

CENTER FOR RURAL SERVICE SOCIETY(CRSS)

Narain Bazar, B. M. College Road, Barishal.

MICRO CREDIT PROGRAM

FOR THE YEAR ENDED 30TH JUNE 2023

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Independent Auditor's Report
To the
"CENTER FOR RURAL SERVICE SOCIETY(CRSS)"
Report on the Audit of the Micro Finance Program

Opinion

We have audited the financial statements of "Micro Finance Program" of "CENTER FOR RURAL SERVICE SOCIETY(CRSS)" (The NGO), which comprise the statement of financial position as at June 30, 2023 and statement of comprehensive income, Statement of changes in capital fund, statement of Receipts & Payments and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Micro finance Program of CENTER FOR RURAL SERVICE SOCIETY(CRSS) as at June 30, 2023 and of its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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 NGO 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 jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the NGO'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 NGO or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management but not for the purpose expressing an opinion on the effectiveness of the NGO's internal control.
- 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 NGO'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 NGO to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the NGO's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other Legal and 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 the NGO 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 accounts and returns.


Dated: Dhaka
24.09.2023


Md. Irshadullah Patwary, FCA
Managing Partner
Enrollment No. 211
Irshadullah Patwary & Co.
Chartered Accountants
DVC: 2309240211AS601134

CENTER FOR RURAL SERVICE SOCIETY (CRSS)
Naton Bazar, B. M. College Road, Barishal.
STATEMENT OF FINANCIAL POSITION
As at 30th June-2023.


Notes	FY 2022-2023	FY 2021-2022
	Amount (Taka)	Amount (Taka)
Properties & Assets:		
Property, Plant & Equipment	6.00 1,566,955	1,129,903
Total Non Current Assets:	1,566,955	1,129,903
Current Assets:	99,780,247	86,188,549
Loan to Members (RMC)	7.00 76,238,415	72,969,280
Loan to Members (ME)	8.00 9,484,766	7,670,462
Short Term Investment (FDR)	9.00 6,300,000	3,472,333
Advance, Deposits & Prepayments	10.00 174,000	128,523
Stock & Stores (Printing & Stationary)	11.00 194,750	75,728
Cash in Hand & at Bank	12.00 7,388,316	1,872,223
Total Properties & Assets:	101,347,202	87,318,452
Capital Fund & Liabilities:		
Capital Fund:		
Cumulative Surplus	13.00 3,699,523	2,994,702
Reserve Fund	14.00 300,000	300,000
Donor Fund (MvM)	15.00 6,823,199	4,958,238
Donor Fund from KIA	16.00 4,856,080	-
Total Capital Fund:	15,678,802	8,252,940
Non Current Liabilities:		
Loan from others (GB & Other Person)	17.00 34,515,576	27,137,350
Loan from grahyan Tahabil	18.00 570,000	7,000,000
Loan from Bank	19.00 23,000,000	19,024,593
Total Non Current Liabilities	58,085,576	53,161,943
Current Liabilities:		
Members Savings (RMC, ME & Special)	20.00 20,514,094	20,187,512
Loan Risk Fund	21.00 4,523,180	3,801,053
Loan Loss Provision / DMR	22.00 2,545,550	1,915,005
Total Current Liabilities:	27,582,824	25,903,570
Total Capital Fund & Liabilities:	101,347,202	87,318,452

The annexed notes form an integral part of the Consolidated Statement of Financial Position.


Edward Robin Bollove
Chief Executive Officer
CRSS, Barisal

Dated, Dhaka
24.09.2023




Md. Irshadullah Patwary, FCA
Managing Partner
Enrollment No. 211
Irshadullah Patwary & Co.
Chartered Accountants
DVC: 2309240211AS601134

CENTER FOR RURAL SERVICE SOCIETY(CRSS)

Natun Bazar, B. M. College Road, Barishal.
STATEMENT OF COMPREHENSIVE INCOME
For the Period 1st July-2022 to 30th June-2023.

	FY 2022-2023 Amount (Taka)	FY2021-2022 Amount (Taka)
INCOME		
Service Charge on Loan(RMC)	16,995,685	11,698,954
Service Charge on Loan(ME)	1,670,691	1,066,840
Admission Fee	7,440	13,950
Sale of Pass Book	17,780	24,345
Other Sales (Form)	16,610	83,880
G. Body Membership Subscription	3,240	3,250
FDR Interest	39,277	275,830
Bank Interest	7,263	13,182
Writeoff Loan Collection	5,726	-
Miscellaneous Income	98,400	-
Donation Received From Social Welfare	-	20,000
Overhead cost -Project	510,918	757,017
TOTAL INCOME:	19,373,030	13,957,248




EXPENDITURE

Office Rent	462,000	432,700
Interest on Loan to GB & Others Person	5,080,724	2,205,200
Interest/Charges on Loan to Bank	658,943	867,250
Staff Salary & Bonus	7,419,030	6,104,250
Travels & Conveyance	87,460	108,372
Fuel Cost	295,210	184,150
Entertainment	109,905	76,770
News paper & Periodicals	2,790	7,073
Telephone & Postage	176,161	161,351
Gas & Electricity	125,466	112,773
Printing & Stationary	140,257	148,950
Meeting Expenses	57,171	34,359
Training Expenses	23,384	46,688
Board Members Conveyance/Honorarium	15,000	12,000
Audit Fee	58,000	44,000
Renewal & Registration Fee	22,245	17,841
Bank Charges & DD Charges	99,308	103,201
Repair & Maintance	94,966	55,330
Vehicle Maintance	46,515	69,800
VAT & Tax	95,861	58,840
Legal Expenses	110,500	63,000
General Savings (Interest)	1,163,873	985,727
Overhead cost -Project	475,466	713,102
Other Operating Expenses	44,714	90,953
Donation	33,800	8,200
Donation-Covid-19 DC office	-	10,000
O & M Fees (Data soft)	47,250	-
Rebate on loan	63,672	3,800
Adverisment	5,000	-
Loan Loss Provisison (LLP)	1,501,539	663,624
Depreciation	151,999	161,152
TOTAL EXPENDITURE	18,668,209	13,550,456
Excess of Income over Expenditure	704,821	406,792
TOTAL	19,373,030	13,957,248



Edward Robin Bollove
Chief Executive Officer
CRSS, Barishal




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CENTER FOR RURAL SERVICE SOCIETY(CRSS)
Naton Bazar, B. M. College Road, Barishal.
CONSOLIDATED RECEIPTS & PAYMENTS STATEMENTS
For the Period 1st July-2022 to 30th June-2023.

	FY 2022-2023 Amount (Taka)	FY 2021-2022 Amount (Taka)
RECEIPTS:		
Opening Balance:		
Cash in Hand	2,541	44,284
Cash at Bank	1,869,682	18,756,356
Loan Received From GB & Others Person	27,597,500	11,949,000
General Savings Collection (RMC)	18,178,937	15,339,414
General Savings Collection (ME)	795,550	844,231
Special Savings Collection	-	318
Loan Collection (RMC)	121,260,865	83,614,788
Loan Collection (ME)	11,150,696	7,390,026
Loan Risk Fund Collection	1,374,950	1,134,300
Advance Collection	2,151,800	201,325
Service Charge (RMC)	16,995,685	11,698,954
Service Charge (ME)	1,670,691	1,066,840
Admission Fee	7,440	13,950
Sale of Pass Book	17,780	24,345
Other Sales (Form)	16,610	83,880
G. Body Membership Subscription	3,240	3,250
Bank Interest	7,263	13,182
Loan Received From Bank	30,000,000	-
FDR Interest	39,277	275,830
FDR	3,472,333	4,407,707
Miscellaneous Income	98,400	-
Write-off Loan collection	5,726	-
Fund Received from MVM	1,864,961	-
Fund Received From -KIA	4,856,080	-
Donation Received From Social Welfare	-	20,000
Loan received -Grayhan tahabill	3,300,000	7,845,000
Overhead cost	510,918	757,017
TOTAL RECEIPTS	247,248,925	168,483,997



PAYMENTS

General Savings Refund(RMC)	17,055,186	10,257,817
General Savings Refund(ME)	1,581,457	793,285
Special Savings Refund	11,232	15,910
Loan Disbursement(RMC)	124,530,000	104,795,000
Loan Disbursement(ME)	12,965,000	8,630,000
Advance	2,197,277	189,325
Office Rent	462,000	432,700
Fixed Assets Purchases	589,050	384,791
Staff Salary & Bonus	7,419,030	6,104,250
Travels & Conveyance	87,460	108,372
Fuel Cost	295,210	184,150
Entertainment	109,905	76,770
Telephone & Postage	176,161	161,351
Gas & Electricity	125,466	112,773
Printing & Stationary	259,279	155,952
Training expenses	23,384	46,688
Bank Charge & DD Charges	99,308	103,201
Repair & Maintenance	94,966	55,330
Vehicle Maintenance	46,515	69,800
General Savings (Interest)	1,163,873	985,727
Other operating expenses	44,714	90,953
Loan Risk Fund Refund	652,823	360,676
Newspaper & Periodical	2,790	7,073
Meeting Expenses	57,171	34,359
VAT & Tax	95,861	58,840
FDR	6,300,000	409,833
Audit Fees	58,000	44,000
Renewal & Registration Fees	22,245	17,841
Interest paid to GB & Other's	5,080,724	2,205,200
Interest/Charges on Loan (Bank)	658,943	867,250
Fund Refund to GB & Others	20,219,274	9,493,000
Loan Installment paid to Bank	26,024,593	13,676,166
Advertisement	5,000	-
Board Member Honorarium	15,000	12,000
Rebate on loan	63,672	3,800
Donation	33,800	8,200
Legal Expenses	110,500	63,000
Donation-Covid-19 DC office	-	10,000
Over head Exp	475,466	713,102
Repayment loan-Grayhan tahabill	9,730,000	845,000
Write off loan	870,994	1,028,289
O & M fees(Datasoft)	47,250	-
Closing Balance:		
Cash in Hand	58,109	2,541
Bank Balance	7,330,207	1,869,682
TOTAL PAYMENTS	247,248,925	165,483,997

Edward Robin Bollove
Chief Executive Officer
CRSS, Barisal



Irshadullah Patwary
Md. Irshadullah Patwary, FCA
Managing Partner
Enrollment No. 211
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Chartered Accountants
DVC: 2309240211AS601134

CENTER FOR RURAL SERVICE SOCIETY(CRSS)

Natun Bazar, B. M. College Road, Barishal.

STATEMENT OF CASH FLOW

For the Period 1st July-2022 to 30th June-2023

	FY 2022-2023	FY 2021-20202
	Amount (Taka)	Amount (Taka)
A. Cash flow from Operating Activities	1,487,365	203,279
Surplus for the period	704,821	406,792
Loan Loss Provision	630,545	(364,665)
Adjustment	-	-
Depreciation for the year	151,999	161,152
B. Cash flow from Investing Activities	(589,050)	(384,791)
Fixed Assets	(589,050)	(384,791)
C. Cash flow from Financial Activities	4,617,778	(16,746,905)
Increase/Decrease in Loan to Members (RMC)	(3,269,135)	(21,180,212)
Increase/Decrease in Loan to Members (ME)	(1,814,304)	(1,239,974)
Increase/Decrease in Short Term Investment (FDR)	(2,827,667)	3,997,874
Increase/Decrease in Advance, Deposit & Prepayment	(45,477)	12,000
Increase/Decrease in Stock & Stores	(119,022)	(7,002)
Increase/Decrease in Loan from GB & Other Person	7,378,226	2,456,000
Increase/Decrease in Loan from Bank	3,975,407	(13,676,166)
Increase/Decrease in Loan from Bank (Grihayan Takabil)	(6,430,000)	7,000,000
Increase/Decrease in Members Savings	326,582	5,116,951
Increase/Decrease in Donor Fund from MvM	1,864,961	-
Increase/Decrease in Donor Fund from KIA	4,856,080	-
Increase/Decrease in Loan Risk Fund	722,127	773,624
Net Cash flow Increase/ Decrease (A+B+C)	5,516,093	(16,928,417)
Add: Cash and Bank Balance at the beginning of the year	1,872,223	18,800,640
Cash and Bank Balance at the Closing of the year	7,388,316	1,872,223



Annexure- A1/6

CENTER FOR RURAL SERVICE SOCIETY(CRSS)

Natun Bazar, B. M. College Road, Barishal.

Statement of Change in Equity

For the Period 1st July-2022 to 30th June-2023.

	FY- 2022-2023 Amount (Taka)	FY- 2021-2022 Amount (Taka)
Balance as on 01.07.2022	8,252,940	7,846,148
Add: Surplus of the year	704,821	406,792
	<u>8,957,761</u>	<u>8,252,940</u>
Add: Addition During the year-MVM	1,864,961	-
Add: Addition During the year-KIA	4,856,080	-
Less: Adjustment Reserved Fund	-	-
Balance as on 30.06.2023	<u>15,678,802</u>	<u>8,252,940</u>



CENTER FOR RURAL SERVICE SOCIETY(CRSS)
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2023

1.0 BACKGROUND:

CENTER FOR RURAL SERVICE SOCIETY(CRSS) is a Non-Govt. voluntary development organization (NGO). MRA License No: 02593-01229-00583 Dated: 01.08.2011, Social welfare registration no: BARI-927/02 Dated: 15.12.2015 And NGO Bureau registration no: 2465, Dated: 05.07.2009.

Scope of Audit

We have carried out the audit in accordance with the generally accepted auditing standards and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

Objective :

- Eradication unemployment by training and asset utilization.
- Give knowledge of letters to illiterate members.
- Make aware of health by training.
- Give Knowledge about family Planning to members.
- Encourage members for savings.
- Make aware of everyone the disadvantage about dowry and illogical divorce and child marriage.
- Create employment Opportunity of Disabled child and adult.
- Make a healthy Environment.
- Opportunity of Fisheries.
- Make opportunity to build a home for Land and home Less people.
- Arsenic Mitigation
- Undertaking relief and reconstruction programs in disaster affected areas.
- Celebrating National Day and setting up library etc.



2.0 Corporate information of the MFI:

SL. No.	Name of the MFI	Socio Economic Health Education Organization
01	Year of establishment	2003
02	Legal Entity (MRA Registration No.)	02593-01229-00583
03	Nature of operations (programs)	RMC, ME,
04	Statutory Audit conducted up to	2022
05	Name of Statutory auditor for last year	S M Rafique & Co. Chartered Accountants
06	Name of Statutory auditor for current year	Irshadullah Patwary & Co. Chartered Accountants
07	No. of Executive Committee meeting held FY 2022-2023	8
08	Date of last AGM held	25/06/2023

List of Executive Committee Members					
	Name	Qualification	Designation	Profession	Present Address
1	Mrs. Florence Annat Gupta	H.S.C (PTI)	Chairman	Teacher	Bogura Road, Barishal.
2	Mr. James Prodip Gomes	H.S.C	Vice-Chairman	Diploma In Electrical	Police Line Barishal.
3	Edward Rabin Bollove	B.S.S	Member Secretary	Service	Police Line Barishal
4	Mrs. Sanchita Sikder	M. Com.	Treasurer	Non government	Bhata Khana , Barishal
5	Aldrin Halder(Shipon)	B. Com.	Member	Social Service	New Circular Road, Barishal
6	Mrs. Delowara Hossain	B.S.C	Member	Bank Officer(Retired)	B.M College Road, Barishal.
7	Mrs. Monju Halder	H.S.C	Member	Teacher	Oxford Mission Road, Barishal

Basis of preparation of Financial Statements

3.0 Basis of Accounting:

The organization maintains its accounts on cash basis that is all incomes actually received are taken as income and all payments/expenditures actually affected during the year are considered as expenditures.

4.0 Summary of significant accounting policies

4.01 Currencies:

All the organization's assets, liabilities, capital fund, Income and expenditure are denominated in terms of Taka, local currency.

4.02 Revenue Recognition:

(i) Interest Income:

- Service charge on loan:

The **CENTER FOR RURAL SERVICE SOCIETY(CRSS)** is collecting service charges from beneficiaries at a flat of 13.50% per annum calculated on the loan provide to them. The principal loan and proportional service charges are collected in equal weekly 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.

- Interest Expenses:

Interest expenses have been accounted for partly on cash basis & partly on accrual basis.

- Other Expenses:

Other expenses have been accounted on cash basis.

(ii) Interest paid on savings:

Interest has been paid to the members on accrual basis at the end of the year on their savings and accounted for accordingly.

4.04 Fixed Assets & Depreciation:

Fixed assets are stated at historical cost less accumulated depreciation in accordance with IAS 16. Cost represents the cost of acquisition/procurement including development expenses. Depreciation is charged on assets procured during the year average half yearly. Depreciation on all other assets is computed by using the reducing balance depreciation method applying the rates so as to write off the assets over their expected useful lives. Details in fixed assets schedule.



5.0 Significant organizational policies

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

5.02 Policy on loan to beneficiaries: The **CENTER FOR RURAL SERVICE SOCIETY(CRSS)** is collecting service charges from beneficiaries at a Flat method of 13.50% per annum calculated on the loan provide to them. We observed that the disbursement of loan has been made through maintaining the proper paper and documents. Service charge from beneficiaries and other source of fund are recognized in the financial statement on the basis of actual realization. Loan beneficiaries have been utilized of his loan properly.

5.03 Policy of savings collection: Savings collection is done from all members on weekly basis. We note here that the interests on savings are given in a year @ 6%.

Sl. No.	PARTICULARS	FY 2022-2023	FY 2021-22
		Amount	Amount
6.00	Property, plant & equipment: Cost		
	Balance as on 01.07.2022	2,593,703	2,208,912
	Add: Addition During the year	589,050	384,791
	Less: Disposal During the year	-	-
	Balance as on 30.06.2023	3,182,753	2,593,703
	Depreciation		
	Balance as on 01.07.2022	1,463,799	1,302,648
	Add: Addition During the year	151,999	161,151
	Less: Disposal During the year	-	-
	Balance as on 30.06.2023	1,615,798	1,463,799
	Written Down Value	1,566,955	1,129,904
	Details of Fixed Assets are in Annexure-A		
7.00	Loan to Members (RMC)		
	Balance as on 01.07.2022	72,969,280	51,789,068
	Add: Disbursed during the year	124,530,000	104,795,000
	Less : Loan recovery during the year	121,260,865	83,614,788
	Balance as on 30.06.2023	76,238,415	72,969,280
8.00	Loan to Members (ME)		
	Balance as on 01.07.2022	7,670,462	6,430,488
	Add: Disbursed during the year	12,965,000	8,630,000
	Less : Loan recovery during the year	11,150,696	7,390,026
	Balance as on 30.06.2023	9,484,766	7,670,462
9.00	Short term Investments (FDR)		
	Savings FDR (Note-9.01)	6,000,000	3,147,133
	LLPI-FDR (Note-9.02)	-	-
	Reserve-FDR (Note-9.03)	300,000	325,200
	Balance as on 30.06.2023	6,300,000	3,472,333
	Breakup of the above are given below:		
9.01	Savings FDR:		
	Balance as on 01.07.2022	3,147,133	7,145,007
	Add: Addition During the year	6,000,000	-
	Add: Addition During the year interest received	-	409,833
	Less: Close/Withdrawn	3,147,133	4,407,707
	Balance as on 30.06.2023	6,000,000	3,147,133

9.02 LLPI-FDR:

Balance as on 01.07.2022

-	-
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Balance as on 30.06.2023

-	-
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9.03 Reserve-FDR:

Balance as on 01.07.2022

325,200	300,000
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Add: Addition During the year

300,000	-
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Add: Addition During the year interest received

-	30,000
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Less: Close/Withdrawn

325,200	4,800
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Balance as on 30.06.2023

300,000	325,200
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10.00 Advance, Deposit & Prepayment:

Balance as on 01.07.2022

128,523	140,523
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Add: Advance paid during the year

2,197,277	189,325
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Less: Advance Collection during the year

2,151,800	201,325
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Balance as on 30.06.2023

174,000	128,523
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11.00 Stock in Stores (Printing & Stationary):

Balance as on 01.07.2022

75,728	68,726
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Add: Addition During the year

259,279	155,952
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Less: Used During the year

140,257	148,950
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Balance as on 30.06.2023

194,750	75,728
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12.00 Cash in Hand & at Bank:

Cash in hand

58,109	44,284
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Cash at bank (Note-12.01)

7,330,207	1,869,682
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7,388,316	1,913,966
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12.01 Breakup of the above amount is as follows:

SL. NO.	Name of Bank & Branch	Name Branch	30.6.2023 Amount	30.6.2022 Amount
1	Mercantile bank Ltd, Barisal Branch	Head Office	33,841	737,837
2	Southeast Bank, Barisal Branch	Head Office	509,403	17,766
3	Janata Bank, Natun Bazar Branch	Head Office	4,860,007	8,207
4	Shahjalal Islami Bank Ltd	Head Office	27,023	1,919
5	Basic Bank Ltd, Barishal, Branch	Head office	1,641	2,331
6	Meghna Bank LTD	Head office	12,935	
7	Janata Bank, Natun Bazar Branch	Barishal sada	164,945	172,094
8	Janata Bank, Natun Bazar Branch	Barishal sada	4,468	4,609
9	Southeast Bank, Barisal Branch	Barishal sada	6,348	23,475
10	Pubali bank, Hospital Road Branch	Barishal sada	153,480	157,168
11	Janata Bank, Natun Bazar Branch	Barishal sada	5,047	5,967
12	First Security Islami Bank Ltd.	Neserabad	143,358	163,302
13	Janata Bank, Agoiljhara	Agoiljhara	49,230	78,028
14	Sonali Bank, Goila Branch, Barisal	Agoiljhara	302,557	222,376
15	Agrani Bank, Dhamura Branch	Dhumura	140,940	153,238
16	Bangladesh Krishi Bank, Harta branch	Harta	910,070	121,365
17	Bangladesh Krishi Bank, Harta branch	Harta	4,914	-
	Total Amount :		7,330,207	1,869,682

13.00	Cumulative Surplus		
	Balance as on 01.07.2022	2,994,702	2,587,910
	Add: Addition During the year	704,821	406,792
	Less: Reserved Fund	-	-
	Add: Adjustment During the year	-	-
	Balance as on 30.06.2023	3,699,523	2,994,702
14.00	Reserved Fund:		
	Balance as on 01.07.2022	300,000	300,000
	Add: Transferred from Cumulative Surplus	-	-
	Less: Adjustment During the year	-	-
	Balance as on 30.06.2023	300,000	300,000
15.00	Donor Fund from MvM		
	Balance as on 01.07.2022	4,958,238	4,958,238
	Add: Addition During the year-MVM	1,864,961	-
	Less: Refund During the year	-	-
	Balance as on 30.06.2023	6,823,199	4,958,238
16.00	Donor Fund from KIA		
	Balance as on 01.07.2022	-	-
	Add: Addition During the year-	4,856,080	-
	Less: Refund During the year	-	-
	Balance as on 30.06.2023	4,856,080	-
17.00	Loan from GB & Other Person:		
	Balance as on 01.07.2022	27,137,350	24,681,350
	Add: Addition During the year	27,597,500	11,949,000
	Less: Refund During the year	20,219,274	9,493,000
	Balance as on 30.06.2023	34,515,576	27,137,350
18.00	Loan from grahyan Tahabil:		
	Balance as on 01.07.2022	7,000,000	-
	Add: Addition During the year	3,300,000	7,845,000
	Less: Refund During the year	9,730,000	845,000
	Balance as on 30.06.2023	570,000	7,000,000
19.00	Loan from Bank:		
	Balance as on 01.07.2022	19,024,593	32,700,759
	Add: Addition During the year	30,000,000	-
	Less: Refund During the year	26,024,593	13,676,166
	Balance as on 30.06.2023	23,000,000	19,024,593

20.00 Members Savings Deposits

General Savings	(Note-20.01)
Special Savings	(Note-20.02)
Balance as on 30.06.2023	

20,509,208	20,171,394
4,886	16,118
20,514,094	20,187,512

20.01 General Savings (RMC & ME)

Balance as on 01.07.2022
Add: Collection during the year
Add: Interest
Less: Refund during the year
Balance as on 30.06.2023

20,171,394	15,038,851
17,810,614	15,197,918
1,163,873	985,727
18,636,673	11,051,102
20,509,208	20,171,394

20.02 Special Savings

Balance as on 01.07.2022
Add: Addition During the year
Add: Interest
Less: Refund during the year
Balance as on 30.06.2023

16,118	31,710
-	318
-	-
11,232	15,910
4,886	16,118

21.00 Loan Risk Fund

Balance as on 01.07.2022
Add: Addition During the year
Less: Refund During the year
Balance as on 30.06.2023

3,801,053	3,027,429
1,374,950	1,134,300
652,823	360,676
4,523,180	3,801,053

22.00 Loan Loss Provision (LLP):

Balance as on 01.07.2022
Add: Addition during the year
Less: Adjustment during the year
Balance as on 30.06.2023

1,915,005	2,279,670
1,501,539	663,624
870,994	1,028,289
2,545,550	1,915,005



Center for Rural Service Society (CRSS)

Naton Bazar, B. M. College Road, Barisal

Fixed Asset Schedule

As on June 30, 2023

SL No	Particulars	Cost				Depreciation					Written down as on 30.06.23
		Balance as on 01.07.22	Addition During the Year	Adjustment/Disposal	as on 30.06.23	Dep. Rate %	Balance as on 01.07.22	Charge During the year	Adjustment/ realization	Total Balance as on 30.06.23	
1	Secretariat Table	113,905	26,000	-	139,905	5%	53,531	6,995.25	-	60,527	79,378
2	Arm Chair	66,260	-	-	66,260	5%	63,518	2,742.00	-	66,260	0
3	Furniture	243,104	12,400	-	255,504	5%	173,581	12,775.20	-	186,356	69,148
4	Wooden Rak	4,830	-	-	4,830	5%	4,470	241.50	-	4,712	119
5	Plastic Chair	15,445	-	-	15,445	5%	12,916	772.25	-	13,688	1,757
6	Plastic Tools	210	-	-	210	0%	210	-	-	210	0
7	Half Secretariat Table	20,382	-	-	20,382	5%	18,436	1,019.10	-	19,456	926
8	Meeting Table	27,500	-	-	27,500	5%	20,158	1,375.00	-	21,533	5,968
9	Revolving Chair	23,800	-	-	23,800	0%	23,800	-	-	23,800	(0)
10	Steel Almira	89,270	-	-	89,270	3%	45,710	2,678.10	-	48,389	40,882
11	Steel Showcase	6,945	11,000	-	17,945	5%	6,945	897.25	-	7,842	10,103
12	Partex Table	23,050	-	-	23,050	5%	18,600	1,152.50	-	19,753	3,297
13	Partex Almira	9,380	-	-	9,380	5%	9,380	-	-	9,380	(0)
14	White/Disply Board	24,630	-	-	24,630	5%	10,157	1,231.50	-	11,388	13,242
15	Wooden chair	18,030	-	-	18,030	5%	13,702	901.50	-	14,603	3,427
16	General Table	930	-	-	930	0%	930	-	-	930	0
17	File Cabinet	57,110	-	-	57,110	5%	26,499	2,855.50	-	29,354	27,756
18	Refrigerator	55,991	-	-	55,991	5%	16,460	2,799.55	-	19,259	36,732
19	Computer	423,495	107,700	-	531,195	5%	224,112	26,559.75	-	250,672	280,523
20	Com.Printer	115,190	30,070	-	145,260	5%	32,907	7,263.00	-	40,170	105,090



21	Television	12,900	-	-	12,900	5%	9,456	643.00	-	10,101	2,799
22	Telephone Set	70,320	-	-	70,320	5%	30,961	3,514.00	-	34,477	35,843
23	Com.monetor	10,800	-	-	10,800	5%	7,918	540.00	-	8,458	2,342
24	Gas Slender	16,670	-	-	16,670	5%	13,056	833.50	-	13,889	2,781
25	Digital Camera	13,000	-	-	13,000	0%	13,000	-	-	13,000	-
26	Electric Goods	6,962	-	-	6,962	0%	6,962	-	-	6,962	0
27	Floor Mats	1,500	-	-	1,500	0%	1,500	-	-	1,500	-
28	Table Glass	2,265	-	-	2,265	0%	2,265	-	-	2,265	(0)
29	Electric Fan	88,169	5,500	-	93,669	5%	49,312	4,683.45	-	53,996	39,673
30	Genarator	10,050	72,980	-	83,030	5%	10,050	4,151.50	-	14,202	68,828
31	Cookerise	32,286	6,400	-	38,686	5%	32,286	1,933.30	-	34,199	4,467
32	Water Dram	1,000	-	-	1,000	0%	1,000	-	-	1,000	0
33	Balti	175	-	-	175	0%	175	-	-	175	-
34	Bading	15,919	-	-	15,919	5%	15,919	-	-	15,919	(0)
35	Motor-Cycle	738,800	-	-	738,800	5%	465,609	36,940.00	-	502,549	236,251
36	Bi-cycle	2,250	-	-	2,250	5%	1,935	112.50	-	2,048	203
37	Laptop	116,400	120,000	-	236,400	5%	18,010	11,820.00	-	29,830	206,570
38	CC Camera Instlation	46,300	-	-	46,300	5%	6,259	2,315.00	-	8,574	37,727
39	Infrared Thermometer	8,500	-	-	8,500	15%	2,125	1,275.00	-	3,400	5,100
40	Soft ware	60,000	60,000	-	120,000	0%	-	-	-	-	120,000
41	PhotoCopyier	-	82,500	-	82,500	10%	-	8,250.00	-	8,250	74,250
42	Multi Media	-	54,500	-	54,500	5%	-	2,725.00	-	2,725	51,775
Balance as on 30.06.2023		2,593,703	589,050	-	3,182,753		1,463,800	151,999	-	1,615,799	1,566,955

Balance as on 30.06.2022	2,208,912	384,791	-	2,593,703		1,302,648	161,151	-	1,463,800	1,129,904
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CENTER FOR RURAL SERVICE SOCIETY(CRSS)

Natur Bazar, B. M. College Road, Barishal.

Eligibility Criteria Compliance Certification

For the Period 1st July-2022 to 30th June-2023.

SL. No.	Eligibility Criteria	Standard	Audited Figures or Compliance	Audited Figures or Compliance
			FY:2022-2023	FY:2021-2022
1	Minimum Loan recovery rates, computed i) 95% minimum cumulative loan collection ratio on total dues:	95%	96.32%	98.76%
	ii) 92-100% minimum loan collection ratio on current dues (on running 12 month basis) Actual collections during the past 12 months current dues $\times 100$ Collectibles on current dues (OTR)	92-100%	98.79%	95.43%
2	Minimum liquidity ratio	10%	23.57%	51.39%
3	Minimum current ratio	2.0:1	3.62:1	4.35:1
4	Minimum capital adequacy ratio	15%	18.21	19.25
5	Minimum debt service cover ratio	1.25:1	1.21:1	1.83:1
6	Debt Capital Ratio	9:1	21:1	11:44
7	Minimum rate of return on capital	1%	4.50%	5.87%

Dated, Dhaka
24.09.2023



Irshadullah Patwary
Md. Irshadullah Patwary, FCA
Managing Partner
Enrollment No. 211
Irshadullah Patwary & Co.
Chartered Accountants
DVC: 2309240211AS601134

Center for Rural Service Society (CRSS)

Natun Bazar, B. M. College Road, Barishal

Portfolio report For the Period ended from 01 July 2022 to June 30, 2023

Review of Loan Classifications and Provisions

(i) Classification of Loan and Loan Loss Provision

Particulars	No. of days Outstanding	Outstanding Loan Amount	Required Provision	
			Rate %	Amount
Total Loan Outstanding		85,723,220		
Total overdue		1,099,339		
Regular	No Overdue	81,384,982	1%	813,852
Watchful	1-30 days	1,379,660	5%	68,983
Sub-standard	31-180 days	1,063,152	25%	265,788
Doubtful	181-365 days	796,087	65%	517,457
Bad Loan	365+ days	1,099,339	80%	879,471
Total		85,723,220		2,545,551

(ii) Loan Loss Provision (LLP) Status of the MFI

Particulars	Taka
Required Provision as per MRA policy	2,545,551
Actual Provision made by the CRSS	2,545,551
Excess/ Shortfall of Provision	-
Comment on LLP for PKSF funded Program	N/A
Comment on LLP for Non- PKSF funded Program	
Disclosure on Written off Loan:	-
Loan Written off balance 01.07.2017- 30.06.2022	1,633,804
Loan written off during the year 2022-2023	870,994
Written Off Loan Recovered during the year 2022 - 2023	5,726



(i) **Loan Operation Report**

Sl no.	Particulars	FY 2022- 2023			FY 2021- 2022		
1	Financial Service Product:						
	Loan product:						
	PKSF funded Loan						
	Loan to Members (RMC)	76,238,415					
	Loan to Members (ME)	9,484,766					
	Housing loan	570,000			7,000,000		
	Sanitation loan						
	Loan GB & Others	34,515,576			27,137,350		
	Bank loan						
	Bank B.loan	23,000,000			194,024,593		
	Savings product:						
	General & Special	20,514,094			20,187,512		
	Insurance product:	4,523,180			3,801,053		
	Livestock						
	Others						
2	Number of branches	5			5		
		M	F	Total	M	F	TOTAL
3	Number of Samities	20	278	298	19	268	287
4	Number of members	397	5000	5397	384	4745	5129
5	Number of borrowers	303	3564	3867	278	3628	3906
6	Number of Staff	25	8	33	19	8	27
7	Amount (Taka) of loan outstanding with samity members	8,015,308	77,707,932	85,723,240	8,887,277	71,752,465	80,639,742
8	Member: borrower	1:0.76	1:0.71	1:0.72	1:1.26	1:1.26	1:1.26
9	Average loan size	26,453.16	21,804	22,168	31,969	19,777	20,645



The Executive Director
CENTER FOR RURAL SERVICE SOCIETY(CRSS)
Naton Bazar, B. M. College Road,
Barishal.

Sub: Management Report on the Financial Statement of CENTER FOR RURAL SERVICE SOCIETY(CRSS)
for the year ended June 30, 2023.

Dear Sir, *

We submit herewith the management report on the accounts of **CENTER FOR RURAL SERVICE SOCIETY(CRSS)** as per guidelines of MRA (Micro Credit Regulatory Authority) on those deviation and weakness in internal control of financial management systems, accountability and transparency of the management. Any deviation regarding financial transactions which came to our notice during our audit are stated herewith.

BASIS OF ACCOUNTING:

The accounts of **CENTER FOR RURAL SERVICE SOCIETY(CRSS)** have been prepared on Cash Basis except provision for general reserve under Generally Accepted Accounting Principles.

ACCOUNTS PREPARATION:

CENTER FOR RURAL SERVICE SOCIETY(CRSS) has been maintaining all required books of account as per MRA Guideline for recording the financial transactions in order to generate financial reports that reflect over all financial position of the organization. There was no deviation from conventional accounting principles and there were no non-traditional accounting entries in books.

CARRIED OVER OF OPENING BALANCE INTO LEDGER:

During the course of our audit, we observed that all figures as per last year audit report were carried forward properly into ledger as opening balance of current year.

A. SCOPE OF AUDIT:

During our audit, we have applied International Standards of Auditing (ISAs) and accordingly adopted such tests and examinations, as we considered necessary in order to satisfy ourselves and to fulfill terms of appointment.



B. OBSERVATION AND RECOMMENDATIONS:

1.0 Accounting system:

Observation

We have observed that the financial statements have been prepared following accrual basis accounting (except for service charges on loan) while preparing financial statements. Service charges are recognized as income based on realization in the year under audit.

Recommendation:

As per MRA Rules -2010 the organization should follow the law, regulation, other government rules and regulations and the basic principles of assets - liability management in maintaining the accounts of the organization.

Management Response: We follow the MRA guideline regularly.

2.0 Maintenance of Books of accounts and other Records as per MRA Act-2006 & Rule 2010:

Observation

During the course of our audit, we observed that the Organization has maintained Books of Accounts and other records as per MRA Act-2006 & MRA Rule-2010.

Recommendation:

The Microcredit Organization will preserve all documents, deeds and records of its branch offices for minimum of 5 (five) years and its head office for 10(ten) years.

Every Microcredit Organization must update and maintain the current register of all its offices

Multi-tier Microcredit Organization must update and maintain the following registers or record books, as per MRA Rules-2010:

SL. NO	Books & Register ought to be Maintain in Head office	Books & Register ought to be Maintain in Head office	Remarks
01	Cash & Bank Book	Cash & Bank Book	Properly maintained by CRSS
02	General Ledger	General Ledger	Properly maintained by CRSS
03	Client Based Subsidiary Ledger (Loan Deposit Insurance)	Client Based Subsidiary Ledger (Loan Deposit Insurance)	Properly maintained by CRSS
04	Consolidated loan distribution Ledger (Branch wise)	Consolidated loan distribution Book	Properly maintained by CRSS

05	Consolidated Branch Level Loans Due and Realization register	Loans Due and Realization register	Properly maintained by CRSS
06	Consolidated Branch Level Deposit return/ Adjustment register	Deposit return / Adjustment register	Properly maintained by CRSS
07	Cheque Issue register	Cheque Issue register	Properly maintained by CRSS
08	FDR Register	FDR Register	Properly maintained by CRSS
09	Fixed Assets register	Fixed Assets register	Properly maintained by CRSS
10	Advance Register	Advance Register	Properly maintained by CRSS
11	Bad Loan register (Branch wise)	Bad Loan register	Properly maintained by CRSS

Management Response: We follow the MRA Instruction regularly.

4.0 Loan operation Management:

Observation

During the financial year 2022-2023 the organization disburse loan total sum of Tk. 12,45,30,000.00 to the beneficiaries under the following components.

The overall system of internal control in respect of loan operation management may be considered satisfactory.

Recommendation:

Proper monitoring system should be introduced to ensure the purpose for which the loan is disbursed to the beneficiaries. Daily collection of loan and savings should be deposited to the concerned bank for avoiding risk for theft.

Management Response: We applied same procedure in future.

6.0 Internal Control of Loan & Savings management:

Observation:

The organization has developed a well- defined internal control compliance manual for compliance with the guidelines of Micro credit Regulatory Authority regarding Loan & Savings activities.

Recommendation:

Management should properly implement the internal control and compliance manual for better internal control and compliance with MRA requirements.

Management Response: We follow MRA Instruction regularly respective purpose.



7.00 Uses of Surplus Income

Observation:

As per MRA rules-2010, the organization has made Reserve Fund Against cumulative surplus during the year due to excess of expenditure over

Recommendation:

Reserve Fund should be invested as MRA guideline.

Management Response: We follow MRA Instruction regularly.

8.00 Suitability of the organization

Observation:

During the course of our audit, we have analyzed different ratio of **CENTER FOR RURAL SERVICE SOCIETY(CRSS)** comparatively last two years are as follows:

Particulars	FY:2022-23	FY:2021-22
Minimum Cumulative Loan collection ratio (CCR)	96.32%	98.76%
Minimum Cumulative Loan-collection ratio on Current Dues	98.79%	95.46%
Minimum Liquidity Ratio	23.57%	51.39%
Minimum Current Ratio	3.62:1	4.35:1
Minimum Capital Adequacy Ratio	18.21	19.25
Minimum Debt Service Cover Ratio	1.21:1	1.83:1
Debt Capital Ratio	21:1	11:44
Minimum Rate of Return	4.49%	5.87%

Recommendation:

The overall ratio of the organization may consider as satisfactory (Except Minimum rate of return) and the organization has suitability to continue its activities in future. Management should more concern in future.

Management Response: We will try to maintain all ratios at a standard level.

9.00 Comment on Fund management & other Activities:

9.01 Loan loss Provision Investment (LLPI):

Observation:

During the course of our audit, we have observed that the Organization has already LLP amounting Tk. 15,01,539.00.

Recommendation:

Management should try its best to invest all investible funds.

Management Response:

We will follow the same procedure in the future.

9.02 Savings Deposit:

Observation:

Total savings deposits stood at Tk. 2,05,14,094.00 as on June 30, 2023. Savings should be kept in FDR as well as cash and bank balance.

Recommendation:

We suggest MRA instructions follow regularly.

Management Response: Same procedure will apply in future.

9.03 Social Development Fund Adjusted:

Observation:

During the course of our audit, we observed that the organization had adjusted Social Development Fund amount including in Miscellaneous Income as per Executive Council Members Decision.

Management Response: In future, in this type of account will not generate.

9.04 Fixed Assets addition:

Observation:

The organization holds fixed assets total costing Tk. 31,82,753.00 During the year under audit a sum of Tk 5,89,050.00 was added in assets. We have verified all purchase documents in respect of acquisition of assets and found in order. They maintained Fixed Asset register manually.

Recommendation:

The records of fixed assets should be maintained by a software package and should update regularly.

Management Response: We are trying to software installation.

9.06 Payable against Loan Risk Fund Scheme:

Observation:

In appears from the statement of financial position that payable for Loan Risk Fund had balance of Tk. 45,23,180.

Recommendation:

We recommend that insurance fund money always be invested in profitable scheme.

Management Response: In future, Insurance fund will invest in schedule Bank as FDR.

10.00 Anti Money Laundering and Terrorist Financing:

Observation:

During the time of our audit, we found that the organization has established a policy and they follow the policy properly anti money laundering and terrorist financing.

Recommendation:

After verifying all activities regarding micro credit operation, it appears to us that CRSS more careful regarding this issue.

Management Response: Same procedure will continue in future.

11.00 USE OF SOFTWARE OR MANAGEMENT INFORMATION:

Observation:

During our audit, it was observed that no software is used for maintaining books of account and management information system in this organization.

Recommendation:

After verifying all activities regarding software system, it appears to us that CRSS should be more careful regarding this issue.

Management Report: We will install software in future for book keeping.

12.00 General Observation:

12.01 Cash Register is maintained by the organization:

Observation:

During our audit, we observed that Cash register is maintained by the organization properly.

Recommendation:

Management should improve the book keeping system.

Management Response: In our organization all transactions are in cash basis. we will try our best to improve our policy.



12.02 Cash Paid instead of Accounts payee Cheque:

Observation:

During our audit, we observed that in cases of some transactions the organization cash paid instead of cheque.

Risk/ Implication:

Cash transaction is riskier than Accounts payee cheque.

Recommendation:


Management should look into this matter.

Management Response: Tk. 1.00,000 & above transaction we are made by cheque & it will be followed consistently.

13.00 Conclusion:

We convey our thanks to the staff and officers of **CENTER FOR RURAL SERVICE SOCIETY(CRSS)** for extending their co-operation and assistance to our audit team during the time of audit.

Dated: Dhaka
24.09.2023


Md. Irshadullah Patwary, FCA
Managing Partner
Enrollment No. 211
Irshadullah Patwary & Co.
Chartered Accountants
DVC: 2309240211AS601134



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.



- l)** 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 **CENTER FOR RURAL SERVICE SOCIETY(CRSS)** 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 were properly utilized for the beneficiary member and found in order;
- m)** Normally transactions above Tk. 1,00,000.00 were made through bank account. However, collection of savings and disbursement of microcredit were made by cash;
- 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 **CENTER FOR RURAL SERVICE SOCIETY(CRSS)** is collecting service charges from beneficiaries at a Flat rate of 13.50% per annum 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 examined 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 **CENTER FOR RURAL SERVICE SOCIETY(CRSS)** 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 **CENTER FOR RURAL SERVICE SOCIETY(CRSS)** 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 not strong Internal Audit Department 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.



CENTER FOR RURAL SERVICE SOCIETY(CRSS)

Natun Bazar, B. M. College Road, Barishal.

Budget Variance

For the Period 1st July-2022 to 30th June-2023.

Particulars	Approved budget	Actual Income /Expenditure	Variance		Proposed Budget 2022-23
			Amount	%	
Receipts:					
Fund (GB & Others Person)	13,500,000	27,597,500	(14,097,500)	-104.43%	18,000,000
Loan from Bank	80,000,000	30,000,000	50,000,000	62.50%	50,000,000
General Savings (Group Members)	18,000,000	18,974,487	(974,487)	-5.41%	22,000,000
Special Savings (Group Members)	50,000	-	50,000	100.00%	5,000
Loan Collection	104,500,000	132,411,561	(27,911,561)	-26.71%	165,000,000
Welfare Insurance Collection (Bima)	1,800,000	1,374,950	425,050	23.61%	1,750,000
Service Charge	16,000,000	18,666,376	(2,666,376)	-16.66%	22,000,000
Admission fees	17,000	7,440	9,560	56.24%	12,000
Sale of past book	50,000	17,780	32,220	64.44%	40,000
Others Sales (Form)	100,000	16,610	83,390	83.39%	25,000
G. body Membership Subscription	3,240	3,240	-	0.00%	30,000
FDR Interest	380,000	39,277	340,723	89.66%	250,000
Bank Interest	10,000	7,263	2,737	27.37%	10,000
Miscellaneous income/others	20,000	98,400	(78,400)	-392.00%	150,000
Write off loan collection	100,000	5,726	94,274	94.27%	75,000
Donation	50,000	-	50,000	100.00%	700,000
Total Received	234,580,240	229,220,610	5,359,630	2.28%	280,047,000



Particulars	Approved budget	Actual Income /Expenditure	Variance		Proposed Budget 2022-23
			Amount	%	
Payments:					
Fund Repayment	12,000,000	20,219,274	(8,219,274)	-68.49%	19,800,000
Bank loan Repayment	35,000,000	26,024,593	8,975,407	25.64%	20,000,000
General Savings Refund	15,000,000	18636673	(3,636,673)	-24.24%	23,000,000
Special Savings Refund	20,000	11232	8,768	43.84%	5,000
Loan Disbursement	180,000,000	137495000	42,505,000	23.61%	175,000,000
Welfare Insurance paid to group members	500,000	652,823	(152,823)	-30.56%	5,000,000
Office Rent	500,000	462000	38,000	7.60%	530,000
Furniture & Fixture	50,000	589,050	(539,050)	-1078.10%	50,000
Service Charge of Others Loans	2,500,000	5,080,724	(2,580,724)	-103.23%	6,000,000
Service Charge of Bank Loan	4,000,000	658,943	3,341,057	83.53%	3,200,000
Salaries & allowances	7,384,095	7,419,030	(34,935)	-0.47%	8,902,836
Travels & Premium	150,000	87,460	62,540	41.69%	170,000
Fuel Cost	250,000	295,210	(45,210)	-18.08%	340,000
Entertainment	75,000	109,905	(34,905)	-46.54%	125,000
News paper & Periodicals	15,000	2,790	12,210	81.40%	10,000
Telephone & Postage	170,000	176,161	(6,161)	-3.62%	180,000
Gas & Electricity	150,000	125,466	24,534	16.36%	150,000
Printing & Stationary	140,000	259,279	(119,279)	-85.20%	130,000
Meeting expenses	45,000	57,171	(12,171)	-27.05%	50,000
Training expenses	50,000	23,384	26,616	53.23%	200,000
Board Members conveyance/honorarium	15,000	15,000	-	0.00%	20,000
Audit Fees	65,000	58,000	7,000	10.77%	75,000
Registrations Fee	30,000	22,245	7,755	25.85%	40,000
Advertisement	20,000	5,000	15,000	75.00%	10,000
Bank Charge & DD Charges	115,000	99,308	15,692	13.65%	120,000
Repair & Maintance	50,000	94,966	(44,966)	-89.93%	60,000
Vehicle Maintance	85,000	46,515	38,485	45.28%	70,000
Taxes	180,000	95,861	84,139	46.74%	90,000
Consultancy fee	50,000	-	50,000	100.00%	30,000
General Savings (Interest)	112,000	1,163,873	(1,051,873)	-939.17%	1,450,000
Other operating expenses	150,000	44,714	105,286	70.19%	50,000
Depreciation	200,000	151,999	48,001	24.00%	220,000
Total Payments	259,071,095	220,183,649	38,887,446	(17)	265,077,836



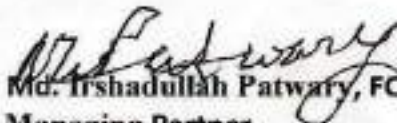
COMPLIANCE WITH MONEY LAUNDERING AND TERRORIST FINANCING.

We have examined the books of accounts of "CENTER FOR RURAL SERVICE SOCIETY(CRSS)" Natun Bazar, B.M. College, Road, Barishal, Bangladesh for the year ended **June 30, 2023.**

In compliance with the circular vide # এমআরও/সার্কুলার লেটার নং-রেড-24 dated 06 May 2014, we have examined the transactions took place during the year under audit and found that no transactions were involved with Money Laundering and Terrorist Financing.

**Dated: Dhaka
24.09.2023**




Md. Irshadullah Patwary, FCA
Managing Partner
Enrollment No. 211
Irshadullah Patwary & Co.
Chartered Accountants
DVC: 2309240211AS601134