

Financial
Year
2017-18



**Internal Audit Report for
FY 2017-2018 of Kasba Nagar
Panchayat**

INTERNAL AUDIT CONDUCTED BY

M/s Tibrewal Chand & Co., Chartered Accountants

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

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

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Dtaed of Submission :- 19-11-2019

INTERNAL AUDIT REPORT



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Internal Audit Report- Nagar Panchayat - Kasba

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

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

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

We have conducted the Internal Audit with the objective:-

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

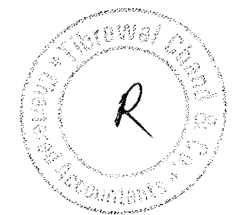
We started with an overview of activities through a study on various documents generated by the ULB. Then we identified, evaluated and tested adequacy, effectiveness and efficiency of internal controls including standard policies and procedure laid down by the management for each of the areas included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

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

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

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

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



❖ Others related records and registers.

For Tibrewal Chand & Company
Chartered Accountants

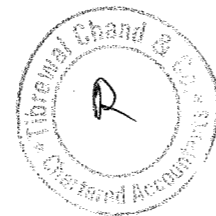


CA ROSHAN JAIN | PARTNER
Membership No 518422

FRN No. 311047E

UDIN : 20518422AAAABI8034

Dated :- 24-08-2020



Executive Summary

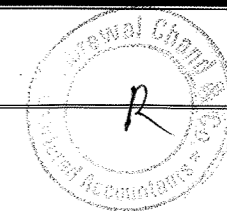
1. **Introduction:** Kasba is a Nagar Panchayat City in district of Purnia, Bihar. The Kasba city is divided into 17 wards for which elections are held every 5 years. The Kasba Nagar Panchayat has population of 30,421. There are approximate 6,585 households.

Mr. Avdesh Kumar Yadav is Chairman holding post from 09-06-2017 to till the date of Audit.

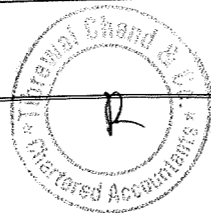
Miss. Manisha Kumari is the Executive officer to till the date of Audit.

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

<p>Strengths observed during the audit engagement</p>	<ol style="list-style-type: none"> 1. General Cash book has been prepared for the audited period. 2. Cashier cash book has been prepared for the audited period. 3. Few Revenue related records were prepared by the Panchayat. 4. Financial Statements for the period 2017-18 were prepared by the Panchayat.
<p>Weaknesses observed in the functioning of office, maintenance of records etc. during the audit engagement</p>	<ol style="list-style-type: none"> 1. Non-compliance of procurement norms while procurement of tractors. 2. Non preparation of bank reconciliation statements. 3. Non deduction of royalties from contractor's bills checked on sample basis. 4. Non deduction of TDS in various cases such as Vehicle hire Charges, Repair & Maintenance to building, vehicles etc., resulting in violation of tax provisions and attraction of interest and penalty. 5. Lack in follow-up procedure in collection of huge arrear dues in relating to property



	and other taxes.
	6. Non deduction of TDS in salary cases checked on random basis.
	7. 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.
	8. Non-Performing the variance analysis between budget and actual expenditure for a particular period resulting in short comings in budgetary control.
	9. Non-Maintenance of assets registers in complete manner resulting in chances of mis-utilization of assets.
	10. No proper survey of properties has been conducted by the ULB to ascertain the property tax receivables from holdings.
	11. Loss of revenue due to Sairat was not held for reporting financial year at proper interval.
	12. Loss of revenue due to huge outstanding rent.
	13. Proper log book & fuel distribution register was not prepared resulting in weakness in control over books of account.
	14. Daily wages register was not prepared resulting in weakness in control over books of account.
	15. Advance was not adjusted within reasonable time resulting in weakness in control over internal control.
	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.



	17. Huge Audit para's are outstanding but no efforts have been made by ULB for compliances.
	18. Staffs were not cooperative during the Audit period.

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



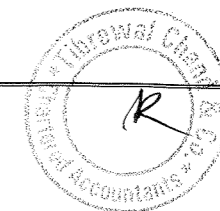
4. **Audit Recommendations:** The recommendation of audit team on the observed weakness is as below:

- i. Books of accounts should be prepared on real time basis under double entry system and accrual basis should be followed.
- ii. 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.
- iii. Stringent follow up and actions are necessary for recovering arrear relating to property tax, tower tax, rental income and other sources of income.
- iv. 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.
- v. 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.
- vi. Stock/store register should be updated as per the formats provided in BMAR.
- vii. Statutory compliances such as deduction and deposition with authorities should be complied strictly to avoid penalty and interests.
- viii. 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.
- ix. Revenue records should be maintained properly including demand and collection details.



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. 8,000/- per year. During the course of audit it was observed that Rs 538,000.00 is due towards Tower Company for financial year 2017-18. <i>(Details given in report Part A)</i>	This will be strictly taken care by next financial year and nagar panchayat will take necessary steps to recover or boost revenue from towers.	There is a huge loss of revenue & interest income. So, necessary steps should be taken for timely collection of taxes.
2	During the course of Audit, we observed that Nagar Panchayat has conducted CAG audit for the year 2012-17 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.
3	(i) Improper maintenance of records related to revenue collection. (ii) During the audit it was observed that mobile tower tax is not getting collected on a timely basis and even if it is getting collected, the same is not deposited timely.	Nagar Panchayat ensure that this will be taken care from now onwards.	(i) Daily collection register for property tax should be maintained and appropriate action should be taken. (ii) Collection should be made on a regular basis and deposited on the same day to avoid any irregularity.
4	Nagar Panchayat is not being deposited property tax on same day.	Tax collectors are directed to deposit the tax.	Collection from property tax should be deposited on same day.
5	Report on Findings of the field survey of property tax of minimum 20 high value properties.	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



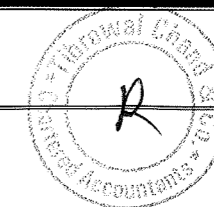
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			forms were also not provided for 20 high value properties.
6	During the audit various cases were observed regarding non deduction and non-deposition of statutory dues like TDS, VAT, and Royalty in stipulated time by the Nagar Panchayat. Further it was also observed that returns were also not filled for TDS & VAT.	Will consider it in next financial year.	All statutory compliances related to deduction, deposition and return filling should be complied.
7	The municipality is not in a practice to prepare BRS on regular or periodical basis. <i>(Details given in audit report Part A)</i>	Will consider it in next financial year.	BRS should be maintained month wise.
8	It has been observed that advertisement tax is not being collected resulting in revenue loss.	This will be strictly taken care by next financial year and nagar panchayat will take necessary steps to recover or boost revenue from towers.	ULB should take proper action for collection of advertisement tax.
9	Non-maintenance of required registers as per Rule No.-3 of BMAR-2014	ULB staff is directed to follow and comply the guidelines of BMAR	Details of registers not maintained by ULB is mentioned under Part-A (a). ULB should ensure proper maintenance of required books of account and register as per the list given in rule-3 of BMAR-2014.
10	Non preparation of stores register	Will consider it in next financial year.	Due to non – maintenance of FAR, 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.	Nagar Panchayat ensure that this will be taken care from now onwards.	Insurance should be deposited.
12	Kasba Nagar Panchayat is not in practice to prepare monthly receipt and payment account and the trial	Nagar Panchayat ensure that this will be taken care from now onwards.	ULB should prepare receipts and payment account on monthly basis. It helps to find

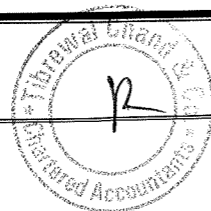


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	balance. <i>(Details given in report)</i>		out that how much fund received by the ULB and whether its utilization was made properly or not.
13	Daily wages register were not produced to us for audit.	ULB staff is directed to provide all the necessary 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	Demand Register for collection of Trade License for the financial year 2017-18 is not yet prepared.	Necessary action will be taken.	Demand register should be prepared.
16	Collection of internal resources is very poor.	Nagar Panchayat will take steps to improve the collection from internal resources.	It should be timely collected.
17	Non-Implementation of double entry accounting system: We found the detail that double accounting system is implemented at Kasba Nagar Panchayat, 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 referred in schedule-1 shall maintain its books of account using the double entry system". Since Kasba 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.
18	No details were made available regarding meeting of municipal accounts committee held during the financial year 2017-18.	ULB staff is directed to comply with BMA-2007	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of municipal accounts committee each year. During our audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. ULB should ensure timely meeting of accounts



			committee in compliance of BMA-2007.
19	Non-providing of Utilization certificate for the reporting audit period	UC details given to auditors. Staff will initiate working on this matter in next financial year.	Grant is blood of ULB. Therefore, for getting grant and running the ULB working smoothly it is requirement of grant. Further timely submission of utilization certificate helps the grant realizing authority to send the money for fulfill the requirement of future. Therefore, management should ensure that UC has been submitted with concerned department on time.
20	Lack of internal control measures (i)Voucher file was not maintained (ii)No internal mechanism for statutory compliance (iii)No MIS was prepared for tracking of payments (iv)Required books of Accounts as per BMAM was not maintained (v)Statutory compliance reconciliation was not maintained (vi)Bank reconciliation of any bank account was not prepared. We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory compliances.	Nagar Panchayat ensure that this will be taken care from now onwards.	We suggest that (i)MIS system should be implemented over daily collection and deposit. (ii)Reason for non-deposit/Late deposit should be strongly need to ask for minimize delay. (iii)Need to identify a person to comply with the statutory compliance. In case failure to comply with statutory compliances he should also be penalized. Therefore, the management has to take serious effort in implementation of internal control mechanism for getting a better result from ULB working.
21	Non-Compliance of Act & Rules	ULB staff is directed to ensure compliance of all applicable Act & Rules.	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable Act & Rules.



Signed Discussion Note is enclosed with the report.

6. Acknowledgement:-

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



Detailed Audit Report

1. **Introduction:** Kasba is a Nagar Panchayat city in district of Purnia, Bihar. The Kasba city is divided into 17 wards for which elections are held every 5 years. The Kasba Nagar Panchayat has population of 30,421. Kasba Nagar Panchayat has total administration over 6,585 households.

Name of ULB	Period Covered	Audit Team
Kasba Nagar Panchayat	1 st April 2017- 31 st March 2018	(1) TL: CA Nirav Bhanusali (2) MAE: CA Amit Ranjan (3) Auditor: Rakesh Soni

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:

- Mr. Avdesh Kumar Yadav, Chairman from 09-06-2017 to till the date of Audit.
- Miss. Manisha Kumari, Executive officer.

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 recovery 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 (2012-17)	22	22	2	0	0	22	No compliance has been made so far by ULB.
2	Internal							Not



Audit (2016-17)								provided.
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Note: Refer Discussion Note point no. 2)

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

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

Year	2017-18	2016-17	2015-16
Final/Revised Budget	2,77,48,652.00	4,71,59,111.00	22,380,365.00
Actual Expenditure	1,11,77,822.00	3,36,44,900.00	31,048,681.52
Savings(+)/Excess(-)	1,65,70,830.00	1,35,14,211.00	(8,668,316.52)

Note: All figures taken from books of accounts.

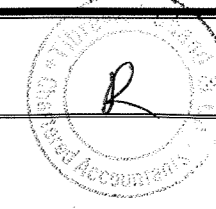
ii. **Volume of Transactions :-**

Period	Budgeted 2017-18	Previous year (16-17)	Current period	Cumulative for the current period
Opening Balance	12,53,60,627.00	49,351,066.00	12,53,60,627.00	12,53,60,627.00
Receipts	3,49,22,147.00	10,96,54,461.00	4,07,62,240.00	4,07,62,240.00
Total	16,02,82,774.00	15,90,05,527.00	16,61,22,867.00	16,61,22,867.00
Net expenditure	2,77,48,652.00	3,36,44,900.00	1,11,77,822.00	1,11,77,822.00
Closing Balance	13,25,34,122.00	12,53,60,627.00	15,49,45,045.00	15,49,45,045.00

Note: All figures taken from books of accounts.

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

Name of Bank	Scheme Name	Account No.	Passbook Balance	Cash Book Balance	Difference	Status
SBI	13 th Finance	47687	2,558,612.00	908,612.00	16,50,000.00	Unreconciled
SBI	4 th Finance	45103	3,163,516.00	3,093,638.00	69,878.00	Unreconciled
SBI	E-Governance	80253	231,594.00	231,594.00	-	Reconciled



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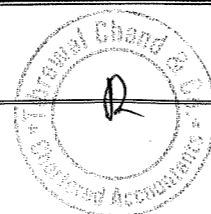
SBI	Jati Janganna	02993	103,457.00	103,457.00		Reconciled
SBI	General	27305	3,121,883.00	2,370,525.90	7,51,357.10	Unreconciled
SBI	BRGF	98327	385,745.00	375,492.00	10,253.00	Unreconciled
SBI	HFA	82951	18,429,445.50	17,888,894.50	5,40,551.00	Unreconciled
SBI	SBM	70153	168,740.00	4,724,821.00	45,56,081.00	Unreconciled
ICICI Bank	SBM	0223	2,509,855.00	-	25,09,855.00	Unreconciled
SBI	SJSRY	60954	10,569,156.72	10,569,156.72	-	Reconciled
Treasury		TRY002	108,203,713.80	91,382,385.80	1,68,21,328.00	Unreconciled

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

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

iv. Revenue & Capital Receipts :-

Income Details			
Sl. No.	Details	Amount (Rs.)	
		2017-18	2016-17
	Total Receipts (A+B)	4,07,62,240.00	10,96,54,461.00
A	Revenue Receipts (1+2+3)	2,08,14,105.00	5,57,84,570.00
1	Own Revenue Receipts	14,73,649.00	36,11,065.00
a)	Tax Revenue (Levied & Collected By municipal Body) (i+ii)	78,528.00	150.00
i)	Property Tax	78,528.00	150.00
ii)	Other Tax (Levied & Collected By municipal Body)	-	-
b)	Non Tax Revenue (Levied & Collected By municipal Body) (i+ii+iii)	50,375.00	13,38,910.00
i)	Fess & Fines	17,165.	18,200.00
ii)	User Charges	-	-
iii)	Other Non-Tax Revenue (Levied & Collected By municipal Body)	33,210.00	13,20,710.00
2	Other Revenue Receipts	13,44,746.00	22,72,005.00

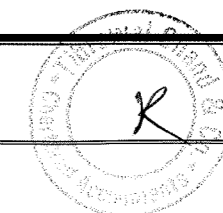


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a)	Income from interest/Investments	11,44,300.00	22,70,445.00
b)	Other Revenue Income	2,00,446.00	1,560.00
3	Transfers/grants/Assigned Revenues	1,93,40,456.00	5,21,73,505.00
a)	State Assigned Revenues	10,14,817.00	8,85,540.00
b)	State Finance Commission (SFC) Grants/Devolution	91,91,739.00	5,12,87,965.00
c)	Octroi Compensation	-	-
d)	Other State Government transfers	-	-
e)	Central Finance Commission (CFC) Grants	-	-
f)	Other Central Government transfers	-	-
g)	Others	-	-
B	Capital Receipts (1+2+3+4+5)	1,99,48,135.00	5,38,69,891.00
1	Sale of Municipal Land	-	-
2	Loan (From state Govt. or Banks etc.)	-	-
3	State Capital Account Grant (Under state Scheme etc.)	1,33,61,385.00	3,86,96,655.00
4	Central Capital Account Grant (Under central Scheme etc.)	65,86,750.00	1,51,73,236.00
5	Other Capital Receipts	-	-

v. Revenue & Capital Expenditure Information :-

Expenditure Details			
Sl. No.	Details	Amount (Rs.)	
		2017-18	2016-17
	Total Expenditure (1+2)	1,11,77,822.00	3,36,44,900.00
1	Revenue Expenditure	60,58,748.00	1,34,44,482.00
1.1	Administrative Expenses, Establishment & Salaries (All Departments regular & contractual staff)	15,99,762.00	22,27,308.00
1.2	Operation & Maintenance (O & M)	1,28,486.00	44,977.00
1.3	Loan Repayment (Interest Payments)	-	1,197.00



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1.4	Others (any other revenue Expenditure which is not salaries, O&M & or interest payment)	43,30,500.00	1,11,71,000.00
2	Capital Expenditure	51,19,074.00	2,02,00,418.00
2.1	All developmental works under central/state specific schemes	51,19,074.00	2,02,00,418.00
2.2	Loan Repayments	-	-
2.3	Other capital expenditure	-	-

vi. Status of implementation of double entry accounting system: DEAS has been implemented by M/s BORKAR & MAZUMDAR at Kasba Nagar Panchayat till F.Y 2017-18.

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

Note: Please refer Discussion Note point no.17.

vii. Status of Municipal Accounts Committee: if meeting is held: Meeting of Municipal Accounts Committee has not been held during the year 2017-18 as Municipal accounts committee is not in existence at the Municipality.

Note: Please refer Discussion Note point no.18.

5. Audit Observations: -

I. Part-A

a. Leakage of own source revenue either due to wrong assessment or non-levy of property tax, mobile tower tax, rent on municipal properties, advertisement tax, fee etc.

Holding and property tax not deposit on timely basis.

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



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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. *(Refer Point No. 3 & 4 in discussion note)*

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

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

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

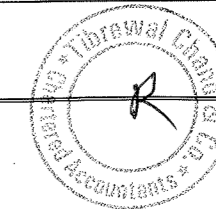
Tower tax not deposit

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

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

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

S. N.	Name of tower	No. of tower	Registration fee	Renewal Fee	Collection Amount	Total due
1	BSNL	1	30,000	24,000	0.00	54,000
2	Airtel	2	60,000	40,000	0.00	100,000
3	Vodafone	2	60,000	10,000	0.00	70,000
4	Jio	1	30,000	8,000	0.00	38,000
5	Aircel	1	30,000	8,000	0.00	38,000



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6	Tata Indicom	1	30,000	62,000	0.00	92,000
7	Reliance	1	30,000	24,000	0.00	54,000
8	Uninor	1	30,000	62,000	0.00	92,000
TOTAL			300,000	238,000	0.00	538,000

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

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

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

Non Collection of Advertisement Tax:

Criteria:

Advertisement Taxes, in case auctioned to external agencies, shall be recognized as per the terms of agreement. In all other cases, when permission for advertisement is Granted for the first time, the Advertisement Tax shall be accrued at the point when Tax is paid and permission is granted. After the first year, Advertisement Tax shall be accrued when renewal is due.

Condition:

Nagar Panchayat is not collecting any advertisement tax.

Consequence/Effect/Impact:

Due to no collection of advertisement tax there is a huge revenue loss to the Nagar Panchayat.

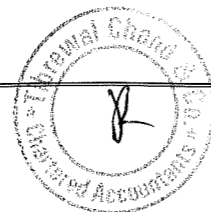
Cause:

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

Corrective Action/ Recommendation:

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

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



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

- i. During the course of audit we have checked invoices of fuel supply, for verification of the same we also checked few logbooks and fuel supply register, log books were not complete, and fuel supply register was not maintained properly, thus we were not able to verify the correctness of the bills paid.

Date of Bill	Details of Bills	Amount
January	Fuel Purchase	195,000
February	Fuel Purchase	195,000
March	Fuel Purchase	195,000

Comment: Voucher not provided.

- ii) During the course of audit we have checked invoices of electricity bill. We found out that there was unavoidable expenses of Rs. 32,206.50 on account of DPS (delayed payment surcharge) and dues for the FY 2017- 18. The details of the same are as below:

Bill Month	Total Dues	D.P.S.
December, 2017	48,285.00	6,910.08
May, 2017- March, 2018	146,014.00	25,296.42

Please refer to Annexure-1 for the details.

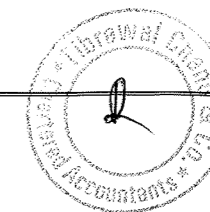
- iii) **Report on Findings of the field survey of property tax of minimum 20 high value properties is given here: -**

Comments: Being no support regarding field survey has been provided by ULB staff therefore we are unable to comment on this matter. *(Refer point no. 5 in discussion note)*

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 Discussion Note point no.9

b. Irregularity in procurement process:

No observation found in this regard.

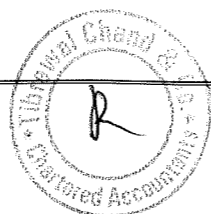
c. Non Compliance of directives of UD&HD: We observed several non-compliance of the directions of the UDHD which includes-

- Non Implementation of GeM procurement mechanism
- Non compliances of the pending AG Audit Paras
- 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.

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. 21 of discussion note)

e. Lack of Internal Control Measures:

(1) During the audit it was observed that there is serious lack of internal control over revenue collection. Revenue records are not maintained properly. Further, collection books after finishing should be kept in safe custody in ULB only.

(2) There is no cash vault in the cash department for safety measure.

(3) Vouchers are not filed serially and kept in loose form. Those need to be filed properly and date wise sequentially.

f. Non- Compliance of TDS, VAT, and other relevant statute: During the audit it was observed that various payment were made to 'Jagdev Swem Sevi Sansthan' for sanitation of the city, but no TDS was deducted on such payments, further no exemption certificate was not provided:

TDS: Cases in which TDS not deducted

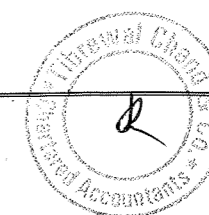
(Refer point no. 6 in discussion note)

Date	Party Name	Bill amount	Remarks
13-07-2017	Jagdev Swem Sevi Sansthan	3,90,000	TDS not deducted
28-07-2017	Jagdev Swem Sevi Sansthan	3,90,000	TDS not deducted
03-08-2017	Jagdev Swem Sevi Sansthan	1,95,000	TDS not deducted
21-09-2017	Jagdev Swem Sevi Sansthan	1,95,000	TDS not deducted
15-10-2017	Jagdev Swem Sevi Sansthan	1,95,000	TDS not deducted
01-11-2017	Jagdev Swem Sevi Sansthan	1,95,000	TDS not deducted
11-02-2018	Jagdev Swem Sevi Sansthan	3,90,000	TDS not deducted
13-03-2018	Jagdev Swem Sevi Sansthan	3,90,000	TDS not deducted
Grand Total		23,40,000	

Date	Details of Bills	Bill amount	Remarks
10/6/2018	Vehicle Hire Charges	19,000.00	TDS not deducted
7/29/2017	Construction	978,750.00	TDS not deducted
3/14/2018	Construction	715,220.00	TDS not deducted

i. Royalty: It was observed that Royalty of Rs 459,534/- was deducted from April 2017 to March 2018, but an amount of only Rs 300,644/- was deposited by the ULB.

ii. Labor Cess: It was observed that Labor Cess of Rs 161,380/- was deducted from April 2017 to March 2018, but an amount of only Rs 81,937/- was deposited by the ULB.

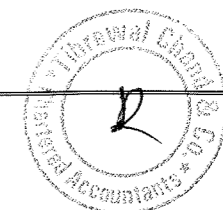


- iii. **TDS:** It was also observed that TDS of Rs 130,544/- was deducted from April 2017 to March 2018, but an amount of only Rs. 51,101/- was deposited by the ULB.
- iv. **VAT:** It was observed that VAT of Rs 940,501/- was deducted from April 2017 to March 2018, but an amount of only Rs 774,322/- was deposited by the ULB.
- 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.
- h. **Utilization certificate report on grants allotted during the year:** Details of Ucs related to FY: 2017 – 18 are given as *annexure - 2*
(Note: Refer Discussion Note point no.19)
- i. **Physical Verification of the inventories and stores:** Stores registers has not been prepared by the ULB. During the year 2017-18 no physical verification was carries out of the stores.
- j. **Advances:** No advances were given to any employee or party for the reporting year.



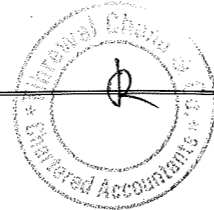
II. Part C

S/N	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	Whether all compliance have been complied regarding Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR Rule 22: All moneys to be brought to account Rule: 27: Collections to be deposited into Bank on the same day Rule 69: Grant Related Compliance Rule 120-121: Monthly Receipt & Payment Account and Trial Balance Rule 130: Audit to be completed & reported within 6 month	Rule 22: we have found that all money has been brought to account but delayed. Rule 27: we have observed that the collected money has not to be deposited into Bank Account on same day. Rule 69: Grant related compliance has been done properly. Rule 120-121: Monthly Receipt & Payment Account and Trial Balance are not being prepared. Rule 130 is not being followed.



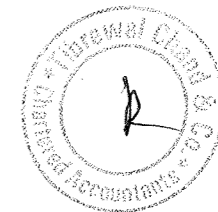
Internal Audit Report for the year ended 31st March of F.Y. 2017-18

4	Whether all such compliance of financial guidelines of schemes of MOHUA and UD & HD, Gob have been complied.	Yes, Compliance of financial guidelines of schemes of MOHUA and UD & HD, Gob have been complied.
5	If any revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sai rat etc. have incurred then quantify the same.	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.	No observation found in this regard.
7	Whether all Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	No observation found in this regard.
8	An assessment of presence or absence of a system of issuance of utilization certificate for the different schemes for any utilization made during the reporting period; Where there is no system for issuance of U/Cs, prepare Utilization Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	(1) During the audit ULB has not been provided details regarding UC. (2) Grant register has not been prepared by ULB.
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	No fixed deposit made during the F.Y. 2017-18.



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

	should be kept in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period.	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 have been identified then prepare a statement of loss for revenue losses.	It has been provided in discussion notes as well as in audit report under part A.
13	Whether tax deductions i.e. Commercial tax, Income tax, provident fund etc. should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.	It has been provided in discussion notes as well as in audit report under part A.
14	Whether C&AG and Internal audit paras has been complied, if not assistance has been provided in this regard.	It has been discussed with management to prepare compliance report in regards of C&AG Audit paras but management says that it will take few week or month. We suggest management to communicate if any difficulty arise in regarding preparing compliance report we should guide and provide all assistance in this regard.



ANNEXURE-1

NORTH BIHAR POWER DISTRIBUTION COMPANY LTD
ENERGY BILL

Get extra Rs.12.34 rebate, pay online 47672.00 up to 31/12/2017

Division/Code	PURNEA/101	Sub Division/Code	PURNEA(R)/1012	Section/Code	KASBA/10122
Address/Telephone Number:	EXECUTIVE OFFICER KASBA PANCHAYAT KASBA KASBA, 9006245777				
Electricity Connection Date:	18/12/2017				
Account No.	PURK/CS/4540	Bill Month	DEC, 2017	Consumer Id	10120077017
Book No.	S_JHILTOLA	Due Date	31/12/2017	Bill Number	20171210120077017
Bill Number	20171210120077017	Till Due Date + 10 Days	10/01/2018	Date	18/12/2017
Date	18/12/2017	Payable Amount After	10/01/2018	Old Con Id	PU182944
Old Con Id	PU182944				

Connection Details			
Consumer Category	NDS2D	Security Deposit	0.00
Phase	1	Feeder Name/Code	KASBA
Area Type	URBAN	D.T.Code	
Contract Demand	3.0	Route/Pole Code	
Recorded Demand	3.0	Basis of Bill	Average(LK)

Meter Reading Details								
Meter Number	4143120	Curr Reading	0	Prev Reading	0	Difference	0	
Date	06/12/2017	Reading	0	Date	11-11-2017	Reading	0	
Power Factor	0.0	No. of Days	25(25)	Coefficient	M.F	1	Consumption (In Unit)	0
Units Billed	125	Meter Owner	DEPARTMENT					

Last Payment Detail	
Last paid amount	0.00
Receipt Number	
Transaction Id	
Date	

Bill Correction Detail	
Amount	0.00
Remarks	

Last 11 Month Consumption		
Month	Consumption Unit	
DEC/17	125(LK.A)	
NOV/17	175(LK.A)	
OCT/17	560(LK.A)	
JUN/17	130(LK.A)	
MAY/17	1245(LK.A)	
SEP/16	150(LK.A)	
AUG/16	150(LK.A)	
JUL/16	150(LK.A)	

Due Details	
Arrear Credits	
Arrear	38394.25
D.P.S.	6910.08
Other Arrear	0.00
Total Dues (A)	45304.33

Current Bill Details	
Energy Charge	770.83
Current DPS	1151.83
Fixed Charge/Demand Charge	450.00
Excess Demand Charge	0.00
FPPCA Charge	0.00
ED Charge	46.25
Meter Rent	16.67
Shunt Capacitor Charge	0.00
Installment Amount	
Other Charges	0.00
State Govt. Subsidy @ 0.40 / Unit	-50.00
Sub Total(B)	2385.58
Total Dues(A+B)	47669.91
Interest on Security Deposit (-)	
Incentive(if Any)(-)	0.00
Rebate	18.51
Total Due Amount till 31/12/2017	47672.00
Total Due Amount till 10/01/2018	47690.00
Payable Amount After 10/01/2018	48285.00

Three years of jail and loss of electricity connection, if found guilty. Dont tamper with Meters.
Apart from these if found using excess than contract demand. You have to pay monetary punishment.

Pay your bills through Cash/Cheque/DD at NBPDCCL counters
Cheque and draft payable in favour of NORTH BIHAR POWER DISTRIBUTION COMPANY LTD

Consumer Number	10120077017	Bill No	20171210120077017
Consumer Name	EXECUTIVE OFFICER		
UBGB Account Number		Payment Amount	
Transaction		Payment Date	
		Signature Of Applicant	

IT Solution Provided by National Informatics Centre.



मि 48285.00 (मि 48285.00)
- एका की दो पचासी रुपये मात्र -
कोई दो रुप पाएर 18
26/12/18
कार्यपालक पदाधिकारी
एक पंचायत, कसबा (पुर्जवा)
26/12/18

NORTH BIHAR POWER DISTRIBUTION COMPANY LTD
ENERGY BILL

Division/Code	PURNEA/101	Sub Division/Code	PURNEA(R)/1012	Section/Code	KASBA/10122
Address/Telephone Number:	THE CHAIR MAN N.A.C. KASBA, PURNEA PURNEA null				
Electricity Connection Date:	09/03/2018				
Account No.	PURSGOVT/K433	Bill Month	MAY, 2017 - MAR, 2018	Consumer Id	10120015530
Book No.	3_PHASE KASBA 11	Due Date	24/03/2018	Bill Number	20180310120015530
Bill Number	20180310120015530	Till Due Date + 10 Days	03/04/2018	Date	09/03/2018
Date	09/03/2018	Payable Amount After	03/04/2018	Old Con Id	PU076319
Old Con Id	PU076319				

Connection Details			
Consumer Category	SS1D	Security Deposit	0.00
Phase	3	Feeder Name/Code	SONAILY(RURAL)
Area Type	URBAN	D.T.Code	
Sanction Load	1 KW	Route/Pole Code	
Recorded Demand	1.0	Basis of Bill	Average(LK)

Meter Reading Details								
Meter Number	MS	Curr Reading	0	Prev Reading	0	Difference	0	
Date	09/03/2018	Reading	0	Date	27-04-2017	Reading	0	
Power Factor	0.0	No. of Days	316(316)	Coefficient	M.F	1	Consumption (In Unit)	0
Units Billed	1319	Meter Owner	DEPARTMENT					

Last Payment Detail	
Last paid amount	0.00
Receipt Number	
Transaction Id	
Date	

Bill Correction Detail	
Amount	0.00
Remarks	

Last 11 Month Consumption		
Month	Consumption Unit	
MAR/18	1319(LK.A)	
APR/17	805(LK.A)	
DEC/16	500(LK.A)	
OCT/16	250(LK.A)	
SEP/16	250(LK.A)	
AUG/16	250(LK.A)	
JUL/16	250(LK.M)	

Due Details	
Arrear Credits	
Arrear	92977.92
D.P.S.	25296.42
Other Arrear	0.00
Total Dues (A)	118274.34

Current Bill Details	
Energy Charge	9233.00
Current DPS	15341.36
Fixed Charge/Demand Charge	528.67
Excess Demand Charge	0.00
FPPCA Charge	0.00
ED Charge	553.98
Meter Rent	526.67
Shunt Capacitor Charge	0.00
Installment Amount	
Other Charges	0.00
State Govt. Subsidy @ 0.0	0.00
Sub Total(B)	26181.67
Total Dues(A+B)	144456.01
Interest on Security Deposit (-)	
Incentive(if Any)(-)	0.00
Rebate	162.60
Total Due Amount till 24/03/2018	144294.00
Total Due Amount till 03/04/2018	144457.00
Payable Amount After 03/04/2018	146014.00

Three years of jail and loss of electricity connection, if found guilty. Dont tamper with Meters.
Apart from these if found using excess than contract demand. You have to pay monetary punishment.

Pay your bills through Cash/Cheque/DD at NBPDCCL counters
Cheque and draft payable in favour of NORTH BIHAR POWER DISTRIBUTION COMPANY LTD

Consumer Number	10120015530	Bill No	20180310120015530
Consumer Name	THE CHAIR MAN		
UBGB Account Number		Payment Amount	
Transaction		Payment Date	
		Signature Of Applicant	

IT Solution Provided by National Informatics Centre.



मि-144294=एकपचासी हजार रुपी मात्र -
कोई रुपी मात्र मात्र कोरि दो रुपी मात्र -
18
26/12/18
कार्यपालक पदाधिकारी
एक पंचायत, कसबा (पुर्जवा)
26/12/18

भारतीय स्टेट बैंक
State Bank of India
Branch: PURNEA
Branch CODE No: 00159
Tel No. 08454-084542

बैंकर्स चेक
BANKERS CHEQUE

Key: REKHUN
Sr. No: 984445

3 1 0 3 2 0 1 8
D D M M Y Y Y Y

PAY NBPDCL *****

रुपये RUPEES One Lakh Ninety Two Thousand Five Hundred and Seventy Nine Only OR ORDER

अदा करें ₹ 192579.00

101 000398295934 Key: REKHUN Sr. No: 904445 AMOUNT BELOW 192580(1/8)

भारतीय स्टेट बैंक
STATE BANK OF INDIA

अहस्तांतरणीय / NOT TRANSFERABLE

प्राधिकृत हस्ताक्षरकर्ता
AUTHORISED SIGNATORY
BRANCH MANAGER

कम्प्यूटर द्वारा मुद्रित होने पर ही वैध
VALID ONLY IF COMPUTER PRINTED
केवल 3 महीने के लिए वैध
VALID FOR 3 MONTHS ONLY

₹ 1,00,000- एवं अधिक के लिखत से अधिकारियों द्वारा हस्ताक्षरित होने पर ही वैध है।
INSTRUMENTS FOR ₹ 1,00,000- & ABOVE ARE NOT VALID UNLESS SIGNED BY TWO OFFICERS

⑈ 295934⑈ 000002000⑈ 000399⑈ 16



NORTH BIHAR POWER DISTRIBUTION COMPANY LTD
ENERGY BILL

Get extra Rs.12.34 rebate , pay online 47672.00 up to 31/12/2017

Division/Code PURNEA/101	Sub Division/Code PURNEA(R)/1012	Section/Code KASBA/10122
Name Address/Telephone Number: EXECUTIVE OFFICER NAGAR PANCHAYAT KASBA PURNEA null , 9006245777	Account No. PURK/CS/4540 Consumer Id 10120077017 ✓ Book No. S_JHILTOLA Bill Number 20171210120077017 Date 16/12/2017 Old Con Id PU182944	Bill Month DEC, 2017 Duo Date 31/12/2017 Till Duo Date + 10 Days 10/01/2018 Payble Amount After 10/01/2018
Electricity Connection Date: 09/05/2015		47672.00 47690.00 48285.00

Connection Details			
Consumer Category	NDS2D	Security Deposit	0.00
Phase	1	Feeder Name/Code	KASBA
Area Type	URBAN	D.T.Code	
Contract Demand	3.0	Route/Pole Code	
Recorded Demand	3.0	Basis of Bill	Average(LK)

Duo Details	
Arrear Credits	
Arrear	38394.25
D.P.S.	6910.08
Other Arrear	0.00
Total Dues (A)	45304.33

Meter Reading Details							
Meter Number	Date	Curr Reading	Prev Reading	Difference	Coefficient	Consumption	
MS 4143120	08/12/2017	0	11-11-2017 0	0	1	0	
Power Factor	0.0	No. of Days	25(25)				
Units Billed	125	Meter Owner	DEPARTMENT				

Current Bill Details	
Energy Charge	770.83
Current DPS	1151.83
Fixed Charge/Demand Charge	450.00
Excess Demand Charge	0.00
FPPCA Charge	0.00
ED Charge	49.25
Meter Rent	16.67
Shunt Capacitor Charge	0.00
Instalment Amount	
Other Charges	0.00
State Govt Subsidy @ 0.40 / Unit	-50.00
Sub Total(B)	2385.58
Total Dues(A+B)	47689.91
Interest on Security Deposit (-)	
Incentive(if Any)(-)	0.00
Rebate	18.51
Total Duo Amount till 31/12/2017	47672.00
Total Duo Amount till 10/01/2018	47690.00
Payble Amount After 10/01/2018	48285.00

Last Payment Detail	
Last paid amount	0.00
Receipt Number	
Transaction Id	
Date	

Last 11 Month Consumption	
Month	Consumption Unit
DEC/17	125(LK,A)
NOV/17	175(LK,A)
OCT/17	58(LK,A)
JUN/17	130(LK,A)
MAY/17	1245(LK,A)
SEP/16	150(LK,A)
AUG/16	150(LK,A)
JUL/16	150(LK,A)

Bill Correction Detail	
Amount	0.00
Remarks	

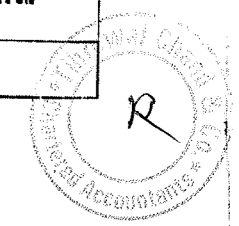
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Cheque and draft payable in favour of NORTH BIHAR POWER DISTRIBUTION COMPANY LTD

Consumer Number	'0120077017	Bill No	20171210120077017
Consumer Name	EXECUTIVE OFFICER		
UBGB Account Number		Payment Amount	Payment Date
Transaction			Signature Of Applicant

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Handwritten notes and signatures at the bottom right of the bill.





**NORTH BIHAR POWER DISTRIBUTION COMPANY LTD
ENERGY BILL**

Division/Code	PURNEA/101	Sub Division/Code	PURNEA(R)/1012	Section/Code	KASBA/10122
Name Address/Telephone Number:	Account No.	PURSGOVT/K/433		Bill Month	MAY, 2017 - MAR, 2018
THE CHAIR MAN	Consumer Id	10120015530		Due Date	24/03/2018 144294.00
N.A.C., KASBA, PURNEA	Book No.	3_PHASE KASBA 11		Till Due Date + 10 Days	03/04/2018 144457.00
PURNEA null.	Bill Number	20180310120015530		Payble Amount After	03/04/2018 146014.00
Electricity Connection Date:	Date	09/03/2018			
01/04/2010	Old Con Id	PU075319			

Connection Details			
Consumer Category	SS1D	Security Deposit	0.00
Phase	3	Feeder Name/Code	SONAILY(RURAL)
Area Type	URBAN	D.T.Code	
Sanction Load	1 KW	Route/Pole Code	
Recorded Demand	1.0	Basis of Bill	Average(LK)

Due Details	
Arrear Credits	
Arrear	92977.92
D.P.S.	25296.42
Other Arrear	0.00
Total Dues (A)	118274.34

Meter Reading Details						
Meter Number	Curr Reading	Prev Reading	Difference	Coefficient	Consumption	
MS	Date Reading	Date Reading		M.F	(In Unit)	
	09/03/2018 0	27-04-2017 0	0	1	0	
Power Factor	0.0	No. of Days	316(316)			
Units Billed	1319	Meter Owner	DEPARTMENT			

Current Bill Details	
Energy Charge	9233.00
Current DPS	15341.36
Fixed Charge/Demand Charge	526.67
Excess Demand Charge	0.00
FPPCA Charge	0.00
ED Charge	553.98
Meter Rent	526.67
Shunt Capacitor Charge	0.00
Installment Amount	
Other Charges	0.00
State Govt. Subsidy @ 0.0	0.00
Sub Total(B)	26181.67
Total Dues(A+B)	144456.01
Interest on Security Deposit (-)	
Incentive(If Any)(-)	0.00
Rebate	162.60
Total Due Amount till 24/03/2018	144294.00
Total Due Amount till 03/04/2018	144457.00
Payble Amount After 03/04/2018	146014.00


Last Payment Detail	
Last paid amount	0.00
Receipt Number	
Transaction Id	
Date	

Last 11 Month Consumption	
Month	Consumption Unit
MAR/18	1319(LK.A)
APR/17	805(LK.A)
DEC/16	500(LK.A)
OCT/16	250(LK.A)
SEP/16	250(LK.A)
AUG/16	250(LK.A)
JUL/16	250(LK.M)

Bill Correction Detail	
Amount	0.00
Remarks	

Three years of jail and loss of electricity connection, if found guilty. Dont tamper with Meters.
Apart from these if found using excess than contract demand. You have to pay monetary punishment.

Pay your bills through Cash/Cheque/DD at NBPDCCL counters
Cheque and draft payable in favour of NORTH BIHAR POWER DISTRIBUTION COMPANY LTD

Consumer Number	10120015530	Bill No	
Consumer Name	THE CHAIR MAN		20180310120015530
UBGB Account Number		Payment Amount	
Transaction		Payment Date	Signature Of Applicant

IT Solution Provided by National Informatics Centre.



Handwritten notes:
106 144294...
26/3/18
267918

10120015530
Receipt No. NB/AK 665052

N.B.-68
NORTH BIHAR POWER DISTRIBUTION CO. LTD.
Sub - Division Service Connection No.

Received from Shri The Chairman, NAC, Kasba of
Rs. 144294 (Rupees one lakh forty four thousand only towards)
Arrear (disconnected/
Current Consumption Permanently Disconnected
Consumer)

(i) Energy charges Rs. 144294 Rs.
(ii) Electricity Duty Rs. Rs. 9106/18

Date 31/03/18 For and on behalf of
31/03/18 North Bihar Power Distribution Co. Ltd.
N.B. Cheques credited subject to realisation



10120072017
 Receipt No. NB/AK
 NORTH BIHAR POWER DISTRIBUTION CO. LTD
 Service Connection No. 665053

Sub-Division
 Division

Received from Shri Executive Officer, NBSB
 Rs. 482852 (Rupees Four Lakhs Eight Thousand Five Hundred and Two only) towards
 Current Consumption Charge (disconnected/Permanently Disconnected Consumer)
 (i) Energy charges Rs. 482852 Rs. 482852
 (ii) Electricity Duty Rs. 295934 Rs. 295934

Date 31/03/18 For and on behalf of
 North Bihar Power Distribution Co. Ltd.

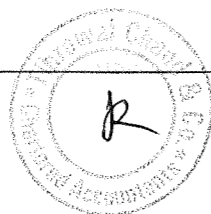


Annexure - 2

SN	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2017-18	पथ-पुलिया निर्माण	27/07/2017	17.47	17.47	NIL	Not Prepared
2	2017-18	पेशाकर	30/06/2017	10.15	NIL	10.15	Un-utilised Amount Rs. 10.15 Transferred to PL A/C
3	2017-18	पार्षद भत्ता	15/06/2017	3.12	3.12	NIL	Not Prepared
4	2017-18	14वीं वित्त	02/08/2017	65.87	0.00	65.87	Un-utilised Amount Rs. 65.87 Transferred to PL A/C
5	2017-18	मुख्यमंत्री शहरी नाली गली योजना	11/08/2017	42.18	42.18	NIL	Not Prepared
6	2017-18	पंचम वित्त	14/09/2017	135.62	62.56	73.06	Un-utilised Amount Rs. 73.06 Transferred to PL A/C
7	2017-18	मुख्यमंत्री शहरी नाली गली योजना	30/10/2017	46.15	46.15	NIL	Not Prepared
8	2017-18	14th Fin	24/01/2018	65.68	NIL	65.68	Un-utilised Amount Rs. 65.68 Transferred to PL A/C
9	2017-18	EO SALARY	23/05/2017	5.00	NIL	5.00	Un-utilised Amount Rs. 5.00 Transferred to PL A/C
Grand Total				391.24	171.48	219.76	

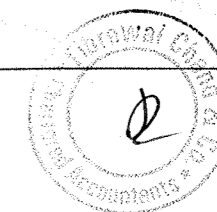


S. No.	Observation	Management Comment	Recommendation
1	As per notification of Bihar Government, The Governor of Bihar made the rules for the mobile tower under the Act. Operator of the mobile has to apply to the ULB for operation of the mobile tower in the concerned area with the Requisite fees of Rs. 30,000/- per Tower and the Renewal fee is Rs. 8,000/- per year. During the course of audit it was observed that Rs 538,000.00 is due towards Tower Company for financial year 2017-18. <i>(Details given in report Part A)</i>	This will be strictly taken care by next financial year and nagar panchayat will take necessary steps to recover or boost revenue from towers.	There is a huge loss of revenue & interest income. So necessary steps should be taken for timely collection of taxes.
2	During the course of Audit, we observed that Nagar Panchayat has conducted CAG audit for the year 2012-17 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.
3	(i) Improper maintenance of records related to revenue collection. (ii) During the audit it was observed that mobile tower tax is not getting collected on a timely basis and even if it is getting collected, the same is not deposited timely.	Nagar Panchayat ensure that this will be taken care from now onwards.	(i) Daily collection register for property tax should be maintained and appropriate action should be taken. (ii) Collection should be made on a regular basis and deposited on the same day to avoid any irregularity.
4	Nagar Panchayat is not being deposited property tax on same day.	Tax collectors are directed to deposit the tax.	Collection from property tax should be deposited on same day.
5	Report on Findings of the field survey of property tax of minimum 20 high value properties.	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 SA forms were also not provided for 20 high value properties.



EXECUTIVE OFFICER
KASBA PANCHAYAT
Kasba (Pune)

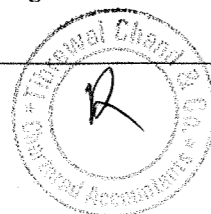
6	During the audit various cases were observed regarding non deduction and non-deposition of statutory dues like TDS, VAT, and Royalty in stipulated time by the Nagar Panchayat. Further it was also observed that returns were also not filled for TDS & VAT.	Will consider it in next financial year.	All statutory compliances related to deduction, deposition and return filling should be complied.
7	The municipality is not in a practice to prepare BRS on regular or periodical basis. <i>(Details given in audit report Part A)</i>	Will consider it in next financial year.	BRS should be maintained month wise.
8	It has been observed that advertisement tax is not being collected resulting in revenue loss.	This will be strictly taken care by next financial year and nagar panchayat will take necessary steps to recover or boost revenue from towers.	ULB should take proper action for collection of advertisement tax.
9	Non-maintenance of required registers as per Rule No.-3 of BMAR-2014	ULB staff is directed to follow and comply the guidelines of BMAR	Details of registers not maintained by ULB is mentioned under Part-A (a). ULB should ensure proper maintenance of required books of account and register as per the list given in rule-3 of BMAR-2014.
10	Non preparation of stores register	Will consider it in next financial year.	Due to non - maintenance of FAR, 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.	Nagar Panchayat ensure that this will be taken care from now onwards.	Insurance should be deposited.
12	Kasba Nagar Panchayat is not in practice to prepare monthly receipt and payment account and the trial balance. <i>(Details given in report)</i>	Nagar Panchayat ensure that this will be taken care from now onwards.	ULB should prepare receipts and payment account on monthly basis. It helps to find out that how much funds received by the ULB and



Discussion Note

Kasba Nagar Panchayat

			whether its utilization was 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	Demand Register for collection of Trade License for the financial year 2017-18 is not yet prepared.	Necessary action will be taken.	Demand register should be prepared.
16	Collection of internal resources is very poor.	Nagar Panchayat will take steps to improve the collection from internal resources.	It should be timely collected.
17	Non-Implementation of double entry accounting system: We found the detail that double accounting system is implemented at Kasba Nagar Panchayat, 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 Kasba 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.
18	No details were made available regarding meeting of municipal accounts committee held during the financial year 2017-18.	ULB staff is directed to comply with BMA-2007	As per requirement of BMA 2007, Chapter-XII, ULB should held meeting of municipal accounts committee each year. During our audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.

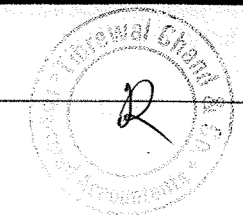


EXECUTIVE OFFICER
NAGAR PANCHAYAT
Kasba (Punsa)

Discussion Note

Kasba Nagar Panchayat

19	Non-providing of Utilization certificate for the reporting audit period	UC details given to auditors. Staff will initiate working on this matter in next financial year.	Grant is blood of ULB. Therefore, for getting grant and running the ULB working smoothly it is requirement of grant. Further timely submission of utilization certificate helps the grant realizing authority to send the money for fulfill the requirement of future. Therefore, management should ensure that UC has been submitted with concerned department on time.
20	Lack of internal control measures (i)Voucher file was not maintained (ii)No internal mechanism for statutory compliance (iii)No MIS was prepared for tracking of payments (iv)Required books of Accounts as per BMAM was not maintained (v)Statutory compliance reconciliation was not maintained (vi)Bank reconciliation of any bank account was not prepared. We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory compliances.	Nagar Panchayat ensure that this will be taken care from now onwards.	We suggest that (i)MIS system should be implemented over daily collection and deposit. (ii)Reason for non-deposit/Late deposit should be strongly need to ask for minimize delay. (iii)Need to identify a person to comply with the statutory compliance. In case failure to comply with statutory compliances he should also be penalized. Therefore, the management has to take serious effort in implementation of internal control mechanism for getting a better result from ULB working.
21	Non-Compliance of Act & Rules	ULB staff is directed to ensure compliance of all applicable Act & Rules.	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable Act & Rules.



Discussion Note

Kasba Nagar Panchayat

Details of statutory deduction:-

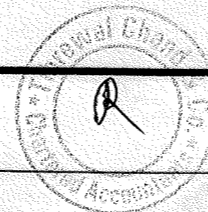
i. TDS:

Date	Party Name	Bill amount	Remarks
13-07-2017	Jagdev Swem Sevi Sansthan	3,90,000	TDS not deducted
28-07-2017	Jagdev Swem Sevi Sansthan	3,90,000	TDS not deducted
03-08-2017	Jagdev Swem Sevi Sansthan	1,95,000	TDS not deducted
21-09-2017	Jagdev Swem Sevi Sansthan	1,95,000	TDS not deducted
15-10-2017	Jagdev Swem Sevi Sansthan	1,95,000	TDS not deducted
01-11-2017	Jagdev Swem Sevi Sansthan	1,95,000	TDS not deducted
11-02-2018	Jagdev Swem Sevi Sansthan	3,90,000	TDS not deducted
13-03-2018	Jagdev Swem Sevi Sansthan	3,90,000	TDS not deducted
Grand Total		23,40,000	

Date	Details of Bills	Bill amount	Remarks
10/6/2018	Vehicle Hire Charges	19,000.00	TDS not deducted
7/29/2017	Construction	978,750.00	TDS not deducted
3/14/2018	Construction	715,220.00	TDS not deducted

Bank Reconciliation Statement

Name of Bank	Scheme Name	Account No.	Passbook Balance	Cash Book Balance	Difference	Status
SBI	13 th Finance	47687	2,558,612.00	908,612.00	16,50,000.00	Unreconciled
SBI	4 th Finance	45103	3,163,516.00	3,093,638.00	69,878.00	Unreconciled
SBI	E-Governance	80253	231,594.00	231,594.00	-	Reconciled
SBI	Jati Janganna	02993	103,457.00	103,457.00	-	Reconciled
SBI	General	27305	3,121,883.00	2,370,525.90	7,51,357.10	Unreconciled
SBI	BRGF	98327	385,745.00	375,492.00	10,253.00	Unreconciled
SBI	HFA	82951	18,429,445.50	17,888,894.50	5,40,551.00	Unreconciled
SBI	SBM	70153	168,740.00	4,724,821.00	45,56,081.00	Unreconciled
ICICI Bank	SBM	0223	2,509,855.00	-	25,09,855.00	Unreconciled
SBI	SJSRY	60954	10,569,156.72	10,569,156.72	-	Reconciled
Treasury		TRY002	108,203,713.80	91,382,385.80	1,68,21,328.00	Unreconciled



M. H. 2020
EXECUTIVE OFFICER
NAGAR PANCHAYAT
Kasba (Pune)
M. H. 2020