

**AUDITORS' REPORT AND
THE AUDITED FINANCIAL STATEMENTS OF
Integrated community Development society (I.C.D.S)
For the year ended 30th June 2022**
DNC 2210201544AS199040



H M ENAM & CO.
CHARTERED ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT
OF**

Integrated Community Development Society (I.C.D.S)

Opinion

We have audited the accompanying Financial Statement of **Integrated Community Development Society (I.C.D.S)** which comprise the statement of financial position as at **30th June 2022**, and Revenue account for the year then ended, and notes to the financial statement, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of fund as at **30th June 2022**, and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Trustee and Those Charged with Governance for the Financial Statements

Trustee is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, for such internal control as Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Labor Act, 2006 require the trustee to ensure effective internal audit, internal control and risk of the fund.

In preparing the financial statements, Trustee is responsible for assessing the Fund'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 Trustee either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so. Trustee are also responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, international omissions, misrepresentations, or the override of internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by trustee.
 - Conclude on the appropriateness of trustee'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 Fund'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 report to the related disclosures in the 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 Fund 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 gives a true and fair view.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Place : Dhaka, Bangladesh

Dated: 30 SEP 2022

Ref: HME/2022/NGO-13


Md. Enamul Hasan FCA
Managing Partner

Enrollment Number 1544

H M ENAM & CO.

Chartered Accountants

DVC 2210201544 AS199040

INTEGRATED COMMUNITY DEVELOPMENT SOCIETY (I.C.D.S)
Statement of Financial Position
For the year ended 30 June, 2022

Annexure-A1/2

| Particulars and Assets | Notes | Amount in BDT | |
|---|-------|------------------|------------------|
| | | 2021-22 | 2020-21 |
| Non-Current Assets | | | |
| Property Plant and Equipment | 5.00 | 430,942 | 200,049 |
| Long Term Investments- FDR | 6.00 | 100,000 | 120,000 |
| Loan to Other Microcredit | 7.00 | - | - |
| Other Loan - Long Term | 8.00 | - | - |
| Total Non- Current Assets | | 530,942 | 320,049 |
| Current Assets | | | |
| Loan to Members | 9.00 | 5,033,259 | 5,857,288 |
| Others Loan | 10.00 | - | - |
| Short Term Investment | 11.00 | - | - |
| Loan to Other Microcredit Organisation | 12.00 | - | - |
| Accounts Receivables | 13.00 | - | - |
| Advanced Deposit and Prepayment | 14.00 | - | - |
| Stock and Stores | 15.00 | - | - |
| Cash in Hand | 16.00 | 200,929 | 49,010 |
| Cash at Bank | 17.00 | 3,784 | 70,132 |
| Total Current Assets | | 5,237,972 | 5,976,430 |
| Total Properties and Assets | | 5,768,914 | 6,296,480 |
| Capital Fund & Liabilities | | | |
| Capital Fund | | | |
| Donor Fund | 18.00 | - | - |
| Cumulative Surplus | 19.00 | 562,146 | 407,661 |
| Reserve Fund | 20.00 | 46,000 | 46,000 |
| Total Capital Fund | | 608,146 | 453,661 |
| Non-Current Liabilities | | | |
| Loan From PKSF | 21.00 | - | - |
| Loan From housing fund: Long-term (Bangladesh Bank) | 22.00 | - | - |
| Loans from Other : Long-term | 23.00 | - | - |
| Loan from Other Government | 24.00 | - | - |
| Loan from Other micro credit | 25.00 | - | - |
| Loans from Commercial banks - long term | 26.00 | - | - |
| Other Loans : Long-term | 27.00 | - | - |
| Total Non-Current Liabilities | | - | - |



INTEGRATED COMMUNITY DEVELOPMENT SOCIETY (I.C.D.S)
Statement of Financial Position
For the year ended 30 June, 2022

Annexure-A1/2

| Particulars and Assets | Notes | Amount in BDT | |
|---|-------|------------------|------------------|
| | | 2021-22 | 2020-21 |
| Current Liabilities | | | |
| Loans from PKSF | 28.00 | - | - |
| Loans from housing fund | 29.00 | - | - |
| Loans from Other Government | 30.00 | - | - |
| Loan from Other | 31.00 | 100,000 | 100,000 |
| Loans from Commercial Banks- | 32.00 | - | - |
| Loan Security Fund | 33.00 | 310,280 | 296,450 |
| Loan From EC | 34.00 | - | - |
| Short term loan | 35.00 | - | - |
| Members General Savings | 36.00 | 1,286,502 | 1,307,084 |
| Member Savings Interest | 37.00 | 261,180 | 189,117 |
| Members Welfare fund | 38.00 | - | - |
| Loan Loss Provision | 39.00 | 293,099 | 252,663 |
| Provident Fund | 40.00 | - | - |
| Entrepreneur Loan | 41.00 | 2,909,705 | 3,697,504 |
| Loan From MSS | 42.00 | - | - |
| Total Current Liabilities | | 5,160,766 | 5,842,818 |
| Total Capital Fund & Liabilities | | 5,768,913 | 6,296,480 |

The Annexed Notes Form an Integral Part of These Financial Statements



Executive Director

Md. Mortuza Khalod
Executive Director
Integrated Community Development Society
Paura Char-Jongla, Bholo Sadar, Bholo.

Signed as per our report on same dated

Sohana .
Chief Finance Director

সোহানা আক্তার সিন্ধিয়া
অর্থ সম্পাদক
আইসিডিএস. ভোলা।

Date: 30 SEP 2022
Place: Dhaka, Bangladesh

Md. Enamul Hasan FCA
Enrollment Number 1544
H M ENAM & CO.
Chartered Accountants

DVC 2210201544AS199040



INTEGRATED COMMUNITY DEVELOPMENT SOCIETY (I.C.D.S)
Statement of Comprehensive Income
For the year ended 30 June, 2022

Annexure-A1/3

| Particulars and Assets | Notes | Amount in BDT | |
|---|-------|----------------|------------------|
| | | 2021-22 | 2020-21 |
| Income | | | |
| Service Charge Income | 43 | 287,196 | 590,916 |
| | | <u>287,196</u> | <u>590,916</u> |
| Non Operating Income | | | |
| Sales of Project Form | | 580 | 2,455 |
| Received money from Project Related Activities/Donour Fund Donation (Government & Non- Government) | | 100,527 | - |
| | | 530,000 | 420,000 |
| Sales of Pass Book | | 1,250 | 3,790 |
| Admission Fees | | 1,250 | 4,160 |
| Miscellaneous Income | | 3,205 | 5,683 |
| Bank Interest | | 1,352 | 6,020 |
| Total Non Operating Income | | <u>638,164</u> | <u>442,108</u> |
| Total Income (A) | | <u>925,360</u> | <u>1,033,024</u> |
| Financial Expenses | | | |
| Group Savings Interest Payment | | 72,063 | 62,129 |
| Loan Loss Provision | | 40,436 | - |
| | | <u>112,499</u> | <u>62,129</u> |
| Operating Expenses | | | |
| Salary & Allowances | | 347,335 | 514,500 |
| Office Rent | | 39,500 | 48,000 |
| Traveling & Conveyance | | 6,304 | 24,280 |
| Printing & Stationery | | 30,001 | 53,396 |
| Registration & Renewal (MRA) | | 11,363 | 19,300 |
| Audit Fee | | 10,000 | 10,000 |
| Casual Wages | | 1,160 | 1,450 |
| Hospitality | | 2,044 | 17,160 |
| Project Activity Expenses | | 94,400 | 100,000 |
| Honoriam | | - | 7,200 |
| Internet Bills | | 4,600 | 20,755 |
| Telephone, Mobile Bills & Postage | | 1,485 | 3,000 |
| Computer Servicing | | 3,700 | - |
| Electricity Bills | | 5,209 | 7,030 |
| Web Domain Charges | | - | 2,950 |



INTEGRATED COMMUNITY DEVELOPMENT SOCIETY (I.C.D.S)
Statement of Comprehensive Income
For the year ended 30 June, 2022

| Particulars and Assets | Notes | Annexure-A1/3 Amount in BDT | |
|---|-------|--------------------------------|------------------|
| | | 2021-22 | 2020-21 |
| Miscellaneous Expenses | | 1,485 | 20,080 |
| VAT & Tax | | 4,970 | 6,588 |
| Bank Charge & Commission | | 2,711 | 11,153 |
| Depreciation | | 92,109 | 35,845 |
| Total Operation Expenses | | 658,376 | 902,687 |
| Total Expenditure (B) | | 770,875 | 964,816 |
| Excess Income Over Expenditure (A-B) | | 154,485 | 68,208 |
| | | 925,360 | 1,033,024 |

The Annexed Notes Form an Integral Part of These Financial Statements



Executive Director

Md. Mortuza Khaled
Executive Director
Integrated Community Development Society
Paura Char-Jongla, Bhola Sadar, Bhola.

Signed as per our report on same dated

Sohana.

Chief Finance Director

সোহানা আক্তার সিনথিয়া
অর্থ সম্পাদক
আইসিডিএস, ভোলা।

Date: 30 SEP 2022
Place: Dhaka, Bangladesh



Md. Enamul Hasan FCA

Enrollment Number 1544

H M ENAM & CO.

Chartered Accountants

DVC 2210201544AS199040



INTEGRATED COMMUNITY DEVELOPMENT SOCIETY (I.C.D.S)
Statement of Receipts & Payments
For the year ended 30 June, 2022

Annexure-A1/4

| Particulars and Assets | Notes | Amount in BDT | |
|--|-------|------------------|------------------|
| | | 2021-22 | 2020-21 |
| Opening Balance | | 119,142 | 136,193 |
| Cash in Hand | | 49,010 | 29,658 |
| Cash at Bank | | 70,132 | 106,535 |
| Receipts | | 5,781,579 | 9,463,458 |
| Loan Realization (Principle) | | 2,257,029 | 4,593,474 |
| Loan Realization (Service) | | 287,196 | 590,916 |
| Sales of Project Form | | 580 | 2,455 |
| Group Savings Realization | | 437,260 | 622,143 |
| Loan Security Fund/Loan Insurance | | 13,830 | 38,730 |
| FDR encashment | | 320,000 | 155,000 |
| Received money from Project | | 100,527 | - |
| Related Activities/Donour Fund | | | |
| Donation (Government & Non-Government) | | 530,000 | 420,000 |
| Sales of Pass Book | | 1,250 | 3,790 |
| Admission Fees | | 1,250 | 4,160 |
| Received money from Branch | | 15,300 | - |
| Entrepreneur Loan | | 1,812,800 | 3,021,087 |
| Miscellaneous Income | | 3,205 | 5,683 |
| Bank Interest | | 1,352 | 6,020 |
| Total Receipts | | 5,900,721 | 9,599,651 |
| Payments | | 5,696,008 | 9,480,509 |
| Salary & Allowances | | 347,335 | 514,500 |
| Loan to Member | | 1,433,000 | 4,035,000 |
| Group Savings Withdrawan | | 457,842 | 386,204 |
| Entrepreneur Loan Return | | 2,600,599 | 3,974,063 |
| Office Rent | | 39,500 | 48,000 |
| Motorcycle | | - | 65,000 |
| Traveling & Conveyance | | 6,304 | 24,280 |
| Printing & Stationery | | 30,001 | 53,396 |
| Registration & Renewal (MRA) | | 11,363 | 19,300 |
| Audit Fee | | 10,000 | 10,000 |
| Casual Wages | | 1,160 | 1,450 |
| Transfer to other Account/Branch | | 15,300 | - |
| Furniture and Fixture | | 23,000 | 33,400 |
| Computer & Software | | 300,000 | - |



INTEGRATED COMMUNITY DEVELOPMENT SOCIETY (I.C.D.S)
Statement of Receipts & Payments
For the year ended 30 June, 2022

Annexure-A1/4

| Particulars and Assets | Notes | Amount in BDT | |
|-----------------------------------|-------|------------------|------------------|
| | | 2021-22 | 2020-21 |
| Hospitality | | 2,044 | 17,160 |
| Creating FDR | | 300,000 | 120,000 |
| Project Activity Expenses | | 94,400 | 100,000 |
| Honoriam | | - | 7,200 |
| Internet Bills | | 4,600 | 20,755 |
| Telephone, Mobile Bills & Postage | | 1,485 | 3,000 |
| Computer Servicing | | 3,700 | - |
| Electricity Bills | | 5,209 | 7,030 |
| Web Domain Charges | | - | 2,950 |
| Miscellaneous Expenses | | 1,485 | 20,080 |
| VAT & Tax | | 4,970 | 6,588 |
| Bank Charge & Commission | | 2,711 | 11,153 |
| Closing Balance | | 204,713 | 119,142 |
| Cash in Hand | | 200,929 | 49,010 |
| Cash at Bank | | 3,784 | 70,132 |
| Total Payments | | 5,900,721 | 9,599,651 |



Executive Director


Md. Mortuza Khaled
Executive Director
Integrated Community Development Society
Paure Char-Jongla, Bhola Sadar, Bhola.

Sohana.

Chief Finance Director

সোহানা আক্তার সিনথিয়া
অর্থ সম্পাদক
আইসিডিএস, জেলা।

Date: 30 SEP 2022
Place: Dhaka, Bangladesh


Md. Enamul Hasan FCA
Enrollment Number 1544
H M ENAM & CO.
Chartered Accountants

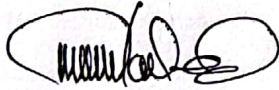
DNC 2210201544 AS199040



INTEGRATED COMMUNITY DEVELOPMENT SOCIETY (I.C.D.S)
Statement of Cash Flows
For the year ended 30 June, 2022

Annexure-A1/5

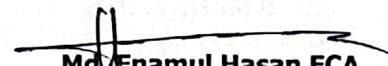
| In BDT | Note | For the year ended 30 June | |
|--|------|----------------------------|-----------------|
| | | 2022 | 2021 |
| Cash flows from operating activities | | | |
| Net Profit/ Loss | | 154,485 | 68,208 |
| Depreciation | | 92,109 | 35,845 |
| Loan Loss Provision | | 40,436 | - |
| Net cash from operating activities | | 287,030 | 104,053 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (323,000) | (98,400) |
| Reserve Fund | | - | - |
| Net cash used in investing activities | | (323,000) | (98,400) |
| Cash flows from financing activities | | | |
| Loan to Members | | 824,029 | 558,474 |
| FDR | | 20,000 | 35,000 |
| Loan Security Fund | | 13,830 | 38,730 |
| Members General Savings | | (20,582) | 235,939 |
| Group Savings Interest | | 72,063 | 62,129 |
| Loan From Other | | - | - |
| Entrepreneur Loan | | (787,799) | (952,975) |
| Net cash used in financing activities | | 121,541 | (22,703) |
| Net increase/(decrease) in cash and cash equivalenten | | 85,571 | (17,050) |
| Cash and cash equivalenten at 1 July | | 119,143 | 136,193 |
| Cash and cash equivalenten at 30 June | | 204,714 | 119,143 |



Executive Director
Md. Mortuza Khaled
Executive Director
Integrated Community Development Society
Paura Char-Jongla, Bhola Sadar, Bhola.

Date: 30 SEP 2022
Place: Dhaka, Bangladesh .

Sohana
Chief Finance Director
সোহানা আক্তার সিনথিয়া
অর্থ সম্পাদক
স্বাইসিডিএস, ঢাকা।


Md. Enamul Hasan FCA
Enrollment Number 1544
H M ENAM & CO.

Chartered Accountants
DVC 2210201544AS199040



INTEGRATED COMMUNITY DEVELOPMENT SOCIETY (I.C.D.S)
Statement of Changes in Equity
For the year ended 30 June, 2022

Annexure-A1/6

| In BDT | Reserve Fund | Cumulative Surplus | Total Equity |
|--------------------------------|---------------|--------------------|----------------|
| Balance at 1 July 2021 | 46,000 | 432,661 | 453,661 |
| Addition during the year | - | - | - |
| Profit for the year | - | 154,485 | 154,485 |
| Total comprehensive income | - | 154,485 | 154,485 |
| Interim dividend 2022 | - | - | - |
| Final dividend 2021 | - | - | - |
| Balance at 30 June 2022 | 46,000 | 587,146 | 608,146 |

For the year ended 30 June 2021

| | | | |
|------------------------------------|---------------|----------------|----------------|
| Balance at 1 July 2020 | 21,000 | 364,453 | 385,453 |
| Addition during the year | 25,000 | - | - |
| Profit for the year | - | 68,208 | 68,208 |
| Total comprehensive income | 25,000 | 68,208 | 68,208 |
| Interim dividend for the year 2021 | - | - | - |
| Final dividend for the year 2020 | - | - | - |
| Balance at 30 June 2021 | 46,000 | 432,661 | 453,661 |

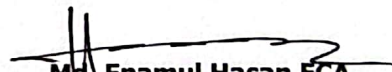


Executive Director

Md. Mortuza Khaled
Executive Director
Integrated Community Development Society
Paura Char-Jongla, Bhola Sadar, Bhola.

Date: **30 SEP 2022**
Place: Dhaka, Bangladesh

Sohana
Chief Finance Director
সোহানা আক্তার সিনথিয়া
অর্থ সম্পাদক
আইসিডিএস, ভোলা।



Md. Enamul Hasan FCA
Enrollment Number 1544
H M ENAM & CO.
Chartered Accountants

DVC 2210201544 AS199040



SCOPE OF AUDIT AS PER PRESCRIBED TOR BY MICRO-CREDIT REGULATORY AUTHORITY

Annexure-A1/7

1.00 TOR-A

To check whether the auditee 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.

1.01 Compliance:

We have conducted the audit in accordance with the International Financial Reporting Standards [IFRS] as adopted by the Institute of Chartered Accountants of Bangladesh [ICAB] and disposed of our obligations with utmost responsibility remaining fully independent. The terms of reference provided with the enlistment has been properly followed.

2.00 TOR-B

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

2.01 Compliance:

In course of our audit we observed from our test verification that the NGO has followed the rules and Regulations enacted for the NGOs as applicable and comply with the "Micro-Credit Regulatory Authority Act-2006". or "Micro-credit Regulatory Authority Ordinance- 2010". The transactions have been incurred in accordance with the provisions of "Micro-Credit Regulatory Authority Act-2006". or. "Micro-Credit Regulatory Authority Ordinance 2010." and all transactions that goes the interest of different donors,beneficiaries or the auditee itself.

3.00 TOR-C

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

3.01 Compliance:

Appropriate accounting policies reflected in the closing balances have been consistently applied in the current period's financial statements, or changes thereto are appropriately accounted for and adequately presented and disclosed in accordance with the applicable financial reporting framework.

4.00 TOR-D

To examine whether the audit 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.



SCOPE OF AUDIT AS PER PRESCRIBED TOR BY MICRO-CREDIT REGULATORY AUTHORITY

Annexure-A1/7

4.01 Compliance:

Proper books of accounts as required by law and MRA Act & Rule have been kept by the organization as far as it appeared from our examination of those books for sector-wise receipt of funds and properly comply with the rules and regulations as per accounting manual provided by the authority.

5.00 TOR-E

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

5.01 Compliance:

In course of our auditee we observed from our test verification that the organization has kept the records separately for the collected funds under various components of micro credit activities and submit separate reports on that basis.

6.00 TOR-F

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

6.01 Compliance:

We have examined that the audit has properly recorded and accounted for the receipt and disbursement of fund different donor organizations and utilized them as per their principles terms and conditions of the agreement with the donors.

7.00 TOR-G

To examine whether the saving 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 saving are paid to members and also examine the rate of etc.

7.01 Compliance:

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

8.00 TOR-H

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

8.01 Compliance:

We have checked that the auditee correctly maintained the formalities and properly complied with the provisions in the rules mentioned before disbursing loan among the beneficiaries.



**SCOPE OF AUDIT AS PER PRESCRIBED TOR BY MICRO-CREDIT REGULATORY
AUTHORITY**

Annexure-A1/7

- 9.00 TOR-I**
To check whether the documents i.e. passbook, loan/savings collection schedule and loan application form regarding loan write off, bad loan, have been preserved separately.
- 9.01 Compliance:**
We have checked that the documents i.e. passbook, loan/savings collection schedule and loan application form regarding loan write off, bad loan, have been preserved separately.
- 10.00 TOR-J**
To examine whether micro-credit organization properly comply with the rules & regulations relating to the constitutions particularly in respect of formation and meetings of General Body and Governing Body.
- 10.01 Compliance:**
We have examined that the organization has properly comply with the rules & regulations relating to the constitutions particularly in respect of formation and meetings of General Body and Governing Body.
- 11.00 TOR-K**
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.
- 11.01 Compliance:**
We have examined that the organization's 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.
- 12.00 TOR-I**
To conduct a sample check for whether the loans was properly utilized by the beneficiary members.
- 12.01 Compliance:**
We have checked that the loans were properly utilized by the beneficiary members on a sample basis.
- 13.00 TOR-M**
To check, whether all kinds of transactions were done through bank except collection of savings and disbursement of micro-credit.
- 13.01 Compliance:**
We have checked that all kinds of transactions were done through bank except collection of savings and disbursement of micro-credit.
- 14.00 TOR-N**
To check, whether recovered loan and savings amount from members' were duly deposited into bank on the same/earliest date.
- 14.01 Compliance:**
We have checked that recovered loan amount and savings and savings amount collection from members were duly deposited into bank on the same/earliest date.



SCOPE OF AUDIT AS PER PRESCRIBED TOR BY MICRO-CREDIT REGULATORY AUTHORITY

Annexure-A1/7

- 15.00 TOR-O**
To check whether collected savings are properly recorded and accounted for at member's level and Samity level.
- 15.01 Compliance:**
We have checked that collected savings amount are properly recorded and accounted for at member's level and Samity level.
- 16.00 TOR-P**
To examine that there 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 changes on loan to the members and to mention the findings in the report.
- 16.01 Compliance:**
We have examined that the organization's 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 changes on loan to the members and to mention the findings in report.
- 17.00 TOR-Q**
To examine whether loan loss provision has been computed and accounted for as per micro-Credit Regulatory Authority Act, 2006 and Micro Credit Regulatory Authority Rules 2010.
- 17.01 Compliance:**
We have examined that the organization's loan provision has been computed and accounted for as per Micro-Credit Regulatory Authority Act, 2006 and Micro Credit Regulatory Authority Rules, 2010.
- 18.00 TOR-R**
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.
- 18.01 Compliance:**
We have checked that 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.
- 19.00 TOR-S**
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".
- 19.01 Compliance:**
We have checked that the payments were made with proper approval authority of bills/voucher, and also payment made as per approved price and to examine the "Budgetary Control System".



SCOPE OF AUDIT AS PER PRESCRIBED TOR BY MICRO-CREDIT REGULATORY AUTHORITY

Annexure-A1/7

- 20.00 TOR-T**
To comment on the reasons for existence of any unused fund if detected during audit and make comments in the audit report.
- 20.01 Compliance:**
We have not found any unused fund during our audit period.
- 21.00 TOR-U**
To examine appropriateness of audit report and audited financial statement presented to different donor organizations, regulatory and other authorities.
- 21.01 Compliance:**
We have examined that the organization's appropriateness of audit report and audited financial statement presented to different donor organization, regulatory authority and other authorities.
- 22.00 TOR-V**
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.
- 22.01 Compliance:**
We have examined that the organization has been compliance with the provision of the Income Tax and Value Added Tax (VAT) authority rules implemented by the Government.
- 23.00 TOR-W**
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 auditee organization.
- 23.01 Compliance:**
We have checked that the organization has properly followed all the policies i.e, the procurement policy, service policy, loan and savings policy etc. are in place.
- 24.00 TOR-X**
To check whether there is an internal audit arrangement / division in the auditee organization and whether internal audit is conducted regularly and comment thereon.
- 24.01 Compliance:**
We have checked that the organization has an internal audit arrangement / division and internal audit is conducted regularly and comment thereon.
- 25.00 TOR-Y**
To comment on whether the recommendations on previous year's audit on objections are properly take care of or not.
- 25.01 Compliance:**
The recommendations on previous year's audit objections are properly taken care off.



SCOPE OF AUDIT AS PER PRESCRIBED TOR BY MICRO-CREDIT REGULATORY AUTHORITY

Annexure-A1/7

26.00 TOR-Z

To check cost sharing between of micro-credit and other program and comments therefore in the report.

26.01 Compliance:

The organization's has another programs except micro credit.

27.00 TOR-AA

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

27.01 Compliance:

We have checked that all transactions have taken through bank for significant amounts.

28.00 TOR-AB

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

28.01 Compliance:

Audit fees are not fixed on the basis of total portfolio and cost centers/branches. Its fixed by the Executive Committee of the organization.

29.00 TOR-2

To examine and comment on the credit activities credit activities funded by different source and from own source, internal control system, loan classification, Loan provision principle and loan recovery rate and to comment in the audit report.

29.01 Compliance:

Credit activities: Organization's credits activities are funded by own sources, like customers general savings, subscriptions received from members and its own surplus fund also.

Internal control system: We have considered internal control 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 internal control.

Loan classification:

We have examined that the organization's loan loss provision has been computed and accounted for as per Micro-Credit Regulatory Authority Act, 2006 and Micro-Credit Regulatory Authority Rules, 2010.

30.00 TOR-3

To comment on the utilization of money received under different contracts between donor / financial institute and micro - credit organization.

30.01 Compliance:

The organization's has own policy for utilization of money received under different contracts between donor/financial institute and the micro-credit organization.



INTEGRATED COMMUNITY DEVELOPMENT SOCIETY (I.C.D.S)
Notes to the Financial Statements
For The Year Ended 30 June, 2022

Annexure-A1/7

1.00 Background

Integrated Community Development Society (ICDS) was founded in the year 1st July, 2007 being registered with Directorate of Social Welfare Govt. of the Peoples Republic of Bangladesh bearing registration no. Bhola-301/09 dated : 25.01.2009, It has been also periodic approval under Micro Credit Regulatory Authority Licence No. 21112-00174-00839 Dated 16.05.2019. Integrated Community Development Society (I.C.D.S) started their Micro-Credit Programme from 1st January, 2015. The organization has already gotten a registration certificate from the NGO Affairs Bureau which number is 3239 Dated 14.05.2020. Integrated Community Development Society (I.C.D.S) has also obtained registration certificate from the Department of Youth Development, Bhola as an ICDS Jubo Songho which number is Juua/Bhola-47, Dated: 15.12.2020.

The Integrated Community Development Society (I.C.D.S) was established under active initiative of a few social workers along with some other philanthropist having long experience in the field of development work.

Main objective of the society is to improve the socio-economic and health condition of landless poor people suffering from poverty. **Integrated Community Development Society (I.C.D.S)** has been reportedly working Bhola of Bangladesh.

1.01 The main activities of Integrated Community Development Society (I.C.D.S) are as under :

1. To organize distressed people into small group
2. To organize build up themselves into institution.
3. To educate themselves about health and nutrition
4. To impart training on various aspect for socio-economic development
5. To train up on agriculture
6. To collect micro finance small saving fund from this members and utilize the fund for development of themselves.
7. To train up on sanitation works
8. To train up on nursery work.
9. To train up on housing program work
10. To extend relief and rehabilitation when situation arisen.
11. To make effective disaster management programme for help of disastared people
12. To make antiviolence programme.

For implementing these programs necessary funds would be managed raised contribution of the members and donation from different benevolent donors and also generating income from different sources of the organization.

1.01 Objectives :

The Society proceeds with following main

- * To work for improvement the socio-economic condition of worker, landless and low income families of the community.
- * To make under privileged people self reliant in every aspect of life.
- * To ensure fulfillment of basic needs like food, cloth, shelter, education and health facilities etc. of under privileged people.
- * To ensure optimum utilization local resources for the development of common people.
- * To raise the sleeping strength of target people and develop them at level of consciousness.
- * To undertake different initiatives against natural disaster.



INTEGRATED COMMUNITY DEVELOPMENT SOCIETY (I.C.D.S)
Notes to the Financial Statements
For The Year Ended 30 June, 2022

2.00 Corporate Information of the ICDS:

Annexure-A1/7

| | |
|---|--|
| Name of the Organization | Integrated Community Development Society (I.C.D.S) |
| Year of establishment | 2007 |
| Legal Entity | (a) Registered under the Social Welfare Govt. of the Peoples Republic of Bangladesh bearing registration no. Bholo-301/09 dated : 25.01.2009 (b) Final Approval under Micro Credit Regulatory Authority Lincence No. 21112-00174-00839 Dated 16.05.2019. (c) Registered under the NGO Affliars Buroue of Bangladesh bearing registration no. 3239 dated 14.05.2020 |
| Name of the Operation (Programs) | Micro Credit & Social Programs |
| Statutory Audit conducted up to | 1st July, 2021 to 30th June, 2022 |
| Name of the statutory Auditor for last year | Masud Altaf & Co., Chartered Accountants |
| Name of the statutory Auditor for current year | H M Enam & Co. Chartered Accountants |
| No. of Executive Committee meeting held during FY 2021-2022 | 6 (Six) |
| Date of last AGM held | 25th June, 2022 |

2.01 List of Executive Committee members:

| SL NO | Name | Designation | Remarks |
|-------|------------------------|-------------------|---------|
| 1 | Syed Mostafizur Rahman | Chairman | - |
| 2 | Rehana Begum | Vice- Chairman | - |
| 3 | Md. Mortuza Khaled | Secretary | - |
| 4 | Sohana Akter Sirthia | Finance Secretary | - |
| 5 | Fauzia Khanom | Office Secretary | - |
| 6 | Zahidul Hossain | Executive Member | - |
| 7 | Md. Maksudur Rahaman | Executive Member | - |

Basic of Preparation of Financial Statement

3.00 Basic of Accounting

The Financial Statements have been prepared on cash and accrual basis under historical cost convention.

4.00 Summary of Significant Accounting Policies:

The financial statement has been prepared under the historical cost convention on a going concern basis consistently in accordance with generally accepted principals and standard in uniformly with the applicable international accounting standard as adopted the institute of Chartered accountants of Bangladesh. These Financial Statements have been prepared mainly on accrual basis.

4.01 Currencies:

All transaction have been accounted in Bangladesh Taka.



INTEGRATED COMMUNITY DEVELOPMENT SOCIETY (I.C.D.S)
Notes to the Financial Statements
For The Year Ended 30 June, 2022

Annexure-A1/7

4.02 Revenue Recognition:

Service charge/interest on loan for the full terms of repayment are calculated @24% p.a since the date of allowing loan. The entire principal and interest for full terms i.e 46 week are collected in weekly installment, service charges are accounted on cash basis, only for the proportion received during the year.

4.03 Fixed Assets & Depreciation :

Fixed Assets are recorded in the books at actual cost. Depreciation on fixed assets, except land and land development, is charged on a reducing balance method at the following rates based on the nature and estimated useful life of each asset:

| Assets category | Rate of Depreciation amortization |
|---------------------|-----------------------------------|
| Furniture & Fixture | 10% |
| Motor Vehicle | 20% |
| Computer | 20% |

5.00 Significant Organization Policies:

5.01 Loan Loss Provision:

Loan classification and loan loss provisioning have been carried out following the MRA guidelines.

| SI No. | Particulars | Loan Loss Provision Ratio |
|--------|--|---------------------------|
| 1 | Good Loan Outstanding | 1% |
| 2 | 1-30 days Watchful Loan outstanding | 5% |
| 3 | 30-180 days Substandard Loan Outstanding | 25% |
| 4 | 180-365 days Doubtful Outstanding | 75% |
| 5 | Above 365 days bad loan outstanding | 100% |

The organizations loan loss provision policy is based on management analysis of historical performance of the overdue portfolio aged by the overdue categories as mentioned above. When management believes that the loan amount is unlikely to be collected and it has been classified as bad loan for two years it is written off in full charging against the provision for loan losses.

5.02 Going Concern Assumption

The financial statements are prepared under the going concern concept where it is assumed by the management of I.C.D.S, Bhola that the organization will continue its operations in the foreseeable future. Hence it is assumed that the organization has neither the intention nor the need to liquidate or curtail materially the scale of its operation.

5.03 Grant/Donation Accounting:

Grant/Donations amount has been accounted for as an Income in the financial statements when they are received.

5.04 Money Laundering:

During the course of our audit, we have not found any activity which is relation to many launderings.



5.00 Property, plant and equipment

| In BDT | Furniture & Fixture | Computer & Software | Motor Cycle Purchase | Total |
|---------------------------------|---------------------|---------------------|----------------------|----------------|
| Cost | | | | |
| Balance at 1 July 2020 | 121,044 | 25,000 | 124,500 | 270,544 |
| Additions | 33,400 | - | 65,000 | 98,400 |
| Disposal | - | - | - | - |
| Balance at 1 July 2021 | 154,444 | 25,000 | 189,500 | 368,944 |
| Balance at 1 July 2021 | 154,444 | 25,000 | 189,500 | 368,944 |
| Additions | 23,000 | 300,000 | - | 323,000 |
| Disposal | - | - | - | - |
| Balance at 1 July 2022 | 177,444 | 325,000 | 189,500 | 691,944 |
| Accumulated depreciation | | | | |
| Balance at 1 July 2020 | 41,098 | 18,446 | 73,504 | 133,050 |
| Depreciation for the year | 11,335 | 1311 | 23,199 | 35,845 |
| Disposal | - | - | - | - |
| Balance at 1 July 2021 | 52,433 | 19,757 | 96,703 | 168,895 |
| Balance at 1 July 2021 | 52,433 | 19,757 | 96,703 | 168,895 |
| Depreciation for the year | 12,501 | 61,049 | 18,559 | 92,109 |
| Disposal | - | - | - | - |
| Balance at 1 July 2022 | 64,934 | 80,805 | 115,263 | 261,002 |
| Carrying amounts | | | | |
| At 1 July 2020 | 121,044 | 25,000 | 124,500 | 270,544 |
| 30 June 2021 | 102,011 | 5,243 | 92,797 | 200,049 |
| 30 June 2022 | 112,510 | 244,195 | 74,237 | 430,942 |



Notes to the financial statements (continued)

Annexure-A1/7

| 6.00 Long Term Investments- FDR | | 2022 | 2021 | |
|---|--|----------------|------------------|------------------|
| <i>In BDT</i> | | | | |
| Balance as on 01 July | | 120,000.00 | 155,000.00 | |
| Add: Addition during the Year | | 300,000.00 | 120,000.00 | |
| | | 420,000.00 | 275,000.00 | |
| Add: Interest during the Year | | - | - | |
| | | 420,000.00 | 275,000.00 | |
| Less: Realized during the Year | | (320,000.00) | (155,000.00) | |
| Less: Adjustment/Written Off | | - | - | |
| Balance as on 30 June | | 100,000 | 120,000 | |
| 7.00 Loan to Other Microcredit Organisation Long Term | | | | |
| <i>In BDT</i> | | 2022 | 2021 | |
| Balance as on 01 July | | - | - | |
| Add: Paid during the Year | | - | - | |
| | | - | - | |
| Less: Realized during the Year | | - | - | |
| Less: Adjustment/Written Off | | - | - | |
| Balance as on 30 June | | - | - | |
| 8.00 Other Loan - Long Term | | | | |
| <i>In BDT</i> | | 2022 | 2021 | |
| Balance as on 01 July | | - | - | |
| Add: Interest during the Year | | - | - | |
| | | - | - | |
| Less: Paid during the Year | | - | - | |
| | | - | - | |
| Less: Adjustment/Written Off | | - | - | |
| Balance as on 30 June | | - | - | |
| 9.00 Loan to Members | | | | |
| <i>In BDT</i> | | Note | 2022 | 2021 |
| Balance as per last A/c | | | 5,857,288 | 6,415,762 |
| Add: Disburse | | | 1,433,000 | 4,035,000 |
| | | | 7,290,288 | 10,450,762 |
| Less: Realised | | | (2,257,029) | (4,593,474) |
| Balance as on 30 June | | | 5,033,259 | 5,857,288 |
| 10.00 Others Loan | | | | |
| <i>In BDT</i> | | Note | 2022 | 2021 |
| Balance as per last A/c | | | - | - |
| Add: Disburse | | | - | - |
| | | | - | - |
| Less: Realised | | | - | - |
| Balance as on 30 June | | | - | - |



Notes to the financial statements (continued)

| | | Annexure-A1/7 | |
|--------------|---|----------------|---------------|
| 11.00 | Short Term Investment | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Balance as per last A/c | - | - |
| | Add: Disburse | - | - |
| | Less: Realised | - | - |
| | Balance as on 30 June | - | - |
| 12.00 | Loan to Other Microcredit Organisation | | |
| | Short term | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Balance as on 01 July | - | - |
| | Add: Paid during the Year | - | - |
| | Less: Realized during the Year | - | - |
| | Less: Adjustment/Written Off | - | - |
| | Balance as on 30 June | - | - |
| 13.00 | Accounts Receivables | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Balance as on 01 July | - | - |
| | Add: Addition during the Year | - | - |
| | Less: during the Year | - | - |
| | Balance as on 30 June | - | - |
| 14.00 | Advanced Deposit and Prepayments | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Balance as on 01 July | - | - |
| | Add: Addition during the Year | - | - |
| | Less: during the Year | - | - |
| | Balance as on 30 June | - | - |
| 15.00 | Stock and Stores | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Balance as on 01 July | - | - |
| | Add: Addition during the Year | - | - |
| | Less: during the Year | - | - |
| | Balance as on 30 June | - | - |
| 16.00 | Cash in Hand | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Cash in Hand | 200,929 | 49,010 |
| | Balance as on 30 June | 200,929 | 49,010 |
| 17.00 | Cash at Bank | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Cash at Bank | 3,784 | 70,132 |
| | Balance as on 30 June | 3,784 | 70,132 |



Notes to the financial statements (continued)

Annexure-A1/7

| 18.00 Donor Fund | | 2022 | 2021 |
|---|--|---------|----------|
| In BDT | | | |
| Balance as on 01 July | | - | - |
| Add: Addition during the Year | | - | - |
| Less: Refund during the Year | | - | - |
| Less: Adjustment | | - | - |
| Balance as on 30 June | | - | - |
| 19.00 Cumulative Surplus | | | |
| In BDT | | | |
| Opening Balance | | 407,661 | 364,453 |
| Add: Excess Income Over Expenditure | | 154,485 | 68,208 |
| Transfer to various Funds | | - | (25,000) |
| Balance as on 30 June | | 562,146 | 407,661 |
| 20.00 Reserve Fund | | | |
| In BDT | | | |
| Balance as on 01 July | | 46,000 | 21,000 |
| Add: Addition during the Year | | - | 25,000 |
| Less: Refund during the Year | | 46,000 | 46,000 |
| Balance as on 30 June | | 46,000 | 46,000 |
| 21.00 Loan From PKSF | | | |
| In BDT | | | |
| Balance as on 01 July | | - | - |
| Add: Addition during the Year | | - | - |
| Less: during the Year | | - | - |
| Balance as on 30 June | | - | - |
| 22.00 Loan From housing fund: Long-term (Bangladesh Bank) | | | |
| In BDT | | | |
| Balance as on 01 July | | - | - |
| Add: Addition during the Year | | - | - |
| Less: during the Year | | - | - |
| Balance as on 30 June | | - | - |
| 23.00 Loans from Other : Long-term | | | |
| In BDT | | | |
| Balance as on 01 July | | - | - |
| Add: Addition during the Year | | - | - |
| Less: during the Year | | - | - |
| Balance as on 30 June | | - | - |
| 24.00 Loan from Other Government Sources | | | |
| In BDT | | | |
| Balance as on 01 July | | - | - |
| Add: Addition during the Year | | - | - |



Notes to the financial statements (continued)

Annexure-A1/7

| | | | |
|--------------|---|-------------|-------------|
| | | - | - |
| | Less: during the Year | - | - |
| | Balance as on 30 June | - | - |
| 25.00 | Loan from Other micro credit Organizations - Long-term | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Balance as on 01 July | - | - |
| | Add: Addition during the Year | - | - |
| | Less: during the Year | - | - |
| | Balance as on 30 June | - | - |
| 26.00 | Loans from Commercial banks - long term | | |
| | <i>In BDT</i> | Note | 2022 |
| | | | 2021 |
| | Balance as on 01 July | - | - |
| | Add. Received during the year | - | - |
| | Add. Interest Charge | - | - |
| | Less: Return during the year | - | - |
| | Balance as on 30 June | - | - |
| 27.00 | Other Loans : Long-term | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Balance as on 01 July | - | - |
| | Add: Addition during the Year | - | - |
| | Less: during the Year | - | - |
| | Balance as on 30 June | - | - |
| 28.00 | Loans from PKSF | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Balance as on 01 July | - | - |
| | Add: Addition during the Year | - | - |
| | Less: during the Year | - | - |
| | Balance as on 30 June | - | - |
| 29.00 | Loans from housing fund | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Balance as on 01 July | - | - |
| | Add: Addition during the Year | - | - |
| | Less: during the Year | - | - |
| | Balance as on 30 June | - | - |
| 30.00 | Loans from Other Government sources-short | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Balance as on 01 July | - | - |
| | Add: Addition during the Year | - | - |



Notes to the financial statements (continued)

Annexure-A1/7

| | | | | |
|--------------|---|----------------|------------------|------------------|
| | | - | - | |
| | Less: during the Year | - | - | |
| | Balance as on 30 June | - | - | |
| 31.00 | Loan from Other | | | |
| | <i>In BDT</i> | 2022 | 2021 | |
| | Balance as on 01 July 2021 | 100,000 | 100,000 | |
| | Add: Addition during the Year | - | - | |
| | | 100,000 | 100,000 | |
| | Less: during the Year | - | - | |
| | Balance as on 30 June | 100,000 | 100,000 | |
| 32.00 | Loans from Commercial Banks-short term | | | |
| | <i>In BDT</i> | 2022 | 2021 | |
| | Balance as on 01 July | - | - | |
| | Add: Addition during the Year | - | - | |
| | | - | - | |
| | Less: during the Year | - | - | |
| | Balance as on 30 June | - | - | |
| 33.00 | Loan Security Fund | | | |
| | <i>In BDT</i> | 2022 | 2021 | |
| | Balance as on 01 July | 296,450 | 257,720 | |
| | Add. Received during the year | 13,830 | 38,730 | |
| | | 310,280 | 296,450 | |
| | Less: Return during the year | - | - | |
| | Balance as on 30 June | 310,280 | 296,450 | |
| 34.00 | Loan From EC | | | |
| | <i>In BDT</i> | 2022 | 2021 | |
| | Balance as on 01 July | - | - | |
| | Add. Received during the year | - | - | |
| | | - | - | |
| | Less: Return during the year | - | - | |
| | Balance as on 30 June | - | - | |
| 35.00 | Short Term Loan | | | |
| | <i>In BDT</i> | 2022 | 2021 | |
| | Balance as on 01 July | - | - | |
| | Add. Received during the year | - | - | |
| | | - | - | |
| | Less: Return during the year | - | - | |
| | Balance as on 30 June | - | - | |
| 36.00 | Member Savings Deposit | | | |
| | <i>In BDT</i> | Note | 2022 | 2021 |
| | Balance as on 01 July | | 1,307,084 | 1,071,145 |
| | Add. Received during the year | | 437,260 | 622,143 |
| | | | 1,744,344 | 1,693,288 |
| | Less: Refund during the year | | (457,842) | (386,204) |
| | Balance as on 30 June | | 1,286,502 | 1,307,084 |



Notes to the financial statements (continued)

| | | Annexure-A1/7 | |
|--------------|-------------------------------------|--------------------|------------------|
| 37.00 | Member Savings Interest | | |
| | <i>In BDT</i> | Note | 2022 |
| | | | 2021 |
| | Balance as on 01 July | | 126,988 |
| | Add. Received during the year | 189,117 | 62,129 |
| | | 72,063 | 189,117 |
| | Less: Refund during the year | 261,180 | - |
| | Balance as on 30 June | 261,180 | 189,117 |
| 38.00 | Members Wealfare Fund | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Balance as on 01 July | - | - |
| | Add. Received during the year | - | - |
| | Less: Refund during the year | - | - |
| | Balance as on 30 June | - | - |
| 39.00 | Loan Loss Provision | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Balance as on 01 July | 252,663 | 252,663 |
| | Add: Provision made during the year | 40,436 | - |
| | | 293,099 | 252,663 |
| | Less: Adjustment during the year | - | - |
| | Balance as on 30 June | 293,099 | 252,663 |
| 40.00 | Provident Fund | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Balance as on 01 July | - | - |
| | Add. Received during the year | - | - |
| | Less: Refund during the year | - | - |
| | Balance as on 30 June | - | - |
| 41.00 | Entrepreneur Loan | | |
| | <i>In BDT</i> | Note | 2022 |
| | | | 2021 |
| | Balance as on 01 July | | 4,650,480 |
| | Add. Received during the year | 3,697,504 | 3,021,087 |
| | | 1,812,800 | 7,671,567 |
| | Less: Refund during the year | 5,510,304 | (3,974,063) |
| | Balance as on 30 June | (2,600,599) | 2,909,705 |
| 42.00 | Loan From MSS | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Balance as on 01 July | - | - |
| | Add. Received during the year | - | - |
| | Less: Return during the year | - | - |
| | Balance as on 30 June | - | - |
| 43.00 | Service Charge Income | | |
| | <i>In BDT</i> | 2022 | 2021 |
| | Loan Realization (Service) | 287,196 | 590,916 |
| | Balance as on 30 June | 287,196 | 590,916 |



INTEGRATED COMMUNITY DEVELOPMENT SOCIETY (I.C.D.S)
Eligibility Criteria Compliance Certification
For the year ended 30 June, 2022

Annexure-A/2

| Sl. No. | Eligibility Criteria | Formula | Audited Figures or compliance 2021-2022 | Audited Figures or compliance 2020-2021 | Standard |
|---------|---|--|---|---|----------|
| 1 | Minimum loan recovery rates computed quarter based on the following: i) 95% minimum cumulative loan collection ratio on total dues: Actual cumulative collection $\times 100$ Cumulative collectibles ii) 92-100% minimum cumulative loan collection ratio on current dues (on running 12 months basis) Actual cumulations during the past 12 months on current Collectibles on Current Dues | Cum. Recovery-Advance recovery (at the end of this year) \div (Cum. Recovery-Advance recovery) \times Overdue (principle) Total Loan Recovery (principle) for the year \div Advance recovery - previous years overdue recovery in the year \div Total Loan Recovery (principle) for the year year \div Advance recovery - previous years overdue recovery in the year | 99% | 99% | 95.00% |
| 2 | Minimum Liquidity Ratio of 10% | Short Term Deposit (FDR) \div Savings Deposits | 1% | 1.05% | 10.00% |
| 3 | Minimum Current Ratio of 2.0:1 | Current Assets - (cash - Bank - STD) \div Liabilities | 1.05:1 | 1.05:1 | 2.0:1 |
| 4 | Minimum Capital Adequacy Ratio of 15% | Total Capital (Cash + Bank + Short Term Deposit) | 11.13% | 0.00% | 15.00% |
| 5 | Minimum Debt Service Coverage Ratio of 1.25:1 | Surplus for the year \div Total Principle & service Charge Payable to other Loan Payable to other Loan for the year | 0.00 | 0.00 | 1.25:1 |
| 6 | Debt to Capital ratio 9:1 | Debt \div Capital fund | - | - | - |
| 7 | Minimum Rate of Return on Capital of 1% | Surplus of the year \div Average Capital Fund | 35.00% | 36.00% | 1.00% |


Executive Director

Chief Finance Director

Signed as per our report on same dated

Date: 30 SEP 2022
Place: Dhaka, Bangladesh

Md. Murtuza Khaled
Executive Director
Integrated Community Development Society
Pezra Char-Jangla, Dhaka Sadar, Dhaka.


Md. Enamul Hasan ICA
Enrollment Number 1544
H M ENAM & CO.
Chartered Accountants

DVC 2210201544 AS199040



INTEGRATED COMMUNITY DEVELOPMENT SOCIETY (I.C.D.S)
PORTFOLIO REPORT FOR THE YEAR ENDED JUNE 30, 2022
REVIEW OF LOAN CLASSIFICATIONS AND PROVISIONS

(i) Classification of Loan Loss Provision:

Aanexure -A/3

| SL No | Particulars | Basis of Classification | Outstanding Loan | Required Provision | Amount (Tk) |
|-------------------|------------------------|-------------------------------------|------------------|--------------------|-------------------|
| | | | Amount (TK.) | Rate % | |
| 1 | Total Loan Outstanding | - | 5,033,259 | - | - |
| 2 | Total Overdue | - | - | - | - |
| 3 | Regular | Loans with no over due Installments | 4,528,138 | 0.01 | 45,281.38 |
| 4 | Watchful | 1-30 days | | 0.05 | - |
| 5 | Sub-standard | 31-180 days | | 0.25 | - |
| 6 | Doubtful | 181-365 days | 177,564 | 0.75 | 133,173.00 |
| 7 | Bad Loan | 365+ days | 327,557 | 0.35 | 114,644.95 |
| Total Taka | | | 5,033,259 | | 293,099.33 |

(ii) Loan Loss Provision (LLP) status of SEBA:

| Particulars | Amount (Tk) |
|--|-------------|
| Required Provision as per MRA Policy | 293,099 |
| Actual Provision made by Organization With this Year | 40,436 |
| Actual Loan Loss Provision Balance | 293,099 |
| Need Provision | 0 |
| Comment on LLP for PKSf funded MCP | N/A |
| Comment on LLP | N/A |
| Disclosure on Written off Loan: | - |
| Loan Written off balance | - |
| Loan Written off during the year | - |
| Written off Loan Recovered during the year | - |



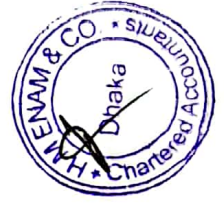
INTEGRATED COMMUNITY DEVELOPMENT SOCIETY (I.C.D.S)
Mirzapur, Tangail

MICRO CREDIT PROGRAM (MCP)
FOR THE YEAR ENDED JUNE 30,2022

Aanexure -A/3

(iii) Loan Operational Report

| SL No | Particulars | FY 2021-2022 | | | | FY 2020-2021 | | | | | |
|-------|---|--------------|-----------|-----------|--------|--------------|----------|-------|-------|--------|-----------|
| | | PKSF | Non-PKSF | Total | Total | PKSF | Non-PKSF | Total | Total | | |
| 1 | Financial Service Product | | | | | | | | | | |
| | Loan product: | | | | | | | | | | |
| | Loan | | 5,033,259 | 5,033,259 | | | | | | | 5,857,288 |
| | Savings Product: | | 0 | | | | | | | | - |
| | Members Savings | | 1,286,502 | 1,286,502 | | | | | | | 1,307,084 |
| | Insurance Product: | | 0 | | | | | | | | - |
| | Welfare fund | | - | | | | | | | | - |
| | Livestock | | 0 | | | | | | | | - |
| | Others | | | | | | | | | | - |
| 2 | Number of Branches | M | F | MALE | FEMALE | Total | M | F | MALE | FEMALE | |
| | | | | 41.00 | 53 | 94.00 | | | 44 | 50 | |
| 3 | Number of Samities | | | 488.00 | 780 | 1268 | | | 532 | 770 | |
| 4 | Number of Members | | | 470.00 | 623 | 1093 | | | 484 | 633 | |
| 5 | Number of Borrower | | | 5.00 | 3 | 8 | | | 7 | 4 | |
| 6 | Number of Staff | | | | | | | | | | |
| 7 | Amount (Taka) of loan outstanding with Samity members (Principal) | | | | | 5,033,259 | | | | | 5,857,288 |
| 8 | Member : Borrower | | | | | 1268:1093 | | | | | 1302:1117 |
| 9 | Average Loan Size | | | | | 4,604.99 | | | | | 5,243.77 |



INTEGRATED COMMUNITY DEVELOPMENT SOCIETY (I.C.D.S)

Non-Current Assets Schedule

For the year ended 30 June, 2022

| Particulars | Cost | | | Rate | Depreciation | | | Total Balance as on 30 June, 2022 | Written down value as on 30 June, 2022 |
|----------------------|-----------------------------|----------------------------|----------|------|-----------------------------|--------------------------|----------|-----------------------------------|--|
| | Balance as on 1st July 2021 | Addition during the period | Disposal | | Balance as on 1st July 2021 | Charge during the period | Disposal | | |
| Furniture & Fixture | 154,444 | 23,000 | - | 10% | 52,433 | 12,501 | - | 64,934 | 112,510 |
| Computer & Software | 25,000 | 300,000 | - | 20% | 19,757 | 61,049 | - | 80,806 | 244,194 |
| Motor Cycle Purchase | 189,500 | - | - | 20% | 96,704 | 18,559 | - | 115,263 | 74,237 |
| | 368,944 | 323,000 | - | | 168,894 | 92,109 | - | 261,003 | 430,941 |



The Executive Director
Integrated Community Development Society (ICDS)
Bhola, Bangladesh.

Dear sir,
Auditors letter to the management relating to the audit of Integrated Community Development Society (ICDS) for the year ended June 30, 2022

We have pleasure to inform you that we have completed the audit of Integrated Community Development Society (ICDS) for the year then ended June 30, 2022. Now we would like to attach herewith a memorandum containing the issues that came to our notice during the course of audit.

We have conducted the audit in accordance with International Standards on Auditing (ISA). In planning and performing the audit, we have reviewed and assessed the internal control environment of the institute with a view to establish a basis for placing reliance on the internal control system of the entity and also to determine the scope and extent of audit testing in connection with the said audit.

The review of financial statements and internal control as well as tests of compliance with applicable rules and regulations revealed certain instances of noncompliance of rules and procedures. This noncompliance however, not have any material effect on the information reported in the financial statements and accordingly, do not modify our opinion thereon, each finding contains four parts, viz.

- i. Fact (what actually happened)
- ii. Criteria (What should be)
- iii. Effect (What harm was caused for not compiling with the standard practice)
- iv. Recommendation (The corrects the cause and the condition as applicable); and
- v. Management Response (Comments of the management on the finding)

These matters have been offered as constructive suggestions for the consideration of the management of the Company as a part of the on-going process of modification and improvement of internal controls and of monitoring compliance with financial and administrative practices and procedures as laid down in applicable policies procedures, rules and regulations.

Family we take the opportunity to express our appreciation for the courtesy and co-operation extended to our representatives during the course of our audit. We would be pleased to discuss further on our suggestions and

Comments and assist in their implication, if they are considered appropriate.

Thank you
Yours Faithfully


Md Enamul Hasan FCA
Managing Partner
H M ENAM & CO
Chartered Accountants

Integrated Community Development Society (ICDS)
MANAGEMENT REPORT ON FINANCIAL STATEMENTS.
FOR THE YEAR ENDED JUNE 30. 2022

Annexure-B

REVIEW OF INTERNAL CONTROL OF FINANCIAL MANAGEMENT SYSTEMS
ACCOUNTABILITY AND TRANSPARENCY

1.00 ACCOUNTING SYSTEM:

OBSERVATIONS:

Integrated community Development society (I.C.D.S) has been maintaining all their books of accounts and control ledgers according to the MRA guideline and policies through manually.

Recommendation :

All documents should be maintained according to the MRA policy and the organization should follow the accounting guidelines and the accounting treatment should be adequate.

Management Response :

We agree with auditors opinion.

2.00 LOAN OPERATION MANAGEMENT: OBSERVATIONS:

The system and procedure for loan disbursements and realization were verified on a randomly selected sample basis by us and have been found in accordance with MRA guideline and instructions.

Recommendation :

Such status should be maintained.

Management Response :

We will continue the process.

3.00 Savings Deposit :

Observation :

We observed that member's saving amount collected within the banking hours and deposited the same into the bank on the same days.

Recommendation :

Such status should be maintained.

Management Response :

We will continue the process.

4.00 Management & Accounting Information System and Software :

Observation :

Integrated community Development society (I.C.D.S) uses software.

Recommendation :

Management should install mechanized management and accounting information system to generate management and accounting information correctly, properly and efficiently.



REVIEW OF INTERNAL CONTROL OF FINANCIAL MANAGEMENT SYSTEMS
ACCOUNTABILITY AND TRANSPARENCY

Management Response :

Management agreed with the auditor's recommendation.

Compliance status of the prior year Audit for the year ended 30 June 2020.

| SL.No | Observios | Implimentation status | Comments (if any) |
|-------|---|-----------------------|---|
| 1 | Maintenance of all their books of accounts and control ledgers according to the MRA guideline and policies through manually. | On going | All the system should be converted in softwae system. |
| 2 | We observed that member's saving amount collected within the banking hours and deposited the same into the bank on the same days. | On going | Management will continue the process. |
| 3 | Integrated communy Development society (I.C.D.S) uses software in one of its two branches. | On going | Management should take proper initiative for othe branch installing software. |

