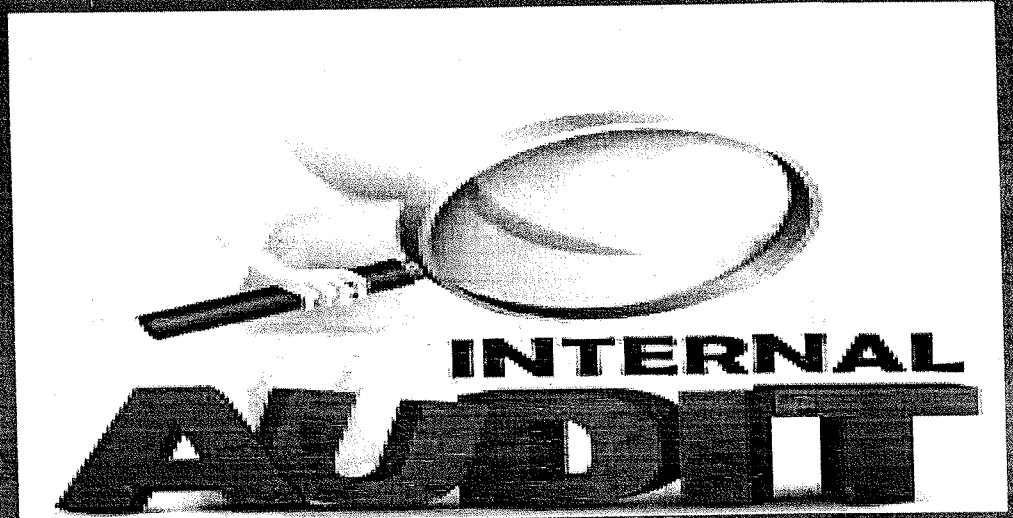


Financial
Year
2018-19



Internal Audit Report for FY 2018-2019 of Jogbani Nagar Panchayat

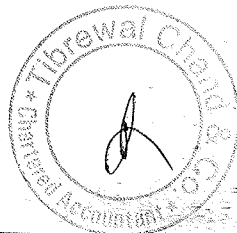
Internal Audit Conducted By
M/s Tibrewal Chand & Co. Chartered Accountants
From 01.04.2018 to 31.03.2019
Flat No. 501, 5th floor, SS Bihar Apartment
Near Karbighiya Station,
Patna-Bihar 800001
Mob No. +91 8825110779
Email: tcbbihar@gmail.com

Report Submitted Date: 23.11.2019

INTERNAL AUDIT REPORT

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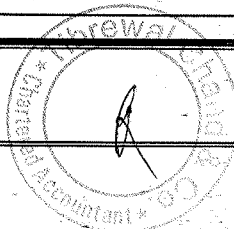
Executive Summary

1. Introduction:

Name of the Municipality	JOGBANI NAGAR PANCHAYAT
Period covered under current audit	01-04-2018 to 31-03-2019
Name of Chief Municipal Officer for the period under audit	Mr. Chandra Raj Prakash

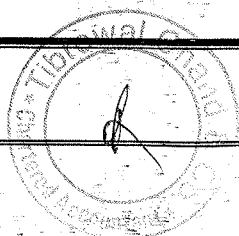
2. Results and Findings: During our audit we observed below mentioned strengths and weakness in the functioning of ULB:

Strengths observed during the audit engagement	<ol style="list-style-type: none">1. General Cash book has been prepared for the audited period2. Cashier cash book has been prepared for the audited period3. Few Revenue related records were prepared by the Parishad4. Financial Statements for the period 2018-19 were prepared by the Parishad
Weaknesses observed in the functioning of office, maintenance of records etc. during the audit engagement	<ol style="list-style-type: none">1. Delay in deposit of cash to cashier by tax collector: -As per the records made available during the audit, delays were observed between date of collection made by the tax collector and the deposit of the same to the cashier. The same is shown in point 'c' of 'Part B'.2. On physical verification of properties we found that Nagar PanchayatJogbani is not in practice to collect property tax according to Bihar Municipal Act, resulting in revenue loss of Rs.175,866.00.



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

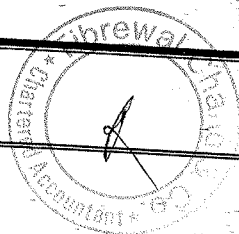
- | | |
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| | <ol style="list-style-type: none">3. Non preparation of bank reconciliation statements.4. Lack in follow-up procedure in collection of huge arrear dues in relating to property and other taxes.5. Non deduction of TDS in salary cases checked on random basis.6. Non-Performing the variance analysis between budget and actual expenditure for a particular period resulting in short comings in budgetary control.7. Non-Maintenance of assets registers in complete manner resulting in chances of mis-utilization of assets.8. Some of the rent agreements were expired.9. No proper survey of properties has been conducted by the ULB to ascertain the property tax receivables from holdings.10. Loss of revenue due to Sairat was not held for reporting financial year at proper interval.11. Loss of revenue due to huge outstanding rent.12. Proper log book & fuel distribution register was not prepared resulting in weakness in control over books of account. |
|--|--|



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

	<p>13. Huge surcharge on delayed payment of Electricity bill. During the course of audit we checked invoices of electricity bill. We found out that there is heavy amount of DPS (delayed payment surcharge) and dues for the FY 2018- 19</p> <p>14. Daily wages register was not prepared resulting in weakness in control over books of account.</p> <p>15. Advance was not adjusted within reasonable time resulting in weakness in control over internal control.</p> <p>16. 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>17. Staffs were not cooperative during the Audit period.</p> <p>18. Implementation of Double Entry Accounting system has not been done in Jogbani Nagar Panchayat.</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. Employees of all departments are required to be trained and monitored for updating of day to day transactions on regular basis in respective records and registers.
3. Stringent follow up and actions are necessary for recovering arrear relating to property tax, tower tax, rental income and other sources of income.
4. Bank statements or treasury statement shall be collected on regular intervals and bank reconciliation statement should be prepared on monthly basis. Balance confirmation certificate to be obtained from the respective bank treasury periodically.
5. 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.
6. Stock/store register should be updated as per the formats provided in BMAR.
7. Statutory compliances such as deduction and deposition with authorities should be complied strictly to avoid penalty and interests.
8. 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.
9. Revenue records should be maintained properly including demand and collection details.

For Tibrewal Chand & Company
Chartered Accountants


CA ROSHAN JAIN | PARTNER

Membership No 518422

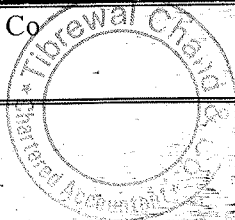
FRN No. 311047E

UDIN NO = 21518422 AAAAA D6284

UDIN DATE → 24-02-2021

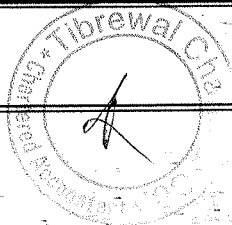
Tibrewal Chand & Co

Page 6



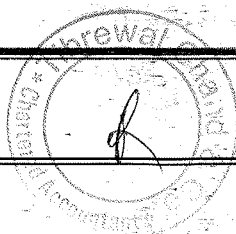
5. Comments from Management:-

S. No.	Observation	Comment From Management	Recommendation
1	As per notification of Bihar Government, The Governor of Bihar made the rules for the mobile tower under the Act. Operator of the mobile has to apply to the ULB for operation of the mobile tower in the concerned area with the Requisite fees of Rs. 30,000/- per Tower and the Renewal fee is Rs. 8,000/- per year. During the course of audit it was observed that Rs774,000.00 is due towards Tower Company for financial year 2018-19.	Taking necessary action to realize the mobile tower tax.	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.	Taking necessary action to realize the mobile tower 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.	Property tax self-assessment has been done as per municipal law.	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	PF deducted from all permanent staff salary but not deposited in his PF	Deposited in next quarter.	PF should be deposited immediately.



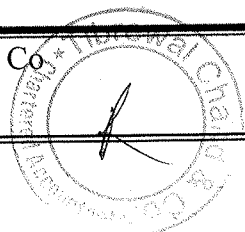
Internal Audit Report for the year ended 31st March of F.Y. 2018-19

	account.		
5	During the audit various cases were observed regarding non deduction and non-deposition of statutory dues like TDS and VAT in stipulated time by the Nagar Parishad. Further it was also observed that returns were also not filled for TDS.	Noted for future.	All statutory compliances related to deduction, deposition and return filling should be complied.
6	The municipality is not in a practice to prepare BRS on regular or periodical basis.	Noted for future.	BRS should be maintained month wise.
7	FAR is not maintained/updated by the ULB.	Prepared By outside Agency.	FAR including assets wise identification number should be maintained/ updated by Nagar Parishad.
8	Jogbani Nagar Panchayat is not in practice to prepare monthly receipt and payment account and the trial balance.	Noted for future.	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.
9	Daily wages register were not produced to us for audit.	Produce in next quarter Audit.	Daily wages register should be made available to auditors.



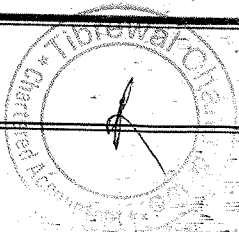
Internal Audit Report for the year ended 31st March of F.Y. 2018-19

10	Log books not maintained or maintained with incomplete information in ULB.	Noted for future.	Log book should be maintained by ULB.
11	Non adjustment of advances made to staff.	Adjusted In next Quarter.	Advance should be adjusted within reasonable time.
12	Scheme register not prepared for the financial year 2018-19	Now it is prepared.	Separate register should be maintained for each scheme.
13	Rent Agreement expired in case of few market shops and no new agreement was made till the date of audit.	Step is taken to renew the rent agreement.	Due rent should be collected as soon as possible.
14	Demand Register for collection of Trade License for the financial year 2018-19 is not yet prepared.	Demand collection register is under process.	Demand register should be prepared.
15	Collection of internal resources is very poor.	Due to lack of human resources.	It should be timely collected.
16	After reconciliation of cashier cash book with treasury challan, we observed that collections under different head are not deposited in treasury account.	Concerned person will deposit the remaining tax and send to the auditor the proof of deposit the money.	It should deposit in next working day.



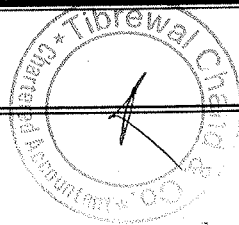
Internal Audit Report for the year ended 31st March of F.Y. 2018-19

17	Nagar Panchayat is not collecting any advertisement tax.	No external agencies take permission for advertisement during the financial year 2018-19.	There should be proper collection and monitoring mechanism for advertisement tax.
18	During the course of audit we checked invoices of fuel supply, for verification of the same we also checked few logbooks and fuel supply register, log books were incomplete and fuel supply register was not maintained properly, thus we were not able to verify the correctness of the bills paid. We checked Fuel bill of Rs. 42,833 dated 20.10.2018 but are unable to verify the correctness due to improperly maintained logbooks and fuel registers.	We verify the above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.
19	Payments made towards to Uttam Kumar for yojna No. 45/2016-17 dated 25/08/2018 vide cheque No. 540732 for Rs.63464, which has been canceled and has not been adjusted. A new cheque has been issued for the above payment. An entry for canceled cheque has not been adjusted and payment made through new cheque. As per	We verify the above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.



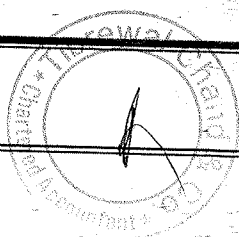
Internal Audit Report for the year ended 31st March of F.Y. 2018-19

	cashbook, this is an excess payment by Rs.63,464.00.		
20	Payment made to beneficiaries under HFA through cheque No. 234997 on 06/10/2018/pnb/3875. During the audit it is observed that same payments made through cheque No. 234967 on 09/10/2018. There is no any clarification found.	We verify the above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.
21	Voucher No. 101/02-8-2018, Payment made to Waqar Alam for various office expenses of Rs.32052.5 through cheque no. 827603. Out of which Rs. 16180 has been paid to Om Hardware in cash. This is beyond the cash payment limit. It is recommended that payment made in cheque to the party concerned as per BMAR.	We verify the above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.
22	Voucher No. 115/16-08-2018, Payment made to Waqar Alam for various office expenses of Rs.82901 through cheque no. 827609. Out of which Rs. 48035 has been paid to Mahadev Traders, Jogbani in cash. This is beyond the cash payment	We verify the above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.



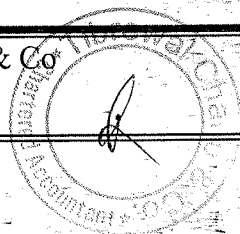
Internal Audit Report for the year ended 31st March of F.Y. 2018-19

	limit. It is recommended that payment made in cheque to the party concerned as per BMAR		
23	Voucher No. 110/7-8-18, payment made to Rathore&Bishwajeet Infra Developers Private Limited of Rs. 146419 against the work done in Nagar PanchayatJogbanithrough cheque no. 827605. TDS has not been deducted in the same and the whole sum has been paid to the concerned party.	We verifythe above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.
24	Voucher No. 130/7-9-18, payment made to Rathore&Bishwajeet Infra Developers Private Limited of Rs. 159882 against the work done in Nagar PanchayatJogbani through cheque no. 827613. TDS has not been deducted in the same and the whole sum has been paid to the concerned party.	We verifythe above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.
25	Huge surcharge on delayed payment of Electricity bill. During the course of audit we checked invoices of electricity bill. We found out that there is heavy amount of DPS (delayed payment surcharge) and dues for the FY 2018- 19.	We verifythe above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.



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

26	We found major irregularity in procurement process. Details of such are given in detailed audit Report	We verify the above points and reply in compliance report during the next quarter audit.	Management should take care regarding this type of issue.
27	Non-Compliance of Act & Rules	We verify the above points and reply in compliance report during the next quarter audit.	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.
28	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>	We verify the above points and reply in compliance report during the next quarter audit.	Compliance report should be prepared.



6. Acknowledgement:-

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

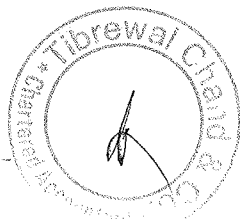
For M/s Tibrewal Chand & Co.

Chartered Accountant ICAI Reg.

No: 311047E

CA Roshan Jain
Partner
M. No: 518422

Executive officer
Nagar Parishad Jogbani
Date:
Place: Patna



Tibrewal Chand & Co

Detailed Audit Report

1. Introduction: -

The Internal audit of Jogbani Nagar Panchayat has been conducted for the period from 01st April 2018 to 31st March 2019

Name Of ULB	Period Covered	Audit Team
Jogbani Nagar Panchayat	1 st April 2018- 31 st March 2019	(1) TL:CA NeeravBhanushali (2) MAE:CA AmitRanjan (3) Auditor: NishedhPawar

2. Administration: -

The Present governing body of the ULB has taken charge in 2017. The incumbencies in the key administrative and executive positions are as under:

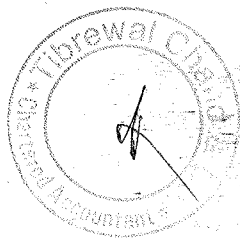
- Smt. Anita Devi, Chairman from 09-06-2017 to till the date of Audit.
- Mr.Chandra Raj Prakash, Executive officer from 18-02-2019 to till the date of Audit.

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 improve ment/corr ective 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 outstand ing paras where no action has been taken	No. & date of compliance report
1	AG Audit (2013-15)	22	22	10	02	210,020	0	Letter No. 39 dated- 12/01/2019 <i>(Please refer to 'Annexure A' Given below)</i>
2	Internal Audit 2016-17 &							Compliance report not



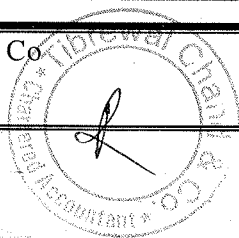


Internal Audit Report for the year ended 31st March of F.Y. 2018-19

2017-18							prepared till date of audit
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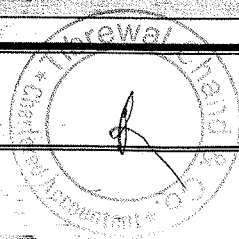
Annexure "A"

Part	Audit para/ kandika no.	Observation	Compliance by Management
Part I	1	Budget and Annual Accounts preparation.	The Budget for F.Y 2014-15 has been prepared and submitted to the Government.
	2	Non preparation of Government Grant register and adjustment of Government Grant during F.Y 2013-14 and 2014-15 respectively.	Government grant register has been prepared and required adjustments have been made. It will be shown to the next audit team.
	3	Differences arises in cash book and bank as well as treasury balance at the end of 31/03/2015 Cash book Balance - Rs. 3570982.88 Passbook & S. Try - Rs. 34995198.88 Difference - Rs. 712784	It will be taken care in near future and will come handy to the next audit team in respect of mentioned observation.
Part II	4	Short deposit of holding tax by Rs. 2.01 Lakh by SajjanRajak (Tax collector).	Short amount of Rs2.01 lakh of holding tax has been deposited by the SajjanRajak(Tax collector) through following MR No.: - MR No. Date Amount 2670 30/10/2017 1.89 lakh 2673 30/10/2017 .12 lakh 2798 28/05/2018 .00120 Deposit receipt will be shown to the next audit team.
	5	Loss of Rs. 30.89 lakh due to non-collection of Labor Cess on building construction project.	Deduction of labor cess on building construction project is being collected and deposited to the concerned department after it is suggested by the audit team. Evidence for the same will be shown to the next audit team.



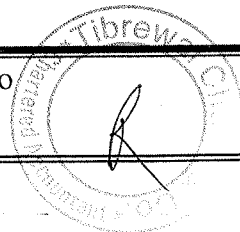
Internal Audit Report for the year ended 31st March of F.Y. 2018-19

6	Non collection of compensation of Rs. 11.86 lakh from contractors for non - completion of work within time limit prescribed.	Compensation on delayed work is being collected presently and action is being taken for recovery of compensation of Rs. 11.86 lakh from contractors.									
7	Irregularities in expenditure of training made under SJSRY of Rs. 30.03 lakh.	Expenditure under SJSRY has been made out of current receipt and previous balance standing in the SJSRY account. Recommendation of the audit team will be followed in future.									
8	Amount of Rs.8900 of various receipts has not been deposited by SajjanRajak (Tax collector).	Amount of Rs.8900 of various receipts has been deposited by SajjanRajak (Tax collector) through following challan No.:- <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Challan No.</th> <th>Date</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>17</td> <td>19/05/2015</td> <td>7800</td> </tr> <tr> <td>3111</td> <td>12/01/2019</td> <td>1100</td> </tr> </tbody> </table>	Challan No.	Date	Amount	17	19/05/2015	7800	3111	12/01/2019	1100
Challan No.	Date	Amount									
17	19/05/2015	7800									
3111	12/01/2019	1100									
9	Non adjustment of advance amounted Rs. 21.25 lakh.	Deposited advance has been adjusted and attached its details. Action is taken for recovery of balance amount of advance.									
10	Irregularities in procurement of High Mast Light.	Recommendation of the audit team will be followed in future.									
11	Huge surcharge of Rs. 22.42 lakh on delayed payment of Electricity bill.	Electricity bill will be paid on time after recommendation suggested by the audit team.									
12	Losses of Rs. 1.98 lakh due to Non collection of development permit fees.	Development permit fees are being collected after recommendation of the audit team.									
13	Non collection of sairat amount of Rs. 0.69 lakh for F.Y 2011-12.	Notice is being served from the ULB to the concerned contractors for recovery of Rs.0.69 lakh. It will be informed as soon as amount of sairat deposited.									
14	Losses of stamp duty of Rs. 0.47 lakh due to agreements of sairat have not been made on stamp paper.	The loss is made due to lack of knowledge in respect of stamp paper. Recommendation of the audit team will be followed in future.									
15	Non collection of Tower tax in regard	Mobile tower register prepared and									



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

		of registration fee and renewal fee amounted to Rs. 4.70 lakh.	action is being taken for collection of mobile tower tax.
	16	Outstanding amount of holding tax at the end of F.Y 2014-15 is Rs.13.17 lakh.	Action for collection of Holding tax (Areear) is being taken. Evidence for the same will be shown to the next audit team.
	17	Education and health cess of Rs. 8.64 lakh have not been transferred to the concerned department.	In the absence of knowledge, it has not been transferred to the concerned department. Now we are taking action for transfer of the Education and health cess to the concerned department and Evidence for the same will be shown to the next audit team.
	18	Diversion of Fund of Rs. 36 lakh due to advance made to employees out of SamajikSuraksha mad.	The mentioned amount received from BDO, Forbesganj on account of distribution of pension under SamajikSuraksha mad out of which advance made to the employees. On recovery of advance adjustment made. After distribution of the pension balancing amount refunded to the BDO, Forbesganj.
	19	Excess labor force employed over allotted post.	One post is allotted for the post of peon however two peons are employed. On recommendation of the audit team, one peon is out of two dismissed from the ULB.
Part III	20	Non Revision of Holding Tax after F.Y 2005-06	Action is being taken for Revision of Holding Tax on recommendation of the audit team.
	21	Non-compliance of Rules and regulation in respect of granting building permit.	Compliance of Rules and regulation in respect of granting building permit is being followed presently.
	22	Non-compliance of previous audit objection.	Compliance of previous audit objection is being prepared and to be sent to the department.



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

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
Final/Revised Budget	73,06,58,500.00	42,262,331.55	13,755,904.00
Actual Expenditure	73,521,813.93	42,438,035.00	66,650,570.00
Savings(+)/Excess(-)	65,71,36,686.07	(175,703.45)	(52,894,666.00)

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

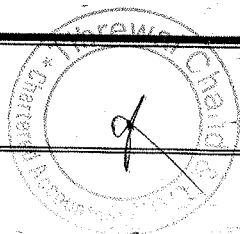
ii. **Volume of Transactions :-**

Period	Budgeted 2018-19	Previous year (17-18)	Previous year (16-17)	Current period	Cumulative for the current period
Opening Balance	145,074,829.84	129,412,193.57	73,642,737.57	145,074,829.84	145,074,829.84
Receipts	587,233,000.00	58,100,671.21	122,420,025.00	3,60,15,753.9	3,60,15,753.9
Total	732,307,829.84	187,512,864.84	17,40,62,762.57	18,10,90,583.74	18,10,90,583.74
Net expenditure	73,06,58,500.00	42,438,035.00	66,650,570.00	73,521,813.93	73,521,813.93
Closing Balance	1,649,329.84	145,074,829.84	10,74,12,192.57	10,75,68,769.81	10,75,68,769.81

(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 Project	Name of Bank	Account Type	Account No.	Passbook Balance	Cash Book Balance	Status
13 th Finance	UCO Bank	Savings	5064	632.10	632.10	Reconciled
M. Nali-GaliPakkikaran	PNB	Savings	13884	231,200.10	231,200.10	Reconciled



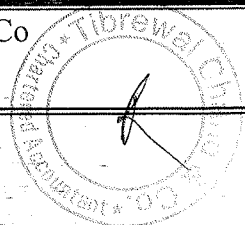
Internal Audit Report for the year ended 31st March of F.Y. 2018-19

Miscellaneous	PNB	Savings	3291	1,596.70	1,596.70	Reconciled
BRGF	CBI	Savings	7104	687,903.00	687,903.00	Reconciled
AantrikSansadhan	UCO Bank	Savings	7584	574,073.62	574,073.62	Reconciled
HFA	PNB	Savings	13875	16,664,844.00	16,664,844.00	Reconciled
14 th Finance	CBI	Savings	9004	798,733.96	798,733.96	Reconciled
Pension Fund	SBI	Savings	9624	884,889.00	884,889.00	Reconciled
SBM	UCO Bank	Savings	7119	1,561,734.21	1,561,734.21	Reconciled
Payjalapurti	PNB	Savings	13866	6,873,857.10	6,873,857.10	Reconciled
Day-NULM	PNB	Savings	14351	99,338.11	99,338.11	Reconciled
KabirAnthyo shti	SBI	Savings	2013	159,312.31	159,312.31	Reconciled
DUDA	PNB	Savings	14360	1,561,878.60	1,561,878.60	Reconciled
Miscellaneous S	UCO Bank	Savings	7034	5,958.00	5,958.00	Reconciled
Miscellaneous S	UCO Bank	Savings	4287	1,645.00	1,645.00	Reconciled
Treasury A/C	Forbesg Anj	Savings	URB - 002	81,507,577.00	81,507,577.00	Reconciled

(Note: Refer Point No- 06 & 16 of discussion note)

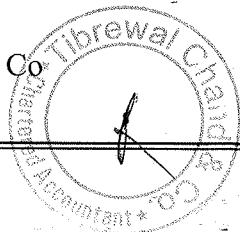
iv. Revenue & Capital Receipts :-

Income Details					
Sl. No.	Details	2018-19		2017-18	
		2018-19	2017-18	2017-18	2016-17
	Total Receipts (A+B)	3,60,15,753.9	58,100,671.21	58,100,671.21	122,420,025.00
A	Revenue Receipts (1+2+3)	2,00,93,696	2,15,95,625.59	21,595,625.59	49,435,953.00
1	Own Revenue Receipts (A+B)	95,87,696	35,87,719	35,87,719	4,078,603.00
a)	Tax Revenue (Levied & Collected By municipal Body) (i+ii)	1,737,696.00	2,332,794.00	2,332,794.00	2,719,387.00
i)	Property Tax	1,437,696.00	2,332,794.00	2,332,794.00	2,357,617.00



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ii)	Other Tax (Levied & Collected By municipal Body)	300,000.00	-	-	361,770.00
b)	Non Tax Revenue (Levied & Collected By municipal Body) (i+ii+iii)	7,850,000.00	1,254,925.00	1,254,925.00	1,359,216.00
i)	Fess & Fines	3,920,000.00	726,415.00	726,415.00	-
ii)	User Charges	230,000.00	172,400.00	172,400.00	348,556.00
iii)	Other Non-Tax Revenue (Levied & Collected By municipal Body)	3,700,000.00	356,110.00	356,110.00	1,010,660.00
2	Other Revenue Receipts	2,626,000.00	2,031,152.34	2,031,152.34	1,648,315.00
a)	Income from interest/Investments	2,000,000.00	1,866,894.34	1,866,894.34	1,639,033.00
b)	Other Revenue Income	626,000.00	164,258.00	164,258.00	9,282.00
3	Transfers/grants/Assigned Revenues	7,880,000.00	15,976,754.25	15,976,754.25	43,709,035.00
a)	State Assigned Revenues	-	-	-	1,040,508.00
b)	State Finance Commission (SFC) Grants/Devolution	-	-	-	42,668,527.00
c)	Octroi Compensation	-	-	-	-
d)	Other State Government Transfers	-	-	-	-
e)	Central Finance Commission (CFC) Grants	-	-	-	-
f)	Other Central Government Transfers	-	-	-	-
g)	Others	7,880,000.00	15,976,754.25	15,976,754.25	-
B	Capital Receipts (1+2+3+4+5)	1,59,22,057.90	3,65,05,045.62	3,65,05,045.62	72,984,072.00
1	Sale of Municipal Land	-	-	-	-
2	Loan (From state Govt. or Banks etc.)	-	-	-	-
3	State Capital Account Grant (Under state Scheme etc.)	1,59,22,057.90	3,65,05,045.62	3,65,05,045.62	54,292,988.00
4	Central Capital Account Grant (Under central				12,960,284.00



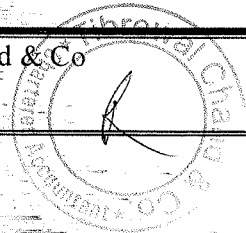
Internal Audit Report for the year ended 31st March of F.Y. 2018-19

	Scheme etc.)				
5	Other Capital Receipts	-	-	-	5,730,800.00

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

v. Revenue & Capital Expenditure Information :-

Expenditure Details					
Sl. No.	Details	2018-19		2017-18	
		2018-19	2017-18	2017-18	2016-17
	Total Expenditure (1+2)	73,521,813.93	42,438,035.00	42,438,035.00	6,66,50,570
1	Revenue Expenditure	46,680,000.00	23,922,845.25	23,922,845.25	4,93,95,691
1.1	Administrative Expenses, Establishment & Salaries (All Departments regular & contractual staff)	12,520,000.00	8,785,438.00	8,785,438.00	1,98,53,258
1.2	Operation & Maintenance (O & M)	19,650,000.00	649,414.00	649,414.00	1,15,52,658
1.3	Loan Repayment (Interest Payments)	-	-	-	-
1.4	Others (any other revenue Expenditure which is not salaries, O&M & or interest payment)	14,510,000.00	14,487,993.25	14,487,993.25	1,79,89,775
2	Capital Expenditure	2,68,41,813.93	1,85,15,189.75	1,85,15,189.75	1,72,54,879
2.1	All developmental works under central/state specific schemes	2,68,41,813.93	1,85,15,189.75	1,85,15,189.75	1,72,54,879
2.2	Loan Repayments	-	-	-	-
2.3	Other capital expenditure	-	-	-	-



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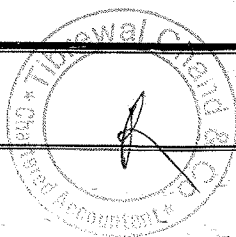
(Note: All figures taken from books of accounts.)

- vi. Status of implementation of double entry accountingsystem:** DEAS has been implemented by M/s Borkar&Mazumdar at Jogbani Nagar Panchayat till F.Y 2017-18 but for the period 2018-19 no real time double entry system started till date of audit and even not got data for verification.

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

- vii. Status of Municipal Accounts Committee: if meeting is held:** Meeting of Municipal Accounts Committee has not been held during the year 2018-19 as Municipal accounts committee is not in existence at the Municipality.

(Note: Refer Point No- 18 of discussion note)



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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.

a. Collected tax not deposit.

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

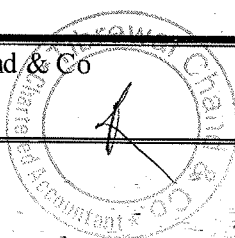
Criteria: As per Rules 22(1) of Bihar Municipal Accounting Rules, 2014 Tax Collected has to be deposited on same day or latest before noon on the following working day.

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

Sl. No.	Letter No.	Date	Amount	Particular
1	558122	15-03-2018	7,000.00	Mobile Tower tax
2	90/31-07-2018	31-07-2018	59,262.00	Receipts from Map (Holding)
3	16-08-2018	16-08-2018	25,780.00	Receipts from LC
4	05-12-2018	10-12-2018	55,000.00	Receipts from LC
5	26-03-2019	26-03-2019	4,569,600.00	Safai Sudhar
6	26-03-2019	26-03-2019	336,000.00	Parshad Remuneration
7	26-03-2019	26-03-2019	1,702,589.00	Professional Tax

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.



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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- 19 of discussion note)

b. Holding and property tax not deposit on timely basis

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

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

Condition: As per the records made available during the audit, delays were observed between date of collection made by the tax collector and given to the Cashier which is shown below:

Date of Collection by Tax Collector		Collected Amount	Date Of Deposit	Delay In Submission To Cashier	
From	To			From	To
03-05-2018	30-05-2018	1,523,082.00	31-05-2018	26	1
01-06-2018	02-08-2018	155,814.00	02-08-2018	61	0
03-08-2018	31-08-2018	184,196.00	31-08-2018	28	0
01-09-2018	05-10-2018	194,775.00	05-10-2018	34	0
06-11-2018	30-11-2018	64,275.00	30-11-2018	24	0
01-12-2018	31-12-2018	98,634.00	31-12-2018	30	0
04-01-2019	28-02-2019	158,214.00	28-02-2018	56	0
01-03-2019	31-03-2019	259,917.00	31-03-2019	30	0

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.

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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.

c. Tower Tax

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

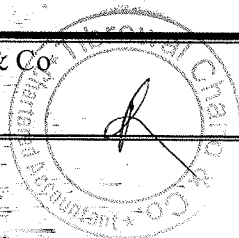
Criteria – Tower Tax is taxes on Communication Tower & related structure as defined in Bihar Communication Tower and related structure rules, 2012 as per the rule Tax Collected has to be deposited on same day or latest before noon on the following working day.

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. As per verification of records and document during the course of audit and according to the cash book produced by the ULB, it was found that Rs774,000.00 is due in regard of Tower Company for financial year 2018-19, resulting in a heavy loss of revenue. Details of such are given in here:-

S. N.	Name of tower	No. of tower	Registration fee	Renewal Fee	Collection Amount	Total Due
1	Bharti Infratel Ltd.	5	150,000.00	360,000.00	200,000.00	310,000.00
2	Tower Vision	3	90,000.00	264,000.00	8,000.00	346,000.00
3	Wireless T.T Info	1	30,000.00	88,000.00	0.00	118,000.00
TOTAL			270,000.00	712,000.00	208,000.00	774,000.00

As per notification of Bihar Government, The Governor of Bihar made the rules for the mobile tower under the Act. An additional amount of registration and renewal fee @60% shall be levied for every additional antenna with share the same tower, no records or survey report was provided to ascertain no of antenna on mobile towers.

Delay on payment of annual renewal fee attracts interest at the rate of @1.5% per month; no such interest was collected by the ULB.



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

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

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

(Note: Refer Point No- 01 of discussion note)

d. Non Collection of Advertisement Tax:

Audit Objective Assessment of Advertisement tax as per Act and all collection deposited with treasury.

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.

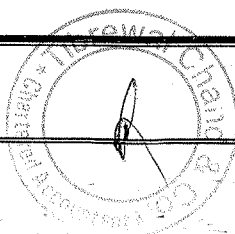
Cause: This is happens due to failure of designated staff and non-monitoring of authorized officials on timely basis.

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

(Note: Refer Point No- 20 of discussion note)

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

1. During the course of audit we checked invoices of fuel supply, for verification of the same we also checked few logbooks and fuel supply register, log books were incomplete and fuel supply register was not maintained properly, thus we were not able to verify the correctness of the bills paid. We checked Fuel bill of Rs. 42,833 dated 20.10.2018 but



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are unable to verify the correctness due to improperly maintained logbooks and fuel registers.

(Note: Refer Point No- 21 of discussion note)

2. Payments made towards to Uttam Kumar for yojna No. 45/2016-17 dated 25/08/2018 vide cheque No. 540732 for Rs.63464, which has been canceled and has not been adjusted. A new cheque has been issued for the above payment. An entry for canceled cheque has not been adjusted and payment made through new cheque. As per cashbook, this is an excess payment by Rs.63,464.00

(Note: Refer Point No- 22 of discussion note)

3. Payment made to beneficiaries under HFA through cheque No. 234997 on 06/10/2018/pnb/3875. During the audit it is observed that same payments made through cheque No. 234967 on 09/10/2018. There is no any clarification found.

(Note: Refer Point No- 23 of discussion note)

4. Voucher No. 101/02-8-2018, Payment made to Waqar Alam for various office expenses of Rs.32052.5 through cheque no. 827603. Out of which Rs. 16180 has been paid to Om Hardware in cash. This is beyond the cash payment limit. It is recommended that payment made in cheque to the party concerned as per BMAR.

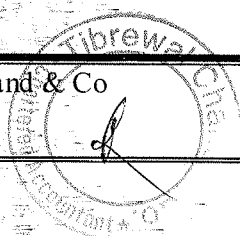
(Note: Refer Point No- 24 of discussion note)

5. Voucher No. 115/16-08-2018, Payment made to Waqar Alam for various office expenses of Rs.82901 through cheque no. 827609. Out of which Rs. 48035 has been paid to Mahadev Traders, Jogbani in cash. This is beyond the cash payment limit. It is recommended that payment made in cheque to the party concerned as per BMAR.

(Note: Refer Point No- 25 of discussion note)

6. Voucher No. 110/7-8-18, payment made to Rathore & Bishwajeet Infra Developers Private Limited of Rs. 146419 against the work done in Nagar Panchayat Jogbani through cheque no. 827605. TDS has not been deducted in the same and the whole sum has been paid to the concerned party.

(Note: Refer Point No- 26 of discussion note)



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7. Voucher No. 130/7-9-18, payment made to Rathore & Bishwajeet Infra Developers Private Limited of Rs. 159882 against the work done in Nagar Panchayat Jogbani through cheque no. 827613. TDS has not been deducted in the same and the whole sum has been paid to the concerned party.

(Note: Refer Point No- 27 of discussion note)

8. Huge surcharge on delayed payment of Electricity bill. During the course of audit we checked invoices of electricity bill. We found out that there is heavy amount of DPS (delayed payment surcharge) and dues for the FY 2018- 19. The details of the same are as below:

Bill Month	Arrear	D.P.S.	Total Dues
Feb 2018- June 2018	34,319.82	2,595.45	36,915.27
May 2018 -June 2018	127,700.35	3,819.11	131,519.46
July 2018- August 2018	96,053.47	21,802.58	117,856.06

(Note: Refer Point No- 28 and 17 of discussion note)

- c) **Report on Findings of the field survey of property tax of minimum 20 high value properties is given here:** -Our team on the basis of information available asked the SAF, demand collection detail of below mentioned properties:

SAF forms of above few properties were provided but no arrangements were made for physical verification so, SAF forms can't be verified. Further demand collection register which was produced to us was in complete and not having required information.

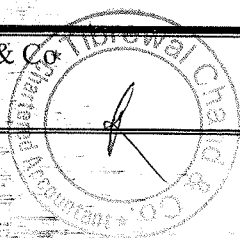
Following high value properties holding tax is outstanding as on date of audit:

SI No.	Holding No.	Ward No.	Name	Type of Property	Property Tax Amount (Rs.)	Observation
1	106	07	DilipSah	Commercial	7,188.00	Outstanding
2	111	07	Ram Kumar	Commercial	8,610.00	Outstanding
3	123	07	PradipSah	Commercial	5,832.00	Outstanding
4	139	07	Ramchandra Yadav	Commercial	22,872.00	Outstanding

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5	48	03	Md. Mehbub Ansari	Commercial	5,712.00	Outstanding
6	53	03	Md. Allauddhin	Commercial	6,445.00	Outstanding
7	40	03	Kalim Ansari	Commercial	20,160.00	Outstanding
8	58	03	Md. Shamsher Ansari	Commercial	6,156.00	Outstanding
9	59	03	Md. Sabbir Ansari	Commercial	5,184.00	Outstanding
10	68	03	Noor Mohhamad	Commercial	5,400.00	Outstanding
11	71	03	Md. Halim Ansari	Commercial	20,136.00	Outstanding
12	76	03	Maulu Ansari	Residential	4,320.00	Outstanding
13	215	17	Vishwanath Das	Commercial	11,333.00	Outstanding
14	31	16	Subhash Chandra Tarafdar	Residential	2,400.00	Outstanding
15	33	16	Md. Kuchhus	Commercial	7,711.00	Outstanding
16	63	16	Mina Khatun	Commercial	9,864.00	Outstanding
17	75	16	Gaurabh Kumar Sah	Residential	4,158.00	Outstanding
18	10	16	Vandana Sinha	Residential	3,376.00	Outstanding
19	16	14	Naresh Sah	Commercial	19,008.00	Outstanding
	205	9	-	Residential	1,863	Outstanding
TOTAL					1,77,749.00	

(Note: Refer Point No- 03 of discussion note)



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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 register.
- Assets register.
- Contra, journal, Receipt Voucher.
- Records and revision of taxes and rent.

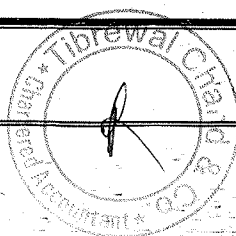
In addition to the above following records were also not maintained by the ULB:

- 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- 08, 10, 11, 13, 15 of discussion note)

b. Irregularity in procurement process:

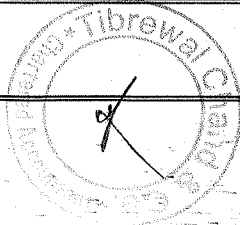
- ❖ Payment made to Prince spun for purchase of Hume pipes of Rs. 7,080; vide voucher no.33 on 17/05/2018 through cheque no. 814370. The said Dealer has deducted 18% GST on value of Rs. 6,000 i.e.Rs.1080. GSTIN No. has not been mentioned on tax invoice. The dealer is not eligible to deduct GST of Rs. 1080. It is recommended to take reasonable action for recovery of the same.



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- ❖ Payment made to Prince spun for purchase of Hume pipes of Rs. 63,012; vide voucher no.39 on 07/06/2018 through cheque no. 814375. The said Dealer has deducted 18% GST on value of Rs. 53,400 i.e. Rs.9,612. The dealer is not eligible to deduct GST of Rs. 9,612 as such dealer is under composition scheme. It is recommended to take reasonable action for recovery of the same.
- ❖ Voucher No. 77/30-06-2018, Payment made to Ramesh Mehta for work done through JCB for Rs. 7,000 in cash and such cash payment has been adjusted against collection of holding tax. Firstly there should be deposition of holding tax in bank account and then issue cheque to the party concerned for payments. Under this payment there is violation of Rules under BMAR.
- ❖ Voucher No. 60/09-06-2018, payment made to Md. Zafar for purchase of Hume pipes of Rs. 24,017 through cheque no. 815284. Tax invoice for the said purchase has not attached with the payment application. It may involve financial irregularities.
- ❖ Voucher No. 146/15-09-2018, Payment made to SurendraVyadat for filing of soil in ward no. 4 of Rs.59, 000 through cheque no. 827619. The bill has been attached on plain paper, which is not a proper bill. It may involve financial irregularities.
- ❖ Voucher No. 147/15-09-2018, Payment made to Dwarika Das for filing of soil in ward no. 4 of Rs.19, 000 through cheque no. 827620. The bill has been attached on plain paper, which is not a proper bill. It may involve financial irregularities.
- ❖ Voucher No. 285/11-01-2019, Payment made to Md. Zafaralam for filing of rubbish of Rs. 350,000 through cheque no. 043243. No any bill is available for the whole amount of Rs. 350,000. It may involve financial irregularities.
- ❖ During Audit, it is observed that major financial irregularities have been found in log books of vehicles. Details have been enumerated below:

Tipper 1	Tipper1	Massey Tractor	Eicher Tractor	JCB
No logbook has been prepared. So we are unable to comment on this.	No logbook has been prepared; hence we are unable to comment on this.	No logbook has been prepared; hence we are unable to comment on this.	No logbook has been prepared; hence we are unable to comment on this.	Total Distance= 205.5km



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				Average Mileage= 5km/L
				Total fuel should be used =205.50/5=41.1 Litres
				Actual Fuel received from office= 682Litres
				682 Litres - 41 Litres=641 Litres
				There are no details provided for extra fuel of 641 Litres received from ULB.

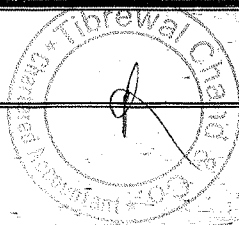
(Note: Refer Point No- 29 of discussion note)

- 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.
 - None maintenance of DCR.
 - Non preparation of budget as per budget manual.
 - Closing of daily cash book and bank book.
 - Physical verification of cash balance with daily collection register and bank balances

(Note: Refer Point No- 08, 10, 11, 13, 15 of discussion note)

- 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 has not been implemented by the ULB since a long period.

(Note: Refer Point No- 30 of discussion note)

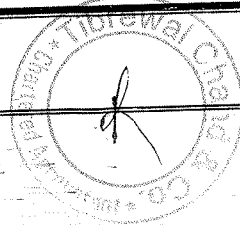


Internal Audit Report for the year ended 31st March of F.Y. 2018-19

Sl. No.	Particular of shop	Shop Name	Rent agreement expired or not
1	Ram Kumar Gupta	Shree ShyamSareeMahal	Expired
2	Pinku Devi	RaushaniKirana Store	Expired
3	Rajendra Ram	Queen Pari	Expired
4	Bandana Devi	Water Plant	Expired
5	Md. Ataullad	SilaiKarigar	Expired
6	Anand Kumar	Ganpati Fashion	Expired
7	ShabanaKhatun	Munna Poultry Farm	Expired
8	DevkishanTapadiya	Balaji Kitchen Centre	Expired
9	Md. Vasiruddin	Poultry Farm	Expired
10	Deepak Kumar Sen	Deepak Hardware	Expired
11	Pankaj Kumar Mandal	Bhumi Collection	Expired
12	JavedAkhtar Ansari	Medical Store	Expired
13	Munni Devi	Munni Stationary	Expired
14	Sanjay Kumar	S.K Traders	Expired
15	Atul Kumar Bhagat	Rimzim Collection	Expired
16	Rajiv Kumar Mandal	Transport	Expired
17	Noorjahan	NetajiChowk	Expired
18	ModsaserHaiyat	NetajiChowk	Expired
19	Vinay Kumar Srivastav	NetajiChowk	Expired
20	Ranjeet Kumar Singh	NetajiChowk	Expired
21	Uendra Sharma	NetajiChowk	Expired
22	MdIliyas Ansari	NetajiChowk	Expired

(Note: Refer Point No- 14 & 20 of discussion note)

f. **Non Compliance of Statutory Dues:** During the audit it was observed that there is very serious issues in statutory compliances taxes are often deducted/ but not deposited



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

on time resulting in heavy interest and penalty. In few cases it was observed deductions such as TDS and Royalty are not even deducted. Few cases are-

- i. **PF and ESI:** During the audit it was observed that PF and ESI deducted from employees salary but not deposited till date, causing loss to the savings of the employees.
- ii. **TDS:** Cases in which TDS not deducted:

Date	Details of Bills	Amount	Remarks
07/09/18	Rathore and Bishwajeet infra Developers	159,882.00	TDS not deducted
07/08/18	Rathore and Bishwajeet infra Developers	146,419.00	TDS not deducted

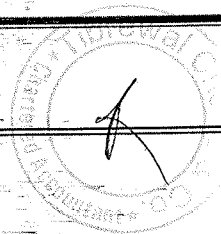
- iii. **Stamp Duty @ 5%:** During the audit of Sairat files it was observed that stamp duty @ 5% of Sairat amount was not recovered from successful bidders at the time of agreement. Few cases are:

Sl. No.	Name of Sairat	Amount	Remarks	Loss of Stamp Duty @ 5%
1	Jogbani Hat	414,309.00	Stamp Duty not collected	20,715.00
2	JogbaniGudri	735,384.00	Stamp Duty not collected	36,769.00
3	Jogbani bus stand	1,155,012.00	Stamp Duty not collected	57,750.00
4	Registration Fee	34,500.00	Stamp Duty not collected	1,725.00
5	MaveshiFatak	9,400.00	Stamp Duty not collected	470.00
Total				117,429.00

(Note: Refer Point No- 4 & 5 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.

Further, during the audit it was also observed that the ULB is not in the practice of maintaining salary payment vouchers.



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

Also there are few cases where TDS was not deducted from employee's salaries:

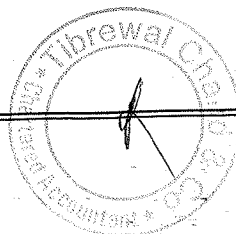
Name of Employee	Basic	DA	HRA	Medical	TDS
Amola Mishra	60,400.00	4,228.00	3,624.00	1,000.00	TDS not deducted

(Note: Refer Point No- 09 of discussion note)

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

(In Lacs)

Year	Name of fund	Date of Allotment	Amount in Lakh	Expenditure	Un utilized Amount	Remarks
2018-19	Civic Amenities	31-10-2018	45.79	NIL	45.79	Un-Utilized Amount Rs 45.79 transferred to PL A/C
2018-19	14 TH Finance	31-10-2018	92.89	NIL	92.89	Un-Utilized Amount Rs 92.89 transferred to PL A/C
2018-19	5 TH Finance	30-07-2018	157.18	NIL	157.18	Un-Utilized Amount Rs 157.18 transferred to PL A/C
2018-19	Parsad Allowance	31-01-2019	3.36	NIL	3.36	Un-Utilized Amount Rs 3.36 transferred to PL A/C
2018-19	Peshakar mad	24-10-2018	17.02	NIL	17.02	Un-Utilized Amount Rs 17.02 transferred to PL A/C
2018-19	Nali Gali Pakkikar	22-02-2019	108.69	108.69	NIL	Uc not submitted
2018-19	5 th Finance	10-07-2018	160.75	NIL	160.75	Un-Utilized Amount Rs 160.75 transferred to PL A/C
2018-19	EO Salary	22-05-2018	7.00	7.00	NIL	UC Not Submitted
TOTAL			592.59	115.69	476.9	



i. 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 carried out of the stores.
- ❖ Fixed Assets Register has not been maintained and updated in proper manner.

(Note: Refer Point No- 7 of discussion note)

- j. Advances:** Advance to Mr. Aslam (Tipper Driver) for personal use, amounting Rs. 20,000.00. The staff advance for previous year has not been adjusted till 31-03-2019. The details of the same is as below:

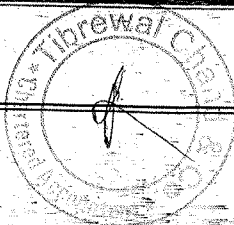
SI. No.	Name of staff	Date of advance	Amount
1	Md. Aslam, Tipper Driver	13-12-2018	20,000
TOTAL			20,000

(Note: Refer Point No- 11 of discussion note)

iii. Part C

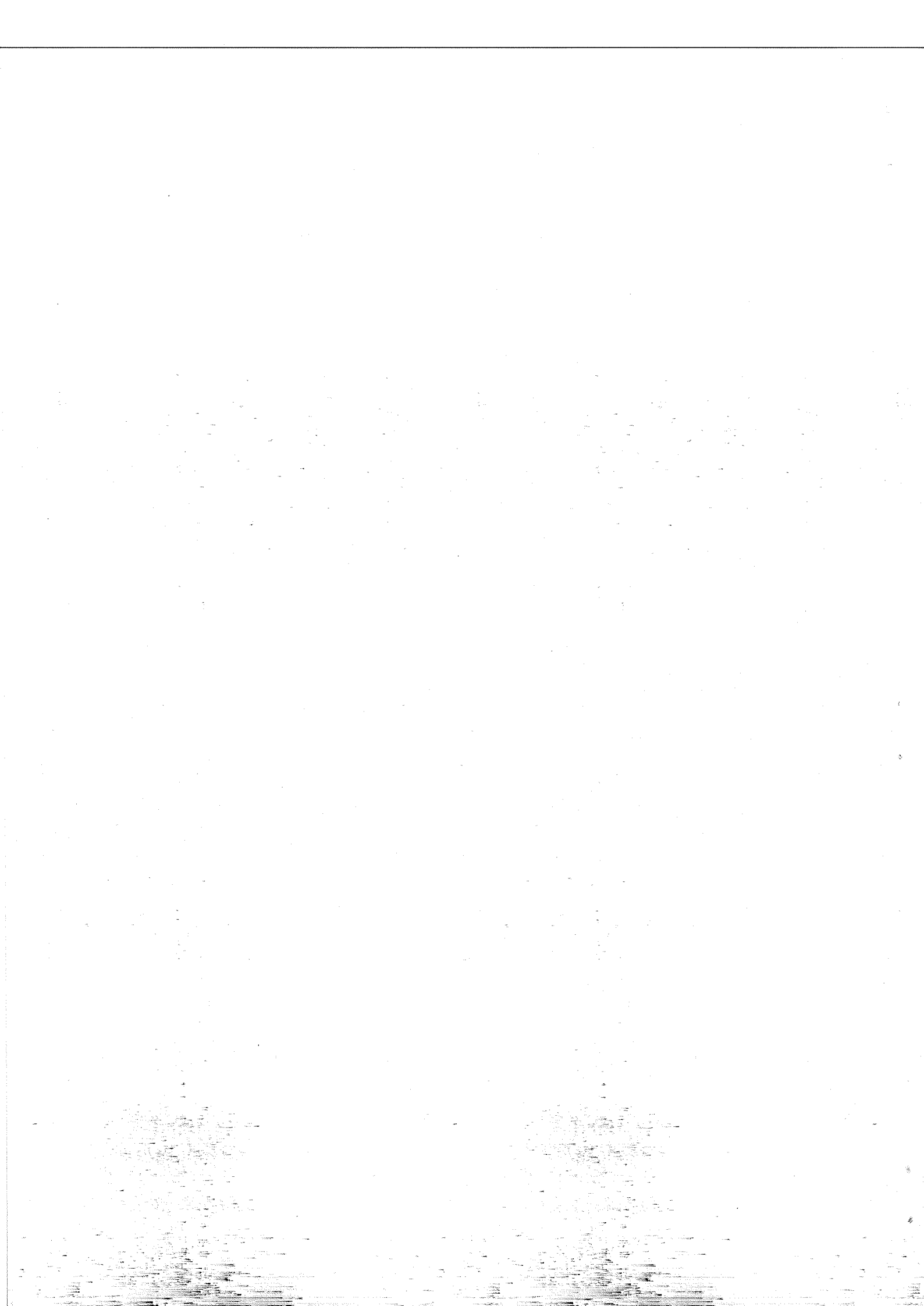
Scope of Audit

Sl. No	Particular	Remarks/ Observation
1	Whether all these the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.	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).	Yes, in this ULB SAS implementation of property tax has been implemented. We have witnessed the 20 high value of property (List of property tax payer provided by ULB) same has been reported.
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 & Payment Account and Trial Balance</p> <p>Rule 130: Audit to be completed & 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 & 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 has been complied.	Yes, Compliance of financial guidelines of schemes of MOHUA and UD & HD, Gob has been complied.
5	If any revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc. have incurred then quantify the same.	It has been discussed in 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.	All payment above Rs. 10000 has been vouched and deficiency has been mentioned in our audit report.
7	Whether all Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	No procurement register has been maintained. All payment above Rs. 15000 has been verified and irregularity has been discuss in audit report under part B
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.	We advised management to prepare pending UC of expenditure already incurred. We will provide all support in this regard. Status of pending UC has been provided in our Audit report under part B.
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 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 audit report under part A.



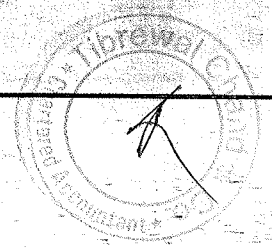


S/N	Observation	Management Comment	Recommendation
1	As per notification of Bihar Government. The Governor of Bihar made the rules for the mobile tower under the Act. Operator of the mobile has to apply to the ULB for operation of the mobile tower in the concerned area with the Requisite fees of Rs.30,000/- per Tower and the Renewal fees Rs.8,000/- per year. During the course of audit it was observed that Rs 774, 000.00 is due towards Tower Company for financial year 2018-19.	Taking necessary action to realize the mobile tower tax.	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.	Taking necessary action to realize the mobile tower 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.	Property tax self-assessment has been done as per municipal law.	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	PF deducted from all permanent staff salary but not deposited in his PF account	Deposited in next quarter.	PF should be deposited immediately.
5	During the audit various cases were observed regarding non deduction and non-deposition of statutory dues like TDS and VAT in stipulated time by the Nagar Parishad. Further it was also observed that returns were also not filled for TDS.	Noted for future.	All statutory compliances related to deduction, deposition and return filings should be complied.

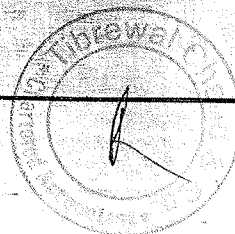




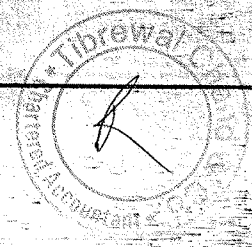
6	The municipality is not in a practice to prepare BRS on regular or periodical basis.	Noted for future.	BRS should be maintained month wise.
7	FAR is not maintained /updated by the ULB.	Prepared By outside Agency.	FAR including assets wise identification number should be maintained/ updated by Nagar Parishad.
8	Jogbani Nagar Panchayat is not in practice to prepare monthly receipt and payment account and the trial balance.	Noted for future.	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.
9	Daily wages register were not produced to us for audit.	Produce in next quarter Audit.	Daily wages registers should be made available to auditors.
10	Logbooks not maintained or maintained with incomplete information in ULB.	Noted for future.	Log book should be maintained by ULB.
11	Non adjustment of advances made to staff.	Adjusted In next Quarter.	Advance should be adjusted within reasonable time.
12	Scheme register not prepared for the financial year 2018-19	Now it is prepared.	Separate register should be maintained for each scheme.
13	Rent Agreement expired in case of few market shops and no new agreement was made till the date of audit.	Step is taken to renew the rent agreement.	Due rent should be collected as soon as possible.
14	Demand Register for collection of Trade License for the financial year 2018-19 is not yet prepared.	Demand collection register is under process.	Demand register should be prepared.
15	Collection of internal resources is very poor.	Due to lack of human resources.	It should be timely collected.
16	After reconciliation of cashier cash book with treasury challan, we observed that collections under different heads are not deposited in	Concerned person will deposit the remaining tax and send to the auditor the proof of deposit the	It should deposit in next working day.



	treasury account.	money.	
17	Nagar Panchayat is not collecting any advertisement tax.	No external agencies take permission for advertisement during the financial year 2018-19.	There should be proper collection and monitoring mechanism for advertisement tax.
18	During the course of audit we checked invoices of fuel supply, for verification of the same we also checked few logbooks and fuel supply register, log books were incomplete and fuel supply register was not maintained properly, thus we were not able to verify the correctness of the bills paid. We checked Fuel bill of Rs. 42,833 dated 20.10.2018 but are unable to verify the correctness due to improperly maintained logbooks and fuel registers.	We verify the above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.
19	Payments made towards to Uttam Kumar for yojna No. 45/2016-17 dated 25/08/2018 vide cheque No. 540732 for Rs. 63464, which has been canceled and has not been adjusted. A new cheque has been issued for the above payment. An entry for canceled cheque has not been adjusted and payment made through new cheque. As per cashbook, this is an excess payment by Rs. 63,464.00.	We verify the above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.
20	Payment made to beneficiaries under HF through cheque No. 234997 on 6/10/2018/pnb/3875. During the audit it is observed that same payments made through cheque	We verify the above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.



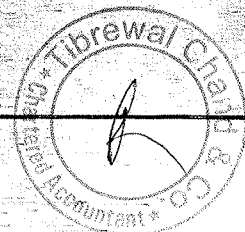
	No. 234967 on 9/10/2018. There is no any clarification found.		
21	Voucher No. 101/02-8-2018, Payment made to Waqar Alam for various office expenses of Rs. 32052.5 through cheque no. 827603. Out of which Rs. 16180 has been paid to Om Hardware in cash. This is beyond the cash payment limit. It is recommended that payment made in cheque to the party concerned as per BMAR.	We verify the above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.
22	Voucher No. 115/16-08-2018, Payment made to Waqar Alam for various office expenses of Rs. 82901 through cheque no. 827609. Out of which Rs. 48035 has been paid to Mahadev Traders, Jogbani in cash. This is beyond the cash payment limit. It is recommended that payment made in cheque to the party concerned as per BMAR.	We verify the above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.
23	Voucher No. 110/7-8-18, payment made to Rathore & Bishwajeet Infra Developers Private Limited of Rs. 146419 against the work done in Jogbani Nagar Panchayat through cheque no. 827605. TDS has not been deducted in the same and the whole sum has been paid to the concerned party.	We verify the above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.
24	Voucher No. 130/7-9-18, payment made to Rathore & Bishwajeet Infra Developers Private Limited of Rs. 159882 against the work done in Jogbani Nagar Panchayat through cheque no. 827613. TDS has	We verify the above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.



	not been deducted in the same and the whole sum has been paid to the concerned party.		
25	Huge surcharge on delayed payment of Electricity bill. During the course of audit we checked invoices of electricity bill. We found out that there is heavy amount of DPS (delayed payment surcharge) and dues for the FY 2018-19.	We verify the above points and reply in compliance report during the next quarter audit.	Management take care regarding this type of issue.
26	We found major irregularity in procurement process. Details of such are given in detailed audit Report	We verify the above points and reply in compliance report during the next quarter audit.	Management should take care regarding this type of issue.
27	Non-Compliance of Act & Rules	We verify the above points and reply in compliance report during the next quarter audit.	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.
28	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. (Details given in report)	We verify the above points and reply in compliance report during the next quarter audit.	Compliance report should be prepared.

Bank Reconciliation Statement

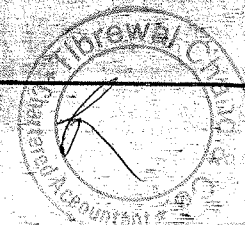
Name of Project	Name of Bank	Account Type	Account No.	Passbook Balance	Cash Book Balance	Status
13th Finance	UCO Bank	Savings	5064	632.10	632.10	Reconciled
M. Nali- Gali Pakkikaran	PNB	Savings	13884	231,200.10	231,200.10	Reconciled
Miscellaneous	PNB	Savings	3291	1,596.70	1,596.70	Reconciled
BRGF	CBI	Savings	7104	687,903.00	687,903.00	Reconciled



Aantrik Sansadhan	UCOBank	Savings	7584	574,073.62	574,073.62	Reconciled
HFA	PNB	Savings	13875	16,664,844.00	16,664,844.00	Reconciled
14th Finance	CBI	Savings	9004	798,733.96	798,733.96	Reconciled
Pension Fund	SBI	Savings	9624	884,889.00	884,889.00	Reconciled
SBM	UCOBank	Savings	7119	1,561,734.21	1,561,734.21	Reconciled
Payjalapurti	PNB	Savings	13866	6,873,857.10	6,873,857.10	Reconciled
Day-NULM	PNB	Savings	14351	99,338.11	99,338.11	Reconciled
KabirAnthyo shti	SBI	Savings	2013	159,312.31	159,312.31	Reconciled
DUDA	PNB	Savings	14360	1,561,878.60	1,561,878.60	Reconciled
Miscellaneous	UCOBank	Savings	7034	5,958.00	5,958.00	Reconciled
Miscellaneous	UCOBank	Savings	4287	1,645.00	1,645.00	Reconciled
TreasuryA/C	Forbesganj	Savings	URB - 002	81,507,577.00	81,507,577.00	Reconciled

Details of 20 high value properties:-

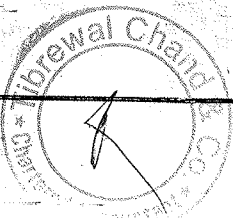
S/N	Holding No.	WardNo.	Name	Type of Property	Property Tax Amount (Rs.)	Observation
1	106	07	DilipSah	Commercial	7,188.00	Outstanding
2	111	07	RamKumar	Commercial	8,610.00	Outstanding
3	123	07	PradipSah	Commercial	5,832.00	Outstanding
4	139	07	RamchandraYadav	Commercial	22,872.00	Outstanding
5	48	03	Md. Mehabub Ansari	Commercial	5,712.00	Outstanding
6	53	03	Md. Allauddin	Commercial	6,445.00	Outstanding
7	40	03	KalimAnsari	Commercial	20,160.00	Outstanding
8	58	03	Md. ShamsheerAnsari	Commercial	6,156.00	Outstanding
9	59	03	Md. SabbirAnsari	Commercial	5,184.00	Outstanding
10	68	03	NoorMohammad	Commercial	5,400.00	Outstanding
11	71	03	Md. HalimAnsari	Commercial	20,136.00	Outstanding
12	76	03	MauluAnsari	Residential	4,320.00	Outstanding
13	215	17	VishwanathDas	Commercial	11,333.00	Outstanding
14	31	16	Subhash Chandra Tarafdar	Residential	2,400.00	Outstanding
15	33	16	Md. Kuchhus	Commercial	7,711.00	Outstanding
16	63	16	MinaKhatun	Commercial	9,864.00	Outstanding
17	75	16	GaurabhKumar Sah	Residential	4,158.00	Outstanding
18	10	16	VandanaSin ha	Residential	3,376.00	Outstanding



19	16	14	NareshSah	Commercial	19,008.00	Outstanding
20	205	9	-	Residential	1,863	Outstanding
TOTAL					1,77,749.00	

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	45.70	NIL	45.70	Un-Utilised amount Rs. 45.70 transferred to PL A/C
2	2018-19	14th Finance	31/10/2018	92.89	NIL	92.89	Un-Utilised amount Rs. 92.89 transferred to PL A/C
3	2018-19	5th Fin	03/07/2018	157.18	NIL	157.18	Un-Utilised amount Rs. 157.18 transferred to PL A/C
4	2018-19	पार्षदभत्ता	31/01/2019	3.36	NIL	3.36	Un-Utilised amount Rs. 3.36 transferred to PL A/C
5	2018-19	पेशाकामद	24/10/2018	17.02	NIL	17.02	Un-Utilised amount Rs. 17.02 transferred to PL A/C
6	2018-19	नालीगलीपक्कीकरण	22/02/2019	108.69	108.69	NIL	
7	2018-19	5th Finance	10/07/2018	160.75	NIL	160.75	Un-Utilised amount Rs. 160.75 transferred to PL A/C
8	2018-19	EO SALARY	22/05/2018	7.00	7.00	NIL	
Grand Total				592.59	115.69	476.9	



कार्यपालक पदाधिकारी
29/01/2021

① नगर पंचायत जोगबनी
29/01/2021