

# Internal Audit Report

Of

**ULB: Khagaul Nagar Parishad**

**For the period from 01-04-2018 to 31-03-2019**

**Internal Audit Conducted by:**

**GKSureka & Co.**  
**Chartered Accountants**  
104, Baidyanath Palace, Jagdeo Path ,  
Bailey Road Pillar No.10, Patna-800014. (Bihar).  
Phone No:- 0612-2590048  
M: 9811077186, 9999232791  
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**From 11-07-2019 to 14-08-2019**

**Report Issued on: 18-09-2019**

## Executive Summary

### 1. Introduction

<b>Name of the Municipality</b>	Nagar Parishad Khagual.
<b>Period Covered under Current Audit</b>	01.04.2018 to 31.03.2019
<b>Name of the Chief Municipal Officer for the period under Audit</b>	<b>Executive Officer</b> Mr. Samir Kumar

### 2. Results and Findings

<p><b>Strength observed during the audit engagement</b></p>	<ul style="list-style-type: none"> <li>➤ General Cash Bookhas been maintained.</li> <li>➤ Nagar Parishad is focused in implementation of double accounting system in Nagar Parishad for recording and updating its books of accounts. For this purpose they have appointed TROS Consultancy for accounting purpose. Further the implementation of DEAS is in process.</li> <li>➤ Staff Co-operation during the Audit period wassatisfactory.</li> <li>➤ All municipal transactions shall be identified with funds in accordance with rule 5, and separate accounting records have been maintained for each fund.</li> <li>➤ Office infrastructure is sufficient for operation.</li> </ul>
<p><b>Weakness observed in the functioning of office, maintenance of records etc. observed during the audit engagement.</b></p> <p><i>The comments under these two categories should summarize each significant Audit observation in the order of materiality. The summary should be as brief as possible and draw on the observations under thePara on Consequence/Ef fect/ impact ofeach Audit observation. It</i></p>	<ul style="list-style-type: none"> <li>➤ Municipality has not been maintaining its books of account following accrual system of accounting principles guided by the Bihar Municipal Accounting Manual.</li> <li>➤ The Books of accounts are not updated even after the appointment of TROS Consultancy and implementation of DEAS system of accounting. There issometransaction in FY 17-18 which were not recorded in Tally. For Example,             <ol style="list-style-type: none"> <li>1. Property tax received through net banking (Card payment) in HDFC bank A/c (7676) not recorded in Tallydata provided by TROS Consultancy.</li> <li>2. TDS deducted and deposited but not Entry made in Tally.</li> </ol> </li> </ul>



*should also include a summation of outstanding statutory and internal audit observations.*

- Statement of outstanding liabilities for expense in BMAR Form-55 is not maintaining by the municipality.
  - The property tax register has not been provided to us to ascertain the Total Demand and Arrear at the end of audit period.
  - Taxes and other revenue collections from internal sources are not deposited in bank on same day.
  - Nagar Parishad is not maintaining the demand register for various types of Taxes and Rent to be collected from the revenue resources i.e. Holding Tax, Tower Tax, etc.
  - Assessment of Property Tax, Rent and other resources has not been conducting on regular intervals.
  - Taxes have not been collected from 7 wards (i.e.2, 3, 11, 12, 13, 14, 15) of Nagar Parishad out of total 27 wards. Reportedly these 7 wards comes under the railway, sothey are not collecting taxes in these wards. No evidence has been placed before us to know the reason for not collecting the Taxes under these wards.
  - Advertisement tax has not been collected by Nagar Parishad.
  - In many instances, we have observed that the security deposit amount received against awarded tendershas not been deposited in bank, further the records of these DD's has not been maintained and provided to us for verification.
- (Details as per Para J of Chapter XV )
- TDS has not been deducted on payment of Salary to executive officer and city manager.



### 3. Opinion

<b>Overall opinion of the Audit team about the functioning of the Municipality</b>	<p>The functioning of the Municipality is very weak due to following reasons:</p> <ul style="list-style-type: none"><li>➤ Most of the prescribed Books of accounts are not maintained.</li><li>➤ Internal Control w.r.t. collection of taxes, monitoring of grant, monitoring of advances, monitoring of schemes etc. is very poor.</li><li>➤ Collection from own sources is very poor.</li><li>➤ Grant received for various purposes are not utilized on timely basis.</li></ul>
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### 4. Audit Recommendations

<b>The recommendations of Audit team on the observed weakness</b>	<p><b>We recommend the followings:</b></p> <ul style="list-style-type: none"><li>➤ All the prescribed books of accounts and Registers should be prepared on real time basis. As Nagar Parishad prepared books on cash basis of accounting system.</li><li>➤ Cash/Bank Book should be written on daily basis.</li><li>➤ Collection of tax by tax collector should be deposited on daily basis.</li><li>➤ Assessment of property tax should be conducted on regular intervals.</li><li>➤ Grant Register should be prepared.</li><li>➤ Demand Collection Register of all the wards should be prepared.</li><li>➤ Property tax register should be prepared as per new assessment.</li><li>➤ Collection from own sources should be improved.</li><li>➤ Compliance of TDS should be done.</li><li>➤ Collection and monitoring of Advertisement and Tower Tax should be followed up by authorised persons.</li><li>➤ Accounting shall be done on day to day basis.</li></ul>
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## 5. Comments from Management

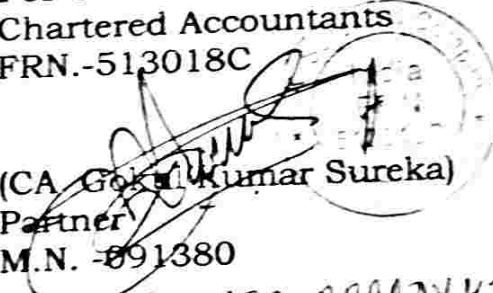
Comment Management	from
	The audit report has been discussed with us; we will try our best to remove the irregularities pointed out in the audit report.

## 6. Acknowledgment

We thank Mr. Samir Kumar (Executive Officer), Mr. Manoj Kumar (Accountant cum Cashier) for their support during the period of our audit. We are also thankful to Tax Daroga Mr. Ravi Kumar, Mr. Kaushlesh Kumar Singh and support staffs of the municipality for their cooperation extended to us during the period of our audit.

Place: Patna  
Date:

**For G.K. Sureka & Co.**  
Chartered Accountants  
FRN.-513018C

  
(CA Gokul Kumar Sureka)  
Partner  
M.N. -891380

UDIN: 2091380AAAADY4259

Date: 24-06-2020

## Detailed Audit Report

### **1. Introduction**

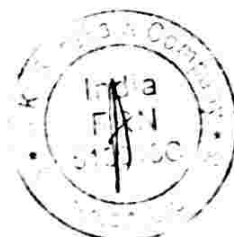
The Internal audit of Nagar Parishad Khagaul covering period from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March, 2019 was conducted by our audit team under guidance of CA. Gokul Kumar Sureka, Partner, M/s G.K. Sureka & Co., (Chartered Accountants).

- i. CA. Anoop Kumar Singh
- ii. Mr. Piyush Singh
- iii. Mr. Sujeet Kumar
- iv. Mr. Pankaj Gupta

### **2. Administration**

The present body of the ULB has taken charge on 21-06-2017. The incumbency in the key administrative and executive position was as under:

- i. Chairman : Smt. Rinku Kumari, from 21.06.2017 to till date,
- ii. Vice-Chairman : Mr. Kumar Pintu Avinash, from 21-06-2017 to till date.
- iii. Executive officer : Mr. Samir Kumar, from 22-01-2019 to till date.

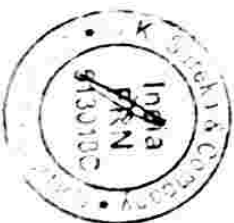


**3. Review of outstanding audit paras : Status of Audit Observations are as under:**

SR. No.	Particulars of Audit and date of report	Total No. of Paras.	Total No. of paras necessary improvement/ corrective measure is Required	Total No. of audit where audit where cash is proposed	Total No. of paras where recovery has been made	Total amount of Recovery	Total No. of outstanding paras where no action has been taken	No. & date of Compliance report
1.	C&AG Report No.106/2018-19 FY 2017-18	28	28	-	-	-	28	Not Complied.
2.	Compliance of Internal audit report FY 2017-18 pending.							

**The Major observations of AG audit report are as under:**

- Miscellaneous receipt had been collected but not deposited to cashier or bank amounting to Rs.1, 67, 348. (Para-6)
- Huge losses amounting to Rs.43,62,000 had been suffered by nagar parishad due to hiring of daily wage workers more than the required workers and loss due to given high wage rate is Rs.9,41,000.(Para-1)
- Excess amount has been deposited in respect of Electricity bill amounting to Rs.6,16,099.(para-3)
- Amount of Rs.10,96,800 had not been recovered as per door to door scheme.(Para-7)
- Labourcess had not been charged on development permit map of building amounting to Rs.3,34,273(Para-9)
- Irregularity in payment of purchase of water tank amounting Rs.4,20,000.00 as no agreement held between nagar parishad, khagaul and supplier.(Para-10)
- No consent had been taken from appropriate authority in purchase of fiberglass, vehicle mountable thermal fogging machine, potable thermal fogging machine, stainless steel water tanker total amounting to Rs.10,55,000.(Para-11)
- There is no provision for Advance amounting Rs.3,68,045.(Para-14).
- Irregularity in payment made to TROS consultancy amounting to Rs.4,93,500.(Para-18)
- Sairat had been not collected by Nagar Parishad amounting to Rs.84, 950.(Para-21)



#### 4. Finance

##### I. Budgetary provisions and expenditure for the last three years

Year	2016-17	2017-18	2018-19
Final/ Revised Budget	N.A	9,47,44,400	47,39,54,579
Actual Expenditure	N.A	7,56,43,919	10,96,52,551
Savings (+)/ Excess (-)	N.A	1,91,00,480	36,43,02,028

##### II. Volume of transactions

Period	Budgeted 2018-19	Previous year (For 2017-18)	Corresponding period of 2016-17	Current Period 2018-19	Cumulative for the current period
Opening Balance	19,92,79,194	19,86,48,990	N.A	19,92,79,194	19,92,79,194
Receipts	43,01,07,000	7,62,74,123	N.A	12,15,59,345	12,15,59,345
<b>TOTAL</b>	62,93,86,194	27,49,23,113	N.A	32,08,38,539	32,08,38,539
Net Expenditure	47,39,54,579	7,56,43,919	N.A	10,96,52,551	10,96,52,551
Closing Balance	15,54,31,615	19,92,79,193	N.A	21,11,85,988	21,11,85,988

##### III. Bank Reconciliation

Details of Bank Accounts and their reconciliation position as on 31.03.2019 is as under-

SR. NO.	BANK	SCHEME	CLOSING BALANCE AS PER PASS BOOK	CLOSING BALANCE AS PER CASH BOOK	Differences
1.	HDFC 7676	NAGAR NIDHI	2,18,775.75	2,18,775.75	NIL
2.	PNB 089	13 <sup>TH</sup> FINANCE	50,76,678.44	50,76,678.44	NIL
3.	PNB 098	NAGAR NIDHI	91,79,289.49	94,32,249.49	2,52,960.00
4.	PNB 314	SHELTER FUND	293,360.30	2,93,360.30	NIL
5.	PNB 3625	SBM	8,83,655.95	8,83,655.95	NIL
6.	SBI 4784	LIC	10,14,021.00	10,14,021.00	NIL
7.	SBI 550	NAGAR NIDHI	4,07,607.00	12,74,607.00	8,67,000.00
8.	SBI 7201	KABIR ANTHEST	2,83,040.00	2,83,040.00	NIL
9.	UBI 2247	OFFICE DEVP.	1,74,674.00	1,74,674.00	NIL
10.	UBI 3528	NULM	81,45,837.36	8156,957.36	11,120.00
11.	UBI 3545	SOCIAL SECURITES	28,33,175.77	28,33,175.77	NIL
12.	UBI 3623	BUILDING MAP FEE	34,01,341.00	3401,341.00	NIL
13.	UBI 3672	HFA	39,03,138.00	39,03,138.00	NIL
14.	TRESURY PLA-1090002		17,53,86,393.86	19,58,28,944.86	2,04,42,551.00
<b>Closing Balance as ON 31<sup>ST</sup> March 2019</b>			<b>21,12,00,987.74</b>	<b>23,27,74,618.74</b>	
<b>Difference</b>					<b>2,15,73,631.00</b>

➤ Difference of Rs.2,15,73,631.00/- is unidentified, Since BRS is not being prepared by the concerned staff.



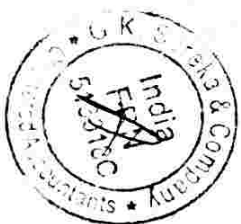
IV. Revenue & Capital Receipts

Income Details (Amounts to be provided in Rupees)		2017-18		2018-19		2019-20	
		2017-18	2016-17	2018-19	2017-18	2019-20	2018-19
S. No.	Det a/c						
	<b>Total Receipts (A+B)</b>	<b>7,62,74,123.35</b>	--do--	<b>12,15,59,345.72</b>		<b>7,62,74,123.35</b>	
<b>A</b>	<b>Revenue Receipts (1+2+3)</b>	<b>2,91,16,494.35</b>	--do--	<b>5,67,51,528.82</b>		<b>2,91,16,494.35</b>	
<b>1</b>	<b>Own Revenue Receipts (a+b)</b>	<b>1,64,52,492.75</b>	--do--	<b>1,02,99,742.00</b>		<b>1,64,52,492.75</b>	
<b>a)</b>	Tax Revenue (levied and collected by municipal body)	<b>1,46,71,160.75</b>	--do--	<b>91,50,234.00</b>		<b>1,46,71,160.75</b>	
<b>i)</b>	Property Tax	1,29,86,286.75	--do--	74,11,255.00		1,29,86,286.75	
<b>ii)</b>	Other Tax (levied and collected by municipal body)	16,84,874.00	--do--	17,38,979.00		16,84,874.00	
<b>b)</b>	Non-Tax Revenue (levied and collected by municipal body)	<b>17,81,332.00</b>	--do--	<b>11,49,508.00</b>		<b>17,81,332.00</b>	
<b>i)</b>	Fees & Fines	1,04,411.00	--do--	4,73,855.00		1,04,411.00	
<b>ii)</b>	User Charges	33,900.00	--do--	2,95,376.00		33,900.00	
<b>iii)</b>	Other non-tax revenue (levied and collected by municipal body)	16,43,021.00	--do--	3,80,277.00		16,43,021.00	
<b>2</b>	<b>Other Revenue Receipts</b>	<b>34,05,426.60</b>	--do--	<b>17,13,798.00</b>		<b>34,05,426.60</b>	
<b>a)</b>	Income from interest/investments	14,72,283.60	--do--	13,97,151.00		14,72,283.60	
<b>b)</b>	Other Revenue Income	19,33,143.00	--do--	3,16,647.00		19,33,143.00	
<b>3</b>	<b>Transfers/ Grants/ Assigned Revenues</b>	<b>92,58,575.00</b>	--do--	<b>4,47,37,988.82</b>		<b>92,58,575.00</b>	
<b>a)</b>	State Assigned Revenue	--	--do--	--		--	
<b>b)</b>	State Finance Commission (SFC) Grants/Devolution	--	--do--	--		--	
<b>c)</b>	Octroi Compensation	--	--do--	--		--	
<b>d)</b>	Other State Government Transfers	81,39,040.00	--do--	11,54,440.00		81,39,040.00	
<b>e)</b>	Central Finance Commission (CFC) Grant	--	--do--	--		--	
<b>f)</b>	Other Central Government Transfers	11,19,535.00	--do--	6,79,579.00		11,19,535.00	
<b>g)</b>	Others	--	--do--	4,29,03,969.82		--	
<b>B</b>	<b>Capital Receipts</b>	<b>4,71,57,629.00</b>	--do--	<b>6,48,07,816.90</b>		<b>4,71,57,629.00</b>	
<b>1</b>	Sale of Municipal Land	--	--do--	--		--	
<b>2</b>	Loans (from State Govt. or Banks etc.)	--	--do--	--		--	
<b>3</b>	State Capital Account Grant (under Central Schemes etc.)	3,16,33,111.00	--do--	4,26,97,712.00		3,16,33,111.00	
<b>4</b>	Central Capital Account Grant (under Central Schemes etc.)	1,55,24,518.00	--do--	2,21,10,104.90		1,55,24,518.00	
<b>5</b>	Others	--	--do--	--		--	



Expenditure Details ( Amounts to Be provided in Rupees)

S. No.	Det ails	2017-18		2018-19		2019-20	
		2017-18	2016-17	2018-19	2017-18	2019-20	2018-19
	<b>Total Expenditure (1+2)</b>	<b>7,56,43,919.95</b>	Not Available	<b>10,96,52,551.60</b>	<b>7,56,43,919.95</b>	Not Available	<b>10,96,52,551.60</b>
<b>1</b>	<b>Revenue Expenditure</b>	<b>3,63,07,408.00</b>	--do--	<b>4,15,42,051.15</b>	<b>3,63,07,408.00</b>	--do--	<b>4,15,42,051.15</b>
1.1	Administrative Expenses, Establishment and Salaries (All Departments- Regular and Contractual Staff)	3,10,01,574.00	--do--	3,72,64,807.45	3,10,01,574.00	--do--	3,72,64,807.45
1.2	Operation and Maintenance (O&M)	37,33,847.00	--do--	39,80,348.00	37,33,847.00	--do--	39,80,348.00
1.3	Loan Repayment (Interest payments)	-	--do--	-	-	--do--	-
1.4	Others ( any other revenue expenditure which is not salaries O&M or Interest Payment)	15,71,987.00	--do--	2,96,895.70	15,71,987.00	--do--	2,96,895.70
<b>2</b>	<b>Capital Expenditure</b>	<b>3,93,36,512</b>	--do--	<b>6,81,10,500.45</b>	<b>3,93,36,512</b>	--do--	<b>6,81,10,500.45</b>
2.1	All developmental works under Central/ State specific schemes	3,36,48,643.00	--do--	5,76,63,743.00	3,36,48,643.00	--do--	5,76,63,743.00
2.2	Loan Repayment (Principal Amount)	-	--do--	-	-	--do--	-
2.3	Other Capital Expenditure	56,87,869.00	--do--	1,04,46,757.45	56,87,869.00	--do--	1,04,46,757.45



## VI. Status of Implementation of Double Entry Accounting System

As suggested by the C&AG, the Ministry of Finance, Government of India has introduced a "National Municipal Accounts Manual" for adoption of accrual system of accounting system of accounting of ULBs. Based on NMAM, Bihar Municipal Accounts Manual (BMAM) has been got prepared by the Government of Bihar and has been enforced from April 1, 2007. Generally ULB following cash based accounting system which is only detail of total collection and expenses as per provision of BMR 2007, the double entry system should be employed to all ULB.

- Till date Double Entry Accounting System is operational in the Nagar Parishad.
- Till date a Chartered Accountant firm (Vinod Singhal & Co.) has been appointed by the UD & HD for implementation of Double Entry Accounting System in the Nagar Parishad.

## VII. Status of Municipal Accounts Committee; if meeting held

As per section 98 of Bihar Municipal Act, 2007, it is necessary for the Municipality to constitute a Municipal Accounts Committee at its first meeting in each year or as soon as may be at any meeting subsequent thereto, but **No Municipal Accounts Committee** has been constituted by the N.P. till the date of our audit.



## 5. Audit Observations

### I. PART- A

All audit objections/ irregularities which has monetary implication, particularly in following areas:

- a. Leakage of own source revenue either due to wrong assessment or non- levy of property tax, mobile tower tax, rent on municipal properties, advertisement tax fees etc.**

#### **Audit Objective:**

Report and quantify all major own revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairatetc;

- 1. Property Tax and other revenue receipts are not deposited by tax collectors to the cashier by 4:30 PM on the same Day.**

#### **Criteria:**

Collections should be deposited in to bank on the same day. (Rule-27)

All moneys to be brought to account. (Rule 22)

#### **Condition:**

Revenue collection process is not satisfactory; in case of property tax internal control is not adequate. We have observed that Property Taxes collected by tax collector were not deposited on the same day or the day after tomorrow but it is being deposited after a week/two week

- i. Reconciliation of property tax collection by tax collector and amount deposited into bank is also not available.
- ii. Tax demand register has not been provided for verification, in such a situation we cannot ascertain the actual tax demanded/dues which can be recovered from a single tax payer. This could be a huge loss to Nagar Parishad.

#### **Consequence / Effect / Impact:**

As per Rule 27 of BMAR it should be deposited on daily basis otherwise a penalty up to Rs. 5000/- may be imposed for delayed deposit.

#### **Cause:**

Non-compliance of BMAR by tax collectors and failure to remit collections to cashier by 4:30 PM on the same day.

#### **Corrective Action / Recommendation:**

Tax collectors are needs to follows the BMAR and remit the collections to cashier by 4:30 PM on the same day.



**2. Irregularities in Mobile Tower Collection Criteria:**

Registration Fees per tower @ Rs. 40,000/- and annual renewal fees @ Rs.10, 000/- per annum to be collected. If more than 1 antenna is placed on the tower then an extra registration and renewal fees @ 60% per annum will be collected. Moreover a late fine at 1.5% would be imposed in case of delay in collection after first month of the financial year. Further after every 5 years renewal fees have to be increased by 25%.

Further as per Rule 6(9) of Bihar Communication Towers and Related Structures Rules 2012, in case arrears of registration fees and/or renewal fees for any tower, the municipality reserve the right to seal the tower until the payment is received in full along with accrued interest.

**Condition**

Tower tax (Registration and Renewal Fees) is not being collected by Nagar Parishad except from towers of Reliance Jio and no demand register for tower tax has been prepared. Nagar Parishad has not made any efforts for collection of tower tax.

**Consequence/Effect/Impact:**

Due to no collection of Tower tax there is a huge revenue loss to the Nagar Parishad.

**Cause:**

This happens due to non-monitoring the working activities of concerned authorised personal on regular basis.

**Corrective Action/ Recommendation:**

There should be proper records of mobile tower rent demand/ collection/ arrear and proper mechanism for supervision and monitoring for collection.

**3. Non Collection of Advertisement Tax: Criteria:**

Advertisement Taxes, in case auctioned to external agencies, shall be recognized as per the terms of agreement. In all other cases, when permission for advertisement is granted for the first time, the Advertisement Tax shall be accrued at the point when tax is paid and permission is granted. After the first year, Advertisement Tax shall be accrued when renewal is due.

**Condition**

➤ Nagar Parishad is not collecting any advertisement tax.

**Consequence/Effect/Impact:**

Due to no collection of advertisement tax there is a huge revenue loss to the Nagar Parishad.



**Cause:**

This is happens due to failure of designated staff and non-monitoring of authorised officials on timely basis.

**Corrective Action/ Recommendation:**

There should be proper collection and monitoring mechanism for advertisement tax.

**4. Irregularities in Shop Rent Collection:**

**Criteria:**

Revenues in respect of rents from properties shall be accrued based on terms of agreement. All rent should be collected on due date otherwise it should be collected with penalty and interest.

**Condition:**

**Shop rent is not being collected on timely basis. Overdue amount upto 31.03.2018 was Rs.2, 61,969/- after that for FY 2018-19 updated record not given to us, so outstanding under shop rent could not be ascertained.**

**Consequence/Effect/Impact:**

Due to no collection of rent on regular basis there is a huge revenue loss to the Nagar Parishad.

**Cause:**

This is happens due to non-monitoring of designated staff and of authorised officials on timely basis.

**Corrective Action/ Recommendation:**

There should be proper collection and monitoring mechanism for shop rent.

**b. Excess payment against bill, lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULBs**

- Reported in the report elsewhere, if otherwise found.



**c. Report on findings of field survey of Property Tax of minimum 20 high value properties per year**

SR. NO	NAME	FATHERS NAMES	WA RD NO.	TYP E OF CON St	TYPE OF USES	TYP E OF RO AD	CARP ET AREA	ANNUA L VALUE	ANNUA L TAX	REMARKS OF AUDITOR
1.	SHIV KUMARI DEVI	LATE. SURAJ NANDAN	22	RCC	RES./COM.	B	1640	1,10,790	9,973	No Variance found
2.	SURAJ NANDAN SAHAY	LATE. GURU NANDAN SAHAY	22	RCC	RESIDENTIAL	B	1640	68,880	6,200	No Variance found
3.	RACHUNATH SINGH	LATE. BIDESHI SINGH	22	RCC	RES./COM.	A	2040	96,570	8,692	No Variance found
4.	RAMESH NANDAN SAHAY	LATE. ALAKH NANDAN SAHAY	22	RCC	COMMERCIA L	B	3747	2,43,614	21,926	No Variance found
5.	ANIL KUMAR BIBHUTI& OTHER	LATE. RAJENDRA PRASAD BIBHUTI	22	RCC	RES./COM.	A	3060	1,58,040	14,224	No Variance found
6.	BRJUNANDAN PRASAD	RAM CHANDRA PRASAD	25	RCC	RESIDENTIAL	C	3264	32,640	3,219	No Variance found
7.	ANIL KUMAR	RAM CHANDRA SINHA	25	RCC	RES./COM.	A	4450	1,17,000	10,531	No Variance found
8.	KUSUM DEVI	RAMBABU RAY	25	RCC	RES./COM.	A	1550	69,150	6,224	No Variance found
9.	DEONATH RAM	LATE. SITA RAM	25	RCC	RES./COM.	A	1290	59,985	5,399	No Variance found
10.	SALIM KHAN	LATE. MD.HASIM KHAN	25	RCC	RES./COM.	A	340	15,300	1,376	No Variance found
11.	DAMYANTI DEVI	LATE. RAJENDRA PRASAD BIBHUTI	26	RCC	COMMERCIA L	A	2000	72,000	6,823	No Variance found
12.	SUJIT KUMAR	NIRMAL KUMAR	26	RCC	COMMERCIA L	A	1570	1,62,000	14,581	No Variance found
13.	ANOOP KUMAR ROY	LATE. DIN DAYAL PANDEY	26	RCC	RES./COM.	A	3870	1,47,525	13,278	No Variance found
14.	NIRMALA DEVI	SHANKAR LAL GOPE	26	RCC	RES./COM.	A	1700	99,750	8,979	No Variance found
15.	BIRENDRA KUMAR	LATE. NATHUNI SINGH	26	RCC	RES./COM.	A	853	52,836	4,755	No Variance found
16.	AIIMS RESIDENTIAL BUILDING		27	RCC	RESIDENTIAL	A	68985	30,70,148	7,87,051	No Variance found
17.	TEJ NARAYAN SINGH	LATE. RAM JIWAN SINGH	27	RCC	RES./COM.	A	2700	1,04,175	9,376	No Variance found
18.	ALOK KUMAR	LATE. JANARDAN SINGH	27	RCC	RESIDENTIAL	A	3350	70,350	6,332	No Variance found
19.	RAJ KUMAR SHARMA	LATE. RAM SWARUP SHARMA	27	RCC	RES./COM.	A	2000	122250	11,363	No Variance found
20	BAIKUNTH SINGH	SHYAM NARAYAN SINGH	5	RCC	RESIDENTIAL	B	1269	25,380	2,171	No Variance found



## II. PART-B

All audit objections/ irregularities which have no monetary implication, but significant violation of Act, Rules & directives of UD & HD. Mention the reference Act & Rules wherein remedial measures is required. In this part auditor should report in respect of -

### a. Non- maintenance of books of accounts , subsidiary registers

S.No.	Particulars	Status
1.	Ledger Book	Not Maintained
2.	Grant Register	Not Maintained
3.	Payroll Register	Not maintained
4.	Log Book	Not Provided
5.	Demand and Collection Register	Not Maintained
6.	Assessment Register	Not Provided
7.	Tower Demand Register	Not maintained
8.	Fixed Asset and Inventory Register	Not maintained
9.	Advance Register	Not maintained
10.	Advertisement tax register	Not maintained

### Recommendation:

*We recommend to the Nagar Parishad to Prepare and update the required books and registers.*

### b. Irregularity in procurement process

➤ No major irregularity observed.

### c. Non-compliance of directives by UD &HD , GOB

We observed several non-compliances of directives of UD & HD, GOB such as:

- i. Non collection of various taxes required to be collected.
- ii. Non maintenance of prescribed books of accounts
- iii. Non submission of UC and other reports on timely basis etc.

### Recommendation:

*We recommend to the Nagar Parishad to follows all directives issued by UD&HD and GOB.*



**d. Non Compliance of Act & Rules**

As per Section 127 of the Bihar Municipal Act , the Municipality can levy the following taxes:-

- i. Property tax on lands and buildings.
- ii. Surcharge on transfer of lands and buildings,
- iii. Tax on deficit in parking spaces in any non-residential building,
- iv. Water tax,
- v. Fire tax,
- vi. Tax on advertisements, other than advertisements published in newspapers,
- vii. Surcharge on entertainment tax
- viii. Surcharge on electricity consumption within the municipal area,
- ix. Tax on congregations,
- x. Tax on pilgrims and tourists, and
- xi. Toll -
  - a) on roads, bridges, ferries and navigable channel and
  - b) on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles, within the meaning of the Motor Vehicles Act, 1988, plying on a public street.
- xii. Tax on profession

We observed that only property tax, partial tower tax and shop rent has been collected during the year, other taxes have not been collected.

***New Assessment has not been done since long and holding tax is being collected at old rates.***

**Recommendation:**

*We recommend to the Nagar Parishad to levy the above taxes and user charges, Nagar Parishad should comply all Act and rules of Bihar Municipal Act and Rules and carry out proper collection of various revenue source along with timely assessment of these revenue as per Act and Rule.*

**e. Lack of internal Control measures**

- 1) There is lack of internal control w, r.t collection of taxes.
- 2) Demand collection Register has not been prepared hence it is not possible to ascertain total arrear of taxes
- 3) Taxes collected by tax collector are not deposited on daily basis we observed



that it is being deposited after significant interval which is not proper. As per Rule 27 of BMAR it should be deposited on daily basis otherwise a penalty up to Rs. 5000/- per day may be imposed for delayed deposit.

- 4) Reassessment of holding tax has not been done since long and holding tax is being collected at old rates. Due to collection of revenue on old rates there is significant loss the N.P. Quantification of loss is not possible at this point of time.
- 5) Advertisement Tax is not being levied by the N.P as a result there is a loss to the N.P of advertisement tax amount.
- 6) Tower tax (Registration and Renewal Fees) is not being collected except from towers of Reliance Jio.
- 7) Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof.

**Recommendation:**

*We recommend to the Nagar Parishad to comply with the above mentioned internal controls weakness for fair presentation of financial position.*

**f. Non-compliance of TDS, VAT and other relevant Statute**

- Nagar Parishad is not regular in deduction and deposit of TDS. On deduction of TDS, liability is not created hence it is difficult to ascertain tax payable at any point of time. TDS are collected from time to time but its payments are made on yearly basis which is not proper.

**Recommendation:**

*We recommend to the Nagar Parishad to comply with the above mentioned all statutory collection and deposit in respective concern official department.*

**g. Deficiency in Pay-roll System**

- There is no record of payroll.

**Recommendation:**

*We recommend to the Nagar Parishad to to maintained all record related to payroll compliance and provide these record for audit purpose.*

**h. Utilization of Grant and report on missing Utilization Certificates**

- Grant Register has not been prepared hence it is difficult to ascertain unutilized grant at any particular time.

**Recommendation:**

*We recommend to the Nagar Parishad to maintained all grant register and*



provide me that we can can help or assist to Nagar for preparation of utilization certificate.

**i. Physical verification of inventory/Stores**

Store Register has not been prepared and physical verification of inventory/stores has also not been done.

**Recommendation:**

*We recommend to the Nagar Parishad to prepare the store/inventory register.*

**j. Advances, their adjustment & recovery**

**Advance Payment**

**Criteria:**

The employees of the Municipality to whom official advances are provided for incurring expenditure on behalf of the Municipality shall prepare a Payment Order for the expenditure incurred as soon as the purpose for which the advance was provided is accomplished.

**Condition:**

Advance Register is not prepared hence it is difficult to monitor for advances given and adjustment thereof. However, the list of advance outstanding with staff has been provided as under:

**Recommendation:**

*We recommend to the Nagar Parishad to maintained register related to advances given to staffs.*

**k. Any other matters as may be prescribed in due course.**

- Manpower of Nagar Parishad is not adequate equipped with required knowledge.

**Recommendation:**

*We recommend to the Nagar Parishad to employ increase the accountants team having required knowledge.*



### III. PART- C

8. Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GOB; Auditor should see the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.

➤ We observed several compliances and non-compliances of directives of UD & HD, GOB such as:  
**Chapter-IX: Financial Management of Municipalities**  
Keeping in view the classification of municipal areas under section 7, the receipts and expenditures of the Municipality has not been kept under the Proper heads of accounts, including those for water-supply, drainage and sewerage, solid waste management, road development and maintenance, Building development and maintenance and slum services, commercial projects and other account heads as specified and the general account head, in such manner, and in such Form, as prescribed.

#### **Chapter-X: Application of Municipal Fund**

Records for Power to incur expenditure within specified limits of the Municipality have been provided to us. The state fund grants received during the year were specifically mentioned the purpose of their utilisation.

#### **Chapter-XI: Budget Estimates**

No irregularities observed in preparation and presentation of budget estimate for the FY 2018-19

#### **Chapter XII: Accounts and Audit**

Books and Accounts of the Nagar Parishad havenot been maintained as per Municipal Accounting Manual. However, the Nagar Parishad is maintaining Books of Accounts on Tally from FY 2018-19 but Tally is not based on Accrual basis and also inefficient.

#### **Chapter-XIII: Municipal Property**

We were not provided with the Fixed Assets Register for the FY 2018-19 for verification.

#### **Chapter-XIV: Borrowings**

No borrowings availed by Nagar Parishad.

#### **Chapter-XV: Municipal Revenue**

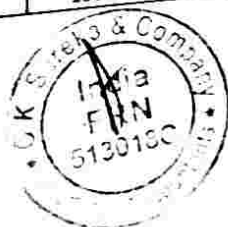
Revenue collection process is not satisfactory; in case of property tax internal control is not adequate. We have observed that Property Taxes collected by tax collector were not deposited on the same day or the day after tomorrow but it is being deposited after a week/month.

1. Tax demand register has not been provided for verification, in such a situation we cannot ascertain the actual tax demanded/dues which can be recovered from a single tax payer. This could be a huge loss to Nagar Parishad.

- Holding tax collected during the financial year 2018-19 had been deposited in full. Collection of holding tax was done by tax collector Ravi Ranjan Kumar Rs.3795609.00 and by Kaushlesh Kumar Singh Rs.3648488.00.
- Signature of tax depositor is not taken by Tax collector on the tax collection receipt.
- Tower tax (Registration and Renewal Fees) is not being



	<p>collected except from Reliance Jio tower. Amount due under tower tax could not ascertain by us due to non-availability of record.</p> <ul style="list-style-type: none"> <li>• Nagar Parishad is not collecting any advertisement tax.</li> </ul> <p>Taxes have not been collected from 7 wards (i.e.2,3,11,12,13,14,15) of Nagar Parishad out of total 27 wards. Reportedly these 7 wards come under the railway, so ULB not collecting tax. No evidence has been placed before us to know the reason for non-collection oftax under these wards.</p>
<p>b. Auditor should Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any inconsistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;</p>	<p>Field survey of 80 high value properties has been conducted by us and our report as annexed in Part-APoint-3 of this report.</p>
<p>c. Auditor should Report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR</p> <p>a) Rule 22: All moneys to be brought to account</p> <p>b) Rule: 27: Collections to be deposited into Bank on the same day</p> <p>c) Rule 69: Grant Related Compliance</p> <p>d) Rule 120-121: Monthly Receipt &amp; Payment Account and Trial Balance</p> <p>Rule 130: Audit to be completed &amp; reported within 6 month</p>	<p>➤ As suggested by the C&amp;AG, the Ministry of Finance, Government of India has introduced a "National Municipal Accounts Manual" for adoption of accrual system of accounting system of accounting of ULBs. Based on NMAM, Bihar Municipal Accounts Manual (BMAM) has been prepared by the Government of Bihar and has been enforced from April 1,2007. Generally ULB following cash based accounting system which is only detail of total collection and expenses as per provision of BMR 2007, the double entry system should be employed to all ULB.</p> <ul style="list-style-type: none"> <li>• Till date Double Entry Accounting System is operational in the Nagar Parishad.</li> <li>• Internal control for collections of revenue from internal sources is not adequate such as : <ul style="list-style-type: none"> <li>i. Demand register is not maintained.</li> <li>ii. All collections are not deposited in bank account on same day.</li> <li>iii. Monthly Receipt &amp; Payment Account and Trial Balance has been prepared.</li> </ul> </li> </ul> <p>Audit of accounts is completed and report has not been submitted within 6 month.</p>
<p>d. Report on compliance of financial guidelines of schemes of MOHUA and UD &amp; HD, GoB.</p>	<p>➤ Separate details of schemes of MOHUA (Ministry of Housing and Urban Affair) and UD&amp;HD (Urban Development and Housing Department) not provided to us for Report on compliance of financial guidelines.</p>
<p>e. Auditor should Report and quantify all major own revenue losses and opportunities lost or missed including in the area of</p>	<p>➤ Revenue collection process is not satisfactory; in case of property tax internal control is not adequate. We have observed that Property Taxes collected by tax collector were not deposited on the same day or the day after tomorrow</p>



Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairatetc;

but it is being deposited after a week/more than a week.

2. Tax demand register has not been provided for verification, in such a situation we cannot ascertain the actual tax demanded/dues which can be recovered from a single tax payer. This could be a huge loss to Nagar Parishad.

- Holding tax collected during the financial year 2018-19 had been deposited in full. Collection of holding tax was done by tax collector Ravi Ranjan Kumar Rs.3795609.00 and by Kaushlesh Kumar Singh Rs.3648488.00.
- Due to delay in deposit of property tax amount Nagar Parishad has suffer the opportunity loss of interest.
- Tower tax (Registration and Renewal Fees) is not being collected except from Reliance Jio tower.
- Nagar Parishad is not collecting any advertisement tax.

Records of shop rent maintained as per required norms but are not being collected on timely basis.

No irregularities observed on test check basis.

**f. Auditor should Report on adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments above Rs.10, 000 and above.**

**g. Auditor should Report on Procurement made including through E- Tendering and E- Auction indicating exceptions , if any and whether a register is kept for all Procurements with value above Rs. 15,000/-**

No register is kept for all procurement with value above Rs. 15000/- by Nagar Parishad.However we verified some procurement made during the year and observed that quotations not held in procurement file.

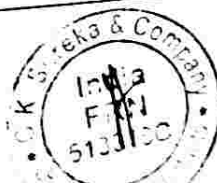
**h. Auditor should Report on presence or absence of a system of issuance of utilisation certificate for the different schemes for any utilisation made during the reporting period; Where there is no system for issuance of U/Cs, the Internal Audit report shall prepare Utilisation Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.**

Grant register not made available to us. So, we are unable to provide detail of non-submitted UCs.

**i. Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.**

**Instances of losses, failures or inefficiencies**

- In case of property tax internal control is not adequate. We have observed that Property Taxes collected by tax collector were not deposited on the same day or the day after tomorrow but it is being deposited after a week/month.
- Tax demand register has not been provided for verification, in such a situation we cannot ascertain the actual tax demanded/dues which can be



recovered from a single tax payer. This could be a huge loss to Nagar Parishad.

- Tower tax (Registration and Renewal Fees) is not being collected except Reliance Jio towers.
- Nagar Parishad is not collecting any advertisement tax.

**Recommendations and/or measures which can be taken to avoid their recurrence in future.**

Proper monitoring of all transactions and implementation of Bihar Municipal Accounting Manual by authorised personals are recommended.

**j. Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.**

**k. Auditor will report on that the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period.**

No such FD.s held by Nagar Parishad.

**l. Internal Auditor will identify major areas of ULBs own revenue loss and auditor will access the loss and Prepare a statement of loss.**

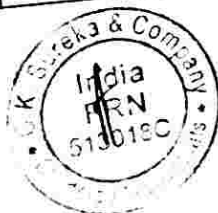
S. No.	Particulars	Amount	Reason
1	Property Tax	-	Short Deposit against collections.
2	Tower Tax	-	Non-Recovery in collection.
3	Shop Rent	261969.00	Non-collections.
4	Advertisement Tax	-	Nagar Parishad is not collecting any advertisement tax.

**m. Auditor will report on that all kind of tax deductions i.e. Commercial tax, Income tax, provident fund etc. Should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.**

Nagar Parishad had been deducted TDS but not deposited properly Further, Nagar Parishad did not file Quarterly TDS Return.

**n. Internal Auditor will ensure that all the C&AG audit & internal audit Paras has been complied by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.**

➤ Compliance of AG Audit Report is not done and Internal Audit Report not provided to us, so we are unable to check for compliance.



**General Observations: Auditor should report the deficiencies noticed during their audit and recommend ULB Management to improve internal systems.**

- Manpower of Nagar Parishad is not adequate and equipped with required knowledge.

Place: Patna  
Date.

**For G.K. Sureka & Co.**  
Chartered Accountants  
FRN.-513018C

(CA. Gagan Kumar Sureka)  
Partner  
M.N.-091380

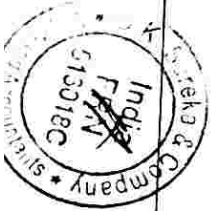
UDIN: 20091380AAAA DY4259

Date: 24-06-2020

Discussion Note for Internal Audit observation of FY 2018-19

Discussion has been made with the audit manager of the internal audit Firm M/s G.K. Sureka & Co. on the Internal Audit observations of the financial year 2018-19 and we kept in mind and follow their recommendations and suggestions on the areas of process and control weakness in best manner. Some of the serious issues have been given below:

S. No	Audit Observations	Reply of Management
1.	Copy of Internal audit report of FY 2016-17 has not been available to us for verification and to know status of compliance of outstanding audit paras.  Compliance of C&AG Audit Report is pending, please provide status for the same.	Will be provided soon.
2.	Bank Reconciliation statement has not been prepared on regular intervals. i.e. Monthly/Quarterly,  Account and Scheme wise Bank reconciliation not prepared and corresponding Book Balance and Pass balance not provided of respective accounts.	Preparation of Bank Reconciliation Statement is in progress. It will be provided as soon as possible.  <i>Already done (BRS).</i>
3.	ULB has not maintained subsidiary cash book.  We recommend to the ULB to maintain scheme wise subsidiary cashbook.	Preparation of subsidiary book is in progress.  <i>Subsidiary cash book already available.</i>



4.	Implementation of DEAS at ULB for the FY 2018-19.		DEAS team has been appointed by the concerned department. Implementation of DEAS is in progress, and pending for approval.
5.	Constitution of "Municipal Accounts Committee" is pending yet.		We are working on the constitution of Municipal Accounts Committee. <i>FY (2019-20) onwards</i>
6.	<p>a. Reconciliation of property tax collection by tax collector and amount deposited into bank is also not available.</p> <p>b. Tax demand register has not been provided for verification, in such a situation we cannot ascertain the actual tax demanded/dues which can be recovered from a single tax payer. This could be a huge loss to ULB.</p> <p>c. Property Tax should be deposited on daily basis otherwise a penalty up to Rs. 5000/- may be imposed for delayed deposit.</p> <p>d. Taxes have not been collected from 7 wards (i.e.2, 3, 11, 12, 13, 14, 15) of Nagar Parishad out of total 27 wards. Reportedly these 7 wards comes under the railway, so they are not collecting taxes in these wards. No evidence has been placed before us to know the reason for not collecting the Taxes under these wards.</p>		<p>a) Noted for further compliance.</p> <p>b) Noted for further compliance.</p> <p>c) Noted for further compliance.</p> <p>d) Noted for further compliance.</p>
7.	Tower tax (Registration and Renewal Fees) is not being collected on timely basis. Demand Register for tower tax not maintained by NP Khagaul.		<p>Notice will be issue to the concerned person, as and when stay order of High Court will be laps/remove. Noted for further compliance. <i>Register under preparation. Tower tax is being demanded on priority.</i></p>



<p>8. ULB is not collecting any advertisement tax.</p>	<p>We are working on it. Department is also waiting on drafting of advertisement tax.</p>																					
<p>9. Demand Register for shop rent has not being maintained by ULB. Uncollected shop rent for the year 2017-18 was Rs. 2,61,969.00 /-, during FY 2018-19, no any demand has been raised by the ULB.</p>	<p>Maintenance of Demand Register for shop rent is in progress and it will be provided from next time. Notice to be issued to the concerned shop tenant. Shops street demand register has been prepared &amp; shown to informant. Mushin.</p>																					
<p>10. Records of sairats have not been properly maintained.</p>	<p>Noted for further compliance. IS under preparation.</p>																					
<p>11. Non-maintenance of books of accounts , subsidiary registers</p> <table border="1" data-bbox="119 212 574 1176"> <thead> <tr> <th>S.No.</th> <th>Particulars</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Ledger Book</td> <td>Not Maintained</td> </tr> <tr> <td>2.</td> <td>Grant Register</td> <td>Not Maintained</td> </tr> <tr> <td>3.</td> <td>Payroll Register</td> <td>Not properly maintained</td> </tr> <tr> <td>4.</td> <td>Log Book</td> <td>Not Provided</td> </tr> <tr> <td>5.</td> <td>Demand and Collection Register</td> <td>Not Provided</td> </tr> <tr> <td>6.</td> <td>Assessment Register</td> <td>Not Provided</td> </tr> </tbody> </table>	S.No.	Particulars	Status	1.	Ledger Book	Not Maintained	2.	Grant Register	Not Maintained	3.	Payroll Register	Not properly maintained	4.	Log Book	Not Provided	5.	Demand and Collection Register	Not Provided	6.	Assessment Register	Not Provided	<p>We are working on the preparation of Subsidiary books and Register, few of them is prepared. Details as bellow. under preparation Assessment register not available since 2013-14.</p>
S.No.	Particulars	Status																				
1.	Ledger Book	Not Maintained																				
2.	Grant Register	Not Maintained																				
3.	Payroll Register	Not properly maintained																				
4.	Log Book	Not Provided																				
5.	Demand and Collection Register	Not Provided																				
6.	Assessment Register	Not Provided																				



<p>12. ULB is not preparing its books of accounts using the accrual system of accounting.</p>	<p>DEAS team has been appointed by the concerned department for this and they are working on this.</p>
<p>13. We observed that only above mentioned tax/Fee has been collected during the year other taxes have not been collected. i.e. a. Surcharge on transfer of lands and buildings, b. Tax on deficit in parking spaces in any non-residential building, c. Water tax, d. Fire tax, e. Tax on advertisements, other than advertisements published in newspapers, f. Surcharge on entertainment tax g. Surcharge on electricity consumption within the municipal area, h. Tax on congregations, i. Tax on pilgrims and tourists, and j. Toll -on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles, within the meaning of the Motor Vehicles Act, 1988, plying on a public street.  New Assessment of property tax has not been done since long and holding tax is being collected at old rates.</p>	<p>We are working on it. Taxes and fines will be charged/ collected as soon as possible.  Sham duty / Building fee is being assigned to us.  Under departmental consideration - Subsumed under GST. - Bihar government decision - Khasam has no site for pilgrims etc.</p>
<p>14. Nagar Parishad is not regular in deduction and deposit of TDS. On deduction of TDS, liability is not created hence it is difficult to ascertain tax payable at any point of time. TDS are collected from time to time but its payments are made on yearly basis which is not</p>	<p>It will be followed from next time. Short Deposit of taxes will be deposited soon. Statutory compliance in-1705 g GST is coming up</p>



<p><b>15. Deficiency in Pay-roll System</b></p> <ol style="list-style-type: none"> <li>1) The pay-roll system does not contain leave details of employee.</li> <li>2) Contribution of permanent employees and employer towards ESI has not being made.</li> <li>3) PF account has not been opened with PF department of all the permanent employees.</li> </ol>	<p>We are implementing recommendation which has given by Internal Auditor.</p> <p>- ESI not applicable</p> <p>- As per municipal servant. Rule 1987 PF Act file opened with Nationalised bank.</p>
<p><b>16.</b> Grant Register has not been prepared hence it is difficult to ascertain unutilized grant at any particular time.</p> <p>We recommend to the ULB to provide the grant register for assist in preparation of utilization certificate.</p>	<p>Preparation of Grant Register is in progress.</p> <p>Utilization Certificate of respective grant will be prepared and submitted to the concerned department as soon as such grant utilized. Help of Internal Auditor will be taken, if required.</p>
<p><b>17.</b> Store Register has not been prepared and physical verification of inventory/stores has also not been done.</p> <p>Procurement register also not maintained by the concerned ULB.</p>	<p>Store and procurement register is prepared but not maintained, we are working on it.</p> <p>It is available in ULB.</p>
<p><b>18.</b> Advance Register is not being prepared hence it is difficult to monitor for advances given and adjustment thereof.</p>	<p>It will be followed from next time.</p> <p>Work in progress.</p>
<p><b>19.</b> Staff strength of accounts department needs to be increased.</p>	<p>Yes, I will place this matter in meeting board/committee.</p> <p>Permanent recruitment of UGs has been withheld.</p> <p>on contract basis, private agency TPOs has been hired.</p>



<p>20. Separate details of schemes of MOHUA (Ministry of Housing and Urban Affairs) and UD&amp;HD (Urban Development and Housing Department) not provided to us for Report on compliance of financial guidelines.</p>	<p>It will be provided from next time.</p>
<p>21. Internal control measure has not been consider by concerned ULB for its operation and transaction.</p>	<p>We are working on the recommendations made by the Internal Auditor.</p>
<p>22. List of directive issued by UD&amp;HD, GOB has not been provided to us for verification of same regarding compliances.</p>	<p>It will be provided from next time.</p>

Date:  
Place:



*Saurabh*  
10/02/2020  
For Nagar Parishad Khagaul  
(Executive Officer)