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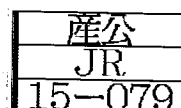
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Operational Manual

On

Paurashava Budget formulation, execution

and monitoring

SPGP (Version 1)

LGD/JICA

April 2015

Table of Contents

1. Introduction

1.1. Budget formulation, execution and monitoring

Budget is the statement of the financial planning of any organization, where the probable planned scenario of the income and expenditure of any organization of a certain time is reflected[1].

Budget is also a financial regulatory system, and outline of the future programs. This is the procedure of making plan for the next year and performs the activities, based on the experience of the last year. The progress, proper management, initiatives of development plan, and implementation of development activities of the paurashava, all depends on the proper budget preparation[2].

Paurashava, as local government institution, operates under its specific acts, rules, instructions and applicable policy provided by the Government of Bangladesh, ministries, department and agencies. The main objective of the Paurashava is to serve the people living in its operating area. The people/citizens who get municipal services are considered customers cum owners as they receive services against their taxes and intellectual support to planning, implementation and monitoring of municipal services.

To ensure transparency, accountability and better utilization of local resources for providing desired level of municipal services to the people, and the development of infrastructure facilities, annual Budget Formulation through participation of local people and civil society members is highly required.

1.2. Objective of the Operational Handbook on Paurashava Budget formulation, execution and monitoring

The annual budget formulation, execution and monitoring of progress of municipal services and facilities provided by the paurashava is one of the most critical and difficult tasks as the paurashava management (elected representatives and concerned paurashava staff) is fully accountable to the people.

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[1] Source: Paurashava training Guideline: Paurashava Accounting and Financial Management, National Institution for Local Government (NILG)
[2] Paurashava training Guideline: Paurashava Accounting and Financial Management, National Institution for Local Government (NILG)

In addition to compliance of Acts, Rules, Instructions/circular of Government, people awareness for motivation of tax payment as well as need based service planning on priority basis is also most important task to the municipal authority.

The objective of the current handbook is to improve knowledge and skills of paurashava staff and concerned elected representatives for exercising legal instruments such as acts, rules and Instructions provided by the Government of Bangladesh (ministries, departments, and agencies) for budget formulation, execution and monitoring.

2. Legal background

Applicable rules and regulations for Paurashava Budget Formulation, Execution and Monitoring are as follows;

- **Paurashava Budget (preparation and approval) Rules, 1999**
- **Local Government (Paurashava) Act, 2009**
- **Paurashava Model Tax schedule, 2014**
- **Bengal Municipal Account Rules, 1935**

These are explained and referred in the following sections.

3. Budget formulation process

3.1. Overview of process of budget formulation

This section explains the overview of budget formulation process at paurashavas.

The fiscal year of paurashava budget starts in 1st July and ends in 30th June. Paurashavas start executing approved budget from 1st July and then monitor the budget execution progress until the end of the fiscal year.

Before the current fiscal year ends, paurashavas, in collaborations and consultations with TLC (Town Level Committee) (Town Level Committee) and citizens, formulate budget for the next fiscal year.

Budget formulation and execution process is depicted as follows;

By the end of March	(1) Paurashavas start preparing budget formulation
April - May	(2) Budget is discussed in TLC meetings and comments by citizens are reflected
By the end of May	(3) Budget is approved by a special meeting (4) Budget is sent to LGD by the end of May.
June	(5) Budget is announced to public through an open budget meeting. (6) Budget is sanctioned by the end of June.
1 July	(7) Paurashavas start executing budget.
July – June	(8) Budget monitoring
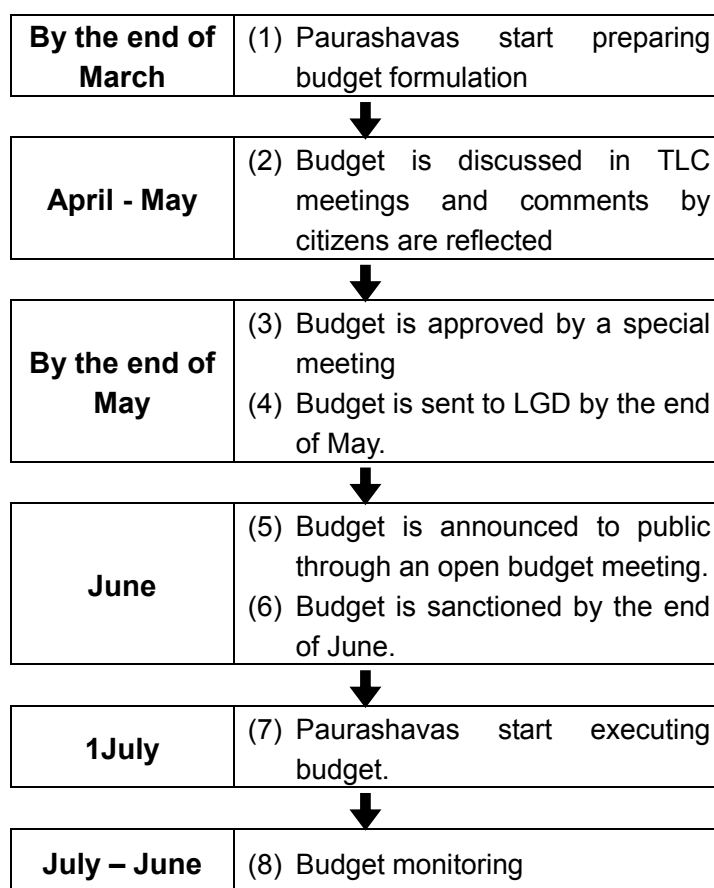
Individual budget formulation processes are explained in the following section.

3.2. Individual process of budget formulation

(1) Paurashavas start preparing budget formulation: <u>By the end of March</u>

Paurashava Budget (preparation and approval) Rules, 1999 mentions that paurashavas start preparing budget formulation before the end of March (3 months before the end of fiscal year).

> **Paurashava Budget (preparation and approval) Rules,1999**
> 6. Budget preparation system – For each Paurashava
> a. Paurashava will take initiative to prepare next year's budget before 3 months of any year ending.
> b. Paurashava will take step to prepare estimate income from the tax, rate, toll, fees, property etc. and this estimate should be prepared based on the approved rates of the government. Thereafter, Paurashava will prepare the expenditure estimate;

Paurashavas estimate the revenue based on the approved tax and fee rate of the government, and then estimate expenditures. Therefore, paurashavas are not supposed to estimate unrealistic/ excessive revenue income, which is not based on the approved tax or fee rate. Paurashavas should also review the tax collection amounts in the past, and then estimate the revenue income of the following year based on the collections in the past.

An accountant and secretary of a paurashava play important role in budget formulation process. They collect information from several sections to estimate revenue and expenditure of the next fiscal year and formulate initial draft budget.

The main formats in budget are Form Ka and Form Kha, which are supposed to be submitted to LGD in the budget formulation process.

> **Paurashava Budget (preparation and approval) Rules,1999**
> 4. Budged preparation: (1) All Paurashavas before started of financial year will prepare budget element in FORM Ka and Budget in FORM Kha for each year and submits the copy to the Prescribed Authority;

Budget formats are explained in the chapter 4 name **Overview of Budget Document** of this operational handbook.

(2) Budget is discussed in TLC meetings and comments by citizens are reflected: April – May

As in the Article **92 (2) of Local government (Paurashava) Act, 2009**, Paurashavas need to take comments from citizens and reflect them to the proposed budget.

The Local Government (Paurashava) Act, 2009
Article-92(2): The Paurashava will approve the proposed budget before 30 days starting of the concerned financial year considering public comments and advices given to the budget and will submit it to the Divisional Commissioner or to any authority assigned by the government.

Then paurashavas organizes TLC meetings in April – May (most preferably in April) to have comments on budget proposals by citizens. The member of the TLC is supposed to be smaller than 50, as stipulated in Article 115 of Paurashava Act 2009. The TLC meeting then makes comments on draft budget especially on tax assessment, tax collection, development projects and other issues.

Please see the Annex: 4 for an example of a meeting minutes of a TLC meeting of this operational handbook.

(3) Budget is approved by a special meeting: April – May, by the end of May

The proposed budget is supposed to be approved within three month before the end of fiscal year (during 1st April and 30th June), according to **Article 7 of Paurashava Budget (preparation and approval) Rules, 1999**.

At the same time, a paurashava needs to submit a draft budget to the prescribed authority (Local Government Division) 30 days before the end of fiscal year (31st May), as stipulated in Article 92 (2) of Local Government (Paurashava) Act, 2009.

Considering these articles, a paurashava is supposed approve draft budget before the end of May before the paurashava send its budget to Local Government Division.

> **Paurashava Budget (preparation and approval) Rules, 1999**
> 7. Budget Approval: Paurashava in their special meeting will consider and approve the next financial year's proposed budget within 3 months before the ending of current financial year;

> **Local Government (Paurashava) Act, 2009**
> Article-92(2): The Paurashava will approve the proposed budget before 30 days starting of the concerned financial year considering public comments and advices given to the budget and will submit it to the Divisional Commissioner or to any authority assigned by the government.

(4) Budget is sent to LGD: by the end of May

After the draft budget is approved by the special meeting of a paurashava, it is send to a division commissioner or LGD, by the end of May (30 days before the starting of the concerned fiscal year), as described in **Article 92 (2) of Local Government (Paurashava) Act, 2009**.

The budget document is prepared using Form Ka and Kha of **Paurashava Budget (preparation and approval) Rules, 1999**. They are also explained in "**4. Overview of Budget Document**" of this operational handbook.

> **Paurashava Budget (preparation and approval) Rules,1999**
> 4. Budged preparation: (1) All Paurashavas before started of financial year will prepare budget element in FORM Ka and Budget in Form Kha for each year and submits the copy to the Prescribed Authority;

It is observed that many small paurashavas tend to change the format of Form Ka and Form Kha. However, paurashavas are not supposed to make modifications to these formats.

(5) Budget is announced to public through an open budget meeting: June
After the budget is approved by a special meeting in paurashava, it is announced to public, in many cases through "open budget meetings", inviting citizens and explains the major points of the budget.

(6) Sanction of proposed budget

A division commissioner and Local government division (LGD) is supposed to modify the budget submitted by paurashavas, and the modified budget is deemed sanctioned. If a division commissioner and Local Government Division do not modify proposed budgets in thirty days, then the proposed budget is also deemed sanctioned.

Local Government (Paurashava) Act, 2009
92. Budget:
(4) Within thirty days of the receipt of the copy of a budget under sub-section (1), the Government may modify it by order and this modified budget shall be deemed as the sanctioned budget of the Municipality.

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(7) Paurashavas start executing budget: 1st July

After the new fiscal year started in 1st July, a paurashava starts executing the budget of the new fiscal year.

Before staring executing budget for the new fiscal year, paurashavas need to prepare new cashbooks and registers.

At the same time, paurashavas stop using the old cashbooks and registers of the previous fiscal year. Paurashavas then close the cashbook of the previous fiscal year and transfer the closing balance to the cashbook of the new fiscal year as opening balance. Paurashavas also need to reconcile the budget execution of the previous fiscal year to prepare their annual statement.

See "Handbook on Paurashava Accounting and Budget Execution" to know how to close and reconcile cashbook.

(8) Budget execution and monitoring: During the fiscal year

During the fiscal year, paurashavas need to record the budget execution (income and expenditure) and monitor the progress of budget execution. The rules in budget execution are explained in "**5. Budget formulation, execution and monitoring**" of the current handbook.

A paurashava monitor the budget execution every month and every quarter, producing "Quarterly and Annual Account of Receipts and Payments", and examine if the

expenditure of each budget item is within the approved budget amount. It is also important to monitor the progress of tax collection and make sure that the paurashava achieves target revenue amount. The paurashava also produce an annual statement at the end of each fiscal year and publish it.

Budget monitoring is basically under the responsibility of Account and Audit standing committee, which is composed of a mayor and four councillors, as explained in the circular below;

The formation of Account and Audit related standing committee will be as follows:

SI. No.	Name	Designation	Position in the Committee
01		Councillor (General/Reserve), Ward No.	President
02		Mayor, by virtue of position	Member
03		Councillor (General/Reserve), Ward No.	Member
04		Councillor (General/Reserve), Ward No.	Member
05		Councillor (General/Reserve), Ward No.	Member

Circular on Formation of Municipal Standing Committee & sending a copy of sub rules regarding activities of committee, dated 02.01.2013

c. Accounting and Audit related Committee
Activities of Committee:
1. Assisting all in proper maintenance of all accounts
2. Regular inspection of collection and reserve
3. Ensuring that all activities of municipal are run as per government guidelines
4. Assisting all in publishing all accounts in public to ensure transparency and accountability
5. Audit the accounts annually and present the report on Paura Parshid meeting
6. Formulating plans for overall computerization of accounts department and assisting in implementation
7. Internal audit after periodic interval
8. If there is computer software for accounts, then continuing use
9. Committee can co-opt the District or Upazila accounts officer as an expert member
10. Others related activities

During the fiscal year, many paurashavas decide which project to implement. Projects implemented during the fiscal year in a paurashava are discussed and determined

during the fiscal year, after the end of 1st Quarter (30 September) when paurashava receive the first instalment of the ADP budget.

When determining project, paurashavas are encouraged to organize WLCC meeting to discuss the priorities of proposed projects. Projects should be discussed in TLC meeting again to decide which projects to be implemented.

When discussing which projects to be implemented, paurashavas need to pay attentions to ADP guidelines, as specified in **Paurashava Budget (preparation and approval) Rules, 1999**.

Paurashava Budget (preparation and approval) Rules,1999
6.Budget preparation system – For each Paurashava
d. In case of Annual Development Grants expenditure, need to follow the circular of government time to time.

The current ADP guideline is "Guideline Regarding undertaking and implementation of development project by Paurashava" issued in 2001. This guideline specifies the proportion of development budget allocation to sectors (e.g. health, water or market construction), as follows;

Guideline Regarding undertaking and implementation of development project by Paurashava And Paurashava (Treaty) Ordinances, 2001
1. Under annual development program, only the following sector projects will receive sanction from development aid fund:
a. Public Health (5-15% of total allocation)
b. Drinking water and sewerage
c. Construction and maintenance of market and bus-terminal (10-15% of total budget)
d. Development of roads (20-45% of total budget)
e. Lighting of roads (5-10%)
f. Auditorium/ Community centre and park construction and forestation (5-10%)
g. Construction and maintenance of Paurashava building

When new guidelines are issued, paurashava need to pay attentions to them and follow.

4. Overview of Budget Document

4.1. Formats of Budget Document

Formats of budget documents are specified in **Paurashava Budget (preparation and approval) Rules, 1999**. The main formats in budget are Form Ka and Form Kha, which are supposed to be submitted to Local Government Division.

Paurashava Budget (preparation and approval) Rules,1999
3. Budged preparation: (1) All Paurashavas before started of financial year will prepare budget element in FORM Ka and Budget in Form Kha for each year and submits the copy to the Prescribed Authority;

Form Ka is the summary of a paurashava budget, which summarizes the income and expenditure of (i) Revenue budget, (ii) Development budget and (iii) Capital budget, and Form Kha shows the details of each budget.

Form Ka is most useful to understand the overall picture of the budget of a paurashava. As mentioned above, the revenue surplus (Revenue income – Revenue expenditure) is supposed to be transferred to development budget, and spent for infrastructure development. It is therefore recommended that paurashava monitor the progress of income and expenditure every month to examine how much can be transferred from Revenue budget to Development budget.

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Form Ka
(Section-3)

</div>

Description	Actual of previous year	Current year Budget or Current Year Revised budget	Budget of upcoming year
(A) Revenue account Income from part-1 Income from part-2			
Total income:			
Less: Revenue expenditure Part-1 Part-2			
Total expenditure:			
Grand Total revenue surplus			
(B) Development account Government Donation Revenue surplus Others			
Total :			
Less: Development expenditure			
Total budget surplus/shortage Add: Opening balance			
Closing balance:			
(C) Capital account Total income : Total expenditure :			
Closing balance regarding capital account:			

Form Kha shows the details of what was summarized in Form Ka for (i) Revenue budget, (ii) Development budget and (iii) Capital budget.

Formats of Kha (a) Part-1and Part-2, Form Kha (b) and Form Kha (c) are as follows[3];

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[3] Please note that this is a simplified format. See Annex 1 for the full format with detailed budget items.

Form Kha

(Section-3)

…………….. Paurashva's Budget

Financial Year:………………………

(a) Revenue Account

Part-1

Income				Expenditure			
Head of Income	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**	**Head of Expenditure**	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**
Taxes				General Establishment			
Tax on holding and land				Education Expenses			
---				----			
Sub-Total				**Sub-Total**			

Part-2

Income				Expenditure			
Head of Income	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**	**Head of Expenditure**	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**
Water Tax Connection Fees …				Salary and allowances of water section employees Electricity bill-for water supply … Depreciation Fund			
Sub-Total				**Sub-Total**			
Total Income (Part 1+2)				**Total Expenditure** (Part 1+2) **Transfer to Development account** (Part 1+2)			
Opening balance (Part 1+2)				**Closing balance** (Part 1+2)			
Grand Total				**Grand Total**			

(b) Development Account

Income				Expenditure			
Head of Income	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**	**Head of Expenditure**	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**
Government Aid				**Infrastructure:**			
				Road construction Road maintenance Bridge culvert construction …			
Revenue Surplus				Hat/Bazar(Market) Development			
Part-1				Bus Terminal Development			
Part-2				Bus Terminal Maintenance			
Donation			…	…			…
…			…	Others			…
Opening Balance				Closing Balance			
Total				**Total**			

(c) Capital Account

Income				Expenditure			
Head of Income	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**	**Head of Expenditure**	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**
Loan received				Loan repayment			
Loan refund				Loan payment			
Received from Investment				Miscellaneous			
…				…			
Total Receipts				**Total Expenditure**			
Opening balance				Closing balance			
Total				**Total**			

In addition, there are some more budget formats as follows (See Annex 1);

- Form Ga: a list of regular officer and staff including name, designation, salary, salary scale and their bonus and required amount

- Form Gha: a list of contractual staff and their related information, and

- Form Uma: Particulars of the fund received by the Government for any special project

Form No	Name of the form	Rule no.
Form Ka	Component of budget	Rule- 3
Form Kha(a)	Revenue accounts (Part- 1)	Rule- 3
Form Kha(a)	Revenue accounts (Part-2)	Rule- 3
Form Kha(b)	Development Accounts	Rule- 3
Form Kha(c)	Capital Accounts	Rule- 3
Form Ga	Particulars of the regular officer/ staffs	Rule- 5
Form Gha	Particulars of the contract based staffs	Rule- 5
Form Umo	Particulars of the fund received by the Government for any special project	Rule- 5

See Annex 1 for each format. The rules are those of Paurashava Budget (preparation and approval) Rules, 1999.

4.2. Accounts of budget document

A budget document of a paurashava is composed of three budgets, namely i) Revenue budget, ii) Development budget and iii) Capital budget, as specified in **Article 6 of Paurashava Budget(preparation and approval) Rules, 1999.**

Revenue budget:

Revenue budget is the budget prepared from their own fund to meet up their regular expenditures.

Income of the revenue budget is mainly tax revenue (e.g. holding tax), land transfers, fees (e.g. business license and other fees). Revenue from water connection fees is also included in this.

Expenditures of the revenue budget include establishment expenses, education and health and sanitation expenses and salary and allowances of water supply section, etc.

Establishment expenses, including honorarium of Mayor and Councillors, and salary of employees excluding water supply section, vehicle expenses, telephone bill and electricity bill, cannot be more than 50% of revenue income, as specified in **Paurashava Budget (preparation and approval) Rules, 1999**.

The revenue surplus (revenue income – revenue expenditure) is transferred to development budget.

Development budget:

Development budget is the budget prepared to initiate development activities with the fund provided by the government, development partners and others.

Revenue surplus transferred from revenue budget is also a part of the income of development budget.

Capital budget:

Capital budget represents the income and expenditure transactions which are given below:

Income[4]**:**

- ➢ Loan received by the paurashava;
- ➢ Collection of loan provided by the paurashava;
- ➢ Income from the investment and securities;
- ➢ Fund transferred to the gratuity fund of the officer and staffs of the paurashava
- ➢ Fund transferred by the paurashava in depreciation fund

Expenditures:

- ➢ Repayment of loan by the paurashava;
- ➢ Loan paid (disburse) by the paurashava;
- ➢ Purchase of securities and other investment;
- ➢ Any expenditures from depreciation fund;
- ➢ Real expenditure for the gratuity of the officer and staffs of the paurashava.

The summary of the budget of three accounts is indicated in **Form Ka of Paurashava Budget (preparation and approval) Rules, 1999**. This format is most useful when looking at the overview of the budget of a paurashava.

Form Ka of Paurashava Budget (preparation and approval) Rules, 1999 is as show in the following table;

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[4] Source: Article 3(2)(c)6 of Paurashava Budget (preparation and approval) Rules,1999

Description	Actual of previous year	Current Year Budget or Current Year Revised budget	Budget of upcoming year
Form Ka (Section-3)			
(A) Revenue account Income from part-1 Income from part-2			
Total income			
Less: Revenue expenditure Part-1 Part-2			
Total expenditure :			
Total revenue surplus :			
(B) Development account Government aid Revenue surplus Others			
Total :			
Less: Development expenditure			
Total Budget surplus/shortage Add: Opening balance			
Closing balance:			
(C) Capital account Total income : Total expenditure :			
Closing balance regarding capital account:			

The three accounts, (a)Revenue account, (b)Development account, and (c) Capital account are interrelated, as follows;

(i)   **Transfer from Revenue account to Development account**

      The revenue surplus (revenue income – revenue expenditure) is transferred from (a) Revenue account to (b) Development account.

(ii)   **Transfer from Revenue account to Capital Account**

    ➢   When a paurashava is repaying debts, the funds for repayments would be transferred from Revenue account to capital account. Repayments of debts are made as capital expenditure.

    ➢   When a paurashava saves some amount for the gratuity for officials and staffs, the paurashava transfers the amount from (a) Revenue account Part-1to (c) Capital account, and keeps it in gratuity fund.

    ➢   A paurahsva which provide water supply services are supposed to keep 2.5% of

water fee revenue into a separate account (Depreciation fund). This is also regarded as a transfer from Revenue account Part-2 (water section) to Capital account.

Relationship among three accounts in Form Ka

(a) Revenue account	
Revenue income	
Income from part-1	Revenue from Tax, rate and fee
Income from part-2	Revenue from water tariff and connection
Total income :	Total revenue income (of Part-1and 2)
Less: Revenue expenditure	
Part-1:	Expenditure for establishment, education, health and sanitation etc.
Part-2:	Expenditure for salary and allowance of water supply department etc.
Total expenditure :	Total revenue expenditure (of Part-1and 2)
Total revenue surplus :	=[Total revenue income] – [Total revenue expenditure]

> (i) Transfer from (a) Revenue account to (b) Development

(b) Development account	
Government aid	
Revenue surplus	
Others	
Total:	
Less: Development expenditure	Total development expenditure (of all projects)
Total Budget surplus/ shortage	=[Total development income] – [Development expenditure]
Add: Opening balance	Opening balance of Revenue account and Development account
Closing balance:	Closing balance of Revenue account and Development account
(c) Capital account	
Total income :	
Total expenditure :	
Closing balance of capital account :	

> (ii) Transfer from (a) Revenue account to (c) capital account

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An example of Form Ka is as follows[5];

Example of Form Ka

Particulars	Budget for next year-TK.
A. Revenue account	
Income from Part-1	1,250,000
Income from Part-2	800,000
Total Income :	**2,050,000**
Less: Revenue Expenditure	
Part-1	750,000
Part-2	626,000
Total Expenditure :	**1,376,000**
Total revenue surplus :	**674,000**
B. Development account	
Government Grant	1,000,000
Revenue surplus	674,000
Others	-
Total :	1,674,000
Less: Development expenditure	1,520,000
Total Budget surplus/shortage	154,000
Add: Opening balance	36,000
Closing balance :	**190,000**
C. Capital account	
Total income :	50,000
Total expenditure :	40,000
Closing balance of capital account :	**10,000**

In this example, [Total (Revenue) income] is TK. 2,050, 000, and [Total (Revenue) expenditure] is TK. 1,376,000, then [Total revenue surplus] is TK. 674,000.

Naturally, the revenue surplus is calculated as follows;

[Revenue income] – [Revenue expenditure] = [Revenue surplus]

[Revenue surplus] is then transferred to development account. In other words, if a paurashava increase revenue surplus, it can increase its development expenditure.

As specified in Article 11 of **Paurashava Budget (preparation and approval) Rules, 1999**, paurashavas cannot spend more than 50% of collected revenue income for

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[5] Please note that this table is showing the sample of one year (budget for next year). However, Form Ka has to show three year budget (i) Actual budget of previous year, (ii) Revised budget of current year, (iii) Budget for next year.

establishment. Therefore, paurashavas basically need to generate revenue surplus more than 50% of revenue account and transfer it to development account.

In this example, [Government grant] is TK. 1,000,000, and [Replacement of revenue surplus], which is the revenue surplus transferred to development account is TK. 674,000, and thus the total development income is TK. 1,674,000. As [Development expenditure] is TK. 1,520,000, [Total surplus or shortage] is TK. 154,000.

Total surplus is calculated as follows;

```
[Development income (including revenue surplus] - [Development expenditure]
                                                        = [Total surplus]
```

This is called as [Total surplus], as this is including the surplus of both revenue account and development account.

 [Closing balance] is then calculated from [Total surplus] and [Opening balance].
[Opening balance] is the balance of all account (revenue account and development account) at the beginning of the fiscal year, and [Closing balance] is the balance of all accounts at the end of the fiscal year.

Adding [Total surplus] (total income minus total expenditure) to [Opening balance], [Closing balance] is obtained. This is described as follows;

```
Total surplus
+ Opening balance (Total of revenue account and development
account)
= Closing balance (Total of revenue account and development
account)
```

Opening balance is the summation of the opening balance of 3 accounts (Revenue account Part- 1, Revenue account Part-2 and Development Account) as shown below;

Account	Opening balance TK.
Revenue account Part- 1	10,000
Revenue account Part-2	6,000
Development account	20,000
Total Opening balance	**36,000**

In this example, [Total surplus] is TK. 154,000 and [Opening balance] is TK. 36,000. Then, [Closing balance] will be TK. 190,000.

Closing balance calculated above will be the same as the summation of the closing balance of 3 accounts (Revenue account Part- 1, Revenue account Part-2 and Development account).

In this example, the summation of the closing balance of 3 accounts are as shown in the following table. This is same as the closing balance calculated from total surplus and opening balance.

Account	Closing balance TK.
Revenue account Part-1	50,000
Revenue account Part-2	30,000
Development account	110,000
Total Closing balance	**190,000**

Please note that calculation of revenue surplus without consider opening and closing balances of revenue part-1 and 2; so the <u>actual</u> transfer from revenue account to development account is not always same as the <u>revenue surplus indicated in Form Ka</u> (which is transferred from Revenue account to Development account). Therefore, there are some technical discrepancies between the actual transfers and the calculated transfers in Form Ka. Please see **Annex 2** for more details.

4.3 Relationship between Form Ka and Form Kha

4.3.1 Form Kha of Paurashava Budget (preparation and approval) Rules, 1999

Form Kha of **Paurashava Budget (preparation and approval) Rules, 1999** shows the details of what were summarized in Form Ka for (a) revenue account, (b) development account and (c) capital account.

There are three formats for Form Kha as follows;

Formats of Form Kha

Format	Relevant account
Form Kha (a)	Revenue account Part-1
	Revenue account Part-2
Form Kha (b)	Development account
Form Kha (c)	Capital account

The format of Form Kha (b), which is for the development account, is as follows;

Form Kha
(Section-3)
…………….. Paurashva's Budget
Financial Year:………………………
(b) Development account

Income				Expenditure			
Head of Income	Actual of Previous Year	Budget or Revised Budget of Current Year	Budget of Upcoming year	Head of Expenditure	Actual of Previous Year	Budget or Revised Budget of Current Year	Budget Upcom year
Government aid				Infrastructure:			
				Road construction			
				Road maintenance			
				Bridge culvert construction			

Revenue Surplus				Hat/Bazar(Market) Development			
Part-1				Bus Terminal Development			
Part-2				Bus Terminal Maintenance			
Donation							
				Others			
Opening Balance				Closing Balance			
Total				**Total**			

The left side of Form Kha shows income, while the right side shows is expenditure. At the same time, Form Kha shows opening balance on the left, and closing balance on

the right. The relationship among [Income] [Expenditure] [Opening balance] and [Closing balance] can be described as in the following table.

Relationship among income, expenditure, opening balance and closing balance

[Income]	1,000	[Expenditure]	950
[Opening balance]	100	[Closing balance]	150
Total	1,100	Total	1,100

[Opening balance] for example of Development account is the balance of bank account for development account at the beginning of the fiscal year. Similarly, [Closing balance] is the balance at the end of fiscal year.

Suppose the opening balance of development account of a paurashava is TK. 100, the paurashava received income TK. 1,000 and then spent TK. 950 in this fiscal year. Then, the remaining amount in the account at the end of fiscal year will be TK. 150. This can be described as follows;

[Opening balance: TK. 100] + [Income: TK. 1,000] – [Expenditure: TK. 950] = [Closing balance: TK. 150]

This is then transformed as follows;

[Opening balance: TK. 100] + [Income: TK. 1,000] = [Expenditure: TK. 950] + [Closing balance: TK. 150]

Then, the left side and right side of Form Kha should always show the same figures.
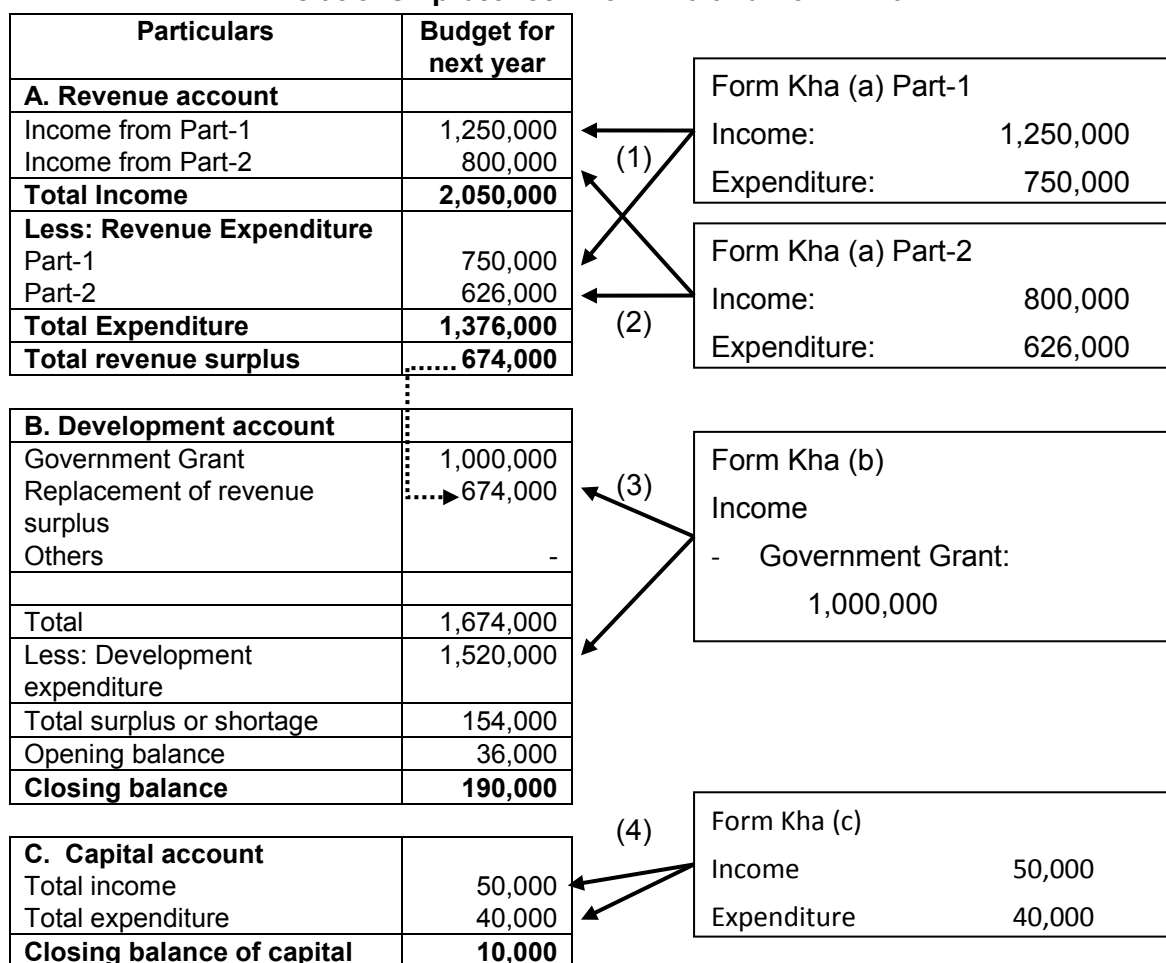
4.3.2 Relation between Form Ka and Form Kha

In this section, the relationship between Form Ka and Form Kha is explained. There are three kinds of Form Kha corresponding to account namely;

- Form Kha (a) for Revenue account Part-1 and Revenue account Part-2
- Form Kha (b) for Development account
- Form Kha (c) for Capital account

The details are described in Form Kha, and Form Ka shows the summary of Form Kha. In the actual practice, paurasavas prepare Form Kha and then input the summary of Form Kha into Form Ka.

The relationship between Form Ka and Form Kha is depicted as in the following chart.

Relationship between Form Ka and Form Kha

Particulars	Budget for next year
A. Revenue account	
Income from Part-1	1,250,000
Income from Part-2	800,000
Total Income	**2,050,000**
Less: Revenue Expenditure	
Part-1	750,000
Part-2	626,000
Total Expenditure	**1,376,000**
Total revenue surplus	**...... 674,000**
B. Development account	
Government Grant	1,000,000
Replacement of revenue surplus	674,000
Others	-
Total	1,674,000
Less: Development expenditure	1,520,000
Total surplus or shortage	154,000
Opening balance	36,000
Closing balance	**190,000**
C. Capital account	
Total income	50,000
Total expenditure	40,000
Closing balance of capital	**10,000**

Form Kha (a) Part-1
Income: 1,250,000
Expenditure: 750,000

(1)

Form Kha (a) Part-2
Income: 800,000
Expenditure: 626,000

(2)

Form Kha (b)
Income
- Government Grant: 1,000,000

(3)

Form Kha (c)
Income   50,000
Expenditure   40,000

(4)

The following section describes the relationship between Form Ka and Form Kha for (1) Revenue account Part- 1, (2) Revenue account Part-2, (3) Development account and (4) Capital account.

(1) The relationship between Form Ka and Form Kha (a) Part- 1: Revenue account Part- 1

As mentioned above, the details of Revenue account Part-1 in Form Ka is described in Form Kha (a) Part- 1. The relationship between Form Ka and Form Kha (a) Part-1 for Revenue account Part-1 is as follows;

Form Ka (Extracted)

Particulars	Budget for next year-TK. . FY-2013-2014
A. Revenue account	
Income from Part-1	1,250,000
Income from Part-2	800,000
Total Income	**2,050,000**
Less: Revenue Expenditure	
Part-1	750,000
Part-2	626,000
Total Expenditure	**1,376,000**
Total revenue surplus	**674,000**

Form Kha(a): Revenue Account Part- 1

Head of Income	Budget for Next year FY: 2013-2014	Head of Expenditure	Budget for Next year FY: 2013-2014
Taxes	600,000	**General Establishment**	
		Honorarium for Mayor and Councillors	200,000
Rate	400,000	Salary and allowances of employees (other than water section)	400,000
		Transfer to Gratuity fund (Capital account)	10,000
Fees	150,000	**Sub-Total**	**610,000**
		Education Expenses	50,000
		Health and Sanitation	80,000
		Tax collection expenditure	10,000
Others	100,000		
Sub- Total	**1,250,000**	**Sub-Total**	***750,000***
		Transfer to Development account	460,000
Opening balance	**10,000**	**Closing balance**	50,000
Total	**1,260,000**	**Total**	**1,260,000**

Total income of Revenue account Part-1

Total expenditure of Revenue

Income of Revenue account Part- 1

Income of Revenue account Part-1 is indicated on the left side of Form Kha (a) Part- 1. The income of Revenue account Part-1 comes from various sources such as holding tax, tax on transfer of immovable property, tax on building construction and reconstruction, conservancy rate, lighting rate, license fee, paura market fee, others.

In this example, the total income of Revenue account Part-1, which is then input into Form Ka is TK. 1,250,000. Please be noted that this does not include the amount of opening balance.

As the opening balance of Revenue account Part-1 is TK. 10,000, the total of left side is TK. 1,260,000.

Expenditure of Revenue account Part- 1

Expenditure of Revenue account Part-1 is indicated on the right side of Form Kha (a) Part-1. The expenditure from Revenue account Part-1 includes honorarium of Paurashava Mayor and Councillors, salary of staff (other than water section), transfer to gratuity fund, education expenditure, health and sewerage system, tax collection expenses.

In this example, the total expenditure of Revenue account Part- 1, which is then input into Form Ka, is TK. 750,000. **This does not include the transfer to the development account and closing balance either.**

The transfer to the development account from revenue account Part-1 to is TK. 460,000 and thus the closing balance will be TK. 50,000. This can be summarized as follows;

Income TK. 1,250,000 + Opening balance TK. 10,000
= Expenditure TK. 750,000 + Transfer to Development account TK. 460,000 + Closing balance TK. 50,000

Please note that [Transfer to Development account] indicated in Form Kha (a) Part-1 is the "actual" transfer from Revenue account Part-1 to Development account. This might not always same as the revenue surplus which is supposed to be transferred to development account in Form Ka (Please also see **Annex 2** for more details).

(2) The relationship between Form Ka and Form Kha (a) Part-2 (Revenue account Part-2)

Similarly, the relationship between Form Ka and Form Kha (a) Part-1 for Revenue account Part-2 is described as follows;

Form Ka (Extracted)

Particulars	Budget for next year-TK. . FY-2013-14
A. Revenue account	
Income from Part-1	1,250,000
Income from Part-2	800,000
Total Income	**2,050,000**
Less: Revenue Expenditure	
Part-1	750,000
Part-2	626,000
Total Expenditure	**1,376,000**
Total revenue surplus	**674,000**

Form Kha (a): Revenue Account Part-2 (Water section)

Head of Income	Budget for Next year FY: 2013-14	Head of Expenditure	Budget for Next year FY: 2013-14
Water tax	625,000	Salary and allowances of water section employees	360,000
Connection Fees	100,000	Electricity for water supply	160,000
Reconnection Fees	50,000	Water line connection expenses	50,000
Sur charge	10,000	Pump House Repair and maintenance	25,000
Sale of Form	5,000	Stationary	11,000
Others	10,000	Postage and telephone	0
		Transfer to Depreciation Fund (Capital account)	20,000
Sub-Total	**800,000**	**Sub-Total**	**626,000**
		Transfer to Development account	150,000
Opening balance	6,000	**Closing balance**	30,000
Total	**806,000**	**Total**	**806,000**
Total Income (1+2)	2,050,000	Total Expenditure (1+2)	1,376,000
Opening balance (1+2)=(10,000+6,000)	16,000	Total transfer to development fund	610,000
		Total closing balance(1+2)(30,000+50,000)	80,000
Total	**2,066,000**	**Total**	**2,066,000**

Total income of Part 2

Total expenditure of Part

Total income of Part 1 and Part 2

Total expenditure of Part 1 and Part

This part shows the total of Part 1 and Part 2.

Income of Revenue account Part-2 (Water section)

Income of Revenue account Part-2 is indicated on the left side of Form Kha (a) Part-2. The income of Revenue account Part-2 comes from various sources such as water rate, connection fees, re-connection fees, surcharge and others.

In this example, the total income of Revenue account Part-2, which does not include the opening balance, is TK. 800,000. This is then input into Form Ka.

As the opening balance of Revenue account Part-2 is TK. 6,000, the total income of Revenue account including opening balance will be TK. 806,000.

Expenditure of Revenue account Part-2 (Water section)

Expenditure of Revenue account Part-2 is indicated on the right side of Form Kha (a) Part-2. The expenditures from Revenue account Part-2 include salary expenditure of water section staff, electricity bill (water supply purpose), pipe line connection expenses, and pump house repairs expenditure.

In this example, the total expenditure of Revenue account Part-2, which does not include the closing balance and transfer to development account amount is TK. 626,000. This is the input into Form Ka.

The transfer to the development account from revenue account Part-2 to is TK. 150,000 and thus the closing balance will be TK. . 30,000. This can be summarized as follows;

Income TK. 800,000 + Opening balance TK. 6,000
= Expenditure TK. 626,000 + Transfer to Development account TK. 150,000 + Closing balance TK. 30,000

Summary of Income and expenditure of Revenue account Part-1and Part-2

The bottom of Form Kha (a) Part-2 shows the summary of income and expenditure of Revenue account Part-1and Part-2.

The left side shows the revenue income (of Part-1 and Part 2) and opening balance. The right side shows the revenue expenditure (of Part-1 and Part-2), transfer to development account, and closing balance.

For example, the total revenue income of Part-1 is TK. 1,250,000 and the revenue income of Part- 2 is TK. . 800,000, then the total revenue income of Part -1 and Part-2 will be TK. 2,050,000. Similarly, the total opening balance of Part-1and Part-2 is TK. 16,000, and the total of the left side (revenue income including opening balance) is TK. 2,066,000.

The right side shows total expenditure (TK. 1,376,000), transfer to development account (TK. 610,000) and the closing balance (TK. 80,000). The total expenditure, including the transfer to development account and the closing balance (TK. 2,066,000) will be same as the total income including the opening balance.

[Income]	**2,050,000**	[Expenditure]	**1,376,00**
Part- 1	1,250,000	Part-1	**0**
Part-2	800,000	Part-2	750,000
			626,000
		[Transfer to Development	**610,000**
		account]	460,000
		Part- 1	250,000
		Part-2	
[Opening balance]	**16,000**	[Closing balance]	**80,000**
Part- 1	10,000	Part- 1	50,000
Part-2	6,000	Part-2	30,000
Total	**2,066,000**	Total	**2,066,00**
			0

(3) The relationship between Form Ka and Form Kha (b): Development account

In Development account, the details of the income and expenditure indicated in Form Ka are described in Form Kha (b). The relationship between Form Ka and Form Kha (b) is described as follows;

Form Ka (Extracted)

Particulars	Budget for next year-TK. FY-2013-2014
A. Revenue account	
Income from Part-1	1,250,000
Income from Part-2	800,000
Total Income	**2,050,000**
Less: Revenue Expenditure	
Part-1	750,000
Part-2	626,000
Total Expenditure	**1,376,000**
Total revenue surplus	**674,000**

This goes to Development account.

B. Development account	FY:2013-2014
Government Grant	1,000,000
Replacement of revenue surplus	674,000
Others	-
Total	1,674,000
Less: Development expenditure	1,520,000
Total surplus or shortage	154,000
Opening balance	36,000
Closing balance	**190,000**

These do not necessarily match.

Form Kha(b): Development account

Head of Income	Budget for Next year FY: 2013-2014	Head of Expenditure	Budget for Next year FY: 2013-2014
Government Grant	1,000,000	**Infrastructure construction**	
		Road	1,000,000
Revenue Surplus		Bridge	300,000
From Part-1	460,000	Culvert	100,000
From Part-2	150,000	Drain	100,000
		Water line	
Donation	0		
		Hat –Bazar	20,000
Others		Bus Terminal	
Sub-Total	*1,610,000*	*Sub-Total*	*1,520,000*
Opening Balance	20,000		
		Closing balance	110,000
Total	**1,630,000**	**Total**	**1,630,000**

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Income of Development account

The income of development account, which is represented by government grant and transfer from Revenue account, is indicated on the left side of Form Kha (b). In this example, Government grant is TK. 1,000,000, and this is input into Form Ka.

Replacement of revenue surplus indicated in Form Ka is TK. 674,000. This comes from Revenue account section of Form Ka (not from Form Kha (b)). Total Revenue Surplus calculated in Form Ka is TK. 674,000 (Total revenue income TK. 2,050,000 – Total revenue expenditure TK. 1,376,000). As mentioned above, the actual transfer from revenue account to development account does not always match with the revenue surplus calculated in Form Ka (please see Annex 2 for more details).

Adding opening balance of development account (TK. 20,000) to the total development income (TK. 1,610,000), the total income including opening balance is TK. 1,630,000.

Expenditure of Development account

The expenditure of development account, which is mostly development of infrastructures, is indicated on the right side of Form Kha (b). In this example, total development expenditure is TK. 1,520,000. This is also input into Form Ka.

Adding closing balance of development account (TK. 110,000) to the total development expenditure (TK. 1,520,000), the total expenditure including closing balance is TK. 1,630,000.

(4) The relationship between Form Ka and Form Kha (c): Capital account

In Capital account, the details of the income and expenditure indicated in Form Ka are described in Form Kha (c). The relationship between Form Ka and Form Kha (c) is described as follows;

Form Ka (Extracted)

C. Capital account	FY:2013-14
Total income (including opening balance)	50,000
Total expenditure	40,000
Closing balance of capital	**10,000**

Form Kha(c): Capital account

Head of Income	Budget for Next year FY: 2013-14	Head of Expenditure	Budget for Next year FY: 2013-14
Loan received		Loan refund (BMDF)	25,000
Refund of Loan		Loan disbursement	15,000
Income from various Investment		Various Investment	
Depreciation Fund-Part-2	20,000	Expenditure from Depreciation Fund	
Gratuity Fund-Part-1	10,000	Expenditure from Gratuity Fund	
Others			
Sub-Total	*30,000*	*Sub-Total*	*40,000*
Opening Balance	20,000		
		Closing balance	10,000
Grand Total	**50,000**	**Grand Total**	**50,000**

Income of Capital Account includes loan received, returned of paid disbursed loan, income from different investment, depreciation fund, and gratuity fund.

A depreciation fund is a deposit of a paurashava for water facility maintenance. Paurashavas are supposed to deposit 2.5% water revenue into a separate account (Depreciation fund) in Capital account. This is regarded as a transfer from Revenue account Part-2 (water section) to Capital account. Therefore, the receipt of depreciation fund (TK. 20,000) should equal to the amount of transfer from Revenue account Part- 2 (water section).

 Similarly, paurashavas save funds for gratuity of staffs and officials. The saving is regarded as a transfer from Revenue account Part-1to capital account. Then, the receipt of gratuity fund (TK. 10,000) should equal to the transfer amount from Revenue Account Part-1(Gratuity fund transfer, under general establishment head).

The total income of capital account including opening balance is TK. 50,000. It is the summation of transfer amount from Revenue Part-1 as gratuity fund transfer amount (TK. 10,000) and the transfer from Revenue account Part-2 to depreciation fund (TK. 20,000) and opening balance (TK. 20,000).

Expenditures of Capital account include loan refund, loan disbursement, investment, expenditure from depreciation fund, gratuity expenses (refund).

Total expenditure of capital account is TK. 40,000. In this example, the capital expenditure is loan refund (loan repayment to BMDF, TK. 25,000) and loan disbursement (loans provided to staffs and officials) (TK. 15,000).

Adding closing balance TK. 10,000, the Grand Total is TK. 50,000.

5. Budget execution, monitoring and reporting

5.1. Budget execution

5.1.1. Rules on budget executions

There are several rules and restrictions for budget executions which paurashavas need to pay attentions.

Such rules are;

(1) Upper limit of the establishment cost
(2) Restrictions on expenditure more than approved budget and adaptations
(3) Regulations on minimum closing balance
(4) Regulations on increasing salary expenses of contract staffs

(1) Upper limit of the establishment cost

As specified in **Article 11 (1) of Paurashava Budget (preparation and approval) Rules, 1999**, paurashavas cannot spend more than 50% of revenue income for establishment cost.

Paurashava Budget (preparation and approval) Rules,1999
11.Expenditure restriction:
(1)The Paurashava will not expend more than 50% of collected revenue income for establishment in the relevant financial year;

Establishment expenses showing as General Establishment expenses in the Budget form 'Kha' under rule 3 of **Paurashava Budget (preparation and approval) Rules, 1999**.

General Establishment expenses include the following items:

a	Paurashava Mayor/Councillors' Honorarium
b	Salary of Officers and Staff other than water section
c	Transfer to Gratuity Fund
d	Transport repairs and fuel
e	Telephone
f	Electricity bill
g	Contingency Expenses

Naturally, most of the revenue income is generated from tax income, such as from holding tax. Because paurashavas are regulated not to spend more than 50% of revenue income to establishment expenses, paurashavas must spend more than 50% of revenue income (tax income) for public services and infrastructure development.

If paurashavas can explain that they spend most of the tax revenue for public services and infrastructure development through TLC or open budget meeting, the level of satisfactions of citizens toward paurashavas would improve.

(2) Restrictions on expenditure more than approved budget and adaptations

As specified in **Article 11(2) of Paurashava Budget (preparation and approval) Rules, 1999**, paurashava cannot make expenditure which is not included in the approved budget. Paurashava cannot adapt any allocation from one head or sub-head to another head or sub-head either, as in **Article 12**.

Paurashava Budget (preparation and approval) Rules,1999 11.Expenditure restriction: (2) Paurashava cannot expend in any means excluded the approved budget;	
Paurashava Budget (preparation and approval) Rules,1999 12.Adaptation of expenditure head: Paurashava cannot adaptation any allocation from one head or sub-head to another head or sub-head: But to tackle any disaster or critical situation, adaptation can be made with the prior approval of the Prescribed Authority;	

The budget head and sub-head is interpreted as the budget head in Form Kha. The budget head at the top level (e.g. 1 General establishment, 2. Educational expenses) is regarded as budget head, and the ones at the second level (e.g. 1) Mayor or Councillors' honorarium, and 2) Salary and allowances of employees excluding water supply section are as sub-head.

Therefore, it is not allowed to adapt the budget for 1) 1) Mayor or Councillor's honorarium into 2) Salary of employees excluding water supply section, for example. It is not allowed to adapt the budget for 1. General establishment to 2. Educational expenses, either.

Examples of budget head / sub-head in Form Kha

Serial no		Expenditure Heads/Sub heads
1		**General establishment**
	1)	Mayor and Councilor's honorarium
	2)	Salary of employees excluding water supply section
		…
2		**Educational expenses**
		…

Budget head

Sub-head

Likewise, budget allocation by annual development grants cannot be spend as revenue expenses, as stipulated in **Article 6** of **Paurashava Budget (preparation and approval) Rules,1999.**

Paurashava Budget (preparation and approval) Rules,1999
6. Budget preparation system – For each Paurashava
e. Annual Development Grants will not permitted to expenditure in revenue head;

Paurashava should be careful not to violate these rules, as the expenditure made without following these rules would be regarded as the personal liabilities of the Mayor, as per **Article 11 (4)** of **Paurashava Budget (preparation and approval) Rules,1999.**

Paurashava Budget (preparation and approval) Rules,1999
11.Expenditure restriction:
 (4) If any expenditure made violating the rule, it will be considered as personal liabilities of the Mayor.

These rules do not imply that paurashavas should prepare unrealistic and excessive budget to avoid making expenditure more than approved budget. It is highly recommended that paurashava will prepare realistic budget and monitor the budget executions every month to confirm that expenditures of all budget head are not exceeding the approved budget amount.

In case expenditure exceeds approved budget, the paurashava may consider revising the approved budget before the end of the financial year, as specified in **Article 92(5) of Local Government (Paurashava) Act, 2009**. Paurashavas should also monitor the budget execution and examine every month if they have not spent more than approved budget in any budget head.

(3) Regulations on minimum closing balance

As specified in **Article 13 of Paurashava Budget (preparation and approval) Rules, 1999**, paurashavas need to make sure that their closing balance of revenue account Part-1is more than the one month establishment expenses. Similarly, the closing balance of revenue account Part-2 (water section) has to be more than the one month salary expenditure of water section.

Paurashava Budget (preparation and approval) Rules,1999
13. Minimum closing balance: Minimum one month's general establishment expenditure and salary expenditure of water supply sections need to be kept in the closing balance of revenue budged;

In order to comply with this rule, paurashavas need to estimate the one month expenditure of establishment expenses and salary of water section officials.

Suppose the expenditure of general establishment is TK. 60,000,000, then the one month expense will be estimated as closing balance TK. 5,000,000.

	Annual general establishment expenditure	Minimum one month expenses
Establishment expenses	60,000,000	5,000,000
Salary expenses of water section	48,000,000	4,000,000

Minimum closing balance of Revenue

Minimum closing balance of Revenue account Part 2

Then, paurashavas monitor the closing balance of revenue account and water account, and make sure that the closing balance is more than the minimum closing balance.

(4) Regulations on increasing salary expenses of contract staffs

As per Article **11 (3) of Paurashava Budget (preparation and approval) Rules, 1999**, increasing the salary of contract staffs cannot be made without the approval by LGD (prescribed authority).

Paurashava Budget (preparation and approval) Rules,1999
11.Expenditure restriction:
(3) Without prior approval of the Prescribed Authority, Paurashava cannot increase the salary of the contractual employees and prepare the budget;

(5) Other Regulations

A purashava which provide water supply services is supposed to keep 2.5% of water revenue into a separate account from the Revenue account Part-2. The separate account is called as a "depreciation fund". The amount saved in the depreciation fund will be used for the maintenance and replacement of water supply facilities, such as water pipes, and water pump.

Saving 2.5% of water revenue into the depreciation fund is regarded as a payment from Revenue account Part-2 and income of Capital account. In other words, this is a transfer from Revenue account Part-2 to Capital account.

Memo no-Paura-2/Pau:rule-2/99/192(210) dated: 6-3-2000;
Sub; Paurashava Budget (preparation and approval) Rules,1999
issue.(Paura-2 section of Local Government Division: LGD)
2 (b) 2.5% from water supply head must be kept separately as depreciation fund.

5.2. Monitoring of budget execution

5.2.1. Rules on monitoring of budget execution

As mentioned in "5.1.1 Rules on budget executions (2) ''Restrictions on expenditure more than approved budget and adaptations", paurashavas cannot spend more than approved budget of each budget head and sub-head. It is not allowed to adapt the budget amount of a budget head or sub-head to others either.

Therefore, paurashavas need to monitor the budget execution, as per specified in **The Bengal Municipal Account Rules, 1935.**

The Bengal Municipal Account Rules, 1935
247. At the close of every month, the totals under the various heads of account recoded in the Abstract Registers shall be entered in English (regarded as "Bengali") by the accountant in the separate register in Form 89 and 90 against the corresponding heads under the appropriate month.
If it is desired to show the expenditure in greater details than according to the prescribed budget heads, additional details heads may be inserted in the Register of Expenditure.

The format used for monthly monitoring of income and expenditure is Form 89 and Form 90 of Bengal Municipal Account Rules, as mentioned above. The formats are as follows;

Form 89

(Vide rules 180 and 243)

Quarterly and Annual Account of Receipts

Head of receipt	Budget estimate as sanctioned	Jul	Aug	Sep	Total 1st Quarter	…	Total 4th Quarter	Total of the year
1	2	3	4	5	6		20	21
Total Receipts								
Opening balance								

Form 90
(Vide rule 247)
Quarterly and Annual Account of Payments

Head of expenditure	Budget estimate as sanctioned	Jul	Aug	Sep	Total 1st Quarter	...	Total 4th Quarter	Total of the year
1	2	3	4	5	6		20	21
Total Expenditure								
Closing balance at the end of previous fiscal year								

A simplified example of monthly monitoring of income and expenditure using Form 89 and Form 90 is as follows (**see Annex 3 for more details**);

FORM 89

(Vide rule 180 and 243)

Quarterly and Annual Account of Receipts

Revenue account Part-1 (Receipts)

Details of Receipts	Budget estimate	Jul	Aug	Sep	Total 1st Q		Total 2nd Q	Total half-year		Total 3rd Q	Total three Quarters		Total 4th Q	Total of year
1	2	3	4	5	6		10	11		15	16		20	21
Tax on building and land	**15,000**	1,000	1,500	1,300	3,800		12,700	16,500		3,500	20,000		3,800	23,800
Lighting Rate	**6,000**	300	500	400	1,200		1,800	3,000		1,200	4,200		2,200	6,400
…	…	…	…	…	…	…	…	…	…	…	…	…	…	…
…	…	…	…	…	…	…	…	…	…	…	…	…	…	…
Total Receipts	**21,000**	**1,300**	**2,000**	**1,700**	**5,000**		**14,500**	**19,500**		**4,700**	**24,200**		**6,000**	**30,200**
Opening balance	**12,000**	1,500	700	600	1,500		200	1,500		8,500	1,500		7,100	1,500
Total	**33,000**	**2,800**	**2,700**	**2,300**	**6,500**		**14,700**	**21,000**		**13,200**	**25,700**		**13,100**	**31,700**

FORM 90

(Vide rule 247)

Quarterly and Annual Account of Payments

Revenue account Part-1 (payments)

Details of Payments	Budget estimate	Jul	Aug	Sep	Total 1st Q		Total 2nd Q	Total half-year		Total 3rd Q	Total three Quarters		Total 4th Q	Total of year
1	2	3	4	5	6		10	11		15	16		20	21
Honorarium for Paurashava Mayor and Councillors	12,000	1,000	1,000	1,000	3,000		3,000	6,000		3,000	9,000		3,000	12,000
Salary of staff	13,000	1,000	1,000	1,000	3,000		3,000	6,000		3,000	9,000		3,000	12,000
Education expenses	1.500	…	…	…	…	…	…	…	…	…	…	…	…	…
Health and Sanitation	1,000	…	…	…	…	…	…	…	…	…	…	…	…	…
Donation	2,500	100	100	100	300		200	500		100	600		50	650
Total expenditure	**30,000**	**2,100**	**2,100**	**2,100**	**6,300**		**6,200**	**12,500**		**6,100**	**18,600**		**6,050**	**24,650**
Closing balance	**3,000**	700	600	200	200		8,500	8,500		7,100	7,100		7,050	7,050
Total	**33,000**	**2,800**	**2,700**	**2,300**	**6,500**		**14,700**	**21,000**		**13,200**	**25,700**		**13,100**	**31,700**

The items to be indicated in Form 89 (receipt) and Form 90 (Payment) should be same as budget document Form Ka and Form Kha, so that paurashavas can easily examine whether the budget execution amount of each item is within the initial budget amount. The monthly monitoring of income and expenditure is prepared by an accounts officer/accountant, checked by a secretary, and then submitted to Mayor and Paura council (Paura parishad) meeting.

5.2.2 Checkpoints on budget monitoring

In the budget monitoring, it is most important to examine that the budget execution at a pauashsava will comply with rules and regulations. As mentioned above, there are certain rules on budget execution, such as;

(1) Upper limit of the establishment cost

(2) Restrictions on expenditure more than approved budget and adaptations

(3) Regulations on minimum closing balance

(4) Regulations on increasing salary expenses of contract staffs

Because of the regulation on the upper limit of the establishment cost, paurashavas are regulated not to spend more than 50% of revenue income to establishment expenses, and paurashavas must spend more than 50% of revenue income (tax income) for public services and infrastructure development.

Therefore, paushavas are recommended to set target on the revenue surplus amount and monitor the amount of revenue surplus every month. Some paurashavas monitor the tax collection and revenue surplus and determine how much is going to be used for infrastructure development six month after the beginning of the fiscal year (at the end of December), and then start bidding processes of development projects.

Recommended checkpoint in monthly monitoring are as follows

☑ Tax revenue is meeting target
☑Revenue surplus amount is satisfactory, and meeting target
☑ Expenditures of any budget head / sub-head are not more than approved budget
☑ Closing balance of revenue account (part-1) is more than one month expenditure of establishment expenses.
☑ Closing balance of water account is more than one month expenditure of salary and allowances for water supply section employees.

Such budget monitoring is recommended to be reported at TLC meetings and Paura parishad meetings. Monthly tax collection amounts should be also reported to these meetings, so that Mayor and Councillors are more willing to be involved in tax collection.

5.3. Revisions to budget

Paurashavas are authorized to make revision to the approved budget any time before the end of fiscal year, as specified in **Article 92 (5) of Local Government (Paurashava) Act, 2009**.

If paurashavas expect that expenditure of some budget heads / sub-heads would be more than approved amounts through monthly monitoring, paurashavas revise budget, have it discussed in TLC meeting and Paura-council (parishad) meetings and, and have it approved by the Paura council meeting.

In many cases, paurashavas revise their budget after March (9 months from the beginning of a fiscal year).

Paurashava Budget (preparation and approval) Rules,1999 14. Revised budget: As per rules 6,7 & 8, if needed, <u>Paurashava can prepare and approve revise budget in any time</u> before closing the financial year; 15. Fund for special project: Government can provide fund to the Paurashava for implementation of any special project. If Paurashava obtain these type of fund, they will include it to the relevant financial years' budget or revised budget;
Local Government (Paurashava) Act, 2009. 92. Budget: (5) At any time before the expiry of the financial year to which a budget relates, <u>a revised budget for the year may, if necessary, be prepared and sanctioned</u>, and such revised budget shall, so far as may be, subject to provisions of this section.

As per **Article 15 of Paurashava Budget (preparation and approval) Rules, 1999**, if Paurashava receive budget allocation for special project during a fiscal year, they will include it in the budget/revised budget of the relevant fiscal year.

5.4. Budget reporting

At the end of fiscal year, paurashava will prepare an annual statement, compiling the income and expenditures of the relevant fiscal year.

The annual statement is then posted onto a conspicuous place in the office of paurashavas (such as a notice board at a paurahsava office).

The annual statement prepared by paurashava should be then presented to a TLC meeting and a Paura Council meeting. In these meetings, it is most recommended to explain how the revenue income, especial tax revenue, was spent (e.g. how many percentage (%) of spent for salary expenses and how many percentage (%) was for education / health services and infrastructure development, etc).

> **Local Government (Paurashava) Act, 2009**
> 93. Accounts- (1) Accounts of the receipts and expenditure of the municipality shall be kept in the prescribed manner.
> (2) An annual statement of the accounts shall be prepared after the close of every financial year.
> (3) A copy of the annual statement of accounts shall be placed at a conspicuous place in the office of the municipality for public inspection, and all objections or suggestions concerning such accounts received from the public shall be considered by the municipality.

The format of the annual statement is **NOT** specified in **Local Government (Paurashava) Act, 2009**. However, as **The Bengal Municipal Account Rules, 1935** explains that the format to be used for annual statement in Form 91 and rule 247, the annual statement should indicate (1) Budget of current year, (2) Actual budget execution, and (3) the difference between budget and actual execution.

However, Form 91 of **The Bengal Municipal Account Rules, 1935** is not consistent with the budget format (Form Ka and Form Kha) specified in **Paurashava Budget (preparation and approval) Rules, 1999**.

Therefore, it is most recommended to prepare the statement following Form Ka and Form Kha (a) (b) and (c) of **Paurashava Budget (preparation and approval) Rules, 1999** for preparing annual statement, indicating (1) Budget of current year, (2) Actual budget execution, and (3) the difference between budget and actual execution. Some paurashava might want to indicate actual budget execution of the previous year as well. The budget items indicated in the annual statement should be same as the ones of Form Ka and Form Kha (a) (b) and (c).

Recommended format for annual statement

Form Ka (Summary)

Description	Actual of previous year Tk.	Budget or Revised budget of current year Tk.	Actual of current year Tk.	Difference between budget and actual of current year Tk.
1	2	3	4	5 (3-4)
(A) Revenue account Income from part-1 Income from part-2 Total income : Less: Revenue expenditure Part-1 Part-2 Total expenditure : Grand Total revenue surplus : **(B) Development account** Government aid Revenue surplus Others Total : Less: Development expenditure Overall Budget surplus/shortage Add: Opening balance Closing balance: **(C) Capital account** Total income : Total expenditure : Closing balance regarding capital account:				

Form Kha

(Revenue Part-1 and Part-2, Development Account and Capital Account)

Head of Income	Actual of previous year Tk.	Budget or Revised budget of current year Tk.	Actual of current year Tk.	Difference between budget and actual of current year Tk.
1	2	3	4	5 (3-4)
Sub-Total Income :				
Add: Opening Balance				
Total :				

Head of Expenditure	Actual of previous year Tk.	Budget or Revised budget of current year Tk.	Actual of current year Tk.	Difference between budget and actual of current year Tk.
1	2	3	4	5 (3-4)
Sub-Total Expenditure :				
Add: Closing Balance				
Total :				

<For reference only>

The Bengal Municipal Account Rules, 1935
Rule: 248: As soon as possible after the close of the year and not later than the 15th April (June)following totals of the receipts and expenditure of the year as worked out in the last column of the registers (Forms 89 and 90) shall be posted in English (regarded as "Bengali") by the accountant into the annual account in Form 91.

FORM 91
(Vide rule 248 and 249)
Annual Account of the -----------Municipality for the year ending-------

Receipts				Disbursements			
1				2			
Revenue (Head as in prescribed list)	Estimate	Actuals	Actuals. Plus or minus	(Head as in prescribed list)	Estimate	Actuals	Actuals. Plus or minus
	TK. .	*TK. .*	*TK. .*		*TK. .*	*TK. .*	*TK. .*
Opening balance				--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
Sub-Total	--	--	--	**Sub-Total**	--	--	--
				Closing Balance	--	--	
Grand Total	--	--	--	**Grand Total**	--	--	--

6. Reporting of Annual Development Program

In addition to "Quarterly and Annual account of receipts and payments" and "Annual statement" explained above, paurashavas are supposed to prepare several reports for the implementation of Annual Development Program, according to **Guideline Regarding undertaking and implementation of development project by Paurashava And Paurashava (Treaty) Ordinances, 2001**.

Such reports are;

- Final annual development program of current
- Progress report of project implementation, and
- Project Implementation report.

After preparing such reports, paurahsavas are going to send it to designated authority, or Local Government Division.

(1) Final annual development program

After the fiscal year started, paurashavas finalize the projects to be implemented under Annual Development Program, and make a list of projects using the format of Final annual development program (Attachment 1 of Annex 6) before the end of August of the fiscal year.

(2) Progress report of project implementation

Paurahshavas also prepares Progress report of Project implementation, before the end of March, using the format (attachment 2 of Annex 6).

(3) Project implementation report

After the end of the fiscal year, paurahsavas prepare Implementation report of implemented project, using the format (attachment 3 of Annex 6) by the end of August. The format of the reporting is in Annex 5.

Annex 1: Format of Budget document

Form Ka

(Section-3)

Description	Actual budget of previous year	Current year Budget or Current year Revised budget	Budget of upcoming year
(a) Revenue account Income from part-1 Income from part-2			
Total income :			
Less: Revenue expenditure Part-1 Part-2			
Total expenditure :			
Grand Total revenue surplus :			

Description	Actual budget of previous year	Current year Budget or Current year Revised budget	Budget of upcoming year
(b) Development account Government aid Revenue surplus Others			
Total :			
Less: Development expenditure			
Overall Budget surplus/shortage Add: Opening balance			
Closing balance:			

Description	Actual budget of previous year	Current year Budget or Current year Revised budget	Budget of upcoming year
(c) Capital account Total income : Total expenditure :			
Closing balance regarding capital account :			

Form Kha

(Section-3)

…………….. Paurashva's Budget

Financial Year:……………………

(a) Revenue Account

Part-1

Income				Expenditure			
Head of Income	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**	**Head of Expenditure**	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**
1.Taxes				**1.General establishment**			
Holding and land tax				Mayor and Councilors' honorarium			
Transfer of Immovable property				Salary and allowances of employees excluding water supply section			
Construction and reconstruction of building				Transfer to Gratuity fund			
Occupation, business and callings				Vehicle repairs and fuel			
Birth, marriage and adoption				Telephone			
Advertisement tax				Electricity bill			
Pet animal				Contingency			
Cinema, theater, audiovisual				**Total of General Establishment Expenses**			
Vehicle (Other than motor and boat)							
Others				**2.Educational expenses**			
				Salary and allowances of teachers and employees of institutions managing by Paurashava			
				Books for the library			
2.Rate				Others			
Lighting							
Conservancy				**3.Health and sanitation**			
Water				Medicine and treatment			
Constructions for Public welfare				E.P.I.			
				Drain cleaning			
				Waste management			
3.Fees				Buying Equipment for			

				waste management			
License				4. Tax collection expenses (Printing of various registers, forms, receipt books and others)			
Slaughter house							
Paura Market							
Fare and Agriculture Exhibition				5. Plantation and maintenance			
Others				6.Donation in social and religious institution			
				a.Donation to institutions and club in the Paura area			
4.Others				b. Donation to religious institutions in the Paura area			
Lease of Market(Hat bazar)				7.Land development tax			
Lease of Bus stand				8. Audit Expenses			
Lease of Feri ghat				9.Legal expenses			
Graveyard/Burial place				10.Celebration of National Days			
Rent of road roller /mixture machine				11.Sports and culture			
Compensation for Road cutting				12. Emergency relief			
Various certificates				13.Revenue surplus transferred to Development Account			
Various Forms				14. Closing balance			
Tender Schedule				(one of twelfth of total of sl. no.1)			
Fine							
5.Government aid other than development works							
Sub-Total				Sub-Total			

Part-2

Income				Expenditure			
Head of Income	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**	**Head of Expenditure**	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**
1.Water tariff				1.Salary and allowance of employees of water section			
				2.Electricity bill (water supply related)			
				3.Water line connection expenses			
2.Connection fee				4.Pump house repairs and maintenance			
3.Re connection fee				5.Production Tube well repairs and maintenance			
4.Surcharge				6.Stationary, register and others for water supply section			
5.Sale of forms				7.Postage and telegram			
				8.Telephone			
				9.Transferred to Depreciation fund			
				10.Revenue surplus transferred to Development account			
				11.Closing balance			
6.Others				(not less than one month equal expenses of sl.no.1)			
Sub-Total				**Sub-Total**			
Total Income (Part-1 and Part-2)				**Total Expenditure** (Part-1 and Part-2)			
Opening balance (Part-1 and Part-2)				Total Transferred to Development account (Part-1 and Part-2)			
				Total Closing Balance (Part-1 and Part-2)			
Grand Total				**Grand Total**			

(b) Development Account

Income				Expenditure			
Head of Income	**Actual of Previous**	**Current Year**	**Budget of**	**Head of Expenditure**	**Actual of Previous**	**Current Year**	**Budget of**

	Year	Budget or Revised Budget	Upcoming year		Year	Budget or Revised Budget	Upcoming year
1.Government development aid				1.Infrastructure			
				Road construction			
				Road repairs and rehabilitation			
				Bridge and culvert construction			
2.Revenue surplus				Bridge and culvert repairs and maintenance			
From Part-1				Drain construction			
From Part-2				Water line installation and expansion			
3.Donation							
				2.Market development(Hat bazar)			
				3.a.Bus terminal construction			
4.Others				b. Bus terminal Repair and maintenance			
				4. Market construction			
				5.Park construction			
				6.Others			
5.Closing Balance				**7.Closing Balance**			
Total				**Total**			

(c) Capital Account

Income				Expenditure			
Head of Income	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**	**Head of Expenditure**	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**
1.Received loan				1.Loan repayment			
2.Return of loans				2.Loan disbursement			
3.Income from various investments				3.Miscellaneous investment			
4.Depreciation Fund				4.Expense from depreciation Fund			
5.Gratuity Fund				5.Gratuity expenses			
Total Receipts				Total Expenditure			
6.Opening balance				6.Closing balance			
Grand Total				**Grand Total**			

FORM Ga

(Section-5)

………..Paurashava

Details of regular Officers and Staffs

Financial Year: ……………….

Section/Unit	Sl. No.	Name of Officer/Staff	Designation	Salary Scale	Salary	Allowances	Total Monthly Expenditure	Total Annual Expenditure	Remarks

FORM Gha

(Section-5)

………..Paurashava

Details of Contractual Employees

Financial Year: ……………….

Section/Unit	Sl. No.	Name of Employee	Designation	Daily Wages	Other allowance (if any)	Total Monthly Expenditure	Total Annual Expenditure	Remarks

FORM-E (Umo)

(Section-5)

………..Paurashava

Statement of Money Received From Government for any Special Project

Financial Year: ……………….

Sl. No.	Name of Project (with short description)	Amount-Received from Government	Expenditure (expended or probable expenditure for current year)	Balance (appro.)

Annex- 2: The difference between the revenue surplus and actual transfer

In Form Ka, [Revenue surplus] calculated as [Revenue income – Revenue expenditure] is theoretically transferred to Development Account.

However, the actual transfer amount from Revenue account to Development account is not always same as [Revenue surplus] which is theoretically supposed to be transferred to Development account in Form A.

In other words, there are technical discrepancies between [Actual transfer amount] and [Theoretical transfer amount].

This can be described as follows;

Revenue account Part1

<Actual transfer>

Income	1,250,000	Expenditure	750,000
		Transfer to Development account (Actual)	460,000
Opening balance	10,000	Closing balance	50,000
Total	1,260,000	Total	1,260,000

<Theoretical transfer>

Income	1,250,000
Expenditure	750,000
Revenue Surplus	500,000

=Transfer to Development account (Theoretical)

Revenue account Part2

<Actual transfer>

Income	800,000	Expenditure	626,000
		Transfer to Development account (Actual)	150,000
Opening balance	6,000	Closing balance	30,000
Total	806,000	Total	806,000

<Theoretical transfer>

Income	800,000
Expenditure	626,000
Revenue Surplus	174,000

=Transfer to Development account (Theoretical)

Annex- 3: Example of monthly monitoring
(quarterly and annual account of receipts and payments)

FORM 89
(Vide rule 247)
Quarterly and Annual Account of Receipts of the Municipality of …………for the year………

Details of Receipts	Budget estimate as sanctioned	July	August	September	Total 1st Quarter	October	November	December	Total 2nd Quarter	Total half-year	January	February	March	Total 3rd Quarter	Total three Quarters	April	May	June	Total 4th Quarter	Total of year
1	2	3	4	5	6 (3+4+5)	7	8	9	10 (7+8+9)	11 (6+10)	12	13	14	15 (12+13+14)	16 (11+15)	17	18	19	20 (17+18+19)	21 (16+20)
Tax on building and land	15,000	1,000	1,500	1,300	3,800	500	700	1,500	2,700	6,500	1,000	1,400	1,100	3,500	10,000	1,300	1,000	1,500	3,800	13,800
Lighting Rate	6,000	300	500	400	1,200	500	600	700	1,800	3,000	500	400	300	1,100	4,100	300	400	500	1,200	5,300
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
License Fees	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Receipts	21,000	1,300	2,000	1,700	5,000	1,000	1,300	2,200	4,500	9,500	1,500	1,800	1,400	4,600	14,100	1,600	1,400	2,000	5,000	19,100
Opening balance on 1st July	12,000	1,500	700	600	1,500	2,000	9,100	8,400	200	1,500	8,500	7,900	7,700	8,500	1,500	7,100	6,700	6,100	7,100	1,500
Total	33,000	2,800	2,700	2,300	6,500	11,200	10,400	10,600	14,700	21,000	10,000	9,700	9,100	13,200	25,700	8,700	8,100	9,100	13,100	31,700

Column-1: The details of receipts will be as mentioned in the budget form Revenue –Part-1, Part-2; Development and Capital account budget heads for receipts side in this form and payment side in the form next page.

-Here in column 2 showing the budget figure approved in the previous FY for the current FY. Budget head wise amount will entered in this column one by one.

-Column 3 is the summation of head wise received amount for the month of July; here tax on building and land income for the month of July is TK.1,000, Lighting rate TK. 300. Total of receipts for this month is TK. 1,300.

-Colum no 4,5,7,8,9,12,13,14,17,18 and 19 for respective month's income amount and total of receipts at the bottom of the column.

-Column 6 is the summation of Column no 3, 4 and 5(month of July, August and September) TK. (1,000+1,500+1,300=) 3,800, Column 10 is for October, November and December (column 7,8,9) TK. . 12,700 and column no 15 and 20 is same for summation of respective 3 months summation TK. 3,500 and TK.3,800. The bottom of the column is for summation of all receipts of concerned month.

-Column no 10 is the summation of October, November and December, TK. (500+700+1,500)=TK. 2,700.; Column no 11 is the total of two quarters showing in column no 6 and 10 TK. 3,800+TK. 12,700=TK. 16,500.

- Column no. 15 for quarter no. 3 (summation of month of January, February and March) TK. 3,500(1,000+1,400+1,100); Column no, 16 is total of three quarters TK. 20,000 (summation of column 11 and 15).

-Column 20 is for quarter 4, TK. 3,800 (summation of TK. 1,300, 1,000 and 1,500; column no 17, 18 and 19)

-Column 21 is for Total of the year, TK. 23,800 (summation of TK.20, 000 and 3,800; column no 16 and 20)

-The opening balance showing in the column no. 2 is carried from budget (Revenue Part-1, Part-2, Development and Capital account respectively); monthly opening balance will carried from cash books for respective month; closing balance of a month will be opening balance of the next month; Actual closing balance of the month of June of previous FY will be recorded as opening balance of the month of July; it will carried forward from the cash book of previous year (CLOSING BALANCE OF PREVIOUS JUNE).

FORM 90
(Vide rule 247)
Quarterly and Annual Account of Payments of the Municipality of …………for the year………

Details of expenditure	Budget estimate as sanctioned	July	August	September	Total 1st Quarter	October	November	December	Total 2nd Quarter	Total half-year	January	February	March	Total 3rd Quarter	Total three Quarters	April	May	June	Total 4th Quarter	Total of year
1	2	3	4	5	6 (3+4+5)	7	8	9	10 (7+8+9)	11 (6+10)	12	13	14	15 (12+13+14)	16 (11+15)	17	18	19	20 (17+18+19)	21 (16+20)
Honorarium for Paurashava Mayor and Councillors	12,000	1,000	1,000	1,000	3,000	1,000	1,000	1,000	3,000	6,000	1,000	1,000	1,000	3,000	9,000	1,000	1,000	1,000	3,000	12,000
Salary of staff	13,000	1,000	1,000	1,000	3,000	1,000	1,000	1,000	3,000	6,000	1,000	1,000	1,000	3,000	9,000	1,000	1,000	1,000	3,000	12,000
Education expenses	1.500																			
Health and Sanitation	1,000																			
--	2,500	100	100	100	300	100	-	100	200	500	100	-	-	100	600	-	-	50	50	650
Total expenditure	**30,000**	2,100	2,100	2,100	6,300	2,100	2,000	2,100	6,200	12,500	2,100	2,000	2,000	6,100	18,600	2,000	2,000	2,050	6,050	24,650
Closing balance on the 30th June	**3,000**	700	600	200	200	9,100	8,400	8,500	8,500	8,500	7,900	7,700	7,100	7,100	7,100	6,700	6,100	7,050	7,050	7,050
Total	**33,000**	2,800	2,700	2,300	6,500	11,200	10,400	10,600	14,700	21,000	10,000	9,700	9,100	13,200	25,700	8,700	8,100	9,100	13,100	31,700

Column 1: The details of expenditures will be as mentioned in the budget form Revenue –Part-1, Part-2; Development and Capital account budget heads for payment side of this form.

-Here in column 2 showing the budget figure approved in previous FY for the current FY. Budget head wise amount will entered in this column one by one.

-Column 3 is the summation of head wise payment amount for the month of July; here Honorarium of Mayor and Councillor expenses for the month of July is TK.1,000, Salary TK.1,000 and others is TK.100 Total of expenses for this month is TK. 2,100.

-Colum no 4,5,7,8,9,12,13,14,17,18 and 19 for respective month's payment amount and total of payment at the bottom.

-Column 6 is the summation of Column no 3, 4 and 5(month of July, August and September) TK.(1,000+1,000+1,000=)3,000 for honorarium of Mayor and councillors, Column 10 is for October, November and December (column 7,8,9) TK. . 3,000 and column no 15 and 20 is same for summation of respective 3 month amount TK. 3,000 and TK.3,000. This is same as Form 89.

-The closing balance showing in the column no. 2 is carried from budget (Revenue Part-1, Part-2, Development and Capital); monthly closing balance will carried from cash books for respective month ; closing balance of a month will be opening balance of the next month; Closing balance of the month of June of current FY will be recorded as opening balance of the month of July for the next year; it will carried forward from the cash book of the current Fiscal year ending   (CLOSING BALANCE OF JUNE).

Annex- 4: Extract of Resolution of TLC meeting for budget formulation (Discussion on budget)

…………..**Paurashava**

…….., ……………

Established: Year ……….

Meeting No.   : 06(Six)
President   : Mr. …………..

Mayor
……………… Paurashava, …….

Name of Meeting   : **Town Level Coordination Committee, TLC**
Meeting Date   : 20/05/2014
Time   : 11.00 am
Venue   : Meeting Room, Paurashava Office.

Participants name and signature:

Sl.No.	Name and Designation	Position in Committee	Signature
01	Mr. ……….., Mayor, ……… Paurashava	President	
02	...	Member	
13	...	Member	
Representatives of Associates Organization			
14...	Representative , District Commissioner (DC)	Member	
21	...	Member	
Representatives of Professional Body			
22...	...	Member	
26	...	Member	
Representatives of Non-Government Organization, NGO			
27...	...	Member	
30	...	Member	
Representatives of Civil Society			
31...	...	Member	
42	...	Member	
Representatives of Urban Poor people			
43...	...	Member	
49	...	Member	
50	...Secretary of the said Paurashava	**Member Secretary**	

Agenda No-05 (Five) Discussion on Budget:

Proceedings:
The secretary of the Paurashava as per instruction of the Mayor read the draft budget of the Paurashava for FY 2014-2015. In the meeting the Mayor takes part in the discussion held on Paurashava annual proposed budget with the audience about the income and expenditure of the said budget. He said that Budget is the mirror of Paurashava where the actual picture of the Paurshava reflects. He gives the floor to the audience to give their opinion on the draft budget for FY 2014-2015. In this period some honourable participants of the meeting give their opinion as below:

The representative of NGO sector proposed to increase in the sanitation head of the budget. Mrs. Rupali Akhter the representative of Urban Poor people said to increase in health head, Mr. Meer Nowab Ali, representative of Civil Society said that the allocation in education head is very few; budget allocation should be increased in this head. The representative of Civil Society Mr. Pankoj Kumar Das said that to insist the young population in sports and cultural activities to save them from different kind of addiction budget allocation should increase in this head. The Urban Poor people representative Mrs. Rina Begum said that for safely movement of school going children necessary vixen (dog biting) to be procured, so budget should be increased in this head also. Mr. Harunur Rashid representative of Professional Group said to take steps for plantation in every roads in the Paurashava to make a green Bangladesh. Mr. F.M Ripon, councillor of the Paurashava said to increase a little bit in budget head for cleaning drain, canal, and solid waste from roads.

Decision:
Decision has taken after discussion that budget should be doubled in the following heads: Sanitation, Heath, Education, Sports and Culture, Vixen procurement (dog biting), Mosquito killing, plantation and cleaning on solid waste and drain in the proposed budget for the Financial Year 2014-2015 of ------ Paurashava.

Implementation:
Accountant of the said Paurashava will implement the above budget related decision taken against agenda no.5 (five).

<div align="right">

(………………………………..)
Mayor
……….Paurashava.

</div>

Memo No: .. paura/ Admin(mm)/09/01/2014/108/1
Date: 20/05/2014

Copies to:
……..
……

Annex- 5: Formats of Annual Development Program Reporting

Attachment 1

…………………………………………. POURASHAVA
………………………………………………….. Fiscal Year Annual Development
Program

No	Sector wise project	Projected expenditure	comment

Mayor
…………………………. Pourashava

Attachment 2

- Pourashava

Interim report regarding the implementation of the annual development program through development grants

Particulars of receiving development grants:

1st Instalment	2nd Instalment	3rd Instalment	Total Received	Remarks

Implementation progress of the annual development program:

Number of project under implementation	Proposed expenditure	Contract price	Expended amount	Implementation progress (%)	Cause of being unexpended

This is to be certify that, the above particulars are correct and the amount of fourth instalment of the development aid grants will be expended within June- 30.

Chairman/ Administrator

- - - - - - - - - - - - - - - - - - - Pourashava

Proposed Particulars of receiving development grants:

1st Instalment	2nd Instalment	3rd Instalment	4th Instalment	Total Received	Remarks

Proposed Implementation progress of the annual development program:

Infrastructures under implementation			Proposed expenditure	Contract price	Expended		Implementation progress		Cause of being unexpended (if any)
Name	Quantity	No. of projects			Amount	Rate (%)	Quantity	Rate (%)	
1	2	3	4	5	6	7	8	9	10
Road									
Bridge									

Attachment 3

- Pourashava
Report on the actual implementation of the annual development program initiated
under the fiscal year: -

Serial no	Sector wise name of the projects	Proposed expenditure	Real contract price	Paid amount	Cause of more or less expenditure than the contract price (if any)

Mayor
- Pourashava

Attachment 4

Project implementation inspection form

- - - - - - - - - - - - - - - - - - - Pourashava

Ward no: - - - - - - - - - - - - - - - - - - -

Date of inspection: -   Time: - - - - - - - - - - - - - - -

1. (a) Name of the project/ work   : -
    (b) Proposed expenditure   : -
2. Work order no and date   : -
3. As per the work order   Starting date : -
        Date of completion : -
    If time is extended,
    date to be complete as per that expansion   : -
4. (a) Real date of starting the work   : -
    (b) Real date of completing the work   : -
5. Real progress of the work on the date of inspection (percentage): -
    - -
    (Only gathering of the construction equipment does not means any real progress of the work)
1) Certification of the limitation found in the work during inspection
    This is to be certified that, the information mentioned above are true and correct. We found the bellow mentioned limitation in the work while inspection:
            a) -
            b) -
            c) -
            d) -
2) Certificate of completion of the work.
    This is to be certified that, we have visited the site for - - - - - - - - - - - - - - times during the implementation of the project. The work have been completed as per the schedule and specification of the work and the quality of the work is satisfactory.

(Name: - - - - - - - - - - - - - - - - - - -) (Name: - - - - - - - - - - - - - - - - - -) (Name: - - - - - - - - - - - - - - - - - -)

Assistant/ sub-assistant engineer   Commissioner,   Commissioner

    Ward no: - - - - - - - - -   Ward no: - - - - - - - - -

 (Note: please take the necessary part through cutting that part)

Operational Manual

On

Paurashava Accounting and Budget Execution

SPGP (Version 1)

LGD/JICA

April 2015

Table of Contents

1. Introduction

1.1. Paurashava accounting and budget execution

Any entity, private or public, maintains records of all transactions of its day to day operations in formal way with evidential instruments such as-vouchers, receipts, records of billing documents etc. according to their own financial or business policy.

As Local government body, Paurashava maintains records of all transactions (receipts & payments) according to its specific accounting system provided by the Government of Bangladesh through specific Acts, Rules, Instructions and applicable policy.

Paurashava accounting is mainly budget based accounting. It follows the annual approved budget. From the starting date of fiscal year it starts execution of the said budget under direction of the concerned Paurashava Management/or, Authority.

1.2. Objective of the Operational Handbook on Paurashava Accounting and Budget execution

Accounting and Budget execution most important function of Paurashava as the registered Public entity as it reflects all source-wise income and expenditure as well as day to day businesses operations of the Paurashavas.

This operational handbook on Paurashava Accounting and Budget Execution has been designed and prepared for developing capacity of the concerned representatives and municipal staff to the required level so that they can provide their services efficiently and effectively for ensuring transparency and accountability in Paurashava operations.

This handbook is targeting on improving the knowledge and skills of paurashava staff and concerned elected representatives for exercising the legal instruments such as Acts, Rules and Instructions provided by the Government of Bangladesh, Ministries/Department/Agencies for Accounting and budget execution.

2. Legal background

Applicable Rules and Regulations for Paurashava Accounting and budget execution:

- **Local Government (Paurashava) Act, 2009**
- **The Bengal Municipal Account Rules, 1935**
- **Paurashava Budget (preparation and approval) Rules, 1999**

Local Government (Paurashava) Act, 2009 explains that a paurashava need to maintain the records of income and expenditure, and prepare annual statements after the end of year.

> **Local Government (Paurashava) Act, 2009**
> **Article No 93**
> (i) Paurashava Income and Expenditure Accounts should be kept in selected forms and system.
> (ii) Annual Accounts statement to be prepared after end of each financial year.
> (iii) A copy of annual accounts should be displayed in an open space of the Paurashava office as public projection, and Paurashava will consider all objections and suggestions given by the public.

The detailed accounting and summarization process are mostly explained in Bengal Municipal Account Rules, 1935 which are explained referred in the following section.

Summaries of receipts and payments, which are basically compiled in Quarterly and Annual Account of Receipts and Payments are supposed to be submitted to Account and Audit standing committee, which are formulated based on **Local Government (Paurashava) Act, 2009.**

> **Local Government (Paurashava) Act, 2009**
> **Article No 55 1(c)**
> A standing committee will be formed in the name **Accounts and Audit**.

3. Accounting and budget monitoring process

3.1. Outline of the accounting and budget monitoring process

A paurashava makes financial transactions (receipt and payments) in its daily operations. The paurahava records such receipts and payments in cashbook, and also monitor the budget execution progress compiling receipts and payments information every month and every quarter. The paurashava then prepares an annual statement and publish it to citizens.

Accounting and budget monitoring are the series of daily, monthly, quarterly and annual processes which can be summarized as in the following chart;

```
Daily  ⎰ ┌─────────────────────┐      ┌─────────────────────┐
         │ (1) Daily entry of  │ ───▶ │ (2) Daily entry and │
         │ cash receipts       │      │ closing of all      │
         │                     │      │ receipts and        │
         │                     │      │ payments            │
         └─────────────────────┘      └─────────────────────┘
                                              │
                          ┌──────────────────┐
                          │ (3) Monthly closing │
                          └──────────────────┘
Monthly ⎱                         │
         ┌ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ┐ (4) Budget monitoring
         │ ┌─────────────────┐ │
         │ │ 1) Monthly      │ │
         │ │ monitoring      │ │
         │ └─────────────────┘ │
         │         │           │
         │ ┌─────────────────┐ │      ┌─────────────────────┐
Quarterly│ │ 2) Quarterly    │ │ ───▶ │ (5) Budget revision │
         │ │ monitoring      │ │      └─────────────────────┘
         │ └─────────────────┘ │
         └ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ┘
                   │
         ┌─────────────────────┐
Yearly   │ (6) Compilation of  │
         │ annual statement    │
         └─────────────────────┘
```
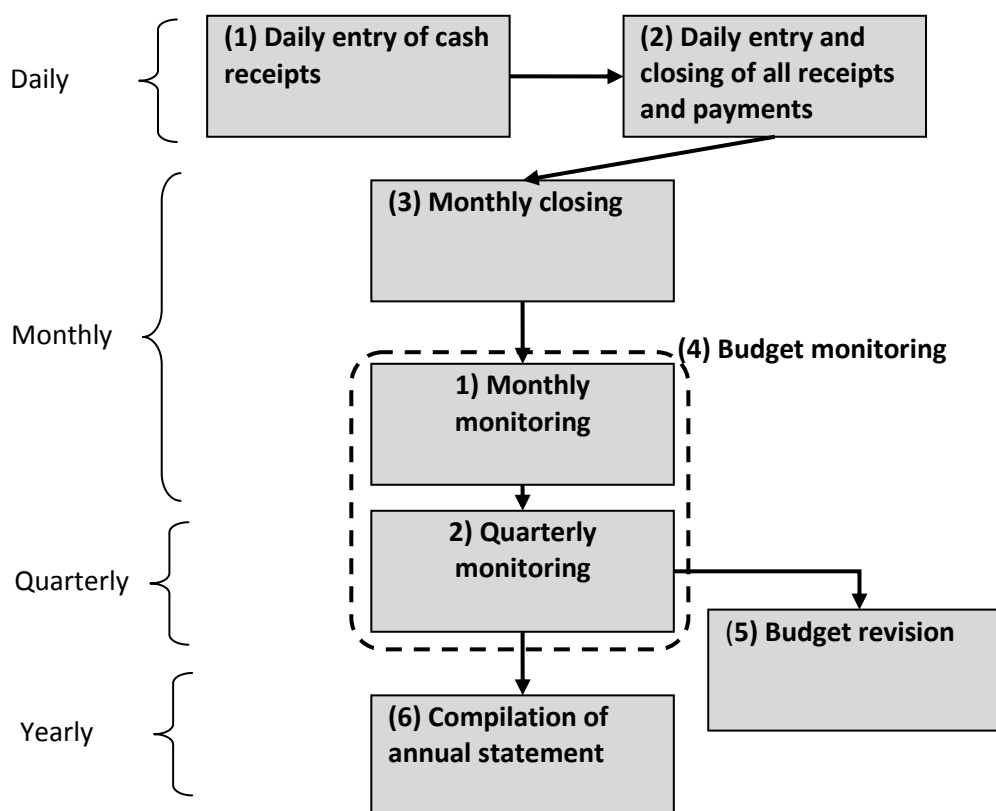
(1) Daily entry of cash receipts

In the daily operations, a purashava receives cash and cheques from tax payers, water users or business owners.

Cash and cheques are received by a cashier of the paurashava and the cashier recorded the cash receipts in a cashier's cashbook. The cash is deposited by the cashier to a bank account on the same day. Then, the cashier gives the deposit slip to an accountant, and the accountant enters the data into an accountant's cashbook.

(2) Daily entry and closing of all receipts and payments

All receipts and payments of a puarashava, excluding cash and cheque receipts, are done through bank accounts. For example, a paurashava receives land transfers or government grant through bank accounts and the paurashava makes daily payments by cheques.

3

An accountant (account officer, accountant or assistant accountant) enter receipts and payments, including the receipts of cash and cheques, into an accountant's cashbook.

At the end of the day, the accountant closes the cashbook of the day, and then calculates the closing balance of each account.

(3) Monthly closing

At the end of every month, the accountant calculate the closing balance of each account and then examines if the closing balance on the accountant's cashbook and the balance of the relevant bank accounts are consistent.

The accountant's cashbook is then checked by a Secretary and a Mayor.

(4) Budget monitoring (monthly and quarterly)

1) Monthly monitoring

Every month, the accountant summarizes all receipts and payments according to budget heads. This is to examine whether the expenditure of each budget item is not exceeding approved budget amount.

Monitoring the progress of revenue surplus (revenue income – revenue expenditure) and tax, rate and fee revenue, comparing to their pre-fixed targets is also essential.

2) Quarterly monitoring

The accountant also summarizes quarterly budget executions (**Quarterly and Annual Account of Receipt and Payment**). This is prepared through compiling monthly statements. Quarterly statements are utilized in the budget revision process mentioned below.

Such summaries should be also submitted to the accounting and audit standing committee of paurashava.

(5) Budget revision

Paurashavas are authorized to make revisions to budget whenever necessary. Paurashavas, however, revise budget at the third quarter (March), reviewing the budget execution progress until the 3rd quarter.

(6) Compilation of annual statement

After the end of the fiscal year, the paurashava formulates its annual statement, and publish it to the public.

Providing information to citizen is typically necessary to explain how the tax paid by citizens were used to public services and infrastructure development. The level of satisfactions of citizens increases when they are given more information.

Such information can be given to citizens through a Town Level Committee (TLC) meeting, a Word Council (WC) meeting or an Open budget meeting.

Submitting annual statement to the accounting and audit standing committee of paurashava is also necessary.

3.2. Individual process

(1) Daily entry of cash receipts

In the daily operations, a paurahava receives many types of money such as tax, rates, fees, lease, rent, water bill, sale of forms, tender schedule, government's revenue or development grants, project fund, donation, loan in cash or cheque or bank draft, through different sections.

A cashier of the paurashava is responsible for receiving such cash or cheques. The cashier receives cash and cheques, enter the cash receipt transactions into cashier's cashbook, and deposit cash and cheques to bank accounts every day.

In case of water section, all cash and cheques are received and registered by a water section account assistant (or a bill clerk) separately.

The cashier gives the deposit slip to an accountant, and the accountant enters the receipts into an accountant's cashbook.

(i) The format used by a cashier

A cashier receives all type of money (cash or cheque) collected by all sections. The cashier then records the receipts of cash and cheques into a cashiers' cashbook, as specified in **Rule 203** of **Bengal Municipal Account Rules, 1935.**

The format of the cashbook used by the cashier is **Form 78** shown in the rule.

> **Bengal Municipal Account Rules 1935**
> 203. All money received at the municipal office shall immediately and without reservation be brought to account in the cashier's Cash Book to be kept in Form 78 under the direct supervision of the <u>Vice Chairman</u>. The receipts shall be classified in the column provided according to the budget heads.

The cashier's cashbook (Form 78) is as follows;

Form 78
(Vide rule 203)
Cashier's Cash-book of ….. Municipality for the month of ….

Date	No. of miscella-neous bill if any	From whom received	On what account	Classification of receipt			Total of each item	Total remitted to treasury as per chalan	Remarks
1	2	3	4	5	6	…	13	14	15
				Rs.	Rs	…			

One cashbook is used for one fiscal year, and it is closed at the end of the fiscal year. The paurashava prepares a new cashbook when the next fiscal year starts.

Basically, two cashier's cashbooks are prepared in one paurashava; one for revenue account Part 1 (general) and the other for revenue account Part 2 (water section).

One page of the cashier's cashbook is used for one day. At the end of the day, the cashier closes the page and the transaction of the following day will be recorded in the following page.

In "classification of receipt" of the cashier's cashbook, budget heads (of Revenue account receipts) are indicated, as specified in the budget document (Form Ka and Form Kha of Paurashava Budget (preparation and approval) Rules, 1999).

An example of cashier's cashbook is as follows;

(Form 78, vide rule 203)

...........Paurashava
Cashier's Cash Book

For the Month of: ....
Financial Year: ....

Date	No. of misc. bill any	From whom received	On what account	Taxes		Rates		Fees		Gov't Donation (Except Dev't Grant)	Total of each item.	Total remitted to treasury as per chalan	Remarks
				Holding Tax	...	Lighting	...	License	...				
1	*2*	*3*	*4*	*5*		*14*		*17*		*33*	*34*	*35*	*36*
1-Jul	7534-40	Abul Bashar	Tax	27,305		15,900					43,205		*Sonali*
1-Jul	7687-00	SohelRana	Tax	12,025							12,025		*Bank-C/A-*
1-Jul	7457-64	Amol Bosh	Fees					9,000			9,000		*354*
		Sub-Total		39,330		15,900		9,000			64,230	64,230	

‾‾‾‾‾‾‾‾‾‾‾‾‾‾‾‾   ‾‾‾‾‾‾‾‾‾‾‾‾‾‾‾‾
Signature   **Signature**
Cashier   **Accountant**

This example of the cashier's cashbook shows the cash and cheque receipts on 1st July. As mentioned above, the transactions made in the following day (e.g. 2nd July) will be registered in the following page.

One line of the cashier's cashbook is for one transaction. In this case, the first line is for the tax and rate payment (holding tax TK. 27,305 and Lighting rate TK. 15,900) by Mr. Abul Bashar on 1st of July. Similarly, the second line is cash receipts of holding tax from Mr. Sohel Rana on the same day.

Each line shows a number of bill (money receipt), so that the transactions registered in the cashier's cashbook can be double-checked by tax collectors and accountants.

The cashier is supposed to deposit the cash and cheque received into the relevant bank deposit account as often as possible, as mentioned in **Rule 207 of Bengal Municipal Account Rules,1935**. The paurashavas are strongly recommended to deposit the cash and cheques on the same day of receipts, and should not keep cash and cheques in hand.

The cashier then gives the deposit slip to an accountant, so that the account can also record the receipts into an accountant's cashbook.

The cash received cannot be used for payments, as depicted in **Rule 207 of Bengal Municipal Account Rules, 1935**.

> *Bengal Municipal Account Rules, 1935*
> **207.** All money received on account of the Commissioners shall be remitted to the treasury as often as can be conveniently managed and shall on no account be appropriated toward expenditure.

(ii) Closing cashier's cashbook at the end of the day

The cashier closes the cashier's cashbook every day, and calculate the total receipts of each budget item.

Then, the secretary of the accountant and secretary of the paurashava checks the cashier's cashbook, and examines all the entries and calculations are appropriate. The accountant and secretary should also make sure that all the cash and cheques received are deposited to bank account on the same day, by checking bank deposit slips.

> *Bengal Municipal Account Rules, 1935*
> *206.* At the close of each day's transaction the cash shall be verified by actual count and the details of the cash balance shall be recorded in a bound book in Form 79.
> The cash balance certificate should be signed by the cashier and the Vice-Chairman or other Commissioner or municipal officer in charge of the cash-chest. The latter officer shall verify the cash balance and see that it agrees with the balance of the cashier's Cash-book for the same day (Form 78).

Summary of (1) Daily entry of cash receipt
Cashier   - Enter cash and cheque receipts to a cashier's cashbook every day.   - Deposit the cash and cheque received to the relevant bank accounts every day.   - Do not use the cash received for payments.   - Calculate the total amount of receipts of each budget item on the cashier's cashbook every day.   **Accountant**   - Check whether the entries in a cashier's cashbook are correct.   - Check whether the calculation of total receipts of each budget item is correct.   - Check all cash and cheques received are deposited to relevant bank account on the same day.   **Secretary**   - Check whether the calculation of total receipts of each budget item is correct.   - Check all cash and cheques received are deposited to relevant bank account on the same day.

(2) Daily entry and closing of all receipts and payments

All financial transactions, including the cash and cheque receipts, are recorded by an accountant (account officer, accountant or assistant accountant), in an accountant's cashbook.

At the end of the day, the accountant closes the cashbook of the day, calculate the closing balance, and transfer the closing balance to the following day (as opening balance).

(iii) The format used by accountant

Format of accountant's cashbook

The format used by accountant for recording daily receipts and payments, which is called as "accountant's cashbook" or "cashbook", is **Form 83** of **Bengal Municipal Account Rules, 1935**, as specified in **Rule 221** of the rule.

Form 83 is as depicted in the following table,

Format of Accountant's cashbook

Cash book
Form No- 83
(Rule No- 187 and 221)
For .... Pourashava of ....month

Debit

Date	Memo no	Particulars of receipt	Taka	Total of each memo	Name of sector of abstract register	Date	Particulars of payment	Voucher no	Amount of money	Cheque no	Amount in the cheque	Name of sector of abstract register
1	2	3	4	5	6	7	8	9	10	11	12	13

Bengal Municipal Account Rules, 1935

221. The Cash-book shall be kept in English in Form 83 by the accountant. It shall be a substantially bound volume, containing a sufficient number of pages to contain at least one year's transactions. It shall be carefully pages before being brought into use.

One page of the accountant's cashbook is used only for one day. The transactions of more than one day should not be recorded in one page. The left side of the accountant's cashbook is for the receipts (e.g. receipts of tax or fees), and the right side is for the payments.

One accountant's cashbook is used for one fiscal year, and separate accountant's cashbooks are prepared for each account, including;
➢ Revenue account Part 1
➢ Revenue account Part 2 (Water section)
➢ Development account
    - Development projects by own fund
    - Development projects by ADP (Annual development, funded by the central government)

- Development projects by donors
➢ Capital account

The accountant's cashbook of Revenue account Part 2 (Water section) is maintained by account assistant or bill clerk of the water section of the paurashava.

A paurashava also prepares several accountants' cashbooks for Development account. Accountant's cashbook for Development account are prepared for (i) Development projects by own fund, (ii)Development projects by ADP (Annual development, funded by the central government), and (iii) Development projects by donors, such as UGIIP-3, NOBIDEP, MGSP, or BMDF, etc.

Another cash book is prepared for Capital account. Transactions of gratuity fund, depreciation fund, security money, and loan are recorded in this accountant's cashbook.

An example of the accountant's cashbook for Revenue account Part 1 of a paurashava is as in the table below. This is a page of an accountant's cashbook of a paurashava on 1st July (only for one day)

Example of an accountant's cashbook (1st July) for Revenue account Part 1

Cash Book
(Form: 83 Vide rule:187 and 221)
Municipality: XXXX
For the Month of :......

Date	Memo/ money receipt No.	Particulars of Receipt	Taka	Total of each memo / money receipt	Name of sector of abstract register	Date	Particulars of payment	Voucher no.	*Amount of money	Cheque No.	Amount in the cheque	Abstract Register/Ledger Folio
1	2	3	4	5	6	7	8	9	10	11	12	13
1-Jul		**Opening Balance**		**1,010,500**		1-Jul	Salary	1	5,000	7890382	5,000	1
1-Jul	7534-40	Holding Tax	39,930		1	1-Jul	Telephone bill	2	2,450	7890383	2,450	1
1-Jul	7687-92	Lighting Rate	15,900		1	1-Jul	Electricity bill	3	4,500	7890384	4,500	1
1-Jul	7457-64	Conservancy Rate	2,800		1							
1-Jul	7789-90	Trade License Fee	9,000		1							
1-Jul	7987-88	Compensation for Road Cutting	5,000		1							
1-Jul	8211-12	Sale of Various Certificates	1,200		1							
1-Jul	8222-23	Sale of Various Forms	1,000		1							
1-Jul	8344-45	Sale of Tender Schedule	500	**74,730**	1							
		Total receipts of the day		**74,730**			**Total payments of the day**				11,950	
							Closing Balance				1,073,280	
		Total of the page		**1,085,230**			**Total of the page**				1,085,230	

At the bottom of the accountant's cashbook, the closing balance of the day is calculated every day. Calculation of the closing balance every day is very important to know the available amount of money in bank accounts.

At paurshavas, there are mainly two methods to calculate the closing balance of the day, as in (a) and (b).

(a)   [Closing balance (of the day) = [Opening balance] + [Total receipts of the day] – [Total payments of the day]
(b)   [Closing balance (of the day)] = [Opening balance of the year]   + [Total accumulated receipts of the period/year] – [Total accumulated payments of the period/year]

In (a), [Closing balance (of the day)] is calculated from [Total receipts of the day] and [Total payments of the day]. In (b), [Closing balance (of the day)] is calculated from [Total accumulated receipts of the period/year] and [Total accumulated payments of the period/ year].

In this operational handbook, (a) is recommended to all paurashavas. Examples of (b) will be also explained in this handbook for the paurashavas which are using (b).

Some other paurashavas do not even calculate the closing balance every day, and calculate it at the end of each month. This is not appropriate, as the paurahsava cannot know the outstanding balance of bank account form cashbook, when paurashavas issues cheques for payments.

How to fill accountant's cashbook (left side: Receipts)

The left side of the accountant's cashbook, which is enlarged in the following table, shows the receipts, such as receipts of tax, rates,and fees.

Example of an accountant's cashbook (1st July) for Revenue account Part 1, Receipts

Date	Memo/ money receipt No.	Particulars of Receipt	Taka	Total of each memo / money receipt	Name of sector of abstract register
1	*2*	*3*	*4*	*5*	*6*
1-Jul		**Opening Balance**		**1,010,500**	
1-Jul	7534-40	Holding Tax	39,930		1
1-Jul	7687-92	Lighting Rate	15,900		1
1-Jul	7457-64	Conservancy Rate	2,800		1
1-Jul	7789-90	Trade License Fee	9,000		1
1-Jul	7987-88	Compensation for Road Cutting	5,000		1
1-Jul	8211-12	Sale of Various Certificates	1,200		1
1-Jul	8222-23	Sale of Various Forms	1,000		1
1-Jul	8344-45	Sale of Tender Schedule	500	**74,730**	1
		Total receipts of the day		**74,730**	
		Total of the page		**1,085,230**	

At the top of the left side of the accountant's cashbook, [Opening balance] (TK. 1,010,500) is indicated. This must equal to the closing balance of the previous day.

In this example, a total of TK. 74,730 was registered as a receipt of the day. In this case, the cashier received TK. 74,730 of cash or cheques on 1st July, deposited them on the same day, and the accountant recorded this in the accountant's cashbook.

As in this example, the deposited amounts (TK. 74,730) were entered in several budget heads of the accountant's cashbook, such as holding tax (TK.39,930), lighting rate (TK. 15,900) or conservancy rate (TK. 2,800).

The reason why the entries of receipts were separated into several budget heads is because this makes it easier to summarize the monthly receipts and payments at the end of every month.

Holding tax (TK. 39,930) is the summation of the receipts from several payers, whose tax receipt numbers are from 7534 to 7540. Similarly, the entry of lighting rate (TK. 15,900) is the summation of the receipts (receipt number from 7687 to 7692).

[Total receipts of the day] is also indicated at the bottom of the sheet. Please note that [total receipts of the day] does NOT include [Opening balance]. [Total of the page], which is obtained by Adding [Opening balance] to the [Total receipts of the day] is indicated at the bottom of page.

"Name of sector of abstract register" on this cashbook is showing the relevant page number of Abstract register, which is explained later in this operational handbook.

Bengal Municipal Account Rules, 1935

222. As soon as the Pass-book is received back from the Treasury (see rule 211), the accountant shall compare and verify the entries in the Pass-book with the duplicate challans and the cashier's Cash-book to ensure that all remittance have been duly brought to account in the Treasury and the accountant will then write up the receipt side of his Cash-book (Form 83) from the challans and the cashier's Cash-book.

In writing up his Cash-book the accountant shall transcribe the totals only under the various account headings in the cashier's book into his Cash-book, but at the same time he shall prove the compilation of the account and test the accuracy of the amount and the classification of the items forming the totals by referring to all the forms and registers in which receipts are given or collections recorded. All miscellaneous receipts and license book counterfoils shall thus be checked daily by the accountant, but the collections of municipal taxes should be compared only with the sarker's collection registers after they have been duly checked without scrutinising the counterfoils of the bills.

The date of receipt to be shown in the accountant's Cash-book shall be the date on which the challan is received by the Treasury Officer as shown by his stamp and initials on the counterfoil.

How to fill accountant's cashbook (right side: Payment)

The right side of the accountant's cashbook, which is enlarged in the following table, shows the payments, such as salary payments or telephone bills.

Example of an accountant's cashbook (1ˢᵗ July) for Revenue account Part 1, Payments

Date	Particulars of payment	Voucher no.	*Amount of money	Cheque No.	Amount in the cheque	Abstract Register/ Ledger Folio
7	*8*	*9*	*10*	*11*	*12*	*13*
1-Jul	Salary	1	5,000	7890382	5,000	1
1-Jul	Telephone bill	2	2,450	7890383	2,450	1
1-Jul	Electricity bill	3	4,500	7890384	4,500	1
	total payments of the day				**11,950**	
	Closing Balance				**1,073,280**	
	Total of the page				**1,085,230**	

The payments indicated in this accountant's cashbook were paid through a bank account (for Revenue account Part 1) by issuing cheques. For example, the first line shows the salary payment of TK. 5,000 made by a cheque (Cheque number 7890382).

At the end of each line, "**abstract Register/Ledger Folio"** is indicated. This shows the page number of this item in Abstract Register, which is used for summarizing the payments of this item in this month.

At the bottom of the page, [Total payments of the day] and [Closing balance] are filled. The closing balance of the day is calculated as follows;

> **[Opening balance] + [Total receipts of the day] - [Total payments of the day]**
> **= [Closing balance (of the day)]**

[Total of the page], which is obtained by Adding [Total payments of the day] to [Closing balance] is indicated at the bottom of page. This must equal to the [Total of the page] indicated on the left side of the accountant's cashbook.

Record keeping of cheques
As mentioned above, when a paurashava makes a payment, it issues a cheque, as the paurashavas are not allowed to make payments by cash.

Upon payments, an accountant obtains approvals on payment itself after receiving invoices. Then an accountant prepares a cheque and a "cheque register", and have them signed by authorized signatories of the bank account of Paurashava (e.g. secretary and mayor).

Sample of a Cheque Register:

Name of Bank :
Branch :
Account No :
Account Type :

These are signed by the same signers of cheques.

Date	No. of Cheque	Name of Payee	Head of Accounts	Amount-Tk.	Signature Secretary	Signature Mayor	Remarks

When making payments by the cheque, the accountant fills a "payment voucher". Upon payments, the recipient signs on the voucher and counterfoil of the cheque. The format of the payment voucher is not specified in rules, but the format normally used by paurahsvas is as follows;

Payment Voucher Form

<table>
<tr><td>Monogram</td><td colspan="2" align="center">……Paurashava

Payment Voucher</td></tr>
</table>

Date: Voucher No:

Paid To:……………………………………………………………………………………………..

Cheque No:………………………   Bank Name and Account No:……………………….

Head of Accounts	Particulars	Taka
Total		………

Taka in word:…..

Received by   *Accounts officer/*   *Chief Executive Officer/*   *Mayor*
                       Accountant   *Secretary*

After the recipient signed on the voucher, the voucher is also examined and signed by the accountant, secretary (or CEO) and mayor. Then the accountant records the payment to the accountant's cashbook.

Bengal Municipal Account Rules, 1935
223. The payment side of the Cash-book shall be posted from the details of   the vouchers and on the cheques drawn. The amount of each cheque shall be entered as soon as the cheque is signed.

(iv) Closing accountant's cashbook at the end of the day

Calculation of closing balance by accountant

An accountant's cashbook is closed every day, and receipts and payments of the following day should be registered in the following pages (receipts and payments of more than one day should not be registered on the same page).

Upon closing accountant's cashbook, the closing balance is calculated. Calculation of the closing balance is typically necessary, when issuing cheques for payments. An accountant should make sure that there is enough balance in bank accounts before cheques are issued.

As mentioned above, [Closing balance] of the day will be calculated from [Opening balance], [Total receipts of the day] and [Total payments of the day].

The relationship among [Opening balance], [Total Receipts of the day], [Total payments of the day] and [Closing balance] are depicted as follows;

> **[Opening balance] + [Total receipts of the day] - [Total payments of the day]**
> **= [Closing balance (of the day)]**

<Day 1, 15ᵗʰ September>

Debit   **Credit**

Receipt		Payment	
Opening balance	3,000		
Receipt (1)	100	Payment (1)	200
Receipt (2)	100	Payment (2)	100
Page total (receipt)	200	Page total (Payment)	300
		Closing balance	2,900
Total of the page	3,200	Total of the page	3,200

In this case, the opening balance of the day (which is same as the closing balance of the previous day) was TK. 3,000. This paurashava received TK. 200 and paid TK.300 on this day, and thus the closing balance on this date is TK. 2,900.

The closing balance of the day (TK.2,900) will be the opening balance of the following day. This can depicted as in the following tables.

<Day 2, 16ᵗʰ September>

Debit   **Credit**

Receipt		Payment	
Opening balance	2,900		
Receipt (3)	600	Payment (5)	200
Receipt (4)	300	Payment (6)	300
		Payment (7)	100
Page total (receipt)	900	Page total (Payment)	600
		Closing balance	3,200
Total of the page	3,800	Total of the page	3,800

[Total receipts of the day] is TK.900, and the [Total payment of the day] is TK.600. [Closing balance] is then TK.3,200, which is calculated as [Opening balance] TK. 2,900 + [Total receipt of the day] TK. 900 - [Total payment of the day] TK. 600.

Checking of accountant's cashbook by secretary and mayor

The daily entries of the accountant's cashbook are checked both by accountant and secretary.

Secretary checks every day;
(i)   whether all the entries are made based on vouchers (e.g. deposit slips or money receipts),
(ii)   whether the closing balance is appropriately calculated (e.g. Opening balance + total receipts – total payments = closing balance)

Checkpoints of cashier's cashbook

Debit				Credit
Receipt		**Payment**		
Opening balance	2,900			
Receipt (3)	600	Payment (5)	200	
Receipt (4)	300	Payment (6)	300	
		Payment (7)	100	
Page total (receipt)	900	Page total (Payment)	600	
		Closing balance	3,200	
Total of the page	3,800	Total of the page	3,800	
Accountant		Secretary		

(i) Check the consistency with vouchers.

(iii) Check if the calculation is correct.

Summary of (2) Daily entry and closing of all financial transactions

Accountant
- Prepare accountant's cashbook for each account (e.g . Revenue account Part 1, Part 2, Development account and capital account).
- Record all financial transactions to accountant's cashbook every day.
- Calculated the closing balance from opening balance, total receipts of the day and total payments of the day.

Secretary
- Check the consistency between the data entry in the accountant's cashbook and vouchers.
- Check if the calculation of the closing balance is correct.

Tips: Record transactions as soon as possible

When transactions are made, the data entry should be made as soon as possible. For example, when checks are issued to recipients, such payment transactions should be recorded in the cashbook at the same time.

When accountants try to record several transactions later, some of them might be missed out. In this case, double checking would take more time than necessary and quality of cashbook registration would be worse.

A frequent data entry and checking is the key to achieve quality in data entries.

(3) Monthly closing

In addition to the daily accounting closing, the accountant (account officer, accountant, or assistance accountant) calculates the closing balance of each account at end of every month.

At the same time, the accountant obtains bank statements of bank accounts, and checks the consistency between the closing balance of the accountant's cashbook and that of the relevant bank account.

Bengal Municipal Account Rules, 1935
224. The Cash-book shall be balanced on the last working day of each month and signed by the Chairman or Vice-Chairman in token of the correctness of every entry made therein. The balance brought out shall be stated both in words and figure and shall within three days of the close of the month be agreed with the balance shown in the Treasury Pass-book, thus:-

---

Monthly account closing is done by (i) an accountant (or account officer), and then checked by (ii) a secretary (or chief executive officer) and (iii) a mayor.

(i) Monthly account closing by accountant

An accountant (an accountant or an account officer) examines the consistency between the closing balance of the accountant's cashbook and that of relevant bank account at the end of every month.

Theoretically, both closing balances should be consistent. However, there might be some gaps between these closing balance because of any mistakes in data entries and also because of the settlement of cheques. The accountant has to check if there are such gaps, and make adjustments to the closing balance.

Processes to check the consistency between the closing balances of the accountant's cashbook and that of relevant bank account statement are as follows;
- Obtain bank statements
- Compare the bank statement to the accountant's cashbook and identify the cheques paid but not settled (amounts and payees).
- Identify also the cheques received and deposited but not settled.
- Adjust the closing balance on the accountant's cashbook and examine the consistency between the adjusted closing balance of the accountant's cashbook and bank statements.

Examining the cheques paid but not settled
As mentioned above, the checking process starts from obtaining a bank statement. Comparing the bank statement and the accountant's cashbook, the accountant identifies which cheques paid by the paurashava are not settled yet.

This is because the amounts of cheques paid but not settled reduces the closing balance of the accountant's cashbook, but does not reduce the bank account balance.

Then the accountant identifies the number, date of issue, payee and the amount of the cheques which have not been settled until the end of the month.

Examining the cheques received and deposited but not settled

Similar gap might happen when cheques received (e.g. from a tax payer) and deposited, but not settled before the end of the month.

The amounts of cheques received and deposited but not settled will increase the closing balance of the accountant's cashbook, but does not increase the bank account balance.

This is because when a paurashava deposits cheques in a bank account, it will take at least 3 days (if the cheque is issued in the same region), and sometimes about 15 days (if the cheque is issued at remote place) to settle.

Then, the gap between the closing balance of the accountant's cashbook and that of bank statement comes from unsettled cheque paid and unsettled cheques deposited. The relationships among them is depicted as follows;

[Closing balance of cashbook] + [Unsettled cheques paid] – [Unsettled cheques deposited]
= [Balance of bank account]

This is calculated on the accountant cashbook as follows;

Calculation of the adjusted closing balance (at the end of month)

Closing balance (as per accountant's cashbook)	**TK. 50,000**
Plus (+) Cheque have been issued but yet unpaid in the bank	
Cheque no- 345287/Date 25 July 2014/Fuel bill/Jamal Petrol Pump Ltd.	TK. 10,000
Cheque no- 352289/Date 27 July 2014/Stationary Bill/ Rana Stationary.	TK. 5,000
Sub-Total	**TK. 15,000**
Minus (-) Cheque/ memo have been deposited from cashbook but not included in pass book/ bank account	
Cheque no- 67543 /Date 02 July 2014/Tax collection/ …………….	TK. 12,000
Cheque no- 786412/Date 23 July 2014/Lease money/ …………….	TK. 6,000
Sub-Total	**TK. 18,000**
Adjusted closing balance (TK 50,000+15,000-18,000) = Balance of the bank account	**TK. 47,000**

In this example, there are two cheques (TK.10,000 and TK. 5,000) which are paid but not settled until the end of this month.

At the same time, there are two cheques (TK.12,000 and TK.6,000) which were deposited in bank account but not settled until the end of the month.

The closing balance on the accountant's cashbook was TK. 50,000. Then the adjusted closing balance which should be consistent with the balance of bank account is TK. 47,000.

The adjustment is indicated on the accountant's cashbook (of the last working day of every month) as follows;

How to indicate the adjusted closing balance in accountant's cashbook

Debit				Credit
Receipt		**Payment**		
Opening balance	49,000			
Receipt (1)	1,500	Payment (3)		1,000
Receipt (2)	500			
Total receipts of the day	2,000	Total payments of the day		1,000
		Closing balance		50,000
Total of the page	51,000	Total of the page		51,000

Closing balance	51,000
Unsettled cheques paid(+)	15,000
Unsettled cheques deposited(-)	18,000
Adjusted closing balance	48,000

Accountant

Secretary

Check the consistency with bank statement.

Mayor

Tips: When the adjusted closing balance and bank closing balance are not consistent

The gap between the bank statement balance and the closing balance comes from unsettled cheques and mistakes of entries in the accountant cashbook.

Then, if the adjusted closing balance and bank closing balance are not consistent, check once again;
1) Whether the unsettled cheques paid and unsettled cheques deposited are correctly identified,
2) Whether the adjusted closing balance is appropriately calculated at the end of the month,
3) Whether daily closing balance was appropriately calculated on the accountant cashbook, and
4) Whether daily receipts and payments are appropriately entered in the accountant's cashbook .

(ii) Monthly checks on account closing by a secretary

At the end of every month, accountant's cashbook is checked both by a secretary (or chief executive officer) and a mayor.

The secretary examines;
(a)   Whether the unsettled checks paid and unsettled cheques deposited are appropriately indicated on the accountant 's cashbook.
(b)   Whether the adjusted closing balance is appropriately calculated, and
(c)   Whether the adjusted closing balance of the accountant's cashbook and the closing balance of the bank statement are consistent.

How to examine the adjusted closing balance

Debit				Credit
Receipt		**Payment**		
Opening balance	49,000			
Receipt (1)	1,500	Payment (3)		1,000
Receipt (2)	500			
Total receipts of the day	2,000	Total payments of the day		1,000
		Closing balance		50,000
Total of the page	51,000	Total of the page		51,000

(a) Check if unsettled cheques are appropriately indicated.

(b) Check if the calculation of adjusted closing balance is correct or.

Closing balance	51,000
Unsettled cheques(+)	15,000
Un deposited cheques (-)	18,000
Adjusted closing balance	48,000

Accountant

Secretary

(c) Check if the adjusted closing balance is consistent with the balance of bank statement.

Mayor

(iii) Monthly checks on account closing by a mayor

A mayor also checks the accountant's cashbook at the end of every month.

The mayor typically examines;
(c) Whether the adjusted closing balance of the accountant's cashbook and the closing balance of the bank statement are consistent.

Summary of (3) Monthly closing
Accountant - Obtain banks statement of the month and identify the unsettled cheques paid and unsettled cheques deposited. - Indicated such unsettled cheques paid and unsettled cheques deposited onto the accountant's cashbook. - Adjust the closing balance of accountant's cashbook by adding the amount of unsettled cheques paid and deducting the amount of cheques deposited. - Examines the consistency between the adjusted closing balance of the accountant's cashbook and the closing balance of the bank statement. **Secretary** - Checks whether the unsettled checks paid and unsettled cheques deposited are appropriately indicated on the accountant 's cashbook. - Checks whether the adjusted closing balance is appropriately calculated, and - Examines the consistency between the adjusted closing balance of the accountant's cashbook and the closing balance of the bank statement. **Mayor** - Examines the consistency between the adjusted closing balance of the accountant's cashbook and the closing balance of the bank statement.

(4) Budget monitoring

Paurashavas need to monitor the budget execution progress every month and every quarter, as specified in **The Bengal Municipal Account Rules 1935.**

Bengal Municipal Account Rules, 1935

247. At the close of every month, the totals under the various heads of account recoded in the Abstract Registers shall be entered in English by the accountant in the separate register in Form 89 and 90 against the corresponding heads under the appropriate month.

If it is desired to show the expenditure in greater details than according to the prescribed budget heads, additional details heads may be inserted in the Register of Expenditure.

Monitoring of budget execution is important, as paurashavas have to follow certain rules in budget execution processes; such as;
- Upper limit of the establishment cost
- Restrictions on expenditure more than approved budget and adaptations

As specified in **Article 11 (1) of Paurashava Budget (preparation and approval) Rules, 1999**, paurashavas cannot spend more than 50% of revenue income for establishment cost. Therefore, paushava need to monitor the revenue income and expenditure, and make sure that they are not spending more than the upper limit.

Paurashava Budget (preparation and approval) Rules,1999

11.Expenditure restriction:

(1)The Paurashava will not expend more than 50% of collected revenue income for establishment in the relevant financial year;

As specified in **Article 11(2) of Paurashava Budget (preparation and approval) Rules, 1999**, paurashava cannot make expenditure which is not included in the approved budget. Paurashava cannot adapt any allocation from one head or sub-head to another head or sub-head either, as in **Article 12**.

Paurashava Budget(preparation and approval) Rules,1999

11.Expenditure restriction:

(2) Paurashava cannot expend in any means excluded the approved budget;

Paurashava Budget(preparation and approval) Rules,1999

12.Adaptation of expenditure head: Paurashava cannot adaptation any allocation from one head or sub-head to another head or sub-head:

But to tackle any disaster or critical situation, adaptation can be made with the prior approval of the Prescribed Authority;

Therefore, a paurashava again needs to monitor the budget executions, and make sure that they are complying with these rules.

Monitoring of revenue income and revenue surplus (revenue income – revenue expenditure) is typically necessary, especially when paurashavas are allocating more revenue income for development expenditures.

Therefore, it is highly recommended to set targets on revenue income (tax revenue) and also on revenue surplus and then to monitor the progress every month.

Receipts and payments registered on accountant's cashbook are compiled for monthly and quarterly monitoring as follows;

1) An accountant fill "abstract register" of each budget head from the receipt and payment entries in accountant's cashbook
2) The total receipt and payment amounts of each budget item calculated in abstract registers are then filled in Quarterly and Annual Account of Receipts and Payments every month.
3) The amounts of quarterly receipts and payments of each budget head are then calculated compiling monthly totals.

Compiling the Quarterly and Annual Account of Receipts and Payments, an annual statement of the paurashava can be easily prepared. This process can be described in the following diagram.

Diagram for preparation of quarterly and Annual Accounts of Receipts and Payments of Paurashava

22
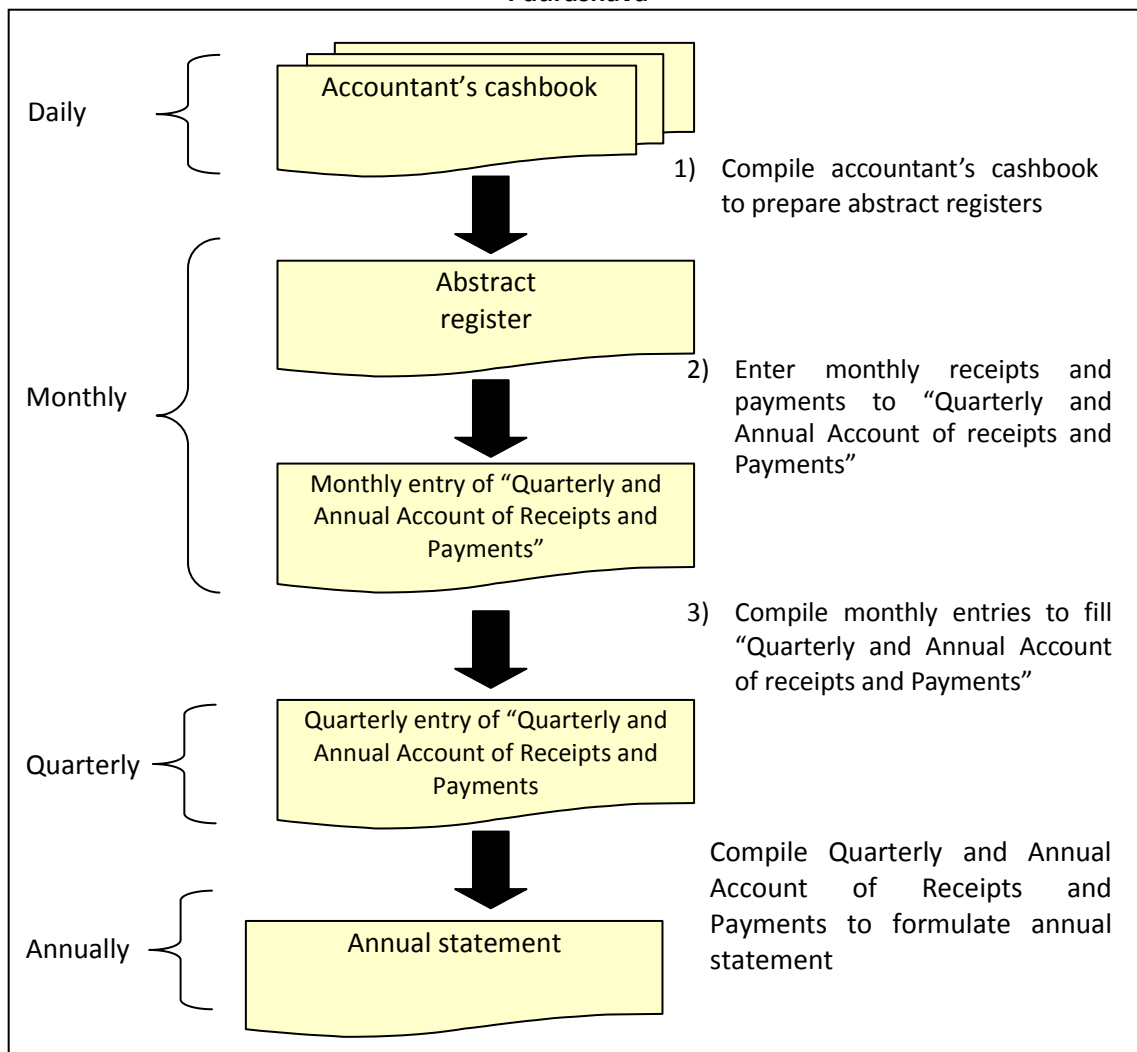
1) Compile receipts and payments in accountant's cashbook to fill abstract register

Monitoring of budget executions starts from compiling receipts and payments data. However, it is not easy to sum up all receipts and payments of each budget head.

Then, "**Abstract register**" is used to compile receipt and payment data of each budget item every month.

The format of **Abstract Register**, which is given in **Bengal Municipal Account Rules, 1935**, and the related rules are as follows;

Form 86
(Vide rules 186 and 240)
Abstract Register of Receipts of the Municipality of …………
for the month of …………………

		Heads of receipt as in budget form					Cross total carried to next page
Cash transaction							
Total cash transaction							
Adjustment	Add						
	Deduct						
Net total							

Form 87
(Vide rules 186 and 240)
Abstract Register of Payment of the Municipality of …………
for the month of …………………

		Heads of receipt as in budget form					Cross total carried to next page
Cash transaction							
Total Cash transaction							
Adjustment	Add						
	Deduct						
Net total							

Bengal Municipal Account Rules, 1935

240. All the entries on the receipt side of the Cash-book (From 83) shall be posted by the accountant one by one direct from the Cash-book into the Abstract Register of receipts (Form 86) and all the entries on the payment side of the Cash-book shall be similarly posted into the Abstract Register of expenditure (Form 87).
When transactions under any head are very numerous, it will be best to open two or more columns with the same headings, and the headings under which there can be no transactions may be omitted.

241. The Abstract Registers shall be kept in English and shall be posted as often as may be convenient, but in no case later than 10 days after the close of the month to which the account relates.

242. The cash transaction in the Abstract Registers shall be totalled every month and the grand totals of the different heads of receipts and expenditures must necessarily be equal to and shall be compared by the Mayor, Executive Officer or Secretary with the total receipts and payments in the Cashbook. He shall initial the Abstract Registers in token of having made this comparison.

As mentioned in these rules, an accountant transcribe receipts and payments entries from the accountant's cashbook to the **Abstract Register.** Then, the accountant calculates the total amount of receipts and payments of each budget head in the abstract register within ten days from the end of each month.

An example of the abstract register of receipts is as in the following table. The abstract register is showing all receipts of Revenue account Part 1, such as receipts of tax, rates and fees.

Please note that this is an example used by several paurashava, which seems to be most feasible. The Abstract Register of other paurahsvas might look different.

An example of abstract register (receipts)

Date	Cash book Folio No/Page No	Taxes		Rates		Fees		Others		Government Donation (Except Dev't Grant)	Grand total
		Holding Tax	…	Lighting	…	License	…	Hat-Bazar Lease	…		
1	*2*	*5*		*14*		*17*		*22*		*33*	*34*
1-Jul	1	27,305		15,900		9,000					
1-Jul	1	12,025									
2-Jul	2	34,350		23,300		7,000		20,675			
Total		**73,680**		**39,200**		**16,000**		**20,675**			**149,555**

In this example, names of budget heads are shown at the top to table. The receipts of each budget head are described one by one.

At the bottom of each budget head, the total amount of receipts of each item is calculated. The totals calculated in this abstract register will be then input in "Quarterly and Annual Account of Receipts and Payments", which is explained in the following section.

If all entries of any budget head in an accountant's cashbook cannot be transcribed into one page of abstract register, you can continue transcribing in the next page of abstract register. In such case, the subtotals of the page are indicated at the bottom of each page, and the subtotal will be carried over to the following page.

After all entries are made in the abstract register, grand total of receipts and payment s of each account should be calculated on the abstract register.

The grand total amount of receipts and payments in abstract register will be compared to the total amount of receipts and payments in accountant's cashbook by a secretary and mayor. This is necessary to examine all the entries in the cashbook are transcribed in the abstract register.

2) **Monthly entry to "Quarterly and Annual Account of Receipts and Payments" from abstract register**

As described in **Rule 247** of **Bengal Municipal Account Rules 1935**, "At the close of every month, the totals under the various heads of account … shall be entered in the separate register in Form 89 and 90 against the corresponding heads under the appropriate month".

The formats used for the monthly monitoring are Form 89 (Quarterly and Annual Account of Receipts) and Form 90 (Quarterly and Annual Account of Payments) of **Bengal Municipal Account Rules,1935.**

Form 89
(Vide rules 180 and 243)
Quarterly and Annual Account of Receipts

Head of receipt	Budget estimate as sanctioned	July	August	September	Total 1st Quarter	….	Total 4th Quarter	Total of the year
1	2	3	4	5	6		20	21
Total Receipts								
Opening blance								

Form 90
(Vide rule 247)
Quarterly and Annual Account of Payments

Head of expenditure	Budget estimate as sanctioned	July	August	September	Total 1st Quarter	….	Total 4th Quarter	Total of the year
1	2	3	4	5	6		20	21
Total Expenditure								
Closing balance at the end of previous fiscal year								

How to fill the format (Quarterly and Annual Account of Receipts and Payments)

In these formats, total of receipts and payments of each budget item are entered every month. Compiling receipts and payments of three month (e.g. July – September), it is also possible to calculated the receipts and payments amount of each quarter.

The items indicated in Quarterly and Annual Accounts of Receipts and Payments should be consistent with those of budget documents (Form Ka and Form Kha of Paurashava Budget (preparation and approval) Rules, 1999).

One sheet of Quarterly and Annual Accounts of Receipts and Payments sheet, which are used for one fiscal year, should be printed on two pages facing each other.

Quarterly and Annual Accounts of Receipts and Payments can be filled from abstract registers as follows;

Example of filling monthly summary from abstract registers

Abstract register (receipts, Revenue account Part 1) of July

Date	Cash book Folio No/Page No	Taxes		Rates		Fees		Others		Government Donation (Except Dev't Grant)	Grand total
		Holding Tax	...	Lighting	...	License	...	Hat-Bazar Lease	...		
1	*2*	*5*		*14*		*17*		*22*		*33*	*34*
1-Jul	1	27,305		15,900		9,000					
1-Jul	1	12,025									
2-Jul	2	34,350		23,300		7,000		20,675			
Total		73,680		39,200		16,000		20,675			149,555

Form 89
(Vide rule 243)
Quarterly and Annual Account of Receipts (Revenue account Part 1)

Head of expenditure	Budget estimate as sanctioned	Jul	Aug	Sep	Total 1st Quarter	...	Total 4th Quarter	Total of the year
1	2	3	4	5	6		20	21
Holding tax	900,000	73,680						
...								
Lighting	500,000	39,200						
...								
Licence	240,000	16,000						
...								
Hat lease	250,000	20,675						
...								
Total Income	1,800,000	149,555						
Opening balance	200,000	210,000						

Examine if this is consistent with the total expenditure in the abstract register.

The upper table is the Abstract register of Revenue account Part 1 in July, and the lower table is the Quarterly and annual account of Receipts and payment of the same account. The budget items shown on both tables are same (the budget items on the accountant's cashbook should be also same).

In this example, the total revenue of holding tax calculated in the Abstract register (July) is TK. 73,680. This is then input into the relevant cell (Holding tax, July) in the Quarterly and Annual account of Receipt.

How to check if the data entries in Quarterly and Annual Account Receipts and Payments are collect.

After all entries are made in Quarterly and Annual Account of Receipts and payments, it is necessary to examine if all the data entries are correct or not.

Then, the accountant examines if the total receipts and payments of each account are same between (i) Quarterly and Annual Account of Receipts and Payments and (ii) Abstract Register. This should be also consistent with the receipt and payments calculated on the Accountant's cashbook.

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The entry to quarterly and annual account of receipts and payments are made by an accountant, and checked by a secretary and a mayor.

How to monitor the progress of budget execution

Quarterly and Annual Account of Receipts and Payments produced above is used for the monitoring of budget executions.

Typically, the accountant, secretary and mayor examines if the actual budget execution amount (expenditures) of each budget item is not exceeding the amount of approved budget.

They should also examine if the actual establishment expenses are not exceeding 50% of revenue income.

The paurashavas are also recommended to monitor the progress of revenue surplus and tax revenue, comparing to their annual targets.

The Quarterly and Annual Account of Receipts and Payments are then submitted and explained to the standing committee of Account and Audit of the paurashava.

3) Preparation of Quarterly statements

Paurashavas continue the monitoring of budget execution every month and every quarter, using the Quarter and Annual account of Receipts and Payments.

Every month, an accountant will fill out the Quarter and Annual Account of Receipts and Payments of each account (Revenue account Part 1 and 2, Development account and Capital account) and then summarize them to indicate the quarterly budget execution progresses.

Similarly, the accountant, secretary and mayor examines if the actual budget execution amount (expenditures) of each budget item is not exceeding the amount of approved budget.

They examine if the actual establishment expenses are not exceeding 50% of revenue income, and monitor the progress of revenue surplus and tax revenue, comparing to their annual targets.

The statements are then submitted and explained to the standing committee of Account and Audit of the paurashava.

Summary of (4) Budget monitoring

General
- It is highly recommended to set targets on (i) Revenue surplus amount and (ii) tax, rate and fee revenue amount, before a fiscal year starts.

Accountant
<Monthly>
- Prepare abstract registers of each account transcribing receipt and payment entries from relevant accountant's cashbooks.
- Transcribe the total amount of each budget of abstract register to Quarterly and Annual Account of Receipts and Payments.
- Examines the consistency between the total amount of receipts and payments of (ii) abstract registers and (iii) Quarterly and Annual Account of Receipts and Payments.
- Examine if the actual expenditures of all budget items are within approved budget amounts.
- Examine the progress of the revenue surplus and tax, rate and fee revenue.

<Quarterly>
- Summarize monthly receipts and payments on Quarterly and Annual Account of Receipts and Payments to show the quarterly progress of budget executions.
- Examine if the actual expenditures of all budget items are within approved budget amounts.
- Examine the progress of the revenue surplus and tax, rate and fee revenue.

Secretary
<At the beginning of the fiscal year>
- Take initiatives to set targets on the revenue surplus and tax, rate and fee revenue
<Monthly>
- Examines the consistency between the total amount of receipts and payments of (i) accountant's cashbooks and (ii) Abstract registers.
- Examines the consistency between the total amount of receipts and payments of (ii) abstract registers and (iii) Quarterly and Annual Account of Receipts and Payments.
- Examine if the actual expenditures of all budget items are within approved budget amounts.
- Examine the progress of the revenue surplus and tax, rate and fee revenue.
- Submit the monthly statement to the standing committee of account and audit.
<Quarterly>
- Examine if the actual expenditures of all budget items are within approved budget amounts.
- Examine the progress of the revenue surplus and tax, rate and fee revenue.
- Submit the quarterly statement to the standing committee of account and audit.

Mayor
<At the beginning of the fiscal year>
- Take initiatives to set targets on the revenue surplus and tax, rate and fee revenue
<Monthly>
- Examine if the actual expenditures of all budget items are within approved budget amounts.
- Examine the progress of the revenue surplus and tax, rate and fee revenue.
- Submit the monthly statement to the standing committee of account and audit.
<Quarterly>
- Examine if the actual expenditures of all budget items are within approved budget amounts.
- Examine the progress of the revenue surplus and tax, rate and fee revenue.
- Submit the quarterly statement to the standing committee of account and audit.

(5) Budget revision

Paurashavas are authorized to make revisions to the approved budget any time before the end of fiscal year, as specified in **Article 92 (5) of Local Government (Paurashava) Act 2009**.

If paurashavas expect that expenditure of some budget heads / sub-heads would be more than approved amounts through monthly monitoring, paurashavas revise budget, have it discussed in council meetings and TLC meetings, and have it approved.

In many cases, paurashavas revise their budget after March (9 months from the beginning of a fiscal year).

Therefore, in March, the budget summary until third quarter is prepared.
Upon necessity and the progress of budget execution, the planned budget is revised and indicated in the proposed budget for the next fiscal year.

Paurashava Budget (preparation and approval) Rules,1999 14. Revised budget: As per rules 6,7 & 8, if needed, <u>Paurashava can prepare and approve revise budget in any time</u> before closing the financial year; 15. Fund for special project: Government can provide fund to the Paurashava for implementation of any special project. If Paurashava obtain these type of fund, they will include it to the relevant financial years' budget or revised budget;
Local Government (Paurashava) Act, 2009 92. Budget: (5) At any time before the expiry of the financial year to which a budget relates, <u>a revised budget for the year may, if necessary, be prepared and sanctioned</u>, and such revised budget shall, so far as may be, subject to provisions of this section.

(6) Compilation of annual statement

At the end of fiscal year, paurashavas prepare an annual statement, compiling the income and expenditures of the relevant fiscal year.

The annual statement is then posted onto a conspicuous place in the office of paurashavas (such as a notice board at a paurahsava office).

The annual statement prepared by paurashava should be then presented to a TLC meeting and a council meeting. In these meetings, it is most recommended to explain how the revenue income, especial tax revenue, was spent (e.g. how many percentage(%) of spent for salary expenses and how many percentage (%) was for education / health services and infrastructure development).

The annual statement is most useful when setting up a mid-long term financial forecast, which can be used for mid-long term development plan of a paurashava.

Local Government (Paurashava) Act, 2009 93. Accounts- (1) Accounts of the receipts and expenditure of the municipality shall be kept in the prescribed manner. <u>(2) An annual statement of the accounts shall be prepared after the close of every financial year.</u> (3) A copy of the annual statement of accounts under sub section <u>shall be placed at a conspicuous place in the office of the municipality</u> for public inspection, and all objections or suggestions concerning such accounts received from the public shall be considered by the municipality.

The format of the annual statement is **NOT** specified in **Local government (Paurashava) Act, 2009**. However, as **Bengal Municipal Account Rules, 1935** explains that the format to be used for annual statement in Form 91 and rule 247, the annual statement should indicate (1) Budget of current year, (2) Actual budget execution, and (3) the difference between budget and actual execution.

FORM 91

(Vide rule 248 and 249)

Annual Account of the ……….Municipality for the year ending……….

Receipts				Disbursements			
1				*2*			
Revenue(Head as in prescribed list)	Estimate	Actuals	Actuals. Plus or minus	(Head as in prescribed list)	Estimate	Actuals	Actuals. Plus or minus
	Tk.	Tk.	Tk.		Tk.	Tk.	Tk.
Opening balance							
…	…	…	…	…	…	…	…
…	…	…	…	…	…	…	…
Sub-Total	…	…	…	**Sub-Total**	…	…	…
				Closing balance	…	…	…
Grand Total	…	…	…	**Grand Total**	…	…	…

However, Form 91 of **Bengal Municipal Account Rules, 1935** is not necessarily consistent with the budget format (Form Ka and Form Kha) specified in **Paurashava Budget (preparation and approval) Rules, 1999**.

Therefore, it is most recommended to prepare the statement following Form Ka and Form Kha (a) (b) and (c) of **Paurashava Budget (preparation and approval) Rules, 1999** for preparing annual statement, indicating (1) Budget of current year, (2) Actual budget execution, and (3) the difference between budget and actual execution. Some paurashava might want to indicate actual budget execution of the previous year as well.

The budget items indicated in the annual statement should be same as the ones of Form Ka and Form Kha (a) (b) and (c).

The following table shows the example of annual statement of Revenue account Part 1, which is relevant to Form Kha (a) Part 1.

FORM 91

(Vide rule 248 and 249)

Annual Account   of the ……….Municipality for the year ending……….

Receipts				Disbursements			
1				**2**			
Revenue (Head as in prescribed list)	Estimate	Actual	Estimate - Actual	Expenditure (Head as in prescribed list)	Estimate	Actual	Estimate - Actual
1	*2*	*3*	*4(2-3)*	5	*6*	*7*	*8(6-7)*
Taxes				*General Establishment*			
Holding Tax	20,00,000	18,50,500	1,49,500	Honorarium of Mayor and Councillors	9,00,000	8,20,000	80,000
Tax on Immovable Property	15,00,000	13,20,000	1,80,000	Salary (except water section)	22,00,000	20,60,000	1,40,000
Building Construction and Reconstruction	2,00,000	1,50,000	50,000	Transfer to Gratuity Fund	3,05,000	2,90,000	15,000
Profession, Business and Calling	--			Transport Repair and Fuel	3,60,000	3,50,000	10,000
Birth and Marriage	50,000	45,000	5,000	Telephone	55,000	50,000	5,000
Advertisement	1,00,000	50,000	50,000	Electricity Bill	1,00,000	85,000	15,000
Pet Animal				Others	6,00,000	5,50,000	50,000
Cinema, Theatre and Audio Visual	30,000	25,000	5,000	**Education Expenses**			
Transport	30,000	25,000	5,000	Salary (Teachers and Staff)	3,00,000	2,90,000	10,000
Rate				Books of Library	30,000	20,000	10,000
Lighting	9,00.000	8,00,000	1,00,000	Others	20,000	5,000	15,000
Conservancy	20,00,000	17,00,000	3,00,000	**Health and Sanitation**			
Water	25,00,000	23,00,000	2,00,000	Medicine and Treatment	6,00,000	4,50,000	1,50,000
Fees				EPI	2,00,000	1,75,000	25,000
License	25,00,000	24,00,000	1,00,000	Drain Cleaning	3,00,000	2,00,000	1,00,000
Slaughtering	60,000	50,000	10,000	Solid waste cleaning	6,00,000	5,30,000	70,000
Paura Market	24,00,000	22,00,000	2,00,000	Tools as cleaning equipment	1,00,000	80,500	19,500
Fair and Agricultural Exhibition	--			Tax Collection Expense	1,20,000	1,05,000	15,000
Others	5,00,000	4,00,000	1,00,000	Plantation	1,00,000	80,000	20,000
Others				Donation to Social and Religious Institutions			
Hat-Bazar Lease	20,00,000	19,00,000	1,00,000	Social Institutions	2,00,000	1,80,000	20,000
Bus stand Lease	5,00,000	4,00,000	1,00,000	Religious Institutions	3,00,000	2,50,000	50,000
Ferighat Lease	3,00,000	2,00,000	1,00,000	Land Development Fee	10,000	7,500	2,500
Graveyard/Buried Place	50,000	25,000	25,000	Audit Expenses	--	-	-
Road Roller/Mixer Machine Rent	2,00,000	1,50,000	50,000	Legal Expenses	1,00,000	80,000	20,000
Compensation for Road cutting	5,00,000	4,50,000	50,000	Celebration of National Days/Festivals	1,60,000	1,20,000	40,000
Various Certificate	3,00,000	2,00,000	1,00,000	Sports and Culture	1,50,000	1,00,000	50,000
Various Form	40,000	10,000	30,000	Emergency Relief	2,00,000	1,50,000	50,000
Tender Schedule	2,00,000	50,000	1,50,000	Transfer to Development Account	1,11,50,000	1,03,30,000	8,20,000
Fine	30,000	10,000	20,000				
Government Donation(Except Development Grant)	5,00,000	4,00,000	1,00,000				
Total of Receipts	**1,93,90,000**	**1,71,10,500**	**22,79,500**	**Total of Expenditure**	**1,91,60,000**	**1,73,58,000**	**18,02,000**
Opening balance	3,20,000	*1,010,500*		*Closing balance …*	5,50,000	7,63,000	
Total	*1,97,10,000*	*1,81,21,000*		*Total*	*1,97,10,000*	*1,81,21,000*	

This format is most useful when examining if all receipts and expenditures are not exceeding the approved budget. The same statement should be prepared for Form Kha (a) Part 2, Form Kha (b) and Form Kha (c).

However, this is not sufficient to look at the overview of the budget executions. Therefore it is recommended to summarize the budget executions, following Form Ka of Paurashava Budget (preparation and approval) Rules 1999, and Form 91 of Bengal Municipal Account Rules 1935.

Such format is as depicted as follows;

Particulars	Estimate-Tk.	Actual-Tk	Estimate - Actual –Tk.
A. Revenue account			
Income from Part-1	1,250,000	1,190,000	+60,000
Income from Part-2	800,000	790,000	+10,000
Total Income :	**2,050,000**	**1,980,000**	**+70,000**
Less: Revenue Expenditure			
Part-1	750,000	700,000	+50,000
Part-2	626,000	600,000	+26,000
Total Expenditure:	**1,376,000**	**1,300,000**	**+76,000**
Total revenue surplus	**674,000**	**680,000**	**-6,000**
B. Development account			
Government Grant	1,000,000	900,000	+100,000
Revenue surplus	674,000	680,000	-6,000
Others	-	-	
Total :	1,674,000	1,580,000	+94,000
Less: Development expenditure	1,520,000	1,500,000	+20,000
Overall Surplus/shortage	154,000	80,000	+74,000
Add: Opening balance	36,000	36,000	0
Closing balance:	**190,000**	**116,000**	**+74,000**
C. Capital account			
Total income :	50,000	40,000	+10,000
Total expenditure :	40,000	30,000	+10,000
Closing balance of capital account :	**10,000**	**10,000**	**0**

4. Others

In additions to the forms explained above, there are several more formats which are supposed to be filled every quarter.

> **The Bengal Municipal Account Rules, 1935**
> **225.** The Vice-Chairman shall at least **once a quarter** review the Register of Works (see rule 167), the Stores Registers (see rule 168 and 169), the Indent Register (see rule 171), the Register of Unpaid Bills (see rule 219) and the Register of Lands (see rule 256) and shall submit to the Commissioners at a meeting, a **consolidated balance sheet** in **Form 84** showing their **assets and liabilities**.
> The Chairman shall submit a copy of the balance sheet to the District Magistrate not later than the 20th day after the close of the quarter to which the statement relates.

Major ledgers and records as mentioned in the Table below are supposed to be maintained by the Paurashava as per The Bengal Municipal Account Rules, 1935 for transparent operations.

Sl. No.	Forms /Register for Accounting Requirement
1	Consolidated Balance Sheet
2	Stock and Store Register
3	Statement of receipts, issues and balance of stock
4	Advance Ledger
5	Loan Register
6	Register of Unpaid Bills
7	Quarterly and Annual Accounts of Receipts
8	Quarterly and Annual Accounts of Payments
9	Register of Bank cheque book

4.1. Consolidated balance sheet

Consolidated balance sheet is prepared to know the financial position of Paruashava at the end of the year. The user of it can easily understand about the assets and liabilities of the concerned Paurashava.

It serves the internal and external stakeholders of the paurashava such as Paurashava management, controlling authority, investors, donor agencies, suppliers, contractors, overall the citizen of the Paurashava.

The format of the consolidated balance sheet is as follows;

FORM 84
(Vide rule 225)
……………of ……………on……………
Consolidated balance sheet showing assets and liabilities of the Municipality

	Liabilities			Assets	
Sl. No.		Taka.	Sl. No.		Taka.
1	**Loan**		1	Value of block (a) Item financed out of loan (b) Other Item	
2	Special Fund balance (a) Provident Fund (b) Trust and endowment funds and special funds		2	General Assets	
3	Paper securities of contractors				
4	Securities of Municipal		3	Government and other securities (market value)	
5	Cash deposits		4	Interest accrued but not realised	
6	Other Liabilities		5	Advances	
7	The excess of the value of block plus the closing balance of the loan funds over the loan liabilities of the municipality		6	Value of stores in hand	
8	Balance of the revenue fund if the assets exceed the liabilities		7	Paper securities of contractors	
			8	Securities of municipal employees- (a) Government paper (b) Cash in Post office savings bank	
			9	Provident Fund- (a) Market value of paper securities (b) Cash in Post office savings bank (c) Cash value of postal cash certificate	
			10	Cash balance- (a) Municipal Funds (b) Loan Funds (c) Other Funds	
				Closing entry if the liabilities exceed the assets	
	Total			**Total**	

Loan Account (1)
Capital account (loan account Tk. -------- Sanctioned in Government order no).

4.2. Stock and store register

Stock and store register shows different types of materials receipts and issues in the paurashava. This register is used for item wise material record keeping. Management can easily understand about how may quantity have purchased and issued for using the material. They can monitor the utilization of materials, justification purchase requirement, value of stock materials, etc. It can contribute the best utilization of materials.

FORM 62
(Vide rule 168)

Stock and store register of the ……….Municipality. Name of article……..

| Balance | Received | | | | Total | Issued | | | Balance | Value of stores | Signature of officer, in acknowledgement of his having received the articles | Remarks |
	Date	No. and date of voucher for purchase	Number of articles	Value of stores		Date	Purpose for which issued	Number of articles				
1	2	3	4	5	6	7	8	9	10	11	12	13

4.3. Statement of showing receipts, issues and balance of stock:

This statement is used to know the stock amount and value of it on a particular month. Management can understand about the purchase and using quantity of materials, purchase quantity level and value of closing stock also.

FORM 64
(Vide rule 169)
Statement of showing receipts, issues and balance of stock for the month of …… year ……..

Description	Unit	Balance remaining in store as per last month's return	Receipts during the month	Total	Issue during the month.	Balance remaining in store at the end of this month	Value of stock in hand	Remarks
1	2	3	4	5	6	7	8	9

4.4. Advance Ledger

Advance ledger is used for individual staff wise recording of advance made for official purpose and recovered/adjusted amount in detail information given in the table showing below.   Management can easily understand staff wise advance balance from this ledger, and aware to recover it.

FORM 70
(Vide rule 183)
Name:

Advance made					Advance recovered or adjusted					Debit balance after each transaction
Date	Purpose	No. of Voucher	Amount	Total	Date	Whether in cash or by work bill	No. of item in each task, if recovered in cash or No. of voucher if adjusted by work bills	Amount	Total	
			Tk.					**Tk.**		
1	2	3	4	5	6	7	8	9	10	11

4.5. Loan Register

Loan register is used for recording of receipt and repayment of loan amount (principal and interest) with detail information given in the table showing below.

In this ledger the amount deposited into the sinking fund is recorded in separate column also. Loan repayment principal and interest amount recorded here separately. Management can understand the loan balance amount on a particular date.

FORM 75
(Vide rule 192)
Loan Register

Amount of loan of Tk:…………… received from ……… as per ----
Conditions of Loan

To bear interest at …percent to be paid half-yearly on ------, and to be repaid by half-yearly installments of Tk.------(in addition to accruing interest) or (within --- years) or (in ---- equal installments) or (by half-yearly/yearly) payment of Tk……. (into a sinking fund).

Receipt		Payment							Payment into the Sinking Fund		Remarks
		Of Principal			Of Interest						
Date	Amount	Amount	Voucher No. and date	Balance	Period	Amount on which due	Amount paid	Voucher No. and date	Amount paid	Voucher No. and date	
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*
	Tk.	Tk.		Tk.		Tk.	Tk.		Tk.		

4.6. Register of Unpaid bills

Approved unpaid bill is recorded in this register.

Management can understand about the outstanding balance of unpaid bills from this register in detail. The details of bill and reason for withholding payments, payment amount with date against bill are recorded as following the format given below.

FORM 81
(Vide rule 219)
Register of Unpaid bills

| Serial No and Order Book No. | Date | Particulars | Amount of bill | Reason for withholding payments | Payments | | Balance outstanding on 30th June | Remarks |
					Date	Amount		
1	2	3	4	5	6	7	8	9
Total								

Annex 1: Calculation of closing balance by accumulated total receipts and payments

At paurshavas, there are mainly two methods to calculate the closing balance of the day, as in (a) and (b).

(a)	[Closing balance (of the day) = [Opening balance] + [Total receipts of the day] – [Total payments of the day]
(b)	[Closing balance (of the day)] = [Opening balance of the year] + [Total accumulated receipts of the period/year] – [Total accumulated payments of the period/year]

In (a), [Closing balance (of the day)] is calculated from [Total receipts of <u>the day</u>] and [Total payments of <u>the day</u>].

In (b), [Closing balance (of the day)] is calculated from [Total <u>accumulated</u> receipts of the year] and [Total <u>accumulated</u> payments of the year].

In this operational handbook, (a) is recommended to all paurashavas, and the examples of this handbook were explained based on this. However, as there are some paurashavas which employ (b) in the calculation of closing balance, (b) is explained in this annex.

An example of the accountant's cashbook for Revenue account Part 1 of a paurashava is as in the table below. In this example, the closing balance of the day will be calculated by [Total accumulated receipts of the year] and [Total accumulated payments of the year].

Example of an accountant's cashbook (2nd July) for Revenue account Part 1

Cash Book
(Form: 83 Vide rule:187 and 221)
Municipality: XXXX
For the Month of :......

Date	Memo/ money receipt No.	Particulars of Receipt	Taka	Total of each memo / money receipt	Name of sector of abstract register	Date	Particulars of payment	Voucher no.	*Amount of money	Cheque No.	Amount in the cheque	Abstract Register/Ledger Folio
1	2	3	4	5	6	7	8	9	10	11	12	13
2-Jul	7541-52	Holding Tax	34,350		1	2-Jul	Salary	5	25,000	7890386	25,000	1
2-Jul	7801-14	Lighting Rate	23,300		1	2-Jul	Fuel	6	6,900	7890387	6,900	1
2-Jul	7465-72	Conservancy Rate	117,050		1	2-Jul	EPI	7	7,500	7890388	7,500	1
2-Jul	8135-40	Trade License Fee	7,000		1	2-Jul	Drain Cleaning	8	5,400	7890389	5,400	1
2-Jul	8192-8211	Slaughtering House	5,000		1	2-Jul	Plantation	9	8,000	7890390	8,000	1
2-Jul	8213-15	Rent of Poura Market	6,000		1	2-Jul	Tax collection expenses	10	5,000	7890391	5,000	1
2-Jul	8222-35	Roller Rent	5,000		1	2-Jul	Sports and Culture	11	4,000	7890392	4,000	1
2-Jul	8311-49	Hatbazar	20,675	218,375	1	2-Jul	Transfer to Dev't Account	12	9,30,000	7890393	9,30,000	1
		Total receipts of the day		218,375			Total payments of the day				61,800	
		Accumulated Total receipt		293,105			Accumulated Total payments				73,750	
		Opening balance of the year		1,010,500			Closing Balance				1,229,855	
		Grand total		1,303,605			Grand total				1,303,605	

At the bottom of the accountant's cashbook, the closing balance of the day is calculated every day.

<u>How to fill accountant's cashbook (left side: Receipts)</u>

The left side of the accountant's cashbook, which is enlarged in the following table, shows the receipts, such as receipts of tax, rates and fees.

Example of an accountant's cashbook (2nd July) for Revenue account Part 1, Receipts

Date	Memo/ money receipt No.	Particulars of Receipt	Taka	Total of each memo / money receipt	Name of sector of abstract register
1	*2*	*3*	*4*	*5*	*6*
2-Jul	7541-52	Holding Tax	34,350		1
2-Jul	7801-14	Lighting Rate	23,300		1
2-Jul	7465-72	Conservancy Rate	117,050		1
2-Jul	8135-40	Trade License Fee	7,000		1
2-Jul	8192-8211	Slaughtering House	5,000		1
2-Jul	8213-15	Rent of Poura Market	6,000		1
2-Jul	8222-35	Roller Rent	5,000		1
2-Jul	8311-49	Hat-bazar	20,675	**218,375**	1
		Total receipts of the day		**218,375**	
		Accumulated Total receipt		**293,105**	
		Opening balance of the year		**1,010,500**	
		Grand total		**1,303,605**	

In this example, a total of TK. 218,375 was registered as [total receipt of the day]. [Accumulated Total Receipt] is TK.293,105. This is calculated adding [Total receipt of the day] to [Accumulated Total receipt] of the previous day.

[Grand total] which is calculated from adding [Opening balance of the year] to [Accumulated total receipt] is indicated at the bottom of the sheet.

How to fill accountant's cashbook (right side: Payment)

The right side of the accountant's cashbook, which is enlarged in the following table, shows the payments, such as salary payments or telephone bills.

Example of an accountant's cashbook (2nd July) for Revenue account Part 1, Payments

Date	Particulars of payment	Voucher no.	*Amount of money	Cheque No.	Amount in the cheque	Abstract Register/Ledger Folio
7	*8*	*9*	*10*	*11*	*12*	*13*
2-Jul	Salary	5	25,000	7890386	25,000	1
2-Jul	Fuel	6	6,900	7890387	6,900	1
2-Jul	EPI	7	7,500	7890388	7,500	1
2-Jul	Drain Cleaning	8	5,400	7890389	5,400	1
2-Jul	Plantation	9	8,000	7890390	8,000	1
2-Jul	Tax collection expenses	10	5,000	7890391	5,000	1
2-Jul	Sports and Culture	11	4,000	7890392	4,000	1
2-Jul	Transfer to Dev't Account	12	9,30,000	7890393	9,30,000	1
	Total payments of the day				61,800	
	Accumulated Total payments				73,750	
	Closing Balance				1,229,855	
	Grand total				1,303,605	

At the bottom of the page, [Total payments of the day] and [Accumulated total payments] are indicated. [Accumulated total payments] which shows the total payments since the beginning of the fiscal year, can be calculated from adding [Total payment of the day] to [Accumulated total payments] of the previous day.

Then [Closing Balance] of the day is indicated on this sheet. [Closing balance] of the day will be calculated as follows;

> **[Opening balance of the year]**
> **+ [Accumulated Total receipts] - [Accumulated Total Payments]**
>   **= [Closing balance (of the day)]**

[Grand Total], which is obtained by adding [Accumulated Total Payments] to [Closing balance] is indicated at the bottom of page. This must equal to the [Grand Total] indicated on the left side of the accountant's cashbook.

(v) Closing accountant's cashbook at the end of the day

Calculation of closing balance by accountant

An accountant's cashbook is closed every day, and receipts and payments of the following day should be registered in the following pages (receipts and payments of more than one day should not

be registered on the same page). Upon closing accountant's cashbook, the closing balance is calculated.

As mentioned above, [Closing balance] in this case will be calculated from [Opening balance of the year], [Accumulated Total Receipts] and [Accumulated Total Payments] as follows;

> **[Opening balance of the year]**
>   **+ [Accumulated Total receipts] - [Accumulated Total Payments]**
>   **= [Closing balance (of the day)]**

<Day 1, 15th September>

Debit   Credit

Receipt		Payment	
Receipt (1)	100	Payment (1)	200
Receipt (2)	100	Payment (2)	100
Total receipt of the day	200	Page total (Payment)	300
Accumulated total receipt	5,200	Accumulated total payment	5,500
Opening balance of the year	3,200	Closing balance	2,900
Grand total	8,400	Grand total	8,400

In this case, the paurashava received TK 200 on this day, and the accumulated total receipt from the beginning of the year is TK.5,200. The opening balance of the year wasTk. 3,200.

At the same time, the total payment of this day was TK. 300, and the accumulated total payments of the year was TK.5,5500.

Then, closing balance of the day, which is calculated as [Opening balance of the year] + [Accumulated total receipts] – [Accumulated total payments] is TK. 2,900.

<Day 2, 16th September>

Debit   Credit

Receipt		Payment	
Receipt (3)	600	Payment (5)	200
Receipt (4)	300	Payment (6)	200
		Payment (7)	100
Total receipt of the day	900	Page total (Payment)	500
Accumulated total receipt	6,100	Accumulated total payment	6,000
Opening balance of the year	3,200	Closing balance	3,300
Grand total	9,300	Grand total	9,300

[Total receipts of the day] is TK.900, and [Accumulated total receipts] is TK. 6,100, as the accumulated total of the previous day was TK. 5,200.

Similarly, [Total payment of the day] is TK. 500, and [Accumulated total payment] is TK. 6,000, as the accumulated total payments was TK. 5,500.

[Closing balance] is then TK. 3,300, which is calculated as [Opening balance of the year] TK. 3,200 + [Accumulated total receipts] TK. 6,100 - [Accumulated total payments] TK .6,000.

Checking of accountant's cashbook by secretary and mayor

The daily entries of the accountant's cashbook are checked both by accountant and secretary.

Secretary checks every day;
(i)   whether all the entries are made based on vouchers (e.g. deposit slips or money receipts),
(ii)   whether the closing balance is appropriately calculated (e.g. Opening balance + total receipts – total payments = closing balance)

Checkpoints of cashier's cashbook

Debit   Credit

Receipt		Payment	
Receipt (3)	600	Payment (5)	200
Receipt (4)	300	Payment (6)	200
		Payment (7)	100
Total receipt of the day	900	Page total (Payment)	500
Accumulated total receipt	6,100	Accumulated total payment	6,000
Opening balance of the year	3,200	Closing balance	3,300
Grand total	9,300	Grand total	9,300
Accountant		Secretary	

(i) Check the consistency with vouchers.

(iii) Check if the calculation is correct.

Training on

Paurashava Budget formulation, accounting, monitoring and reporting

Under Strengthening Paurashava Governance Project (SPGP)

Course Guide

Duration: 21 -23 April, 2015

Venue: National Institute of Local Government, 29 Agargaon, Sher-e-Bangla Nagar, Dhaka.

1. Introduction

"Training on Paurashava Budget formulation, accounting, monitoring and reporting" is a pilot training program which is provided to the participants from pilot Paurashavas of Strengthening Paurashava Governance Project (SPGP) of the Local Government Division (LGD) of the Ministry of Local Government, Rural Development Cooperatives. This training is aiming at enhancing the capacity of pilot Paurashavas, as well as having feedbacks from participants to establish standardized training programs of the Government of Bangladesh for Paurashavas.

This training program was developed reviewing many existing training programs and materials in order to build on the past efforts of the government and development partners to support Paurashavas' capacity development. Those training materials include　(i) Training handbook on Pourashava Financial Management by UGIIP-2 (Urban Governance and Infrastructure Improvement (Sector) Project), (ii) Pourashava Accounting Procedures Training Module by Urban Management Unit (UMU) of Local Government Engineering Department (LGED), (iii) "Pourashava training Guideline- 2, Pourashava Procurement Management, Pourashava Accounting and Financial Management" by Local Government Institutions Capacity Building Project for Water Supply and Sanitation Sector, (WSSPS- 2) (iv) "Training module on financial management and revenue income of the pourashava" of SDLG (Strengthening Democratic Local Governance).
The information collected by SPGP project team through the field visits to Paurashavas is also reflected in this training program. Last but not least, the training materials have gone through reviews of local consultants with ample knowledge and experience in the field as well as the LGD officials.

2. Course objectives

The training course on "Paurashava Budget formulation, accounting, monitoring and reporting" is composed of (i) Paurashava budget formulation and monitoring and (ii) Paurashava accounting and budget execution.

The main targets of the training on (i) Paurashava budget formulation and monitoring are as follows;
- Paurashavas can prepare budget following the rules and regulations.
- Paurashavas can formulate realistic budget.
- Paurashavas can explain the directions and details of their budget.
- They can also explain how the tax revenue and revenue surplus was spent for the provisions of public service delivery and infrastructure development.

The main targets of the training on (ii)accounting and budget execution are as follows;

- Paurashavas can carry out accurate accounting.
- Paurashavas can monitor the budget execution and formulate realistic budget proposals.
- Paurashavas can explain how the tax revenue was spent.
- By improving the cash management, paurashavas can avoid lack of money in hands.
- Paurashavas can explain how the expenditures were made to internal and external auditors.

As a result, it is expected that;

- Citizens are more aware of paurashava budget, and understand how their tax payments were utilized for public services and infrastructure development.
- Then citizens are more willing to pay tax.
- Purashava officers, councilors and mayors are more willing to provide information to citizens, and willing to provide better public services and infrastructure.
- Purashava officers, councilors and mayors are willing to secure more funds for public services and infrastructure.

3. Participants of the training course

Participants of the training are;

- Secretary and
- Accounts personnel of Paurashava.

4. Trainers

This training is organized by the following trainers;

- Mr. M.A.Quddus
- Mr. Sohrab Hossain

Mr. M.A.Quddus is a financial expert who has been involved in technical supports to the capacity building of financial management at Paurashavas. He has been also involved in the development and operations in couputerized accounting system at Paurashava.

Mr. Sohrab Hossain is a community development expert who has also been involved in technical supports for the capacity development of paurashavas for many years. He has been working in many donor – funded projects, such as UGIIP-2.

5. Training schedule

Day 1 (One)

09:00 - 09:45	Registration of Trainees
09:45 - 10:45	Inaugural Session: (Guests' designation and post)
10:45 - 11:00	Tea break
11:00 - 13:00	**Paurashava Budget System** Introduction and Legal Background; Budget Formulation; Budget Execution, Monitoring and Reporting; Reporting of Annual Development Program.
13:00 - 14:00	Lunch and Prayer break
14:00 - 16:45	**Formulation of Paurashava Budget** Formats of Budget Document; Accounts of Budget Document; Preparation of Budget using Formats.
16:45 - 17:00	Closing of the day

Day 2 (Two)

09:00 - 10:30	**Review of Paurashava Budget Formulation** Budget Formulation process; Budget Execution, Monitoring and Reporting system.
10:30 - 10:45	Tea break
10:45 - 13:00	Exercise on Paurashava Budget (Revenue Budget Part 1&2)
13:00 -14:00	Lunch and Prayer break
14:00 - 15:30	**Introduction on Paurashava Accounting and Budget Execution** Outline of Accounting process (Daily entry) (Cashier's Cash Book, Accountant Cash book, Balancing, Bank reconciliation, Cheque book register, Voucher, Abstract registers, etc.).
15:30 - 16:45	**Outline of Accounting Process** Preparation/compilation of Accounts Statement (Receipts and Payments statement for Monthly/Quarter(s)/Annual basis).
16:45 - 17:00	Closing of the day

Day 3 (Three)

09:00 - 10:00	**Outline of budget monitoring process and Review of Paurashava Accounting** (Budget monitoring, budget revision, etc.)
10:00 - 11:15	**Using of different formants**

11:15 - 11:30	Tea break
11:30 - 13:00	**Practices on Puarashava Accounting, Record Keeping and Statement preparation** Fill up cash book, abstract register and prepare accounts statement.
13:00 - 14:00	Lunch and prayer break
14:00 - 15:00	**Open discussion, preparation of the action plans for FY 2015-16** (Prepare a list of activities for each Paurashava)
15:00 - 16:30	Certificate distribution and Closing session
16:30 - 17:00	Closing of the Training Program

6. Outline of the training sessions

Paurashava Budget System
- Introduction and Legal Background
- Budget Formulation
- Budget Execution, Monitoring and Reporting
- Rules of budget execution
- Rules on Monitoring of budget execution
- Budget Reporting
- Reporting of Annual   Development Program

Formulation of Paurashava Budget (Revenue (part 1 and Part 2), Development Budget and Capital Budget)
- Formats of Budget Document
- Accounts of Budget Document
- Income
- Expenditure
- Transfer of amount from one account to another
- Relationship among three accounts
- Preparation of Budget using Formats

Review of Paurashava Budget Formulation
- Budget Formulation Process
- Budget Execution,   Monitoring and Reporting System

Introduction on Paurashava accounting and budget execution
- Objective of the Operational Handbook on Paurashava Accounting and Budget execution.
- Legal background

Outline of Accounting process
- Outline of the accounting process
• Daily entry of cash receipts
• Daily entry and closing of all receipts and payments
• Monthly entry to "Abstract Register of Receipts and Payments" from Cashbook
• Monthly entry to "Quarterly and Annual Account of Receipts and Payments" from

| abstract register |
| - Monthly closing |
| - Compilation of accounts statement (monthly/quarterly/annually) |

| **Outline of the budget monitoring process and review of Paurashava accounting** |
| - Budget monitoring (monthly and quarterly) |
| - Budget revision |

| **Using of different formats** |

Operational Handbook

On

Paurashava Tax Assessment

SPGP (Version 1)

LGD/JICA

April 2015

Table of Contents

1. Introduction

1.1. Paurashava tax assessment

As the municipal tax or holding tax is one of the major sources of the paurashava revenue, tax assessment, in which the valuation of assets, especially buildings, are determined is one of the most important functions at Paurashavas.

There are mainly two kinds of tax assessment, which is called as (i) re-assessment and (ii) interim assessment. (i) Re-assessment is a periodical assessment on holdings every five years, and (ii) interim assessment is an ad-hoc assessment, which is carried out when a new building is constructed and a building is expanded.

Proper tax assessment is essential to increase the tax revenue of paurashava. If assessment is not carried out properly, the valuation of holdings are very small compared to the actual value, and the paurashava is going to lose the opportunity to raise enough funds from tax revenue. The shortage of fund will lead to the deterioration is the quality of public services.

1.2. Objective of the Operational Handbook on Paurashava Tax Assessment

This operational handbook is targeting on enhancing the capacity of concerned staffs and representatives of the Paurashava for carrying out proper tax assessment.

Proper tax assessment is also necessary, so that no conflicts or grievances may arises among the tax payers. The assessment criteria should be clear and homogenous to all tax payers.

Through proper tax assessment, a Paurashava would be able to maximize its tax revenue, and then the Paurashava can provide more municipal services to the citizen through constructing and maintaining necessary infrastructure facilities.

2. Legal background

2.1. Rules on tax assessment

Concerned rules and regulations in tax assessment are as follows;
- **Paurashava Taxation and Collection System Rules, 2013**
- **Local Government (Paurashava) Act, 2009**
- **Paurashava Model Tax Schedule, 2014**

Paurashava Taxation and Collection System Rules, 2013, formulated according to Article 100 of the **Local Government (Paurashava) Act, 2009**, is most important among them. **Paurashava Taxation and Collection System Rules, 2013** is explaining the procedures and rules of tax assessment.

The Paurashava Model Tax Schedule, 2014 is also prepared based on the Paurashava Taxation and Collection System Rules, 2013, which stipulates the tax rates and their assessment procedures. The following articles and rules are related with tax assessment system:

Sl. No.	Document	Article/Rules nos.
1	Local Government (Paurashava) Act, 2009	55(1), 98-102,104 and schedule 3.
2	Paurashava Taxation and Collection System Rules, 2013	3-6, 17-25, 29, 30, 31 and 32.
3	The Paurashava Model Tax Schedule, 2014	3, 17 and 21-25.

The following table summarizes the related rules in **Taxation and Collection Rules, 2013**.

Sl. No.	Particulars		Paurashava Taxation and Collection System Rule,2013
Processing of preparation of Tax assessment list			
A	Preparation of <u>Tax valuation</u> (valuation of building) each five years		Rule 18(1) 2)(A) In case of fully rented building (2)(B) In case of fully occupied building (C) In case of partly rented and partly occupied building
	Issue notice to owners or occupiers		Rule 18(3) Form (C)
	Submission of Return		Rule 18 (4) For (D)
B	Preparation of Tax Assessment list		Rule 19 Form (E),
C	Publication of Tax Assessment list		Rule 20
	Approval by a Mayor or any authorised employee in each page on the tax assessment list		Rule 20(1)
	Publication of the tax assessment list in Paurashava building and open place of each ward and miking.		Rule 20(2)
	Notification in case of tax assessment for the first time or increase of tax valuation		Rule 20(3) Form (F)
D	**Review of tax valuation and assessment**		Rule 21
	Application for re-assessment		Rule 21(1) Form (G)
	Resolution of the application for re-assessment through a Tax assessment and collection committee.		Rule 21(2)
	Hearing within 4 months from the date of first hearing.		Rule 21(3)
	Correction, revision or withdraw of the tax assessment list		Rule 21(4)
	Finalisation of the tax assessment list		Rule 21(5)
E	Interim assessment		Rule 22(1) (a) and 23

2.2. Formation of Tax assessment and collection standing committee

A standing committee to be formed by the Paura Parishad named Tax assessment and Collection committee for 2.5 years period as given table below. The committee will be responsible for the tax assessment and collection system of the Paurashava according to **Rule 56(1)** of **Local Government (Paurashava) Act, 2009**.

The standing committee will be composed of a mayor and four councilors. Female members are to be included up to 40% of total members, according to **Rule 5** of **Local Government (Paurashava) Act, 2009**.

Paurashava Tax Assessment and Collection Committee

Sl. No.	Name	Designation	Designation in the Committee
1		Councilor (General/Reserve), Ward No.	President
2		Mayor, by virtue of position	Member
3		Councilor (General/Reserve), Ward No.	Member
4		Councilor (General/Reserve), Ward No.	Member
5		Councilor (General/Reserve), Ward No.	Member

The mandated of the committee is as follows;

Ref:Date: 02.01.2013 Subject: Formation of Municipal Standing Committee & sending a copy of sub rules regarding activities of committee.

1. Proposing different techniques in fixing and collection of tax, sub tax, rate, toll, fees and other taxes
2. Advise the respective personnel in applying tax fixing guideline keeping consistence with govt. rules
3. Deciding on tax holiday, tax deduction, and tax cancellation
4. Motivating the personnel in tax assessment and collection
5. Motivating the people in paying tax timely
6. Assisting the personnel in assessing periodic taxes and providing guideline
7. Preparing database regarding tax fixing and training the personnel on updating
8. Monitoring tax collection and fixing target and evaluating collection
9. Regarding tax complaints, arranging trials and giving quick decisions
10. Working as the bridge between municipal and public regarding tax assessment and collection
11. For increasing revenue, searching for new tax sources
12. Ensuring the transparency and accountability in tax assessment and collection
13. Initiating computer software for tax collection with municipal fund and continuing it
14. Committee can co-opt the Asst. Land Commissioner as an expert member
15. Other activities

2.3. Rates of the Holding Tax and Rates

Tax and rates are defined by **Rule 17** of **Paurashava Taxation and Collection System Rules, 2013.** In addition to this, **The Paurashava Model Tax Schedule, 2014** authorized a new rate item named **Fire rate. The Paurashava Model Tax Schedule, 2014** mentioned that the total rate of the holding tax and rates should not exceed 39%.

The maximum rate is also defined by the types of tax and rates, namely tax on annual value of building and land, lighting rate, conservancy rate, water rate and sewerage rate. Details of such maximum rates are indicated in the Table below.

Type of Tax/Rate	The Paurashava Model Tax Schedule, 2014	
(Rule 17 of Paruashava Taxation and Collection Rules, 2013)	Rule	% (not exceeding)
(a)Tax on Annual Value of building and land	Rule-03	7
(b)Lighting Rate	Rule-21	3
(c)Fire Rate*	-	-
(d)Conservancy Rate	Rule-22	7
(e) Water Rate	Rule-24	10
(f) Sewerage Rate* (The Paurashava Model Tax Schedule, 2014)	Rule-23	12
Total		39

*Note: 12% Sewerage rate have been included about fire rate in the Paurashava Model Tax Schedule, 2014.

The Paurashava Model Tax Schedule, 2014
Rule-3
Tax will be imposed by 7% on the annual value of owned or occupied building and land within the Paurashava area and if it is fraction able it will be rounded up in full taka.

The Paurashava Model Tax Schedule, 2014
Rule-21: Lighting Rate
Lighting rate will be imposed as 3% on annual value of building and land for maintenance and contingency cost related with this service delivery subject to providing electric light facility to be provided by the Paurashava to roads or any public places.

The Paurashava Model Tax Schedule, 2014
Rule-22: Conservancy Rate
Conservancy rate will be imposed by 7% on annual value of building and land for maintenance and contingency cost related with this service delivery subject to providing conservancy service by the Paurashava.

The Paurashava Model Tax Schedule, 2014
Rule-23: Sewerage Rate
Sewerage rate will be imposed by 12% on annual value of building and land of service receiving person or institutions for maintenance and contingency cost related with this service delivery subject to providing sewerage service by the Paurashava.

The Paurashava Model Tax Schedule, 2014
Rule-24: Water Rate
Water rate will be imposed by 10% on annual value of building and land of the service receiving persons for maintenance and contingency cost related with pipe line water supply services delivery by the Paurashava.

Tax or Rates rate will be fixed up before finalization of the annual budget of the Paurashava, as per **Rule 29** of **Paurashava Taxation and Collection System Rules, 2013**.

Paurashava Taxation and Collection System Rules, 2013
Rule:29
Paurashava will fixed up the tax and rates rate on annual value of land and building referring rule 17 before finalization of the annual budget of the Paurashava that will be imposed in the next year and this fixed rate will exist until the rate is re-fixed.

2.4. Restriction of Tax assessment

Some buildings or service providing institutes are exempted for tax assessment. These restrictions should be noted, especially when determining the tax demand amount through tax assessment process.

2.4.1. Exemption of Tax on buildings

(i)   The following buildings are exempted for imposing with conservancy rate and with any other types of taxes (*Rule 30(1) of Paurashava Taxation and Collection Rules, 2013)*.
-    Buildings used exclusively for prayer and morgue.
-    Registered graveyard or burial palaces for publicly used.
(ii) Buildings used for welfare of the people; tax may be exempted partly or wholly of these type of building (*Rule 30(2) of Paurashava Taxation and Collection Rules, 2013)*.
(iii) Buildings owned by freedom fighters used for as own residence not exceeding 1,000 square feet will be waived for holding tax (*Rule 3 of Paurashava Model Tax Schedule, 2014)*.

Paurashava Taxation and Collection System Rules, 2013
30. Tax assessment is exempted on some buildings
Religious institutes, Graveyard, Burial places, registered places for grave of burial places are exempted for conservancy rate with any other rates.
(1) Paurashava may exempt tax partly or wholly on those building or infrastructures which are being used for public welfare services.
(2) Paurashava can offer partial or full tax exemption to the buildings those are being used only for public welfare service.

2.4.2. Water and Lighting rates

The following buildings are exempted for imposing water and lighting rates
-    Buildings not covered by pipe-water supply and street lighting facilities developed by the relevant authorities.
-    Buildings located 300 feet away from the street light points.

Paurashava Tax Assessment and Collection System Rules, 2013
31. Limitation in water and lighting rate impose:

The rate on water and light will be assessed considering the bellow mentioned stuffs:
(a) In those area where the pipeline construction for water supply or establishment of post, cables have been completed or any project have been approved to do these works, rate on building can be

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assessed only in those areas;
(b) Until ensuring the water supply and lighting facilities, rate on building from that area cannot be collected; and
(c) Rate on building for street light cannot be assessed on a building situated in more than 3 (three) hundred feet distance from the street light post.

2.4.3. Conservancy rate

The following buildings are exempted for imposing conservancy rate.
- Buildings not covered by the conservancy services to clean individual toilets, urinal, sewage and public roads.

Paurashava Taxation and Collection System Rules, 2013
32. Limitation of conservancy rate impose:
Until ensuring the facilities of public toilet, urinal, waste management and waste disposal, road swiping to any area, rate on waste disposal can be assessed to that area.

3. Process of Tax Assessment at Paurashavas

The amount of holding tax paid by each tax payer (owner) is determined by the valuations of holding and the tax rate.

The valuation of holdings are determined through "tax assessment" based on certain rules mentioned in **Puarashava Taxation and Tax Collection System Rules, 2013**.

Holdings are assessed every five years, and this is called as **"re-assessment"**. Beside this, tax assessment is conducted when buildings are newly constructed or major changes are made. This is called as **"Interim assessment"**.

In this section, the process of re-assessment, which is conducted every five years, is explained. It is then followed by the process of interim assessment.

3.1. Process of re-assessment

3.1.1. Overall process of re-assessment

Re-assessment of holdings is conducted every five year as depicted in **Rule 18** of **Paurashava Taxation and Collection System Rules, 2013**

Paurashava Taxation and Collection System Rules, 2013
18. List of tax assessment

(1) Paurashava will prepare the evaluation list of building for the assessment of tax and rate under article 17 and except further notice from authority, the Paurashava will have to renew the list in every 5 years.
(2) …

It takes roughly one year to complete the re-assessment of holding.

The overall process of re-assessment is as follows;

1) Submit a proposal on re-assessment and obtain approval by the government
2) Make announcement on re-assessment
3) Distributes forms to collection information of holdings to the citizens
4) Collect information on holding from citizens
5) Insert the information of each holding following a ward-wise tax assessment list
6) Review the assessment results
7) Finalize the re-assessment results
8) Insert the final tax assessment results to a ward-wise tax assessment list

When all processes are completed, the tax demand amount of each holding will be determined based of the re-assessment results.

Details of each process will be explained in the following section.

When carrying out re-assessment, securing sufficient man-power is important, as there are many activities in re-assessment process.

Therefore, in many paurashavas, under the instruction of mayor, officers in other sections (e.g. tax collectors, engineers) are assigned to support re-assessment works. Tax assessment section should seek for such supports, especially during the period when others sections are not very busy.

3.1.2. Individual process of re-assessment

1) Approval by the central government on re-assessment

The tax assessment to be carried out by a Paurashava is "tax assessment and tax collection" standing committee, which is composed of four councilors and a mayor.

The tax assessment at Paurashavas starts from the submission of a proposal to the government. The standing committee prepares a proposal on tax assessment, and then submit it to the government, **Local Government Division (LGD) Ministry of LGRD & Cooperatives.** After getting approval from the central government, paurashava start conducting re-assessment.

Paurashava Taxation and Collection System Rules, 2013
3.Proposal of tax assessment-
(1) All the proposals of tax assessment of the paurashava will be prepared by the paurashava tax assessment and collection standing committee of that paurashava:
But the condition is, no tax can be assessed at the rate more than the rate prescribed in the model tax schedule introduced by the Government.
(2) All the proposals of the tax assessment prepared under sub-section (1), will
have to publish before finalizing in any open place of the paurashava in any other place prescribed by the prescribed authority.
(3) Any of the persons having probability to be looser by the newly published tax assessment list can apply with arguments to the chairman of the paurashava within one month of publishing that tax assessment list.

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4. Permission of the Government- The newly prepared tax assessment proposals will have to submit to the Government along with the bellow mentioned documents for approval, such as-
a) Name, rate and approximate annual amount of collection of the proposed tax,
b) Name, rate and annul collection of the existing tax
The persons, assets or products which will be included under this tax,
c) Existing procedure of tax collection and additional cost of tax collection,
d) Income and expenditure of last three years of that concern paurashava,
e) Objectives of the tax assessment and tax impose which is to meet up the deficit of the current account, or to initiate any new development project,
f) Any exceptional proposal, if any, and
g) Date of activation of the tax.

A Paurashava might also receive an order of tax assessment from the government, as specified in **Rule 6** of **Paurashava Taxation and Collection System Rules, 2013**. In this case, the Paurashava is supposed to start tax assessment within one month, and then make announcement on the commencement of tax assessment.

Paurashava Taxation and Collection Rules, 2013

6. Government order regarding tax assessment-

(1) If any order of tax assessment has been provided to any of the paurashava from the Government under article 101 of this act, the concern paurashava will take decision in this regard within one month, and will publish that in an open place of the paurashava or on any prescribed palace of the paurashava by the prescribed authority.

(2) Any of the persons having probability to be looser by the newly published tax assessment list under sub-component (1), can apply with arguments to the chairman of the paurashava within one month of publishing that tax assessment list.

(3) Any of the persons having probability to be looser by the newly published tax assessment list can apply with arguments to the chairman of the paurashava within one month of publishing that tax assessment list.

2) Make announcement on re-assessment

Immediately after the approval by the government on the proposal, the Paurashava publishes the tax assessment proposal in a Government Gazette.

Many paurashava makes announcement to citizens on the re-assessment of holdings by relaying messages over loudspeakers, leaflets or posters, to announce the tax assessment program, and to request supports for the tax assessment programs.

Paurashava Taxation and Collection System Rules, 2013

5. Notice of tax assessment – Immediately after getting approval of the Government, paurashava will publish the tax assessment proposal in the Government gazette, the date from which the tax will be activated will be mentioned in that notice.

3) Distributes forms to collection information of holdings to the citizens

In the tax assessment process, "tax valuation list" which shows the valuation and tax demand of all holding in a paurashava, is updated.

In order to update the information, the Paurashava first issue a notice to request the owners to provide information on holdings, such as the amount of rent or the construction values of holdings, as specified in **Rule 18 (3)** of **Paurashava Taxation and Collection System Rules, 2013**

Paurashava Taxation and Collection System Rules, 2013

18. List of tax evaluation

(3) For the preparation of evaluation list, the authorized tax assessment officer, if think to do so, can request the owner and boarder to submit the proper and actual accounts of rent or annual value through a notice using Form-C.

(4) After issuing the notice under sub-section (3), the concern person will submit the proper and actual information of building and land according to form- D within seven days of receiving the notice.

The format of the notice to request owners to provide information on rent or annual value of building and land is F**orm C "Notice to submit the actual accounts of rent or annual value of building or land"** of **Paurashava Taxation and Collection System Rules, 2013.**

This will be attached with **Form D "Statement of rent or annual value of building or land"** of the same rule, which will be filled and submitted by owners.

Form- C
[Article- 18(3)]
Notice to submit the actual accounts of rent or annual value of building or land

Memo No: ……………………..   Date: …………………………………..
To: ……………………………………………….
Father/Spouse name: ………………………………………..
Address: ……………………………………………………………………………………………………….
you are requested to submit the proper and actual accounts of rent or return of annual evaluation of your land and building on above mentioned address accordingly with the enclosed form D to the signatory mentioned below within **seven days of receiving this notice** for the purpose of preparation of revised evaluation list under article 18(3) of the Paurashava taxationt and collection system rules, 2013. In case of failure, you will be bound to pay the penalty of maximum Tk. 50 at once and then after Tk. maximum 5 for each day.

………………………………
………………………………Paurashava

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4) **Collect information on holdings from citizens**

Form D "Statement of rent or annual value of building or land" will be then filled up within 7(seven) days after receiving the notice mentioned as specified in **Rule 18(4)** of **Paruashava Taxation and Collection System Rules, 2013.**

Paurashava Taxation and Collection System Rules, 2013
18. List of tax evaluation
 (4) After issuing the notice under sub-section (3), the concern person will submit the proper and actual information of building and land according to form- d <u>within seven days</u> of receiving the notice.

An example of Form D: Statement of rent or annual value of building or land is as follows. Item 1 -6 will be filled by the owner and item 7-8 will be filled up by a tax assessor.

Form- D
[Article- 18 (4)]
Statement of rent or annual value of building or land

1. Ward Name: ___4_____
2. Mohalla/Road/Street : ___Kazipara Road_____
3. . Present number of building and land (holding) in the list of tax assessment: 509._____
4. (a) Owner (owners) name of the holding: ___**Abdul Karim**_____
       Father/Husband Name: ___Abdul Majid_____
    (b) Boarder (boarders) Name; ____Saidur Rahman_____
       Father/Husband Name: Father: ___Ataur Rahman
5. Area covered by the land or building
(a) By building   (1) Pacca building: ___2,000 sft___
                (2) Semi pacca: ___1,000 sft___
                (3) Temporary: ___500 sft___
                (4) Total: ___3,500 sft___
(b) By vacant land (1) Pond: ___1,500 sft _____
                (2) Canal: ___50 sft___
                (3) Garden: ___300 sft___
                (4) Open toilet: ___No___
                (5) Other used: ___No___
                (6)Description of the building (should be submitted according to the direction of next page) _____

Abdul Karim
(Signature of the return issuing person)

(Should be filled up by *Paurashava executives*…..)   Filled by the
6. New holding no (if provided) of building and land: …………………………………..   owner

7. Annual value calculated by *Paurashava executives*   Filled by
                                                                 assessor

Resident	Residential Building	Shop/storage/industry/ Workshop	Vacant land (if assessed separately)	Total
(a)Owner (himself)				
(b)Boarder (renter etc.)				

8. Comments of tax assessor with informing the base of annual value assessment including causes, If there is any difference in tax assessment on assets between same area and road.

………………………..
Paurashava

Description of Building (According to the serial no.-6 of previous page)										
Type of Building	Construction type: pacca, semi-pacca, kancha, temporary wooden , plain or shed of tally, leaf wave teen shed or flat, etc.	Age and present condition of the building	No of floors	Nos, design and description					Present Value or annual rent of the building occupied by the owner or boarder	Comments
				No of room	Balcony (open or close)	Bath room	strides	Total area of floor		
1	2	3	4	5	6	7	8	9	10	11
(a) Occupied by the owner										
Residential building										
(2) Shop/ Storage/ industry/ Workshop										
(b) Occupied by the Boarder										
Residential building										
(2) Shop/ Storage/ industry/ Workshop										

In the "Description of Building", the present value of the holding or annual rent of the building will be filled. In case the building is used by a owner, the rental revenue of a similar facilities should be indicated in this table.

Tax assessors examine the information provided by owners. If the information provided by owners are not realistic (e.g rental fee is too small), then tax assessortake further actions to collect more detailed information, as depicted in **Rule 18 (5)** of **Paurashava Taxation and Collection Rules, 2013**.

The assessor can enter into the house, or inspect it or measure it in order to carry out the assessment. In order to do so, a notice to be served to the occupier of the house before minimum 24 hours . The assessor cannot enter into the house before the sunrise and after sunset.

Paurashava Taxation and Collection System Rules, 2013
18. List of tax evaluation
 (5) The tax assessment officer can enter in to that house, visit it and measure it in between sun rises to sun sets.
But condition applies that, to enter, visit and measure any building, a notice to the occupier should be issued minimum 24 hours before.

5)   Insert the information of each holding to a ward-wise tax assessment list

The information provided by the owners, especially the "description of building" of Form D, are filled in "Tax assessment list" given in **Form F** of **Paurashava Taxation and Collection System Rules, 2013**.

Paurashava Taxation and Collection Rules, 2013
19. Tax assessment list
Paurashava will prepare the tax assessment list according to form- e, which will contain the information given belowName of the road beside which the building is situated;
(a) Number of the building mentioned in the register book;
(b) Description of the building;
(c) Annual valuation of the building;
(d) Name of the owner;
(e) Amount of payable annual tax and rates;
(f) Amount of quarterly installment;
(g) Statement of that in case of if the building is exempted form tax: and
(h) Any other information eligible by the Paurashava.

The format of the assessment register is **Form E** of **Paurashava Taxation and Collection System Rules, 2013**, which is shown below.

Form-E
[Vide Article 19]
Tax Assessment list of the Year………..

Serial No	Name of the road of the building	Holding no. of the building		Descriptio n of he building	Annual valuation of the building	Name of owner	Type of payable tax or rate	Amount of payable annual tax or rate						Amount of quarterly installment	Any other statement	Others
		Old	New					Holding	Conser-vancy	Water	Street Lighting	Fire	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1																
2																
3																
	Sub-Total															

The tax assessment list is prepared for each word, covering all the owners in the ward. An example of the tax assessment list (Form E) is as follows;

Form-E
[Vide Article 19]
Tax Assessment list of the Year………..

Serial No	Name of the road of the building	Holding no. of the building		Descriptio n of he building	Annual valuation of the building	Name of owner	Type of payable tax or rate	Amount of payable annual tax or rate						Amount of quarterly installment	Any other statement	Others
		Old	New					Holding	Conser-vancy	Water	Street Lighting	Fire	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Manik Road	1	1	Pucca	84,000	Abdul Halim	4	5,880	5,880	8,400	2,520	-	22,680	5,670	-	-
2	Do	2	2	Pucca	96,000	Md. Delwar Hossain	4	6,720	6,720	9,600	2,880	-	25,920	6,480	-	-
3	Do	002-01	3	Pucca	59,000	Gopal Saha	4	4,130	4,130	5,900	1,770	-	15,930	3,983	-	-
	…	…	…	…	…	…	…	…	…	…	..	…	…	…	…	…
	Sub-Total	-	-	-	2,39,000	-	-	16,730	16,730	23,900	7,170	-	64,530	16,133	-	-

This form is filled by the information provided by the owner through Form D, and the assessment results conducted by tax assessors (tax assessor, assistant assessor).

In the list, the valuation of the holding, amount of tax demand, and quarterly demand are filled based on the information given by the owner.

Some of the items in the lists are filled as follows;
- ➢ **Holding number**: The new and old holding numbers are filled here. This is necessary especially when referring to the old tax assessment result.
- ➢ **Description of the building**: This item is filled from "pacca, semi-pacca, kancha, temporary wooden , plain or shed of tally, leaf wave teen shed or flat, etc."
- ➢ **Annual valuation**: This is obtained from the tax assessment result. The valuation rule is described in Rule 18 (2), and "5.Method of Tax assessment" of this handbook.
- ➢ **Type of Payable tax or rate:** This field is to enter type of tax or rate, such as (1) Holding Tax, (2) Conservancy,(3) Water, (4)Street Lighting and (5)Fire rate. In this example, number of tax or rate paid is indicated.

- ➢ **Annual payable tax and rate**: This is the amount of tax demand that the owner is demanded to pay per year. This is calculated from "annual valuation" x "tax rate"
- ➢ **Amount of quarterly installment**: Tax liability is payable by 4 quarters in a year in equal 4 installments. This is one fourth of annual payable tax and rate.

The "Amount of payable annual tax or rate" of holding tax and other rates are calculated from "annual valuation" x "rate".

The maximum rate of each tax and rate specified in Model Tax Schedule 2014 are as follows;

Holding Tax	7%
Lighting Rate	3%
Conservancy Rate	7%
Sewerage Rate	12%
Water Rate	10%
Total Annual Tax demand	**39%**

As mentioned above, this is the maximum rate, and the same rates are not applied to all owners. For example, a household who is not receiving water supply facility does not have to pay water rate (**Rule 31** of **Paurashava Taxation and Collection System Rules, 2013**).

Suppose the annual valuation a holding is TK.100,000, and the maximum rates are applied to this holding, the annual payable tax and rate are calculated as follows;

Particulars	% (Up to)	Amount-Tk.
Holding Tax	7%	7,000
Lighting Rate	3%	3,000
Conservancy Rate	7%	7,000
Sewerage Rate	12%	12,000
Water Rate	10%	10,000
Total Annual Tax demand	**39%**	**39,000**

The amount of payable of each tax and rate will be then filled in the tax assessment list.

In this case the **annual payable tax and rate (Total)** is TK.39,000 and thus the amount of quarterly installment, which is one fourth of annual payable is TK.9,750.

6) Review the assessment results

When assessments results are input in Tax assessment List, the mayor will sign on every page, and then the list is made public, as specified in **Rule 20 (1) and (2)** of **Paurashava Taxation and Collection System Rules, 2013**.

As in **Rule 20(3)**, the Paurashava will issue notice to owners to inform the assessment result, using **Form F**. The notice is sent to those whose holding tax was assessed for the first time or whose holding tax was increased.

Paurashava Taxation and Collection System Rules, 2013
20. Publishing the list of tax assessment
(1) Mayor or his authorized officer will sign in every page after the preparation of tax assessment list under article- 19.
(2) Tax assessment list prepared under sub-section- 19 should be published in open place of Paurashava office and every word and announce it through mike.
(3) Paurashava will issue notice according to form- f to the owner or boarder of the assets in case of tax assessed for the first time or tax is increased.

Form F, which is used for the announcement of assessment result is as follows. The information necessary to fill **Form F** is included in Tax Assessment List.

Form- F
[As per article- 20(3)]
Notice for informing assessment of Paurashava tax
Memo no: ……………………….   Date: ………………………………
Name of holding owner: ………………………………………………………………………..
Father/Husband Name: ……………………………………………………………………….
Address: ………………………………………………………………………………………

This is to be notify for your kind information that, According to article 20(3) of Paurashava tax assessment and collection system rules- 2013, the annual tax and rate on the present holding no; ……………..
(Previous holding no; …………………………..) of …………………………maholla/road/street of ………………….word of this Paurashava have been revised under article- 31(1) of this rules, and the new/revised tax and rate is as bellows. If you have any arguments on tax, ownership, houses/shop/building, etc. you can apply for re-assessment to the Paurashava through form- G, purchasing from Paurashava office in declared price. No application will be accepted after particular time and the tax assessed on you will be finalized. The tax will be implemented and collected from   the date…………..of………………year.
 So, in this situation you by yourself or your authorized person can apply through form-G about your arguments for re-assessment within 30 (thirty) days of issuing this notice.

Tax assessor   Mayor

 ………………..Paurashava   ………………..Paurashava

Revised annual tax and rate:
Annual assessment: ……………………………………………………………………….
Tax on building and land : ……………………………………………………………………….
Conservancy rate: ……………………………………………………………….
Rate on street light: ………………………………………………………………….
Water rate: ……………………………………………………………………
Total: …………………………………………
(In ward: ………………………………………………………………………….)
Date of issuing the notice: ……………………………

(N.B.: This notice will be consider as final)

After the tax assessment result was sent to owners, if the owners are not satisfied with tax assessment results, they can apply for re-assessment or redemption, as specified in **Rule 21 (1)** of **Paurashava Taxation and Collection System Rules, 2013**.

In this case the owners need to submit such request using Form G, within 30 days after the assessment results was noticed.

Form- G[As per article- 21(1)]
Application for re-consideration of tax evaluation and tax assessment list

1. Date of application: …………………………………………………………………………

2. Name of the applicant: ………………………………………………………………………

3. Father/Husband name: ………………………………………………………………………

4. Holding/house no: ………………………………………………………………………………

5. Road/maholla's name: …………………………………………………………………

6. Annual assessment
   (a) Existing: ………………………………………………………………………
   (b) Revised: ………………………………………………………………………

7. Brief description of causes for remedy of the applicant:

<div style="text-align: right">Signature of the applicant's
(For office use only)</div>

8. Certificate of the office about the accuracy of information from column 1 to 7.
………………………………………………………………………………………………
9. Comments of the officer representing the Paurashava:
………………………………………………………………………………………………
10. Order of tax assessment and collection committee about every building:
    (a) Summery of the order: ………………………………………………………………
    (b) Finally settled annual assessment:

11. Signature of the members of the tax assessment and collection committee:
    (1)……………………………. (2) ……………………………… (3) …………………………
    (4)……………………………(5) ………………………………
12. Payable arrear from the applicant and comments on the installment from which the order will be implemented:
………………………………………………………………………………………………
………………………………………………………………………………………………

<div style="text-align: right">Signature of the divisional head</div>

After receiving applications, the mayor forwards it to the tax assessment and collection committee for settlement. The tax assessment and collection committee will issue a notice to the applicant showing time and place of hearing. The hearing should be concluded within 4 months from the date of first hearing.

As **Rule 21 (4)** specifies, only "after getting proper witness and investigation", the tax assessment register is revised. Therefore, reductions in tax assessments should not be made without specific evidences (such as smaller rental fees, or smaller construction costs).

It is also important for tax collectors, assessors and secretaries to explain the importance of tax collections in public service delivery and infrastructure development, and securing enough tax collection through proper tax assessment is essential. It is also important to provide monitoring report of tax collection to councilors and let councilors be cooperative and supportive to tax collections, so that they are more active in reducing tax assessment results.

Paurashava Taxation and Collection System Rules, 2013
21. Application for consideration of tax evaluation and tax assessment list.

(1) If any person dissatisfied about tax evaluation and tax assessment, s/he can apply to the mayor for re-assessment or exemption through form- G:
But condition applies that, such application will not be accepted <u>after 30 (thirty) days of publishing the tax assessment list following Rule 20(2) or issuing notice following Rules 21(3)</u>.
(2) After receiving the application following Rules 21(1) Mayor will refer the application to the tax assessment and collection committee to resolve it..
(3) Tax assessment and collection committee will issue a notice to the applicant informing the date, time and place of hearing of the application, and will conclude the hearing within <u>4 months from the date of first hearing</u>.
4) Tax assessment and collection committee poses the right to make correction, <u>revise or withdraw the tax evaluation and tax assessment list after getting proper witness and investigation</u> in presence of the applicant or his/her representative.
Condition applies that, if the applicant or his/her representative is not available at the time of hearing, the tax assessment and collection committee can take decision by themselves.
(5) …

7) Finalize the re-assessment results

After the assessment and collection committee revise or withdraw the tax collection list based on proper witness and investigation (**Rule 21(4)**), the decision by the committee will be regarded as final (**Rule 21 (5)**).

Paurashava Taxation and Collection Rules, 2013
21. Application for consideration of tax evaluation and tax assessment list.
(1) Tax assessment and collection committee poses the right to make correction, revise or withdraw the tax evaluation and tax assessment list after getting proper witness and investigation in presence of the applicant or his/her representative.
Condition applies that, if the applicant or his/her representative is not available at the time of hearing, the tax assessment and collection committee can take decision by themselves.
<u>Decision under sub-section (4) will be considered as final tax evaluation</u> and tax assessment list and will be valid until new list is prepared.

8) Insert the final tax assessment results to a ward-wise tax assessment list

The final assessment result, after the discussions and finalization in the tax collection and assessment committee (**Rule 21 (5)**), are reflected in the assessment register.

When reflecting the revisions into the tax assessment list, the regions or zones are indicated by red ink, and then signed by the mayor.

3.2. Process of interim assessment

This section is going to explain the process of Interim assessment, which is conducted every year when it is necessary.

Interim assessment is conducted especially when a building is newly constructed (**Rule 22 (1)** of P**aurashava Taxation and Collection System Rules, 2013)** and also when a building is extended (**Rule 23**).

When a building is newly constructed, this is meet one of the conditions of the modification "(a) If name of any person or any assets is ought to be enlisted in the tax assessment list". When such conditions are identified, an announcement is issued within one month (**Rule 22(2)**).

If a house is expanded, this will meet with a condition of "the rent or part of it has been improved" in **Rule 23**. Then the paurahsava can increase the tax amount, after having hearing with the owner.

Paurashava Taxation and Collection System Rules, 2013
22. Modification of tax assessment list
(1) Paurashava can modify the tax assessment list for bellow mentioned causes.
(a) If name of any person or any assets is ought to be enlisted in the tax assessment list;
(b) If there is a necessity to replace name of any person in place of the owner of the building, who became owner through purchase or any other way;
Evaluation or assessment of any building is prepared in a defective process;
(c) For reducing the assessment of any building considering application of the owner to reduce assessment because of decrease of evaluation for damage of the whole or part of the building;
(d) For correction of any clerical fault.
(2) Paurashava will issue a notice for **1 (one) month** to the concern person if any modification is needed under sub-section (1).
(3) Concern person can raise objection against proposed modification after receiving the notice, and to resolve such type of objection, statements of article 21 including necessary modification will be applicable.

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23. Increasing tax of any building
If it is proven to the Paurashava that, after finalizing tax assessment list, the rent or part of it has been improved in such a way that, according to the consideration of Paurashava reassessment of tax for that building is reasonable, in that case, whatever may be in other articles of this rules, tax can be increased providing opportunity of hearing to the owner.

The process of the interim assessment is basically same as the processes of re-assessment. The major difference is that the interim assessment is conducted only when newly constructed or expanded buildings (or other buildings) are identified. Another difference is that the interim assessment does not require any proposals to the government and the approval by the government.

3.2.1. Individual process of interim assessment

1) Information collection on new buildings and extended building

Collect information on new buildings from engineers who receive application on building permits. When the application is submitted, the buildings are not completed. Then tax assessors visit the

buildings several months after the submission of the building permits.

Tax collectors are another source of information. Because they visit citizens when collecting holding tax, they identify new or extended buildings. Have a good coordination with collectors, tax assessors collect information on new and extended buildings.

2) Distributes forms to collect information of holdings to the citizens

The Paurashava then issue a letter or notice to owners to provide information on holdings, such as the amount of rent or the construction values of holdings, as specified in **Rule 18 (3)** of **Paurashava Taxation and Collection System Rules, 2013**.

The format of the letter or announcement to request owners to provide information on rent or annual value of building and land is **Form C "Notice to submit the actual accounts of rent or annual value of building or land"** of **Paurashava Taxation and Collection System Rules, 2013**.

This will be attached with **Form D "Statement of rent or annual value of building or land"** of the same rule, which will be then filled and submitted by owners.

3) Collect information on holding from citizens

Form D "Statement of rent or annual value of building or land" will be filled up within 7(seven) days after receiving the notice mentioned as specified in **Rule 18(4)** of **Paruashava Taxation and Collection System Rules, 2013**.

4) Insert the information of each holding to a ward-wise tax assessment list

The information provided by the owners, especially the "description of building" of Form D, are filled in "Tax assessment list" given in **Form F** of **Paurashava Taxation and Collection System Rules, 2013**.The tax assessment list is prepared for each word, covering all the owners of holding in the ward.

Annual valuations of each holding will calculated and filled in the list.

5) Review the assessment results

When assessments results are input in Tax assessment List, the Mayor will sign on every page, and then the list is made public, as specified in **Rule 20 (1) and (2) of Paurashava Taxation and Collection Rules, 2013**.

As in **Rule 20(3)**, the Paurashava will issue notice to owners to inform the assessment result, using Form F. The notice is sent to those whose holding tax was assessed for the first time or whose holding tax was increased.

Form F, which is used for the announcement of assessment result is as follows. The information necessary to fill Form F is included in Tax Assessment List.

After the tax assessment result was sent to owners, if the owners are not satisfied about tax evaluation and tax assessment, they can apply for re-assessment or exemption, as specified in **Rule 21 (1) of Paurashava Taxation and Collection Rules, 2013**.In this case the owners need to submit such request using Form G, within 30 days after the assessment results was noticed.

When the applications to re-assessment are received by paurashavas, the tax assessment and collection committee will be then held (Rule 21(2)) and then organize a hearing with the owner. The hearing will be concluded within 4 months from the date of first hearing.

As Rule **21 (4)** specifies, only "after getting proper witness and investigation", the tax assessment register is revised. Therefore, reductions in tax assessments should not be made without specific evidences (such as smaller rental fees, or smaller construction costs).

6) Finalize the re-assessment results

After the assessment and collection committee revise or withdraw the tax collection list based on proper witness and investigation (**Rule 21(4)**), the decision by the committee will be regarded as final (**Rule 21 (5)**).

7) Insert the final tax assessment results to a ward-wise tax assessment list

The final assessment result, after the discussions and finalization in the tax assessment and collection (**Rule 21 (5)**), are reflected in the assessment register.

4. Summary and report of the assessment results (Proposed)

It is recommended to summarize the assessment result, in order to make sure that tax assessments were carried out properly, and the paurashava can secure sufficient revenue from holding tax.

It is important to compare the result of pervious re-assessment and the new re-assessment. The paurashava needs to make sure that the total demand increased from the previous year and from previous re-assessment, using the following table.

		Number of Holdings	Total Demand	Average Demand
2009-10	Previous re-assessment			
2010-11	Interim assessment			
2011-12	Interim assessment			
2012-13	Interim assessment			
2013-14	Interim assessment			
2014-15	Proposed in re-assessment			
	Final			

It is also recommended to see the changes in average demand, which is calculated as [Total demand]/ [Number of holdings]. This shows the average demand per holding.

Suppose the annual inflation rate is 7.0%, the annual valuation would increase by about 40% (from TK.10,000 to TK.14,026) in five years. This is because annual rental revenue would also increase according to the price hike.

Year	Year 0 (previous assessment)	Year 1	Year 2	Year 3	Year 4	Year 5 (Current assessment)
Annual valuation	10,000	10,700	11,449	12,250	13,108	14,026
Annual increase		7.0%	7.0%	7.0%	7.0%	7.0%

If the average demand is not increasing as the inflation rate, then it means that the Paurashava is giving a lot of discount to owners.

The monitoring and examination should be the major responsibilities of a taxation and collection standing committee, one of whose function is "find out new tax sources for increasing revenue collection". The standing committee, including the Mayor and Councilor, should take strong actions to increase tax revenue through tax assessment.

5. Method of Tax valuation

This section explains the tax valuation methods, which is explained in **Rule 18(2)** of **Paurashava Taxation and Collection Rules, 2013**.

Paurashava Taxation and Collection Rules, 2013
18. List of tax evaluation

(1) Evaluation list should be prepared according to below mentioned procedures, such as:-
(a) In case of fully rented building-
1. Should have to reduce the rent of two month from <u>yearly rent</u> as maintenance cost of the building;
2. In case of non-commercial purpose, if the building is mortgaged to Government, House building finance corporations, Bank or Financial institute for fund collection to rebuild or to purchase, the annual interest on mortgage should be reduced.
3. In case of commercial buildings such as hotel, motel, private diagnostic center, apartment, hospital, office, etc. which has been mortgaged to house building finance corporations, bank or any financial institute for loan, 1/4 of the annual interest should be reduced.
(a) If the monthly rent of any building is found abnormally more or less, the rent contract of similar building in that area should be considered.**In case of fully retained building:**

The feasible annual rent of similar type or building with similar facilities, or 7.5% of the value of the building including land development tax of land used in that building, less one in between two, should be considered as the annual value, and part as bellows should be reduced from that, such as:
1.   For maintenance rent of two months or one sixth of annual value, which one is applicable?
2. One fourth of annual value after reducing the amount mentioned in point 1;
3. In case of non-commercial purpose, if the building is mortgaged to Government, House   building finance corporations, Bank or Financial institute for fund collection to rebuild or to purchase, the annual interest on mortgage should be reduced;
4. In case of commercial buildings such as hotel, motel, private diagnostic center, apartment, hospital, office, etc. which has been mortgaged to house building finance corporations, bank or any financial institute for loan, 1/4th of the annual interest should be exempted;
(c) **In case of building partially rented and partially retained**, annual value of rented part will be according to point (a), and retained part will be according to point (b).

The method of valuation is different;

(a) in case of fully rented building,
(b) in case of fully retained building,
(c)in case of building partially rented and partially retained.

In each case, the deduction (exempted) amount also differ depending on building are used for non-commercial purposes or commercial purpose.

The valuation method of a building is determined following the flow chart below;

The valuation of a building is determined by;
- Annual value (annual rental revenue or 7.5% of construction cost)
- Deduction in maintenance expenses
- Ownership deduction, and
- Deduction in Interest expenses

The base amounts and deductions are different, which can be summarized as follows;

		A-1	A-2	B-1	B-2	C
		Rental	Rental	Own -use	Own-use	Mixed
		Non-commercial	Commercial	Non-commercial	Commercial	
Annual value		Rental revenue (12 months)	Rental revenue (12 months)	Smaller of (i) rental revenue(12 month) of similar building or (ii) 7.5% of construction cost and land development tax	Smaller of (i) rental revenue(12 month) of similar building or (ii) 7.5% of construction cost and land development tax	Mixture of A-1, A-2, B-1, and B-2
Deduction						
	Maintenance	Maintenance expenses (2 months of rental revenue)	Maintenance expenses (2 months of rental revenue)	Maintenance expenses (1/6 of annual value)	Maintenance expenses (1/6 of annual value)	
	Deduction on ownership	-	-	[Annual value] – [Maintenance expenses] x 1/4	[Annual value] – [Maintenance expenses] x 1/4	
	Bank loan interest	Annual interest expenses total	Annual interest expenses x 1/4	Annual interest expenses total	Annual interest expenses x 1/4	

When a building is used by the owners themselves, the amount of tax demand will be smaller than when used by owners (B-1 and B-2) that used for rental (A-1 and A-2), because the deduction amount of is bigger (ownership deduction).

Similarly, the deduction amounts of bank loan interest expense are bigger when the holding is used for non-commercial (A-1, B-1) than used for commercial purposes (A-2, B-2).

Details are explained in the following sections.

(a) In case of fully rented building

In case a building is used for rental (the owner rent the building to a tenant), the valuation of the building is determined based on rental revenue of 12 month.

In this case, the valuation method applied will be either A-1 or A-2 mentioned above.

A-1 method is applied when a holding is <u>rented</u>, and used for <u>non-commercial (residential)</u> purposes.
A-2 method is applied when a holding is <u>rented</u>, and used for <u>commercial</u> purposes.

The relevant rules to this are as follows;

Paurashava Taxation and Collection System Rules, 2013
18. List of tax evaluation

(2) Evaluation list should be prepared according to below mentioned procedures, such as:-
(a) In case of fully rented building-
1. Should have to reduce the rent of two month from yearly rent as maintenance cost of the building;
2. In case of non-commercial purpose, if the building is mortgaged to Government, House building finance corporations, Bank or Financial institute for fund collection to rebuild or to purchase, the annual interest on mortgage should be reduced.
3. In case of commercial buildings such as hotel, motel, private diagnostic center, apartment, hospital, office, etc. which has been mortgaged to house building finance corporations, bank or any financial institute for loan, 1/4 of the annual interest of loan should be reduced.
4. If the monthly rent of any building is found abnormally more or less, the rent contract of similar building in that area should be considered.
(b) …
(c) …

Annual value
The annual value is the rental revenue of 12 month, which the owner submitted in the "**description of building" of Form D**. As in **Rule 18(2) (a) 4**, of the monthly rent is abnormally low, then rent of similar building is the same area will be considered.

Deduction: Maintenance expenses
Two month rental revenue is deducted from the base amount as maintenance expenses, as **Rule 18(2) (a) 1.**

Deduction: Bank interest expenses (non-commercial, A-1)
If the building is used for non-commercial purposes (residential purpose), and if the building is mortgaged to the government or financial institutions, then the annual interest expenses are going to be deducted from the base amount, as in **Rule 18 (2) (a) 2**. Please note that the building is regarded as "commercial", if it is used for apartments.

Deduction: Bank interest expenses (non-commercial, A-2)
If the building is used for commercial purposes (such as hotel, hospital, apartment) and if the building is mortgaged to financial institutions, then the annual interest expenses are going to be

deducted from the base amount, as in **Rule 18 (2) (a) 3**.

Examples of calculations of **A-1 (Rental, non-commercial)** and **A-2 (rental, commercial)** are explained as follows;

A-1: Valuation of fully rented (non-commercial) building

1	Actual rent or potential rent of 12 month				
	Annual rent	TK. 10,000 / month	x	12	=	TK. 120,000 / year
2	Deductions:				
	(i)Maintenance cost- Rent of 2 month	TK. 10,000 / month	x 2		TK. 20,000
	(ii) Annual interest of bank loan	TK. 16,000			TK. 16,000
	Total deduction (i) + (ii)				**TK. 36,000**
3	**Annual valuation of the building (1-2)**				**TK. 84,000**

Calculation of Annual Tax Demand

	% (Up to)	Amount-Tk. Valuation x %
Holding Tax	7%	TK 5,880
Lighting Rate	3%	TK 2,520
Conservancy Rate	7%	TK 5,880
Water Rate	10%	TK 8,400
Total Annual Tax demand	**27%**	**TK 22,680**

Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				Total-Tk.
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax	1,470	1,470	1,470	1,470	**5,880**
Lighting Rate	630	630	630	630	**2,520**
Conservancy Rate	1,470	1,470	1,470	1,470	**5,880**
Water Rate	2,100	2,100	2,100	2,100	**8,400**
Total-Taka	5,670	5,670	5,670	5,670	**22,680**

In A-1 (rental, non-commercial), the valuation is determined as

[Rental revenue (12 month)] – [Maintenance expenses] – [Annual interest expenses of bank loan]

In this example, the monthly rent is TK. 10,000, and [Rental revenue (12 months)] is TK.120,000. [Maintenance expense] , which is calculated as 2 month rent (TK.20,000) is then deducted from this.

As in **Rule 18(2) (a) 2**, if the building is mortgaged to the government or financial institutions, the annual interest of bank loan (TK. 16,000) is also deducted.

Then, the valuation is calculated as follows;
[Rental revenue (12 months)]   TK.120,000
 - [Maintenance expenses]   TK.20,000

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- [Annual interest expenses]   TK.16,000
= **[Annual valuation]**   **TK.84,000**

A-2: Valuation of <u>fully rented</u> (commercial) building

1	Actual rent of 12 months or potential rent					
	Annual rent	TK. 10,000 / month	x	12	=	TK. 120,000 / year
2	Deductions:					
	(i)Maintenance cost- Rent of 2 month					
		TK. 10,000 / month	x	2		TK. 20,000
	(ii) Annual interest of bank loan x 1/4	TK. 16,000	x	1/4		TK. 4,000
	Total deduction (i) + (ii)					**TK 24,000**
3	**Annual valuation of the building (1-2)**					**TK 96,000**

Calculation of Annual Tax Demand

	% (Up to)	Amount-Tk. Valuation x %
Holding Tax	7%	TK 6,720
Lighting Rate	3%	TK 2,880
Conservancy Rate	7%	TK 6,720
Water Rate	10%	TK 9,600
Total Annual Tax demand	**27%**	**TK 25,920**

Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				Total-Tk.
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax	1,680	1,680	1,680	1,680	6,720
Lighting Rate	720	720	720	720	2,880
Conservancy Rate	1,680	1,680	1,680	1,680	6,720
Water Rate	2,400	2,400	2,400	2,400	9,600
Total-Taka	6,480	6,480	6,480	6,480	25,920

In A-2 (rental, commercial), the valuation is determined as

[Rental revenue (12 months)] – [Maintenance expenses] – [Annual interest expenses of bank loan]x 1/4

The difference between A-1 and A-2 is that only 1/4 of annual interest expenses is deducted from annual valuation, as in **Rule 18(2) (a) 3**. The amount of deduction is smaller because this is used for commercial purpose.

In this example, the monthly rent is TK 10,000, and [Rental revenue (12 months)] is TK.120,000. [Maintenance expense], which is calculated as 2 month rent (TK.20,000) and 1/4 of annual interest (TK. 16,000 x 1/4=TK.4,000) are deducted from this.

Then, the valuation is calculated as follows;

[Rental revenue (12 months)]   TK120,000
  - [Maintenance expenses]   TK20,000
  - [Annual interest expenses]   TK 4,000
  = **[Annual valuation]**   **TK96,000**

(b) In case of fully retained building

In case a building is retained or used by the owner himself / herself, the valuation of the building is determined by smaller one between 7.5% of construction value with development cost of building land and 12 month rental revenue of similar facilities.

In this case, the valuation method applied will be either B-1 or B-2 mentioned above.

B-1 method is applied when a holding is <u>retained</u>, and used for <u>non-commercial (residential)</u> purposes.
B-2 method is applied when a holding is <u>retained</u>, and used for <u>commercial</u> purposes.

The relevant rules to this are as follows;

Paurashava Taxation and Collection System Rules, 2013
18. List of tax evaluation
(2) Evaluation list should be prepared according to below mentioned procedures, such as:-
(a) …
 (b) In case of fully retained building:
The feasible annual rent of similar type or building with similar facilities, or 7.5% of the value of the building including land development tax of land used in that building, smaller ess one in between two, should be considered as the annual value, and part as bellows should be reduced from that, such as:

1. For maintenance rent of two month or one sixth of annual value, any one is applicable?
2. One fourth of annual value after reducing the amount mentioned in point 1;

   3. In case of non-commercial purpose, if the building is mortgaged to Government, House   building finance corporations, Bank or Financial institute for fund collection to rebuild or to purchase, the annual interest on mortgage should be exempted;

   4. In case of commercial buildings such as hotel, motel, private diagnostic center, apartment, hospital, office, etc. which has been mortgaged to house building finance corporations, bank or any financial institute for loan, 1/4 of the annual interest of bank loan should be exempted;
(c) …

Annual value
The annual value in this case is the smaller of 7.5% of construction value of building with land development tax or 12 month rental revenue of similar facilities.These necessary information will be given by the owner through the "**description of building" of Form D**.

Deduction: Maintenance expenses
Then 1/6 of the annual value of the building, or the 2 month rental revenue is deducted from the annual value, as **Rule 18(2) (b) 1.**

Deduction on ownership

In this case, as the holding is used by the owner, 1/4 of the annual value (after the deduction of maintenance expenses) is also deducted from annual value, as **Rule 18 (2) (b) 2**. The tax demand is smaller in case of owners use the buildings by themselves than in case the buildings are used for rental purpose.

Deduction: Annual Bank interest expenses (non-commercial)
If the building is used for non-commercial purposes (residential purpose), and if the building is mortgaged to the government or financial institutions, then the annual interest expenses on bank loan are going to be deducted from the annual value, as in **Rule 18 (2) (b) 3**. Please note that the building is regarded as "commercial", if it is used for apartments.

Deduction: Bank interest expenses (commercial)
If the building is used for commercial purposes (such as hotel, hospital, apartment) and if the building is mortgaged to financial institutions, then the one fourth of annual interest expenses of bank loan are going to be deducted from the base amount, as in **Rule 18 (2)(b) 4**.

Examples of calculations of B-1 (Retailed, non-commercial) and B-2 (Retailed, commercial) are explained as follows;

B-1: Annul valuation of fully occupied (non-commercial) building
Calculation of annual value based on construction cost

		Length		Width		No. of Floor		Total Area
1	Size of the building	40 Ft	x	30 ft	x	1 floor	=	1,200 Sft
2	Construction cost of the building:			1,200 sft	x	550 TK/ sft	=	TK. 660,000
3	Land development cost			1,200 TK.	x	0.23 TK./ sft	=	TK. 276
4	Building construction cost and land development tax (2+3)							TK. 660,276
5	7.5% of Building construction and land development cost (4)			660,276	x	7.50%	=	**TK. 49,520**

Calculation of annual value based on approximate rental revenue

6	Approximate annual rent of the building	5000 /month	x	12 months	=	TK. 60,000

Annual value

7	Lower amount of (5) construction cost basis valuation or (6) approximate annual rent	TK. 49,520

8	1st Deduction					
	(i) Maintenance cost 1/6 of (7)	49,520 TK. / year	x	1/6	=	TK. 8,253
9	Valuation after deduction of maintenance cost (7-8)					TK. 41,267
10	2nd Deduction					
	(ii) Exemption of self-use (1/4 amount of (9)	(49,520 - 8,253)x		1/4	=	TK. 10,317
	(iii) Annul bank loan interest expenses	5,000 TK. / year				TK. 5,000
	Total 2nd deduction (ii+iii)					TK. 15,317
11	**Annual valuation of the building on construction cost basis (9-10)**					**TK 25,950**

Calculation of Tax Demand

Particulars	% (Up to)	Amount-Tk.
Holding Tax	7%	1,817
Lighting Rate	3%	779
Conservancy Rate	7%	1,817
Water Rate	10%	2,595
Total Annual Tax demand	**27%**	**7,007**

Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				Total-Tk.
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax	454	454	454	454	1,817
Lighting Rate	195	195	195	195	779
Conservancy Rate	454	454	454	454	1,817
Water Rate	649	649	649	649	2,595
Total	**1,752**	**1,752**	**1,752**	**1,752**	**7,007**

In B-1 (retailed, non-commercial), the valuation is determined as

[Annual value] – [Maintenance expenses] –[Ownership deduction]- [Annual interest expenses of bank loan]

[Annual value] in this case is the smaller of the construction with land development tax or 12 month rental revenue of similar facilities.

In the calculation sheet, both "**Calculation of annual value based on construction cost"** and the **"Calculation of annual value based on approximate rental revenue"** are indicated.

Calculation of annual value based on construction cost is carried out from
- Size of the building
- Unit cost of building construction
- Unit cost of land development tax

Unit cost of construction and land development

Calculation of annual value based on construction cost

		Length		Width		No. of Floor		Total Area
1	Size of the building	40 Ft	x	30 ft	x	1 floor	=	1,200 Sft
2	Construction cost of the building:			1,200 sft	x	550 TK./ sft	=	TK. 660,000
3	Land development cost			1,200 TK.	x	0.23 TK./ sft	=	TK. 276
4	Building construction cost and land development tax (2+3)							TK. 660,276
5	7.5% of Building construction and land development cost (4)			660,276	x	7.50%	=	**TK. 49,520**

The size of the building and the value are filled in "Description of buildings" attached to Form D. However, the construction cost should be also compared to those of similar facilities.

In this example, adding the construction cost of the building (TK. 660,000) to the land development tax (TK. 276), the total construction cost (TK. 660,276) is obtained.

The valuation of this building based on the construction cost is then TK.49,520, which is calculated as 7.5% x [total construction cost] (TK. 660,276).

Then, the annual value is also calculated by the annual rent of similar facilities.

Calculation of annual value based on approximate rental revenue

6	Approximate annual rent of the building	5000 /month	x	12 months	=	TK. 60,000

In this example, the monthly rent of the similar facility is TK. 5,000, and thus [Approximate Rent of the building (12 months)] is TK.60,000.

Annual value

7	Lower amount of (5) construction cost basis valuation or (6) approximate annual rent	TK 49,520

Annual value to be used for tax demand is then determined by comparing both annual values. In this case, the value based on the construction cost (TK.49,520) which is smaller than the one by approximate rental revenue (TK 60,000), is going to be used as the annual value.

[Maintenance expense] , which is calculated as 1/6 of the annual value (TK.8,253) is then deducted from the annual value.

8	**1st Deduction**						
	(i) Maintenance cost 1/6 of (7)		49,520 TK / year	x	1/6	=	TK 8,253
9	Valuation after deduction of maintenance cost (7-8)						TK 41,267
10	2nd Deduction						
	(ii) Exemption of self-use (1/4 amount of (9)	(49,520	- 8,253	)x	1/4	=	TK. 10,317
	(iii) Annul loan interest expenses		5,000 TK. / year				TK. 5,000
	Total 2nd deduction (ii+iii)						TK. 15,317
11	**Annual valuation of the building on construction cost basis (9-10)**						**TK. 25,950**

In this case, as the holding is used by the owner, 1/4 of the annual value (after the deduction of maintenance expenses) is also deducted from annual value. This is calculated as([Annual value] (TK.49,520) – [Maintenance cost] (TK.8,253))x 1/4 = Tk 10,317.

If the tax payer takes loan from any bank or institute for purchase or construct the building, in this case the total annual interest of the said loan will be deductible for non-commercial use of the building.

As in **Rule 18(2) (b) 3**, if the building is mortgaged to the government or financial institutions, the annual interest (TK 5,000) is also deducted.

Then , the valuation is calculated as follows;

[Annual value]	TK.49,520
- [Maintenance expenses]	TK. 8,253
- [Exemption for self-use]	TK.10,317
- [Annual interest expenses of bank loan]	TK. 5,000
= **[Annual valuation]**	**TK.25,950**

B-2: Annul valuation of fully occupied (commercial) building:

Calculation of annual value based on construction cost

		Length		Width		No. of Floor		Total Area
1	Size of the building	40 Ft	x	30 ft	x	1 floor	=	1,200 Sft
2	Construction cost of the building:			1,200 sft	x	550 TK/ sft	=	TK. 660,000
3	Land development cost			1,200 TK.	x	0.23 TK./ sft	=	TK. 276
4	Building construction cost and land development tax (2+3)							TK. 660,276
5	7.5% of Building construction and land development tax (4)			660,276	x	7.50%	=	**TK. 49,520**

Calculation of annual value based on approximate rental revenue

6	Approximate annual rent of the building			5000 /month	x	12 months	=	TK. 60,000

Annual value

7	Lower amount of (5) construction cost basis valuation or (6) approximate annual rent	TK 49,520

8	1st Deduction							
	(i) Maintenance cost 1/6 of (7)			49,520 TK. / year	x	1/6	=	TK. 8,253
9	Valuation after deduction of maintenance cost (7-8)							TK. 41,267
10	2nd Deduction							
	(ii) Exemption of self-use (1/4 amount of (9)	(	49,520	-	8,253	)x	1/4	=	TK. 10,317
	(iii) Annul loan interest expenses			5,000 TK. / year	x	1/4		TK. 1,250
	Total 2nd deduction (ii+iii)							TK. 11,567
11	**Annual valuation of the building on construction cost basis (9-10)**							**TK. 29,700**

Calculation of Tax Demand

Particulars	% (Up to)	Amount-Tk.
Holding Tax	**7%**	2,079
Lighting Rate	**3%**	891
Conservancy Rate	**7%**	2,079
Water Rate	**10%**	2,970
Total Annual Tax demand	**27%**	**8,019**

Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				Total-Tk.
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax	520	520	520	520	2,079
Lighting Rate	223	223	223	223	891
Conservancy Rate	520	520	520	520	2,079
Water Rate	742	742	742	742	2,970
Total-Taka	**2,005**	**2,005**	**2,005**	**2,005**	**8,019**

In B-2 (retailed, commercial), the valuation is determined as

[Annual value] – [Maintenance expenses] –[Ownership deduction]- [Annual interest expenses of bank loan] x 1/4

The difference between B-1 and B-2 is that only 1/4 of annual interest expenses of bank loan is deducted from annual valuation, as in **Rule 18(2) (b) 4**. The amount of deduction is smaller because this is used for commercial purpose.

In this example, the annual value is TK.49,520, and the [Maintenance expense], which is calculated as 1/6 of annual value is TK.8,253, will be deducted from this.

Annual value is also deducted by the [Exemption of selfuse] (TK. 10,317) which is 1/4 of [Annual value] deducted by [Maintenance expenses]. The annual value is also deducted by 1/4 of annual interest (TK. 16,000 x 1/4=TK.4,000).

Then , the valuation is calculated as follows;

[Annual value]	TK.49,520
- [Maintenance expenses]	TK . 8,253
- [Exemption of self-use]	TK.10,317
- [Annual interest expenses of bank loan]	TK. 1,250
= **[Annual valuation]**	**TK.29,700**

(c) In case of building partly rented and partly retained

This case is applied to a building which is partly rented and partly retained. In some cases, there is a building whose ground floor and the first floor are rented to tenants, while the second floor is used by the owner for residential use.

Then the ground floor and the first floor are assessed based on A-2 (rental, commercial) and the second floor is on B-1 (retained, non-commercial).

In this case, each part will be assessed based on the relevant assessment method. Each floor will be separately assessed, and then combined when assessment is done.

Paurashava Taxation and Collection Rules, 2013
18. List of tax evaluation
(2) Evaluation list should be prepared according to below mentioned procedures, such as:-
(a) In case of fully rented building-
…
(b) In case of fully retained building:
…
(c) In case of building partly rented and partly retained, annual value of rented part will be according to point (a), and retained part will be according to point (b).

Annex 1: Format for Tax Assessment

<table>
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Form- C
[Article- 18(3)]
Notice to submit the actual accounts of rent or annual value of building or land

</div>

Memo No: ……………………..   Date: ………………………………..
To: …………………………………………………….
Father/Spouse name: …………………………………………..
Address: ………………………………………………………………………………………….
you are requested to submit the proper and actual accounts of rent or return of annual evaluation of your land and building on above mentioned address accordingly with the enclosed form D to the signatory mentioned below within **seven days of receiving this notice** for the purpose of preparation of revised evaluation list under article 18(3) of the Paurashava tax assessment and collection system rules, 2013. In case of failure, you will be bound to pay the penalty of maximum Tk. 50 at once and then after Tk. maximum 5 for each day.

<div align="right">

………………………………
………………………………Paurashava

</div>

</td></tr>
</table>

Form- D
[Article- 18 (4)]
Statement of rent or annual value of building or land

1. Ward Name: _____
2. Mohalla/Road/Street : _____
3. . Present no of building and land (holding) in the list of tax assessment: _____
4. (a) Owner (owners) name of the holding: _____
      Father/Husband Name: _____
   (b) Boarder (boarders) Name; _____
      Father/Husband Name: : ___
5. Area covered by the land or building
(a) By building (1) Pacca building: _____
               (2) Semi pacca: _____
               (3) Temporary: _____
               (4) Total: _____
(b) By Free land (1) Pond: _____
               (2) Canal: _____
               (3) Garden: _____
               (4) Open toilet: _____
               (5) Other utility: _____
               (6)Description of the building (should be submitted according to the direction of next page) _____

(Signature of the return issuing person)

(Should be filled up by *Paurashava executives*…..)
6. New holding no (if provided) of building and land: …………………………………….

7. Annual value calculated by *Paurashava executives*

Resident	Residential Building	Shop/storage/factory/ Workshop	Vacant land (if assessed separately)	Total
(a)Owner (himself)				
(b)Boarder (renter etc.)				

8. Comments of tax assessor with informing the base of annual value assessment including causes, If there is any difference in tax assessment on assets between same area and road.

………………………..
Paurashava

Description of Building
(According to the serial no-6 of previous page)

Type of Building	Construction type: pacca, semi-pacca, kancha, temporary wooden , plain or shed of tally, leaf wave teen shed or flat, etc.	Age and present condition of the building	No of floors	Nos, design and description					Present Value or annual rent of the building occupied by the owner or boarder	Comments
				No of room	Balcony (open or close)	Bath room	strides	Total area of floor		
1	2	3	4	5	6	7	8	9	10	11
(a) Occupied by the owner										
Residential building										
(2) Shop/ Storage/ industry/ Workshop										
(b) Occupied by the Boarder										
Residential building										
(2) Shop/ Storage/ industry/ Workshop										

Form-E
[Vide Article 19]
Tax Assessment list of the Year..........

Serial No	Name of the road of the building	Holding no. of the building		Description of he building	Annual valuation of the building	Name of owner	Type of payable tax or rate	Amount of payable annual tax or rate						Amount of quarterly installment	Any other statement	Others
		Old	New					Holding	Conser-vancy	Water	Street Lighting	Fire	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1																
2																
3																
	Sub-Total															

Form- F
[As per article- 20(3)]
Notice for informing assessment of Paurashava tax

Memo no: …………………………   Date: ………………………………………

Name of holding owner: …………………………………………………………………………..

Father/Spouse Name: ……………………………………………………………………………..

Address: ……………………………………………………………………………………………

This is to be notify for your kind information that, According to article 20(3) of Paurashava tax assessment and collection rules- 2013, the annual tax and rate on the present holding no; ……………..
(Previous holding no; …………………………..) of …………………………maholla/road/street of …………………..word of this Paurashava have been revised under article- 31(1) of this rules, and the new/revised tax and rate is as bellows. If you have any arguments on tax, ownership, houses/shop/building, etc. you can apply for re-assessment to the Paurashava through form- g, purchasing from Paurashava office in declared price. No application will be accepted after particular time and the tax assessed on you will be finalized. The tax will be implemented and collected from   the date…………..of………………year.

 So, in this situation you by yourself or your authorized person can apply through form- g about your arguments for re-assessment within 30 (thirty) days of issuing this notice.

Tax assessor   ………………..Paurashava
Mayor
………………..Paurashava
Revised annual tax and rate:

Annual assessment: ……………………………………………………………………….
Tax on building and land : ……………………………………….…………………………………….
Conservancy rate: ……………………………………………………………….
Rate on street light: ……………………………………………………………….
Water rate: ………………………………………………………………….
Total: …………………………………………
(In ward: ………………………………………………………………….)
Date of issuing the notice: ……………………………

(N.B.: This notice will be consider as final)

Form- G
[As per article- 21(1)]
Application for re-consideration of tax evaluation and tax assessment list

1. Date of application: ……………………………………………………………………
2. Name of the applicant: …………………………………………………………………
3. Father/Husband name: ……………………………………………………………………
4. Holding/house no: ……………………………………………………………………
5. Road/maholla's name: ……………………………………………………………
6. Annual assessment
   (a) Existing: ………………………………………………………………
   (b) Revised: ………………………………………………………………
7. Brief description of causes for remedy of the applicant:

Signature of the applicant's
(For office use only)
8. Certificate of the office about the accuracy of information from column 1 to 7.
…………………………………………………………………………………………
9. Comments of the officer representing the Paurashava:
…………………………………………………………………………………………
10. Order of tax assessment and collection committee about every building:
   (a) Summery of the order: ……………………………………………………………
   (b) Finally settled annual assessment:
11. Signature of the members of the tax assessment and collection committee:
   (1)……………………… (2) …………………………. (3) …………………………
   (4)………………………(5) ………………………
12. Payable arrear from the applicant and comments on the installment from which the order will be implemented:
…………………………………………………………………………………………
…………………………………………………………………………………………
Signature of the divisional head

Annex 2: Valuation sheet

A-1: Valuation of fully rented (non-commercial) building

1	**Actual rent of 12 months or potential rent**					
	Annual rent	TK. / month	x		=	TK. / year
2	**Deductions:**					
	(i)Maintenance cost- Rent of 2 month	TK. / month	x 2			TK.
	(ii) Annual interest of bank loan	TK.				TK.
	Total deduction (i) + (ii)					**TK.**
3	**Annual valuation of the building (1-2)**					**TK.**

Calculation of Annual Tax Demand

	% (Up to)	Amount-Tk. Valuation x %
Holding Tax	%	TK.
Lighting Rate	%	TK.
Conservancy Rate	%	TK.
Water Rate	%	TK.
Total Annual Tax demand	**%**	**TK.**

Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				**Total-Tk.**
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax					
Lighting Rate					
Conservancy Rate					
Water Rate					
Total-Taka					

A-2: Valuation of <u>fully rented</u> (commercial) building

1	Actual rent of 12 months or potential rent						
	Annual rent	TK. / month	x	12	=	TK. / year	
2	Deductions:						
	(i)Maintenance cost- Rent of 2 month	TK. / month	x	2		TK.	
	(ii) Annual interest of bank loan x 1/4	TK.	x	1/4		TK.	
	Total deduction (i) + (ii)					**TK.**	
3	**Annual valuation of the building (1-2)**					**TK.**	

Calculation of Annual Tax Demand

	% (Up to)	Amount-Tk. Valuation x %
Holding Tax	%	TK.
Lighting Rate	%	TK.
Conservancy Rate	%	TK.
Water Rate	%	TK.
Total Annual Tax demand	**%**	**TK.**

Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				Total-Tk.
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax					
Lighting Rate					
Conservancy Rate					
Water Rate					
Total-Taka					

B-1: Annul valuation of fully occupied (non-commercial) building:

Calculation of annual value based on construction cost

		Length	Width	No. of Floor	Total Area
1	Size of the building	x Ft	x ft	x floor	= Sft
2	Construction cost of the building:			x sft	TK./ sft = TK
3	Land development cost			x TK.	TK./ sft = TK.
4	Building construction cost and land development cost (2+3)				TK.
5	7.5% of Building construction and land development cost (4)			x	7.5% = **TK.**

Calculation of annual value based on approximate rental revenue

6	Approximate annual rent of the building	x /month	months	= TK.

Annual value

7	Lower amount of (5) construction cost basis valuation or (6) approximate annual rent	TK.

8	1st Deduction	
	(i) Maintenance cost 1/6 of (7) TK. / year	x 1/6 = TK.
9	Valuation after deduction of maintenance cost (7-8)	TK .
10	2nd Deduction	
	(ii) Exemption of self-use (1/4 amount of (9)) (-)	x 1/4 = TK.
	(iii) Annul loan interest expenses TK. / year	TK .
	Total 2nd deduction (ii+iii)	TK.
11	**Annual valuation of the building on construction cost basis (9-10)**	**TK .**

Calculation of Annual Tax Demand

Particulars	% (Up to)	Amount-Tk.
Holding Tax	%	TK.
Lighting Rate	%	TK.
Conservancy Rate	%	TK.
Water Rate	%	TK.
Total Annual Tax demand	**%**	**TK.**

Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				Total-Tk.
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax					
Lighting Rate					
Conservancy Rate					
Water Rate					
Total-Taka					

B-2: Annul valuation of fully occupied (commercial) building:

Calculation of annual value based on construction cost

		Length	Width	No. of Floor	Total Area
1	Size of the building	x Ft	x ft	= floor	 Sft
2	Construction cost of the building:		x sft	= TK./ sft	TK.
3	Land development cost		x TK	= TK./ sft	TK.
4	Building construction cost and land development cost (2+3)				TK.
5	7.5% of Building construction and land development cost (4)		x	7.50%	=	**TK.**

Calculation of annual value based on approximate rental revenue

6	Approximate annual rent of the building	x /month	= months	TK.

Annual value

7	Lower amount of (5) construction cost basis valuation or (6) approximate annual rent	TK.

8	1st Deduction				
	(i) Maintenance cost 1/6 of (7)	x TK. / year	1/6	=	TK.
9	Valuation after deduction of maintenance cost (7-8)				TK.
10	2nd Deduction				
	(ii) Exemption of self-use (1/4 amount of (9)	(-)x	1/4	=	TK.
	(iii) Annul loan interest expenses	x TK. / year	1/4		TK.
	Total 2nd deduction (ii+iii)				TK.
11	**Annual valuation of the building on construction cost basis (9-10)**				**TK.**

Calculation of Annual Tax Demand

Particulars	% (Up to)	Amount-Tk.
Holding Tax	%	TK.
Lighting Rate	%	TK.
Conservancy Rate	%	TK.
Water Rate	%	TK.
Total Annual Tax demand	**%**	**TK.**

Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				Total-Tk.
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax					
Lighting Rate					
Conservancy Rate					
Water Rate					
Total-Taka					

Operational Manual

On

Paurashava Tax Collection

SPGP (Version 1)

LGD/JICA

April 2015

Table of Contents

1. Introduction

1.1. Paurashava Tax Collection

Paurashavas provides municipal services (e.g. street light, solid waste disposal, and water supply) to citizens out of its funding sources. Among them, major amount comes from the holding tax collections.

The building and land tax, based on annual valuation of building and land, together with street light rate, conservancy rate and water installation or water supply rate are called 'holding tax'. All types of buildings and lands located in a Paurashava are covered by the 'holding tax'.

Therefore, holding tax collection is a prime work of the Pourashava to provide municipal services.

1.2. Objective of the Operational Handbook on Paurashava Budget formulation, execution and monitoring

The major objectives of this operational handbook are;
- To improve the efficiency in tax collection task in view of maximizing paurashava revenue.
- To enhancing capacity of concerned staff for developing communication network and public motivational work
- To improve knowledge and skills of paurashava staff and concerned elected representatives for exercising the legal instruments such as acts, rules and instructions.

2. Legal background

Concerned rules and regulations in tax collection are as follows;
- **Local Government (Paurashava) Act, 2009**
- **Paurashava Taxation and Collection Rules 2013**
- **The Model Tax Schedule 2014**

Any Pourashava, as per **Article 98** of the **Local Government (Paurashava) Act 2009**, subject to prior approval of the government, can impose all or any taxes, sub-taxes, rates, tolls, and fees.

Paurashava Act 2009
98. Municipal Taxation
The municipality, with the previous sanction of the Government, may levy, in the prescribed manner, all or any of the taxes, rates, cesses, tolls, and fees mentioned in the Third Schedule.
But it is conditioned that municipality will take government approval for new taxation.

Paurashava Tax Assessment and Collection Rules 2013, formulated according to Article 100 of the **Local Government (Paurashava) Act, 2009**, is most important among them. **Paurashava Taxation and Collection Rules 2013** is explaining the procedures and rules of tax collection, tax rate , and tax assessment procedures and rules.

The Model Tax Schedule 2014 is also prepared based on the Paurashava Taxation and Collection Rules 2013, which stipulates the tax rates and their assessment procedures. The following articles and rules are related with tax collection.

Sl. No.	Document	Article/Rules nos.
1	Local Government (Paurashava) Act, 2009	55(1), 98-102,104 and schedule 3.
2	Paurashava Tax assessment and Collection Rules, 2013	7-17, 28
3	The Paurashava Model Tax Schedule, 2014	3, 17 and 21-25.

Tax collection at paurashava is basically under the responsibility of "**Tax assessment and collection committee**". This is a a permanent committee of paurashava, consisting maximum 5 members from the councilors form at the first pauraparishad meeting or the meeting held immediately after the 1st meeting. Rule 55 (1)b of Paurashava Act 2009.

Paurashava Act 2009
55. Formation of Standing Committee by the Municipality:
Bellow mentioned standing committees shall be formed through regulations during the first municipality meeting or work proceedings of any onward meetings and after defining two and half hours tenure, namely:
a. Establishment and finance.
b. Taxation and levy.
c. Accounts and audit.
d. Urban planning, services for citizen and development.
e. Rules and regularities and public security.
f. Communication and Infrastructural development.
g. Women and child.
h. Fisheries and livestock's.
i. Information and culture.
j. Observation, monitoring and control of prices.

3. Securing holding tax revenue

3.1. Target on securing holding tax collection

Holding tax is one of the main financial sources of a Paurashava. It is, therefore, necessary to increase the amount of the holding tax by enhancing collection skills of the concerned Paurashava officers.

However, there are many Paurashavas which have not secured sufficient tax revenue. In such Paurashavas, most of the tax revenues are used only for general establishment expenses, such as salary payments.

Therefore, it is essential for a Paurashava to secure sufficient tax revenues, through setting targets on tax collection amount and collection efficiency (collection rate) and increase own revenue sources.

The tax collection efficiency has to be more than 75% , because the government can, as per **Article 49 (1) (d) of the Local Government (Pourashava) Act 2009,** declare dissolution of any Council, if Pourashava failed to achieve at least 75% of the assessed total annual taxes, sub-taxes, rates, tolls, and fees (including holding tax) without acceptable causes.

Paurashava Act 2009
49. Suppression of Municipality and Re-Election
(1) Government can declare suppression on any municipality by gazette notification for following causes, namely –
 (d) failed to collect 75% of annual defined taxes, rates, tolls or fees levied without acceptable causes.

Small paurashavas tend to spend most of the tax revenue for general establishment expenses, such as salary payments or honorarium expenses. However, according to **Rule 11(1)** of **Purashava Budget (preparation and approval) Rules, 1999**, Paurashavas are not supposed to spend more than 50% of tax revenue for general establishement expenses.

In order to comply with this rule, paurashavas need to avoid increasing general expenses, and also need to increase its own tax revenue.

Purashava Budget (preparation and approval) Rules, 1999
11.Expenditure restriction:
(1)The Pourashava will not expend more than 50% of collected revenue income for establishment in the relevant financial year;
(2) Pourashava cannot expend in any means excluded the approved budget;
(3) Without prior approval of the Prescribed Authority, Pourashava cannot increase the salary of the contractual staff and prepare the budget;
(4) If any expenditure made violating the rule, it will be considered as liabilities of the Chairman.

3.2. Tax collection efficiency

3.2.1. The definition of Holding Tax Collection Efficiency

As mentioned above, the targets on tax collection should be set on the amount and collection

efficiency.

Holding tax collection efficiency is expressed in terms of the collection rate of holding tax in comparison to total demand in percent. Paurashavas are supposed to achieve more than 75% tax collection rate, as described in **Paurashava Act 2009**.

Holding tax collection efficiency is calculated as follows;

Tax collection efficiency = (Arrear Collection + Current Collection) / (Arrear Demand + Current Demand)

Arrear demand is the total accumulated arrears of holding tax dues in the preceding years. Arrear collection is the collection of such arrear demand.

Similarly, current demand is the amount tax that a tax payer is demanded to pay every year, excluding the amount arrear demand. Current collection is the tax collection of such current demand.

When monitoring the yearly changes in the tax collection amount and colletion efficiency, using a table below is most efficient.

Tax collection amount and efficiency monitoring table

Year	Arrear Demand	Current Demand	Total Demand	Arrear Collection	Current Collection	Total Collection	Collection rate
1	2	3	4(2+3)	5	6	7(5+6)	8(7/4)x%
2011-12	1,200,000	2,000,000	3,200,000	300,000	1,600,000	1,900,000	59.38%
2012-13	1,300,000	2,000,000	3,300,000	400,000	1,700,000	2,100,000	63.64%
2013-14	1,000,000	2,000,000	3,000,000	500,000	1,750,000	2,250,000	75.00%
2014-15	750,000						

Using this table, it is possible to examine if the tax collection efficiency (collection rate) in improving and deteriorating. The tax collection amount and collection efficiency should be examined for each ward.

In order to calculate the holding tax collection efficiency, the tax collections should be separately registered in Demand and Collection Register in which all tax demand and collections are registered.

3.3. How to enhance efficiency in tax collection

3.3.1. Initiatives by a mayor and councilors

Involvement of a mayor in tax collection is most important to achieve high tax collection rate. In some paurashavas, mayors give phone calls to the tax payers to appreciate them, or provide tea. In contrast, if a mayor is not cooperative to tax collections, the tax collection rate in such paurashavas tend to be very low (e.g. 10%).

Therefore, tax collectors are encouraged to give report to a mayor and councilors every month. Ward level tax collection rate and amount should be provided, so that councilors can encourage citizens to pay tax in WC (Ward Committee) meetings.

In such meetings, councilors should explain how the funds from tax collection was used, such as

infrastructure development projects. Then, the satisfaction level of citizen would increase, and citizens are more willing to pay tax.

<Example> Collectors responsible for Wards

In Chandpur Paurashava, there are 9 assistant tax collectors, and they were assigned to each and individual ward.

They are instructed to achieve 80% in tax collection rate, and they can receive 5000TK bonus, if they can achieve the target. The progress of tax collection is discussed in monthly meeting amount councilors; councilors are more willing to achieve the target in their paurashava.

3.3.2. Organizing tax collection campaign

Some Paurashavas organize "Tax collection campaign", especually when festivals are organized in town, as festivals are good opportunity where citizens gather.

If paurashavas organize such campaign at the timing of festivals, having a temporary tax collection office in a festival location, tax payers can save time and expenses to come to paurashava for tax payments.

3.3.3. Announcement / publications

Undertaking rally, announcement, courtyard meeting, leaflet and poster distribution, advertisement in local dailies, presence of the Mayor in local cable TV would encourage tax payers to pay tax.

Most typically, the message delivered in the rally and announcement to tax payer in the first quarter is that they can get rebates if they complete tax payment in the first quarter. The message delivered in the 4th quarter is that tax payers are going to pay additional as penalty if they do not complete payment by the end of fiscal year.

3.3.4. Rebate and penalty

Financial incentives or rebate on tax payments is one of the most useful tool to encourage tax payers, as mentioned above. Similarly financial penalty or surcharge on the arrear payment would also encourage tax payers who wish to avoid paying extras.

Making announcement on rebate in 1st quarter and penalty in 4th quarter would be most effective.

Rebate

As per Article 7 (3) of the Pourashava Taxation and Tax Collection Rules 2013, the following rebate will be awarded.

Pourashava Taxation and Tax Collection Rules 2013

7. Tax payment, tax remedy, etc.

(3) For Tax on Building and Land of the fiscal year-

(a) If the tax of each quarter is paid within the time frame of demand notice, remedy will be at the rate of 5% of the current demand.

(b) If the tax demand of next three quarter is paid in advance with the first quarter, 10% remedy will be paid on total demand.

(c) If case of the payment of one or two quarter's installment in advance along with the amount of the quarter mentioned in the demand notice, tax remedy will be provided at the rate of 7.5% on total demand.

The rebate which is mentioned in Rule 7 (3) (a) – (c) is summarized as follows;

Rebate rate (%)

Period of bill payment within the timeframe	Rebate (%)
Payment of current quarter tax bill	5%
Payment of all four quarters bills in 1st Quarter	10%
Payment of one or two quarter's installment in advance	7.5%

Penalty

On the other hand, if the tax payment**s** are not made within the relevant fiscal year, the remaining tax demand amount is transferred to the following fiscal year as arrear. The tax payer then has to pay 5% additional as penalty, as per **Rule 7 (3) (d)** of **Paurashava Taxation and Tax Collection Rules 2013**.

Pourashava Taxation and Tax Collection Rules 2013

7. Tax payment, tax remedy, etc.

(3) For Tax on Building and Land of the fiscal year-

(d) Pourashava can add an additional charge at the rate of 5% on the amount of defaulted demand if, tax on building and land is not paid with in the fiscal year or time mentioned in the demand notice.

Condition applies that; Pourashava can provide remedy to any defaulter on total or partial charge.

The percentages of rebate and the amount of surcharge are indicated in tax bills.

3.3.5. Tax collection through compulsory seizure of movable assets

If a tax payer fails to pay the tax demand, the tax payer is regarded as a defaulter. In this case, a paurashava can recover its tax demand through attachment and sales of the movable or immovable property of the defaulter, as per **Article 103** of **Paurashava Act 2009**.

Paurashava Act 2009

103. Collection and Recovery of Taxes:

(1) All taxes, rates, tolls and fees levied under this Ordinance shall be collected in the prescribed manner.

(2) All arrears of taxes, rates, tolls and fees and other moneys claimable by a municipality under this Ordinance shall be recoverable as a public demand.

(3) Notwithstanding the provisions of sub-section (2), the Government may empower any municipality to recover arrears of taxes, rates, tolls, fees and other moneys claimable by the municipality under this Ordinance by distress and sale of movable property belonging to the person concerned, or by attachment and sale of the immovable property belonging to him.

The recovery of the tax demand through attachment and sales is most efficient when the paurashava has achieved high tax collection efficiency, and is trying to encourage large defaulters to pay tax who have enough income and assets.

Some paurashavas, which have experienced attachment and sales, achieved high tax collection rate in the following years, not by attachment and sales but by showing their attitude toward tax collections.

In such case, only an announcement of attachment and sales to defaulters would encourage tax payers to pay tax on time.

See "5. Recovery of arrears through attachment and sales" for more details.

4. Tax collection processes

4.1. Outline of the tax collection processes

Tax collection is an annual operational flow which can be depicted as in the diagram below;

```
At the begging of FY {  ┌────────────────────────────┐
                        │ (1) Preparation of Demand  │
                        │ and Collection Register    │
                        └────────────────────────────┘
                                    │
                                    ▼
                        ┌────────────────────────────┐
                        │ (2) Issuing Tax Bills      │
                        └────────────────────────────┘
                                    │
                                    ▼
Daily  {                ┌────────────────────────────┐
                        │ (3)   Tax  collection  and │
                        │ issuing tax receipts       │
                        └────────────────────────────┘
                                    │
                                    ▼
Monthly  {              ┌────────────────────────────┐
                        │ (4) Monitoring of tax      │
                        │ collection                 │
                        └────────────────────────────┘
                                    │
                                    ▼
Quarterly  {            ┌────────────────────────────┐
                        │ (5) Follow-up tax collection│
                        └────────────────────────────┘
                                    │
                                    ▼
At the end of FY  {     ┌────────────────────────────┐
                        │ (6) Closing Demand and     │
                        │ Collection register        │
                        └────────────────────────────┘
```
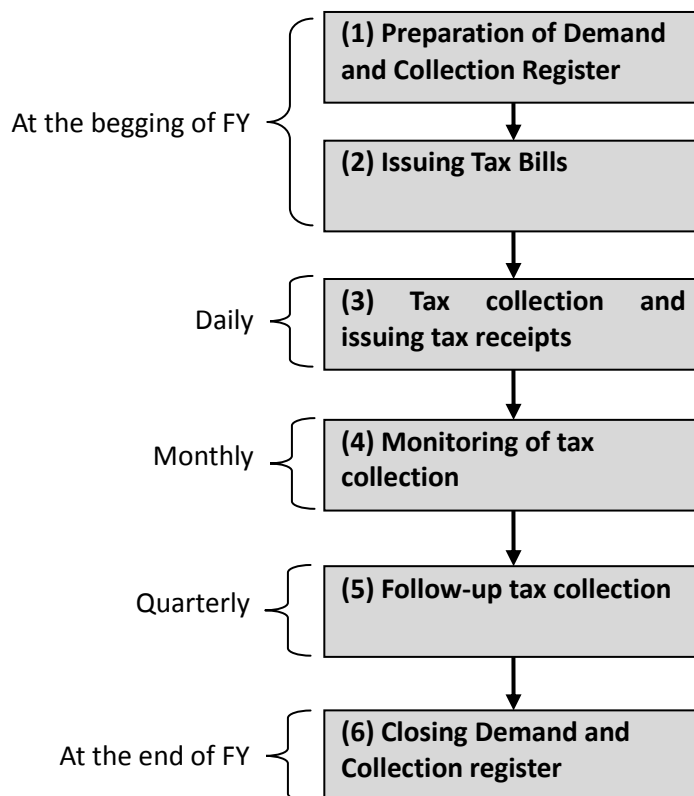
(1)Preparation of Demand and Collection Register
Paurashava tax collection section prepares "Demand and Collection Register" at the beginning of the fiscal year, which shows the arrear and current demand of each tax payer.

(2)Issuing Tax Bills
The tax collection section will then issue tax bills, which are prepared based on the information in Demand and Collection Register. Tax bills should be prepared and delivered to tax payers within July.

(3)Tax collection and issuing tax receipts
Paurashava collects tax demand in cash or through banks. Upon collection, tax collectors calculate the rebates given to the tax payers, and then issue receipts. Tax collectors then register it in Demand and Collection Register.

(4)Monitoring of tax collection
Paurashava prepares Monthly and Quarterly account of tax collection monthly, quarterly and annually. The paurashava then review the tax collection progress, comparing to the annual target.
Tax collection is closely monitored by the chief executive or secretary on behalf of the mayor of the Paurashava.

(5)Follow-up tax collection
Each quarter, the tax collection examines the tax collection progress, and then prepares the second,

third and fourth tax bills, if the tax is not fully paid in the first quarter. Sending tax invoices to those who delay payments is also very important to remind tax payments.

(6) Closing Demand and Collection register at the end of Fiscal year
At the end of the year, Demand and Collection Register is closed for the fiscal year, and the amount which was not paid within the fiscal year will be transferred to the following fiscal years, as "arrear".

4.2.   Individual process

(1) Registration on demand and collection register: At the beginning of the fiscal year
At the beginning of the fiscal year, the tax collection section of a Paurashava prepares **"Demand and Collection Register"**, which shows the tax demand and collection of each tax payer.

Bengal Municipal Account Rules, 1935
56. The Demand and Collection Register shall be prepared in Form 12 from the Assessment Register and shall also show any outstanding dues noted in the previous Demand and Collection Register. The total of all outstanding dues shall be agreed with the total of the old arrears and the arrear for the previous uears as shown in the sarkar's ledger of the circle.
…

Rule 56 of **Bengal Municipal Account Rules 1935** specifies the format of Demand and Collection Register (Form 12). However, the Demand and Collection Register, which Paurashavas actually use are much different from the one specified by Bengal Municipal Account Rules. The format in Bengal Municipal Account Rules 1935 does not seem practical, considering the current tax collection practices.

Therefore, this operational manual recommends paurashava to use the format of Demand and Collection Register depicted below. This is a format which is actually used by many Paurashavas, and also which are useful in the actual operations.

Such Demand and Collection Register is as follows;

<p align="center">Sample Demand and Collection Register</p>

Description of Demand						Description of Collection												
Demand	Holding	Conservancy	Water	Street Lighting	Total	Collection	Date of receipt	Receipt No	Holding	Conservancy	Water	Street Lighting	Surcharge	Croke Fee	Rebate	Total Collection	Balance (Dues)	Signature of assistant tax collector	Signature of tax collector
1	2	3	4	5	6(2..5)													1	2
FY: 2013-14																	-	---	----
Arrear (up to 30 June 2012-13)	3,500	3,500	5,000	1,500	13,500	Arrear	20-07-2014	1234-	3,500	3,500	5,000	1,500	675			14,175	0		
1st Installment	1,575	1,575	2,250	675	6,075	1st Installment	20-07-2014	1234-	1,575	1,575	2,250	675				6,075	0		
2nd Installment	1,575	1,575	2,250	675	6,075	2nd Installment	20-07-2014	1234-	1,575	1,575	2,250	675			911	6,986	0		
3rd Installment	1,575	1,575	2,250	675	6,075	3rd Installment													
4th Installment	1,575	1,575	2,250	675	6,075	4th Installment													
Sub-Total current demand (Installment 1…4)	6,300	6,300	9,000	2,700	24,300	Total													
Total Demand (Arrear + current year demand)	9,800	9,800	14,000	4,200	37,800														
FY: 2014-15																			
Arrear(up to 30 June 2013-14																			
1st Installment																			
2nd Installment																			
3rd Installment																			
4th Installment																			
Sub-Total current demand (Installment 1…4)																			
Total Demand (Arrear + current year demand)																			
FY: 2015-16																			

FY: 2016-17																			

FY: 2017-18																			

See also Annex 2.

Demand and Collection Register of a tax payer is described in two pages which face each other. The left side of Demand and Collection Register is for the tax demand of a tax payer, and the right side is

for the collection of the same tax payer.

By comparing the left side (demand) and right side (collection), it is easy to find out the remaining tax demands of the tax payer.

Demand and Collection Register is prepared upon the completion of tax re-assessment, in which the annual valuation and annual tax demand amount of a tax payer is determined. The demand and collection register will be then used for five years until the completion of following tax re-assessment.

How to fill Demand and Collection Register

As mentioned above, the left side (demand) of Demand and Collection Register is filled at the beginning of the fiscal year.

The information to be filled in Demand and Collection Register is transcribed from Tax Assessment list, which shows the annual valuation amount and the amount of current demand of each tax payer.

An example of Tax Assessment List is as shown below. This is a format (**Form E (UMO)** speficied by **Rule 19** of **Paurashava Tax Assessment and Tax Collection Rules 2013.**

Demand and Collection Register
Form-E
[Vide Article 19]
Tax Assessment List of the Year: 2013-2014

Serial No	Name of the road of the building	Holding no. of the building		Description of he building	Annual valuation of the building	Name of owner	Type of payable tax or rate	Amount of payable annual tax or rate						Amount of quarterly installment	Any other statement	Others
		Old	New					Holding	Conser-vancy	Water	Street Lighting	Fire	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Manik Road	1	1	Pucca building	90,000	Abdul Halim	4	6,300	6,300	9,000	2,700	-	24,300	6,075	-	-
2	Do	2	2	Pucca	96,000	Md. Delwar Hossain	4	6,720	6,720	9,600	2,880	-	25,920	6,480	-	-
3	Do	002-01	3	Pucca	59,000	Gopal Saha	4	4,130	4,130	5,900	1,770	-	15,930	3,983	-	-
	…	…	…	…	…	…	…	…	…	…	..	…	…	…	…	…
	Sub-Total	-	-	-	2,39,000	-	-	16,730	16,730	23,900	7,170	-	64,530	16,133	-	-

The current demand amount described in Tax Assessment List is transcribed in the current demand (FY 2013-14) of Demand and Collection Register (of the same person).

The amount of current demand (of Mr. Abudul Halim of Manik Road, Holding No.1) for FY2013-14 is TK. 24,300 in total (Holding tax: TK.6,300, Conservancy TK.6,300, Water: TK 9,000, and Street Lighting: TK.2700) which are indicated in Tax assessment list is then input in Demand and Collection register.

As the payment of tax can be made in four installments, quarterly demand amount, which is one fourth of annual demand will be then input in this register.

Left side of "Demand and Collection Register" (Mr. Abudul Halim of Manik Road, Holding No.1)

Demand	Holding	Conservancy	Water	Street Lighting	Total
Description of Demand					
1	2	3	4	5	6(2..5)
FY: 2013-14					
Arrear (up to 30 June 2012-13)	**3,500**	**3,500**	**5,000**	**1,500**	**13,500**
1st Installment	1,575	1,575	2,250	675	6,075
2nd Installment	1,575	1,575	2,250	675	6,075
3rd Installment	1,575	1,575	2,250	675	6,075
4th Installment	1,575	1,575	2,250	675	6,075
Sub-Total current demand (Installment 1…4)	**6,300**	**6,300**	**9,000**	**2,700**	**24,300**
Total Demand (Arrear + current year demand)	**9,800**	**9,800**	**14,000**	**4,200**	**37,800**
FY: 2014-15					
Arrear(up to 30 June 2013-14					
1st Installment					
2nd Installment					
3rd Installment					
4th Installment					
Sub-Total current demand (Installment 1…4)					
Total Demand (Arrear + current year demand)					
FY: 2015-16					

FY: 2016-17					

FY: 2017-18					

Arrear demand amount indicated in Demand and Collection register is the amount of tax due which were has not been paid until the end of previous fiscal year.

As explained above, Demand and Collection Register is used for five years from FY 2013-14 to FY 2017 – 18. When the current fiscal year (FY 2013-13 in this case) finishes, the amount which was not paid until the end of fiscal year, is then input in the left side of the Demand and Collection Register, as arrear.

(2) Issuing Tax Bills: At the beginning of the fiscal year

When Demand and Collection Register is prepared, Paurashava prepares tax bills, filling tax demand amount in a Tax bill format within July.

Paurashava Tax Assessment and Collection Rules 2013
Rule:7: Tax payment, rebate and others:
(1) Tax payer will payable by four installments in a year; but conditions that tax may be paid in advance,
(2) Paurashava will issue a demand bill to taxpayer for payment of tax within a certain period of time.

The format of the tax demand bill is specified in **Bengal Municipal Account Rules 1935 (Rule 52, Form 9)**. However the format of tax bill actually used by Paurashavas are different from the one specified by Bengal Municipal Account Rules 1935.

It is most recommend using a tax demand bill, which are basically consistent with Demand and Collection Register, explained above

The tax bill format recommended in this operational manual is given below:

Recommended Tax Bill Format

Paurashava Tax bill: sample:

XXXXX Paurashava

| Bill No: | | Financial Year: | 2014-2015 |

Holding No Old: 0001 New: 001
Taxpayer ID 03-036-0001-00
Name of Tax payer Md. Abdul Halim   Father/Hus: Md. Abdul Karim
Ward/Road/Mouja Manik Road
Address of bill Manik Road
Date of bill issue 01-07-2014   Type of taxpayer: Private
Last date of Payment 30-09-2014   Annual Valuation: 90,000

Description of Tax	Arrear	Current Year					Grand Total
		1st install-ment	2nd install-ment	3rd install-ment	4th install-ment	Total	
Holding Tax	3,500	1,575	1,575	1,575	1,575	6,300	9,800
Conservancy rate	3,500	1,575	1,575	1,575	1,575	6,300	9,800
Water rate	5,000	2,250	2,250	2,250	2,250	9,000	14,000
Lighting rate	1,500	675	675	675	675	2,700	4,200
Sur charge	675	-	-	-	-	-	675
Croke Fee	-	-	-	-	-	-	-
Total bill	**14,175**	**6,075**	**6,075**	**6,075**	**6,075**	**24,300**	**38,475**

Rebate is given to the current demand payment,

5%	: if Current quarter bill is paid in the current quarter
7.50%	: if the first and following quarter bills are paid in advance
10.00%	: if all four quarters bills are paid in the first quarter

The tax bill shows the specifications of tax payers (e.g. holding number and holder's name) at the top of tax bill format. It also indicates the arrear demand, current demand of each quarter and total demand, which are transcribed from Demand and Collection Register.

This also shows the "surcharge" which are imposed on arrear demand. This is kind of a penalty that a tax payers have to pay for the tax arrears. If the tax payment is not done within the fiscal year, the tax payers have to pay 5% extra (as surcharge). The amount of arrear demand including surcharge is TK.

14,175 (Arrear demand TK. 13,500 + Surcharge TK. 675).

This tax bill also shows the rate of tax rebate at the bottom to encourage tax payers to complete tax payment earlier, as follows;

➤	5% :	: if Current quarter bill is paid in the current quarter
➤	7.50%	: if the first and following quarter bills are paid in advance
➤	10.00%	: if all four quarters bills are paid in the first quarter

This is based on Rule 7 (3) of the Pourashava Taxation and Tax Collection Rules 2013. The rebate rate changes upon the timing of payment, and this is going to be explained in the following section. Please note that rebates are not applied to any arrear payments.

The tax bill should be issued every quarter to encourage tax payers.

(3) Tax collection and issuing tax receipts: Daiy

Upon tax collection (payments by tax payers), the tax collector first calculated the amount of rebate, receive payments, and then issue tax receipts to the tax payers. The tax collector then enter the tax collection into Demand and Collection Register.

The format of tax receipt is again specified by Bengal Municipal Account Rule 1935 (Rule 52, Form 9), but Paurashavas are not using it as specified.

The tax receipt format, which are recommended by this handbook is as follows. Items included in the receipt format should be consistent with tax bill format.

Recommended Tax receipt format

Paurashava Tax Receipt:

XXXXX Paurashava

Bill No:			Financial Year:	2014-2015

Holding No Old: 0001 New: 001
Taxpayer ID 03-036-0001-00
Name of Tax payer Md. Abdul Halim   Father/Hus: Md. Abdul Karim
Ward/Road/Mouja Manik Road
Address of bill Manik Road
Date of bill issue 01-07-2014   Type of taxpayer: Private
Last date of Payment 30-09-2014   Annual Valuation: 90,000

Description of Tax	Arrear	Current Year					Grand Total
		1st install-ment	2nd install-ment	3rd install-ment	4th install-ment	Total	
Holding Tax	3,500	1,575	1,575				6,650
Conservancy rate	3,500	1,575	1,575				6,650
Water rate	5,000	2,250	2,250				9,500
Lighting rate	1,500	675	675				2,850
Sur charge	675	-	-				675
Croke Fee	-	-	-				-
Total bill	**14,175**	**6,075**	**6,075**				**26,325**

Calculation of Rebate:

12,150   x   7.50%   =   911

Net Payment
(Total bill)   26,325   -   (Rebate)   911   =   25,414

Collector

Date of collection   20-07-2014

Rebate is given to the current demand payment,
    5%   : if Current quarter bill is payed in the current quarter
    7.50%   : if the first and following quarter bills are paied in advance
    10.00%   : if all four quarters bills are paid in the first quarter

1) Calculation of rebate amount

As mentiond above, the retabe (%) is determined based on the timing of tax payment. For example,if a tax payer pays all demand amount (of 1st, 2nd, 3rd and 4th quarters) in 1st quarter, then the rebate given to the tax payer will be 10% of total current demand.

Rebates are not given to any arrear payments. Similarly, delayed payment, such as the pament of 1st quarter demand in 2nd quarter is not given any rebate.

This can be summarized as in the following table.

Rebate and the timing of payment

Timing of payment	Payment	Rebate
In **1st** quarter	**1st, 2nd, 3rd and 4th** quarter demands are paid.	**10.0%**
	1st, 2nd and 3rd quarter demands are paid.	**7.5%**
	1st and 2nd quarter demands are paid.	**7.5%**
	1st quarter demand is paid.	**5.0%**
In **2nd** quarter	**2nd, 3rd and 4th** quarter demands are paid.	**7.5%**
	2nd and 3rd quarter demands are paid.	**7.5%**
	2nd quarter demand is paid.	**5.0%**
	1st quarter demand is paid.	-
In **3rd** quarter	**3rd and 4th** quarter demands are paid.	**7.5%**
	3rd quarter demand is paid.	**5.0%**
	1st and 2nd quarter demands are paid.	-
In **4th** quarter	**4th** quarter demand is paid.	**5.0%**
	1st, 2nd and 3rd quarter demands are paid.	-

Please also see "Annex 4: Calculation of rebate".

In the example above, the tax payer pays the arrear demand (TK.14,175), 1st quarter demand (TK. 6,075) and 2nd quarter demand (TK. 6,075) in the 1st quarter (20 July 2014).

In this case, the rebate given to the tax payers is 7.5%. The amount of rebate is TK.911, which is calculated as 7.5% of current collections (TK 12,150 = TK 6,075 (1st quarter demand) + TK 6,075 (2nd quarter demand)).

2) Issuing tax receipt

Upon tax collection, the tax collector issues tax receipts, with the signature of the collector and the seal, as stipulated in Rule **8 (3)** of **Paurashava tax assessment and tax collection rules, 2013**.

Paurashava tax assessment and tax collection rules, 2013
8. Tax payment, etc.
(1) The tax should be paid to any commercial bank recommended by the Paurashava or to the Paurashava office.
(2) A notice should be published in any open place of Paurashava office with the list of authorized person for tax collection and date and venue of tax payment.
(3) Money receipt to be given to the taxpayers in case of collection of tax, tax amount will be disclosed in this receipt the said receipts would to properly signed by the tax collector with seal.

When tax collector received cash or cheques for the payment of tax, the tax collector will deposit the collection amount to the cashier of the Paurashava. The cashier will record the receipts in the cashier's cashbook and deposited to the concerned bank amount. Tax collectors have no right to keep the money in hand.

It is recommended to let tax payers make tax payment at bank offices as much as possible, on the condition that bank offices can properly calculate the rebate amount. If the computerized tax

collection system is installed in the paurashava, then all tax payments should be done through bank offices.

3) Registration on Demand and Collection register

When tax is collected, the tax collector records it in the right page of Demand and Collection Register.

 In case of bank collection, Paurashava collects counter copies of tax bills and tax collector records them in Demand and Collection Register. The accountant also records them in the accountant's cashbook.

The data entries of tax collections are made in the right page of Demand and Collection Register of the relevance tax payer.

A example of tax collection registered in Demand and Collection Register (on the right page, collection) of Mr. Md. Abudul Halim, who paid the arrear demand, 1st quarter demand and the 2nd quarter demand, in the first quarter (20 July 2014), is as follows;

Data entry in Demand and Collection Register (Collection, right side)

Collection	Date of receipt	Receipt No	Holding	Conser-vancy	Water	Street Lighting	Sur-charge	Croke Fee	Rebate	Total Collec-tion	Balance (Dues)	Signature of assistant tax collector	Signature of tax collector
											-	---	----
Arrear	20-07-2014	1234-567	3,500	3,500	5,000	1,500	675			14,175	0		
1st Installment	20-07-2014	1234-567	1,575	1,575	2,250	675				6,075	0		
2nd Installment	20-07-2014	1234-567	1,575	1,575	2,250	675			911	6,075	0		
3rd Installment													
4th Installment													
Total													

Mr. Md. Abdul Halim paid TK. 14,175 for arrear, of which arrear demand is TK.13,500 and TK. 675 for surcharge (5% of arrear demand).

As Mr. Md. Abdul Halim paid 1st quarter demand and 2nd quarter demand (TK. 12,150 in total) in the 1st quarter of the year, he received 7.5% rebate, which is TK911.

As can be seen from the Demand and Collection Register, the remaining tax bills that Mr. Md. Abdul Halim has to pay during this fiscal year is the 3rd and 4th quarter demand. It would be easy for the tax collector to find out tax payers who have not complete payment, if the collect put stickers or tags on their pages on Demand and Collection Register.

(4) Monitoring of tax collections

Paurashavas are supposed to compile the tax collections every month as specified in **Rule 66** of **Bengal Municipal Account Rules 1935**. Such tax collections data should be compiled for each ward.

Monitoring of tax collection progress is specifically necessary, to examine if the targets on the tax collections are met.

The format for compiling tax collection is specified in Bengal Municipal Account Rules 1935 (Rule 66, Form 17). However, paurashavas are not using this format for the data compilation. In case computerized tax collection system is installed in a paurashava, such data compilation of tax collections is not necessary, as it can be done by the computerized system.

This operational manuals recommend paurashava to use (i) abstract register of tax collection and (ii) Monthly and quarterly statement of tax collection, which are developed base on "abstract register (Form 86)" and "quarterly and yearly account of receipts (Form 89)" of **Bengal Municipal Account Rules 1935**.These should be prepared for each ward every month. See also "Annex 5: Abstract register and Monthly and Quarterly Account of Tax collection".

The individual tax collections (arrear and current) are transcribed from Demand and Collection Register to Abstract Register. The tax collection amounts of each month are compiled in the Abstract Register, and the total amount of receipts of arrear and current demand of a month will be then filled in Monthly and Quarterly statement of tax collection.

Using these formats, the paurashava monitors the ward-wise arrear collection and current collections of every month.

Step 1: Filling Abstract Register from Demand and Collection Register

The recommended format of Abstract Register is as follows;

Abstract register (July 2014, Ward A)

Date of collection	Tax Payer	Payment			Receipt No.
		Arrear	Current	Total	
01-07-2014	AAA AAA	3,000	2,000	5,000	1234-012
01-07-2014	BBB BBB	2,000	1,000	3,000	1234-011
02-07-2014	CCC CCC	0	2,000	2,000	1235-012
Total of the month		5,000	5,000	10,000	

Ward-wise Abstract register is prepared for each month. In this Abstract register, individual tax collections (arrear and current collections) will be filled. In this example, the tax collector started using this ward –wise Abstract Register from 1st July 2014, and filled 3 tax collections made in July.

At the end of every month, the tax collector calculates the total amount of tax collection (arrear and current). In this case, total arrear collection of this month of this ward is TK. 5,000 and the current collection is also TK 5,000.

Step 2: Filling Monthly and Quarterly Account of Tax collection from Abstract Register

After compiling ward-wise tax collections at the end of every month, the total amount of tax collections (arrear and current) is going to be filled in Monthly and Quaterly statement of tax collection.

Recommended format of Monthly and Quarterly Statement of Tax Collections is as follows;

Quarterly and annual statement of tax collection

	Jul	Aug	Sep	Total 1st Q		Total 2nd Q	Total Half year		Total 4th Q	Total of the year
Ward 1										
Arrear	2,000									
Current	5,000									
Total	7,000									
Ward 2										
Arrear	5,000									
Current	9,000									
Total	14,000									
Ward 3										
…										
Total										
Arrear										
Current										
Total of the month										

Monthly and Quarterly statement tax collection described above shows the arrear and current collections of ward 1 and ward 2 in July.

Ward-wise tax collection amount and tax collection efficiency can be compared among wards. Such information should be shared with councilors.

Total tax collection amount (arrear and current) of the Paurashava will be then calculated at the end of year, and then tax collection efficiency is then calculated.

(5) Follow-up tax collection

After sending the first tax bills in the 1st quarter of the fiscal year, it is important to keep encouraging tax payers to pay tax throughout the year.

It is then most efficient if a paurahsava prepares 2nd, 3rd and 4th tax bill each quarter, if the tax collections are not completed. This is because tax payers tend to forget making tax payment if they are not reminded.

Some Paurashava might want to carry out such follow up activities through phone calls or visits. It is most important to keep contacting with tax payers throughout the year by any means.

(6) Closing Demand and Collection register: At the end of the fiscal year

At the end of the fiscal year, Demand and Collection Register of the year is closed, and the remaining demand is registered as the arrear demand of the next fiscal year.

This can be depicted in the example described below ;

Demand and Collection Register (left side, demand)

Demand	Holding	Conserv ancy	Water	Street Lighting	Total
1	2	3	4	5	6(2..5)
FY: 2013-14					
Arrear (up to 30 June 2012-13)	3,500	3,500	5,000	1,500	13,500
1st Installment (Collected)	1,575	1,575	2,250	675	6,075
2nd Installment	1,575	1,575	2,250	675	6,075
3rd Installment (Not Collected)	1,575	1,575	2,250	675	6,075
4th Installment	1,575	1,575	2,250	675	6,075
Sub-Total current demand (Installment 1…4)	6,300	6,300	9,000	2,700	24,300
Total Demand (Arrear + current year demand)	9,800	9,800	14,000	4,200	37,800
FY: 2014-15					
Arrear(up to 30 June 2013-14	3,150	3,150	4,500	1,350	12,150
1st Installment					
2nd Installment					
3rd Installment					
4th Installment					
Sub-Total current demand (Installment 1…4)					
Total Demand (Arrear + current year demand)					
FY: 2015-16					

FY: 2016-17					

FY: 2017-18					

This is an example of Mr. Md. Abdul Halim, mentioned above. Althouhg Mr. Md. Abdul Halim paid the arrear demand, 1st quarter demand and 2nd quarter demand, he did not pay the 3rd and 4th

quarter demand before the end of FY 2013-14. Therefore, the 3rd and 4th quarter demands are transferred to the arrear demand of FY 2014-15.

5. Recovery of arrears through attachment and sales

If a tax payer fail to pay the tax demand within designated timeframe, the tax payer is regarded as a defaulter. In this case, a paurashava can recover its tax demand through attachment and sales of the movable or immovable property of the defaulter.

The recovery of the tax demand through attachment and sales is most efficient when the paurashava has achieved high tax collection efficiency, and is trying to encourage large defaulters to pay tax who have enough income and assets.

5.1. Rules on attachment and sales

Paurashavas are authorized to recover tax arrears through attachment and sales, as stipulated in **Article 103 (3)** of **Paurashava Act 2009**.

Paurashava Act 2009
103. Collection and Recovery of Taxes:
(1) All taxes, rates, tolls and fees levied under this Ordinance shall be collected in the prescribed manner.
(2) All arrears of taxes, rates, tolls and fees and other moneys claimable by a municipality under this Ordinance shall be recoverable as a public demand.
(3) Notwithstanding the provisions of sub-section (2), <u>the Government may empower any municipality to recover arrears of taxes, rates, tolls, fees and other moneys claimable by the municipality under this Ordinance by distress and sale of movable property belonging to the person concerned, or by attachment and sale of the immovable property belonging to him.</u>

5.2. Process of attachment and sales

At the beginning of the year, a paurashava finalizing the list of defaulters based on a review of the previous year's tax collection report submitted by the tax collector.

After finalizing the list of defaulters, the processes of attachement and sales carried out by a paurashava, stipulated in **Rule 10** of **Paurashava Tax assessment and Collection Rules, 2013** is as follows;

Paurashava Tax assessment and Collection Rules, 2013
10. Defaulted tax collection
(1) If any person failed to pay any quarter of any tax or any other payable amount, Pourashava will publish produce <u>a list of defaulter and publish it in Paurashava's notice board</u>, and will provide notice to the defaulter according to 'form- a'.
(2) If the defaulter does not pay the defaulted tax or payable amount <u>within 15 days</u> of receiving the notice, <u>Pourashava will send another reminder notice providing 10 days more</u> for the payment according to the form-a-1, under sub-section (1).
(3) Pourashava can issue <u>attachment notice to seize and sell the fixed or moveable assets of the defaulter</u> to collect the debt as government demand, after the expiree of the time frame mentioned in the sub-section (2).
(4) An officer or Staff of the Pourashava authorized by mayor will execute the attachment notice.
(5) In case of probability of any indiscipline during attachment, mayor if necessary, can take support from the police, and the additional cost regarding police support, will be collected from the defaulter.

Flow of attachment and sales

```
┌──────────────────────┐
│  1) 1ˢᵗ Notice       │
│     (Form ka)        │
└──────────────────────┘
           │              15 days
           ▼
┌──────────────────────┐
│  2) 2ⁿᵈ Notice       │
│     (Form Ka-1)      │
└──────────────────────┘
           │              10 days
           ▼
┌──────────────────────┐
│  3) Attachment Notice│
│     (Form Ka-2)      │
└──────────────────────┘
           │
           ▼
┌──────────────────────┐
│  4) Verbal request and│
│     Execution        │
└──────────────────────┘
```
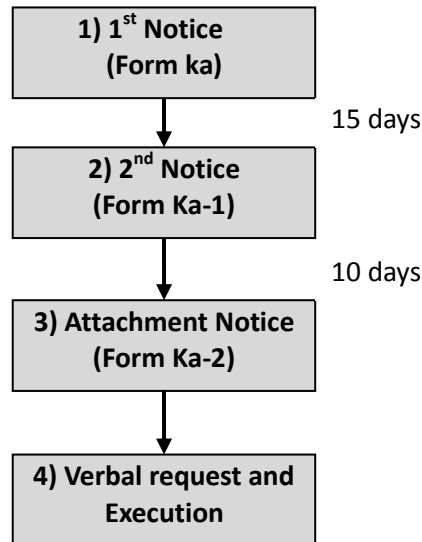
1) 1ˢᵗ Notice: Form Ka

If any taxpayer fail to pay any installment or any other tax in due time, a Paurashva will prepare a list of defaulters and put it on the Paurashava notice board.

At the same time, the Paurashava issue a notice to the defaulter using Form-Ka to demand them to pay the dues within 15 days from the received of the notice, as per Rule 10 (1) of the Pourashava Taxation and Tax Collection Rules.
(See "Annex 6: Forms of attachment and sales")

2) 2nd notice: Form Ka-1

If the tax payer does not pay the dues within 15 days from receiving the 1ˢᵗ notice, then the Paurashava will issue a second notice to the taxpayer using Form- Ka-1, to demand the payment of dues within 10 days, as per Rule 10 (2) of the Pourashava Taxation and Tax Collection Rules.

3) Attachment notice: Form Ka-2

If the defaulter failed to pay the dues within 10 days after receiving the 2ⁿᵈ notice, the Paurashava will issue "attachment notice" to attach and sell the immovable or movable assets of the defaulter to collect the dues, as per Rule 10 (3) of the Pourashava Taxation and Tax Collection Rules.

4) Verbal request and execution

The authorized officer or staff will then shall verbally ask the defaulter to immediately pay the tax, and if the defaulter refuses the requests, an authorized officer or staff will execute the attachment and sales, as per **Rule 11 (1)** of **Paurashava Taxation and Tax Collection Rules 2013**.

Paurashava Tax assessment and Collection Rules, 2013
11. Procedure of attachment and sale
(1) The authorized officer under sub-section (4) of article-10, will orally request the defaulter to pay the debt at once, and if the defaulter refused to pay the tax, the office will attachment the moveable assets of the defaulter and gave him a receipt;
Condition applies that, the assets cannot be attached which has been given remedy from attachment under sub-section (1) of article 60 of Judicial Order 1908 (No 5 act of 1908).

Annex 1: Tax collection amount and efficiency monitoring table

Year	Arrear Demand	Current Demand	Total Demand	Arrear Collection	Current Collection	Total Collection	Collection rate
1	*2*	*3*	*4(2+3)*	*5*	*6*	*7(5+6)*	*8(7/4)x%*
2011-12							
2012-13							
2013-14							
2014-15							

Annex 2: Tax Demand and Collection Register

Page No:…….

……… **Paurashava**
Tax Demand and Collection Register
FY: 2013-14 To FY:2017-18

Holding No.   :   Ward No.:
Taxpayer's Name   :   Address/Mohalla Name:
Father/Husband Name   :   Annual Valuation:

Description of Demand						Description of Collection												Remarks
Year, arrear and installment no.	Hol.	Con.	Wat.	Lig.	Total Tk.	Receipt no. and date	Hol.	Con.	Wat.	Lig.	Surcharge	Croke Fee	Rebate	Total Collection Tk.	Balance (Dues).Tk.	Signature of assistant tax collector	Signature of tax collector	
1	2	3	4	5	6(2..5)	7	8	9	10	11	12	13	14	15(8..13-14)	16 {7-(15-12-13+14)}	17	18	19
2013-14																		
Arrear (up to 30 June 2012-13; Installment Nos.1..4)																		
1st Installment																		
2nd Installment																		
3rd Installment																		
4th Installment																		
Sub-Total current demand (Installment 1…4)																		
Total Demand (Arrear + current year demand)																		
2014-15																		
(up to 30 June 2013-14; Installment Nos.1..4)																		
1st Installment																		
2nd Installment																		
3rd Installment																		
4th Installment																		
Sub-Total current demand (Installment 1…4)																		
Total Demand (Arrear + current year demand)																		
2015-16																		

2016-17																		

2017-18																		

Use one page for each five years period for one holding. This register is modified by the Paurashava themselves as they desire, so no rule or form no. used here as reference.

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Annex 3: Recommended formats of Tax bill and Tax receipt

Recommended Tax Bill Format

Paurashava Tax bill: sample:

XXXXX Paurashava

Bill No: Financial Year:

Holding No Old:
Taxpayer ID
Name of Tax payer   Father/Hus:
Ward/Road/Mouja
Address of bill
Date of bill issue   Type of taxpayer:
Last date of Payment   Annual Valuation:

Description of Tax	Arrear	Current Year					Grand Total
		1st install-ment	2nd install-ment	3rd install-ment	4th install-ment	Total	
Holding Tax							
Conservancy rate							
Water rate							
Lighting rate							
Sur charge							
Croke Fee							
Total bill							

Rebate is given to the current demand payment,

       5%   : if Current quarter bill is paid in the current quarter

       7.50%   : if the first and following quarter bills are paid in advance

       10.00%   : if all four quarters bills are paid in the first quarter

Recommended Tax receipt format

Paurashava Tax Receipt:

XXXXX Paurashava

Bill No: Financial Year:

Holding No Old:
Taxpayer ID
Name of Tax payer   Father/Hus:
Ward/Road/Mouja
Address of bill
Date of bill issue   Type of taxpayer:
Last date of Payment   Annual Valuation:

Description of Tax	Arrear	Current Year					Grand Total
		1st install-ment	2nd install-ment	3rd install-ment	4th install-ment	Total	
Holding Tax							
Conservancy rate							
Water rate							
Lighting rate							
Sur charge							
Croke Fee							
Total bill							

Calculation of Rebate:

x   %   =

Net Payment
(Total bill)   -   (Rebate)   =

Collector

Date of
collection

Rebate is given to the current demand payment,
        5%   : if Current quarter bill is payed in the current quarter
        7.50%   : if the first and following quarter bills are paied in advance
        10.00%   : if all four quarters bills are paid in the first quarter

Annex 4: Rebate calculations

Payment Period	Quarter Nos. and Tax Demand-Tk.		Rate of rebate (%)	Rebate amount-Tk.	Net Payable-Tk.
	Quarter/s No.	Quarter/s Tax Demand-Tk.			
1	2	3	4	5(3x4)	6(3-5)
1st Quarter (July to September)	1 Quarter	100	5%	5.00	95.00
	1+2 Quarters	200	7.5%	15.00	185.00
	1+2+3 Quarters	300	7.5%	22.50	277.50
	1+2+3+4 Quarters	400	10%	40.00	360.00
2nd Quarter (October to December)	1 Quarter	100	Nil	*	100.00
	2 Quarter	100	5%	5.00	95.00
	2+3 Quarters	200	7.5%	15.00	185.00
	2+3+4 Quarters	300	7.5%	22.50	277.50
3rd Quarter (January to March)	1 Quarter	100	Nil	*	100.00
	2 Quarter	100	Nil	*	100.00
	3 Quarter	100	5%	5.00	95.00
	3+4 Quarters	200	7.5%	15.00	185.00
4th Quarter (April to June)	1 Quarter	100	Nil	*	100.00
	2 Quarter	100	Nil	*	100.00
	3 Quarter	100	Nil	*	100.00
	3+4 Quarters	100	5%	5.00	95.00

Annex 5: Abstract register and Monthly and Quarterly Account of Tax collection

Abstract register of tax collection (…. Month ……Year……Ward)

Date of collection	Tax Payer	Payment			Receipt No.
		Arrear	Current	Total	
Total of the month					

Quarterly and annual statement of tax collection

	Jul	Aug	Sep	Total 1st Q		Total 2nd Q	Total Half year		Total 4th Q	Total of the year
Ward 1										
Arrear										
Current										
Total										
Ward 2										
Arrear										
Current										
Total										
Ward 3										
…										
Total										
Arrear										
Current										
Total of the month										

Annex 6: Forms of attachment and sales

<div align="center">

NOTICE
Form- a
Article 10(1)
Notice for debt collection

</div>

To,

Mr./Ms.---of --word of
--Pourashava. According to the bill enclosed with
the notice, your defaulted amount is----------------------tk. and the amount is demanded at
once. If you do not pay the mentioned amount within 15 days of this notice to any of the
authorized person or to the Pourashava office, Pourashava will collect the amount from you
by attachment and sell (auction) of your property and assets or through any other way
guided in the act along with the additional cost of collection and auction.

Date: ------/------/---20   Year.

Mayor

-------------------------------Pourashava

Signature of the notice provider: -----------------

Pourashava Office

Copy of Bill

No   of   bill………………….Holding   No…………………………………Word
No……………………………

Maholla/road………………………………………………………………………

Name of the tax payer…………………………………………………………….

Father/husband Name……………………………………………………………..

The total amount of demand for the mentioned house from…………………….year quarterly
installment from the year……………………….to quarterly installment of year………………………… is
as bellows.

Tax on building and land : …………………………………………………

Rate for waste disposal   : …………………………………………………..

Rate for Street light   : ………………………………………………….

Water rate   : …………………………………………………

Grand total   : …………………………………………………

No …………………………………….

Date: ………./…………………./20……………Year.

<div align="right">

Mayor

…………………………………………….Pourashava

</div>

Form- a-1
Article 10(2)
Reminder letter for debt collection

To,
Mr./Ms.---of --word of
---Pourashava. After serving the demand notice from
this office on …………………………………. 15 days have been passed, but you have not yet paid
the demanded money.

Therefore, you are hereby instructed that you must pay the total demanded money (total
arrear) within 10 (ten) days from the date of serving this notice. Otherwise, actions will be
undertaken to collect the Pourashava tax as per the Pourashava Act.

Hope that you will willingly and for own interest must pay the total amount of the above tax
within the above-mentioned deadline and will not force the authority to resort to
unpleasant step to collect the tax.
No---------------
Date---------/------------/20------year
Mayor

----------------------------------Pourashava

Form-a-2
Article 10(3)
NOTICE FOR ATTACHMENT

Mr./Ms.---
----------.

You are indebted for the arrear tax of Pourashava to the amount as mentioned below. Meanwhile, despite serving demand notice and its reminder to your address you have not paid the indebted amount within the stipulated time. At present the above arrear amount to you has been termed as government demand and it is being demanded for collection. If the total demanded amount of money is not paid within 15 (fifteen) days of serving this notice to the authorized collector or Pourashava office then without any further communication the mentioned amount with all related expenses will be realized via attachment and sale (auction) of your assets and goods.

No--------------------
Date: ------------/---------/20------------Year.
Mayor
---------------------------Pourashava
Signature of the notice issuing officer
Pourashava Office
Copy of Bill
No   of   bill…………………………..Holding   No…………………………………………Word No………………………………
Maholla/road……………………………………………………………………………
Name of the tax payer………………………………………………………………..
Father/husband Name………………………………………………………………..

The total amount of demand for the mentioned house from……………………..year quarterly installment from the year………………………..to quarterly installment of year………………………… is as bellows.

Tax on building and land : …………………………………………………
Rate for waste disposal   : …………………………………………………..
Rate for Street light   : ………………………………………………….
Water rate   : …………………………………………………
Grand total   : …………………………………………………
No ………………………………….
Date: ………../…………………./20……………Year.
Mayor
……………………………………………Pourashava

Training on

Paurashava Tax collection and assessment

Under Strengthening Paurashava Governance Project (SPGP)

Course Guide

Duration: 12 -14 May, 2015

Venue: National Institute of Local Government, 29 Agargaon, Sher-e-Bangla Nagar, Dhaka.

1. Introduction

"Training on Paurashava Tax collection and assessment" is a pilot training program which is provided to the participants from pilot Paurashavas of Strengthening Paurashava Governance Project (SPGP) of the Local Government Division (LGD) of the Ministry of Local Government, Rural Development Cooperatives. This training is aiming at enhancing the capacity of pilot Paurashavas, as well as having feedbacks from participants to establish standardized training programs of the Government of Bangladesh for Paurashavas.

This training program was developed reviewing many existing training programs and materials in order to build on the past efforts of the government and development partners to support Paurashavas' capacity development. Those training materials include (i) Training handbook on Pourashava Financial Management by UGIIP-2 (Urban Governance and Infrastructure Improvement (Sector) Project), (ii) "Pourashava training Guideline- 2, Pourashava Procurement Management, Pourashava Accounting and Financial Management" by Local Government Institutions Capacity Building Project for Water Supply and Sanitation Sector, (WSSPS- 2) (iii) Office management and Tax management" For Tax Assessor, tax collector and assistant tax collector working in Pourashavas by BIM (Bangladesh Institute of Management), (iv) Pourashava Basic Aspects by National Institute of Local Government (NILG), and (v) Handbook on Enhancing Holding Tax Collection Skill of Pourashava by Northern Region Rural Development and Local Governance Improvement Project (NOBIDEP).

The information collected by SPGP project team through the field visits to Paurashavas is also reflected in this training program. Last but not least, the training materials have gone through reviews of local consultants with ample knowledge and experience in the field as well as the LGD officials.

2. Course objectives

The training course on "Paurashava Budget formulation, accounting, monitoring and reporting" is composed of (i) Paurashava tax collection and (ii) Paurashava tax assessment.

The main targets of the training on (i) Paurashava tax collection are as follows;
- Paurashava can increase the tax revenue.
- Paurashava can increase the efficiency in tax collection.
- Paurashava can monitor the progress of tax collection, and take appropriate actions to increase revenue.
- Paurashava can explain to citizens why tax revenue is important.

The main targets of the training on (ii) tax assessment are as follows;

- Paurashava officers can conduct tax assessment, as specified in rules and regulations.
- Paurashavas can increase the tax revenue by avoiding inappropriate tax valuations.

As a result, it is expected that;

- Paurashava can increase tax revenue and expenditures for public services and infrastructure development.

3. Participants of the training course

Participants of the training are;

- Secretary and
- Tax collectors, assistant tax collectors, tax assessors and assistant tax assessors of Paurashava.

4. Trainers

This training is organized by the following trainers;

- Mr. M.A.Quddus
- Mr. Sohrab Hossain

Mr. M.A.Quddus is a financial expert who has been involved in technical supports to the capacity building of financial management at Paurashavas. He has been also involved in the development and operations in couputerized accounting system at Paurashava.

Mr. Sohrab Hossain is a community development expert who has also been involved in technical supports for the capacity development of paurashavas for many years. He has been working in many donor – funded projects, such as UGIIP-2.

5. Training schedule

Date	Session Number	Time	Subject	Lecturer/ Assistant (Name)
May12th		09:00 - 09:45	Registration of Trainees	
	1	09:45 - 10:45	Inaugural Session	
		10:45 - 11:00	Tea break	
	2	11:00 - 12:00	**Overview of tax collection** Objectives of training, Legal background	Mr. M.A.Quddus Mr. Sohrab Hossain
	3	12:00 - 13:00	**Securing holding tax revenue** Target on securing holding tax collection, Tax collection efficiency	Mr. M.A.Quddus Mr. Sohrab Hossain
		13:00 - 14:00	Lunch and Prayer break	
	4	14:00 - 15:45	**Tax collection processes** Outline of the tax collection processes, Individual process	Mr. M.A.Quddus Mr. Sohrab Hossain
		15:45 - 16:00	Tea break	
	4	16:00-16:45	**Tax collection processes (Cont'd)**	
		16:45 - 17:00	Closing of the day	
May13th	5	09:00 - 10:30	**Recovery of arrears through attachment and sales** Rules on attachment and sales, Process of attachment and sales	Mr. M.A.Quddus Mr. Sohrab Hossain
		10:45 - 11:00	Tea break	
	6	11:00 - 12:00	**Review of Paurashava Tax Collection**	Mr. M.A.Quddus Mr. Sohrab Hossain
	7	12:00 - 13:00	**Overview of tax assessment** Objectives of training, Legal background	Mr. M.A.Quddus Mr. Sohrab Hossain
		13:00 - 14:00	Lunch and Prayer break	
	8	14:00 - 15:45	Process of Tax Assessment at Paurashavas Process of re-assessment, Process of interim assessment	Mr. M.A.Quddus Mr. Sohrab Hossain
		15:45 - 16:00	Tea break	
	9	16:00 – 16:45	Summary and report of the assessment results	Mr. M.A.Quddus Mr. Sohrab Hossain

		16:45 - 17:00	Closing of the day	
May14th	10	09:00 - 10:45	**Method of Tax valuation** In case of fully rented building In case of fully retained building In case of building partly rented and partly retained	Mr. M.A.Quddus Mr. Sohrab Hossain
		10:45 - 11:00	Tea break	
	10	11:00-12:00	**Method of Tax valuation (Cont'd)**	
	11	12:00-13:00	**Open discussion, preparation of the action plans for FY 2015-16** (Prepare a list of activities for each Paurashava)	Mr. M.A.Quddus Mr. Sohrab Hossain
		13:00 - 14:00	Lunch and Prayer break	
	11	14:00-15:00	**Open discussion (cont'd)**	
	12	15:00 - 16:30	Certificate distribution and Closing session	
		16:30 - 17:00	Closing of the Training Program	

6. Outline of the training sessions

Overview of tax collection
- Paurashava Tax Collection
- Objective of the Operational Handbook on Paurashava Budget formulation, execution and monitoring
- Legal background

Securing holding tax revenue
- Target on securing holding tax collection
- Tax collection efficiency
- The definition of Holding Tax Collection Efficiency
- How to enhance efficiency in tax collection

Tax collection processes
- Outline of the tax collection processes
- Individual process

Recovery of arrears through attachment and sales
- Rules on attachment and sales
- Process of attachment and sales

Overview of tax assessment
- Paurashava tax assessment
- Objective of the Operational Handbook on Paurashava Tax Assessment
- Legal background

Process of Tax Assessment at Paurashavas
- Process of re-assessment
- Process of interim assessment

Summary and report of the assessment results

Method of Tax valuation
- Method of tax valuation - Flow chart

- In case of fully rented building
- In case of fully retained building
- (c)In case of building partly rented and partly retained

Handbook

On

Paurashava Financial Management

For

Elected Representatives

(TRIAL version)

SPGP (Version 1)

LGD/JICA

April 2015

Table of Contents

1. Introduction

Paurashava, as local government institution, operates under its specific acts, rules, instructions and applicable policy provided by the Government of Bangladesh, ministries, department and agencies. The main objective of the Paurashava is to serve the people living in its operating area. The people/citizens who get municipal services are considered customers cum owners as they receive services against their taxes and intellectual support to planning, implementation and monitoring of municipal services.

To ensure transparency, accountability and better utilization of local resources for providing desired level of municipal services to the people, and the development of infrastructure facilities, annual budget formulation and execution through participation of local people and civil society members is highly required.

In order to provide public services, sufficient tax revenue is required, and thus efficient and fair tax collection and assessment is essential for Paurashava.

This operational handbook has been designed and prepared for developing capacity of the concerned representatives to the required level so that they can provide their services efficiently and effectively for ensuring transparency and accountability in Paurashava operations.

This handbook is targeting on improving the knowledge and skills of concerned elected representatives in paurashava for exercising the legal instruments such as Acts, Rules and Instructions provided by the Government of Bangladesh, Ministries/Department/Agencies for Accounting and budget execution.

2. Budget formulation process

2.1. Overview of process of budget formulation

This section explains the overview of budget formulation process at paurashavas.

The fiscal year of paurashava budget starts in 1st July and ends in 30th June. Paurashavas start executing approved budget from 1st July and then monitor the budget execution progress until the end of the fiscal year.

Before the current fiscal year ends, paurashavas, in collaborations and consultations with TLC (Town Level Committee) (Town Level Committee) and citizens, formulate budget for the next fiscal year.

Budget formulation and execution process is depicted as follows;

By the end of March	(1) Paurashavas start preparing budget formulation

⬇

April - May	(2) Budget is discussed in TLC meetings and comments by citizens are reflected

⬇

By the end of May	(3) Budget is approved by a special meeting (4) Budget is sent to LGD by the end of May.

⬇

June	(5) Budget is announced to public through an open budget meeting. (6) Budget is sanctioned by the end of June.

⬇

1July	(7) Paurashavas start executing budget.

⬇

July – June	(8) Budget monitoring
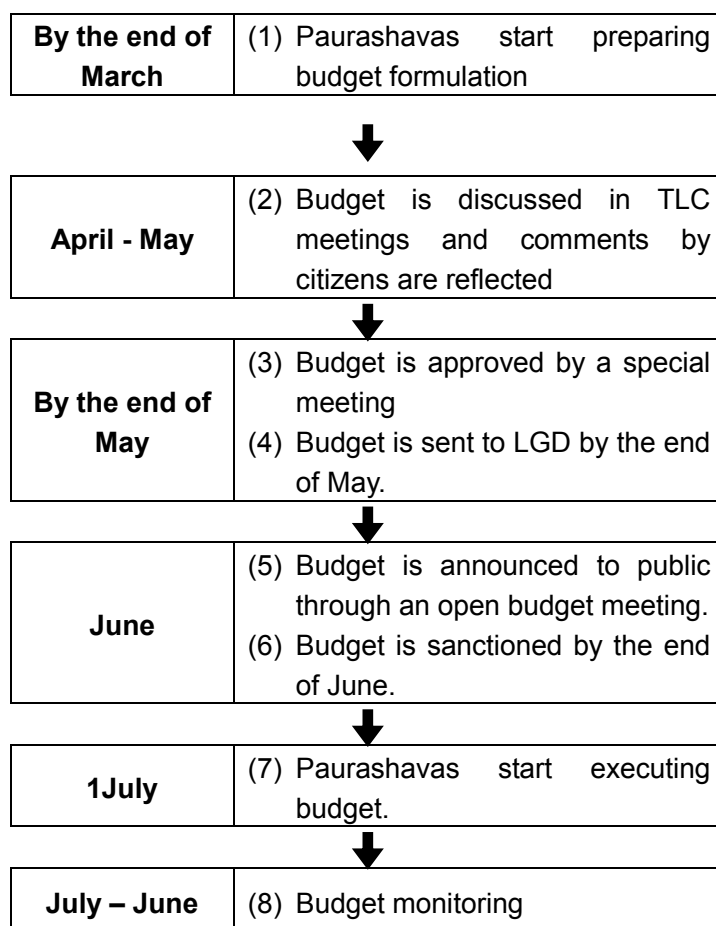
Individual budget formulation processes are explained in the following section.

2.2. Individual process of budget formulation

(1) Paurashavas start preparing budget formulation: <u>By the end of March</u>

Paurashava Budget (preparation and approval) Rules, 1999 mentions that paurashavas start preparing budget formulation before the end of March (3 months before the end of fiscal year).

Paurashava Budget (preparation and approval) Rules,1999

6.   Budget preparation system – For each Paurashava

a. Paurashava will take initiative to prepare next year's budget before 3 months of any year ending.

b. Paurashava will take step to prepare estimate income from the tax, rate, toll, fees, property etc. and this estimate should be prepared based on the approved rates of the government. Thereafter, Paurashava will prepare the expenditure estimate;

Paurashavas estimate the revenue based on the approved tax and fee rate of the government, and then estimate expenditures. Therefore, paurashavas are not supposed to estimate unrealistic/ excessive revenue income, which is not based on the approved tax or fee rate. Paurashavas should also review the tax collection amounts in the past, and then estimate the revenue income of the following year based on the collections in the past.

An accountant and secretary of a paurashava play important role in budget formulation process. They collect information from several sections to estimate revenue and expenditure of the next fiscal year and formulate initial draft budget.

The main formats in budget are Form Ka and Form Kha, which are supposed to be submitted to LGD in the budget formulation process.

Paurashava Budget (preparation and approval) Rules,1999

4. Budged preparation: (1) All Paurashavas   before started of financial year will prepare budget element in FORM Ka and Budget in FORM Kha   for each year and submits the copy to the Prescribed Authority;

Budget formats are explained in the chapter 4 name **Overview of Budget Document** of this operational handbook.

(2) Budget is discussed in TLC meetings and comments by citizens are reflected: April – May

As in the Article **92 (2) of Local government (Paurashava) Act, 2009**, Paurashavas need to take comments from citizens and reflect them to the proposed budget.

The Local Government (Paurashava) Act, 2009
Article-92(2): The Paurashava will approve the proposed budget before 30 days starting of the concerned financial year considering public comments and advices given to the budget and will submit it to the Divisional Commissioner or to any authority assigned by the government.

Then paurashavas organizes TLC meetings in April – May (most preferably in April) to have comments on budget proposals by citizens. The member of the TLC is supposed to be smaller than 50, as stipulated in Article 115 of Paurashava Act 2009. The TLC meeting then makes comments on draft budget especially on tax assessment, tax collection, development projects and other issues.

Please see the Annex: 4 for an example of a meeting minutes of a TLC meeting of this operational handbook.

(3) Budget is approved by a special meeting: April – May, by the end of May

The proposed budget is supposed to be approved within three month before the end of fiscal year (during 1st April and 30th June), according to **Article 7 of Paurashava Budget (preparation and approval) Rules, 1999**.

At the same time, a paurashava needs to submit a draft budget to the prescribed authority (Local Government Division) 30 days before the end of fiscal year (31st May), as stipulated in Article 92 (2) of Local Government (Paurashava) Act, 2009.

Considering these articles, a paurashava is supposed approve draft budget before the end of May before the paurashava send its budget to Local Government Division.

> **Paurashava Budget (preparation and approval) Rules, 1999**
> 7. Budget Approval: Paurashava in their special meeting will consider and approve the next financial year's proposed budget within 3 months before the ending of current financial year;

> **Local Government (Paurashava) Act, 2009**
> Article-92(2): The Paurashava will approve the proposed budget before 30 days starting of the concerned financial year considering public comments and advices given to the budget and will submit it to the Divisional Commissioner or to any authority assigned by the government.

(4) Budget is sent to LGD: by the end of May

After the draft budget is approved by the special meeting of a paurashava, it is send to a division commissioner or LGD, by the end of May (30 days before the starting of the concerned fiscal year), as described in **Article 92 (2) of Local Government (Paurashava) Act, 2009**.

The budget document is prepared using Form Ka and Kha of **Paurashava Budget (preparation and approval) Rules, 1999**. They are also explained in "**4. Overview of Budget Document**" of this operational handbook.

> **Paurashava Budget (preparation and approval) Rules,1999**
> 4. Budged preparation: (1) All Paurashavas   before started of financial year will prepare budget element in FORM Ka and Budget in Form Kha for each year and submits the copy to the Prescribed Authority;

It is observed that many small paurashavas tend to change the format of Form Ka and Form Kha. However, paurashavas are not supposed to make modifications to these formats.

(5) Budget is announced to public through an open budget meeting: June

After the budget is approved by a special meeting in paurashava, it is announced to public, in many cases through "open budget meetings", inviting citizens and explains the major points of the budget.

(6) Sanction of proposed budget

A division commissioner and Local government division (LGD) is supposed to modify the budget submitted by paurashavas, and the modified budget is deemed sanctioned. If a

division commissioner and Local Government Division do not modify proposed budgets in thirty days, then the proposed budget is also deemed sanctioned.

Local Government (Paurashava) Act, 2009
92. Budget:
(4) Within thirty days of the receipt of the copy of a budget under sub-section (1), the Government may modify it by order and this modified budget shall be deemed as the sanctioned budget of the Municipality.

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(7) Paurashavas start executing budget: 1st July

After the new fiscal year started in 1st July, a paurashava starts executing the budget of the new fiscal year.

Before staring executing budget for the new fiscal year, paurashavas need to prepare new cashbooks and registers.

At the same time, paurashavas stop using the old cashbooks and registers of the previous fiscal year. Paurashavas then close the cashbook of the previous fiscal year and transfer the closing balance to the cashbook of the new fiscal year as opening balance. Paurashavas also need to reconcile the budget execution of the previous fiscal year to prepare their annual statement.

See "Handbook on Paurashava Accounting and Budget Execution" to know how to close and reconcile cashbook.

(8) Budget execution and monitoring: During the fiscal year

During the fiscal year, paurashavas need to record the budget execution (income and expenditure) and monitor the progress of budget execution. The rules in budget execution are explained in "**5. Budget formulation, execution and monitoring**" of the current handbook.

A paurashava monitor the budget execution every month and every quarter, producing "Quarterly and Annual Account of Receipts and Payments", and examine if the expenditure of each budget item is within the approved budget amount. It is also important to monitor the progress of tax collection and make sure that the paurashava achieves target revenue amount. The paurashava also produce an annual statement at the end of each fiscal year

and publish it.

Budget monitoring is basically under the responsibility of Account and Audit standing committee, which is composed of a mayor and four councillors, as explained in the circular below;

3. Overview of Budget Document

3.1. Formats of Budget Document

Formats of budget documents are specified in **Paurashava Budget (preparation and approval) Rules, 1999**. The main formats in budget are Form Ka and Form Kha, which are supposed to be submitted to Local Government Division.

Paurashava Budget (preparation and approval) Rules,1999
3. Budged preparation: (1) All Paurashavas   before started of financial year will prepare budget element in FORM Ka and Budget in Form Kha for each year and submits the copy to the Prescribed Authority;

Form Ka is the summary of a paurashava budget, which summarizes the income and expenditure of (i) Revenue budget, (ii) Development budget and (iii) Capital budget, and Form Kha shows the details of each budget.

Form Ka is most useful to understand the overall picture of the budget of a paurashava. As mentioned above, the revenue surplus (Revenue income – Revenue expenditure) is supposed to be transferred to development budget, and spent for infrastructure development. It is therefore recommended that paurashava monitor the progress of income and expenditure every month to examine how much can be transferred from Revenue budget to Development budget.

3.2. Accounts of budget document

A budget document of a paurashava is composed of three budgets, namely i) Revenue budget, ii) Development budget and iii) Capital budget, as specified in **Article 6 of Paurashava Budget(preparation and approval) Rules, 1999.**

Revenue budget:

Revenue budget is the budget prepared from their own fund to meet up their regular expenditures.

Income of the revenue budget is mainly tax revenue (e.g. holding tax), land transfers, fees (e.g. business license and other fees). Revenue from water connection fees is also included in this.

Expenditures of the revenue budget include establishment expenses, education and health and sanitation expenses and salary and allowances of water supply section, etc.

Establishment expenses, including honorarium of Mayor and Councillors, and salary of employees excluding water supply section, vehicle expenses, telephone bill and electricity bill, cannot be more than 50% of revenue income, as specified in **Paurashava Budget (preparation and approval) Rules, 1999**.

The revenue surplus (revenue income – revenue expenditure) is transferred to development budget.

<u>Development budget:</u>

Development budget is the budget prepared to initiate development activities with the fund provided by the government, development partners and others.

Revenue surplus transferred from revenue budget is also a part of the income of development budget.

<u>Capital budget:</u>

Capital budget represents the income and expenditure transactions which are given below:

Income[1]**:**

- ➢ Loan received by the paurashava;
- ➢ Collection of loan provided by the paurashava;
- ➢ Income from the investment and securities;
- ➢ Fund transferred to the gratuity fund of the officer and staffs of the paurashava
- ➢ Fund transferred by the paurashava in depreciation fund

Expenditures:

- ➢ Repayment of loan by the paurashava;
- ➢ Loan paid (disburse) by the paurashava;
- ➢ Purchase of securities and other investment;
- ➢ Any expenditures from depreciation fund;
- ➢ Real expenditure for the gratuity of the officer and staffs of the paurashava.

The summary of the budget of three accounts is indicated in **Form Ka of Paurashava Budget (preparation and approval) Rules, 1999**. This format is most useful when looking at the overview of the budget of a paurashava.

An example of Form Ka is as follows[2];

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[1] Source: Article 3(2)(c)6 of Paurashava Budget (preparation and approval) Rules,1999
[2] Please note that this table is showing the sample of one year (budget for next year). However, Form Ka has to show three year budget (i) Actual budget of previous year, (ii) Revised budget of current year, (iii) Budget for next year.

Example of Form Ka

Particulars	Budget for next year-TK.
A. Revenue account	
Income from Part-1	1,250,000
Income from Part-2	800,000
Total Income :	**2,050,000**
Less: Revenue Expenditure	
Part-1	750,000
Part-2	626,000
Total Expenditure :	**1,376,000**
Total revenue surplus :	**674,000**
B. Development account	
Government Grant	1,000,000
Revenue surplus	674,000
Others	-
Total :	1,674,000
Less: Development expenditure	1,520,000
Total Budget surplus/shortage	154,000
Add: Opening balance	36,000
Closing balance :	**190,000**
C. Capital account	
Total income :	50,000
Total expenditure :	40,000
Closing balance of capital account :	**10,000**

In this example, [Total (Revenue) income] is TK. 2,050, 000, and [Total (Revenue) expenditure] is TK. 1,376,000, then [Total revenue surplus] is TK. 674,000.

Naturally, the revenue surplus is calculated as follows;

[Revenue income] – [Revenue expenditure] = [Revenue surplus]

[Revenue surplus] is then transferred to development account. In other words, if a paurashava increase revenue surplus, it can increase its development expenditure.

As specified in Article 11 of **Paurashava Budget (preparation and approval) Rules, 1999**, paurashavas cannot spend more than 50% of collected revenue income for establishment. Therefore, paurashavas basically need to generate revenue surplus more than 50% of revenue account and transfer it to development account.

In this example, [Government grant] is TK. 1,000,000, and [Replacement of revenue surplus], which is the revenue surplus transferred to development account is TK. 674,000, and thus the total development income is TK. 1,674,000. As [Development expenditure] is TK. 1,520,000, [Total surplus or shortage] is TK. 154,000.

4. Budget execution, monitoring and reporting

4.1. Budget execution

4.1.1. Rules on budget executions

There are several rules and restrictions for budget executions which paurashavas need to pay attentions.

Such rules are;

(1) Upper limit of the establishment cost
(2) Restrictions on expenditure more than approved budget and adaptations
(3) Regulations on minimum closing balance
(4) Regulations on increasing salary expenses of contract staffs

(1) Upper limit of the establishment cost
As specified in **Article 11 (1) of Paurashava Budget (preparation and approval) Rules, 1999**, paurashavas cannot spend more than 50% of revenue income for establishment cost.

Paurashava Budget (preparation and approval) Rules,1999
11.Expenditure restriction:
(1)The Paurashava will not expend more than 50% of collected revenue income for establishment in the relevant financial year;

Establishment expenses showing as General Establishment expenses in the Budget form 'Kha' under rule 3 of **Paurashava Budget (preparation and approval) Rules, 1999**. General Establishment expenses include the following items:

a	Paurashava Mayor/Councillors' Honorarium
b	Salary of Officers and Staff other than water section
c	Transfer to Gratuity Fund
d	Transport repairs and fuel
e	Telephone
f	Electricity bill

g	Contingency Expenses

Naturally, most of the revenue income is generated from tax income, such as from holding tax. Because paurashavas are regulated not to spend more than 50% of revenue income to establishment expenses, paurashavas must spend more than 50% of revenue income (tax income) for public services and infrastructure development.

If paurashavas can explain that they spend most of the tax revenue for public services and infrastructure development through TLC or open budget meeting, the level of satisfactions of citizens toward paurashavas would improve.

(2) Restrictions on expenditure more than approved budget and adaptations

As specified in **Article 11(2) of Paurashava Budget (preparation and approval) Rules, 1999**, paurashava cannot make expenditure which is not included in the approved budget. Paurashava cannot adapt any allocation from one head or sub-head to another head or sub-head either, as in **Article 12**.

Paurashava Budget (preparation and approval) Rules,1999

11.Expenditure restriction:

(2) Paurashava cannot expend in any means excluded the approved budget;

Paurashava Budget (preparation and approval) Rules,1999

12.Adaptation of expenditure head: Paurashava cannot adaptation any allocation from one head or sub-head to another head or sub-head:

But to tackle any disaster or critical situation, adaptation can be made with the prior approval of the Prescribed Authority;

The budget head and sub-head is interpreted as the budget head in Form Kha. The budget head at the top level (e.g. 1 General establishment, 2. Educational expenses) is regarded as budget head, and the ones at the second level (e.g. 1) Mayor or Councillors' honorarium, and 2) Salary and allowances of employees excluding water supply section are as sub-head.

Therefore, it is not allowed to adapt the budget for 1) 1) Mayor or Councillor's honorarium into 2) Salary of employees excluding water supply section, for example. It is not allowed to adapt the budget for 1. General establishment to 2. Educational expenses, either.

Examples of budget head / sub-head in Form Kha

Serial no		Expenditure Heads/Sub heads	
1		**General establishment**	Budget head
	1)	Mayor and Councilor's honorarium	Sub-head
	2)	Salary of employees excluding water supply section	
		…	
2		**Educational expenses**	
		…	

Likewise, budget allocation by annual development grants cannot be spend as revenue expenses, as stipulated in **Article 6** of **Paurashava Budget (preparation and approval) Rules,1999.**

Paurashava Budget (preparation and approval) Rules,1999

6. Budget preparation system – For each Paurashava

e. Annual Development Grants will not permitted to expenditure in revenue head;

Paurashava should be careful not to violate these rules, as the expenditure made without following these rules would be regarded as the personal liabilities of the Mayor, as per **Article 11 (4)** of **Paurashava Budget (preparation and approval) Rules,1999.**

Paurashava Budget (preparation and approval) Rules,1999

11.Expenditure restriction:

  (4) If any expenditure made violating the rule, it will be considered as personal liabilities of the Mayor.

These rules do not imply that paurashavas should prepare unrealistic and excessive budget to avoid making expenditure more than approved budget. It is highly recommended that paurashava will prepare realistic budget and monitor the budget executions every month to confirm that expenditures of all budget head are not exceeding the approved budget amount.

In case expenditure exceeds approved budget, the paurashava may consider revising the approved budget before the end of the financial year, as specified in **Article 92(5) of Local Government (Paurashava) Act, 2009**. Paurashavas should also monitor the budget

execution and examine every month if they have not spent more than approved budget in any budget head.

(3) Regulations on minimum closing balance

As specified in **Article 13 of Paurashava Budget (preparation and approval) Rules, 1999**, paurashavas need to make sure that their closing balance of revenue account Part-1is more than the one month establishment expenses. Similarly, the closing balance of revenue account Part-2 (water section) has to be more than the one month salary expenditure of water section.

Paurashava Budget (preparation and approval) Rules,1999

13. Minimum closing balance: Minimum one month's general establishment expenditure and salary expenditure of water supply sections need to be kept in the closing balance of revenue budged;

In order to comply with this rule, paurashavas need to estimate the one month expenditure of establishment expenses and salary of water section officials.

Suppose the expenditure of general establishment is TK. 60,000,000, then the one month expense will be estimated as closing balance TK.   5,000,000.

	Annual general establishment expenditure	Minimum one month expenses
Establishment expenses	60,000,000	5,000,000
Salary expenses of water section	48,000,000	4,000,000

Minimum closing balance of Revenue

Minimum closing balance of Revenue account Part 2 (Water

Then, paurashavas monitor the closing balance of revenue account and water account, and make sure that the closing balance is more than the minimum closing balance.

(4) Regulations on increasing salary expenses of contract staffs

As per Article **11 (3) of Paurashava Budget (preparation and approval) Rules, 1999**, increasing the salary of contract staffs cannot be made without the approval by LGD (prescribed authority).

Paurashava Budget (preparation and approval) Rules,1999

11.Expenditure restriction:

(3) Without prior approval of the Prescribed Authority, Paurashava cannot increase the salary of the contractual employees and prepare the budget;

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(5) Other Regulations

A purashava which provide water supply services is supposed to keep 2.5% of water revenue into a separate account from the Revenue account Part-2. The separate account is called as a "depreciation fund". The amount saved in the depreciation fund will be used for the maintenance and replacement of water supply facilities, such as water pipes, and water pump.

Saving 2.5% of water revenue into the depreciation fund is regarded as a payment from Revenue account Part-2 and income of Capital account. In other words, this is a transfer from Revenue account Part-2 to Capital account.

Memo no-Paura-2/Pau:rule-2/99/192(210) dated: 6-3-2000;

Sub; Paurashava Budget (preparation and approval) Rules,1999 issue.(Paura-2 section of Local Government Division: LGD)

2 (b) 2.5% from water supply head must be kept separately as depreciation fund.

4.2. Monitoring of budget execution

4.2.1. Rules on monitoring of budget execution

As mentioned in "5.1.1 Rules on budget executions (2) ''Restrictions on expenditure more than approved budget and adaptations", paurashavas cannot spend more than approved budget of each budget head and sub-head. It is not allowed to adapt the budget amount of a budget head or sub-head to others either.

Therefore, paurashavas need to monitor the budget execution, as per specified in **The Bengal Municipal Account Rules, 1935.**

The Bengal Municipal Account Rules, 1935

247. At the close of every month, the totals under the various heads of account recoded in the Abstract Registers shall be entered in English (regarded as "Bengali") by the accountant in the separate register in Form 89 and 90 against the corresponding heads under the appropriate month.

If it is desired to show the expenditure in greater details than according to the prescribed budget heads, additional details heads may be inserted in the Register of Expenditure.

A simplified example of monthly monitoring of income and expenditure using Form 89 and Form 90 is as follows (**see Annex 3 for more details**);

FORM 89

(Vide rule 180 and 243)

Quarterly and Annual Account of Receipts

Revenue account Part-1 (Receipts)

Details of Receipts	Budget estimate	Jul	Aug	Sep	Total 1st Q		Total 2nd Q	Total half-year		Total 3rd Q	Total three Quarters		Total 4th Q	Total of year
1	2	3	4	5	6		10	11		15	16		20	21
Tax on building and land	**15,000**	1,000	1,500	1,300	3,800		12,700	16,500		3,500	20,000		3,800	23,800
Lighting Rate	**6,000**	300	500	400	1,200		1,800	3,000		1,200	4,200		2,200	6,400
…	…	…	…	…	…	…	…	…	…	…	…	..	…	…
…	…	…	…	…	…	…	…	…	…	…	…	..	…	…
Total Receipts	**21,000**	**1,300**	**2,000**	**1,700**	**5,000**		**14,500**	**19,500**		**4,700**	**24,200**		**6,000**	**30,200**
Opening	**12,000**	1,500	700	600	1,500		200	1,500		8,500	1,500		7,100	1,500

balance														
Total	33,000	2,800	2,700	2,300	6,500		14,700	21,000		13,200	25,700		13,100	31,700

<div align="center">

FORM 90

(Vide rule 247)

Quarterly and Annual Account of Payments

</div>

Revenue account Part-1 (payments)

Details of Payments	Budget estimate	Jul	Aug	Sep	Total 1st Q		Total 2nd Q	Total half-year		Total 3rd Q	Total three Quarters		Total 4th Q	Total of year
1	2	3	4	5	6		10	11		15	16		20	21
Honorarium for Paurashava Mayor and Councillors	12,000	1,000	1,000	1,000	3,000		3,000	6,000		3,000	9,000		3,000	12,000
Salary of staff	13,000	1,000	1,000	1,000	3,000		3,000	6,000		3,000	9,000		3,000	12,000
Education expenses	1.500	…	…	…	…	…	…	…	…	…	…	…	…	…
Health and Sanitation	1,000	…	…	…	…	…	…	…	…	…	…	…	…	…
Donation	2,500	100	100	100	300		200	500		100	600		50	650
Total expenditure	**30,000**	**2,100**	**2,100**	**2,100**	**6,300**		**6,200**	**12,500**		**6,100**	**18,600**		**6,050**	**24,650**
Closing balance	**3,000**	700	600	200	200		8,500	8,500		7,100	7,100		7,050	7,050
Total	**33,000**	**2,800**	**2,700**	**2,300**	**6,500**		**14,700**	**21,000**		**13,200**	**25,700**		**13,100**	**31,700**

The items to be indicated in Form 89 (receipt) and Form 90 (Payment) should be same as budget document Form Ka and Form Kha, so that paurashavas can easily examine whether the budget execution amount of each item is within the initial budget amount.

The monthly monitoring of income and expenditure is prepared by an accounts officer/accountant, checked by a secretary, and then submitted to Mayor and Paura council (Paura parishad) meeting.

4.2.2. Checkpoints on budget monitoring

In the budget monitoring, it is most important to examine that the budget execution at a pauashsava will comply with rules and regulations. As mentioned above, there are certain rules on budget execution, such as;

(1) Upper limit of the establishment cost

(2) Restrictions on expenditure more than approved budget and adaptations

(3) Regulations on minimum closing balance

(4) Regulations on increasing salary expenses of contract staffs

Because of the regulation on the upper limit of the establishment cost, paurashavas are regulated not to spend more than 50% of revenue income to establishment expenses, and paurashavas must spend more than 50% of revenue income (tax income) for public services and infrastructure development.

Therefore, paushavas are recommended to set target on the revenue surplus amount and monitor the amount of revenue surplus every month. Some paurashavas monitor the tax collection and revenue surplus and determine how much is going to be used for infrastructure development six month after the beginning of the fiscal year (at the end of December), and then start bidding processes of development projects.

Recommended checkpoint in monthly monitoring are as follows

☑ Tax revenue is meeting target

☑ Revenue surplus amount is satisfactory, and meeting target

☑ Expenditures of any budget head / sub-head are not more than approved budget

☑ Closing balance of revenue account (part-1) is more than one month expenditure of establishment expenses.

☑ Closing balance of water account is more than one month expenditure of salary and allowances for water supply section employees.

Such budget monitoring is recommended to be reported at TLC meetings and Paura parishad meetings. Monthly tax collection amounts should be also reported to these meetings, so that Mayor and Councillors are more willing to be involved in tax collection.

4.3. Revisions to budget

Paurashavas are authorized to make revision to the approved budget any time before the end of fiscal year, as specified in **Article 92 (5) of Local Government (Paurashava) Act, 2009**.

If paurashavas expect that expenditure of some budget heads / sub-heads would be more than approved amounts through monthly monitoring, paurashavas revise budget, have it discussed in TLC meeting and Paura-council (parishad) meetings and, and have it approved by the Paura council meeting.

In many cases, paurashavas revise their budget after March (9 months from the beginning of a fiscal year).

Paurashava Budget (preparation and approval) Rules,1999

14. Revised budget: As per rules 6,7 & 8, if needed, <u>Paurashava can prepare and approve revise budget in any time</u> before closing the financial year;

15. Fund for special project: Government can provide fund to the Paurashava for implementation of any special project. If Paurashava obtain these type of fund, they will include it to the relevant financial years' budget or revised budget;

Local Government (Paurashava) Act, 2009.

92. Budget:

(5) At any time before the expiry of the financial year to which a budget relates, <u>a revised budget for the year may, if necessary, be prepared and sanctioned</u>, and such revised budget shall, so far as may be, subject to provisions of this section.

As per **Article 15 of Paurashava Budget (preparation and approval) Rules, 1999**, if Paurashava receive budget allocation for special project during a fiscal year, they will include it in the budget/revised budget of the relevant fiscal year.

4.4. Budget reporting

At the end of fiscal year, paurashava will prepare an annual statement, compiling the income and expenditures of the relevant fiscal year.

The annual statement is then posted onto a conspicuous place in the office of paurashavas (such as a notice board at a paurahsava office).

The annual statement prepared by paurashava should be then presented to a TLC meeting and a Paura Council meeting. In these meetings, it is most recommended to explain how the revenue income, especial tax revenue, was spent (e.g. how many percentage (%) of spent

for salary expenses and how many percentage (%) was for education / health services and infrastructure development, etc).

Local Government (Paurashava) Act, 2009

93. Accounts- (1) Accounts of the receipts and expenditure of the municipality shall be kept in the prescribed manner.

(2) An annual statement of the accounts shall be prepared after the close of every financial year.

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

The format of the annual statement is **NOT** specified in **Local Government (Paurashava) Act, 2009**. However, as **The Bengal Municipal Account Rules, 1935** explains that the format to be used for annual statement in Form 91 and rule 247, the annual statement should indicate (1) Budget of current year, (2) Actual budget execution, and (3) the difference between budget and actual execution.

However, Form 91 of **The Bengal Municipal Account Rules, 1935** is not consistent with the budget format (Form Ka and Form Kha) specified in **Paurashava Budget (preparation and approval) Rules, 1999**.

Therefore, it is most recommended to prepare the statement following Form Ka and Form Kha (a) (b) and (c) of **Paurashava Budget (preparation and approval) Rules, 1999** for preparing annual statement, indicating (1) Budget of current year, (2) Actual budget execution, and (3) the difference between budget and actual execution. Some paurashava might want to indicate actual budget execution of the previous year as well.

The budget items indicated in the annual statement should be same as the ones of Form Ka and Form Kha (a) (b) and (c).

5. Paurashava Tax Collection

5.1. Introduction

Paurashavas provides municipal services (e.g. street light, solid waste disposal, and water supply) to citizens out of its funding sources. Among them, major amount comes from the holding tax collections.

The building and land tax, based on annual valuation of building and land, together with street light rate, conservancy rate and water installation or water supply rate are called 'holding tax'. All types of buildings and lands located in a Paurashava are covered by the 'holding tax'.

Therefore, holding tax collection is a prime work of the Pourashava to provide municipal services.

5.2. Securing holding tax revenue

5.2.1. Target on securing holding tax collection

Holding tax is one of the main financial sources of a Paurashava. It is, therefore, necessary to increase the amount of the holding tax by enhancing collection skills of the concerned Paurashava officers.

However, there are many Paurashavas which have not secured sufficient tax revenue. In such Paurashavas, most of the tax revenues are used only for general establishment expenses, such as salary payments.

Therefore, it is essential for a Paurashava to secure sufficient tax revenues, through setting targets on tax collection amount and collection efficiency (collection rate) and increase own revenue sources.

The tax collection efficiency has to be more than 75% , because the government can, as per **Article 49 (1) (d) of the Local Government (Pourashava) Act 2009,** declare dissolution of any Council, if Pourashava failed to achieve at least 75% of the assessed total annual taxes,

sub-taxes, rates, tolls, and fees (including holding tax) without acceptable causes.

> **Paurashava Act 2009**
>
> **49. Suppression of Municipality and Re-Election**
>
> (1) Government can declare suppression on any municipality by gazette notification for following causes, namely –
>
> (d) failed to collect 75% of annual defined taxes, rates, tolls or fees levied without acceptable causes.

Small paurashavas tend to spend most of the tax revenue for general establishment expenses, such as salary payments or honorarium expenses. However, according to **Rule 11(1)** of **Purashava Budget (preparation and approval) Rules, 1999**, Paurashavas are not supposed to spend more than 50% of tax revenue for general establishement expenses.

In order to comply with this rule, paurashavas need to avoid increasing general expenses, and also need to increase its own tax revenue.

> **Purashava Budget (preparation and approval) Rules, 1999**
>
> **11.Expenditure restriction:**
>
> (1)The Pourashava will not expend more than 50% of collected revenue income for establishment in the relevant financial year;
>
> (2) Pourashava cannot expend in any means excluded the approved budget;
>
> (3) Without prior approval of the Prescribed Authority, Pourashava cannot increase the salary of the contractual staff and prepare the budget;
>
> (4) If any expenditure made violating the rule, it will be considered as liabilities of the Chairman.

5.2.2. Tax collection efficiency

(1) The definition of Holding Tax Collection Efficiency

As mentioned above, the targets on tax collection should be set on the amount and collection efficiency.

Holding tax collection efficiency is expressed in terms of the collection rate of holding tax in comparison to total demand in percent. Paurashavas are supposed to achieve more than 75% tax collection rate, as described in **Paurashava Act 2009**.

Holding tax collection efficiency is calculated as follows;

Tax collection efficiency = (Arrear Collection + Current Collection) / (Arrear Demand + Current Demand)

Arrear demand is the total accumulated arrears of holding tax dues in the preceding years. Arrear collection is the collection of such arrear demand.

Similarly, current demand is the amount tax that a tax payer is demanded to pay every year, excluding the amount arrear demand. Current collection is the tax collection of such current demand.

When monitoring the yearly changes in the tax collection amount and colletion efficiency, using a table below is most efficient.

Tax collection amount and efficiency monitoring table

Year	Arrear Demand	Current Demand	Total Demand	Arrear Collection	Current Collection	Total Collection	Collection rate
1	2	3	4(2+3)	5	6	7(5+6)	8(7/4)x%
2011-12	1,200,000	2,000,000	3,200,000	300,000	1,600,000	1,900,000	59.38%
2012-13	1,300,000	2,000,000	3,300,000	400,000	1,700,000	2,100,000	63.64%
2013-14	1,000,000	2,000,000	3,000,000	500,000	1,750,000	2,250,000	75.00%
2014-15	750,000						

Using this table, it is possible to examine if the tax collection efficiency (collection rate) in improving and deteriorating. The tax collection amount and collection efficiency should be examined for each ward.

In order to calculate the holding tax collection efficiency, the tax collections should be separately registered in Demand and Collection Register in which all tax demand and

collections are registered.

(2) How to enhance efficiency in tax collection

a) Initiatives by a mayor and councilors

Involvement of a mayor in tax collection is most important to achieve high tax collection rate. In some paurashavas, mayors give phone calls to the tax payers to appreciate them, or provide tea. In contrast, if a mayor is not cooperative to tax collections, the tax collection rate in such paurashavas tend to be very low (e.g. 10%).

Therefore, tax collectors are encouraged to give report to a mayor and councilors every month. Ward level tax collection rate and amount should be provided, so that councilors can encourage citizens to pay tax in WC (Ward Committee) meetings.

In such meetings, councilors should explain how the funds from tax collection was used, such as infrastructure development projects. Then, the satisfaction level of citizen would increase, and citizens are more willing to pay tax.

<Example> Collectors responsible for Wards

In Chandpur Paurashava, there are 9 assistant tax collectors, and they were assigned to each and individual ward.

They are instructed to achieve 80% in tax collection rate, and they can receive 5000TK bonus, if they can achieve the target. The progress of tax collection is discussed in monthly meeting amount councilors; councilors are more willing to achieve the target in their paurashava.

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b) Organizing tax collection campaign

Some Paurashavas organize "Tax collection campaign", especially when festivals are organized in town, as festivals are good opportunity where citizens gather.

If paurashavas organize such campaign at the timing of festivals, having a temporary tax collection office in a festival location, tax payers can save time and expenses to come to paurashava for tax payments.

c) Announcement / publications

Undertaking rally, announcement, courtyard meeting, leaflet and poster distribution, advertisement in local dailies, presence of the Mayor in local cable TV would encourage tax payers to pay tax.

Most typically, the message delivered in the rally and announcement to tax payer in the first quarter is that they can get rebates if they complete tax payment in the first quarter. The message delivered in the 4th quarter is that tax payers are going to pay additional as penalty if they do not complete payment by the end of fiscal year.

d) Rebate and penalty

Financial incentives or rebate on tax payments is one of the most useful tool to encourage tax payers, as mentioned above. Similarly financial penalty or surcharge on the arrear payment would also encourage tax payers who wish to avoid paying extras.

Making announcement on rebate in 1st quarter and penalty in 4th quarter would be most effective.

Rebate

As per Article 7 (3) of the Pourashava Taxation and Tax Collection Rules 2013, the following rebate will be awarded.

Pourashava Taxation and Tax Collection Rules 2013

7. Tax payment, tax remedy, etc.

 (3) For Tax on Building and Land of the fiscal year-

(a) If the tax of each quarter is paid within the time frame of demand notice,

remedy will be at the rate of 5% of the current demand.

(b) If the tax demand of next three quarter is paid in advance with the first quarter, 10% remedy will be paid on total demand.

(c) If case of the payment of one or two quarter's installment in advance along with the amount of the quarter mentioned in the demand notice, tax remedy will be provided at the rate of 7.5% on total demand.

The rebate which is mentioned in Rule 7 (3) (a) – (c) is summarized as follows;

Rebate rate (%)

Period of bill payment within the timeframe	Rebate (%)
Payment of current quarter tax bill	5%
Payment of all four quarters bills in 1st Quarter	10%
Payment of one or two quarter's installment in advance	7.5%

Penalty

On the other hand, if the tax payment**s** are not made within the relevant fiscal year, the remaining tax demand amount is transferred to the following fiscal year as arrear. The tax payer then has to pay 5% additional as penalty, as per **Rule 7 (3) (d)** of **Paurashava Taxation and Tax Collection Rules 2013**.

Pourashava Taxation and Tax Collection Rules 2013

7. Tax payment, tax remedy, etc.

(3) For Tax on Building and Land of the fiscal year-

(d) Pourashava can add an additional charge at the rate of 5% on the amount

of defaulted demand if, tax on building and land is not paid with in the fiscal year or time mentioned in the demand notice.

Condition applies that; Pourashava can provide remedy to any defaulter on total or partial charge.

The percentages of rebate and the amount of surcharge are indicated in tax bills.

e) Tax collection through compulsory seizure of movable assets

If a tax payer fails to pay the tax demand, the tax payer is regarded as a defaulter. In this case, a paurashava can recover its tax demand through attachment and sales of the movable or immovable property of the defaulter, as per **Article 103** of **Paurashava Act 2009**.

Paurashava Act 2009

103. Collection and Recovery of Taxes:

(1) All taxes, rates, tolls and fees levied under this Ordinance shall be collected in the prescribed manner.

(2) All arrears of taxes, rates, tolls and fees and other moneys claimable by a municipality under this Ordinance shall be recoverable as a public demand.

(3) Notwithstanding the provisions of sub-section (2), the Government may empower any municipality to recover arrears of taxes, rates, tolls, fees and other moneys claimable by the municipality under this Ordinance by distress and sale of movable property belonging to the person concerned, or by attachment and sale of the immovable property belonging to him.

The recovery of the tax demand through attachment and sales is most efficient when the paurashava has achieved high tax collection efficiency, and is trying to encourage large defaulters to pay tax who have enough income and assets.

Some paurashavas, which have experienced attachment and sales, achieved high tax collection rate in the following years, not by attachment and sales but by showing their attitude toward tax collections.

In such case, only an announcement of attachment and sales to defaulters would encourage tax payers to pay tax on time.

6. Paurashava Tax Assessment

6.1. Introduction

As the municipal tax or holding tax is one of the major sources of the paurashava revenue, tax assessment, in which the valuation of assets, especially buildings, are determined is one of the most important functions at Paurashavas.

There are mainly two kinds of tax assessment, which is called as (i) re-assessment and (ii) interim assessment. (i) Re-assessment is a periodical assessment on holdings every five years, and (ii) interim assessment is an ad-hoc assessment, which is carried out when a new building is constructed and a building is expanded.

Proper tax assessment is essential to increase the tax revenue of paurashava. If assessment is not carried out properly, the valuation of holdings are very small compared to the actual value, and the paurashava is going to lose the opportunity to raise enough funds from tax revenue. The shortage of fund will lead to the deterioration is the quality of public services.

6.2. Summary and report of the assessment results (Proposed)

It is recommended to summarize the assessment result, in order to make sure that tax assessments were carried out properly, and the paurashava can secure sufficient revenue from holding tax.

It is important to compare the result of pervious re-assessment and the new re-assessment. The paurashava needs to make sure that the total demand increased from the previous year and from previous re-assessment, using the following table.

		Number of Holdings	Total Demand	Average Demand
2009-10	Previous re-assessment			
2010-11	Interim assessment			
2011-12	Interim assessment			
2012-13	Interim assessment			
2013-14	Interim assessment			
2014-15	Proposed in re-assessment			
	Final			

It is also recommended to see the changes in average demand, which is calculated as [Total demand]/ [Number of holdings]. This shows the average demand per holding.

Suppose the annual inflation rate is 7.0%, the annual valuation would increase by about 40% (from TK.10,000 to TK.14,026) in five years. This is because annual rental revenue would also increase according to the price hike.

Year	Year 0 (previous assessment)	Year 1	Year 2	Year 3	Year 4	Year 5 (Current assessment)
Annual valuation	10,000	10,700	11,449	12,250	13,108	14,026
Annual increase		7.0%	7.0%	7.0%	7.0%	7.0%

If the average demand is not increasing as the inflation rate, then it means that the Paurashava is giving a lot of discount to owners.

The monitoring and examination should be the major responsibilities of a taxation and collection standing committee, one of whose function is "find out new tax sources for increasing revenue collection". The standing committee, including the Mayor and Councilor, should take strong actions to increase tax revenue through tax assessment.

6.3. Process of Tax Assessment at Paurashavas

The amount of holding tax paid by each tax payer (owner) is determined by the valuations of holding and the tax rate.

The valuation of holdings are determined through "tax assessment" based on certain rules mentioned in **Puarashava Taxation and Tax Collection System Rules, 2013**.

Holdings are assessed every five years, and this is called as **"re-assessment"**. Beside this, tax assessment is conducted when buildings are newly constructed or major changes are made. This is called as **"Interim assessment"**.

In this section, the process of re-assessment, which is conducted every five years, is explained. It is then followed by the process of interim assessment.

6.3.1. Process of re-assessment

Re-assessment of holdings is conducted every five year as depicted in **Rule 18** of **Paurashava Taxation and Collection System Rules, 2013**

Paurashava Taxation and Collection System Rules, 2013
18. List of tax assessment

(1) Paurashava will prepare the evaluation list of building for the assessment of tax and rate under article 17 and except further notice from authority, <u>the Paurashava will have to renew the list in every 5 years.</u>
(2) …

It takes roughly one year to complete the re-assessment of holding.

The overall process of re-assessment is as follows;

1) Submit a proposal on re-assessment and obtain approval by the government
2) Make   announcement on re-assessment
3) Distributes forms to collection information of holdings to the citizens
4) Collect information on holding from citizens
5) Insert the information of each holding following a ward-wise tax assessment list
6) Review the assessment results
7) Finalize the re-assessment results

8) Insert the final tax assessment results to a   ward-wise tax assessment list

When all processes are completed, the tax demand amount of each holding will be determined based of the re-assessment results.

Details of each process will be explained in the following section.

When carrying out re-assessment, securing sufficient man-power is important, as there are many activities in re-assessment process.

Therefore, in many paurashavas, under the instruction of mayor, officers in other sections (e.g. tax collectors, engineers) are assigned to support re-assessment works. Tax assessment section should seek for such supports, especially during the period when others sections are not very busy.

6.3.2. Method of Tax valuation

This section explains the tax valuation methods, which is explained in **Rule 18(2)** of **Paurashava Taxation and Collection Rules, 2013**.

Paurashava Taxation and Collection Rules, 2013

18. List of tax evaluation

(1) Evaluation list should be prepared according to below mentioned procedures, such as:-

(a) In case of fully rented building-

1. Should have to reduce the rent of two month from yearly rent as maintenance cost of the building;

2. In case of non-commercial purpose, if the building is mortgaged to Government, House building finance corporations, Bank or Financial institute for fund collection to rebuild or to purchase, the annual interest on mortgage should be reduced.

3. In case of commercial buildings such as hotel, motel, private diagnostic center, apartment, hospital, office, etc. which has been mortgaged to house building finance corporations, bank or any financial institute for loan, 1/4 of the annual interest should be reduced.

(a) If the monthly rent of any building is found abnormally more or less, the rent contract of

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similar building in that area should be considered.**In case of fully retained building:**

The feasible annual rent of similar type or building with similar facilities, or 7.5% of the value of the building including land development tax of land used in that building, less one in between two, should be considered as the annual value, and part as bellows should be reduced from that, such as:

1. For maintenance rent of two months or one sixth of annual value, which one is applicable?
2. One fourth of annual value after reducing the amount mentioned in point 1;
3. In case of non-commercial purpose, if the building is mortgaged to Government, House building finance corporations, Bank or Financial institute for fund collection to rebuild or to purchase, the annual interest on mortgage should be reduced;
4. In case of commercial buildings such as hotel, motel, private diagnostic center, apartment, hospital, office, etc. which has been mortgaged to house building finance corporations, bank or any financial institute for loan, $1/4^{th}$ of the annual interest should be exempted;

(c) **In case of building partially rented and partially retained**, annual value of rented part will be according to point (a), and retained part will be according to point (b).

The method of valuation is different;

(a) in case of fully rented building,
(b) in case of fully retained building,
(c)in case of building partially rented and partially retained.

In each case, the deduction (exempted) amount also differ depending on   building are used for non-commercial purposes or commercial purpose.

The valuation method of a building is determined following the flow chart below;

```
                        ┌─────────────────┐
                        │ The building is │
                        │      for        │
                        └─────────────────┘
          (a)Rental          (b)Own use              (c)Mixed
       ┌──────────────┐   ┌──────────────┐      ┌──────────────┐
       │ Commercial / │   │ Commercial / │      │(C)Commercial/│
       │non commercial│   │non commercial│      │non commercial│
       └──────────────┘   └──────────────┘      └──────────────┘
    Non-          Non-
 commercial  Commercial  commercial  Commercial
   ┌─────┐    ┌─────┐    ┌─────┐    ┌─────┐    ┌──────────────┐
   │ A-1 │    │ A-2 │    │ B-1 │    │ B-2 │    │Combination of│
   └─────┘    └─────┘    └─────┘    └─────┘    │  A-1,2 B1,2  │
                                               └──────────────┘
```

The valuation of a building is determined by;

- Annual value (annual rental revenue or 7.5% of construction cost)
- Deduction in maintenance expenses
- Ownership deduction, and
- Deduction in Interest expenses

The base amounts and deductions are different, which can be summarized as follows;

		A-1	A-2	B-1	B-2	C
		Rental	Rental	Own -use	Own-use	Mixed
		Non-commercial	Commercial	Non-commercial	Commercial	
Annual value		Rental revenue (12 months)	Rental revenue (12 months)	Smaller of (i) rental revenue(12 month) of similar building or (ii) 7.5% of construction cost and land development tax	Smaller of (i) rental revenue(12 month) of similar building or (ii) 7.5% of construction cost and land development tax	Mixture of A-1, A-2, B-1, and B-2
Deduction						
	Maintenance	Maintenance expenses (2 months of rental revenue)	Maintenance expenses (2 months of rental revenue)	Maintenance expenses (1/6 of annual value)	Maintenance expenses (1/6 of annual value)	
	Deduction on ownership	-	-	[Annual value] − [Maintenance expenses] x 1/4	[Annual value] − [Maintenance expenses] x 1/4	
	Bank loan interest	Annual interest expenses total	Annual interest expenses x 1/4	Annual interest expenses total	Annual interest expenses x 1/4	

Training on Financial management
For
Elected Representatives

Under Strengthening Paurashava Governance Project (SPGP)

Course Guide

Duration: 20 -21 May, 2015 and 27 -28 May, 2015

Venue: National Institute of Local Government, 29 Agargaon, Sher-e-Bangla Nagar, Dhaka.

1. Introduction

"Training on Financial Management for Elected Representatives" is a pilot training program which is provided to the participants from pilot Paurashavas of Strengthening Paurashava Governance Project (SPGP) of the Local Government Division (LGD) of the Ministry of Local Government, Rural Development Cooperatives. This training is aiming at enhancing the capacity of pilot Paurashavas, as well as having feedbacks from participants to establish standardized training programs of the Government of Bangladesh for Paurashavas.

This training program was developed reviewing many existing training programs and materials in order to build on the past efforts of the government and development partners to support Paurashavas' capacity development. Those training materials include (i) Training handbook on Pourashava Financial Management by UGIIP-2 (Urban Governance and Infrastructure Improvement (Sector) Project), (ii) Pourashava Accounting Procedures Training Module by Urban Management Unit (UMU) of Local Government Engineering Department (LGED), (iii) "Pourashava training Guideline- 2, Pourashava Procurement Management, Pourashava Accounting and Financial Management" by Local Government Institutions Capacity Building Project for Water Supply and Sanitation Sector, (WSSPS- 2) , (iv) "Training module on financial management and revenue income of the pourashava" of SDLG (Strengthening Democratic Local Governance), (v) Office management and Tax management" For Tax Assessor, tax collector and assistant tax collector working in Pourashavas by BIM (Bangladesh Institute of Management), (vi) Pourashava Basic Aspects by National Institute of Local Government (NILG), and (vii) Handbook on Enhancing Holding Tax Collection Skill of Pourashava by Northern Region Rural Development and Local Governance Improvement Project (NOBIDEP).

The information collected by SPGP project team through the field visits to Paurashavas is also reflected in this training program. Last but not least, the training materials have gone through reviews of local consultants with ample knowledge and experience in the field as well as the LGD officials.

2. Course objectives

The main targets of the training of Training on Financial Management for Elected Representatives are as follows;
- Elected representatives understand overal and individual budget formulation process
- Elected representatives understand the structure and meanings of budget documents,
- Elected representatives can understand how to increase the tax collection, and

- Elected representatives can understand why tax assessment is important to secure revenue of paurashava.

As a result, it is expected that;
- Citizens are more aware of paurashava budget, and understand how their tax payments were utilized for public services and infrastructure development.
- Purashava councilors and mayors are more willing to provide information to citizens, and willing to provide better public services and infrastructure.
- Purashava councilors and mayors are willing to secure more funds for public services and infrastructure.

3. Participants of the training course

Participants of the training are elected representatives, such as ;
- Mayors and
- Councilors of Paurashavas.

4. Trainers

This training is organized by the following trainers;
- Mr. M.A.Quddus
- Mr. Sohrab Hossain

Mr. M.A.Quddus is a financial expert who has been involved in technical supports to the capacity building of financial management at Paurashavas. He has been also involved in the development and operations in computerized accounting system at Paurashava.

Mr. Sohrab Hossain is a community development expert who has also been involved in technical supports for the capacity development of paurashavas for many years. He has been working in many donor – funded projects, such as UGIIP-2.

5. Training schedule

Date	Session Number	Time	Subject	Lecturer/ Assistant (Name)
May 20th / May 27th		09:00 - 09:45	Registration of Trainees	
	1	09:45 - 10:45	Inaugural Session	
		10:45 - 11:00	Tea break	
	2	11:00 - 12:00	**Budget formulation process** Overview of process of budget formulation, Individual process of budget formulation	Mr. M.A.Quddus Mr. Sohrab Hossain
	3	12:00 - 13:00	**Overview of Budget Document** Formats of Budget Document, Accounts of budget document	Mr. M.A.Quddus Mr. Sohrab Hossain
		13:00 - 14:00	Lunch and Prayer break	
	4	14:00 - 15:45	**Budget execution, monitoring and reporting** Budget execution, Monitoring of budget execution, Revisions to budget, Budget reporting	Mr. M.A.Quddus Mr. Sohrab Hossain
		15:45 - 16:00	Tea break	
	5	16:00-16:45	**Open discussion on budget formulation and monitoring**	
		16:45 - 17:00	Closing of the day	
May 21st /May 28th	6	09:00 - 10:45	**Paurashava Tax Collection** Securing holding tax revenue	Mr. M.A.Quddus Mr. Sohrab Hossain
		10:45 - 11:00	Tea break	
	7	11:00-13:00	**Paurashava Tax Assessment** Summary and report of the assessment results (Proposed), Process of Tax Assessment at Paurashavas	Mr. M.A.Quddus Mr. Sohrab Hossain
		13:00 - 14:00	Lunch and Prayer break	
	8	14:00-15:30	**Open discussion on tax collection and assessment**	
		15:30 - 15:45	Tea break	
	9	15:45 - 16:00	Certificate distribution and Closing	

			session	
	10	16:00 - 16:30	Closing of the Training Program	

6. Outline of the training sessions

Budget formulation process
- Overview of process of budget formulation - Individual process of budget formulation

Overview of Budget Document
- Formats of Budget Document - Accounts of budget document

Budget execution, monitoring and reporting
- Budget execution - Monitoring of budget execution - Revisions to budget - Budget reporting

Paurashava Tax Collection
- Introduction - Securing holding tax revenue

Paurashava Tax Assessment
- Introduction - Summary and report of the assessment results (Proposed) - Process of Tax Assessment at Paurashavas

Orientation Course

on the Basics of Paurashava Administration

Training Handbook

SPGP (Version 1)

LGD/JICA

May 2015

Table of Contents

Chapter 1: Introduction

1.1. Context

The history of the urban local government system in Bangladesh dates back to 1793 when a charter of the British parliament provided for installment of municipal administrations in Calcutta, Madras and Bombay with the power to assess tax on holdings and appointment of Justice of Peace, cleaners and security guards. The first municipalities in the present Bangladesh territory were formed under the Bengal District Municipal Act 1864. Those municipalities had the authority to levy and assess taxes on holdings and had some service responsibilities. The urban local government system has evolved ever since with some interrupted periods, gradually expanding service responsibilities and income sources of municipalities. The present democratic form of Paurashava with representatives elected by citizens took shape after the independence of Bangladesh and the first direct elections for the Paurashava were held in 1973. The system was consolidated with the introduction of the Paurashava Act 1977 and further developed under the Local Government (Paurashava) Act 2009.

Present Paurashavas carry a great deal of responsibilities. With limited service delivery by the central government in paura areas, Paurashavas assume such important functions as city planning, local infrastructure development, and the delivery of the majority of public services, which range from development of roads to prevention of infectious diseases. Paurashavas are also expected to serve as a center for developing the local economy by promoting local industries and facilitating distribution of goods and services.

Despite such vast responsibilities of Paurashavas, there is no document that compiles basic information required for elected representatives related to responsibilities and workings of Paurashavas as well as their own responsibilities. In this context, this handbook is prepared to help elected representatives to undertake the functions of Paurashavas and fulfill their responsibilities and accountability to the people. The handbook is also meant to respond to the voice of a number of elected representatives that they would like to learn about existing rules and regulations and their responsibilities.

The handbook will be updated when the Local Government Division (LGD) finds it necessary in view of changes in laws, rules and regulations, etc., or any other important changes of the context.

1.2. Objective of the orientation training handbook

The objective of the handbook is to equip elected representatives with basic knowledge required for elected representative to administer a Paurashava. The handbook particularly intends to inform them: 1) what legal basis of Paurashava is; 2) how Paurashava administration works; and 3) what can make the way Paurashava is administered better. It covers a broad range of topics as shown in the table below.

Topics covered in the orientation training handbook

Areas	Topics covered
Local government system of Bangladesh and role of Paurashava	1) Paurashava in the local government system of Bangladesh 2) Local Government (Paurashava) Act 2009 and functions of Paurashavas
Workings of Paurashava administration	1) Administrative structure of Paurashava 2) Role of the Council in decision-making 3) Role of standing committees 4) Citizen participation 5) Financial management and taxation 6) Accounting and audit 7) Budget formulation 8) Procurement 9) Property registration and asset management 10) Office and information management
Good governance	1) Concept of good governance and leadership 2) Gender mainstreaming in Paurashava's activities

Chapter 2 Local Government System of Bangladesh and Role of Paurashavas

2.1. Paurashava in local government system

2.1.1. Local government system of Bangladesh

Bangladesh is a democratic country in which fundamental human rights and participation of the people in administration through their elected representatives are guaranteed by its constitution. Based on the principles of democracy, the Constitution of the people's republic of Bangladesh confers to local governments composed of elected representatives the power to perform functions prescribed by relevant Acts within respective administrative units (Chapter 59 and Chapter 60).

Local government in the Constitution

Chapter 59: Local government

(1) Local government in every administrative unit of the Republic shall be entrusted to bodies, composed of persons elected in accordance with law.

(2) Everybody such as is referred to in clause (1) shall, subject to this Constitution and any other law, perform within the appropriate administrative unit such functions as shall be prescribed by Act of Parliament, which may include functions relating to: (a) administration and the work of public officers; and (b) the maintenance of public order; the preparation and implementation of plans relating to public services and economic development.

Chapter 60: Powers of local government bodies

For the purpose of giving full effect to the provisions of Chapter 59 Parliament shall, by law, confer powers on the local government bodies referred to in the Chapter, including power to impose taxes for local purposes, to prepare their budgets and to maintain funds.

Based on the Constitution, different acts were promulgated to establish different local governments with the right to collect taxes, fees, rates and tolls specified in respective acts. There are five tiers of local governments today: District (Zila) Parishads; Upazila Parishads; Union Parishads; City Corporations; and Paurashavas. However, elections for District (Zila) Parishads have not been held to date and the officers of the central government have constituted the Parishads instead of elected representatives.

Local government system of Bangladesh

Geographical area	Local government	
	Entire area	Urban area
Division		City corporation
District (Zila)	District (Zila) Parishad	City Coporation **Paurashava**
Upazila	Upazila Parishad	**Paurashava**
Union	Union Parishad	

There are two urban-based local government institutions in Bangladesh, namely City Corporation and Paurashava. Rural based local government institutions are District (Zila) Parishad, Upazila Parishad and Union Parishad. At present there are 11 City Corporations, 324 Paurashavas, 3 Hill District Parishads, 61 District Parishads, 489 Upazila Parishads, and 4552 Union Parishads in Bangladesh.

The jurisdiction of a Paurashava is the area declared by the government as city area. The below mentioned conditions have to be present to be declared as city area:

    (a) Three-fourth of the people is involved with non-agricultural profession.
    (b) 33 percent land is non-agriculture type.
    (c) Density of population is not less than 1500 in average in each sq. km.
    (d) Population is not less than 50 thousands.

The majority of Paurashavas are established in a town within an Upazila area while some of them are district-level towns, which do not constitute a part of an Upazila.

2.1.2. Evolution of the Paurashava
Under the British regime
- ❖ The Paurashava administration was first introduced in Kolkata, Madras, and Mumbai City of the sub-continent in 1793 during the British colonial time through a charter of the British parliament. There was arrangement of appointing justice of peace, and power of tax assessment on holdings and appointing cleaners and security guards were provided in the Act.
- ❖ An initiative of establishing the first Paurashava institution was taken through the Bengal Act of 1842, which provided for The formation of town committees y the application of the two-third of the heads of the families of the town. However, the citizen was not interested. The same provisions for the formation of municipality were handed over to the Municipal Act (Act xxvi of 1850) in 1850. Though the Act was applicable to all the states of India, municipalities were formed in a few cities only.
- ❖ The Town Police Act was passed in 1854. It the Act the district magistrate provided municipalities with the authority of formation of 'ponchayet' and assessment of taxes on holdings up to maximum 5% rate. The amount collected through the tax were firstly utilized to pay the salary and allowances of security guards and remaining amount was spent for conservancy, town development, and street lighting.
- ❖ The Bengal Council District Municipal Improvement Act was passed in 1864. The Act was mainly applicable to large cities. The government was empowered to form a town committee in at least seven selected cities under the Act. Divisional Commissioner, Magistrate, Executive Engineer were included in the seven members. Later on the police superintendent was also included in the committee. The main source of income of a town committee was taxes on holdings which was up to 5.5% of the annual value of land and building. Along with this, the committee was provided with the authority to assess tax on vehicles. The main responsibilities were to maintain town security guards and the remaining amount was spent for roads, conservancy, tackling the emergency situation, donation, hospital, etc.
- ❖ It became possible to establish more towns under the District Town Act of 1868. There was arrangement for formation of town committee consisting of five members at minimum of which

one-third was government officers and staff. The committee appoints a chairman and a vice-chairman for the duration of five years. The source of income was holding taxes. The tax was more than seven taka for a month. The responsibilities were same as specified in the act of 1864. The municipal system was adopted in most of the important cities in 1860s. The main expenditure of municipality is for police.

❖ Through the Local Government Act of 1873 there was arrangement of electing two-third of the commissioners and a paid vice-chairman for the first time in the cities which were incorporated in the Act.

❖ In 1876 the above mentioned four acts were overruled, and a consolidated act was introduced (Act 4, 1876). The Paurashava institutions were divided into four categories through the Act:

1) The Paurashavas which were formed under the act of 1864 were categorized as first class Paurashava.

2) The Paurashavas institutions which were formed under the act of 1868 were categorized as second class Paurashava.

3) The Paurashavas institutions which were formed under the act of 1856 were categorized as union.

4) The Paurashavas institutions which were formed under the act of 1850 were categorized as station.

At that time the commissioners were selected and appointed by the government, and the magistrate, mohakuma administrator, and medical officer became commissioners by means of their position. The chairman was appointed by the government. The commissioners can be elected against the written application of minimum one-third of the tax payers.

❖ All the first class municipalities were provided the responsibility of cleaning latrines through an act of 1878, and authority of tax assessment for this purpose was provided. The provision of vaccine became mandatory for the municipalities through an act introduced in 1880. Lord Ripon was   in favour of incorporating citizen in local government institutions. During his ruling period, the Bengal Municipal Act 1884 was introduced compiling all the previous acts regarding municipalities. The distinction between first and second class municipalities was eliminated, and unions and stations were relegated from the status of municipality. There was arrangement for electing one chairman, one vice-chairman and two-third of commissioners in the Act. Some of the sources of income were prescribed for the municipalities, such as holding taxes, vehicles, horses and other husbandry, vehicle registration fee, fees on ferry, bridge and roads, water rate, lighting rate, and fee for cleaning latrines. In the following years some revisions were introduced in the Act. The service-oriented responsibilities of the municipalities were expanded through the act of 1896, including garden, library, and maternity centres.

❖ The Bengal Municipality Act 1932 was introduced incorporating and conciliating the act of 1884 and the following amendments. It was   an improved act. But the administration and financial stability of the municipalities were nearly destroyed or collapsed because of a series of events such as World War II, clashes, and partitions of India.

Under the Pakistan regime

❖ There were 118 municipal boards in undivided Bengal in 1947. Among them 52 were situated in east Bengal and 4 were in Sylhet district. In those board three-fourth of commissioners were elected and one-fourth of commissioners were selected. The amendments were brought during

the ruling of coalition government to make the municipal board completely an elected association. But before taking any action regarding this, emergency military rules were introduced in the country.

❖ Under the Basic Democracy Order 1959, union and town committees were formed along with the rural local associations. The town committee were formed in 28 municipalities (the population of which were around 15000 or less according to the census of 1951) among 56 municipal boards. In the remaining 28 municipal boards, municipal committees were formed under the Municipal Administration Ordinance 1960. Union committees were formed in the large city areas. The point to be mentioned is that the members of the union committees and commissioners of town committees were members of Electoral College. A chairman was elected among the members of the commissioners of each union and town committee. There was no post of vice-chairman. Municipal committees were formed with the chairmen of union committees and with the same numbers of government and selected commissioners. In most of the municipal committees the chairmanwas part-time. There was a long list of responsibilities of the municipality committees in the Municipal Administration Ordinance and 26 sources of taxation were prescribed.

After independence

❖ After the independence of Bangladesh, all the local councils were eliminated and administrators were appointed under president order No. 7 of 1972. The name of the poura institutions was changed as belows:

  Union committee = Nagor Panchayet
  Town committee = Shahor Committee
  Municipal committee = Paurashava

❖ The presidential order No. 22 was introduced in 1973, where provisions of appointing chairman and vice-chairman through election were kept, and the Shahor committees were also named as Paurashava.

❖ The Paurashava Ordinance was introduced in 1977. There was no position for vice-chairman. The number of commissioners depends on election areas. But the minimum number of commissioners in a Paurashava was nine. The number of selected women commissioners cannot be more than one tenth of the elected commissioners. The provision of selecting three women commissioners for every Paurashava was introduced through an amendment later on. Later on provisions for Paurashava formation were prescribed separately through the next amendment.

❖ The latest and most organized act is the Local government Government (Paurashava) Act 2009 Today 324 Paurashavas are operated under the Act.

2.1.3. Responsibilities and power of the national government on Paurashava

Paurashava is an urban based local government institution operated by representatives elected by the residents. However, the national government holds a wide range of authority over Paurashava's affairs. It issues various rules and regulations regarding elections and operation of Paurashava (Section 120 and 121 of the Local Government (Paurashava) Act 2009). It also supervises and provides advice on the operation of Paurashavas. The responsibilities and power of the national government over the Paurashavas can be categorized into the following areas:

♦ **Institutional area**

The national government can extend or rearrange the area of the Paurashava (Section 4 of the Local Government (Paurashava) Act). It can abolish a Paurashava if it is found to have failed to meet the conditions of the Act (Section 11 of the Act) or suppress a Paurashava under specified circumstances (Section 49 of the Act). The government also has authority over various personnel matters of Paurashavas. For example, the government appoints an administrator to perform Paurashava's functions until the Paurashava is constituted after elections (Section 42 of the Act). The government can also appoint, transfer, suspend, remove and dismiss the first and second class officers. It can also temporarily terminate or remove Mayor and Councillors under the specified circumstances (Section 31 of the Act).

♦ **Financial area**

The national government has a vast control over the financial issues of the Paurashavas. The Paurashavas have to work in line with the directions of the national government regarding the sources of income, tax assessment, and the utilization of their funds (Section 89 and Section 90 of the Act). Paurashava's annual budget requires sanction of the government (Section 92 of the Act). The Paurashavas need to deposit their fund to the treasury or a bank transacting the business of a treasury or in a government prescribed manner as per the direction of the national government (Section 91 of the Act). There is complete authority of the government on the audit of the Paurashavas (Section 94 of the Act). Besides, the government decides the size and allocation of grant for each Paurashava. It also prescribes various financial procedures/guidelines such as those on account book keeping, fund utilization, and expenditure areas.

♦ **Activities and business of the Paurashava**

The national government holds power over Paurashava's activities in various ways. First of all, it can inspect any documents of Paurashavas as well as depute officers to inspect them or their activities or properties (Section 83 and Section 84 of the Act). If the government finds any unlawful or irregular act or non-performance or insufficient/improper performance of any duty as a result of inspection, it can restrain the act of the Paurashava or gives directions to make appropriate arrangement (Section 88 of the Act).

Secondly, the national government can take the following action if it finds Paurashava's activities or proposed ones incompatible with the Local Government (Paurashava) Act 2009 or against public benefits (Section 86 of the Act):

(a) Cancel the activity;
(b) Implement any project accepted by municipality or adjourn any order which was given;
(c) Restrict implementation of any proposed activity;
(d) Order municipality to take necessary attempts in these cases.

Thirdly, the government can issue various orders and directions for Paurashavas to comply (Section 84 and 87 of the Act).

♦ **Other area**

The government can issues standing order to the Paurashavas on the issues of: relationships

between Paurashava and other local government institutions; coordination of works among different divisions of the government and Paurashava; conditions of financial support for the Paurashava; distribution of financial aid from a Paurashava to another Paurashava or any other local government institutions; and general guidance governmentfor Paurashavas.

2.1.4. Paurashava's relations with government service providers

As per the instruction of Section 95 of the Local Government (Paurashava) Act 2009, Paurashavas can execute the funding, implementation, maintenance and related service activities of a project through the context of environment, development planning, project implementation, maintenance, conduct and management related regulations of other acts, and through the shared contract with any government and non-government institutions to perform the provided duties under the Act.

Some of the important issues regarding Paurashava's relations with government service providers are given in the table below:

Government Institute/ Organization	Particulars of the services/ scope of relation
Local Government Engineering Department (LGED)	Identification, financing, planning, joint implementation with Paurashavas, monitoring, and evaluation of activities to improve the governance system of Paurashavas and Paurashava infrastructure development project; providing training for the capacity development of Paurashavas; and overall technical support for the implementation of projects with Paurashava's own fund including tender evaluation.
Department of Public Health Engineering (DPHE)	Identification, financing, planning, joint implementation with Paurashavas, monitoring, and evaluation of water supply and sanitation projects; and cooperation for capacity development on related issue.
Health Department	Paurashava provides all the services regarding public health including Expanded Programme on Immunization (EPI) jointly with the local administration of the health department.
Local Police Administration	The relation of the police department with Paurashava is very important for ensuring citizen safety and maintaining public discipline [Section 50, sub-section 1(d)]. There are detailed instructions in Section 113 and 114 of the Local Government (Paurashava) Act 2009, for providing support to Paurashavas. There is specific direction in Section 50 [sub-section 2(f)] regarding traffic management planning for better transport management, passenger shade, road light parking place, bus stand and bus stop for pedestrians. If there is any indiscipline during the collection of arrear taxes, Paurashava can request cooperation from the police department (Taxation and Collection Rules 2013 (rule 10, sub-section 5)).
Local District Administration	The mayor of Paurashava plays important role in the district law and order committee and district development coordination committee formed under the leadership of the Deputy Commissioner. Specially through the development coordination committee, Paurashava can request support to initiate joint programs with the organization providing same services

	including avoiding the overlapping (Road and Highway Department, LGED, Public Works Department, DPHE, Water Development Board, Department of Environment, Education Department, Health Department, etc.). Along with this, if there is any dispute arises between a Paurashava and other service providing organizations, which can be solved in the meeting of development coordination committee.

2.1.5. Paurashava's relations with other local government institutions

Under the authority provided by Section 106 of the Local Government (Paurashava) Act 2009, any Paurashava may join any other Paurashava or Paurashavas, or any local parishad or parishads, or any other local authority or authorities, in appointing a Joint Committee for any purpose in which such Paurashavas, parishads or authorities may be jointly interested.

Meanwhile, Horizontal Learning Program have been introduced for skill development through sharing experience among the Paurashavas in different urban development projects implemented through the financial aid of donor agencies. On the other hand Paurashava and Union Parishad can jointly work in issuing license of non-engine vehicles and other common field. Paurashava may jointly work with some other local authorities such as Rajdhani Unnayan Kartripakkha (Capital Development Authority of Bangladesh, RAJUK), Water Supply and Sewerage Authority (WASA), divisional development authority, in specific field such as preparation, implementation of master plan, control of building construction, water supply, etc.

2.1.6. Paurashava's relations with non-governmental organizations and private sector

There are a number of areas in which Paurashava can work with non-governmental organizations (NGOs) and the private sector. Generally Paurashavas involve them only as contractor in construction and maintenance work of infrastructures or lessee that operates Paurashava's property such as market, public toilet, bus-terminal, etc. However, there is scope for more collaboration with them that benefits both Paurashavas and the private sector. For example, operation, maintenance of water supply facilities and fee collection may be outsourced. Some particular services/activities such as collection of solid waste and maintenance of tube-wells and water pumps, and sensitization activities may be provided in cooperation with NGOs.

2.2. The Local Government (Paurashava) Act 2009 and functions of Paurashava

2.2.1. Contents of the Local Government (Paurashava) Act 2009

The performance of Paurashavas became more transparent, certain and specific as a result of introducing the Local Government (Paurashava) Act 2009. The Act is a basic law that introduces provisions for the formation and operation of Paurashavas with the objective of providing public services to the people of urban areas.

The Local Government (Paurashava) Act 2009 is divided into five parts. Each of the parts consists of some chapters. The major contents of each chapter are roughly described in the table below.

Chapter	Description of the major contents
1st Part	
Introduction	Statement and definitions of the terms used in the Act
2nd Part	
1st Chapter - Establishment and Constitution of the Paurashava, etc.	• Formation of a Paurashava • Constitution, term, name and abolishion of Paurashava, classification of Paurashava, Honorarium of the mayor and Councilors.
2nd Chapter - Define Ward Boundary, Electoral Roll, etc.	• Division of Paura area into Wards • Delimitation of Wards • Preparation of voter list
3rd Chapter - Qualifications and Disqualifications of Mayor and Councilors, etc.	Qualifications and disqualifications of the mayor and Councilor
4th Chapter- Election, Electral Dispute, etc.	Election-related provisions regarding election time, procedure to conduct the election, process of election result publication, election tribunal and submission of election petition, election application, appeal resolution, etc.
5th Chapter- Oath Taking, declaration of Property, Removal, etc.	Issues related to elected representatives such as oath taking, declaration of properties, resignation, temporary termination, removal, reappointment rights and responsibilities of Mayor and Councilors, non-confidence proposal, time of absence of Mayor and Councilor, appointment of panel mayor.
6th Chapter- Property of Paurashava and Contract, etc.	• Paurashava's properties and their management • Reponsibility for those properties and contract made by and on behalf of Paurashava
3rd Part	
1st Chapter- Suppression of Paurashava and Re-Election	The government's right to suppress Paurashava
2nd Chapter- Responsibility and Function of Paurashava, Committees, etc.	Responsibilities and functions of Paurashava including services, administrative responsibilities such as publishing annual report and citizen charter, use of advanced technology and good governance, formation of standing committees, preparation and reservation of

	records, etc.
3rd Chapter- Executive Power and Conduct of Business	• Authority to execute Paurashava's operation • Conduct of meetings of Paurashava including documentation of meeting minutes. • Citizen's right to be present in meetings of Paurashava.
4th Chapter- Officers and Employees of Paurashava, Provident Fund, etc.	• Issues related to officers and employees including their appointment/employment, the government's authority to appoint, suspend, dismiss, remove or punish them, provident fund, etc.Relations between elected representatives and officers / employees
5th Chapter - Registration of Tutorial School, Coaching Center, Private Hospital, etc.	Provisions regarding registration of and fee collection from tutorial schools, coaching centres, private hospitals, etc.
4th Part	
1st Chapter - Call for Records, Inspection, etc.	The government's right to exercise power over Paurashava including the power to call for records, inspectect Paurashava or its activities, give orders, and provide directions.
2nd Chapter- Financial Management, Budget and Accounts	Matters related to the financial activities of the Paurashava such as sources of fund, expenditures, cash management, budget preparation, accounts keeping, and audit.
3rd Chapter- Infrastructural Services	Execution of infrastructure-related projects and contracts
4th Chapter- Paurashava Taxation	Issues regarding taxation including enfoement, model tax schedule, the government's directions, liabilities on taxation, tax collection and recovery, etc.
5th Chapter- Other Local Authorities, Offences and Punishment	• Joint committee with other local authorities • Resolution of disputes between Paurashavas or between Paurashava and other local government institutions • Issues regarding offences and punishment
6th Chapter- Right to Information	Citizens' right to know information of Paurashava and classified records
5th Part	
1st Chapter- law and discipline	• Support from Police to Paurashava • Appointment of Paura Police
2nd Chapter- Miscellaneous	Different issues regarding the operations of the Paurashava activities including the followings: • Formation of a committee for dialogue with the people; • Establishment and administration of training institutes for Paurashava; • Procedures to deal with encroachment; • Issues regarding appeal against orders, rules or by-laws passed by Paurashava; • Standing orders related to Paurashava the government may issue;

	• The government's power to set rules and regulations; • Paurashava's power to formulate by-laws; • Delegation of power from the government to Divisional Commissioner; • Permissions and sanctions of Paurashava.
3rd Chapter- Transitional and temporary provisions	Temporary provisions until the Act comes into effect

Some details in reference to specific sections or sub-sections are described in the below-mentioned eight schedules attached to the Act:

- ✧ 1st Schedule – Oath / Declaration
  A format for oath is provided in this schedule in reference to Section 27 of the Act "Oath or Announcement".
- ✧ 2nd Schedule - Detailed functions o the Paurashava
  64 detailed functions of Paurashavas are described in this schedule in reference to Section 50 to 71 regarding responsibilities and functions of Paurashava and its operation. The areas of activities are: public health; water supply and drainage; food and beverage; animals; town planning; building control; streets; public safety; tree, parks, gardens and forests; education and culture; social welfare; and development.
- ✧ 3rd Schedule – Taxes, rates, tolls, fees which may be levied by Paurashava and other sources
  Taxes, rates, tolls and fees that Paurashava can levy are listed in this schedule in reference to Section 98 "Municipal Taxation".
- ✧ 4th Schedule- Offences under this Act
  Acts or negligence which is regarded as offense are listed in reference to Section 108 "Offences".
- ✧ 5th Scheudle – Activities of the Paura Police
  Duties of Paura Police are described in reference to Section 113 "Support from Police to Paurashava" and Section 114 "Appointment of Paura Police".
- ✧ 6th Schedule – Issues on which rules to be implemented
  It describes matters on which the government may introduce rules in addition to election-related rules in reference to Section 120 "Power to Make Rules" of the Act.
- ✧ 7th Schedule – Issues on which regulations to be implemented
  It describes matters on which the government may introduce regulations in reference to Section 121 "Power to Make Regulations".
- ✧ 8th Schedule – Issues on which by laws to be implemented
  It describes matters on which Paurashava may introduce by-laws in reference to Section 122 "Power to Make By-laws".

2.2.2. Important sections of the Local Government (Paurashava) Act 2009

There are a total of 131 sections in the Local Government (Paurashava) Act 2009. Among them some of the important sections are discussed below in brief:

Establishment, declaration and duration of the Paurashava

The government can express intention to declare any rural area to city area by notification through

gazette analyzing the necessary issues. As per Section 4 of the Act, the government may form Paurashava with combination of other urban areas, except cantonment area. The government may decrease, increase and can make any other type of change or correction of the boarder of the Paurashava as per the same section of the Act. As per Section 6 and 7 of the Act, a Paurashava shall be constituted with Mayor, Councilors, which are the same number as the government defined ward numbers, and female Councilors in a defined number of seats reserved for female which is a third of the defined number of Councilors of the Paurashava. Female Councilors for reserved seats will be elected by the direct vote of the adult members of the area.

As per Section 8 of the Act, the term of a Paurashava shall be a period of five years commencing on the day of its first meeting after its constitution but it is under condition that notwithstanding the expiration of its term a Paurashava shall continue to function until the first meeting of the new Paurashava constituted to succeed it. As per Section 9 of the Act, generally Paurashava shall be named as it locality and the Paurashava cannot be named according to any body's name.

Activities regarding defining ward boundary and election
For the purpose of election of commissioners the Paurashava shall be divided into such number of wards as the government may determine under Section 13. With approval from Paurashava as per Section 14, every ward can form ward committee with persons no more than ten, and elected ward Councilor shall be the chairman of that committee. 40% of the members shall be female, but Paurashava can take necessary decision after considering activities of the ward to make it more effective. The elected Councilor of the concerned ward will be the chair of each ward committee. As per Secction 19 of the Act, a person shall has attained the age of twenty-five years and his or her name appears on the electoral roll for any ward in the Paurashava will be qualified to be elected as, and to be, a mayor or a Councilor.

Oath taking, moral and legal obligations and positions of the mayor and Councilors
As per Section 27 of the Act, Mayor or Councilors shall, within specific period before taking charge, make an oath or announcement. Afterwards he will sign in oath script. The government or government nominated authority will make oath or announcement to mayor and Councilors within thirty days of publishing their name by gazette.

A Councilor may resign his office by notice in written addressed to the mayor as per Section 30, and the resignation will be effective immediately after receiving the resignation paper by mayor. A mayor may resign his office by notice in written addressed to prescribed authority by the government, and a transcript of this should be sent to secretary or, in cases, Chief Executive Officer. A resignation under this section shall become effective and the office concerned shall become vacant, on the date on which the notice of resignation is received by the addressee. Secretary or, in cases, Chief Executive Officer will inform Paurashava, election commission and government about the resignation

As per Section 31, when activities to remove mayor or Councilor has started or complain of criminal case against him/her has accepted by the court, if appliance power of mayor or Councilor seems against interest of Paurashava or it is indiscreet from administration point view by consideration of prescribed authority, the government can temporary terminate mayor or Councilor by written order. An

as per Section 32 of the same Act, The Mayor and Councilor shall render himself liable to removal from his office if he, a) without reasonable excuse, absents himself from three consecutive meetings of the Paurashava; b) he is involves any anti-state activity or punished by court for crime relating moral turpitude; c) he refuses to perform or becomes physical or mental disabled from performing his functions; d) he is guilty of misconduct or misappropriation of power; e) after election, if it is proved that he was disqualified for participate the election according to Section 19 (2); f)he, without reasonable excuse, absents himself from nine meetings within annual 12 meetings of the Paurashava; g) he, did not submit account of election expenses or within six months of the submission it is prove that the submitted account is untruth. A Paurashava may grant leave of absence to its mayor or Councilor for any period not exceeding three months in any one year under Section 39. As per Section 40, within one month of the first meeting held after the constitution of a Paurashava, a panel of three mayors shall be elected, in order of preference, by the Councilors from amongst themselves. But it is conditioned that one Councilor amongst this panel of three mayors shall be Councilor from reserve seat.

Property of the Paurashava, contract, etc.

Section 44 of the Act, a Paurashava may introduce regulations to manage, maintain, inspect, develop or improve any property which is owned by or vests in it or which is placed under its charge. As per Section 45, if Paurashava need to acquire land nearby road it can acquire that piece of land after taking approval from government and following related rules. As per Section 46, Paurashava may mange its property through following methods, namely: movable property can provide lease or sale by open competition according to decision of Paurashava and immovable property can be use by lease or rent following same process. Paurashava can sale or handover any property with pre-order from the government, but have to be sure about that, Paurashava will be benefitted at this and the property shall not come in any need in fulfilling any aims, duty and responsibility of this Act. Any movable property get from government or any department of government or institute can be sale with pre-order from government.

As per Section 48, all contracts made by or on behalf of a Paurashava shall be in writing and expressed to be made in the name of the Paurashava; executed in such manner as may be prescribed; and reported to the Paurashava by the mayor at the meeting next following the execution of the contract.

Suppression of Paurashava

As per Section 49 of the Act, the government can declare suppression on any Paurashava by gazette notification for following causes, namely: (a) failed to approve next year's budget before ending current year. (b) 75% Councilors of the Paurashava resign (c) 75% Councilors are removed from his office due to disqualification under this Act; and (d) failed to collect 75% of annual defined taxes, rates, tolls or fees levied without acceptable causes.

Responsibility and Function of Paurashava:

The functions and activities of Paurashavas are described in Section 50 of the Local Government (Paurashava) Act 2009, and in Section 51 functions provided by the government are mentioned. Along with this, as per Section 52 and 53, each Paurashava formed under the Act shall publish details

of different services, conditions to provide service and to provide service in prescribed time which shall be named as "Citizen Charter". A per Section 55, 10 standing committees shall be formed through regulations during the first Paurashava meeting or work proceedings of any onward meetings and after defining two and half hours tenure. As per Section 57, if any expert person or any citizen or citizens express interest to be present in any meeting, Paurashava or standing committee or other any committee can permit him to be present and he can raise his opinion. Committee can take decision or suggestion according his opinion.

As per Section 58 of the Act, members cannot take part in any meeting where they have behavior or finance related involvement of his own as a member of standing committee or any committee. Discussion and decision of any meeting of Paurashava or any committee should be written and preserved with signature of every member and the written documents should be signed by mayor or chairman. Along with this, as per Section 59, to ensure development activities and other issues with engaging peoples of respective Paurashava area one or more committee shall be formed, which formation and activities will be guided by the rules, and as per Section 60, the government can regulate relating issues regarding engineering planning, proposal, approval process and implementation functioned by Paurashava.

Executive Power administrative activities and performance
As per Section 62 of the Act, the executive powers of a Paurashava shall vest in and be exercised by its Mayor, Councilors or through other officer. The proposal to vesting executive powers according to sub-section (2) to speed up Paurashava's regular services shall be approved by the Paurashava and Paurashava keep the right to bring any change there. It shall be finalized by a special meeting. Through Section 63 of the Act, Paurashava shall conduct at least one meeting per month and the meeting shall be presided by mayor or, in cases, panel mayor. Generally the meeting of the Paurashava shall call by mayor or in his absence, by the Panel mayor. The quorum shall be form with presence of 50% of Councilors. If there is no opposite in the Act regarding the discussed issue, decision will be taken according to the vote of majority and chairman of the meeting will inform clearly regarding the decision is accepted or not according to the vote of majority. As per Section 68, of this Act, any Councilor shall be entitled to know any important information regarding Paurashava development activity and administration and to collect the defined information he will send notice to secretary or, in cases, chief Executive officer before not less than 24 hours of meeting held. As per Section 69 of this Act, Paurashava shall conduct at least one meeting per month and the meeting shall be presided by mayor or, in cases, panel mayor.   Generally the meeting of the Paurashava shall call by mayor or in his absence, by the Panel mayor. The quorum shall be form with presence of 50% of Councilors.

Officers and Employees of Paurashava
As per Section 73 of the Act, the specified authority may, on the prescribed terms and conditions, appoint a secretary and one or more principal officers for a Paurashava who shall perform such functions as are assigned to them in relation to such Paurashava by or under this Act. A Paurashava may, and if so required by the specified authority shall, on the prescribed terms and conditions, appoint such other employees as are deemed necessary for the efficient performance of its functions under the Act. As per Section 74 of the Act, there shall be a Chief Executive Officer for such

Paurashava as the government may direct. The Chief Executive Officer shall be appointed by the government, on such terms and conditions as may be prescribed. As per Section 75 of the Act, under prescribed condition to conduct general or special charges of the Paurashava government can appoint officers or employees to Paurashava for a certain period; those transferred staff will perform under general supervision of the Paurashava.

Power to Call for Records
As per Section 83 of the Local Government (Paurashava) Act 2009, The government, at any time from the Paurashava authority may call for any record or any other documents; Correspondence, plan, proposal, written speech, accounts or statistics; any other report; and Paurashava is bound to obey this order, and as per Section 86 of the same Act, if government thinks that any activities performed or proposed to perform by any Paurashava or any party behalf of Paurashava is not incompatible with Act or is against of public benefit, then prescribed authority may: cancel the activity; implement any project accepted by Paurashava or adjourn any order which was given; restrict implementation of any proposed activity; or order Paurashava to take necessary attempts in these cases.

Financial management, budget and accounts
As per Section 89 of the Act, there shall be a fund for the respective Paurashava which shall be known as the Paurashava fund, and in Section 90 of this act, the expenditures charged on the Paurashava fund have been mentioned. As per Section 91 of the same Act, the moneys credited to a Paurashava fund shall be kept in a government treasury, or in a bank transacting the business of a government treasury or in such other manner as may be specified by the government from time to time. A Paurashava may invest any portion of its fund in such manner as may be prescribed. A Paurashava may, and if required by the government shall, establish and maintain a separate fund for any special purpose, which shall be administered and regulated in such manner as prescribed.

As per Section 92, every Paurashava shall, in the prescribed manner, prepare and sanction, before the commencement of each financial year, a statement of its estimated receipts and expenditure for that year, hereinafter referred to as the budget, and forward a copy there of to be Prescribed Authority. As per Section 93, Accounts of the receipts and expenditure of the Paurashava shall be kept in the prescribed manner. As per Section 94, the accounts of the Paurashava shall be audited by any authority from panel which is approved by capable audit authority.

Infrastructural Services
As per Section 95 of the Act, whatever existing in this Act, the Paurashava can execute the funding, implementation, maintenance and conduct related service activities of a project through the context of environment, development planning, project implementation, maintenance, conduct and management related regulations of other acts, and through the shared contract with any government and non-government institutions to perform the provided duties under this act. As per Secction 97, in favor of Paurashava citizens, the Paurashava may seize below mentioned two methods to implement such projects that are related with Paurashava environmental infrastructures such as: water supply, water management and sanitation, waste management, roads and industrial infrastructure through own fund of the Paurashava; or through shared contracts with government or non-government.

Paurashava Taxation

As per Section 98 of the Act, the Paurashava, with the previous sanction of the government, may levy, in the prescribed manner, all or any of the taxes, rates, fesses, tolls, and fees mentioned in the Third Schedule. But it is conditioned that Paurashava will take government approval for new taxation. As per Section 100, the government may frame model tax schedules, and the taxation in model shall be sample for all Paurashava. As per Section 103, all taxes, rates, tolls and fees levied under this Act shall be collected in the prescribed manner.

Right to Information of the citizen

As per Section 112 of the Local Government (Paurashava) Act 2009, every citizen of Bangladesh has the right to know any information of Paurashava according to describe method under the rules of current Act.

Law and discipline and security

As per Section 113 of the Local Government (Paurashava) Act 2009, Officer in charge and other subordinate officer and staff in Paurashava area. As per Section 114, the government may appoint Paurashava police through gazette declaration, and their appointment, training, discipline and other condition of service shall be controlled with rules and government shall appoint a capable officer through deputation operate them.

2.2.3. Functions of Paurashava

In Section 50, 51, 52 and 53 of the Local Government (Paurashava) Act 2009, the duties and responsibilities of the Paurashava have been mentioned, and in Section 50 to 71 of the second schedule of the Act, the mandatory and optional functions of the Paurashava have been mentioned in detail. As per the second schedule of the Act, the fucntions of Paurashavas areas below.

Sub-sector	Related functions of Paurasahava
Public Health	**Mandatory functions:** waste removal and ; provision and maintenance of public toilet and regulation of private latrines; birth, death and marriage registration; prevention and control of infectious diseases **Optional functions:** Necessary steps to ensure public health, regulation of insanitary buildings; waste and management; promotion of public health; establishment and maintenance of hospitals/dispensaries; provision of medical aid, medical education, etc.
Water Supply and Drainage	**Mandatory functions:** water supply; regulation of private water sources; construction and maintenance of public drains; securing of bathing and washing places; management and operation of public ferries **Optional Functions**: execution of water supply schemes; regulation of private drains; execution of drainage schemes; provision and regulation of dhopi ghats for washer men; declaration, utilization and regulation of public watercourse; licensing of vessels; declearation and regulation on fisheries

Food and Beverage	**Mandatory functions:** establishment, maintenance and development of public markets; licensing and regulation of private markets; provision and maintenance of slaughter houses. **Optional Functions:** Regulation of manufacture, sale and preparation of food and beverages; execution of milk supply schemes;
Animal	**Optional Functions**: establishment and maintenance of veterinary hospitals; provision of vaccines for prevention of infectious diseases; control of strayed animals; establishment and maintenance of cattle pounds; establishment and maintenance of animal homes; establishment and maintenance of cattle farms and poultry farms; registration of cattle sales; execution of livestock schemes; control of dangerous animals; holding of cattle shows and fairs; maintenance or contribution to zoological gardens; establishment and maintenance of zoo.
Town Planning	**Mandatory functions:** Formulation of a master plan; **Optional Functions:** Inspection and control of execution of site development schemes.
Building Control	**Mandatory functions:** Sanction of site plans and building plans; inspection of completed buildings. **Optional Functions**: regulation of buildings.
Streets	**Mandatory functions:** Provision and maintenance of public streets; execution of a road maintenance and development programme; sanction of development of new streets; lighting of public streets; control and regulation of traffic; licensing of vehicles; setting of the rate of fares for the use of public vehicles. **Optional Functions:** assignment of naming, numbering and providing holding number of street; execution of street lighting schemes; watering of public streets.
Public Safety*	**Mandatory functions** (Functions prescribed for civil defense of the municipality): provision of boats with other necessary equipment for flood fighting; execution of a scheme providing for the prohibition of dangerous and offensive trades; provision, maintenance and administration of graveyard and cremation ground; registration of burial and cremation ground.
Trees, Parks, Gardens and Forests	**Mandatory functions:** Plantation and protection of trees on public streets and other public places; execution of a garden development plan for each garden; provision and maintenance of open spaces; regulation on use of open space. **Optional Functions:** execution of an arboriculture plan; building, maintenance and administration of public gardens execution of forest plans; destruction of pests of trees and plants; clearance of noxious vegetation or undergrowth; felling and trimming of harmful trees; excavation/re-excavation of tanks and reclamation of low lying areas.
Education and Culture	**Mandatory functions:** Maintenance of educational institutions (as may be required by the prescribed authority); enforcement of compulsory education; **Optional Functions:** Initiation of establishment of educational institutions if needed; financial contributions to private educational institutions; provision of scholarships; provision of training for teachers; promotion of adult education; maintenance of depots for sales of school books and stationary; promotion of educational society; establishment and maintenance of information centres for civic education; establishment of museums and art

	galleries; establishment and maintenance of public halls and community centres; celebration of religious festivals, independence day and other national holidays: provision for the reception of distinguished visitors; promotion of physical culture and encouragement of public games and sports; promotion of tours to the municipality; preservation of historical places; provision of recreation facilities; provision of public library as well as mobile library
Social welfare	**Optional Functions:** Establishment and maintenance of welfare institutions; provision of burial and burning of paupers; prevention of beggary, prostitution, gambling, taking of illicit drugs alcoholic liquor, juvenile delinquency and other social evils; organizing social service volunteers; promotion of the welfare of women, child and backward classes; promotion of social development and social welfare.
Development	**Optional Functions:** Implementation of development plans; implementation of community development planning; investment in commercial enterprise.

Chapter 3   Workings of Paurashava Administration

3.1. Administrative structure of Paurashava and responsibilities of elected representatives and officers

3.1.1. Paurashava as an administrative unit

Each Paurashava of Bangladesh is considered as a single administrative unit as per the chapter 59(1) of the constitution of the People's Republic of Bangladesh [Section 5 of the Local Government (Paurashava) Act 2009]. As per Section 4 of the Act, Paurashava is a constitutional institute, having perpetual succession and a common seal, with power, subject to the provisions of this Act and the rules, to acquire, hold and handover property both movable and immovable, and shall by its name sue and be sued.

3.1.2. Administrative structure of Paurashava
Formation of the Paurashava

As soon as may be after the commencement of Local Government (Paurashava) Act 2009, there shall be constituted, in accordance with the provisions of this Act, a Paurashava (Section 6, sub-section 1). Paurashava shall be formed with composition of following persons, namely:

Mayor	1 Person
Councilors	1 Person from each ward
Female Councilors	1 person from reserved seat of three wards

The Mayor and Councilors shall be directly elected by adult voters (Section 6, sub-section 3) and Mayor of the Paurashava will be counted as a Councilor of the Paurashava (Section 6, sub-section 4). The council of the Paurashava shall be formed with the combination of the Mayor and Councilors and responsibilities, activities and benefits of the Mayor and Councilors are defined under rules (Section 6, sub-section 5).

Organizational structure of the Paurashava

At present there are three categories (A, B and C) of Paurashavas. The government can classify Paurashavas according to a specific standard. There shall be constituted a Paurashava Service in such manner and subject to such conditions as may be prescribed for proper functioning of the officers and staff of the administrative, infrastructure and service (Section 10). The government may from time to time specify the posts in Paurashavas which shall be filled by persons belonging to the Paurashava Service (Section 72).

There are specific organogram for each category of Paurashavas prescribed by the government. There may be difference in number and position of manpower based on division or department in category based organogram, but the division and department for all the category are same. Point to be mentioned that, each of the Paurashava can specify and appoint the required number of manpower within the limit prescribed for the category of that Paurashava based on the necessity. The outline of the Paurashava organogram prescribed by the government for all categories of Paurashava is as below:

Organizational structure of Paurashava

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                              ┌─────────┐
                              │  Mayor  │
                              └────┬────┘
                        ┌──────────────────────┐
                        │ Chief Executive Officer│
                        └──────────┬────────────┘
        ┌──────────────────────────┼──────────────────────────┐
┌──────────────────┐   ┌────────────────────────┐   ┌──────────────────────────┐
│ Engineering      │   │ Administrative division│   │ Health, family planning &│
│ division         │   │                        │   │ conservancy division     │
└───────┬──────────┘   └───────────┬────────────┘   └────────────┬─────────────┘
   ┌────────────┐                                          ┌──────────────┐
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| Water supply & sanitation department | Civil, electricity & mechanical department | | | Conservancy department | Health, family planning department |

| General section | Accounts section | Assessment section | Tax collection/ license section | Market section | Education, culture & library section |
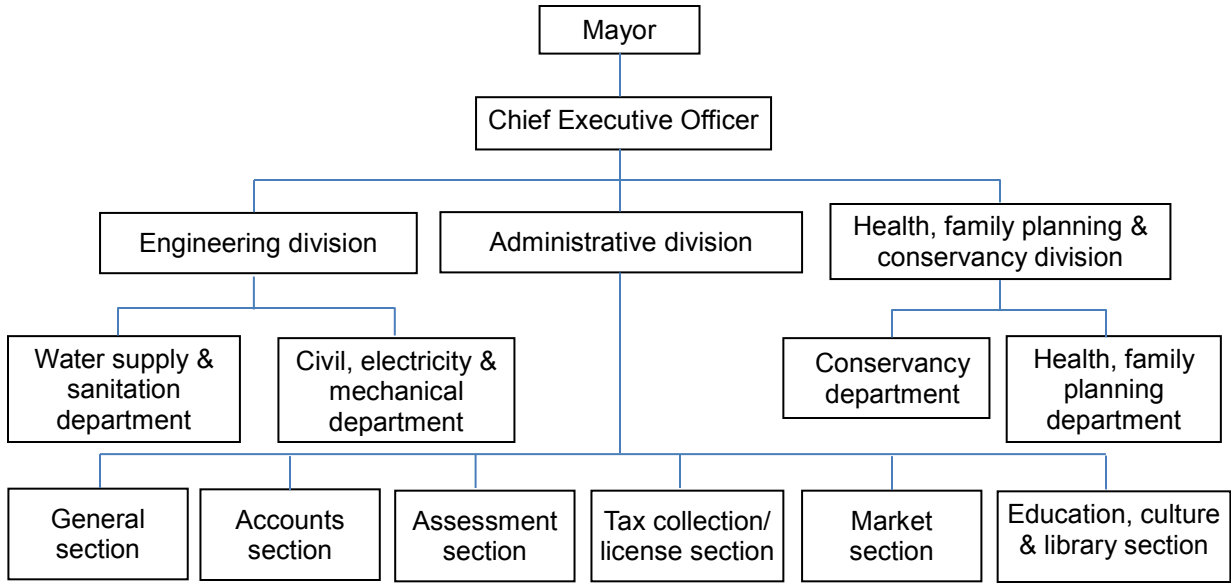
The number of officers and staff for each of the post is mentioned in the prescribed organogram of the Paurashava. The number of officers and staff for each of the post as per the organogram has been presented in the table below.

Class of the Paurashava	Total number of officers and staff	Engineering division	Administrative division	Health, family planning & conservancy division
A class	155	68	54	33
B class	89	32	35	22
C class	69	27	26	16

There is the post of Chief Executive Officer in every Paurashava, and the government appoints them on deputation. Along with this there are options in the Paurashava to appoint pump operator, guard, teacher, staff, librarian, sweeper (contact based), etc.

3.1.3. Rights, obligation and benefits of the Mayor and Councilors of Paurashava
Rights and obligations of the Mayor and Councilors
As per Section 77 of the Local Government (Paurashava) Act 2009 and other concerned rules and regulations, the Mayor and each of the Councilors have the right to take part in the decision making process of the Paurashava in the meeting of the Paurashava council. Along with this, each of the members of the council in prescribed method can raise question or ask for explanation to the Mayor or chairman of concerned standing committee, Mayor of the Paurashava can draw attention of the Paurashava or concerned authority on limitation of any of the work or project under implementation by the Paurashava or any other authority, will operates the activities of the Paurashava in public interest and will be responsible jointly to the Paurashava council. Along with this, the executive powers of a Paurashava shall extend to the doing of all acts necessary for the due discharge of its functions under

Section 62 of the Act, and the executive powers of a Paurashava shall vest in and be exercised by its Mayor, Councilors or through other officer.

Resignation, Temporary Termination, and Removal of Mayor and Councilors
There are specific rules regarding Resignation, Temporary Termination, and Removal of Mayor and Councilors of the Paurashava in Local Government (Paurashava) Act 2009, which have been discussed below;

◇ **Resignation of Mayor and Councilors**
As per Section 30 of the Local Government (Paurashava) Act 2009, a Councilor may resign his office by notice in written addressed to the Mayor and the resignation will be effective immediately after receiving the resignation paper by Mayor. A Mayor may resign his office by notice in written addressed to the Prescribed Authority by government, and a transcript of this should be sent to secretary or, in cases, Chief Executive Officer. A resignation under this section shall become effective and the office concerned shall become vacant, on the date on which the notice of resignation is received by the addressee. Secretary or, in cases, Chief Executive Officer will inform Paurashava, election commission and government about the resignation within 3 days.

◇ **Temporary Termination of Mayor and Councilors**
As per the sub-section 1 of Section 31 of the Local Government (Paurashava) Act 2009, When activities to remove Mayor or Councilor has started or complain of criminal case against him/her has accepted by the court, if appliance power of Mayor or Councilor seems against interest of Paurashava or it is indiscreet from administration point view by consideration of prescribed authority government can temporary terminate Mayor or Councilor by written order. If temporary termination orders according to sub-section (1) issued, within 30 days of getting the order the temporary terminated Mayor will hand over his charge to any member of panel mayor according to seniority. The acting mayor will be in charge until the trail against him/her is over or if the Mayor is permanently terminated until new Mayor is elected. If temporary termination orders according to sub-section (1) issued against any Councilor, according to decision of Paurashava council any Councilor will be in charge until the trail against him/her is over or if the Councilor is permanently terminated until new Councilor is elected.

◇ **Removal of Mayor and Councilors**
As per the Section 32 of the Local Government (Paurashava) Act 2009, The Mayor and Councilor shall render himself liable to removal from his office if-
  a) S/he, without reasonable excuse, absents himself from three consecutive meetings of the Paurashava;
  b) S/he is involves any anti-state activity or punished by court for crime relating moral turpitude.
  c) S/he refuses to perform or becomes physical or mental disabled from performing his functions;
  d) S/he is guilty of misconduct or misappropriation of power;
  e) after election, if it is proved that he was disqualified for participate the election according to section 19(2);
  f) S/he, without reasonable excuse, absents himself from nine meetings within annual 12 meetings of the Paurashava;

g) S/he, did not submit account of election expenses or within six months of the submission it is prove that the submitted account is untruth.

✧ **Non-Confidence Proposal against the Mayor and Councilors**
As per the Section 32 (sub-section 1) of the Local Government (Paurashava) Act 2009, proposal of non-confidence can bring to remove any Councilor or Mayor from his position for without prejudice this Act or serious misconduct or being not capable physically or mentally. But Until six months of receiving charge, no notice of non-confidence can be called against Mayor or Councilor [Section 38 (sub-section 14]. The details are explained regarding non-confidence proposal in the sub-section 2-13 of the Section.

Financial benefit of the Mayor and Councilors of the Paurashava
The Mayor and Councilors of Paurashava is entitled to financial benefit/ allowance on monthly basis in below mentioned rate as per the provision of the Section 6 of the Benefit, duties and responsibilities (allowance of the Mayor and Councilor) Rules 2010.

Category of Paurashava	Mayor	Councilors
Special and A category	20,000/- (twenty thousand)	5,000/- (Five thousand)
B category	15,000/- (fifteen thousand)	4,000/- (Four thousand)
C category	12,000/- (twelve thousand)	3,000/- (three thousand)

Executive Power and Conduct of activities
As per the Section 62 of the Local Government (Paurashava) Act 2009, the executive powers of a Paurashava shall extend to the doing of all acts necessary for the due discharge of its functions. The executive powers of a Paurashava shall vest in and be exercised by its Mayor, Councilors or through other officer. All acts of shall be expressed to be taken in the name of the Paurashava. The proposal to vesting executive powers according to sub-section (2) of Section 62 to speed up Paurashava's regular services shall be approved by the Paurashava and Paurashava keep the right to bring any change there. It shall be finalized by a special meeting.

3.1.4. Duties and responsibilities of Mayor and Councilors
The government has introduced Special Benefit, Duties and Responsibilities (allowance of the Mayor and Councilors) Rules 2010 in line with the authority provided under Section 120 of the Local Government (Paurashava) Act 2009. This rules prescribed and specified the duties and responsibilities of the Mayor and Councilors, which are as below;

Duties and responsibilities of the Mayor (rule- 3)
1) Operate the routine work of the Paurashava;
2) Preside over all the meetings of the Paurashava and take proper initiatives to implement the decisions made in that meetings;
3) Monitor the officers and staff of the Paurashava;
4) Appoint, transfer, punish, and suspend the officers and staff who are not included in the local council service rules within the pay scales approved by the Paurashava with permission of the government, except the officers employed by the government;

5) Take steps for preparing proposal and projects regarding activities of the Paurashava on behalf of the council;
6) Preserve all the information regarding Paurashava;
7) Sign all the contact on behalf of the Paurashava in line with the Section 48 of the Local Government (Paurashava) Act 2009, and to take necessary initiatives as per the Section;
8) Assess and collect of the entire taxes, rates, fees, donations, and other receivables, on different business and profession under the Section 98 of the Local Government (Paurashava) Act 2009;
9) Issue regarding the resolving of the conflicts under Section 110 of the forth schedule of the Local Government (Paurashava) Act 2009;
10) File case on behalf of the Paurashava and necessary initiatives to operate that case;
11) Evaluate and monitor the ongoing, implemented and to implement activities under the second schedule of the Local Government (Paurashava) Act 2009;
12) Perform any other responsibility provided by the rules;
13) Any other responsibilities provided by the government under Section 51 of the Local Government (Paurashava) Act 2009.

Duties and responsibilities of the Councilors (general) (rule- 4)
1) Shoulder the responsibilities of president or member in different committees provided by the Paurashava, and take initiative to implement the decision made in that committees;
2) Responsible as panel Mayor in absence of the Mayor as per the priority list under the Section 40 of the Local Government (Paurashava) Act 2009.
3) Recommend or request the Paurashava to initiate as proposal for the below mentioned activities under the second schedule of the Local Government (Paurashava) Act 2009;
   a) Motivate the people for the expansion of education, and to assist in such programs for the expansion of education;
   b) Monitor the activities of the secondary education, madrasa and educational activities to improve the quality of education and assist them;
   c) Create public awareness to resist terrorism, fundamentalism, thrift, robbery, smuggling, drug trading etc. crimes and initiative on different issues regarding public safety;
   d) Initiate social plantation and other programs for environment preservation and development;
   e) Assist for vast expansion of youth, sports, cultural and social welfare activities;
   f) Initiate activities regarding improvement of agriculture and forest resources; and
   g) Take initiative to implement any other responsibilities provided by the government or by the Paurashava.

Duties and responsibilities of the Councilors (reserved) (rule- 5)
1) Shoulder the responsibilities of president or member in different committees provided by the Paurashava, and take initiative to implement the decision made in that committees;
2) Responsible as panel Mayor in absence of the Mayor as per the priority list under the Section 40 of the Local Government (Paurashava) Act 2009.
3) Recommend or request the Paurashava to initiate as proposal for the below mentioned activities under the second schedule of the Local Government (Paurashava) Act 2009;

a) Health, nutrition, family planning and mother care services;
b) Improvement of sanitation and sewerage system and regarding supply of pure drinking water;
c) Tasks for improving the overall condition of women and children and to provide necessary assistance and to implement;
d) Initiation of projects establishment and expansion of the small and cottage industries;
e) Creation of self-employment and own program for poverty reduction, implementation and providing support to the government to implement the programs regarding that;
f) Creation of awareness for the prevention of violence against women and children, dowry and child marriage;
g) Initiation and implementation of the project for the improvement of livestock and fisheries resources;
h) Monitoring of the activities of the cooperative associations and social welfare organizations and establish coordination among the tasks of them;
i) Identification of the tasks to do for the implementation of the social welfare and pro-people activities and participation to that;
j) Initiative to implement any other responsibilities provided by the government or by the Paurashava.

3.1.5. Appointment, transfer and termination of the officers and staff of Paurashava

The required number of officers and staff can be appoint for the proper implementation of the activities provided under Section 72, 73 and 74 of the Local Government (Paurashava) Act 2009, and can be transferred and terminated as per the service rules. In this regard Paurashava Employees' Services Rules 1992 the officers and staff is yet active, which shall have to be followed.

Chief Executive Officer of Paurashava

As per the sub-section 1 of Section 74 of Local Government (Paurashava) Act 2009, notwithstanding anything contained in Section 72, there shall be a Chief Executive Officer (CEO) for such Paurashava as the government may direct, and as per the sub-section 3, all other officers and employees of the Paurashava shall be subordinate to him.

Point to be mentioned that, the job description for any post shall be specified based on the existing activities of the Paurashava, and it may be changed and revised based on necessity. The Local Government Division have prepared and distributed the job description of the officers and staff of the Paurashava in 2005, which is very much helpful for preparing the job description of the officers and staff of the Paurashava in line with the existing activities of that Paurashava. In that job description, the duties and responsibilities of officers and staff including three division have been mentioned. The duties and responsibilities of the Chief Executive Officer is describes below in line with that job description.

The duties and responsibilities of Chief Executive Officer (CEO)
1) Work as the chief officer of the Paurashava with other officers under his supervision.
2) Prepare the secret reports of all officer and staff of the Paurashava subordinate to him, and submit to the Mayor for cross signature.

3) The entire financial transactions regarding salary and allowances of the officers and staff are submitted to the Mayor through him.

4) Monitor the activities of different divisions. CEO can issue administrative orders to take necessary initiatives.

5) Responsible for preserving all the documents of the Paurashava. Arrange to preserve all the minutes of the meetings of the Paurashava council and sub-committees.

6) Work as a member in the committees, where Mayor is responsible as recruiting authority.

7) Serve as the chairman of all the tender committee of the Paurashava but not invite any tender without approval of the Mayor. Submit to the Mayor for approval after examining the tenders.

8) All documents of the Paurashava are submitted to the Mayor through CEO.

9) Recommend leave of the officers and staff of the Paurashava, and approve leave with recommendations of the secretary.

10) Paurashava approves application for building offices or houses in the Paurashava area with the recommendation of CEO.

11) Participate and express opinion in any of the meetings of the Paurashava. Provide speeches and explanations in the meetings of the Paurashava with approval of the Mayor. But CEO cannot participate in voting.

12) Maintain the daily activities of the Paurashava in the absence of the Mayor, and spend any expenditure with approval of the Paurashava.

13) Implement any authority provided by the Mayor.

14) Arrange to preserve all the records and documents of the Paurashava through the head of the divisions.

15) Invite the monthly coordination meeting of the Paurashava and evaluate the progress of the task of various divisions.

16) Remove all illegal occupiers from the land of the Paurashava with the approval of the government, and apply the magistracy power to removal, traffic control, attachment and sale of assets, implementation of the Local Government (Paurashava) Act 2009, etc.

17) Take initiatives to preserve development plan for all the development works of the Paurashava and maintain all the assets, and ensure all the planning, implementation, monitoring, evaluation and official tasks of the Paurashava. Inspect all the development works under implementation by the Paurashava and take necessary initiatives.

18) The heads of the divisions directly report to CEO.

19) Jointly sign with the Mayor of the Paurashava in all the financial transactions of the Paurashava.

20) Assist the Paurashava council in preparation of the annual budget.

21) Shoulder any of the responsibilities provided by the government.

The professional administrative officers and staff of the Paurashava perform their responsibilities in three divisions under the direct supervision of the Mayor of the Paurashava. The government already initiated the Paurashava Service Rule 2012 in accordance with Section 70 of the Local Government

(Paurashava) Act 2009. In the rule 10 of that Rules it has been mentioned that, The Paurashava can distribute responsibilities among the division and department for proper performance of the Paurashava. In this case, the Mayor of the Paurashava will supervise, monitor, and control the activities of the officers and staff of the Paurashava as per the Paurashava Employees' Services Rules 1992.

3.1.6. Activities of three divisions of Paurashava

The activities of Paurashava are entrusted upon three divisions (administrative division, engineering division and health, family planning and conservancy division). The job description of the officers and staff of the Paurashava are usually defined according to divisional activities. The tasks of those three divisions are mentioned below.

Tasks of the administrative division

The secretary of the Paurashava performs his/her responsibilities as the head of the administrative division under the supervision of CEO. All the officers and staff of the administrative division perform their representatives under his/her supervision. The secretary monitors, supervises and evaluates all the regular activities of the units under administrative division and provides suggestions for the improvement of the quality of work and ensures the progress. He/she writes the annual secrete report of all the officers and staff under the division for the previous year within the first three months of the following year, and submits it to CEO for dual signature. The secretary assesses the needs of training for improving the capacity of the officers and staff under his/her supervision, and takes initiatives for that purposes. The tasks of the secretary are specified below:

1) Preserve the inventory of all the assets and resources including all the documents and files of the Paurashava.
2) Prepare the agenda for the meeting of the Paurashava council, issue and distribute the notice, prepare, distribute and preserve the minutes of the meeting with approval and suggestions of the Mayor and under the supervision of CEO.
3) Present the report regarding financial activities, statements, proposals directly to CEO.
4) Ensure the arrangement of leasing the lease able resources of the Paurashava such as hat, market, wetlands, etc. in proper time in line with the lease policy of the Paurashava.
5) Take necessary initiatives to ensure dynamism in collection activities of the Paurashava including all other activities, and ensure transparency and accountability in every aspect of the Paurashava.
6) Arrange to preserve all the records and personal files of all the officers and staff of the Paurashava.
7) Monitor the attendance of the all the officers and staff of the Paurashava and inform CEO in this regard timely.

Tasks of the engineering division

Superintending engineer, executive engineer, or the head of the engineering division under executive officer is responsible for the division's work as the head of the division, and if there is no other instruction the executive engineer performs the responsibility of member secretary of all the tender

committees of the Paurashava. He/she prepares the annual secrete report of all the officers and staff under his supervision for the previous year within the first three months of the following year, and submits it to CEO for dual signature. He/she recommends the leave application of all the officers and staff of his division for approval. He ensures their presence and informs CEO. He takes initiatives on training for all the officers and staff of his division for their capacity improvement. The sample tasks of the division are as below:

1) Collect and prepare all the necessary manuals regarding construction and maintenance of all the services and infrastructure of the engineering division and distribute those manuals.
2) Prepare and computerize all the inventory, database and map of all the infrastructures of the Paurashava and preserve them.
3) Prepare and maintain the five year and annual plan of the Paurashava with the assistant of the executive engineer, and examine and test the design and budget of various projects and submit that to the meeting of the Paurashava council for approval.
4) Responsible for preparation and update of the master plan, drainage plan, and topography plan (on use of land, roads, drainage, etc.).
5) Practically inspect the field level construction and maintenance project, and take necessary initiatives for maintenance.
6) Take necessary initiatives for testing the quality of all the construction items of the development works of the Paurashava.
7) Ensure the maintenance of all the light and heavy vehicles utilize in the works of engineering division.
8) Monitor and supervise all the development works under implementation by the Paurashava.
9) Follow the government rules properly in income and expenditure of vehicles and machineries. Ensure the maintenance of all the vehicles and machineries of the Paurashava.

Tasks of the health, family planning and cleaning division
The health officer of the Paurashava performs his responsibilities as the head of health, family planning and cleaning division of the Paurashava under supervision of CEO. He/she prepares the annual secrete report of all the officers and staff under his/her supervision for the last year within the first three months of the following year, and submits to CEO for dual signature. The sample task of the division is as below:

1) Take initiatives to implement all the tasks mentioned in the Local Government (Paurashava) Act 2009.
2) Take initiatives to distribute responsibilities, control, supervise, and train all the officers and staff of the health, family planning and cleaning division.
3) Prepare plans in coordination with the officers of health and family planning division working in the district/ Paurashava, and take initiatives to implement that plans.
4) Take initiatives to implement EPI and other primary health care programs in the Paurashava.
5) Ensure the preservation of cleanses in environment and climate, and ensure the quality of foods in hat, market and hotels and restaurants of the Paurashava area.
6) Take necessary initiatives to implement the sanitation programs, and encourage the local people in this task.
7) Arrange production and sale of sanitary latrines and submit the monthly report to the Paurashava authority including the Ministry of Public Health and other similar ministries.

8) Inspect the slaughter house and control the quality of slaughtered animals.
9) Coordinate with the organizations of government and non-government levels involved in implementation of the Paurashava health programs.
10) Collect the information regarding health activities of the Paurashava and submit report in prescribed procedure.

3.1.7. Relationship between elected representatives and officers and staff of Paurashava

There are guidelines in Section 78 of the Local government (Paurashava) Act 2009 regarding the relationship between the elected representatives and officers and staff of the Paurashava. As per the direction of the Act, for the purpose of ensuring the right and professional freedom of officers and employees of the Paurashava, the government shall implement a code of conduct that define relations between elected public delegates and officers or employees under controlled or placed in the Paurashava. The opinions of present officers in any meeting of Paurashava should be mentioned in the meeting minutes. Elected public delegates and officers or employees under controlled or placed in the Paurashava shall respect each other and avoid any type of indecorous behaviors. The government may inspect or seize essential action against any complain that disobey the code of conduct by the elected public delegates. Though the Paurashava provides verbal directions to the elected officer or employee to execute any function, but a written document should be submitted prior to conduct such function.

3.2. Role of the Paura council in the decision making process of the Paurashava

3.2.1. Decision making process

Decision making process is such a process where logical choices are made from two or more options through discussions. The real task of decision making is to select the best alternative among different alternatives. All the activities of a Paurashava are discussed in the general and special meetings of the council and decisions are made there. A decision is not the goal, but the means of achieving the goal. A decision is a judgement. The process/ procedure of decision making of a Paurashava is given in the flowchart below:

Chart: Decision making process/ procedure of the Paurashava
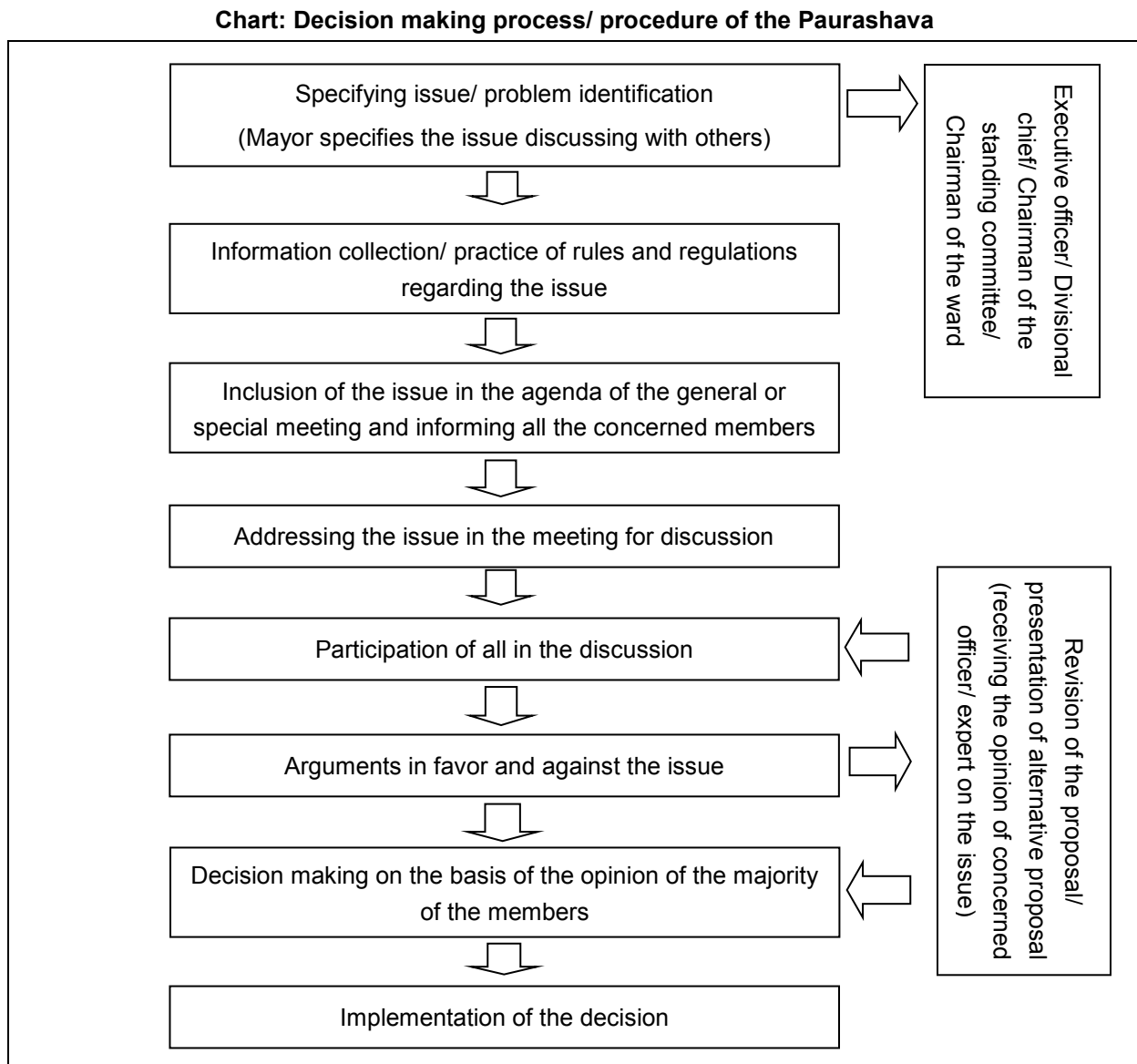
Let us suppose a decision-making process regarding the issue of tax collection. The situation is that the desired rate of tax collection has not been achieved and the payment of the salary and allowance of the officers and staff of the Paurashava and the delivery of the services and development activities

have been hampered. An immediate action is required in this regard and the Mayor includes the issue in the agenda of the general meeting of the council. The council collects information regarding the target of the tax collection, rate of tax collection, causes of low rate of tax collection, initiatives of the collectors. After that, the issue is presented in the meeting and a decision is made based on the consent of the majority of the members. The council takes initiative in implementing the decision.

3.2.2. Duties, responsibilities and activities of the council

The council refers to a committee consisting of a Mayor and Councilors of Paurashava (Sub-section (38) of Section 2 of the Local government (Paurashava) Act 2009). The power of implementation of all the tasks of a Paurashava belongs to its council. The council makes decision regarding any activities after the discussion in the general or special meeting of the council, and the executive powers of a Paurashava shall vest in and be exercised by its Mayor, Councilors or through other officer (Section 62). The duties and responsibilities of Paurashavas to be met in the meeting of the council are as below:

1) Administrative activities: Paurashava shall prepare annual an administrative report on activities of the Paurashava administration, coordination among the Paurashava administration and the government employees, public safety, etc., and shall publish this within 30 September of the next year (Section 50, 52).

2) Infrastructural activities: Construction of roads for the better communication of the citizen, foot path, passenger shade, bus stand, parking place for the vehicles, terminals, street light, drain for the disposal of water, preparation and implementation of the town development plan, building control, improvement and extension of any area of the Paurashava, etc. (Section 50).

3) Activities regarding health service and environment: Water supply and sewerage, waste management activities, health-related issues, birth and death registration, preservation of environment, plantation, establishment and maintenance of slaughter houses, etc. (Section 50).

4) Other activities:
  a) Publishing the "Citizen Charter" for ensuring good governance, utilization of the advanced technology, and ensuring the right to information to the citizen (Section 53, 54, 112).
  b) Formation of mandatory standing committees and additional standing committees if necessary with the objective of ensuring quality citizen services, and formation of different committees (ward committee, town level committee, etc.), sub-committees with the involvement of the people and continuing the activities of those committees (Section 14, 55, 59, 115, 121).
  c) Preservation of all the records of the activities of the Paurashava in prescribed methods, preparation and publishing the term based reports and statements, playing a role in maintaining security (Section 61).

d) The Paurashava shall perform function as primary education, fire control and fire safety and poverty reduction in Paurashava area etc. any type of charge and function after approval from government, role in maintaining the social security (Section 51).

e) Preparation of the annual budget of Paurashava, taking project under annual development program, creating master plan, appointment employees, conduct different types of contract etc. (Section 64)

f) Improvement of education and culture, preparation and implementation of the social welfare plan and initiating different commercial projects including create and spread the opportunity and support to education, sports, games, disport, amusement and increase beautification of the locality (Section 50 and sub-section 63, 64 of the second schedule).

g) Monitoring and evaluation of the implementation of the decision taken by Paurashava. Proposals regarding by-laws, regulations, initiating by-laws and other activities regarding public interest (Section 121, 122)

3.2.3. Procedure for conducting the council meetings and preparation of the minutes

The power of making all the decisions of a Paurashava belongs to the council. The decisions regarding activities of the Paurashava are made in the general or special meetings of the council. The meetings of the Paurashava council are conducted following the below mentioned steps:

Steps of conducting a Council meeting

Specifying the agenda and preparation of the working paper

⬇

Issuing the notice of the meeting including the agenda and distributing among the members including the working paper

⬇

Arranging the meeting

⬇

Preparing the minutes of the meeting and distributing among the members
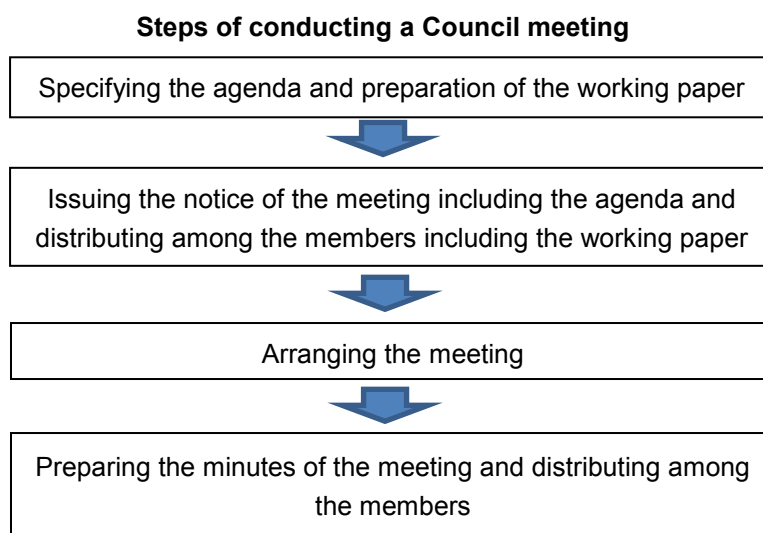
Step 1: Preparation of the working paper of the meeting

It is essential to have a working paper with specific agenda for an effective meeting and making proper decisions. For this reason, it is very much important to specify the agenda and prepare the working paper in line with the agenda and to issue that to all the participants of the meeting along with the notice of the meeting at least one week before the meeting. Progress of the implementation of the decision of the previous meeting, information including the recommendations of the different committees and sub-committees, necessary information for the concerned agenda, alternative proposals, etc., should be mentioned in the working paper. (See Attachment 1 for a sample format).

Step 2: Issuing the notice of the meeting
Usually the notice of the meeting has to be issued at least one week before the meeting, but the condition applies that, if the meeting is called on an emergency situation, the notice can be issued at least 24 hours before the meeting (SRO No. 106 Act/ 2012 issued by the Local Government Division on April 24, 2012). (See Attachment 2 for a sample format of notice).

Step 3: Meeting of the Paurashava and Execution of Functions:
According to the Section 63 of the Local government (Paurashava) Act 2009, the meeting of the Paurashava and execution of the functions are as below:

(1) Paurashava shall conduct at least one meeting per month and the meeting shall be presided by Mayor or, in cases, panel Mayor.
(2) Generally the meeting of the Paurashava shall call by Mayor or in his absence, by the Panel Mayor.
(3) The quorum shall be form with presence of 50% of Councilors. If quorum is not formed in any meeting then chairman of the meeting can postponed the meeting or can wait for an appropriate length period. If quorum is completed then meeting can proceed.
(4) If meeting is postponed according sub-section (3), discussion of the meeting shall be discussed in next meeting. For this, quorum is not needed.
(5) If there is no opposite in the Act regarding the discussed issue, decision will be taken according to the vote of majority and chairman of the meeting will inform clearly regarding the decision is accepted or not according to the vote of majority.
(6) Present Councilors will express their agreement by raising hand:
But it is conditioned that, if municipality need to take decision by voting in hidden ballot, then decision shall be taken following that.
(7) In the discussed issues if it is needed the concerned of expert person regarding technical and important issues, Paurashava can invite one or more expert on related issues for their opinion.

Procedure of arranging the meeting of the council
The Mayor and Councilors of the Paurashava take part in the decision making process of the Paurashava meeting (Section 37). Beside this, as per the power provided by the Section 121, Paurashava may ntroduce regulations for the conduction of the Paurashava meeting. The procedure of conducting the meeting of the Paurashava council in line with the existing rules is described below:

(1) Generally a meeting of Paurashava is presided by the Mayor or in his absence, by the Panel Mayor, and started with the permission of the president (Section 63).
(2) Secretary or Chief Executive Officer or an officer give the power by him can attend meeting of municipality or any other committee as supporting officer, and the person prescribed by the president takes note of the meeting (Section 66).
(3) The discussion of the meeting will go on serially as per the pre-determined agenda of the notice and working paper of the meeting;
(4) All the agendas will be introduced in the meeting, and any of the member will discuss on the issue with the permission of the president;

(5) Detail discussions are made on the presented issue and decision will be made in line with the act, rules, and considering the capacity of the Paurashava;

(6) After detailed discussions on an issues, one of the best alternatives is chosen in a logical manner;

(7) Miscellaneous agenda are discussed after completing discussions on all other issues;

(8) The meeting is concluded consulting with the participants.

<u>Special role of the Councilors in the meeting</u>

(1) Present the issues and recommendations of the meeting of the ward committee and present the logic for implementing that recommendations;

(2) Present the issues and recommendations of the meeting of the standing committee and present the logic for implementing that recommendations;

(3) Present the demands of the citizen of the ward being present in the meeting of the Paurashava council and participate in the decision making process;

(4) Panel Mayor presides over the meeting in the absence of the Mayor.

Step 4: Write up the minutes of the meeting, distribution and preservation (Sample table for preparing the minutes, Attachment 3)

The council prepares the minutes of the meeting, distribute and preserve it following the below mentioned instructions (Section 69):

1) Councilors name should be mentioned the meeting minutes;

2) The minutes should be kept in a binding book;

3) Every minute should be approved by the next meeting;

4) After approval in the council, the minutes should be sent to the government within 14 days;

5) Every meeting minute should be delivered to every Councilor in time;

6) If it is not confidential, it should be displayed in a specific place;

7) A copy of the minutes other than confidential ones should be provided to any citizen who paid defined fees.

8) Every minute of the meeting should be recorded and maintained in a register.

Attachment 1: Sample form of working paper for the Council meeting

<div align="center">

Office of the - Paurashava
- - - - - - - - - - - - - - - - - , District:- - - - - - - - - - - - - - - - - -
www.--------------municipality.gov.bd

</div>

Subject: Working paper of the meeting to be held on - - - - - - - - - - at the Paurashava conference room.

Agenda 1: Reading the minutes of the previous meeting and approval

Reading the minutes of the previous meeting	Discussion on proper preparation of the minutes of the previous meeting	Necessary revision (if any)	Decision
1. The minutes read by, Mr.: - - - - - - - - - - - -			

Agenda 2: Evaluation of the progress of the implementation of the decision of the previous meeting

Serial no	Decision/ recommendations of the previous meeting	Evaluation of the progress of the implementation/ present condition	Next Decision/ recommendations(including the time schedule of implementation)	Responsible person/ officer
1				
2				

Agenda 3: Evaluation of the ongoing works and decision (11 sections of 3 division)

Serial no	Agenda	Discussions	Next Decision/ recommendations(including the time schedule of implementation)	Responsible person/ officer
1	Divisionwise			
2				

Agenda 4: Discussion and decision on the recommendation of the ward committee, standing committee including other committees of the Paurashava

Serial no	Agenda	Discussions	Next Decision/ recommendations(including the time schedule of implementation)	Responsible person/ officer
1				
2				

Agenda 5: Miscellaneous

Serial no	Agenda	Discussions	Next Decision/ recommendations(including the time schedule of implementation)	Responsible person/ officer
1				
2				

Date: - - - - - - - - - - - - - - -   Signature of the Mayor: - - - - - - - - - - - - - - -
- - - - - -
- (Name)

Attachment 2: Sample format of meeting notice

Office of the - Paurashava
- , District: -
www.- - - - - - - - - - - - - - - - -municipality.gov.bd

Notice of the monthly meeting

This is to be informed to all the Councilors of this Paurashava that, the general meeting of the Paurashava council is going to be held on date:- - - - - - - - - - - - - - - - - - at:- - - - - - - - - - - - - - am in the conference room of the Paurashava office.
All the honorable Councilors are been requested to participate the meeting in proper time.

Agenda:
1.   Reading the minutes of the previous meeting and decision.
2.   Evaluation of the progress of the implementation of the decision of the previous meeting
3.   Evaluation of the ongoing works and decision (11 sections of 3 division)
4.   Discussion and decision on the recommendation of the ward committee, standing committee including other committees of the Paurashava
5.   Miscellaneous

Attachment: Working paper of the meeting (1 page)

- (Name)
Chief Executive Officer/ Secretary
- Paurashava

Distribution:

1. Mr. -, Councilor, ward no- - - - - -, - - - - - -   - - - - - - -   -Paurashava
2. Mr. -
3. Personal secretary of the Mayor (for the kind information of the honorable Mayor)
4. Office copy.

- (Name)
Chief Executive Officer/ Secretary
- Paurashava

Attachment 3: Samle format of minutes of the monthly meeting

<div align="center">

Office of the - Paurashava

- , District: -

www. - - - - - - - - - - - - - - - - municipality.gov.bd

Minutes of the monthly meeting of- - - - - - - - - - - - - - - - - - month

</div>

Name, designation and signature of the present members, annex- A

The monthly meeting of the Paurashava council have been held today on - - - - - - - - - - - - at- - - - - - - am, presided by the Mayor Mr. -   -.
The president of the meeting delivered thanks and greeting to all and inaugurates the meeting. After that, the discussion and decisions were made according to the set agenda.

Agenda 1: Reading the minutes of the previous meeting and approval

Reading the minutes of the previous meeting	Discussion on proper preparation of the minutes of the previous meeting	Necessary revision (if any)	Decision
1. The minutes read by, Mr.: - - - - - - - - - - - -			

Agenda 2: Evaluation of the progress of the implementation of the decision of the previous meeting

Serial no	Decision/ recommendations of the previous meeting	Evaluation of the progress of the implementation/ present condition	Next Decision/ recommendations(including the time schedule of implementation)	Responsible person/ officer
1				
2				

Agenda 3: Evaluation of the ongoing works and decision (11 sections of 3 division)

Serial no	Agenda	Discussions	Next Decision/ recommendations(including the time schedule of implementation)	Responsible person/ officer
1	Divisionwise			
2				

Agenda 4: Discussion and decision on the recommendation of the ward committee, standing committee including other committees of the Paurashava

Serial no	Agenda	Discussions	Next Decision/ recommendations(including the time schedule of implementation)	Responsible person/ officer
1				
2				

Agenda 5: Miscellaneous

Serial no	Agenda	Discussions	Next Decision/ recommendations(including the time schedule of implementation)	Responsible person/ officer
1				
2				

As there were no other remaining issues to discuss on, the honorable president delivered greetings and thanks to all the participants and concluded the meeting.

- (Name)

Mayor

- Paurashava

Date: - - - - - - - - - - - - - - -

Memo no-

For information and necessary action, copy send to:

1. Senior secretary/ secretary, local government division, Bangladesh secretariat, Dhaka.

2. Deputy Secretary, local government division (poura- 01/ 02 department), Bangladesh secretariat, Dhaka.

3. Mr. -, Councilor, ward no- - - - - - -, - - - - - - - - - - - -   Paurashava

4.. Mr. -

5. Office copy

- (Name)

Chief Executive Officer

- Paurashava

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3.3. Role of standing committees

3.3.1. Role of standing committees:

Paurashava is a constitutional institution which is operated under the Local Government (Paurashava) Act 2009 at present. Paurashavas are delivering various civil services including development of different infrastructures with the objectives of ensuring quality public services to the citizen. There are provision of establishing standing committees under Section 55 (1) and additional standing committees under Section 55 (2) of the Local government (Paurashava) Act 2009, for presenting the issues as recommendations in the general meeting of the Paurashava council with prior discussion.

3.3.2. Process of the formation of the standing committees

`Standing committee' means the committees formed under the Section 2 (by-law 67) of the Local government (Paurashava) Act 2009. The following standing committees have to be formed through regulations during the first Paurashava meeting or work proceedings of any onward meetings and after defining two and half years tenure (Section 55 (1)):

a. Establishment and finance;
b. Tax assessment and collection;
c. Accounts and audit;
d. Urban planning, services for citizen and development;
e. Rules and regularities and public safety;
f. Communication and infrastructural development;
g. Women and children;
h. Fisheries and livestock;
i. Information and culture;
j. Observation, monitoring and control of prices.

Beside the above mentioned committees, the Paurashava can form additional standing committees (Section 55 (2)), such as:

❖ Coordination with non-government organizations (NGOs);
❖ Disaster management;
❖ Market management;
❖ Women development;
❖ Poverty reduction and slum development;
❖ Health, water and sanitation;
❖ Waste removal and transfer.

In Pauashavas where separate committees cannot be formed because of shortage of elected members, there shall be one committee for more than one issue (Section 55 (4)).

Rules to be followed for the formation of the standing committee

As per Section 55 of the Local government (Paurashava) Act 2009, rules regarding the formation of the standing committees are as below:

- The committee shall be formed consisting of five members including the Mayor;
- The chairman and three other members will be selected among the Councilors;
- The Mayor will be the chairman of the committee of Rules and regulatory and public security;
- No Councilor shall be chairman of more than one committee without decision of the council;
- In every standing committee there shall be not less than 40% female members;
- If any member of the standing committee is supposed to absent for more than two months for unavoidable circumstances, the council can take decision to give responsibility to any other Councilor.
- Committee can co-opt a person as member who is expert of the respective issue. The co-opt member will not have polling right for taking decision in the meeting
- Chairman and member of this standing committee can resign from his position by written letter and this letter shall be addressed to Mayor. Resignation shall be effective from the date of receiving letter.

3.3.3. Function of standing committees

The function of the standing committees should be defined by the by-laws according to Section 56(1) of the Local Government (Paurashava) Act 2009. But the functions can be determined in the general meeting of the council until the by-laws are prepared. The power of introducing by-laws is conferred on the Paurashavas under Section 122 of the Local Government (Paurashava) Act 2009. The council of Paurashava has the right to define the composition and scope of work of the committee according to the demand and necessity of the Paurashava. The Local Government Division issued memo No. 46.063.022.00.001.2012 (part 3) 07 dated 02.01.2013, with the guideline and sample of composition and scope of work of 10 standing committee and 7 additional standing committees of Paurashava. The Paurashavas has to define the number of standing committees and probable scope of work considering that draft laws and real necessity of the Paurashava.

3.3.4. Responsibilities of standing committees and procedure of operating the functions

The decisions on particular issues taken in the meeting of the standing committee will have to present in the meeting of the Paurashava council as recommendation for discussion and decision making. All the decision of the standing committee will be finalize subject to the approval of the general meeting of the Paurashava council. If any of such recommendations are not accepted in the council meeting, that shall be informed to the standing committee in writing with justification and causes, and the standing committee will discuss that on the following meeting and take decision on that.

As per Section 57 and 58 of the Local government (Paurashava) Act 2009 and following the rules of the by-laws regarding this or following the decision of the Paurashava council, the standing committees will arrange the meeting in time, prepare the minutes of the meeting and will preserve that. To do this the committees will have to follow the below mentioned rules:

- Any expert person or any citizen can participate in the meeting of standing committee with prior approval of the concerned authority and can express his opinion.
- Members cannot take part in any meeting where they have behavior or finance related involvement of his own as a member of standing committee or any committee.
- Discussions of the standing committee meeting have to be written in minutes and preserved.
- The signature of the Mayor and Councilors have to be collected in the council meetings and meeting minutes have to be signed by the Mayor or the chairman of the meeting.
- The minutes of the meeting has to be prepared within the maximum of 14 days of the meeting and anyone can collect a copy of the minutes paying prescribed fees.

Good practice of a standing committee

Effective initiatives of the law and order and public safety standing committee:

The rate of crimes and different social problems was increasing in some of the wards of a Paurashava in Barisal division during 2011. The law and order and public safety standing committee invites general meeting to control the situation. The meeting was held with co-opting the officer in charge of the concerned police station, representatives of the Town Level Coordination Committee (TLCC) and 2/1 other honorable citizen, and take some measures for controlling the law and order situation and preventing the crimes (as per the scope of work of the standing committee regarding law and order and public safety). The decisions of the meeting were submitted to the following meeting of the Paurashava council as recommendations. The results show that the law and order situation of the area was improved within a few days and the tendency of crime was reduced. The committee continues to take the initiatives of arranging regular meetings and activities regularly to maintain law and order situation.

3.4. Citizen Participation

3.4.1. Purposes and benefits of citizen participation

Citizen participation is an integral part of the decision-making process of democratic government, either central or local. The operation of a government is financed largely by taxes and therefore it is held accountable to tax payers, in other ward, citizens, for their decisions and actions. The accountability and transparency of a government increases with the involvement of citizens in its decision making process.

Citizen participation is beneficial both for the government and citizen sides.

Benefits of citizen participation

For citizens

✧ They are given the opportunity to influence decision making of a government according to their needs and thereby able to prompt the government to improve their services.

For government

✧ Citizen participation increases their trust in and popularity of the government.
✧ Citizen participation facilitates a sense of civic responsibility on the citizen's side, which encourages tax payment and cooperation with the government in its activities.

3.4.2. Citizen participation in the context of Paurashava

Bangladesh is a democratic country and its constitution articulates at the beginning that "All powers in the republic belong to the people." Based on this principle, the Local government (Paurashava) Act 2009 contains some provisions regarding citizen participation such as:

- Section 14 "Ward Committee" – It is stipulated that "every ward can form a ward committee" for the purposes, among others, of "encouraging community people to participate in development and administration related activities of the Paurashava through open meetings".
- Section 57 "Citizen's presence in meetings" - Any citizen can participate and raise his/her opinions in any meeting of Paurashava, standing committees or any other committees.
- Section 115 "Dialogue with the people of Paura area" – The formation of a committee for dialogue with citizens has been made mandatory by this Section.

3.4.3. Citizen participation through Ward Committee

Though the objectives of Ward Committee (WC) are specified neither in the Local government (Paurashava) Act nor any rules, its effective functioning would lead to the situation in which:

- Paurashava identifies needs at the Ward level through discussions of the problems of Paurashava's infrastructures, services and also general socio-economic problems among elected representatives and various stakeholders at the Ward level
- Transparency and accountability of Paurashava will increase through discussions of the progress, quality and problems of their development works among elected representatives and stakeholders.

- Citizen's awareness about Paurashava's activities and their civic responsibilities will be raised through various awareness raising activities of WC.

Composition of Ward Committee

The Local government Division issued a set of rules entitled "the Paurashava (Constitution of Ward Committee and Term of Reference (TOR)) Rules 2012" through notification published in the Bangladesh Gazzet on 26th June 2012. According to the rules, a WC consists of the following members and the membership should not exceed ten. 40% of the members shall be female.

Composition of Ward Committee

Position	Representation
Chairperson	Elected Councilor of the respective Ward
Co-Chairperson	Elected Female Ward Councilor (FWC) of the reserved seat
Member	Three representatives of the urban poor
Member	Two representatives from civil society (NGO, community groups)
Member	Two representatives from professional associations (including women)
Member-secretary	Assistant Engineer / Sub-Assistant Engineer / Accounts Officer / Tax Collector

Terms of reference of Ward Committee

The main responsibility of WC is to engage the people in Paurashava's development and administrative activities as articulated in the Local Governance (Paurashava) Act 2009. Specific tasks of WC defined in the above rules are shown in the table below.

Terms of reference of Ward Committee

	Term of Reference/ tasks of WC
1.	Discuss progress, quality and problems of ongoing and planned development works with the residents at Ward level
2.	Presenting infrastructures, services and problems of the Ward in the meeting of the committee
3.	Conducting activities to raise public awareness on payment of tax, sub-tax, bills, toll, rate, etc.
4.	Collecting essential socio-economic data including birth and death registration
5.	Advice the council to adopt project on street light, source of safe drinking water, and other public welfare-related projects
6.	Create public awareness in regard to cleanliness, sanitation, environmental conservation and tree plantation
7.	Raise awareness with regard to establishment of unity and good relationship among the people of various class and occupation
8.	Prepare the list of persons covered by various government development programmes such as Vulnerable Group Development (VGD), old age allowance, subsidy, etc., and forward it to Paurashava.
9.	Assist the Paurashava through providing voluntary services in respect to public health programmes, particularly prevention of various diseases, family planning ,and waste removal

10.	Undertake emergency programmes to face epidemic and natural disasters
11.	Arrange open meetings by inviting 150 prominent residents once every six months to discuss overall activities of the ward, and list the people's demands and submit it to the Council for possible implementation
12.	Carry out any other responsibility as may be directed by the government and the Council from time to time.

Meetings of Ward Committee

WC meetings are to be held at least once in every three months to meet the requirement specified in the above TOR. In order to organize WC meetings, the following steps can be taken:

1) Preparation of a draft working paper by member secretary
2) Fixing of the date for the meeting by chairperson
3) Issuance of a meeting notice along with the working paper by member secretary
4) Holding of the meeting
5) Preparation of the minutes of the meeting including resolutions by chairperson, members and member secretary

A working paper is a document that records the progress made so far regarding the decisions made in the previous meetings. It helps effective discussions in the upcoming meeting. Agenda of the upcoming meeting can be contained in the working paper as well and distributed with the meeting notice.

Good practices of Ward Committees

✧ WC presented the activities of the Paurashava in a WC meeting.
✧ WC ensured the involvement of women in the implementation of the development projects of the Paurashava.
✧ WC assisted the Paurashava in registration of marriage, birth and death
✧ WC operated campaign for creating awareness against women trafficking and dowry, and ensures the involvement of citizen.
✧ WC assisted the Paura Police and Thana police in restraining crimes.
✧ WC arranged guardian's meeting for ensuring the presence of the children at the schools.
✧ WC inspected cleaning activities and made the people conscious about it.

3.4.4. Citizen participation through Town Level Coordination Committee

A Town Level Coordination Committee (TLCC) has to be formed in every Paurashava under Section 115 of the Local Government (Paurashava) Act 2009 and memo No. 258 issued by the Local Government Division on March 9, 2011 with the objective of receiving opinion of the people regarding development and other activities of the Paurashava. Though specific objectives of the TLCC are not mentioned in the Act or any rules, its potential effects would be that:

• Paurashava will deliver services based on needs of citizens as a result of discussions of development issues and their activities with representatives of citizens;

- Transparency and accountability of Paurashava will increase through discussion of their annual budget, financial status as well as their development works and services.
- A sense of ownership of the Paurashava's activities on the citizen side will increase raising awareness of civic responsibilities such as tax payment by participating in the decision making process of Paurashava

Composition of Town Level Coordination Committee

The Local Government (Paurashava) Act 2009 specifies the maximum number of TLCC members as 50. The composition and terms of reference of TLCC are specified in the office order issued on March 9, 2011 as memo No. 258, and the town level committee will be operated by this guideline until the introduction of any further rules regarding this. The composition of the TLCC is shown in the table below:

Composition of TLCC

Position	Representation
Chairperson	Mayor of the Paurashava
Member	Ward Councilors (Not more than 12 selected by the Mayor)
Member	Eight representatives from the cooperating organizations (District Administration, Local Government Engineering Department, Department of Public Health Engineering, Road and Highway Department, Public Works Department, Social Welfare Department, Cooperatives and Telephone & Telegraph)
Member	Five representatives from professional groups (education, cultural, lawyer, businessman, doctors
Member	Four NGO representatives
Member	Twelve persons from civil society
Member	Seven representatives of the urban poor
Member-secretary	Chief Executive Officer (CEO) / Secretary

The following issues need to be considered during the formation of the TLCC.
1) Nominate 1 to 3 member(s) from each Ward
2) Include women members at least 1/3 of the total members
3) Contact the possible suitable citizens to know their willingness to be included before final selection of TLCC members
4) Identify the line organizations considering importance of their role

Terms of reference of the Town Level Coordination Committee

Terms of reference of the TLCC is also prescribed in the above-mentioned memo No. 258 issued by the Local Government Division. The terms of reference are described in the table below:

Terms of reference and tasks of TLCC

	Terms of reference of the TLCC
1.	Initiate discussions on the preparation of overall development plan including raising awareness of citizens for their active participation in different stages of the planning process.
2.	Assist, supervise and monitor the progress in Paurashava overall development plan preparation.
3.	Discuss in the committee meeting on Paurashava tax assessment and collection.
4.	Discuss various services delivered by Paurashava.
5.	Hold the first meeting of the TLC within 15 days of its formation.
6.	Arrange at least one meeting in every quarter, and prepare minutes of every meeting
7.	Discuss the progress, quality and problems of development work implemented by the Paurashava.
8.	Discuss issues about Paurashava governance improvement.
9.	Discuss citizen's involvement in Paurashava development activities.
10.	Discuss progress of Paurashava standing committees' activities.
11.	Record discussions and decisions in the form of minutes, follow-up actions/ status of implementation in the following meetings, and continue the process.

Meetings of Town Level Coordination Committee

TLCC meetings are to be held at least once each quarter. Quorum is formed with attendance of 50% of the full committee members.

The meetings can be organized in the following steps:

1) Preparation of a draft working paper and fixing of the date by member secretary in consultation with the chairperson and public announcement.
2) Issuance of a meeting notice along with the working paper by member secretary
3) Holding of the meeting.
4) Preparation of the minutes of the meeting including resolutions by chairperson, members and member secretary
5) Approval of the minutes in the next meeting and review and discussion of the progress of implementation of decisions in the subsequent meetings.
6) Preservation of the meeting resolution in a binding book
7) Distribution of meeting resolutions to the members and making it public through Paurashava notice board.

Good practices of TLCC

✧ The Paurashava presented their financial statement in the Paurashava Council meeting at the request of TLCC to ensure transparency in the financial activities of the Pauurashava.

✧ TLCC took initiatives to create awareness for preventing different crimes and violence against women and cooperates in cooperation with the police and the Paurashava

✧ The Paurashava arranged income generation training for poor community following a recommendation of TLCC.

✧ TLCC initiated campaigning programs for establishing a clean town.

✧ The Paurashava conducted awareness raising activities based on the recommendations of TLCC for waste disposal in the healthy and hygienic manner

3.5. Financial management and taxation

3.5.1. Objectives of financial management and role of Mayor and Councilors

Financial management is part of overall management of any organization. Especially the local government institutions as Paurashavas, which are operated with the fund of tax payer, the primal responsibility of this kind of institutions are to carry out proper planning, operations, evaluate and control the financial resources.

Objectives of financial management:
- To prepare a balanced and compatible budget in respect of income and expenditure;
- To ensure budget allotment based on the demand of the people;
- To ensure proper utilization of the allotted financial resources;
- To introduce priority-based projects ensuring the proper allotment of fund allotted in the budget based on the fund flow and demand of the people;
- To ensure the transparency and accountability of transactions;
- To strengthen the reliance of the partners or stakeholders on the institution;
- To facilitate the good will of the Paurashava in financial transactions.

Role of the Mayor

The Mayor of the Paurashava is responsible for the below mentioned tasks in regard to financial transactions:
- Collect all the taxes, tolls, rates, fees and other receivables and to take initiatives to arrange that collections;
- Receive funds on behalf of the Paurashava;
- Spend the amount prescribed and approved by the budget of the Paurashava;
- Issue licenses, permits, and notices on behalf of the Paurashava;
- Any other tasks not mentioned above but may be imposed by the government;
- Examine whether the daily transactions regarding income and expenditures have been properly written in the prescribed accounts books;
  - ✓ If the daily transections regarding income and expenditures have been properly written in the prescribed accounts books, and if he became satisfied, only then he will put signature on that accounts;
  - ✓ If it has been found that the income and expenditures have not been properly written in the prescribed accounts books, then he will write the comments;
- Monitor all the transections, whether it has been in line with the budget allotment and approval, or not.

Role of Councilors
- Be informed about all the issues regarding financial transection in the meeting of the Paurashava council and express opinion on that;
- The Councilors included in the "Tax assessment and collect" and "Accounts and audit" standing committee perform their responsibilities as per the job descriptions;
- Monitor all the issues regarding financial management as being the member of the committee.

3.5.2. Role of the "Tax assessment and collection" and "Accounts and audit" standing committee in financial management and tax assessment

Each of the Paurashava needs to form "Tax Assessment and Collection" standing committee and "Accounts and Audit" standing committee with the objective of proper implementation of the Section 56 of the Local Government (Paurashava) Act 2009, and in line with the Section 55 (1) of the same act and memo No. 46.063.022.00.001.2012 (part 3) 07, Date: 02.01.2013 issued by the the Local Government Division. The committee shall be formed consisting of five members, one of the Councilor will be the chairman of that committee, in every standing committee there shall be not less than 40% female members and the Mayor of the Paurashava will be included as an ex-officio member.

Tax Assessment and Collection Standing Committee

The committee is expected to innovate and apply different techniques for the assessment and collection of taxes, toll, fees, and other taxes, and encourage all the officers and staff of the Paurashava involved in these activities, and will encourage the people to pay the taxes in time.

The composition of the Tax Assessment and Collection Standing Committee is as below.

No.	Position	Position in committee
1	Councilor (general/reserved), Ward no:- -	Chairperson
2	Mayor, Ex-officio member	Member
3	Councilor (general/reserved), Ward no:- -	Member
4	Councilor (general/reserved), Ward no:- -	Member
5	Councilor (general/reserved), Ward no: - -	Member

Scope of work of the committee provided by the government as sample in the above-mentioned memo is as below:

1) Make recommendations to follow various strategies in the assessment and collection of tax, sub-tax, rate, toll, fees and tax from other sources;
2) Advise the concerned staff members to apply tax assessment rules harmonizing with the government policy.
3) Give opinion in regard to tax exemption, tax repeal and tax finalization.
4) Encourage the officials responsible for tax assessment and collection.
5) Motivate the people to pay tax in time.
6) Assist and guide the concerned person for continuation of the interim tax assessment program.
7) Take initiative to arrange training for the concerned staff members on tax database preparation and updating.
8) Monitor tax collection program, and review status of setting tax collection target and actual collection.
9) Make a quick decision to settle tax related appeal petition after proper hearing.
10) Play the role for gap bridging between Paurashava and the citizen in regard to tax payment and receiving of services.

11) Find out new sources of tax in order to increase revenue collection.

12) Take necessary measures for ensuring transparency and accountability in tax assessment and collection.

13) Introduce and continue computer software about tax collection by the Paurashava own fund.

14) The committee may co-opt the Assistant Commissioner (Land) as an expert member.

15) Other relevant issues.

Accounts and Audit Standing Committee

The committee is expected to encourage the officers and staff of the Paurashava involved in keeping the accounts of all the transactions properly and in line with the rules and regulations.

The composition of the Accounts and Audit Standing Committee is as below.

No.	Position	Position in committee
1	Councilor (general/reserved), ward no:- -	Chairperson
2	Mayor, Ex-officio member	Member
3	Councilor (general/reserved), ward no:- -	Member
4	Councilor (general/reserved), ward no:- -	Member
5	Councilor (general/reserved), ward no: --	Member

Scope of work of the committee provided by the government as sample in the above-mentioned memo is as below.

1) Assist all concerned officials to maintain all income & expenditure accounts of Paurashava properly.

2) Regularly examine all collections and deposits accounts.

3) Review whether all accounts and activities of Paurashava are operated according to rules and procedures (following prescribed forms and methods).

4) Assist the concerned officials to arrange disclosure of Paurashava income and expenditure accounts to the people in order to ensure transparency and accountability.

5) Accomplish auditing of Paurashava income and expenditure account once in a year, and take actions for the submission of the report on this to the Paurashava general meeting.

6) Assist in preparation and implementation of a plan to make the accounts section fully computerized.

7) Make internal auditing of Paurashava income and expenditure accounts periodically.

8) If the computer software on accounts are in operation, keep the use of such software continued in Paurashava accounts management.

9) The District accounts officer in case of Paurashavas at the district level and the Upazila accounts officer in case of other Paurashavas may be co-opted as an expert member (as the case may be).

10) Other related issues.

3.5.3. Financial structure of the Paurashava

Major items of the fund of a Paurashavas are shown in the following chart:
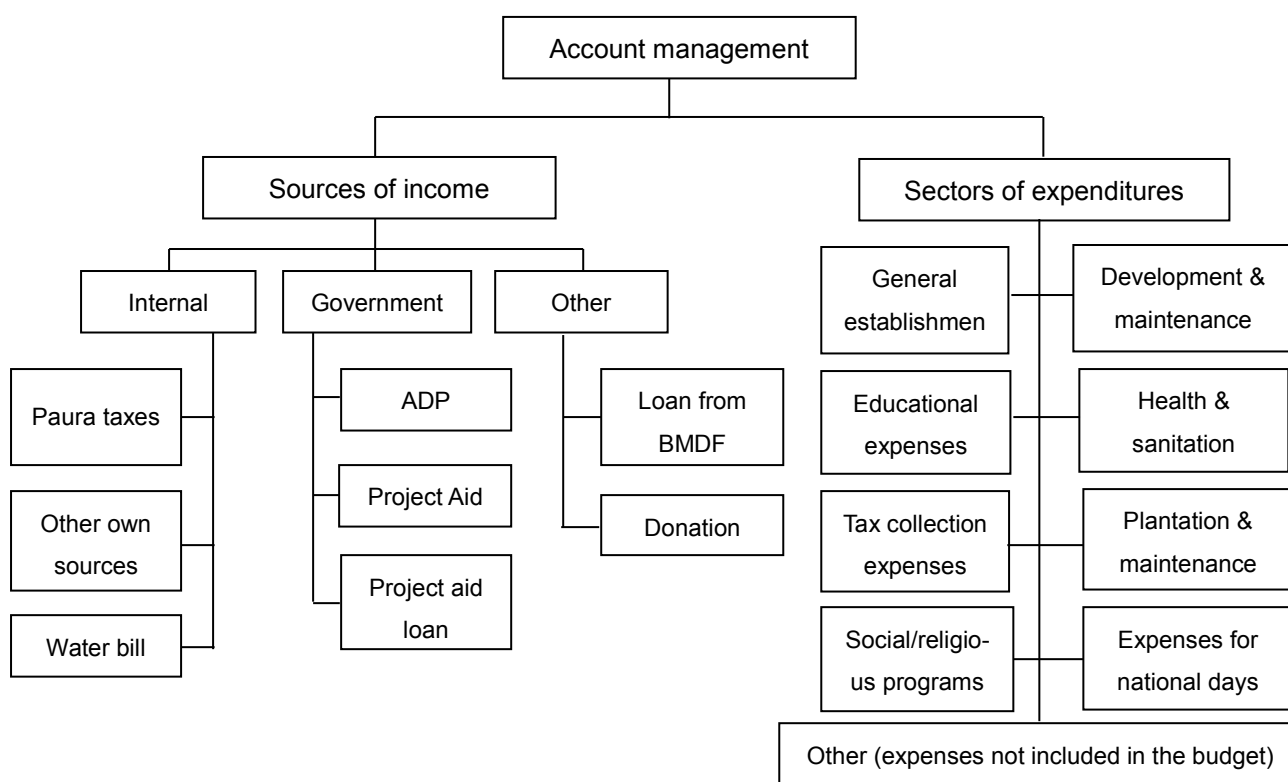
3.5.4. Sources of fund

The fund of the Paurashava has to be preserved in the government treasury or in any other banks that works as the government treasury. Besides this, the Paurashava may preserve the fund in any other way prescribed by the government. The grants or aid received from the government and locally collected amount are the main sources of the Paurashava fund.

The sources of fund of Paurashava are as below:

Government aid/ grants
   a) government aid/ grants in revenue budget

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- Salary and allowances of the elected representatives and officers and staff of the Paurashava;
- Compensation grants against the Octroi;
- Aid/ grants to meet up the deficit of the budget;
- Other compensating grants/ aid

b) Development aid/ grants
- Development grants for annual development program;
- Allotment from different organizations for utilizing in different approved works;
- Expenditures for the projects under town civil works;

c) Project aid/ grants
- Expenditures as other projects aid/ grants;
- Slum development;
- Aid/ grants for water supply through DPHE;
- Others.

Other traditional local sources

a) Paurashava taxes

Each of the Paurashava need to assess taxes on the buildings and land within the Paurashava area after every five years as per the "Paurashava taxation and tax collection procedure Rule 2013" and "Paurashava ideal tax schedule- 2014". The taxes on building and land based on the annual assessment, rate on street light, waste disposal rate, and structure regarding water or rate on water supply all this taxes are conjointly named as Paurashava tax, and need to collect in a common bill unitedly.

b) Other own sources

All the income collected as per the "Paurashava ideal tax schedule- 2014.

c) Water bill

Connection and disconnection and bill for the water supply collected as per the "(water supply) Ideal sub-acts 1999".

Other sources

a) Loan received from financial institutions
- Loan received from BMDF

b) All the amount of donations received from any local person or institution or any other local authority.

> **Section 89 "Source of Fund" of the Local Government (Paurashava) Act**
>
> There shall be a fund for the respective Paurashava which shall be known as the Paurashava fund with the objective of shouldering the responsibilities as a local government institution in line with the "Local government (Paurashava) Act 2009 (revised- 2010). To the credit of the Paurashava fund formed under sub section 2(1) of the Section 89 of the mentioned act shall be placed as below:
>
> a. The balance of such rest over fund as on the coming into force of this Act;
> b. The proceeds of all taxes, rates, tolls, fees and other charges levied by the Paurashava;
> c. All rents and profits payable or accruing to the Paurashava from the property vested in or managed by the Paurashava;
> d. All sums received by the Paurashava in the performance of its functions under this Act or under any other law for the time being in force;
> e. All sums contributed by individuals or institutions or by any local authority;
> f. All receipts accruing from the trusts placed under the management of the Paurashava;
> g. All grants made by the government and other authorities;
> h. All profits accruing from investments; and
> i. Such proceeds from such sources of income as the government may direct to be placed at the disposal of the Paurashava.

3.5.5. Procedure of Paurashava tax assessment and tax collection

Paurashava tax assessment

The assessment of holding tax should be conducted as follows:

- Each of the Paurashava need to complete re-assessment after every five years;
- The interim tax assessment process needs to continue during the whole year in between the time of five year from one re-assessment to another re-assessment.
- Two methods are to be followed for the assessment of valuation: a) rental formula and b) cost of construction formula.
- In case of the assessment of the annual value of houses, three accounts are applicable, such as: 1) For fully rental house, 2) Partially rental house and 3) house where the owner lives by himself;
- In case of cost of construction formula, the construction rate per square feet prescribed by the civil department should be followed.

> If the assessment software is installed for Paurashava tax assessment, it will reduce the required time and the accounts will be accurate.

Tax collection procedure

The below mentioned steps will have to follow for achieving the target of tax collection:

- Specify the annual and monthly tax collection target;
- Evaluate the tax collection rate and amount on monthly basis through the Tax assessment and collection standing committee and Paurashava council;
- Prepare and distribute computerized bills in every quarter for increasing the collection rate;

- Receive the bill through the banks;
- Issue reminder to the large defaulters based on time or amount;
- Ensure the arrear collection through attachment and sell movable assets after the expiry of the schedule time mentioned in the reminder letter;
- Initiate programs for encouraging tax payment;

To introduce web based software instead of desk top based software and to arrange the payment option through mobile phone or bikas to be more convenient for the tax payer to pay the taxes.

Good practice: Serpur Paurashava

The rate of collection increased more than 50% of the previous year's collection in Serpur Paurashava after preparing and distributing computerized billing system.The rate of collection before the introduction of the computerized billing system was 29%.After the installation of computerized preparing and distributing system, collection rate become more than 80%.

3.5.6. Rules and procedure for the assessment of other tax/ rate/ toll/ fee at source
Rules for the assessment of other tax/ rate/ toll/ fee at source

The Paurashava, with prior approval of the government and in line with the Section 98 and 100 of the Local government (Paurashava) Act 2009, may levy, in the prescribed manner, all or any of the taxes, rates, tolls, and fees mentioned in the Third Schedule of the same act.

The below mentioned tax/ rate/ toll/ fee are included in the Paurashava Tax Assessment and Collection Rules 2013.

Chapter	Rule	Sector/ source
Fourth	33	Tax on transfer of fixed assets
Fifth	35	Tax on display of cinema, drama and theatre show and amusement and recreation
Sixth	36	Tax on animal
Seventh	42	Tax on vehicles except motor vehicle and boats
	43	Transfer of the ownership of vehicles
	44	Capture and sale of non-registered vehicles
Eighth	45	Toll bar and ferry
	46	Publishing the toll rate
	47	Lease of toll bar and ferry
Ninth	52	Tax on advertisement
Tenth	53	Other tax assessment

The sources of and procedures for assessment of taxes/rates/tolls/fees mentioned in the Paurashava Ideal Tax Schedule 2014 are as follows:

Sources of tax and assessment procedures

Sources	Particulars of the procedure
Tax on transfer of fixed assets	If any of the fixed assets within the Paurashava area been transferred, and if that has been registered to the sub-register office, 2% on the document value will be deposited in the Paurashava fund; this amount will be collected by the sub-register office from the purchaser and will be deposited to the Paurashava fund.
Fees for application of construct and re-construct buildings	For construction and re-construction of building on the land within the Paurashava area, the owner will have to get approval from the Paurashava with prior submission of the prescribed fee.
Tax on service, business and sponsor	If any person/ organization wants to operate any business with the objective of making profit within the Paurashava area, he will have to get license from the Paurashava through paying the fees/ taxes as per the rate prescribed by the government rules.
Fees for slaughter animal	If any animal has been slaughtered within the Paurashava area in commercial purpose, tax will have to impose as per the rate prescribed by the government rules.
Tax on advertisement	If any person of organization publish any advertisement within the Paurashava area on commercial purpose, tax will have to impose as per the rate prescribed by the government rules.
Leasing of the hat-bazaar	All the hat and bazaar within the Paurashava area will have to provide lease at the beginning of every Bengali new year.
Tax on non-engine vehicles	To impose tax on the non-engine vehicles driving within the Paurashava area, license of that vehicles and on the driver of that vehicles as per the rate prescribed by the government rules.
Rent of shop	Assessment and collection of rent from the market/ super market constructed on the own land of the Paurashava as per the market rate.

The Paurashava can take initiative to make regular publicity and legal action for collecting the taxes on the mentioned and other sources.

3.6. Accounting and Audit

3.6.1. Objectives of accouning and audit

Accounting is a process through which information regarding financial transactions of any organization is kept in a proper manner and different reports are prepared and analyzed from that. The information and data regarding financial transaction is evaluated through the process of internal and external audit.

All the organizations and institutes have to keep information regarding all the financial transactions (income and expenditure) as per the government guidelines and accounting procedures to ensure the transparency and accountability of accounts. Paurashavas also need to monitor whether income and expenditures are going on in line with the approved annual budget, and report that to the council. The standing committee on accounts and audit and the Office of Comptroller and Auditor General on behalf of the government examines and audits Paurashava's accounts.

3.6.2. Role of standing committee on accounts and audit

See 3.5.2. above.

3.6.3. Rules and procedures of accounting and financial reporting and responsibilities of Paurashava

Bellow mentioned rules and procedures have to be followed for accounting and financial reporting of Paurashavas:

- Local Government (Paurashava) Act 2009;
- Bengal Municipal Accounting Rules 1935;
- Paurashava Budget (preparation and approval) Rules 1999;
- Paurashava Water Supply Ideal By-laws 1999;
- Paurashava Public market ideal By-laws 2003;
- Paurashava Tax Assessment and Collection Procedure Rules 2013;
- Paurashava Ideal Tax Schedule 2014.

Procedures of Paurashava accounts keeping and preparation of financial reports

Daily
- (1) Daily entry of cash receipts
- (2) Daily entry and closing of all receipts and payments

Monthly
- (3) Monthly closing

(4) Budget monitoring
- 1) Monthly monitoring
- 2) Quarterly monitoring

Quarterly

- (5) Budget revision

Annually
- (6) Compilation of annual statement
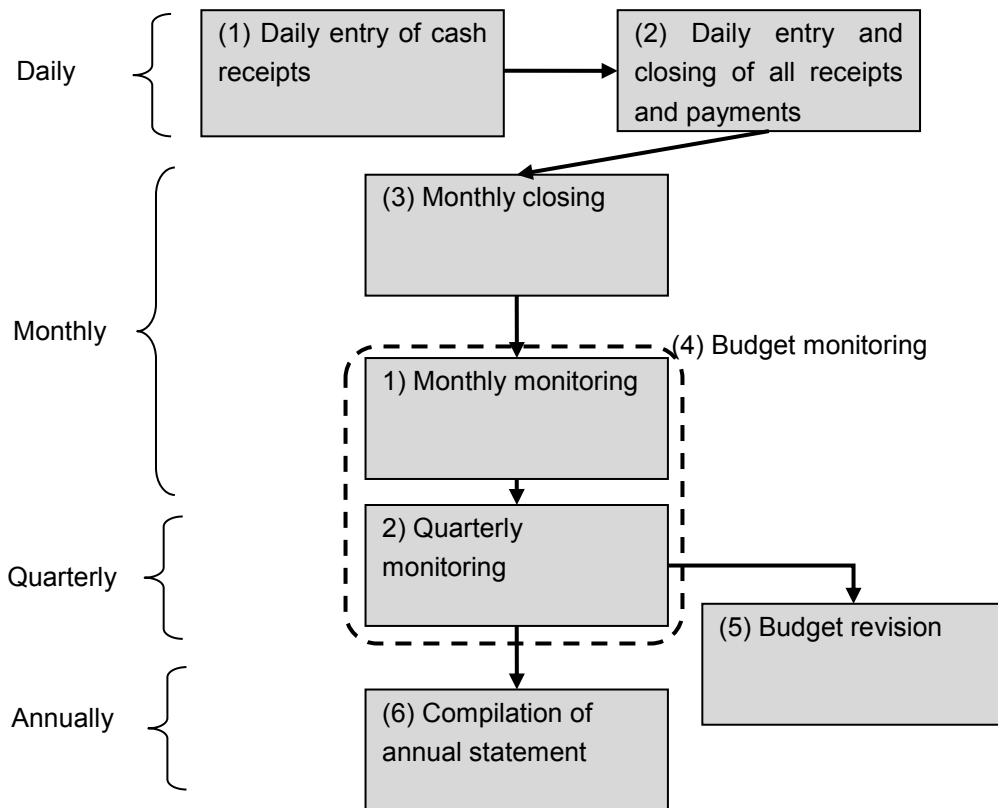
Responsibilities of Paurashava regarding accounting and financial reporting

Paurashavas have to keep their accounts following the basic rules below:

- To keep the accounts of income and expenditures of Paurashava in prescribed forms and procedure;
- To keep separate accounts of all the development projects on an yearly basis;
- To keep separate accounts for financial transactions for the implementation of different projects under civil works;
- To keep accounts of different advances and adjustment accounts of advances;
- To keep proper accounts regarding salary, other allowances of the officers and staff of the office and payments of all the relevant demands of the office;
- To keep the information regarding leave of the officers and staff of the Paurashava council and to keep other documents regarding service;
- To follow the instructions of the government regarding other expenses and keep accounts of those expenses.

Paurashavas have to prepare financial statements at the end of every fiscal year and submit those to the ministry by 31st December of the following fiscal year. The following issues should be kept in mind when preparing financial statements:

- To prepare the sector wise income and expenditure statement and submit it to the prescribed

authority;

- To prepare annual accounts statement at the end of every fiscal year;
- To publish a copy of the prepared annual accounts at the notice board of the Paurashava office or any other open place . Arguments and opinions of the public regarding the annual accounts statement have to be considered (sub-section 3, Section 93 of the Local Government (Paurashava) Act 2009).
- Expenditures have to be maintained carefully as per the fund Act
  a) Paurashava cannot spend more than the budget allotment;
  b) None of expenditures can be made without confirmation about the necessity and appropriateness of the sector of expenditure;
  c) Paurashava has to be conscious about the condition of the fund;
  d) Payment of salary and other allowances of all officers and staff and other related office expenses need to be regarded as prior responsibility; (sub-section 1 (a), Section 90 the Local Government (Paurashava) Act 2009).
  e) The fund allotted for one project or purpose cannot be spent for other purpose without the prior approval of the grants allotment authority;
  f) No expenditure can be made without a bill.

All the books and registers of accounts require to be bound properly and be put page number before use. The approval from the Mayor is needed for the allotment of accounts to be kept in which page. Accounts cannot be kept in open sheets in any case. The below mentioned books and registers have to be kept as per the Paurashava Accounts and Audit Rules 1935.

(1) Cash book of the accountant and the cashier	(15) Fixed advance of the Mayor
(2) Daily collection book	(16) Expenditure regarding establishment
(3) Register for tax remedy	(17) Related (contingency) expenditure
(4) Receipt recognition	(18) Advance payment for civil works
(5) Receipt book	(19) Advance accounts
(6) Valuation of the house and building, and tax assessment form	(20) Civil works through master role
(7) Tax on the annual evaluation of the building and land	(21) Monthly accounts
	(22) Annual accounts
(8) Professional tax	(23) Investment register
(9) Tax on animals and vehicles and license	(24) Register for the fixed assets
(10) Other taxes	(25) Store register for the store items
(11) Donation	(26) Stamp register
(12) Donation and aid	(27) General register
(13) Loan	(28) Receipt and payments
(14) Paurashava bait-ul-mal	(29) Cheque book
	(30) Travel allowance
	(31) Leave

3.6.4. Audit procedure and the responsibility of Paurashava

Audit is one of the processes of examining or evaluating financial accounts keeping and financial management whether it is kept properly as per the instructions of the relevant act, rules and

regulations. The audit can be done in two ways: a) Pre audit and b) Post audit.

a) Pre audit: to examine the justification of any demand before making the payments against that demand is defined as pre audit.

b) Post audit: to examine the justification of any demand after making the payments against that demand is defined as post audit.

In the case of Paurashava, post audit is usually done, and there are generally three kinds of audits: 1) internal audit; 2) external audit; and 3) audit of the government.

Internal Audit

Internal audit is the audit conducted by the Paurashava authority. The standing committee on accounts and audit audits all the accounts of income and expenditures of the Paurashava once in every year and submit a report in the council meeting.

External Audit

The audit carried out through appointing an external auditor is called external audit.

External auditor conduct audit work by examining the below mentioned issues:

- Whether all the financial transactions of the Paurashava have been done following proper policy and approval;
- Whether the accounts of the Paurashava have been kept and preserved properly;
- Whether the entire receivables of the Paurashava have been included in the accounts and deposited in the bank account in time;
- Whether the budget preparation, approval and expenses as per the approved budget and in case of necessity the budget have been revised following the rules?
- Whether all expenditures have been included in the accounts and paid as accounts payee;
- Whether various collections are deposited in proper places and the amounts shown in the receipts are written in the accounts properly;
- Whether taxes have been collected as per the government rules;
- Whether files regarding accounts have been preserved properly;
- Whether the vouchers of the entire expenditures have been preserved properly;
- Whether assets registers have been kept properly.

The auditor submits an audit report after completing the audit activities. The accounts are prepared resolving the arguments mentioned in this report, and submitted for the government audit.

Audit of the government

Office of the Comptroller and Auditor General (OCAG) is the supreme audit institute of Bangladesh. OCAG possesses the authority to audit all the files, documents, receipts, fund, stamp, land, treasury and other assets of all the government offices under Section 128 (1) of the constitution of the people's republic of Bangladesh. They examine the documents of the previous fiscal year. If the audit team does the audit work on specific part of the documents, files, papers and bill vouchers instead of the whole, it is called test audit. If the audit authority audits the tasks, in other words, examines whether those tasks have been performed as per the rules orders of the government , it is called regulatory

audit. Recently "efficiency audit" and "performance audit" have been introduced for making the result of the audit more effective.

All the accounts of Paurashava are audited by the government after a certain time. The audit authority submits an audit report after completing the audit activities, in which the below mentioned issues are mentioned along with other important issues:

a) Disparity of fund;
b) Loss, waste or miss use of fund;
c) Other loopholes in accounts keeping;
d) The name of the persons who are directly or indirectly involved with loopholes mentioned in the above (a), (b) and (c) according to the auditing authority, has to be mentioned in the report.
e) The audit authority submits a copy of their audit report to the Paurashava and then to the government.
f) Paurashava has to immediately take necessary action on the loopholes identified by the audit authority and inform the audit authority and government about the action taken.

Rules regarding audit

All the rules regarding audit have been introduced by the Director General of the Accounts and Audit. The guidelines of the Director General of the Accounts and Audit have been compiled in the audit code and audit manual. The most important guidelines are compiled in the audit code and comparatively less important rules/ guidelines have been compiled in the audit manual (2nd chapter of the preface of the audit code). The most important articles defines auditor's jobs as below:

1. To ensure whether the accounts have been kept properly in the prescribed format and whether the books, bills, vouchers, papers have been prepared/ kept properly in favor of all the transactions;
2. To ensure that the books, bill, voucher, papers are real and accurate;
3. The audit team does not interfere in administrative activities. But, it does not mean that the team can only be engaged in finding out limitations. The audit team may provide suggestions to the head of the local office regarding budget, and keeping of books/ papers in favor of the accounts, and issues regarding cost control and accounts. Along with this, some of the important guidelines from the chapter 31 of the manual of the Director General have been mentioned as below;
   a) To examine the records of the accounts such as; will match with books, office copy of the relevant receipt books, and voucher;
   b) To examine some parts of the accounts of leave and service book;
   c) To evaluate whether the taxes have been assessed and collected on the person and institutions which are imposable; and
   d) To ensure whether proper and appropriate measures have been initiated to recover the arrear taxes, if there is any.

Responsibility of the Paurashava in audit process

Audit is very helpful for any organization. If there is regular audit in any organization, the financial management of that organization can be transparent, accountable and sustainable. The elected

representatives, the officers and staff need to look at the audit process positively.The audit team are not the opponent of the organization in any way. All the documents have to be ready and updated immediately after getting a notification of the audit program. A check list of the demands of the audit team needs to be prepared on the first day of the audit and all the documents and files have to be provided as per that list. Specifically, Paurashava is responsible to:

- Provide all the books and files on accounts of the Paurashava if the audit team would like to examine them;
- Provide answers to any questions the audit team asks;
- Supply all the files and documents as per the requirements of the audit team during the audit activities.

3.6.5. Resolving the audit arguments
As audit is a brain storming continuous process, it is not possible to find out any easy way of audit resolution. Though any mathematical solution cannot be suggested, the following approaches can help resolving the audit argument.

- Being loyal to the concerned financial rules and regulations;
- Combined and heartiest group effort of all;
- Proper mentality;
- Local discussion and good communication with audit team during the audit and after receiving audit arguments.
- Providing answers within the prescribed time schedule after getting the argument.
- Providing proper answers to questions and consider whether the answer is relevant to the question;
- Answers should be self-explanatory and informative and there should be the reflection of real features.
- During answering the arguments, it should be loyal and with evaluation of the government orders/ explanations/ evaluations;
- Official strict action against the person responsible for being late to respond arguments;
- Keeping the issue of transparency and accountability in mind through the process;
- Selecting representatives with proper knowledge for the two/ three party meetings and giving importance to implement the agreed recommendations;
- Including the accounts and audit standing committee in audit argument resolving process.

3.7. Budget formulation

3.7.1. Purposes of budget formulation

A budget is the statement of the financial planning of any organization, where the probable planned scenario of the income and expenditure of any organization of a certain time is reflected. It is an outline of the future programmes with allocation of financial resources according to priorities.

A budget is also a financial regulatory system in which use of public financial resources are controlled. It serves to monitor whether the Paurashava's funds are spent for initially agreed purposes and to make necessary adjustments. In other words, it is one of the tools to ensure transparency and accountability to the citizens. Therefore annual budget formulation as well as its execution is one of the most critical and difficult tasks of Paurashavas.

General purposes of budget formulation of a central/local government

✧ Allocate resources based on priorities
✧ Control the use of financial resources
✧ Ensure transparency and accountability to citizens by providing the government's plan on the use of public financial resources

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3.7.2. Annual budget formulation process and role of stakeholders

Annual budget formulation process

The fiscal year of Paurashava budget starts on 1st of July and ends on 30th of June. Paurashavas start executing approved budget from 1st July. Before the current fiscal year ends, Paurashavas formulate annual budget for the next fiscal year.

According to the Paurashava Budget (preparation and approval) Rules, 1999, Paurashavas start budget formulation for the next fiscal year no later than 3 months before the end of financial year. It has to be approved by the Council no later than 30 days before the start of the concerned financial year and submit it to the Divisional Commissioner or the Local Government Division (LGD) (Section 92 of Local Government (Paurashava) Act 2009). The proposed budget needs to consider public opinions (Section 92 of the Act) and for this purpose, Town Level Coordination Committee (TLCC), a committee for dialogue with citizens, can be utilized. The approved budget is announced to public, in many cases through "open-budget meetings" inviting citizens.

The budget formulation process is depicted in the chart below.

Budget formulation process

Budget formulation process	**By the end of March**	(1) Paurashavas start budget formulation
	April - May	(2) Budget is discussed in TLC meetings
	By the end of May	(3) Budget is approved by a special meeting (4) Budget is sent to LGD by the end of May.
	June	(5) Budget is announced to the public through an open budget meeting. (6) Budget is sanctioned by the end of June.
Budget execution process	**1July**	(7) Paurashavas start executing budget.
	July – June	(8) Budget monitoring

Role of stakeholders in the budget formulation process

To ensure transparency, accountability and better utilization of local resources for providing desired level of municipal services to the people, and the development of infrastructure facilities, annual budget formulation through participation of local people and civil society members is highly required.

The budget formulation process involves a number of actors including citizens. Each of them has different roles to play. Roles of each stakeholder are not prescribed in any rules but in general the following roles are expected for each stakeholder.

Actor	Roles
Mayor	Initiate the budget formulation process • Provide guidance and instructions to Paurashava officers to prepare a draft budget; • Chair council meetings and TLCC meetings to discuss the draft budget and finalize it
Councilors	Provide opinions and suggestions on the draft budget • Discuss draft budget in the council and TLCC meetings • Approve the final draft budget in a special meeting of the Council

Standing Committee on Administration and Finance	(TOR of the committee needs to be determined by by-law to be prepared by each Paurashava.)
Secretary and Accountant	Prepare an initial draft and make necessary adjustments to the draft • Collect information from sections of the Paurashava to estimate revenue and expenditure of the next financial year • Prepare an initial draft budget in consultation with the Mayor • Modify the draft according to resolutions made in the council and TLCC meetings.
Other officers	Provide required information for budget preparation
TLCC members	Provide opinions on draft budget through TLCC meetings

3.7.3. Composition of annual budget

A budget document of Paurashava is composed of three budgets: i) Revenue budget; ii) Development budget; and iii) Capital budget, as specified in the Paurashava Budget (preparation and approval) Rules 1999. Each budget consists of income part and expenditure part.

i) Revenue budget

Revenue budget is the budget prepared from their own fund to meet up their regular expenditures. Income of the revenue budget is mainly taxes, rates and fees while expenditure of the revenue budget include establishment expenses (honorarium, salaries and allowances, utility bills, etc.), health and sanitation expenses, etc. Establishment expenses cannot be more than 50% of total revenue income as specified in the Paurashava Budget (preparation and approval) Rules 1999.

Revenue surplus

If revenue income exceeds revenue expenditure, the surplus is transferred to development budget and can be used for development activities. Therefore, the collection of taxes, rates and fees is very important to expand activities of the Paurashava.

ii) Development budget

Development budget is the budget prepared to initiate development activities with the fund provided by the government, development partners and others. Revenue surplus transferred from revenue budget is also a part of the income of development budget.

iii) Capital budget

According to the Paurashava Budget Rules 1999, capital budget represents the following income and expenditure transactions:

Income:
➢ Loan received by the paurashava;
➢ Collection of loan provided by the paurashava;
➢ Income from the investment and securities;
➢ Fund transferred to the gratuity fund of the officer and staff of the paurashava
➢ Fund transferred by the paurashava in depreciation fund

Expenditures:

- ➢ Repayment of loan by the paurashava;
- ➢ Loan paid (disburse) by the paurashava;
- ➢ Purchase of securities and other investment;
- ➢ Any expenditures from depreciation fund;
- ➢ Real expenditure for the gratuity of the officer and staff of the paurashava.

Paurashavas prepare their annual budget documents covering the above three types of budget using the following five formats: specified in Paurashava Budget (preparation and approval) Rules 1999.

- Form Ka (See Attachment 1): the summary of a Paurashava budget, which summarizes the income and expenditure of (i) revenue budget, (ii) development budget and (iii) capital budget
- Form Kha (See Attachment 2):   the details of the budget summarized in Form Ka for (i) revenue budget, (ii) development budget and (iii) capital budget;
- Form Ga: a list of regular officer and staff including name, designation, salary, salary scale and their bonus and required amount
- Form Gha: a list of contractual staff and their related information; and
- Form Uma: Particulars of the fund received by the government for any special project

Annual budget prepared as above can be revised according to the execution status and approved in any time before the closing of the fiscal year if necessary (Section 6, 7 and 8 of the Paurashava Budget (preparation and approval) Rules 1999).

Attachment 1

<table>
<tr><td colspan="4" align="center">Form Ka
(Section-3)</td></tr>
<tr><td align="center">Description</td><td align="center">Actual of previous year</td><td align="center">Current year Budget or Current Year Revised budget</td><td align="center">Budget of upcoming year</td></tr>
<tr><td>(A) Revenue account
Income from part-1
Income from part-2</td><td></td><td></td><td></td></tr>
<tr><td>Total income:</td><td></td><td></td><td></td></tr>
<tr><td>Less: Revenue expenditure
Part-1
Part-2</td><td></td><td></td><td></td></tr>
<tr><td>Total expenditure:</td><td></td><td></td><td></td></tr>
<tr><td>Grand Total revenue surplus</td><td></td><td></td><td></td></tr>
<tr><td>(B) Development account
Government   Donation
Revenue surplus
Others</td><td></td><td></td><td></td></tr>
<tr><td>Total   :</td><td></td><td></td><td></td></tr>
<tr><td>Less: Development expenditure</td><td></td><td></td><td></td></tr>
<tr><td>Total budget surplus/shortage
Add: Opening balance</td><td></td><td></td><td></td></tr>
<tr><td>Closing balance:</td><td></td><td></td><td></td></tr>
<tr><td>(C) Capital account
Total income :</td><td></td><td></td><td></td></tr>
<tr><td>Total expenditure :</td><td></td><td></td><td></td></tr>
<tr><td>Closing balance regarding capital account:</td><td></td><td></td><td></td></tr>
</table>

Attachment 2

Form Kha
(Section-3)
…………….. Paurashva's Budget
Financial Year:………………………

(a) Revenue Account

Part-1

Income				Expenditure			
Head of Income	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**	**Head of Expenditure**	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**
Taxes				General Establishment			
Tax on holding and land				Education Expenses			
---				----			
Sub-Total				**Sub-Total**			

Part-2

| | Income | | | | Expenditure | | | |
Head of Income	Actual of Previous Year	Current Year Budget or Revised Budget	Budget of Upcoming year	Head of Expenditure	Actual of Previous Year	Current Year Budget or Revised Budget	Budget of Upcoming year
Water Tax Connection Fees …				Salary and allowances of water section employees Electricity bill-for water supply … Depreciation Fund			
Sub-Total				**Sub-Total**			
Total Income (Part 1+2) **Opening balance** (Part 1+2)				**Total Expenditure** (Part 1+2) **Transfer to Development account** (Part 1+2) **Closing balance** (Part 1+2)			
Grand Total				**Grand Total**			

(b) Development Account

	Income			Expenditure			
Head of Income	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**	**Head of Expenditure**	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**
Government Aid				**Infrastructure:**			
				Road construction			
				Road maintenance			
				Bridge culvert construction			
				…			
Revenue Surplus				Hat/Bazar(Market) Development			
Part-1				Bus Terminal Development			
Part-2				Bus Terminal Maintenance			
Donation			…	…			…
…			…	Others			…
Opening Balance				Closing Balance			
Total				**Total**			

(c) Capital Account

	Income			Expenditure			
Head of Income	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**	**Head of Expenditure**	**Actual of Previous Year**	**Current Year Budget or Revised Budget**	**Budget of Upcoming year**
Loan received				Loan repayment			
Loan refund				Loan payment			
Received from Investment				Miscellaneous			
…				…			
Total Receipts				**Total Expenditure**			
Opening balance				Closing balance			
Total				**Total**			

3.8. Procurement

3.8.1. Concept and classification of procurement
Procurement and procurement management
Mainly procurement means the activities of purchasing or collecting something in line with the rules and regulations for any institution. Institutions refer to government, semi- government, and all local government organizations, and purchase means purchase of any goods, civil works or services or deployment of any service-oriented firm to provide services, etc.

There are two parties in procurement activities, one who purchases and the other who provides the services. For doing the procurement activities properly, procurement activities are done between the purchaser and the service provider under some specific condition and policy, and this management is said procurement management.

Classifications of procurement
1) Classification by type
Procurements are of three types on the basis of what is to be purchased.

<u>Procurement of Goods:</u>
'Product' means raw materials, equipment and machineries, hard, liquid and atmosphere form of consumers' goods, and establishment and such liabilities. Electricity, brick, iron etc, are included in products or goods.

<u>Procurement of Works:</u>
'Works' mainly means civil works. Civil works means construction, re-construction, removal, repair, and maintenance and renewal of any establishment, or any construction works and relevant services for such civil works. Goods also need to be procured for civil works, such as iron, cement, sand, stone, etc.

<u>Procurement of Services:</u>
"Services" means related services, physical services, or professional or intellectual services. There are several meanings of 'services'. Related services mean that services such as transportation, insurance, maintenance, etc., which are related to the contract of delivering goods or products. The reason for defining this as service is that the expenditures for this purpose, any of the goods or resources are not collected.

There are several meanings of 'services':

  a) "Related services" mean that services which are related with the contract of delivering the goods or products.
  b) "Physical services" mean that services which are listed below:
       i. Productions related to the appropriate product/ works (facilities, or machineries operation and maintenance, survey and digging for production;
       ii. Unit-based service oriented contract (security service, delivery service, geological service); and

iii. "Professional or livelihood service" which are consultancy or design-related services provided by consultants.

2) Classification by procedure of procurement of goods and services

Direct procurement procedure: Procurement of products and services from the open market by an institution without any competing tender.

Direct Cash Purchase (Procurement article 81)
1) The procuring entity may undertake direct cash purchase of low value goods and urgent and essential services such as maintenance, repairs, transportation and others in the value and annual aggregate amounts specified in Schedule II.
2) The procuring entity may undertake any purchase under this rule by an officer or a purchase committee, comprising maximum three members, formed by it for this purpose, depending on the nature of the purchase.
3) Payments for purchase under sub-rule (1) may be made by cash or cheque and a purchase order or contract shall not be required.

The annual total amount of direct cash procurement is fixed at 25, 000 (twenty five thousand) taka at the maximum per procurement, but up to 5 (five) lakhs taka in a year.

Request for Quotation (RFQ) Method:

The process of requesting suppliers to submit quotation within the limit of approved budget (the amount is generally prescribed or specified by the procuring entity) for supplying product and civil works in the rational and market rate without publishing the notice in the newspaper is called RFQ method. it is possible to send the request to many suppliers.

Open tender method:

In case of procurement of any specific item in special situation or within the procurement limit, if the application of other procedures are not rational, open tender method has to be followed.

Distinction between tender and quotation

Quotations are usually received for the procurement of a small amount (usually specified by the procuring entity)while the procurement of a large amount needs to invite tender.
- Quotation is for a limited scale while tender is for a large scale.
- There is scope of competition for a large number of suppliers or service providers while usually quotations are collected from three contractors or suppliers.

Procedures for the procurement of goods and works under Public Procurement Act 2006
1) Direct Purchase Method: DPM
2) Request for Quotation Method: RFQM
3) Open Tendering Method: OTM
4) Limited Tendering Method: LTM
5) Two Stage Tendering Method: TSTM

6) International Tendering Method: ITM
7) Framework Contract

National procurement: Request for Quotation Method (RFQM)

Tasks, conditions, etc. regarding the implementation of the Request for Quotation Method (RFQM) are as follows:

1) A procuring entity may undertake procurement by means of the RFQ for readily available in the market standard off-the-shelf goods and related services, low value simple works and physical services, provided that the estimated value of such procurement shall not exceed the threshold separately specified for revenue and development budget in Schedule II.

2) The head of the procuring entity shall strictly control the use of the RFQ method in order to ensure that there is no abuse and its use by procuring entities is restricted to the items specified in a rule.

3) A decision to use RFQ method shall be approved in writing by the head of the procuring entity or an officer authorized by him or her unless the RFQ method was scheduled for the said object of procurement in the procurement plan approved under Rule 16(7).

4) In deciding or justifying the use of the RFQ Method, the following shall be considered
   a) Procuring entities shall not use the RFQ Method as means to either bypass more competitive methods of Tendering or split large potential contracts into smaller ones solely to allow the use of this method.
   b) The RFQ method should not require complex documentation or all the formalities of a full tendering process.

- Tenderers may be required to furnish documentary evidence(s) demonstrating its eligibility by providing a valid trade license, Tax Identification No. (TIN), VAT registration and Bank solvency certificate.
- Tenderers shall be requested to quote prices or rates in a process similar to those in Open Tendering Method.
- The evaluation criteria to be used shall be stated in the requests for quotations considering type and value of goods and related services and low value simple Works or physical Services to be procured using the RFQ method.
- Procuring entities shall use the standard document specified for RFQ method.
- No tender or performance securities are required when the RFQ Method is used.
- Requests for quotation do not need to be advertised in the newspaper but for the minimum circulation the procuring entity shall publish an advertisement in itswebsite, if any, its notice board and shall send with request for publication to the administrative wing of another nearby procuring entities.
- The procuring entity shall not charge any fees for the RFQ document.
- Time for invitation shall be kept minimal but reasonable, within the threshold specified in Schedule II.
- The procuring entity shall carefully select the tenderers to be invited to submit quotations for procurement of goods or works taking into account its specific requirements as well as the reputation and capability of the tenderers.
- The procuring entity shall request quotations from as many tenderers as practical and shall

obtain and compare at least three (3) responsive quotations to establish the competitiveness of the quoted price,

Financial budget limit for the procurement of goods, related services and works or physical services through request for quotation method RFQ:	
For the procurement under revenue budget: For the procurement of goods and related services maximum 2 lakhs taka for each of the procurement and maximum 10 lakhs taka in a year. For the procurement of works and physical services maximum 5 lakhs taka for each of the procurement and maximum 20 lakhs taka in a year.	**For the procurement under development budget:** For the procurement of goods and related services maximum 5 lakhs taka for each of the procurement and maximum 20 lakhs taka in a year. For the procurement of works and physical services maximum 10 lakhs taka for each of the procurement and maximum 40 lakhs taka in a year.

3.8.2. Public Procurement Act 2006 and Public Procurement Rules 2008

Public Procurement Act 2006

The act introduced in the year 2006 to perform the vast and huge procurement activities properly and systematically in a comprehensive manner, is known as the Public Procurement Act (PPA) 2006. Very small or very large, purchase of products or services the entire activities are included in the Act.

Act No. 24 of the year 2006

The PPA is the Act which has been introduced to ensure transparency and accountability in government procurement, and provide equal opportunity to all who are willing to participate in procurement procedures.

Main objectives of PPA and Public Procurement Rules (PPR) 2008

- To ensure transparency and accountability in procure of any goods, works or services with the government fund;
- To ensure equal behavior and open competition to all who are interested to participate in the procurement process.

PPA is applicable in below mentioned sectors within whole Bangladesh.
    A. Procurement of any product or service, or works by any purchaser with government fund;
    B. Procurement of any product or service, or works by any government, semi government or institution formed under PPA.
    C. Procurement of any product or service, or works with government fund by any company formed and registered under Company Act 1994.

Public Procurement Rules 2008

The government introduced PPR 2008 under the power provided in the article 70 of PPA (SRO no. 21). All the procurement by the fund of the government or donor aided projects is done under these rules such as purchase of products for projects, purchase of furniture, machineries, civil works, repair and

maintenance, appointment of consultants, etc.

Subject matter of the Public Procurement Rules 2008
First Chapter: Introduction Second Chapter: Preparation of tender or proposal, committee, etc. Third Chapter: Policies regarding procurement Forth Chapter: Procedures and implementation of purchase of products and related services, works and civil works related services Fifth Chapter: Procurement procedures Sixth Chapter: Procurement of professional services Seventh Chapter: Professional misconducts, etc. Eighth Chapter: Utilization of electronic operating procedures in government procurement, etc.

Rules of punishment for denial of the PPA and PPR
The below mentioned punishment has been mentioned for the denial of PPA and PPR.

- If any officer or staff violets the act upon whom the act is applicable, he will be accused to cause of violation of misconduct or dishonesty according to the service rules, and for this reason departmental disciplinary action can be taken against him.

3.8.3. Definition of different issues regarding PPA and PPR
"CPTU" means the Central Procurement Technical Unit, established by the in the Implementation Monitoring and Evaluation Division of the Ministry of Planning, for carrying out the purposes of PPA and PPR.

"Procurement" means the purchasing or hiring of goods, or acquisition of goods through purchasing and hiring, and the execution of works and performance of services by any contractual means. As per PPR 2008, procurement means purchase, hire or receiving of any goods, works or services under the contractual basis.

"Public Procurement" means Procurement under PPA using public funds.

"Administrative Authority" means the concerned procuring entity, head of the procuring entity and Secretary of the Ministry or Division respectively.

"Approving Authority" means the authority which, in accordance with the delegation of financial powers, approves the award of contract for the procurement of goods, works or services.

"Public funds" means any funds allocated to a procuring entity under government budget, or loan, grants and credits placed at the disposal of a procuring entity through the government by the development partners or foreign states or organizations.

"Delegation of Financial Powers" means the instructions with regard to the delegation of financial authority, issued by the from time to time, relating to the conduct of public procurement or

sub-delegation of financial powers under such delegation.

"Works" means all works associated with the construction, reconstruction, site preparation, demolition, repair, maintenance or renovation of railways, roads, highways or a building, an infrastructure or structure or an installation or any construction work relating to excavation, installation of equipment and materials, decoration, as well as physical services ancillary to Works, if the value of those services does not exceed that of the works themselves.

"Intellectual and Professional Services" means services performed by consultants with outputs of advisory, design, supervision or transfer of a knowhow nature.

"Consultant" means a person under contract with a procuring entity for providing intellectual and professional services.

"Head of the Procuring Entity" means the Secretary of a Ministry or a Division, the head of a government department or directorate; or the Chief Executive, by whatever designation called, of a local government agency, an autonomous or semi-autonomous body or a corporation, or a corporate body established under the Companies Act.

"Procuring Entity" means a procuring entity having administrative and financial powers to undertake procurement of goods, works or services using public funds.

"Project Manager" is the person named in the contract or any other competent person appointed by the procuring entity and notified to the contractor who is responsible for supervising the execution of the works and administering the contract.

"Quotation" means the priced offer in writing received from tenderers for the procurement of readily available standardized goods, works or physicalsServices subject to the threshold value as prescribed by PPR.

The process of requesting the suppliers to submit quotation within the limit of approved budget (the amount is generally prescribed or specified by that organization) for supplying product and civil works in the rational and market rate without publishing in the newspaper is called RFQ method, it is possible to get more quotations and the request is sent to many of the suppliers. Quotation is the tender submitted by a limited number of sellers or suppliers.

"Tender or Proposal", depending on the context, means a tender or a proposal submitted by a tenderer or a consultant for delivery of goods, works or services to a procuring entity in response to an Invitation for tender or a request for proposal; and for the purposes of PPA, tender also includes quotation.

"Tender Document or Request for Proposal Document", means the document provided by a procuring entity to a tenderer or a consultant as a basis for preparation of its tender or proposal.

"**Tenderer**" means a person who submits a tender.

"**Tenderer**" also means the person invited or expecting to be invited for participating in the public procurement, in case of tender invitation person who submit the tender or in case of invitation to submit advertised price, the person who submit the tender or in perspective of the request of submitting proposal, the person who submits the proposal.

E-government Procurement "e-GP" means procurement by a procuring entity using electronic processing systems;

"**Schedule**" means a schedule appended to PPR.

"**Advertisement**" means an advertisement published under Article 40 in newspapers, websites or any other mass media for the purposes of wide publicity.

"**Contractor**" means a person under contract with a procuring entity for the execution of any Works under PPA.

"**Opening Committee**" means a Tender Opening Committee (TOC) or a Proposal Opening Committee (POC) constituted under Article 6 of PPA.

"**Evaluation Committee**" means a tender or a Proposal Evaluation Committee constituted under Article 7 of PPA.

"**Responsive**" means qualified for consideration on the basis of evaluation criteria so declared and specified in the tender document or in the request for proposal document.

"**Contract Price**" is the price stated in the notification of award and thereafter as adjusted in accordance with the provisions of the contract.

"**Defect**" is any part of the works not completed in accordance with the contract.

"**Defects Correction Certificate**" is the certificate issued by project manager upon correction of defects by the contractor.

"**Defects Liability Period**" is the period named in the contract and calculated from the completion date.

"**Pre-Qualification**" means a procedure for demonstrating qualifications as a pre-condition for being invited to tender.

Rules" means the rules introduced under PPA.

"**Quality**" means quality of goods, works or services.

"**Review Panel**" means a panel comprised of specialists to review complaints submitted by a person.

"**Framework Contract**" means a contract, effective for a given period of time, between one or more procuring entities and one or more suppliers, establishing the terms governing the procurement of goods and related services, with regard to price, and, where appropriate, the quantity or quantities envisaged.

"**Force Majeure**" means an event or situation beyond the control of a contractor, a supplier or consultant that is not foreseeable, is unavoidable, and its origins not due to negligence or lack of care on the part of the contractor; such events may include, but not be limited to, acts of the government in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.

"**Provisional sums**" means amounts of money specified by the procuring entity in the bill of quantities which shall be used, at its discretion, for payments to nominated subcontractors and other purposes detailed in the tender documents.

"Force account":
- Considering the expenditure limit mentioned in the schedule 2, force account can be apply for direct appointment of labor for departmental necessity.
- With the objective to fulfill the departmental tasks, other procedures of procurement of equipment and machineries and rent of additional equipment such as; request for proposal or direct contract under article 76 can be done.

The total maximum annual amount of procurement under force account: for each procurement the amount is maximum 2 lakhs taka only.

3.8.4. Procurement process of Paurashava as per PPR 2008
Activities regarding procurement in Paurashava
Generally, Paurashavas perform procurement of very small or very large amount, such as purchase of products, furniture and machineries, civil works, maintenance and repair, appointment of consultant.

- Procurement of product or goods;
- Procurement of works (civil works);
- Procurement of services.

Examples of procurement
▪ Appointment of contractor for establishing tube well or construction of roads;
▪ Appointment of consultant for examining the water of the tube well;
▪ Appointment of the rural theater team for the promotion of hygiene;
▪ Purchase of PVC with the cost of taka 500 for repairing tube well through the own mechanic of the Paurashava;
▪ Appointment of contractor for constructing sanitary latrine/ drain;
▪ Signing contract with any of the local NGO for strengthening capacity of the Paurashava.

3.8.5. Contractor or supplier

The person or organization involve in supply of any work, product or service, is generally known as supplier.

There are differences in their name because of the difference in the supply works.

- The person or organization which only supplies products to the purchaser or organizations, that is called supplier.
- Generally the person or organization which is being contracted for completing works especially the civil works is called contractor.

Classification of the contractors

The collecting organizations classify the contractors as per their requirements. The classifications of the contractors as per the subdivision 105 of the purchase manual of the government of Bangladesh are as below:

- Bangladeshi producers
- Agent of the foreign producers
- Stockiest of the National or International products

Eligibility criterion of the contractors

The below mentioned eligibility criterion should have to be a contractor as per the Article 48 of PPR.

1) Should have the necessary professional and technical efficiency of implementing the contract.
2) Will have to be the viable of financial ability, materials, and other infrastructural arrangement. The financial ability of the contractor means, the ability to pay the security money and to perform other financial activities.
3) Will have to be capable of providing services after the completion of the supply or work.
4) Should have the managerial ability, experience, good will and moral obligation.
5) Should have enough experienced work force.
6) Should have the legal approval signing the contract and of contracting additional contract if necessary for more work during the running work.
7) Will have to be payer of tax and other social responsibilities as per the existing rules and regulations.
8) The contractor will have to be the owner of the license of collecting organization.
9) The entire contractor will have to be registered for VAT under article- 15 of Value Added Tax Act beyond turnover.
10) Have submitted tender of proposal for service with the objective of signing the contract and have the ability to perform the contract.
11) Have not been restrained to purchase by any purchaser, and have not punished by any court for fraud, corruption, and conspiracy.

3.8.6. Steps for tender or proposal invitation

Tender or proposal invitation follows the steps below.

(1) Formation of tender evaluation committee

(2)   Preparation of technical specification

(3)   Preparation of Proposal

(4)   Preparation of tender schedule

(5)   Publishing the tender notice

(6)   Sale of tender form of tender schedule

(7)   Submission and receive of tender form

(8)   Opening the tender

(9)   Examine and evaluation of the tender

(10)   Approval of the evaluation report:

(11)   Issuing the notice for signing the contract

(12)   Signing the contract

Each step can be explained as follows:

(1) Formation of tender evaluation committee:

A tender evaluation committee containing 5 - 7 members has to be formed. Among them two have to be external expert and experienced technically on procurement. The chief the collecting organization selects those two experts. For evaluation, there should be at least 5 members present including two external experts, and they have to sign in the evaluation report. The tender evaluation committee cannot be changed without any approved cause.

(2) Preparation of technical specification:

The purchaser prepares a technical specification for his desired product/ work for procurement where the below mentioned issues should be incorporated:

- The working ability or production ability instead of mentioning the directly related design or narrative characteristics which may reduce competition; the trade mark of any product, brand name of the product, patent, design or type, specific source country, name of the producer or supplier cannot be mentioned in the technical specification.

(3) Preparation of proposal

The proposal has to be prepared, mentioning what product will be supplied to where, or price of performing any works based on the price provided by the supplier along with the regarding and associative cost. If the contract is signed, the supplier has to pay the income tax and VAT properly.

(4) Preparation of tender schedule

The purchaser has to prepare the tender schedule or terms of reference including specification. The purchaser has to mention the below mentioned information and conditions in the tender or proposal document:

    a.   Particulars of the works or services to be performed;

    b.   Location and drawing of the works;

    c.   Bill of quantity of the products or services to be supplied;

    d.   Location or place of supply or establishment;

    e.   Work plan of the products or services;

    f.   Minimum mandatory conditions of completing the tasks;

    g.   Conditions regarding warranty, defects liabilities and maintenance;

h. Name of the currency or currencies in which the tenderer can submit the tender and applicable date of implementing the transaction price;

i. Quantity of tender security and work completion security with the name of currency or currencies;

j. Condition and procedure of the payment of the contract price;

k. Minimum insurance coverage;

l. Any other relevant condition.

(5) Publishing the tender notice:

The collecting organization generally prepares a document containing the particulars of the work or product and the conditions which they want to collect in their desired manner. This document is known as the tender schedule. The interested suppliers submit supply proposal through collected tender documents from the purchaser by non-refundable or prescribed price in respect of the invitation of the collector. This proposal is known as tender.

Tender or RFQ notice:

To publish the tender through circular in the newspaper and other media for inviting tender from the contractor or supplier or seller in organizational level is called tender notice. The notice has to be published in the newspaper to inform more supplier or contractor. In this way it becomes possible to find out the fittest supplier or contractor. Products, works or services can be collected at competitive price. Quality can be maintained in collection of products, services or works.

The tender documents or terms of reference have to be made public based on the size of the procurement. The notice has to be published in two national newspapers (one English, one Bengali) and placed in the notice board of the Paurashava office.

Publishing the advertisement in national and local newspaper:

The Paurashava council can publish the notice in two national or the most popular local newspaper two times at the maximum when the proposed price is at least taka 5 lakhs or more.

The tender notices can be as below as per the arrangement, characteristics, and span:

• Open tender: Tender notice open for all. Any related seller, supplier, or contractor can part in the tender process.

• Restricted tender: Not open for all. Only the listed suppliers, contractors or sellers can participate.

• International Tender: Circulate notice providing opportunity for the seller, supplier and contractor from abroad to participate in the tender process. In case of large scale government procurement international tender is generally uses.

(6) Sale of tender form of tender schedule:

The council has to specify a price of the tender form. Point to be mentioned is that the price of the tender form should be fixed according to the value of the tender. The committee has to sell the tender form in prescribed price to the interested and qualified sellers, contractors, suppliers or consultants.

(7) Submission and receive of tender form:

The contractors or suppliers submit the written and signed tender in sealed packet to the prescribed place or places on or before the last date mentioned in the notice. The collecting organization provides a receipt to the submitter with date and time. The tender offer submitted after the fixed time should be returned to the sender without opening.

(8) Tender opening committee

The tender collecting organization opens the tender in front of people at the date and time mentioned in the tender notice. The tenders have to be opened at presence of the members of the tender evaluation committee. The tender submitters or their responsible representatives can be present while opening the tender. The proposed rate and deposited amount of each tender have to be writtten down. No tender is considered if not opened in the presence of the public, and that tender has to be returned.

The formation of the tender opening committee is as below including 1 from the tender evaluation committee and 2 members from the concerned purchaser and other organization:

- a. Chairperson;
- b. Member;
- c. Member-secretary.

(9) Examine and evaluation of the tender

The tender evaluation committee examines and evaluates tenders in the following way:

- The evaluation committee examines, evaluates and makes recommendations in an evaluation report.
- The members of the tender evaluation committee certify jointly in the evaluation report mentioning that the entire rules have been followed while evaluation and no important information is absent. Beside this, each of the members of the evaluation committee individually certifies mentioning that he/she does not have any business relation or other relation with any of the tender submitters.
- The proposals with more or less than the tender proposal cannot be rejected while tender evaluation.
- The collecting organization can ask for written explanation of the proposal to any of the tender submitter for easiness of the examination and evacuation of the tender.
-

Selection of successful tender submitter

1) The lowest rate provider among many of the valid tender paper with satisfying the requirements mentioned in the tender schedule will be selected as the successful tender submitter. Time of supply will have given priority while evaluating the accuracy of the mentioned lowest rate.
2) If the provided rate is remarkably less than the price of tender schedule, the tender evaluation committee will have to find out the causes. In this regard rate explanation letter can be demanded to the tender submitter. If the tender evaluation committee thinks that the provided rate is abnormally less because of the inexperience of the tender submitter, they can reject the

tender from evaluation.

3) The sector of comparison among the successful tender submitter will be the mentioned rate including all taxes and tariff except value added tax. The information will have to evaluate properly which were demanded in the tender schedule.

4) If it is found at the end of the evaluation that, the lowest tender offer is higher than the budget, but the rate is within the market price rate, in this regard the tender evaluation committee will recommend to the approving authority to accept the tender and make contract reducing the requirements or order.

5) Work order will have to issues to the selected successful tenderer. Work order will have to issue within prescribed time.

Check list for evaluating the initial eligibility of the tender submitter

Sl. no	Subject of necessary evaluation	Put the tick (√) mark if it is correct	Comments/ remarks
01	Contractor license		
02	Inclusion in the contractor list		
03	Tax identification Number (TIN)		
04	VAT registration		
05	Bank account		
06	Experience		
07	Financial ability		
08	Technically efficient manpower		
09	Necessary equipment		
10	Professional and technical efficiency and ability		
11	Proving after completion services after supply or civil works		
12	Have ever been black listed by any of the organization for failure of completing any supply or civil works		

(10) Approval of the evaluation report

The approving authority makes decision on the recommendation of the evaluation committee following the rules and regulation and act. The approving authority, after overall consideration of the recommendations of the evaluation committee.

   (a) Can approve that recommendation; or
   (b) Can invite for explanation on specific issues of that recommendation through the collecting organization from that evaluation committee.

(11) Issuing the notice for signing the contract:

The collecting organization issues an offer notice for signing the contract to the succeeded tender submitter before date of expire of the legality of the tender or within one week of the approval of proposal of signing the contract by the approving authority. The description of the below mentioned issues has to be incorporated in the offer notice along with the contract paper as per the sample enclosed with the tender schedule.

(A) Information regarding receiving the tender by the collector;

(B) Contract price;

(C) Amount of security deposit for performing the task and its table;

(D) Date and time of submitting security deposit;

(E) Date and time of signing the contract.

Precedence of the documents included within the contract will be as below:

a. Contract agreement;

b. Notification of award;

c. Tender and the appendix to the tender;

d. Particular condition of the contract;

e. General condition of the contract;

f. Technical specifications;

g. General specifications;

h. Drawing;

i. Price bill of quantities or price schedule of requirements;

j. Any other documents including latter communication.

(12) Signing the contract

The succeeded rate provider submits the security deposit in favor of the collector within the prescribed time frame after receiving the offer notice. If the deposited security is proven as proper, the responsible representative from the collecting organization and the succeeded tender submitter signs the contract within the prescribed time frame.

Performance security for successful tenderer:

The tenderer provides a performance security for ensuring the implementation of the contract. The amount of the security is within 10% - 15% of the contract price.

3.8.7. Limited tendering method

The limited tendering method can be used in the following conditions:

1) A procuring entity may undertake procurement by means of Limited tendering method in the following circumstances, namely:

   a) when goods and related services and Works and physical services by reason of their specialized nature such as aircraft, locomotives, specialized medical equipment, contraceptives, telecommunication equipment, silos, ports, harbors etc., are available only from a limited number of qualified potential suppliers or contractors ; or

   b) when there is an urgent need for procurement of goods, works or services and appear as such that open national or international competitive Tendering would be impractical.; or

   c) when the circumstances giving rise to the urgency under sub-rule (1) (b) were neither foreseeable by the Procuring Entity nor caused by   delay on its part; or

   d) when the government establishes a policy to standardize on a certain number of brands to cut down spare parts stock requirements and maintenance costs such as computers, laboratory equipment, research equipment.

2) The procuring entity may invite tenders from enlisted suppliers or contractors when required time

and administrative cost for going through open tendering would be high compared to the value of the procurement subject to the threshold specified in Schedule II.

3) In cases where the lowest evaluated tender price exceeds the threshold in sub-rule (2), the approval for award of contract shall be obtained from the next higher level of authority.

4) The limited tendering method shall not be used without prior approval of the head of the procuring entity or an officer authorized by him or her.

5) The submission of tender security shall not be mandatory under this method but the submission of performance security shall be required.

Procedures to be followed for the Limited Tendering Procurement Method

1) Procuring entities who need to purchase goods and related services of a specialized nature and who know the limitations on the availability of number of suppliers may directly invite tenders from the potential suppliers.

2) Procuring Entities, who maintain updated lists of enlisted potential Suppliers or Contractors under Rule 52 may, for Procurement under Rule 63 (2), invite Tenders from those enlisted Suppliers or Contractors.

3) In addition to invitations under Sub-Rule (2), advertisement in the Procuring Entity's website, if any, and where applicable a parallel advertisement in brief in the local press is recommended to increase competition and transparency, if the objective for using this method, i.e. saving time and money, is not defeated through such advertisement.

4) Procuring Entities, who do not maintain updated lists of potential Suppliers or Contractors, may use such lists that are maintained by other key Procuring Entities or such lists posted for this purpose by the CPTU on its website. The time allowed for the submission of Tenders shall be as specified in Schedule II.

Purchase limit for the procurement from the listed contractor or supplier on limited tender basis:

- Goods and related services and service providing contract for maximum 25   lakhs taka.
- Works or physical service for maximum 50 lakhs taka.

3.8.8. Miscellaneous: some important information
Publishing the notice of signing the agreement in the website of CPTU

- In case of the procurement of product or related services and tasks and civil works amounting taka 1 crore or more;
- In case of the procurement of intellectual and professional services amounting taka 50 thousands or more.

Duration of the publishing the notice of signing the agreement in the website of CPTU
Within seven days of signing the contract and for minimum one month.

Validity of the tender
The validity of the tender may be different based on the various types of tender. This validity may be 60 days to 120 days. But the validity must have to mention in the tender notice.

Rejection of the tender

The collecting organization may cancel the tender if there are below mentioned faults:

- If the relevant previous experience of the tender submitter is demanded, but not provided with the tender.
- If the tender submitter do not agree with the tender after correction of the founded mathematical errors in the submitted tender.
- If the tender does not match in efficiency, specification, financial and commercial aspect with the demand of the tender schedule.

Tender security

- The tender security will have to be fixed in a handsome amount to discourage the fake rate provider, and that will have to mention in the tender schedule clearly (in word), and cannot be mention in percentage of the budgeted amount, and the fixed amount will have to be maximum 3% of the contract price.

Example: If the approved price of any tender is taka 5 lakh, than the security amount will be taka 15 thousand at the rate of 3% of the contract price, taka 10 thousand at the rate of 2% of the contract price, and taka 5 thousand at the rate of 1% of the contract price, and the amount of security will have to fixed by reducing some amount from the rate, so that the tender submitter cannot have any idea about the contract price of the tender. In this regard amount of security can be fixed at taka 14 thousand at the rate of 3%, taka 9 thousand at the rate of 2%, and taka 6 thousand at the rate of 1%. In case of high rate of contract amount, the security can be fixed at the rate of 2% or even 1% of the price.

Time of payment to the contractor

Within 28   days of issuing each certificate.

Duration of the application for increasing the validity of the tender or proposal:

At least 10   days before expire date of the validity date of the tender or proposal.

Amount of tender security

In case of lot by lot or item by item based tender, a certain rate within 3% of the proposed price for the item or lot less than 5.

Revision of the contract by the approving authority

Up to 15% of the contract price for the reason of variations, but cannot be more than 1 crore taka.

Duration of the preserving the procurement related documents by the purchaser

Maximum 5 years.

In special cases, more than five years with the approval of the chief or person authorized by the chief of the purchasing office.

Time for submitting the written acceptance of the notice for signing the contract to the succeeded tender submitter

Within seven working days of receiving the notice for signing the contract to the succeeded tender submitter.

Time for submitting the performance security by the successful tender provider

In case of national tender, within 14 days of receiving the notice for signing the contract to the succeeded tender submitter, but bot letter than the date mentioned in the notice.

In case of International tender, within 28 days of issuing the notice for signing the contract to the succeeded tender submitter.

Time for signing the contract by the succeeded tender

Within 28days of issuing the notice for signing the contract to the succeeded tender submitter.

In case of International tender, within 28 days of issuing the notice for signing the contract to the succeeded tender submitter.

3.9. Property registration and asset management

3.9.1. Assets of the Paurashava

In different sections of the Local Government (Paurashava) Act 2009, some power has been provided to the Paurashavas and government regarding assets management.

Power of the Paurashava in the management of the Paurashava assets:

Section 4(3)	• With power, subject to the provisions of the Act and the rules, to acquire, hold and handover property both movable and immovable, and shall by its name sue and be sued.
Section 44(2)	• Manage, maintain, inspect, develop or improve any property which is owned by or vests in it or which is placed under its charge • Acquire by grant, buy or otherwise any; immovable or movable property; • Acquire property out of the Paurashava area, if needed, with the permission of the government for the purposes of this Act or the rules.
Section 45(1)	• If Paurashava need to acquire land nearby road it can acquire that piece of land after taking approval from government and following related rules.
Section 46(1)	• Movable property can provide lease or sale by open competition according to decision of Paurashava and immovable property can be use by lease or rent following same process. • Paurashava can sale or handover any property with pre-order from the government.
Power of the government regarding control of Paurashava assets:	
Section 44(1)	• Provide for the management, maintenance, improvement and development of the property belonging to or vesting in Paurashava; • Regulate the alienation of such property; and • Provide for the compulsory acquisition of such immovable property as may be required by a Paurashava for the purposes of the Act; • Apply such type of property for social development if necessary.

The Paurashavas needs to achieve and manage different fixed and movable assets for properly performs the duties and responsibilities provided under the Section 50 and 51 of the Local Government (Paurashava) Act 2009.

The Paurashavas can mainly achieve assets in below mentioned process:
a) Acquire[Section 44 (2-d), 45 (1)];
b) Through donations from any person or organizations, [Section 45 (2-c)];
c) Through direct purchase [Section 45 (2-c)].

Besides this, if the responsibilities of any other assets are provided to the Paurashava by the government or any other organizations, Paurashava operates, manages and preserves those assets [Section 45 (2-a)].

The categories of Paurashava assets are as below according to use and nature:

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                              ┌───────────┐
                              │  Assets   │
                              └─────┬─────┘
                      ┌─────────────┴─────────────┐
              ┌───────────────┐           ┌────────────────┐
              │ Fixed assets  │           │ Movable assets │
              └───────┬───────┘           └───────┬────────┘
        ┌─────────┬───────────┬──────┐   ┌────────┬────────────┐
     ┌──────┐ ┌────────┐ ┌──────────┐ ┌────────┐ ┌───────────┐ ┌─────────────┐
     │ Land │ │Building│ │Infrastru.│ │Vehicles│ │Machineries│ │Furniture &  │
     └──────┘ └────────┘ └──────────┘ └────────┘ └───────────┘ │  equipment  │
                                                                └─────────────┘
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Land	Building	Infrastructure	Vehicles	Machineries	Furniture & equipment
• Park • Play-ground • Open land • Land beside the road • Graveyard/ cemetery • Ponds • Dustbin, etc.	• Paurashava office building • Community center • Paura market building • Library • School building • Toilet • Slaughter house, etc.	• Road/ footpath • Drain • Water supply line/ structure • Street light • Bus terminal, etc.	• Jeep • Bus • Track • Motor cycle, etc.	• Road roller • Survey equipment • Beam lifter • Mixture machine • Tractor/ trolley, etc.	• Table, chair, Almira, etc. • Compute • photocopy machine • Generator • Air cooler • Projector, etc.

Prorperty registration

The Paurashavas mainly dependent on the own resources for bearing the cost and expenditures of the services it provides to the citizen for ensuring a comfortable living to them. The first and most important step of Paurashava fixed and movable assets management is to maintain proper register for the assets. The particulars, ownership, and rules regarding use of all the assets are been written and updated in the assets register. Through proper utilization and management of the information of the register, Paurashava become able to ensure services with efficiency and in a planned manner through efficient and effective use of the assets including imposing control over the assets. The asset register needs to be updated due to inclusion and exclusion of assets. The Paurashavas needs to prepare a list of all the fixed and movable assets at the end of every fiscal year. The audit team will examine the asset register during audit to match with actual assets and will express opinions if there are any irregularities.

3.9.2. Management of Paurashava assets

Importance of Paurashava asset management

Paurashava assets management is a process of decision making and implementation with the objective of achieving, operates, maintain, and development of the assets of the Paurashava, the main and ultimate goal of this activities is to ensure all the probable facilities to the citizen. The assets of the Paurashava plays role in the economic development of the Paurashava on the other hand it works as the component of the civil services. Different assets of the Paurashava specially: the Paurashava provides different services through Paurashava infrastructure and machineries and collect poura tax/ fee as the charge for these services. The quality of the services of the Paurashava mainly depends on the quality of the assets through which Paurashava provides civil services. At the same time, as the rate of the payment of taxes and fees from the citizen mainly depends on the quality of the services provided by the Paurashava, it very important for the Paurashava to use and operate and maintain the Paurashava infrastructures and machineries through which Paurashava delivers different services to the citizen.

Procedure of Paurashava asset management based on different service sector

Mainly, assets management is the rules, methods and combination of some of the process for operation and maintenance of the assets of the Paurashava. At the beginning of the assets management of the Paurashava, the most important task is to classify the assets according to the use and nature of the assets, and taking effective initiatives according to that classification. The concept of Paurashava asset management based on the utility and necessity is as below in brief:

Service sector	Assets	Different initiatives in assets management
Urban transportation	Road/ footpath/ bridge/ culvert/ parking area/ bus terminal/ track terminal and street light	➢ Preparation of the working plan for the use and maintenance of the infrastructure based on the fiscal year and ensuring the proper utilization of that plan. ➢ Preparation of the list with category of the roads according to capacity, length, and type (cemented/ semi cemented/ earth), and keeping that list at the Paurashava office, and control the vehicle as per the category of the roads. ➢ Preparing the by-laws/ regulations for the operations and use of the bus and track terminal, street light, etc. ➢ Regular monitoring, evaluation, examination, problem identification by the concerned standing committee and discussing in the meeting of the Paurashava council.

Water supply and sanitation	Water supply line, production tube well, treatment plant, high water preserver, hand tube well, public stand pipe, water miter, community latrine/ public toilet, wash station, septic tank.	➤ Preparation of the policy and appointment of the inspector to inspect and keep the water supply uninterrupted, preventing misuse of water, and inspecting all the infrastructure regarding sanitation. ➤ Appointment of efficient manpower for operation, use and maintenance of the machineries. ➤ Regular monitoring, evaluation, examination, problem identification by the concerned standing committee and discussing in the meeting of the Paurashava council.
Water disposal and cleanness	Drain and out fall, dustbin, and place for dumping the waste, dumping ground	➤ Creating public awareness as per the annual plan so that people does not put the waste in the small drain in the residential areas. ➤ Keeping the large drains covered and make the drain clean in every three months. ➤ Regular monitoring, evaluation, examination, problem identification by the concerned standing committee and discussing in the meeting of the Paurashava council.
Paurashava facilities	Paurashava building, Paurashava auditorium, Paurashava market, school library, Paurashava park and community center, kitchen market and slaughter houses, grave yard and cemetery, ponds and water preservers.	➤ To keep the Paurashava and surrounding area clean, and to check the furniture whether that are useable or not. ➤ Preparation and implementation of the policy regarding use of the Paurashava auditorium, Paurashava market, school library, Paurashava park and community center, kitchen market and slaughter houses, grave yard and cemetery, ponds and water preservers. ➤ Regular monitoring, evaluation, examination, problem identification by the concerned standing committee and discussing in the meeting of the Paurashava council.
Machineries for the operation of the Paurashava office	Computer and concerned machineries, photo copy machine, fax, projector, calculator, generator, air cooler, electric fan, freeze, machineries for survey, etc.	➤ Preparation and implementation of the policy and working plan regarding use and maintenance of the machineries of the Paurashava through the concerned division based on every fiscal year. ➤ To evaluate the progress of the policy and working plan regarding use and maintenance of the machineries of the Paurashava in the meeting of the Paurashava council after every three months.
Machineries and vehicles of the	Jeep, Bus, Track, Motor cycle, cycle, garbage track, garbage van,	➤ Preparation and updating the list of the vehicles and machineries of the Paurashava through the concerned division and preserves that list at the Paurashava

Paurashava	water lorry, road roller, vibrator, beam lifter, vacuum tanker.	office. ➢ To arrange necessary training to the existing manpower of the Paurashava to improve their efficiency for the operations and maintenance of the machineries of the Paurashava. ➢ Regular monitoring, evaluation, examination, problem identification by the concerned standing committee and discussing in the meeting of the Paurashava council.

3.9.3. Lease of Paurashava assets

Among the leasable assets of the Paurashava are:

1) Hut/ bazar
2) Ponds/ water preservers
3) Buildings
4) Bus terminal
5) Public toilet
6) Land beside the road
7) Ferry station/ launch terminal, etc. are especially remarkable.

The Paurashava provides lease of the leasable assets of the Paurashava through the open competition following the proper rules and procedures as per the sub-component 2/a, of Section 46 of the Local Government (Paurashava) Act 2009 and discussion in the Paurashava council. The Paurashava needs to follow Letter No. 46.041.030.02.00.2011.870 issued by the Local Government Division on the date of 21/09/2011 for "Policy 2011 regarding management, lease procedure, and policy regarding distribution of income from the public property". For providing lease of any assets, the issues to be considered are;

a) Geographic location of the asset, and identifying the leasing authority based on the leased value;
b) Properly follow the prescribed tender procedure for leasing the asset;
c) Formation of the tender committee;
d) Arguments regarding lease and resolving the arguments;
e) Prescribing the rate of rent/ toll;
f) Formation of the management committee for the leased assets;
g) Distribution of the income through lease of the assets.

3.10. Office and information management

3.10.1. Rational manpower structure of Paurashava

For the successful and proper completion of the office works of any organization, it is essential to have a certain number of manpower. Paurashava is not any exception to this. The separate staff structures have been prescribed by the government for each category of Paurashava. But there may not be the scope of work in every Paurashava according to this prescribed staff structure. On the other hand, in some of the Paurashava there may be more or less staff or manpower than the prescribed staff structure. None of this is expected at all. In this situation, the Paurashava should prepare a rational staff structure according to the logical necessity and considering the activities and capacity of own Paurashava under the prescribed staff structure by the government.

> A rational staff structure is the own staff structure of the Paurashava through which the Paurashava can specify the number of necessary manpower in a rational manner against each post as per the staff structure approved by the government.

The Paurashavas will get three benefits from the implementation of the rational staff structure,

a) Proper utilization of the human resources of the Paurashava will be ensured;
b) Will be possible to avoid the unnecessary expenditure regarding salary and allowances of the Paurashava;
c) Through ensuring the rational staff structure, Paurashava will be able to appoint in the vacant post and the Paurashava will be able to capable of delivering public services.

Procedure of preparing rational staff structure

The Mayor of the Paurashava will take initiative to prepare a rational staff structure for his own Paurashava. The Mayor can provide responsibility to the committee formed with the divisional heads in leadership of the Chief Executive Officer under the supervision of the standing committee regarding `establishment and finance'. The committee formed under the supervision of the standing committee will make recommendation on the staff structure for the concerned Paurashava considering the existing activities and task ongoing and also the task of near future of the Paurashava and will prescribe how the necessity of the manpower against the position required is. After that the concerned standing committee will prepare a proposal and submit that in the meeting of the Paurashava council for discussion. In this regard, if appointment is necessary, that will be within the staff structure under the prescribed staff structure by the government and following the proper procedure of appointment.

3.10.2. Office management and environment of the office
What is office?
The place where the equipment and process of own functioning are been performed is called the office.

Office preserves all the present and previous files and documents regarding the activities for operating the smooth functioning and make all types of communications.

All the activities are been operated properly in line with the plan, this is been monitored from the office.

Proper guidelines are been provided from the office with preparing the policy and plan for office functioning

Office management

To operate the tasks of the office of any organization properly in a disciplined way is called office management. In other words it can be explained that, proper utilization and control of the workers, methods, machineries, and the products for ensuring the best outcomes may defined as office management. The necessity and importance of office management is abandoned for achieving the goals and objectives of the institution.

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                        Office management

Administration   Communication   Reservation   Selection&     Accounts
                                               decoration

• Planning       • Written        • Filing      • Place        • Budget
• Organization   • Oral           • Listing     • Furniture    • Accounting
• Motivatio      • Postal         • Stationary  • Machineries  • Accounts
• Coordinatio    • Courier          items       • Security       analysis
• Control          service       • Assets                      • Control of
                 • Internet                                       income and
                                                                 expenditure
```
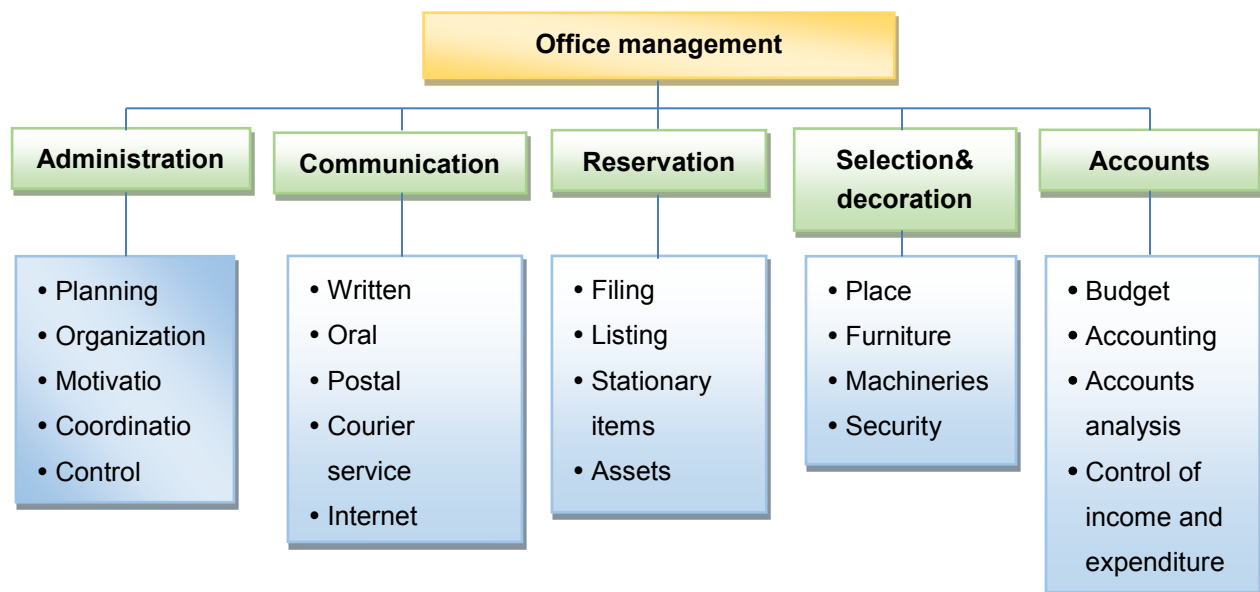
Office environment management

Environment is the combination of surrounding conditions. The surrounding in which regular activities of any office are operated is called office environment. All the activities initiated for improving the comfortable environment of the office is called office management.   The behavior, attitude, capacity and mental conditions, etc., can be influenced by the office environment.

If the Mayor and Councilors of the Paurashava take necessary initiatives to improve the external and internal environment of the office, it will create positive outlook of all the concerned people towards the Paurashava.

The internal components of office environment are:
- Enough light and ventilation
- Water supply
- Color of the wall
- Air conditioning/ fan
- Decoration
- Furniture, Almira, self, etc.
- Computer/ internet
- Conference room
- Sound system

The external components of office environment are:
- Location of the office
- Communication system
- Dust free environment
- Free form cause
- Architectural design and nature of the building.

3.10.3. Meeting of Paurashava and preparation of minutes

The Mayor and Councilors of the Paurashava meets together in general or special meetings for discussing on any issue regarding activates and tasks of the Paurashava and for making any decision. All the important issues such as; fund of the Paurashava, taxation, budget, audit, annual accounts statement, preparation of the development plan, proposal of development plan and approval of the budget for that, agriculture, industry, and social welfare, procedure of making contracts, approval of the expenditure, etc. are been discussed in the meeting and decisions are made. Along with this, the Mayor and officers of the Paurashava may call internal meetings for discussing the issues regarding the operation of the regular activities of the Paurashava.

Meeting in office management of the Paurashava:

Type of meeting	Participants	Objective of the meeting	When and how many times
Council meeting:	Mayor, Councilors and Chief Executive Officer	For making decisions on the daily and regular activities of the Paurashava, management and also for solving any specific problem.	Once in every month, may arrange special meeting if necessary.
Committee meeting:	Members of the standing committee	Discussion on the responsibilities and activities offered to the standing committees and decision making.	Once in every month, may arrange special meeting if necessary.
Mayor coordinating meeting	Mayor, Chief Executive Officer, heads of the	Decision making on different managerial and administrative issues of the Paurashava.	Once in every month, may arrange special meeting if necessary.

	divisions.		
Meeting of the divisional heads in the leadership of the Chief Executive Officer.	Chief executive officer, heads of the divisions	For making decisions on the daily and regular activities and administrative issues of the Paurashava.	Once in every month
Meeting of the divisional heads in the leadership of the head of the own division.	head of the division, divisional heads, concerned officers and staff	For making decisions on the daily and regular activities and administrative issues of the Paurashava.	Once in every month

The following conditions should be present when a meeting is held:

1. A proper authority send the invitation tothe meeting;
2. The notice of the meeting specifying the particular date, venue and time of the meeting is issued;
3. There is an legal objective of the meeting;
4. The quorum of the meeting is fulfilled with the presence of a certain number of members;
5. The proper persons are present in the meeting;
6. Discussions are confined within the specific and fixed agendas.

Minutes of meeting
The minutes of meeting are usually of two types.

a) Narrative minutes	b) Decision oriented minutes
The minutes which is kept along with the issues of discussion, name of the proposal presenter and supporter, procedure of casting votes, result of the vote, etc. is called narrative minutes of the meeting.	The minutes in which only the particulars of the final decisions are been kept in, that is called decision oriented minutes.

Subject matter of the minutes of the meeting
☑ The secretary with approval of the chairman of the meeting will write down complete but precise minutes on the activities, proposals, and decisions taken in the meeting or discussion about the progress of the implementation of the decision previously taken.
☑ The minutes will have to distribute among the members for getting approval of the next meeting. Through this every concerned people will be able to be informed about taken decision, and the officer/ person responsible for implementing the decision will become more conscious and active to implement his responsibility.
☑ The issues included in the minutes of the meeting are as below:

Name of the meeting:	The name of the meeting according to the type.
Date and time:	The date, day and time when the meeting have been held.
Venue of the meeting:	The place where the meeting has been held
Name of the chairperson:	The name of the person who presided over the meeting.
Name of the present members:	The name of the persons were presented in the meeting.
Serial no:	The particulars of the agenda needs to write down in the minute according to the serial no of the agenda.
Name of the absent members:	The name of the absent members will have to write down in the minute.
Decision of the meeting:	Making decision on each of the issue after discussion.
Writing the data:	The data, amount of money, etc., needs to write down in the minute with care.
Signature of the president:	The signature of the chairperson of the meeting along with date will have to be at the end of the meeting and the minute.

3.10.4. File management and records keeping

File management

File means the compilation of the letters, notes, orders, and other concerned documents and papers of any specific issue. This are been kept according to the serial number and preserved within a cover. There is a unique number for each file. The process through which the files of any organization are been kept and ensure the proper use of that is called file management.

> Files may be of two type's closed and current files. The file on which measures have been taken is called closed file and the file on which measures have not been completed is called

There are two parts of any file. One is letter part and another one is note part.

Letter part: Are at the right side of the file. The letters and other relevant documents are been kept at the letter part. The page are been drawn for each of the letters and documents.

Note part: Are kept at the left side of the file. In a full scape size white paper, or in small note sheet note are been written or typed at the top, keeping the margin. Note is the brief particulars, evaluation and logic for consideration provided for taking necessary initiatives for the concerned issue. There are number in each page and chapter of the note.

Preservation of the documents: The government files are been divided into four category as per the Right to Information Act 2009 and guideline- 2014 issued by the secretariat:

| A, Class files | Permanent Files, which cannot be replaced by any other documents, and which will be utilized for long time in the future regularly, such as; policies, rules, by-laws, references, government documents, agreements with the foreign organization or countries, etc. are included in this category. |
| B Class files | Semi-permanent files, which will have to preserve for 10 years or more. The services records of the officers, development projects, important reports of the committees, different office orders by the government, etc. are included within this category. |

C Class files	The general types of information which will be preserved for 3 to 5 years. The utility of such files are limited. That files will have to preserve in the concerned division for certain time, than it may be destroyed, transfer of the officers and staff, and issues regarding training are included in this category.
D Class files	Routine information which will be preserved for 1 year, and there is no necessity of this files after 1 year, such as; regarding leave- are included in this category.

3.10.5. Power of the government for inspecting Paurashava
government's power to call for records and inspection
The government, at any time from the Paurashava authority may call for -
      (a) Any record or any other documents;
      (b) Correspondence, plan, proposal, written speech, accounts or statistics;
      (c) Any other report; and Paurashava is bound to obey this order.

Along with this, The government may depute any officer to inspect or examine any division or office of the Paurashava or any service or work undertaken by the Paurashava or any property belonging to the Paurashava and to report there on under Section 84 of the same act.

The local government is the decentralization process of the central government, through this process some of the responsibilities of the central government been transferred to the local government, so that it can be performed within shortest possible time and can reach to the local people in an easy manner. With this objectives for ensuring the implementation of the planned activities, which is the government have provided the authorized officer defined by the act to call for any of the files for evaluation and monitoring of the said activities of the Paurashava, which is defined as Paurashava (inspection) rules- 2002. As per the rules, particulars of the government officer responsible for the inspection of the Paurashava are as below:

Government officer responsible for inspecting Paurashava

Inspecting Officer	The Paurashavas s/he can inspect	Time of inspection
Any of the officer of the local government division	Can inspect any of the Paurashava	Any time
Divisional commissioner or any other commissioner under him, or district commissioner or any other person authorized by them	Can inspect any of the Paurashava under their own administrative area	Any time
Deputy Director, local government (DDLG)	Can inspect any of the Paurashava of A category under their own administrative area and any other Paurashava if necessary	Minimum twice in a year
Any of the officer or officers or a team compiled with some of the officers appointed by the government	Can inspect the Paurashavas of B and C category under the concerned district	Any time

As per the instruction of the mentioned act, it is a responsibility of the Paurashava to cooperate the inspecting officer in all tasks regarding inspection, and Mayor or officer in charge of Mayor issues an order to any specific officer or all the officers and staff of the Paurashava to be responsible in the same responsibility.

Power and activities of the inspecting officer

The issues which the inspecting officer can examine during inspection are as follows:

- ✓ All the books, register, minutes of the meetings, and records;
- ✓ Cash fund of the Paurashava
- ✓ Bank deposit slip and updated bank statement for examining the fund of the Paurashava;
- ✓ Any of the files regarding income and expenditures of the Paurashava;
- ✓ Whether the activities and tasks of the Paurashava are been operated in line with the act, orders, circulars issued by the government, or not;
- ✓ Service rule and particulars of all the officers and staff of the Paurashava;
- ✓ Whether any of the officers of staff have been appointed violating the rules;
- ✓ All the movable assets of the Paurashava;
- ✓ All the project and tasks been implemented or been completed by the Paurashava;

Along with this the inspecting officer can inform any of the issue to the central government and can make instant recommendations on the issue.

3.10.6. Right to information for the citizen of Paurashava

What is information right?

It have been mentioned in the chapter- 7(1) of the constitution of the people's republic of Bangladesh that, people are the owner of all the power of the state. The information belongs to the government is also owned by the people. Right to information means the rights of the people to get any of the information from any of the authority. As people are the owner of all the power of the state, so it is very much important to establish the right to information for ensuring the empowerment of the people. It is very much important to ensure uninterrupted flow of information for ensuring the transparency in decision making of all the government, autonomous, constitutional institutions, organization or project created or operated by the government of foreign aid, and to ensure accountability of the persons and organizations, to reduce corruption, and to establish good governance.

> As per the article- 112 of the local government (pourashava) Act 2009, any person poses the right to get any information following the prescribed procedure.

Right to Information Act 2009

Right to information is a basic human right. With this objective the government of the people's republic of Bangladesh have introduced right to information Act 2009. Through this act the right of the people to get information have been recognized as a legal right, on the other hand it ensures the legal obligation for any of the person or organization to provide information.

The special aspect of this act are;

Each of the person poses the right to apply for any information to all the government organization and to the private organization in some of the

The government organizations will provide all the information to the people as per their demand except the not to be disclosed by the act.

There are some information which the government organization will publish by themselves it will not require any demand from the people.

Information flow chart

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┌──────────────┐         ┌──────────────┐         ┌──────────────┐
│ Demand for   │         │ Information  │    ──▶   │ Publication  │
│ information   │   ──▶   │ supply by the│         │ of           │
│ from the     │         │ pourashava   │         │ information  │
│ citizen      │         │ (information │         │ based on the │
└──────────────┘         │ collection,  │         │ demand       │
                         │ organization,│         └──────────────┘
                         │ preservation │
                         │ and publish) │    ──▶   ┌──────────────┐
                         └──────────────┘         │ Information  │
                                                  │ published in │
                                                  │ self         │
                                                  │ initiatives  │
                                                  └──────────────┘
```
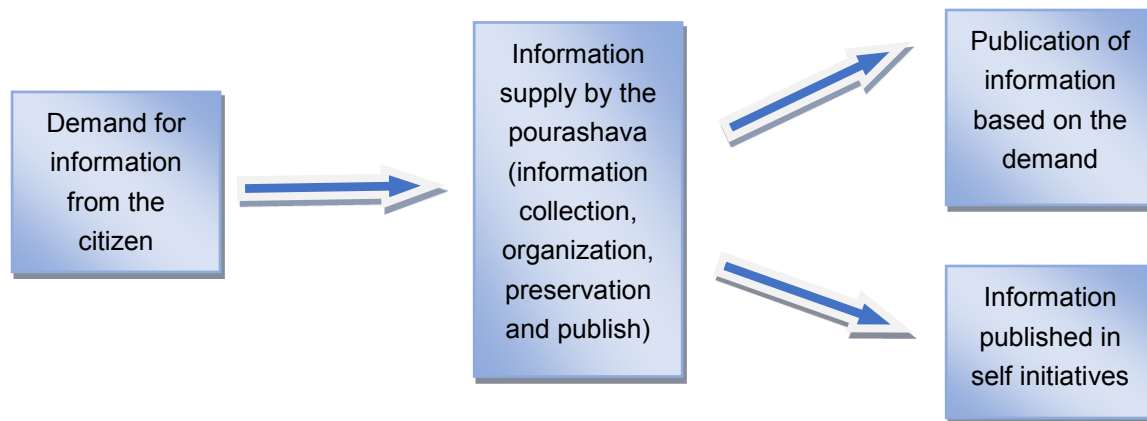
Right to information for the citizen of the Paurashava
The citizen of the Paurashava poses the right to get the below mentioned information from the Paurashava as per the right to information Act 2009:

Supply based information: the information the government organization publishes. It does not require any demand from the citizen;
  ➢ Organizational structure of the Paurashava;
  ➢ Duties and responsibilities of all the officers and staff of the Paurashava;
  ➢ Particulars and procedure of the decision making of the Paurashava;
  ➢ All the information preserved to the Paurashava;
  ➢ Procedure and conditions for getting any services form the Paurashava;
  ➢ Name, designation, mobile number, address of the responsible officer;
  ➢ Budget, income and expenditure statement and project statement of the Paurashava, etc.

Demand based information: The information provided to the people based on their demand.
  ➢ Any other information (except the information which have been restricted by the law to publish)

3.10.7. Citizen Charter
What is Citizen Charter?

Citizen charter is a component of mass communication through which the Paurashava provides brief description and information to the citizen regarding name and process of getting the service, price of the service, main person responsible for delivering the service, prescribed time for delivering the service, etc. Citizen charter are generally published as bill board of sign board. But it may be published as leaflet for massive publicity.

> As per the article 53 of the local government (pourashava) Act 2009, there is the provision for publishing citizen charter for each of the pourashava

Following issues should be included in issuing citizen charter related rules:
   a. True and clear details of every services of municipality.
   b. Fees of services provided by municipality.
   c. Qualification and process to claim and receive services.
   d. Defined timeline to provide services.
   e. Citizen's responsibility regarding services.
   f. Assurance to provide services.
   g. Solution to complaints regarding service providing. And
   h. Punishment to break commitment of the charter.

The citizen charter needs to be updated mainly for two reasons:
- The Paurashava is a dynamic and service oriented institution. Span of services, process of delivering the services, price of the service, person responsible for delivering the service all become changed, and new services are added according to the flow of time. The responsibility of the Paurashava does not complete by the publication of the citizen charter once. It becomes necessary for the Paurashava to make the citizen charter always updated.
- The citizen charter may not be helpful for the citizen to get Paurashava services for many reasons. It is important for the Paurashava to evaluate and monitor the utility of the citizen charter once in every year and find out the limitations in display and publicity and need to revise the information regarding Paurashava services.

3.10.8. Paurashava information and service center (PISC)/ Paura Digital Centre

Paurashava information and service center (PISC), which is known as Paura digital center, is a public service delivery channel. It initiated a new era of receiving information and services. The government, non-government, and commercial information and services are delivered from this information and service center in cheap rate through computer and internet.

Two investing entrepreneur (one male and one female) with receiving prior license from the Paurashava establish and operate this information and service center as per the ~guideline regarding establishment and operation of the Paurashava information and service center (PISC)- 2014" issued by the Latter no- 46.063.031.08.00.005.2012 (part- 1)- 684, date: May- 28, 2014 of the local government division.

Objectives of the Paurashava information and service center (PISC)

The main objective of establishing the Paurashava information and service center is to deliver door to door services to the citizen of the Paurashava. Strengthening the local government, ensuring the delivery of e-services to the people, and self-employment will be possible through establishing and operating the information and service center.

Services available from the Paurashava information and service center (PISC)

Off line (without internet) services	On line (with internet) services
• Computer compose • Birth registration and others • Taking photograph • Scanning • Laminating • Computer training • Information regarding basic rights of the people • Regarding different services of the Paurashava • Rent of the multimedia projector	• Result of the public exams • Speaking in home and abroad through audio and video • Collection of different government forms • Receiving and delivering e-mail and opening e-mail address • Information regarding government circular and vacancy announcement • Information regarding agriculture, health, education, and human rights • Information regarding different newspaper, passport and visa

Chapter 4   Good Governance

4.1. Concept of good governance and leadership

4.1.1. Concept of good governance

"Good governance" is such an institutional process and method, through which any organization can ensure maximum public welfare by utilizing the resources of the organization. Good governance is essential for government organizations, non-government organizations, market and private organizations, etc. Good governance is essential from personal level to family, society, nation, and even in the international level.

A democratic government operates a state or any specific local level such as in a city. In the representative system of democracy, the participation of the people creates dynamism in practice of good governance. Good governance operates based on some basic policy and characteristics such as rule of law, accountability, transparency, participation, equity, responsiveness, effectiveness and efficiency, etc. These basic policies or pillars work as the safe guard for good governance.

- **Rule of Law:**

  The governance system where freedom of the judicial system, honest and efficient police administration, and impartial implementation of the law are ensured, is called rule of law. The rule of law ensures human dignity and basic human rights. It is essential to establish a free and open legal framework in the central or local government or in any institution and to properly implement the law in practice.

- **Accountability:**

  When the officers of the government institutes, private sector, civil society organizations or any other organizations answers any questions from the people regarding their duties and responsibilities or become liable to the people, they areregarded accountable. There is no scope of establishing good governance without accountability. Similarly, the scope of accountability becomes squished without rule of law and transparency. Accountability is one of the most important pillars of good governance among others.

- **Transparency:**

  Transparency is the free access of all to get any information or to know anything. If decisions are made and implemented following the concerned rules and regulations, it ensures the transparency of that work. The mandatory condition of transparency is to make the information and data available to the people or to publish the information through the media for the people for whom the decisions have been made.

- **Participation:**

  Participation is mainly a better method of empowerment of all categories of people of the society. In the activities and decision making process of service providing organizations, participation of the service receivers plays a special role and helps the organization to observe the democratic norms and values.

- **Equity:**
  When the people feel that equality have been established for utilizing public resources, it is called equity. One of the most important aspects of operating the government is efficiency and equity in distribution of resources. If it becomes possible to establish a flow of equity in the society through the development of all kind of people especially through the improvement of livelihood, the basis of the equity or equality is strengthened.

- **Responsiveness:**
  The most important duty of any organization or government is to provide essential services to the citizens. If necessary services can be provided with efficiency within the logical time frame, that can be defined as responsiveness.

- **Effectiveness and efficiency:**
  The governance system which fulfills the demands of the targeted population through rational utilization of natural resources and without hampering the environment and the future generation, that governance system is defined as effective and efficient. That is where the effectiveness and efficiency are combined together. One of the most important objectives of the governance system is to perform the activities towards the outcomes.

If these issues can be ensured, it strengthens the base of the democracy. Democracy and good governance is two side of a coin. Nowadays the government is not the only factor of establishing the good governance. Other actors also can influence the central and local governance system. For example, political parties, international donor agencies, chamber of commerce, Non-government organizations, farmer organizations, land lords, religious leadership, media, lawyers association, teachers association, etc., can influence the central and local governance system to establish good governance. Along with this, organizations involved in social activities can also play an effective and important role in establishing good governance. These organizations can be defined as social institutions.

There are specific role of the citizen and social organizations to establish transparency and accountability in many countries of the world. If the private sector and citizen community become conscious, than the government also become more active to shoulder the responsibilities properly.

4.1.2. Characteristics of good governance in the Paurashava context
The characteristics of Paurashavas which has achieved good governance are described below in the table. The indicators are not the only parameter of good governance but are presented as examples.

Characteristics of good governance

Sl. no	Characteristics/ pillars of good governance	Indicator
1.	Rule of Law	• Elected representatives and officers of the Paurashava have clear concept on Local Government (Paurashava) Act 2009, and the activities of the Paurashava have been operating in line with this act, and concerned rules and regulations. • All the taxes, toll, fees, rate and income from other sources have been assessed, collected and actions are initiated against being uncollected/ avoiding by the Paurashava as per the government policy. • The procurement activities have been operating in line with the Public Procurement Act (PPA) 2006 and Public Procurement Rules (PPR) 2008. • The accounts of the Paurashava have been audited regularly and proper initiatives are been taken for resolving the audit arguments. • Officers/staff and elected representatives are honest and determined in policy. • The Paurashava controls crimes with the cooperation of the Paurashava, Paura-police, or Thana police and other concerned authority. • The appointment of the Paurashava goes through the proper and legal procedure and does not bother the personal interest of the Mayor and Councilors of the Paurashava.
2.	Accountability, transparency and participation	• The citizen have free access to information regarding the activities of the Paurashava, financial documents and other services. • The development issues of the Paurashava and other activities are been regularly discuss in the ward committee and town level committee meetings. • The Paurashava present its budget towards the citizen through open budget meeting. • The Paurashava discusses financial statement in council meeting and in front of the people. • Citizen charter publishes the information regarding public services of the Paurashava. • People participates in decision making regarding development plan and project selection. • The citizen are reliant to the elected representatives.
3.	Equity	• Female Councilors actively participates in the Paurashava council, standing committees and other committees. • There are representation of poor and women in WC and TLC as per the rules. • Female and poor people have their participation and inclusion in development plan/ development project selection. • There are allotment in the budget for the empowerment of the women and poor community. • Participation and equal wage for male and female are ensured in

		construction, repair/ maintenance and other activities.
4.	Responsiveness	• The Paurashava always have the preparation to receive the opinion/ complain of the citizen regarding services (Grievance Redress Cel, citizen report card) and preparation of taking immediate initiatives regarding this. • Paurashava publishes citizen report card containing information regarding particulars, conditions and time schedule of the public services.
5.	Effectiveness and efficiency	• The Paurashava performs all the mandatory/ essential tasks. • The citizen are satisfied with all the services delivered by the Paurashava. • The Paurashava assess and collect taxes regularly as per the rules. • The Paurashava performs necessary tasks for Paurashava development plan and keep enough resources. • Take preventive measures for probable incidents such as disaster and epidemics.

4.1.3. Concept of leadership and tasks

The meaning of the English term "lead" is to show the way, to direct or to order. Leader means captain. Who shows the ways is the leader, and leader provides leadership. Stogdill explains the concept of leadership based on some circumstances, which is the combination of some capacity (Stogbill, T.M. ,1950). Some important among them are as below:

- ➢ Capacity of creating influences on others.
- ➢ Capacity of performing tasks through others.
- ➢ Capacity of expressing impressive personality.
- ➢ Capacity of motivating and encouraging others.
- ➢ Dedication for achieving goals.

There is no definition of leadership accepted by all, but the concept can be defined in this manner- "Leadership is the process to influence the combined initiatives of the employees for specifying the goals and to achieve that goal."

Tasks of a leader

A leader performs different types of tasks. In line with the working hours, the tasks of a leader can be divided into three categories.

Tasks of the leader		
Basic tasks	**Regular tasks**	**Special tasks**
• To specify the mission and vision of the team; • To specify the objectives of the organization; • Preparation of the plan • Specifying the policy of the organization; • Arranging the tasks according to the priority; • Preparation of the budget; • Public management; • Delegation of the authority; • Collection of fixed assets.	• Decision making in the participatory manner; • Human resources management and providing essential directions/ cooperation; • View exchange with the collogues on important letters and files; • Monitoring of the activities of the organization as per the policy; • Encouraging officers and staff; • Taking initiatives for resolving any grievance; • Maintaining administrative communication; • Controlling the tasks and staff; • Taking initiatives for human resources development and coordination.	• To participate in the meetings; • To create gender sensitive environment; • To ensure administrative discipline and security; • To keep the records of the employees; • To work for achieving faith of the workers; • Create dynamism in team work.

Source: Development Management Source/ DMC, 09 – 21 Sept. 1995, CDM/BRAC

4.1.4. Qualities expected of Mayor and Councilor

Usually some qualities are expected from the leadership of any organization. In this regard the world renowned social scientist Mac Weber talked about three types of quality of the leadership:

- **Passion in sense of physiological and emotional maturity**
  A perfect leader restrains his emotion, keeps in controlled pattern. A leader with logical ideology and controlled emotion can do welfare not only for the organization but also for the mass community.

- **A sense of Responsibilities:**
  A person who neglects the responsibility can do nothing for the society not even for himself. He who is irresponsible can never make others responsible. A leader of the local government starts his responsibilities with the oath of public service. In institutional level, the important responsibility of achieving the goals and objectives of the organization is shouldered on the administrative leader. To shoulder all this responsibilities properly is included in the main quality of the leadership.

- **Good Judgment:**
  A leader needs to take decisions on different issues regularly, which needs to be acceptable in consideration of the logic. As being the leader one need to operate the team members or the public, so it is essential for him to be rational and judgmental. Participatory decision making process is very much effective in making judgmental decision.

Specifically, a good Mayor, a good Councilor and a good female Councilor (for reserved seats) are expected to exhibit the following qualities/skills:

Scope of quality	Quality of the Mayor	Quality of Councilor	Quality of Female Councilor (reserved seats)
Overall conceptual capacity	Maturity in specifying mission and vision	Cautious and forward-looking	Cautious and forward-looking
	Conscious and active in overall issues of the Paurashava	Conscious about own duties and responsibilities	Conscious about own duties and responsibilities
	Tolerance and maturity	Tolerance and maturity	Tolerance and maturity
	establishment of the participatory coalition	Have own development thought for the development of own ward	Have long term campaign plan specially for eliminating gender discrimination
	Conscious about all program	Conscious about all program	Conscious about all program
Organizational Skill	Expert in taking right decision in proper time	Capable of taking right decision	Capable of taking right decision
	A successful planner	A successful planner	A successful planner
	Follower of participatory leadership	Follower of participatory leadership	Follower of participatory leadership
	Honest and dedicated	Honest and dedicated	Honest and dedicated
	Confident and hard working	Confident and hard working	Confident and hard working
	Responsible and believes in accountability	Responsible and believes in accountability	Responsible and believes in accountability
	Quality of coordination among the workers and the works	Intimate to the local people	Intimate to the local people
	Quality of controlling the tasks and workers of the Paurashava and cooperative monitoring	Capable in expressing rational opinion	Capable in expressing rational opinion
	Motivational power	Acceptable and impressive personality	Advance in women and child development
	Pioneer in team dynamism	Capacity of coordination and motivation	Capacity of coordination and motivation
	Coordinator among the	Listen to the problems of the	Listen to the problems of the

	workers and the works	service receiver	service receiver
Administrative quality	Capacity of taking quick decision	Capacity of taking quick decision	Capacity of taking quick decision
	Service provider as per the demand	Careful to provide service as per the demand	Careful to provide service as per the demand
	Capacity of observing error/ fault of different letters, note regulations	Can read, write and fill up necessary letters/ registers/ forms/ applications etc.	Can read, write and fill up necessary letters/ registers/ forms/ applications etc.
	Preserves all the files and records of the Paurashava	Preserves all the files and records of the Paurashava and ward	Preserves all the files and records of the Paurashava and ward
	Resist the misuse of the Paurashava resources	Resist the misuse of the Paurashava resources	Resist the misuse of the Paurashava resources
	Follows official rules/ regulations	Follows official rules/ regulations	Follows official rules/ regulations
	Delegation of Authority	Do not harass any one in works	Do not harass any one in works
	Conscious about the job distribution of own and others	Conscious about the job distribution and duties/ responsibilities of own	Conscious about the job distribution and duties/ responsibilities of own
	Punctual	Punctual	Punctual
Human Relation Skill	Quality of stablishing inter personal relationship	Capable of establishing intimate relationship with others	Capable of establishing intimate relationship with others
	Skilled in use of all the means of communication	Capable in use of all the means of communication	Capable in use of all the means of communication
	An attentive listener/ listening skill	Impersonal (to the people of different class/ community)	Impersonal (to the people of different class/ community)
	Proper communication	Proper communication	Proper communication
	Gander sensitive	Gander sensitive	Gander sensitive
	Honest and dedicated	Honest and dedicated	Honest and dedicated
	Outlook is not authoritarian, participatory	Quick response in disaster situation	Quick response in disaster situation
	Sensitive towards the poor	Sensitive towards the poor	Conscious about providing support to the poor, specially to provide all out support to the poor women
	Cooperative attitude	popular in own ward	popular in own ward
Technical Skill	Capacity of utilizing/ operating computer, fax, phone, etc.	Knows necessary use of computer, fax, phone, etc.	Knows necessary use of computer, fax, phone, etc.
	Initial technical knowledge	Moderately capable to use	Moderately capable to use

	and monitoring capacity on all the machineries, instruments, vehicles of the Paurashava	different machineries and instruments	different machineries and instruments
	Skill in evaluation of all the construction, repair and reconstruction works of the Paurashava	Can understand the error and faults of all the construction, repair and reconstruction works of the Paurashava	Can understand the error and faults of all the construction, repair and reconstruction works of the Paurashava

4.2. Gender mainstreaming in Paurashava's activities

4.2.1. Concept of gender

The women become victim of cultural and psychological discriminations because of the social condition and structure. The existing discrimination on the women is not any natural fact, imposed by the society or by the people of the society. The rules and regulations imposed by the society which identifies distinction among the male and female is the subject matter of gender concept. Though the term 'gender' and 'sex' seems to carry the same meaning, from the explanation of sociological point of views, the term 'Gender' presents the social relationship between men and women. Mainly the term 'gender' is used to explain the comparative/ different role of male and female in a society, their situation, position, responsibility and opportunity, relationship between men and women, discrimination in performing responsibilities. Which are specified by the society and influenced by the culture of that society and changing. If positive change in outlook can be ensured, it is possible to change the discriminatory relationship between male and female. On the other hand, 'sex' is the characteristics of male and female defined by the nature or biology, and which is not changeable.

Difference between gender and sex

Sl. no	Gender	Sex
1.	Difference/ characteristics defined by the society	Difference/ characteristics defined by the nature, biological or physical distinction
2.	Changeable with time	Always remains same
3.	Changeable	Unchangeable
4.	Different in different society	same in different society
5.	Achieved from the society	Physically identified

The main cause of male and female discrimination is backward thinking, blind religious thoughts, traditional norms, and social miss-concepts. There are some characteristics or rules created in social and cultural context which creates discriminations among the male and female regarding role of labor, behavior, duties and responsibilities, and position regarding men and women. Advanced society, developing culture, developed economic condition, pro-people political situation, social security and positive environment creates positive impression on gender relations. On the other hand, backward society, backward economic condition, social insecurity and environment belongs, it creates negative impact on gender-relationship. The differences of male and female become discrimination in a negative situation and it degrades gradually. Then, there is no respect to each other's and the behavior is not also humanitarian. The gender relations improve gradually with the improvement of the social institutions. The role, responsibility, right and identity change with the changing situation.

4.2.2. Condition and status/position of women in Bangladesh

General condition and status of women in Bangladesh can be summarized as below:

Female usually get less facilities of food, clothing, health, etc.	Male usually get more facilities of food, clothing, health, etc.	Family	Lack of opportunity to express own opinion on decision making, choice and dislikes, wills and dis wills, and opinion.	Prime opportunity to express own opinion on decision making, choice and dislikes, wills and dis wills, and opinion.
The female carry out the household responsibilities in the family.	Mainly involved in income generating activities out of households.		There are not such rights, command and control over assets.	Over all rights, command and control over assets.
Limited participation in politics.	Free access and participation in politics including options to involved in everything more than the female.	State	Limited role in introducing rules.	Male have more opportunity.
Majority of the female cannot exercise their voting right in her own will and choice.	Can freely cast their votes and influences others.		Legal support is not open to the women.	Open for the male.
Less opportunity of participating in the social activities and to enjoy the social facilities.	More opportunity than female of participating in the social activities and to enjoy the social facilities.	Society	Female have no role and participation in social judgement.	Operated by the authority of the male.
Limited participation of women in social welfare activities.	More participation of men in social welfare activities.		Female have no role in the committee of school, mosque, madrasa, etc.	Almost 100% are in control of the male.

There are difference of condition and status between rich-poor and male-female in the society. We understand the circumstances of a person in the society by the term condition, that are living standard, scope of education, quality of health services, food, nutrition, clothing, pure drinking water, sanitation system, fuel, income, etc., which are closely connected with life. Some times in the society male and female belongs to the same condition in this regards. Again, there may be distinct condition of male and female. Such as; women need to go far to bring drinking water or men need to go far for work, or boys can read in the nearest schools, but there may not have any girls' school in the community. On the other hand, position or status means difference of honor and opportunity of male with female, rich with the poor. For example, male usually controls social judgements. Though the number of male and female voters is the same, there are limited options for the female to be candidates in the local or national government election. Status is always comparative to others. Such as; female have less author of decision making and control over resources. Though many of the initiatives of the government of Bangladesh is supportive to improvement of condition and status of women, but female

are in lack behind position from the male in condition and position. These issues have been presented below in some sectors.

The status of women in Bangladesh is essential for improving this situation. Some indicators of women representation are provided below:

Female representation in the parliament

sl. no	parliament/ year	Female MP	Male MP	Total	Reserved female seat
1.	10th/ 2010	20	280	300	50
2.	9th/ 2008	20	280	300	45
3.	8th/ 2001	06	294	300	45
4.	7th/ 1996	11	289	300	30

Source: National parliament website

Female representation in the civil service

Sl. no	Post/ position	Female	Male	Total	Year of information
1.	Secretary	04	66	70	2014
2.	Deputy commissioner	01	63	64	2014
3.	UNO	67	368	435	2014

Source: PSC computer center, Ministry of Public Administration

March- 5, 2015, according to the information of Municipal Association of Bangladesh/ MAB, at present there is only one female Mayor in 11 city corporations. On the other hand, among the 324 Paurashavas of Bangladesh there is only one female Mayor. The total number of male Mayors are 333 in city corporations and Paurashavas.

Feature of the status of women in primary education as teacher/ student

- Primary school, NGO School, kinder gurten and others, grand total — 106869
- Grand total number of students — 1958497 2 Person
- Percentage of total female teachers — 57%
- Percentage of total girls students — 50.1%
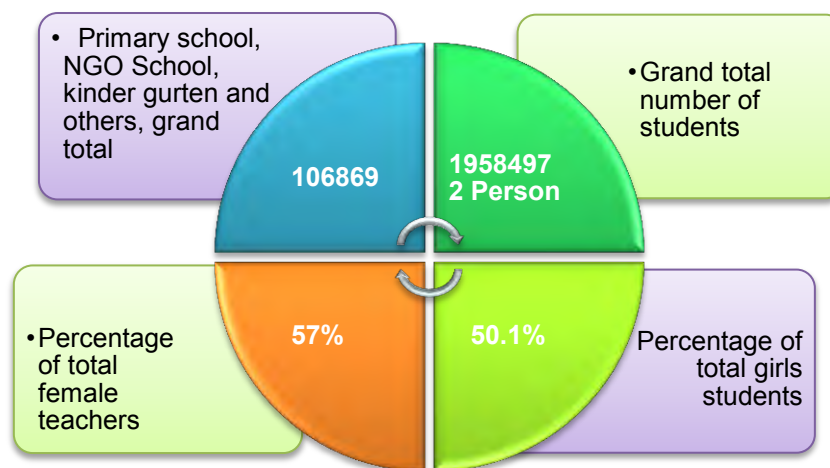
Source: Department of Primary Education 2013

4.2.3. Gender issues in the Paurashava context

In the year 1929, the voting rights of the women were first activated through Indian ruling reformation rules under three certain conditions. The conditions were as below:

Applied conditions
- The women have to be married
- That women have to posses property
- The women have to be educated
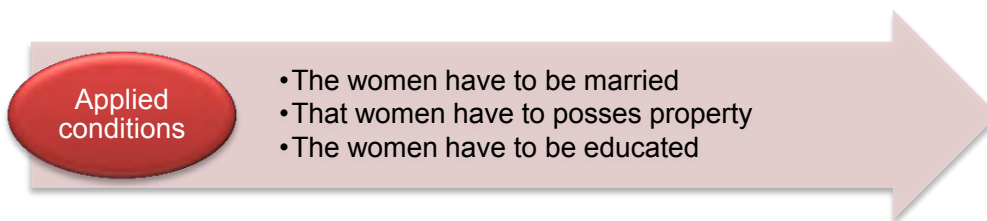
In India the voting rights were offered to women in 1935. Nut the female get voting rights in local governance system in the year 1956. The first election of local government in Bangladesh was held in a democratic manner. In the year 1973 only one woman were elected as chairman of the union council. Three seats were kept preserved for the female in urban local government through the Paurashava Ordinance in the year 1998, where there were no voting rights for the women. Now a days one of the most important commitment of the local government division under the ministry of local government is- overall economic development through the equal participations of the male and female and decentralization of governance system. Half of the population is female. Mainstreaming the gender issue have come under considerations in the activities of the urban local government.

Gender issues in the activities of Paurashava

The probable gender issues have been discussed below considering the activities of Paurashava mentioned in Section 50 of the second schedule of the Local Government (Paurashava) Act 2009.

Sl. no	Main duties/responsibility of the Paurashava	To do for the Paurashava
1.	To provide all sort of citizen services	• To ensure water and sewerage including improvement of structure, cleaning activities, health services, education, and preservation of the environment, amusement center, street light, public safety and security services, etc. and to give priority to the demands of the women in this regard.
2.	Joint initiative with government offices/ organizations	• Joint planning with the government health workers regarding reproductive health service; • Coordinated activities with the officer of women affairs regarding VGD card, widow allowance, and nutrition project for the female and children.
3.	Preparation and implementation of urban development plan including infrastructural improvement and building control in the urban area for providing Paurashava services to the citizen	• To make the female Councilors head in the sector based working group (the working group in any branding) for the preparation of the Infrastructural improvement plan; • To make the female Councilors and female officers involved with the Infrastructural improvement activities management, implementation and monitoring activities; • To give priority to the select female workers in construction and repair works and giving equal wage.

4.	Maintaining citizen security and public discipline	• To appoint female members in Paurashava police. Who will inform the issues regarding violence against women to the Paurashava officer and officer in charge of the police station on priority basis; • To bring the women who are the victim of ransom, kidnaping and beggary, prostitution under "government social security safeguard" program.
5.	Water supply for residential, industrial and commercial purpose	• Usually women are involved with the collection and use of residential water supply. To make the women involved and give priority in supply of pure drinking water, restraining misuse of water, and use of water in hygienic manner.
6.	Water and sanitation	• The Paurashava should arrange sanitation timely. To make the female workers involved with the construction, repair and maintenance work in exchange of wage.
7.	Waste management	• Preparation of plan for household waste management involving the women.
8.	Planning for the establishment of economic and social judgement	• Gender sensitive planning and introducing programs for reducing gender discrimination; • Increasing awareness for resisting violence against women and providing legal support.
9.	Construction of road and footpath for the better communication and construction of terminals for the betterment of the passengers and goods	• To involve the female Councilors and female officials in the management and operation committee regarding construction and repair; • Appointing female workers in road, footpath and other construction works; • Construction of separate toilet for female in the bus terminals and providing security.
10.	Activities provided by the birth and death registration act	• To ensure the registration of the infant, and to ensure registration of the groom-Kane through investigating the birth registration. That will reduce child marriage and will strengthen the legal base of the women.
11.	Traffic management, construction of street light, passenger bivouac, parking place and bus stand	• To arrange separate place in the bus stands and passengers bivouac for the female; • Providing security to the women mobility in the roads through ensuring street light and improvement of traffic system.
12.	Public health, environment, plantation and management	• To create women friendly environment in health centers, taking special care in reproductive health service for the women and adolescents; • Ensuring seating arrangement for the women, separate toilets, separate line, medicine supply, clean environment, etc. • Create more opportunity for the female to participate in the social plantation program.
13.	Construction and maintenance of market and	• To allot shops in the market from the Paurashava for the women interested in small and medium entrepreneurship and arrange

	slaughter house	interest free loan.
14.	Expansion of education, sports, amusement, recreation, cultural arrangement, and beautification of the Paurashava area	• To establish women leadership in primary and other school committees, and to encourage the teachers and guardians to restrain the dropout of the girls from schools; • To pay equal attention to boys and girls in co-curricular activities, introduction of gender friendly curriculum and to ensure equal participation in sports; • To establish women leadership in sports club, children academy, and in different cultural forum, and to ensure entrance and security of the women in the amusement centers.
15.	Will contribute in primary education, health, fire security and safety, transportation and poverty reduction	• To eliminate gender discrimination in above mentioned infrastructural development works; • To keep allotment in the budget for income generating training for the women; • To introduce campaigning programs for creating awareness to resist discriminatory outlook on male and female, establishment of industries for the economic empowerment of the female and providing equal wages.

4.2.4. National and international commitments for reducing male-female discrimination

The demand to ensure equal human rights for female like the men in the society is commence for a long period of time. Different rules and documents have been prepared in national and international context in this regards. The government of the People's Republic of Bangladesh have included the policy regarding the preservation of the interests of the women in "Domestic Law". At the same time, the government have signed in the important international documents. Such as; Universal declaration of the human rights and Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) certificate. The main two mentionable document of the government of Bangladesh among the internal documents are; national Women development Policy and constitution prepared by the government of the People's Republic of Bangladesh.

National and International commitments

Concerned certificate/ documents	Commitments regarding gender issue
International level **Universal declaration of the human rights, approved by the**	**Article- 1:** All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood. **Article- 7:** All are equal before the law and are entitled without any discrimination to equal protection of the law. All are entitled to equal protection against any discrimination in violation of this Declaration and against any incitement to such

united Nations on December- 10, 1948	discrimination.
	Article- 21: Everyone has the right to take part in the government of his country, directly or through freely chosen representatives. Everyone has the right of equal access to public service in his country. And The will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures.
	Article- 25 (a) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing, and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.
	(b) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.
International level Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) convention, approved by the general council of the United Nations on December 18, 1979	**Article- 3:** States Parties shall take in all fields, in particular in the political, social, economic and cultural fields, all appropriate measures, including legislation, to ensure the full development and advancement of women, for the purpose of guaranteeing them the exercise and enjoyment of human rights and fundamental freedoms on a basis of equality with men.
	Article- 4: Adoption by States Parties of temporary special measures aimed at accelerating de facto equality between men and women shall not be considered discrimination as defined in the present Convention, but shall in no way entail as a consequence the maintenance of unequal or separate standards; these measures shall be discontinued when the objectives of equality of opportunity and treatment have been achieved. Adoption by States Parties of special measures, including those measures contained in the present Convention, aimed at protecting maternity shall not be considered discriminatory.
	Article- 7: States Parties shall take all appropriate measures to eliminate discrimination against women in the political and public life of the country and, in particular, shall ensure to women, on equal terms with men, the right: (a) To vote in all elections and public referenda and to be eligible for election to all publicly elected bodies; (b) To participate in the formulation of government policy and the implementation thereof and to hold public office and perform all public functions at all levels of government; (c) To participate in non-governmental organizations and associations concerned with the public and political life of the country.
	Article- 11: Employment (a) The right to work as an inalienable right of all human beings; (b) The right to the same employment opportunities, including the application of the same criteria for selection in matters of employment; (c) The right

	to free choice of profession and employment, the right to promotion, job security and all benefits and conditions of service and the right to receive vocational training and retraining, including apprenticeships, advanced vocational training and recurrent training; (d) The right to equal remuneration, including benefits, and to equal treatment in respect of work of equal value, as well as equality of treatment in the evaluation of the quality of work.
National level **Constitution of the People's Republic of Bangladesh, approved on 1972**	The one third articles of basic rights are regarding equality of the women (main three chapter- 1, 2 and 3 of 28)- Chapter- 28 (1): The state will not show any discrimination to any of the citizen because of religion, group, cast, gender that is men or women, or place of birth **Chapter- 28** (2): Men and women will get equal rights in all aspects of the society and the state. **Chapter- 28 (4):** Nothing in this article shall prevent the State from making special provision in favor of women or children or for the advancement of any backward section of citizens. Along with this there are some other chapters for ensuring economic and social justice. **Chapter- 10:** Participation of women in national life. Steps shall be taken to ensure participation of women in all spheres of national life. **Chapter- 15:** the provision of the basic necessities of life, including food, clothing, shelter, education and medical care; the right to reasonable rest, recreation and leisure; and the right to social security, that is to say to public assistance in cases of undeserved want arising from unemployment, illness or disablement, or suffered by widows or orphans or in old age, or in other such cases.
National level **National women development policy (16 basic policy from 16-29 of the second part)**	In the policy no- 16.3 among the 22 goals of the 2nd part of the "National Women Development Policy" have been said that- To ensure the socio-economic, political, administrative and legal empowerment; **Goal- 16.8:** To remove existing male-female disparities **Policy- 17.3:** To revise and amend existing law and make necessary legislation to ensure the human rights of women **Policy- 19:** Elimination of All forms of Abuse against Women 19.1. Elimination of all forms of violence to women including physical and mental abuse and sexual harassment, rape, dowry, family abuse and acid throwing in family, society and in the workplace. **Policy- 21.1:** To increase education of women, to eliminate discrimination in education rate and opportunities between man and woman and to follow the Education Policy 2010 aimed at mainstreaming women in the development. **Policy- 24.3:** Involving the poor women in productive activity and in the mainstream economy

4.2.5. Strategy of incorporating gender in the activities of Paurashava

Incorporating gender with the mainstream activities of the Paurashava means, to establish the women in the top policy making level in equal proportion, and to involve the women in other decision making and implementation activities gradually. Strategy of mainstreaming gender and activities are considered as the platform for political empowerment of the women. The main strategies of incorporating gender with the mainstream activities of the Paurashava are as below:

All the policies of the Paurashava are gender sensative	• The development plan, budget policy and employee improvement policy of the Paurashava are gender sensitive; • Act followed for all the activities is women friendly (Paurashava Act 2009), and the Paurashava authority is interested to prepare gender policy.
All the decision making preocess is impersonal in context of morality	• There is importance of the opinion and decision of the women in Paurashava council. There are legal proportionate number of female in the ward committee, town level committee and they can express opinion freely; • There is scope for the women to participate in the development committees.
Human resources development plan is gender sensative	• The policy of equality have been followed in appointment and promotion; • There is equal scope of participation in training, meeting, seminar; • The employees are trained on gender issue and believes in equality of female and male.
Gender sensative working enviornment	• The women workers can move freely and can speak with freedom • The employees feels that there is no female-male

The roles of the Mayor, Councilors, Female Councilors for reserved seats in incorporating gender issues in Paurashava's activities are summarized in the tables below.

Role of the Mayor in gender mainstreaming in Paurashava's activities

No.	Main sectors of the role	Particulars
1.	In preparation of the gender friendly planning	• To incorporate the women in preparation of the development plan, and to provide direct guideline for preparing gender sensitive plan.
2.	In budget allocation of the Paurashava	• To make budget allotment in the sectors of crop production, marketing and creating employment through identifying income generating, welfare and social sectors for the women.
3.	In involving the women in decision making structure	• To ensure freedom to the women to express opinion and decision in the meetings, make the women involved in different committees and make the female Councilors head.
4.	In ensuring the participation of women	• To maintain gender equality not only in dialogue but also in decision making, monitoring, evaluation and in consumption of the results.
5.	In access and control to resources	• To provide equal wage to male and female, creating employment opportunity through establishing small and medium industries, and cooperate the women to control their assets.
6.	In operation of the social judgements	• To create friendly environment for the women to participate in the social judgements; • To eliminate the mentality that only man will operates the social judgements.
7.	In resisting violence against women	• To make the Paurashava police and state police active in resisting domestic violence, sexual harassment, dowry, child marriage, trafficking, etc.
8.	In appointing different employees in Paurashava	• Maintain gender equality in appointment through eliminating nepotism, corruption and inequality.
9.	In manifestation of women leadership	• To ensure freedom and security for women mobility; • Making the women chair of meetings through creating opportunity, making them chief guest, providing necessary training for the manifestation of leadership to the female Councilors and other female employees.
10.	In ensuring education and health of women	• Making campaign for resisting the dropout of the girls and encouraging for higher education; • Incorporating female in the school managing committees, and arrangement of the free health camp for the female in the Paurashava.

Role of Councilors and Female Councilors for reserved seats in gender mainstreaming in Paurashava's activities

No.	Main sectors of the role	Particulars
1.	In ward visioning and preparation of the gender friendly planning	• Keeping women rights in the ward visioning stage of the preparation of the development plan, and inclusion of the financial self-dependent issues in priority list.
2.	In ensuring the participation of own and the women	• To maintain gender equality not only in dialogue but also in decision making, monitoring, evaluation and in consumption of the results.
3.	In access and control to resources	• To work in ward and Paurashava level to provide equal wage to male and female, creating employment opportunity through establishing small and medium industries, and cooperate the women to control their assets.
4.	In operation of the social judgements	• To create friendly environment for the women to participate in the social judgements; • To eliminate the mentality that only man will operates the social judgements.
5.	In resisting violence against women	• To make the Paurashava police and state police active in resisting domestic violence, sexual arrangement, dowry, child marriage, trafficking, etc.
6.	In manifestation of women leadership	• Making the women chair of meetings through creating opportunity, making them chief guest, providing necessary training for the manifestation of leadership to the female Councilors and other female employees.
7.	In appointing different employees in Paurashava	• Maintain gender equality in appointment through eliminating nepotism, corruption and inequality.
8.	In ensuring education and health of the women-	• Making campaign in own ward for resisting the dropout of the girls and encouraging for higher education; • Incorporating female in the school managing committees, and arrangement of the free health camp for the female in the Paurashava.
9.	To establish and activate the gender sensitive committees	• Initiate committee for resistance of violence against women in own ward, and to make the women committee of the Paurashava, Grievance Redress Cell, women corner, if any of this is absent to initiate that.
10.	In budget allocation of the Paurashava	• To make budget allotment in the sectors of crop production, marketing and creating employment through identifying income generating, welfare and social sectors for the women.
11.	In specifying and changing the mission and vision	• To maintain lobbing with the higher authority for including gender issue in mission and vision implementation.
12.	In project identification and preparation of the project	• To make herself involved for including burning issues of the women in project identification and preparation of the project

	proposal	proposal, and do bargaining.
13.	In involving the women in decision making structure	• To ensure freedom to the women to express opinion and decision in the meetings, make the women involved in different committees and make the female Councilors head.
14.	In preparation of the gender friendly planning	• To incorporate the women in preparation of the development plan in own ward, and to provide direct guideline for preparing gender sensitive plan.
15.	In involving the women in decision making structure	• To own the morality that women are as creative as the men are, and have equal performance, and cooperate the females in gender friendly decision in the Paurashava.

Orientation Course on the Basics of Paurashava Administration

Under Strengthening Paurashava Governance Project (SPGP)

Course Guide

Course coordinator:

Jehad Sarker

Duration: 1st group: 17-19 May, 2015 / 2nd group: 24-26 May, 2015

Venue: National Institute of Local Government, 29 Agargaon, Sher-e-Bangla Nagar, Dhaka.

1. Introduction

"Orientation course on the basics of Paurashava administration" is a pilot training program which is provided to the participants from pilot Paurashavas of Strengthening Paurashava Governance Project (SPGP) of the Local Government Division (LGD), the Ministry of Local Government, Rural Development and Cooperatives. The training aims at enhancing the capacity of pilot Paurashavas, as well as having feedback from participants to establish standardized training programs of the Government of Bangladesh for Paurashavas.

The training program was developed reviewing many existing training programs and materials in order to build on the past efforts of the government and development partners to support Paurashavas' capacity development. Those training materials include various training materials of National Institute of Local Government (NILG) and training guidelines/handbooks prepared under different projects for Local Government Institutions (LGIs) including, but not limited to Local Government Institutions Capacity Building Project for Water Supply and Sanitation Sector (WSSPS-2), Urban Governance and Infrastructure Development Project 2 (UGIIP-2), Upazila Governance Project (UZGP), and Local Governance Support Project 2 (LGSP-2).

The information collected by the SPGP project team through field visits to Paurashavas is also reflected in this training program. In addition, the completion process of the training materials includes careful review by NILG faculty members and local experts as well as the LGD officials.

2. Course objectives

The objective of the training is to equip elected representatives of Paurashavas with basic knowledge required to administer a Paurashava. At the end of the course, the participants will be able to understand: 1) the local government system, the role of Paurasahava and the essence of the Local Government (Paurashava) Act 2009; 2) the workings of Paurashava administration and their responsibilities; and 3) important concepts to run a local government body and deliver services to the citizens.

There are 15 sessions in the three-day course. The title and main objectives of each session are described in the table below:

Session No. and title	Main objectives
1. Inaugural session	• To understand the context and objectives of the course
2. Paurashava in the local government system of Bangladesh	• To grasp the local government system of Bangladesh and history of Paurashava's development • To learn Paurashava's relations with other institutions
3. Local Government (Paurashava) Act 2009 and functions of Paurashava	• To be provided with the overview of the Local Government (Paurashava) Act • To understand the functions of Paurashava determined by law
4. Administrative structure of Paurashava and responsibilities of elected representatives and officers	• To learn the organizational structure of Paurashava and responsibilities of major actors
5. Role of the Council in decision-making	• To learn the decision-making process of Paurashava and role of the Council

	• To learn how to conduct the council meetings
6. Role of standing committees	• To learn the formation and functions of standing committees
7. Citizen participation	• To understand the importance of citizen participation • To learn the prescribed system of citizen participation
8. Financial management, taxation and budget formulation	• To understand the purpose of financial management and financial mechanism of Paurashava • To learn about the taxation system • To learn about the annual budget formulation process
9. Accounting and audit	• To understand the basic rules and procedures regarding accounts keeping and financial reporting • To understand the audit process and responsibilities of Paurashava in audit
10. Procurement	• To be informed about government procurement management and Public Procurement Act 2006 and Public Procurement Rules 2008 • To understand various concepts regarding procurement • To grasp the overall process and basic procedures of procurement
11. Property registration and asset management	• To be informed about different properties of Paurashava • To learn about the basic process of property management
12. Office and information management	• To be sensitized about the importance of rational manpower structure • To be informed about basic requirement for office management • To learn about minutes preparation and file management • To be informed about the right of the citizens and the power of the government to access Paurashava's information • To understand the purposes of Citizen Charter and Paurashava Information and Service Centre
13. Concept of good governance and leadership	• To understand principles underlying good governance • To understand qualities expected of elected representatives to run a Paurashava
14. Gender mainstreaming in Paurashava's activities	• To understand the concept of gender and international and national context about gender mainstreaming • To learn about gender mainstreaming in Paurashava's activities and role of elected representatives
15. Closing session	• To review and evaluate the course for improvement

3. Participants of the training course

The training is participated by the Mayors and Councilors of five of the seven pilot Paurashavas of SPGP.

4. Training schedule and trainers

The schedule and trainers of the training are provided in the table below. There are one or two trainers responsible for each session. They are either NILG faculty members or local consultants who have extensive experience in supporting the capacity development of Paurashavas under various projects.

DAY 1

Date	Time	Session No.	Subject	Trainer
May 17th Sunday (1st batch) / May 24th Sunday (2nd batch)	9:00 - 10:15	1	Course registration and inaugural session	• Mr, Mustafa Kamal Hider, Director General, NILG • Mr. Khalilur Rahman, Deputy Secretary, Local Government Division (Project Director, SPGP) • Ms. Shamim Faruque, Deputy Director, NILG (Course Director) • Mr. Hiroki Watanabe, Project Formulation Advisor, JICA Bangladesh Office
	10:15 - 10:30	-	Tea break	Mr. Mustafa Kamal Hider, Director General, NILG
	10:30 - 11:30	2	Paurashava in the local government system of Bangladesh	
	11:30 - 13:00	3	Local Government (Paurashava) Act 2009 and functions of Paurashava	Mr. Md. Azaharul Islam, Consultant
	13:00 - 14:00	-	Prayer and lunch break	
	14:00 - 15:30	4	Administrative structure of Paurashava and responsibilities of elected representatives and officers	Mr. Md. Arif, Deputy Director, NILG
	15:30 - 15:45		Tea break	
	15:45 - 17:15	5	Role of the Council in decision-making	• Mr. Md. Arif, Deputy Director, NILG • Mr. Md. Shahadat Hossain, Consultant

DAY 2

Date	Time	Session No.	Subject	Trainer
May 18th Monday (1st batch) / May 25th Monday (2nd batch)	9:00 - 10:15	6	[May 18th] Role of standing committees [May 25th] Concept of good governance and leadership	• Mr. Md. Illias, Director, Research & Planning, NILG • Mr. Md. Shahadat Hossain, Consultant
	10:15 - 11:15	7	Citizen participation	Ms. Kamrun Nahar, Assistant Director, NILG
	11:15 - 11:30		Tea break	
	11:30 - 13:00	8	Financial management, taxation and budget formulation	• Mr. Md. Altaf Hossain, consultant • Mr. Mainul Islam, Assistant Director, NILG

13:00 - 14:00			Prayer and lunch break	
14:00 - 15:30	9		Accounting and audit	• Mr. Md. Altaf Hossain, consultant • Mr. Md. Nurul Islam, Research Officer, NILG
15:30 - 15:45	-		Tea break	Do.
15:45 - 17:45	10		Procurement	• Mr. Akramul Hoque, Director Training & Consultancy, NILG • Mr. Abdun Noor, consultant

DAY 3

Date	Time	Session No.	Subject	Trainer
May 19th Tuesday (1st batch) / May 26th Tuesday (2nd batch)	9:00 - 10:30	11	Property registration and management	• Mr. Vhuiyan Md. Ataur Rahman, Director, Administration & Coordination, NILG • Mr. Md. Zahurul Islam, consultant
	10:30 - 10:45	-	Tea break	
	10:45 - 12:15	12	Office and information management	• Mr. Md. Illias, Director, Research & Planning, NILG • Mr. Md. Zahurul Islam, consultant
	12:15 - 13:00	13	[May 19th] Concept of good governance and leadership [May 26th] Role of standing committee	• Mr. Md. Yeasin Arafat, consultant • Ms. Monika Mitra, Research Officer, NILG
	13:00 - 14:00	-	Prayer and lunch break	
	14:00 - 14:45	13	[May 19th] Concept of good governance and leadership (continued) [May 26th] Role of standing committee (continued)	Do.
	14:45 - 15:00	-	Tea break	
	15:00 - 16:30	14	Gender mainstreaming in Paurashava's activities	• Ms. Shamim Faruque, Deputy Director, NILG • Mr. Md. Yeasin Araft, consultant
	16:30 - 17:30	15	Closing session	• Course Director • Course Coordinator • SPGP team

Trainers/coordinators' Guide

Training Program on

Citizen Participation through

Town Level Coordination Committee (TLCC)

and Ward Committee (WC)

SPGP (LGD/JICA)

May 2015

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1   Course Description

The Ward Committee (WC) and the Town Level Coordination Committee (TLCC) are among the multiple forums through which Paurashava residents participate in its decision-making process for the provision of public services and construction of physical infrastructure within the scope of Paurashava's mandate. This course is designed to help WC and TLCC members organize meetings with citizens' active participation.

2   Course Objective

This course is designed to help WC and TLCC members organize their respective meetings and ensure effective citizen participation. Through the course, trainees are expected to achieve the following:

1. Acquire knowledge on legal framework of WC and TLCC.
2. Discuss and analyze the importance of citizen participation.
3. Share ideas on effective citizen participation.
4. Learn how WCs and TLCC are composed.
5. Learn how to organize WC and TLCC meetings.
6. Prepare an annual schedule for WC and TLCC.

3 Course design

TLCC and WC training courses are designed to cover all TLCC (50 per Paurashava) and WC (10 per Ward x number of Wards) member as well as the Paurashavas' key officials who will assist these members organize the meetings. For enabling effective yet sustainable learning process with lasting results, a separate, smaller group consisting of Mayors, representatives and councilors from each Paurashava, will receive the first batch of training called "Core Training" at the central level. A complementary training called "Training of Trainers (TOT)" will be provided to candidate trainers on basic training skills, among whom a number of trainers with outstanding skills and knowledge for training as well as commitment will be selected to form a "panel" of trainers. Subsequently, the training will be rolled out in each Paurashava by assisted by other Paurashava officials and representatives who have received the TOT.
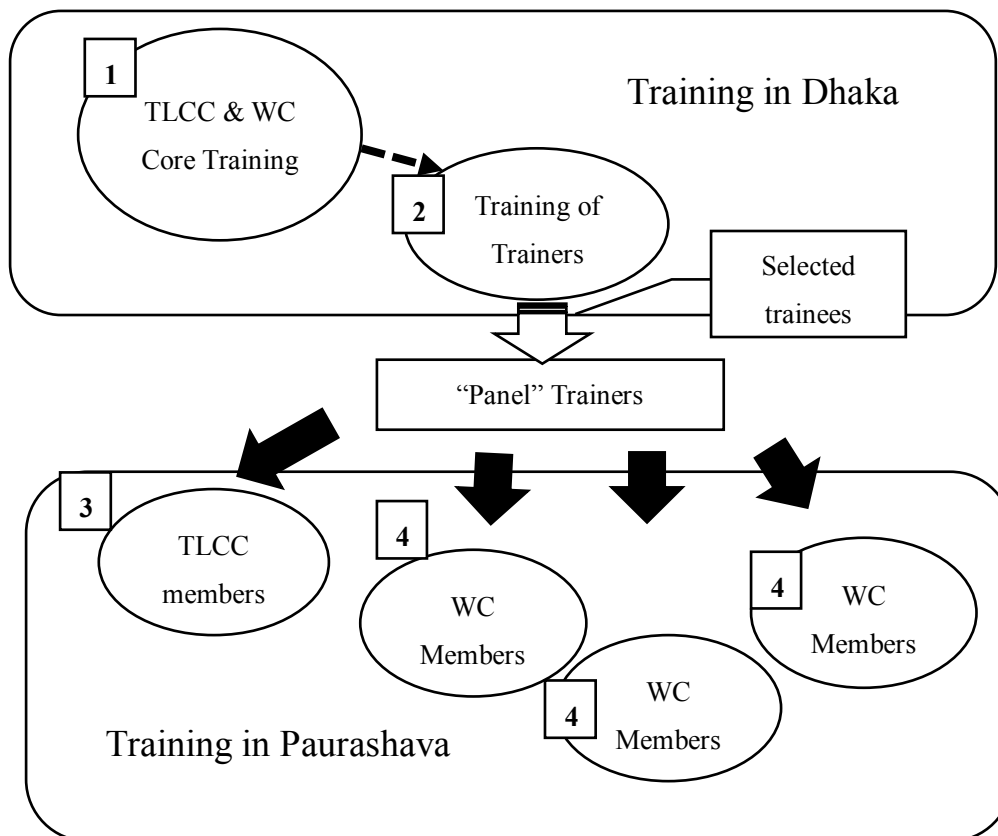
Training flow diagram

	Module title	Place	Venue	Duration (days)	No. of times	Trainers	Trainees		Description of the module
							No. (per Paurashava)	Members	
1.	TLCC and WC Core Training	Dhaka	NIGL Training Facility	2	1	2-3 Trainers depending on the size of the group and 1 to 3 resource persons such as Mayors and Secretaries	Up to 12	Mayor, CEO, Secretary, Executive Engineer, Health Officer, Assistant Engineers, Panel Mayor, Female Councilor, Account Officer, Assessor, Tax Collector	It targets the "core members" of the TLCC and WC of each Paurashava plus the officials that assists them
2.	TLCC and WC TOT	Dhaka	NIGL Training Facility	1	1	2 Trainers contracted at the Central Level (Dhaka)	Up to 5 (**or equal to the number of TLCC and WC Member Secretaries**)	Secretary, Executive Engineer, Health Officer, Account Officer, Assessor, Tax Collector (or those who are WC Member Secretaries)	It targets candidate trainers who will form the "panel trainers." These trainers would be trained to organize TLCC and WC trainings at Paurashava level. "Panel trainers" will be selected following a set of criteria.
3.	TLCC in Paurashava	Paurashava	Rented space nearby Paurashava	1	1	2 Panel Trainers assisted by TLCC Member Secretary	Up to 50	TLCC members except those who have been previously trained	It targets the whole TLCC members. Those who have taken the training previously will not be included.
4.	WC in Paurashava	Paurashava	Rented space nearby Paurashava	1	3	2 Panel Trainers assisted by the WC Member Secretary	Up to 30 (combining more than 2 Wards)	WC members	It targets all the WC members. Those who have taken the training previously will not be included.

4   Training Method

The training course combines lectures on the basics information with group work activities and free discussions among trainees, encouraging them to reflect on the topics.

5   Training Setting

5.1   TLCC and WC Core Training

Preferably a well-lit, ample space.

Furniture and equipment

Items	Quantity	Remarks
Chairs	Equal to no. trainees	
Desks	1 per group of 12	Large tables for the exercise work or small tables aligned side by side
White board / flip chart	1	
Projector	1	
Screen / blank wall	1	
Sound system (optional)	1	Microphone and speaker

Handouts

Item	Content and remarks
TLCC and WC Operational Handbook (OH)	It is the document that will be used as a reference for their day-to-day operation of TLCC and WC.
Presentation slides	They are a set of presentation slides shown during the training
Training Course Guide	It is a document that informs the outline of the training, such as the content, participants, and time schedule.
Formats for writing meeting minutes	It is a format used for writing meeting minutes.

Other Items

- Course Completion Certificate
- SPGP Brochure
- SPGP Notebook
- Attendance Sheet (to be filled out and signed by ALL participants).
- Capacity Assessment Sheet (Overall performance)
- Capacity Assessment Sheet (Self-evaluation)
- Training Feedback Sheet
- Stationary: Pen/pencil, large size post-it or information card, VIP pin (push pins), craft paper.

5.2 TLCC and WC Training of Trainers

Preferably a well-lit, ample space.

Furniture and equipment

Items	Quantity	Remarks
Chairs	Equal to no. trainees	
Desks	1 per group of about 5	Large tables for the exercise work or small tables aligned side by side
White board / flip chart	1	
Projector	1	
Screen / blank wall	1	
Sound system	1	Microphone and speaker

Item	Content and remarks
TLCC and WC Operational Manual (OM)	It is the document that will be used as a reference for their day-to-day operation of TLCC and WC.
Posters of Power Point presentation TLCC and WC for Paurashava Level	It is a set of slides that is used for understanding content of the TLCC&WC OM and its use. They are printed on large sheet of paper in case laptops and projectors are missing.
Power point presentation on how to conduct trainings	It is a set of slides that is used for understanding how to organize the TLCC&WC training.
Training Course Guide	It is a document that informs the outline of the training, such as the content, participants, and time schedule.

Other Items

- Course Completion Certificate
- SPGP Brochure
- SPGP Notebook
- Attendance Sheet (to be filled out and signed by ALL participants).
- Training Feedback Sheet
- Stationary: Pen/pencil, large size post-it or information card, VIP pin (push pins), craft paper.

5.3 TLCC in Paurashava

Preferably a well-lit, ample space.

Furniture and equipment

Items	Quantity	Remarks
Chairs	Equal to no. trainees	
White board / flip chart	1	
Projector (optional)	1	
Screen / blank wall	1	
Sound system (optional)	1	Microphone and speaker

Handouts

Item	Content and remarks
TLCC and WC Operational Manual (OM)	It is the document that will be used as a reference for their day-to-day operation of TLCC and WC.
Power point presentation on TLCC	It is a set of slides that is used for understanding content of the TLCC and WC OM and its use with special focus on TLCC. They are printed on large sheet of paper in case laptops and projectors are missing.
Training Course Guide	It is a document that informs the outline of the training, such as the content, participants, and time schedule.

Other Items

- Attendance Sheet (to be filled out and signed by ALL participants).
- Course Completion Certificate
- SPGP Brochure
- SPGP Notebook
- Attendance Sheet (to be filled out and signed by ALL participants).
- Training Feedback Sheet
- Stationary: Pen/pencil.

5.4   WC in Paurashava

Preferably a well-lit, ample space.

Furniture and equipment

Items	Quantity	Remarks
Chairs	Equal to no. trainees	
White board / flip chart	1	
Projector (optional)	1	
Screen / blank wall	1	
Sound system (optional)	1	Microphone and speaker

Handouts

Item	Content and remarks
TLCC and WC Operational Manual (OM)	It is the document that will be used as a reference for their day-to-day operation of TLCC and WC.
Power point presentation on WC	It is a set of slides that is used for understanding content of the TLCC and WC OM and its use with special focus on WC. They are printed on large sheet of paper in case laptops and projectors are missing.
Training Course Guide	It is a document that informs the outline of the training, such as the content, participants, and time schedule.

Other Items

- Attendance Sheet (to be filled out and signed by ALL participants).

- Course Completion Certificate
- SPGP Brochure
- SPGP Notebook
- Attendance Sheet (to be filled out and signed by ALL participants).
- Training Feedback Sheet
- Stationary: Pen/pencil.

6   Trainers

6.1   Roles and Responsibilities of Trainers and Coordinators

Lead trainer	1	A lead trainer is required to give lectures on the topics covered and act as a leader for the group work activities and discussions. A lead trainer is also responsible for defining the overall training schedule as well as modifying or adjusting training materials in response to specific needs. It is also his/her responsibility to time-manage the overall progress of the training.
Assistant trainer	1*	An assistant trainer is required to facilitate group work activities and discussions of group(s) assigned. She/he assists the lead trainer whenever necessary for completing the training successfully.
Training coordinator	1*	Training coordinator is in charge of making necessary logistic arrangements for securing a comfortable learning set-up. Contracting trainers, inviting trainees, reserving trainees' accommodations, training facilities and equipment and record taking among others are required during the training.

Note 1: numbers marked with an asterisk (*) may vary depending on the size of the group of trainees.

6.2   Qualifications

6.2.1 TLCC and WC Core Training

Following are preferred qualifications for each of the above job description:

Lead trainer

A lead trainer is expected to have knowledge on concerned laws and regulations, practices and structures of local government in Bangladesh as well as general understanding of the challenges and opportunities faced by the Paurashavas in providing quality public services and securing accountability. Abilities to address a large audience, provide easy-to-understand lectures on related topic and facilitate discussions skillfully are highly valued.

Assistant trainer

An assistant trainer is expected to have knowledge on concerned laws and regulations, practices and structures of local government in Bangladesh as well as general understanding of the challenges and opportunities faced by the Paurashavas in providing quality public services and securing accountability.

Skills for facilitating discussions skillfully are highly valued.

Resource person

A resource person is (a) Mayor(s) (In his absence a CEO or Secretary) expected to have accumulated good practices of citizen participation through TLCC or WC in his/her own Paurashavas and who is willing to share his/her experience with other Paurashavas for replicating the successful experience.

Training coordinator

A training coordinator is expected to have experiences on coordinating training programs. Qualified interpersonal skills are required.

6.2.2 TLCC and WC TOT

Lead trainer (The same qualification needed for the Core Training)

Assistant trainer (The same qualification needed for the Core Training)

Training coordinator (The same qualification needed for the Core Training)

6.2.3 TLCC at Paurashava

Lead trainer

Two members of the "Panel" Trainers who have completed the Training on Citizen Participation through Ward Committee and Town Level Coordination Committee and the matching Training of the Trainers both at the central level through which he/ she acquired knowledge on concerned laws and regulations, practices and structures of local government in Bangladesh.

Assistant trainer

The Member Secretary of his/her own Paurashava. He/she has completed the Training on Citizen Participation through Ward Committee and Town Level Coordination Committee and the matching Training of the Trainers both at the central level through which he/ she acquired knowledge on concerned laws and regulations, practices and structures of local government in Bangladesh.

Training coordinator

A person who has experience in coordinating events at Paurashavas.

6.2.4 WC at Paurashava

Lead trainer

Two members of the "Panel" Trainers who have completed the Training on Citizen Participation through Ward Committee and Town Level Coordination Committee at Paurashava Level through

which he/ she acquired knowledge on concerned laws and regulations, practices and structures of local government in Bangladesh.

Assistant trainers:

The Member Secretaries of their own Paurashava who have completed the Training on Citizen Participation through Ward Committee and Town Level Coordination Committee and the matching Training of the Trainers both at the central level through which he/ she acquired knowledge on concerned laws and regulations, practices and structures of local government in Bangladesh as well as general understanding of the challenges and opportunities faced by the Paurashavas in providing quality public services and securing accountability.

Training coordinator

A person who has experience in coordinating events at Paurashavas.

7   Follow-up, Monitoring and Evaluation

In addition to the feedbacks on trainings and manuals, the following evaluations are planned:

- Capacity Assessment Sheet (Overall performance)
- Capacity Assessment Sheet (Self-evaluation)

Capacity Assessment Sheet (Overall performance)

As a means to assess the overall knowledge and skills of the Paurashava, list up the activities that need to be performed and the expected quality. For some subject, Action Plans and Activity Calendars are to be made. Assessments can also be made checking the progress of these plans. Evaluate their levels immediately before, and within a certain time span after the training as part of the monitoring using the same format.

Capacity Assessment Sheet (Self-evaluation)

List up knowledge and skills expected to be enhanced and make a four-scale evaluation sheet. Evaluate their levels immediately before, and within a certain time span after the training as part of the monitoring using the same format.

8   Training Preparation Check-list

| | Module title | Venue | Course Guide | PPT | OM | Certificate | SPGP Brochure | Statio nary | CAS (OP) | CAS (SE) | Training Feedback Sheet | Trainers | | Resource Person |
												Lead trainer	Assistant trainer	
1.	TLCC and WC CT													
2.	TLCC and WC TOT													
3.	TLCC Paurashava													
4.	WC Paurashava													

CT: Core Training

TOT: Training of Trainers

PPT: Power Point

OM: Operational Manual

CAS (OP): Capacity Assessment Sheet (Overall Performance)

CAS (SE): Capacity Assessment Sheet (Self-Evaluation)

Government of the People's Republic of

Bangladesh

Ministry of Local Government, Rural Development and Cooperatives

Local Government Division

Operational Handbook

On

Citizen Participation through

Town Level Coordination Committee (TLCC) and

Ward Committee (WC)

SPGP (Version 1)
LGD/JICA
May- 2015

Table of Content

1. Introduction

1.1. Citizens Participation in administrative activities in Bangladesh

Democracy is one among the fundamental principles that constitute the basis of governance in Bangladesh. Through this principle, citizen participation has been ensured at all levels of the country's government and whereby its women and men have tirelessly strived to abide since the nation's independence.

Paurashava is one of the most important pillars of the local government system of Bangladesh. In Paurashavas, in line with the article- 115 and article- 14 of the Local Government (Paurashava) Act- 2009, the elected representatives as well as appointed officials are held accountable for delivering public services according to the needs of their constituency voiced and debated in various kinds of open forums, including but not limited to the Ward Committee (WC) and the Town Level Coordination Committee (TLCC). In WC and TLCC, residents of Paurashavas can publicly articulate their demands for solving challenges found in the development of physical infrastructures and other types of service which fall under the mandate of each Paurashava. At the same time, the citizen can contribute by supporting Paurashava in the form of consultation, participation, advice, implementation among others to efficiently materialize proposed solutions regarding services and development activities including specially tax assessment and tax collection.

1.2. Objective of the Operational Handbook on TLCC and WC

The objective of the present handbook is to provide its principal readers a practical handbook that can help them understand how TLCC and WC are established and organized, as well as how they function adhering to the rules and regulation within the context and the timeframe of Paurashava mandate.

2. Related Legal Documents

2.1. The Fundamental Principle of the Government of People's Republic of Bangladesh

The National Constitution of Bangladesh defines democracy as one of the nation's fundamental principles. All rules-regulations of Bangladesh are drafted in line with this principle, and so are the laws defining the rights, duties and responsibilities of Paurashavas and its constituencies.

2.2. The Paurashava Act, 2009

The Paurashava Ordinance was enacted in the independent Bangladesh for the first time in 1977. In 2009 through defecting the Ordinance, the Local Government (Paurashava) Act, 2009 have been introduced. After initiation of this act the performance of Paurashava administration became more transparent, manifested and specific.

2.3. Existing Legal Documents for WC and TLCC

In accordance with Article 120 of the Local Government (Paurashava) Act- 2009, Government and along with the rules and regulations, curculars and office orders issued by the LGD of the MLGRD&C issued by as per the provision of the Section 120 of the Paurashava Act, 2009 and its 6th schedule. Paurashavas are also entitled to frame bylaws and "regulations" as per the Section 121 (7th schedule) and the Section 122 (8th schedule) of the Act.

LGD has issued a set of rules entitled "the Paurashava (Constitution of Ward Committee and Term of Reference (TOR)) Rules, 2012" through notification published in the Bangladesh Gazette on 26th June, 2012, which

> ### Box 1.
>
> ### "Compilation of the Act, Rules, Regulations and other guidelines regarding Paurashava"
>
> The number of rules and regulations, circulars, guidelines, and office orders among others issued in relation to the Paurashava administration - commonly circulated in the form of printed document - is substantial and keeping oneself constantly updated may be a challenge for Paurashava officials and representatives.
>
> "The Paurashava Manual" as the compilation of all this documents, may provide a possible solution for such challenge. It is a collection of related laws, including Paurashava Act, 2009, other rules and regulations and orders issued by the Local Government Division of the Ministry of Local Government, Rural Development and Cooperatives (LGD of the MLGRD&C).
>
> It is highly recommended to organizing above and other relevant documents in a systematic manner, and making them readily available for all concerned officials and representatives in order to enhance efficiency and accuracy in delivering services. Additionally, establishing a system for regularly updating such manual at certain interval incorporating new laws and amendments is desirable.

is now the legal document to be followed by all Paurashavas for defining the establishment and function of WC. However, as of now, neither new rules nor office orders have been issued for giving shape to the establishment of Town Level Committee with the description of its composition and TOR in line with the provisions of the Section 115 of the Paurashava Act, 2009. The terms of reference of the TLCC will be as per the guideline of the memo no- 258 issued on March- 9, 2011 though the part regarding the formation of Ward Level Coordination Committees been cancelled through the meme no- 1645 issued on October- 18, 2012.

3. Expected "Positive Cycle" of citizen participation

WC and TLCC provide a venue through which residents can take part in the important endeavor of securing quality public services in their Paurashavas. Some might think that involving residents may not be effective as they feel resident only complain and claim their rights but are rarely cooperative or responsible when it comes to their duties. However, when seen from a different aspect, such attitude could be interpreted as a reaction to what the residents have felt like their interests have been represented.

Service delivery in Paurashavas may trigger positive effects among its residents depending not only on their immediate results but also on the way they are deliberated and implemented. Residents' active participation in decision making through TLCC and WC is conductive to enhanced transparency and accountability, prompting Paurashava officials to improve the service they provide. Quality service

Figure 1: Positive Cycle of Citizen Participation

delivery leads to reinforced residents' trust and sense of civic responsibility, which in turn, encourages due tax contribution and support, and along with that, further residents' participation as they become conscious about the way Paurashava cater to their interests. Both TLCC and WC, thus, play a vital role in setting in motion a series of positive effects on Paurashava administration and service delivery, which will become habitual with time. Expected cyclical effects of citizen participation is shown in Figure-1.

4. Structure and Overall Function of TLCC and WC

4.1. Number, Establishment and TOR of Ward Committee (WC)

4.1.1. Number of WC

A WC is established in every Ward, as per the article 14 of the Local Government (Paurashava) Act- 2009, with maximum ten members, and the councilor of the concern ward will be the chairman of that committee. At present the number of ward committees are organized as per the size of the Paurashava, depending on the total number of wards it comprises. Which translates into minimum of nine to maximum of twenty-one WCs.

4.1.2. Establishment of WC

The formation of WC shall be guided by the Article 14 of the Local Government (Paurashava) Act- 2009 and Rule-3 of "the Paurashava (Constitution of Ward Committee and TOR) Rules, 2012" issued under the power provided by the Article 120 of the same act. A WC in each ward shall

be established within three months of constitution of Paurashava, subject to approval of Council (Council).

Box- 2

Case study: Citizen Participation in Chandpur Paurashava

There are a number of Paurashava that have successfully set in motion the positive circle of citizen participation. Chandpur is one such pioneers. The Mayor expresses "*Citizen Participation is vital for the success of a Paurashava. Budget required for organizing the meetings is minimum while the benefit far exceeds it. If they ever stop functioning, Paurashava's work and success will be hampered*"

Md. Nasir Uddin Ahmed, Mayor

Chandpur Paurashava

A sample composition of WC is given in the following table as per the mentioned article of thye act:

Table 1: Composition of WC

Position	Representation
Chairperson	Elected Councilor of the respective Ward
Co-Chairperson	Elected Female Ward Councilor (FWC) of the reserved seat
Member	Three representatives of the urban poor
Member	Two representatives from civil society (NGO, community groups)
Member	Two representatives from professional associations (including women)
Member–Secretary	Assistant Engineer / Sub-Assistant Engineer / Accounts Officer / Tax Collectors

The WC membership is not to exceed ten, among which female representatives occupy more than 40% as per the sub-section 2 of the article 3. Along with this, the following Criteria may be followed for the Selection of WC Members:

1. Members of WCs are preferably those familiar with the Ward's livelihood, most likely long time dwellers and who demonstrate strong leadership and a natural drive for serving her/his community.

2. A notification concerning establishment of WC along with its TOR shall be issued by each Paurashava, copy of which is distributed to all concerned members and made available to public in general through different medium.

4.1.3. Functions of WC

Clause 14 of the Paurashava Act, 2009, 2nd Chapter on defining Ward boundary, electoral role and other issues, defines WCs' main responsibility as engaging residents in the Paurashava's development and administrative activities through open meetings. A more specific TOR, or the tasks assigned to WC members is defined in "the Paurashava (Constitution of Ward Committee and TOR) Rules, 2012".

The TOR of WC and their interpretations along with corresponding actions are shown in the table below:

	TOR/Task of WC	Actions/ Initiatives as per the TOR
1	Discuss progress, quality and problems of ongoing and planned development works with the residents at Ward level.	WC Chairperson will initiate discussion and decision will be made on the methods for discussing with the citizen of the ward. After that discussion will be made with the citizen of the ward as per the decided method.

	TOR/Task of WC	Actions/ Initiatives as per the TOR
2	Presentation of infrastructure, services and problems of the Ward in the meeting of the committee.	Presentation by WC Chairperson, discussion by Members and identification of issues/problems to be addressed in implementation process.
3	Conducting activities to raise public awareness on payment of tax, sub-tax, bills, toll, rate, etc.	Identification of process/ mechanism activities in WC meeting to implement awareness raising program about tax, sub-tax, bills, Toll, rates, rent, lease, license, etc.
4	Collecting essential socio-economic data including birth and death registration.	Discuss and decide ways and means for efficient collection of socio-economic data and data will be collected according to that method and requirement.
5	Advice the Council to adopt project on street light, source of safe drinking water, and other public welfare-related projects.	Discuss and prepare set of recommendations for the Council to select projects.
6	Create public awareness in regard to cleanliness, sanitation, environmental conservation, and tree plantation.	Discuss in WC meeting, undertake program to create public awareness on the issues and support implementation.
7	Awareness raising as regards establishment of unity and good relationship among the people of various class and occupation.	Discuss at WC meeting, undertake program to create public awareness and support implementation.
8	Prepare the list of person covered by various government development programs, such as Vulnerable Group Development (VGD), Vulnerable Group Feeding (VGF), old age allowance, subsidy, etc. and forward it to Paurashava.	Prepare criteria for selection of vulnerable, prepare list based on the criteria, and recommend to send the same to Paurashava.
9	Assist the Paurashava through providing voluntary services in respect to public health program, particularly prevention of various diseases, family planning program, and removal of waste.	Discuss these issues, decide ways and means of providing voluntary support to the concerned issues. Carry out supporting activities.
10	Undertake emergency programs to face epidemic and natural catastrophes.	Include these issues as agenda when such situation arises, and carry out emergency programs.
11	Arrange open meetings by inviting 150 prominent residents once every six months to discuss overall activities of the ward, and list down the people's demands and submit it to the Council for implementation, subject to approval of budget by the Paurashava.	Organize such open meeting by WC twice in a year, receive feedback, prepare lists of residents' demands and submit to the Council for onward action in the Council meeting, and for implementation, subject to approval of budget by the Paurashava.
12	Carry out any other responsibility as may be directed by the government and the Council from time to time.	Include in the agenda when asked by the government.

4.1.4. Organizing WC Meeting

The guideline to be followed for arranging the meeting of WC have been introduced under the article 4 of "The Paurashava (Constitution of Ward Committee and TOR) Rules, 2012", which is as bellows;

(1) WC meetings are to be held at least once each quarter (with three-month intervals).

(2) Chairperson and in absence of the chairperson, the co-chairperson will inaugurate the meeting floor, presides over the meeting, and concludes it with a brief closing remark.

(3) Member-Secretary of WC convenes a meeting by setting date, time and agenda with the working paper attached in consultation with the Chairperson.

(4) Meeting notice/invitations are issued at least seven days prior to the date of meeting; but no notice will be required in case of adjourned meeting.

(5) Quorum, or the minimum number of members required to adopt a decision, is formed with attendance of 50% of the full committee members; but the same (quorum) will not be required for adjourned meeting.

(6) Notices for convening meeting contain specific agenda, and the meetings are conducted according to set agenda.

(7) Minutes of the last meeting is read, confirmed and approved. The progress of implementation of decisions is reviewed and/ or discussed.

(8) In case the decision of previous meeting has not been implemented, the Chairperson will provide an explanation in the following meeting. Along with this for successful arrangement of the WC meeting, the bellow mentioned issues will have to consider and follow;

    a) An attendance list is circulated among the attendees for them to fill out and sing, and the present members will put their signature after fulfilling required information.

    b) Discussions are made on the points by the order of appearance in the meeting agenda.

    c) A meeting resolution is recorded in a binding book as per prescribed format. It includes all the names of the participant councilors along with other members.

    d) The members will listen patiently while others are speaking and make one's comments concise.

    e) The members will have to think of different ways for solving issues collectively within possible capacities instead of just complaining or criticizing existing situation

    f) The chairperson will ensure so that the members discuss within the set agenda and avoid irrelevant discussions.

4.1.5 **Agenda of WC meeting**

To conduct the meeting successfully within the specific time frame, it is most important to carry on the discussion according to the pre-determined agenda. So for this, specific agenda of the WC meeting is required. The following are the sample agenda which may follow for each meeting:

Agenda-1: Confirmation and approval of the previous meeting minutes;
Agenda-2: Review on the progress of the last meeting's discussions and/or decisions;
Agenda-3: Discussion and decision on other pre-selected issues identified within the scope of WC TOR;
Agenda-4: Miscellaneous/other issues

4.1.6 **Format for Working Paper/Minutes of WC Meeting**

A working paper is a document that records the progress made for solving the issues discussed during the WC meetings. These records can help the members understand the topics of discussion together with their background. A meeting minute is a document that records the discussions made during a single meeting. The Chairperson conduct the meeting in an orderly manner and can restrain the members from irrelevant discussion. So the Member-Secretary become able to record the discussions efficiently. A common format for preparing working paper and writing WC meeting minutes can ease the process, and save time and energy in the documentation of both. A sample of such format is given in Annex-1 together with a detailed instruction on how to fill them out. A more general procedure for writing a working paper and a meeting minute using the sample format is as below.

(1) Prepare a working paper by writing each of the pre-selected agenda in the first column of the format while keeping others blank;

(2) Distribute the working paper as attachment to the notice convening the WC meeting.

(3) During the meeting, remaining columns of each agenda are to be filled up with matters related to discussion, progress review, decisions, recommendations, responsible person(s) and due date for implementation of decisions as required in the format. This becomes the meeting minute.

4.1.7 Reporting

WCs are to submit written report to Council on progress of the activities of the Ward quarterly.

4.1.8 Time-Bond Action Cycle of WC Meetings

As mentioned earlier, WC meetings are conducted on a quarterly basis. Certain time bound actions are required to be followed to organize the meetings efficiently. While all members are responsible for making WC meetings productive, some members are assigned with specific tasks. The following time bound action cycle can help these members organizing WCs meetings.

Fixing up meeting date on quarterly basis (Chairperson)

Issue meeting notice 7 days before the meeting (Member Secretary)

Meeting held on due date (Chairperson, Members, and Member Secretary)

Prepared meeting minutes within 15 days of the meeting (Chairperson, Members, and Member Secretary)

Prepare draft working paper before issuing next meeting notice (Member Secretary)

Figure 2: Time-Bond Cycle of WC Meetings

4.2. Formation and TOR of Town Level Coordination Committee (TLCC)

4.2.1 Government guideline for the establishment of TLCC

LGD has issued a set of rules entitled "the Paurashava (Constitution of Ward Committee and Term of Reference (TOR)) Rules, 2012" through notification published in the Bangladesh Gazette on 26th June, 2012, which is now the legal document to be followed by all Paurashavas for defining the establishment and function of WC. However, as of now, neither new rules nor office orders

have been issued for giving shape to the establishment of Town Level Committee with the description of its composition and TOR in line with the provisions of the Section 115 of the Paurashava Act, 2009. Herewith, the formation of the TLCC as per the prevailing part of the memo no- 258 issued by the local government division in line with the article 115 of the Local Government (Paurashava) Act- 2009, though the part regarding the formation of Ward Level Coordination Committee of the memo no- 258 of the date March- 9, 2011 has been cancelled through the memo no- 1645 issued on October- 18, 2012. So, the terms of reference of the TLCC will be as per the guideline of the memo no- 258 issued on March- 9, 2011, and until further notification or office order from the Government, this will have to be followed for establishment and function of TLCC.

4.2.2 Composition of TLCC

Each Paurashava can constitute a TLCC and define its TOR in the Council meeting in line with memo no- 258 issued by the local government division in line with the article 115 of the Local Government (Paurashava) Act- 2009 unless other rules or office orders stating otherwise are issued in the future. A sample composition of TLC is given in the following table:

Table 2: Sample composition of TLC

Position	Representation
Chairperson	Mayor of the Paurashava
Member	Ward Councilors (No more than 12 selected by the Mayor)
Member	Eight representatives from the coopertaign organizations (District Administration, Local Government Engineering Department, Department of Public Health Engineering, Road and Highway Department, Public Works Department, Social Welfare Department, Cooperatives and Telephone and Telegraph)
Member	Five representatives from professional groups (educatin, cultural, lawyer, businessman, doctors)
Member	Four NGO representatives
Member	Twelve representatives from the civil society
Member	Seven representatives of the urban poor
Member Secretary	Chief Executive Officer (CEO) / Secretary

4.2.3 Terms of Reference of the TLCC

Local government division issued the memo no- 258 of the date March- 9, 2011, where the Government prescribed the terms of reference of the TLCC. The terms of reference and the tasks in line with that TOR have been mentioned in the table bellows:

Table 4 Terms of Reference (TOR) of the TLCC and tasks in line with the TOR

Terms of Reference (TOR) of the TLCC	Tasks in line with the TOR
1) Initiate discussions on the preparation of overall development plan including raising awareness of citizens for their active participation in different stages of the planning process.	Presentation by the Mayor of the Paurashava or by the chief executive officer or engineer on his request to raise members' awareness of Paurashavas current status of development works and services, including its limitations, and will inform the importance of citizen participation in all steps of it.
2) Assist, supervise and monitor the progress in Pourashava overall development plan preparation.	The progress of the planning of the overall development of the Paurashava will be discussed in the TLCC meeting. Along with this, the TLCC will cooperate with the planning of the overall development of the Paurashava. TLCC will supervise or monitor development works and tasks will be initiated as per the prescribed methodology.
3) Discuss in the committee meeting on Pourashava tax assessment and collection.	In the TLCC meeting, secretary of the Paurashava with permission of the Mayor will make the members informed about the update of the tax assessment and tax collection of the Paurashava. After discussion, problems in this regard will have to be identified and recommendations of the TLCC will have to be prepared, and the tasks regarding tax assessment and tax collection will have to be operated as per the set methodology. Progress of works in this regard will have to be presented in the following meeting.
4) Discuss various services delivered by Pourashava.	Discuss in the TLCC meeting various services delivered by Paurashava to the citizen and problems in service delivery: what were the commitment of service delivery and what are delivered in reality, together with the causes for whish services cannot be delivered, etc. and making decision on the issue with receiving opinion of the residents attending the meeting.
5) Hold the first meeting of the TLCC within 15 days of its formation.	The Mayor of the Paurashava will ensure to hold the first meeting of the TLCC within 15 days of its formation.
6) Hold the TLCC meeting once in three months, and prepare minutes of each meeting.	The Mayor of the Paurashava will ensure to hold the TLCC meeting once in every three months, and will give direction to the executive officer/ secretary regarding the arrangement of the meeting.
7) Discuss the progress, quality and problems of development work	Discussion will be made in the TLCC meetings on the progress, quality and problems of development work implemented by the Paurashava, opinion of

Terms of Reference (TOR) of the TLCC	Tasks in line with the TOR
implemented by the Pourashava.	the present citizen will be collected, and decision will be made on what is to be done to solve the identified problems. Progress of works regarding the implementation of the decision in this regard will have to be presented in the following meeting.
8) Discuss issues about Pourashava governance improvement.	Discuss issues about Paurashava governance improvement in the meeting of the TLCC, and recommendations from the members on how to address the issue will be received, and the results will be discussed in the following meeting.
9) Discuss citizen's involvement in Pourashava development activities.	Discussion will be made on the existing development works of the Paurashava, how the citizen will participate in that development works that will be identified and initiative will be taken as per the identified measures.
10) Discuss progress of Pourashava Standing Committees' activities.	The chairman of each standing committee will discuss on the progress of Pourashava Standing Committees' activities, and will get recommendation and opinion of the TLCC members.
11) Record discussions and decisions in the form of minutes, follow-up actions/ status of implementation in the following meetings, and continue the process.	Record discussions and decisions in the form of minutes, follow-up actions/ status of implementation in the following meetings, and continue the process.

4.2.5 Organizing TLCC Meeting

TLCC meetings are to be held at least once each quarter (with three-month intervals). Below are the conditions to observe and activities to carry out when organizing the WC Meeting.

(1) Member-Secretary of TLCC convenes a meeting by setting date, time and agenda with the working paper attached in consultation with the Chairperson. The same information will be announced publicly. Publicizing it on information board is one such way.

(2) Meeting notice/invitations are issued at least seven days prior to the date of meeting; but no notice will be required in case of adjourned meeting.

(3) Quorum, or the minimum number of members required to adopt a decision, is formed with attendance of 50% of the full committee members; but the same (quorum) will not be required for adjourned meeting.

(4) Notices for convening meeting contain specific agenda, and the meetings are conducted according to set agenda;

(5) The Mayor as Chairperson opens the meeting floor, presides over the meeting, and concludes it with a brief closing remark.

(6) In the Mayor's absence, the Panel Mayor 1 presides over the meeting.

(7) An attendance sheet is circulated among the attendees for them to fill out and sing.

(8) Minutes of the last meeting is read, confirmed and approved. The progress of implementation of decisions is reviewed and/ or discussed;

(9) Discussions are made on the points by the order of appearance in the meeting agenda.

(10) In case the decision of previous meeting has not been implemented, the Chairperson will provide an explanation in the following meeting;

(11) A meeting resolution is recorded in a binding book as per prescribed format. It includes all the names of the participant councilors along with other members.

(12) Every resolution is approved in the subsequent meeting and sent to the government within 14 days of its approval. Meeting resolutions are to be distributed to all members of TLC and displayed in public through Paurashava notice board.

4.2.5   Recommended attitude to assume during the meeting are:

● Listen patiently while others are speaking and making one's comments concise;

● Think of different ways for solving issues collectively within possible capacities instead of just complaining or criticizing existing situations; and

● Keeping the discussion framed within the set agenda and to avoid irrelevant discussion.

4.2.6   Agenda of TLCC Meeting

To conduct the meeting successfully within the specific time frame, it is most important to carry on the discussion according to the pre-detrained agenda. So for this, specific agenda of the TLCC meeting is required. The following are the sample agenda which may follow for each meeting:
:

Agenda-1: Confirmation and approval of the previous meeting minutes;

Agenda-2: Review on the progress of the last meeting's discussions and/or decisions;

Agenda-3: Discussion and decision on other pre-selected issues identified within the scope of TLCC TOR;

Agenda-4: Miscellaneous/other issues

4.2.7   Format for Working Paper/Minutes of TLCC Meeting

A **working paper** is a document that records the progress made for solving the issues discussed during the WC meetings. A **meeting minute** is a document that records the discussions made during a single meeting. These records can help the members understand the topics of discussion

together with their background; the Chairperson conduct the meeting in an orderly manner; and the Member-Secretary record the discussions efficiently. A common format for preparing working paper and writing WC meeting minutes can ease the process, and save time and energy in the documentation of both. A sample of such format is given in Annex-2 together with a detailed instruction on how to fill them out. A more general procedure for writing a working paper and a meeting minute using the sample format is as below.

(1) Prepare a working paper by writing each of the pre-selected agenda in the first column of the format while keeping others blank;

(2) Distribute the working paper as attachment to the notice convening the WC meeting.

(3) During the meeting, remaining columns of each agenda are filled up with matters related to discussion, progress review, decisions, recommendations, responsible person(s) and due date for implementation of decisions as required in the format. This is the meeting minute.

4.2.8 Time-Bond Cycle of TLCC Meetings

As discussed earlier, TLCC meetings are conducted on a quarterly basis that is after every three months. Certain time bound actions are required to be followed to organize the meetings efficiently. While all members are responsible for making meetings productive, some members are assigned with specific tasks. The following time bound action cycle of figure- 3, may help these members organizing TLCC meetings.
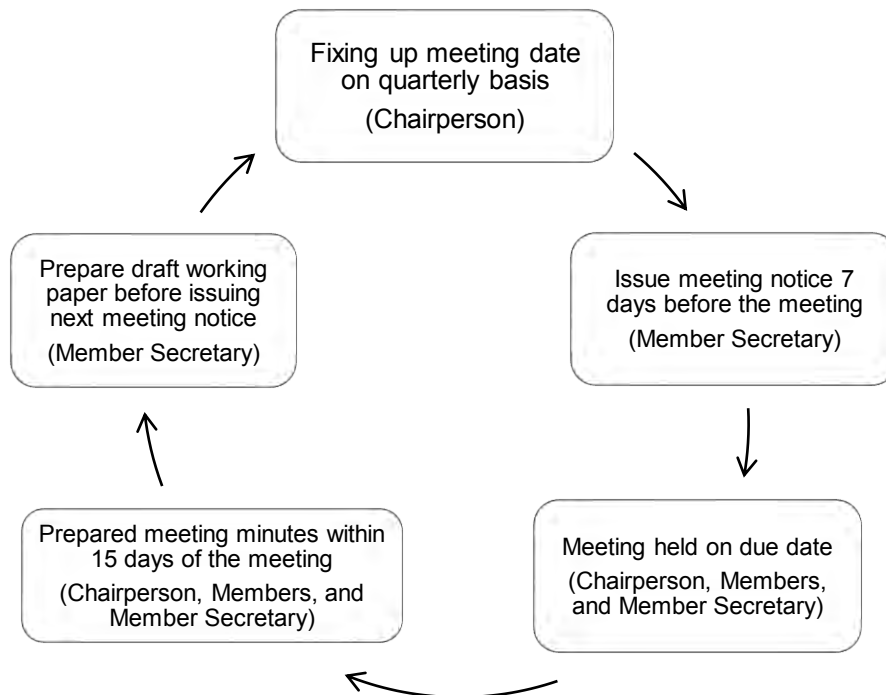
Figure 3: Time-Bond Cycle of TLCC Meetings

4.2.9 Flow of Decision Making and Monitoring in Paurashavas

TLCC and WCs are part of the Paurashava's decision-making process that starts at the Ward level and culminates at the Council. In the initial stage, demands for public services are transmitted to the Councilors both individually and collectively by Ward residents. Those demands among other issues are discussed at the WC meeting and its resolutions are forwarded to the Mayor with a request to include them in the agenda to be discussed at TLCC meeting. The TLCC in turn, scrutinizes them and provides recommendations, or refers the ones that need further examination to corresponding Standing Committees (SCs). Recommendations from both TLCC and the SCs are then forwarded to the Council. The Council approves the demands to be attended and the means to achieve them. Subsequently, their decisions are reported back or transmitted to TLCC through the Mayor, and to WC through the respective Ward Councilor. The figure below shows a general flow of Paurashava decision-making with citizen participation through WC and TLCC. It must be noted however that this flow may slightly vary depending on the purpose and topic of discussions.
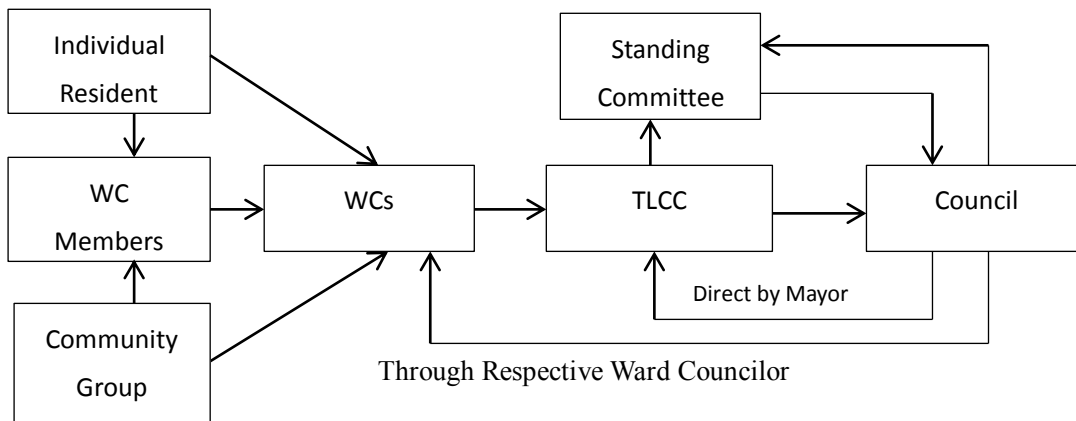
Figure 4: Flow of Decision Making

5. Time Sequence of WC and TLCC

WC and TLCC meetings are to be held at least quarterly amidst different activities planned for the Paurashava. It is helpful to prepare an annual calendar whenever starting afresh each fiscal year with important dates signaled, reviewing them periodically and modifying them when necessary. By having a calendar, WC and TLCC participants can understand the timing each meeting needs to be held in relation to other key Paurashava activities and deadlines, and program their activities well ahead of time. Good planning helps WC and TLCC members better prepare for a constructive, fruitful deliberation.

6. Fiscal Year Calendar /Activity Planner (July-June)

Paurashava's fiscal year starts in July and end in June of the following year. A fiscal year is a period during which the government spends its budget for achieving the goals set forth. TLCC and WC meetings are to be held quarterly or more, within this 12-month period. When planning these meeting, it is not enough just to mark the calendar without giving much thought into how to synchronize them with other activities programed for the Paurashava. Take WC meeting as an example. If the WC does not meet on time prior to a TLCC for submitting the Ward's demand, it is likely that those demands will not be included in the following TLCC meeting agenda, and as a consequence, misses the chance of been approved by the Parisad for the corresponding fiscal year. It is therefore crucial to schedule these meetings by having in mind the general flow of the important activities that take place in a Paurashava throughout the fiscal year. The Paurashava Fiscal Year Calendar/ Activity Planner as shown in figure- 5 below may help achieve a better programming. It contains a list of important dates to remember and plots the tentative dates for convening WC and TLCC meetings. Making these calendars at the beginning of each fiscal year and modifying them whenever changes occur, are highly recommended. Below is the procedure for making the calendar and following up.

(1) Identify important deadlines for completing certain activities or submitting reports to the central government and to the public.

(2) Set the timeline for preparing each report.

(3) Mark the weeks when each meeting needs to be held for preparing these reports.

(4) Make sure the meeting dates do not conflict with other meetings or important dates.

(5) Make changes when considered necessary as the year progresses.

	Last fiscal year's 4th Quarter			1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Next year's 1st Quarter		
	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September
Week	37 38 39 40 41 42 43 44 45 46 47 48			1 2 3 4 5 6 7 8 9 10 11 12			13 14 15 16 17 18 19 20 21 22 23 24			25 26 27 28 29 30 31 32 33 34 35 36			37 38 39 40 41 42 43 44 45 46 47 48			1 2 3 4 5 6 7 8 9 10 11 12		
Ward Committee																		
Town-Level Committee																		
Standing Committee																		
Parishad																		
Ward-level Open Meeting																		
Special Meeting for Budget																		
Open Budget Meeting																		

Important dates

Development Plan Formulation																		
Budget Preparation																		
Fund Approved																		
Budget Monitoring																		
Budget Adjustment																		
Financial Statement																		

Service Delivery & Tax/ Fee Collectionn

- Implementation of Development Plans
- Other Public Service Delivery
- Tax and fee collection

Table 3: Fiscal Year Calendar /Activity Planner (July-June

7. The Plan-Do-Check-Action (PDCA) Cycle

Having a good understanding of the PDCA cycle or the "plan-do-check-action" cycle, when planning the above Fiscal Calendar/ Activity Planner, could enhance its effectiveness. "Plan" means careful preparation; "do," the actual implementation; "check," the periodical revision; and "action," implementing corrective actions. The PDCA cycle, otherwise known as the "Deming Cycle", is a management method used principally in the private sector for helping ensure continuous improvement of business processes, and hence their expected outputs or products. As the PDCA cycle has won worldwide recognition, initiatives for adopting it in the public sector started to gather momentum. The four-step model, which is repeated in cycles, can also be applied to improve the quality of service provided by Paurashavas through citizen participation. TLCC and WC play vital role in securing sound service delivery and healthy financial management; planning and holding their meetings conscious of the PDCA cycle, shown in figure- 5 bellows could help achieving both.

Figure 5: The PDCA Cycle
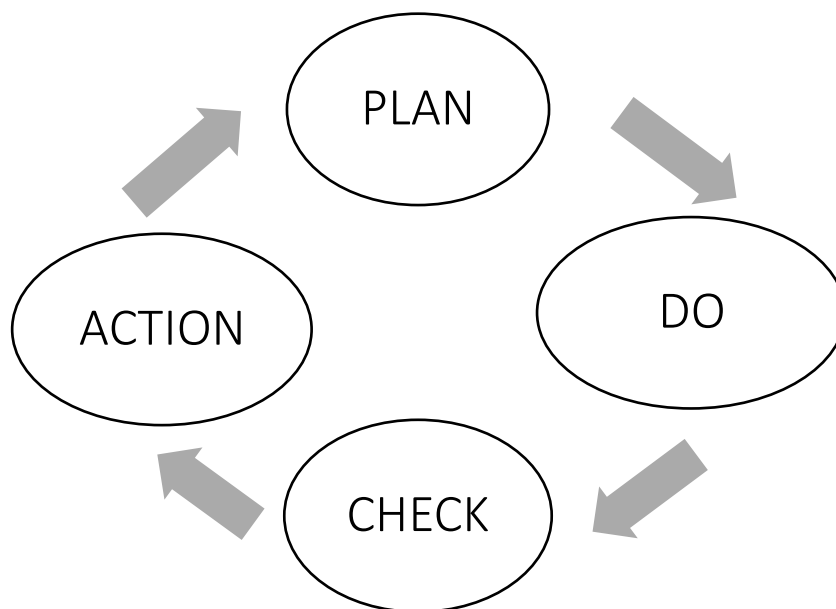
Instruction 1
(For the 1st WC Meeting)

Working Paper for the 1st WC Meeting.

1. Omit agenda 1 and 2 of the original format and consider agenda 3 as agenda 1 and agenda 4 as agenda 2 for the 1st meeting of WC.

2. Fill up the column 1 of the format with pre-selected topics of discussion as topic 1, topic 2, etc. and keep other columns (vacant).

3. Keep all the columns of the format of agenda 2 vacant.

4. Distribute the format (Agenda 1 and 2) as working paper with attachment to the notice inviting 1st WC meeting.

Recording Meeting Minutes of 1st WC Meeting

1. Agenda 1: Hold discussion on each of the topics under agenda 1, take decision/make recommendation, select responsible person/group/officer for implementation and set target date in the meeting and record those under relevant column as a part of meeting minutes.

2. Agenda 2: Invite the participants to propose any issues that they want to discuss and include in the 1st column as topic 1, topic 2, etc. Then hold discuss on each of the proposed topics, reach to agreed decision, select responsible persons/group/officer for implementation, set target time and complete another part of the meeting minutes.

3. Combine all above records in the prescribed format and complete the 1st WC meeting minutes.

Format for Working Paper/Meeting Minutes for the first WC meeting can be seen as in the following page.

(For the first Meeting)

Working Paper/Meeting Minutes of the Ward Committee (WC)
Meeting No:..............................

Name of Paurashava: ....

Ward Number:..

Date of the Meeting:..

Attendance: As per Attachment

Agenda-1 Discussions and decision on pre-selected issues in the light of objective and TOR of the Committee

Pre-selected agenda	Discussion	Decision/ Recommendation	Responsible persons, groups / officer	Due date
1	2	3	4	5
Topic 1				
Topic 2				
Topic 3				

Agenda-2 Miscellaneous / other issues

Issues for discussion	Discussion	Decision/ Recommendation	Responsible persons, groups / officer	Due date
1	2	3	4	5
Topic 1				
Topic 2				
Topic 3				

Signature of Chairperson:...

Name:..	Date:..

Instruction- 2
(For the Subsequent WC Meeting)

Working Paper for the Subsequent WC Meeting

1. Please take the working paper prepared for the following meeting of the WC;
2. Agenda 1: Fill-up column 1 of the format and keep other columns vacant.
3. Agenda 2: Fill-up column 1 with decision /recommendations of the previous meeting minutes and column 2 detailing progress of implementation of the decisions, one by one, and keep other columns vacant.
4. Agenda 3: Fill up the column-1 of the format with pre-selected topics of discussion as topic 1, topic 2, etc. and keep other columns (vacant).
5. Agenda 4: Keep all the columns of the format vacant.
6. Distribute the working paper, thus prepared, as an attached to the notice inviting WC meeting.

Recording Meeting Minutes of Subsequent WC Meeting

1. Please take the format of working paper prepared and distributed with the notice of the meeting and cut the word working paper and write down minutes of the meeting;
2. Agenda 1: The minutes of the previous meeting is read out by the Member Secretary of WC. Other columns are filled-up with deliberation and decision of the meeting.
3. Agenda 2: Hold discussion based on decision/recommendation of the previous meeting and progress of implementation as described in column 1 and column 2, record discussion and decision/recommendation, identify responsible persons/group/officer and set target date for implementation as a part of meeting minutes.
4. Agenda 3: Hold discussion on each of the topics under agenda 3, take decision/make recommendation, select responsible person/group/officer for implementation and set target date in the meeting and record those under relevant column as a part of meeting minutes.
5. Agenda 4: Invite the participants to propose any issues that they want to discuss and include in the 1st column as topic 1, topic 2, etc. Then hold discuss on each of the proposed topics, reach to agreed decision, select responsible persons/group/officer for implementation, set target time and complete another part of the meeting minutes.
6. Combine all above records by agenda in the prescribed format and complete the meeting minutes.

(For Subsequent Meetings)

Working Paper/Meeting Minutes of the Ward Committee (WC)
Meeting No...

Name of Paurashava:..

Ward Number:...

Date of the Meeting:...

Attendance: As per Attachment

Agenda -1 Confirmation and approval of the minutes of last meeting

Read out last meeting minutes	Discussion on accuracy of the minute	Modification (if needed)	Decision (confirmed/approved with or without modification
1	2	3	4
Read by Mr. .... Member Secretary			
1.			
2.			

Agenda-2 Review on the progress of the last meeting's decisions

Decision /recommendations of last meeting	Progress made	Further decision or recommendations	Responsible persons, groups / officer	Due date
1	2	3	4	5
1.				
2.				
3.				

Agenda-3 Discussions and decision on pre-selected issues in the light of objective and TOR of the Committee

Preselected Agenda	Discussion	Decision/ recommendation	Responsible persons, groups / officer	Due date
1	2	3	4	5
Topic 1				
Topic 2				
Topic 3				

Agenda-4 Miscellaneous /other issues

Issues for discussion	Discussion	Decision/ Recommendation	Responsible persons, groups / officer	Due date
1	2	3	4	5
Topic 1				
Topic 2				
Topic 3				

Signature of Chairperson:..

Name:...	Date:...

Annex 2:   Working Paper/Meeting Minutes Format for TLCC

Instruction 1
(For the 1st TLCC Meeting)

Working Paper for the 1st TLCC Meeting.

1. Please take the sample working paper prepared for the first meeting.
2. Fill up the column-1 of the format with pre-selected topics of discussion as topic 1, topic 2, etc. and keep other columns (vacant).
3. Keep all the columns of the format of agenda 2 vacant.
4. Distribute the format (Agenda 1 and 2) as working paper with attachment to the notice inviting 1st TLCC meeting.

Recording Meeting Minutes of 1st TLCC Meeting

1. Please take the format of working paper prepared and distributed with the notice of the meeting and cut the word working paper and write down minutes of the meeting.
2. Agenda 1: Hold discussion on each of the topics under agenda 1, take decision/make recommendation, select responsible person/group/officer for implementation and set target date in the meeting and record those under relevant column as a part of meeting minutes.
3. Agenda 2: Invite the participants to propose any issues that they want to discuss and include in the 1st column as topic 1, topic 2, etc. Then hold discuss on each of the proposed topics, reach to agreed decision, select responsible persons/group/officer for implementation, set target time and complete another part of the meeting minutes.
4. Combine all above records in the prescribed format and complete the 1st TLCC meeting minutes.

Format for Working Paper/Meeting Minutes for the first TLCC meeting can be seen as in the following page.

(For the first Meeting)

<u>..</u>Paurashava

Working Paper/Meeting Minutes of the Town Level Coordination Committee (TLCC)

Meeting Number:.............................

Date of the Meeting:..

Attendance: As per Attachment

Agenda-1 Discussions and decision on pre-selected issues in the light of objective and TOR of the Committee

Pre-selected agenda	Discussion	Decision/ Recommendation	Responsible persons, groups / officer	Due date
1	2	3	4	5
Topic 1				
Topic 2				
Topic 3				

Agenda-2 Miscellaneous / other issues

Issues for discussion	Discussion	Decision/ Recommendation	Responsible persons, groups / officer	Due date
1	2	3	4	5
Topic 1				
Topic 2				
Topic 3				

Signature of Chairperson:...

Name:...	Date:...

Instruction 2
(For the Subsequent Meetings)

Working Paper for the Subsequent TLCC Meeting

1. Please take the sample format of working paper prepared for the subsequent meeting of TLCC

2. Agenda 1: Fill-up column 1 of the format and keep other columns vacant.

3. Agenda 2: Fill-up column 1 with decision /recommendations of the previous meeting minutes and column 2 detailing progress of implementation of the decisions, one by one, and keep other columns vacant.

4. Agenda 3:   Fill up the column-1 of the format with pre-selected issues of discussion as topic 1, topic 2, etc. and keep other columns (vacant).

5. Agenda 4: Keep all the columns of the format vacant.

6. Distribute the working paper, thus prepared, as an attached to the notice inviting TLCC meeting.

Recording Meeting Minutes of Subsequent TLCC Meeting

1. Please take the format of working paper prepared and distributed with the notice of the meeting and cut the word working paper and write down minutes of the meeting.

2. Agenda 1: The minutes of the previous meeting is read out by the Member Secretary of TLCC. Other columns are filled-up with deliberation and decision of the meeting.

3. Agenda 2: Hold discussion based on decision/recommendation of the previous meeting and progress of implementation as described in column 1 and column 2, record discussion and decision/recommendation, identify responsible persons/group/officer and set target date for implementation as a part of meeting minutes.

4. Agenda 3: Hold discussion on each of the topics under agenda-3, take decision/make recommendation, select responsible person/group/officer for implementation and set target date in the meeting and record those under relevant column as a part of meeting minutes.

5. Agenda 4: Invite the participants to propose any issues that they want to discuss and include in the 1st column as topic 1, topic 2, etc. Then hold discuss on each of the proposed topics, reach to agreed decision, select responsible persons/group/officer for implementation, set target time and complete another part of the meeting minutes.

6. Combine all above records by agenda in the prescribed format and complete the meeting minutes.

(For Subsequent Meetings)

....Paurashava

Working Paper/Meeting Minutes of the Town Level Coordination Committee (TLCC)
Meeting Number:

Date of the Meeting:..

Attendance: As per Attachment

Agenda -1 Confirmation /approval of the minutes of last meeting

Read out last meeting minutes	Discussion on accuracy of the minute	Modification (if needed)	Decision (confirmed/approved with or without modification)
1	2	3	4
Read by Mr. Member .... Secretary			

Agenda-2 Review on the progress of the last meeting's decisions

Decision / recommendations of last meeting	Progress made	Further decision or recommendations	Responsible persons, groups / officer	Due date
1	2	3	4	5
1.				
2.				
3.				

Agenda-3 Discussions and decision on pre-selected issues in the light of objective and TOR of the Committee

Pre-selected agenda	Discussion	Decision/ Recommendation	Responsible persons, groups / officer	Due date
1	2	3	4	5
Topic 1				
Topic 2				
Topic 3				

Agenda-4 Miscellaneous / other issues

Issues for discussion	Discussion	Decision/ Recommendation	Responsible persons, groups / officer	Due date
1	2	3	4	5
Topic 1				
Topic 2				
Topic 3				

Signature of Chairperson:..

Name:...	Date:...

Training on

Citizen Participation through Ward Committee and

Town Level Coordination Committee

at the Central Level

Course Guide

Duration: 6 - 7 June, 2015

Venue: National Institute of Local Government, 29 Agargaon, Sher-e-Bangla Nagar, Dhaka.

Strengthening Paurashava Governance Project (SPGP)

1. **Introduction**

   The Training on Citizen Participation through Town Level Coordination Committee (TLCC) and Ward Committee (WC) is a pilot training program which is provided to the participants from pilot Paurashavas of Strengthening Paurashava Governance Project (SPGP) of the Local Government Division (LGD) of the Ministry of Local Government, Rural Development Cooperatives. This training is aiming at enhancing the capacity of pilot Paurashavas, as well as having feedbacks from participants to establish standardized training programs of the Government of Bangladesh for Paurashavas.

   This training program was developed reviewing existing training programs and materials in order to build on the past efforts of the government and development partners to support Paurashavas' capacity development. Those training materials include (i) The Guidelines for the Establishment and Operation of the Town Level Coordination Committee (TLCC) and the Guidelines for the Establishment and Operation of the Ward Level Coordination Committee (WLCC) by the Northern Bangladesh Integrated Development Project (NOBIDEP); (ii) The Union Parishad Operational Manual by the Union Parishad Governance Project; (iii) The Operational Guideline of WC and the Operational Guideline of TLCC by the Urban Governance and Infrastructure Improvement (Sector) Project (UGIIP-2); (iv)Training Module on Services and Monitoring of the Paurashavas by the Strengthening Democratic Local Governance Project (SDLG); and (iv) Orientation Course Guideline for the Paurashava Administration by NILG. The information collected by SPGP project team through the field visits to Paurashavas is also reflected in this training program. In addition, the completion process of the training materials includes careful review by local experts with ample knowledge and experience in the field as well as the LGD officials.

2. **Course Objectives**

   The WC and the TLCC are among the forums through which residents participate in the Paurashava decision-making process. Through their active participation, its officials and representatives are held accountable for delivering sound public services to their constituents. This course is designed to help WC and TLCC members organize their respective meetings and ensure effective citizen participation. Through the course, trainees are expected to achieve the following:

   1. Acquire knowledge on legal framework of WC and TLCC.
   2. Discuss and analyze the importance of citizen participation.

3. Share ideas on effective citizen participation.
4. Learn how to establish a WC and TLCC.
5. Learn how to organize WC and TLCC meetings.
6. Prepare an annual schedule for WC and TLCC.

A longer term goal of this course is to help create a positive cycle of citizen participation. Service delivery in Paurashavas may trigger positive effects among its residents depending not only on their immediate results but also on the way they are deliberated and implemented. Both TLCC and WC, thus, play a vital role in setting in motion a series of positive effects on Paurashava administration and service delivery, which will become habitual with time.

3. **Participants of the Training Course**

Participants to the training course includes the Mayor, CEOs, Secretaries, Executive Engineers /Assistant Engineers, Health Officers, Panel Mayors, Female Councilors, Accountants, Assessors, Tax Collectors among others.

4. **Trainers**

Lead trainer: Mr. Sohrab Hossain

Mr. Sohrab Hossain has knowledge on concerned laws and regulations, practices and structures of local government in Bangladesh as well as deep understanding of the challenges and opportunities faced by the Paurashavas in providing quality public services and securing

accountability. His has ample experience as a trainer on various topics including citizen participation and governance

Assistant trainers: Mr. Md. Shahadat Hossain, Ms. Shamim Faruque (NILG), Ms. Kamrun Naher (NILG) and Mr. A. Jehad Sarker

Mr. Md. Shahadat Hossain, Ms. Shamim Faruque, Ms. Kamrun Naher, and Mr. A. Jehad Sarker have knowledge on concerned laws and regulations, practices and structures of local government in Bangladesh as well as general understanding of the challenges and opportunities faced by the Paurashavas in providing quality public services and securing accountability. Their skills for facilitating discussions skillfully are highly valued.

Resource Person: Mr. Md. Nasir Uddin Ahammed (Mayor of Chapur Paurashava), Mr. Md. Khalid Hossain Yead (Mayor of Madaripur Paurashava) and Mr. Mizanur Rahman (Horizontal Learning Program)

Mr. Md. Nasir Uddin Ahammed (Mayor of Chapur Paurashava) and Mr. Md. Khalid Hossain Yead (Mayor of Madaripur Paurashava) have successful experiences in promoting citizen participation through TLCC and Ward Level Coordination Committee (WLCC), which will be shared during the training. Mr. A.K.M. Mizanur Rahman, the Institutional Capacity Development Expert, Local Governance JICA, working for the Horizontal Learning Program, has extensively worked in the area of Bangladesh local governance and made important contribution for the development of the program.

5. **Training Schedule**

Day 1 (One)

Date	Session No.	Time	Subject	Lecturer and Facilitators
June 6th, 2015		09:00 - 09:45	Registration of Trainees	
	1	09:45 - 10:45	Inaugural Session: (Guests' designation and post)	
		10:45 - 11:00	Tea break	
	2	11:00 - 11:30	**Citizen Participation and Related Laws** (Lecture)	Mr. Sohrab Hossain
	3	11:30 - 12:00	**Composition and TOR of WC** (Lecture)	Mr. Sohrab Hossain

	4	12:00 - 12:30	**Composition and TOR of TLCC** (Lecture)	Mr. Sohrab Hossain
	5	12:30 - 13:00	**Organizing WC and TLCC Meetings** (Lecture)	Mr. Sohrab Hossain
		13:00 - 14:00	Lunch and Prayer break	
	6	14:00 - 15:15	**Organizing WC Meetings and preparing meeting minutes** (Exercise)	Mr. Sohrab Hossain, Mr. Shahadat Hossain, Ms. Shamim Faruque, Ms. Kamrun Naher, and Mr. A. Jehad Sarker
		15:15 - 15:30	Tea break	
	7	15:30 - 16:45	**Organizing TLCC Meetings preparing meeting minutes** (Exercise)	Mr. Sohrab Hossain, Mr. Shahadat Hossain, Ms. Shamim Faruque, Ms. Kamrun Naher, and Mr. A. Jehad Sarker
		16:45 - 17:00	Closing of the day	

Day 2 (Two)

Date	Session No.	Time	Subject	Lecturer
June 7th, 2015	1	09:00 - 10:30	**Expected Impact of Citizen Participation** (Lecture and experience sharing)	Mr. Md. Nasir Uddin Ahammed (Mayor of Chapur Paurashava), Mr. Md. Khalid Hossain Yead (Mayor of Madaripur Paurashava) and Mr. Sohrab Hossain
	2	10:30 – 11:00	**Introducing Horizontal Learning Program**	Mr. A.K.M.Mizanur Rahman
		11:00 - 11:15	Tea break	
	3	11:15 -	**How to Motivate Citizen Participation**	Mr. Md. Nasir Uddin

		12:15	(Experience sharing and discussion)	Ahammed and Mr. Md. Khalid Hossain Yead, Mr. Sohrab Hossain, Mr. Shahadat Hossain, Ms. Shamim Faruque, Ms. Kamrun Naher, and Mr. A. Jehad Sarker
	4	12:15 - 12:30	**Decision Making Process of Paurashava** (Lecture)	Mr. Sohrab Hossain
	5	12:30 - 13:00	**Annual Work Calendar and the PDCA Cycle** (Lecture)	Mr. Sohrab Hossain
		13:00 - 14:00	Lunch and Prayer break	
	6	14:00 - 15:00	**Preparing Annual Work Calendar** (Group work)	Mr. Sohrab Hossain, Mr. Shahadat Hossain, Ms. Shamim Faruque, Ms. Kamrun Naher, and Mr. A. Jehad Sarker
		15:00 - 15:15	Tea break	
	7	15:15 - 15:45	**Preparing Annual Work Calendar** (Group work presentation)	Mr. Sohrab Hossain, Mr. Shahadat Hossain, Ms. Shamim Faruque, Ms. Kamrun Naher, and Mr. A. Jehad Sarker
		15:45 - 16:15	Certificate Distribution and Closing Session	
		16:15 - 17:00	Closing of the Training Program	

6. Outline of the training sessions

Citizen Participation and Related Laws
- Purposes and functions of WC and TLCC
- Related Laws
- Existing Laws on WC

Composition and TOR of WC and TLCC
- Composition of WC
- TOR of WC
- Composition of TLCC
- TOR of TLCC
- Sample Composition of TLCC
- Sample TOR of TLCC

Organizing WC and TLCC Meetings
- Frequency
- Reporting
- Sample Meeting Agenda
- Principal Activities
- Time-bond Action Cycle of Meetings
- Recommended Attitudes

Preparing Working Papers and Meeting Minutes
- Working Paper
- Meeting Minute
- Exercise

Expected Impact of Citizen Participation
- Expected Positive Effect of Citizen Participation
- Experience Sharing Session and Group Discussion

Flow of Decision Making Process
- Flow of Decision-Making

Annual Working Calendar

- Paurashava Fiscal Year
- Scheduling the Meetings
- The PDCA Cycle
- Preparing Annual Activity Calendar/Planner

Training of Trainers on

Citizen Participation through Ward Committee and

Town Level Coordination Committee

Course Guide

Duration: 8 June, 2015

Venue: National Institute of Local Government, 29 Agargaon, Sher-e-Bangla Nagar, Dhaka.

Strengthening Paurashava Governance Project (SPGP)

1. **Introduction**

The Training of Trainers on Citizen Participation through Town Level Coordination Committee (TLCC) and Ward Committee (WC) is a pilot training program which is provided to the participants from pilot Paurashavas of Strengthening Paurashava Governance Project (SPGP) of the Local Government Division (LGD) of the Ministry of Local Government, Rural Development Cooperatives. This training is aiming at training the trainers, mainly Paurashava officials who will conduct simple trainings on knowledge on the roles and responsibilities of TLCC and WC back in their respective Paurashavas.

This training program was developed reviewing existing training programs and materials in order to build on the past efforts of the government and development partners to support Paurashavas' capacity development. Those training materials include (i) The Guidelines for the Establishment and Operation of the Town Level Coordination Committee (TLCC) and the Guidelines for the Establishment and Operation of the Ward Level Coordination Committee (WLCC) by the Northern Bangladesh Integrated Development Project (NOBIDEP); (ii) The Union Parishad Operational Manual by the Union Parishad Governance Project; (iii) The Operational Guideline of WLCC and the Operational Guideline of TLCC by the Urban Governance and Infrastructure Improvement (Sector) Project (UGIIP-2); (iv)Training Module on Services and Monitoring of the Paurashavas by the Strengthening Democratic Local Governance Project (SDLG); and (iv) Orientation Course Guideline for the Paurashava Administration by NILG. The information collected by SPGP project team through the field visits to Paurashavas is also reflected in this training program. In addition, the completion process of the training materials includes careful review by local experts with ample knowledge and experience in the field as well as the LGD officials.

2. **Course Objectives**

The WC and the TLCC are among the forums through which residents participate in the Paurashava decision-making process. Through their active participation, its officials and representatives are held accountable for delivering sound public services to their constituents. This course is designed to help Paurashava officials train WC and TLCC members of their own Paurashavas on organizing meetings and ensure effective citizen participation. Through the course, trainees are expected to achieve the following:

Acquire basic knowledge and skills on
1. How to organize trainings;
2. How to provide lectures;

3. How to facilitate discussions.

3. Participants of the Training Course

Participants to the training course includes the Secretaries, Executive Engineers /Assistant Engineers, Health Officers, Accountants, Assessors, Tax Collectors (or those who are WC Member Secretaries)

4. Trainers

Lead trainer: (Mr. Sohrab Hossain)

Mr. Sohrab Hossain has knowledge on concerned laws and regulations, practices and structures of local government in Bangladesh as well as deep understanding of the challenges and opportunities faced by the Paurashavas in providing quality public services and securing accountability. His has ample experience as a trainer on various topics including citizen participation.

Assistant trainers: Mr. Md. Shahadat Hossain, Ms. Shamim Faruque (NILG), Ms. Kamrun Naher (NILG) and Mr. A. Jehad Sarker

Mr. Md. Shahadat Hossain, Ms. Shamim Faruque, Ms. Kamrun Naher, and Mr. A. Jehad Sarker have knowledge on concerned laws and regulations, practices and structures of local government in Bangladesh as well as general understanding of the challenges and opportunities faced by the Paurashavas in providing quality public services and securing accountability. Their skills for facilitating discussions skillfully are highly valued.

5. Training Schedule

Day 1 (One)

Date	Session No.	Time	Subject	Lecturer
June 8th, 2015		09:00 - 09:45	Registration of Trainees	
	1	09:45 - 10:45	**Roles and Responsibilities of a Trainer** (Lecture)	Mr. Sohrab Hossain
		10:45 - 11:00	Tea break	
	2	11:00 - 11:30	**Structure of a Cascade Training on Citizen Participation through WC and TLC** (Lecture)	Mr. Sohrab Hossain
	3	11:30 - 13:00	**Available Tools for Conducting Training** (Lecture)	Mr. Sohrab Hossain
		13:00 - 14:00	Lunch and Prayer break	
	4	14:00 - 15:00	**Knowledge and Skills for Giving Lecture** (Lecture and group work)	Mr. Sohrab Hossain, Mr. Shahadat Hossain, Ms. Shamim Faruque, Ms. Kamrun Naher, and Mr. A. Jehad Sarker
		15:00 - 15:15	Tea break	
	5	15:15 - 16:15	**Knowledge and Skills for Facilitating Discussions** (Lecture and group work)	Mr. Sohrab Hossain, Mr. Shahadat Hossain, Ms. Shamim Faruque, Ms. Kamrun Naher, and Mr. A. Jehad Sarker
	6	16:15 - 16:30	**Attitudes to Assume** (Lecture)	Mr. Sohrab Hossain
		16:30 - 16:45	Certificate Distribution and Closing Session	
		16:45 - 17:00	Closing of the Training Program	

6. Outline of the training sessions

Roles and Responsibilities of a Trainer
- Definition of the word "Trainer"
- Trainer's Tasks
- Planning a Training
- Preparing the Training
- Conducting the Training
- Reflecting on the Training
- Following up on the Training

Structure of a Cascade Training on Citizen Participation through WC and TLCC
- Content of the Training on WC and TLCC
- Structure of Cascade Training

Available Tools for Conducting Training
- Training Time Schedule
- Power Point Presentation
- Other Documents

Knowledge and Skills for Giving Lecture
- Lecturer's Specific Tasks to Perform
- Exercise

Knowledge and Skills for Facilitating Discussions
- Facilitator's Specific Tasks to Perform
- Exercise

Attitudes to Assume
- Recommended Attitudes

Training on

Citizen Participation through Ward Committee and

Town Level Committee at Paurashava Level

Course Guide

Course coordinator:

TLCC Member Secretary and WC Member Secretary

Duration: Day and Month, 2015

Venue: Paurashava's Name

Strengthening Paurashava Governance Project (SPGP)

Introduction

The Training on Citizen Participation through Town Level Coordination Committee (TLCC) and Ward Committee (WC) is a pilot training program which is provided to the participants from pilot Paurashavas of Strengthening Paurashava Governance Project (SPGP) of the Local Government Division (LGD) of the Ministry of Local Government, Rural Development Cooperatives. This training aims at enhancing the capacity of pilot Paurashavas, as well as having feedbacks from participants to establish standardized training programs of the Government of Bangladesh for Paurashavas.

This training program was developed reviewing existing training programs and materials in order to build on the past efforts of the government and development partners to support Paurashavas' capacity development. Those training materials include (i) The Guidelines for the Establishment and Operation of the Town Level Coordination Committee (TLCC) and the Guidelines for the Establishment and Operation of the Ward Level Coordination Committee (WLCC) by the Northern Bangladesh Integrated Development Project (NOBIDEP); (ii) The Union Parishad Operational Manual by the Union Parishad Governance Project; (iii) The Operational Guideline of WLCC and the Operational Guideline of TLCC by the Urban Governance and Infrastructure Improvement (Sector) Project (UGIIP-2); (iv)Training Module on Services and Monitoring of the Paurashavas by the Strengthening Democratic Local Governance Project (SDLG); and (iv) Orientation Course Guideline for the Paurashava Administration by NILG. The information collected by SPGP project team through the field visits to Paurashavas is also reflected in this training program. In addition, the completion process of the training materials includes careful review by local experts with ample knowledge and experience in the field as well as the LGD officials.

1   Course Objectives

The WC and the TLCC are among the forums through which residents participate in the Paurashava decision-making process. Through their active participation, its officials and representatives are held accountable for delivering sound public services to their constituents. This course is designed to help WC and TLCC members organize their respective meetings and ensure effective citizen participation. Through the course, trainees are expected to achieve the following:

1.   Acquire knowledge on legal framework of WC and TLCC.

2. Discuss and analyze the importance of citizen participation.
3. Share ideas on effective citizen participation.
4. Learn how WCs and TLCC are composed.
5. Learn how to organize WC and TLCC meetings.
6. Prepare an annual schedule for WC and TLCC.

A longer term goal of this course is to help create a positive cycle of citizen participation. Service delivery in Paurashavas may trigger positive effects among its residents depending not only on their immediate results but also on the way they are deliberated and implemented. Both TLCC and WC play a vital role in setting in motion a series of positive effects on Paurashava administration and service delivery, which will become habitual with time.

2 Participants of the Training Course

Participants to the training course includes all the members of TLCC and WC, except for those who have been trained on the topic through training supported by SPGP.

3 Trainers

Lead trainers: (Selected "panel" trainer)

Panel members have completed the Training on Citizen Participation through Ward Committee and Town Level Coordination Committee and the matching Training of the Trainers both at the central level through which he/she reinforced his/her knowledge on concerned laws and

regulations, practices and structures of local government in Bangladesh. He/she has been selected as "panel" trainer based on a set of evaluation criteria. He/she also has knowledge and skills for conducting trainings.

Assistant trainers: (Respective TLCC or WC member secretary as required)
The TLCC and WC Member Secretaries have completed the Training on Citizen Participation through Ward Committee and Town Level Coordination Committee through which he/ she reinforced his/her knowledge on concerned laws and regulations, practices and structures of local government in Bangladesh.

4 Training Schedule

4.1 TLCC Training

Day 1 (One)

Date	Session No.	Time	Subject	Lecturer
Day and Month, 2015		09:00 - 09:45	Registration of Trainees	
	1	09:45 - 10:45	Inaugural Session: (Guests' designation and post)	
		10:45 - 11:00	Tea break	
	2	11:00 - 11:30	**Citizen Participation and Related Laws** (Lecture)	Panel trainers
	3	11:30 - 12:00	**Composition and TOR of TLCC** (Lecture)	Panel trainers
	4	12:00 - 12:30	**Organizing TLCC Meetings** (Lecture)	Panel trainers
	5	12:30 - 13:00	**Working Papers and Meeting Minutes** (Lecture)	Panel trainers
		13:00 - 14:00	Lunch and Prayer break	
	6	14:00 - 15:00	**Expected Impact of Citizen Participation** (Lecture and group discussion)	Panel trainers, TLCC Member Secretary
		15:00-15:15	Tea break	
	7	15:15-15:45	**Annual Work Calendar and the PDCA Cycle** (Lecture)	Panel trainers
		15:45 - 16:00	Certificate Distribution and Closing Session	
		16:00 - 16:30	Closing of the Training Program	

4.2   WC Training

Date	Session No.	Time	Subject	Lecturer
Day and Month, 2015		09:00 - 09:45	Registration of Trainees	
	1	09:45 - 10:45	Inaugural Session: (Guests' designation and post)	
		10:45 - 11:00	Tea break	
	2	11:00 - 11:30	**Citizen Participation and Related Laws** (Lecture)	Panel trainers
	3	11:30 - 12:00	**Composition and TOR of WC** (Lecture)	Panel trainers
	4	12:00 - 12:30	**Organizing WC Meetings** (Lecture)	Panel trainers
	5	12:30 - 13:00	**Working Papers and Meeting Minutes** (Lecture)	Panel trainers
		13:00 - 14:00	Lunch and Prayer break	
	6	14:00 - 15:00	**Expected Impact of Citizen Participation** (Lecture and group discussion)	Panel trainers, TLCC Member Secretary
		15:00-15:15	Tea break	
	7	15:15-15:45	**Annual Work Calendar and the PDCA Cycle** (Lecture)	Panel trainers
		15:45 - 16:00	Certificate Distribution and Closing Session	
		16:00 - 16:30	Closing of the Training Program	

5   Outline of the training sessions

5.1   TLCC Training

Citizen Participation and Related Laws
-    Purposes and functions of TLCC
-    Related Laws

Composition and TOR of TLCC
-    Composition of TLCC

TOR of TLCC
- Sample Composition of TLCC
- Sample TOR of TLCC

Organizing TLCC Meetings
- Frequency
- Reporting
- Sample Meeting Agenda
- Principal Activities
- Time-bond Action Cycle of TLCC Meeting
- Recommended Attitudes

Preparing Working Papers and Meeting Minutes
- Working Paper
- Meeting Minute
- Exercise

Expected Impact of Citizen Participation
- Expected Positive Effect of Citizen Participation
- Experience Sharing Session

Flow of Decision Making Process
- Flow of Decision-Making

Annual Working Calendar
- Paurashava Fiscal Year
- Scheduling the Meetings
- The PDCA Cycle
- Preparing Annual Activity Calendar/Planner

5.2   WC Training

Citizen Participation and Related Laws
- Purposes and functions of WC
- Related Laws
- Existing Laws on WC

Composition and TOR of WC
- Composition of WC
- TOR of WC

Organizing WC Meetings
- Frequency
- Reporting
- Sample Meeting Agenda
- Principal Activities
- Time-bond Action Cycle of WC Meeting
- Recommended Attitudes

Preparing Working Papers and Meeting Minutes
- Working Paper
- Meeting Minute
- Exercise

Expected Impact of Citizen Participation
- Expected Positive Effect of Citizen Participation
- Experience Sharing Session

Flow of Decision Making Process
- Flow of Decision-Making

Annual Working Calendar
- Paurashava Fiscal Year
- Scheduling the Meetings
- The PDCA Cycle
- Preparing Annual Activity Calendar/Planner

SPGP TOT Report

Title of the Training	Budget formulation, accounting, monitoring and reporting
Date and time	April 19, 2015 13 :30 – 15 :30
Paricipants	1. Mr M. A. Quddus (Main lecturer and facilitator) 2. Mr. Sohrab Hossain (Facilitator) 3. 2 staffs from NILG 4. Mr. Hirofumi Azeta (Expert, Financial Management)
Venue	SPGP meeting room

Before the training on "budget formulation, accounting, monitoring and reporting" was started from 21 April, the main lecturer, Mr. M. A. Quddus and the facilitator, Mr. Sohrab Hossain conducted a "practice training", inviting two participants from NILG as roles of students, to identify any issues or problems in actual training sessions.

This practice training is also for the financial management training to be organized in 20-21 May and 27-28 May for elected representatives, which also deals with same issues (budget formulation, accounting, monitoring and reporting).

Contents and results of TOT (practice training) are as follows;

(1) Contents of the TOT
Using the presentation materials, Mr. Quddus gave brief presentation (45 minutes) on "budget formulation process".

Then, Mr. Quddus and Mr. Sohrab have let the participants (students) do several exercises on budget formats, to examine whether exercises are understandable for participants (45 minutes).

(2) Results of TOT
The practice training was generally satisfactory. The lecturer displayed good communications with participants and presentations were clear and understandable, according to the participants. The facilitations in the exercise was also good enough. The lecturer and facilitator instructed participants smoothly to carry out the exercises.

The assessments of the lecturer and the facilitator by the expert (Financial management) are as follows;

<Clarity of lecture>
The lecture was very clear, and the level of understanding of audience was very high (according to the audiences).

< Powerpoint/Handout >
The handout, which was prepared based on the operation manuals was comprehensive, clear and simple. Some slides were difficult to read, as the font size was too small.

<Communication with audience>
The communications by the lecturer and facilitator were satisfactory. They asked many simple questions to participants to attract their attentions.

<Attitude (Eye contact, speed of speech, voice)>
The attitude by the lecturer and facilitator was satisfactory. The lecturer made eye contacts with audience very often during his presentation, and the speech speed was very moderate.

SPGP TOT Report

Title of the Training	Tax collection and assessment
Date and time	May 10, 2015 14 :30 – 15 :30
Participants	1. Mr M. A. Quddus (Main lecturer and facilitator) 2. Mr. Sohrab Hossain (Facilitator) 3. 2 staffs from NILG 4. Mr. Hirofumi Azeta (expert, financial management)
Venue	SPGP meeting room

Before the training on "tax collection and assessment" was started from 12 May, the main lecturer, Mr. M. A. Quddus and the facilitator, Mr. Sohrab Hossain conducted a "practice training", inviting two participants from NILG as roles of students, to identify any issues or problems in actual training sessions.

This practice training is also for the financial management training to be organized in 20-21 May and 27-28 May for elected representatives, which deals with same issues (tax collection and assessment).

Contents and results of TOT (practice training) are as follows;

(1) Contents of the TOT

Using the presentation materials, Mr. Quddus gave brief presentation (30 minutes) on tax assessment procedures and methods.

Then, Mr. Quddus and Mr. Sohrab have let the participants (students) do several exercises on tax assessment, to examine whether exercises are understandable for participants (30 minutes).

(2) Results of TOT

The practice training was satisfactory. The presentations were clear and understandable, and the exercises were useful for participants to ensure their understanding. The lecturer and facilitator instructed participants smoothly to carry out the exercises.

The assessments of the lecturer and the facilitator by the expert (financial management) are as follows;

<Clarity of lecture>
According to the participants, the presentations made by the lecturer was clear and understandable.

The participants also mentioned that the topics covered by the presentation was easy to understand.

< Powerpoint/Handout >
The handout, which was prepared based on the operation manuals was comprehensive, clear and simple. All slides were easy to read.

<Communication with audience>
The communications by the lecturer and facilitator were satisfactory. They answered to questions made by participants until they understood.

<Attitude (Eye contact, speed of speech, voice)>
The attitude by the lecturer and facilitator was good enough. During the presentation, the lecturer had eye contacts with audience very often. Speed of speech and voice was also moderate, which were helpful for participants to enhance their understanding.

SPGP TOT Report

Title of the Training	Orientation course on the basics of Paurashava administration
Date and time	April 11, 2015, 10:00 – 13:00
Paricipants	NILG faculty members: 1. Mr. Akramul Hoque, Director Training 2. Mr. Md. Illias, Director Research &Planning 3. Mr. Vhuiyan Md. Ataur Rahman, Director, Administration & Coordination 4. Mr. Md. Arif, Deputy Director 5. Ms. Shamim Faruque, Deputy Director 6. Mr. Mainul Islam, Assistant Director 7. Ms. Kamrun Nahar, Assistant Director 8. Mr. Md. Nurul Islam, Research Officer 9. Ms. Monika Mitra, Researcch Officer 10. Mr. Jehad Sarkar, Research Officer (Course Coordinator) SPGP consultants 1. Mr. Md. Yeasin Arafat 2. Mr. Md. Altaf Hossain 3. Mr. Md. Shahadat Hossain 4. Mr. Md. Azaharul Islam 5. Mr. Md. Zahurul Islam 6. Mr. Abdun Noor SPGP team 1. Ms. Rie Fusamae, JICA expert, Development Planning 2. Mr. Md. Abdul Motalleb, Jr. Consultant, Urban Governance Support/ Development Planning
Venue	NILG training room

Prior to the implementation of the orientation course on the basics of Paurashava administration, the SPGP team held a preparatory session for NILG trainers. Considering that all the expected trainers have relevant expertise and knowledge of the subjects of the session they are assigned to, the SPGP team decided to have a session to prepare together for the training instead of Training of Trainers (TOT).

The objectives of the session were: 1) To explain to NILG trainers the context and objectives of the course; 2) to brief NILG trainers on the contents of the training handbook and teaching aid; and 3) to discuss between the main facilitator and a co-facilitator how to organize and facilitate each session.

All those NILG faculty members who were assigned to serve as trainers as well as all the SPGP consultants who prepared the training handbook and teaching aid (slides) for the course participated in the session.

(1) Contents of the preparatory session
The preparatory session consisted of the following three parts:

1) Introduction

The SPGP team explained to the NILG faculty members the context, objectives and programme of the orientation course as well as the objectives of the preparatory session.

2) Briefing about the training handbook

The team also explained the objective of the training handbook prepared by the SPGP consultants and the team with a review of NILG faculty members and the Project Director of SPGP. After the plenary session, each NILG faculty member individually received briefing on the content of the relevant section of the handbook and related teaching aid from an SPGP consultant or team member who prepared those materials.

3) Detailed planning of sessions of the orientation course

Facilitators of each session sat together and discussed how to organize and facilitate the session together. For the sessions in which a single person was to facilitate, he/she planned his/her session by him/herself. At the end of the preparatory session, facilitator(s) of respective sessions of the orientation course shared their facilitation plan.

(2) Results of the preparatory session

The preparatory session satisfied all the three objectives mentioned above. Given the full participation of the concerned faculty members of NILG, the SPGP team was able to make sure the NILG faculty members understand the context and objectives of the course. Each NILG faculty member was able to direct questions about the handbook contents at the person who prepared that particular section.

As far as the third objective is concerned, the session produced more results than the SPGP team had expected. The NILG faculty members and SPGP consultants built a cooperative relationship through planning together how to facilitate their respective session. The NILG faculty members actively participated in the discussions and each group came up with a specific facilitation plan, which all adopts a participatory method in one way or another. They also defined their individual roles for their session.

The session appeared to be particularly effective to create a sense of unity among the NILG faculty members and the SPGP consultants and team members prior to the implementation of the course though the preparatory session had not aimed at that effect. In addition to the joint work during the session, the discretion given to them regarding facilitation planning may have worked to raise the level of participation particularly of NILG faculty members.

However how seriously NILG faculty members went through the handbook and teaching aid and how much they absorbed the content were not clear from the preparatory session and that has to be

found out through the implementation of the orientation course. The preparatory session should be re-designed based on findings from the course implementation.

SPGP Training Report

Title of the Training	Budget formulation, accounting, monitoring and reporting
Trainees	10 (Secretaries, Engineers and Accountants, etc from 5 pilot Paurashavas[1].)
Date and time	April 21 – 23, 2015 (3 days) 9:00 – 17 :00
Trainers and coordinators	1. Mr M. A. Quddus (Main lecturer and facilitator) 2. Mr. Sohrab Hossain (Facilitator) 3. Mr. Yoshinaga Nakamura and Mr. Hiranmoy Roy
Venue	NILG Class room 308

1. Contents of the Training and the Training Methods

Day 1 (One)

Duration	Training content	Training methods
09:00 - 09:45	Registration of Trainees	
09:45 - 10:45	Inaugural Session: (Guests' designation and post)	(NILG's Director General and Director of Training were present among other participants)
10:45 - 11:00	Tea break	
11:00 - 13:00	**Paurashava Budget System** Introduction and Legal Background; Budget Formulation; Budget Execution, Monitoring and Reporting; Reporting of Annual Development Program.	Lecture and exercise
13:00 - 14:00	Lunch and Prayer break	
14:00 - 16:45	**Formulation of Paurashava Budget** Formats of Budget Document; Accounts of Budget Document; Preparation of Budget using Formats.	Lecture and exercise
16:45 - 17:00	Closing of the day	

Day 2 (Two)

Duration	Training content	Training methods
09:00 - 10:30	**Review of Paurashava Budget Formulation** Budget Formulation process; Budget Execution, Monitoring and Reporting system.	Lecture and exercise
10:30 - 10:45	Tea break	
10:45 - 13:00	Exercise on Paurashava Budget (Revenue Budget Part 1&2)	Individual exercise
13:00 -14:00	Lunch and Prayer break	
14:00 - 15:30	**Introduction on Paurashava Accounting and Budget Execution** Outline of Accounting process (Daily entry) (Cashier's Cash Book, Accountant Cash book,	Lecture and exercise.

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[1] Shoilkupa, Bakergonj, Sengarchar, Kanaighat, and Atghoria

Duration	Training content	Training methods
	Balancing, Bank reconciliation, Cheque book register, Voucher, Abstract registers, etc.).	
15:30 - 16:45	**Outline of Accounting Process** Preparation/compilation of Accounts Statement (Receipts and Payments statement for Monthly/Quarter(s)/Annual basis).	Lecture and exercise.
16:45 - 17:00	Closing of the day	

Day 3 (Three)

Duration	Training content	Training methods
09:00 - 10:00	**Outline of budget monitoring process and Review of Paurashava Accounting** (Budget monitoring, budget revision, etc.)	Lecture and exercise.
10:00 - 11:15	**Practices on Paurashava Budget formats** Fill up budget formats	Individual exercise
11:15 - 11:30	Tea break	
11:30 - 13:00	**Practices on Paurashava Accounting, Record Keeping and Statement preparation** Fill up cash book, abstract register and prepare accounts statement.	Individual exercise
13:00 - 14:00	Lunch and prayer break	
14:00 - 15:00	**Open discussion, preparation of the action plans for FY 2015-16** (Prepare a list of activities for each Paurashava)	Open discussion
15:00 - 16:30	Certificate distribution and Closing session	
16:30 - 17:00	Closing of the Training Program	

Materials and Equipment
- Projector (1)
- Screen (1)
- White Board (1)
- Markers
  Stationaries (calculator, nameplate, eraser, pencil, and sharpener)

2. Training Assessment

<Overall satisfaction>
Overall, both from trainers/organizers' and the trainees' perspective[2], the training was a success, making a good start for the SPGP training program as a whole.

The average score for the Question 14. "Let us know your overall impression of the training," was 3.9 (95% Confidence Interval (CI)[3] 3.67 to 4.13) out of 4-point scale.

Generally, the participants have shown strong interest in exercises, rather than presentations. Conducting exercises seems to be very efficient and effective to attract the attentions of participants and increase the level of understanding.

The efforts by the facilitators to attract the attention of participants were also remarkable. They used many examples to make the contents of the presentation easy to understand.

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[2] Questionnaire survey on the trainees' satisfaction was conducted,
[3] The CI gives a range of values within which we are reasonably confident contain the population value lies. In this case, we are 95% confident that 3.67 to 4.13 includes the true value for the Question 14 in this population.

<Level of understanding>
The level of understanding of the participants also seem satisfactory, as the average score for the Question 1. "Did you understand the overall content of the training program?" was also 3.9 (95% CI 3.67 to 4.13) out of 4-point scale.

At the beginning of the training, the level of understanding of a few participants looks rather low. Then, the facilitators spent more time for exercises, and gave intensive supports to such participants. At the end of the training, the level of understanding of such participants were sufficient.

The participants asked facilitators to prepare more exercises during the training session, in order to make sure that they have properly understand each topic. Through conducting exercises, the level of understanding of participants has increased.

3. Items to be improved

In the training, participants were separated into paurashavas, and the facilitators asked each team to have discussions on the direction of the improvement and necessary actions. However, active discussions were not held in each team, and directions and actions were basically prepared by secretaries. Stronger involvement of facilitators might be needed.

Annex 1 Results of Training Feedback Summary Data Sheet and Written Feedbacks

No.	Question	Mean	Std. Err.	95% CI	Comments
Q1	Did you understand the overall content of the training program?	3.9	0.100	(3.67 , 4.13)	· I came to understand so many issues in line with the Bengal Municipal Accounts Rules- 1935.
Q3	Are the topics selected for the training subject appropriate?	3.8	0.133	(3.50 , 4.10)	
Q4	Can you use knowledge and skills obtained through the training?	3.9	0.100	(3.67 , 4.13)	
Q6	Was the timing of the training (date and time) appropriate?	3.4	0.163	(3.03 , 3.77)	· If the duration of the training were one day more, it seems to be better.
Q7	Was the duration of training (total time of training) appropriate?	3.3	0.153	(2.95 , 3.65)	· Need to arrange training for the duration of 5-7 days.
Q8	Was the proportion of time allocated to different activities (lecture, discussion, group work, break, etc.) throughout the course appropriate?	3.6	0.163	(3.23 , 3.97)	
Q9	Were the printed materials (texts, presentation slides, etc.) provided easy to understand?	3.7	0.153	(3.35 , 4.05)	· Some of the printing materials were tough to understand. · Some of the fonts of writings in the books should have to be larger. · To make the arrangement of supplying the copy of concern rules and acts along with the supplied documents.
Q10	Were the examples or case studies provided during the training course helpful?	3.7	0.153	(3.35 , 4.05)	
Q11	Was the training facility (class room, accommodations, etc.) appropriate?	3.2	0.133	(2.90 , 3.50)	
Q12	Were the explanations and the instructions made by the main lecturer easy to understand?	3.8	0.133	(3.50 , 4.10)	
Q13	Were the explanations and the instructions made by other lecturers and/or facilitators easy to understand?	3.6	0.163	(3.23 , 3.97)	
Q14	Let us know your overall impression of the training.	3.9	0.100	(3.67 , 4.13)	· This training is very much effective for budget preparation, monitoring and operation of the Paurashava accounts. · This training will be very much helpful in practical field of preparation and implementation of accounting, budget and monitoring. The training was very much essential.
	Total average score excluding Q14	**3.61**	**0.094**	**(3.40 , 3.82)**	
Q15	Let us know the topics that you would like to learn more in relation to the subject treated in this training course	N/A	N/A	(N/A N/A)	· I learned and understood so many issues on budget, accounting and monitoring from this training. I am requesting to arrange training in future if there is any change or revision on format occur. · All the issues regarding budget, accounting and monitoring have been discussed in this training. · Use of computer software regarding accounting. · Accounts management activities in a common manner to all the Paurashavas. · Detail sample copy of different formats/ books used in accounting. · Providing concept and supplying the necessary soft copy for computerized accounts keeping method. · How many years this training will continue? · Is there any plan of providing financial aid to the Paurashavas along with this training? · Budget preparation and operation of the accounts of the Paurashava, birth registration, tax assessment and collection, etc.
Q16	Please write any observation/ message that you would like to convey to us.	N/A	N/A	(N/A N/A)	· I have become more efficient in accounting related tasks through the training in Paurashava of Japan. · If any software can be made on the subject matter of the training, it would increase the efficiency of the works. · To make the arrangement of computerized data entry in every department of the Paurashava and training on that. · To make arrangement of visiting the local government system of developed countries and taking initiatives to implement that experiences in our Paurashava system. · Our capacity will be increased, if this kind of training is arrange every year, and the services delivery to the mass people will be easier in future. · It will be better, if there is any arrangement of providing merit based rewards to the participants in this training.

SPGP Training Report

Title of the Training	Tax collection and assessment
Trainees	17 (Secretaries, tax collectors and tax assessors, etc from 5 pilot Paurashavas[1].)
Date and time	May 12 – 14, 2015 (3 days) 9:00 – 17 :00
Trainers and coordinators	1. Mr M. A. Quddus (Main lecturer and facilitator) 2. Mr. Sohrab Hossain (Facilitator) 3. Mr. Yoshinaga Nakamura and Mr. Hiranmoy Roy
Venue	NILG Class room 308

1. Contents of the Training and the Training Methods

Day 1 (One)

Duration	Training content	Training methods
09:00 - 09:45	Registration of Trainees	
09:45 - 10:45	Inaugural Session	
10:45 - 11:00	Tea break	
11:00 - 12:00	**Overview of tax collection** Objectives of training, Legal background	Lecture and exercise
12:00 - 13:00	**Securing holding tax revenue** Target on securing holding tax collection, Tax collection efficiency	Lecture and exercise
13:00 - 14:00	Lunch and Prayer break	
14:00 - 15:45	**Tax collection processes** Outline of the tax collection processes, Individual process	Lecture and exercise
15:45 - 16:00	Tea break	
16:00-16:45	**Tax collection processes (Cont'd)**	
16:45 - 17:00	Closing of the day	

Day 2 (Two)

Duration	Training content	Training methods
09:00 - 10:30	**Recovery of arrears through attachment and sales** Rules on attachment and sales, Process of attachment and sales	Lecture and exercise
10:45 - 11:00	Tea break	
11:00 - 12:00	**Review of Paurashava Tax Collection**	Lecture and exercise
12:00 - 13:00	**Overview of tax assessment** Objectives of training, Legal background	Mr. M.A.Quddus Mr. Sohrab Hossain
13:00 - 14:00	Lunch and Prayer break	
14:00 - 15:45	Process of Tax Assessment at Paurashavas Process of re-assessment, Process of interim assessment	Lecture and exercise
15:45 - 16:00	Tea break	
16:00 – 16:45	Summary and report of the assessment results	Lecture and exercise
16:45 - 17:00	Closing of the day	

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[1] Shoilkupa, Bakergonj, Sengarchar, Kanaighat, and Atghoria

Day 3 (Three)

09:00 - 10:45	**Method of Tax valuation** In case of fully rented building In case of fully retained building In case of building partly rented and partly retained	Lecture and exercise
10:45- 11:00	Tea break	
11:00-12:00	**Method of Tax valuation (Cont'd)**	
12:00-13:00	**Open discussion, preparation of the action plans for FY 2015-16** (Prepare a list of activities for each Paurashava)	Open discussion
13:00 - 14:00	Lunch and Prayer break	
14:00 -15:00	**Open discussion (cont'd)**	
15:00 - 16:30	Certificate distribution and Closing session	
16:30 - 17:00	Closing of the Training Program	

Materials and Equipment
- Projector (1)
- Screen (1)
- White Board (1)
- Markers
  Stationeries (calculator, nameplate, eraser, pencil, and sharpener)

2. Training Assessment

<Overall satisfaction>
Overall, both from trainers/organizers' and the trainees' perspective[2], the training was a success, making a good start for the SPGP training program as a whole.

The average score for the Question 14. "Let us know your overall impression of the training," was 3.9 out of 4-point scale.

The training session started with the explanation of related rules and regulations, and then participants started paying less attentions to the presentations. However, when the facilitator started the presentations on the second day from examples, they started showing strong interest in the presentations. Participants also seem more satisfied, after they have conducted several exercises.

The efforts by the facilitators to attract the attention of participants were also remarkable. They used many examples to make the contents of the presentation to be more attractive.

<Level of understanding>
The level of understanding of the participants also seem satisfactory, as the average score for the Question 1. "Did you understand the overall content of the training program?" was also 3.9 out of 4-point scale.

This seems to be achieved by having conducted many exercises. The facilitators prepared more exercises than planned, to enhance the level of understanding of participants. Many participants mentioned that they fully understand the training contents after they have successfully completed such exercises.

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[2] Questionnaire survey on the trainees' satisfaction was conducted,

3. Items to be improved

In the training, participants were separated into paurashavas for discussions on the possible improvement in tax collection and assessment. Participants were asked to do individual work first and then to have discussion among them, but active discussions were not made (conclusions were made by secretaries in all paurashavas).

Strong facilitations by facilitators would be needed to encourage discussions. More facilitators (one facilitator per one group) would be also needed.

Annex 1 Results of Training Feedback Summary Data Sheet and Written Feedbacks

No.	Question	Mean	Std. Err.	95% CI	Comments
Q1	Did you understand the overall content of the training program?	3.9	0.081	(3.71 , 4.05)	・Do understand properly, should have the opportunity of further training. ・Do understand properly.
Q3	Are the topics selected for the training subject appropriate?	3.8	0.095	(3.62 , 4.03)	Was very much practical
Q4	Can you use knowledge and skills obtained through the training?	3.8	0.095	(3.62 , 4.03)	We can properly implement in our own fields of work
Q6	Was the timing of the training (date and time) appropriate?	3.7	0.114	(3.46 , 3.95)	
Q7	Was the duration of training (total time of training) appropriate?	3.4	0.119	(3.1 , 3.61)	If the training were for seven days, it were being more fruitful for us to know many more things.
Q8	Was the proportion of time allocated to different activities (lecture, discussion, group work, break, etc.) throughout the course appropriate?	3.5	0.125	(3.21 , 3.74)	
Q9	Were the printed materials (texts, presentation slides, etc.) provided easy to understand?	3.8	0.095	(3.62 , 4.03)	
Q10	Were the examples or case studies provided during the training course helpful?	3.8	0.106	(3.54 , 3.99)	
Q11	Was the training facility (class room, accommodations, etc.) appropriate?	3.6	0.119	(3.39 , 3.9)	
Q12	Were the explanations and the instructions made by the main lecturer easy to understand?	3.8	0.095	(3.62 , 4.03)	
Q13	Were the explanations and the instructions made by other lecturers and/or facilitators easy to understand?	3.7	0.114	(3.46 , 3.95)	
Q14	Let us know your overall impression of the training.	3.9	0.059	(3.82 , 4.07)	
	Total average score excluding Q14	**3.7**	**0.059**	**(3.58 , 3.82)**	
Q15	Let us know the topics that you would like to learn more in relation to the subject treated in this training course	N/A	N/A	(N/A N/A)	・It will be better if any compilation of rules regulations regarding Pourashava are supplied to us ・Regarding assessment and collection of water tax ・As the digital era, the training on tax assessment and collection should be software based. ・I am interested to know all the issues regarding Pourashava
Q16	Please write any observation/ message that you would like to convey to us.	N/A	N/A	(N/A N/A)	・Please arrange visits to advance countries so that we can practically understand the local governance system in advance form. ・ To make arrangements for sending the unique format regarding tax assessment and tax collection from the ministry through gazette. ・ First I would like to thanks the organizers who initiated this training, the mobility of the works will be increasing if trainings are provided in every one or two years, and evaluation are done. ・ The works may become easier through developing software. ・ The training was better, thank you

SPGP Training Report

Title of the Training	Financial Management for Elected Representatives
Trainees	19 (Mayors, councillors and secretaries from 2 pilot Paurashavas[1]) for May 20-21, and 26 (Mayors, councillors and secretaries from 2 pilot Paurashavas[2]) for May 27-28.
Date and time	May 20-21, 27-28, 2015 (2 days) 9:00 – 17 :00
Trainers and coordinators	1. Mr M. A. Quddus (Main lecturer and facilitator) 2. Mr. Sohrab Hossain (Facilitator) 3. Mr. Zahurur Islam (Facilitator) 4. Mr. Yoshinaga Nakamura and Mr. Hiranmoy Roy
Venue	NILG Class room 308 (May 20-21) and auditorium (May 27 – 28)

1. Contents of the Training and the Training Methods

Day 1 (One)

Duration	Training content	Training methods
09:00 - 09:45	Registration of Trainees	
09:45 - 10:45	Inaugural Session	
10:45 - 11:00	Tea break	
11:00 - 12:00	**Budget formulation process** Overview of process of budget formulation, Individual process of budget formulation	Lecture
12:00 - 13:00	**Overview of Budget Document** Formats of Budget Document, Accounts of budget document	Lecture and discussions
13:00 - 14:00	Lunch and Prayer break	
14:00 - 15:45	**Budget execution, monitoring and reporting** Budget execution, Monitoring of budget execution, Revisions to budget, Budget reporting	Lecture
15:45 - 16:00	Tea break	
16:00-16:45	**Open discussion on budget formulation and monitoring**	Open discussion
16:45 - 17:00	Closing of the day	

Day 2 (Two)

09:00 - 10:45	**Paurashava Tax Collection** Securing holding tax revenue	Lecture and discussions
10:45 - 11:00	Tea break	
11:00-13:00	**Paurashava Tax Assessment** Summary and report of the assessment results (Proposed), Process of Tax Assessment at Paurashavas	Lecture and discussions
13:00 - 14:00	Lunch and Prayer break	
14:00-15:30	**Open discussion on tax collection and assessment**	Open discussion

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[1] Shoilkupa, Bakergonj (and the mayor of Sengarchar)
[2] Sengarchar, Kanaighat, and Atghoria

15:30 - 15:45	Tea break	
15:45 - 16:00	Certificate distribution and Closing session	
16:00 - 16:30	Closing of the Training Program	

Materials and Equipment
- Projector (1)
- Screen (1)
- White Board (3)
- Markers

2. Training Assessment

<Overall satisfaction>
Overall, both from trainers/organizers' and the trainees' perspective[3], the training was satisfactory. The average score for the Question 14. "Let us know your overall impression of the training," was 3.5 out of 4-point scale. However, the average score of this training is lower than "Training on Budget preparation, accounting, monitoring and reporting" and "training on tax collection and assessment" provided for secretaries and officers.

One of the main factors would be the lower level of understanding (3.33 out of 4). Another factor might be the duration of the training (3.38 out of 4). As this training was organized following the orientation training (3 days), the participants might have been tired, when the financial management training was started.

<Level of understanding>
The level of understanding of the participants was also satisfactory, as the average score for the Question 1. "Did you understand the overall content of the training program?" was also 3.33 out of 4-point scale.

Similarly, this is also lower than the level of understanding of other trainings. One of the reasons would be the level of basic knowledge of the participants. Many of them do not have basic knowledge and experiences on financial management, even though they were elected 4.5 years ago.

During the discussion session in which participants were asked to have discussions on several financial issues after they have reviewed basic financial documents, some of them seem to have problems in understanding the documents.

3. Items to be improved

In the training, participants were divided into several groups for discussions. Participants were asked to have discussion in group after they have reviewed basic financial documents. However, there were several inactive participants in all groups.

The facilitation by facilitators should be improved so that all participants can join discussions. The facilitators would have to lead the discussions more strongly, so that the discussions are not occupied by a few specific participants.

The training material might have some rooms of improvements, so that every participant can understand easily.

Annex 1 Results of Training Feedback Summary Data Sheet and Written Feedbacks

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[3] Questionnaire survey on the trainees' satisfaction was conducted,

No.	Question	Mean	Std. Err.	95% CI	Comments
Q1	Did you understand the overall content of the training program?	3.33	0.081	(3.17 , 3.50)	• Became able to understand as the discussion was very much easy and attractive.
Q3	Are the topics selected for the training subject appropriate?	3.57	0.077	(3.42 , 3.73)	
Q4	Can you use knowledge and skills obtained through the training?	3.50	0.085	(3.33 , 3.67)	• We will be able to utilize the achieved knowledge on tax assessment, tax collection, and budget preparation.
Q6	Was the timing of the training (date and time) appropriate?	3.48	0.078	(3.32 , 3.63)	
Q7	Was the duration of training (total time of training) appropriate?	3.38	0.083	(3.21 , 3.55)	• Need to extend the time of leisure/ break, and the training may be extended from 7-9 pm.
Q8	Was the proportion of time allocated to different activities (lecture, discussion, group work, break, etc.) throughout the course appropriate?	3.52	0.085	(3.35 , 3.70)	
Q9	Were the printed materials (texts, presentation slides, etc.) provided easy to understand?	3.45	0.078	(3.30 , 3.61)	
Q10	Were the examples or case studies provided during the training course helpful?	3.43	0.084	(3.26 , 3.60)	
Q11	Was the training facility (class room, accommodations, etc.) appropriate?	3.40	0.108	(3.19 , 3.62)	• Accommodation was not clean enough. Mosquito net and bed sheet needs to change. Breakfast was not proper. • Cannot sleep properly because of mosquito bite. • Accommodation was very bad. Disturbance of mosquito, unclean room and bed, unhygienic bath room and toilet, etc. • Cannot sleep properly because of the mosquito bite. • The quality of food in the canteen is not good. The rooms need to clean every morning. • Need to improve the accommodation system and cleaning system of the room and wash rooms. • Need to improve the accommodation system and cleaning system of the room. • Accommodation was very bad. Disturbance of mosquito, unclean room and bed, unhygienic bath room and toilet, etc. • There were no room spray for protecting mosquitos.
Q12	Were the explanations and the instructions made by the main lecturer easy to understand?	3.52	0.078	(3.37 , 3.68)	
Q13	Were the explanations and the instructions made by other lecturers and/or facilitators easy to understand?	3.43	0.077	(3.27 , 3.58)	
Q14	Let us know your overall impression of the training.	3.50	0.078	(3.34 , 3.66)	• I am interested to know more about the technical aspect of the Paurashava. • I am interested to know more about acts. • I am interested to know more about acts and rules. • I am interested to know more about PPR in detail. • Accounting system. • I am interested to know more about accounting system. • If this training were to be arrange earlier we and citizen seems to be more beneficiaries • I am interested to know more about the management system of Paurashava.
	Total average score excluding Q14	**3.46**	**0.050**	**(3.36 , 3.56)**	
Q15	Let us know the topics that you would like to learn more in relation to the subject treated in this training course	N/A	N/A	(N/A , N/A)	• I am interested to know more about audit system. • Need computer training on accounting and budget preparation through computer and tax updating. • I am interested to know more about Paurashava administration. • If this type of training can be arranged on a regular basis, it will be helpful for the elected representatives to do the field level activities properly. • This is the first training for me after being elected as mayor, this type of training should be arrange within six month of being elected. • Accounting system. • I am interested to know more about accounting system. • If this training were to be arrange earlier we and citizen seems to be more beneficiaries. • I can understand all the issues properly, and I am not interested to know anything more. • I am interested to know more about audit system. • It seems to be better, if this training were on audit system, or in future there should have the arrangement of training on audit system of the Paurashava. • It seems to be better for the female councilors, if this training were arranged immediately after being elected. In future there should have the initiative for special training for the female councilors on special issues. • It seems to be better for all of us, if this training were arranged immediately after being elected. • It is better if this training can be arranged immediately after the Paurashava election. • If this training was been arranged earlier, it was seems to be better. • It will be very helpful for us if you arrange any training on accounting and audit in future.
Q16	Please write any observation/ message that you would like to convey to us.	N/A	N/A	(N/A , N/A)	• It seems to be better for us if this training were arranged immediately after being elected. • Need international training on the unique computerized software based system for tax, budget preparation for all the Paurashava. • It seems to be better for us if this training were arranged within six month of the election. • If this training were arranged immediately after being elected, the elected representatives and the people of the Paurashava both will be more beneficiary. • I am requesting you to arrange this type of training immediately after being elected. • It will be better if this training can be arranged immediately after the Paurashava election. • It is better if this training can be arranged immediately after the Paurashava election. • How long we will get financial support from this project? • It seems to be better for us if this training were arranged immediately after being elected. • I like it very much. • The training was very good. Thank you. • The training was very good. Thank you. • It is better if this training can be arranged immediately after the Paurashava election. • It seems to be better for us if this training were arranged immediately after being elected. • Need international training on the unique computerized software based system for tax, budget preparation for all the Paurashava.

SPGP Training Report

Title of the Training	Orientation course on the basics of Paurashava administration
Trainees	1st batch: 26 (2 Mayors and 24 Councilors from Shailkupa and Bakerganj Paurashava) 2nd batch: 37 (3 Mayors and 34 Councilors from Sengarchar, Atghoria and Kanaighat Paurashava)
Date and time	1st batch: May 17-19, 2015 (3 days) 9:00 - 18:00/18 :00/17 :30 2nd batch: May 24-26, 2015 (3 days) 9:00 – 18 :30/17 :30/17:00
Trainers and coordinators	Trainers: See the table below Coordinators: Mr. Md. Abdul Motalleb, Mr. Yoshinaga Nakamura and Mr. Hiranmoy Roy
Venue	1st batch: NILG class room 308 2nd batch: NILG auditorium

1. Contents of the Training and Training Methods

The training was conducted in two batches. The first batch was elected representatives of two Paurashavas and the second batch was those of three Paurashavas. The course consists of 15 sessions including 13 subject-wise sessions and opening and closing sessions. The contents were the same for the two batches but slight changes were made in regard with time allocation, the order of sessions, trainers and teaching method. Details of the programme are shown in the table below.

DAY 1

Time		Subject	Trainer	Training method
1st batch	2nd batch			
9:00 - 10:35	9:00 - 10:30	Course registration and inaugural session	[1st batch] • Mr. Mustafa Kamal Hider, Director General, NILG • Mr. Khalilur Rahman, Deputy Secretary, Local Government Division (Project Director, SPGP) • Ms. Shamim Faruque, Deputy Director, NILG (Course Director) • Mr. Hiroki Watanabe, Project Formulation Advisor, JICA Bangladesh Office [2nd batch] • Mr. Mustafa Kamal Hider • Ms. Shamim Faruque • Mr. Yoshinaga Nakamura, JICA Expert (Training planning /Publicity/Coordinator), SPGP	
10:35 - 10:50	10:30 - 10:45	Tea break		
10:50 - 12:10	10:45 - 11:45	**Paurashava in the local government system of Bangladesh**	Mr. Mustafa Kamal Hider, Director General, NILG	Lecture
12:10 - 13:45	11:45 - 13:25	**Local Government (Paurashava) Act 2009 and functions of Paurashava**	Mr. Md. Azaharul Islam, Consultant	Lecture, group exercise
13:45 - 15:00	13:25 - 14:30	Prayer and lunch break		
15:00 - 16:30	14:30 - 16:05	**Administrative structure of Paurashava and responsibilities of elected representatives and officers**	Mr. Md. Arif, Deputy Director, NILG	Lecture
16:30 - 16:45	16:05 - 16:30	Tea break		
16:45 - 18:30	16:30 - 18:25	**Role of the Council in decision-making**	• Mr. Md. Arif, Deputy Director, NILG • Mr. Md. Shahadat Hossain, Consultant	Lecture, group exercise

DAY 2

Time		Subject	Trainer	Training methods
1st batch	2nd batch			
9:10 - 10:15		[1st batch] **Role of standing committees**	• Mr. Md. Illias, Director, Research & Planning, NILG • Mr. Md. Shahadat Hossain, Consultant	Lecture, group exercise
	9:00 – 10:35	[2nd batch] **Concept of good governance and leadership**	• Mr. Md. Yeasin Arafat, consultant • Ms. Monika Mitra, Research Officer, NILG	Lecture, individual & group exercises

10:15 – 11:25	10:35 – 11:40	**Citizen participation**	Ms. Kamrun Nahar, Assistant Director, NILG	Lecture, individual & group exercises
11:25 - 11:50	11:40 – 11:55	Tea break		
11:50 - 13:15	11:55 – 13:30	**Financial management, taxation and budget formulation**	• Mr. Md. Altaf Hossain, consultant • Mr. Mainul Islam, Assistant Director, NILG	Lecture, group exercise
13:15 - 14:30	13:30 – 14:45	Prayer and lunch break		
14:30 - 16:10	14:45- 16:10	**Accounting and audit**	• Mr. Md. Altaf Hossain, consultant • Mr. Md. Nurul Islam, Research Officer, NILG	Lecture, group exercise
16:10 - 16:30	16:10 – 16:25	Tea break		
16:30 - 18:00	16:25 – 17:45	**Procurement**	• Mr. Akramul Hoque, Director Training and Consultancy, NILG • Mr. Abdun Noor, consultant	[1st batch] Lecture [2nd batch] Lecture, group exercise

DAY 3

Time		Subject	Trainer	Teaching method
1st batch	**2nd batch**			
9:00 - 10:30	9:00 – 10:30	**Property registration and management**	• Mr. Vhuiyan Md. Ataur Rahman, Director, Administration & Coordination, NILG • Mr. Md. Zahurul Islam, consultant	Lecture, individual exercise
10:30 - 10:50	10:30 – 10:55	Tea break		
10:50 - 12:20	10:55 – 12:15	**Office and information management**	• Mr. Md. Illias, Director, Research & Planning, NILG • Mr. Md. Zahurul Islam, consultant	Lecture, group exercise
12:20 - 13:25		[1st batch] **Concept of good governance and leadership**	• Mr. Md. Yeasin Arafat, consultant • Ms. Monika Mitra, Research Officer, NILG	Lecture, quiz, group exercise
	12:15 – 13:15	[2nd batch] **Role of standing committee**	Mr. Md. Illias, Director, Research & Planning, NILG	Lecture, group exercise
13:25 - 14:25	13:15 – 14:25	Prayer and lunch break		
14:25 - 15:05		[1st batch] (continued)	Do.	
15:05 - 17:00	14:25 – 16:10	Gender mainstreaming in Paurashava's activities	• Ms. Shamim Faruque, Deputy Director, NILG • Mr. Md. Yeasin Araft, consultant	[1st batch] Lecture, group exercise [2nd batch] Lecture, group exercise, role-play
17:00 - 18:00	16:10 – 17:00	Closing session	• Ms. Shamim Faruque (Course Director) • Mr. Jehad Sarkar (Course Coordinator) • Ms. Rie Fusamae, JICA Expert (Development planning), SPGP	
18:00-	17:00 -	Tea break		

The training materials handed out to each participant are: 1) a copy of the training handbook; 2) a photocopy of the Local Government (Paurashava) Act 2009; and 3) a SPGP brochure.

The following equipment was used during the training:
- Projector (1 for the first batch, 2 for the second batch)
- Screen (1 for the first batch, 2 for the second batch)
- White Board (1)
- Markers
- Stationeries (cards, pens, nameplate)

2. Training Assessment

The training feedback sheet was distributed to the participants at the end of the course. Their responses given in the sheet are summarized below.

<Overall satisfaction>
Despite the fact that the course was hard in terms of time and the timing of the training was not good for the participants, whose term is close to the end, the level of the participants' satisfaction was relatively high. The mean score on the satisfaction level (Q14. "Let us know your overall impression of the training.") was 3.6 on a four-point scale. Though the results of the feedback questionnaire do not clearly indicate specifically what about the training particularly satisfied them, their written comments suggest that the training seemed to have inspired them to learn more about Paurashava administration, which many of the Councilors did not know even after more than four years in service.

<Level of understanding>
The level of understanding of the participants can be considered a reasonable level scoring 3.32 on average on a four-point scale (Q1. "Did you understand the overall content of the training program?"). It was indeed better than the SPGP team had expected as the level of knowledge of the Councilors was found fairly low according to the assessment conducted in the opening session. The Councilors seem to have found subjects of operational nature more difficult than other subjects probably because they are not familiar with those topics. In fact, the level of understanding on explanations and instructions made by facilitators was lower on technical and operational subjects such as "procurement", "accounting and audit", and "financial management, taxation and budget formulation." As far as the Mayors are concerned, they have already gained experience of running a local government over the last four years and they seem to have found the course informative but not difficult.

3. Items to be improved

As the level of understanding is lower on technical and operational subjects, those sessions may need to focus on general issues rather than how to do. It would also be reasonable to extend time allocated to those sessions or to provide separate sessions for the Mayors and for the Councilors.

Training methods need to be revisited. The observation of the SPGP team is that elected representatives cannot listen long and when they are given the opportunities to speak out or do exercise, they regain focus. However, the orientation course aims to equip newly elected representatives and therefore too many exercises are not appropriate even though participants like that. The training methods to be adopted in the orientation course should be carefully considered in view of expected training effects. Since the participants found the distributed materials (mainly the training handbook) relatively easy to understand (3.56 on a four-point scale), it may also be an option to make more reference to the handbook during the sessions.

The participation of female councilors is another challenge. The SPGP team facilitated changes of seating arrangement and also drew attention of trainers to this matter in order to raise the level of female councilors' participation but they did not speak out much in both batches. How to encourage their participation should be discussed with NILG, which has rich experience in training of women including female councilors.

The duration of the training and time management is another point that should be improved. Most of the

trainers could not manage time well. As a result, the training went on until 18:00 sometimes. An appropriate duration for newly elected representatives needs to be reconsidered in consultation with NILG as well as Paurashavas.

Last of all, though no complaints were thrown by the participants, the SPGP team admits that it was not enough time to raise the quality of the training handbook to a satisfactory level. Though the SPGP team believes that the information provided in the handbook is appropriate and helpful for elected representatives, there is much scope for improvement of the presentation of information. It can be more streamlined in order to make it easier to use for elected representatives.

Annex 1 Results of Training Feedback Summary Data Sheet and Written Feedbacks

Date	Subject	Participants	Trainees' Understanding level*			Trainees' Satisfaction*		
			Mean	Std. Err.	95% CI	Mean	Std. Err.	95% CI
21 -23 April, 2015	Paurashava Budget formulation, accounting, monitoring and reporting	Secretary: 5 Accountant:1 Assistant Accountant:1	3.9	0.100	(3.67 , 4.13)	3.9	0.100	(3.67 , 4.13)
12 -14 May, 2015	Paurashava Tax collection and assessment	Secretary: 5 Tax Collector:3 Tax Assessor: 4 Assistant Tax Collector:3 Assistant Tax Assessor: 1 Others: 1	3.9	0.081	(3.71 , 4.05)	3.9	0.059	(3.82 , 4.07)
20 -21 May, 2015 and 27 -28 May, 2015	Financial management For Elected Representatives	Mayor: 4 Councilor: 35 Others: 5	3.33	0.081	(3.17 , 3.50)	3.50	0.078	(3.34 , 3.66)
17-19 May, 2015 and 24-26 May, 2015	Orientation Course on the Basics of Paurashava Administration	Mayor: 5 Councilor: 58	3.32	0.060	(3.20 , 3.44)	3.60	0.063	(3.47 , 3.72)
6 - 7 June, 2015	Citizen Participation through Ward Committee and Town Level Coordination Committee at the Central Level	N/A		N/A			N/A	
8 June, 2015	Training of Trainers on Citizen Participation through Ward Committee and Town Level Coordination Committee	N/A		N/A			N/A	

* Out of 4 Scale