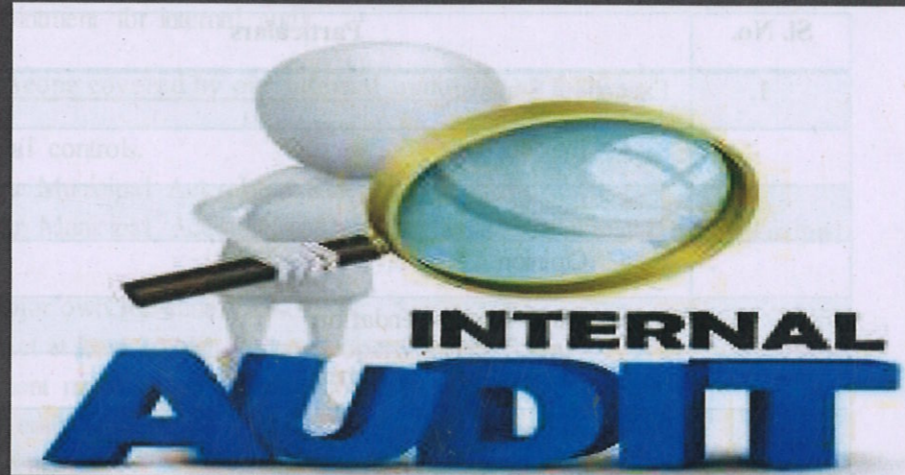


Financial
Year
2017-18



Internal Audit Report for F.Y 2017-2018 of Dalsinghsarai Nagar Panchayat

INTERNAL AUDIT CONDUCTED BY

M/s Tibrewal Chand & Co., Chartered Accountants

From 01-04-2017 to 31-03-2018

Flat No. 501, 5th floor Meridian, SS Bihar Apartment near
Karbihiya Station, Patna, Mob No. +918825110779

Email- tc Bihar@gmail.com

Date of Submission :- 30-08-2019

INTERNAL AUDIT REPORT



INDEX

Sl. No.	Particulars	Page No.
1.	Executive Summary	
	• Introduction	5
	• Results and Findings	5-6
	• Opinion	7
	• Audit Recommendation	8
	• Management Comment	9-13
	• Acknowledgment	14
2.	Detailed Audit Report	15-32



Internal Audit Report- Nagar Panchayat – Dalsinghsarai

Urban Development and Housing Department in order to implement the best practices of internal audit of 140 ULBs through NIT No. IA 140ULBs/2017-18. This Internal audit report has been issued as a part of our appointment for internal audit.

The Salient Points of the scope covered by our internal audit are as follows:

1. Evaluation of internal controls.
2. Compliance of Bihar Municipal Act related Rules and Regulations.
3. Compliance of Bihar Municipal Accounting Manual, BMAR- 2014 and Bihar Municipal Budget Manual.
4. Reporting on all Major own Revenue Losses.
5. Survey Report on Act at least 20 high Value Property in the Town.
6. Report on Procurement made through Tender for value Above Rs. 15,000/-.
7. Report on statutory compliances
8. Report on procurements
9. Report on maintenance of books of accounts and other records and registers.
10. Appraisal of the effectiveness of overall accounting system.

We have conducted the Internal Audit with the objective:-

- ❖ That The Assets of the ULB are properly protected and accounted for.
- ❖ That the current transactions are promptly and completely recorded.
- ❖ That Inefficient or fraudulent operations are revealed.

We started with an overview of activities through a study on various documents generated by the ULB. Then we identified evaluated and tested adequacy, effectiveness and efficiency of internal controls including standard policies and procedure laid down by the management for each of the areas included in the scope of work.

Testing of internal control was carried out by the checking a sample of transactions for the period covered under the audit.

Our observations resulting from the audit test performed on a sample of transactions along with recommendation for addressing these observations are set out under Part (A), Part (B) and Part (C) of the audit report.

During the audit, we reviewed the following Registers and Documents.

- ❖ Accountant cash Book
- ❖ Subsidiary Cash Book
- ❖ Bank Book
- ❖ Records related to revenue
- ❖ Vouchers along with supporting documents.



❖ Others related records and registers.

For Tibrewal Chand & Company
Chartered Accountants



CA ROSHAN JAIN | PARTNER
Membership No 518422
FRN No. 311047E

UDIN: 20518422 AAAAAT3621

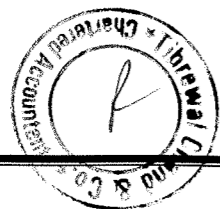
Dated :- 24-08-2020

Executive Summary

- 1. Introduction:** Dalsinghsarai Nagar Panchayat, with population of about 23 thousand approx. is located in district of samasatipur sub district of Dalsinghsarai district in the state Bihar. There are approximate 4,229 households. Mr. Sushil Kumar Surekha is Chairman holding post from 2012 to till the date of Audit. Mr. Rakesh Kumar Ranjan is the Executive officer holding post from 22-01-2019 to till the date of Audit.
- 2. Results and Findings:** During our audit we observed below mentioned strengths and weakness in the functioning of ULB:

<p>Strengths observed during the audit engagement</p>	<ol style="list-style-type: none"> 1. General Cash book has been prepared for the audited period 2. Cashier cash book has been prepared for the audited period 3. Few Revenue related records were prepared by the Panchayat 4. Financial Statements for the period 2017-18 were prepared by the Panchayat
<p>Weaknesses observed in the functioning of office, maintenance of records etc. during the audit engagement</p>	<ol style="list-style-type: none"> 1. Non preparation of bank reconciliation statements. 2. Non deduction of TDS in various cases resulting in violation of tax provisions and attraction of interest and penalty. 3. Lack in follow-up procedure in collection of huge arrear dues in relating to property and other taxes. 4. Non deposition of statutory dues such as labor cess, TDS, VAT, ESI/PF to the authorities after

	<p>deduction from bills, resulting in huge penalties and interest.</p> <p>5. Non-Performing the variance analysis between budget and actual expenditure for a particular period resulting in short comings in budgetary control.</p> <p>6. No proper survey of properties has been conducted by the ULB to ascertain the property tax receivables from holdings.</p> <p>7. Loss of revenue due to Sairat was not held for reporting financial year at proper interval.</p> <p>8. Proper log book & fuel distribution register was not prepared resulting in weakness in control over books of account.</p> <p>9. Daily wages register was not prepared resulting in weakness in control over books of account.</p> <p>10. Advance was not adjusted within reasonable time resulting in weakness in control over internal control.</p> <p>11. Huge outstanding of revenue including holding tax, tower tax, rent, Sairats but no sincere efforts has been made by ULBs to recover the same.</p>
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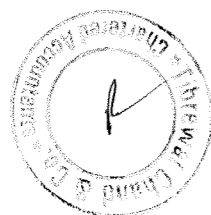


3. **Opinion:** The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the municipal personnel and other matter incidental thereto for overall improvement of the ULB.



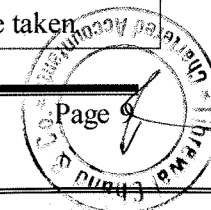
4. Audit Recommendations: The recommendation of audit team on the observed weakness is as below:

1. Books of accounts should be prepared on real time basis under double entry system and accrual basis should be followed.
2. Employees of all departments are required to be trained and monitored for updating of day to day transactions on regular basis in respective records and registers.
3. Stringent follow up and actions are necessary for recovering arrear relating to property tax, tower tax, rental income and other sources of income.
4. Bank statements or treasury statement shall be collected on regular intervals and bank reconciliation statement should be prepared on monthly basis. Balance confirmation certificate to be obtained from the respective bank treasury periodically.
5. Stock/store register should be updated as per the formats provided in BMAR.
6. Statutory compliances such as deduction and deposition with authorities should be complied strictly to avoid penalty and interests.
7. Log book and fuel issue register should be maintained properly indicating km runs, places covered, purpose of visit, signature of driver, city manager, sanitary inspector etc.
8. Revenue records should be maintained properly including demand and collection details.
9. Advance should be adjusted within reasonable time.
10. PF/ ESI should be timely deposited.



5. Comments from Management:-

S. No.	Observation	Recommendation
1	As per notification of Bihar Government, The Governor of Bihar made the rules for the mobile tower under the Act. Operator of the mobile has to apply to the ULB for operation of the mobile tower in the concerned area with the Requisite fees of Rs. 30,000/- per Tower and the Renewal fee is Rs. 8,000/- per year. During the course of audit it was observed that Rs 5,76,000 is due towards Tower Company for financial year 2017-18. <i>(Details given in report)</i>	There is a huge loss of revenue & interest income. So, necessary steps should be taken for timely collection of taxes.
2	During audit observed that property tax is not being deposited by tax collector on same day.	It should be recovered from concerned person and same should be deposited into bank.
3	Report on Findings of the field survey of property tax of minimum 20 high value properties. <i>(Refer details audit report)</i>	Physical survey can't be conducted due to Non availability of ULB staff for conducting physical verification. Further SAF forms were also not provided for 20 high value properties as per list provided by us.
4	Demand Register for collection of Trade License, property tax & shop rent for the financial year 2017-18 is not yet prepared.	Demand register should be prepared.
5	PF deducted from all permanent staff salary but not deposited in his PF account.	PF should be deposited immediately.
6	During the audit various cases were observed regarding non deduction and non-deposition of statutory dues like TDS, VAT, and Royalty in stipulated time by the Nagar Panchayat. Further it was also observed that return was also not filled for TDS & VAT. <i>(Refer details audit report)</i>	All statutory compliances related to deduction, deposition and return filling should be complied.
7	The municipality is not in a practice to prepare BRS on regular or periodical basis. <i>(Refer details audit report)</i>	BRS should be maintained month wise.
8	(i) Improper maintenance of records related to revenue collection.	(i) Daily collection register for property tax should be maintained and appropriate action should be taken.



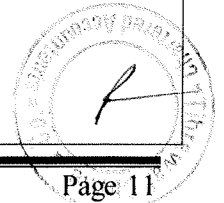
Internal Audit Report for the year ended 31st March of F.Y. 2017-18

	(ii) During the audit it was observed that mobile tower tax is not getting collected on a timely basis and even if it is getting collected, the same is not deposited timely.	(ii) Collection should be made on a regular basis and deposited on the same day to avoid any irregularity.
9	Non preparation of stores register	Due to non maintenance of stock register, it will become difficult to identify quantity of each class of stock. So, the ULB should maintain a store ledger including price of inward goods.
10	Insurance deduction from all permanent staff salary but not deposited.	Insurance should be deposited.
11	Dalsinghsarai Nagar Panchayat is not in practice to prepare monthly receipt and payment account and the trial balance.	ULB should prepare receipts and payment account on monthly basis. It helps to find out that how much fund received by the ULB and whether its utilization was made properly or not.
12	Scheme register not prepared for the financial year 2017-18	Separate register should be maintained for each scheme.
13	During the verification of sairat register, we observed that during the financial year 2017-18, (i) Mukesh Kumar is being paid Rs. 1,40,000 through challan no. 4581, 4599 & 4982 for Niji Vahan Parav Shulk while during verification, we found supporting of Rs. 1,10,000. (ii) Stamp Duty is also not being collected by Nagar Panchayat.	Supporting must be available in the file.
14	No-collection of notice fees	As per the regulation 158(a) of chapter XIX of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fee, levy of interest for delay payment at a rate as may be specified, and the amount of penalty therefore, but in case of Dalsinghsarai Nagar Panchayat, corporation has not provided any information regarding charging and



Internal Audit Report for the year ended 31st March of F.Y. 2017-18

		collection of notice fees. ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.																														
15	During verification of contractor Anil Kumar for Scheme NIT 01/2016-17 group-1 (Construction of drain from Biskoman Chawck to Nagar Panchayat Boarder at ward no. 13) following details were observed. (i) Advertisement date was mentioned 23.12.2016 while advertisement paper was showing 26.12.2017. (ii) Security money deposit due date was 09.01.2017 whereas supporting was showing 11.01.2018 of Rs. 1,90,000.	(i) Date should be matched. (ii) SD must be deposit on due date.																														
16	Collection of internal resources is very poor. (Refer details audit report)	It should be timely collected.																														
17	During the verification of sairat register, we observed that during the financial year 2017-18, (i) Nagar Panchayat had made an agreement for Vaysayik Maldhova on 10.04.2017 with Mukesh Kumar of Rs. 2,40,100 while payment was received in the following sequence:	Sairat amount must be received at the time of agreement.																														
	<table border="1"> <thead> <tr> <th>Date</th> <th>Challan No.</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>24.03.2017</td> <td>4582</td> <td>24,000.00</td> </tr> <tr> <td>31.03.2017</td> <td>4598</td> <td>56,000.00</td> </tr> <tr> <td>28.08.2017</td> <td>4905</td> <td>26,000.00</td> </tr> <tr> <td>12.09.2017</td> <td>4921</td> <td>36,500.00</td> </tr> <tr> <td>09.11.2017</td> <td>4926</td> <td>20,000.00</td> </tr> <tr> <td>05.12.2017</td> <td>4947</td> <td>23,000.00</td> </tr> <tr> <td>30.01.2018</td> <td>4968</td> <td>40,000.00</td> </tr> <tr> <td>30.01.2018</td> <td>missing</td> <td>14,600.00</td> </tr> <tr> <td align="right" colspan="2">Total</td> <td>2,40,100</td> </tr> </tbody> </table>	Date	Challan No.	Amount	24.03.2017	4582	24,000.00	31.03.2017	4598	56,000.00	28.08.2017	4905	26,000.00	12.09.2017	4921	36,500.00	09.11.2017	4926	20,000.00	05.12.2017	4947	23,000.00	30.01.2018	4968	40,000.00	30.01.2018	missing	14,600.00	Total		2,40,100	
Date	Challan No.	Amount																														
24.03.2017	4582	24,000.00																														
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30.01.2018	4968	40,000.00																														
30.01.2018	missing	14,600.00																														
Total		2,40,100																														
	Whereas payment had to receive before agreement date.																															
18	During the course of Audit, we observed that Nagar Panchayat has conducted Internal audit & CAG audit for the year 2016-17 but As per information given by Asst. Accountant till the time of our audit the auditor has not submitted their audit report. (Details given in report)	It should be prepared as soon as possible.																														



Internal Audit Report for the year ended 31st March of F.Y. 2017-18

19	<p>Lack of internal control measures (i) Voucher file was not maintained (ii) No internal mechanism for statutory compliance (iii) No MIS was prepared for tracking of payments (iv) Required books of Accounts as per BMAM was not maintained (v) Statutory compliance reconciliation was not maintained (vi) Bank reconciliation of any bank account was not prepared.</p>	<p>We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory compliances: We suggest that (i) MIS system should be implemented over daily collection and deposit. (ii) Reason for non-deposit/Late deposit should be strongly need to ask for minimize delay. (iii) Need to identify a person to comply with the statutory compliance. In case failure to comply with statutory compliances he should also be penalized. Therefore, the management has to take serious effort in implementation of internal control mechanism for getting a better result from ULB working.</p>
20	Non-Compliance of Act & Rules	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable Act & Rules.
21	No details were made available regarding meeting of municipal accounts committee held during the financial year 2017-18.	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of municipal accounts committee each year. During our audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.
22	Non-Implementation of double entry accounting system.	As per requirement of BMAR-2014, Part-A, Chapter-2 Rule -4, "All ULB referred in schedule-1 shall maintain its books of account using the double entry system". Since Dalsinghsarai Nagar Panchayat is covered under schedule -1, therefore they should have to maintain their accounts on double entry accounting system in compliance of such rule. We found the detail that double accounting system is implemented at Dalsinghsarai Nagar

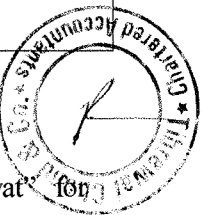


Internal Audit Report for the year ended 31st March of F.Y. 2017-18

		Panchayat, however we not got any data for verification the same.
23	Non-maintenance of required registers as per Rule No.-3 of BMAR-2014	Details of registers not maintained by ULB is mentioned under Part-A (a). ULB should ensure proper maintenance of required books of account and register as per the list given in rule-3 of BMAR-2014.
24	Non adjustment of advances	Advancer register should be produced to auditors for verification.
25	(i) During verification of Public Toilet Sairat following receipt nos. were found to be missing:- 4571, 4574 & 4577 while these challan were mentioned in DCR. (ii) There were lots of time gap between date of bid and date of agreement. Agreement Date: 29.12.2017 Date of bid: 20.03.2017	(i) Challan must be attached along with file. (ii) There should not be long time gap.
26	1) Cash received through Challan, dated 22.11.2017 but the same amount was deposited on 06.12.2017. It is a clear case of violation of rule 22 of Municipal Act, 2007. 2) As per terms and conditions of agreement, total amount of bid should be deposited before issue of office order but same was deposited on 25.1.2018, office order dated 22.11.2017, letter no. 1661. Agreement copy was not provided by ULB to us.	(i) Cash should be deposit into bank on the same day. (ii) Agreement must be made before issue of office order.

6. Acknowledgement:-

We convey our heartfelt thanks to the entire team of "Dalsinghsarai Nagar Panchayat" rendering their help in successfully completing the assignment.



Internal Audit Report for the year ended 31st March of F.Y. 2017-18

Detailed Audit Report

1. **Introduction:** Dalsinghsarai is a Nagar Panchayat city in district of Samastipur, Bihar. The Dalsinghsarai city is divided into 14 wards for which elections are held every 5 years. The Dalsinghsarai Nagar Panchayat has population of 23 thousand approx.

Name of ULB	Period Covered	Audit Team
Dalsinghsarai Nagar Panchayat	1 st April 2017- 31 st March 2018	(1) TL: CA Neerav Bhanushali (2) MAE: CA Amit Ranjan (3) Auditor: Vicky Kumar

2. **Administration:** -

The Present governing body of the ULB has taken charge on 2012. The incumbencies in the key administrative and executive positions are as under:

- Mr. Sushil Kumar Surekha, Chairman, from 2012 to till date.
- Mr. Rakesh Kumar Ranjan Executive Officer from 22nd January 2019 to till date.

3. **Review of outstanding Audit Paras :**

Status of Audit observations is as under:

Sl. No.	Particulars of audit and date of report	Total no. of Audit paras.	Total No. of Audit Paras where necessary improvement/corrective measure is require	Total No. of Audit paras where recovery of cash is proposed	Total No. of Audit paras where recover has been made	Total amount of recovery	Total No. of outstanding paras where no action has been taken	No. & date of compliance report
1	AG Audit (2015 to 2016)							As per information given by Asst. Accountant till the time of our audit

Internal Audit Report for the year ended 31st March of F.Y. 2017-18

								the AG auditor has not submitted their audit report
2	Internal Audit (2016-17)							Compliance report not prepared till date of audit.

(Note: Refer Discussion Note (Point No. 18))

4. **FINANCE:** Financial related to previous years actual and current year's budget is as below :

i. **Budgetary provisions and expenditure for the last three years :-**

Year	2017-18	2016-17	2015-16
Final/Revised Budget	84,82,84,454	66,72,38,036	12,06,76,546
Actual Expenditure	5,59,04,164	7,64,19,354	3,61,90,664
Savings(+)/Excess(-)	79,23,80,290	59,08,18,681	8,44,85,881

Note: All figures taken from books of accounts.

ii. **Volume of Transactions :-**

Period	Budgeted 2017-18	Previous year (2016-17)	Current period	Cumulative for the current period
Opening Balance	13,07,39,888	11,08,36,080	13,07,39,888	13,07,39,888
Receipts	72,08,43,954	9,63,23,162	6,11,82,889	6,11,82,889
Total	85,15,83,842	20,71,59,242	19,19,22,777	19,19,22,777
Net expenditure	84,82,84,454	7,64,19,354	5,59,04,164	5,59,04,164
Closing Balance	32,99,388	13,07,39,888	13,60,18,613	13,60,18,613

Note: All figures taken from books of accounts.

Internal Audit Report for the year ended 31st March of F.Y. 2017-18

iii. Bank Reconciliation: Un-reconciled balance between bank book and bank statement as on 31-03-2018 has been shown below:

Name of Bank	Name of Scheme	Account No.	Passbook Balance	Cash Book Balance	Difference	Status
SBI	Various	31004	48,45,895.79	48,45,895.79	-	Reconciled
SBI	Various	24008	6,43,465.97	6,43,465.97	-	Reconciled
SBI	Various	57997	1,166.15	1,166.15	-	Reconciled
SBI	Various	63816	5,51,306.25	5,51,306.25	-	Reconciled
SBI	Various	06389	3,32,563.00	3,32,563.00	-	Reconciled
SBI	Various	09186	25,437.00	25,437.00	-	Reconciled
SBI	Various	19593	3,06,523.47	3,06,523.47	-	Reconciled
SBI	Various	31939	10,84,384.94	10,84,384.94	-	Reconciled
PNB	Various	58514	3,053.74	3,053.74	-	Reconciled
PNB	Various	86711	3,19,138.14	3,19,138.14	-	Reconciled
PNB	Various	58523	22,918.14	22,918.14	-	Reconciled
UCO	Various	60711	7,87,932.56	7,87,932.56	-	Reconciled
UCO	Various	77719	45,02,730.00	45,02,730.00	-	Reconciled
UCO	Various	76330	13,30,788.95	13,30,788.95	-	Reconciled
UCO	Various	86797	1,85,019.00	1,85,019.00	-	Reconciled
BOB	BRGF	08425	83,358.00	83,358.00	-	Reconciled
ICICI	Various	00783	25,09,334.00	25,09,334.00	-	Reconciled
POST OFFICE	PF	221232	6,84,656.00	6,84,656.00	-	Reconciled
POST OFFICE	PF	234701	3,050.00	3,050.00	-	Reconciled
POST OFFICE	PF	234700	50.00	50.00	-	Reconciled
POST OFFICE	PF	234697	6,050.00	6,050.00	-	Reconciled



Internal Audit Report for the year ended 31st March of F.Y. 2017-18

CE						
POST OFFICE	PF	234696	50.00	50.00	-	Reconciled
POST OFFICE	PF	234694	50.00	50.00	-	Reconciled
POST OFFICE	PF	234690	50.00	50.00	-	Reconciled
POST OFFICE	PF	234689	50.00	50.00	-	Reconciled
PL Account	Various		11,77,89,593.20	11,77,89,593.20	-	Reconciled

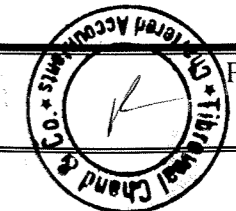
Comments: ULB does not prepared bank reconciliation statement on monthly basis.

Recommendation: ULB should be prepared bank reconciliation on monthly basis.

Note: Refer Discussion Note point no.7.

iv. Revenue & Capital Receipts :-

Income Details			
Sl. No.	Details	Amount (Rs.)	
		2017-18	2016-17
	Total Receipts (A+B)	6,11,82,889	9,63,23,162
A	Revenue Receipts (1+2+3)	2,36,77,752	4,84,60,109
I	Own Revenue Receipts	69,53,863	1,34,86,676
a)	Tax Revenue (Levied & Collected By municipal Body) (i+ii)	54,43,093	43,40,333
i)	Property Tax	50,87,093	36,60,595
ii)	Other Tax (Levied & Collected By municipal Body)	3,56,000	6,79,738
b)	Non Tax Revenue (Levied & Collected By municipal Body) (i+ii+iii)	3,78,499	82,92,549
i)	Fess & Fines	1,70,204	80,68,421
ii)	User Charges	68,295	-

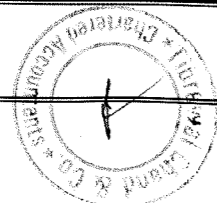


Internal Audit Report for the year ended 31st March of F.Y. 2017-18

iii)	Other Non-Tax Revenue (Levied & Collected By municipal Body)	1,40,000	2,24,128
2	Other Revenue Receipts	11,32,271	8,53,794
a)	Income from interest/Investments	8,87,271	5,54,544
b)	Other Revenue Income	2,45,000	2,99,250
3	Transfers/grants/Assigned Revenues	1,67,23,889	3,49,73,433
a)	State Assigned Revenues	62,02,835	-
b)	State Finance Commission (SFC) Grants/Devolution	1,05,21,054	3,49,73,433
c)	Octroi Compensation	-	-
d)	Other State Government transfers	-	-
e)	Central Finance Commission (CFC) Grants	-	-
f)	Other Central Government transfers	-	-
g)	Others	-	-
B	Capital Receipts (1+2+3+4+5)	3,75,05,137	4,78,63,053
1	Sale of Municipal Land	-	-
2	Loan (From state Govt. or Banks etc.)	-	-
3	State Capital Account Grant (Under state Scheme etc.)	2,91,38,688	2,80,90,761
4	Central Capital Account Grant (Under central Scheme etc.)	83,66,449	93,84,318
5	Other Capital Receipts	-	1,03,87,974

v. Revenue & Capital Expenditure Information :-

Expenditure Details			
Sl. No.	Details	2017-18	
		2017-18	2016-17
	Total Expenditure (1+2)	5,59,04,164	7,64,19,354
1.	Revenue Expenditure	2,08,89,697	1,13,19,231



Internal Audit Report for the year ended 31st March of F.Y. 2017-18

1.1	Administrative Expenses, Establishment & Salaries (All Departments regular & contractual staff)	93,44,080	75,59,698
1.2	Operation & Maintenance (O & M)	25,25,744	37,56,949
1.3	Loan Repayment (Interest Payments)	1,172	2,584
1.4	Others (any other revenue Expenditure which is not salaries, O&M & or interest payment)	90,18,700	-
2	Capital Expenditure	3,50,14,,468	6,51,00,123
2.1	All developmental works under central/state specific schemes	3,50,14,468	6,51,00,123
2.2	Loan Repayments	-	-
2.3	Other capital expenditure	-	-

vi. Status of implementation of double entry accounting system: DEAS has been implemented by M/s A P Sanzgiri & Co. at Dalsinghsarai Nagar Panchayat till F.Y 2017-18.

Particular	Completed
PTR	2017-18
AFS	2017-18
FAR	2017-18

(Note: Refer Discussion Note (Point No. 22))

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 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 meeting has been held till the date of our audit.

(Note: Refer Discussion Note (Point No. 21))



5. Audit Observations: -

I. Part-A

- 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.

Holding and property tax not deposit on timely basis.

Audit Objective: Assessment of property tax as per Bihar Municipal Act and all collection deposited with treasury.

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: Daily collection register has not been provided for verification, in such a situation, we cannot ascertain the actual delay of deposits this could be a huge loss to Nagar Panchayat. (Note: Refer point no. 2 & 8 of discussion note)

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 updating 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/Recommendations: 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.

Tower tax not deposit

Audit Objective: Assessment of Tower tax as per Bihar Communication Tower and related structure rules, 2012 and all collection deposited with treasury.

Criteria – Tower Tax is taxes on Communication Tower & related structure as defined in Bihar Communication Tower and related structure rules, 2012 as per the rule Tax Collected has to be deposited on same day or latest before noon on the following working day.

Condition: After reconciliation of cashier cash book with treasury challan, we observed that collections under tower tax are not deposited in treasury Account. Details of such are given here:-

(Note: Refer point no. 1 of discussion note)

Sr. No	Name of Company	Amount Receivable
1	ATC Telecom Infrastructure Pvt. Ltd	22,000
2	ATC Telecom Infrastructure Pvt. Ltd	22,000
3	Reliance communication Ltd	1,26,000
4	Bharti Infratel Ltd	1,66,000
5	Vodafone Spacetel Ltd	2,40,000
	Total	5,76,000

Consequence/Effect/ Impact - Due to non-deposition 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.

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 Panchayat 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 Panchayat.

Cause:

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

Corrective Action/ Recommendation:

Internal Audit Report for the year ended 31st March of F.Y. 2017-18

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

Sairat

Audit Objective: As per Point no-5 of TOR.

Criteria: As per Bihar Municipal Act.

Condition: During the verification of Sairat register, we observed that during the financial year 2017-18,

(i) During verification of Public Toilet Sairat following receipt nos. were found to be missing:-

4571, 4574 & 4577 while these challan were mentioned in DCR.

(ii) There were lots of time gap between date of bid and date of agreement.

Agreement Date: 29.12.2017

Date of bid: 20.03.2017

(iii) Mukesh Kumar is being paid Rs. 1,40,000 through challan no. 4581, 4599 & 4982 for Niji Vahan Parav Shulk while during verification, we found supporting of Rs. 1,10,000.

(iv) Nagar Panchayat had made an agreement for Vaysayik Maldhova on 10.04.2017 with Mukesh Kumar of Rs. 2,40,100 while payment was received in the following sequence:

Date	Challan No.	Amount
24.03.2017	4582	24,000.00
31.03.2017	4598	56,000.00
28.08.2017	4905	26,000.00
12.09.2017	4921	36,500.00
09.11.2017	4926	20,000.00
05.12.2017	4947	23,000.00
30.01.2018	4968	40,000.00
30.01.2018	Missing	14,600.00
Total		2,40,100

Whereas payment had to receive before agreement date.

(Note: Refer point no. 13, 17 & 25 of discussion note)

Consequence / Effect / Impact: Due to non-collection of Sairat 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 Sairat which results in Revenue leakage.

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



Internal Audit Report for the year ended 31st March of F.Y. 2017-18

Stamp Duty

Audit Objective: As per Point no-5 of TOR.

Criteria: As per Bihar Municipal Act.

Condition: Stamp duty is not being collected by Nagar Panchayat.

(Note: Refer point no. 13 of discussion note)

Consequence / Effect / Impact: Due to non-collection of stamp duty 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 Sairat (stamp duty) which results in Revenue leakage.

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

b. Excess payment made against the bill, lack of prudence in payment against vouchers, inefficiency in control resulting loss to ULB:

(i) During verification of contractor Anil Kumar for Scheme NIT 01/2016-17 group-1 (Construction of drain from Biskoman Chawck to Nagar Panchayat Boarder at ward no. 13) following details were observed.

(i) Advertisement date was mentioned 23.12.2016 while advertisement paper was showing 26.12.2017.

(ii) Security money deposit due date was 09.01.2017 whereas supporting was showing 11.01.2018 of Rs. 1,90,000.

(Note: Refer point no. 15 of discussion note)

(i) Cash received through Challan, dated 22.11.2017 but the same amount was deposited on 06.12.2017. It is a clear case of violation of rule 22 of Municipal Act, 2007.

(ii) As per terms and conditions of agreement, total amount of bid should be deposited before issue of office order but same was deposited on 25.1.2018, office order dated 22.11.2017, letter no. 1661.

Agreement copy was not provided by ULB to us.

(Note: Refer point no. 26 of discussion note)



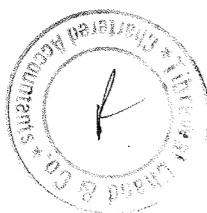
c. Report on Findings of the field survey of property tax of minimum 20 high value properties is given here:

- Our team on the basis of information available asked the SAF, demand collection detail of below mentioned properties:

SAF forms of below properties were not provided neither no arrangements were made for physical verification.

Apart from above details of 20 high value properties provided by the ULB is as below:
(Note: Refer point no.3 of discussion note)

Sr. No.	Holding No.	Ward No.	Name	Types of property	Amount Receivable
1	591	2	Ujjwal Kumar Choudri	Residential	19,515
2	1	12	Vinod Kumar	Residential	5,533
3	599	11	Rakesh Kumar	Residential	4,758
4	444	10	Aparna Upaddyaye	Commercial	4,658
5	565	7	Vishbnath Suresh	Residential	3,889
6	186	8	Vishbnath Suresh	Commercial	3,332
7	533	9	Vishbnath Suresh	Commercial	5,596
8	533	9	Pravin Suresh	Residential	4,998
9	441	8	Ayodya Prasad Singh	Commercial	3,377
10	NA	9	Arun Kumar choudri	Residential	3,547
11	NA	9	Sachin	Residential	4,058
12	98	3	Parasnath singh	Residential	4,904
13	99	3	Parasnath singh	Commercial	6,584
14	100	3	Parasnath singh	Commercial	8,056
15	NA	2	Prabhat Kumar	Commercial	9,110
16	591	2	Deepak Kumar	Residential	5,223
17	591	2	Deepak Kumar	Residential	5,643
18	178	8	Rajkumar	Residential	5,733
19	569	9	Sk Nasruddin	Residential	13,202
20	NA	13	Dr Dilip Kumar	Commercial	9,915



Part B

a. Non-maintenance of books of accounts, subsidiary registers: During the audit we observed that following registers which are given below has not been maintained by the ULBs.

- Subsidiary register
- Stock register
- Cheque issue registers.
- Assets register.
- Contra, journal, Receipt Voucher.
- Records and revision of taxes and rent.

In addition to the above following records were also not maintained by the ULB:

- Memorandum of collection (GEN 21)
- Summary of daily collection register
- Register for bills payment
- Cheque issue register
- Register for Advances
- Deposits register
- Summary statement of deposit adjustment
- Summary statement of bills raised
- Register of refunds, remissions and write offs
- Statement of outstanding expenses liability
- Document control register
- Register of immovable property
- Register of movable property
- Register of land
- Register of assets replacement
- Register of public lighting system.

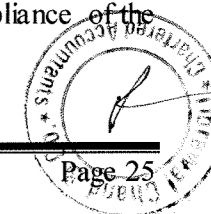
(Note: Refer Discussion Note point no.23)

b. Irregularity in procurement process:

No observation found in this regards.

c. Non Compliance of directives of UD&HD: We observed several non-compliance of the directions of the UDHD which includes-

- Non Implementation of GeM procurement mechanism



Internal Audit Report for the year ended 31st March of F.Y. 2017-18

- Non collection of various taxes required to be collected.
- Non maintenance of prescribed books of accounts.
- Non maintenance of prescribed DEAS.
- None maintenance of DCR.
- Non preparation of budget as per budget manual.
- Closing of daily cash book and bank book.
- Physical verification of cash balance with daily collection register and bank balances.

d. Non Compliances of the Acts and Rules: During the audit we observed below mentioned non compliances:

- Non formation of Municipal Accounts Committee
- Non maintenance of books of accounts as per BMAR
- Non preparation of budget as per Bihar Municipal Budget Manual
- Property tax rate should be increased in every 5 years but not increased since a long period

(Note: Refer Discussion Note (Point No. 20))

e. Lack of Internal Control Measures:

- (1) During the audit it was observed that there is serious lack of internal control over revenue collection. Revenue records are not maintained properly. Further, collection books after finishing should be kept in safe custody in ULB only.
- (2) There is no cash vault in the cash department for safety measure.

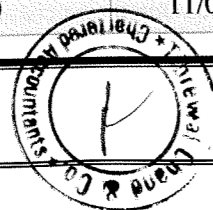
(Note: Refer Discussion Note (Point No. 19))

f. Non- Compliance of TDS, VAT, and other relevant statute: There is no cash vault in the cash department for safety measure observed that there is very serious issues in statutory compliances taxes are often deducted/ but not deposited on time resulting in heavy interest and penalty. In few cases it was deduction such as TDS and Royalty are not even deducted. Few cases are-

(Note: Refer point no. 6 of discussion note)

i. TDS:

S. No.	Date of deduction	Date of Deposit	Amount	Return date
1	June (2017)	11/07/2017	79,936.00	Not Filled



Internal Audit Report for the year ended 31st March of F.Y. 2017-18

S. No.	Date of deduction	Date of Deposit	Amount	Return date
2	September (2017)	09/10/2017	13,379.00	Not Filled
3	October (2017)	08/11/2017	14,732.00	Not Filled
4	November (2017)	08/12/2017	56,474.00	Not Filled
5	December (2017)	22/02/2018	18,755.00	Not Filled
6	January (2018)	22/02/2018	88,224.00	Not Filled

ii. Vat:

S. No.	Date of deduction	Date of Deposit	Amount	Return date
1	June (2017)	31/03/2018	7193677.00	Not Filled
2	September (2017)	31/03/2018	3916939.00	Not Filled
3	Oct, Nov, Dec (2017)	31/03/2018	6877521.00	Not Filled

g. Deficiency in pay roll system: During the audit it was observed that no bio metric attendance was used for making attendance. Further there was very poor internal control on leave tracking of the employees.

PF and ESI: During the audit it was observed that PF and ESI deducted from employees salary not deposited with authorities causing loss to the savings of the employees.

(Note: Refer point no. 5 of discussion note)

h. Utilization certificate report on grants allotted during the year: Details of UC's related this financial year 2017-18 are annexed as annexure 1.

i. Physical Verification of the inventories and stores: Stores registers has not been prepared by the ULB. During the year 2017-18 no physical verification was carries out of the stores.

(Note: Refer Discussion Note point no. 9)

j. Advances: Advance register was not provided to us.

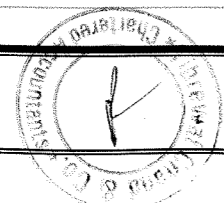
(Refer point no.24 of discussion note)



Internal Audit Report for the year ended 31st March of F.Y. 2017-18

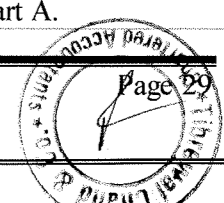
II. Part C

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.	Chapter xi, rule 84 (Budget has not been sanction by Empowered standing committee) & Chapter xii, rule 86 (Prepare and maintain accounts of receipts and expenditure), 87 (Preparation of Municipal Accounting Manual), 88 (Financial Statement.) 89 (Balance sheet.), 90 (Submission of financial statement and balance sheet to auditor.) and 98 (Municipal accounts committee.) are not follow by the ULB.
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 inconsistencies in assessment. at least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not).	Refer audit 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	Rule 22: we have found that all money has been brought to account but delayed. (Note: Refer point no. 26 of discussion note) Rule 27: we have observed that the collected money has not to be deposited into Bank Account on same day. Rule 69: Grant related compliance has been done properly. Rule 120-121: Monthly Receipt & Payment Account and Trial Balance are not being prepared. Rule 130 is not being 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.



Internal Audit Report for the year ended 31st March of F.Y. 2017-18

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.	It has been discussed in discussion notes and audit report under part A.
6	Status of adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments on or above Rs. 10,000.	Discussed in audit report Part A.
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/-	Refer detailed audit report.
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.	Refer audit report.
9	Verify instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	It has been provided in discussion notes as well as in audit report under part A.
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.	It has been provided in discussion notes as well as in audit report under part A.
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 fixed deposit made during the F.Y. 2017-18. All funds held by ULB are maintained at Nationalized Banks and rate of interest is per banking norms.
12	Verify all major areas of ULBs and assessed revenue loss and if any losses	It has been provided in discussion notes as well as in audit report under part A.



13	have been identified then prepare a statement of loss for revenue losses. 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 recorded in appropriate ledgers.	It has been provided in discussion notes as well as in audit report under part A.
14	Whether C&AG and Internal audit paras has been complied, if not assistance has been provided in this regard.	Discussed in details audit report and also annexure attached.



ANNEXURE

Annexure - 1:- Details of UC's of Financial Year 2017 - 2018

SN	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2017-18	कार्यपालक पदाधिकारी का वेतन	23/05/2017	5.00	5.00	NIL	VC Submitted
2	2017-18	मुख्यमंत्री शहरी नली गली	11/08/2017	33.09	16.54	16.55	Un-utilised Amount Rs. 16.55 Lakh Transferred to PL A/C
3	2017-18	नागरिक सुविधा	24/08/2017	25.37	25.37	NIL	VC Submitted
4	2017-18	पथ एवं पुलिया निर्माण	27/07/2017	29.86	12.47	17.39	Un-utilised Amount Rs. 17.39 transferred to treasury and out of Rs. 12.47 UC of Rs. 8.49 is pending.
5	2017-18	पार्षद भत्ता	15/06/2017	2.76	2.64	0.12	Un-utilised Amount Rs. 0.12 Lakh Transferred to PL A/C
6	2017-18	शहरी नाली गली	30/10/2017	28.35	12.32	16.03	Amount Rs. 16.03 transferred to PL A/C and out of Rs. 12.32 UC of Rs. 12.32 is Pending.
7	2017-18	14th Fin	24/01/2018	41.77	NIL	41.77	Un-utilised Amount Rs. 41.77



Internal Audit Report for the year ended 31st March of F.Y. 2017-18

							Lakh Transferred to PL A/C
8	2017-18	नाला निर्माण	27/03/2018	93.63	NIL	93.63	Un-utilised Amount Rs. 96.63 Lakh Transferred to PL A/C
9	2017-18	14th Finance	02/08/2017	41.89	NIL	41.89	Un-utilised Amount Rs. 41.89 Lakh Transferred to PL A/C
10	2017-18	पेशाकर मद	30/06/2017	7.96	NIL	7.96	Un-utilised Amount Rs. 7.96 Lakh Transferred to PL A/C
11	2017-18	5th Finance	14/09/2017	81.77	NIL	81.77	Un-utilised Amount Rs. 81.77 Lakh Transferred to PL A/C
12	2017-18	पथ एवं पुलिया निर्माण	15/02/2018	24.69	12.96	11.73	Un-utilised Amount Rs. 11.73 transferred to treasury and out of Rs. 12.96 UC of Rs. 12.96 is pending.
Grand Total				416.14	87.30	328.84	



Discussion Note 2017-18

Dalsinghsarai Nagar Panchayat

S. No	Observation	Management Comments	Recommendation
1	As per notification of Bihar Government. The Governor of Bihar made the rules for the mobile tower under the Act. Operator of the mobile has to apply to the ULB for operation of the mobile tower in the concerned area with the Requisite fees of Rs. 30,000/- per Tower and the Renewal fee is Rs. 8,000/- per year. During the course of audit it was observed that Rs.5,76,000 is due towards Tower Company for financial year 2017-18. (Details also given in report)	This will be strictly taken care by next financial year and nagar Panchayat will take necessary steps to recover or boost revenue from towers.	There is a huge loss of revenue & interest income. So, necessary steps should be taken for timely collection of taxes.
2	During audit observed that property tax is not being deposited by tax collector on same day.	Tax collectors are directed to deposit the tax.	It should be recovered from concerned person and same should be deposited into bank.
3	Report on Findings of the field survey of property tax of minimum 20 high value properties. (Refer details audit report)	ULB staff is directed to cooperate with auditors and to provide all the necessary documents for audit.	Physical survey can't be conducted due to Non availability of ULB staff for conducting physical verification. Further SAF forms were also not provided for 20 high value properties as per list provided by us.
4	Demand Register for collection of Trade License, property tax & shop rent for the financial year 2017-18 is not yet prepared.	All tax collector cashier, cashier and tax daroga is directed to make necessary attempt in this regard.	Demand register should be prepared.
5	PF deducted from all permanent staff salary but not deposited in his PF account.	Will consider it in next financial year.	PF should be deposited immediately.
6	During the audit various cases were observed regarding non-deposition of statutory dues like labour cess, and Royalty in stipulated time by the Nagar	Will consider it in next financial year.	All statutory compliances related to deduction, deposition and return filling should be complied.

R.K. Rawat
कांसिपुलक पदाधिकारी
12/06/2018
पंचायत दलासहसरी

	Panchayat. (Refer details audit report)		
7	The municipality is not in a practice to prepare BRS on regular or periodical basis. (Refer details audit report)	Will consider it in next financial year.	BRS should be maintained month wise.
8	(i) Improper maintenance of records related to revenue collection. (ii) During the audit it was observed that mobile tower tax is not getting collected on a timely basis and even if it is getting collected, the same is not deposited timely.	Nagar Panchayat ensure that this will be taken care from now onwards.	(i) Daily collection register for property tax should be maintained and appropriate action should be taken. (ii) Collection should be made on a regular basis and deposited on the same day to avoid any irregularity.
9	Non preparation of stores register	Nagar Panchayat ensure that this will be taken care from now onwards.	Due to non - maintenance of stock register, it will become difficult to identify quantity of each class of stock. So, the ULB should maintain a store ledger including price of inward goods.
10	Insurance deduction from all permanent staff salary but not deposited.	Nagar Panchayat ensure that this will be taken care from now onwards.	Insurance should be deposited.
11	Dalsinghsarai Nagar Panchayat is not in practice to prepare monthly receipt and payment account and the trial balance.	Nagar Panchayat ensure that this will be taken care from now onwards.	ULB should prepare receipts and payment account on monthly basis. It helps to find out that how much fund received by the ULB and whether its utilization was made properly or not.
12	Scheme register not prepared for the financial year 2017-18	Necessary action will be taken.	Separate register should be maintained for each scheme.
13	During the verification of sairat register, we observed that during the financial year 2017-18,	Nagar Panchayat ensure that this will be taken care from now onwards.	Supporting must be available in the file.

R.K. Raju
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पंचायत दलसिंहसराय
12/06/18

	(i) Mukesh Kumar is being paid Rs. 1,40,000 through challan no. 4581, 4599 & 4982 for NijiVahanParavShulk while during verification, we found supporting of Rs. 1,10,000. (ii) Stamp Duty is also not being collected by Nagar Panchayat.		
14	No-collection of notice fees	ULB staff is directed to comply with Bihar Municipal Act 2007	As per the regulation 158(a) of chapter XIX of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fee, levy of interest for delay payment at a rate as may be specified, and the amount of penalty therefore, but in case of Dalsinghsarai Nagar Panchayat, corporation has not provided any information regarding charging and collection of notice fees. ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.
15	During verification of contractor Anil Kumar for Scheme NIT 01/2016-17 group-1 (Construction of drain from BiskomanChawck to Nagar Panchayat Boarder at ward no.13) following details were observed. (i) Advertisement date was mentioned 23.12.2016 while advertisement paper was showing 26.12.2017. (ii) Security money deposit due date was 09.01.2017 whereas supporting was showing	Nagar Panchayat ensure that this will be taken care from now onwards.	(i) Date should be matched. (ii) SD must be deposit on due date.

R.K. Raju
कार्यपालक प्रदाधिकारी
पंचायत दलसिंहसराय
12/06/18

	11.01.2018 of Rs. 1,90,000.																																
16	Collection of internal resources is very poor. (Refer details audit report)	Nagar Panchayat will take steps to improve the collection from internal resources.	It should be timely collected.																														
17	During the verification of sairat register, we observed that during the financial year 2017-18, (i)Nagar Panchayat had made an agreement for Vaysayik Maldhova on 10.04.2017 with Mukesh Kumar of Rs. 2,40,100 while payment was received in the following sequence: <table border="1"> <thead> <tr> <th>Date</th> <th>Challan No.</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>24.03.2017</td> <td>4582</td> <td>24,000.00</td> </tr> <tr> <td>31.03.2017</td> <td>4598</td> <td>56,000.00</td> </tr> <tr> <td>28.08.2017</td> <td>4905</td> <td>26,000.00</td> </tr> <tr> <td>12.09.2017</td> <td>4921</td> <td>36,500.00</td> </tr> <tr> <td>09.11.2017</td> <td>4926</td> <td>20,000.00</td> </tr> <tr> <td>05.12.2017</td> <td>4947</td> <td>23,000.00</td> </tr> <tr> <td>30.01.2018</td> <td>4968</td> <td>40,000.00</td> </tr> <tr> <td>30.01.2018</td> <td>missing</td> <td>14,600.00</td> </tr> <tr> <td colspan="2">Total</td> <td>2,40,100</td> </tr> </tbody> </table> Whereas payment had to receive before agreement date.	Date	Challan No.	Amount	24.03.2017	4582	24,000.00	31.03.2017	4598	56,000.00	28.08.2017	4905	26,000.00	12.09.2017	4921	36,500.00	09.11.2017	4926	20,000.00	05.12.2017	4947	23,000.00	30.01.2018	4968	40,000.00	30.01.2018	missing	14,600.00	Total		2,40,100	Nagar Panchayat ensure that this will be taken care from now onwards.	Sairat amount must be received at the time of agreement.
Date	Challan No.	Amount																															
24.03.2017	4582	24,000.00																															
31.03.2017	4598	56,000.00																															
28.08.2017	4905	26,000.00																															
12.09.2017	4921	36,500.00																															
09.11.2017	4926	20,000.00																															
05.12.2017	4947	23,000.00																															
30.01.2018	4968	40,000.00																															
30.01.2018	missing	14,600.00																															
Total		2,40,100																															
18	During the course of Audit, we observed that Nagar Panchayat has conducted Internal audit & CAG audit for the year 2016-17 but As per information given by Asst. Accountant till the time of our audit the auditor has not submitted their audit report. (Details given in report)	Necessary action will be taken.	It should be prepared as soon as possible.																														
19	Lack of internal control measures (i)Voucher file was not maintained (ii)No internal mechanism for statutory compliance (iii)No MIS was prepared for	Nagar Panchayat ensure that this will be taken care from now onwards.	We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory																														

R.K. Ray
कायपालक/पदाधिकारी
नगर पंचायत दलसिंहसराय
12/06/20

	tracking of payments (iv)Required books of Accounts as per BMAM was not maintained (v)Statutory compliance reconciliation was not maintained (vi)Bank reconciliation of any bank account was not prepared.		compliances: We suggest that (i)MIS system should be implemented over daily collection and deposit. (ii)Reason for non-deposit/Late deposit should be strongly need to ask for minimize delay. (iii)Need to identify a person to comply with the statutory compliance. In case failure to comply with statutory compliances he should also be penalized. Therefore, the management has to take serious effort in implementation of internal control mechanism for getting a better result from ULB working.
20	Non-Compliance of Act & Rules	ULB staff is directed to ensure compliance of all applicable Act & Rules.	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable Act & Rules.
21	No details were made available regarding meeting of municipal accounts committee held during the financial year 2017-18.	ULB staff is directed to comply with BMA-2007	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of municipal accounts committee each year. During our audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.
22	Non-Implementation of double entry accounting system (DEAS)	Implementation of DEAS is ongoing and ULB staff is directed to cooperate with	As per requirement of BMAR-2014, Part-A, Chapter-2 Rule - 4, "All ULB refereed in

R.K. Ray
कायपालक/पदाधिकारी
नगर पंचायत दलसिंहसराय
12/06/20

		auditors and to provide all necessary documents for audit.	schedule-1 shall maintain its books of account using the double entry system". Since Dalsinghsarai Nagar Panchayat is covered under schedule -1, therefore they should have to maintain their accounts on double entry accounting system in compliance of such rule. We found the detail that double accounting system is implemented at Dalsinghsarai Nagar Panchayat, however we not got any data for verification the same.
23	Non-maintenance of required registers as per Rule No.-3 of BMAR-2014	ULB staff is directed to follow and comply the guidelines of BMAR	Details of registers not maintained by ULB is mentioned under Part-A (a). ULB should ensure proper maintenance of required books of account and register as per the list given in rule-3 of BMAR-2014.
24	Non adjustment of advances	Necessary action for recovery of such will be taken.	Advancer register should be produced to auditors for verification.
25	(i)During verification of Public Toilet Sairat following receipt nos. were found to be missing:- 4571, 4574 & 4577 while these challan were mentioned in DCR. (ii)There were lots of time gap between date of bid and date of agreement. Agreement Date: 29.12.2017 Date of bid: 20.03.2017	Voucher no 4571,4574, &4577 has been found & checked .	(i)Challan must be attached along with file. (ii) There should not be long time gap.
26	i)Cash received through Challan, dated 22.11.2017 but the same amount was deposited on 06.12.2017. It is a clear case of	Nagar Panchayat ensure that this will be taken care from now onwards.	(i)Cash should be deposit into bank on the same day. (ii)Agreement must be made before issue of office order.

R.K. Aggarwal
कार्यपालक पदाधिकारी
नागर पंचायत दलसिंहसराय
22/06/20

violation of rule 22 of Municipal Act,2007.

ii)As per terms and conditions of agreement, total amount of bid should be deposited before issue of office order but same was deposited on 25.1.2018, office order dated 22.11.2017, letter no. 1661.

Agreement copy was not provided by ULB tous.

Details of 20 high value properties:-

Sr. No.	Holding No.	Ward No.	Name	Types of property	Amount Receivable
1	591	2	Ujjwal Kumar Choudri	Residential	19,515
2	1	12	Vinod Kumar	Residential	5,533
3	599	11	Rakesh Kumar	Residential	4,758
4	444	10	AparnaUpaddyaye	Commercial	4,658
5	565	7	Vishbnath Suresh	Residential	3,889
6	186	8	Vishbnath Suresh	Commercial	3,332
7	533	9	Vishbnath Suresh	Commercial	5,596
8	533	9	Pravin Suresh	Residential	4,998
9	441	8	Ayodya Prasad Singh	Commercial	3,377
10	NA	9	Arun Kumar choudri	Residential	3,547
11	NA	9	Sachin	Residential	4,058
12	98	3	Parasnathsingh	Residential	4,904
13	99	3	Parasnathsingh	Commercial	6,584
14	100	3	Parasnathsingh	Commercial	8,056
15	NA	2	Prabhat Kumar	Commercial	9,110
16	591	2	Deepak Kumar	Residential	5,223
17	591	2	Deepak Kumar	Residential	5,643
18	178	8	Rajkumar	Residential	5,733
19	569	9	SkNasruddin	Residential	13,202
20	NA	13	DrDilip Kumar	Commercial	9,915

Details of statutory deduction:-

R.K. Aggarwal
कार्यपालक पदाधिकारी
नागर पंचायत दलसिंहसराय
22/06/20

i. TDS:

S. No.	Date of deduction	Date of Deposit	Amount	Return date
1	June (2017)	11/07/2017	79,936.00	Filled
2	September (2017)	09/10/2017	13,379.00	Filled
3	October (2017)	08/11/2017	14,732.00	Filled
4	November (2017)	08/12/2017	56,474.00	Filled
5	December (2017)	22/02/2018	18,755.00	Filled
6	January (2018)	22/02/2018	88,224.00	Filled

ii. Vat:

S. No.	Date of deduction	Date of Deposit	Amount	Return date
1	June (2017)	31/03/2018	7193677.00	Filled
2	September (2017)	31/03/2018	3916939.00	Filled
3	Oct, Nov, Dec (2017)	31/03/2018	6877521.00	Filled

Bank Reconciliation Statement

Name of Bank	Name of Scheme	Account No.	Passbook Balance	Cash Book Balance	Difference	Status
SBI	Various	31004	48,45,895.79	48,45,895.79	-	Reconciled
SBI	Various	24008	6,43,465.97	6,43,465.97	-	Reconciled
SBI	Various	57997	1,166.15	1,166.15	-	Reconciled
SBI	Various	63816	5,51,306.25	5,51,306.25	-	Reconciled
SBI	Various	06389	3,32,563.00	3,32,563.00	-	Reconciled
SBI	Various	09186	25,437.00	25,437.00	-	Reconciled
SBI	Various	19593	3,06,523.47	3,06,523.47	-	Reconciled
SBI	Various	31939	10,84,384.94	10,84,384.94	-	Reconciled
PNB	Various	58514	3,053.74	3,053.74	-	Reconciled

R.K. Raju
कार्यपालक पदाधिकारी
मुख्यमंत्री शहरी नली गली
पंचायत दलसिंहसराय
12/06/20

PNB	Various	86711	3,19,138.14	22,918.14	-	Reconciled
PNB	Various	58523	22,918.14	3,19,138.14	-	Reconciled
UCO	Various	60711	7,87,932.56	7,87,932.56	-	Reconciled
UCO	Various	77719	45,02,730.00	45,02,730.00	-	Reconciled
UCO	Various	76330	13,30,788.95	13,30,788.95	-	Reconciled
UCO	Various	86797	1,85,019.00	1,85,019.00	-	Reconciled
BOB	BRGF	08425	83,358.00	83,358.00	-	Reconciled
ICICI	Various	00783	25,09,334.00	25,09,334.00	-	Reconciled
POST OFFICE	PF	221232	6,84,656.00	6,84,656.00	-	Reconciled
POST OFFICE	PF	234701	3,050.00	3,050.00	-	Reconciled
POST OFFICE	PF	234700	50.00	50.00	-	Reconciled
POST OFFICE	PF	234697	6,050.00	6,050.00	-	Reconciled
POST OFFICE	PF	234696	50.00	50.00	-	Reconciled
POST OFFICE	PF	234694	50.00	50.00	-	Reconciled
POST OFFICE	PF	234690	50.00	50.00	-	Reconciled
POST OFFICE	PF	234689	50.00	50.00	-	Reconciled
P/L Account	Various		11,77,89,593.24	11,77,89,593.24	-	Reconciled

Details of UC's of Financial Year 2017 - 2018

S N	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2017-18	कार्यपालक पदाधिकारी का वेतन	23/05/2017	5.00	5.00	NIL	UC Submitted
2	2017-18	मुख्यमंत्री शहरी नली गली	11/08/2017	33.09	16.54	16.55	Un-utilised

R.K. Raju
कार्यपालक पदाधिकारी
मुख्यमंत्री शहरी नली गली
पंचायत दलसिंहसराय
12/06/20

							Amount Rs. 16.55 Lakh Transferr ed to PL A/C
3	2017-18	नागरिकसुविधा	24/08/20 17	25.37	25.37	NIL	UC Submitted
4	2017-18	पथएवंपुलियानिर्माण	27/07/20 17	29.86	12.47	17.39	Un- utilised Amount Rs. 17.39 transfere d to treasury and out of Rs. 12.47 UC of Rs. 8.49 is pending.
5	2017-18	पार्षदभत्ता	15/06/20 17	2.76	2.64	0.12	Un- utilised Amount Rs. 0.12 Lakh Transferr ed to PL A/C
6	2017-18	शहरीनालीगली	30/10/20 17	28.35	12.32	16.03	Amount Rs. 16.03 transfere d to PL A/C and out of Rs. 12.32 UC of Rs. 12.32 is Pending.
7	2017-18	14th Fin	24/01/20 18	41.77	NIL	41.77	Un- utilised Amount Rs. 41.77 Lakh Transferr ed to PL

R. K. Raju
प्रमाणित
19/06/18
पंचायत दलसिंहसराय

	2017-18						A/C
8		नालानिर्माण	27/03/20 18	93.63	NIL	93.63	Un- utilised Amount Rs. 96.63 Lakh Transferr ed to PL A/C
9	2017-18	14th Finance	02/08/20 17	41.89	NIL	41.89	Un- utilised Amount Rs. 41.89 Lakh Transferr ed to PL A/C
10	2017-18	पेशाकरमद	30/06/20 17	7.96	NIL	7.96	Un- utilised Amount Rs. 7.96 Lakh Transferr ed to PL A/C
11	2017-18	5th Finance	14/09/20 17	81.77	NIL	81.77	Un- utilised Amount Rs. 81.77 Lakh Transferr ed to PL A/C
12	2017-18	पथएवंपुलियानिर्माण	15/02/20 18	24.69	12.96	11.73	Un- utilised Amount Rs. 11.73 transfere d to treasury and out of Rs. 12.96 UC of Rs. 12.96 is pending.

R. K. Raju
प्रमाणित
19/06/18
पंचायत दलसिंहसराय