

AL IHSAN SOCIAL DEVELOPMENT CENTER
“Sponsoring Education of 60 Orphan Girls Project”
Auditor’s Report and Financial Statements
Along with Form FD-4 Certificate
For the period ended July 31, 2022

AL IHSAN SOCIAL DEVELOPMENT CENTER
“Sponsoring Education of 60 Orphan Girls Project”

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For the period ended July 31, 2022

S.P. CHOWDHURY & CO.
CHARTERED ACCOUNTANTS

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PART -I
Auditor's Report and Financial Statements



INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of “Sponsoring Education of 60 Orphan Girls Project” of AL IHSAN SOCIAL DEVELOPMENT CENTER which comprise the statement of financial position as on July 31, 2022 the statement of comprehensive income and receipts & payments statement for the period then ended and a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the “Sponsoring Education of 60 Orphan Girls Project” as on July 31, 2022 and its financial performance and its receipts & payments for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our Audit Report. We are independent of the organization in accordance with the International Ethics Standards Board for Accountants Code of Ethics for professional Accountants (IESBA Code), and we have full filled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention that the project did not maintain books of accounts properly. Separate books for each project not maintained. Financial statements have been prepared based on the expenditure analysis from consolidated records of the organization. We also report that organization's internal control on financial activity needs improvement. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.





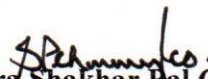
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the project ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organizations to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dated, Dhaka
November 30 2022


Chandra Shakhar Pal Chowdhury, FCA
Enrolment Number: 1004
Principal
S.P. CHOWDHURY & CO.
CHARTERED ACCOUNTANTS
DVC: 2211301004AS195638

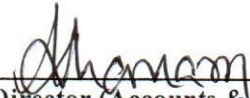


AL IHSAN SOCIAL DEVELOPMENT CENTER
Sponsoring Education of 60 Orphan Girls Project
Statement of Financial Position
As on July 31, 2022

Assets	Notes	Amount in Taka
Cash and Cash Equivalent	4.00	32,024
Total Assets		32,024
Fund and Liabilities		
Provision for Audit Fee	6.00	25,000
Provision for VAT & TDS Payable	7.00	7,024
Total Fund and Liabilities		32,024




Executive Director



Director (Accounts & Finance)

As per our report of date annexed

Dated, Dhaka
November 30, 2022


Chandra Shakhur Pal Chowdhury, FCA
Enrolment Number: 1004
Principal
S.P. CHOWDHURY & CO.
CHARTERED ACCOUNTANTS
DVC: 2211301004AS195638

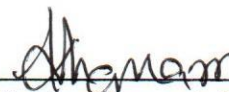


AL IHSAN SOCIAL DEVELOPMENT CENTER
Sponsoring Education of 60 Orphan Girls Project
Statement of Comprehensive Income
For the period from March 01, 2022 to July 31, 2022

Income	Note	Amount in Taka
Donor Grants Income	9.00	680,583
Total Income		680,583
Expenditure		
Administrative Cost	10.0	670,279
Academic Expenses	11.0	10,304
Total Expenditure		680,583
Surplus/Deficit for the period		-
Total		680,583




Executive Director



Director (Accounts & Finance)

As per our report of date annexed

Dated, Dhaka
November 30, 2022



Chandra Shakhur Pal Chowdhury, FCA
Enrolment Number: 1004
Principal
S.P. CHOWDHURY & CO.
CHARTERED ACCOUNTANTS
DVC: 2211301004AS195638



AL IHSAN SOCIAL DEVELOPMENT CENTER
Sponsoring Education of 60 Orphan Girls Project
Statement of Changes in Capital Fund
As on July 31, 2022

Particulars	Amount in Taka
Opening Balance	-
Add/Less: Surplus/(deficit) for the period	-
Closing Balance as on July 31, 2022	-

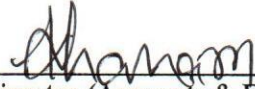


AL IHSAN SOCIAL DEVELOPMENT CENTER
Sponsoring Education of 60 Orphan Girls Project
Statement of Receipts and Payments
For the period from March 01, 2022 to July 31, 2022

Receipts	Notes	Amount in Taka
Donation Received	3.00	680,583
Total Receipts		680,583
Payments		
Administrative Cost	10.0	639,029
Academic Expenses	11.0	9,530
Total Payments		648,559
Closing Balance	4.00	32,024
Total		680,583



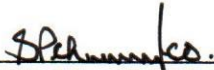
Executive Director



Director (Accounts & Finance)

As per our report of date annexed

Dated, Dhaka
November 30, 2022



Chandra Shakhur Pal Chowdhury, FCA
Enrolment Number: 1004
Principal
S.P. CHOWDHURY & CO.
CHARTERED ACCOUNTANTS
DVC: 2211301004AS195638



AL IHSAN SOCIAL DEVELOPMENT CENTER
Sponsoring Education of 60 Orphan Girls Project
Notes to the Financial Statements
For the period from March 01, 2022 to July 31, 2022

1.00 Organization Background

Al Ihsan Social Development Center (AISDC) is an NGO. It was established in 2007. It is implementing various developmental works for socio-cultural progress in remote areas. It aims to help the poor, helpless and distressed boys and girls, vulnerable and vulnerable women and girls of low-lying areas and water-affected communities. The main occupations of the people in the area are fishing, daily wage labor, boating and harvesting from the hoar bill. 70% people of the project area are illiterate and unaware. The area is under water for 5 months of the year and yields only one paddy. The main occupation of common people is fishing. Their wages are low. As a result, they live a miserable life.

1.01 Legal Status of the Organization

Al-Ihsan Social Development Center started its activities since January 2004 as a non profit, non government & voluntary social welfare organization. It is registered with Social Welfare Registration No: Mu-0303 dated 10-04-2007 and also registered with NGO Affairs Bureau of Bangladesh vide Registration No.2360, dated 20-05-2008 under Foreign Donation (Voluntary activities) Ordinance renewed on 29th March 2018 effective up to 19.05.2028.

1.02 Organizational Activities

Al-Ihsan Social Development Center has been working in Bangladesh since 2004. The organization is registered with the NGO Affairs Bureau under the Foreign Donations (Voluntary Activities) Regulations Act, 2016.

1.03 Project Background

A. I. SDC is mainly working for the development of vulnerable helpless women and weak and disadvantaged girls. Because this category is the most neglected and oppressed in the society. Women are oppressed in male dominated society and are deprived of basic rights, human rights and child rights. Girls of this category are subjected to religious prejudices and social restrictions. The most notable work of AISDC is the establishment of child rights. This organization is working to establish the rights of working girls in Srinagar Upazilla of Munshigonj district. Al Ihsan Social Development Society of Canada has been able to create a positive environment for the establishment of rights and social development of working girls in the area with the help of the organization. Parents are now taking care of the girls and not sending them to any neglected work. They are pursuing studies and undergoing real career education training in schools run by A, I, S, DC. Children are very fast. And parents are becoming aware of the value of education and child rights.



They understand that these children are the future of the nation and they will lead the country to prosperity. The demand for general education and practical work-oriented education is increasing. The school run by Al Ihsan Social Development Society of Canada provides general education as well as practical work oriented education to the parents of poor, needy and helpless families in the area. The poor simple people are therefore requesting that more poor girls of the area should be given such opportunities. That is why the deprived people of the area are requesting to continue the project and increase the facilities. They said these poor girls are victims of neglect and deprivation. Now they are becoming burden in rural society. This class is becoming violent day by day and destroying the peace of the society and making the nation uneducated. These people will be poverty stricken and lead a very difficult life. So the local people and the local administration want the project to continue.

1.04 Project Objectives

The ongoing project aims to protect more children's rights and provide opportunities for children affected by flood water to live in a favorable environment.

Its current operations will continue :

- * To impart basic and versatile education to poor girls.
- * Providing light vocational training to poor teachers.
- * Identify poor children as the driving force behind the war.
- * Involve these girls in light income earning.
- * Encouraging small business with low capital.
- * Providing safe shelter to poor girls.
- * Providing knowledge on first aid and improving physical health.
- * Providing legal aid to working children in distress
- * Creating mass awareness through documentaries, publicity etc.
- * Encouraging the spirit in recreational and other educational activities and sports.

The above-mentioned goals are related to the nation's plans for child development, adequate housing, good utilization of local resources and safety of the child population.

2.00 Significant Accounting Policies

2.01 Summary of The Significant Accounting Policies

Al-Ihsan Social Development Center prepares its financial statements on a going concern basis under the historical cost convention. Al-Ihsan Social Development Center generally follows the accrual basis of accounting or a modified form thereof for key income and expenditure items.

The significant accounting policies, which have been materially consistent over the years, as applied and followed in the preparation and presentation of these financial statements are summarized in the relevant notes.

2.02 Basis of Preparation of Financial Statements

The financial statements of the organization have been prepared based on historical cost convention in accordance with IFRS and other applicable laws and regulations and cash basis of accounting is followed except Provision and depreciation.



2.03 Reporting Period

These financial statements has been prepared for the period from March 01, 2022 to July 31, 2022.

2.04 Use of Estimate and Judgments

The preparation of financial statements requires management to make judgment estimates and assumptions that affect the application of accounting policies and the reported amounts of assets , liabilities, income and expenses.

2.05 Donor Grants

The project follows the guideline as stated in IAS-20 Accounting for Government Grants and Disclosure of Government Assistance, in respect to grant income recognition i.e. grants shall be recognized in the income and expenditure statement on a systematic basis over the periods throughout which the associated costs of the grant can be matched, as these costs are being compensated by the grant.

2.06 Component of the Financial Statements

According to the International Accounting Standard "IAS-1" Presentation of Financial Statements to complete set of Financial Statements include the following components :

- (a) Statement of Financial Position as on July 31, 2022.
- (b) Statement of Income & Expenditure for the period ended July 31, 2022.
- (c) Statement of Changes in Capital Fund as on July 31, 2022.
- (d) Statement of Receipts & Payments for the period ended July 31, 2022.
- (e) Notes to the Financial Statements for the period ended July 31, 2022.

2.07 Cash and Cash Equivalent

According to IAS-7 "Cash Flow Statement", cash comprises cash in hand and demand deposits and, cash equivalents are short term, liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. IAS-1 "Presentation of Financial Statements" provides that Cash and Cash Equivalent are not restricted in use. Considering the provisions of IAS-I & IAS-7, cash in hand and bank balance have been considered as cash and cash equivalent.

I) Cash in Hand

As on July 31, 2022 closing cash in hand was Tk Nil. As, We have obtained a cash custody certificate from the management confirming the balance held by them as on that date.

II) Cash at Bank

We have checked the bank transactions with pass book, cheque counterfoils deposit slips etc. and the balance has been agreed with the book of accounts and bank statement.

2.08 Authorization

Vouchers substantiating Receipts and Payments have been accepted by us on the strength of authorization thereon by the Program Coordinator, Accountant, Finance Officer /Respective Assigned authorizes as mentioned in the organization table of authorities supported by bills, memos, receipts, etc.



3.00 Donation Received

An amount of Tk. 680,583 /- has been received from ICNA Relief Canada credited through Account no.# 2741100003739 of Dutch-Bangla Bank Ltd. Sreenagar Branch, Munshiganj and checked by us with the bank statement. Details of foreign donation received are given below:

Name of the Donor	Date of Receipts	Amount in Taka
ICNA Relief Canada	16.03.2022	336,294
	31.05.2022	344,289
Total		680,583

Amount in Taka

4.00 Cash and Cash Equivalent

(i) Cash in Hand	-
(ii) Cash at Bank	32,024
Closing Balance	32,024

(i) Cash in Hand -

(ii) Cash at Bank 32,024

Name of the Bank, Branch Name & A/C No.

Dutch-Bangla Bank Ltd. Sreenagar Branch, Munshiganj	32,024
A/C No. 2741100003905	
Total	32,024

The project has a mother bank account operated in Dutch-Bangla Bank Ltd. Sreenagar Branch, Munshiganj A/C. No. # 2741100003739 and a operational bank account in Dutch-Bangla Bank Limited A/C. No. # 2741100003905. Foreign donation of all projects of the organization has been credited in the Mother Bank and program operated from operational bank.

*Total closing bank balance of Operational Bank, Dutch-Bangla Bank Limited, Sreenagar Branch, A/C No. 2741100003705 as on closing date of the project (July 31, 2022) was Tk. 185,959.50/- among which Tk. 32,024.03/- was closing balance of this project and the rest amount lying with other donor finance project balances which is not separately traceable.

5.00 Capital Fund

Opening Balance	-
Add/Less: Surplus/Deficit for the period	-
Closing Balance	-



6.00 Provision for Audit Fee

Opening Balance	-
Add: Addition during the period	25,000
	<u>25,000</u>
Less: Paid during the period	-
Closing Balance	<u><u>25,000</u></u>

7.00 Provision for VAT & TDS Payable

Opening Balance	-
Add: Addition during the period	7,024
	<u>7,024</u>
Less: Paid during the period	-
Closing Balance	<u><u>7,024</u></u>

8.00 Donor Grants Receive in Advance/Receivable

Opening Balance	-
Add: Donation received during the period	680,583
Less: Expenditure during the period (including provision)	680,583
Closing Balance	<u><u>-</u></u>

9.00 Donor Grants Income

Donor grants income recognized during the period	680,583
Total	<u><u>680,583</u></u>

10.0 Administrative Cost

Salary Allowances (Assistant Staff & Teachers)	639,029
Audit & Vat Tax	31,250
Total Expenditure	<u>670,279</u>
Less: Provision for VAT & TDS payable	6,250
Less: Provision for Audit Fee	25,000
Total Payment	<u><u>639,029</u></u>

10.1 Salary Allowances (Assistant Staff & Teachers)

Head Teacher	112,132
Arabic Teacher	262,750
Assistant Teacher	33,000
Hostel Super	50,000
Guard	17,500
Clenering Worker	56,000
Sister	24,500
Bonus	83,147
Total	<u><u>639,029</u></u>



10.2 Audit & Vat Tax

Audit & Vat Tax	31,250
Total Expenditure	31,250
Less: Provision for VAT & TDS payable	6,250
Less: Provision for Audit Fee	25,000
Total Payment	-

11.0 Academic Expenses

Educational Material & School Stationary	4,646
Education Tour & Sports Goods	3,139
Accessories (Printing & Writing Material)	2,519
Total Expenditure	10,304
Less: Provision for VAT & TDS payable	774
Total Payment	9,530

11.1 Educational Material & School Stationary

Educational Material & School Stationary	4,646
Total Expenditure	4,646
Less: Provision for VAT & TDS payable	328
Total Payment	4,318

11.2 Education Tour & Sports Goods

Verious Sports Goods	3,139
Total Expenditure	3,139
Less: Provision for VAT & TDS payable	249
Total Payment	2,890

11.3 Accessories (Printing & Writing Material)

Printing & Writing Material	2,519
Total Expenditure	2,519
Less: Provision for VAT & TDS payable	197
Total Payment	2,322



PART -II
Requirements By The NGO Affairs Bureau



**FORM FD-4
CERTIFICATE**


We have audited the financial statements of "Sponsoring Education of 60 Orphan Girls Project" implemented by **AL IHSAN SOCIAL DEVELOPMENT CENTER**, (Govt. Approval with memo 03.07.0000.657.69.438.2020-205 date-13/03/2022 Sreenagar, Munshiganj, Registration no - 2360, Date: 20.05.2008 and Renewed Date: 29.03.2018 for the period from March 01, 2022 to July 31, 2022 and examined all relevant books and vouchers and certifies the according to the accounts:

01. The brought forward foreign donation at the beginning of the year was Tk. Nil.
02. The foreign donation amounting to Tk. 680,583/- were received by the organization during the period from March 01, 2022 to July 31, 2022. *(Details shown in Note-3.00)*
03. The balance of unutilized foreign donation by the organization was Tk. 32,024/-.
04. Foreign donation amounting to Tk. 648,559/- has been utilized for the following purpose. Shown Head wise in the enclosed "Annexure A/1".

Head of Expenditure	Amount as per Approved Budget	Amount Actually Spent	Difference/ Variation
As per Annexure – A/1	685,440	648,559	36,881
Donor Contribution	685,440	648,559	36,881

05. Certified that the organization has maintained the accounts of foreign donation and records relating thereto in the manner specified as in section 12 of the foreign donations (Voluntary Activities) Regulation Act, 2016.
06. The information furnished above is correct and checked by us.

Dated, Dhaka
November 30, 2022


Chandra Shakhur Pal Chowdhury, FCA
Enrolment Number: 1004
Principal
S.P. CHOWDHURY & CO.
CHARTERED ACCOUNTANTS
NGO Bureau Enlistment No. 108
03.07.2666.657.43.253.17-619
Date: 31.01.2022
DVC: 2211301004AS195638



Name of the Organization : AL IHSAN SOCIAL DEVELOPMENT CENTER
 Name of the Project : Sponsoring Education of 60 Orphan Girls Project
 Date of approval with memo No. : 03.07.0000.657.69.438.2020-205 date-13/03/2022
 Date of fund release with memo No. : 03.07.0000.657.69.438.2020-205 date-13/03/2022
 Audit Period : March 01, 2022 to July 31, 2022

Sl.	Head of Expenditure	Amount as per Approved Budget	Amount Actually Spent	Budget Variance	Percentage of Budget Variance	Reason for Budget Variance
01	Educational Material & School Stationary	5,000	4,646	354	7%	Please see below
	Educational Material & School Stationary	5,000	4,646	354	7%	
02	Salary Allowances (Assistant Staff & Teachers)	659,684	639,029	20,655	3%	
	Head Teacher	110,220	112,132	(1,912)	-2%	
	Arabic Teacher	256,250	262,750	(6,500)	-3%	
	Assistant Teacher	47,500	33,000	14,500	31%	
	Hostel Super	42,500	50,000	(7,500)	-18%	
	Guard	17,500	17,500	-	0%	
	Cleaning Worker	50,000	56,000	(6,000)	-12%	
	Sister	25,000	24,500	500	2%	
	Bonus	110,714	83,147	27,567	25%	
03	Education Tour & Sports Goods	3,300	3,139	161	5%	
	Various Sports Goods	3,300	3,139	161	5%	
04	Audit & Vat Tax	15,000	31,250	(16,250)	-108%	
	Audit & Vat Tax	15,000	31,250	(16,250)	-108%	
05	Accessories (Printing & Writing Material)	2,456	2,519	(63)	-3%	
	Printing & Writing Material	2,456	2,519	(63)	-3%	
	Total Expenditure (Including Provision)	685,440	680,583	4,857	1%	
	Less: Audit Fee Provision (Note: 6.00)	-	25,000	(25,000)	-	
	Less: VAT & Tax Payable (Note: 7.00)	-	7,024	(7,024)	-	
	Total Payments	685,440	648,559	36,881	5%	

Reasons for Budget variance :

During the period under audit total budgeted provision and actual expenditure were Tk. 685,440/- and 648,559/- respectively. Where there is a favorable budget variance of Tk. 36,881/-. The main reason of this budget variance were actual cost of some items less than the budget estimation. Beside this all activities were not implemented as planned.



Report as per condition prescribed in the Terms of Reference (TOR) issued by
NGO Affairs Bureau
Government of the People's Republic of Bangladesh

Name of the Organization: AL IHSAN SOCIAL DEVELOPMENT CENTER
Name of Project: "Sponsoring Education of 60 Orphan Girls Project"

Our observations in compliance with the conditions laid down in the circular No. 03.07.2666.657.43.253.17-619 dated 31.01.2022 issued from the NGO Affairs Bureau, Prime Minister's Office, Government of the People's Republic of Bangladesh are listed below :-

Condition-1

CA firm should maintain most responsible and independent role in case of audit of NGOs.

Observations and comments

We have conducted the audit in accordance with the International Standards on Auditing and maintained strictly the "IFAC Code of Ethics" according to which reasonable steps have been taken to identify circumstances that could pose a conflict of interest.

Condition-2

During the audit of NGOs, the audit firm will conduct auditing work and ensure their compliance with the Foreign Donations (Voluntary Activities) Regulation Act 2016, FC-1 related with project approval, terms and condition as mentioned in the project approval letter at the time of audit.

Observations and comments

During our audit we have checked compliance of Foreign Donations (Voluntary Activities) Regulation Act 2016 and all other applicable rules, regulations, and circulars mentioned in the TOR issued by the NGO Affairs Bureau and other applicable standards and rules and regulations and found that **AL IHSAN SOCIAL DEVELOPMENT CENTER** of "**Sponsoring Education of 60 Orphan Girls Project**" has been complied them. The project has been implemented properly as per terms of approval of the FC-1 and the terms of project approval.

Condition-3

The CA firm, along with the audit report, must issue a certificate regarding receipts and expenditure of foreign Donation in form FD-4 and Annexure A/1 prescribed by the Bureau. All information in FD-4 regarding foreign donation should be presented on cash basis not accrual. It means no foreign donation should be shown as receivables. Approved budget in FD-4, actual expenditure and variance between the two should be shown in Taka. Item-wise approved budget, actual expenditure, variance and reasons for variance should be shown in Annexure A/1. Heads and sub-heads and budget against those in Annexure A/1 would be as per approved project.

Observations and Comments

Format FD-4 and Annexure-A/1 as prescribed by the Bureau in respect of foreign donations is enclosed herewith. All information relating to the Foreign Donations have been presented in cash basis. Foreign donation has not been shown negative or receivable balance. Head wise approved budget, actual expenditure and budget variance have been shown in Annexure-A/1. Annexure A/1 has been presented as per Annexure-C attached with the FC-1



Condition-4

Separate audit report should be prepared for each project and the reports should be based on project year. If the project includes any local income/donation then it should be shown separately.

Observations and Comments

Total project period & year	:	01.03.2022 to 31.07.2022	5 Months
Reporting period & year	:	01.03.2022 to 31.07.2022	Full period
Total local donation/Income	:	N/A	
Total Community contribution	:	N/A	

Condition-5

The audit report should contain a brief description of the project and its main activities. Name of the project, approval letter no. and date, project area, project period, total project value and project year should be clearly mentioned.

Observations and Comments

Name of the Project	:	“Sponsoring Education of 60 Orphan Girls Project”
Total Project Period	:	March 01, 2022 to July 31, 2022
Project Approval with memo no. and date	:	03.07.0000.657.69.438.2020-205 date-13/03/2022
Fund Release with memo no. and date	:	03.07.0000.657.69.438.2020-205 date-13/03/2022
Total Project Budget Amount	:	TK. 685,440/-
Current Year Budget Amount	:	TK. 685,440/-
Released Amount	:	TK. 685,440/-
Foreign donation received	:	TK. 680,583/-
Foreign Donation received before fund released by NGO Bureau	:	No
Audit Period	:	March 01, 2022 to July 31, 2022
Project working area	:	Munshiganj District, Sreenagar Upazilla.
No. of Beneficiaries	:	60 People
Date of Audit Appointment	:	06.10.2022

Condition-6

Balance sheet, Income & Expenditure Account and Receipts and Payments Account should be the part of the audit report and should contain signature of the NGO Management. If in any case the presentation of Balance Sheet is not mandatory then an explanation should be included. Auditor should confirm whether the Receipts and Payments Account was prepared based on the ledger items maintained by NGO. In the items where gross amount has been shown, (such as contingency and others), a detail breakdown should be shown in notes.



Observations and Comments

PART-1 of the report Contain:

- i) Balance sheet
- ii) Income and Expenditure account
- iii) Receipts and Payments account
- iv) Signature of the NGO management have been contained in the Balance sheet, Income and Expenditure account, Receipts and Payments account of the report
- v) Balance sheet is annexed of this report
- vi) Receipts and payments account have been prepared based on the ledger balance maintained by the NGO
- vii) The detailed breakdown of gross items has been shown in the notes to the financial statement.

Condition-7

Every page of the NGO audit report should contain page number, initial of authorized person of CA firm and common seal. But auditor's certificate, balance sheet, accounts statement, FD-4 certificate and report as per ToR should contain full signature of the auditor. Full name, designation and FCA/ACA should be mentioned below the full signature. NGO audit reports should have following sequence:

First part

- Auditor's certificate including scope, opinion etc.
- Statement of Financial Position
- Income & Expenditure statement
- Receipts and payments statement
- Statement of Changes in Capital Fund
- Notes to the Financial Statement
- Schedule/Appendix/others

Second part

- FD-4 Certificate
- Annex-A/1
- Reasons for budget variance
- Notes of FD-4 (if any)
- Report based on ToR of NGOAB (conditions of ToR should be exactly followed)
- VAT and Tax schedule.
- List of Executive Committee.

Observations and Comments

- Every page of the NGO audit report has contained page numbers.
- Initial of authorized person of CA firm and common seal have affixed in every pages.
- Auditor's certificate, balance sheet, accounts statement, FD-4 certificate and report as per ToR have contained full signature of the auditor, Full name, designation and FCA/ACA should be mentioned below the full signature.
- Audit reports have followed the above mentioned sequence.



Condition-8

In case of multiple year project audits, the audit report should contain whether it was audited in the earlier year, if yes, whether the report was submitted to the NGOAB. In case of continuous project i.e. the project continued in the same name/same type in the earlier year, whether it was audited in the earlier year, if yes, whether the report was submitted to the NGOAB.

Observations and Comments

Sl.	Particulars		Period		Year
			From	To	
i)	Total project period	:	01.03.2022	31.07.2022	5 Months
ii)	Current audit period	:	01.03.2022	31.07.2022	Full period
iii)	Previous audit period	:	N/A		
iv)	Previous year audited by	:	N/A		
v)	Submission of the previous year's audit report to the NGO affairs bureau	:	N/A		

Condition-9

After completion of audit, one copy of audit report in sealed envelope should be sent directly to the Director-General (Grade-1), NGO Affairs Bureau, Dhaka.

Observations and Comment

- One copy audit report of the project sealed envelope will be submitted directly to the Director-General (Grade-1), NGO Affairs Bureau, Dhaka.

Condition-10

The number and date of first registration of the NGO with NGOAB should be mentioned along with the latest date of renewal of registration.

Observations and Comments

Sl.	Particulars	Remarks	
1.	Registration no. with NGOAB	2360	
2.	First date of registration with NGOAB	20.05.2008	
3.	Latest date of renewal of registration	29.03.2018	
4.	Latest date of renewal of registration effective date	From	To
		20.05.2018	19.05.2028

Condition-11

It should be reported whether the NGO has received all the foreign donations in a single Bank Account as per Rule-9 of the Foreign Donations (Voluntary Activities), Regulation Act. 2016. The name of the Bank, Account number and Amount should be mentioned if the foreign donation has been received through more than one Bank Account non-complying this rule.



Observations and Comments

Sl.	Particulars	Remarks
1.	Donation received	The NGO has received all the foreign donations through a single Bank Account as per The Foreign Donations (Voluntary Activities) Regulation Act. 2016 Sec 9
2.	Name of the mother bank account	Dutch-Bangla Bank Ltd.
3.	Mother bank account no.	2741100003739
4.	Foreign donation received through more than one Bank Account	NGO did not receive any foreign donation through more than one Bank Account non-complying this rule

Condition-12

The account number approved by the NGO Affairs Bureau for receipt of foreign donation (mother account) including name of the Bank and its Branch, amount of donation received and name of the donor in detail should be mentioned. Bank account numbers, branch name, and bank balance of relevant project account should be mentioned. Bank reconciliation between mother account and project account should be checked and certified whether it is correct.

Observations and Comments

Details of Bank information are given below:-

Information of the Mother Bank account:

Mother Bank:	
Mother Bank Account no.	2741100003739
Mother Bank Name	Dutch-Bangla Bank Ltd.
Name of Branch	Sreenagar, Munshiganj
Closing balance at the closing date	No balance for this project.

Operational Bank :	
Operational Bank Account no.	2741100003705
Operational Bank Name	Dutch-Bangla Bank Ltd.
Name of Branch	Sreenagar, Munshiganj
Closing balance at the closing date	Tk. 32,024/-.*

*Total closing bank balance of Operational Bank, Dutch-Bangla Bank Limited, Sreenagar Branch, A/C No. 2741100003705 as on closing date of the project (July 31, 2022) was Tk. 185,959.50/- among which Tk. 32,024.03/- was closing balance of this project and the rest amount lying with other donor finance project balances which is not separately traceable.

Name of the Donor	Foreign Donation	
	Date of Receipt	Total Fund in BDT
ICNA Relief Canada	16.03.2022	336,294/-
	31.05.2022	344,289/-
Total		680,583/-



Conditon-13

Donations received in kind should be accounted for after proper valuation and shown in Form FD-4. The portion utilised and the unutilised balance should be submitted as per Form FD-5.

Observations and Comments

During the period under audit donation received in kind is Nil.

Conditon-14

The bank interest/exchange gain on foreign donations should be accounted for in the accounts separately. It should be mentioned whether permission has been accorded by the NGO Affairs Bureau for use of it.

Observations and Comments

Sl.	Particulars	Remarks
1.	Bank Interest received	No
2.	Bank interest utilization	No
3.	Permission from NGOAB for use of Bank interest	N/A
4.	Exchange gain on foreign donation received	Project has no exchange gain on foreign donation as per books and records of the project;

Conditon-15

It should be reported as per Section-12 of the Foreign Donations (Voluntary Activities), Regulation Act. 2016, whether the accounts of NGO is maintained under double entry system of book keeping and cash book/bank book, ledger book, stock register, fixed asset register and other registers maintained properly.

Observations and Comments

- **Maintenance of books:** We draw attention that the project did not maintain books of accounts properly. Separate books for each project not maintained. Financial statements have been prepared based on the expenditure analysis from consolidated records of the organization.
- **Other books and records are maintained:** The cash book/ bank book and ledger book, stock register, and other related applicable registers have been maintained by the project.

Conditon-16

It should be reported whether separate Revolving Loan Fund (RLF) for each donor (including earlier projects) or consolidated account is maintained and whether RLF is audited separately in each year. If RLF from Foreign Donation is not recorded separately and loan disbursed from auditee project then it should be ensured that the service charge is recorded as receipts.

Observations and Comments

Sl.	Particulars	Remarks
1.	Revolving Loan Fund (RLF) of the project	No.



Condition-17

It should be mentioned that whether the NGO has obtained license from Micro Credit Regulatory Authority (MRA) for implementation of Micro Credit activities.

Observations and Comments

The NGO has no micro credit program. So obtained license from Micro Credit Regulatory Authority (MRA) does not arise.

Condition-18

If any expenditure is made in foreign currency out of the receipt of donation, detail description should be given in the report.

Observations and Comments

No expenditure was made in foreign currency by the organization during the period under audit.

Condition-19

It should be mentioned whether any amount of certain head of expenditure spent beyond budget and adjusted with other head of expenditure or some unapproved budget item has been adjusted with an approval item. If yes, the intention and reason for such over expenditure should be mentioned.

Observations and Comments

Favourable/unfavourable variances took place. The reasons for budget variance for under or over expenditure then approved budget is mentioned in Annexure-A/1.

Condition-20

The salaries and allowances of officer/ staff and any other expenses above Tk.10,000 are to be paid by bank cheque and bank transfer as per instruction in relevant circular. If the NGO has non-complied with that and paid in cash, that should be mentioned in the report.

Observations and Comments

The salaries and allowances of officer/ staff and any other expenses above Tk.10,000 have been disbursed through bank or by account payee cheque as per instruction in relevant circular.

Condition-21

If the project is implemented through procurement of loan then the source of loan and information regarding approval of Executive Committee of the NGO should be furnished.

Observations and Comments

- An amount of short term loan received for the period: Nil
- Approval of Executive Committee for loan received: N/A

Details of short term loan received by the project:

Sl.	Observations	Comments
1.0	Correspondence with Donor about fund received	N/A
2.0	Sources of Loan	N/A
3.0	Mode of Loan received	N/A
4.0	Evidence of Loan received	N/A
5.0	Approval of Loan received	N/A
6.0	Source of local Donation	N/A



Condition-22

Detail information should be furnished if the members of General Body or Executive Committee receive salary or honorarium. If received, details including approval of the Executive Committee should be provided. Moreover, it should be mentioned whether the Chief Executive of the Project received any full/part salary/ honorarium from auditee NGO and other projects.

Observations and Comments

Member of the Executive Committee did not receive partial salary or remuneration as per books and accounts of the project.

Condition-23

It should be mentioned whether the internal control system of the organisation is satisfactory or not.

Observations and Comments

Internal control system and internal fund management system of the organization need improvement.

Condition-24

Whether any money was refunded to the donor, if refunded, details are to be given.

Observations and Comments

As per accounting records no amount has refunded to the donor agency during the year under audit.

Condition-25

Comment of the audit firm as to whether Revenue Stamp was affixed, VAT and IT were properly deducted from the bill/vouchers according to the government laws and regulations and deposited to Government Treasury by the organisation. The amount of VAT and IT deposited to the Government Exchequer should be mentioned separately.

Observations and Comments

Sl.	Particulars	Remarks
1.	Revenue Stamp	Revenue stamps have been affixed most of the cases.
2.	VAT and Tax deduction as per law	Details shown in Schedule-A
3.	VAT and Tax deposit in the Govt. A/C	

Condition-26

It should be reported whether the NGO, as a legal entity, submits income tax return to NBR as per Income Tax Ordinance 1984 for each year. The foreign staff working regularly in the NGO are submitting his/her income tax return regularly and also mentioned that whether the income tax assessment for previous year have been completed or not.



Observations and Comments

Sl.	Particulars	Remarks
1.	ETIN of the organisation	725441898657
2.	Submission of latest year Income Tax Return	The organization could not provide document for latest year Income Tax Submission.
3.	Foreign staff work in the project	No
4.	Previous year income tax assessment completion	Previous year Income Tax Assessment has not been completed.
5.	Information regarding foreign staff	No foreign employee works under this project so no payment against salary is made to foreign employees.

Condition-27

The audit report should state whether any Income Generating Activities (IGA) are included as a ongoing project of the organization, if so, mention whether tax are paid properly on income from such IGA with the name of the source or whether the organization has collected any Income Tax Exemption Certificate from the NBR.

Observations and Comments

Sl.	Particulars	Remarks	Reference Schedule
1.	Income generating activities in the project	No	N/A
2.	Tax paid on IGA	N/A	
3.	Income Tax exemption certificate collected	N/A	

Condition-28

It should be reported whether any officer/employee member of executive committee or general committee availed foreign travel by using fund. Air ticket/any other facility received from the foreign sources if so the details of such travel whether permission from NGO Affairs Bureau were taken in respect of the travel.

Observations and Comments:

Sl.	Particulars	Remarks	Reference Schedule
1.	Foreign Travel of officer/employee member of executive committee or general committee members availed foreign travel by using fund	No	N/A
2.	Air ticket/any other facility received from the foreign sources	No	
3.	Permission from NGO Affairs Bureau was taken in respect of the foreign travel.	No	



Condition-29

The audit report should contain statement of Fixed Assets owned by NGO for this project; and relevant fixed assets deed/office rent agreement or donated land or vehicle and other asset reported in the accounts are in the name of the entity.

Observations and Comments

- **Movable fixed and immovable fixed assets:** The project has no movable & immovable fixed assets as per the books and records provides to us at the time of our audit.
- **Ownership of Assets of the project:** Deed/office rent agreements where applicable and other assets are reported in the accounts are in the name of the entity.

Condition-30

Have Permanent / Temporary assets has been sold/transferred during the year under audit or not? If yes whether the permission have been obtained from the NGO Affairs Bureau or not.

Observations and Comments

No Permanent / Temporary assets have been sold/transferred during the year under audit as per books and records provided to us at the time of our audit by the organisation.

Condition-31

The audit firm should issue management letter mentioning the irregularities/ ineligible cost/unauthorized expenditure/unapproved budgeted expenditure to the management of the organization after completion of the audit. A copy of the management letter should be submitted to Deputy Director (Inspection & Audit). It should be mentioned if such report is not required.

Observations and Comments

- We did not find any material irregularities/ illegitimate expenditure /unauthorized expenditure/ Unapproved budgeted expenditure during the course of our audit. But Management letter was issued.

Condition-32

A CA Firm cannot consecutively audit same Project of NGO for five years. For this reason the CA Firm should certify that they did not audit the auditee NGO's Project consecutively for five years.

Observations and Comments

Sl.	Particulars		Period		Year
			From	To	
i)	Total project period	:	01.03.2022	31.07.2022	5 months
ii)	Current audit period	:	01.03.2022	31.07.2022	Full period
iii)	Previous audit period	:	N/A		
iv)	Previous year audited by	:	N/A		



Condition-33

List of the members of the organization's Executive Committee/Governing Body/Management Committee is to be enclosed in the audit report.

Observations and Comments

List of the current Board Members are as follows:-

Sl. No.	Name of the Member	Designation
1.	Mr. Md. Salah Uddin Khan	Chairman
2.	Mr. Md. Azizul Hoq	Vice-Chairman
3.	Mr. Shah Md. Sultan Uddin Iqbal	Vice-Chairman
4.	Mr. Md. Abdul Aziz Khan	Executive Director
5.	Mrs. Afroza Khanom	Finance Director
6.	Mr. Md. Rafiqul Islam	Director
7.	Mr. S. M. Masud Hasan Khan	Director

Condition-34

It should be mentioned whether all the expenses for audit of the project is paid by the organization from the project expenditure.

Observations and Comments

All expenditure related to the audit of this project will be paid under the budget line item of "Audit & Vat Tax" of the project.

Condition-35

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

Observations and Comments

Memo no.	:	03.07.2666.657.43.253.17-619
Renewal Date	:	31.01.2022
Serial No.	:	108

Condition-36

The audit report should contain the opinion that all financial transactions are free from Money Laundering and Terrorist financing.

Observations and Comments

As far as our best of knowledge, examination and judgement the organization was not involved in any money laundering or terrorist financing activity and to the best of our knowledge no such instances were observed during the course of the audit, which may indicate that the financing transaction associated with the project involved no money laundering & terrorist financing activities.



Condition-37

The audit report should contain opinion that whether the conditions of project approval are properly followed; and should contain opinion with evidence of the local administration's involvement while implementing the project activities.

1) Involvement of the local administration's:

Sl.	Name of Implementing Upazilla/Zilla	Evidence of the local administration's involvement	
		Submission of FC-1	Collection of Certificate
1.	Hasara, Munshiganj	Submitted	Collected

2) Conditions of project approval and fund release letter by NGOAB:

Sl.	Condition mentioned in the Project approval Letter by the NGOAB	Our comments of the condition
1.	The list of beneficiaries, address and mobile number should be submitted to the bureau within 15 (fifteen) days after the completion of the program.	Cannot provide any acknowledgement receipts against submission of FC-1 to the concern office.
2.	Reports and audit reports have to be submitted to the Bureau within 30 days after the implementation of the activities.	Under Progress

Condition-38

It should be mentioned whether the audit has been completed in due time; if not, logical reasons should be mentioned.

Observations and Comments

Due to delay in preparation of financial statements for audit and other administrative work issuance of audit report is delayed. After getting all audit related documents the audit was completed as quicker as possible.


Condition-39

Data verification code should be mentioned in the audit report.

Observations and Comments

Data verification code has been mention in the audit report.

Dated, Dhaka
November 30, 2022


Chandra Shakhar Pal Chowdhury, FCA
Enrolment No.-1004
Principal
S.P. CHOWDHURY & CO.
CHARTERED ACCOUNTANTS
DVC: 2211301004AS195638



AL IHSAN SOCIAL DEVELOPMENT CENTER
“Sponsoring Education of 60 Orphan Girls Project”
Schedule of VAT and Tax Deducted at Source
For the period ended July 31, 2022

Schedule-A

Sl.	Head & Sub-head of Account	Total Expenditure		Deductible Amount (Taka)		Deducted Amount (Taka)		Deposited Amount (Taka)		Amount to be deposited (Taka)		Bank name with Branch		Chalan No and Date		Remarks
		Taka		VAT	Tax	VAT	Tax	VAT	Tax	VAT	Tax	VAT	Tax	VAT	Tax	
1	Educational Material & School Stationary	4,040		227	101	227	101	-	-	227	101					
2	Various Sports Goods	2,890		163	87	163	87	-	-	163	87					
3	Printing & Writing Material	2,322		131	66	131	66	-	-	131	66					
4	Audit Fee	25,000		3,750	2,500	3,750	2,500	-	-	3,750	2,500					
Grand Total				4,270	2,754	4,270	2,754	-	-	4,270	2,754					

(Signature)

Director (Accounts & Finance)
 Al Ihsan Social Development Center

