

OF

Dustha Manab Unnayan Society (DMUS)
Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

Micro Finance Program

FOR THE YEAR ENDED 30TH JUNE, 2024

**ASHRAF UDDIN & CO.
CHARTERED ACCOUNTANTS**

Office: 142/B, Green Road (3rd & 4th Floor), Dhaka-1215
Chamber: Rahman Chamber (5th Floor), 12-13, Motijheel C/A, Dhaka
E-mail: info@aucbd.com, manager.auc@aucbd.com
auc_green@yahoo.com, Web: www.aucbd.com

AUDITOR'S REPORT

On The

FINANCIAL STATEMENTS

OF

Dustha Manab Unnayan Society (DMUS)

Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

Micro Finance Program

FOR THE YEAR ENDED 30TH JUNE, 2024

Ashraf Uddin & CO.

Chartered Accountants

142/B, Green Road (04th Floor),

Dhaka-1215, Bangladesh.

Tele: 88-02-9116183

Cell Phone: 01819-490550

E-mail: mohiuddin.fca@aucbd.com

Dustha Manab Unnayan Society (DMUS)

Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

For the year ended June 30, 2024

Table of Contents

SL No	Particulars	Page No
1	Auditor's Report	01-02
2	Consolidated Statement of Financial Position	03-04
3	Statement of Comprehensive Income	05-06
4	Statement of Receipts & Payments Account	07-09
5	Statement of Cash Flows	10
6	Statement of Changes in Equity	11
7	Notes to the Financial Statements	12-25
8	Loan Operational Report	26
9	Review of Loan Classification and Provisions	27
10	Schedule of Property, Plant & Equipment	28
11	Budget Variance Statement	29-33
12	Observations and Recommendations	34-38
13	Compliance with the Guidelines on Prevention of Money Laundering and Terrorist Financing for Non-Government Organization/Non-Profit Organization	39-40
14	Particulars required by the Microcredit Regulatory Authority	41-42
15	Suspicious Transaction/Activity Report (STR/SAR) Format (For suspicious NGO/NPO)	43



MANAGING PARTNER:
MD. ASHRAF UDDIN AHMED
LLB, CFC, FCA

PARTNERS:
ENAMUL KABIR, FCA
MD. MOHIUDDIN AHMED, FCA, CFC

142/B, Green Road (3rd & 4th Floor)
Dhaka- 1215, Bangladesh.
Rahman Chamber (5th Floor)
12-13, Motijheel Commercial Area, Dhaka, Bangladesh.

INDEPENDENT AUDITOR'S REPORT IN THE FINANCIAL STATEMENTS TO GOVERNING BOARD OF DUSTHA MANAB UNNAYAN SOCIETY (DMUS)

Opinion

We have audited the financial statements of Micro Finance Program of "Dustha Manab Unnayan Society (DMUS)", which comprise the Statement of Consolidated Financial Position as at 30th June 2024, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Receipts and Payments Accounts and Statement of Change in Equity for the year then ended 30th June 2024, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our Opinion, the accompanying financial statements of the Micro Finance program of "Dustha Manab Unnayan Society (DMUS)" give a true and fair view of the financial position as at 30th June 2024 and its financial performance, Statement of Cash Flows and its Receipts & Payments for the year then ended in accordance with International Financial Reporting Standards (IFRS) and other applicable laws and regulations including MRA guidelines.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 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 the 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls.

Management is responsible for the preparation of financial statement that give a true and fair view in accordance with the Accounting policies and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether 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.





ASHRAF UDDIN & CO.

CHARTERED ACCOUNTANTS
Since 1979

MANAGING PARTNER:
ID. ASHRAF UDDIN AHMED
B. CFC, FCA

PARTNERS:
ENAMUL KABIR, FCA
MD. MOHIUDDIN AHMED, FCA, CFC

Member of

Alliance of
Independent Firms

142/B, Green Road (3rd & 4th Floor)
Dhaka- 1215, Bangladesh.
Rahman Chamber (5th Floor)
12-13, Molljheel Commercial Area, Dhaka, Bangladesh.

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 circumstance, 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's reports to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit finding, including any significant deficiencies in internal control that we identify during our audit.


Report on other Legal & Regulatory Requirements

We also report the following:

- 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 accounts as required by law have been kept by MRA ACT & Rules have been kept by "**Dustha Manab Unnayan Society (DMUS)**" so far as it appeared from our examination of these books, and
- c) The statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account.

Dated: Dhaka
06th November, 2024




Enamul Kabir, FCA
Partner
Membership No: 280
Ashraf Uddin & Co.
Chartered Accountants
DVC:2411060280AS861293

Dustha Manab Unnayan Society (DMUS)

Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

Statement of Financial Position

As at June 30, 2024

Particulars	Note	Current Year 30.06.2024	Previous Year 30.06.2023
Property & Assets:			
Property, Plant & Equipment	6	4,623,592.00	4,862,287.00
Total Fixed Assets		4,623,592.00	4,862,287.00
Current Assets:			
Loan to Members (RMC)	7	40,319,676.00	34,882,175.00
Loan to Members (Housing)	8	617,726.00	2,764,743.00
Reserve Fund (FDR)	9	1,185,000.00	715,000.00
Savings Fund (FDR)	10	215,000.00	215,000.00
Advance Rent	11	29,500.00	37,500.00
Staff Loan	12	-	Nil
Closing Balance	13	1,388,117.00	413,948.00
Total Current Assets :		43,755,019.00	39,028,366.00
Total Property & Assets		48,378,611.00	43,890,653.00
Fund & Liabilities :			
Capital Fund and Reserve:			
Capital Fund	14	6,404,696.00	4,844,867.00
Total Capital Fund		6,404,696.00	4,844,867.00
Current Liabilities :			
Members Savings Fund	15	11,622,256.00	9,921,839.00
Voluntary Savings	16	1,824,800.00	1,257,800.00
Loan Risk Fund	17	2,010,040.00	1,397,618.00
PF Fund	18	787,959.00	550,377.00
Staff Security	19	Nil	Nil
Provision for Interest on Security :	20	192,231.00	177,983.00
Payable of Salary	21	-	Nil
Bangladesh Bank Housing Loan	22	3,755,555.00	4,911,111.00
Loan From EC	23	19,634,974.00	18,982,958.00
Loan Loss Provision (LLP)	24	2,146,100.00	1,846,100.00
Total Current Liabilities :		41,973,915.00	39,045,786.00
Total Fund & Liabilities		48,378,611.00	43,890,653.00

Accountant

DMUS এর আর্থিক রিপোর্ট হাওলাদার
একটি হিসাব বইকে / অডিটর
নামটি, বাংলাদেশ উন্নয়ন সমিতি (DMUS)
স্বাক্ষর করছেন।
Separate report of our
Chartered Accountants

Executive Director

MD. M. A. Kheruzzaman

স্বাক্ষর করছেন।
Chartered Accountants

Enamul Kabir, FCA
Partner

Membership No: 280

Ashraf Uddin & CO.

Chartered Accountants

DVC:2411060280AS861293



Dustha Manab Unnayan Society (DMUS)

Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

Statement of Comprehensive Income For the year ended June 30, 2024

Particulars	Current Year 30.06.2024	Previous Year 30.06.2023
<u>Income</u>		
Donation	Nil	1,600,000.00
Admission Fess	10,960.00	11,200.00
Sale of Pass Book	16,105.00	12,400.00
Loan Processing Fees	9,305.00	Nil
Sale of Loan Form	Nil	13,125.00
Service Charge (RMC)	9,093,777.00	6,660,754.00
Service Charge Housing Loan	97,046.00	145,470.00
Closing Charge	Nil	50.00
Voluntary Application From	Nil	350.00
Voluntary Pass Book	Nil	2,280.00
Voluntary Application Fees	Nil	6,310.00
Bank Interest	57,456.00	1,254.00
Others	39,858.00	52,114.00
Total	9,324,507.00	8,505,307.00

<u>Expenditure</u>		
Staff Salary & Allowances	3,812,154.00	4,249,871.00
Office Rent	295,000.00	300,000.00
Printing & Stationary	64,551.00	100,890.00
Legal Expenses	44,500.00	Nil
Tranning & Seminar	12,530.00	Nil
Saving Interest Paid	665,940.00	498,942.00
Head Office Fund Interest Paid	1,083,915.00	Nil
Travelling & Conveyances	31,970.00	33,670.00
Mobile Bill	97,068.00	68,370.00
Saftware Service Charge	28,790.00	36,000.00
Service Charge of Rebate	40,588.00	Nil
Oil & Fuel Cost	687,500.00	565,891.00
Repair & Maintenance	47,560.00	33,980.00
Audit Fee	35,000.00	26,000.00
Intenet & Network	Nil	15,996.00
MRA License Fee	11,500.00	11,500.00



Dustha Manab Unnayan Society (DMUS)

Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

Statement of Comprehensive Income

For the year ended June 30, 2024

Particulars	Current Year	Previous Year
Electricity Bill	96,391.00	73,181.00
Water Bill	708.00	Nil
Entertainment	95,175.00	29,887.00
Bank Charge	9,578.00	21,507.00
Interest Bangladesh Bank Husing Loan	Nil	38,038.00
Interest on Provident Fund	805.00	2,751.00
Vat	Nil	188.00
Miscellaneous Expenses	31,600.00	108,173.00
Loan Loss Provision (LLP)	300,000.00	1,503,639.00
Depreciation	271,855.00	289,420.00
Total Expenditure	7,764,678.00	8,007,894.00
Excess of Income over Expenditure	1,559,829.00	497,413.00
Total	9,324,507.00	8,505,307.00

Accountant

DMUS মোঃ জাকার হোসেন
প্রধান হিসাব রক্ষক / অডিটর
দুই মাসের উন্নয়ন সোসাইটি (দুমাউস)
নলছিটি, খালকাতী।



Executive Director
DMUS Aktheruzzaman
Secretary General
Dustha Manab Unnayan Society (DMUS)

Signed in terms of our separate report of even date annexed.

Ahamul Kabir, FCA

Partner

Membership No: 280

Ashraf Uddin & CO.

Chartered Accountants

DVC:2411060280AS861293



Dustha Manab Unnayan Society (DMUS)

Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

Statement of Receipts & Payments Accounts

For the year ended June 30, 2024

Particulars	Current Year 30.06.2024	Previous Year 30.06.2023
Receipts:		
Opening Balance 01-07-2023		
Cash in hand	77,871.00	62,133.00
Cash at Bank	336,077.00	239,242.00
FDR Reserve Fund	930,000.00	Nil
Donation	Nil	1,600,000.00
Provident Fund Collection	Nil	10,150.00
Savings Collection	9,311,109.00	9,393,039.00
Loan Received from Executive Committee	2,611,344.00	7,560,000.00
Loan Received from Executive Committee Ge	100,000.00	Nil
Loan Realized (RMC)	71,280,855.00	53,640,858.00
Member Welfare Fund	767,970.00	Nil
Provision for Interest on Security Savings	34,598.00	Nil
Legal Expenses	20,000.00	Nil
Entertainment	840.00	Nil
Housing Loan Realisation	2,147,017.00	2,355,457.00
Admission Fess	10,960.00	11,200.00
Sale of Pass Book	16,105.00	12,400.00
Loan Processing Fees	9,305.00	Nil
Insurance & Risk Fund	Nil	666,710.00
Sale of Loan Form	Nil	13,125.00
Service Charge (RMC)	9,059,333.00	6,713,476.00
Service Charge Housing Loan	251,449.00	145,470.00
Bangladesh Bank Housing	Nil	2,600,000.00
Closing Charge	Nil	50.00
Voluntary Savings Collection	1,401,300.00	951,300.00
Voluntary Application From	Nil	350.00
Voluntary Pass Book	Nil	2,280.00
Voluntary Application Fees	Nil	6,310.00
Savings Reserve Fund	Nil	166,000.00
Staff Security	Nil	10,000.00
Bank Interest	57,456.00	1,254.00
Staff Loan	Nil	40,000.00
Others	39,858.00	52,114.00
Total	98,463,447.00	86,252,918.00
Payments:		
Loan Disbursement (RMC)	76,722,000.00	64,071,000.00
Loan Disbursement Housing	Nil	2,600,000.00
Staff Salary & Allowances	3,528,472.00	3,848,246.00
Office Rent	287,000.00	288,000.00
Savings Refund	8,172,432.00	7,207,333.00
Voluntary Savings Refund	834,300.00	284,800.00
Loan Refund to Executive Committee	1,959,328.00	3,538,008.00
Loan Refund to General Manager	100,000.00	Nil



Dustha Manab Unnayan Society (DMUS)

Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

Statement of Receipts & Payments Accounts

For the year ended June 30, 2024

Particulars	Current Year	Previous Year
Provident Fund Refund	16,100.00	43,150.00
Insurance & Risk Fund Refund	Nil	82,993.00
Printing & Stationary	64,551.00	100,890.00
Legal Expenses	64,500.00	Nil
Tranning & Seminar	12,530.00	Nil
Saving Interest Paid	104,200.00	95,877.00
Head Office Fund Interest Paid	1,083,915.00	Nil
Travelling & Conveyances	31,970.00	33,670.00
Mobile Bill	97,068.00	66,020.00
Software Service Charge	28,790.00	36,000.00
Service Charge of House Loan	156,903.00	Nil
Oil & Fuel Cost	687,500.00	557,611.00
Repair & Maintenance	47,560.00	33,980.00
Audit Fee	35,000.00	26,000.00
Intenet & Network	Nil	15,996.00
MRA License Fee	11,500.00	11,500.00
Staff Loan	30,000.00	202,730.00
Electricite Bill	96,391.00	73,181.00
Water Bill	708.00	Nil
Entertainment	96,015.00	13,504.00
Purchase of Furniture & Fixture	1,660.00	Nil
Purchase of Software	31,500.00	Nil
Purchase of Computer	Nil	44,100.00
Bank Charge	9,578.00	21,507.00
Staff Security	Nil	20,000.00
Bangladesh Bank Housing Refund	1,155,556.00	288,889.00
Member Welfare Fund Refund	155,548.00	Nil
Provision for Interest on Security Saving	20,350.00	Nil
Interest Bangladesh Bank Husing Loan	Nil	38,038.00
Motor Car	Nil	1,600,000.00
Interest on PF	805.00	2,586.00
FDR Reserve Fund	1,400,000.00	485,000.00
Vat	Nil	188.00
Miscellaneous Expenses	31,600.00	108,173.00
Closing Balance 30-06-2024		
Cash in hand	532,960.00	77,871.00
Cash at Bank	855,157.00	336,077.00
Total	98,463,447.00	86,252,918.00

Accountant: আব্দুল করিম হাওলাদার
DMUS প্রকল্প হিসাব রক্ষণ/আইসি
৫৪৫ নম্বর উত্তর পোস্টাফিস (খুলনা)

Executive Director

DMUS Aktheruzzaman

Secretary General
Dustha Manab Unnayan Society (DMUS) Partner



Membership No: 280

Ashraf Uddin & CO.

Chartered Accountants

DVC:2411060280AS861293

Signed in terms of our separate report of even date.

Dustha Manab Unnayan Society (DMUS)

Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

Statement of Cash Flows For the year ended June 30, 2024

Particulars	FY 2023-2024	FY 2022-2023
	Amount(BDT)	Amount(BDT)

A. Cash flow from Operating Activities

Excess of Income over Expenditure	1,559,829	497,413
Loan Loss Provision(LLP)	300,000	1,503,639
Depreciation	271,855	289,420
Loan to Members (RMC)	(5,437,501)	-
Loan to Members (Housing)	2,147,017	-
Reserve Fund (FDR)	(470,000)	-
Savings Fund (FDR)	-	-
Advance Rent	-	-
Staff Loan	8,000	-

(1,620,800) **2,290,472**

B. Cash flow from Investing Activities

Fixed Assets	(33,160)	(1,644,100)
	(33,160)	(1,644,100)

C. Cash flow from Financial Activities

Members Savings Fund	1,700,417	-
Voluntary Savings	567,000	-
Loan Risk Fund	612,422	-
PF Fund	237,582	-
Provision for Interest on Security Saving	14,248	-
Bangladesh Bank Housing Loan	(1,155,556)	-
Loan From EC	652,016	-
Increase in Members Savings Fund	-	3,243,288
Increase in Advance Rent	-	57,847
Increase in Insurance Fund	-	583,717
Increase in Loan to Members	-	(10,621,963)
Increase in Staff Loan	-	27,000
Increase in Staff Security	-	(10,000)
Increase in Voluntaey Saving	-	155,483
Increase in Bangladesh Bank Housing	-	2,311,111
Increase in Payable Salaries	-	(81,847)
Increase in Savings Reserve Fund	-	(485,000)
Increase in PF Fund	-	264,572
Increase in Loan From EC	-	4,021,993
	2,628,129	(533,799)
	974,169	112,573
	413,948	301,375
	1,388,117	413,948

Net Cash flow Increase / Decrease (A+B+C)

Add: Cash and Bank Balance at the beginning of the year

Cash and Bank Balance at the Closing of the year



Dustha Manab Unnayan Society (DMUS)

Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

Micro Credit Program

Statement of Change of Equity For the year ended 30th June, 2024

Particulars	Current Year	Previous Year
Balance as at July 01, 2023	30.06.2024	30.06.2023
Prior Year Adjustment	4,844,867.00	4,347,454.00
Surplus for the year	1,559,829.00	497,413.00
Balance as at June 30, 2024	6,404,696.00	4,844,867.00
Transfer to Various funds and reserves		
Balance as at June 30, 2024	6,404,696.00	4,844,867.00



Dustha Manab Unnayan Society (DMUS)

Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

Notes to the Financial Statements

FOR THE YEAR ENDED 30TH JUNE, 2024

1.00 Background of Dustha Manab Unnayan Society (DMUS):

Dustha Manab Unnayan Society (DMUS) is a non-political, non-government organization. It was established in the year of 1992 by the active initiatives of local social workers, doctors, education & philanthropists with a view to a just society where both men & women take initiative and work together to achieve self reliance empowering the distressed, destitute & oppressed and powerless people emphasizing women for the socio-economic emancipation and facilities to establish their rights in the society to lead an active and higher standard of living.

The main focus of the organization is to empower the distressed and powerless people especially women through group formation, concretization, training, non formal education, sanitation and environmental up gradation with a view to improving their higher standard of living by mobilization local resources both manpower, water and soil through boosting up productivity both farm and non-farm sectors.

Present Programs of the Organizations:

01. Micro Finance Program

2.00 Corporate Information of the PO

Name of the Organization	Dustha Manab Unnayan Society (DMUS)
Year of Establishment	1992
Legal Entity	The organization is duly registered under Voluntary Social Welfare - Jhalakathi Agencies (Registration & Control) Ordinance 1961 vides Registration No. 80 /1992 dated: 09-11-1992 and also has the Registration organization achieve the license no. of Micro credit Regulatory Authority vide No. 21112-00909-00847 & MRA- No. 0000878 dated: 22-07-2019 from Bangladesh Bank.
Nature of operations (programs)	Micro Finance Program
No. of Executive Committee meeting held on 2023-2024	12
Date of last AGM held	30/06/2024
Name of the Statuary Auditor for Last Year	Salam & Co.
Name of the Statuary Auditor for Current Year	Ashraf Uddin & Co.

3.00 Mission and Vision of the Organization

a) Mission of the Organization:

An independent sustainable, cost-effective micro finance institution that provides diverse, appropriate and market responsive quality financial and business development services at competitive prices to very poor, poor and vulnerable non-poor beneficiary.

b) Vision of the Organization:

A just society where both men & women take initiative and work together to achieve self-reliance and higher standard of living.



4.00 List of Executive Committee Members

The affairs of the Organization have been entrusted to an Executive Committee consisting of 07 (Seven) members elected in the Annual General Meeting (AGM). The following persons were in the Committee during the Period of our Audit.

Sl. No.	Name	Designation
1.	Md. Jalilur Rahman Akando	Chairman
2.	Khan Jamaluddin Ahmed	Vice-Chairman
3.	H M Akteruzzaman	Secretary General
4.	Mst. Sahanaz Parvin	Asst. General Secretary
5.	Md. Akteruzzaman	Treasurer
6.	Md. Mizanur Rahman Mollah	Executive Member
7.	Mst. Kamrun Naher	Executive Member

Basis of preparation of financial statements

5.00 Basis of Accounting

The Financial Statements have been prepared under historical cost convention on accrual basis, excepting service charge which are computed following cash basis of accounting. All activities included in the accounts are continuing in nature that is the Financial Statements have been prepared on going concern basis.

5.01 Summary of Significant Accounting Policies

5.02 Currencies

All organization's assets, liabilities, capital fund, income and expenditure are stated in terms of Taka (Local currency). Figures have been rounded off to the nearest taka and previous year's figures have been rearranged, where necessary, to conform to current year's presentation.

5.03 Revenue Recognition

Revenue is recognized in the accounts on accrual basis excepting service charge.

5.04 (i) Interest income

Interest income is recognized on accrual basis.

(ii) Service charges on loan

Service charge from beneficiaries/end-users in Micro Credits is recognized in the accounts on actual realization.

(iii) Interest expenses

Interest on loan is recognized on accrual basis.

(iv) Other expenses

Other expenses is recognized in the accounts on accrual basis.

(v) Interest paid on savings

Interest on savings is recognized in the accounts on accrual basis.

5.05 Fixed Assets and Depreciation

Fixed Assets have been stated at cost less accumulated depreciation. Depreciation has been charged on fixed assets using reducing balance method at rates varying from 5% to 20% depending upon the useful life of each asset.



5.06 Significant Organizational Policies

5.07 Loan Loss Provision: Loan Classification, Loan loss provisioning and Write off Policy

Dustha Manab Unnayan Society (DMUS) classified loan into five categories as per Microcredit Regulatory Authority (MRA) guideline, which are mentioned below:

- a) Loan balance on which on installment is overdue (Standard Loan).
- b) Loan overdue for 01 to 30 days outstanding (Watchful Loan).
- c) Loan overdue for 31 to 180 days outstanding (Sub-Standard Loan).
- d) Loan overdue for 181 to 365 days outstanding (Doubtful Loan).
- e) Loan overdue above 365 days outstanding (Bad Loan).

Dustha Manab Unnayan Society (DMUS) creates the provision 1% on standard loan outstanding, 5% on watchful loan outstanding, 25% on sub-standards loan outstanding, 75% on doubtful loan and 100% on bad loan outstanding.

5.08 Loan to Beneficiaries

Dustha Manab Unnayan Society (DMUS) follows the following policies to disburse the loan to the beneficiaries:

- a) To avail loan, beneficiaries should deposit at least 10% of required loan amount to the savings fund.
- b) 24% declining interest will be charged on IGA for the loan amount.
- c) The loan has to be refunded by the beneficiaries generally on weekly basis.
- d) The beneficiaries have to be the member of the group savings fund.
- e) The principal amount of loan and proportionate service charges are collected in equal weekly installments.

5.09 Savings collection

Dustha Manab Unnayan Society (DMUS) follows the following policy to collect the savings:

- a) Micro-credit program is conducted as per manual provided by the MRA.
- b) Interest paid on saving is recognized on accrual basis at the end of the year on their savings and accounted @ 6% regular basis.

6.00 General

- a) Auditors; Ashraf Uddin & Co., Chartered Accountants have checked approximately ninety percent (90%) vouchers of **Dustha Manab Unnayan Society (DMUS)** Micro Finance Project.
- B) Salaries of the employees were disbursed through bank account.



Dustha Manab Unnayan Society (DMUS)

Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

Notes to the Financial Statements for the year ended 30 June, 2024

Note	Particulars	Current Year 30.06.2024	Previous Year 30.06.2023
6.00	Property ,Plant & Equipment		
	Balance as per last year	5,410,870.00	3,766,770.00
	Add : Addition during the year	33,160.00	1,644,100.00
	Less :Disposal During the year	5,444,030.00	5,410,870.00
	Balance as on 30.06.2024	5,444,030.00	5,410,870.00
	Depreciation		
	Balance as per last year	548,583.00	259,163.00
	Add : Addition during the year	271,855.00	289,420.00
	Less :Disposal During the year	820,438.00	548,583.00
	Balance as on 30.06.2024	820,438.00	548,583.00
	Written Down Value as on 30.06.2024	4,623,592.00	4,862,287.00
7.00	Loan to Members (RMC)		
	Balance as per last year	34,882,175.00	27,024,955.00
	Add : Disbursed during the year	76,722,000.00	64,071,000.00
	Less :Realized during the year	111,604,175.00	91,095,955.00
	Less :Adjustment during the year	71,280,855.00	53,640,858.00
	Balance as on 30.06.2024	3,644.00	2,572,922.00
	Loan to Members (Housing)		
	Balance as per last year	2,764,743.00	2,520,200.00
	Add : Disbursed during the year	Nil	2,600,000.00
	Less :Realized during the year	2,764,743.00	5,120,200.00
	Less :Adjustment during the year	2,147,017.00	2,355,457.00
	Balance as on 30.06.2024	617,726.00	2,764,743.00
9.00	Reserve Fund (FDR)		
	Balance as per last year	715,000.00	230,000.00
	Add : Addition during the year	1,400,000.00	485,000.00
	Less : Encashment during the year	2,115,000.00	715,000.00
	Balance as on 30.06.2024	930,000.00	-
	Savings Fund (FDR)		
	Balance as per last year	1,185,000.00	715,000.00
	Add : Addition during the year	215,000.00	215,000.00
	Less : Encashment during the year	Nil	-
	Balance as on 30.06.2024	215,000.00	215,000.00



11.00 Advance Rent

Balance as per last year	37,500.00	95,347.00
Add : Advance paid during the year	-	Nil
	37,500.00	95,347.00
Less :Realized during the year	8,000.00	12,000.00
Less :Adjustment during the year	-	45,847.00
Balance as on 30.06.2024	29,500.00	37,500.00

12.00 Staff Loan

Balance as per last year	-	27,000.00
Add : paid during the year	30,000.00	202,730.00
	30,000.00	229,730.00
Less :Realized during the year	30,000.00	40,000.00
Less :Adjustment during the year	-	189,730.00
Balance as on 30.06.2024	-	-

13.00 Closing Balances :

Cash in Hand	532,960.00	77,871.00
Cash at Bank	855,157.00	336,077.00
Balance as on 30.06.2024	1,388,117.00	413,948.00

Cash at Bank

One Bank Ltd, Barisal Branch, Barisal Account No. 0641020006627	-	13,318.00
United Commercial Bank Ltd, Jhalakati Br., Jhalakati Account No. 7772301000000179	-	15,505.00
United Commercial Bank Ltd, Jhalakati Br., Jhalakati Account No. 7772101000010985	-	2,21,004.00
Sonali Bank Ltd, Nalchity Branch, Jhalakati. Account No. 0327702000607	-	2,077.00
Sonali Bank Ltd, Jhalakati Court Building Br., Jhalakati. Account No. 0331902000191	-	4,212.00
Sonali Bank Ltd, Jhalakati Court Building Br., Jhalakati. Account No. 0318602001107	-	79,961.00
Total	855,157.00	3,36,077.00

14.00 Capital Fund :

Balance as per last year	4,844,867.00	4,347,454.00
Add :Excess of Income	1,559,829.00	497,413.00
Balance as on 30.06.2024	6,404,696.00	4,844,867.00

15.00 Member Savings Fund :

Balance as per last year	9,921,839.00	7,347,851.00
Add :Deposits during the year	9,311,109.00	9,393,039.00
	19,232,948.00	16,740,890.00
Less :Refund during the year	8,172,432.00	7,207,333.00
Add :Adjustment during the year	11,060,516.00	9,533,557.00
Balance as on 30.06.2024	561,740.00	388,282.00
	11,622,256.00	9,921,839.00



16.00 Voluntry Savings Fund :

Balance as per last year	1,257,800.00	588,500.00
Add :Deposits during the year	1,401,300.00	951,300.00
	2,659,100.00	1,539,800.00
Less :Refund during the year	834,300.00	284,800.00
Add :Interest on Savings during the year	1,824,800.00	1,255,000.00
Balance as on 30.06.2024	1,824,800.00	1,257,800.00

17.00 Loan Risk Fund

Balance as per last year	1,397,618.00	813,901.00
Add :Deposits during the year	767,970.00	666,710.00
	2,165,588.00	1,480,611.00
Less: Refund during the year	155,548.00	82,993.00
Balance as on 30.06.2024	2,010,040.00	1,397,618.00

18.00 Provident Fund

Balance as per last year	550,377.00	285,805.00
Add :Deposit during the year	Nil	10,150.00
	550,377.00	295,955.00
Less : Refund during the year	16,100.00	43,150.00
Add : Adjustment	253,682.00	297,572.00
Balance as on 30.06.2024	787,959.00	550,377.00

19.00 Staff Security

Balance as per last year	-	10,000.00
Add : Received during the year	Nil	10,000.00
	-	20,000.00
Less :Refund during the year	Nil	20,000.00
Balance as on 30.06.2024	-	-

20.00 Provision for Interest on Security Saving

Balance as per last year	177,983.00	22,500.00
Add : Received during the year	34,598.00	146,096.00
Add : Ajustment during the year	-	18,774.00
Less :Adjustment during the year	212,581.00	187,370.00
Balance as on 30.06.2024	192,231.00	177,983.00

21.00 Payble of Salary

Balance as per last year	-	81,847.00
Add : Received during the year	-	-
	-	81,847.00
Less :Adjustment during the year	-	81,847.00
Balance as on 30.06.2024	-	-



22.00 Bangladesh Bank Housing Loan

Balance as per last year	4,911,111.00	2,600,000.00
Add : Received during the year	Nil	2,600,000.00
Less :Refund during the year	4,911,111.00	5,200,000.00
Balance as on 30.06.2024	1,155,556.00	288,889.00
	3,755,555.00	4,911,111.00

23.00 Loan Received from Executive Committee

Balance as per last year	18,982,958.00	14,960,966.00
Add : Received during the year	2,611,344.00	7,560,000.00
Less :Refund during the year	21,594,302.00	22,520,966.00
Balance as on 30.06.2024	1,959,328.00	3,538,008.00
	19,634,974.00	18,982,958.00

24.00 Loan Loss Provision :

Balance as per last year	1,846,100.00	342,461.00
Add : Provision during the year	300,000.00	1,503,639.00
Balance as on 30.06.2024	2,146,100.00	1,846,100.00



(III) Loan Operational Report

Sl no.	Particulars	FY 2023-2024			FY 2022-2023		
		Non PKSF	Total		Non PKSF	Total	
1	Financial Service Product:						
	Loan product:						
	Loan to Beneficiaries	40,937,402	40,937,402		37,646,918	37,646,918	
	Savings product:						
	Members Savings	13,447,056	13,447,056		11,179,639	11,179,639	
	Insurance product:						
	Risk Fund	2,010,040	2,010,040		1,397,618	1,397,618	
2	Number of branches	3			3		
		M	F	Total	M	F	Total
3	Number of Samities	2	105	107	4	91	95
4	Number of members	39	1572	1611	61	1732	1793
5	Number of borrowers	22	1290	1312	49	1155	1204
6	Number of Staff	-	15	15	15	3	18
7	Amount of Loan Outstanding with Samiti members			40,937,402			37646918
8	Member: borrower			1312			1
9	Average loan size			31202			31268



Dustha Manab Unnayan Society (DMUS)

Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

Micro Credit Program

Review of Loan Classifications and Provisions
Portfolio report for the year ended June 30, 2024

(i) Classification of Loan and Loan Loss Provision

Sl no.	Particulars	No. of days Outstanding	Outstanding Loan		Required Provision	
			Amount	Rate %	Rate %	Amount (Tk)
1	Total Loan Outstanding		40,937,402			
2	Total overdue		2,769,140			
3	Regular	Loans with no overdue instalments	36,280,409	1%		362,804
4	Watchful	Loan default duration between 1 and 30 days	1,165,396	5%		58,270
5	Sub-standard	Loan default duration between 31 and 180 days	1,946,319	25%		486,580
6	Doubtful	Loan default duration between 181 and 365 days	644,088	75%		483,066
7	Bad Loan	Loan default duration above 365 days	901,190	100%		901,190
	Total		40,937,402			2,291,910

(ii) Loan loss provision (LLP) status of the MFI

Particulars	Amount Taka
Required reserve fund as per MRA Policy	2,291,910
Actual Provision made by the MFI	2,146,100
Excess / (shortfall) in Provision	145,810
Comment on LLP: Organization should follow the MRA policy for calculation of LLP.	
Disclosure on Written off Loan:	
Suspense Account (Loan Outstanding)	
Particulars	Amount
Balance as on 01.07.2023	-
Add; During the year	-
Less; Recovery during the year	-
Balance as on 30.06.2024	-



Dustha Manab Unnayan Society (DMUS)

Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

Micro Credit Program

Eligibility Criteria Compliance Certification for the year ended June 30, 2024

SI #	Eligibility Criteria	Standard	Audited Figures or Compliance	
			FY2023-2024	FY2022-2023
1.0	Minimum Loan recovery rates, computed quarterly, based on the following:			
i	95% minimum cumulative loan collection ratio on total dues:	95%	97.79%	97.79%
	$\frac{\text{Actual cumulative collections}}{\text{Cumulative collectibles}} \times 100$			
ii	92-100% minimum loan collection ratio on current dues (on running 12 month basis)	92-100%	93.72%	93.72%
	$\frac{\text{Actual collections during the past 12 months on current dues}}{\text{Collectibles on current dues}} \times 100$			
2.0	Minimum liquidity ratio of	15%	20.73%	12.02%
3.0	Minimum current ratio of	2.0:1	1:1	1:1
4.0	Minimum capital adequacy ratio	15%	14.05%	11.39%
5.0	Minimum debt service cover ratio	1.25:1	1.92:1	1.92:1
6.0	Debt to capital ratio	9.1	7.24:1	7.24:1
7.0	Minimum rate of return on capital of	1%	27.73%	10.27%



Dustha Manab Unnayan Society (DMUS)
Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

Micro Credit Program

Fixed Assets Schedule
As on 30th June, 2024

Sch-A

Sl. No.	Particulars	Cost			Depreciation			Written Down Value as on 30.06.2024
		Balance as at 01.07.2023	Addition during the year	Balance as at 30.06.2024	Rate (%)	Balance as at 01.07.2023	Depreciation during the year	
1	Land	3,000,000	-	3,000,000	0%	-	-	3,000,000
2	Furniture & Fixture	248,550	1,660	250,210	15%	113,754	28,131	139,885
3	Office Equipment	151,270	-	151,270	15%	105,841	14,014	119,855
4	Motor Cycle	210,000	-	210,000	15%	115,500	31,500	147,000
5	Computer	171,050	-	171,050	20%	41,488	34,210	75,698
6	Software	30,000	31,500	61,500	20%	12,000	6,000	18,000
7	Motor Car	1,600,000	-	1,600,000	10%	160,000	160,000	320,000
Total		5,410,870	33,160	5,444,030		548,583	271,855	820,438
								4,623,592



Dustha Manab Unnayan Society (DMUS)

Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

Management Report on the accounts of

For the year ended June 30, 2024

Observations and Recommendations

Current year's (2023-2024) observations: Nil

Review of Internal control of Financial Management System ensuring accountability and transparency:

Compliance of the status of the prior year (2022-2023) audit observations and mention the percentage thereof: Nil

PARTICULARS REQUIRED BY THE MICROCREDIT REGULATORY AUTHORITY

1 Requirements

To check whether the audited has complied with the International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) while maintaining accounting records and preparing financial statements, and report if any non compliance was found.

Observation

Financial Statements of **Dustha Manab Unnayan Society (DMUS)** have been prepared following generally accepted accounting principles.

2 Requirements

To examine whether the audited has undertaken any activity, involved in transaction or provided services that is contrary to "Microcredit Regulatory Authority Act-2006." or "Microcredit Regulatory Authority Ordinance-2010." Further to examine whether any transaction that goes against the interest of different donors, beneficiaries or the audited itself.

Observation

Our test verification reveals that **Dustha Manab Unnayan Society (DMUS)** did not execute any transaction contrary to Microcredit Regulatory Authority Act, 2006 or Microcredit Regulatory Authority Ordinance, 2010. Further, we did not observe any transaction which is detrimental to the interest of donors, beneficiaries or the organization.

3 Requirements

To examine whether closing balance of last year's audited financial statement was carried forwards as opening balance in current year's accounts.

Observation

We have confirmed opening balances with last year's closing balance and found no exception.

4 Requirements

To examine whether the audited has maintained proper books for sector-wise receipt of funds and whether they properly comply with the rules and regulations as per accounting manual provided by the authority.

Observation

Dustha Manab Unnayan Society (DMUS) maintains proper books of accounts for its micro credit program and complies with the rules and regulations as per organization's accounting manual.

5 Requirements

To check whether the audited has kept the records separately for the collected funds under various components of microcredit activities and submit separate reports on that basis.



Observation

The funds received for micro credit program are recorded in components as per requirement.

6 Requirements

To examine whether the audited has properly recorded and accounted for the receipt and disbursement of fund from different donor organizations and utilized them as per their principles/terms and conditions of the agreement with the donors.

Observation

It appears to us that **Dustha Manab Unnayan Society (DMUS)** has utilized and accounted for properly the fund received from various sources.

7 Requirements

To examine whether the savings collected from the members are properly recorded in accounts and deposited into the bank, besides, whether collection and refund of savings has been done according to the principle and whether interest on savings are paid to members and also examine the rate of interest etc.

Observation

Savings collections from members are being recorded properly. Interest is paid on members' savings @ 6%.

8 Requirements

To check whether the audited has maintained the formalities and properly complied with the provisions in the rules mentioned before disbursing loan among the beneficiaries.

Observation

It was revealed from our test verification that all formalities are duly complied with before disbursement of loan among the beneficiaries.

9 Requirements

To check whether the documents i.e. pass book, loan/savings collection schedule and loan application form regarding loan write off, bad loan, have been preserved separately.

Observation

Pass Book, loan/savings collection schedule etc. have been preserved separately.

10 Requirements

To examine whether microcredit organization properly comply with the rules and regulations relating to the constitutions particularly in respect of formation and meetings of General Body and Governing Body.

Observation

Our test examination reveals that **Dustha Manab Unnayan Society (DMUS)** complies with relevant rules and regulations with regard to formation and meetings of General Body and Governing Body.

11 Requirements

To examine the physical existence of assets acquired out of surplus service charge (income surplus) and fund received from different sources for institutional development as loan or grants.

Observation

The assets lying at the Head Office of **Dustha Manab Unnayan Society (DMUS)** were physically verified and found to be in existence. The assets were acquired utilizing the surplus service charge.



- 12 **Requirements**
To conduct a sample check for whether the loans was properly utilized by the beneficiary members.
- Observation**
We have visited 03 Branches – Nalcity, Shaberhat & Jhalokati to verify loan utilization by borrowing groups and found no exceptions.
- 13 **Requirements**
To check, whether all kinds of transactions were done through bank except collection of savings and disbursement of microcredit.
- Observation**
It was revealed from our test verification that in most of the cases payments are made in cash at the branches, while at the Head Office, in most of the cases payments are made by account payee cheque.
- 14 **Requirements**
To check, whether recovered loan and savings amount from members were duly deposited into bank on the same/earliest date.
- Observation**
It was revealed from our verification on test basis that in most of the cases daily collections are being properly deposited to bank on the same day except the collections made in the afternoon. The collections made in the afternoon are deposited to bank on the following day at early banking hour.
- 15 **Requirements**
To check whether collected savings are properly recorded and accounted for at member's level and samity level.
- Observation**
It was revealed from our test verification that savings collected from members are properly recorded at the member's level and at samity level.
- 16 **Requirements**
To examine that the recovery of loan disbursed out of fund received from several sources are made as per Amortization Schedule and also to examine the effective rate of service charges on loan to the members and to mention the findings in the report.
- Observation**
Cumulative loan recovery rate was found to be 98%. The effective rate of service charge was found to be 24% declining.
- 17 **Requirements**
To examine whether loan loss provision has been computed and accounted for as per Microcredit Regulatory Authority Act, 2006 and Microcredit Regulatory Authority Rules, 2010.
- Observation**
Dustha Manab Unnayan Society (DMUS) has made loan loss provision amounting to Tk. 3,00,000.00 during the year under audit. The organization follows MRA Act and Rules while calculating and accounting for loan loss provision.



- 18 **Requirements**
To check the closing cash balance at the time of auditing by counting cash amount physically and issue certificate of balance. To check bank balance of year end by collecting certificate of bank balance and also check Bank Reconciliation Statements that have been prepared.
- Observation**
We have verified cash in hand at Head Office on September 20, 2024 and Nalcity found cash-in-hand amounting to Tk. 5,32,960.00 respectively. The balance was in agreement with Cash Book. Bank Reconciliation Statement is prepared whenever necessary.
- 19 **Requirements**
To check whether the payments were made with proper approval authority of bills/voucher, whether payment made as per approved price and to examine the "Budgetary Control System".
- Observation**
Our test verification of transactions reveals that **Dustha Manab Unnayan Society (DMUS)** has maintained bills and vouchers for all transactions, which are duly approved for payment by the competent authority. **Dustha Manab Unnayan Society (DMUS)** does have budgetary control system.
- 20 **Requirements**
To comment on the reasons for existence of any unused fund if detected during audit and make comments in the audit report.
- Observation**
We did not find any instance where fund was kept unused.
- 21 **Requirements**
To examine appropriateness of audit report and audited financial statement presented to different donor organizations, regulatory authority and other authorities.
- Observation**
No such audit report and audited financial statement was presented to us.
- 22 **Requirements**
To examine whether there is a proper compliance with the provision of the Income Tax and Value Added Tax (VAT) authority rules implemented by the Government.
- Observation**
The organization follows Income Tax and VAT rules wherever applicable.
- 23 **Requirements**
To check whether all the policies i.e., the procurement policy, service policy, loan and savings policy etc. are in place and are properly followed by the audited organization.
- Observation**
Dustha Manab Unnayan Society (DMUS) does have Procurement and Service Rules. Loan and Savings rules of the organization are guided by organization's policy.
- 24 **Requirements**
To check whether there is an internal audit arrangement and division in the audited organization and whether internal audit is conducted regularly and properly by the organization.



Observation

Dustha Manab Unnayan Society (DMUS) does have internal audit department manned by 01 staff and internal audit is conducted at regular interval.

25 **Requirements**

To comment on whether the recommendations on previous year's audit on objections are properly taken care of or not.

Observation

Last year's audit recommendation was fully implemented.

26 **Requirements**

To check cost sharing between of microcredit and other program and comments therefore in the report.

Observation

Dustha Manab Unnayan Society (DMUS) has maintained cost sharing policy between of Microcredit and other program.

27 **Requirements**

To check whether transactions have taken place through bank for significant amounts.

Observation

In most cases transactions of significant amount are made through bank at the Head Office.

28 **Requirements**

To check audit fees are fixed on the basis of total loan portfolio and cost centers/branches or not.

Observation

Audit fees are fixed on the basis of total loan portfolio.



**Compliance with the Guidelines on Prevention of Money Laundering and Terrorist Financing
for Non-Government Organization/Non-Profit Organization:**

Guideline No.	Title	Compliance Status
1	<p>Whether the NGO has policy approved by the Governing Body/Executive Committee with regard to preventing funds from using money laundering and terrorist financing in order to comply with the Money Laundering Prevention Act, 2009.</p> <p>Whether the NGO has assigned a senior executive as contact person to communicate with the Bangladesh Bank in order to perform properly money laundering prevention activities.</p> <p>Whether the NGO has submitted name, designation, address, telephone no., fax and e-mail to the Money Laundering Prevention Department of Bangladesh Bank.</p>	Complied
2	Whether the NGO preserves information with regard to goal, objectives and activities of the organization.	Complied
3	Whether the NGO preserves correct and complete information with necessary documents of persons responsible for controlling and directing the NGO (Senior management personnel, members of the Board of Directors, Executive Committee, Board of Trustees and other). The information shall be available to public.	Complied
4	Whether the NGO preserves financial statements, information and explanation of each heads of financial statements and supporting documents for a minimum period of 5 (Five) years.	Complied
5	Whether selected candidate's introduction, experience and other relevant information with supporting documents are screened before recruitment.	Complied
6	Whether the NGO preserve details particulars of functions and up-to-date information of officers and employees of foreign branch (if applicable).	Not applicable
7	Whether the NGO collates, ensures propriety of and preserves correct and complete information with supporting documents of all beneficiaries whose loan balance is Tk. 50,000 or more or savings balance is Tk. 50,000 or more. Whether the NGO preserves beneficiaries information/documents for a minimum period of 5 (five) years after transactions with the beneficiaries are closed. In case of NGO receiving foreign donation/donation/loan, the provision in this paragraph shall be applicable for any balance of loan or savings.	Complied
8	Whether the NGO uses banking channel for transactions Tk. 100,000 (One lack) or more.	Complied



9	Whether management personnel, Board of Directors, Trustee of the NGO ensures utilization of funds as per NGO's goal, objectives and functions of the NGO. In this regard, annual independent audit shall be conducted.	Complied
10	Whether senior executives or Board of Directors (if applicable) conducts quarterly meeting with officers in connection with money laundering prevention activities and arranges appropriate training for all officers. Whether the NGO preserves records relating to meeting and training.	Complied
11	Has the NGO received funds from individuals/organizations listed in resolution UNSCR-1267 and UNSCR-1373 of the United Nations Security Council? Whether the NGO follows Enhanced Due Diligence (EDD) for receiving funds from individuals/organizations listed in Public Statement of Financial Action Task Force (FATF). Whether the NGO collects, ensures propriety of and preserves correct and complete information with documents of donor/donor organizations.	No Not applicable
12	Whether the NGO collects and preserves clearance from appropriate authority for foreign donations/contribution/loan receipts and refunds foreign donations/contribution/loan to the donors without permission from appropriate authority.	Complied
13	Whether the NGO has established monitoring mechanism to identify if funds disbursed to the beneficiaries have been used money laundering and terrorist activities. Whether the NGO has submitted report to the Money Laundering Department of Bangladesh Bank if any event/transaction is identified/suspected.	Not yet complied
14	Whether the NGO has submitted report to the Money Laundering Department of Bangladesh Bank if it is suspected that the donors/donor organizations has used the NGO contrary to the laws of the country or has requested the NGO to do activities contrary to the laws of the country.	Not applicable
15	Whether the NGO has submitted information and documents as per requirements of Bangladesh Bank.	Complied



Dustha Manab Unnayan Society (DMUS)

Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.

As required by the Micro-credit Regulatory Authority, we further report that:

- a) The organization has prepared its financial statements as per International Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) while maintaining accounting records and preparing financial statements and Reporting.
- b) We examine and found that the organization has not taken any activity, which is involved in the transaction or provided services that is contrary to "Micro credit Regulatory Authority Act-2006," Micro credit Regulatory Authority Act-2010. We also verify and found that no transaction has been made against the interest of different donors, beneficiaries of the organization.
- c) We have examined and found that the closing balance of last year's audited financial statement was carried forward as opening balance in current year's accounts.
- d) We examined and observed that the organization has maintained proper books of accounts for sector-wise receipt of fund and whether they properly comply with the rules and regulations as per accounting manual provided by authority.
- e) We examine and observed that the organization has kept the records separately for the collected fund under various components of micro credit activities and submit separate reports on that basis.
- f) We examined and observed that the organization has properly recorded and accounted for the receipt and disbursement of fund from different donor organization and utilized them as per their principles/terms and conditions of-the agreement with the donors.
- g) We examine and observed that saving collected from the members are properly recorded in account and deposited into the bank, besides, whether collection and refund of savings has been done according to the principle and whether interest on savings are paid to members and also examine rate of interest etc
- h) We check and found that the organization has maintained the formalities and properly complied with the provisions in the rules mentioned before disbursing loan among the beneficiaries.
- i) We checked whether the documents i.e. passbook/savings collection schedule, and loan application form regarding loan write off, bad loan, and found that have preserved separately.
- j) The organization has properly complied with the rules & regulation relating to the constitutions particularly in respect of formation and meetings of General Body and Governing Body.
- k) There were fixed assets in this project. So we have physically verified the existence of fixed assets in **Dustha Manab Unnayan Society (DMUS)** which acquired out of surplus service charge (income surplus) and fund received from different sources for institutional development as loan or grants.
- l) We checked test basis whether the loans was properly utilized for the beneficiary member and found in order;
- m) All transactions related with collection of savings in cash and disbursement of microcredit were made in cash by withdrawn from Bank.
- n) From our test check, we found that the collected loan and saving accounts are duly deposited into bank on daily basis;



- o) From our test check, we found that the amount collected from VO members are duly accounted for as per applicable policy and procedure at member and group level with very little exceptions;
- p) The **Dustha Manab Unnayan Society (DMUS)** is collecting service charges from beneficiaries at a declining rate of 24% per annum (12.5% Flat) calculated on the loan provide to them. The principal loan and proportional service charges are collected in equal weekly and monthly installments; Service Charges are accounted on cash basis and the amount of service charges from the beneficiaries is recognized as income. On the other side, the service charges receivable is not recognized as income.
- q) Provision for loan loss has been duly calculated and accounted for as per Micro-credit Regulatory Authority Act. 2006 and Micro-credit Regulatory Authority Act. 2010;
- r) We have physically counted the cash in hand during course of our audit and confirmed bank balances with the bank statement on a test basis and also examined the bank reconciliation statements and found them satisfactory;
- s) We have checked the vouchers on a test basis and found that payments were made upon the approval of appropriate authority and We have examine the budgetary control system of the Organization and have not found any issue to mention in the report;
- t) We have checked the papers / document in supporting of utilized of fund and found that no existence of any unused fund.
- u) We have verified the financial statements submitted to various donor organizations, regulatory agencies and other authorities by **The Dustha Manab Unnayan Society (DMUS)** with proper justification and did not find any issue mention in the report;
- v) As per Sixth Schedule Part-A, Para 1A on Income Tax Ordinance, 1984 (ITO) income from microfinance activities are tax exempted. The **Dustha Manab Unnayan Society (DMUS)** Deducts tax and VAT at sources as per the provisions of ITO 1984 and VAT Act. 1991;
- w) We observed that the Organization has introduced and established policies for procurement, human resource, loan and savings and complies with the above policies for microfinance operations;
- x) The Organization has a strong Internal Audit Department having 1 (One) employees and they have conducted internal audit and monitor the Organization at a regular interval;
- y) We have checked the microfinance activities funded by Own fund and such activities from own sources, adequacy of MIS system, internal control system, adequacy of classification of loan, provision policy, adequacy of collection percentage of loan and found satisfactory;
- z) We have checked cost sharing between of microcredit and other program and found in order;
- aa) We check and found that the transactions have taken place through bank for significant amounts
- bb) We observed that the audit fee has been shown under separate head in financial statements which are fixed on the basis of total loan portfolio and cost centers/branches;
- cc) We examine and found that the organization has not taken any activity, which is involved in the transaction or provided services that are contrary to "Money Laundering Prevention Act (MLAPA) 2012 and Anti-Terrorism Act (ATA) 2009" We also verify and found that no transaction has been made against the interest of different donors, beneficiaries of the organization.



ANNEXURE-B: Suspicious Transaction/Activity Report (STR/SAR) Format
(For suspicious NGO/NPO)

A.	Reporter's Detail:	
	1. Name of the Reporter:	(Ashraf Uddin & CO.)
	2. Detail Address:	142/B, Green Road (04 th Floor), Dhaka-1215, Bangladesh.
	3. Organization:	Dustha Manab Unnayan Society (DMUS) Puran Post Office Road, Nalcity, Jhalokati, Bangladesh.
B.	Suspected for (put tick mark):	
	1. Money Laundering	x
	2. Terrorist Financing	x
C.	Details of Report:	
	1. Date of Sending Report:	November 06, 2024
	2. Name of the Suspected NGO/NPO:	N/A
	3. Address of the suspected NGO/NPO:	N/A
	4. (a) License No. & Date:	N/A
	(b) Licensing Authority:	N/A
	5. Projects/Activities of the NGO	N/A
	6. Name of the Key Persons with Designation of the NGO: H M Akteruzzaman, Secretary General	
	7. Name of the Suspected Persons with Designation of the NGO: N/A (with their father's & mother's name, address)	
D.	Reporter's Relation with the Suspected NGO/NPO (if any):	N/A
E.	Nature of suspicious activity/Transaction and reasons for considering it as suspicious:	N/A
F.	Attached Documents:	<i>This is a new case it will be observe during next audit.</i>

[Please add additional information if you feel necessary]

Details of Reporter:

Signature: 

Name: (Ashraf Uddin & CO.)

Phone: 01819-490550

E-mail: mohiuddin.fca@aucbd.com

