

नगर विकास एवं आवास विभाग
URBAN DEVELOPMENT & HOUSING DEPARTMENT
Government of Bihar

INTERNAL Audit Report

for

F. Y. 2018-19

Group 1

NAGAR PARISHAD

DEHRI-DALMIANAGAR

BY

A. P. SANZGIRI & CO.

Chartered Accountants

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A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

Document History

Internal Audit

Project Title	Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar (Tender No. IA-140ULBs/2017-18/2018-19/2019-20) Group - 1 covering 19 ULBs"
Report Title	Internal Audit for FY 2018-19 of Nagar Parishad Dehri - Dalmianagar
Reporting Entity	A P SANZGIRI & Co., Chartered Accountants
Reporting for	Nagar Parishad Dehri - Dalmianagar
Report Prepared by	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
Date of Submission	19 th November 2019



Abbreviation and Acronyms

Abbreviation	Description
UD&HD	Urban Development & Housing Department
BMAM	Bihar Municipal Accounting Manual
NMAM	National Municipal Accounting Manual
ULBs	Urban Local Bodies
FAR	Fixed Assets Register
OBS	Opening Balance Sheet
ToR	Terms of Reference
MIS	Management Information System
DEAS	Double entry accounting system
MOUD	Ministry of Urban Development
GOI	Government of India
GOB	Government of Bihar
CWIP	Capital Works in Progress
CAG	Comptroller & Auditor General of India
MAS	Municipal Audit Specialist
MAA	Municipal Audit Assistant
SS	Support Staff
NTP	Notice to Proceed
RFP	Reference for Proposal



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A. P. SANZGIRI & Co.
CHARTERED ACCOUNTANTS

Date: 13th July, 2020

To
The Secretary,
Urban Development & Housing Department,
Patna-Bihar

Sub: Submission of Internal Audit Report of Nagar Parishad Dehri - Dalmianagar for the financial year 2018-19

Ref No.: Letter No. 7/l. AK. 23/2018 - 82 **Dated:** 16.01.2019

Respected Sir,

With reference to above subject matter, We A P Sanzgiri & Co., Chartered Accountants has been appointed as Internal Auditor for the project named as "Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar (Tender No. IA-140ULBs/2017-18/2018-19/2019-20) Group - 1 covering 19 ULBs"

As per the terms and conditions of RFP Document, we have successfully conducted the Internal Audit of Nagar Parishad Dehri - Dalmianagar for the Financial Year 2018-19 and submitting the report of the same as per our deliverables.

We hereby also confirm that, this report has been prepared in accordance with the Terms of Reference of RFP issued by the department.

Hope you will find the same in compliance. Assuring you of our best services & cooperation always.

Thanking You,

Yours faithfully,

On Behalf of
A P Sanzgiri & Co,
Chartered Accountants

Satish
CA Satish Gupta
Partner
FRN: 116293W
UDIN: 20101130AAAAJA8202
Date - 07-07-2020
membership No- 101134



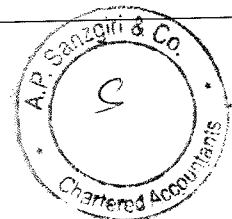
Executive Summary

1. INTRODUCTION:

Name of the Municipality	-	Nagar Parishad Dehri - Dalmianagar
Period covered under Current Audit	-	01 st April 2018 to 31 st March 2019
Name of Mayor	-	Smt. Vishakha Singh
Name of Executive Officer	-	Shri Sushil Kumar

2. OBSERVATIONS AND FINDINGS:

Strengths	<ol style="list-style-type: none">1. In the existing system as prevailing in the ULB, day to day working is in progressive manner in respect of collection of revenue and execution of the projects.2. There is sufficient co-operation from the management during the course of our audit.3. General Cash book is properly up-to-dated.4. List of Outstanding dues is available.
Weaknesses	<ol style="list-style-type: none">1. Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the council has not been complied.2. There is a vast difference between estimated budget and actual.3. Utilization certificate for FY 2018-19 has not been prepared.4. Fixed assets register is not maintained by ULB5. Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection. Based on which, we are unable to comment whether the recoverable amount from the personal concerned has been recovered or not.6. In most of the cases, shops established or running under the jurisdiction of ULB are running without trade licence as per the concerned officer.7. In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.8. In most of the cases the amount of TDS is not deducted as per rules.9. Certain Statutory Registers and Books are not maintained.10. Bank Reconciliation Statement has not been prepared. <p>11. Non Levy of Taxes:</p> <ul style="list-style-type: none">• Surcharge on electricity consumption within the municipal area• Tax on congregations.• Tax on pilgrims and tourists.• Tax on profession.• Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks



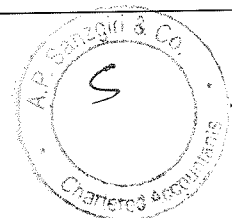
	<p>which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles.</p> <ul style="list-style-type: none"> • User Charges for provision of water-supply, drainage and sewerage • User Charges for Solid Waste Management • User Charges for Parking Facility • User Charges for Garbage Clearance • Development Charges. <p>12. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 15 to 25 days.</p> <p>13. ULB is not prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p> <p>14. ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter</p> <p>15. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p> <p>16. Non Compliance of Rule 130 of BMAR in some of the cases.</p> <p>17. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.</p> <p>18. In respect of some of the intimation received from Income Tax Department, no payment have been made of TDS for past few financial years and the penalty charges on the same has been raised by the department on ULB. Amount of such penalty is Rs. 4,43,220/-</p>
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3. OPINION:

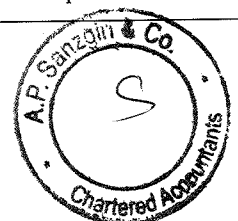
The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the municipal personnel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

4. AUDIT RECOMMENDATION:

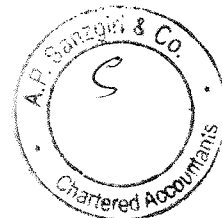
Observed Weaknesses	Audit Recommendations
Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the council has not been complied.	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.
There is a vast difference between estimated budget	Estimation should be based on the past



and actual.	experience and after considering the fact that how the condition might change in future though the provision of Section 82 of the Act regarding preparation of budget need to be complied.
Utilization certificate for FY 2018-19 has not been prepared.	Utilization Certificate should be prepared timely by the ULB and submit the same to Department on regular basis.
Fixed assets register is not maintained by ULB	Fixed assets register should be maintained and updated properly with the assistance of DEAS team.
Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection. Based on which, we are unable to comment whether the recoverable amount from the personal concerned has been recovered or not.	Compliance report should be prepared as soon as the report is received by ULB and steps to be taken for recovery of the amount for financial irregularities.
In most of the cases, shops established or running under the jurisdiction of ULB have not made payment for trade licence as per the concerned officer.	ULB should maintain proper register for registered shops and authorize them with Trade licence for proper collection and recovery of charges.
In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.	As ULB is not proper in statutory compliances, that cause financial implication on ULB in mode of interest and penalty. So, ULB should ensure statutory compliance on time.
In most of the cases the amount of TDS is not deducted as per rules.	The rate of TDS under Statutory deductions required to be deducted on the basis of 4th letter of PAN of contractor.
Certain Statutory Registers and Books are not maintained.	Statutory register and books of accounts should be maintained as per guidelines and BMAR.
Bank Reconciliation Statement has not been prepared.	ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for



	proper records.
<p>Non Levy of Taxes:</p> <ul style="list-style-type: none"> • Surcharge on electricity consumption within the municipal area • Tax on congregations. • Tax on pilgrims and tourists. • Tax on profession. • Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles. • User Charges for provision of water-supply, drainage and sewerage • User Charges for Solid Waste Management • User Charges for Parking Facility • User Charges for Garbage Clearance • Development Charges. 	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. ULB should take steps to implement required taxes to boost their revenue
During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 15 to 25 days.	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.
ULB is not prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	As per BMAR Rule No. - 121, ULB should prepare of monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.
ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.
Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the	As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM,



subsequent month.	following funds should be maintained by ULB. 1. Municipal General Fund 2. Basic service for urban poor 3. Water supply & sewerage fund 4. Solid Waste Management Fund 5. Road Development & Maintenance 6. Enterprise Fund
Non Compliance of Rule 130 of BMAR in some of the cases.	ULB should ensure compliance related to Rule 130 of BMAR on regular basis.
ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.	ULB should prepare financial statements for each year and get it approved from municipal account committee. As per BMAR, audited financial statements are required to submit to auditor for audit.
In respect of some of the intimation received from Income Tax Department, no payment have been made of TDS for past few financial years and the penalty charges on the same has been raised by the department on ULB. Amount of such penalty is Rs. 4,43,220/-	ULB should take immediate action on the same and should remit the penalty and other charges to avoid further charges of penalty or interest.

5. COMMENTS FROM MANAGEMENT

We have conducted audit of the ULB and our report with observation was discussed with ULB officials and their comments are given. (Kindly refer *Discussion Note attached with the Report*).

6. ACKNOWLEDGEMENT

During the course of the auditor we have come across many deficiencies like maintaining of holding tax register, fixed assets register, award register of contract etc. all such deficiencies we have brought to knowledge of the ULB officials. Further non preparation of bank reconciliation has also been brought to the notice of the ULB officials.

In Behalf of
P. Sanzgiri & Co.
Chartered Accountants
Sathish Gupta
CA Sathish Gupta
Partner
FRN: 116293W
UDIN: 20101124 AAAA JA 8202
DATE: 07-07-2020
Membership No: 10134



DETAILED AUDIT REPORT

1. INTRODUCTION:

S.N.	Name Of ULB	Period-covered		Audit Team
		From	TO	
1	Nagar Parishad Dehri - Dalmianagar	01.04.2018	31.03.2019	1. Name of Team Leader: CA Satish Gupta 2. Name of CA : Ayush Agarwal 3. Name of Auditor-1 : Raja Ansari

2. ADMINISTRATION:

S.N	Particulars	Details
1	The present body of the ULB has taken charge on	2017
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	Smt. Vishakha Singh
2.1.1	Period of Service:	From: June, 2017 To: Till date
2.2	Name of Executive Officer:	1. Sri Anjay Kumar Rao: 19.03.2018- 03.09.2018 2. Smt.Kumari Himani: 10.10.2018- 31.10.2018 3. Sri Akhileshawar Kr. : 01.11.2018- 16.01.2019 4. Sri Sushil Kumar: 17.01.2019
2.2.1	Period of Service:	Mentioned Above.

3. REVIEW OF OUTSTANDING AUDIT PARAS:

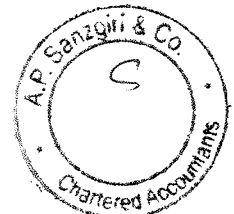
3.1. STATUS OF AUDIT OBSERVATIONS IS AS UNDER:

S.N	Particulars of audit and date of report	Total No. of audit paras	Total No. of audit paras where necessary improvement /corrective measures required	Total No. of audit paras where recovery of cash is proposed	Total No. of audit paras where recovery has been made	Total amount of Recovery	Total No. of O/s para where no action has been taken	No. & date of compliance report
1	Audit report submitted by AG for the F.Y. 2015-16	17	17	9	NIL	NIL	17	Not Prepared (Refer Discussion Note)

3.2. DETAILS OF TOTAL NO OF AUDIT PARAS:

Period of AG audit report : 2015-16

Compliance report date & Number : Not provided



Audit Para No.	Heading of the audit para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1.	Vat & SD not deducted	1358475	-	-	NO
2.	Non deposit of cash by cashier	3314908	-	-	NO
3.	Tower Tax	7364440	-	-	NO
4.	Non Deduction of VAT	62274	-	-	-
5	Rental income- non collection	167928	-	-	-
6	Tin ticket/advertisement	429550	NA	NA	NA
7	Payment not Traced	1293200	NA	NA	NA
8	Solar Light	6744975	NA	NA	No
9.	UC Not submitted (KAY)	362000	NA	NA	No
10	UC Not submitted (SSP)	3443800	NA	NA	No
11	Rental Income	3000040	-	-	No
12	Holding tax outstanding	1230293	-	-	No
13	Daily worker payment	6583700	NA	NA	No
14	Demand and collection not presented	-	-	-	-
15	Assets register not maintained	-	-	-	-
16	Unused grant (1.32% of grant expensed)	-	-	-	-
17	Grant Register	-	-	-	No



4. FINANCE

I. BUDGETARY PROVISIONS AND EXPENDITURE FOR THE LAST THREE YEARS

Year	Year- 2016-17	Year- 2017-18	Year- 2018-19
Final/Revised Budget Data	1,15,81,90,500	1,43,17,93,600	4,80,68,52,920
Actual Expenditure Data	10,87,25,792	10,98,94,531	37,20,26,011
Savings(+)/Excess(-)	1,04,94,64,708	1,32,18,99,069	4,43,48,26,909

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 2016-17, 2017-18, 2018-19 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. The actual expenditure for 2018-19 has been taken up to December 2018.

II. VOLUME OF TRANSACTIONS

Period	Budgeted for F.Y: 2018-19	Actual for the F.Y. 2017-18	Actual for the F.Y. 2016-17	Actual for the F.Y. 2018-19	Cumulative for the current period
Opening balance	48,24,75,110.00	39,89,85,069.00	290303803.00	48,24,75,110.00	48,24,75,110.00
Receipts	4807547920	19,33,84,572.00	217407058.00	44,03,43,331.00	44,03,43,331.00
Total	52,900,230,30.00	59,23,69,641.00	507710861.00	92,28,18,441.00	92,28,18,441.00
Net expenditure	4,80,68,52,920	10,98,94,531.00	10,87,25,792.00	37,20,26,011.00	37,20,26,011.00
Closing balance	48,31,70,110.00	48,24,75,110.00	39,89,85,069.00	55,07,92,430.00	55,07,92,430.00

Auditor's Comment:

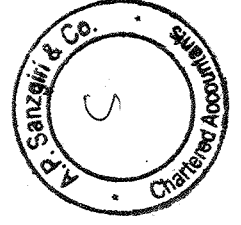
The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 2016-17, 2017-18 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. The actual figure in respect of 2018-19 has been taken up to December 2018.



III. BANK RECONCILIATION POSITION AS ON REPORTING DATE

BANK RECONCILIATION POSITION AS ON 31-03-2019

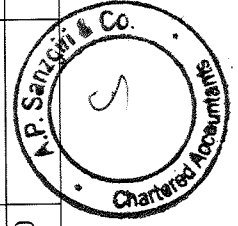
S.N	Name of Bank	Bank A/C No.	Purpose of Bank Account	Balance as per Cash Book	Balance as per Bank Statement	Differences	Reconciled (Yes/No)
1	Bank of Baroda	02201	MMNY		2,45,13,985.00		NO
2	Bank of Baroda	02203	14 th F.C.		17,624.00		NO
3	Bank of Baroda	05034	HFA		60,147.00		NO
4	Bank of Baroda	02200	SAD		2,07,56,087.00		NO
5	Bank of Baroda	03820	KAY		1,27,065.00		NO
6	SBI	84466	Internal Resource		1,52,435.46		NO
7	MBGB	45169	NULM		3,633.00		NO
8	Bank of Baroda	04849	AMRUT	588679679.77	30,11,403.00		NO
9	Canara Bank	19539	BRGF		47,75,057.00		NO
10	MBGB	77130	KAY		11,985.00		NO
11	Canara Bank	01214	NULM		56,11,662.79		NO
12	PNB	57885	GBY		2,96,01,93.00		NO
13	Bank of Baroda	04297	SBM		5,22,451.00		NO
14	ICICI	00392	SBM		25,66,491.00		NO
15	PNB	57896	11 th F.C.		2,891.00		NO
Total				58,86,79,679.77	6,50,93,110.25	52,35,86,569.52	



Auditor's Comment: A single cash book maintained in respect of all Yojna/Scheme, whereas under a Scheme/ Yojna separate bank account open. And no reconciliation statement prepared. It is suggested to maintain subsidiary cash book register so as to reconciliation statement can be done easily. As per reply given by concern person from 2019-20 separate cash book maintained for each bank accounts open under Yojna/scheme. Further due to non preparation of subsidiary cash book, we cannot identify differences separately.

IV. REVENUE & CAPITAL RECEIPTS INFORMATION:

S. N.	Details	INCOME DETAILS (Amounts In Rupees)					
		2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)
	Total Receipts (A+B)	19,33,84,572	21,74,07,058	44,03,43,331	19,33,84,572		44,03,43,331
A	Revenue Receipts (1+2+3)	12,40,00,377	15,81,69,001	20,49,40,330	12,40,00,377		20,49,40,330
1	Own Revenue Receipts (a+b)	4,97,36,080	1,72,65,751	5,80,04,241	4,97,36,080		5,80,04,241
a)	Tax Revenue (Collected by ULB)	4,78,48,709	1,53,30,548	5,58,46,269	4,78,48,709		5,58,46,269
i)	Property tax	89,40,016	1,13,61,384	1,14,47,717	89,40,016		1,14,47,717
ii)	Other tax (Collected ULB)	3,89,08,693	39,69,164	4,43,98,552	3,89,08,693		4,43,98,552
b)	Non-tax revenue (Collected by ULB)	18,87,317	19,35,203	21,57,972	18,87,317		21,57,972
i)	Fees & fines	9,66,637	783453	12,99,831	9,66,637		12,99,831
ii)	User Charges	12,500	30,000	12,500	12,500		12,500
iii)	Other non-tax revenue (Collected by ULB)	9,08,180	11,21,750	8,45,641	9,08,180		8,45,641
2	Other Revenue Receipts	43,91,411	47,14,093	31,61,132	43,91,411		31,61,132
a)	Income from interest/investments	43,75,561	46,85,589	31,48,752	43,75,561		31,48,752
b)	Other Revenue income	15,850	28,504	12,380	15,850		12,380
3	Transfers/Grants/Assigned Revenues	6,98,72,940	13,61,89,157	14,37,74,957	6,98,72,940		14,37,74,957
a)	State Assigned Revenue	0	0	0	0		0
b)	State Finance Commission Grants	0	0	0	0		0
c)	Octroi compensation	0	0	0	0		0
d)	Other State Government Transfers	0	0	0	0		0
e)	Central Finance Commission Grant	0	0	0	0		0



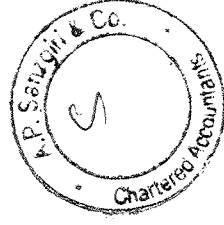
f)	Other Central Government Transfers	0	0	0	0	0	0
g)	Others	0	0	0	0	0	0
B	Capital Receipts	6,93,84,195	5,92,38,057	23,54,03,001	6,93,84,195	23,54,03,001	
1	Sale of Municipal Land	0	0	0	0	0	0
2	Loans (from State Govt. Or Banks)	0	0	0	0	0	0
3	State Capital Account Grant	4,48,37,175	1,41,27,926	67,63,000	4,48,37,175	67,63,000	67,63,000
4	Central Capital Account Grant	2,45,47,020	4,51,10,131	22,86,40,001	2,45,47,020	22,86,40,001	22,86,40,001
5	Other Capital Receipts	0	0	0	0	0	0

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 2016-17, 2017-18, 2018-19 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. The actual figure in respect of 2018-19 has been taken up to December 2018.

V. REVENUE AND CAPITAL EXPENDITURE INFORMATION.

S.N.		EXPENDITURE DETAILS (Amounts In Rupees)						
		2017-18		2018-19		2019-20		
		2017-18 Actual	2016-17 Actual	2018-19 (Actual)	2017-18 Actual	2019-20 (Actual)	2018-19 (Actual)	
	Total Expenditure (1+2)	10,98,94,531	10,87,25,792	37,20,26,011	10,98,94,531		37,20,26,011	
1	Revenue Expenditure	6,07,84,481	6,59,58,442	8,35,44,639	6,07,84,481		8,35,44,639	
1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and contract)	2,77,80,512	1,98,01,374	3,06,11,368	2,77,80,512		3,06,11,368	
1.2	Operation and Maintenance	92,63,088	1,40,38,062	81,64,076	92,63,088		81,64,076	
1.3	Loan repayment (Interest payments)	0	0	0	0		0	
1.4	Others (any other revenue expenditure)	2,37,40,881	3,21,19,006	4,47,69,195	2,37,40,881		4,47,69,195	



Capital Expenditure		4,91,10,050	4,27,67,350	28,84,81,372	4,91,10,050	28,84,81,372
2.1	All developmental works under Central/ State schemes	3,46,76,160	3,35,58,929	7,29,58,397	3,46,76,160	7,29,58,397
2.2	Loan Repayments(Principal Amount)	0	0	0	0	0
2.3	Other Capital expenditure	1,44,33,890	92,08,421	21,55,22,975	1,44,33,890	21,55,22,975

Auditor's Comment: The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 2016-17, 2017-18 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. The actual figure in respect of 2018-19 has been taken up to December 2018.

VI. STATUS OF IMPLEMENTATION OF DOUBLE ENTRY ACCOUNTING SYSTEM

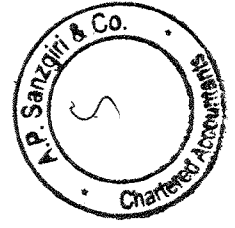
Name: Tibrewal Chand & Co.

Period: 2012-2021

Email: nagarparishaddos@gmail.com

Status: Following are the status:

Year	Cash Book		Grant Register	PTR	FAR
	Receipt	Payment			
2012-13	Completed	Not completed	Not completed	Under process	Under process
2013-15	Not completed	Not completed	Not completed	Under process	Under process
2015-18	Incomplete	Incomplete	Not completed	Under process	Under process
2018-19	Completed	Completed	Completed	Under process	Under process
2019-20	Up to sep'19	Up to sep'19	Up to sep'19	Under process	Under process

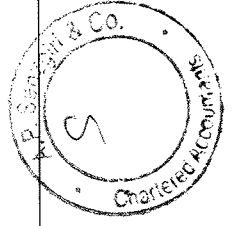


OBSERVATION-2 : DELAY IN DEPOSIT OF PROPERTY TAX COLLECTED BY ULB STAFF

S.N.	Head	Comments
1	Objective	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 the amount of tax collected by the Tax collector is required to be handed over to cashier and deposited into bank on the same day on which collection is made. To check compliance of these provisions, we have carried audit of such type of cases.
2	Criteria	We have checked respective books in order to carry the audit and some cases were checked on random basis.
3	Condition	During verification of receipts book and deposit slips, we have noticed that there is gap period in collection of tax and deposit of tax around 15 to 25 days. Details of such cases are given in Annexure-1 .
4	Consequences/Effect	In respect of above in most of the cases property tax has not been deposited on same day of collection which resulted in interest loss to ULB.
5	Cause	It is explained by concern person that due to non- availability of human resources the same issues arises.
6	Corrective Action/ Recommendation	It is recommended that tax collector/cashier should deposit the collected money into bank on same day itself and if he fails to do the same, necessary action should be taken by the ULB management in such cases.
7	Management Comments	Kindly refer discussion note attached with the report.

OBSERVATION-3: NON COLLECTION OF NOTICE FEE

S.N.	Head	Comments
1	Objective	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 delayed payment at a rate as may be specified, and the amount of penalty therefore.

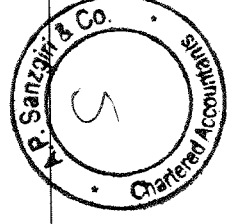


2	Condition	ULB has not provided any information regarding charging and collection of notice fees.
3	Consequences/Effect	It is non-compliance of Bihar Municipal Act, 2007 which resulted in loss of revenue to the ULB.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice fees should be collected as per applicable provisions and rules.
7	Management Comments	Kindly refer discussion note attached with the report.

OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME

1. RECOVERY OF OUTSTANDING PROPERTY TAX

S.N.	Head	Comments
1	Objective	ULB is authorized to collect holding tax from households situated in the municipal area and Property tax have major role in the internal revenue of ULB.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that property tax of Rs 325.98 Lacs was outstanding as on 31/03/2019. As per information provided to us out of 3,25,97,772 only 1,63,851 has been collected in month of april'2019;
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

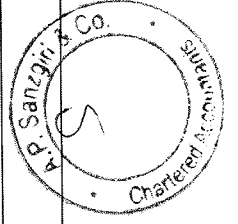


2. RECOVERY OF ADVERTISEMENT TAX

S.N.	Head	Comments
1	Objective	ULB authorized to charge advertisement tax/fee in municipal are as per act/rule.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted there was no outstanding balance as on 31/03/2019 as per data/ information provided to us:
3	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to ULB.
5	Cause	Not Applicable
6	Corrective Action	Not Applicable
7	Management Comments	Not Applicable

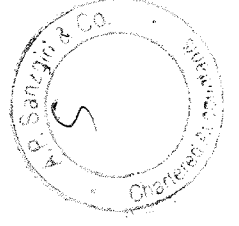
3. RENT INCOME

S.N.	Head	Comments
1	Objective	ULB authorized to charge rent from municipal properties.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that rent income of Rs. 1.62 Lacs was outstanding as on 31/03/2019.
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.



4. MOBILE TOWER TAX

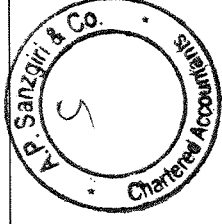
S.N.	Head	Comments
1	Objective	ULB is authorized to collect tax from telecom companies for mobile towers installed in the municipal area.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted there was no outstanding balance as on 31/03/2019 as per data/ information provided to us:
3	Consequences/Effect	Delay in collection of revenue leads in loss to ULB.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.



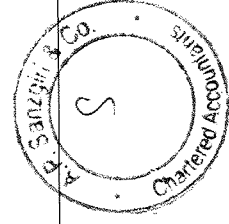
(B) EXCESS PAYMENT AGAINST BILL, LACK OF PRUDENCE IN PAYMENT AGAINST VOUCHER, INEFFICIENCY IN CONTROLS RESULTING LOSS TO ULBS.

During the audit we have checked below mentioned payments on random basis and audit observation are as follows:

S.N	Head	Comments																																													
1	Objective	Checking of payment made by ULBs to find out irregularities made during payment																																													
2	Criteria	Payment were checked on random basis																																													
3	Condition	<p>1. We have checked following payment related to FY 2018-19 during audit:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Name of Party</th> <th>Scheme/ Bill /Voucher No</th> <th>Amount of Payment</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>25.04.2018</td> <td>Aim of People</td> <td>NA</td> <td>4,16,745.00</td> <td>Invoice not found. (Payment Under NULM)</td> </tr> <tr> <td>16.05.2018</td> <td>All sales solution Pvt. Ltd.</td> <td>NA</td> <td>31,35,932.00</td> <td>Invoice not found. (Payment under Swastha Anudan)</td> </tr> <tr> <td>07.06.2018</td> <td>Sadashiv Choubey (Chartered Accountants)</td> <td>SC/22/2018-19</td> <td>52,000.00</td> <td>TDS not deducted</td> </tr> <tr> <td>14.06.2018</td> <td>Mahabodhi Jan swasth</td> <td>NA</td> <td>8,53,440.00</td> <td>Payment for advertisement- Invoice not found</td> </tr> <tr> <td>16.08.2018</td> <td>Visionary knowledge services Pvt. Ltd.</td> <td>Bihar/NULM/Dehri/02</td> <td>69,85,440.00</td> <td>See Note -1 Below</td> </tr> <tr> <td>18-19</td> <td>Information and Public Relation Department, Gov. Of Bihar</td> <td>See Note -2 Below</td> <td>7,50,000.00</td> <td>TDS not deducted.</td> </tr> <tr> <td>30.07.2018</td> <td>Hindustan Media Venture</td> <td>NA</td> <td>1,12,112.00</td> <td>TDS Not Deducted</td> </tr> <tr> <td>16.08.2018</td> <td>Hindustan Media Venture</td> <td>NA</td> <td>1,12,112.00</td> <td>TDS Not Deducted</td> </tr> </tbody> </table>	Date	Name of Party	Scheme/ Bill /Voucher No	Amount of Payment	Remarks	25.04.2018	Aim of People	NA	4,16,745.00	Invoice not found. (Payment Under NULM)	16.05.2018	All sales solution Pvt. Ltd.	NA	31,35,932.00	Invoice not found. (Payment under Swastha Anudan)	07.06.2018	Sadashiv Choubey (Chartered Accountants)	SC/22/2018-19	52,000.00	TDS not deducted	14.06.2018	Mahabodhi Jan swasth	NA	8,53,440.00	Payment for advertisement- Invoice not found	16.08.2018	Visionary knowledge services Pvt. Ltd.	Bihar/NULM/Dehri/02	69,85,440.00	See Note -1 Below	18-19	Information and Public Relation Department, Gov. Of Bihar	See Note -2 Below	7,50,000.00	TDS not deducted.	30.07.2018	Hindustan Media Venture	NA	1,12,112.00	TDS Not Deducted	16.08.2018	Hindustan Media Venture	NA	1,12,112.00	TDS Not Deducted
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	<p>Note-1: While carrying audit for NULM (Under Skill India) following deficiencies notice:</p> <ol style="list-style-type: none"> 1. Payment of Rs. 6,98,544/- has been made without approval of Executive officer i.e. no signature on bill found. A copy of unsigned bill attached; 2. Agreement copy with Visionary Knowledge services Pvt. Ltd. has not been provided; 3. Generally in NULM (under Skill India) payment should be made if attendance of student 80% or more, but no attendance sheet attached with invoice; 4. Further under skill India there should be a 'Performance Review'. Performance Review judged by giving score and score is calculated in three stages. Document of Performance Review and calculation score has not been found in file of Visionary knowledge services Pvt. Ltd. <p>Reply of concern person: The officer in charge in NULM, for period to which above invoice pertains has left, we are trying to find out the same and it will be solve the issues raised by Auditor as soon as possible.</p> <p>Note-2: Payment made to 'Information and Public Relation Department, Gov. Of Bihar' during whole F.Y. 2018-19, but no TDS deducted under section 194C of Income tax Act, 1961.</p> <p>Reply in respect of Invoice not found: The concern person replied that we are try to find out, as it available to us will be handed over.</p>
4	<p>Consequences/Effect</p> <p>Irregularities in payment lead to excess payment, wrong deductions, non-compliance with agreement and statutory compliances.</p>
5	<p>Cause</p> <p>No such cases were identified during audit.</p>
6	<p>Corrective Action/Recommendation</p> <p>Management can implement standard checklist for each payment so that irregularities in payments can be avoided.</p>
7	<p>Management Comment</p> <p>Kindly Refer Discussion Note</p>



(C) REPORT ON SURVEY ON 20 HIGH VALUE PROPERTIES

During the audit we have selected 20 properties on random basis for survey and our comments are as follows:

S.N.	Head	Comments
1	Objective	Field survey and report of 20 high value properties of ULB and report on the basis of area of building, rate of property tax etc of the same. Comparison with the data of same property provided by the ULB and report on variance between them if available.
2	Criteria	Survey was done for 20 High value properties.
3	Condition	We have requested to Management to provide Tax Collector for Physical Measurement and Assessment of 20 High value Property, but Management replied staff of ULB are busy in some important work , hence Management will provide for same at latter stage of Audit. We will submit details of 20 High Value property Assessment report in Report for period of Q-2 of F.Y. 2019-20. (Refer Discussion Note)
4	Consequences/Effect	Irregularities in this area may cause short recovery of revenue receipt and it will result in loss to the ULB.
5	Cause	Not Applicable
6	Corrective Action/Recommendation	Not Applicable
7	Management Comments	Not Applicable

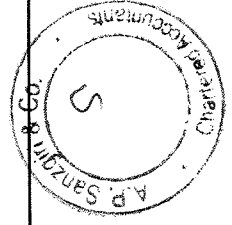


PART-B: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATION, BUT SIGNIFICANT VIOLATION OF ACT, RULES & DIRECTIVES OF UD & HD, MENTION THE REFERENCE TO ACT & RULES WHEREIN REMEDIAL MEASURE IS REQUIRED:

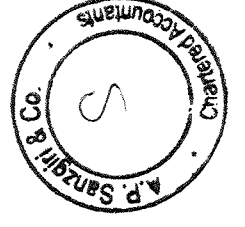
(a) NON MAINTENANCE OF BOOKS OF ACCOUNTS, SUBSIDIARY REGISTERS:

The Municipality has not maintained/provide for verification the following prescribed registers.

S.N	Name of Register	Maintained/ Not Maintained	Last date of Updation
1	Cash Book-Cashier	Not Maintained	-
2	Cash Book-Accountant	Maintained	31.03.2019
3	Collection Register	Maintained	31.03.2019
4	Cheque issue Register	Maintained	31.03.2019
5	Register of Advance	Not Maintained	-
6	Register of Permanent Advance	Not Maintained	-
7	Deposit received register	Not Maintained	-
8	Summary statement of deposit adjusted	Not Maintained	-
9	Demand Register	Not maintained	-
10	Summary Statement of Bills Raised	Not maintained	-
11	Register of Notice Fees, Warrant Fees, Other Fees	Not maintained	-
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	Not maintained	-
13	Register of Refunds, Remissions and Write off	Not maintained	-
14	Summary statement of Refunds and Remissions	Not maintained	-
15	Summary Statement of Write-offs	Not maintained	-
16	Statement of outstanding Liability for Expenses	Not maintained	-
17	Document Control Register/Stock Account Receipts/Cheque Book	Maintained	31.03.2019
18	Fixed Assets Register	Not Maintained	-
19	Summary Statement of Demand Raised on assessment	Not Maintained	-
20	Summary Statement of Head wise Collection of Other Income	Maintained in DCR	31.03.2019
21	Summary Statement of Refunds	Not maintained	-



22	Summary Statement of Write off	Not maintained	-
19	Summary Statement of Demand Raised on assessment	Not Maintained	-
20	Summary Statement of Head wise Collection of Other Income	Maintained in DCR	31.03.2019
21	Summary Statement of Refunds	Not maintained	-
22	Summary Statement of Write off	Not maintained	-
23	Grant Register	Maintained	31.03.2019
24	Summary Statement of status of Capital Work in Progress	Not Maintained	-
25	Work Sheet	Not Maintained	-
26	Deposit Works Register	Not Maintained	-
27	Material Receipt Note	Maintained	31.03.2019
28	Store Ledger	Maintained	31.03.2019
29	Statement of Closing Stock	Not Maintained	-
30	Statement of Material Issued	Not maintained	-
31	BRS of all bank accounts (including dormant accounts)	Not maintained	-
32	Final Accounts for the F.Y. 2012-13 to 2017-18	Not maintained	-
33	Audited Balance Sheet	Not maintained	-
34	Audited Income & Expenditure Account	Not maintained	-
35	Audited Receipts & Payment Account	Not maintained	-



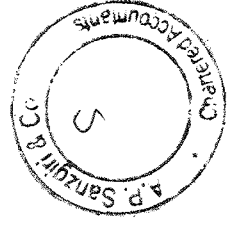
(b) IRREGULARITY IN PROCUREMENT PROCESS:

1. COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS: During audit, we have checked following procurements :

S.N	Tender Issue Date & Number	Mode of Tender (Quotation/ Open Tender/ Selective Tender/ Limited Tender)	Is Minimum Party applied for tender	Is comparative chart is attached in tender file.	Is Original EMD/PG/Security deposit submitted by participants as per requirement of tender	Whether all the security deposit and earnest money deposited in tender/agreement process have been deposited in the bank immediately.	Similarly refunds of these security deposit and earnest money have been made on time.	Is work order issued to selected party on time?	Is Financial Bid of all participants attached
	NIT-9 dated 18.08.2018	E-Tender	YES	YES	YES	YES	Not matured	YES	YES
	NIT-10 dated 20.12.2018	E-Tender	YES	YES	YES	YES	Not matured	YES	YES
	NIT-11 dated 28.12.2018	E-Tender	YES	YES	YES	YES	Not matured	YES	YES
	NIT- 14 dated 10.01.2019	E-Tender	YES	YES	YES	YES	Not matured	YES	YES

2. DETAILS OF LOG BOOK MAINTAINED: No log Book maintained (Refer Discussion Note)

Note: Before May' 2019 , Dehri Nagar Parishad did not maintain log book in respect of its vehicle and machinery, hence we are unable to comment.

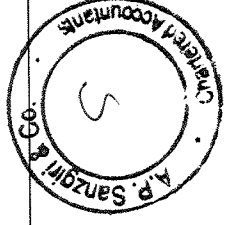


3. NON-COMPLIANCE OF DIRECTIVES BY UD&HD, GOB:

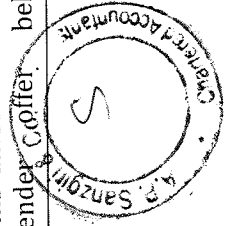
S.N	Directions Issued by UDHD	Particulars of Circulars/Orders/Notices	Complied or Not
1	Gyapank No.- 6628; Dated- 26.12.2018	Mukhyamantri NAL JAL Yojna:- "Whether Para No. 1- 28 have been complied of this circulars".	Complied
2	Gyapank No.- 3234; Dated- 12.06.2018	Purchase of Material or Receive of Service from "GeM Portal" w.e.f. 01.07.2018	Complied
3	Gyapank No.- 3453; Dated- 29.06.2018	Outsourcing of Services and There respective Standard:- "Whether Standard or Measurement criteria mentioned in this circular in respect to their respective 'Type of Services' have been complied".	Complied
4	Amendment in Oath Number-3557, Dated 20.11.2014; Dated of Amendment- 04.05.2018	Related to Departmental Work:- "Whether Para '1- 4' of this order have been complied in respect to 14 th F.C. or 5 th F.C Departmental work carried on , which is mentioned in this order," .	Complied
5	Gyapank No.- 5124; Dated- 28.09.2018	Deduction of TDS on GST:- w.e.f. 01.10.2018 TDS on GST shall be deducted as per Section 51 of BGST act. 2017	Complied

4. NON COMPLIANCE OF ACTS& RULES:

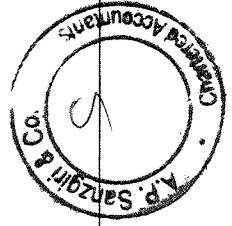
S.N	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.- 22	Refer point: Part-A (a) (2) As per verification of receipt book it is noted that there was average delay of 15- 25 days in collection and deposit of tax into bank.	Tax collector directly deposited in to bank, but not on same day due to practical problem and lack of human resources. (Refer Discussion Note)
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Yes, Every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	



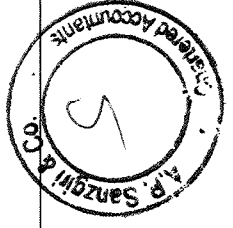
3	Whether the collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.	BMAR Rule No.- 27	Yes, Collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.	
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated stall of the Municipality	BMAR Rule No.- 27	Yes, it is verified by concern authority.	
5	Whether every bill collector invariably remit his collections (in cash and/or cheques) to Cashier dally before 4.30 PM and take the cashier's acknowledgment in the collection register.	BMAR Rule No.- 27	Refer point: Part-A (a) (2) There is on an average 15-25 days delay in hand of Tax Collector.	(Refer Discussion Note)
6	Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.	BMAR Rule No.- 69	Grant register maintained but not as per BMAR form 28. Utilization column missing.	(Refer Discussion Note)
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception.	BMAR Rule No.- 69	Refer point: Part-B (9)	(Refer Discussion Note)
8	Whether The grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No such case was found.	
9	Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29.	BMAR Rule No.- 69	Refer PART-B (9)	(Refer Discussion Note)
10	Whether Municipality has returned unutilized grant for more than three years from date of	BMAR Rule No.- 69	See note-1at Bottom of this Table:	This amount outstanding due to tender. Chief Officer. below original



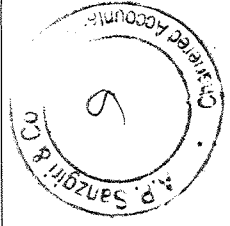
	receipt to the source from where such grant was received	BMAR Rule No.-		amount for which grant approved. We will consider the matter in board meeting.
11	Whether The Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	BMAR Rule No.- 120	No, ULB was not preparing a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	(Refer Discussion Note)
12	Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	BMAR Rule No.- 121	No, ULB was not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	(Refer Discussion Note)
13	Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	BMAR Rule No.- 121	The ULB was not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter.	(Refer Discussion Note)
14	The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. The Financial Statements shall comprise of a. Receipts and Payments Account for the year (BMAR Form No.74) b. Income & Expenditure Statement for the year (BMAR Form No.73) c. Balance Sheet as on 31st March of the year (BMAR Form No.74) d. Significant accounting policies adopted by the Municipality in presentation of the financial statementse. e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly.	BMAR Rule No.- 122	ULB did not prepared of said books of accounts	(Refer Discussion Note)



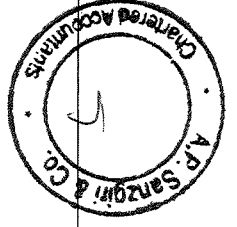
	and if so, whether the same has been properly dealt with in the books of account;				
21	Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are renewed after their expiry;	BMAR Rule No.- 130	We observe while carrying audit of lease rent , it is neither collected regularly nor renewal every year in respect of DAV public school and bus stand market.	<i>(Refer Discussion Note)</i>	
22	Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	BMAR Rule No.- 130	Yes, ULB followed adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets.		
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality's accounts; If so, the details thereof;	BMAR Rule No.- 130	Not such case observe during the period of audit.		
24	Whether the Bank Reconciliation statements have been property prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.- 130	Refer Point-04 (III) ULB not in a practice to prepare subsidiary cash book, hence reconciliation statement still not prepared.	<i>(Refer Discussion Note)</i>	
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.- 130	Not prepared by ULB	A single cash book maintained for earlier year, we will in process to maintain a separate cash book in respect of each bank ; once it will complete , the same will be done. <i>(Refer Discussion Note)</i>	
26	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and aro in all cases such as are authorized by Act;	BMAR Rule No.- 130	YES		
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.- 130	Refer-PART-A (a)(4) Yes, ULB has accounted revenue properly. But collection and recovery of		



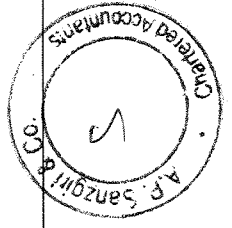
			taxes was in slow pace that's why there was arrear of taxes in ULB.	
28	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act;	BMAR Rule No.- 130	Refer-PART-A (a)(2) Yes, all sums due to and received by the ULB have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act. Except; In case of deposit of daily tax collection, that is deposited on average 15-25 days delay of collection.	
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	BMAR Rule No.- 130	Yes, While carrying out Audit we found no such case that is specific Grant use for non specific case.	
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.- 130	Refer-PART-B (a) No, Some required books of accounts as per BMAM/BMAR has not been maintained.	(Refer Discussion Note)
31	Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores;	BMAR Rule No.- 130	No physical verification have been carried out by ULB in respect of store.	The stock register maintained from F.Y. 2019-20, the process of verification will be done from now.
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.- 130	No physical verification have been carried out by ULB in respect of store. Hence we are unable to comment on it.	(Refer Discussion Note)
33	Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and If so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to Identify any unserviceable or damaged stores and whether provision for the loss In this respect, If any, has been made In the accounts;	BMAR Rule No.- 130	ULB is not in a practice of valuation of stock, hence we are unable to comment on it.	(Refer Discussion Note)



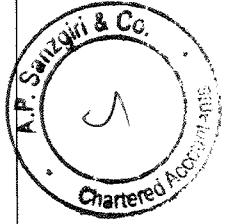
34	Whether the valuation of stores is in accordance with the accounting principles laid down in the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;	BMAR Rule No.- 130	ULB is not in a practice of valuation of stock, hence we are unable to comment on it.	<i>(Refer Discussion Note)</i>
35	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the Interest and If not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	BMAR Rule No.- 130	No advance register maintained.	We will be maintained from F.Y. 2019-20
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.- 130	No advance register maintained.	We will be maintained from F.Y. 2019-20 <i>(Refer Discussion Note)</i>
37	Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Performa 75,77 and 80 Preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. Rule 132 regarding Public Participation in Preparation Of Budget. Moreover, as required under provisions of Rule 139, mid-year review of Budget.	BMAR Rule No.- 132	Yes, the same has been prepared by ULB.	
38	Municipal Fund: Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	No fund created by ULB as mentioned in said Act.	Refer Discussion Note
39	Payment not to be made out of Municipal Fund unless covered by budget grant: Whether any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	<i>(Refer Discussion Note)</i>	<i>(Refer Discussion Note)</i>
40	Procedure when money not covered by budget grant is paid. Whether the case is put up with Empowered Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	<i>(Refer Discussion Note)</i>	<i>(Refer Discussion Note)</i>



41	<p>Investment of surplus money. Whether municipality has invested surplus fund as per the requirement of the chapter-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period. Check whether comparative interest rate is invited from parties before investing surplus funds:</p>		<p>ULB not in practice to invest it surplus fund.</p>	<p>We did not follow practice of investment.If it will approved in meeting , the same will be done.</p>
42	<p>Preparation of budget estimate of Municipality. Whether The budget estimate stated the rates at which various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following.</p>		<p>No, Estimation should be based on the past experience and after considering the fact that how the condition might change in future though the provision of Section 82 of the Act regarding preparation of budget have been complied.</p>	
43	<p>Maintenance of accounts.Whether the Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed,</p>		<p>As ULB was following single entry accounting system. So receipts and payments details were being maintained in form of cash book. Audited receipts & payments account as per BMAM was not prepared by ULB.</p>	<p>It Will be prepared from F.Y.2019-20 (Refer Discussion Note)</p>
44	<p>Financial Statement. Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality.</p>		<p>NO</p>	<p>Due to lack of skill human resources it is not prepare. (Refer Discussion Note)</p>
45	<p>Submission of financial statement and balance sheet to auditor. The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after</p>		<p>No financial statement have been prepared ULB .</p>	<p>(Refer Discussion Note)</p>



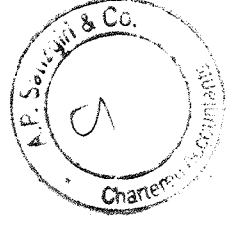
46	<p>examination of the same, shall adopt and remit them to the Auditor as may be appointed in this behalf by the State Government.</p> <p>As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act,2007 various tax are applicable on ULBs</p> <p>Section 145,146 and 147 of the Bihar Municipal Act 2007 chapter XVII provides for Advertisement tax on Advertisement in Urban Areas. Chapter XVII of the Bihar municipal Act, 2007 required license of Advertisement of any holding, etc. As par act Every person who erects, exhibited, fixes or retain upon or over any land, building, wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph),visible from a public street a public place in any location in a municipal area including airport or a port or a railway station ,shall pay or every advertisement, which is so erected ,exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement.</p>			
47	<p>As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,</p>	<p>BMA,2007: Chapter XIX</p>	<p>Refer-PART-A (4) for status of taxes not collecting by ULB.</p>	<p>Refer-PART-A(a)(3) Currently Notice is not collected by ULB</p> <p><i>(Refer Discussion Note)</i></p>



48	As per section 342 of Bihar Municipal Act, 2007 Trade license fee is to be collected from different types of Trader, who are trading in Concerned Municipal area.	BMA,2007: Chapter XXXVII	Yes collected, but as per reply given by concern person that trader are divided in to A,B,C and D categories; Categories B is not implemented in ULB.	Concern person replied in that respect categories B is not updated in software by UD & HD.
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Note: Following Grant remains in bank account for more than 3 year

Name	Bank a/c	Purpose	Amount	Since	No. of Years Remains O/s.
Canara Bank	19539	BRGF	4775057	2017	3 Years
MBGB	47856	GBY	64077	2011	8 Years
PNB	57887	GBY	2986305	2008	11 Years



5. **Lack of internal control measures:**

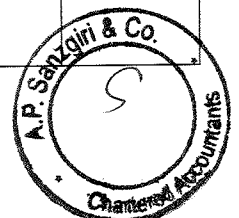
We have observed the following areas where internal control measures are required by ULBs-

- Stock register should be in proper format so as it is easy to do physical verification of inventory.
- Payment voucher should be prepared.
- In some case payment made without supporting.
- Required books of accounts as per BMAM was not maintained.
- Statutory compliance reconciliation was not maintained.
- Year-end reconciliation was not available.
- Advance Register should be maintained.

6. **NON-COMPLIANCE OF TDS, VAT AND OTHER RELEVANT STATUTE**

A. **DETAILS OF DELAY IN DEPOSIT OF TDS ARE MENTIONED BELOW:**

S.N	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/Challan Number
1	Ravi Shankar Kumar	1117400	11174	07.05.2018	Not Paid	
2	Mazhar Imam Ansari	835,100.00	8,351.00	07.05.2018		
3	Sushil Kumar Singh	613,500.00	6,135.00	07.06.2018		
4	Pankaj Kumar	1,798,700.00	17,987.00	07.06.2018		
5	Ram Dahin chaudhari	500,500.00	5,005.00	07.06.2018		
6	Mahavir Singh	1,369,800.00	13,698.00	07.06.2018		
7	Pramod Kumar	790,700.00	7,907.00	07.07.2018		
8	Sushil Kumar Singh	1,222,000.00	12,220.00	07.07.2018		
9	Ravindra Kumar	951,900.00	9,519.00	07.08.2018		
10	Santosh Kumar	783,800.00	7,838.00	07.08.2018		
11	Ravindra Kumar Singh	668,600.00	6,686.00	07.09.2018		
12	Premkali Devi	1,246,500.00	12,465.00	07.09.2018		
13	Sanjiv Kumar Rao	1,742,600.00	17,426.00	07.11.2018		
14	Chhote Lal Ram	1,786,900.00	17,869.00	07.11.2018		
15	Ravishankar Kumar	391,000.00	3,910.00	07.12.2018		
16	Tausif Ahmad	489,900.00	4,899.00	07.12.2018		
17	Uday Kumar	747,500.00	7,475.00	07.01.2019		
18	Sabir Ali	799,600.00	7,996.00	07.01.2019		
19	Anil Kumar singh	202,500.00	2,025.00	07.02.2019		
20	Promod Kumar	520,600.00	5,206.00	07.02.2019		
21	Ram Ji shah	120,000.00	1,200.00	07.03.2019		
22	Sushil Kumar singh	709,200.00	7,092.00	07.03.2019		



23	Alamgir Khan	711,300.00	7,113.00	07.04.2019		
24	Navnit Ranjan Singh	880,500.00	8,805.00	07.04.2019		
25	Satish Kumar	895,900.00	8,959.00	07.04.2019		
Total		2,07,78,600.00	2,07,786.00			

1. DETAILS OF DELAY IN DEPOSIT OF VAT ARE MENTIONED BELOW: There is no liability in F.Y. 2018-19

2. DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Ravi Shankar Kumar	1,117,400.00	22,348.00		
2	Mazhar Imam Ansari	835,100.00	16,702.00		
3	Sushil Kumar Singh	613,500.00	12,270.00		
4	Pankaj Kumar	1,798,700.00	35,974.00		
5	Ram Dahin chaudhari	500,500.00	10,010.00		
6	Mahavir Singh	1,369,800.00	27,396.00		
7	Pramod Kumar	790,700.00	15,814.00		
8	Sushil Kumar Singh	1,222,000.00	24,440.00		
9	Ravindra Kumar	951,900.00	19,038.00		
10	Santosh Kumar	783,800.00	15,676.00		
11	Ravindra Kumar Singh	668,600.00	13,372.00		
12	Premkali Devi	1,246,500.00	24,930.00		
13	Sanjiv Kumar Rao	1,742,600.00	34,852.00		
14	Chhote Lal Ram	1,786,900.00	35,738.00		
15	Ravishankar Kumar	391,000.00	7,820.00		
16	Tausif Ahmad	489,900.00	9,798.00		
17	Uday Kumar	747,500.00	14,950.00		
18	Sabir Ali	799,600.00	15,992.00		
19	Anil Kumar singh	202,500.00	4,050.00		
20	Promod Kumar	520,600.00	10,412.00		
21	Ram Ji shah	120,000.00	2,400.00		
22	Sushil Kumar singh	709,200.00	14,184.00		
23	Alamgir Khan	711,300.00	14,226.00		
24	Navnit Ranjan Singh	880,500.00	17,610.00		

Not Paid



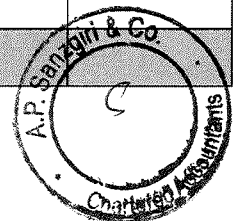
25	Satish Kumar	895,900.00	17,918.00		
Total		2,07,78,600.00	4,37,920.00		

*Note: The position of tax for "Not deposit" is taken on 25.10.2019

3. DETAILS OF DEPOSIT OF LABOUR CESS ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Ravi Shankar Kumar	11174.00	11,174.00	Not Paid	
2	Mazhar Imam Ansari	835,100.00	8,351.00		
3	Sushil Kumar Singh	613,500.00	6,135.00		
4	Pankaj Kumar	1,798,700.00	17,987.00		
5	Ram Dahin chaudhari	500,500.00	5,005.00		
6	Mahavir Singh	1,369,800.00	13,698.00		
7	Pramod Kumar	790,700.00	7,907.00		
8	Sushil Kumar Singh	1,222,000.00	12,220.00		
9	Ravindra Kumar	951,900.00	9,519.00		
10	Santosh Kumar	783,800.00	7,838.00		
11	Ravindra Kumar Singh	668,600.00	6,686.00		
12	Premkali Devi	1,246,500.00	12,465.00		
13	Sanjiv Kumar Rao	1,742,600.00	17,426.00		
14	Chhote Lal Ram	1,786,900.00	17,869.00		
15	Ravishankar Kumar	391,000.00	3,910.00		
16	Tausif Ahmad	489,900.00	4,899.00		
17	Uday Kumar	747,500.00	7,475.00		
18	Sabir Ali	799,600.00	7,996.00		
19	Anil Kumar singh	202,500.00	2,025.00		
20	Promod Kumar	520,600.00	5,206.00		
21	Ram Ji shah	120,000.00	1,200.00		
22	Sushil Kumar singh	709,200.00	7,092.00		
23	Alamgir Khan	711,300.00	7,113.00		
24	Navnit Ranjan Singh	880,500.00	8,805.00		
25	Satish Kumar	895,900.00	8,959.00		
Total		2,07,78,600.00	2,18,960.00		

• Note: The position of tax for not deposit is taken on 25.10.2019



4. DETAILS OF DEPOSIT OF TDS ON GST ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Ravi Shankar Kumar	1117400.00	22,348.00	Not Paid	
2	Mazhar Imam Ansari	835,100.00	16,702.00		
3	Sushil Kumar Singh	613,500.00	12,270.00		
4	Pankaj Kumar	1,798,700.00	35,974.00		
5	Ram Dahin chaudhari	500,500.00	10,010.00		
6	Mahavir Singh	1,369,800.00	27,396.00		
7	Pramod Kumar	790,700.00	15,814.00		
8	Sushil Kumar Singh	1,222,000.00	24,440.00		
9	Ravindra Kumar	951,900.00	19,038.00		
10	Santosh Kumar	783,800.00	15,676.00		
11	Ravindra Kumar Singh	668,600.00	13,372.00		
12	Premkali Devi	1,246,500.00	24,930.00		
13	Sanjiv Kumar Rao	1,742,600.00	34,852.00		
14	Chhote Lal Ram	1,786,900.00	35,738.00		
15	Ravishankar Kumar	391,000.00	7,820.00		
16	Tausif Ahmad	489,900.00	9,798.00		
17	Uday Kumar	747,500.00	14,950.00		
18	Sabir Ali	799,600.00	15,992.00		
19	Anil Kumar singh	202,500.00	4,050.00		
20	Promod Kumar	520,600.00	10,412.00		
21	Ram Ji shah	120,000.00	2,400.00		
22	Sushil Kumar singh	709,200.00	14,184.00		
23	Alamgir Khan	711,300.00	14,226.00		
24	Navnit Ranjan Singh	880,500.00	17,610.00		
25	Satish Kumar	895,900.00	17,918.00		
Total		2,07,78,600.00	4,37,920.00		

*Note; 1. The position of tax for "Not deposit" is taken on 25.10.2019
2. Payment for statutory deduction has not been made in 2018-19.



Outstanding dues of taxes as on 31.03.2019 are mentioned below:

Name of Yojna	TDS	Labour Cess	Royalty	GST
Cleaning Grant	3,10,684	-	-	-
MMNGY	4,84,085	2,66,283	5,32,557	5,17,238
Stamp Shulk	1,37,418	1,05,208	2,10,418	2,10,416
5 th F.C.	7,26,069	4,57,471	8,69,737	8,69,730
14 th F.C.	1,87,785	1,33,717	2,67,431	2,67,434
TOTAL	18,46,041	9,62,679	18,80,143	18,64,418

5. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:

Note: Details of TDS return filed has not been provided in spite of repetitive request.

Management Reply: TDS return copy is not in our custody, hence we are unable to produce it.

6. DEFICIENCY IN PAYROLL SYSTEM:

S.N	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/ Contract worker)	Yes, maintained
2	Non availability of Salary payment voucher	Not available
3	Matching of voucher number with cash book	No
4	Salary register contains all elements of salary	Yes
5	Maintenance of Salary Deduction register	No
6	Whether deduction of PF/ESI made from contract employee	Not deducted till Feb'2019, after that it is deducted
7	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	Not implemented

7. DETAILS OF DELAY OF DEPOSIT OF EPF:

* Permanent Employee:

As per PF Act, deposit of EPF of Employees should be made 15th of the following month. However, delay has been observed for depositing of PF A/C to EPFO A/C which are as below: -

Month of Deduction	Amount Deduction	Due date of deposit	Amount Deposit	Actual Date of deposit	Delay in days
April - 18	87,870.00	15.05.2018	18,000.00		
May - 18	89,839.00	15.06.2018			
June - 18	78,702.00	15.07.2018	23,222.00		
July-18	79,322.00	15.08.2018			



August-18	87,782.00	15.09.2018			
September-18	72,909.00	15.10.2018	1,47,000.00		
October-18	79,598.00	15.11.2018			
November-18	78,035.00	15.12.2018			
December-18	77,973.00	15.01.2019	25,000.00		
January-19	71,727.00	15.02.2019	49,000.00		
February-19	76,948.00	15.03.2019			
March-19	94,597.00	15.04.2019			

8.2 Contractual Employee:

Note During F.Y.2018-19 no PF has been deducted from contractual employee.

9. UTILISATION OF GRANT AND REPORT ON MISSING UTILISATION CERTIFICATES

SN	Head	Details
1	STATUS OF UTILIZATION CERTIFICATE:	We have prepared UC details with the help of Auditor (Refer Discussion Note) (Refer Annexure)
2	STATUS OF USE OF GRANT AS PER DEFAULT ALLOCATION	Specifically grant allocation details has not been maintained, however it is maintained in grant register. (Refer Discussion Note)
3	PHYSICAL VERIFICATION OF INVENTORY/STORES	Refer point 31-40 PART-B (d). ULB did not follow the practice of physical verification of stock. (Refer Discussion Note)
4	ADVANCES, THEIR ADJUSTMENT & RECOVERY	Refer point 35-36 PART-B (d), ULB did not give loan/advance, hence there are no case of adjustment and recovery. (Refer Discussion Note)

III. PART-C

S.N	Particulars	Complied or Not
a	Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GoB; Auditor should see the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.	Complied Refer-PART-B(3)
b	Auditor should Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of	Complied Refer-PART-A(c)

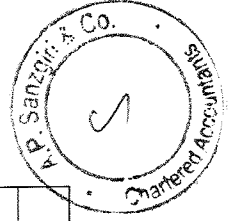


	the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;	
c	Auditor should report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR :	Refer-PART-B(4)
	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	
d	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.	Complied Refer-PART-B(4)
e	Report and quantify all major own revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc;	Complied Refer-PART-A(a)
f	Auditor should Report on adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments above Rs. 10,000 and above.	Complied Refer-PART-B(b)
g	Auditor should Report on Procurement made including through E-Tendering and E-Auction indicating exceptions , if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	Complied Refer-PART-B(b)
h	Auditor should Report on presence or absence of a system of issuance of utilisation certificate for the different schemes for any utilisation made during the reporting period; Where there is no system for issuance of U/Cs, the Internal Audit report shall prepare Utilisation Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	Complied Refer-PART-B(9)
i	Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied Refer-Audit Recommendation
j	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.	Complied Refer-PART-B(b)
k	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies	Complied Refer-PART-B(b)
l	Auditor will report on that the fixed deposit and other funds should be in nationalized Banks/Approved financial institutions and should earn maximum interest at their gestation period.	Complied Refer-PART-B(4)
m	Internal Auditor will identify major areas of ULBs own revenue loss and auditor will access the loss and Prepare a statement of loss.	Complied Refer-PART-A(a)
n	Auditor will report on that all kind of tax deductions i.e. Commercial tax, Income tax, provident fund etc. Should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.	Complied Refer-PART-B(6)
o	Internal Auditor will ensure that all the C&AG audit & Internal audit Paras has been complied by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.	Complied Point-03 of Detailed Audit Report



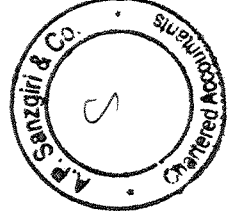
**ANNEX-1 DELAY IN DEPOSIT OF PROPERTY TAX
ULB - NAGAR PARISHAD DEHRI
INTERNAL AUDIT REPORT- 2018-19**

S.N.	Serial Number		Amount of Tax	Date of Collection as per Receipts Booked	Amount Deposited with Cashier	Delay in deposit with cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To						
1	129	156	177871	01.04.18 to 26.04.18	See Note	See Note	26.04.2018	1-25
2	157	178	93201	26.04.18 to 27.04.18			27.04.2018	1
3	189	197	30801	01.05.18 to 28.05.2018			29.05.2018	1-28
4	199	238	349480	01.05.18 to 28.05.2018			29.05.2018	1-28
5	239	266	198531	21.05.2018 to 30.05.2018			01.06.2018	1-10
6			26771	13.06.2018 to 19.06.2018			30.06.2018	1-16
7	331	342	30000	01.07.2018 to 23.07.2018			25.07.2018	1-24
8	402	413	64120	11.08.2018 to 24.08.2018			31.08.2018	1-20
9	432	437	42481	12.09.2018 to 14.09.2018			15.09.2018	1-3
10	473	483	53505	05.10.2018 to 11.10.2018			12.10.2018	1-7
11	512	535	149781	07.12.2018 to 28.12.2018			29.12.2018	1-22
12	553	562	76750	07.01.2019 to 11.01.2019			17.01.2019	1-16
13	588	593	133295	09.02.2019 to 14.02.2019			15.02.2019	1-6
14	651	655	49320	28.03.2019 to 30.03.2019			30.03.2019	1-2
15	84 (Property holder)		379844	03.04.2018 to 25.04.2018			27.04.2018	1-24
16	110 (Property holder)		366675	03.05.2018 to 31.05.2018			02.06.2018	1-29
17	77 (Property holder)		363587	01.06.2018 to 23.06.2018			26.06.2018	1-25



18	51 (Property holder)	310577	02.07.2018 to 27.07.2018			30.07.2018	1-28
19	22 (Property holder)	298511	20.08.2018 to 30.08.2018			31.08.2018	1-3
20	15 (Property holder)	113705	12.10.2018 to 27.10.2018			29.10.2018	1-17
21	27 (Property holder)	247164	10.11.2018 to 29.11.2018			30.11.2018	1-20
22	25 (Property holder)	224907	03.12.2018 to 27.12.2018			28.12.2018	1-25
23	21 (Property holder)	502621	18.01.2019 to 30.01.2019			31.01.2019	1-13
24	35 (Property holder)	225127	01.02.2019 to 28.02.2019			28.02.2019	1-28
25	16 (Property holder)	266756	26.03.2019 to 30.03.2019			30.03.2019	1-4

Note- Property taxes collected by Concern Tax Collectors has been directly deposited in to the bank. Neither cash book prepared nor amount of property taxes collected brings in to cash book. Hence we are unable to find out delay in hand of cashier.



Dehri- Dalmianagar

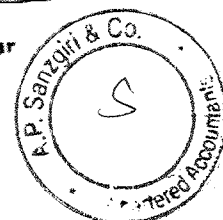
Discussion Note

Date: 13.12.2019
Dehri - Dalmianagar Council
with
AP Sangziri & Co.
(Chartered Accountants)

Subject: Regarding confirmation of documents not maintained and management comment in Internal Audit Report for F.Y. 2018-19.

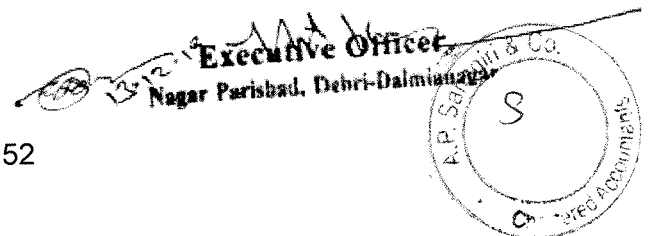
S.N.	Auditor observation	Management comment
1	AG Compliance Report:	It is under process and management will submit it as soon as possible;
2	Non Maintenance of Subsidiary Cash Book:	We are preparing subsidiary cash book for the given said period , after completion of it further reconciliation statement will be prepare;
3	Non maintenance of Advance Register:	ULB preparing Advance Register from 2019-20;
4	No Municipal Accounts committee established:	It is under process, and matter will be put before board for constitution of "Municipal Accounts Committee";
5	Notice fee: Non collection	Currently in Dehri- Dalmianagar Notice Fee is not collecting. Demand register has not been prepare right now, hence we are unable to decide the amount of holding tax;
6	Non levy of Taxes in IAR under Para " I Part-A a) (1);	Some of taxes is collected by other department of GoB like professional tax; And there is many taxes mentioned in this Para are not collected by ULB due to not providing services in this respect like fire tax and water taxes. For rest we will discussed in meeting of board and implement accordingly;
7	Following Irregularities in Payment was found during Audit of above said period refer to Para " PART-A (b) (3): ➤ Non availability of Invoice ➤ Non deduction of TDS	<ul style="list-style-type: none"> ➤ In respect of Non availability of invoice- the same will be provided after finding of it; ➤ It will be deducted in next bill of concern supplier / service provider;
8	Late deposit of property Tax;	Due to shortage of human resources same has not been deposited on time;
9	Late deposit of statutory deduction including TDS;	It will deposit on or before due date from now;
10	Non deduction of PF amount for the month refer to "PART-B (g) (8)"; And delay in deposit for deducted amount of EPF:	➤ In respect of non deduction - We are currently working on it and after calculation of total due amount, it will be deposited very soon;

13.12.19
[Signature]
Executive Officer
Nagar Parishad, Dehri-Dalmianagar



Dehri- Dalmianagar

11	Non deduction EPF amount from contractual employees	It is deducted from 2019-20;
12	Non Availability of Electricity Bill	
13	Non Preparation of Payment Voucher	It will be implemented from Q-4 of 2019-20
14	Non preparation of Complete UC details	It is under process and will be submit in coming next month;
15	Non practice of Stock valuation;	It will be follow as per rule and management will decide about reasonable period of valuation i.e. frequency of time for valuation;
16	Non return of "Unutilized Grant":	This amount outstanding due to tender offer below original amount for which grant approved. We will consider the matter and return it to UD & HD;
17	Non Maintenance of Grant Register:	Grant Register will be maintained from F.Y. 2019-20;
18	Non maintenance of log book:	Before May'2019 , Dehri Nagar Parishad did not maintained log book in respect of its vehicle and machinery, hence we are unable to comment on it , however we are preparing from May'2019;
19	Electricity DPS:	Due to non adjustment of Amount of Holding tax , which was due on Electricity department, the DPS arise. Further due amount of Holding tax is higher than outstanding amount of Electricity bill;
20	Non Maintenance of grant record with bifurcation like amount for Salary, water management, nail gali solid waste management and so on:	ULB was not maintaining the Grant register, hence it is difficult to bifurcate amount of Grant for Different section as mentioned in Report. We will maintained it from 2019-20;
22	Non maintenance of book refer to Para : II-PART B (a) of Internal Audit Report of above said period:	It will be maintained as per applicability of the same;
23	Difference in Holding Tax Amount as per Physical Measurement: <ul style="list-style-type: none"> > Auditor found difference in area; as per self assessment form and actual measurement of property area there is difference for some cases selected on sample basis 	




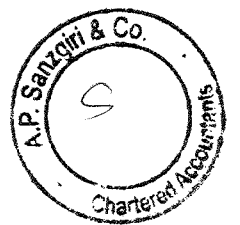
 Executive Officer,
 Nagar Parishad, Dehri-Dalmianagar

Dehri- Dalmianagar

24	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet (Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet will be prepare after implementation of Double Entry Accounting System.
25	Non creation of Special Fund and Fund Mentioned in Chapter ix of BMA, 2007	The same will be created on applicability of relevant provision of said act;
26	Non Maintenance Fixed Assets register	Fixed Assets Register were prepare up to 01.04.2011 by P. Puneet & Co. (Chartered Accountants), after 01.04.2011 ULB not maintaining the same, however it will be prepare very soon;
27	Non Renewal of Leasehold property	This matter will be put before Next Board Meeting and after approval, it will be collected as per resolution passed by Board;
28	Outstanding Taxes	The recovery procedure are under process;
29	Bank Reconciliation on Monthly Basis	It will be maintained after preparation of subsidiary register, which is under process,;
30	Any Payment made out of Municipal Fund that is not covered by Budget? :	Payment made out of budget provision. No such payment made that is not cover by budget;
31	Non implementation of Biometric Devices and Payroll Software	Biometric device have been implemented but system lays idle and not working. We will implement it.

Further we confirm/affirm the management comment given in Internal Audit report for 2018-19 is on behalf of Dehri- dalmianagar Parishad.


Executive Officer
 Nagar Parishad, Dehri-Dalmianagar



DEHRI NAGAR PARISHAD
STATUS OF UTILIZATION CERTIFICATION FOR FY 2018-19

S.No	Head	Approval order and date	Sanctioned Amount	Expenses Incurred	Balance Amount	UC Submitted against Expenses	UC Pending Against Expenses	% of UC Submitted against expenses	% of UC Pending against expenses	Letter No. & Date of Submission of UC
1	EO SALARY	07/22-05-2018	7.00	6.80	0.20	6.80	-	100%	NIL	1448/23.10.2019
2	Civic amenities item	81/31.10.2018	122.86	-	122.86	-	-	NIL	NIL	Unutilised Amount and transfer to PL A/C
3	14th Finance	82/31.10.2018	286.40	-	286.40	-	-	NIL	NIL	Unutilised Amount and transfer to PL A/C
4	5th Finance	15/03.07.2018	593.48	-	593.48	-	-	NIL	NIL	Unutilised Amount and transfer to PL A/C
5	City Manager salary	71/04.10.2018	2.63	-	2.63	-	-	NIL	NIL	Unutilised Amount and transfer to PL A/C
6	Smarat Ashok Bhavan	72/09.10.2018	67.63	-	67.63	-	-	NIL	NIL	Unutilised Amount and transfer to PL A/C
7	5th Finance	21/10-07-2018	606.95	-	606.95	-	-	NIL	NIL	Unutilised Amount and transfer to PL A/C

