

Financial  
Year  
2018-19



## Internal Audit Report for FY 2018-2019 of Manihari Nagar Panchayat

Internal Audit Conducted By  
**M/s Tibrewal Chand & Co. Chartered Accountants**  
From 01.04.2018 to 31.03.2019  
Flat No. 501, 5<sup>th</sup> floor, SS Bihar Apartment  
Near Karbighiya Station,  
Patna-Bihar 800001  
Mob. No. +91 8825110779  
Email- [tccbihar@gmail.com](mailto:tccbihar@gmail.com)

Report submitted date: 23.11.2019

INTERNAL AUDIT REPORT



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

---

**Index**

Sl. No.	Particulars	Page No.
1.	Executive Summary	
	• Introduction	5
	• Results and Findings	5-7
	• Opinion	7
	• Audit Recommendation	8
	• Management Comment	9-14
	• Acknowledgment	14
2.	Detailed Audit Report	15-34
3.	Annexure	35-50



## Internal Audit Report- Nagar Panchayat – Manihari

Urban Development and Housing Department in order to implement the best practices of internal audit of 140 ULBs through NIT No. IA 140ULBs/2018-19. 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.

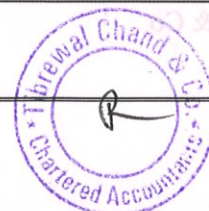
We started with an overview of activities through a study on various documents generated by the ULB. We then identified Evaluated and tested adequacy, effectiveness and efficiency of internal controls including standard policies and procedure laid down by the management for each of the areas included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



Internal Audit Report for the year ended 31st March of F.Y. 2018-19

❖ Others related records and registers.

For Tibrewal Chand & Company  
Chartered Accountants



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

UDIN :- 20518422 AAAAFX4663  
Date! - 17-10-2020

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. We then 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.

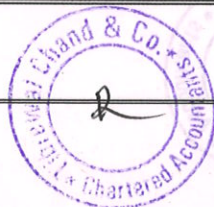
- ❖ Accountant cash Book
- ❖ Subsidiary Cash Book
- ❖ Bank Book
- ❖ Records related to revenue
- ❖ Vouchers along with supporting documents.

### Executive Summary

1. **Introduction:** Manihari Nagar Panchayat, with population of about 27 thousand is located in district of Katihar sub district of Manihari district in the state Bihar. There are approximate 5,168 households. Mrs. Mamta Devi is Chairman holding post from 09-06-2017 to till the date of Audit. Mrs. Soni Kumari 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:

<b>Strengths observed during the audit engagement</b>	<ol style="list-style-type: none"><li>1. General Cash book has been prepared for the audited period</li><li>2. Cashier cash book has been prepared for the audited period</li><li>3. Few Revenue related records were prepared by the Panchayat</li></ol>
<b>Weaknesses observed in the functioning of office, maintenance of records etc. during the audit engagement</b>	<ol style="list-style-type: none"><li>1. Non-compliance of procurement norms while hiring of Vehicle.</li><li>2. Non preparation of subsidy cash book.</li><li>3. Financial Statements for the period 2018-19 were not prepared by the Panchayat</li><li>4. Non preparation of bank reconciliation statements.</li><li>5. Non deduction of royalties from contractor's bills checked on sample basis.</li><li>6. Non deduction of TDS in various cases resulting in violation of tax</li></ol>



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

<p>1. General Cash book has been prepared for the audited period.</p> <p>2. Cashier cash book has been prepared for the audited period.</p> <p>3. Few Revenue related records were prepared by the Panchayat.</p> <p>4. Non-compliance of procurement norms while hiring of Vehicle.</p> <p>5. Non preparation of subsidy cash book.</p> <p>6. Financial Statements for the period 2018-19 were not prepared by the Panchayat.</p> <p>7. Non preparation of bank reconciliation statements.</p> <p>8. Non deduction of royalties from contractor's bills checked on sample basis.</p> <p>9. Non deduction of TDS in various cases resulting in violation of tax</p>	<p>provisions and attraction of interest and penalty.</p> <p>7. Lack in follow-up procedure in collection of huge arrear dues in relating to property and other taxes.</p> <p>8. Non deduction of TDS in salary cases checked on random basis.</p> <p>9. Non deposition of statutory dues such as labor cess, TDS, VAT, ESI/PF to the authorities after deduction from bills, resulting in huge penalties and interest.</p> <p>10. Non-Performing the variance analysis between budget and actual expenditure for a particular period resulting in short comings in budgetary control.</p> <p>11. Non-Maintenance of assets registers in complete manner resulting in chances of mis-utilization of assets.</p> <p>12. No proper survey of properties has been conducted by the ULB to ascertain the property tax receivables from holdings.</p> <p>13. Loss of revenue due to Sairat was not held for reporting financial year at proper interval.</p> <p>14. Daily wages register was not prepared resulting in weakness in control over books of account.</p>
---	--



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

	<p>15. 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> <p>16. We cognizance during audit, Lot's of deficiency in contractor's file which has been reported in details audit report.</p> <p>17. Non collection of stamp duty on Sairat.</p>
--	--

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.



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

---

**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. ULB should be maintained subsidy cash book.
3. 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.
4. Stringent follow up and actions are necessary for recovering arrear relating to property tax, tower tax, rental income and other sources of income.
5. 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.
6. Fixed assets register has to be prepared for all fixed assets owned by the ULB, assets should be numbered. Physical verification of such fixed assets has to be conducted every year.
7. Stock/store register should be updated as per the formats provided in BMAR.
8. Statutory compliances such as deduction and deposition with authorities should be complied strictly to avoid penalty and interests.
9. 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.
10. Revenue records should be maintained properly including demand and collection details.
11. PF/ ESI should be timely deposited.



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

**5. Comments from Management:-**

S. No.	Observation	Management Comment	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. 8000/- per year. During the course of audit it was observed that Rs 5,86,000 is due towards Tower Company for financial year 2018-19.	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	There is a long outstanding list of property tax collection and also not deposited on same day or latest before noon.	Tax collectors are directed to deposit the tax.	Demand register for property tax should be maintained year wise and appropriate action should be taken.
3	Report on Findings of the field survey of property tax of minimum 20 high value properties. <i>(Refer detailed audit report)</i>	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	<b><u>Pending UC's Status up to 2018-19</u></b> For details please refer to the Annexure no 2.	Necessary action will be taken.	Pending UC's must submit at proper interval.
5	Expenditures vouchers were not provided to us.	ULB staff is directed to cooperate with auditors and to provide all the necessary documents for audit.	It should be provided to auditors.
6	PF deducted from all permanent staff salary but not deposited in his PF account but we did not get file or	Will be considered in next financial year.	PF should be deposited immediately.



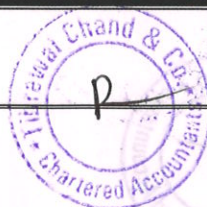
**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

	register to quantify amount.		
7	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.	Will be considered in next financial year.	All statutory compliances related to deduction, deposition and return filling should be complied.
8	The municipality is not in a practice to prepare BRS on regular or periodical basis. ULB was maintained their cash book in single register. ULB was not maintained subsidy cash book therefore we are unable to segregate bank wise balance. <i>(Refer annexure 3)</i>	Will be considered in next financial year.	BRS should be maintained month wise.
9	FAR is not maintained/updated by the ULB	Will be considered in next financial year.	FAR including assets wise identification number should be maintained/ updated by Nagar Panchayat.
10	Non preparation of stores register	Will be considered in next financial year.	Due to non – maintenance of store 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.
11	Insurance deduction from all permanent staff salary but not deposited but we did not get file or register to quantify amount.	Will be considered in next financial year.	Insurance should be deposited.
12	Manihari Nagar Panchayat is not in practice to prepare monthly receipt and payment account and the trial balance.	Will be considered in next financial year.	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.



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

13	Daily wages register were not produced to us for audit.	ULB staff is directed to provide all the necessary documents to auditors.	Daily wages register should be made available to auditors.
14	Log books not maintained or maintained with incomplete information in ULB.	Necessary action will be taken.	Log book should be maintained by ULB.
15	ULB has been taken Tent House without Quotation from single party and work order was not present in file except single voucher. While payment was made for Ram Navami Festival of Rs. 55,960.	Necessary action will be taken.	ULB should be issued work order for every single work.
16	During the course of Audit, we observed that Nagar Panchayat has conducted Internal audit for the year 2016-17 & 2017-18 but the compliance report for the same has not been prepared. <i>(Details given in report)</i>	Necessary action will be taken.	It should be prepared as soon as possible.
17	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.
18	We discussed with EO during audit regarding shop details then EO has said to us, there is no shop in Manihari Nagar Panchayat and also file of shop was not provided to us. While we observed from supporting documents of 2017-18 Rs. 59,700 has been collected by ULB.	Necessary action will be taken.	ULB should maintained proper record of shop So we can verify that outstanding dues for the reporting period.
19	ULB is not being paid telephone bill regularly by which may attract penalty & interest <i>(Discussed in</i>		ULB should be paid telephone bill regularly.



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

<i>details audit report).</i>			
20	Demand Register for collection of Trade License for the financial year 2017-18 & 2018-19 is not yet prepared.	Necessary action will be taken.	Demand register should be prepared.
21	During the course of audit we observed that Vehicle were hired from M/s Shree Ravindra Kumar Yadav, Manihari Vehicle No. BR39PA5454. Total Yearly payment has been made by ULB of Rs. 3, 12,000 but TDS is not deducting and also Log book has not been maintained properly.	Necessary action will be taken.	TDS should be deducted from concerned bill and log book should be maintained proper. Such as starting KM, end KM, purpose, signature of driver & authority etc.
22	Jay Hind Trader was issued all invoices from the name of J. E. (Kapil Prasad) while it should be issued from the name of Manihari Nagar Panchayat (Executive Officer).	Necessary action will be taken.	It should be issued from the name of Manihari Nagar Panchayat (Executive Officer)
23	ULB is being paid to svem sanstha sevi of Rs. 8,21,000 per month without deduction of TDS.	Necessary action will be taken.	TDS should be deducted from concerned bill.
24	Vehicle hires for door to door collection without any quotation and not follows single procurement process. Agreement for vehicle hire has not been made with party and not authorized by concerned officer.	Necessary action will be taken.	Procurement process should be followed by ULB.
25	As per public notice given by Manihari Nagar Panchayat, Agreement should be done on the stamp paper which has value 3% of Sairat Rs. 61,192 while we observed that agreement has done on value of Rs. 1000 stamp paper and ULB is not being collected stamp duty.	Necessary action will be taken.	It should be 3% of Sairat value and should be collected stamp duty.
26	No details were made available regarding meeting of municipal	ULB staff is directed to comply with BMA-2007	As per requirement of BMA-2007, Chapter-XII, ULB



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

	accounts committee held during the financial year 2018-19.		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.
27	<p><b>Non-Implementation of double entry accounting system (DEAS)</b> We found the detail that double accounting system is implemented at Manihari Nagar Panchayat and AFS, FAR &amp; PTR for 2017-18 has been submitted by M/s BORKAR &amp; MAZUMDAR. However we not got any data for verification the same.</p>	Implementation of DEAS is ongoing and ULB staff is directed to cooperate with auditors and to provide all necessary documents for audit.	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 Manihari 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.
28	<p>ULB was made payment to Uday Tent House of Rs. 37,670 but purpose was not mentioned in file.</p> <p>ULB was made payment to Svastik Sweets of Rs. 21,080 but purpose was not mentioned in file.</p>	Necessary action will be taken.	Proper propose should be mentioned in concerned documents.
29	<p>Non following of procurement process <i>(Details given in report and also discussion note)</i></p>	Will be considered in next financial year.	Nagar Panchayat must follow procurement rules & regulations.
30	<p><b>Lack of internal control measures</b> We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory compliances:</p>	Nagar Panchayat ensure that this will be taken care from now onwards.	<p><b>We suggest that</b></p> <p>(i)MIS system should be implemented over daily collection and deposit.</p> <p>(ii)Reason for non-deposit/Late deposit should be strongly need</p>



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

	<p>i. Voucher file was not maintained</p> <p>ii. No internal mechanism for statutory compliance</p> <p>iii. No MIS was prepared for tracking of payments</p> <p>iv. Required books of Accounts as per BMAM was not maintained</p> <p>v. Statutory compliance reconciliation was not maintained</p>		<p>to ask for minimize delay.</p> <p>(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.</p> <p>Therefore, the management has to take serious effort in implementation of internal control mechanism for getting a better result from ULB working.</p>
<b>31</b>	<b>Non-Compliance of Act &amp; Rules</b>	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.
<b>32</b>	<b>Non collection of notice fees</b>	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 fees, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore, but in case of Manihari Nagar Panchayat, 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.

*Signed Discussion Note is enclosed with the report*

**6. Acknowledgement:-**

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



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

**Detailed Audit Report**

1. **Introduction:** Manihari is a Nagar Panchayat city in district of Katihar, Bihar. The Manihari city is divided into 15 wards for which elections are held every 5 years. The Manihari Nagar Panchayat has population of 27 thousands approx. Manihari Nagar Panchayat has total administration over 5,168 households.

Name of ULB	Period Covered	Audit Team
Manihari Nagar Panchayat	1 <sup>st</sup> April 2018- 31 <sup>st</sup> March 2019	(1) TL: CA Neerav Bhanushali (2) MAE:CA Amit Ranjan (3) Auditor: Vicky Kumar

2. **Administration: -**

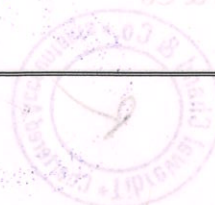
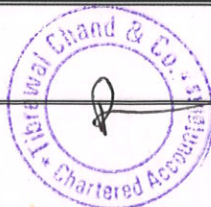
The Present governing body of the ULB has taken charge on 21-01-2019. The incumbencies in the key administrative and executive positions are as under:

- Mrs. Mamta Devi Chairman from 09-06-2017 to till the date of Audit.
- Mrs. Soni Kumari Executive officer from 22-01-2019 to till the date of Audit.

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 (2017-18)	04	04	0	NA	NA	0	447/16.11.18 Compliance has been made (Attached in annexure "1")



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

2	Internal audit for 2016-17 & 2017-18						Compliance report not prepared till date of audit
---	--------------------------------------	--	--	--	--	--	---

(Note: Refer point no. 16 of discussion note and annexure "1")

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	2018-19	2017-18	2016-17
<b>Final/Revised Budget</b>	55,91,25,654	23,17,202	1,05,55,000
<b>Actual Expenditure</b>	1,91,52,674	73,72,064	3,68,29,210
<b>Savings(+)/Excess(-)</b>	<b>53,99,72,980</b>	<b>(50,54,862)</b>	<b>(2,62,74,210)</b>

(Note: All figures taken from books of accounts)

ii. **Volume of Transactions :-**

Period	Budgeted	Previous year (17-18)	Corresponding period of previous year	Current period	Cumulative for the current period
<b>Opening Balance</b>	6,65,87,292	6,47,31,432	3,45,20,094	6,65,87,292	6,65,87,292
<b>Receipts</b>	51,90,82,654	92,27,924	6,70,40,548	1,04,25,456	1,04,25,456
<b>Total</b>	<b>58,56,69,946</b>	<b>7,39,59,356</b>	<b>10,15,60,642</b>	<b>7,70,12,748</b>	<b>7,70,12,748</b>
<b>Net expenditure</b>	55,91,25,654	73,72,064	3,68,29,210	1,91,52,674	1,91,52,674
<b>Closing Balance</b>	<b>2,65,44,292</b>	<b>6,65,87,292</b>	<b>6,47,31,432</b>	<b>5,78,60,074</b>	<b>5,78,60,074</b>

(Note: All figures taken from books of accounts)

iii. **Bank Reconciliation:** Un-reconciled balance between bank book and bank statement as on 31-03-2019 has been shown below:

Name of Bank	Account Type	Account No.	Passbook Balance	Cash Book Balance	Difference	Status
UBGB	-	35980	51,748	54,57,991	54,06,243	Unreconciled



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

UBGB	-	35973	78,12,113	78,23,096	10,983	Unreconciled
CBI	-	35285	2,62,895	35,205	2,27,690	Unreconciled
UBGB	-	40038	42,651			ULB was maintained their cash book in single register. ULB was not maintained subsidy cash book therefore we are unable to segregate bank wise balance.
SBI	-	51688	5,34,028			
UBGB	Nagrik Suvidha	21785	2,808			
UBGB	-	21761	6,82,39,377			
UBGB	-	49550	1,32,426	11,82,02,160	58,89,272	
UBGB	SBM	21778	4,87,949			
SBI	-	66035	38,226			
Treasury Grant PLA	-	520	4,28,35,423			

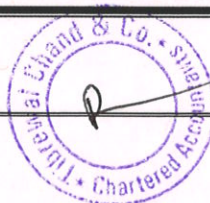
**Comments:** ULB does not prepared bank reconciliation statement on monthly basis.

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

(Note: Refer point no. 8 & 17 of discussion note & annexure 3)

**iv. Revenue & Capital Receipts :-**

Sl. No.	Details	Income Details			
		2018-19		2017-18	
		2018-19	2017-18	2017-18	2016-17
	<b>Total Receipts (A+B)</b>	<b>1,04,25,456</b>	<b>92,27,924</b>	<b>92,27,924</b>	<b>6,70,40,548</b>
<b>A</b>	Revenue Receipts (1+2+3)	1,04,25,456	92,27,924	92,27,924	2,62,74,166
<b>1</b>	Own Revenue Receipts	12,88,245	4,74,023	4,74,023	9,58,804
<b>a)</b>	Tax Revenue (Levied & Collected By municipal Body) (i+ii)	<b>2,14,254</b>	<b>63,803</b>	<b>63,803</b>	<b>1,20,820</b>
<b>i)</b>	Property Tax	2,14,254	63,803	63,803	65,710
<b>ii)</b>	Other Tax (Levied & Collected By municipal Body)	-	-	-	55,110
<b>b)</b>	Non Tax Revenue (Levied & Collected By municipal Body) (i+ii+iii)	<b>5,93,018</b>	<b>3,75,220</b>	<b>3,75,220</b>	<b>5,77,237</b>
<b>i)</b>	Fess & Fines	54,254	24,840	24,840	45,634
<b>ii)</b>	User Charges	87,549	3,000	3,000	1,02,500
<b>iii)</b>	Other Non-Tax Revenue (Levied & Collected By municipal Body)	4,51,215	3,47,380	3,47,380	4,29,100



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

<b>2</b>	<b>Other Revenue Receipts</b>	<b>4,80,973</b>	<b>35,000</b>	<b>35,000</b>	<b>2,60,750</b>
<b>a)</b>	Income from interest/Investments	1,29,486	-	-	-
<b>b)</b>	<b>Other Revenue Income</b>	<b>3,51,487</b>	<b>35,000</b>	<b>35,000</b>	<b>2,60,750</b>
<b>3</b>	<b>Transfers/grants/Assigned Revenues</b>	<b>91,37,211</b>	<b>87,53,901</b>	<b>87,53,901</b>	<b>2,53,15,362</b>
<b>a)</b>	State Assigned Revenues	-	-	-	7,56,405
<b>b)</b>	State Finance Commission (SFC) Grants/Devolution	91,37,211	87,53,901	87,53,901	2,45,58,957
<b>c)</b>	Octroi Compensation	-	-	-	-
<b>d)</b>	Other State Government transfers	-	-	-	-
<b>e)</b>	Central Finance Commission (CFC) Grants	-	-	-	-
<b>f)</b>	Other Central Government transfers	-	-	-	-
<b>g)</b>	Others	-	-	-	-
<b>B</b>	<b>Capital Receipts (1+2+3+4+5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,07,66,382</b>
<b>1</b>	Sale of Municipal Land	-	-	-	-
<b>2</b>	Loan (From state Govt. or Banks etc.)	-	-	-	-
<b>3</b>	State Capital Account Grant (Under state Scheme etc.)	-	-	-	82,16,650
<b>4</b>	Central Capital Account Grant (Under central Scheme etc.)	-	-	-	3,25,49,732
<b>5</b>	Other Capital Receipts	-	-	-	-

(Note: All figures taken from books of accounts)

**v. Revenue & Capital Expenditure Information :-**

Sl. No.	Details	Expenditure Details			
		2018-19		2017-18	
		2018-19	2017-18	2017-18	2016-17
	<b>Total Expenditure (1+2)</b>	<b>1,91,52,674</b>	<b>73,72,064.00</b>	<b>73,72,064.00</b>	<b>3,68,29,210</b>
<b>1</b>	Revenue Expenditure	<b>1,30,47,964</b>	<b>63,70,962.00</b>	<b>63,70,962.00</b>	<b>1,70,90,049</b>
<b>1.1</b>	Administrative Expenses, Establishment & Salaries (All Departments regular & contractual staff)	41,25,879	6,77,800.00	6,77,800.00	35,96,223



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

1.2	Operation & Maintenance (O & M)	2,65,481	1,45,500.00	1,45,500.00	2,44,900
1.3	Loan Repayment (Interest Payments)	1,820	2,144.00	2,144.00	1,936
1.4	Others ( any other revenue Expenditure which is not salaries, O&M & or interest payment)	86,54,784	55,85,518.00	55,85,518.00	1,32,46,990
<b>2</b>	<b>Capital Expenditure</b>	<b>61,04,710</b>	<b>-</b>	<b>-</b>	<b>1,97,39,161</b>
2.1	All developmental works under central/state specific schemes	61,04,710	9,61,102.00	9,61,102.00	1,97,39,161
2.2	Loan Repayments	-	-	-	-
2.3	Other capital expenditure	-	-	-	-

*(Note: All figures taken from books of accounts)*

**vi. Status of implementation of double entry accounting system:** The ULB has not yet implemented real time double entry accounting system. We found the detail that double accounting system is implemented at Manihari Nagar Panchayat and AFS, FAR & PTR for 2017-18 has been submitted by M/s BORKAR & MAZUMDAR. However we not got any data for 2018-19 verification.

*(Note: Refer point no. 27 of discussion note.)*

**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 has been constituted till the date of our audit.

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



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**

**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.

**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.

*(Note: Refer point no. 02 of discussion note)*

**Tower Tax**

**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



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

Collected has to be deposited on same day or latest before noon on the following working day.

**Condition:** As per notification of Bihar Government, the Governor of Bihar made the rules for the mobile tower under the Act. The mobile operator has to install tower only after obtaining necessary approvals and paying a Requisite fees of Rs. 30,000/- per Tower and the Renewal fee is Rs. 8,000/- per year, while checking the files and other relevant records company wise outstanding was not maintained properly and o/s detail of Rs. 5.86 Lakhs was found. In absence of proper demand and collection register it was difficult to find the exact demand and outstanding.

S. N.	Name of tower	No of tower	Registrati on fee	Renewal Fee	Collection Amount	Total due
1	Vodafone	2	60,000	2,06,000	1,08,000	1,58,000
2	Airtel	1	30,000	56,000	-	86,000
3	Reliance	1	30,000	40,000	-	70,000
4	Aircel	1	30,000	40,000	-	70,000
5	Idea	1	30,000	40,000	-	70,000
6	BSNL	1	30,000	40,000	-	70,000
7	Reliance Jio	3	60,000	40,000	38,000	62,000
<b>TOTAL</b>			<b>2,70,000</b>	<b>4,62,000</b>	<b>1,46,000</b>	<b>5,86,000</b>

**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.

*(Note: Refer point no. 01 of discussion note)*

**Shop Rent**

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

**Criteria:** As per Bihar Municipal Act.

**Condition:** We discussed with EO during audit regarding shop details then EO said that there is no shop in Manihari Nagar Panchayat and also file of shop was not provided to us. While we observed from supporting documents Rs. 59,700 has been collected by ULB during audit period.

**Consequence / Effect / Impact:** Due to non-maintenance of proper register. 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 property which results in Revenue leakage.

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

*(Note: Refer point no. 18 of discussion note)*

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

**Corrective Action/ Recommendation:** There should be proper collection and monitoring mechanism for advertisement tax.



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

**Non collection of stamp duty**

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

**Criteria:** As per Bihar Municipal Act.

**Condition:** During the audit of Sairat files it was observed that stamp duty @ 3% of Sairat amount was not recovered from successful bidders at the time of agreement. Cases are:

Sl. No	Name of Sairat	Amount	Stamp duty @ 3%	Remarks
1	Manihari Bus Stand	20,01,000	60,030	Stamp Duty not collected
2	Panda mahal	10,010	300	Stamp Duty not collected
3	Manihari arjit hart	25,300	759	Stamp Duty not collected
4	Arjit aam bag	363	11	Stamp Duty not collected
5	Kabrgah aam bagh	3,080	92	Stamp Duty not collected
	<b>Total</b>	<b>20,39,753</b>	<b>61,192</b>	

**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. This results in Revenue leakage.

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

*(Note: Refer point no. 25 of discussion note)*

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

❖ **VEHICLE HIRE:-**

During the course of audit we observed that Vehicle was hired from M/s Shree Ravindra Kumar Yadav, Manihari Vehicle No. BR39PA5454. Total Yearly payment has been made by ULB of Rs. 3, 12,000 but TDS is not deducting and also Log book has not been maintained properly.

❖ **JAGDEV SANSTHA (Door to Door)**

**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

ULB is being paid to svem sanstha sevi of Rs. 8,21,000 per month without deduction of TDS.

❖ **JAY HIND TRADERS**

Jay Hind Trader was issued all invoices from the name of J. E. (Kapil Prasad) while it should be issued from the name of Manihari Nagar Panchayat (Executive Officer).

*(Note: Refer point no. 21, 22 & 23 of discussion note)*

❖ **TELEPHONE BILL PAYMENT**

ULB is not being paid telephone bill regularly by which may attract penalty & interest.

Due Date	Payment Date	Amount
06.07.2019	18.09.2019	4,750
06.09.2019	-	6,810
06.03.2019	25.03.2019	2,405
28.01.2019	-	5,545
28.01.2019	-	999
01.06.2018	31.08.2018	7,238
27.12.2018	27.12.2018	4,319
26.09.2017	10.10.2017	8,497
	<b>Total</b>	<b>40,563</b>

*(Note: Refer point no. 19 of discussion note)*

❖ **OTHERS**

ULB was made payment to Uday Tent House of Rs. 37,670 but purpose was not mentioned in file.

ULB was made payment to Svastik Sweets of Rs. 21,080 but purpose was not mentioned in file.

*(Note: Refer point no. 28 of discussion note)*



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

**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 provided and also no arrangements were made for physical verification so, SAF forms can't be verified. Further demand collection register which was produced to us was incomplete and not having required information.

Details of 20 high value properties provided by the ULB are as below:

SI No.	Holding No.	Ward No.	Type of Unit	Property Tax
1	982	02	Residential	7,227
2	314	08		808
3	78	12		594
4	39	11		540
5	42	12		425
6	203	12		420
7	48	10		360
8	159	11		325
9	15	10		330
10	326	14		288
11	187	12		285
12	280	03		240
13	286	03		411
14	192	11		129
15	288	03		218
16	485	06		312
17	447	06		328
18	271	03		119
19	420	15		92
20	64	06		64

(Note: Refer point no. 03 of discussion note)

**II. 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 point no. 17 of discussion note)*

**b. Irregularity in procurement process:** Vehicle was hire in which irregularities were observed that are already disclosed in Part A above.

- ❖ Further Stationery and other items were purchased not entered into stores registers and also not verified from concerned officer.
- ❖ Vehicle hires for door to door collection without any quotation and not follows single procurement process.



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

---

- ❖ Agreement for vehicle hire has not been made with party and not authorized by concerned officer.
- ❖ Vehicle owner was submitted bill to ULB on plain paper.  
(Ravindra Kumar Yadav, Manihari Vehicle No. BR39PA5454)
- ❖ **Following deficiency observed in the file of Rajesh Ranjan (Nal Jal Yojna) Rs. (43,87,638)**
  - Comparative sheet has not been attached.
  - Agreement has not been signed by contractor.
  - Work was awarded to contractor without tender and no other party involved.
- ❖ **Following deficiency observed in the file of Niraj Prasad Yadav (Nal Jal Yojna) Rs. (48,75,154)**
  - Comparative sheet has not been attached.
  - Agreement has not been signed by contractor.
  - Work was awarded to contractor without tender and no other party involved.
  - Work duration has not been mentioned in any documents.
- ❖ **Following deficiency observed in the file of Santosh Kumar Singh (Nala Nirman) Rs. (4,50,939)**
  - Comparative sheet has not been attached.
  - Work was awarded to contractor without tender and no other party involved.
  - **ULB was paid double amount to contractors**
  - **First payment on 23.11.2016- 4,01,332**
  - **Second payment on 28.03.2019-4, 01,332 and no recovery made till date.**
  - **Work was completed on 12.09.2018 while first payment was made on 23.11.2016.**
- ❖ **Following deficiency observed in the file of Pritesh Kumar (Nala Nirman) Rs. (7,48,051)**
  - ULB has been made payment to contractor without signature of concerned officer.



- Work was awarded to contractor without tender and no other party involved.

❖ **Following deficiency observed in the file of Awdhesh Kumar Singh (Nali Gali Yojna) Rs. (5,31,116)**

- Work was awarded to contractor without tender and no other party involved.
- No signature of contractor on agreement was found by us.

❖ **Following deficiency observed in the file of Narsingh Yadav (Nali Gali Yojna) Rs. (41,76,607)**

- Measurement book did not present in file.
- Copy of issue cheque did not present in file.

❖ **Following deficiency observed in the file of PCC road**

- Final bill has been issued from the name of J. E.
- While Work order has not been awarded from the name J. E.

❖ **TENT HOUSE**

ULB has been taken Tent House without Quotation from single party and work order was not present in file except single voucher. While payment was made for Ram Navami Festival of Rs. 55,960.

❖ **JAGDEV SANSTHA (Door to Door)**

ULB has been appointed to Jagdev svem sanstha sevi for door to door collection without awarded tender.

❖ **JAY HIND TRADERS (Purchase)**

ULB has not been taken even single quotation for purchase of construction material.

*(Note: Refer point no. 24 & 29 of discussion note)*

**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
- Non collection of various taxes required to be collected.
- Non maintenance of prescribed books of accounts.
- Non maintenance of prescribed DEAS.



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

---

- None maintenance of DCR.

**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 point no. 31 of discussion note)*

**e. Lack of Internal Control Measures:**

- Voucher file was not maintained
- (No internal mechanism for statutory compliance
- No MIS was prepared for tracking of payments
- Required books of Accounts as per BMAM was not maintained
- Statutory compliance reconciliation was not maintained
- Expenditures vouchers were not provided to us.
- Daily wages register were not produced to us for audit.
- Log books not maintained or maintained with incomplete information in ULB.
- Demand Register for collection of Trade License for the financial year 2017-18 & 2018-19 is not yet prepared.

*(Note: Refer point no. 5, 13, 14, 20 & 30 of discussion note)*

**f. Non- Compliance of TDS, VAT, and other relevant statute:-** During the audit it was 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-

**i. TDS: Cases in which TDS not deducted**

Details of Bills	Amount	Remarks
Uday Tent House	37,670	TDS not deducted
Ram Navami Festival	55,960	TDS not deducted
Door to door collection	8,21,000	TDS not deducted
Vehicle Hire	3,12,000	TDS not deducted



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

- ii. **TDS:** It was observed that ULB is being deposited of Rs. 34,167 out of Rs. 91,427 which may attract interest and penalty.
- iii. **Royalty:** It was observed that ULB is being deposited of Rs. 0.00 out of Rs. 1,90,908 which may attract interest and penalty.
- iv. **GST:** It was observed that ULB is being deposited of Rs. 95,447 out of Rs. 2,98,667 which may attract interest and penalty.

*(Note: Refer point no. 07 of discussion note)*

- 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 but we did not get file or register to quantify amount.

**Insurance:** Insurance deduction from all permanent staff salary but not deposited but we did not get file or register to quantify amount.

**Further, during the audit of salary vouchers it was observed that TDS was not deducted in few cases mentioned as below:**

Name of Employee	Basic	DA	HRA	Medical	TDS
Parfull Chandra Yadav	32,210	31,294	1,776	200	Not deducted
Parfull Chandra Yadav	62,200	3,110	1,776	200	Not deducted
Parfull Chandra Yadav	62,200	3,110	1,776	1,000	Not deducted

*(Note: Refer point no. 06 & 11 of discussion note)*

- h. **Utilization certificate report on grants allotted during the year:**

Details of UCs related to FY: 2018 – 2019 are given as annexure.

*(Note: Refer point no. 04 of discussion note)*



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

**a. Physical Verification of the inventories and stores:** Stores registers has not been prepared by the ULB. During the year 2018-19 no physical verification was carries out of the stores.

*(Note: Refer point no. 9 & 10 of discussion note)*

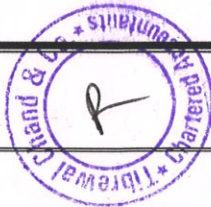
**b. Advances:** No advances were given to any employee or party for the reporting year.



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

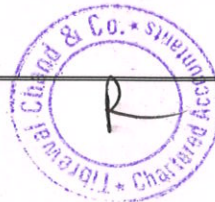
**III. Part C**

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 in-consistencies in assessment. at least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not).	Being no support regarding field survey has been provided by ULB staff therefore we are unable to comment on this matter
3	<p>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</p> <p>Rule 22: All moneys to be brought to account</p> <p>Rule: 27: Collections to be deposited into Bank on the same day</p> <p>Rule 69: Grant Related Compliance</p> <p>Rule 120-121: Monthly Receipt &amp; Payment Account and Trial Balance</p> <p>Rule 130: Audit to be completed &amp; reported within 6 month</p>	<p>Rule 22: we have found that all money has been brought to account but delayed.</p> <p>Rule 27: we have observed that the collected money has not to be deposited into Bank Account on same day.</p> <p>Rule 69: Grant related compliance has been done properly.</p> <p>Rule 120-121: Monthly Receipt &amp; Payment Account and Trial Balance are not being prepared.</p> <p>Rule 130 is not being followed.</p>
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. 2018-19**

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/-	Vehicles were hired for door to door collection without following procurement process.
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.	As per the records all utilization certificates has been produced to the department for the reporting year. <i>For details please refer to the Annexure no 2.</i>
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. 2018-19. 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.



**Internal Audit Report for the year ended 31st March of F.Y. 2018-19**

	have been identified then prepare a statement of loss for revenue losses.	
<b>13</b>	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.
<b>14</b>	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.



7	Whether all procurements made including through E-Tendering and Auction including exceptions, if any and whether a register is kept for all procurements with value above Rs. 1,50,000/-	
8	An assessment of presence or absence of a system of issuance of utilization certificate for the different schemes for my utilization made during the reporting period. Where there is no system for issuance of UIC, prepare Utilization Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	As per the records all utilization certificates has been produced to the department for the reporting year. For details please refer to the annexure no 2.
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 in their gestation period.	No fixed deposit made during the F.Y. 2018-19. All funds held by U.I.B. are maintained at Nationalized Banks and rate of interest is per banking norms.
12	Verify all major areas of U.I.B. and assessed revenue loss and if any losses	It has been provided in discussion notes as well as in audit report under part A.

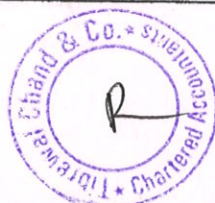
## Annexure-1

### नगर पंचायत मनिहारी द्वारा दिये गये अनुपालन प्रतिवेदन

अंकेक्षण प्रतिवेदन संख्या-1111/17-18

क्रम संख्या	कडिका संख्या	विषय	अंकेक्षण कडिका का उत्तर
1	2	3	4
01	1	प्रस्तावना	अनुपालन की आवश्यकता नहीं
02	2	प्रशासन	अनुपालन की आवश्यकता नहीं
03	3	लेखा परीक्षा का क्षेत्र	अगले अंकेक्षण में प्रस्तुत कर दिया गया।
04	4	पूर्वती लेखा परीक्षा प्रतिवेदन	अनुपालन तैयार कर भेजा जा रहा है।

क्रमांक	विषय	मेमो संख्या	जवाब
1	सोलर लाईट क्रय	AK-III/13dt30.12.17	दिशा निर्देश नहीं रहने के कारण ब्रेडा/बेलड्रान के उक्त दर पर खरीद नहीं की जा सकी।
2	सोलर लाईट मरम्मती	AK-III/31dt01.01.18	जॉचोपरांत नियमानुसार कार्रवाई की जायेगी।
3	टेवलेट का क्रय	AK-III/13dt30.12.17	1. सभी टेवलेट कार्य कर रहे हैं भविष्य में सामग्री क्रय पर परफॉरमेन्स सेक्यूरिटी की कटौती कि जायेगी। 2. आयकर की कटौती /सम्बंध शीर्ष में जमा हेतु आवश्यक कार्रवाई की जायेगी। 3. स्टॉक पंजी में प्रविष्टि कर ली जायेगी।
4	बस स्टैण्ड की बन्दोबस्ती	AK-II/41dt02.01.18	डाक बक्ता नहीं आने के कारण विभागीय वसूली की जाती है। कर्मचारी की कमी रहने के कारण तथा बस का परिचालन घट जाने के कारण आगामी वर्षों में वसूली कम हुई थी।
5	वैट रायल्टी की कम कटौती।	AK-III/19dt30.12.17	वैट की राशि आवश्यक राशि संवेदक ये कटौती कर ली जाय या सी-3 प्रपत्र आपूर्तिकर्ता द्वारा उपलब्ध करा दिया जायेगा।
6	योजना संख्या-08/16-17	SKV/25dt30.12.17	1. एम0एन0 प्रपत्र नहीं रहने के कारण रायल्टी की काटौती कि गई है। 2. गुणवत्ता का जॉच कराया गया है। 3. लेवर लाईसेंस चरित्र प्रमाण पत्र एवं पेन कार्ड कार्यालय में जमा कराया गया था।
7	योजना संख्या-06/16-17	SKV/11dt30.12.17	1. एम0एन0 प्रपत्र नहीं रहने के कारण रायल्टी की काटौती कि गई है। 2. पी0 सी0 सी0 कार्य तथा भुगतान वास्तवीक मापी के अनुसार की गई है। अंकित लिपीक भूल को सुधार लिया जायेगा।
8	सरकारी राजस्व की हानी	AK-II/17dt30.12.2017	इस सम्बंध में सरकार से निर्देश प्राप्त नहीं हुआ है प्राप्त हाने के उपरांत आवश्यक कार्रवाई की जायेगी।
9	संदिग्ध निकासी	AB-II/16 dt30.12.2017	रोकड़बही में इन्द्रराज कर लिया जायेगा।
10	अनियमितता व्यय	SKV/18dt30.12.2017	जिला योजन समिति से पारित।
11	व्यपार अनुज्ञप्ति	AK-II/37dt02.01.2018	आवश्यक कार्रवाई की जायेगी।
12	सरकारी भवन किराया	AK-II/35dt01.01.2018	सरकारी भवनों पर बकाया राशि की प्राप्ति हेतु सम्बंधित अधिकारी से पत्राचार किया जायेगा।
13	गृह कर बकाया	AK-II/36dt01.08.2017	वसूली हेतु कार्रवाई की जायेगी।



14	विद्युत विपत्र भुगतान	AK-II/17dt30.12.2017	विद्युत विभाग से पत्राचार कर समायोजन किया जायेगा।
15	डिजल मोबिल पर व्यय	AK-III/09dt30.12.2017	तय कि गई दूरी तथा माईलेज के आधार पर डिजल/मोबिल की आपूर्ति की जाती है इसका लोक बुक संधारण होता है।
16	दैनिक मजदूरी	AK-III/15dt30.12.2017	नगर पंचायत क्षेत्र की आवादी बढ़ने के कारण एव विशेष त्योहारों के अवसर पर जिला पदाधिकारी के आदेशानुसार साफ-सफाई हेतु दैनिक मजदूरी पर श्रमिकों को रखवा जाता है। शहर को सवच्छ रखने तथा किसी प्रकार के महावारी रोगों के बचाव में कुछ अवधि के लिये दैनिक मजदुर रखना कार्यहित में आवश्यक होता है।
17	परिसमपत्ति पंजी	AK-III/04dt30.12.2017	परिसमपत्ति पंजी का संधारण कार्य किया जायेगा।
18	बैंक खाता विवरणी	AK-II/14dt30.12.2017	छायाप्रति उपलब्ध करा दि जायेगी।
<b>भाग-3</b>			
क्रमांक	विषय	मेमो संख्या	जवाब
01	नगर सरकार भवन	AK-II/43dt02.01.2018	डुडा से पत्राचार किया जायेगा।
02	विज्ञापन शुल्क	AK-II/01dt30.12.2017	नियमानुसार कार्रवाई की जायेगी।
03	पुर्णता एवं अधिपत्य प्रमाण-पत्र	AK-III/03dt30.12.2017	नियमानुसार कार्रवाई की जायेगी।
04	ब्याज कि वसुली नहीं	BK/06dt30.12.2017	गृह कर पर ब्याज की बसूली हेतु नियमानुसार कार्रवाई की जायेगी।
05	कम जमा	BK/12dt30.12.2017	उक्त राशि जमा कर दी जायेगी।
06	प्राक्कलन में संवेदक लामास की कम कटौती	AK-III/22dt30.12.2017	1. एम0एन0 प्रपत्र नहीं रहने के कारण रायल्टी की कटौती कि गई है। 2. 13.04 प्रतिशत में 5 प्रतिशत ओवरहेड की अतिरिक्त कटौती की गई है। नियमतः 9.13 प्रतिशत की कटौती की जानी चाहिए।
7	समग्री के दुलाई में अन्तर	AK-III/24dt30.12.2017	दुलाई का कुछ अभिश्रव एक अलग संचिका में संधारित था मुल संचिका में लगा दिया जायेगा।
8	परिनाम विपत्र	BK/26dt30.12.2017	सरकार से पत्र प्राप्त हो गया है यथा शीर्ष में जमा कर दी जायेगी।
9	स्वीकृतबल कार्यरत बल	AK-III/27dt30.12.2017	उक्त सम्बंध में सरकार से पत्राचार किया जा रहा है राज्य सरकार से इस सम्बंध में आवश्यक कार्रवाई की जा रही है।
10	सेवापुस्त का अनियमित संधारण	AK-III/29dt01.01.2018	कर्मियों के बेहतरी हेतु उक्त सुझावों को यथाशीघ्र प्रविष्टि कर पालन किया जायेगा।
11	आंतरिक लेखा परिक्षा	AK-II/32dt01.01.2018	बिहार सरकार अंकेक्षण दल वित्त विभाग द्वारा समय-समय पर आन्तरिक लेखा परिक्षा किया जाता रहा है।
12	वार्षिक लेखा	AK-II/33dt01.01.2018	भविष्य में संधारण कर लिया जायेगा।
13	समितियों का गठन नहीं	AK-II/34dt01.01.2018	नियमानुसार गठन किया जायेगा।



कार्यपालक पदाधिकारी

नगर पंचायत मनिहारी

16/11/19

## Annexure-1A

### कार्यालय, महालेखाकार (लेखापरीक्षा), बिहार, पटना

(कृपया मूल प्रति जवाब के साथ वापस लोटायी जाये)

मेमो सं० एल० ए० /एस० एस०-1/

दिनांक:-

### नगर पंचायत द्वारा दिये गये अनुपालन प्रतिवेदन

अंकेक्षण प्रतिवेदन सं०-381/2013-14

क्र० सं०	कडिका सं०	विषय	अंकेक्षण कडिका का उत्तर
1	2	3	4
01	1	प्रस्तावना	अनुपालन की आवश्यकता नहीं
02	2	प्रशासन	अनुपालन की आवश्यकता नहीं
03	3	लेखा परीक्षा का क्षेत्र	अगले अंकेक्षण में प्रस्तुत कर दिया गया।
04	4	पूर्वती लेखा परीक्षा प्रतिवेदन	अनुपालन तैयार कर भेजा जा रहा है।
05	5	आंतरिक लेखा परीक्षा	कार्यपालक पदाधिकारी एवं लेखा पाल द्वारा समय-समय पर जाँच की जाती थी।
06	6	लेखा परीक्षा की महत्वपूर्ण उपलब्धियाँ।	दिये गये कडिका में इसका पालन किया जा रहा है।
07	7	स्वीकृत बल तथा कार्ररत बल	लेखापाल द्वारा समय-समय पर जाँच की आवश्यकता नहीं
08	8 (1) 1.	अधिदृष्य	दुवारा इंड्राज नहीं होने के कारण राशि को घटाया गया था।
	2.3.4		भविष्य में ध्यान दिया जा रहा है।
	8(2) 1.	BRGF का अधिदृष्य	समाधान विवरणी तैयार कर दिया गया है। छाया प्रति संलग्न है।
			राशि आगे व्यय किया गया है। योजना पंजी का छाया प्रति संलग्न है।
09	9	बजट प्राक्कलन	भविष्य में अनुपालन किया जा रहा है।
10	10	अनुदान	अनुदान पंजी का समाधान कर लिया जायेगा।
11	11 (1)	गृहकर के अतिरिक्त अन्य करों का अधिरोपन नहीं।	बिहार नगर पालिका अधिनियम में दी गई नियम के अनुसार 9% कर की दर से वसुली की जा रही है।
	11 (2)	सरकारी भवनों पर बकाया किराया	सभी सरकारी भवनों के कार्य प्रमुख को नोटिस बार-बार निर्गत किया गया।
12	12	संचार मोबाईल टावरों का अपंजीकृत रहना।	माननीय उच्च न्यायालय CWJC के द्वारा के सं- ..... दिनांक- .....रहने के कारण।
13	13(1) (1)	नहीं जमा	राशि की वसूली नहीं हो पा रही है
	13(1) (2)	बस पड़ाव में कम जमा	राशि जमा कर द गई है साथ संलग्न है।
	13 (2)	भंडार पंजी में बस स्टेन्ड का	भंडार पंजी में इसका इन्द्राज कर लिया जायेगा। साक्ष्य संलग्न हैं

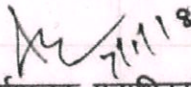


	13 (3)	विभगीय वसुली में डाक बन्दोबस्ती में कम जमा।	नगर पंचायत में सिर्फ एक टैक्स दरोगा थे जिन्हे गृहकर, विविधकर तथा बस पड़ाव की भी बसुली करनी थी, एक ही व्यक्ति से यह कार्य संभव नहीं था। इस कारण बन्दोबस्ती से बसुली हुई।
	14(1)	बैट्री कय में अनियमितता	बैट्री कय में न्यूनतम कोटेशन के दर पर बैट्री का कय किया गया। अन्य बिन्दुओं पर भविष्य पर ध्यान दिया जायेगा।
	14(2)	निरस्त	अनुपालन की आवश्यकता नहीं।
	14(3)	वाटर टैंक कय में अनियमितता	भंडार पंजी के पृष्ठ सं०-03 पर दो वाटर टैंक का इन्द्राज है। छाया प्रति संलग्न।
	14(4)1	फोर्गिंग मशीन कय में अनियमितता	वार्ड के सामान्य बैठक के आलोक में कोटेशन लेकर कय किया गया।
14	14(4)2	भंडार पंजी में इन्द्राज नहीं	भंडार पंजी में पृष्ठ सं०-03 पर इन्द्राज है। छाया प्रति संलग्न है।
	14(5)1,2,3	सेक्शन मशीन के कय में अनियमितता	भविष्य में ध्यान दिया जायेगा तथा सेक्शन मशीन कार्यरत है एवं इससे नगर पंचायत को राशि भी प्राप्त हो रही है।
	14(6)	कुडेदानी के कम में अनियमितता।	भविष्य में ध्यान दिया जायेगा। इन्द्राज किया गया है। छाया प्रति संलग्न है।
	14(7)	सोलर स्ट्रीट लाईट के कय में अनियमितता	भविष्य में ध्यान दिया जायेगा तथा इन्द्राज कर लिया जायेगा।
	14(8)	वैट की कटौती नहीं किया जाना	अभिश्रव पर वैट का टिन न० तथा टोकन न० रहने के कारण वैट की कटौती नहीं की गई।
	15(1).1	चापाकल अधिष्ठापन मे अनियमितता	सभी चापाकल का अधिष्ठापन कर दिया गया। योजना पूर्ण है।
15	15(1).2	इसमें चयनित स्थल संचिका में संलग्न।	चयनित स्थल योजना संचिका में संलग्न है।
	15 (2).1	कार्य अपूर्ण रहना।	चापाकल का योजना पूर्ण है। छाया प्रति संलग्न है।
	15 (2).2. 3.4		संचिका में सभी कागजात की छाया प्रति संलग्न है।
16	16	स्वर्ण जयंती शहरी रोजगार योजना	सरकार के दिश निर्देशानुसार कार्य किया गया।
17	17	कबीर अन्तयोष्ठी योजना	भविष्य में ध्यान दिया जायेगा।
	18 (1).1	योजनाओ के भौतिक स्थिति	राशि जमा की जा चुकी है।
	18 (1). 2,3,4		सभी मद की योजना का योजना पंजी तथा योजना संचिका संलग्न है।
	18 (2) 1 से 6	योजना का अनियमित कार्यान्वयन	भविष्य में ध्यान दिया जायेगा।
18	18 (3)	सफाई पर अतिरिक्त व्यय	मुहल्ले का कुड़ा उठाने के लिये दैनिक मजदुर, ट्रेक्टर का इंधन एवं अन्य व्यय पर खर्च किया गया।
	18 (4)(1). 1,2,3,4,5	सफाई पर व्यय	एकरार नामा के लिये भविष्य में ध्यान दिया जायेगा। अन्य आप्त के सम्बंध में नियमानुसार कार्य किया गया।
	18 (4)(2). 1,2,3,4,5	अंकेक्षण टिप्पणी	नियमानुसार सभी कार्य कराया गया था।



19	19	विज्ञापन पर व्यय	पद प्राप्त नहीं रहने के कारण दैनिक समाचार पत्रों में विज्ञापन निकाला गया। जिसका साक्ष्य संलग्न है।
20	20	सामान्य भविष्य निधि अंशदान में कटौती नहीं।	जानकारी के आभाव में नहीं किया गया।
21	21	दैनिक मजदुरी पर प्राधिकृत व्यय	नगर कि जनसंख्या बढ़ने के कारण दैनिक मजदुरी पर सफाई व्यवस्था के लिये मजदुरी पर रखा गया।
22	22	अधिक राशि की निकाशी	बैंक तथा कोषागार से पत्राचार कर वास्तविक स्थिती की जानकारी कर अंकेक्षण कर भेजा जायेगा।
23	23	कार्यपालक से वार्तालाप	अनुपालन की आवश्यकता नहीं।
24	24	लेखापरिक्षा परिणाम	अनुपालन की आवश्यकता नहीं।
25	25	सामान्य अभियुक्ति	भविष्य में ध्यान दिया जा रहा है।

सेबक में,

  
कार्यपालक पदाधिकारी  
नगर पंचायत मनिहारी

सं० ले० प० ३०



**Annexure 2: Details of UC's of Financial Year 2018 – 2019**

S/N	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2018-19	Civic Amenities	31/10/2018	36.25	NIL	36.25	Un-utilized amount Rs. 36.25 Transferred to PL A/C
2	2018-19	नाली गली	17/12/2018	73.70	73.70	NIL	NIL <sup>UC</sup> submit
3	2018-19	14th Finance	31/10/2018	64.25	NIL	64.25	Un-utilized amount Rs. 64.25 Transferred to PL A/C
4	2018-19	5th Fin	03/07/2018	109.25	NIL	109.25	Un-utilized amount Rs. 109.25 Transferred to PL A/C
5	2018-19	nali gali	06/03/2019	23.25	23.25	NIL	NIL <sup>UC</sup> submit
6	2018-19	EO SALARY	22/05/2018	7.00	7.00	NIL	NIL <sup>UC</sup> submit
7	2018-19	5th Finance	10/07/2018	111.73	NIL	111.73	Un-utilized amount Rs. 111.73 Transferred to PL A/C
<b>Grand Total</b>				<b>425.43</b>	<b>103.95</b>	<b>321.48</b>	



नगर पंचायत मन्दिरी

PL एवं बैंक खाता की विवरणी 31.3.2019 तक

दिनांक -

कुल राशि

- |   |           |                  |
|---|-----------|------------------|
| (1) पंचम वित्त आयोग भंडा                | 31.3.2019 | - 66,68,149.00   |
| (2) कार्यपालक का वेतन भंडा              | 31.3.2019 | - 7,22,881.00    |
| (3) स्वाम्प शाह                         | 31.3.2019 | - 29,65,320.00   |
| (4) नगरपालिका सुविधा भंडा               | 31.3.2019 | - 1,52,89,987.00 |
| (5) चौकरी वित्त आयोग भंडा               | 31.3.2019 | - 36,20,903.00   |
| (6) पैसा कल                             | 31.3.2019 | - 2,76,562.00    |
| (7) कार्यपालक निमत -<br>मासिक भत्ता     | 31.3.2019 | 10,534.00        |
| (8) मुख्यमंत्री राहडी<br>पेय त्रस योजना | 31.3.2019 | 78,23,096.00     |
| (9) मुख्यमंत्री राहडी<br>मन्दीगरी योजना | 31.3.2019 | 54,57,991.00     |

बैंक खाता

- |                      |                   |                |
|----------------------|-------------------|----------------|
| (1) U.B.G.B. मन्दिरी | 1007701030040038  | 42651.00       |
| (2) " " "            | -1007701030021761 | 6,82,39,377.00 |
| (3) " " "            | -1007701030035973 | 78,12,113.00   |
| (4) " " "            | 1007701030049550  | 13,24,26.00    |
| (5) " " "            | 1007701030035980  | 51,748.00      |
| (6) " " "            | 1007701030021785  | 2808.00        |
| (7) " " "            | 1007701030021778  | 48,79,49.00    |
| (8) C.B.I. मन्दिरी   | 2107135285        | 2,62,895.00    |
| (9) S.B.I. मन्दिरी   | 1688              | 8,20,106.00    |
| (10) " " "           | 6035              | 38,226.50      |



Discussion Note F-7-2018-19 Manihari Nagar Panchayat

S. No.	Observation	Management Comment	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. 8000/- per year. During the course of audit it was observed that Rs 5,86,000 is due towards Tower Company for financial year 2018-19.	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	There is a long outstanding list of property tax collection and also not deposited on same day or latest before noon.	Tax collectors are directed to deposit the tax.	Demand register for property tax should be maintained year wise and appropriate action should be taken.
3	Report on Findings of the field survey of property tax of minimum 20 high value properties. <i>(Refer detailed audit report)</i>	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	<b><u>Pending UC's Status up to 2018-19</u></b> For details please refer to the Annexure no 2.	Necessary action will be taken.	Pending UC's must submit at proper interval.
5	Expenditures vouchers were not provided to us.	ULB staff is directed to cooperate with auditors and to provide all the necessary documents for audit.	It should be provided to auditors.
6	PF deducted from all permanent staff salary but not deposited in his PF account but we did not get file	Will be considered in next financial year.	PF should be deposited immediately.



**Discussion Note**

**Manihari Nagar Panchayat**

	or register to quantify amount.		
7	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.	Will be considered in next financial year.	All statutory compliances related to deduction, deposition and return filling should be complied.
8	The municipality is not in a practice to prepare BRS on regular or periodical basis. ULB was maintained their cash book in single register. ULB was not maintained subsidy cash book therefore we are unable to segregate bank wise balance. <i>(Refer annexure 3)</i>	Will be considered in next financial year.	BRS should be maintained month wise.
9	FAR is not maintained/updated by the ULB	Will be considered in next financial year.	FAR including assets wise identification number should be maintained/ updated by Nagar Panchayat.
10	Non preparation of stores register	Will be considered in next financial year.	Due to non – maintenance of store 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.
11	Insurance deduction from all permanent staff salary but not deposited but we did not get file or register to quantify amount.	Will be considered in next financial year.	Insurance should be deposited.
12	Manihari Nagar Panchayat is not in practice to prepare monthly receipt and payment account and the trial balance.	Will be considered in next financial year.	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

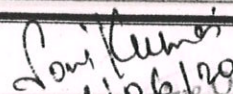


*Lowi K...*  
26/06/2020  
Executive Officer  
Nagar Panchayat, Manihari



			made properly or not.
13	Daily wages register were not produced to us for audit.	ULB staff is directed to provide all the necessary documents to auditors.	Daily wages register should be made available to auditors.
14	Log books not maintained or maintained with incomplete information in ULB.	Necessary action will be taken.	Log book should be maintained by ULB.
15	ULB has been taken Tent House without Quotation from single party and work order was not present in file except single voucher. While payment was made for Ram Navami Festival of Rs. 55,960.	Necessary action will be taken.	ULB should be issued work order for every single work.
16	During the course of Audit, we observed that Nagar Panchayat has conducted Internal audit for the year 2016-17 & 2017-18 but the compliance report for the same has not been prepared. <i>(Details given in report)</i>	Necessary action will be taken.	It should be prepared as soon as possible.
17	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.
18	We discussed with EO during audit regarding shop details then EO has said to us, there is no shop in Manihari Nagar Panchayat and also file of shop was not provided to us. While we observed from supporting documents of 2017-18 Rs. 59,700 has been collected by ULB.	Necessary action will be taken.	ULB should maintained proper record of shop So we can verify that outstanding dues for the reporting period.
19	ULB is not being paid telephone bill regularly by which may attract		ULB should be paid telephone bill regularly.



  
 26/06/2020  
 Executive Officer  
 Nagar Panchayat, Manihari

**Discussion Note**

**Manihari Nagar Panchayat**

	penalty & interest ( <i>Discussed in details audit report</i> ).		
20	Demand Register for collection of Trade License for the financial year 2017-18 & 2018-19 is not yet prepared.	Necessary action will be taken.	Demand register should be prepared.
21	During the course of audit we observed that Vehicle were hired from M/s Shree Ravindra Kumar Yadav, Manihari Vehicle No. BR39PA5454. Total Yearly payment has been made by ULB of Rs. 3, 12,000 but TDS is not deducting and also Log book has not been maintained properly.	Necessary action will be taken.	TDS should be deducted from concerned bill and log book should be maintained proper. Such as starting KM, end KM, purpose, signature of driver & authority etc.
22	Jay Hind Trader was issued all invoices from the name of J. E. (Kapil Prasad) while it should be issued from the name of Manihari Nagar Panchayat (Executive Officer).	Necessary action will be taken.	It should be issued from the name of Manihari Nagar Panchayat (Executive Officer)
23	ULB is being paid to svem sanstha sevi of Rs. 8,21,000 per month without deduction of TDS.	Necessary action will be taken.	TDS should be deducted from concerned bill.
24	Vehicle hires for door to door collection without any quotation and not follows single procurement process. Agreement for vehicle hire has not been made with party and not authorized by concerned officer.	Necessary action will be taken.	Procurement process should be followed by ULB.
25	As per public notice given by Manihari Nagar Panchayat, Agreement should be done on the stamp paper which has value 3% of Sairat Rs. 61,192 while we observed that agreement has done on value of Rs. 1000 stamp paper and ULB is not being collected stamp duty.	Necessary action will be taken.	It should be 3% of Sairat value and should be collected stamp duty.



*Loni Kumar*  
20/06/2020  
Executive Officer  
Nagar Panchayat, Manihari

26	No details were made available regarding meeting of municipal accounts committee held during the financial year 2018-19.	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.
27	Non-Implementation of double entry accounting system (DEAS) We found the detail that double accounting system is implemented at Manihari Nagar Panchayat and AFS, FAR & PTR for 2017-18 has been submitted by M/s BORKAR & MAZUMDAR. However we not got any data for verification the same.	Implementation of DEAS is ongoing and ULB staff is directed to cooperate with auditors and to provide all necessary documents for audit.	As per requirement of BMAR-2014, Part-A, Chapter-2 Rule - 4, "All ULB refereed in schedule-1 shall maintain its books of account using the double entry system". Since Manihari 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.
28	ULB was made payment to Uday Tent House of Rs. 37,670 but purpose was not mentioned in file.  ULB was made payment to Svastik Sweets of Rs. 21,080 but purpose was not mentioned in file.	Necessary action will be taken.	Proper propose should be mentioned in concerned documents.
29	Non following of procurement process <i>(Details given in report and also discussion note)</i>	Will be considered in next financial year.	Nagar Panchayat must follow procurement rules & regulations.
30	<b>Lack of internal control measures</b> We observed that there is no any internal control mechanism available over collection, recovery,	Nagar Panchayat ensure that this will be taken care from now onwards.	<b>We suggest that</b> (i) MIS system should be implemented over daily collection and deposit.



Loni Khera  
26/06/2020

**Discussion Note**

**Manihari Nagar Panchayat**

<p>deposit of taxes, assets handling, cheque handling and statutory compliances:</p> <ul style="list-style-type: none"> <li>i. Voucher file was not maintained</li> <li>ii. No internal mechanism for statutory compliance</li> <li>iii. No MIS was prepared for tracking of payments</li> <li>iv. Required books of Accounts as per BMAM was not maintained</li> <li>v. Statutory compliance reconciliation was not maintained</li> </ul>		<p>(ii) Reason for non-deposit/Late deposit should be strongly need to ask for minimize delay.</p> <p>(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.</p> <p>Therefore, the management has to take serious effort in implementation of internal control mechanism for getting a better result from ULB working.</p>
<p><b>31</b> Non-Compliance of Act &amp; Rules</p>	<p>ULB staff is directed to ensure compliance of all applicable Act &amp; Rules.</p>	<p>Refer point of Part-B (d) of audit report for status of non-compliance of Act &amp; Rules. ULB should ensure compliance of all applicable Act &amp; Rules.</p>
<p><b>32</b> Non collection of notice fees</p>	<p>ULB staff is directed to comply with Bihar Municipal Act 2007</p>	<p>As per the regulation 158(a) of chapter xix of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fees, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore, but in case of Manihari Nagar Panchayat, 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.</p>



*Signature*  
**Estimate Officer**  
 Nagar Panchayat, Manihari

**Discussion Note**

**Manihari Nagar Panchayat**

**Details of 20 high value properties:-**

SI No.	Holding No.	Ward No.	Type of Unit	Property Tax
1	982	02	Residential	7,227
2	314	08		808
3	78	12		594
4	39	11		540
5	42	12		425
6	203	12		420
7	48	10		360
8	159	11		325
9	15	10		330
10	326	14		288
11	187	12		285
12	280	03		240
13	286	03		411
14	192	11		129
15	288	03		218
16	485	06		312
17	447	06		328
18	271	03		119
19	420	15		92
20	64	06		64

**Details of statutory deduction:-**

i. TDS: Cases in which TDS not deducted

Details of Bills	Amount	Remarks
Uday Tent House	37,670	TDS not deducted
Ram Navami Festival	55,960	TDS not deducted
Door to door collection	8,21,000	TDS not deducted
Vehicle Hire	3,12,000	TDS not deducted



*Soni Kumar*  
 26/06/2020  
 Executive Officer  
 Nagar Panchayat, Manihari

**Discussion Note**

**Manihari Nagar Panchayat**

**Bank Reconciliation Statement**

Name of Bank	Account Type	Account No.	Passbook Balance	Cash Book Balance	Difference	Status
UBGB	-	35980	51,748	54,57,991	54,06,243	Unreconciled
UBGB	-	35973	78,12,113	78,23,096	10,983	Unreconciled
CBI	-	35285	2,62,895	35,205	2,27,690	Unreconciled
UBGB	-	40038	42,651	11,82,02,160	58,89,272	ULB was maintained their cash book in single register. ULB was not maintained subsidy cash book therefore we are unable to segregate bank wise balance.
SBI	-	51688	5,34,028			
UBGB	Nagrik Suvidha	21785	2,808			
UBGB	-	21761	6,82,39,377			
UBGB	-	49550	1,32,426			
UBGB	SBM	21778	4,87,949			
SBI	-	66035	38,226			
Treasury Grant PLA	-	520	4,28,35,423			

**Details of UC's of Financial Year 2018 - 2019**

S/N	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2018-19	Civic Amenities	31/10/2018	36.25	NIL	36.25	Un-utilized amount Rs. 36.25 Transferred to PL A/C
2	2018-19	नालीगली	17/12/2018	73.70	73.70	NIL	NIL <sup>UC</sup> <sub>submit</sub>
3	2018-19	14th Finance	31/10/2018	64.25	NIL	64.25	Un-utilized amount Rs. 64.25 Transferred to PL A/C
4	2018-19	5th Fin	03/07/2018	109.25	NIL	109.25	Un-utilized amount Rs. 109.25

Tibrewal Chand & Co.

Page 8



*Lowi Kumar*  
26/06/2019  
Nagar Panchayat, Manihari

**Discussion Note**

**Manihari Nagar Panchayat**

							Transferred to PL A/C
5	2018-19	nali gali	06/03/2019	23.25	23.25	NIL	NIL <i>UC submit</i>
6	2018-19	EO SALARY	22/05/2018	7.00	7.00	NIL	NIL <i>UC submit</i>
7	2018-19	5th Finance	10/07/2018	111.73	NIL	111.73	Un-utilized amount Rs. 111.73 Transferred to PL A/C
<b>Grand Total</b>				<b>425.43</b>	<b>103.95</b>	<b>321.48</b>	



*Loni Kumar*  
26/06/2020

**Details of U.C.'s of Financial Year 2018 - 2019**

S/N	Year of allotment	Name of Scheme	Date of Allotment	Amount in Lakh	Expenditure	Un-utilized Amount	Remarks
1	2018-19	Civic Amenities	31/02/2018	36.25	NIL	36.25	Un-utilized amount Rs. 36.25 Transferred to PL A/C
2	2018-19	शौचालय	17/12/2018	73.70	53.70	NIL	NIL <i>UC submit</i>
3	2018-19	5th Finance	31/02/2018	64.25	NIL	64.25	Un-utilized amount Rs. 64.25 Transferred to PL A/C
4	2018-19	5th Fin	03/07/2018	109.25	NIL	109.25	Un-utilized amount Rs. 109.25