

PRIVATE & CONFIDENTIAL

AUDITORS' REPORT

AND

FINANCIAL STATEMENT

OF

**PROJECT # 5:
BEEZTOLA EDUCATION PROJECT
OF
SOCIETY FOR INTERNATIONAL MINISTRIES (SIM)
BANGLADESH**

FOR THE YEAR ENDED 30 JUNE 2021

SUBMITTED BY

ATA KHAN & CO.

CHARTERED ACCOUNTANTS

67, Motijheel C/A, Dhaka-1000.

Phone: 9560933, Mobile: 01819-228521

Email: maqbul.ahmed@yahoo.com

Website: www.atakhanca.com

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, 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

Auditors' 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 Organization's ability 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the Organization so far as it appeared from our examination of those books; and
- (c) the organization's financial statements dealt with by the report are in agreement with the books of account.

ata Khan

Dated: Dhaka,
16 September 2021

ATA KHAN & CO.
Chartered Accountants



Society for International Ministries (SIM) Bangladesh

Beezola Education Project

Balance Sheet

As of 30-06-2021

Particulars	Notes	Amount in Taka
		30-06-2021
Assets		
Fixed assets		-
Cash & Bank Balance	3.00	3,139
		3,139
Fund and liabilities		
Fund Account	5.00	3,139
		3,139

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


Director (Finance & Accounts)
SIM Bangladesh


Director
SIM Bangladesh

SIGNED AS PER OUR ANNEXED REPORT OF EVEN DATE.

Dated : Dhaka,
16 September 2021


ATA KHAN & CO.
Chartered Accountants



Society for International Ministries (SIM) Bangladesh

Beezola Education Project

Statement of Income & Expenditure

For the year ended 30-06-2021

Particulars	Notes	Amount in Taka
		30-06-2021
Income		
Foreign Donation Projects		3,506,592
Local Income Projects	6.00	2,700
		3,509,292
Expenditure		
Furniture & fixture repairing		42,900
Supplies	7.00	29,649
Salary and honorarium	8.00	1,907,916
Educational instrument		289,267
Training		28,836
Seminar/Conferences		5,500
Entertainment		34,880
Travelling Cost		21,805
Contingency	9.00	479,200
Accommodation (Office Institution)	10.00	276,000
Head Office Service Charges		175,330
Communication		44,480
Utility		59,700
VAT	4.00	55,200
Other Expense	11.00	55,490
Total Expense		3,506,153
Surplus / (Deficit)		3,139
		3,509,292

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

Director (Finance & Accounts)
SIM Bangladesh

Director
SIM Bangladesh

SIGNED AS PER OUR ANNEXED REPORT OF EVEN DATE.

Dated : Dhaka,
16 September 2021



ATA KHAN & CO.
Chartered Accountants



Society for International Ministries (SIM) Bangladesh

Beezola Education Project

Statement of Receipts & Payments

For the year ended 30-06-2021

Particulars	Notes	Amount in Taka
		30-06-2021
Opening Balance:		
Cash in Hand		-
Cash at Bank		-
		-
Receipts		
Foreign Donation		3,506,592
Local Income	6.00	2,700
		3,509,292
Total Income		3,509,292
Payments		
Furniture & fixture repairing		42,900
Supplies	7.00	29,649
Salary and honorarium	8.00	1,907,916
Educational instrument		289,267
Training		28,836
Seminar/Conferences		5,500
Entertainment		34,880
Travelling Cost		21,805
Accommodation (Office Institution)	10.00	276,000
Head Office Service Charges		175,330
Communication		44,480
Utility		59,700
VAT		55,200
Other Expense	11.00	55,490
Contingency	9.00	479,200
		3,506,153
Closing Balance:		
Cash in Hand		458
Cash at Bank		2,681
		3,139
Total Payment		3,509,292

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


Director (Finance & Accounts)
SIM Bangladesh


Director
SIM Bangladesh

SIGNED AS PER OUR ANNEXED REPORT OF EVEN DATE.

Dated : Dhaka,
16 September 2021




ATA KHAN & CO.
Chartered Accountants

Society for International Ministries (SIM) Bangladesh
Beezola Education Project (Project # 5)
Notes to the Financial Statements
As at and for the year ended 30 June 2021

01.00 Legal Status and Background of the NGO:

01.01 Legal Status:

Society for International Ministries (SIM) Bangladesh, a Non-Government voluntary organization is registered under the Foreign Donations (Voluntary Activities) Regulation ordinance 1978 vide registration No. DSW/FDO/R-105 dated 3 September 1981 with NGO affairs Bureau, Bangladesh.

01.02 Background

SIM Bangladesh began their work in Bangladesh in 1958. They came with desire to assist in the overall uplift of the country through development works with people of any race or creed in the context of the community where they live. It seeks to build people's capacity to improve their quality of life physically, socially and morally, with the goal of helping people to become all that they were created to be.

01.03 Project background and its activities

We have realized that the Government of the People's Republic of Bangladesh has come a long way in its 6th and partial 7th Five Year Plan. This education program is an incarnation of the scheme to work as an ally of the government to implement the government's objectives for the welfare and development of the people. Our objectives are in line with the development, philosophy and goals of the 7th Five Year Plan of the Government of Bangladesh.

This program of primary education and post-class coaching will be conducted for poor people living in the past, villages and cities, who live in slums or in very ordinary environments and live away from educational institutions.

- We will provide for long-reaching education with coaching system for poor children in the in-laws and better primary education in 5 years.

- We will provide better primary education to 1610 rural poor students.

- After 5 years, we will do research to discover the best educational methods for urban and poor children to overcome poverty.

Sustainable Development for all. The main objective of the project is to ensure inclusive and equitable quality education for all and to create a life-long education.

Our aim and objective are to ensure that all boys and girls grow up in quality development and care from the very beginning of childhood, including pre-primary education, as the foundation of primary education by 2030.





The first education for all was the millennium goal. One of our studies showed that 92% of students are enrolled in the 1st grade, but after the 1st year, 10% of the children fall and 45% of those who do not study till class 5. Our study also found that children do not go to school at a higher rate, especially in the general and slums of the city. It has been observed that those who started studying in schools in villages later came to lower areas or slums in the city and stopped studying.

The primary objective of the project is to act as an ally in taking forward the progress made in the implementation of the 7th 5th Anniversary Plan of the Government. Through this project, we are working towards removing barriers to child education, illiteracy and income growth. In our schools, mainly slum dwellers and children from lower or poor families get access to education. We want to give a second chance to children who haven't yet gone to school or stopped going to school. Our aim is to have these children go to other regular schools or learn from educational places after we have been educated. We have done our schools in slum areas because there is a lack of good schools in these places and the fees of many schools are very high which parents of children living there cannot afford. Basically we-

1. This education scheme is especially aimed at providing education to poor children.
2. Providing vocational training thinking about widows, poor families.
3. Coaching people from poor families through senior post-graduates to leave behind boys and girls.

02.00 Significant accounting policies

- a. The financial statements have been prepared on generally accepted accounting principles under historical cost convention.
- b. Donor grants received are initially recorded as Income.
- c. SIM Bangladesh only records fixed assets if they have a value when purchased or obtained having value of Ten thousand taka or more. Depreciation on Fixed assets are charged on Reducing Balance Method.
- d. Figures have been rounded off to nearest taka and previous year's figures have been rearranged whenever became necessary in conformity with current year presentation.





Notes	Particular	Amount in Taka
		30-06-2021
3.00	Cash & Bank Balance	
	Cash in hand	458
	Cash at bank	2,681
		3,139
3.01	Cash at Bank	
	Details Shown in below:	Cash in Bank
		Taka
	Location	Name of the Bank & A/C No.
	Vatara, Dhaka	Dutch Bangla Bank Ltd. 2081100010289
	Total	2,681
4.00	VAT & IT	55,200
		55,200
5.00	Fund Account	
	Opening balance	-
	Surplus / (Deficit) during the year	3,139
		3,139
6.00	Local Income	2,700
		2,700
7.00	Supplies	
	Photocopy	29,649
		29,649
8.00	Salary and honorarium	1,907,916
		1,907,916
9.00	Contingency	
	Gift, Scholarship & Awareness	479,200
		479,200
10.00	Accommodation	276,000
		276,000
11.00	Other Expense	
	Other supplies and services	22,808
	Bank charges	3,092
	Other Capital	29,590
		55,490



Society for International Ministries (SIM) Bangladesh

Beezola Education Project

Fixed Asset Schedule

As of 30-06-2021

Particulars	COST			Rate of Dep.	DEPRECIATION			Written Down Value as on 30-06-2021
	Balance as on 01-07-2020	Add. During the year	Adjust During the year		Balance as on 30-06-2021	Charged for the year	Adjust During the year	
			-	25%		-	-	-
			-	25%		-	-	-
			-	25%		-	-	-
			-	25%		-	-	-
			-	25%		-	-	-
			-	25%		-	-	-
			-	25%		-	-	-
			-	25%		-	-	-
Total			-			-	-	-



Form FD - 4
Auditors Certificate

We have audited the Accounts of the Beezola Education Program of Society for International Ministries (SIM)-Bangladesh for the year ended 30 June 2021 Registered under Foreign Donation (Voluntary Activities) Regulation Ordinance 1978 vide Registration No. DSW/FDO/R – 105 Dated 3 September 1981 and examined all relevant books and vouchers on test basis and certify that according to the audited accounts.

1. The brought forward Foreign Donation at the beginning of the year was Tk 0
2. The Foreign Donation amounting to Tk. 3,506,592 was received by the project during the year.
3. The Balance of unutilized Foreign Donation of the Project was Tk. 3,139
4. Foreign Donation amounting to Tk. 3,503,453 have been utilized for the following

Head of expenditure	Amount as per approved budget	Amount Actually Spent	Difference if any
As per Approved Budget of the program (Annexure A/1)	3,800,900	3,503,453	297,448
Total	3,800,900	3,503,453	297,448

5. Certified that SIM has maintained the accounts of Foreign Donation and records relating thereto in the manner specified as in section 5 of the Foreign Donation (voluntary Activities) Regulations Ordinance, 1978 read with rule 6 and 7 to the said ordinance.
6. The information furnished above is correct and checked by us.

Dated: Dhaka
16 September 2021



ata Khan

Signature of the Chartered Accountant
Name: Maqbul Ahmed
Address: 67, Motijheel C/A,
Enlistment Number-19
Date: 16.01.2020

Society for International Ministries (SIM) Bangladesh

Beezola Education Project

Details of Estimated Cost of the Project

Cost in Bangladesh Taka

Financial Year-1

Head of Expenditure	Total		
(i) Civil Construction, if any	:	Nil	
(ii) Other material inputs including Furniture and Fixtures	:	Nil	
(iii) Personnel	:	Number	Man Month
	:	22	336
	:		1,907,916
(a) Chief Executive (Please Specify Whether Foreign Or Local)	:		
(b) Other Managerial	:		
(i) Foreign	:	00	0
(ii) Local	:	04	48
(c) Skilled	:		
(i) Foreign	:	Nil	0
(ii) Local	:	16	192
(d) Unskilled	:	02	24
Total (a+b+c)	:	22	264
(iv) Consultants	:		
(a) Foreign	:	Nil	
(b) Local	:	Nil	
Total (a+b)	:	Nil	
(v) Revolving loan fund	:		Nil
(vi) Training	:		28,836
Field duration	:		
Number of Trainees	:		
(vii) Seminar/Workshop/Conferences	:		5,500
(viii) Office Accommodation	:		276,000
(ix) Office equipment	:		-
(x) Vehicles (Details of office equipment and vehicles are to be given in the format at Annexure-B)	:		Nil
(xi) Travelling allowances and daily allowances (TA & DA) for Consultant and project personnel)	:		21,805
(xii) Custom duty/VAT and Sales Tax (CDST)	:		55,200
(xiii) Head Office and Branch Office's expenses charged, if any on this project (Please specify item-wise)	:		
(xiv) Contingency	:		479,200
(xv) Others	:		55,490

N.B: Others figures are as per annexure A/1 other than the figure mentioning above)

Society For International Ministries

Beeztola Education Project

Date of Govt. Approval of Memo No. 03.09.0000.666.68.039.20-210

Dated: 07-05-2020

Accounts for the Year ended 30-06-2021

Particulars	Main Code	Sub Code	Amount Actually Spent	Amount As Per Budget	Variance in amount	Vari. %	Reason for variance
Pay & Allowances	01						
Pay of Project Personnel (Local)		1	1,907,916	2,068,800	160,884	8%	Minor Variance
Supplies and Services	02				-		
Travel		1	21,805	24,800	2,995	12%	Minor Variance
Rent Office		3	276,000	420,000	144,000	34%	Minor Variance
Water		6	15,716	8,000	(7,716)	-96%	More Required
Electricity		7	20,584	49,600	29,016	59%	Mid Variance
Gas, cooking fuel		8	23,400	23,200	(200)	-1%	More Required
Stationery, Seals and Stamps		15	23,661	21,600	(2,061)	-10%	More Required
Entertainment Expenses		17	21,930	20,000	(1,930)	-10%	More Required
Copying Charges		22	5,988	5,500	(488)	-9%	More Required
Functions/Ceremonies		24	12,950	12,000	(950)	-8%	More Required
Insurance/Bank Charges		28	3,092	10,000	6,908	69%	Mid Variance
Postage/Courier/Parcel		29	1,080	2,200	1,120	51%	Mid Variance
Telephone/Telegram/Teleprinter		30	16,500	15,000	(1,500)	-10%	More Required
Telex/Fax/Internet		31	26,900	25,200	(1,700)	-7%	More Required
Custom Duty/VAT		34	55,200	89,000	33,800	38%	Minor Variance
Audit		40		16,000	16,000	100%	Not Used
Education Materials		41	289,267	263,000	(26,267)	-10%	More Required
Scholarship/Stipend		42	178,200	162,000	(16,200)	-10%	More Required
Gift/Qurbani/Subsistence		43	301,000	274,000	(27,000)	-10%	More Required
Seminar/Conference Expenses		48	5,500	5,000	(500)	-10%	More Required
Training/TOT/Refreshes Expenses		49	28,836	30,000	1,164	4%	Minor Variance
Administration Fees		51	175,330	169,000	(6,330)	-4%	More Required
Other supplies and services		68	22,808	21,000	(1,808)	-9%	More Required
Repairs, Maintenance & Rehabilitation	03				-		
Furniture and Fixture repairs		4	6,000	6,000	-	0%	No Comments
Computer and Office Equipment repairs		11	14,500	11,000	(3,500)	-32%	More Required
Other		18	22,400	22,000	(400)	-2%	Minor Variance
Capital Expenditure	04				-		
Other Building		6			-		
Electrical Installation		35	10,950	10,000	(950)	-10%	More Required
Others		36	18,640	17,000	(1,640)	-10%	More Required
Total Expenditure			3,506,153	3,800,900	294,748	8%	Minor Variance
Add: Gratuity Payment					-		
					-		
Less: Local Income			2,700	-	(2,700)		
Less: Gratuity Received			-	-	-		
Expenses of F. Donation			3,503,453	3,800,900	297,448		



Society for International Ministries (SIM) Bangladesh

Beezola Education Project

Utilization of Foreign Donation and Local Receipts

As of 30-06-2021

Particulars	Foreign Donation	Local Receipt	Total (Taka)
Balance brought forward from 01 July 2020	-	-	-
Add: Received during the year	3,506,592	2,700	3,509,292
	3,506,592	2,700	3,509,292
Less: Payments for the year	3,503,453	2,700	3,506,153
Unutilized Balance as on 30 June 2021	3,139	-	3,139



Auditor's Comments as per the Terms of Reference (TOR) issued by the NGO Affairs Bureau, Government of the People's Republic of Bangladesh

Name of Organization: Society for International Ministries (SIM) – Bangladesh
Name of the Project : Beeztola Education Project (Project # 5)

Condition -1: Requirement-

CA firm should maintain highest responsibility and impartial role in case of audit of NGOs.

Observation and Comments:

We have conducted the audit with due responsibility and kept ourselves fully independent while conducting the audit. We have also complied with the terms and conditions of the audit.

Condition-2: Requirement-

At the time of audit of accounts of NGOs each Firm will see if the following rules have been followed while implementing projects and the auditors will report accordingly:

- ❖ The Foreign Donations (Voluntary Activities) Regulation Ordinance, 1978;
- ❖ The Foreign Donations (Voluntary Activities) Regulation Rules 1978;
- ❖ The Foreign Contributions (Regulation) Ordinance 1982; and
- ❖ The Rules as per Circular No. 07.070.022.03.00.013.2010-90(500) dated 12-04-2012 issued by the Prime Minister's Office; and
- ❖ Project approval related FD-6, FD-7, FD-8 or FC-1 (where purpose and vision of the Project and detailed Head of Budget is mentioned); and
- ❖ Whether the Project has been implemented as per terms of the Project Approval Letter.

Observation and Comments:

From our verification, we observed that the SIM Bangladesh has complied with rules and regulations and procedures mentioned as above. SIM Bangladesh has also implemented the project and incurred expenses properly as per terms of approval of the FD-6, FD-7 or FC-1.

Condition-3: Requirement-

The CA Firm will have to submit along with audit report, the Audit Certificate as per the Bureau approved Form FD-4 and Annexure A-1 annexed thereto regarding foreign donation receipts and expenditure. In FD-4 all information regarding foreign donation will be on cash basis, not on accrual basis. That means, no amount relating to foreign donation can be shown as negative or receivable. While writing the difference between approved budget as per FD-4, and actual expenditure total amount will have to be mentioned. In Annexure A/1 details of all these, i.e. head wise approved budget, actual expenditure, variance in terms of percentage and reason for variance will have to be described. Head/Sub-Head described in Annexure A/1 and budget against it shall be as per approved project (Annexure-C).

Observation and Comments:

Format FD-4 & Annexure-A/1 as prescribed by Bureau in respect of foreign donations are enclosed herewith Expenditure was incurred for the purpose of the project as mentioned in FD-6.

Condition-4: Requirement-

Separate audit report will have to be prepared for each project and the report shall be on the basis of project year (maximum for a period of 12 months). If there is any local income/donation in the project that has to be shown separately in separate column.

Observation and Comments:

Separate audit report is prepared for each project and the report is based on project year. The project accounts cover a period of 12 months from 1 July 2020 to 30 June 2021. Local income earned/donations received during the year have been shown separately.

Condition-5: Requirement-

Mission, vision, objects of the project and main program and correct information about following matters will have to be mentioned in explained column:

O1	Name of the project	: Beeztola Education Project		
O2	Total period of the project	: 5 years (01 July 2020 to 30 June 2025)		
O3	Number and date of the project approval memo	: 03.09.0000.666.68.039.20-210 Dated :07-05-2020		
O4	Number, date and amount of & the fund releasing memo	: i. 03.09.0000.666.68.039.20-210 Dated :07.05.2020		
O5	(giving details of installments)	Taka 3,750,900		
O6	Amount of foreign donation received:	Taka 3,506,592.00		
O7	Whether the foreign donation amount was received in mother account before release of fund	No		
O8	Audit year (project year)	: Year ended 30 June 2021.		
O9	Project area (District, Upa-Zilla)	Sl. No.	Name of Districts	Name Of Upazilla
		01	Dhaka	Vatara
		02	Netrokona	Durgapur
10	Number of beneficiaries	: 467		
11	Date of appointment of audit firm for conducting audit	: 10 June 2021		





Observation and Comments:

Goal, object, and main Programs:

- Our aim and objective is to ensure that all boys and girls grow up in quality development and care from the very beginning of childhood, including pre-primary education, as the foundation of primary education by 2030. Morally, all activities of the project will be conducted according to the ideology of the donor group.
- The primary objective of the project is to act as an ally in taking forward the progress made in the implementation of the 7th 5th Anniversary Plan of the Government. Through this project, we are working towards removing barriers to child education, illiteracy and income growth. In our schools, mainly slum dwellers and children from lower or poor families get access to education. We want to give a second chance to children who haven't yet gone to school or stopped going to school. Our aim is to have these children go to other regular schools or learn from educational places after we have been educated. We have done our schools in slum areas because there is a lack of good schools in these places and the fees of many schools are very high which parents of children living there cannot afford. Basically we-
 1. This education scheme is especially aimed at providing education to poor children.
 2. Providing vocational training thinking about widows, poor families.
 3. Coaching people from poor families through senior post-graduates to leave behind boys and girls.

Condition-6: Requirement-

Balance Sheet, Income & Expenditure Account and Receipts & Payments Account will be part of audit report and these will bear signature of the authority of the NGO. If any particular case balance sheet is not required, reason for such non-requirements will have to be explained. Whether Receipts and Payments Account has been prepared as per head of accounts maintained in the ledger book of the NGO is to be ensured. In the head of accounts (i.e. contingencies and others) where total expenditure has been shown, break up is to be attached in the notes.

Observation and Comments:

Balance sheet, Income & Expenditure Account and Receipts and Payments Account have been incorporated in audit report. Receipts and Payments Account has been prepared in conformity with the head of accounts maintained in the ledger book of the NGO. Breakup of the gross expenditure is given below:



Contingencies:

Sl. No.	Particulars	Amount (Taka)
(1)	Gift, Scholarship & Awareness	479,200
Total		479,200

Other expenses:

Sl. No.	Particulars	Amount (Taka)
(1)	Other Supplies & Services	22,808
(2)	Bank Charges	3,092
(3)	Other Capital	29,590
Total		55,490

Condition-7: Requirement-

In each page of NGO's audit report page number should be given. Initial of competent authority of the CA Firm and common seal should be given on each page. However full signature of the auditor should be given on Auditors' Report, Balance Sheet, Account Statement, FD-4 Certificate and on report as per TOR. Below the full signature full name of the FCA/ACA with designation should be written. In the audit reports of NGOs following sequence should be maintained:

First Part:

- Certificate of the auditor mentioning scope, opinion etc.
- Balance Sheet
- Income & Expenditure Account/Statement
- Receipts & Payments Account/Statement
- Notes to Financial Statements
- Schedule/Appendix/Other Statements

Second Part:

- FD-4 Certificate
- Annexure A/1
- Notes to FD-4 (if any)
- TOR of NGO Bureau. Report is to be submitted as per Requirements of TOR (Conditions of TOR are to be followed exactly).

Observation and Comments:

Each page of the NGO audit report contains page number, initial of authorized person of CA firm and common seal and Auditor's certificate, balance sheet, accounts statements, FD-4 certificate and report as per TOR contain full signature of the Auditor. Moreover, NGO audit reports have the above-mentioned sequence.



Condition-8: Requirement-

In case of multi-years project, if audit was conducted in previous year, if so, if audit report was sent to NGO Bureau is to be mentioned in the audit report. If audit was done in previous year and if report was sent to the Bureau is to be mentioned, in case of continuous project, i.e. if the project was continuing in previous year in same name/in same nature

Observation and Comments:

We confirm that we have not carried-out the audit continuously for more than 5 years of this project.

Condition-9: Requirement-

After completion of audit one copy (original copy) of audit report in sealed envelope should be sent directly to Deputy Director (Inspection & Audit) NGO Affairs Bureau Dhaka.

Observation and Comments:

One copy of audit report in sealed envelope sent directly to Deputy Director (Inspection & Audit) NGO Affairs Bureau Dhaka.

Condition-10: Requirement-

Mention the first registration date, registration number and renewal date of the NGO with NGO Affairs Bureau.

Observation and Comments:

The registration number of SIM Bangladesh with NGO Affairs Bureau is 105. The first registration was on 03.09.1981 and renewed on 16.01.2020.

Condition-11: Requirement-

Whether NGO has complied clause 7 of Foreign Donation (voluntary Activities) Regulation Rules, 1978 in regard to foreign donation received through a single Bank Account. If foreign money has been received in more than one Bank Account, mention related Bank name, and Account Number & donation amount.

Observation and Comments:

The NGO has received all foreign donations through a single Bank Account.

Condition-12: Requirement-

Mention the NGO Bureau approved bank account (mother account) number, bank name, branch name, amount of donation with date & donor name for the related project year. Mention project bank account number, bank name, branch name, amount of bank balance. Mention whether bank reconciliation of mother bank account & project bank account has been done and found correct.



Comments:

Details of approved bank account by NGO Affairs Bureau to receive foreign donations:

Amount of donation with	
Date: 04 Aug 2020	: Taka 316,995.20
Date: 31 Aug 2020	: Taka 510,248.10
Date: 11 Oct 2020	: Taka 315,652.00
Date: 05 Nov 2020	: Taka 234,724.20
Date: 06 Dec 2020	: Taka 236,655.05
Date: 04 Jan 2021	: Taka 258,649.95
Date: 31 Jan 2021	: Taka 253,612.95
Date: 04 Mar 2021	: Taka 224,482.30
Date: 04 Apr 2021	: Taka 159,253.15
Date: 04 Apr 2021	: Taka 105,189.35
Date: 05 May 2021	: Taka 316,239.65
Date: 03 Jun 2021	: Taka 271,746.15
Date: 27 Jun 2021	: Taka 303,143.45

Amount of Bank Balance : Taka 2,681

Name of the bank : Dutch Bangla Bank Ltd.
(Mother account)
Bank Branch : Vatara Branch
Bank Account No. : 2081100010289
Amount of Bank Balance : Taka 2,681

Name Of The Donor	:	1. International Development Association – South Korea.
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Condition-13: Requirement-

Details of goods in kind (if any received by NGO) shall be mentioned in FD-4 separately or cumulatively with proper valuation & submission of statement of its uses & balances as per FD-5.

Comments:

As reported by Concern SIM Bangladesh no Donation in the form of goods were received during the period under audit.

Condition-14: Requirement-

Separately mention the bank interest earned/exchange gain received on donation in accounts statement and mention NGO Affairs Bureau approval for its utilization.



Comments:

The Organization has not received interest/exchange gain on foreign donation amount.

Condition-15: Requirement-

Mention whether NGO has followed section 6 of Foreign Donations (Voluntary Activities) Regulation Rules, 1978 to maintain double entry system of accounting in regard to cashbook/bankbook, ledger book, stock register, asset register & other register.

Comments:

The accounts of SIM Bangladesh are maintained under double entry system of book keeping and ledger book and other registers have been maintained properly. And they have followed all required conditions of section 6 of the Foreign Donations (Voluntary Activities) Regulation Rules, 1978 in the above matter.

SIM Bangladesh are maintained under double entry system of book keeping and ledger book and other registers have been maintained properly.

Condition-16: Requirement-

Mention whether NGO has for Foreign Aided Project (with previous project) maintains separate or consolidated accounts for Revolving Loan Fund (RLF) for on going and completed project and whether get the separate accounts audited independently. If the NGO not maintained separate set of accounts for consolidated RLF by the foreign donation money, the received service charge shall be mentioned as income from the loan disbursed from project.

Comments:

The project has no revolving loan fund.

Condition-17: Requirement-

Mention whether NGO has obtained certificate from Micro Credit Regulatory Authority for implementing micro credit program from the foreign donation money.

Comments:

Not applicable.

Condition-18: Requirement-

Mention whether NGO has incurred any expenditure in foreign currency, if yes, mention details.

Comments:

No expenditure was made in foreign currency by the organization out of the receipt of foreign donation of the project during the period under audit.

Condition-19: Requirement-

Whether excess expenditure over budget has been incurred or adjusted with other budget line items or unapproved budget line items adjustments with approved budget line. If yes, mentioned the details of the purpose of making the excess expenditure with reason.

Comments:

Budget variance with comments has been given in Annexure-A/1 enclosed with the report.

Condition-20: Requirement-

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

Comments:

The salaries and allowances of officer/staff of the organisation are made through bank transfer and expenses above Taka 10,000 are paid through bank transfer by SIM Bangladesh.

Condition-21: Requirement-

Given the detail information about the sources of the loan if, money has been borrowed to implement the project activities and concern approval of the executive committee of NGO.

Comments:

No loan has been taken by the SIM Bangladesh from other project to implement the project activities.

Condition-22: Requirement-

Whether any member of General Committee or Executive Committee has received salary allowances & honorarium in any form, if yes, give the details with Executive Committee approval. Mention the details of the full/part salary-allowances/honorarium received from the project/other projects by the Executive Head of the Audited Project.

Comments:

No salary-allowances/honorarium has been paid out to the member of the General Committee and Executive Committee during the Audit Period.

Condition-23: Requirement-

Mention whether the Internal Control System of the NGO is satisfactory.

Comments:

During our verification we observed that including the following policies/requirements Internal Control System of SIM Bangladesh is satisfactory.

1. Accounting Policy
2. Procurement/Purchase Policy
3. Asset Management Policy



Condition-24: Requirement-

Whether any money was refunded to the Donor Agency, if refunded whether NGO Bureau approval was taken, details are to be given.

Comments:

No money was refunded to the donor during the period under audit.

Condition-25: Requirement-

Mention whether of Revenue Stamp has been used and VAT/Tax has been deducted from bill/vouchers in appropriate cases and the same has been deposited into Government Treasury as per law of the country/Government Rules & Regulations. Mention, separately the deposited figure of VAT/Tax to Government Treasury.

Comments:

Revenue Stamp has been used & tax has been deducted from bill/vouchers in appropriate cases. During the year VAT and Tax **Taka 55,200** has been deducted and deposited into Government Treasury as per law of the country/Governments rules and regulations.



Condition-26: Requirement-

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 and whether there is any foreigner employee in the organization, if so whether he/she gives Income Tax Return of the previous year and if assessments were settled or not.

Comments:

SIM Bangladesh has submitted Income Tax Return as per Income Tax Ordinance 1984. The TIN number is: **8621-2236-4562/Circle 101**. The foreign employees submitted their Income Tax Returns and their assessments were completed.

Condition-27: Requirement-

Mention whether NGO has any Income Generating Activities-IGA under the project. If yes, then give the name of IGA and if tax has been paid for the earned income or tax exemption certificate has been collected from NBR.

Comments:

There is no Income Generating Activities under the Project.

Condition-28: Requirement-

Give the details whether any officer/employee/any member of Executive Committee or General Committee of the NGO has visited foreign country with the money received from foreign sources/tickets/receiving other facilities in this case. Whether approval for such visit has been taken from NGO Bureau and given the details of it.

Comments:

There is no approved budget head for foreign travel and no officer/employee, member of executive committee or general committee availed foreign travel by using the project's fund during the year under audit.

Condition-29: Requirement-

Enclose statement of fixed assets owned by NGO during the time of audit. Whether fixed assets/deed/house rent contract/donated land/vehicle & other assets have been in the name of NGO.

Comments:

All Fixed Assets and other Asset's list has been attached to the Financial Statement and such Assets are purchased/registered/rented on behalf of SIM Bangladesh.

Condition-30: Requirement-

If fixed/current assets transferred or sold which was purchased from project fund. If done was approval from NGO Affairs Bureau obtained.

Comments:

Fixed/current assets have not sold or transferred during this year.

Condition-31: Requirement-

Whether the audit firm submits management letter mentioning inconsistencies and irregularities to the NGO Management and one copy of the same shall be submitted to Deputy-Director (Inspection & Audit) with audit report. If this type of letter/report is not needed, it shall be mentioned.

Comments:
Not applicable.

Condition-32: Requirement-

One CA Firm can't audit the same project of same NGO continuously for more than 5 years. This shall be confirmed by the CA Firm that the Firm has not carried out the Audit continuously for more than 5 years.

Comments:
We confirm that we have not carried-out the audit continuously for more than 5 years of this project.

Condition-33: Requirement-

Mention the names of Members of Executive Committee/Governing Body/ Management Committee of the NGO.

Comments:
List of Executive Committee Members are as follows:

Name	Designation
Neil Miller	Director
Jake Peter Martinson	Member
Laizu Akther	Treasurer
Edna Velasco	Personnel Coordinator
Hosanna Thomas	Member

Condition-34: Requirement-

Mention whether the NGO has incurred the audit fees from the project.

Observation and Comments:

SIM Bangladesh has incurred the audit fees from the following project.

Project Name	Portion of Audit Fees
Education and Training	90%
Beeztola Education Project	10%

Condition-35: Requirement-

Audit report shall contain the memo number, serial number with date of CA Firm's enlistment and renewal.

Observation and Comments:

Enlistment & Renewal: Serial No. 19 memo no. 03.07.2666.657.43.253.17-51, dated 16/01/2020.

Condition-36: Requirement-

Expression of an opinion after due examination whether all the financial transaction of the organization is free from money laundering and terrorist financing.

Observation and Comments:

After due examination, we opine that there was no indication of involvement of Society for International Ministries (SIM) Bangladesh with any money laundering and terrorist financing activities.

Condition-37: Requirement-

Conditions for project approval are followed accordingly and the audit firm should have a detailed opinion, including proof that the local administration has been involved in the implementation of the project.

Observation and Comments:

The project management has informed us that the local authority was involved, and they have applied to the local authority for obtaining certificate which is under process.

Condition-38: Requirement-

Whether audit activities have been performed within the stipulated time; if not, the justification for delay is to be mentioned.

Observation and Comments:

Audit activities have been done in delay due to pandemic of COVID-19.

Dated: Dhaka
16 September 2021



Maqbul Ahmed

(Maqbul Ahmed, FCA)

Enrollment No.-587

Managing Partner

Ata Khan & Co.

Chartered Accountants

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