

Private & Confidential

**Auditor's Report
&
Audited Consolidated Financial Statements
of
Prova Society
For the Year Ended June 30, 2021**

Hafiz Ahmed & Co.
Chartered Accountants
Mukta Bangla Shopping Complex
Room No: 117 (6th Floor), Mirpur-1, Dhaka-1216
E-mail: hafizahmed.ca@gmail.com



**Independent Auditors' Report
to the Members of General Body of
Prova Society**

Report on the Audit of the Financial Statements:

Opinion

We have audited the financial statements of **Prova Society** which comprise the statement of financial position as at June 30, 2021 and along with the statement of income & expenditure, statement of receipts and payments, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects of the statement of financial position of **Prova Society** as at June 30, 2021 and of its financial performance and its statement of receipts and payments for the period then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

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.

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 International Financial Reporting Standards (IFRSs) and comply with the NGO Affairs Bureau terms and conditions 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:

In accordance with International Financial Reporting Standards (IFRSs) and comply with the MRA terms and conditions and other applicable laws and regulations, we also report the following:

- i) 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;
- ii) 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
- iii) the statements of financial position and statements of income and expenditure dealt with by the report are in agreement with the books of accounts and returns.

Place: Dhaka
Date: August 29, 2021




Md. Hafiz Ahmed FCA
Hafiz Ahmed & Co.
Chartered Accountants



Prova Society
Consolidated Statement of Financial Position
As At June 30, 2021

Property & Assets	Note	30-Jun-21	30-Jun-20
Non Current Assets			
Fixed Assets at Cost	6	377,608	377,608
Total Non Current Assets		377,608	377,608
Current Assets			
Advance Deposit	7	126,000	126,000
Cash & Bank Balance	8	6,670	3,071
Total Current Assets		132,670	129,071
Total Properties & Assets		510,278	506,679

Capital Fund & Liabilities	Note	30-Jun-21	30-Jun-20
Capital Fund			
Cumulative Surplus	9	(3,956,556)	(8,632,457)
Total Capital Fund		(3,956,556)	(8,632,457)
Current Liabilities			
Loan from Others	10	123,625	123,625
Loan from EC	11	2,365,500	7,306,000
Loan from General Secretary	12	1,634,788	1,175,788
Loan from Chairman	13	67,000	-
Accumulated Depreciation	14	275,921	233,723
Total Current Liabilities		4,466,834	9,139,136
Total Capital Fund & Liabilities		510,278	506,679

The accompanying notes form integral part of these financial statements

Accounts Officer

Executive Director

Signed as per our report of even date

Date: August 29, 2021



Md. Hafiz Ahmed FCA
Hafiz Ahmed & Co.
Chartered Accountant

Prova Society
Consolidated Statement of Comprehensive Income
For the year ended June 30, 2021

Income	FY 2020-2021
Donation from Dept. of Social Services	16,000
Donation from Dept. of Youth Development	40,000
Donation from BNFE	4,924,320
Donation from ACLAB	15,000
Project Overhead	783,500
Product Sale	67,000
Member subscription	5,000
Local Donation	10,000
Prova Contribution	25,000
Total	5,885,820

Expenditure	FY 2020-2021
Salary and Honorarium	544,500
Courier	8,020
Stationery	7,405
Printing	5,526
Entertainment	8,384
Mobile Bill	2,231
Internet	8,300
Office Rent	119,800
Converyance	94,025
Vat	40,750
Photocopy	3,481
Training Materials Purchase	14,000
Binding	3,060
Local donation	650
Reparing & Maintenance	4,100
Furniture Purchase	18,000
Mask purchase	220
Pen drive purchase	4,500
Eleccctric Bill	11,793
Survey Bill	29,000
Keyboard purchase	1,500
PP writing fee	137,000
Bank Charge	3,920
Fuel	700
Food & Accomodation	4,500
Audit Fee	38,000
Paper Bill	2,000
Mask purchase	10,000
Leaflet & Miking	10,000
Food Distribution	20,000
Miscellaneous	12,356
Depreciation	42,198
Total Expenditure	1,209,919
Excess of Income over Expenditure	4,675,901
Total	5,885,820



Prova Society
Consolidated Receipts & Payments Statements
For the year ended June 30, 2021

Receipts	FY 2020-2021
Opening Balance	
Cash in Hand	758
Cash at Bank	2,313
Loan from General Secretary	159,000
Loan from Chairman	67,000
Donation from Dept. of Social Services	16,000
Donation from Dept. of Youth Development	40,000
Donation from BNFE	4,924,320
Donation from ACLAB	15,000
Project Overhead	783,500
Product Sale	67,000
Member subscription	5,000
Local Donation	10,000
Prova Contribution	25,000
Total	6,114,891

Payments	FY 2020-2021
Salary and Honorarium	544,500
Courier	8,020
Stationery	7,405
Printing	5,526
Entertainment	8,384
Mobile Bill	2,231
Internet	8,300
Office Rent	119,800
Converyance	94,025
Vat	40,750
Photocopy	3,481
Training Materials Purchase	14,000
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PP writing fee	137,000
Bank Charge	3,920
Fuel	700
Food & Accomodation	4,500
Audit Fee	38,000
Paper Bill	2,000
Mask purchase	10,000
Leaflet & Miking	10,000
Food Distribution	20,000
Loan Refunded to EC	4,940,500
Miscelleneous	12,356
Closing Balance	
Cash in Hand	455
Cash at Bank	6,215
Total	6,114,891



Prova Society
Consolidated Receipts & Payments Statements
For the year ended June 30, 2021

Receipts	General Account	Handicraft Training	Tailoring & Sewing	Electric Consumer Survey Program	Emergency Response for Covid 19 Pandemic	FY 2020-2021
Opening Balance	758	-	-	-	-	758
Cash in Hand	2,313	-	-	-	-	2,313
Cash at Bank	159,000	-	-	-	-	159,000
Loan from ED	67,000	-	-	-	-	67,000
Loan from Chairman	-	-	16,000	-	-	16,000
Donation from Dept. of Social Services	-	40,000	-	-	-	40,000
Donation from Dept. of Youth Development	4,924,320	-	-	-	15,000	4,924,320
Donation from BNFE	-	-	-	-	-	15,000
Donation from ACLAB	-	-	-	-	-	15,000
Project Overhead	533,500	-	-	250,000	-	783,500
Product Sale	67,000	-	-	-	-	67,000
Member subscription	5,000	-	-	-	-	5,000
Local Donation	10,000	-	-	-	-	10,000
Prova Contribution	-	-	-	-	25,000	25,000
Total	5,768,891	40,000	16,000	250,000	40,000	6,114,891





Payments	General Account	Handicraft Training	Tailoring & Sewing	Electric Consumer Survey Program	Emergency responses for Covid 19 Pandemic	FY 2020-2021
Salary and Honorarium	312,500	30,000	12,000	190,000	-	544,500
Courier	8,020	-	-	-	-	8,020
Stationery	7,405	-	-	-	-	7,405
Printing	5,526	-	-	-	-	5,526
Entertainment	8,384	-	-	-	-	8,384
Mobile Bill	2,231	-	-	-	-	2,231
Internet	8,300	-	-	-	-	8,300
Office Rent	99,800	-	-	20,000	-	119,800
Conveyance	54,025	-	-	40,000	-	94,025
Vat	40,750	-	-	-	-	40,750
Photocopy	3,481	-	-	-	-	3,481
Training Materials Purchase	-	10,000	4,000	-	-	14,000
Binding	3,060	-	-	-	-	3,060
Local donation	650	-	-	-	-	650
Repairing & Maintenance	4,100	-	-	-	-	4,100
Furniture Purchase	18,000	-	-	-	-	18,000
Mask purchase	220	-	-	-	-	220
Pen drive purchase	4,500	-	-	-	-	4,500
Eleccctric Bill	11,793	-	-	-	-	11,793
Survey Bill	29,000	-	-	-	-	29,000
Keyboard purchase	1,500	-	-	-	-	1,500
PP writing fee	137,000	-	-	-	-	137,000
Bank Charge	3,920	-	-	-	-	3,920
Fuel	700	-	-	-	-	700
Food & Accomodation	4,500	-	-	-	-	4,500
Audit Fee	38,000	-	-	-	-	38,000
Paper Bill	2,000	-	-	-	-	2,000
Mask purchase	-	-	-	-	10,000	10,000
Leaflet & Miking	-	-	-	-	10,000	10,000
Food Distribution	-	-	-	-	20,000	20,000
Loan Refunded to EC	4,940,500	-	-	-	-	4,940,500
Miscellaneous	12,356	-	-	-	-	12,356
Closing Balance	-	-	-	-	-	-
Cash in Hand	455	-	-	-	-	455
Cash at Bank	6,215	-	-	-	-	6,215
Total	5,768,891	40,000	16,000	250,000	40,000	6,114,891

Prova Society
Notes to the Financial Reports
for the year ended June 30, 2021.

1.00 INTRODUCTION

Prova Society a local non-government organization (NGO) was established by some local youths on 1997 in order to enhance quality of life of the under-privileged section of people by undertaking different community responsive programs.

Prova Society 's head office is located in Sadar Upazila of Jhenaidah district. It is working at 03 upazillas of Jhenaidah district.

The organization developed various required policies including Constitution, Human Resource Policy, Gender Policy, Finance and Administrative Policy, Program Management Policy, Staff Welfare Policy (ie: Contributory Provident Fund, General Provident Fund & Gratuity). Each and every staff of the organization has a well defined Job description.

Prova Society's Executive Committee consists of 07 members. Over the years, it has expanded its development activities. Through different activities of the organization, Prova Society has strengthened its capacity to manage and implement challenges of projects. Activities of the projects are managed and implemented by a team of well qualified staff. The staffs are classified as top management, mid-level management, program, field and support staff. Prova Society also has volunteers. Board members and regular staffs have participated in training courses on leadership, management, project planning, supervision and monitoring, Advocacy Training for Democracy Partnership, communication and counseling, community participation, training of trainers, organizational sustainability, etc.

To ensure legal involvement Prova Society is registered with the following government bodies:

Name of Registration Authority	No.	Date
Department of Social Services, Jhenaidah	106/94	20/12/1994
NGO Affairs Bureau	2474	20/01/2016

Members of Executive Committee are as follows:

Sl.	Name	Designation	Profession	Present Address
01	Md. Emdadul Islam	Chairman	Social Worker	Kabi Shukanta Road, Jhenaidah
02	Toufiqur Rahman	Vice-Chairman	Social Worker	Bagha Zatin Road, Jhenaidah
03	Enamul Kabir	Secretary	Social Worker	Kabi Shukanta Road, Jhenaidah
04	Shahin Ara	Joint Secretary	Social Worker	Kabi Shukanta Road, Jhenaidah
05	Md. Mohsin Mia	Treasurer	Social Worker	Khandakarpara, Jhenaidah
06	Ms. Jannatul Ferdous	Member	Social Worker	Kanchan Nagar, Jhenaidah.
07	Md. Golam Nabi Biswas (Rabiul)	Member	Social Worker	Khajura, Jhenaidah.

2.00 OBJECTIVE & SCOPE OF AUDIT

The main objective of the Audit is:

- (a) To form an independent opinion on the financial statements.
- (b) To provide management letter highlighting the weakness in the financial management system.

Scope of Audit:

We conducted our audit in accordance with the International Standards of Auditing (ISA) as adopted in Bangladesh as BSA. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



3.00 BRIEF SUMMARY OF AUDIT REPORT:

(i) Fund Accountability Statement (FAS):

Our report on the Financial Statements expresses an unqualified opinion.

(ii) Internal Control Structure:

Our study and evaluation of the systems of internal control of **Prova Society** made as part of the audit of the Financial Statement (FS) revealed no reasonable conditions representing any material weakness.

(iii) Follow up on prior year Audit Findings:

So we could not furnish any comments regarding last year audit observations.

4.00 ACCOUNTING SYSTEM

(a) Accounts Manual:

Accounts manual are introduced by head office for the projects of **Prova Society** accordingly books of accounts are maintained. Financial statements have been prepared under the cash basis of accounting.

(b) Bank Account Operation:

(i) The organization is maintaining several Bank Accounts. Among them 01 account is for head office (General Account) and the rest are project accounts. The signatories are the Executive Director, the Treasurer & the Project Personnel For Project Account the Concerned Officials of **Prova Society** are the signatories.

(ii) Fund from donor is deposited into Mother Account. Subsequently it is transferred to project account.

(iii) Payments above Tk. 20,000.00 are being made through cheque.

(iv) Salaries to staff and officers are paid through bank account.

(v) Bank Accounts are regularly reconciled.

(c) Status of Staff Employment:

There are 02 types of staffs recruited to **Prova Society** such as Core Staffs & Project Staffs Core staffs are serving themselves at Head Office based as Head of Section while the project staffs are engaged to project. The project staffs are employed on keeping in view subject to the tenure of the project.

(d) Fixed Assets

Fixed assets were purchased from the general account & project account. The assets which were received by the project from donor, the value of these were accounted for in the project accounts. The depreciation is charged as per the organizational financial policy & project agreement and that is also shown in the Statement of Financial Position.

(e) Source of Income

Most of the Projects of the organization have no own sources of income except grants received from donor agencies. But some projects have the opportunity to receive service charge as income. As the fund is deposited to bank account so bank interest is received as income of the organization.

5.00 BOOKS OF ACCOUNTS MAINTAINED:

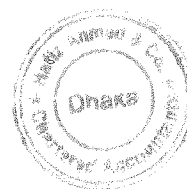
Following books of accounts were maintained by head office & project office of **Prova Society** a) Cash Book

b) Ledger Book

c) Control Ledger

d) Subsidiary Register such as Cheque register, advance register, asset register etc.

Books of Accounts are being satisfactorily maintained and found updated. **Prova Society** has introduced operational guideline in respect of administration & finance. We have studied the operational manual / operational guidelines. In our opinion, the operational guideline is profound & found satisfactory.



06.00 Fixed Assets	30-Jun-21
Cost	
Balance as on 01-07-2020	377,608
Add: Purchased During the year	-
Less: Adjustment During the Year	-
Balance as on 30-06-2021	377,608
Depreciation	
Balance as on 01-07-2020	233,723
Add: Charged During the year	42,198
Balance as on 30-06-2021	275,921
Net Book Value as on 30-06-2021	101,687

07.00 Advance Account	30-Jun-21
Balance as on 01-07-2020	126,000
Add: Advance During the year	-
	126,000
Less: Realized During the year	-
Balance as on 30-06-2021	126,000

08.00 Cash & Bank Balance	30-Jun-21
Cash in Hand	455
Cash at Bank	6,215
Balance as on 30-06-2021	6,670

09.00 Cumulative Surplus	30-Jun-21
Opening Balance as on 01-07-2020	(8,632,457)
Add: Excess of Expenditure Over Income	4,675,901
Less: Adjustment During the year	-
Balance as on 30-06-2021	(3,956,556)

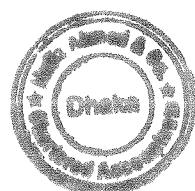
10.00 Loan from Others	30-Jun-21
Opening Balance as on 01-07-2020	123,625
Add: Received During the year	-
	123,625
Less: Refunded During the Year	-
Balance as on 30-06-2021	123,625

11.00 Loan from EC	30-Jun-21
Opening Balance as on 01-07-2020	7,306,000
Add: Received During the year	-
	7,306,000
Less: Refunded During the Year	4,940,500
Balance as on 30-06-2021	2,365,500

12.00 Loan from General Secretary	30-Jun-21
Opening Balance as on 01-07-2020	1,475,788
Add: Received During the year	159,000
	1,634,788
Less: Refunded During the Year	-
Balance as on 30-06-2021	1,634,788

13.00 Loan from Chairman	30-Jun-21
Opening Balance as on 01-07-2020	-
Add: Received During the year	67,000
	67,000
Less: Refunded During the Year	-
Balance as on 30-06-2021	67,000

14.00 Depreciation Reserved Fund	30-Jun-21
Opening Balance as on 01-07-2020	233,723
Add: During the year	42,198
	275,921
Less: Adjusted During the Year	-
Balance as on 30-06-2021	275,921



Prova Society
Schedule of Fixed Assets
As at June 30, 2021

Sl No.	Particulars	Cost			Rate	Depreciation			Net Book Value
		As at 01 July 2020	Addition during the year	As at 30 June 2021		As at 01 July 2020	Charged during the year	As at 30 June 2021	
1	Furniture	178,549	-	178,549	10%	98,372	17,855	116,227	62,322
2	Computer	55,097	-	55,097	10%	35,885	5,510	41,395	13,702
3	Bicycle	12,862	-	12,862	5%	5,160	643	551,199	(538,337)
4	Motor Cycle	81,600	-	81,600	15%	65,534	12,240	77,774	3,826
5	Television	20,000	-	20,000	10%	13,027	2,000	15,027	4,973
6	Almira	9,500	-	9,500	10%	6,186	950	7,136	2,364
7	Multimedia	20,000	-	20,000	15%	9,559	3,000	12,559	7,441
	Total	377,608	-	377,608		233,723	42,198	275,921	101,687



Prova Society
General Account
Receipts & Payments Statements
For the year ended June 30, 2021

Particulars	FY 2020-2021
Receipts	
Opening Balance	
Cash in Hand	758
Cash at Bank	2,313
Loan from ED	159,000
Loan from Chairman	67,000
Donation from BNFE	4,924,320
Project Overhead	533,500
Product Sale	67,000
Member subscription	5,000
Local Donation	10,000
Total Receipts	5,768,891

Particulars	FY 2020-2021
Payments	
Salary and Honorarium	312,500
Courier	8,020
Stationery	7,405
Printing	5,526
Entertainment	8,384
Mobile Bill	2,231
Internet	8,300
Office Rent	99,800
Converyance	54,025
Vat	40,750
Photocopy	3,481
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Local donation	650
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Furniture Purchase	18,000
Mask purchase	220
Pen drive purchase	4,500
Eleccctric Bill	11,793
Survey Bill	29,000
Keyboard purchase	1,500
PP writing fee	137,000
Bank Charge	3,920
Fuel	700
Food & Accomodation	4,500
Audit Fee	38,000
Paper Bill	2,000
Loan Refunded to EC	4,940,500
Miscelleneous	12,356
Closing Balance	
Cash in Hand	455
Cash at Bank	6,215
Total Payments	5,768,891



Prova Society
Handicraft Training & Production
Receipts & Payments Statements
For the year ended June 30, 2021

Particulars	FY 2020-2021
Receipts	
Opening Balance	
Cash in Hand	-
Cash at Bank	-
Donation from Dept. of Youth Development	40,000
Total Receipts	40,000

Particulars	FY 2020-2021
Payments	
Salary	30,000
Training Materials Purchased	10,000
Closing Balance	
Cash in Hand	-
Cash at Bank	-
Total Payments	40,000

Prova Society
Tailoring & Sewing
Receipts & Payments Statements
For the year ended June 30, 2021

Particulars	FY 2020-2021
Receipts	
Opening Balance	
Cash in Hand	-
Cash at Bank	-
Donation from Dept. of Social Services	16,000
Total Receipts	16,000

Particulars	FY 2020-2021
Payments	
Salary	12,000
Training Materials Purchased	4,000
Closing Balance	
Cash in Hand	-
Cash at Bank	-
Total Payments	16,000



Prova Society
Electric Consumer Survey Program
Receipts & Payments Statements
For the year ended June 30, 2021

Particulars	FY 2020-2021
Receipts	
Opening Balance	-
Cash in Hand	-
Cash at Bank	-
Project Overhead Income	250,000
Total Receipts	250,000

Particulars	FY 2020-2021
Payments	
Salary	190,000
Office Rent	20,000
Conveyance	40,000
Closing Balance	
Cash in Hand	-
Cash at Bank	-
Total Payments	250,000

Prova Society
Emergency Response for Covid-19 Pandemic
Receipts & Payments Statements
For the year ended June 30, 2021

Particulars	FY 2020-2021
Receipts	
Opening Balance	-
Cash in Hand	-
Cash at Bank	-
Donation from ACLAB	15,000
Prova Society Contribution	25,000
Total Receipts	40,000

Particulars	FY 2020-2021
Payments	
Mask purchase	10,000
Leaflet & Miking	10,000
Food Distribution	20,000
Closing Balance	
Cash in Hand	-
Cash at Bank	-
Total Payments	40,000

