



Howladar Yunus & Co.
CHARTERED ACCOUNTANTS

16

**Auditors' Report on Financial Audit of
"Acting Media with Child Nutrition, Phase-II"
Management and Resources Development Initiative (MR
period: From 15th April, 2011 to 31st May, 2012**

**Auditors' Report on Financial Audit of
"Connecting Media with Child Nutrition, Phase-II"
Implemented by: Management and Resources Development Initiative (MRDI)
For the period: From 15th April, 2011 to 31st May, 2012**

**Submitted by
Howladar Yunus & Co.
Chartered Accountants**

30th August, 2012

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Howladar Yunus & Co.

CHARTERED ACCOUNTANTS

Auditor's Report

We have audited the accompanying Financial Statements of the project titled "Connecting Media with Child Nutrition, Phase-II" implemented by Management and Resources Development Initiative (MRDI) as of 31 May 2012 2011 and the related Income and Expenditure statement and Receipts and Payments Statement for the period from 15 April, 2011 to 31 May 2012 and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on the auditors judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit evidence

Opinion

In our opinion, subject to our observation as mentioned in our annexed management letter the financial statements present fairly, in all material respects, the Balance Sheet of Management and Resources Development Initiative (MRDI) at May 31, 2012 and its Income and Expenditure Statement and its Receipts and Payments Statement for the year then ended in accordance with Bangladesh Financial Reporting Standards.



Chartered Accountants

Dated: Dhaka
30 August, 2012

MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)
PROJECT: CONNECTING MEDIA WITH CHILD NUTRITION, PHASE II
SUPPORTED BY GMMB
Balance Sheet as on 31 May 2012

Particulars	Notes	Amount in Taka
Assets:		
Cash at Bank		79,498
Fund Resceivable from GMMB	7.00	201,779
Total		281,277
Liabilities:		
Unutilized Fund	4.00	31,954
Outstanding Audit fees		50,000
Outstanding Overhead cost	5.00	199,323
Total		281,277

The annexed notes form (1 to 17) an integral part of the financial Statements


(Md. Abdul Gofur)
Manager, Finance


(Hasibur Rahman)
Executive Director

Signed as per our annexed report of even date


Chartered Accountants

Dated: Dhaka
30 August, 2012


MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)
PROJECT: CONNECTING MEDIA WITH CHILD NUTRITION, PHASE II
SUPPORTED BY GMMB

Income & Expenditure Statement
For the period from 15 April 2011 to 31 May 2012

Particulars	Note	Amount in Taka
INCOME:		
Grant Income	4.00	5,849,711
Total		<u>5,849,711</u>
EXPENDITURE:		
Programme Personnel	9.00	1,774,500
Advance Training Content Development Meeting	10.00	35,985
Advance Course for National Journalist of Print and Electronic Media	11.00	504,747
Fellowship Programme	12.00	1,550,000
Gatekeepers Engagement Meeting	13.00	142,683
Study Circle	14.00	149,370
Experts Orientation on how to Face Media	15.00	162,494
Office Equipments & Office Space	16.00	696,140
Administrative costs	17.00	833,792
Total		<u>5,849,711</u>

The annexed notes form (1 to 17) an integral part of the financial Statements


(Md. Abdul Gofur)
Manager, Finance


(Hasibur Rahman)
Executive Director

Signed as per our annexed report of even date


Chartered Accountants

Dated: Dhaka
30 August, 2012

MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)
PROJECT: CONNECTING MEDIA WITH CHILD NUTRITION, PHASE II
SUPPORTED BY GMMB
Receipts & Payments Statement
For the period from 15 April 2011 to 31 May 2012

Particulars	Note	Amount in Taka
RECEIPTS:		
Opening balance of Cash at Bank		174,986
Grant received from GMMB	7.00	5,489,075
Interest on Bank Deposit	8.00	15,825
Total		5,679,886
PAYMENTS:		
Programme Personnel	9.00	1,774,500
Advance Training Content Development Meeting	10.00	35,985
Advance Course for National Journalist of Print and Electronic Media	11.00	504,747
Fellowship Programme	12.00	1,550,000
Gatekeepers Engagement Meeting	13.00	142,683
Study Circle	14.00	149,370
Experts Orientation on how to Face Media	15.00	162,494
Office Equipments & Office Space	16.00	696,140
Administrative costs	17.00	584,469
Total Payment		5,600,388
Balance with STD A/C # 13831050014628 with Prime Bank Ltd. Asad Gate Branch, Dhaka		79,498
Total		5,679,886

The annexed notes form (1 to 17) an integral part of the financial Statements


(Md. Abdul Gofur)
Manager, Finance


(Hasibur Rahman)
Executive Director

Signed as per our annexed report of even date


Chartered Accountants

Dated: Dhaka
30 August, 2012

MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)

PROJECT: CONNECTING MEDIA WITH CHILD NUTRITION, Phase-II

NOTES TO ACCOUNT FOR THE PERIOD FROM 15 APRIL 2011 TO 31 MAY 2012

1.0 Legal form & Significant Accounting Principles:

a) Legal form of the Organization:

Management and Resources Development Initiative (MRDI) a multidisciplinary Not for Profit, Non-Government Organization engaged to a wide spectrum of social development activities and seeks to render services to national and international organizations, both in the public and the private sector. MRDI is registered with the office of the Registrar of the Joint Stock Companies & Firms, Government of the People's Republic of Bangladesh under Section 28 of the Companies Act. 1994 having incorporation # C-544 (57)/2003 dated May 13, 2003 as a Company limited by guarantee. It is also registered with the NGO Affairs Bureau having registration # 1962 dated 21-09-2004 under the Foreign Donations Regulation Ordinance 1978, which was renewed on November 19, 2009.

b) Goals and objectives of the Project:

The objectives of the project are as follows:

- o To enhance capacity of health reporters for reporting thoroughly and effectively on IYCF issues.
- o To increase the salience and urgency of addressing IYCF among policy makers and opinion leaders.
- o To enhance capacity of health reporters for reporting thoroughly and effectively on IYCF issues.

c) Program Activities:

The main activity of the project is to engage journalists from electronic media and print media to make awareness about child nutrition and make report on IYCF issues to electronic media and print media.

2.00 Accounting policies

a) Basis of accounting

The accounts have been prepared in a going concern basis under generally accepted accounting principles on historical cost convention and accrual basis.

b) Fixed Assets:

There is no fixed asset of the project.

3.00 Generals:

- a) The figures in the financial statement represent amount in Taka.
- b) The financial statements cover the period from 15 April, 2011 to 31 May, 2012.



MANAGEMENT AND RESOURCES DEVELOPMENT INITIATIVE (MRDI)
PROJECT: CONNECTING MEDIA WITH CHILD NUTRITION SUPPORTED BY GMMB

Notes to The Accounts

For the period from 15 April 2011 to 31 May 2012

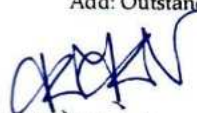
Note No.	Particulars	Amount in Taka
4.00	Unutilized fund	
	Opening unutilized fund	158,857
	Interest income of prior year	16,129
		<u>174,986</u>
	Add: Fund Received from GMMB (Note-06)	5,489,075
		<u>5,664,061</u>
	Add: Fund receivable from GMMB (Note-07)	201,779
	Add: Interest income of current year	15,825
		<u>5,881,665</u>
	Less: Revenue Expenditure (Transfer to Statement of income & Expenditure)	5,849,711
		<u><u>31,954</u></u>
5.00	Outstanding Overhead	
	10% Overhead on total cost Tk. 53,17,919/-	531,792
	Less: Payment against Overhead	<u>(332,469)</u>
		<u><u>199,323</u></u>
6.00	Grant from GMMB-USA	
	Received in three Installments	
	On 07-06-2011	1,564,731
	On 18-10-2011	1,591,988
	On 04-12-2012	2,332,356
		<u><u>5,489,075</u></u>
7.00	Receivable from GMMB	
	Opening unutilized fund	158,857
	Add: Fund Received from GMMB (Note-06)	5,489,075
		<u>5,647,932</u>
	Less: Revenue Expenditure	5,849,711
	Fund Receivable	<u><u>201,779</u></u>
8.00	Interest on Bank Deposit	
	Gross Interest	20,408
	Less: Bank Charges	<u>(2,542)</u>
	Less: Tax on Interest	<u>(2,041)</u>
		<u><u>15,825</u></u>
9.00	Programme Personnel	
	Team Leader	546,000
	Project Manager	409,500
	Programme officer	273,000
	Accounts Manager	546,000
		<u><u>1,774,500</u></u>
10.00	Advance Training Content Development Meeting	
	Honorarium for issue experts	10,000
	Honorarium for Media Gatekeepers (National)	15,000
	Food, venue & equipment for Meeting	10,985
		<u><u>35,985</u></u>

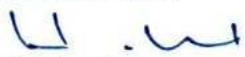


Note No.	Particulars	Amount in Taka
11.00	Advance Course for National Journalist of Print and Electronic Media	
	Honourarium for Facilitator	50,000
	Honourarium for Resource Persons	65,750
	Training Kits	29,269
	Venue	17,160
	AV System	2,746
	Food & refreshment	77,117
	Accommodation	66,123
	Transportation for participants	39,628
	Transportation for Resources persons	25,424
	Photo documentation	3,000
	Stationery	5,530
	Banner	6,000
	Per Diem for Participants	84,000
	Certificate	7,000
	Equipment Rental	26,000
		<u>504,747</u>
12.00	Fellowship Programme	
	Fellowship for Print Media	810,000
	Fellowship for electronic Media	200,000
	Mentor for Fellowship	540,000
		<u>1,550,000</u>
13.00	Gatekeepers Engagement Meeting	
	Experts	10,000
	Information Kits	9,500
	Venue (Hotel La Vinci)	6,000
	AV System	10,400
	Food & refreshment	20,783
	Photo documentation	3,000
	Banner	3,000
	Time cost for gatekeepers	80,000
		<u>142,683</u>
14.00	Study Circle	
	Honorarium for Experts	15,000
	Food & venue	85,370
	Conveyance for participants	49,000
		<u>149,370</u>
15.00	Experts Orientation on how to Face Media	
	Resource persons	10,000
	Information Kits	9,500
	Venue (Hotel La Vinci, Dhaka)	10,000
	AV System	10,754
	Food & refreshment	30,800
	Photo documentation	3,000
	Banner	6,840
	Time cost for experts	81,600
		<u>162,494</u>
16.00	Office Equipments & Office Space	
	Desktop computer (dell)	56,500
	Printer (double sided)	39,640
	Office Rent (Partial)	600,000
		<u>696,140</u>



Note No.	Particulars	Amount in Taka
17.00	Administrative costs	
	Internet, telephone/mobilephone, fax	72,000
	Stationery & supplies	60,000
	Utilities	60,000
	Conveyance, Postage, Assistance	60,000
	Overhead	332,469
		<hr/> 584,469
	Add: Outstanding Audit of the Accounts	50,000
	Add: Outstanding Overhead	199,323
		<hr/> <hr/> 833,792


(Md. Abdul Gofur)
Manager, Finance


(Hasibur Rahman)
Executive Director



FORM FD - 4

Certificate to be given by the Auditors

We have audited the Accounts of the Project titled: 'CONNECTING MEDIA WITH CHILD NUTRITION, PHASE-II' supported by GMMB implemented by Management and Resources Development Initiative (MRDI), 8/19 Sir Syed Road (3rd floor), Block-A, Mohammadpur, Dhaka-1207 bearing Registration # 1962 dated 21/09/2004 (Last Renewal on 19 November 2009) under the Foreign Donations Regulation Ordinance 1978 for the period from 15 April, 2011 to 31 May, 2012 examined all relevant books and vouchers and certify that according to the audited accounts.

- (1) The brought forward Foreign Donations at the beginning of the period was Taka 158,857
- (2) Foreign Donations amounting to Taka. 5,489,075 were received by the Organization during the period.
- (3) The Balance of unutilized Foreign Donations by the Organization during the year was Taka 47,544.
- (4) Foreign Donations amounting to Taka. 5,600,388 have been fully utilized for the following purposes:

CONNECTING MEDIA WITH CHILD NUTRITION, PHASE-II

Head of Expenditure	Amount as per approved budget	Amount actually spent	Difference, if any with reasons
As per Annexure-A/1	6,121,500	5,600,388	521,112

(For budget variance, please refer Annex-A/1 and for foreign donation reconciliation, please refer notes to FD-4)

(5) Certified that the Organization has maintained the accounts of Foreign Donations and records relating thereto in the manner specified as in section 5 of the Foreign Donations (Voluntary Activities) Regulation Ordinance, 1978 read with rule 6 and 7 to the said ordinance.

(6) The information furnished above is correct and checked by us.


Chartered Accountants

Dated: Dhaka
30 August, 2012

Annexure - 1

- 1 Name of implementig agency: MRDI
- 2 Name of the project: Connecting Media with Child Nutration, Phase-II
- 3 Project Approval letter Ref: ABBU/A4/MRDI/99-8/11-1489
- 4 Fund Clearance letter Ref: ABBU/A4/MRDI/99-8/11-1489
- 5 Project Period: 15 April, 2011 to 31 May, 2012
- 6 Audit Period: 15 April, 2011 to 31 May, 2012

L. No.	Head of Expenditure	Approved Budget	Actual Expenditures	Variance	Reason for variance
1.00	Programme Personnel			-	
	Team Leader	546,000	546,000	-	
	Project Manager	409,500	409,500	-	
	Programme officer	273,000	273,000	-	
	Accounts Manager	546,000	546,000	-	
		1,774,500	1,774,500	-	
2.00	Advance Training Content Development Meeting				
	Honorarium for issue experts	15,000	10,000	5,000	Cost as per actual requirement
	Honoararium for Media Gatekeepers (National)	15,000	15,000	-	
	Food, venue & equipment for Meeting	15,000	10,985	4,015	Cost as per actual requirement
		45,000	35,985	9,015	
3.00	Advance Course for National Journalist of Print and Electronic Media			-	
	Honourarium for Facilitator	50,000	50,000	-	
	Honourarium for Resource Persons	75,000	65,750	9,250	Cost as per actual requirement
	Training Kits	27,500	29,269	(1,769)	Expenses as per bill.
	Venue	16,000	17,160	(1,160)	Expenses as per bill.
	AV System	4,000	2,746	1,254	Cost as per actual requirement
	Food & refreshment	75,000	77,117	(2,117)	Expenses as per bill.
	Accommodation	70,000	66,123	3,877	
	Transportation for participants	36,000	39,628	(3,628)	Cost as per actual requirement
	Transportation for Resources persons	24,000	25,424	(1,424)	Expenses as per bill.
	Photo documentation	3,000	3,000	-	
	Stationery	5,000	5,530	(530)	Expenses as per bill.
	Banner	6,000	6,000	-	
	Per Diem for Participants	80,000	84,000	(4,000)	No. of participants increased



	Certificate	7,000	7,000	-	
	Equipment Rental	26,000	26,000	-	
		504,500	504,747	(247)	
4.00	Fellowship Programme				
	Fellowship for Print Media	720,000	810,000	(90,000)	No. of fellows increased
	Fellowship for electronic Media	480,000	200,000	280,000	2 fellows could not fulfill the fellowship requirements.
	Mentor for Fellowship	540,000	540,000	-	
		1,740,000	1,550,000	190,000	
5.00	Gatekeepers Engagement Meeting			-	
	Experts	20,000	10,000	10,000	Cost as per actual requirement
	Information Kits	10,000	9,500	500	Cost as per actual requirement
	Venue (Hotel La Vinci)	13,000	6,000	7,000	Cost as per actual requirement
	AV System	18,000	10,400	7,600	Cost as per actual requirement
	Food & refreshment	24,000	20,783	3,217	Cost as per actual requirement
	Photo documentation	3,000	3,000	-	
	Banner	6,000	3,000	3,000	Cost as per actual requirement
	Time cost for gatekeepers	75,000	80,000	(5,000)	No. of Participants Increased
		169,000	142,683	26,317	
6.00	Study Circle				
	Honorarium for Experts	40,000	15,000	25,000	
	Food & venue	60,000	85,370	(25,370)	Due to presence of the donor some meeting had to hold in hotel La Vinci Ltd. for which cost increased
	Conveyance for participants	48,000	49,000	(1,000)	Cost as per actual requirement
		148,000	149,370	(1,370)	
7.00	Experts Orientation on how to Face Media				
	Resource persons	10,000	10,000	-	
	Information Kits	10,000	9,500	500	Cost as per actual requirement
	Venue (Hotel La Vinci, Dhaka)	13,000	10,000	3,000	Cost as per actual requirement
	AV System	18,000	10,754	7,246	Cost as per actual requirement
	Food & refreshment	37,500	30,800	6,700	Cost as per actual requirement



Photo documentation	3,000	3,000	-	
Banner	3,500	6,840	(3,340)	It had to make two times due to postponed first meeting
Time cost for experts	75,000	81,600	(6,600)	No. of Participants Increased
	170,000	162,494	7,506	
8.10 Equipment & Office space				
Desktop computer (dell)	75,000	56,500	18,500	Cost as per actual requirement
Printer (double sided)	37,000	39,640	(2,640)	Cost as per actual requirement
Office Rent (Partial)	600,000	600,000	-	
	712,000	696,140	15,860	
9.10 Administrative costs				
Internet, telephone/mobilephone, fax	72,000	72,000	-	
Stationery & supplies	60,000	60,000	-	
Utilities	60,000	60,000	-	
Conveyance, Postage, Assistance	60,000	60,000	-	
Audit of the Accounts	50,000	-	50,000	The audit fee will be paid on the completion of audit.
Overhead Cost (10% on Total Cost)	556,500	332,469	224,031	Partially paid. Tk. 199,323 remain outstanding.
	858,500	584,469	274,031	
Grand Total	6,121,500	5,600,388	521,112	



NOTES TO THE FD-4

NOTE-1: Reconciliation between Cash and Bank Balances and Unutilized Foreign Donation as at May 31, 2012

	Foreign Donation	Local Income	Total Taka
Opening Balances as on April 15, 2011	158,857	16,129	174,986
Fund received from donor	5,489,075	-	5,489,075
Interest Income	-	15,825	15,825
A Total Funds Available	5,647,932	31,954	5,679,886
Expenditure (As per Annexure-A-1)	5,600,388	-	5,600,388
B Total Payments	5,600,388	-	5,600,388
Unutilized Foreign Donation as at May 31, 2012	47,544	31,954	79,498



**Additional report required
By NGO Affairs Bureau, GOB (NGOAB)**

In addition to our auditors' report, we also report on the specific points required by the NGO Affairs Bureau, vide its circular # ABBU/NIP-2/CA Firm/745/2010/574 dated 26-05-2010, which is made on the basis of our examination of the books and records of the concerned NGO as follows:

1. We have conducted the audit with due responsibility and we kept ourselves fully independent while conducting the audit.
2. The NGOs' has complied with the rules and regulation of The Foreign Donations (Voluntary Activities) Regulation Ordinance, 1978; The Foreign Donations (Voluntary Activities) Regulation Rules, 1978; The Foreign Contributions (Regulation) Ordinance, 1982 and the guidelines of circulars nos. 33, 43, 27, 00.00.01, 2000-107 issued on dated 29/05/2001 by the office of the Prime Minister and whether the project has been implemented and expenses incurred properly as per terms of approval of the FD-6, FD-7 or FC-1 and as per the conditions of the approved contract.
3. We have issued a certificate in separate format FD-4 and have enclosed Annexure A/1 as prescribed by Bureau only for receipts & expenses of foreign donations. All information of foreign donation has been based on cash. Total amount has been mentioned in case of approved budget, actual expenditures & difference between two in FD-6 (Ref: FD-4, note-1). Details of these, such as approved budget, actual expenditures, variances and explanation of variances has been mentioned in Annexure-A/1. Budget line item/sub-line item of Annexure-A/1 has been presented as per approved project.
4. Separate audit report has been prepared for each project and the report will be as per concerned project year. There is no local income earned / donations received of the project, except interest received on bank deposit.
5. A brief description of the goal, object & main programs is mentioned in paragraph a & b of the Note no. 1 of the audited financial statements. Project name, date of approval & memo number of NGO Bureau approval, project area, project period, approved budget amount and amount released by NGO Bureau are mentioned below:

Particulars	
Name of the project	Connecting Media With Child Nutrition, Phase-II
Duration of the project	15 April, 2011 to 31 May, 2012
Approval letter Reference	ABBU/A-4/MRDI/99-8/2011-1489, dated: 30-05-2011, ABBU/A-4/MRDI/99-6/2010-510, dated: 13-05-2012
Approval letter reference for amount released by NGO Bureau	ABBU/A-4/MRDI/99-8/2011-1489, dated: 30-05-2011, ABBU/A-4/MRDI/99-6/2010-510, dated: 13-05-2012
Released amount with number of installment	Taka 6,121,500 (installment number was not mentioned in the NGOAB approval letter.)
Amount of Foreign donation Receipt	Taka. 5,489,075 in three installments.
Whether foreign donation has been deposited in the mother account before release of Fund by NGOAB	No
Audit year	15 April, 2011 to 31 May, 2012
Project area	Dhaka
No. of beneficiary	98
Date of appointment of auditor	17 June, 2012
The goals & objectives	❖ To enhance capacity of health reporters for reporting thoroughly and effectively on IYCF issues. ❖ To increase the salience and urgency of



	addressing IYCF among policy makers and opinion leaders.
Program Activities	The main activity of the project is to engage journalists from electronic media and print media to make awareness about child nutrition and make report on IYCF issues to electronic media and print media.

6. Balance Sheet, Income & Expenditure Statement and Receipts & Payments Statement have been incorporated in audit report and signed by respective NGO officer. Receipts & Payments Accounts has been prepared in conformity with the Receipts & Payments line items of the ledger maintained by the NGO. Break-up of gross expenses are enclosed to notes.
7. Each page of the audit report of NGO contains initials of the competent authority of us and Common Seal and numbered properly. Auditor certification at the beginning of report, balance sheet, accounts statements, FD-4 certificate & report as per requirement of TOR of NGO Bureau contained full signature of auditor with mentioning FCA/ACA, full name and designation. Audit report of NGO is presented in the following sequential form.

First Part:

Certificate of Auditor mentioning scope, opinion etc,
Balance Sheet
Income-Expenditure Statement
Receipts- Payments Statement
Notes to Financial Statements
Schedule/Appendix/Other Statement

Second Part:

FD-4 Certificate
Annex A/1
Notes to FD-4 (If any)
Report as per requirement of NGO Bureau (condition of the TOR shall be mentioned as per sequential serial number of TOR)

8. "Connecting Media with Child Nutrition, Phase-II" is a project of Management and Resources Development Initiative (MRDI). We have audited the first phase of the project under the same name in the early year and sent the audit report in NGO Bureau.
9. After completion of audit one copy (main copy) of audit report under sealed envelope sent directly to Deputy Director (Inspection & Audit) NGO Affairs Bureau Dhaka.
10. Under the audited project, the MRDI has no partner NGO.
11. The registration number of the MRDI with NGO Affairs Bureau is 1962 dated 21-09-2004 and which is renewed on 19.11.2009.
12. Organization maintains one bank account to receive foreign donation as per section 7 of the Foreign Donations (Voluntary Activities) Regulation Rules 1978.
13. Details of approved bank account (Mother Account by NGO Affairs Bureau to receive foreign donations:

Name of Bank: Southeast Bank Ltd.
Name of Bank Branch: Dhanmondi Branch, Dhaka
Bank A/C No: CD-001211100006616
Name of Donor: GMMB-INC.



Received Amount with date: Taka 1,564,731 dated 07-06-2011, Taka 1,591,988 dated 18-10-2011, and Taka 2,332,356 dated 04-12-2011.

The NGO maintains a separate bank account named MRDI-GMMB, A/C No: Special Notice Deposit-13831050014628, Prime Bank Ltd, Asad Gate Branch, Dhaka. The closing balance at 31st May 2012 of this account as per bank statement was Taka 194,498 while balance as per cash book was Taka 79,498. Bank reconciliation of mother bank account & project bank account has been done and found correct.

14. Organization has not received any goods in kind for the project. So details of goods in kind (if any received by NGO) have not been mentioned in FD-4 separately or cumulatively with proper valuation & submission of statement of its uses & balances as per FD-5.
15. The organization earned interest/exchange gain amounting to Taka 15,825 from foreign donation and kept in the bank account as unutilized.
16. MRDI has maintained its books of accounts under double entry system and also maintained cashbook/bankbook, ledger book, stock register, assets register & other register as required under section 6 of the Foreign Donations (Voluntary Activities) Regulation Rules, 1978.
17. MRDI does not have any project having Revolving Loan Fund (RLF).
18. MRDI was not required to obtain certificate from Micro Credit Regulatory Authority as it does not operate any Micro Credit Program out of Foreign Donation.
19. Organization has not incurred any expenditure in foreign currency.
20. On the basis of the information available to us, and the results of our review of the books of accounts which was conducted on a sample basis, during the period under audit, the Project did not adjust any budget over-runs in one line item with surplus budget in another line item, or did not charge any unapproved expenditure under approved line items.
21. All salary and benefits of the staff, and other expenses in excess of Taka. 10,000 has been paid through the bank account as per the books and records maintained by the MRDI, and provided to us for our verification.
22. No loan has been taken by MRDI from any sources to implement the project activities.
23. No member of the Governing body has taken any salary & allowances or honorarium from MRDI except the Executive Director. The Executive Director has drawn Taka 546,000 from the Project under audit and Taka 3,342,090 from MRDI and other projects vide approval of the governing body in their Eight AGM dated 12th November, 2011. The details of approval are as follows:

The board unanimously took the following decisions about the remuneration and transportation facilities of the Executive Director. The salary & benefits of the Executive Director will be as follows:

- a) MRDI operational account will pay a total amount of Tk. 82,500 per month including the salary & benefit of MJF supported project "Mainstreaming CSR to address poverty". In case of discontinuation of MJF funds, the full amount of Tk. 82,500 will be paid from the MRDI operational account.
- b) The Executive Director will be paid the full amount allocated for him in the project budget/contract/consultancy/fee subject to scope of work.
- c) Two festival allowances in a year will be paid equal to two months' salary from MRDI operational account including MJF's part. In case of discontinuation of MJF funds, the amount will be paid from the MRDI operational account.
- d) A monthly transportation expenses of Tk. 25,000.00 (Twenty five thousand) only will be spent by MRDI against the car related expenses (Fuel, Drivers Salary, toll, parking, maintenance etc.) of Executive Director. These will be shared by MRDI, MCAP project and other projects (if any). If there



is no any budgetary allocation in the projects or there is no any on-going project, the total amount will be paid by MRDI.

- e) All payments will be made through operational account of MRDI.
- f) The above decision will be effective from the month of July 2011.

24. Internal Control System of the NGO is satisfactory.

25. No money has been refunded to the Donor Agency during the year.

26. Based on the results of our audit of transactions, carried out on a sample basis, in our opinion, Income Tax and VAT have been deducted at source from payments against bills/vouchers and have been duly deposited into the Treasury. Revenue stamps have also been affixed in applicable cases. During the year, the NGO deposited the following amounts to the Treasury:

SL number & Particulars	Deductable amount (Taka)	Deducted amount (Taka)	Deposited amount to the treasury of govt. (taka)	Outstanding amount (Taka)	Remarks
1. Tax	73,182	73,182	73,182	Nil	
2. VAT	6,671	6,671	6,671	Nil	
Total	79,853	79,853	79,853	Nil	

It is mentioned here that tax has been deducted at sources on staff salary centrally thus those deductions are not mentioned here.

27. As a legal entity, NGO has submitted income tax return to NBR for the assessment year 2011-12 as per Income Tax Ordinance-1984.

28. MRDI has no income generating activities under the project.

30. The details of fixed assets owned by MRDI during the period of our audit is as follows:

Types of Fixed Assets	Written down Value in Taka
Furniture & Fixture	153,909.00
Office Equipment	493,299.00
Computer, Printer and Multimedia	422,677.00
Vehicles	1.00
Books	4,968.00

For details please refer annexure-B. On verification we observe that the above assets are in the name of MRDI.

31. In course of our audit we have not come across any major issue regarding irregularities/ineligible expenditures or unapproved expenditures that needed to be drawn to the attention of top management. However, during the course of our audit, we have identified some budget variances and selection of fellow from the planned number for which we have issued separate Management letter to the MRDI management with recommendation for corrective action plan.

32. We confirm that we have not carried out the audit of the Connecting Media With Child Nutrition project for 3 years continuously.



33. Executive Committee Members list are as follows:

Sl. No.	Name	Designation
01	Inam Ahmed,	<i>Chairman</i>
02	Hasibur Rahman,	<i>Executive Director</i>
03	Dr. Baquirul Islam Khan	<i>Director</i>
04	Sakiul Millat Morshed	<i>Director</i>
05	M. Emamul Haque	<i>Director</i>
06	Syed Ishtiaque Reza	<i>Director</i>
07	Md. Abdur Rahim	<i>Director</i>

34. All expenses related to the project under audit have been met from the concerned project fund.

35. The Memo number and date of enlistment of Howladar Yunus & Co. Chartered Accountants is: Serial No. 53 Ref. # ABBU/NIP-2/CA Firm/745/2010-37 dated 12 January, 2012



Mr. Muhammad Farooq FCA
Managing Partner
Howladar Yunus & Co.
Chartered Accountants

Dated: 30 August, 2012

Management and Resources Development Initiative (MRDI)
Fixed Assets Schedule
as at 30 June 2012

SI No.	PARTICULARS	COST				DEPRECIATION					WRITTEN DOWN VALUE
		Balance as on 01.07.2011	During the year		Balance as on 30.06.2012	Rate (%)	Balance as on 01.07.2011	During the year		Balance as on 30.06.2012	Balance as on 30.06.2012
			Addition	Adjustment /disposal				Charge	Adjustment/di sposal		
1.0	FURNITURE & FIXTURE:										
1.1	Table	194,941	-	-	194,941	20%	165,429	23,446	-	188,875	6,066
1.2	Chair, Sofa etc.	135,163	-	-	135,163	20%	86,387	19,197	-	105,584	29,579
1.3	Shelf, Paper stand, Notice board etc.	253,149	-	-	253,149	20%	182,837	36,008	-	218,845	34,304
1.4	Interior Decoration	158,766	82,201	-	240,967	20%	108,812	48,195	-	157,007	83,960
	Sub-Total (A)	742,019	82,201	-	824,220		543,465	126,846	-	670,311	153,909
2.0	OFFICE EQUIPMENT:										
2.01	Photocopier	140,000	195,000	-	335,000	30%	139,999	58,500	-	198,499	136,501
2.02	Monitoring Set up	74,035	-	-	74,035	30%	74,034	-	-	74,034	1
2.03	Fax Machine, Scanner, TV, Recorder etc.	84,747	22,360	-	107,107	30%	65,240	12,558	-	77,798	29,309
2.04	Power Generator (Honda)	102,250	-	-	102,250	30%	61,350	30,675	-	92,025	10,225
2.05	Electric Fans	54,775	2,000	-	56,775	30%	51,095	2,850	-	53,945	2,830
2.06	Air cooler	435,000	177,528	-	612,528	30%	335,300	75,900	-	411,200	201,328
5	Telephone & Internet Connectivity	107,667	-	(6,000)	113,667	30%	94,017	7,080	(6,000)	107,097	6,570
2.08	Refrigerator	10,000	-	-	10,000	30%	9,999	-	-	9,999	1
2.09	Camera	144,375	-	-	144,375	30%	121,419	20,056	-	141,475	2,900
2.10	Mobile & Telephone Set	181,199	71,895	6,000	247,094	30%	106,245	43,215	6,000	143,460	103,634
	Sub-Total (B)	1,334,048	468,783	-	1,802,831		1,058,698	250,834	-	1,309,532	493,299
3.0	COMPUTER, PRINTER, MULTIMEDIA										
3.01	Desktop Computer	902,561	24,813	-	927,374	33%	673,689	114,745	-	788,434	138,940
3.02	Laptop Computer	612,711	65,000	-	677,711	33%	529,256	45,284	-	574,540	103,171
3.03	Laser Printer	104,081	47,440	-	151,521	33%	88,101	27,874	-	115,975	35,546
3.04	UPS, IPS, Stabilizer	182,090	28,345	-	210,435	33%	136,973	30,748	-	167,721	42,714
3.05	Multimedia Projector	303,495	61,000	83,088	281,407	33%	263,546	11,354	54,838	220,062	61,345
3.06	Computer Networking	36,370	40,960	-	77,330	33%	36,369	-	-	36,369	40,961
	Sub-Total (C)	2,141,308	267,558	83,088	2,325,778		1,727,934	230,005	54,838	1,903,101	422,677
4.0	VEHICLES										
4.1	Bicycle	3,900	-	-	3,900	25%	3,899	-	-	3,899	1
6	Sub-Total (D)	3,900	-	-	3,900		3,899	-	-	3,899	1
5.0	OTHER ASSETS										
5.2	Books	22,460	445	-	22,905	20%	15,156	2,781	-	17,937	4,968
	Sub-Total (E)	22,460	445	-	22,905		15,156	2,781	-	17,937	4,968
Balance as on 30.06.2012		4,243,735	818,987	83,088	4,979,634		3,349,152	610,466	54,838	3,904,780	1,074,854
Balance as on 30.06.2011		3,843,790	526,199	126,254	4,243,735		2,470,022	997,692	118,562	3,349,152	894,583

