

INTERNAL AUDIT REPORT

OF ULB

**(SAGAUDI)
FOR THE PERIOD**

01/04/2018 TO 31/3/2019

CONDUCTED BY

**M/s R. N. Singh & Co.
208, Hem Plaza, Fraser Road
Near Dak Bunglaw Chauraha,
Patna – 800001**

**From 05-07-2019 to 17-07-2019
Report Issued on 16th August 2019**

Executive Summary

1. INTRODUCTION

Name of the Municipality	Nagar Panchayat Sagauli
Period covered under current audit	Annual 2018-19
Name of Executive Officer for the period under Audit.	Mr Ranjit kumar

2. Results and Findings

a. Strengths observed during the audit engagement:

- (a). All vouchers have supporting documents.
- (b) Office infrastructure was sufficient for operation.
- (c) Response from officer & Staff were satisfactory.
- (d) Main cash book has been maintained.
- (e) Subsidiary cash books has been maintained.

b. Weaknesses observed in the functioning of office, maintenance of records etc. during the audit engagement:

- (a) Bank Reconciliation Statement has not been prepared by the ULB.
- (b) Double Accounting System has not been followed whereas accounting has been made on single entry system.
- (c). Fixed Assets Register has not been maintained.
- (e). Advance Register has not been maintained.
- (f). Stock Register has not been maintained.
- (g). Daily collection register (Revenue receipt wise) has not been maintained.
- (h). TDS, VAT, Royalty and Labour Cess have been deducted but it has not been deposited till date. Therefore, TDS Return has not been filled till date. As per Income Tax Act 1961, penalty may be levied on ULB, as it is a statutory irregularity.
- (i). Property / Holding tax has not been assessed on property by the ULB since Financial Year 2008-09.
- (j). No action has been taken by Nagar Panchayat for collection of Tower Tax.



(k) File Movement register has not been maintained.

(l) Some amount of grant allotted to Nagar panchayat but against these allotments, no UCs has been submitted.

(m) Various registers, books of records etc. are not being prepared by the ULB, such as, Statutory Register with TDS, Royalty etc.

3. Opinion

As per Our Opinion the following improvements are required.

- ULB is not working properly, even internal control is poor.
- Revenue collection of the ULB is very poor it has scope to increase to much higher level.
- All cash collection from source of revenue are not deposited in the bank on same day. It is deposited in the bank after making daily expenditure.
- Due to lack of manpower, there is delay in performing day-to-day work.
- There should be proper segregation of duties to perform day-to-day work in efficient manner.
- Bank reconciliation should be prepared on monthly basis.
- We find that rules and regulation are there but ULB is not following them properly.
- Most of the Books of Accounts as prescribed by BMAR are not maintained by the ULB.
- There are serious lapses in deduction and deposit of statutory dues, such as VAT, Royalty, TDS, Labour Cess etc.
- Separate bank account should be maintained for each scheme.

4. Audit Recommendations:

The Recommendation of Audit Team on the Observed weakness.

SL No	We Recommend the followings:-
1.	ULB should adopt Computerized accounting system. It provides automatic ledger entries accuracy and speed of automatic calculation, automatic production of trial balance from ledger entries and it also provides additional analysis.
2.	ULB should prepare receipt and payments accounts on monthly basis due to which it becomes very easy to find out how much fund has been received by the ULB.
3.	ULB must have to refund the unutilized amount to the Urban Development & Housing Department.
4.	ULB have to file statutory returns within prescribed time line and deposit the deducted amount as specified in statutory law.
5.	As per Rules 22(1) of Bihar Municipal Accounting Rules, 2014 Tax Collected has to be deposited on same day or latest before noon on the following working day.



6.	ULB should maintain all the books of account, register, records etc. as prescribed in Bihar municipal accounts Act, Manual and Rules.
7.	ULB should collect mobile tower tax, advertisement tax shop rent etc. as quick as possible and on regular basis.
8.	ULB should prepare UC in prescribed format of various schemes as soon as possible and submit the same to UD & HD Dept. on regular interval as per prescribed guidelines.
9.	ULB should prepare demand and arrear register of holding tax as soon as possible and on regular basis.
10.	ULB should maintain Daily Collection Register separately for each head of its own revenue sources for appropriate internal control and also for appropriate disclosures of books of accounts.
11.	ULB should develop and prepare Pay-roll system of Permanent & Contractual employees.
12.	ULB should assess the Holding & Property tax every year.

5. Comments from Management:


As per discussion with Management, they have ensured that they are looking into the matter and proper action will be taken for all the irregularities coming out from audit.

Detailed discussions on this are given in *Discussion Note* as attached below.

6. Acknowledgement: -

We Thanks Mr. Ranjit Kumar (Executive Officer), for his support during the period of our audit. We are also thankful to the Accountant and other staffs of the Nagar Panchayat for their co-operation during the period of audit.

For R. N. SINGH & CO.
Chartered Accountant
ICAI Reg.No:322066E


CA Chanakya Shree
Partner
M. No: -079322



UDIN- 20079322AAAAMI9433
Date- 12-06-2020

Detailed Report on Compliance of Previous Internal Audit Report: -

SL No.	Audit Observation	Nature of Irregularities	Complied/Non-Complied
1	There are lack of internal control with respect to collection of taxes.	Persisting since last two year	Not Complied
2	Demand collection register has not been prepared hence it is not possible to ascertain total arrear of taxes	Persisting since last three year	Not Complied
3	Taxes collected by tax collector are on 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 5000/- per day may be imposed for delayed deposit.	Persisting since last three year	Not Complied
4	Tower tax due are not collected on timely basis.	Persisting since long time	Not Complied
5	Tower tax is not being collected on timely basis as Rs 1644800 lacs is receivable as tower tax as on 31.03.2019.	Persisting since long time	Not Complied
6	Municipals buildings holding tax is not being collected on timely basis as Rs 3620571 lacs is receivable as tower tax as on 31.03.2019	Persisting since long time	Not Complied
7	Tender of Ghat, crematorium, Gate ,palm tree and land has not been done on yearly basis.	Persisting since last year	Not Complied
8	Grant register is not being maintained hence it is difficult to find out unutilized grant at any point of time.	Persisting since long time	Not Complied
9	Bank reconciliation statement is not prepared hence it is difficult to monitor possible fraud .if any	Persisting since long time	Not Complied
10	Advance register is not prepared hence it is difficult to monitor for advance given and adjustment thereof.	Persisting since long time	Not Complied



11	There is lack of internal control on deduction and deposited of various taxes. On deduction of taxes, liability is not created hence it is difficult to ascertain tax payable at any point of time. Taxes such as VAT, I.T, Royalty etc. are collected from time to time but its payment are made on yearly basis which is not proper. Taxes should be remitted to the Govt account on timely basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes.	Persisting since long time	Not Complied
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4. Finance

I. Budgetary provisions and expenditure for the last three years

Year	2016-17	2017-18	2018-19
Final/Revised Budget	NA	118158000	109780000
Actual Expenditure	48843011.36	99389482.45	55172282.20
Savings(+)/ Excess(-)	NA	18768517.55	54607717.80

II. Volume of transactions

Period	Budgeted 2018-19	Previous Year (For one Year)2017-18	Current Year(for one year)2018-19
Opening balance	138350638.80	153319250.66	127238917.25
Receipts	190220000	73309149.00	29688155.00
Total	328570638.80	226628399.66	156927072.25
Net expenditure	109780000	99389482.45	55172282.20
Closing balance	218790638.80	127238917.25	101754790.05



III. Bank Reconciliation: -

Details of Closing Balance:

Sr no.	Name of scheme / item	Bank name / account no.	Balance as per pass book	Balance as per cash book	Differences	Remarks BRS Prepared/ Not Prepared
1.	Treasury account	PLA 081	118054726.13	16797713.13	101257013.00	Reconciled
2.	Administration building	UBGB 6001	4107110.00	4107110.00	nil	Not Prepared
3.	Swarm Jayant Sarahi rojgar yojna	PNB 80845	523804.39	518845.09	4959.30	Not prepared
4.	Antrik sansadhan	PNB 67576	693462.79	1190470.79	497008	Not prepared
5.	Mukha mantra nagar bikash yojna	UBGB 7127	1670530.39	1670530.39	Nil	Not prepared
6.	Pension	PNB 6775	315470.51	315470.51	Nil	Not prepared
7.	13 th Finance	PNB 6720	23968.93	23968.93	Nil	Not prepared
8.	Mukha mantri kanya bibah Yojna	PNB 6775	644658.85	312183.34	332475.51	Not prepared
9.	Housing for all	PNB 7174	21811285.20	21811302.00	16.80	Not prepared
10.	BRGF	PNB 6784	184381.84	184381.84	Nil	Not prepared
11.	Swachh Bharat mission	PNB 7997	11108623.35	11000140.35	108483.00	Not prepared
12.	Day Nulumn	PNB 3805	116466.84	116919.14	452.30	Not prepared

IV. Revenue Receipts: -

Sl. No.	Details	2017-18		2018-19		2019-20	
		2017-18	2016-17	2018-19	2017-18	2019-20	2018-19
Total Receipts (A+B)		73309149	114277586.8	29688155	73309149		
A.	Revenue Receipts (1+2+3)	3939368	1841122	3540930	3939368		
1.	Own Revenue Receipts (a+b)	2978282	1701190	2760329	2978282		
a)	Tax Revenue (levied and collected by municipal body)						
i)	Property tax	2978282	1691249	2760329	2978282		
ii)	Other tax (levied and collected by municipal body)	0.00	0.00	0.00	0.00		
b)	Non-tax revenue (levied and collected by municipal body)	0.00	0.00	0.00	0.00		
i)	Fees & fines	0.00	0.00	0.00	0.00		
ii)	User Charges	0.00	0.00	0.00	0.00		
		0.00					



iii)	Other non-tax revenue (levied and collected by municipal body)		9941		9941	
2	Other Revenue Receipts					
a)	Income from interest/investments	961086	139932	738716	961086	
b)	Other Revenue income	0.00	0.00	0.00	0.00	
3.	Transfers/ Grants/ Assigned Revenues					
a)	State Assigned Revenue	0.00	0.00	0.00	0.00	
b)	State Finance Commission (SFC) Grants/ Devolution	0.00	0.00	0.00	0.00	
c)	Octroi compensation	0.00	0.00	0.00	0.00	
d)	Other State Govt. Transfer	0.00	0.00	0.00	0.00	
e)	Central Finance Commission (CFC) Grant	0.00	0.00	41885	0.00	
f)	Other Central Govt. Transfer	0.00	0.00	0.00	0.00	
g)	Others	0.00	0.00	0.00	0.00	
B.	Capital Receipts					
1	Sale of Municipal Land	0.00	0.00	0.00	0.00	
2	Loans (from State Govt. or Banks etc.)	0.00	0.00	0.00	0.00	
3	State Capital Account Grant (under State Schemes etc.)	46142078	77570210.79	2710818	46142078	
4	Central Capital Account Grant (under Central Schemes etc.)	23227703	34785399	23436407	23227703	
5	Other Capital Receipts	0.00	0.00	0.00	0.00	

v. Revenue and Capital Expenditure Information: -

Sl. No.	Details	2017-18	2016-17	2018-19		2019-20	
		2017-18		2018-19	2017-18	2019-20	2018-19
	Total Expenditure (1+2)	99389482.45	48843011.36	55172282.20	99389482.45		
1	Revenue Expenditure	160026795.90	Details not provided in report	3643892.20	160026795.90		
1.1	Administrative Expenses, Establishment and Salaries (All Departments- Regular and Contractual Staff)	3837604		3323403	3837604		



1.2	Operation and Maintenance (O&M)	1125251		183557	1128251	
1.3	Loan repayment (Interest payments)					
1.4	Others (any other revenue expenditure which is not salaries, O&M or Interest Payment)	100844.40		136932.20	100844.40	
2.	Capital Expenditure					
2.1	All developmental works under Central/State specific schemes	91958847.35		50285149	91958847.35	
2.2	Loan Repayments (Principal Amount)					
2.3	Other Capital expenditure	2363935.70		1243241	2363935.70	

Note: - As per above reporting format, details of expenditure have not been accounted in the concerned ULB premises and the same has not been reported in previous financial year's internal audit report 2016-17, so we are unable to enclose the same in our report.

VI. Status of implementation of Double Entry Accounting System

Accounting of Nagar Panchayat has not been maintained as Double Entry Accounting System. The consultant for DEAS has been appointed but financial accounts for 2018-19 is still to be prepared. The DEAS team has started work. 21st Jan 2019 Vinod Singhal & com.

VII. Status of Municipal Accounts Committee; if meeting is 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 nagar Panchayat till the date of our audit.



5. Audit Observations:

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, fee etc.

i. Mobile Tower Collection: -

Audit Objective – As per Point No. – 5 of TOR

Criteria – Tower Tax is taxes on Communication Tower & related structure as defined in BIHAR COMMUNICATION TOWERS AND RELATED STRUCTURES RULES, 2012. As per the rule, all operators are required to register with their concerned ULBs and pay registration fee & renewal charges on annual basis for communication tower erected within municipal area. Currently the registration fee for Nagar Panchayat Rs. 30000/- per tower and annual renewal fee is Rs. 8000/- per annum per tower

Condition –As per details provided to us there are total 10 (ten) Mobile Towers registered with this ULB up to 31.03.2019 and Rs.1644800/- has not been collected till the date of audit from these tower operators as Tower Tax.

Consequence Effect/ Impact - Due to non-collection of Tower Rent with in prescribe time line, ULB incurred interest loss and also the due to non-collection of taxes, public interest has also been suffered.

Cause – We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval, the ULB has no proper mechanisms for supervision and monitoring of the Tower Rent due to which result in Revenue leakage.

Corrective Action / Recommendation – As per our opinion, management should review the collections on monthly and take appropriate actions against irregularity.

Sl. No.	Company Name	Date of establishment	Registration Fee	Renewal Fee	Interest	Receipt	TOTAL Dues
1.	BSNL	2007-08	30000	96000	95040	0.00	221040
2.	RELIANCE	2007-08	30000	96000	95040	0.00	221040
3.	AIRCEL	2008-09	30000	88000	79200	0.00	197200
4.	IDEA	2008-09	30000	96000	79200	0.00	205200
5.	TATA INDICOM	2007-2008	30000	96000	64800	0.00	190800
6.	ATC TELECOM	2015-16	30000	40000	14400	0.00	84400



7.	AIRTEL	2008-09	30000	80000	95040	30000	175040
8.	AIRTEL	2008-09	30000	80000	95040	30000	175040
9.	AIRTEL	2008-09	30000	80000	95040	30000	175040
10.	RELIANC E-JIO	2018-19	30000	8000	0.00	38000	0.00
	TOTAL						1644800.00

ii. Advertisement Tax

Audit Objective – As per Point No. – 5 of TOR

Criteria– Non – levied of advertisement tax by the ULB.

Consequence / Effect / Impact - Due to non - levied of collection of advertisement tax, there is a revenue loss to ULB.

Cause– This happens due to lack of awareness of imposition of advertisement tax of concerned person of the ULB.

Corrective Action / Recommendation – There should be proper monitoring and further steps are required to be taken for collection of advertisement tax by concerned ULB.

iii. Holding & Property Tax Deposit – Irregularity: -

Audit Objective – As per Point No. – 5 of TOR

Criteria – As per Rules 22(1) of Bihar Municipal Accounting Rules, 2014 Tax Collected has to be deposited on same day or latest before noon on the following working day.

Condition - Tax Amount is not deposited timely into Bank. In some cases, collected amount has been retained by the Tax Collectors for a period of 1-2 months from the date of collection of taxes.

Consequence / Effect / Impact - Due to non-deposit of Tax on due time, ULBs is suffering from Revenue Loss in the form of Bank Interest which could have been earned on these Receipts. Further this is a lapse on Internal Control due to non-submission of Counterfoil and record updation of assesses due.

Cause – This happens due to non-follow up and monitoring of activities of Tax Collector by the concerned officer on regular interval.

Corrective Action / Recommendation – There should be day to day monitoring on Collection of Taxes by Tax Inspector/Collectors and deposit of collection into Bank either on same day or latest before noon on the following working day.



iv. Holding & Property Tax Collection: -

Audit Objective – As per Point No. – 5 of TOR

Criteria – Non-Collection of Property Tax/Holding Tax by the concerned ULB.

Consequence / Effect / Impact - Holding / Property Tax is collected by the tax collector from all wards but in some cases, property tax is not being collected from long period by the tax collector. Due to non-collection of Property/Holding Tax, there is a major operational revenue loss to ULB and there is no record / register to know total current & arrear demand of holding tax. Demand / Arrear Register have also not been provided to us for verification.

Cause – This happens due to lack of proper follow up and monitoring of activities of Tax Inspector / Collector by the concerned officers on regular interval.

Corrective Action / Recommendation – There should be day to day monitoring on Collection of Taxes and also maintenance and updating of Demand & Collection Register on regular interval.

Year	Total Demand			Total Recovery			Total Arrear		
	Arrear	Current	Total	Arrear	Current	Total	Arrear	Current	Total
2018-19	1122227	2272993	3395220	949366	1097320	2046686	1348534	3242352	1348534

We are providing the details of some municipal property which has property tax arrears from long times

Sl. No	Name of Building	Arrear Amt	Interest	Received amt	Total
1	Health department	104992	111808	0.00	216800
2	Madrasa	50240	62297	000	112537
3	Jilla Panchayat	121280	196624	0.00	317904
4	Madrasah	11520	14285	0.00	25805
5	mandi	127232	202288	0.00	329520
6	Door sanchar	360000	572400	0.00	932400
7	PWD	658176	966000	0.00	1624176
8	Animal hospital	79808	14285	0.00	25805
	TOTAL				3620571.00

v. Rent Collection

Audit Objective– As per Point No. – 5 of TOR

Criteria– Non-Collection of Rent and imposition of late fine by the concerned ULB.



Consequence / Effect / Impact- Due to non-collection of Rent there is a revenue loss to ULB.

Cause- This happens due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval. The ULB does not have proper mechanisms for supervision and monitoring of the Rent which results in Revenue leakage.

Corrective Action / Recommendation- There should be proper monitoring and further steps are required to be taken for collection of Rent by concerned ULB.

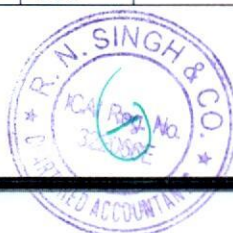
b. Excess payments against bill, lack of prudence in payment against vouchers inefficiency in control resulting loss to ULB'S;

➤ No observation found during the course of audit.

c. Report on finding of field survey of property tax of minimum 20 high value properties;

Report on field survey of 20 high values properties

Sl. No	Owner Property Name	Ward No	Type of construction	Taxable area	Annual rent	Housing/ Commercial
1	Leyakat ali	6	RCC	432	855	Residential
2	Moti lal Prasad	8	RCC	3456	1596	Residential
3	Arshad Ali	6	RCC	1440	635	Residential
4	Anwar Ali	6	RCC	1440	635	Residential
5	Quasars Ali	7	RCC	864	871	Res/com
6	Virendar ali	10	RCC	864	599	Residential
7	Prayag sah	8	RCC	2316	572	Residential
8	Samrendra kumar	6	RCC	2880	1005	Residential
9	Kamrul hoda andari	6	RCC	2160	998	Residential
10	Indrasan Prasad	6	RCC	1008	1170	Residential
11	Sabir Hussain	7	RCC	238	564	Commercial
12	Musmat prabhawati	8	RCC	600	795	Res/com



13	Sunil Gupta	7	RCC	720	499	Residential
14	Rakesh pd Yadav	8	RCC	216	514	Residential
15	Praha lad pd	6	RCC	2304	2177	Residential
16	Shyam sundar pd	7	RCC	576	871	Residential
17	Motilal Prasad	8	RCC	366	530	Residential
18	Ramchandra sah	1	Asbestos	2160	544	Residential
19	Devnath sah	7	RCC	1008	665	Residential
20	Ramekbal pd	10	RCC	7200	590	Residential

Note: Property / Holding tax are assessed by the ULB. On test check basis, we have calculated the area and no variance found. However, it is very difficult to do the Field Survey due to resentment of property holders and sometimes it gets very ugly.

Part-B

All Audit objections/regularities which has no monetary implication, but significant violation of act, Rules directives of UD&HD. Mention the reference to Act & Rules wherein remedial measure is required.

a. Non –maintenance of books of accounts, subsidiary registers: -

It has been noticed during the audit that the following Books of Accounts & Registers has not been maintained or not properly maintained (Status as mentioned).

Sl. No.	Particulars	Status
1	Fixed Assets Register	Not Maintained
2	Royalty Register	Not Maintained
3	TDS Register	Not Maintained
4	Statutory deduction Register	Not Maintained

b. Irregularity in procurement process: -

No observation is found in this regard.

c. Non-compliance of directives by UD &HD, Government of Bihar: -

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

- (a) Non collection of various taxes required to be collected.



(b) Non maintenance of prescribed books of accounts.

(c) Non submission of UC and other reports on timely basis etc.

d. Non- compliance of Act & Rules: -

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

- Property tax on land and building
- Surcharge on transfer of land and building.
- Tax on deficit in parking space in any non-residential building.
- Water tax,
- Fire tax,
- Tax on advertisement
- Surcharges on entertainment tax,

We observed that only property tax has been collected during the year other taxes have not been levied till date.

And Income Tax Act 1962 is not properly followed by ULB.

- Proper Sec of TDS Deduction is not conducted.
- Statutory deductions have been made but not deposited by the ULB.
- GST norms and rules have not been followed by the ULB.

e. Lack of internal control measures: -

1. During the course of our Audit, we have observed various discrepancies in the Cash Book, which are enumerated below: -
 - Head wise expenditure were not clearly entered and recorded.
 - The cash book balances were not reconciled with the Balances in Bank Pass Book.
2. After analyzing operating control, it was observed that there is shortage of Man Power in ULB. Consequently, it is not functioning smoothly with respect to completion of works on time, provide and review the service efficiently which is the main function of ULB, preparation of books and records on time etc.



f. Non-compliance of TDS, GST and other relevant statute: -

Quarterly Return for TDS has not been filed for First quarter of F.Y_2018-19.

Quarterly Return for GST has not been filed for First quarter of F.Y_2018-19.

g. Deficiency in pay-roll system: -

There is NO system of Payroll implemented at the ULB. So, we are unable to comment on the same. Moreover, no register has been shown to us regarding records relating to statutory deduction like PF, ESIC, Income tax etc. during the period of internal audit. Thus we are unable to comment on the deficiency in pay-roll system.

h. Utilizations of grant and report on missing Utilization certificates of financial year 2018-19:-

During the course of audit we observed that some of the UCs are pending for submission to the UD & HD and the details of pending UCs are as follows:-

S. No.	Name of Scheme	Letter No.	Allotted Amt.	UC Pending Amount
1.	Adm. Building	1998/30.03.07	28.88(Lakh)	12.88
2.	State Plan	43/26.09.13	12.45(Lakh)	4.16
3.	Nagrik Suvidha Mad	17/17.07.15	4480000	2023842

i. Physical verification of inventory/stores: -

Inventory/ Stores Register and Fixed Assets Register have not been maintained in concerned ULB and in the absence of above register; it is difficult to verify the same.

j. Advances, their adjustment & recovery: -

Advance Register has not been maintained by the concerned ULB and in the absence of above register it is difficult to check or comments on adjustment and recovery of advances. Advance has been given to staff for office expenses without any advance requisition and without the approval of executive officer.

k. Any other matter as may be prescribed in due course: -Nil



PART – “C”
Scope of Audit

Sl. No	Particular	Remarks/ Observation
1	Whether all these 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.	No observation found in this regard.
2	What is the status of implementation of SAS of Property Tax in the ULB; If SAS has been implemented then witness some assessment procedures to check any in-consistencies in assessment. at least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not).	We have witnessed the 20 high value of property, same has been reported in Point (c), of Part A of the report.
3	Whether all compliance have been complied regarding Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR Rule 22: All moneys to be brought to account Rule: 27: Collections to be deposited into Bank on the same day Rule 69: Grant Related Compliance Rule 120-121: Monthly Receipt & Payment Account and Trial Balance Rule 130: Audit to be completed & reported within 6 month.	All the compliance has been made at ULB except Rule :27 & Rule 120-121. Rule 22: All moneys to be brought to account but delayed. Rule 27: we have observed that collection money has not been deposited on bank account on time Rule 69: Grant related compliance has been done properly. Rule120-121 Monthly Receipt & payments accounts and Trial Balance are not prepared Rule 130 is not followed
4	Whether all such compliance of financial guidelines of schemes of MOHUA and UD & HD, Gob have been complied.	Yes, Compliance of financial guidelines of schemes of MOHUA and UD & HD, Gob have been complied.
5	If any 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, Sai rat etc. have incurred then quantify the same.	Loss of Rs 1644800.00/- has been made to the ULB for non-collection registration and renewal fee from installed transmission tower in the jurisdiction of ULB.



6	Status of adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments on or above Rs. 10,000.	No Observation Found in this regard.
7	Whether all 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 Such type of Issues found in this regard.
8	An assessment of presence or absence of a system of issuance of utilization certificate for the different schemes for any utilization made during the reporting period; Where there is no system for issuance of U/Cs, prepare Utilization Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	UC of various scheme are pending for submission to the Urban Development & housing Department for the financial year 2018-19.
9	Verify instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	We have verified such instances and found some irregularities. Details of irregularity have been annexed in Executive Summary in Observation Para, and recommendations have also been annexed in Recommendation in Executive Summary.
10	Whether all such payments have been made according to payment terms & conditions of tenders and rate offers are according to procurement law and policies.	Yes, all payment has been made according to payment terms & conditions of tenders.
11	Whether the fixed deposit and other funds should be kept in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period.	No Such type of Issues found in this regard.
12	Verify all major areas of ULBs and assessed revenue loss and if any losses have been identified then prepare a statement of loss for revenue losses.	We have verified all major areas of ULB and assessed some revenue losses, same have been reported in "Part A".
13	Whether 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	We observed that statutory compliance has not been accomplished by ULB regarding deduction, deposit and return also.



recorded in appropriate ledgers.	<p>Details of major statutory irregularities are:</p> <ul style="list-style-type: none"> • TDS return has not been filled. • TDS have not been deposited appropriately. • Labor cess has not been deducted appropriately. • VAT liability has not been settled till the date of audit. <p>Penalty and Interest may be levied on ULB as per Statutory Laws.</p>
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"Sheet B".

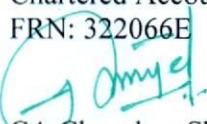
Amount Collected from own sources revenue has not been deposited into bank by the ULB on the same date /next to the same date as required. The details are given below.

Receipt No.	Amt	Period	Deposit date
8016 to 8083	39480.00	03/04/2018 to 08/04/2018	10/04/2018
8087 to 8100	48780.00	19/04/2018 to 20/04/2018	24/04/2018
8017 to 8083	59480.00	03/02/2019 to 08/02/2019	10/03/2019
2087 to 8100	28780.00	19/03/2019 to 20/03/2019	24/03/2017

General Observations: -

There is lots of scope for improvement with respect to maintenance of Records and Registers. The important and basic records like Advance register, annual accounts, assets register were not maintained. Effective steps may be taken to improve the maintenance of accounts and increasing of its own sources of revenues.

For R.N. Singh & Co.
Chartered Accountants
FRN: 322066E


CA Chanakya Shree
Partner
Mem No: 079322

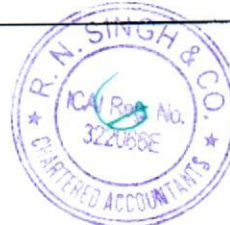


UDIN- 20079322AAAAMI9433
Date- 12-06-2020



DISCUSSIN NOTE
Year 2018-19

Si. No.	PARTICULARS	MANAJEMENTS REMARKS
1	Cash Book was not for Audit Period It was written form Bank statement for long period of time We have represented various Data on the basis of Cheqe Issue register and bank statment.	in future we maintain cash book on daily basis.
2	Cash Book Has not been Regularly Authorized By E.O	in future regularly authorize
3	Tresuary Cash Book and Passbook Balance Has Not Been Reconcilled. They Have to Reconcilled At every Quarter end	in future reconcilled monthly
4	Bank Reconciliation Statement Was not prepared Hence it was defecult to Monitor Possible Fraud If any	it was in Process
5	Double Accounting System Has not operation in the N.P	//
6	Amount Collected By Tax Collector are not deposited on Daily Basis We Observed Significant Delay in Collection and Deposited of Tax/Oter revenue which is not Proper. As per Rule 27 of BMAR it should be Deposite On Daily Basis other wise a Penalty up to Rupees 5000/ May be imposed for delayed deposite	Now Deposited on daily basis
7	Tower Tax Dues are not. collected on on Timley and hence there is total out standing Balance as on 31.03.2018 1644800	Steps taken for collection
8	Holding Tax of total govt/Non govt Building are not collected on Timley and hence there is total out standing Balance as on 31.03.2018 - 3620571	//
9	Oter fees like license fees, Advertisement Tax others Sairats, Mutation fees And Building Permission fees are not collected and hence there is revenue loss to N.P	How we conduct survey
10	Collection From Own Source is good but it has to be improved	We should more improve in future.
11	Municipal Accounts Commitee Has not been Constitued As per sec 98 of BMAR act 2007. its is Necessary For the Municipalty to Constitue a municipal Accounts Commitee at its 1 st meeting in each Year our as soon as may be at any meeting subsequent there to nut no Municipal Accounts Commitee has been Constitued by N.P Till the Date of our audit	Commitee will be form in future.





कार्यालय नगर पंचायत सुगौली, पूर्वी चम्पारण।

M-nagarpanchayat.sugauli@gmail.com



बिहार सरकार

12	Log Book of Vehicles, Gernator, Section Machin, J.C.B and xerox machine was not maintain.	in future logbook will be maintain.
13	Register of fixed assed and Stock are not Maintain by N.P	It maintain in future
14	Function wise income Subsidiary Ledger are not maintain an Function wise expense Subsidiary Ledger are not maintain By N.P	/ /
15	as per BMA 2007 act 82 to 85 Budget has to be sanctioned before 15 th march but budget 2018-19 has not been with in the time period it was sanction on 21.07.2017	in future with in time period maintain.
16	Sairats bidd ing 2018-19 Ammount Rs 932005 but Collection was only 886000 so there was Non collection of Rs 46005 and also there was no any records are provided for aure audit. bidder ऐहसानुल हक पिता- मो० कामिल।	Hard Action will be taken for collection.
17	Vouchers are not serially aranged	How it will be arranged
18	Facilies of Tax collection staaf are not proper and saftey so they have to provide atleast safety and basic facilies	Admin Bnignive buildignot available.
19	Labourcess has been deducted but has not been Deposited to the Departments	deposited shortly.

12/7/19

12/07/19
कार्यपालक पदाधिकारी
नगर पंचायत, सुगौली
पूर्वी चम्पारण



दिनांक 31.03.2020 से 30.06.2020 तक का लेखा खाता बंद करने का प्रमाण पत्र।

आकाश एंटरप्राइजेस प्रा. लि.

क्र.सं.	विवरण	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
क्र.सं.	विवरण	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
20	13TH FINANCE COMMISSION		3231.08.12		5.61	5.61	5.61	2	5.61	5.61	3013.14	5.61				5.61	31.01.15				
21	ALLOWANCE TO CHIRMAN		2620.09.12		0.78	0.78	0.78	2	0.78	0.78	3013.14	0.78				0.78	31.01.15				
22	13TH FINANCE COMMISSION		0103.04.12		9.65	9.65	9.65	2	9.65	9.65	2913.14	9.65				9.65	18.12.14				
23	13TH FINANCE COMMISSION		1019.07.12		15.75	15.75	15.75	2	15.75	15.75	2913.14	15.75				15.75	31.01.15				
24	13TH FINANCE COMMISSION		957.40.13		19.00	19.00	19.00	2	19.00	19.00	2913.14	19.00				19.00	18.02.17				
25	13TH FINANCE COMMISSION		8395.80.13		92.40	92.40	92.40	2	92.40	92.40	2913.14	92.40				92.40	13.01.15				
26	STATE FINANCE		4338.99.13		12.45	12.45	12.45	2	12.45	12.45	2914.15	12.45				12.45	19.07.17	4.16			
27	4TH STATE FINANCE		13415.00.14		20.00	20.00	20.00	2	20.00	20.00	2914.15	20.00				20.00	03.01.15				
28	13TH STATE FINANCE		1343.50.14		58.29	58.29	58.29	2	58.29	58.29	2914.15	58.29				58.29	30.03.15				
29	4TH STATE FINANCE		13415.00.14		24.42	24.42	24.42	2	24.42	24.42	2914.15	24.42				24.42	30.08.16				
30	4TH STATE FINANCE		13415.00.14		12.47	12.47	12.47	2	12.47	12.47	2914.15	12.47				12.47	30.08.16				
31	13TH FINANCE COMMISSION		1210.07.13		19.28	19.28	19.28	2	19.28	19.28	2914.15	19.28				19.28	30.08.16				
32	PRESAR MAD		2356.09.13		6.91	6.91	6.91	2	6.91	6.91	2914.15	6.91				6.91	19.12.16				
33	13TH FINANCE COMMISSION		7225.01.13		18.49	18.49	18.49	2	18.49	18.49	2914.15	18.49				18.49	30.08.16				
34	SALLARY CITY MANAGER		6829.05.14		2.40	2.40	2.40	2	2.40	2.40	2914.15	2.40				2.40	19.12.16				
35	PRESAR MAD		1416.08.14		7.56	7.56	7.56	2	7.56	7.56	2915.16	7.56				7.56	19.12.16				
36	E-GOVERNANCE		11409.01.15		1.50	1.50	1.50	18	1.50	1.50	2915.16	1.50				1.50	19.12.16				



निम्नलिखित तालिका में 2003-04 से 2017-18 तक के वार्षिक वित्तिय विवरणों का विवरण दिया गया है।

क्र.सं.	वर्ष	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण	विवरण
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20		
97	204-37	5TH PUNJAB COMMISSION	142191016	91.66	91.66	122170603418.01	91.66	2017.18	91.66	91.66	91.66	91.66	91.66	91.66	91.66	91.66	91.66	91.66	91.66	91.66	91.66
98	204-37	5TH PUNJAB COMMISSION	1621091016	13.47	13.47	72217062418.01	13.47	2017.18	13.47	13.47	13.47	13.47	13.47	13.47	13.47	13.47	13.47	13.47	13.47	13.47	13.47
99	204-37	5TH PUNJAB COMMISSION	1621091016	65.37	65.37	72217062418.01	65.37	2017.18	65.37	65.37	65.37	65.37	65.37	65.37	65.37	65.37	65.37	65.37	65.37	65.37	65.37
100	204-37	5TH PUNJAB COMMISSION	1621091016	93.47	93.47	72217062418.01	93.47	2017.18	93.47	93.47	93.47	93.47	93.47	93.47	93.47	93.47	93.47	93.47	93.47	93.47	93.47
101	204-37	5TH PUNJAB COMMISSION	1621091016	13.24	13.24	72217062418.01	13.24	2017.18	13.24	13.24	13.24	13.24	13.24	13.24	13.24	13.24	13.24	13.24	13.24	13.24	13.24
102	204-37	5TH PUNJAB COMMISSION	1621091016	65.17	65.17	72217062418.01	65.17	2017.18	65.17	65.17	65.17	65.17	65.17	65.17	65.17	65.17	65.17	65.17	65.17	65.17	65.17
103	204-37	5TH PUNJAB COMMISSION	1621091016	1.82	1.82	72217062418.01	1.82	2017.18	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82
104	204-37	5TH PUNJAB COMMISSION	1621091016	11.96	11.96	72217062418.01	11.96	2017.18	11.96	11.96	11.96	11.96	11.96	11.96	11.96	11.96	11.96	11.96	11.96	11.96	11.96
105	204-37	5TH PUNJAB COMMISSION	1621091016	9.33	9.33	72217062418.01	9.33	2017.18	9.33	9.33	9.33	9.33	9.33	9.33	9.33	9.33	9.33	9.33	9.33	9.33	9.33
106	204-37	5TH PUNJAB COMMISSION	1621091016	15.95	15.95	72217062418.01	15.95	2017.18	15.95	15.95	15.95	15.95	15.95	15.95	15.95	15.95	15.95	15.95	15.95	15.95	15.95
107	204-37	5TH PUNJAB COMMISSION	1621091016	1.97	1.97	72217062418.01	1.97	2017.18	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97



23/11/18
 811/118
 R.N. SINGH & Co.
 CHARTERED ACCOUNTANTS

