts have been shown in the notes attached herewith wherever found necessary.

7.00

- Every page of the audit report has been referenced with a page number.
- The initial and the common seal of the competent authority of the CA firm have been affixed at page of audit report.
- The certification of the auditors at the audit report and the full signature of the auditors along with full name and the designation are given in statement of financial position, FD-4 certification and the terms of reference (TOR). The following sequence has been maintained in the audit report.

First Part:

- Scope and opinion of the auditors
- Statement of Financial Position
- Statement of Comprehensive Income
- Statement of Receipts and Payments
- Notes to the financial statements
- Schedules/Appendix/ Other Statement

Second Part:

- Certificate of FD-4
- Annexure A-1
- Notes to the FD-4
- Terms of Reference (TOR) as prescribed by NGO Affairs Bureau. A report has been prepared according to the terms of reference of NGO Affairs Bureau and the serial of TOR of NGO Affairs Bureau has been maintained in this report.

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- 8.00** This is a project covers the period from August 01, 2022 to December 31, 2022. The audit of the project covers the period from August 01, 2022 to December 31, 2022. This is the first & only Audit.
- 9.00** The audit report has been duly signed and sealed. One copy (original) of the audit report is being forwarded directly to the Deputy Director (Inspection and Audit), NGO Affairs Bureau, Dhaka.
- 10.00** The particulars of registration of the organization (NGO) with NGO Affairs Bureau, Government of the People's Republic of Bangladesh is given below:

Particulars	Registration Number	Date of Registration	Date of Renewal
NGO Affairs Bureau	1361	06.04.1999	Renewed for next ten years Effect from March 06, 2021 up to April 05, 2029
Trust Registration	(IV) 20	April 04, 2021	N/A

- 11.00** The NGO as per provisions of The Foreign Donations (Voluntary Activities) Regulation Act 2016 has received all the foreign donations through one bank account as per NGOAB approval.
- 12.00** Detailed descriptions of the mother bank account number approved by the NGO Affairs Bureau to receive foreign donations, name of the bank and branch, amount of donation received and name of the donor is given below:

1. Name of the bank and branch: Commercial Bank Ceylon Limited, Rokeya Sharani ,Kazipara , Mirpur ,Dhaka 1216		
2. Account Number: 1812007160		
3. Name of the donor: Coworker, HILFE FUR BRUDER INTERNATIONAL e.V., GERMANY		
Particulars of Receipts	Date of receipts	Amount in Taka
Installment (Commercial Bank Ceylon Limited)	13-November 2022	10,75,688
Total		10,75,688

The details of the banks, and the balances as at December 31, 2022 were as follows (these are mother accounts) :

Name of Bank	Bank Book Balance of the Project as on August, 2022	Bank Statement Balance of the Project as on December 31, 2022	Bank Reconciliation
Commercial Bank Ceylon Limited, Mirpur Branch, Rokeya Sharani ,Kazipara Dhaka 1216, ACCOUNT No. 1812007160		46,469	Yes

- 13.00** As reported by the management, donation in kind was not received during the year under audit.
- 14.00** During, the period under audit the project has not received any bank Interest.
- 15.00** The NGO has maintained Cash Book and Ledger Book under double entry system of accounting and Stock Register, Fixed assets register and other registers are also maintained as per requirement of Section # 12 of The Foreign Donation (Voluntary Activities) Regulation Rules, 2016.
- 16.00** The NGO does not have any revolving loan fund (RLF) under this project fund.
- 17.00** The Organization does not operate any micro credit program under this project.
- 18.00** As reported by the management and as appeared from the financial statements and it revealed from our test verification, no part of donation has been spent in foreign currency.

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- 19.00** Our test check revealed no budget-exceeded amount that has been adjusted with another head of expenses or unapproved head with an approved head except as reported below

Whether excess expenditure over the budget has been incurred against particular head of expenditure, adjusted the expenditure of one head with another head, or adjusted the expenditure of an unapproved head with an approved head, and if done, approval of NGO Affairs Bureau against excess expenditure should have to be mentioned in the audit report.

Excess expenditure over the budget has incurred, detail description and purpose of which along with the reasons has given below:

Head of Expenditure	Amount as per Budget	Amount Spent	Excess Expenditure	%	Reasons of Variance
Civil Construction					
Shed Making	150,000	196,012	(46,012)	(30.67)	Excess of material cost and carrying cost with high labor cost.
Other Materials Inputs:					
Handloom Machine	90,000	92,000	(2,000)	(2.22)	
Thread & Others	150,000	162,980	(12,980)	(8.65)	Excess of material cost and carrying cost as needed.
Others:					
Monthly Meeting & Office rent	14,000	14,739	(739.00)	(5.28)	As needed
Audit Fee	25,000	28,750	(3,750.00)	(15.00)	Including VAT amount needed as require.
Bank Charges	0	4,035	(4,035.00)	(100)	There was no budgeted amount.

From our test verification, we observed that the expenditure of one head has not been adjusted with another head or the expenditure of an unapproved head has not been adjusted with an approved head. But, expenditure has been incurred against an unapproved head of expenditure. Approval of NGO Affairs Bureau against excess expenditure has not been obtained

- 20.00** From our test verification we observed that, the organization has a practice of making payment of salary-allowances of officers/staff and other payments exceeding Tk. 10,000 through bank accounts.
- 21.00** The project is implemented through foreign grant. No loan was obtained during the period under audit to implement the project.
- 22.00** It is revealed from test check that no salary-allowance or any sorts of honorarium were paid under this project to any members of General Council or Executive Council of the NGO.
- 23.00** The overall internal control system is reasonably satisfactory.
- 24.00** We have not come across with any cases of refund of money to the donor.

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- 25.00** From our verification we observed that the organization has practice to affix revenue stamp in applicable cases. Income Tax and VAT have been deducted at source in applicable cases from the payments out of this project fund and has been duly deposited to the government treasury.

We could not ascertain the exact amount of Tax and VAT which is deductible as the audit has conducted on test basis. However, a list of deducted Tax and VAT amount has been obtained from the NGO which is noted reasonable and found in agreement. The amount deducted by the NGO as per record of the project is given below:

Head of Expenditure	Actual Expense	Deductible Amount		Deducted amount		Deposited to Govt. Teaser		Accrued amount		Challan No	Date
		Tax	VAT	TAX	VAT	TAX	VAT	TAX	VAT		
Handloom Trainers Fee/Honorarium	80,000	8,000	12,000	8,000	12,000	8,000	12,000	-	-	35 & 32	19/12/22
Thread & Others	1,62,980	8,565	21,413	8,565	21,413	8,565	21,413	-	-	74 & 73	4/10/2022
Office Equipment:											
Camera (Cannon EOS,250D)	62,280	1,839	4,598	1,839	4,598	1,839	4,598	-	-	148 & 13	29-8-22 & 6/9/222
Printer (HP Desk-Zet-2320)	7,200	-	540	-	540	-	540	-	-	147	6/9/2022
Total	312,460	18,404	38,551	18,404	38,551	18,404	38,551	-	-	-	-

- 26.00** The organization has obtained Tax Identification Number from Company Circle 055, Tax Zone-3, Dhaka. The Tax Identification Number is 269 564 243 920

No foreign individual has been employed by the organization for the project under audit.

- 27.00** The organization (NGO) does not have any Income Generating Activities-IGA under this project.
- 28.00** As we are informed by the management and observed from our verification that project personnel has not availed foreign tour with the finance/air ticket/other facilities received for foreign sources for the project under audit.
- 29.00** From our verification we observed that related fixed assets/deed/house rent agreement/donated land/Vehicles and other assets are recorded in the name of:

Particulars	In the name of
Fixed Assets	Project / Organization, as applicable
Deed	Organization

- The management of the organization has procured Fixed Assets with the project fund audit. The details of fixed assets which were purchased in the project period under this project has been shown in Fixed Assets Schedule (Schedule-A) of the Financial Statements.
- 30.00** No fixed/temporary assets of the project have been sold/ transferred during the period under audit.
- 31.00** It is revealed that there was no significant irregularities, illegal expenditure, unapproved expenditure, budget exceeded expenditure to be reported for. Therefore, it is not required to issue management letter for the project period under reference.
- 32.00** We have audited the projects of the organization for the period that does not exceed 5 years including the project period under this report.
- 33.00** The list of the members of the Executive Committee/Governing Body/Management Committee/Executive Council as provided to us given below:

S L	Name of the Member	Position
01	Mr.Ambrose Gomes	Chairperson

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02	Mrs. Lydia Rita Barikder	Vice Chairman
03	Mr. Clari Robin Baul	Treasurer
04	Mrs. Dalia Ratna	Member
05	Mr. Elish Arun Majumder	Director – Member Secretary

- 34.00** The NGO has incurred expenses related to audit of the project from the project fund.
- 35.00** Enlistment of Audit Firm: Memo No. 03.07.2666.657.43.253.17-619, Date: 31.01.2022 under Serial No. 121.
- 36.00** The organization has received fund during the period under audit through its ‘Mother Bank Account. It is reported by the management that the organization is not engaged with any activities which could be fall under scope of money laundering or terrorist activities. Accordingly, we have not come cross with any transaction/case of the project which signifies the involvement of money laundering or terrorist activities.
- 37.00** a) It is reported that the organization has submitted a copy of the FC-1 to the office of respective District Commissioner, UNO.
- b) The organization has received the project completion report from the local authority. The organization is yet to submit the project progress report to NGO Affairs Bureau. It is reported by the management that the report will be submitted to the respective authority shortly along with project completion certificate from the respective authority.
- c) The organization is processing the yearly report to submit to NGO Affairs Bureau as referred in the clause # 11 of the Circular.
- d) It has been communicated by the management that, organization is committed to eliminate the overlapping in respect of the selection the project beneficiary.
- e) The organization has practice to deduct tax and VAT in applicable case.
- f) It is reported by the organization that as per knowledge of the management no staff/employee of the organization has been involved or engaged with any activities which is subversive to the interest of the country.
- g) The organization has not received any complain from ministry in respect of any project activities.
- 38.00** The project under reference does not contains any PNGO to implement the project activities

Chartered Accountants

Dated: Dhaka

September 30, 2021