

Child Care and Education
A Project of
Rays of Hope- Bangladesh

**REPORT AS PER TOR PRESCRIBED BY NGO AFFAIRS BUREAU
GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH**

- 1.00** We have conducted the audit in accordance with Bangladesh Standards on Auditing (BSA) and disposed off our obligations with utmost responsibility remaining fully independent.
- 2.00** We have carried out the audit in compliance with the following listed rules, regulations and circulars as applicable for the audit purpose:
- The Foreign Donations (Voluntary Activities) Regulation Ordinance, 1978
 - The Foreign Donations (Voluntary Activities) Regulation Rules, 1978
 - The Foreign Contributions (Regulation) Ordinance 1982
 - The Rules of Circular number 07.070.022.03.00.013.2010-90(500) dated on 12-04-2012 issued by the Prime Minister's Office.
 - Project approval related FD-6 [FD-7 or FC-1 is not applicable].
 - The conditions of the project approval have been implemented.
- 3.00** The FD 4 and Annexure A/1 have been prepared as prescribed by the NGO Affairs Bureau.
- 3.1 All the information in FD-4 has been prepared in terms of cash basis but not in accrual basis. No negative balance has arrived in consideration of foreign donation/grants receipts.
- 3.2 The amount referred in FD-4 in respect of approved budget and the actual expenditure incurred there against and the difference thereon has been stated by FD-4.
- 3.3 The head-wise approved budget, actual expenditure, variance in percentage and the reasons for variance have been stated in Annexure-A/1.
- 3.4 Head-wise/Subject-wise expenditure and the budget have been shown in the light of Annexure-C of the approved project.
- 4.00** The organization has only one project under implementation during the period under audit as reported and this is the first year report of two years project. The project of the organization has local donation amounting TK. 918,210.00 during the year under audit.

5.00

a. Aims & objectives of the organization:

The objective of the organization will be to help the orphan, abandoned, and destitute children as well as destitute women in Bangladesh with a view to make them able, self- supportive and contributing members of society. To achieve these goals, the organization will be engaged in following activities:

- a. Collect local and international funds
- b. All communication media will be used to raise fund, collect beneficiaries rehabilitate them in the society.
- c. The organization will have the facilities to provide the children shelter, food, clothing, education, health – care and training. After completion of education and training, they will be helped to be rehabilitated in the society.

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- d. The organization will help to find a home for the orphan and abandoned children as part of rehabilitation.

The objectives of the project (FD-6 submitted separately) which are being implemented directly or by partners are:

Summarized project briefing:

Rays of Hope- Bangladesh is a shelter centre that will be to help the orphan, abandoned, and destitute children as well as destitute women in Bangladesh with a view to making them able, self- supportive and contributing members of society.

Principal Activities of the project:

- Providing shelter, food, clothing, education and health care support, etc.
- Rehabilitate the orphan, abandoned and destitute children;
- Establishing institute for beneficiaries;

b. Project Particulars:

Name of the Project	Child Care and Education
Total project period	January 01, 2015 to December 31, 2016
Memo number and date of the project approval and fund clearance letter:	03.09.0000.665.68.163.14-134 Dated: 09/02/2015.
Amount of fund released by NGOAB:	TK. 1,040,000.00
Foreign Donation Received by NGO through Mother Account:	TK. 924,090.00
The NGO has received Foreign Donation through their mother account after the fund clearance letter.	
Period under audit:	January 01, 2015 to December 31, 2015
Project Area:	Savar
Number of beneficiaries:	32
Appointment date:	27.01.2016

6.00

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

7.00

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

First Part:

- Scope and opinion of the auditors
- Statement of Financial Position

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- Statement of Comprehensive Income
- Statement of Receipts and Payments
- Notes to the financial statements
- Schedules/Appendix/ Other Statement

Second Part

- Certificate of FD-4
- Annexure A-1
- Notes to FD-4 if applicable
- Terms of Reference (TOR) as prescribed by NGO Affairs Bureau

8.00 It is a continuing multi year's project and approval has been taken for each new phase. The project was audited for the previous phase and one (1) copy of the audited report was duly submitted to the NGO Affairs Bureau, Dhaka.

9.00 The audit report has been duly signed and sealed. One copy each of the audit report is being forwarded directly to the Deputy Director (Inspection and Audit) and NGO Affairs Bureau, Dhaka.

10.00 Registration Number and Renewal Date:

The particulars of registration of the organization (NGO) with NGO Affairs Bureau, Government of the People's Republic of Bangladesh is given below:

Particulars	Registration No.	Date of Registration	Date of last Renewal
NGO Affairs Bureau	2130	23.08.2006	23.08.2011

11.00 The NGO as per provisions of Rule 7 of The Foreign Donations (Voluntary Activities) Regulation Rules, 1978 which refer to FD-6 has received all the foreign donations through a single bank account.

12.00 a) Detailed descriptions of the mother bank account number approved by the NGO Affairs Bureau to receive foreign donations, name of the bank and branch, amount of donation received and name of the donor is given below:

1. Name of the Mother bank and branch: Pubali Bank Ltd. Mohammadpur Branch, Dhaka		
2. Account Number: Current Account No. 0175901019093		
3. Name of the donor agency: Ankur International		
Particulars of Receipts	Date of receipt	Amount in Taka
1 st Installment	24.02.2015	231,051
2 nd Installment	10.03.2015	385,402
3 rd Installment	25.08.2015	307,637
Total Taka		924,090

b) The details of the banks, and the balances as at December 31, 2015 were as follows:

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Name of Bank	Balance (related to this project) as per bank statement as at December 31, 2015	Balance (related to this project) as per bank book as at December 31, 2015	Bank reconciliation performed and checked
Pubali Bank Ltd, Mohammadpur Branch, Dhaka A/C Number- 0175901019093/ Mother Bank A/C	3,418	3,418	Not applicable
Pubali Bank Ltd, Mohammadpur Branch, Dhaka A/C Number- 0175901022676/ Project Bank A/C	552	552	Not applicable

- 13.00** As reported by the management no donation in kinds was received during the year under audit.
- 14.00** No Exchange gain derived on the foreign donation was received by the project during the period under audit.
- 15.00** The NGO has maintained Cashbook and Ledger Book under double entry system of accounting and also maintained Stock Register, Fixed assets register and other registers as per requirement of Rule 6 of The Foreign Donation (Voluntary Activities) Regulation Rules, 1978.
- 16.00** The NGO does not have any Revolving Loan Fund (RLF).
- 17.00** The project under audit does not have any micro credit program.
- 18.00** As reported by the management, it appears from the financial statements and it revealed from our test verification, that no part of donation has been spent in foreign currency.
- 19.00** Our test check revealed no budget-exceeded amount has been adjusted with another head of expenses or unapproved head with an approved head.
- 20.00** From our test verification we observed that the salary-allowances of officer/staff and other payments exceeding the minimum limit of TK. 10,000.00 were not paid through Cash.
- 21.00** Due to short receipt of Local Donation, the organization has taken advance from Director in different times and in different installments to run the project activities. The total amount of advance is TK. 450,000/- for the period under audit. Out of this an amount of Tk. 150,000/- has been refunded as evidenced in the books of accounts.
- 22.00** No evidence has been traced paying salary-allowances or any sorts of honorarium to any member of Executive Committee of the NGO.
- 23.00** We have verified the internal control system of the organization and observed that the overall internal control system of the organization is reasonable.
- 24.00** We have not come across with any case of refund to the donor.

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25.00 From our verification it is observed that the organization has affixed revenue stamp where applicable. The organization has no practice to deduct/pay VAT in applicable cases. The management of the organization considers as per second schedule (VAT Act-1991) that, because of the nature of the activities the organization is exempted VAT. However, the tax & VAT amount was being paid to the government treasury from auditor's end out of the payment of the audit fee which is furnished below:

SL. No.	Description of cost as per Annex A/1	Total Cost	Deductible amount		Deducted amount		Deposited to Govt. Treasurer		Accrued amount		Treasury/ Mushak challan no. and Date
			VAT	IT	VAT	IT	VAT	IT	VAT	IT	
1	2	3	4	5	6	7	8	9	10	11	At below
1	Personnel	527,647	-	-	-	-	-	-	-	-	
2	Beneficiaries Food	513,119	-	-	-	-	-	-	-	-	
3	Beneficiaries Clothing	16,615	-	-	-	-	-	-	-	-	
4	Beneficiaries Living & Boarding	8,850	-	-	-	-	-	-	-	-	
5	Others Materials Input	1,370	-	-	-	-	-	-	-	-	
6	Accommodation	396,000	-	36,000	-	36,000	-	36000	-	-	
7	Office expense	37,017	-	-	-	-	-	-	-	-	
8	Service & Utilities	73,876	-	-	-	-	-	-	-	-	
9	TA & DA	10,905	-	-	-	-	-	-	-	-	
10	Repair & Maintenance	24,068	-	-	-	-	-	-	-	-	
11	Educational Expense	147,698	-	-	-	-	-	-	-	-	
12	Transport & Carrying	9,474	-	-	-	-	-	-	-	-	
13	Medical & Medicine	21,069	-	-	-	-	-	-	-	-	
14	Visitor's Entertainment	362	-	-	-	-	-	-	-	-	
15	Recreation R. Materials	8,078	-	-	-	-	-	-	-	-	
16	Bank Charge	3,418	-	-	-	-	-	-	-	-	
17	Audit Fees	20,000	2,609	1,739	2,609	1,739	2,609	1,739	-	-	
	Total	1,819,566	2,609	37,739	2,609	37,739	2,609	37,739	-	-	

Note: Vat challan no. 5564 and date 02.03.2015, IT challan no. 5607 and date 02.03.2015 60 and date 22.03.2015 27 and date 31.12.2015

26.00 The organization has not filed Income tax return as per Income Tax Ordinance, 1984.

27.00 The organization (NGO) did not conduct any Income Generating Activities (IGA) for the organization under this project.

28.00 As we are informed by the management and observed from our verification that no officers/staff/ member of Executive Committee or General Committee has availed foreign tour with the finance/air ticket/other facilities received from foreign sources for the project under audit.

29.00 From our verification we observed that related fixed assets/deed/house rent agreement/donated land/vehicles and other assets are recorded in the name of:

Particulars	In the name of
Fixed Assets	Project/Organization
Deed	Organization
House Rent Agreement	Organization

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Donated Land	Not applicable
Other Assets	Not applicable

- 30.00** No fixed/temporary assets of the project have been sold/transfer.
- 31.00** It is revealed that there was no significant irregularities, illegal expenditure, unapproved expenditure, budget exceeded expenditure to be reported for and hence it was not required to submit any management letter to management of the organization.
- 32.00** This is to certify that we have audited the project of this organization for the fifth time.
- 33.00** The organization is a Bangladesh representative office of Rays of Hope- Bangladesh. However, the list of the members of the Executive Committee as provided to us is given below:

S I. No.	Name of the Member	Position	Relation
01	Sumona Sharmin	President	No relation
02	Iffat Sharmin	General secretary	
03	Ahmed Junaed Nasir	Member	
04	Adiba Anwar	Member	
05	Maruf Ahmed	Member	

The executive committee of Rays of Hope- Bangladesh, management committee consists of five members and there is no relation with each other.

- 34.00** The NGO has incurred expenses related to audit of the project from the project fund.
- 35.00** Enlistment: Memo No. 03.09.0000.658.74.01.12-2147, Date: 22.12.2015 under Serial No. 11.

Ahsan Zamir FCA
Partner
Ahsan Zamir & Co.
Chartered accountants

Dated, Dhaka
February 11, 2016