शीघ्र डाक द्वारा

संख्या: ओएडी-4/एस-5/एस.ए.आर./GHB /2014-15/ ०८० · 21
कार्यालय महालेखाकार (सामान्य एवं सामाजिक क्षेत्र लेखापरीक्षा)
एनेक्सभवन,रेसकोर्समार्ग,पोस्टबैगसं. 27,राजकोट– 360001
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दिनांक: 06.04.2017

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सेवा में,
प्रधान सचिव,गुजरात सरकार,
शहरी विकास एवं शहरी आवास विभाग,
नया सचिवालय,
गांधीनगर- 382010

विषय :- गुजरात हाउसिंग बोर्ड, अहमदाबाद के वर्ष 2014-15 के लेखों पर पृथक लेखा परीक्षा प्रतिवेदन ।

महोदय,

उपर्युक्त विषय के संदर्भ में मुझे यह कहना है कि नियंत्रक एवं महालेखापरीक्षक के (कर्तव्यों, शक्तियों एवं सेवा शर्तों) अधिनियम, 1971की धारा 19(3) के अंतर्गत गुजरात हाउसिंग बोर्ड, अहमदाबाद के वर्ष 2014-15 के लेखों की स्थानीय नमूना जाँच दिनांक 04-11-2016 एवं 17-11-2016 के बीच, इस कार्यालय द्वारा की गयी थी।

आपकी ओर से आवश्यक कार्यवाही हेतु निम्न कागजातों की प्रति इस पत्र के साथ संलग्न की गयी हैं।

1. वर्ष 2014-15 का पृथक लेखा परीक्षा प्रतिवेदन ।
2. वर्ष 2014-15 के प्रमाणित लेखें ।

कृपया संलग्नक के साथ इस पत्र की प्राप्ति की पावती भेजी जाए।

इस पृथक लेखा परीक्षा प्रतिवेदन को राज्य विधानसभा में प्रस्तुत करने तक, बोर्ड की बैठकों के सिवाय, गोपनीय रखा जाए तथा इस प्रतिवेदन को राज्य विधानसभा में प्रस्तुत करने की तारीख (प्रमाण सहित) इस कार्यालय को शीघ्र सूचित की जाए।

भवदीय,

उपमहालेखाकार
(सामाजिक क्षेत्र - II)

संलग्न: यथोपरि।

742/TH
15/4/17

13/4/17

Separate Audit Report of the Comptroller and Auditor General of India on the Accounts of the Gujarat Housing Board, Ahmedabad for the year ended on 31 March 2015.

We have audited the attached Balance Sheet of Gujarat Housing Board (GHB) as at31March 2015, the Capital Account and the Revenue Account for the year ended on that date under Section 19 (3) of the Comptroller and Auditor General's (Duties Powers and Conditions of Service) Act, 1971 read with Section 66 (2) of the Gujarat Housing Board Act, 1961. The audit has been entrusted for the period up to 2016-17. These financial statements are the responsibility of the GHB's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains the comments of the Comptroller and Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Laws, Rules and Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/CAG's Audit Reports separately.

3. We have conducted our audit in accordance with Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit we report that:

i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii. The Balance Sheet, Capital Account & Revenue Account dealt with by this Report have been drawn up in the format approved by the State Government under Section 66 (1) of the Gujarat Housing Board Act, 1961.

iii. In our opinion, proper books and other relevant records except Sinking Fund Ledger, EPF Trust Ledger, Loan Register, Asset Register and Subsidy Register have been maintained by the Gujarat Housing Board, Ahmedabad as required under Section 66 (1) of the Gujarat Housing Board Act, 1961, in so far as it appears from our examination of such books.

iv. We further report that:

A. Balance Sheet

1. Assets

1.1. Capital Accounts- Boards own Assests – Vehicle ₹30.80 lakh

This does not include ₹ 9.30 lakh, being the cost of vehicle (Toyota Innova) purchased by Gujarat Housing Board (GHB) in July 2011. The cost of the vehicle was wrongly considered as revenue expenditure and was shown in Income and Expenditure Account of 2011-12 by the GHB, instead of considering it as capital expenditure in the Balance Sheet. Depreciation to be provided for 44 months @ 15% p.a. on ₹ 9.30 lakh works out to ₹ 5.11 lakh.

This has resulted in understatement of Assets and understatement of revenue deficit (Liabilities) by ₹ 4.19 lakh (₹ 9.30 lakh – ₹ 5.11 lakh),and understatement of depreciation by ₹ 5.11 lakh.

Despite being pointed out during the earlier audits, the Board did not take any action in this regard.

GHB replied that necessary rectification would be made in the accounts for the year 2015-16.

1.2. Doubtful Investment (Bad Debtors) - ₹ 91.62 lakh

GHB did not write-off or make necessary provision in the annual accounts towards non-realization of the amount of ₹ 91.62 lakh from Mundra Bank, which no longer exists and is under liquidation since 2002.

This has resulted in understatement of Provision for Bad/Doubtful Debts and overstatement of Current Assets by ₹ 91.62 lakh

Despite being pointed out during the earlier audits, the Board did not take any action in this regard.

GHB replied that the Registrar of the Co-operative Societies appointed the Bank's liquidator and the finalisation of the payment of GHB's dues was still awaited. However, audit is of the view that GHB should have either written off or atleast made necessary provision in this regard in the accounts.

1.3. Sundry Debtors (Rent ₹ 90.86 lakh, H.P.(SIHS) Instalments ₹ 812.22 lakh, H.P. Instalments (other than SIHS) ₹ 21150.00 lakh, Arrears of Penalty ₹ 4330.00 lakh).

GHB previously allotted residential houses on rental basis for which monthly rent was to be collected from the beneficiaries and also allotted residential houses on hire purchase basis, where the cost of houses was to be recovered in instalments.

GHB was not able to recover the rents and hire purchase instalments promptly from the beneficiaries and dues were piled up along with penalties to be recovered from the beneficiaries. During 2014-15 GHB could recover only₹ 14.55 lakh towards rent, ₹ 498.71 lakh towards hire purchase instalments (SIHS and other than SIHS) and ₹ 62.73 lakh towards penalty for default in payment of rent and hire purchase instalments. GHB did not ascertain the actual dues and amounts paid against it.

Since GHB did not prepare any age-wise analysis of the outstanding dues to be recovered from the beneficiaries, necessary provisions should have been made in the annual accounts for all the outstanding amounts.

This has resulted in overstatement of Current Assets by ₹ 26383.08 lakh (₹ 90.86 lakh + ₹ 812.22 lakh + ₹ 21150.00 lakh + ₹ 4330.00 lakh) and understatement of Expenditure/Current Liabilities to that extent.

It was replied that the year wise breakup of outstanding dues was not available with GHB.

1.4. Fixed Assets ₹ 105.32 Lakh (Gross)

The Fixed Assets (Board's own Assets) did not include ₹ 54.95 lakh, being the cost of electronic items like computers, printers, scanners, etc., along with accessories and the cost of furniture purchased during Financial Year 2014-15.

GHB wrongly accounted for the capital expenditures in Income & Expenditure Account (Revenue Accounts) instead of capitalizing and disclosing it under Fixed Assets in the Balance Sheet.

Further, no provision (Current Liabilities) was made for Fixed Assets of ₹ 26.86 lakh purchased in 2014-15 for which payments were made during 2015-16.

This has resulted in overstatement of Revenue Expenditure and understatement of Fixed Assets by ₹ 54.95 lakh. The Current Liabilities have also been understated by ₹ 26.86 Lakh.

GHB replied that the amount referred by Audit was revenue expenditure and not capital expenditure. The items of computers and peripherals are considered by GHB as Contingency and not capital expenditure. Audit is of the view that GHB should have capitalized the expenditure and made necessary provision in the accounts, for the payments made during 2015-16.

Even though similar observations were made during earlier audits, necessary corrective steps have not been taken by GHB for rectifying the accounting errors.

B. Revenue Account

1. Expenditure

1.1. Administrative & Executive - ₹ 1625.58 Lakh

The above does not include ₹ 77.14 lakh, being the expenditure incurred towards Stationeries, Audit Fees, Appointment for accountancy work, Advertisement Expenses, etc. for Financial Year 2014-15 against which the invoices were raised by the agencies during 2015-16 and 2016-17 and the related payments were made in Financial Year 2015-16 and 2016-17 by GHB. However no provision was made in the annual accounts for the Financial Year 2014-15.

This has resulted in understatement of Expenditure and understatement of Current Liabilities by ₹ 77.14 lakh.

GHB replied that only the bills received till 31st March were taken into account and bills received after 31st March are accounted for in the next Financial Year.

2. Income

2.1. Interest Received during year (Amount accrued as on 31/03/2015) - ₹ 14.51 crore

As per 'Statement showing the Financial Position of Gujarat Housing Board as on 31 March 2015, total accrued interest was shown as ₹ 14.60 crore. Whereas as per 'Net Revenue Accounts for the financial year the interest accrued was shown as ₹ 14.51 crore. Thus there is a difference of ₹ 9.34 lakh which needs to be reconciled.

GHB replied that the reconciliation mistake of ₹ 9.34 lakh was due to calculation of interest on FDR for two years in the 'Statement showing the Financial Position of Gujarat Housing Board as on 31March2015' since FDR was for two years but the interest was shown for one year only in 'Net Revenue Account for Financial year ending 31 March 2015.

There was no impact on the Accounts.

GHB needs to take proper care in this regard while preparing the annual accounts in future.

C. General

1. Non-merger of Accounts of Gujarat Slum Clearance Board

The Gujarat Slum Clearance Board (GSCB) was closed and merged with Gujarat Housing Board with all its assets and liabilities w.e.f. 1 April 2007 vide Government of Gujarat (Department of Urban Development and Urban Housing) GR No. EAR 1/233/Pen/1404 dated 30th March 2007.

However, Gujarat Housing Board (GHB) did not merge its accounts with GSCB accounts (up to 2014-15) as required under the above cited GR for ensuring true and fair view of accounts.

Despite having been pointed out during the earlier audits, the Board did not take any action in this regard.

GHB replied that the Government's decision to merge the accounts of Gujarat Slum Clearance Board with GHB was still pending; hence the merger of accounts could not be materialized.

The reply is not acceptable as the Board needs to merge the accounts of Gujarat Slum Clearance Board with GHB.

2. Accounting Policies and Notes on Accounts.

Significant Accounting Policies and Notes to Accounts indicating maintenance of accounts on cash/accrual basis, fixed assets and inventory valuation, exhibition of contingent liabilities, etc. were not disclosed in the annual accounts.

Despite being pointed out during the earlier audits, the Board didn't take any action in this regard.

GHB replied that the accounts of GHB were prepared as per the format prescribed in Schedule - C of GHB Rules, 1977.

The reply was not acceptable as GHB needs to attach the Accounting Policies and Notes to Accounts to its annual financial statements.

3. Non-submission/Non placement of Annual Accounts/Reports/Returns.

As per Section 66 (3) of the Gujarat Housing Board Act, 1961, as soon as the accounts of the Board have been audited, the Board should send a copy thereof together with a copy of the audit report to the State Government.

Further, as per Rule 26 of the Gujarat Housing Board Rules, 1977 the Board shall at the end of each year and within three months of the date of the closing of the year, submit to the State Government an annual report giving its activities in the year.

As per Rule 27 of the Gujarat Housing Board Rules, 1977, the Board shall submit to the State Government the following statistics and returns: (i) Quarterly Progress Reports in respect of various social housing scheme in such proforma and on such dates as may be specified by State Government / Government of India from time to time, (ii) Information regarding quarterly recoveries of rents of the tenements of the Board in Schedule "D" and (iii) Minutes of each meeting of the Board as soon as they are confirmed by the Board.

Audit noticed that the Gujarat Housing Board had been lagging behind in submitting Annual Accounts & Annual Administrative Reports to the State Government as required under the above cited provisions of the Gujarat Housing Board Act/Rules. Present status of Annual Accounts & Annual Administrative Reports is as given below: -

Accounts / Reports	Submission to Urban Development & Urban Housing Department	Placement in Vidhan Sabha
Annual Accounts	Up to 2013-14	Up to 2011-12
Annual Administrative Report	Up to 2014-15	Up to 2012-13

Necessary steps need to be taken to place the Annual Accounts/Reports in 'Vidhan Sabha' at the earliest.

GHB replied about the actual dates of submission of Annual Accounts/ Annual Administrative Reports to Urban Development and Urban Housing Department and the placement of Annual Accounts/ Annual Administrative Reports in 'Vidhan Sabha', however, it did not mention any reasons for the delay in the submissions.

4. **Items of Balance Sheet with no change/or no initiatives**

The details of amounts mentioned in the Balance Sheet of the Gujarat Housing Board under various accounting heads of Liabilities/Assets, with no/minor changes are as mentioned below. Similar amounts have been carried forward for many years without properly ascertaining the correct amounts to be shown as receivables/Liabilities.

Liabilities / Assets	Account Head	2013-14 (₹ in Lacs)	2014-15 (₹ in Lacs)
Assets	**Sundry Debtors** Recoverable from EPF	1868.40	1868.40
Liabilities	**Sundry Creditors** Deposit from Rental T/S	71.01	71.01
	Deposit from participants of SIHS	422.21	422.21
	Deposit under demand survey	687.35	687.35
	Deposit for registration scheme	50.15	50.15
	Contractors deposit	91.53	91.53
	HP Scheme Account Deposit for HP/EWS/ LIG/MIG/HIG/Shops etc.	53509.90	53509.90
	Capital Portion from HP	50288.48	50288.48
	Deposit for Contribution Work (IPCL) (i) Municipal Tax	9200.00	9200.00
	(ii) GR / NAA Charges	350.00	350.00
	(iii) Audit Fee	20.00	20.00

GHB needs to make serious efforts to show correct amounts under various Liabilities/Assets accounting heads after properly ascertaining the relevant details to make the Annual Accounts true and fair. Continuing with the old amounts of Liabilities/Assets in the Annual Accounts, without proper justification, is not correct.

GHB replied that the concerned offices would be instructed for necessary reconciliation of the amounts.

D. Grants in aid

Out of the grants of ₹ 93.18 crore received during the year 2014-15 from Government of Gujarat and from the carryover of earlier year grants of ₹ Nil, the Board could utilize a sum of ₹ 93.18 crore leaving a balance of ₹ Nil, as unutilized grant as on 31st March 2015.

v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, the Capital Account and the Revenue Account dealt with by this Report are in agreement with the books of accounts.

vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India.

a. In so far as it relates to the Balance Sheet, of the state of affairs of the **Gujarat Housing Board, Ahmedabad** as at 31st March 2015; and

b. In so far as it relates to Revenue Account of the deficit for the year ended on that date.

For and on behalf of the C & AG of India

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(B. BASANTIA)

Accountant General (G&SS Audit),

Gujarat, Rajkot

Place:

Date:

ANNEXURE

1. **Adequacy of Internal Audit System.**

   Gujarat Housing Board had no adequate internal audit system.

2. **Adequacy of internal control system**

   Gujarat Housing Board had internal control system.

3. **System of Physical verification of fixed Assets.**

   Gujarat Housing Board had no system of physical verification of assets.

4. **System of Physical verification of inventory.**

Gujarat Housing Board had no system of physical verification of inventories.

5. **Regularity in payment of statutory dues.**

All the Statutory dues were paid in time.

Deputy Accountant General

(Social Sector – II)