

**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 2022**

**SUBMITTED BY**



**ATA KHAN & CO.**

Chartered Accountants

67, MOTIJHEEL COMMERCIAL AREA

DHAKA-1000, BANGLADESH

PHONES: 9560933, 9552833, FAX: 880-2-9567351

MOBILE: 01819-228521

Email: [maqbul.ahmed@yahoo.com](mailto:maqbul.ahmed@yahoo.com)

Website: [www.atakhanca.com](http://www.atakhanca.com)



**INDEPENDENT AUDITORS' REPORT  
TO  
THE COUNTRY DIRECTOR OF SOCIETY FOR INTERNATIONAL MINISTRIES (SIM)  
BANGLADESH**

**Report on the Financial Statements**

We have audited the financial statements of 'Beezola Education Project' of Society for International Ministries (SIM), Bangladesh, which comprise Balance sheet as at 30 June 2022, Statement of Income & Expenditure, Statement of Receipts and Payments for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the Balance sheet of the 'Beezola Education Project' of Society for International Ministries (SIM) Bangladesh as at 30 June 2022, and of its financial performance and its Receipts & Payments for the year then ended in accordance with international financial reporting standards and other applicable rules and regulation.

**Basis for opinion**

We conducted our audit in accordance with international Standards on Auditing. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our 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) together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.

**Other Information:**

Management of SIM Bangladesh is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The Executive committee is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:**

Management of SIM Bangladesh is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and other applicable rules and regulations 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, 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.

Dated: Dhaka,  
14-Sep-2022

*Maqbul Ahmed*

**Maqbul Ahmed, FCA**  
ICAB Enrollment No-587  
**Managing Partner**  
**ATA KHAN & CO.**  
Chartered Accountants

**DVC: 2209140587AS930610**



**Society for International Ministries (SIM) Bangladesh**  
**Beeztola Education Project**  
**Balance Sheet**  
**As on 30-06-2022**

Particulars	Notes	Amount in Taka	
		30-06-2022	30-06-2021
<b>Assets</b>			
Fixed assets	3	-	-
Cash & Bank Balance	4	65,547	3,139
		65,547	3,139
<b>Fund and liabilities</b>			
Fund Account	6	65,547	3,139
		65,547	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.



Maqbul Ahmed, FCA  
ICAB Enrollment No-587  
Managing Partner  
ATA KHAN & CO.  
Chartered Accountants  
DVC: 2209140587AS930610

Dated : Dhaka  
14-Sep-2022



**Society for International Ministries (SIM) Bangladesh**

**Beezola Education Project**

**Statement of Income & Expenditure**

**For the year ended 30-06-2022**

Particulars	Notes	Amount in Taka	
		2021-2022	2020-2021
<b>Income</b>			
Foreign Donation Projects		3,118,846	3,506,592
Local Income Projects	5.00	-	2,700
		<b>3,118,846</b>	<b>3,509,292</b>
<b>Expenditure</b>			
Furniture & fixture repairing		7,765	42,900
Supplies	6.00	18,024	29,649
Audit		5,625	-
Salary and honorarium	7.00	1,800,285	1,907,916
Educational instrument		166,765	289,267
Training		-	28,836
Seminar/Conferences		-	5,500
Entertainment		7,750	34,880
Travelling Cost		19,010	21,805
Contingency	8.00	400,890	479,200
Accommodation (Office Institution)	9.00	313,000	276,000
Head Office Service Charges		155,941	175,330
Communication		29,671	44,480
Utility		41,725	59,700
VAT	05.00	62,600	55,200
Other Expense	10.00	27,387	55,490
<b>Total Expense</b>		<b>3,056,438</b>	<b>3,506,153</b>
<b>Surplus/(Deficit)</b>		<b>62,408</b>	<b>3,139</b>
		<b>3,118,846</b>	<b>3,509,292</b>

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



Director (Finance & Accounts )  
SIM Bangladesh

Signed as per our annexed report of even date.



Director  
SIM Bangladesh



Maqbul Ahmed, FCA  
ICAB Enrollment No-587

Managing Partner

ATA KHAN & CO.

Chartered Accountants

DVC: 2209140587AS930610

Dated : Dhaka

14-Sep-2022



**Society for International Ministries (SIM) Bangladesh**  
**Beezola Education Project**  
**Statement of Receipts & Payments**  
**For the year ended 30-06-2022**

Particulars	Notes	Amount in Taka	
		2021-2022	2020-2021
<b>Opening Balance:</b>			
Cash in Hand		458	-
Cash at Bank		2,681	-
		<b>3,139</b>	<b>-</b>
<b>Receipts</b>			
Foreign Donation		3,118,846	3,506,592
Local Income	5.00	-	2,700
<b>Total Receipts</b>		<b>3,118,846</b>	<b>3,509,292</b>
<b>Total</b>		<b>3,121,985</b>	<b>3,509,292</b>
<b>Payments</b>			
Furniture & fixture repairing		7,765	42,900
Supplies	6.00	18,024	29,649
Curriculum		5,625	-
Salary and honorarium	7.00	1,800,285	1,907,916
Educational instrument		166,765	289,267
Training		-	28,836
Seminar/Conferences		-	5,500
Entertainment		7,750	34,880
Travelling Cost		19,010	21,805
Accommodation (Office Institution)	9.00	313,000	276,000
Head Office Service Charges		155,941	175,330
Communication		29,671	44,480
Utility		41,725	59,700
VAT		62,600	55,200
Other Expense	10.00	27,387	55,490
Contingency	8.00	400,890	479,200
<b>Total Payment</b>		<b>3,056,438</b>	<b>3,506,153</b>
		<b>65,547</b>	<b>3,139</b>
<b>Closing Balance:</b>			
Cash in Hand		832	458
Cash at Bank		2,715	2,681
Security Deposit		62,000	-
		<b>65,547</b>	<b>3,139</b>
<b>Total</b>		<b>3,121,985</b>	<b>3,509,292</b>

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

  
Director (Finance & Accounts )  
SIM Bangladesh



  
Director  
SIM Bangladesh

**Society for International Ministries (SIM) Bangladesh**  
**Beeztola Education Project (Project # 5)**  
Notes to the Financial Statements  
As at and for the year ended 30 June 2022

**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	
		2021-2022	2020-2021
<b>2.00</b>	<b>Cash &amp; Bank Balance</b>		
	Cash in hand	832	458
	Cash at bank	2,715	2,681
	Security Deposit	62,000	-
		<b>65,547</b>	<b>3,139</b>
<b>2.01</b>	<b>Cash at Bank</b>		
	Details Shown in below:	<b>Cash in Bank</b>	<b>Cash in Bank</b>
	<b>Location</b>	<b>Name of the Bank &amp; A/C No.</b>	<b>Taka</b>
	Vatara, Dhaka	Dutch Bangla Bank Ltd. 2081100010289	2,715
		<b>Total</b>	<b>2,715</b>
			<b>2,681</b>
<b>3.00</b>	<b>VAT &amp; IT</b>		
		62,600	55,200
		<b>62,600</b>	<b>55,200</b>
<b>4.00</b>	<b>Fund Account</b>		
	Opening balance	3,139	-
	Net Surplus/(Deficit)	62,408	3,139
		<b>65,547</b>	<b>3,139</b>
<b>5.00</b>	<b>Local Income</b>		
		-	2,700
		-	<b>2,700</b>
<b>6.00</b>	<b>Supplies</b>		
	Photocopy	18,024	29,649
		<b>18,024</b>	<b>29,649</b>
<b>7.00</b>	<b>Salary and honorarium</b>		
		1,800,285	1,907,916
		<b>1,800,285</b>	<b>1,907,916</b>
<b>8.00</b>	<b>Contingency</b>		
	Gift, Scholarship & Awareness	400,890	479,200
		<b>400,890</b>	<b>479,200</b>
<b>9.00</b>	<b>Accommodation</b>		
		313,000	276,000
		<b>313,000</b>	<b>276,000</b>
<b>10.00</b>	<b>Other Expense</b>		
	Other supplies and services	19,090	22,808
	Bank charges	8,297	3,092
	Other Capital Expenditure	-	29,590
		<b>27,387</b>	<b>55,490</b>

Society for International Ministries (SIM) Bangladesh  
Beezola Education Project  
Fixed Asset Schedule  
As on 30-06-2022

Particulars	COST			Rate of Dep.	DEPRECIATION			Written Down Value as on 30-06-2022
	Balance as on 01-07-2021	Add. During the year	Adjust During the year		Balance as on 30-06-2022	Charged for the year	Adjust During the year	
	-	-	-	25%	-	-	-	-
	-	-	-	25%	-	-	-	-
	-	-	-	25%	-	-	-	-
	-	-	-	25%	-	-	-	-
	-	-	-	25%	-	-	-	-
	-	-	-	25%	-	-	-	-
	-	-	-	25%	-	-	-	-
	-	-	-	25%	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

**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 2022 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 3,139
2. The Foreign Donation amounting to Tk. 3,118,846 was received by the project during the year.
3. The Balance of unutilized Foreign Donation of the Project was Tk. 65,547
4. Foreign Donation amounting to Tk. 3,056,438 have been utilized for the following purposes.

Head of Expenditure	Amount as per Approved Budget	Amount Actually Spent	Difference if any
As per Approved Budget of the program (Annexure A/1)	3,809,000	3,056,438	752,562
<b>Total</b>	<b>3,809,000</b>	<b>3,056,438</b>	<b>752,562</b>

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  
14-Sep-2022

  
**ATA KHAN & CO.**  
Chartered Accountants  
Name: Maqbul Ahmed  
Address: 67, Motijheel C/A,  
Enlistment Number-25  
Date: 31.01.2022



**Beezola Education Project**  
Details of Estimated Cost of the Project  
Cost in Bangladesh Taka  
Financial Year-2

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
	:	<b>1,800,285</b>
(a) Chief Executive (Please Specify Whether Foreign Or Local)	:	
(b) Other Managerial	:	
(i) Foreign	:	00
(ii) Local	:	04
(c) Skilled	:	
(i) Foreign	:	Nil
(ii) Local	:	16
(d) Unskilled	:	02
	:	24
	:	22
	:	264
(iv) Consultants	:	
(a) Foreign	:	Nil
(b) Local	:	Nil
	:	Nil
	:	Nil
(v) Revolving loan fund	:	Nil
(vi) Training	:	
Field duration	:	
Number of Trainees	:	
(vii) Seminar/Workshop/Conferences	:	
(viii) Office Accommodation	:	313,000
(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)	:	19,010
(xii) Custom duty/VAT and Sales Tax (CDST)	:	62,600
(xiii) Head Office and Branch Office's expenses charged, if any on this project (Please specify item-wise)	:	
(xiv) Contingency	:	400,890
(xv) Others	:	27,387

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



**Society For International Ministries**  
Beeztoola Education Project

Date of Govt. Approval of Memo No. 03.09.0000.666.68.039.20-798 Dated: 11-07-2021

Date of Govt. Approval of Memo No. 03.09.0000.666.68.039.20-338 Dated: 08-05-2022

Accounts for the Year ended 30-06-2022

Particulars	Main Code	Sub Code	Amount Actually Spent	Amount As Per Budget	Variance in amount	Vari. %	Reason for variance
<b>Pay &amp; Allowances</b>	01						
Pay of Project Personnel (Local)		1	1,800,285	2,029,500	229,215	11%	Minor Variance
<b>Supplies and Services</b>	02						
Travel		1	19,010	24,000	4,990	21%	Minor Variance
Rent Office		3	313,000	350,000	37,000	11%	Minor Variance
Water		6	5,500	8,500	3,000	35%	More Required
Electricity		7	20,625	51,000	30,375	60%	Mid Variance
Gas, cooking fuel		8	15,600	26,000	10,400	40%	More Required
Stationery, Seals and Stamps		15	13,815	23,000	9,185	40%	More Required
Entertainment Expenses		17	7,750	30,000	22,250	74%	More Required
Copying Charges		22	4,209	7,000	2,791	40%	More Required
Functions/Ceremonies		24	-	20,000	20,000	100%	More Required
Insurance/Bank Charges		28	8,297	11,000	2,703	25%	Mid Variance
Postage/Courier/Parcel		29	-	1,600	1,600	100%	Mid Variance
Telephone/Telegram/Teleprinter		30	13,071	15,200	2,129	14%	More Required
Telex/Fax/Internet		31	16,600	26,200	9,600	37%	More Required
Custom Duty/VAT		34	62,600	87,000	24,400	28%	Minor Variance
Audit		40	5,625	10,000	4,375	44%	Not Used
Education Materials		41	166,765	169,000	2,235	1%	More Required
Scholarship/Stipend		42	207,700	264,000	56,300	21%	More Required
Gift/Qurbani/Subsistence		43	193,190	260,000	66,810	26%	More Required

Particulars	Main Code	Sub Code	Amount Actually Spent	Amount As Per Budget	Variance in amount	Vari. %	Reason for variance
Seminar/Conference Expenses		48	-	10,000	10,000	100%	More Required
Training/TOT/Refreshes Expenses		49	-	29,000	29,000	100%	Minor Variance
Administration Fees		51	155,941	178,000	22,059	12%	More Required
Other supplies and services		68	19,090	40,000	20,910	52%	More Required
<b>Repairs, Maintenance &amp; Rehabilitation</b>	<b>03</b>						
Furniture and Fixture repairs		4	2,715	10,000	7,285	73%	No Comments
Computer and Office Equipment repairs		11	-	55,000	55,000	100%	More Required
Other		18	5,050	31,000	25,950	84%	Minor Variance
<b>Capital Expenditure</b>	<b>04</b>						
Other Building		6					
Electrical Installation		35		25,000	25,000	100%	More Required
Others		36		18,000	18,000	100%	More Required
<b>Total Expenditure</b>			<b>3,056,438</b>	<b>3,809,000</b>	<b>752,562</b>	<b>20%</b>	<b>Minor Variance</b>
Add: Gratuity Payment							
Less: Local Income				<b>3,809,000</b>			
Less: Gratuity Received							
Expenses of F. Donation			<b>3,056,438</b>	<b>3,809,000</b>			



**Society for International Ministries (SIM) Bangladesh**

Beezola Education Project

Utilization of Foreign Donation and Local Receipts

As on 30-06-2022

Particulars	Foreign Donation	Local Receipt	Total (Taka)
Balance brought forward from 01 July 2021	3,139	-	3,139
Add: Received during the year	3,118,846		3,118,846
	3,121,985	-	3,121,985
Less: Payments for the year	3,056,438		3,056,438
<b>Unutilized Balance as on 30 June 2022</b>	<b>65,547</b>	<b>-</b>	<b>65,547</b>

**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 : Beetzola 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 2021 to 30 June 2022. 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:

01	Name of the project	: Beeztola Education Project		
02	Total period of the project	: 5 years (01 July 2020 to 30 June 2025)		
03	Number and date of the project approval memo	: i. 03.09.0000.666.68.039.20-210 Dated :07-05-2020 ii. 03.09.0000.666.68.039.20-338 Dated: 08-05-2022		
04	Number, date and amount of & the fund releasing memo (giving details of installments)	: i. 03.09.0000.666.68.039.20-798 Dated: 11-07-2021 Taka 1,903,950 ii. 03.09.0000.666.68.039.20-338 Dated: 08-05-2022 Taka 3,809,000		
06	Amount of foreign donation received:	: Taka 3,118,846		
07	Whether the foreign donation amount was received in mother account before release of fund	: No		
08	Audit year (project year)	: Year ended 30 June 2022..		
09	Project area (District, Upa-Zilla)	Sl. No.	Name of Districts	Name Of Upazilla
		01	Dhaka	Vatara
		02	Netrokona	Durgapur
10	Number of beneficiaries	: 460		
11	Date of appointment of audit firm for conducting audit	: 05 June 2022		

**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 at 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	400,890
<b>Total</b>		<b>400,890</b>

**Other expenses:**

Sl. No.	Particulars	Amount (Taka)
(1)	Other Supplies & Services	19,090
(2)	Bank Charges	8,297
(3)	Other Capital	Nil
<b>Total</b>		<b>27,387</b>

**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: 02 Aug 2021	: Taka 176,882.65
Date: 01 Sep 2021	: Taka 239,944.00
Date: 11 Oct 2021	: Taka 229,062.90
Date: 03 Nov 2021	: Taka 239,051.20
Date: 01 Dec 2021	: Taka 205,506.70
Date: 26 Dec 2021	: Taka 488,481.45
Date: 06 Feb 2022	: Taka 308,221.20
Date: 26 Jun 2022	: Taka 1,231,696.00

Amount of Bank Balance : Taka 2,714.50

Name of the bank : Dutch Bangla Bank Ltd.  
(Mother account)  
Bank Branch : Vatara Branch  
Bank Account No. : 2081100010289  
Amount of Bank Balance : Taka 2,714.50

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 62,600 has been deducted and deposited into Government Treasury as per law of the country/Governments rules and regulations.



FY:2021-2022

Sl. No.	Head of expenses according to annexure-A/1(with subtitle)	Amount of Expense (Taka)	Deductible Amount		Deducted Amount		Deposited amount in Govt. Treasury (Taka)		Outstanding Amount (Taka)		Treasury/ Mushok Challan No. & Date
			4	5	6	7	8	9	10	11	
	2	3	VAT	IT	VAT	IT	VAT	IT	VAT	IT	
1	Beeztola Rent Jul 21	23,500	3,525	1,175	3,525	1,175	3,525	1,175	-	-	Ch. 79, 78 Date: 18-08-2021
2	Beeztola Rent Aug 21	23,500	3,525	1,175	3,525	1,175	3,525	1,175	-	-	Ch. 161, 162 Date: 13-09-2021
3	Beeztola Rent Sep 21	23,500	3,525	1,175	3,525	1,175	3,525	1,175	-	-	Ch. 169, 170 Date: 13-10-2021
4	Beeztola Rent Oct 21	23,500	3,525	1,175	3,525	1,175	3,525	1,175	-	-	Ch. 250,251 Date: 10-11-2021
5	Beeztola Rent Nov 21	23,500	3,525	1,175	3,525	1,175	3,525	1,175	-	-	Ch. 191, 192 Date: 12-12-2021
6	Beeztola Rent Dec 21	23,500	3,525	1,175	3,525	1,175	3,525	1,175	-	-	Ch. 37, 38 Date: 05-01-2022
7	Beeztola Rent Jan 22	26,000	3,900	1,300	3,900	1,300	3,900	1,300	-	-	Ch. 379, 378 Date: 13-02-2022
8	Beeztola Rent Feb-Jun 22	146,000	21,900	7,300	21,900	7,300	21,900	7,300	-	-	Ch. 61, 60 Date: 29-06-2022
	<b>Total</b>	<b>313,000</b>	<b>46,950</b>	<b>15,650</b>	<b>46,950</b>	<b>15,650</b>	<b>46,950</b>	<b>15,650</b>	<b>-</b>	<b>-</b>	

<b>Total Vat Paid= 46,950</b>
<b>Total IT Paid= 15,650</b>
<b>Total VAT &amp; IT Paid = 62,600</b>



**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
Andrew John McIvor	Country Director
Sahanaj Akther	Treasurer
Jake Peter Martinson	Personnel Coordinator
Stefen Sarah	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	65%
Delta Development Project	25%
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. 25, memo no. 03.07.2666.657.43.253.17-619 Dated: 31 January 2022.

**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.

**Condition-39: Requirement-**

DVC (Document Verification Code) have to be insert in the audit report.

**Observation and Comments:**

The DVC (Document Verification Code) Number of the audit report is **2209140587AS930610**

Dated: Dhaka  
14-Sep-2022

*Maqbul Ahmed*

(Maqbul Ahmed, FCA)  
Enrollment No.-587  
Managing Partner  
Ata Khan & Co.  
Chartered Accountants  
Address: 67 Motijheel, 1<sup>st</sup> floor  
Commercial Area  
Dhaka-1000

