



**Ministry of Local Government, Rural Development & Cooperatives
Local Government Division
Local Government Engineering Department (LGED)**

4.4 Guidelines for Financial statements prepared, and internal audit department carry out audit within 3 months after the closure of fiscal year

**Project Coordination Office (PCO)
City Governance Project (CGP)**

February 2018



**Assisted by
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1. Introduction

Rapid urbanization accelerated by industry led economic growth has been taking place in Bangladesh. Potential of economic growth in urban areas is worthy of notice. There are 335 Local Government Institutions which cover 8% of total geographical area of Bangladesh and 30% of total population, while accounting for 60% of total national growth. On the other hand, the negative impact of dramatic change in urban areas is observed. The negative impacts are because the functions of municipalities and city corporations prescribed in Local Government (Pourashava) Act 2009 and Local Government (City Corporation) Act 2009, which are very relevant to the demand of city dwellers and urban development, are not implemented in an appropriate manner. In order to improve the public services provided by urban local governments, several urban development projects are being or were implemented by Local Government Divisions (LGD) and local government and engineering departments (LGED) with financial assistance of different development partners and government's own funds. Based on the experiences gained through implemented projects, effective activities for improvement of urban governance have been formulated as a program that has been well accepted. The urban governance improvement programs have been implemented to ensure good governance of those urban local government institutions namely Paurashava for equal, social harmony and planned development. Initiating urban governance improvement, LGD and LGED with financial support of JICA commenced a project named City Government Project (CGP) in 5 City Corporations.

2. Justifications

The target CCs under CGP will implement the Inclusive City Governance Improvement Action Program (ICGIAP). One of the important activities of the ICGIAP is that all CCs under the CGP must prepare an income and expenditure statement and CC's internal audit department/unit and the Audit & Accounts Standing Committee needs to complete an audit of the income and expenditure statement within three (3) months of the ending of a financial year.

A condition of the ICGIAP is that the main observations on the audit report prepared by the internal audit department/unit should be included in the quarterly ICGIAP progress report, and a copy of the audit report should be sent to the Project Coordinating Office (PCO). The audit observations will be discussed in the meeting of the City Council followed by making decisions on necessary actions and corrections in CC's accounts system. Actions against officers and/or staff members responsible for any irregularities shall be undertaken, where necessary.

3. Relevant Issues of ICGIAP

3.1 Tasks

To carryout appropriate financial management, it is essential to maintain proper financial statements and effective internal audit procedures. These activities can enhance transparency and accountability of CC's financial status for the citizens. The tasks under the Activity 4.4 of the ICGIAP are as follows:

- Task 1: Prepare Financial Statement (FS: income & expenditure statement) within one month of the closure of the fiscal year.
- Task 2: Submit the FS and present relevant documents in order for the internal audit department to carry out audit and prepare report within three months of the end of each fiscal year.
- Task 3: Submit audit report to City Corporation meeting and PCO.
- Task 4: Review the audit observations made by the Audit & Accounts Standing Committee in the CC monthly meeting and suggest appropriate actions.

Task5: Correct and improve the financial and accounting system based on the decision of the CC monthly meeting and initiate disciplinary action against the concerned staff, if necessary.

3.2 Action by

- CC Mayor
- CEO
- Accounts Officer
- Head of internal audit department/unit

3.3 Indicators

- 1st PR: Complied with
- 2nd PR: Complied with

4. Objectives

The main objectives of audit conducted by the internal audit department are identified as follows.

- As per the Local Government (City Corporation) Act 2009 and relevant rules and regulations, keep accounts in specific form and system, prepare annual accounts statement, and ensure that financial statements are made public.
- Bring more transparency and accountability in CC's financial Management and ensure active participation of the residents in City governance.
- Measure appropriateness and correctness of transactions performed.
- Find mistakes in accounts, embezzlement of funds, and financial losses.
- Submit a report to the Council meeting with recommendations to take effective action against detected irregularities, discuss in detail and make decisions to undertake activities stopping recurrence of such incidences, and monitor or follow-up implementation of decisions.
- Assist the Council to undertake necessary actions based on a review of the development of actions undertaken to resolve and rectify mistakes raised in the government audit.
- Take appropriate actions against those responsible for any irregularities, financial losses or misappropriation of funds.

This guideline has been prepared on Activity 4.4 of the ICGIAP titled 'financial statements prepared, and internal audit department carry out audit within 3 months after the closure of fiscal year' that will be used in five (5) City Corporations under the project.

5. Relevant Organizations, Stakeholders and their roles and Responsibility

5.1 Role of Project Coordinating Office (PCO)

PCO will provide all necessary training on Accounts and Internal Audit to the Audit & Accounts Standing Committee, internal audit department/unit and other concerned officials of the City Corporations under CGP. It is to be noted here that currently there is no internal audit department shown in CCs' organograms. Until the organogram is modified and an internal audit department is included, a government internal audit unit will be responsible to carry out internal audit of the CC to fulfill the criteria stipulated in the Activity 4.4 under ICGIAP.

5.2 Role of City Corporation

Article 77 (1) of the Local Government (City Corporation) Act, 2009 provides the following: Accounts- (1) Accounts of the receipts and expenditures of the Corporation shall be kept in the prescribed manner.

(2) An annual statement of the accounts shall be prepared after the close of every financial year, and shall be forwarded in prescribed format to the Government by the thirty-first December of the following financial year.

(3) A copy of the annual statement of accounts under sub section (2) shall be placed at a conspicuous place in the office of the Corporation for public inspection, and all objections or suggestions concerning such accounts received from the public shall be considered by the Corporation.

Article 78 (1) of Local Government (City Corporation) Act, 2009 provides that Corporation's accounts will be audited as per procedures prescribed by the regulation.

5.3 Functions of the Audit and Accounts Standing Committee

The Audit & Accounts Standing Committee will perform the following designated activities of keeping and auditing accounts.

- 1) Assist all concerned officials to properly maintain all income and expenditure accounts of CC.
- 2) Regularly verify all collection and deposit accounts.
- 3) Verify whether all accounts and activities of CC are operated according to the rules and procedures (Following prescribed forms and procedures).
- 4) Assist the concerned officials to arrange disclosure of CC income and expenditure accounts to the people to ensure transparency and accountability.
- 5) Accomplish auditing of CC income and expenditure accounts once a year and arrange submission of a report on this to the CC general meeting.
- 6) Assist to prepare and implement a plan to make the accounts section fully computerized.
- 7) Periodically accomplish internal auditing of CC income and expenditure accounts.
- 8) If the computer software on accounts is in operation, continue using such software in CC accounts management.
- 9) The District Accounts Officer in case of CC at the district level may be co-opted as an expert member (as and when required).
- 10) Perform any other relevant function.

5.4 Importance of Audit by the internal audit department /unit

A City Corporation is a local government institution operated by the representatives elected by vote of the residents. In fact, activities of a CC are carried out based on locally mobilized resources. However, the government also allocates resources annually for development activities. To operate and keep such income-expenditure accounts, there are fixed rules and regulations, as determined by the government. As part of this, all CCs shall prepare annual budget by incorporating accounts of all types of income and expenditure. To verify whether the income and expenditure accounts are maintained based on proper rules and procedures, whether discipline in keeping accounts is maintained, whether financial irregularities happen, or whether misappropriation or embezzlement of funds occurs, audit at the CC level has been introduced as part of routine activities of the audit department. In addition, completion of an audit is also an important activity (condition) of the ICGIAP of urban development projects.

To this end, CC's accounts are audited every year by the government audit team. But, the Council is not made aware of many of the irregularities found in such audits. As a result, actions based on an analysis of irregularities are not taken to prevent them and establish discipline in keeping accounts. Actions against those responsible for financial irregularities and embezzlement of funds are not also properly undertaken. Irregularities are increasing day by day because no positive responses to the government audit observations/objections are being made and restoration of discipline is not ensured, as per the suggestions of the audit team. Therefore, to prevent irregularities and ensure transparency and accountability in CC's accounts, the activities of internal audit department/unit and Audit & Accounts Standing Committee are important.

5.5 Role of Auditor General (AG)

Thereafter, as per Article 78 (1) of the Act, government's competent audit authority will audit every CC's accounts. The audit authority will prepare a report, a copy of which will be provided to CC and another will be sent to the government (Local Government Division). Amongst other issues, the following will be mentioned in the above report:

- (a) cases of embezzlement;
- (b) cases of loss, wastage or misappropriation of the Corporation Fund;
- (c) cases of other irregularities in the maintenance of accounts; and
- (d) the names of the persons who, in the AG's opinion, are directly or indirectly responsible for such embezzlement, loss, wastage, misappropriation or irregularities.

5.6 Role of Civil Society Coordination Committee (CSCC)

As per Article 77 (3), a copy of the accounts statement will be displayed for the public in an open place of the City Corporation office and the City Corporation will consider all accounts-related objections or advice given by the public. In this regard, the City Level Coordination Committee (CSCC) can play a vital role in suggesting improvement of accounts. CC will consider all accounts-related objections or advice given by the public/Civil Society Coordination Committee (CSCC).

6. Necessary Tasks and Procedures

To carry out appropriate financial management, it is essential to maintain proper financial statements and internal audit procedures. These activities can enhance transparency/accountability of CC's financial status for the citizens. CC should conduct the following tasks.

6.1 Prepare Financial Statement (FS: income & expenditure statement) within one month of the closure of the fiscal year. (Task 1)

As per Article 77 (2) of the Local Government (City Corporation) Act 2009, the City Corporation will prepare annual account statement on income-expenditure on completion of every financial year. As per Article 77 (3), a copy of the said accounts statement will be displayed for the public in an open place of the City Corporation office and the City Corporation will consider all accounts-related objections or advice given by the public.

6.2 Submit the FS and present relevant documents in order for the internal audit department to carry out audit and to prepare report within three months of the end of each fiscal year. (Task 2)

According to Article 78 (2) (b) of the Act, the Government shall compose an audit management regulation including internal Audit which may be conducted by internal Audit department/unit and the report may be reviewed by the Audit & Accounts Standing Committee of the CC every year, and submit a report on this to the Council meeting.

It is particularly noted here that rules of the Local Government (City Corporation) Act, 2009 are not in conflict with the conditions of the CGP. Rather they are complementary to the implementation of the Act. Therefore, according to the rules of the Act, functions of the internal audit department/unit and Audit & Accounts Standing Committee will continue even after the termination of the CGP.

The internal audit department/unit will examine relevant documents, deeds, registers and vouchers in favor of expenses to accomplish their task of finding any irregularities in income-expenditure accounts. For this reason all related vouchers, registers, deeds, testimonials etc. which are linked with the subjects brought under the audit should be collected. Below a tentative list is given. There is no need to remain confined to this list.

- Cashbook
- Bank reconciliation statement/certificate
- Ledger book
- Logbook of vehicles/machinery
- Deposit bill/voucher
- Expense bill/voucher
- Salary bill register
- Provident fund register, caution money register
- Telephone bill register of CC office, CC operated organization
- Electricity bill register of street light, water pump, office, CC operated organization
- Stock-register, check-register
- Advance register
- Rent collection document and register of CC market, shops, building, guesthouse etc.
- Deeds of all kinds of rent
- Procurement policy
- Lease documents, registers, tender documents, deed agreement, collection register of haat-bazaar (markets), ferry-terminal, bus terminal, public toilet etc.
- Tender documents of public work
- Other purchase documents, register etc.
- Agreement for all kinds of purchases, supplies including public works
- Budget statement
- Documents, register, report regarding tax re-assessment.
- Documents, register, report of Interim tax assessment.
- Documents, register regarding tax collection
- Documents, register regarding non-tax revenue collection of CC from other sectors(own sources of revenue)
- Documents, register regarding CC's water tariff collection
- Documents regarding grants and loans
- Documents regarding income tax and VAT collection

- Receipts of income tax and VAT payments under concerned heads
- Bank account statement
- Financial statement
- Document and report on progress of resolutions of past years' government audit observations
- Progress documents and reports on past year's audit report and objections/resolution performed by accounts and audit standing committee

6.3 Submit audit report to City Corporation meeting and PCO. (Task 3)

6.3.1 Preparation of Audit Action Plan

With the consent of the Audit and Accounts Standing Committee, internal audit department/unit will prepare a specific action plan every year prior to the start of audit activities. Before preparing the action plan, subjects to be examined under the audit will be identified. Considering potential irregularities in income-expenditure accounts in the above subjects, necessary documents and deeds should be selected. The sectors and percentage of subjects to be audited should also be determined prior to beginning the audit. To prepare this action plan, three matrices, as given below, can be followed.

Matrix-A: General Issues

Potential Irregularities	Documents needed for observation	Observation (%)
Subject		

Matrix-B: Income related Subjects

Potential Irregularities	Documents needed for observation	Observation (%)
Subject		

Matrix-C: Expenditure related Subjects

Potential Irregularities	Documents needed for observation	Observation (%)
Subject		

A sample action plan has been attached in Annex-1. The sample indicates subjects to be included, potential irregularities in the subjects, documents necessary for examination of these irregularities, and percentage of the subjects examined during audit.

Based on a review of Annex-1, the internal audit department/unit, according to their convenience, can develop the action plan of the current audit of important subjects. If the committee decides, all subjects mentioned in Annex-1 or other additional subjects can be identified and brought under the current audit. However, these issues will be selected through

the unanimous decision in the first meeting of the standing committee.

6.3.2 Procedures for Performing Audit Activities

The Audit and Accounts Standing Committee after reviewing in detail every issue in its successive meetings will make unanimous decisions to carry out audit activities in a planned way. Since the standing committee has to finish audit of the preceding year by 30 September, prepare a report with recommendations, and submit it to the Council meeting, audit activities need to be finished through four meetings including the first meeting in July. The four meetings are described below.

6.3.3 First Meeting of the internal audit department/unit

The first meeting will be of a preparatory nature. In this meeting, apart from all members of the standing committee, all Division heads of City Corporation will attend as observers. Issues to be discussed in the first meeting will be as follows.

- 1) Discussions about the internal audit department/unit's responsibilities and functions along with the objectives, tenure, importance, advantages, prospective irregularities, observable documents, tentative action plan and preparation of audit report, etc.
- 2) Discussions and taking decision on appointing an expert to facilitate audit functions.
- 3) Taking unanimous decisions on which subjects would be selected and what percentages of the subjects would be brought under the audit of the income and expenditure accounts of the audit year with the assistance of the sample attached with this guideline.
- 4) Discussion about the progress of the audit observations and objections that were made by the government and the standing committee in previous years, and decision-making on the inclusion of the discussion results in the audit action-plan for the current year.
- 5) As per the decisions, in light of items 3 & 4 above, preparation of a final action-plan to choose identified subjects for audit during the audit year.
- 6) Preparation of the time-schedule for conducting subject-wise audit functions following the final audit action-plan.
- 7) Taking decisions on directing all the divisional heads to be present on time, as per the time-schedule, along with the concerned officers and staff members to present relevant letters, registers, and documents for accomplishing the audit functions according to the final audit action-plan and time-schedule.
- 8) Taking decisions to supervise and implement audit functions, as per the time-schedule.
- 9) Making decisions to request that the Mayor appoint an office assistant cum computer operator, on deputation, under the supervision of the committee to provide full-time secretarial services to the committee.
- 10) Miscellaneous (any other necessary matters as considered by the committee).

6.3.4 Second Meeting of the internal audit department/unit

As per the decisions of the first meeting, the second meeting of the standing committee will continue as long as the audits of all selected subjects under the final audit action-plan are not completed. Concerned divisional heads, as per the subject-wise schedule, or on his/her behalf concerned section heads will be present with all the requested documents, vouchers, registers and other relevant documents to answer all queries of the standing committee. With the help of the chairperson or other members of the committee, all answers, facts and proofs will be recorded.

6.3.5 Third Meeting of the internal audit department/unit

The internal audit department/unit will record its observations on each subject based on the

subject-specific information received in the second meeting. A decision in this regard will be taken to request the concerned divisional heads to provide their opinions and answers on the above observations. Accordingly, the chairperson of the standing committee will send letters to each of the divisional heads with a request to provide their opinions and suggested resolutions on the respective audit observations in seven (7) working days.

6.3.6 Fourth Meeting of the Standing Committee

In the fourth meeting of the internal audit department/unit, comments and resolutions with answers of the concerned Division heads will be reviewed, and the recommendations will be prepared by the committee to be included in the audit report. Thereafter, the final audit report will be prepared and sent to the Mayor within seven (7) days from the date of the fourth meeting. The Mayor will make a presentation on the report in the next Council meeting. For conducting audit activities and preparation of report, CCs are recommended to refer to Annex-2.

6.4 Review the audit observation made by Standing Committee in the CC monthly meeting and suggest appropriate actions. (Task 4)

Management reviews shall be performed annually in conjunction with the internal audit program. An annual review of each Section's quality system will be performed by the Section Supervisor. The management review shall examine the Quality System of each Section and determine if it meets the standards set earlier. The review shall also serve as a guide for future determinations regarding the effectiveness and direction of the Quality System due to changes in the organization, facilities, staffing, equipment, activities, or workload.

The management review shall consider, but not be limited to, the following:

- Suitability of policies and procedures.
- Reports from managerial and supervisory personnel.
- Outcome of recent audits.
- Effectiveness of previous actions.
- Corrective and preventive actions.
- Changes in the volume and type of the work.
- Stakeholders feedback.
- Complaints.
- Recommendations for improvement.
- Non-conforming Records
- Other factors, such as, quality control activities, resources, and staff training.

6.5 Correct and improve the financial and accounting system based on the decision of the CC monthly meeting and initiate disciplinary action against the concerned staff, if necessary. (Task 5)

The potential irregularities that can happen in keeping financial income-expenditure accounts are given below:

- Non-compliance with government rules and procedures in keeping accounts and financial transactions;
- Expenditure not in line with the City Corporation interest;
- Irregularity in procurement;
- Not deducting income tax and VAT from contractor's bill;
- Not depositing the money out of deducted income tax and VAT to the government treasury on time;
- Not following the rules in the contract agreement for payment of contractor's or other organization's dues;

- Advance money not reconciled on time;
- Concerned bill-vouchers not approved by the competent authority on time;
- Inventory not kept properly;
- Not following proper rules in providing lease of haat-bazaar, shops etc.;
- Not timely renewal of the lease, shop rental, toll, tax, etc. as specified in the agreement;
- Non-collection of lease money, rent of shops, toll, tax etc.;
- Keeping money collected for a long time by not depositing it to the City Corporation fund;
- Payment of salary and benefits to personnel not actually employed (so called 'ghost employee');
- Payment of travel allowance to the staff without actual travel;
- Expenditure in excess of budget allocation;
- Misappropriation, embezzlement, and/or deception of funds;
- Payment made for purchase of goods, but goods not delivered;
- Long delay on payment and/or recovery of claim of large amount;
- Not paying penalty and/or surcharge for non-payment of City corporation's dues on time;
- Writing off revenue in violation of the norm;
- Difference between collection and deposit;
- Not updating all documents, registers, etc. related to accounts within the stipulated time;
- Important matter found missing in the financial statement;
- Making an investment without approval of the competent authority;
- Expenditures not complying with the purposes of loans or grants;
- Spending money without receiving the services;
- Spending the compensation money of road cutting for purposes other than repairing of the affected road; and
- Not undertaking activities and/or follow-up actions based on the past years' audit reports of the government and/or standing committee.

7. Personnel responsible for implementing the Activity

CC Mayor, CEO, Accounts Officer, and Head of internal audit department/unit are the most key personnel in the CC to make this activity successful. Accounts officer is responsible for preparation of annual FS (Income & Expenditure Statement) which would be audited by the internal Audit department/unit. Audit starts when Accounts are completed. After submission of the FS by Accounts Officer, Head of internal audit department/unit chalks out planning to audit the Accounts and as such, a proposal is submitted to the Audit & Accounts Standing Committee. On the basis of the internal audit report submitted and discussed in Audit & Accounts Standing Committee and council meetings, Mayor and CEO need to take remedial measures, if necessary.

8. Implementation Schedule

Activity	Task/TOR	1st Year				2nd Year				3rd Year				4th Year			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Financial statements prepared, and internal audit department carry out audit within 3 months after the closure of fiscal year	Task1: Prepare Financial Statement (FS: income & expenditure statement) within one month of the closure of the fiscal year.																
	Task2: Submit the FS and present relevant documents in order for the internal audit department to carry out audit and to prepare report within three months of each fiscal year.																
	Task3: Submit audit report to City Corporation meeting and PCO.																
	Task4: Review the audit observation made by Standing Committee in the CC monthly meeting and suggests appropriate actions.																
	Task5: Correct and improve the financial and accounting system based on the decision of the CC monthly meeting and initiate disciplinary action against the concerned staff, if necessary.																

9. Cost of Implementation (if necessary)

CEO, Accounts Officer and head of internal audit department/unit will consider the probable cost of implementation of the activity and prepare proposal for consideration of CC Mayor and CC Council.

Annex I Sample of audit action plan

Sample audit action-plan to help accounts and audit standing committee

Matrix-A: General Issues

Possible irregularities	Relevant documents for observation	Observations (%)
1. Subject: Budget		
a) Preparing budget by not following the approved framework and procedure; b) In the proposed budget no reflection of proposed income-expenditure for next financial year, revised proposed income-expenditure of current financial year and past financial year's actual income-expenditure; c) Not accepting peoples' opinion and suggestions on the projected budget, not doing budget session in presence of the residents and not preparing the proceeding of the budget session; d) Not accepting recommendations based on discussions in special meeting of CSCC, CDCC & WLCC on budget; e) Revised budget not discussed and approved in Council meeting ; f) Not sending the copy of approved budget to the designated authority before 30 days of the start of a financial year; g) Not following the rules and procedures in case of a need to revise the budget; h) Before revising the budget actual expenditure is more than the approved budget; i) Dissimilarity between budget's sector-wise income-expenditure and financial statement's income-expenditure etc.	Copy of projected budget, evidence of peoples' opinion collection, proceedings of budget session, proceeding of Council meeting on budget approval, proceedings of CSCC's special meeting on budget, copy of approved budget, evidence of sending the approved budget copy to the competent authority, evidence of revised budget and its approval, financial statement etc.	100%
2. Subject: Cashbook		
a) Preparation and maintaining cashbook not as per approved structure; b) In the cashbook not correctly recorded the following: transfer (chalan)/voucher no./bill no. with dates against all receipts, description of receipts and amount of receipt every time and total quantity of every transfer, total amount of money in each cheque/voucher, bill; c) Cashbook is not consistent with bank statement; d) Inconsistency between check no., date, description of recipient and amount of money recorded in cashbook and the same recorded in the counter foil of cheque and cehque register; e) Not close the cashbook at the end of day after recording every day's transaction in cashbook ; f) Not giving initial signature with date by the office head or other empowered person after examining the balance based on verification of cashbook at the end of every month; g) Over-writing in the cashbook; h) Not writing in red between the space of two lines by	Cashbook, cheque register & counter foil, bill register, bank statement, financial statement, government grants, receipt and payment transfer (chalan)/voucher/treasury delivery (chalan) receipts etc evidential documents.	50%

Possible irregularities	Relevant documents for observation	Observations (%)
<p>cutting the wrong figure/sentence and not giving the initial signature of the office head with date;</p> <p>i) Not showing in the cashbook the withdrawal money against all kinds of government allocations;</p> <p>j) Dissimilarity between financial statement and cashbook with respect to income-expenditure;</p> <p>k) No reconciliation in the cashbook after collecting the bank statement at the end of month, quarter or year etc.</p>		
3. Subject: Ledger book		
<p>a) Not recording all income-expenditure in the ledger-book according to the account-heads;</p> <p>b) Each receipt and payment statement and quantity mentioned in the ledger-book is not consistent with that in the cashbook.</p> <p>c) Summation or balance in every page of the ledger-book is not correct;</p> <p>d) No allocation of necessary budget in the sector for which expenditure is written in the ledger book;</p> <p>e) Summation of the previous page is not correctly brought as opening balance into next page;</p> <p>f) Ledger-book is not updated etc.</p>	Ledger book, cashbook, financial statement, budget copy of the year of audit etc.	50%
4. Subject: Cheque register		
<p>a) In case of expenses through cheque, cheque number, date and amount of money are not recorded in the register;</p> <p>b) Dissimilarity of Date, cheque no. and amount of money written in cheque register are not the same in counter foil and cashbook;</p> <p>c) Cheque register's statement is not similar to bank statement;</p> <p>d) Account-based cheque book's number and total page number's record not kept separately.</p>	Cheque register, cheque book, counter foil of cheque book, bank statement etc.	100%
5. Subject: Bank account operation		
<p>a) All transactions of City Corporation exceeding Tk. 5000 are not made through accounts payee cheque;;</p> <p>b) All bank accounts are not operated by fixed signatory/signatories, as per the rule;</p> <p>c) City Corporation fund not operated through Bangladesh Bank approved scheduled bank;</p> <p>d) Not maintaining separate cheque register against each bank account;</p> <p>e) Opening account in bank other than that nominated by government/development agency.</p>	List of Bangladesh Bank approved scheduled banks, statements/account numbers of all bank accounts operated by Pourashava and list of banks' names/branch names of the concerned banks, account-wise cheque book and cheque register, bank statements of concerned banks etc.	100%
6. Subject: Bill voucher in favor of expenditure		
<p>a) Bill/voucher's bill/voucher no. with dates of every expense is not serially maintained in the guard file;</p> <p>b) Every expense and expense bill/voucher are not approved/signed by competent authority with financial authority;</p> <p>c) Small expenses are not done through 'petty cash';</p> <p>d) Petty cash voucher and sub-vouchers are not</p>	Guard file regarding expense bill voucher, printed forms, petty-cashbook of retail expenses, and order on distribution of financial	25%

Possible irregularities	Relevant documents for observation	Observations (%)
<p>approved by competent authority with financial authority.</p> <p>e) Not using revenue stamp in expense-voucher exceeding Tk.500;</p> <p>f) After payment 'paid' seal is not given on all bill vouchers;</p> <p>g) Bills are not prepared in fixed printed forms;</p> <p>h) Bill is demanded in photocopy instead of original copy;</p> <p>i) No attestation of the storekeeper that 'the goods mentioned in the supply bill have been included in the stock register, etc.</p>	authority of the approving authorities.	
7. Subject: Form & register		
<p>a) In credit voucher, debit voucher and journal voucher fixed forms are not used;</p> <p>b) General ledger and subsidiary ledger are not kept as per the rule;</p> <p>c) In cheque issue register, stationery register, permanent register, goods warehousing register, salary/bill register, leave register, travel allowance register and advance register fixed forms are not used;</p> <p>d) Payment/collection book is not done as per the fixed form.</p> <p>e) File index is not done as per the fixed form etc.</p>	Credit voucher, debit voucher, journal voucher, general ledger, register of all concerned matters, collection book, file index, etc., and sample forms of all concerned matters	20%
8. Subject: Stock register and inventory management		
<p>a) For office stationery, furniture, electrical and mechanical materials etc. purchase and usage stock register and inventory management are not followed;</p> <p>b) In case of purchase through tender, as per specification and quantity mentioned in the work order, delivery of goods, furniture and materials are not received;</p> <p>c) All delivered goods are not recorded in stock register with delivery date, source and exact quantity;</p> <p>d) Goods purchased in cash are not recorded in stock registry.</p> <p>e) All received goods/materials are not recorded in store ledger item-wise and supplied; not kept separately; not recorded;</p> <p>f) Issuing delivery of goods not through the approved slip;</p> <p>g) Not writing identification number on the body of the furniture and fixtures with non-erasable ink etc. +</p>	All delivery work orders of the goods purchased through tender, receipt of goods as per work order, receipt of goods purchased in cash, stock register, store ledger, ledger of furniture etc.	50%
9. Subject: Audit of contract		
<p>a) Before calling for a tender for any construction work no administrative approval and no approval of the competent authority or an authority empowered by him for technical wages with design of work and estimated costs;</p> <p>b) No allocation of budget;</p> <p>c) Not inviting open tender as per procurement rules and procedures;</p> <p>d) Not mentioning proper reason for not accepting the lowest bidding price and not taking approval of the</p>	Documents related to the agreement, budget copy, certificate of administrative and technical approval, list of persons empowered for approval, rules and procedures related to agreement etc.	50%

Possible irregularities	Relevant documents for observation	Observations (%)
<p>competent authority;</p> <p>e) In case where agreement is not possible in fixed form in that case conditions of the agreement are not summarized or specified and in the agreement incompleteness or complexity remains;</p> <p>f) Without approval of the competent authority basic changes in the conditions of the accepted agreement are made;</p> <p>g) According to the conditions of the agreement the financial strength of the bidder is not considered with other conditions;</p> <p>h) In the agreement no provision is made to protect the government property by the bidder;</p> <p>i) No rationale is given in favor of the tender, for which competitive bidding has not been called or high bid-value has been accepted etc.</p>		
10. Subject: Implementation of audit recommendations of previous year's standing committee		
<p>a) Audit recommendations of the standing committee in previous year not implemented or no progress;</p> <p>b) No valid reason mentioned for not implementing the recommendations;</p> <p>c) The description of loss of CC is not mentioned for not implementing the recommendations;</p> <p>d) The responsible person is not identified for not implementing the recommendations etc.</p>	Last year's audit report and certificate of accomplishment of recommendations etc.	100%
11. Subject: Review/Follow-up of last year's government audit		
<p>a) No year-wise responses to government audit objections in last three years and objections not resolved;</p> <p>b) No adequate information provided to review year-wise progress reports on resolutions of government audit objections in last three years;</p> <p>c) No action taken against the responsible persons for year-wise fund-misappropriation/embezzlement mentioned in last three year's government audit objections;</p> <p>d) Not specific proposals about taking actions are there to resolve government audit objections in last three years etc.</p>	Government audit reports for last three years, description of resolutions of audit objections, evidence of taking actions against the responsible persons etc.	50%

Matrix-B: Income Matters

Possible irregularities	Relevant documents for observation	Observations (%)
1. Subject: Lease		
<ul style="list-style-type: none"> a) The inventory with register not kept about which haatbazaars and City Corporation establishment or property have been leased out; b) No separate document is kept for leasing of each establishment; c) Before starting of tender process, official estimate is prepared based on consideration of last three years' average price of lease price and market rate of each establishment and authority's approval is not received; d) Rules and procedures not followed in tender or auction of each lease matter; e) In all cases leasing at highest lease value is not ensured; f) Completion of the agreement before getting total lease money from the leaseholder of specific establishment and no satisfactory explanation in favor of this kind of agreement, if happened, is provided; g) Non collection of entire amount of lease money for the leased properties within the audit year; h) No satisfactory reason is there in favor of any dues on lease money for the propertie(s) during the audit year; i) Dues on establishment-wise lease and updated information on current lease money collection are not kept in register; j) All collected money is not recorded in cashbook and ledger book; k) Deposit of lease-money in concerned City Corporation bank account short of the amount collected from individual establishments etc. 	<p>Lease process and related documents, establishment-wise lease register, establishment-wise completed agreement, establishment-wise money collection and slip in CC's bank account, ledger book, cashbook etc.</p>	100%
2. Subject: CC-owned shops rent		
<ul style="list-style-type: none"> a) Not maintaining establishment-wise register containing detailed description of the shops rented out; b) Rented out shops without completion of the agreement; c) On completion of the current agreement term renewal of it or completing agreement with the new businessman by terminating it has not been done as per rules; d) At least considering inflation, condition to increase in rent every three year to adjust the market rate is not included in the agreement; e) In support of the above requirement register is not kept to include: name of shop/shop's number, name of lease holder, date of agreement, duration of the agreement, last renewal date, next renewal date, lastly fixed monthly rent amount, amount of rent increase during previous renewal etc.; f) Register is not updated every month containing accumulated dues on rent for the previous years and 	<p>Register containing detailed description of the shops rented out, collection register of shop rent, collection receipt, bank statement, shop rent agreement, renewal agreement, statement of deposit of collected money in bank account, cashbook, ledger book, shop-wise claims of rent with dues and register containing collection of those etc.</p>	50%

Possible irregularities	Relevant documents for observation	Observations (%)
<p>the rent claimed in the audit year and collection information;</p> <p>g) Maintaining new register is not arranged containing information on total dues on shop-wise rent, as of 30 June of a year, and finalization of accounts on collection of those dues and current claim and their collection from July 1 for the rest of the financial year;</p> <p>h) No acceptable explanation is there in favor of dues on collection of shop rent;</p> <p>i) All collected money is not deposited timely in the bank account and which is not supported by bank statement;</p> <p>j) Deposited amount of money is not recorded in cashbook and ledger-book etc.</p>		
3. Subject: Rent of duckbungalow (guest house), auditorium, building etc.		
<p>a) The detailed description about the number and location of dakbungalow, auditorium, building etc. is not included in estate register;</p> <p>b) Rent register of dakbungalow, auditorium, building etc. is not kept;</p> <p>c) Rents of dakbungalow, auditorium, building etc. are not collected through receipt;</p> <p>d) Rent not collected according to the approved rate of government or competent authority.</p> <p>e) Collected rent not recorded in cashbook and ledger book;</p> <p>f) Collected rent not deposited in concerned bank account and that is not supported by bank statement etc.</p>	The list of duckbungalow, auditorium, building with permanent estate register, rent collection register, certificate copy of rent rate approval, receipt, bank statement, receipt of deposit of collected money to bank account, cashbook, ledger-book etc.	50%
4. Subject: Rent of transport/equipment		
<p>a) Not maintaining register with detailed description of rentable vehicles or equipment like track, road roller, mixer machine, vibrator etc. ;</p> <p>b) Not maintaining separate logbook for each rentable vehicles and equipment;</p> <p>c) After collecting rent with receipt on time, as per the fixed rate, not depositing the money in concerned bank account and that is nor supported by bank statement;</p> <p>d) Dissimilarity between the length of time of use of the vehicles or equipment recorded in the logbooks and actual collection of rent;</p> <p>e) Collected rent not recorded in cashbook and ledger book.</p>	List of rentable vehicles/equipment and logbook of each, receipt book of rent collection, statement of depositing collected money in bank account, cashbook, ledger-book and bank statement etc.	50%
5. Subject: City Corporation tax collection		
<p>a) Not re-assessing City Corporation holding tax after every five years and no valid explanation is provided in favor of this;</p> <p>b) Interim assessment of holding tax is not carried out regularly throughout the year;</p> <p>c) Not preparing the list containing the holding-wise accumulated dues of City Corporation tax of the previous years in the beginning of the financial year (1 July);</p>	Holding numbers including detailed description of Government, semi-government, non-government and privately owned land and building, industry and commercial	100%

Possible irregularities	Relevant documents for observation	Observations (%)
<p>d) In the audit year correct information on the collection of current and dues for government, semi-government and privately owned land/building is not available;</p> <p>e) The acceptable reasons for dues and non collection of those are not present;</p> <p>f) Not taking lawful action following the given procedures to collect arrear tax and no reason is there in favor of it;</p> <p>g) No arrangement of collecting City Corporation tax through bank or collected tax through receipt is not deposited on time in concerned bank account and that is not supported by bank statement.</p>	<p>enterprises' lands and buildings etc., demand and collection descriptions of the audit year, statement of taking lawful action to collect dues of CC tax, tax collection register, bank statement, statement of depositing collected money in concerned bank account, cashbook, ledger-book, etc.</p>	
6. Subject: Bill collection for water supply		
<p>a) Not maintaining register of those having pipe-water connection with holding name/address and description of size of connection pipe;</p> <p>b) Water tariff rate is not refixed (raised) after every five years;</p> <p>c) Every month's water bill is not regularly sent to the customer;</p> <p>d) Customer wise accumulated dues of the years before the audit year are not collected;</p> <p>e) Not taking lawful action in the beginning of next year by preparing the customer-wise defaulter's list in the audit year (July-June);</p> <p>f) Collected water bills are not recorded in cashbook and ledger book;</p> <p>g) Water bill is not collected through bank or money of the water bills collected through receipts is not deposited in bank timely and that is not supported by bank statement etc.</p>	<p>Register containing the list of pipe-water connected customers, documents related to water connection, office copy of water bill, statement for the audit year on customer-wise dues and currents bill's demand and collection status, statement on depositing collected bills in the concerned bank account, bank statement, cashbook etc.</p>	100%
7. Subject: Other tax, toll, fees collection(Other than holding tax)		
<p>a) Not maintaining sector-wise collection register for all City Corporation taxes, toll and fees etc. (other than holding tax);</p> <p>b) Tax, toll fees are not collected by City Corporation receipt or through bank;</p> <p>c) Actual amount of collected money not recorded in cashbook, ledger book;</p> <p>d) In the establishment-wise register, list of the amount of accumulated dues for the individuals/organizations in the audit year not shown and no lawful action taken to collect those;</p> <p>e) Collected money not deposited in the bank on the same day or next working day and that is not supported by bank statement;</p> <p>f) Collected money of other tax, toll, fees are not recorded in the related cashbook and ledger-book etc.</p>	<p>Register containing sector-wise collection list of tax, toll, fees and collection status, cashbook, ledger book, tax-toll-fees fixation document and bank account statement, statement of depositing collected money in bank account etc.</p>	30%
8. Subject: Fund received from the sale of schedule/forms of civil works		
<p>a) Not maintaining separate register with page number for collection of funds from the sale of tender forms/schedules etc.;</p>	<p>Schedule sales register, collection receipt, bank</p>	50%

Possible irregularities	Relevant documents for observation	Observations (%)
<ul style="list-style-type: none"> b) Sale proceeds of civil work's schedules/forms not received in City Corporation receipt; c) Dissimilarity between the amounts of sales proceeds of schedules/forms and money deposited in bank during the audit-year; d) Sale proceeds of civil work's schedules/forms not deposited in the bank on the same day or on next working day and not supported by bank statement; e) Sale of civil work's schedules/forms not attested in the register by competent authority. 	statement, bank statement of deposition/chalan or deposit slip etc.	
9. Subject: License of non-mechanized vehicles		
<ul style="list-style-type: none"> a) Separate registers for different types of non-mechanized vehicles are not maintained with detailed descriptions, number of licenses and necessary information; b) Renewal of licenses of different types of non-motorized vehicles category is not done on time; c) Money received from non-mechanized vehicle licensing(new and renewal) is not collected through City Corporation's receipt/bank and that is not supported by bank statement; d) License fee for different types of non-mechanized vehicles is not recorded in cashbook and ledger book; e) Information on the amount of arrear in license fee collection head for previous years by types of non-mechanized vehicles is not mentioned; and no formal steps are taken for collection of that; f) Maintained registers are not verified by the competent authority on time and signature of the competent authority with comments is not there etc. 	List/register with detailed descriptions of non-mechanized vehicles by types, collection receipt, bank statement, cashbook, ledger book, voucher/chalan for deposits in bank account or deposit slip etc.	100%
10. Subject: Contractors' license fees		
<ul style="list-style-type: none"> a) Not maintaining register with detailed description of contractors' license by type and the above is not updated every year; b) Renewal of contractor's license not done on time; c) Money received from contractors' license not collected through City Corporation receipt or bank. d) Fees received from contractors' license not deposited to City Corporation bank account on time and that is not supported by bank statement. e) Money collected as different types if fees money is not recorded in ledger-book and cashbook etc. 	Contractors' license register, collection receipt, bank statement, cashbook, ledger book, slip of deposit to bank account.	100%
11. Subject: Trade license fees		
<ul style="list-style-type: none"> a) Register not maintained with detailed description of trade license by type and not updated every year; b) Renewal of trade license by type not done on time; c) Money received from trade license not collected through City Corporation's receipt or bank; d) Money received from trade license not deposited in City Corporation's relevant bank account on time and not supported by bank statement; e) Money received as trade license fees not recorded in cashbook and ledger-book etc. 	Register of trade license, collection register, collection receipt, bank statement, cashbook, ledger book, slip of deposit to bank account etc.	100%
12. Subject: Trial/Alternative dispute resolution (ADR) fees		

Possible irregularities	Relevant documents for observation	Observations (%)
a) Information is not kept on a list with detailed description about all ADRs during the audit year; Separate register for collection of ADR fees is not maintained; b) Money received from ADR fees not collected through City Corporation's receipt or bank. c) Money received from ADR fees not deposited to City Corporation's relevant bank account on time and that is not supported by bank statement etc.;	ADR register, collection register, collection receipt, bank statement etc.	100%
13. Subject: Penalty money		
a) Register is not maintained with information on detailed description of the reasons, for which penalty was imposed, and penalty collection status during the audit year; b) Penalty money is not collected through City Corporation's receipt or bank. c) Penalty money is not deposited to City Corporation bank account on time and that is not supported by bank statement etc.;	Penalty imposition and collection register, collection receipt, bank statement, bank deposit slip, cashbook, ledger-book etc.	100%
14. Subject: Penalty for road cutting/damage of infrastructure		
a) Detailed information is not kept on road cutting or damage of City Corporation infrastructure with reasons in the audit year; b) Not taking prior permission of the competent authority for road cutting or damage of City Corporation's infrastructure; c) Not appropriate penalty is charged by the competent authority for road cutting or damage of City Corporation's infrastructure and not collecting the entire penalty money in advance; d) Penalty money is not collected through City Corporation's receipt or bank. e) Penalty money is not deposited to City Corporation bank account on time and that is not supported by bank statement; f) No work done to reinstate the damaged road/infrastructure to its previous state with the collected money etc.	Application for road cutting, approval letter, penalty related information, register, collection receipt book, bank statement, bank deposit slip etc.	100%
15. Subject: Not-necessary/unused properties sale proceeds		
a) Information not available with detailed description of the reasons of selling of City Corporation's unnecessary or unusable properties during the audit year; b) No prior approval of the competent authority for sale of un-necessary/unusable properties; c) Not comply with the existing rules and regulations in the sale of un-necessary/unusable properties; d) Not fixing appropriate value by the competent authority for selling of un-necessary/unusable properties and sale proceeds are not recorded in cashbook and ledger book; e) Sale proceeds of un-necessary/unusable properties not received in City Corporation's receipt or not deposited in bank account and that is not supported by bank statement etc.;	List of not-necessary/unusable properties, pre-value fixation and approval of the authority for sale with above pre-value, sales register, deposit register, collection receipt book, cashbook, ledger book, bank statement, bank deposit slip etc.	100%

Possible irregularities	Relevant documents for observation	Observations (%)
16. Subject: Application fees for building construction and reconstruction		
a) Register not maintained with the detailed description of the number of applications received for building construction and reconstruction during the audit year; b) Plan for building construction or reconstruction is not approved following the appropriate process and procedures and no signature of the competent authority on the approval letter or plan; c) Competent authority not fixed appropriate fees based on the existing rules for building construction and reconstruction; d) Separate register not maintained for fixed fees collection for building construction and reconstruction; e) Fixed fees for building construction or reconstruction not collected through City Corporation receipt or bank; f) Collected fees for building construction and reconstruction not deposited to City Corporation bank account on time and that is not supported by bank statement etc.	Penalty fixation and collection register, collection receipt, ban statement, bank deposit slip, cashbook, ledger-book etc.	50%
17. Subject: Transfer tax of immovable property		
a) Not collection of necessary evidential documents with detailed descriptions and values of those immovable properties from the Sub-Registrar office, which were transferred during the audit year and those were not updated; b) Immovable property transfer tax (eligible for City Corporation) not regularly and timely deposited to City Corporation's relevant bank account and not properly recorded in the register maintained at City Corporation; c) Immovable property transfer tax in Sub-Registrar not regularly reconciled with the same maintained at City Corporation and that is not verified by the competent authority with comments and signature etc.	Evidential documents of immovable property transfer, bank statement etc.	100%
18. Subject: Project funds		
a) List not available with detailed description of the funds received for implementation of the sub-project from the projects during the audit year; b) Proper rules not followed in sub-project implementation, tender process, work order award, quality work implementation, payment of bills with necessary deduction of IT and VAT c) Total contract amount of fund not received for the ongoing sub-project from the related project and no evidential documents available in support of this; d) Funds from the relevant project are not deposited to City Corporation's fixed bank account and that is not supported by bank accounts statement; e) Money deducted as income tax/VAT not deposited to government exchequer on time etc.	Project-wise accepted list of sub-projects, fund allocation letter against the subproject, tender of subproject, contractor engagement and documents related to work implementation and bill payment, security, income tax and VAT deduction and deposit slip in relevant heads, bank accounts statement etc.	25%
19. Subject: Government grant/government special grant		

Possible irregularities	Relevant documents for observation	Observations (%)
a) No list containing detailed description of government grant received during the audit year. b) The government grant deposited to City Corporation's particular account is not supported by Bank accounts statement; c) Proper procedures not followed in the implementation of government grant supported schemes regarding tender process, work order award, quality work implementation, bill payment with necessary deduction etc. d) Not properly maintained accounts of the funds received from government grant; e) Funds deducted as income tax/VAT not timely deposited to government exchequer etc.	Fixation of penalty and collection register, collection receipt, bank statement, bank deposit slip, cashbook, ledger-book etc.	25%
20. Subject: Others		
a) Amount of Budget allocation of own fund for development works. b) Amount for which work order has been issued. c) Amount paid during the audit year. d) Amount yet to be paid for the completed works.		

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Matrix-C: Expenditure related subject

Possible irregularities	Relevant documents for observation	Observations (%)
1. Subject: Salary/benefits of officer/staff		
a) According to organogram department-wise/section-wise position and number of officers/staffs not present; b) Present officers/staffs not appointed as per the service rule; c) Salary/bill register and salary's bill/voucher not maintained properly; d) Salary bills of permanent and temporary officers/staffs not prepared separately; e) Sanction not taken for continuation of the temporary officers/staffs ; f) Summation of money claimed against bill found not correct; g) Transfer release and joining letters of transferred officer/staff not present; h) Joining time not correct as per rule; i) In case of efficiency benefit (EB) cross no approval of the authority; j) Reductions in bills not properly written; k) Arrear salary bill not prepare separately; l) No medical certificate in case of first appointment. m) No handover and takeover certificates in case of transferred staff/officer; n) No allocation of budget or no approval of competent authority to carryout expenses etc. o) Salary bills of all officers/staffs not paid (reasons); p) Amount yet to be paid and for how many months. q) No. of months of which salary bills are pending.	Salary register, organogram, service rule, all types of salary bills, order on joining-transfer and related papers, budget copy etc.	50%
2. Subject: Travel allowance		
a) Travel schedule not approved by the competent authority; b) As per basic salary travel allowance not claimed at government approved rate; c) As per grades of officer/staff, travel not in eligible class and no approval of the competent authority in case of a deviation to it; d) In travel allowance bills no approval of the competent authority; e) Advance travel allowance not adjusted with the bill; f) Payment of travel allowances, even though no budget allocation etc.	Voucher of travel allowance bill, travel schedule, travel rules etc.	50%
3. Subject: Over-time allowance		
a) Over-time allowance of officer/staff not exceeding 240 hours a month; b) Payment of over-time allowances without budget allocation; c) No signature of the controlling authority on over-time bill etc.	Over-time allowance register, over-time allowance bill and bill register, budget copy etc.	100%
4. Subject: Gratuity		
a) Competent authority not approved gratuity provision; b) Gratuity amount not determined based on fixed rules and procedures;	Rules and regulations about payment of gratuity bill, authority's approval	100%

Possible irregularities	Relevant documents for observation	Observations (%)
c) Dissimilarity between approved gratuity and paid gratuity allowance etc.	and receipt of bill payment etc.	
5. Subject: Provident fund		
<ul style="list-style-type: none"> a) Money of provident fund of officer/staff not deducted at pre-determined rate and deducted money not deposited in City Corporation's concerned bank; b) In case of advance grant against provident fund, applicable conditions not fulfilled; c) Principal and interest not deducted regularly on advance/advances drawn from provident fund; d) Payment of advance fund given from provident fund not recorded in the concerned ledger book; e) In case of transferred officer/staff from other City Corporation, collectable amount of installment of advance with interest and number of such installments not mentioned in the last payment statement; f) In case of more than one advance of an officer/staff from the provident fund, full description of each collectable advance not mentioned in the last salary statement; g) In case of final bill payment, provident fund rules not followed properly etc. h) No. of Staff whose PF money and gratuity not paid; i) Amount involved for the above; j) Number years for which cases of non-payment of PF and gratuity are pending; k) Amount of PF money and gratuity diverted for use other than payment to the staff. 	Rules of provident fund, payment voucher, advance or final payment related ledger book, order on final payment of provident fund etc.	100%
6. Subject: Vehicle and equipment operation, repair and maintenance		
<ul style="list-style-type: none"> a) Asset register not maintained containing detailed description of all vehicles and equipment of City Corporation; b) Prior to expenses in vehicles and equipment operation, repair and maintenance sector during the audit year, no prior approval of competent authority taken; c) Separate register not maintained for expenses in vehicle and equipment operation, repair and maintenance. d) Old parts not preserved; e) Given rules and regulations not followed in tender process for vehicle and equipment repair and maintenance work; f) No budget allocation; g) Expense not approved by authorized officer; h) No financial approval limit maintained or breaking the limit etc. 	Asset register, vehicle/equipment inventory/maintenance register, approval of the authority, all files/records related to tender process, budget copy, expense bill/voucher etc.	75%
7. Subject: Vehicle and equipment purchase		
<ul style="list-style-type: none"> a) Detailed description of the vehicles and equipment of City Corporation, purchased during the audit year, not included in asset register; b) Government purchase rules not followed in tender processes during purchase of vehicle and or 	CC's asset register, all files and records related to tender process, budget copy, approval statement, bill, voucher, counter foil	100%

Possible irregularities	Relevant documents for observation	Observations (%)
<p>equipment;</p> <p>c) No budget allocation;</p> <p>d) To purchase vehicle and or equipment administrative and technical approval of competent authority not taken;</p> <p>e) The amount of taka mentioned in counter foil of the cheque for payment of bill of vehicle and equipment purchase not supported by bank statement;</p> <p>f) From the supplier's bill appropriate security, income tax, VAT etc. not deducted and deposited to relevant account or government exchequer etc.</p>	<p>of cheque, cashbook, ledger book, bank statement etc.</p>	
8. Subject: Mechanical and electrical parts or goods purchase		
<p>a) Stock register not maintained with detailed description of the mechanical and electrical parts or goods purchased during the audit year;</p> <p>b) Government purchase rules not followed in the tender process during purchase of mechanical and electrical parts or goods and prior approval not taken from the competent authority on administrative and technical issues;</p> <p>c) Voucher of mechanical and electrical parts/goods purchase not properly maintained;</p> <p>d) No budget allocation;</p> <p>e) The amount of taka mentioned in counter foil of the cheque for payment of mechanical and electrical parts or goods purchase not supported by bank statement;</p> <p>f) During bill payment security, income tax, VAT etc. deductions not deposited to relevant accounts etc.</p>	<p>Tender documents/files related to purchase of mechanical and electrical parts/goods, bill voucher, approval letter, stock register, cashbook, ledger book, cheque book, bank statement, budget copy and statement of authority's approval etc.</p>	50%
9. Subject: Stationeries purchase and payment of suppliers' bill		
<p>a) During purchase of stationeries tender process together with government purchase rules not followed and prior approval of competent authority not taken;</p> <p>b) No budget allocation in this sector;</p> <p>c) Suppliers' work-order-wise register not maintained;</p> <p>d) After deduction of security or penalty at fixed rates against paid bills, the amount received not deposited in relevant bank account and that is not supported by bank statement;</p> <p>e) Income tax and VAT not deposited to government exchequer and no treasury chalan (transfer certificate) in favor of deposit and chalans not attested by district or Upazila accounts offices.</p> <p>f) Stationeries purchase bill and voucher not maintained correctly;</p> <p>g) In case of payment of previous year's bills in current year, no explanation in this respect is provided;</p> <p>h) The amount of taka mentioned in counter foil of the cheque for payment of stationeries purchase not supported by bank statement;</p> <p>i) Stock register not maintained and before paying the bill no attestation by the storekeeper on the bill confirming that goods supplied have been included in the register.</p>	<p>All files and records linked with tender process, stationery purchase register, decision of the tender committee and approval of the competent authority, stock register, budget copy, bill register of supplying contractor, bill voucher, counter foil of cheque, collection receipt, security/register, VAT/income tax, copy of treasury chalan of deposit to government exchequer etc.</p>	50%

Possible irregularities	Relevant documents for observation	Observations (%)
10. Subject: Implementation of civil works and payment of contractor's bill		
<ul style="list-style-type: none"> a) No budget allocation and administrative and technical approvals for the tenders of civil works during the audit year; b) Tender process for civil works did not comply with the proper rules and procedures in the tender process; c) The competent authority did not approve delegation of financial authority in tender; d) Not taking approval of the competent authority in case of not accepting the lowest price quotation with proper explanation in favor of the above; e) During the audit year which contractors were paid how much against which work orders and how much were deducted as security, income tax, VAT, penalty etc. are not maintained in contractors' bill register in descriptive manner; f) In the relevant case deductions of security or penalty against the paid bills are not deposited in City Corporation's concerned bank account. g) Contractors' income tax and VAT after deductions from the contractors' bills are not deposited in government exchequer through chalan (transfer certificate) and those are not attested by the district or Upazila accounts office; h) Bills not properly prepared, gap between tender value and paid value; i) Bills claim not as per the rate mentioned in the work order or single rates of articles of the contract. j) Bills are not approved by competent authority; k) Before payment of the bill certificate of quality of the work with all other papers is not approved by the competent authority; l) Payment for public works bill is not made in cross cheque against the bank account of concerned contractor and paid bill is not supported by bank statement etc. 	<p>Certificate of administrative and technical approval for the public work, files related to tender process, scheme-wise tender document and relevant files, delegation of financial authority, decision of the tender committee, copies of work order, attestation copy of bills payment, slip/chalan of deposits of security/penalty in CC's bank account, slip of deposits of income tax/VAT in government exchequer, cashbook, ledger book, contractor's bill register, cheque register, bank statement etc.</p>	30%
11. Subject: Payment of all types of electricity bills		
<ul style="list-style-type: none"> a) No provision of sufficient budget for payments of all types of electricity bills; b) Electricity bill payment register not maintained with detailed descriptions according to sector or establishment; c) In the audit year accumulated arrears of sector or establishment wise total electricity bills and the paid amounts are not correct; d) Amount of a) arrears and b) current electricity bill payable during the audit year; e) Amount paid during the year; f) Amount yet to be paid at the end of the audit year; g) No valid reasons in favor of arrear electricity bill etc. 	<p>Establishment-wise electricity bill register, bill voucher, budget, copies of paid bills etc.</p>	100%
12. Subject: Payment of all telephone bills		
<ul style="list-style-type: none"> a) Provision of not sufficient budget for payment of all types of telephone bills; b) Number of telephones in City Corporation and no description of the officers/staffs/institutions use the 	<p>Telephone bills with users list, bill voucher, budget, telephone bills payment register, telephone calls</p>	100%

Possible irregularities	Relevant documents for observation	Observations (%)
above; c) In the audit year accumulated arrears of total telephone bills and the paid amounts are not correct; d) No valid reasons in favor of arrear telephone bills; e) Call register for each telephone not maintained with detailed descriptions etc.	register etc.	
13. Subject: Payment of Loan and liability		
a) No budget provision for payment of all loans and liabilities; b) Actual information on City Corporation's total liabilities not available; c) Detailed description on loan amounts taken from which organizations for which projects, documentary evidence of borrowings with agreement copies and other conditions not maintained; d) Non-payment of loans within the loan repayment timeframe according to the schedule and no valid reasons remain in favor arrear, if any, etc.	Organization-wise loan agreement copies, loan repayment schedule, register, files and budget copy.	100%

Final_February

Annex II Format of Committee Report on Account and Audit

Committee Report on Accounts and Audit Audit Year: 20__ Financial Year

General subject

Possible audit issues	Information collected in audit	Audit observation/ results
1. Audit subject: Budget		
a) Was budget prepared following the approved format?		
b) In the proposed budget were there any reflections of next financial year's proposed income and expenditure, current financial year's revised proposed income and expenditure and previous financial year's actual income and expenditures of 9 month?		
c) Were peoples' opinions and suggestions accepted in the preparation of projected budget? Was budget session held in presence of the residents? Were proceedings of budget session prepared?		
d) Was discussion held together with accepting suggestions in special meeting on budget of in CDCC, CSCC & WLCC		
e) Was revised budget discussed and approved in the Council meeting?		
f) Was the budget, after approval, sent to the designated authority before 30 days (within 31 May) of the start of a financial year?		
g) Were rules and procedures complied with in budget revision?		
h) Was the actual expenditure more than the approved budget before revising the budget?		
i) Are the budget's sector-wise incomes and expenditures consistent with the same shown in financial statement?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
2. Audit subject: Cashbook		
a) Was cashbook maintained according to approved format (form no. 187-221)?		
b) Are the chalan/voucher no. or bill no., receipt details and each-time receipt amount and total of each chalan recorded correctly?		
c) In cashbook against all types of payments, whether chalan/voucher no or bill no., details of payments with dates and each-time payment amount, each		

Possible audit issues	Information collected in audit	Audit observation/ results
cheque's/voucher's or bill's total amount correctly recorded?		
d) Is cashbook consistent with bank statement?		
e) Are the cheque number recorded in cashbook, date, recipient's details and amount of money in the cheque's counter foil exactly the same as the cheque number, date, recipient's details and amount of taka mentioned in cheque register?		
f) After recording every day's all transactions in the cashbook, was the cashbook closed at the end of the day?		
g) Based on verification of cashbook and examining the balance, whether office chief or any of his authorized person at the end of every month attested these with initial signature and date?		
h) Is there any overwriting in cashbook?		
i) In case of mistakes in cashbook whether initial signature of the office head with date was given by writing the correct figure or matter in red ink between the space of two lines by cutting the wrong figure and sentence?		
j) Has the withdrawal money against all kinds of government allocations shown in the cashbook?		
k) Is the income-expenditure in the financial statement consistent with the same mentioned in the cashbook?		
l) Has the bank statement at the end of month/quarter/year reconciled with the cashbook?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
3. Audit subject: Ledger-book		
a) Are all incomes and expenditures recorded in the ledger-book according to the account-heads?		
b) Is the description and amount of every receipt and payment mentioned in ledger-book similar to that in cashbook?		
c) Is the summation/balance in every page of ledger-book correct?		
d) Is there necessary budget allocation for expenses in the sector, as mentioned in ledger-book?		
e) Has summation of the previous page drawn correctly as balance in the next page?		
f) Is the ledger-book updated?		
Appropriate authority's opinion:		
Standing Committee's comments:		

Possible audit issues	Information collected in audit	Audit observation/ results
Audit's recommendations:		
4. Audit subject: Cheque register		
a) In case of expense through cheque, are the cheque no., date and amount of money recorded in the cheque register?		
b) Are the cheque no. and amount of money mentioned in the counter foil of cheque and ledger-book similar to that in cheque register?		
c) Is the cheque register statement similar to bank statement?		
d) Were the account-wise number of cheque books and total number of pages maintained in separate register?		
Appropriate authority's answer/opinion:		
Standing Committee's comments:		
Audit's recommendations:		
5. Audit subject: Bank account operation		
a) Has every Pourashava transaction been done through cheque?		
b) Have all payments above Tk.5,000 been done through accounts payee cheque?		
c) Have all bank accounts been operated with the signatures of the designated signatory/signatories according to the rule?		
d) Have the City Corporation's funds been operated through the Bangladesh Bank approved scheduled banks?		
e) Are separate registers maintained against each bank account?		
f) Have accounts been opened in another bank different from as fixed by the government/development partner?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
6. Audit subject: Bill/voucher in favor of expenses		
a) Is bill or voucher no. with date of bill or voucher of each expense maintained serially in the guard file?		
b) Was every expense and expense's bill or voucher approved by the competent authority ?		

Possible audit issues	Information collected in audit	Audit observation/ results
c) Have the petty expenses been operated through petty cash?		
d) Were the petty cash voucher and sub-vouchers approved by the competent authority according to the delegation of financial power?		
e) Was revenue stamp used in expense voucher more than Tk.500?		
f) Was 'paid' seal used on bill voucher after the payment?		
g) Were bills prepared in fixed printed form?		
h) Was bill claimed in photocopy instead of original copy?		
i) Has store-keeper attested that goods mentioned in supply bill been included in the stock register?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
7. Audit subject: Cashbook		
a) Whether credit voucher, debit voucher and journal voucher have been used in particular form?		
b) Whether general ledger and subsidiary ledger have been maintained as per the specific rule?		
c) Whether specific forms have been used in cheque issue register, stationary register, fixed asset register, goods warehousing register, salary/bill register, leave register, travel allowance register and advance register?		
d) Whether specific form has been used in payment/collection book?		
e) Whether specific form has been used in file index?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
8. Audit subject: Stock register and inventory management		
a) Whether stock register and inventory management are in force for the purchase and use of office stationery, furniture, electrical and mechanical equipment?		
b) Whether supplies of goods, furniture and materials were done as per the mentioned specification and quantity In case of purchase through tender?		
c) Whether supplied goods were recorded in the stock register with the date of supplies, item-wise		

Possible audit issues	Information collected in audit	Audit observation/ results
descriptions and sources of supplies together with correct quantity of each item?		
d) Whether goods purchased in cash were recorded in the stock register?		
e) Whether all goods/materials receipt were recorded in the concerned store ledger?		
f) Whether goods were issued through approved slips?		
g) Whether identification numbers were written with non-erasable ink on the furniture and materials?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
9. Audit subject: Audit of contract		
a) Whether the design and estimated costs are approved by the competent authority or his/her designated empowered authority, together with administrative approval and technical grants, before calling tender for any construction works?		
b) Whether there is budget allocation?		
c) Whether open tender has been called according to government's Public Procurement Regulation (PPR)?		
d) Whether valid reasons were mentioned in case of non-acceptance of the lowest bid and whether approval of the competent authority was taken in this respect?		
e) Whether the conditions in the contract were in summary form or precise and was there any incompleteness or complexity in it in case where contract agreement is not possible to accomplish in the prescribed form?		
f) Whether any fundamental condition of the contract document was changed without the approval of the competent authority?		
g) Whether the conditions of the agreement along with other conditions were considered in view of the financial capability of the tenderers?		
h) Whether there has been the provision in the agreement for the contractor to provide security to government property?		
i) Whether there were logical explanations in favor of the cases where competitive biddings were not called or high rate bidding was accepted?		
Appropriate authority's opinion:		
Standing Committee's comments:		

Possible audit issues	Information collected in audit	Audit observation/ results
Audit's recommendations:		
10. Audit subject: Stock register and inventory management		
a) Whether the recommendations of the audit conducted by the standing committee in the last financial year were implemented or what is the progress in the implementation?		
b) What are the reasons of non-implementation of the recommendations?		
c) What damages of the City Corporation were occurred due to non-implementation of the recommendations?		
d) Whether the person responsible for non-implementation of the recommendations was identified?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
11. Audit subject: Follow-up/review of the last year's government audit		
a) Whether year-wise responses of last three years' government audit objections were sent?		
b) Whether necessary information was submitted for reviewing year-wise progress reports on resolution of government audit objections in the last three years?		
c) Whether actions were taken against those persons responsible for embezzlement of money every year as per the government audit objections in the last three years?		
d) Whether specific proposals were made about the tasks to resolve the government audit objections in the last three years?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		

Income related matters

Possible audit issues	Information collected in audit	Audit observation/ results
1. Audit subject: Lease		
a) Has the register been maintained regarding the inventory of which markets and City Corporation establishments or property were leased out?		
b) Whether or nor separate files maintained regarding lease of each establishment?		
c) Before starting of the tender process whether last three years' average lease value of each property and market price were considered to prepare the official projection and approval of the authority was taken?		
d) Have proper rules and regulations been followed in every lease related tender/auction process?		
e) Whether in every case lease was given at the highest lease price?		
f) Whether agreement was done before receipt of total lease money from the establishment-wise selected leaseholders? If it is done, has there been any acceptable explanation in favor of this?		
g) Was the total lease money collected for establishment-wise lease within the audit year?		
h) Is there any valid cause in favor of establishment-wise due on lease during the audit year?		
i) Is register maintained containing updated information on establishment-wise due on lease and collection at current price?		
j) Whether total collected money has been recorded in cashbook and ledger-book?		
k) Whether less amount of money than the establishment-wise collected money was deposited in City corporation's bank account?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
2. Audit subject: Rent of City Corporation-owned shops		
a) Whether establishment-wise register was maintained with the detailed description of those shops rented out?		
b) Whether shops were rented out without completion of contract agreement?		
c) Whether on expiry the contact agreement was terminated or renewed or contract agreement was completed with new businessman?		
d) As per the rule, whether on expiry of the contract agreement renewal/new contract agreement with the existing businessman was completed?		

Possible audit issues	Information collected in audit	Audit observation/ results
e) Whether the condition was included in the contract agreement to increase rent considering at least the inflation and keeping consistence with the market rate in every three years?		
f) In support of the above demands whether register maintained incorporating shops name ,shops number, shop recipient's name, date of contract agreement, contract duration, last renewal date, next renewal date, last monthly rent amount, amount of rent increase during last renewal etc.?		
g) Whether the register is updated every month containing information on accumulated arrear rent of the previous years and claimed amount of rent and collection in the audit year?		
h) Whether new register is maintained containing information on shop-wise total claim with arrears on 30 June every year and with finalization of collection of that, the arrear and updated claim from 1 July for the next year and collection of those?		
i) Is there any acceptable cause in favor of non-payment of shop-rent?		
j) Whether the total collected money deposited to concerned bank account on time and whether that is supported by bank statement?		
k) Whether the deposited amount of money recorded in cashbook and ledger-book? l) Whether collection of shop rent is always upto date? m) if not, is there any satisfactory reason for non-realization of full rent amount? (Pls, supply figures, i.e. Amount due & one years total rental amount)		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
3. Audit subject: Dakbanglow, auditorium, building etc. rent		
a) Whether detailed descriptions regarding the number and locations of Dakbanglow, auditorium, building etc. were included in the asset register?		
b) Whether the rent register is maintained for Dakbanglow, auditorium, building etc.		
c) Whether the rents of Dakbanglow, auditorium, building etc. are collected in rent-receipt?		
d) Whether rent is collected at the rate approved by the government/ competent authority?		
e) Whether collected rent was recorded in cashbook and ledger-book?		
f) Whether the collected rent is deposited in concerned		

Possible audit issues	Information collected in audit	Audit observation/ results
bank account and whether that is supported by bank statement?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
4. Audit subject: Rent of vehicles and equipment		
a) Whether register with detailed descriptions of rental vehicles and equipment is maintained?		
b) Whether separate logbook for each rental vehicles and equipment is maintained?		
c) Whether rent collected in receipt on time at fixed rate deposited to concerned bank account on time and whether that is supported by bank statement?		
d) Whether there is a consistency between the used-time of the vehicles and equipment, as mentioned in the logbook, and the amount of collected rent?		
e) Whether collected rent recorded in cashbook and ledger-book?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
5. Audit subject: City Corporation tax collection		
a) Whether in five years City Corporation tax has been re-fixed and, if not, is there any valid reason in favor of this?		
b) Was regular interim tax assessment process in force throughout the year? If not, what was the reason(s)?		
c) Whether information on holding-wise accumulated arrear City Corporation tax of the previous years available at the beginning of the financial year (1 July)?		
d) Whether correct information on arrear and current collections from government, semi-government and privately owned lands/buildings available during the audit year? (Submit separately)		
e) What are the acceptable causes for City Corporation tax being arrear and non-collection of that?		
f) Whether final list of defaulters was prepared based on a review of previous year's holding tax collection reports, submitted by the tax collector, in July of new financial year?		
g) Whether lawful action was taken for arrear tax collection based on the fixed procedures and if no		

Possible audit issues	Information collected in audit	Audit observation/ results
lawful action was taken then is there any acceptable reason in favor of this?		
h) Whether City Corporation tax collection through bank has been introduced or City Corporation tax collected through receipts has been deposited to concerned bank account on time and whether the bank statement supports that?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
6. Audit subject: Water Tariff		
a) Whether register of name and address with description of the connection is maintained of those holdings that have pipe-water connection?		
b) Whether competent authority approved the fixed rate of water bill?		
c) Whether the monthly water bill regularly reaches to the client?		
d) Whether accumulated arrear bills according to the clients were collected for the years before the audit year?		
e) After preparing the client-wise bill defaulters' list for the audit year (July-June), whether lawful action was taken to collect those at the beginning of next year?		
f) Whether the collected water bill was recorded in cashbook and ledger-book?		
g) Whether water bill collection through bank has been introduced or water bill collected through receipts has been deposited to concerned bank account on time and whether the bank statement supports that?		
h) Whether water supply lines were disconnected for non-payment of water bills(how many)?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
7. Audit subject: Other tax, toll, fees collection		
a) Whether register on all City Corporation tax, toll and fees collections according to the sector is maintained?		
b) Whether rates of the tax, toll, fees are approved by the competent authority?		
c) Whether tax, toll, fees are collected through City Corporation's receipt or bank?		

Possible audit issues	Information collected in audit	Audit observation/ results
d) Whether the collected money has been recorded properly in cashbook, ledger-book?		
e) Whether individual/organization-wise list of accumulated amount of arrears for the audit year, as recorded in the establishment-wise register, is published and whether lawful action was taken against them?		
f) Whether the collected money is deposited on the same day or next working day in the bank and whether that is supported by bank statement?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
8. Audit subject: Receipt money on selling forms		
a) Whether separate register is maintained to collect money from sales of civil works' schedules/forms?		
b) Whether money from the sales of civil work's schedules/forms collected through City Corporation's receipt?		
c) Whether there is similarity between the amount of money from sales of civil work's schedules/forms and the amount deposited in the bank?		
d) Whether the collected money from sales of schedules/forms is deposited on the same day or next working day in the bank and whether that is supported by bank statement?		
e) Whether the competent authority attested the sales of civil work's forms in the register?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
9. Audit subject: Non-motorized vehicles license		
a) Whether separate registers maintained according to the types of non-motorized vehicles with detailed descriptions, number of licenses and necessary information?		
b) Whether non-motorized vehicles' licenses by type were renewed on time?		
c) Whether the money receipt from the licenses (new and renewal) of non-motorized vehicles was collected through City Corporation's receipt/bank and whether that is supported by bank statement?		
d) Whether the license fees of the non-motorized		

Possible audit issues	Information collected in audit	Audit observation/ results
vehicles by type were recorded in cashbook and ledger-book?		
e) Whether the information on arrear amount in the sector of non-motorized vehicles license fee by type for the previous years is available and whether procedural actions were undertaken to collect the arrear fees?		
f) Whether the registers maintained were verified by the competent authority on time? Whether there are signatures of the competent authority with comments?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
10. Audit subject: Contractor license fees		
a) Whether register is maintained and updated containing detailed descriptions of contractors' licenses by type?		
b) Whether contractors' licenses are renewed on time?		
c) Whether the money received from contractors' licenses is collected through City Corporation's receipt/bank?		
d) Whether the money received from the contractors' license fees is deposited through bank on time and whether that is supported by bank statement?		
e) Whether the money received as fees is recorded in cashbook and ledger-book?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
11. Audit subject: Trade license fees		
a) Whether register is maintained and updated containing the list of trade licenses with detailed descriptions by type?		
b) Whether trade licenses are renewed on time by type?		
c) Whether the money received from trade licenses is collected through City Corporation's receipt/bank?		
d) Whether money received from trade licenses is deposited in City Corporation's concerned bank account on time and whether that is supported by bank statement?		
e) Whether the money received as trade license fees is recorded in cashbook and ledger-book?		

Possible audit issues	Information collected in audit	Audit observation/ results
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
12. Audit subject: Trial/alternative dispute resolution (ADR) fees		
a) Is information maintained with a list containing detailed description of trial/ADR during the audit year?		
b) Whether separate register is maintained for collection of trial/ADR fees?		
c) Whether money received from trial/ADR fees is collected through City Corporation's receipt/bank?		
d) Whether money received from trial/ADR is deposited in City Corporation's concerned bank account on time and whether that is supported by bank statement?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
13. Audit subject: Penalty money		
a) Whether register is maintained containing detailed description of the reasons for imposing penalty and information on penalty collection during the audit year?		
b) Whether the money received from penalty is collected through City Corporation's receipt/bank?		
c) Whether the money received from penalty is deposited in City Corporation's bank account on time and whether that is supported by bank statement?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
14. Audit subject: Penalty from road cutting or infrastructure damage		
a) Whether register is maintained mentioning detailed information on the reasons for City Corporation's road cutting or infrastructure damage during the audit year?		
b) Whether prior approval of the competent authority was taken for City Corporation's road cutting or infrastructure damage?		
c) Whether the authority imposed proper penalty and		

Possible audit issues	Information collected in audit	Audit observation/ results
whether total compensation money was collected?		
d) Whether the compensation money was collected through City Corporation's receipt/bank?		
e) Whether collected compensation money was deposited in City Corporation's bank account on time and whether that is supported by bank statement?		
f) Has work done to reinstate the previous conditions of the damaged roads or infrastructures with the collected money?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
15. Audit subject: Money received from sales of unnecessary or unused assets		
a) Whether information and detailed descriptions of City Corporation's unnecessary or unused assets with the reasons of selling those is maintained during the audit year?		
b) Was prior permission of the competent authority taken for sale of the unnecessary or unused assets?		
c) Whether existing rules-procedures were complied with for sale of the unnecessary or unused assets?		
d) Whether proper price was fixed by the competent authority for sale of the unnecessary or unused assets and whether the money received from such sales was recorded in cashbook and ledger-book?		
e) Whether the money from sale of unnecessary or unused assets was collected by City Corporation's receipt/deposited in bank account and whether that is supported by bank statement?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
16. Audit subject: Fees on application for building construction or reconstruction		
a) Whether register is maintained containing detailed descriptions of the number of applications received for building construction or /reconstruction during the audit year?		
b) Whether proper process and rules and procedures followed in the approval of building construction or reconstruction plans and whether there are signatures of the competent authority on the approval letter/plan?		
c) Whether proper fees were fixed by the competent		

Possible audit issues	Information collected in audit	Audit observation/ results
authority, as per the existing rules for building construction or reconstruction?		
d) Whether separate register is maintained for collection of fixed fees for building construction or reconstruction?		
e) Whether fees for building construction or reconstruction were collected through City Corporation's receipt or bank?		
f) Whether the collected fees for building construction or reconstruction were deposited in City Corporation's bank account on time and whether that is supported by bank statement?		
Appropriate authority's opinion:		
Appropriate Committee's comments:		
Audit's recommendations:		
17. Audit subject: Tax on transfer of immovable property		
a) Whether all the necessary evidential documents were collected from the land register office about detailed descriptions of the immovable properties transferred with values during the audit year and whether the collected documents are updated?		
b) Was the immovable property transfer tax (fixed for the City Corporation) was regularly and timely deposited in City Corporation's concerned bank account and whether that is recorded in City Corporation -maintained register?		
c) Whether the immovable property transfer tax mentioned in the Sub-Registrars office register is regularly reconciled with the register maintained at City Corporation and whether that is verified and signed with comments by the competent authority?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
18. Audit subject: Project funds		
a) Whether list is available with detailed description of the funds that were received for implementation of the sub-projects under the particular projects during the audit year?		
b) Whether proper rules/procedures were followed in the implementation of sub-projects regarding tender process, work order, quality work implementation, bill payment with necessary deductions etc.?		

Possible audit issues	Information collected in audit	Audit observation/ results
c) Whether total contract value of the ongoing sub-projects was received from the concerned project and whether there are relevant evidential documents?		
d) Whether funds received from the project were deposited to City Corporation's bank account and whether that is supported by bank statement?		
e) Whether deducted money as income tax and VAT was deposited in government exchequer on time?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
19. Audit subject: Government grant		
a) Whether there is a list with detailed description of government grant received during the audit year?		
b) Whether the government-grant money deposited in City Corporation's particular account is supported by the bank's accounts statement?		
c) Whether proper rules and procedures were followed in the implementation of government-grant supported selected schemes relating to tender process, work order, quality work implementation, bill payment with necessary deductions etc.?		
d) Whether proper accounts of the funds received from the government grant were maintained?		
e) Whether money deducted as income tax and VAT was deposited in government exchequer on time?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
20. Audit subject: Others		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		

Expense related matter

Possible audit issues	Information collected in audit	Audit observation/ results
1. Audit subject: Salary and allowance of the officers and staffs		
a) Whether department and section wise positions and numbers of officers/staffs are according to the approved organogram?		
b) Whether all working officers and staffs were appointed as per the service rules?		
c) Whether salary bill register and salary bill voucher are properly maintained?		
d) Whether salary bills of permanent and temporary officers and staffs are prepared separately?		
e) Whether temporary officers and staffs allowances exist?		
f) Whether the summation of bills' money claimed is correct?		
g) Whether officer/staff have transfer release order and joining letter?		
h) Whether joining date is correct as per the relevant rule?		
i) In case of EB cross whether there is authority's grant?		
j) Whether deductions in bills were properly recorded?		
k) Whether there is doctor's attestation in case of first appointment?		
l) Whether there are joining and handover certificates of the transferred officers and staffs?		
m) Whether there is budget allocation or approval of the competent authority to cover expenses?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
2. Audit subject: Travel allowance		
a) Whether the travel schedule is approved by the competent authority?		
b) Whether travel allowance was claimed at government approved rate based on basic salary?		
c) Whether travel was done in eligible class as per the grades of officers and staffs? In case of a variation if there is special permission of the competent authority?		
d) Whether there is approval of the competent officer in travel allowance bill?		
e) In case of an advance for the travel whether it was adjusted with the bill?		
f) Whether travel allowance was paid, even if there was no budget allocation?		
Appropriate authority's opinion:		

Possible audit issues	Information collected in audit	Audit observation/ results
Standing Committee's comments:		
Audit's recommendations:		
3. Audit subject: Overtime allowance		
a) Whether the overtime allowance of the officer/staff is more than 240 hours maximum a month?		
b) Whether overtime allowance has been paid without budget allocation?		
c) Whether there is signature of the controlling authority on the overtime bill?		
Appropriate authority's answer/opinion:		
Standing Committee's comments:		
Audit's recommendations:		
4. Audit subject: Retirement allowance		
a) Whether competent authority has the approval for retirement allowance?		
b) Whether the amount of retirement allowance was determined as per the fixed rules and procedures?		
c) Whether granted retirement allowance is same as paid retirement allowance?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
5. Audit subject: Provident fund		
a) Whether officer and staffs' Provident funds' money was deducted as per the fixed rate and whether the deducted money was deposited in City Corporation's relevant bank account?		
b) Whether the applicable condition was properly complied with in case of advance grant against provident fund?		
c) Whether principal and interest on advance/advances from the future fund were deducted or being deducted regularly?		
d) Whether payment of the advance money drawn from the future fund was recorded in the concerned ledger during payment?		
e) In case of transferred officer or staff from other City Corporation, whether collectable amount of installments of advance with interest and number of such installments were mentioned in the last payment		

Possible audit issues	Information collected in audit	Audit observation/ results
statement?		
f) In case of more than one advance of an officer or staff from the provident fund, whether full description of each collectable advance was mentioned in the last salary statement.		
g) In case of final bill payment whether provident fund rules were followed properly?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
6. Audit subject: Vehicles and equipment maintenance		
a) Whether City Corporation's vehicles and equipment with their detailed descriptions were included in the asset register?		
b) Whether permission of the competent authority was taken before operation and maintenance expenses for vehicles and equipment during the audit year?		
c) Whether separate register was maintained for operation and maintenance expenses for vehicles and equipment?		
d) Whether old machine-parts were preserved?		
e) Whether rules were followed in the tender process of operation and maintenance of vehicles and equipment?		
f) Whether there was budget allocation?		
g) Whether expenses were approved by the competent authority?		
h) Whether financial limit of the approval was fixed and whether the limit was exceeded during approval?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
7. Audit subject: Purchase of vehicles and equipment		
a) Whether the vehicles and equipment purchased for City Corporation during the audit year were included in the asset register with detailed description?		
b) During purchase of vehicles and equipment whether direct purchase rule was followed in the tender process?		
c) Whether there was budget allocation?		
d) Whether administrative and technical approval of the competent authority was there for purchase of vehicles and equipment?		
e) During bill payment for purchase of vehicles and		

Possible audit issues	Information collected in audit	Audit observation/ results
equipment, whether the taka amount mentioned in the counter-foil of the cheque was supported by the bank statement?		
f) After deducting appropriate security, income tax, VAT etc. from the suppliers' bills, whether those were deposited in concerned bank account or government exchequer?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
8. Audit subject: Purchase of mechanical and electrical parts and goods		
a) Whether stock register is maintained with detailed description of the mechanical and electrical parts and goods purchased during the audit year?		
b) The government purchase rule not followed in the tender process during purchase of mechanical and electrical parts and goods and was prior permission taken from the competent authority regarding administrative and technical matters?		
c) Were vouchers of mechanical and electrical parts and goods purchase maintained properly?		
d) Was there budget allocation?		
e) During bill payment for purchase of mechanical and electrical parts and goods, whether the taka amount mentioned in the counter-foil of the cheque was supported by the bank statement?		
f) Whether deductions of security, income tax, VAT etc. during bill payment were deposited in concerned bank account?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
9. Audit subject: Purchase of stationeries and supplier's bill payment		
a) In the purchase of stationeries whether government's purchase rules were followed and whether there was prior permission of the competent authority?		
b) Whether there was budget allocation in this sector?		
c) Whether register was maintained according to suppliers' work order?		
d) Against the paid bills security/penalty were deducted, as per the defined rates, and deposited in concerned bank account on time and whether that is supported by bank statement?		

Possible audit issues	Information collected in audit	Audit observation/ results
e) Whether income tax and VAT was deposited in government exchequer and whether there is treasury chalan in favor of such deposit and whether these chalans were attested by district or Upazila accounts office?		
f) Whether bills and vouchers of purchase of stationeries were correctly maintained?		
g) Whether there is explanation in case of payment of last year's bill in present year?		
h) In case of payment for the purchase of stationeries, whether the taka amount mentioned in cheque's counter foil is supported by the bank statement?		
i) Whether stock register is maintained and before payment of bills whether there are attestation made by the storekeeper on the bills that supplied goods were included in the stock register?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
10. Audit subject: Payment of contractors' bill for civil works		
a) Whether there were budget allocation and administrative and technical approvals for implementation of those civil works which were tendered in the audit year?		
b) Whether the rules related to tender and purchase of civil works were properly complied with for accomplishment?		
c) Whether the the decision of calling quotation was approved by the competent authority as per the 'delegation of financial authority'?		
d) In cases where the lowest quotations were not accepted, whether there were approvals of the competent authority with the explanations in favor of not accepting the lowest quotations?		
e) In the audit year how much taka was paid against which work orders to which contractors and how much taka was deducted as security, income tax, VAT, penalty etc. – whether with all these descriptions contractor bill register was maintained?		
f) Whether the security/penalty deducted against the paid bills was deposited in CC's concerned bank account?		
g) Whether the income tax and VAT deducted from contractor's bill was deposited in government exchequer through chalan and whether that was attested by district or Upazila accounts office?		
h) Bills not prepared correctly: whether there were		

Possible audit issues	Information collected in audit	Audit observation/ results
differences between tender amount and paid amount?		
i) Whether bill was claimed at the rates mentioned in the work order of contracted item-wise unit rates?		
j) Whether the competent authority has approved the bill?		
k) Before payment of the bill whether the competent authority has approved the certificate on quality of work and all other papers?		
l) Whether cross cheque was given against the contractor's bank account for payment of public works bill and whether the paid bill is supported by the bank statement?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
11. Audit subject: Payment of electricity bill		
a) Whether there was sufficient budget allocation for payments of all kinds of electricity bills?		
b) Whether register is maintained for sector/establishment wise descriptions of electricity-bill payments?		
c) Whether the total accumulated arrears of electricity bills according to sector and the amount paid are correct in the audit year?		
d) Whether separate accounts are there for the amount of arrear electricity bills and the paid amount?		
e) Is there any acceptable reason in favor of arrear in electricity bill?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
12. Audit subject: Payment of all telephone bills		
a) Whether there was sufficient budget allocation for payments of all telephone bills?		
b) Whether there is a description of the number of telephones used in CC and which officer, staff and, organization use those telephones?		
c) Whether the total accumulated arrears of telephone bills according to the sector and the amount paid are correct in the audit year?		
d) Is there any acceptable reason in favor of arrear in telephone bill?		
e) Whether call register is maintained with detailed		

Possible audit issues	Information collected in audit	Audit observation/ results
descriptions for each telephone?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		
13. Audit subject: Loan/liability payment		
a) Whether there was sufficient budget allocation for payments of all loans-liabilities?		
b) Whether there is accurate information on City Corporation's total loans-liabilities?		
c) The detailed description on from which organizations how much loans for which projects were taken, whether evidential documents on loan agreement copy including other conditions were maintained?		
d) Whether loans were paid within the loan repayment period according to the schedule and, if not paid, whether there are acceptable reasons in favor the arrear?		
Appropriate authority's opinion:		
Standing Committee's comments:		
Audit's recommendations:		

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