

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

INTERNAL AUDIT REPORT

FOR

F. Y. 2017-18

GROUP 1

JAHANABAD MUNICIPAL COUNCIL

BY

A. P. SANZGIRI & CO. CHARTERED ACCOUNTANTS

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A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

Document History
INTERNAL AUDIT FOR FY 2017-18

Project Title	Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar (Tender No. IA-140ULBs/2017-18/2018-19/2019-20) Group - 1 covering 19 ULBs"
Report Title	Internal Audit for FY 2017-18 of Nagar Parishad Jehanabad
Reporting Entity	A P SANZGIRI & Co., Chartered Accountants
Reporting for	Nagar Parishad Jehanabad
Report Prepared by	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
Date of Submission	22nd August 2019



ABBREVIATION AND ACRONYMS

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

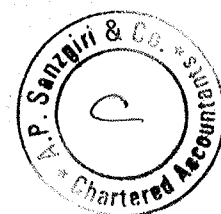
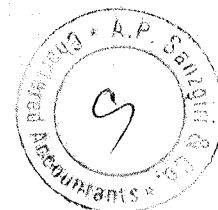


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A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

Date: 13th July, 2020

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

Sub: Submission of Internal Audit Report of Nagar Parishad Jehanabad for the Financial Year 2017-18

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

Respected Sir,

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

As per the terms and conditions of RFP Document, we have successfully conducted the Internal Audit Nagar Parishad Jehanabad for the Financial Year 2017-18 and submitting the report of the same as per our deliverables.

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

Hope you will find the same in compliance.

Thanking You,

Yours faithfully,

On Behalf of

A P Sanzgiri & Co,

Chartered Accountants

Satish Gupta

CA Satish Gupta

Partner

FRN:116293W

UDIN: 20101134AAAADH9404

Date - 06-07-2020

Membership No - 101134



Address: Plot No. 21, House No. 167, Anand Nagar Lane, Behind Vakola Police Station, Santacruz East, Mumbai 400055. INDIA Phone: +91-22-6689 9900, Fax: +91-22-6689 9910 E-mail: apsanzgiriandco@gmail.com

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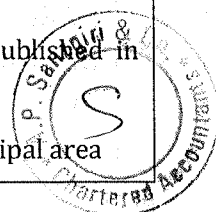
EXECUTIVE SUMMARY

1. INTRODUCTION:

Name of the Municipality	-	Nagar Parishad Jehanabad
Period covered under Current Audit	-	01 st April 2017 to 31 st March 2018
Name of Mayor/Chairman		Smt . Poonam Devi
Name of Executive Officer	-	Shri Mukesh Kumar

2. OBSERVATIONS AND FINDINGS:

Strengths	<ol style="list-style-type: none">1. In the existing system as prevailing in the ULB, day to day working is in progressive manner in respect of collection of revenue and execution of the projects.2. There is sufficient co-operation from the management during the course of our audit.3. General Cash book is properly up-to-dated.4. List of Outstanding dues is available.5. Utilization certificate for FY 2017-18 has been prepared.
Weaknesses	<ol style="list-style-type: none">1. The collection of rental income is not satisfactory.2. The shopkeeper/tenants have not been paying rent and have huge outstanding debts.3. Budget is not prepared properly; there is huge difference in opening balance of each year in continuous nature.4. No physical verification of store is exercised by ULB.5. No Physical verification of cash is exercised by ULB.6. Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.7. Fixed assets register was prepared by a CA firm as on 01/04/2014 and it was updated till 2015-16.8. Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection for FY 2016-17.Hence, we are unable to comment on the same.9. Statutory compliance of the ULBs is not followed timely and hence it incurs penalty and other charges.10. Certain Statutory Registers and Books are not maintained.11. Bank Reconciliation Statement has not been prepared. <p>12. Non Levy of Taxes:</p> <ul style="list-style-type: none">• Tax on advertisements, other than advertisements published in newspapers• Surcharge on electricity consumption within the municipal area



	<ul style="list-style-type: none"> • Tax on congregations. • Tax on pilgrims and tourists. • User Charges for Solid Waste Management • Collection of Development Charges <p>13. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 100 to 120 days.</p> <p>14. ULB is not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p> <p>15. ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter.</p> <p>16. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p> <p>17. Non Compliance of Rule 130 of BMAR in some of the cases.</p> <p>18. ULB is not maintaining the accounts as well as not preparing the financial statements.</p> <p>19. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.</p>
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3. OPINIONS:

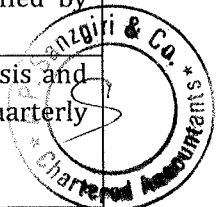
The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the municipal personnel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

4. AUDIT RECOMMENDATIONS:

Observed Weaknesses	Audit Recommendations
The collection of rental income is not satisfactory. The shopkeeper/ tenants have not been paying rent and have huge outstanding debts.	To implement/take action to boost collection of arrear revenue to increase their own source revenue.
Budget is not prepared properly, there is huge difference in opening balance of each year in continuous nature.	ULB need to check and rectify it in retrospective effect.
No physical verification of store is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of the stock and process.



No Physical verification of cash is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of cash.
Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.
Utilization certificate for FY 2017-18 has been prepared.	Utilization Certificate has been prepared timely by the ULB and submits the same to Department on regular basis.
Fixed assets register is not maintained by ULB.	Fixed assets register should be maintained and updated properly.
Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection for FY 2010-11 to 2014-15. Hence, we are unable to comment on the same.	Compliance report should be prepared as soon as the report is received by ULB and steps to be taken for recovery of the amount for financial irregularities.
Statutory compliance of the ULB is not deposited timely and hence it incurs penalty and other charges.	As ULB is not proper in statutory compliances, that cause financial implication on ULB in mode of interest and penalty. So, ULB should ensure statutory compliance on time.
Certain Statutory Registers and Books are not maintained.	Statutory register and books of accounts should be maintained as per guidelines and BMAR.
Bank Reconciliation Statement has not been prepared.	ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records.
Non Levy of Taxes: <ul style="list-style-type: none"> • Tax on advertisements, other than advertisements published in newspapers • Surcharge on electricity consumption within the municipal area • Tax on congregations. • Tax on pilgrims and tourists. • User Charges for Garbage Clearance • Collection of Development Charges 	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. ULB should take steps to implement required taxes to boost their revenue
During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 20 days.	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.
ULB is not prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	As per BMAR Rule No. - 121, ULB should prepare of monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the executive officer.
ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month	Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.



following each quarter Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.	As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB, 1. Municipal General Fund 2. Basic service for urban poor 3. Water supply & sewerage fund 4. Solid Waste Management Fund 5. Road Development & Maintenance 6. Enterprise Fund
Non Compliance of Rule 130 of BMAR in some of the cases.	ULB should ensure compliance related to Rule 130 of BMAR on regular basis.
ULB is not maintaining the accounts as well as not preparing the financial statements.	ULB is required to maintain the accounts as well as prepare the financial statements at the end of the year.
ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.	ULB should prepare financial statements for each year and get it approved from municipal account committee. As per BMAR, audited financial statements are required to submit to auditor for audit.
In-consistencies in assessment of property tax	Checked on random basis and found variation between demand raised by ULB or actual demand.

5. COMMENTS FROM MANAGEMENT

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

6. ACKNOWLEDGEMENT

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

On Behalf of
A P Sanzgiri & Co,
Chartered Accountants
Satish Gupta
CA Satish Gupta
Partner
FRN: 116293W
UDIN: 20101134AAAAADH9404
DATE: 06-07-2020
Membership No: 101134



DETAILED AUDIT REPORT

1. INTRODUCTION:

Name Of ULB	Period-covered		Audit Team
	From	To	
Jehanabad Nagar Parishad	1 st April, 2017	31 st March, 2018	1. Team Leader: CA Satish Gupta 2. Name of CA : CA Ayush Agrwal 1. Name of Auditor-1: 2. Name of Auditor-2: Dipak Sharma

2. ADMINISTRATION:

S.N	Particulars	Details
1	The present body of the ULB has taken charge on	June, 2017
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	Smt. Poonam Devi
2.1.1	Period of Service:	From: June, 2017 To: July, 2019
2.2	Name of Executive Officer:	Shri Mukesh Kumar
2.2.1	Period of Service:	From: January 2019 To: Till date

3. REVIEW OF OUTSTANDING AUDIT PARAS:

3.1. STATUS OF AUDIT OBSERVATIONS IS AS UNDER:

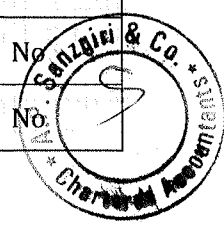
Particulars of audit and date of report	Total no. of audit Para's	Improvement/corrective measures required (Nos. of Para's)	Recovery of cash is proposed (Nos. of Para's)	Recovery has been made (Nos. of Para's)	Total amount of Recovery	No action has been taken	No. & date of compliance report
Audit report submitted by AG for the F.Y. 2016-17	29	23	12	0	0	23	<i>(Refer Discussion Note)</i>

3.2. DETAILS OF TOTAL NUMBER OF AUDIT PARA'S:

Period of AG Audit Report : 2012-13 to 2016-17

Compliance Report Date & Number : *(Refer Discussion Note)*

Para Nos.	Heading of the Audit Para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken /Not
1	Expenses on Cleaning work failed.	33.56 Lacs	33.56 Lacs	No	No
2	Irregularities in purchase of Fogging Machine, Expenses thereon failed.	7.2 Lacs	7.2 Lacs	No	No
3	Expenses on Survey work of buildings failed.	1.15 Lacs	1.15 Lacs	No	No
4	Irregularities in purchase of Dustbin	100.48 Lacs	100.48 Lacs	No	No



5	Irregularities in purchase of Cleaning Equipment's	37.67 Lacs	37.67 Lacs	No	No
6	Outstanding amount of Mobile Tower Registration & Renewal fees.	12.53 Lacs	12.53 Lacs	No	No
7	Less deduction & deposit of Commercial Tax on Purchase of Laptop.	8.39 Lacs	8.39 Lacs	No	No
8	Deviation in payment of Electricity Bill	150 Lacs	150 Lacs	No	No
9	Irregularities in departmental work implementation	0.07 Lacs	0.07 Lacs	No	No
10	Delay in work completion/ Incomplete work	1.30 Lacs	1.30 Lacs	No	No
11	Revenue loss on Bus Stand Endowment	5.64 Lacs	5.64 Lacs	No	No
12	Irregularities in payment of Daily Wages	27.45 Lacs	27.45 Lacs	No	No
13	Irregularities in Training programme held under NULM	10.67 Lacs	10.67 Lacs	No	No
14	Not deposited/ Less deposited	6.73 Lacs	6.73 Lacs	No	No
15	Non-deposit of Collection through H Receipt	1.09 Lacs	1.09 Lacs	No	No
16	Outstanding amount of Holding Tax	238.98 Lacs	238.98 Lacs	No	No
17	Outstanding Shop Rent	7.08 Lacs	7.08 Lacs	No	No
18	Non-presentation of Other Receipt	-	-	-	No
19	Irregularities in measurement of Building Tax	-	-	-	No
20	Pending Advances	184.44 Lacs	184.44 Lacs	No	No
21	Irregularities in payment of SBM	-	-	-	No
22	Reassessment of Property Tax not done	-	-	-	No
23	Irregularities in maintenance of Cash Book	-	-	-	No
24	Dangerous & Frightening Business	-	-	-	No
25	Difference amount in Auxiliary Cash flow & Bank Pass Book	23.52 Lacs	23.52 Lacs	No	No
26	Non-maintenance of scheme wise Grant Investment Register	-	-	-	No
27	Non-presentation of Budget	-	-	-	No
28	Deviation in amount of SBM	3.85 Lacs	3.85 Lacs	No	No
29	Non-maintenance of accounting records	-	-	-	No

Note-1: ULB did not provide AG report thereafter have taken from UD & HD website.

Note-2: Further Compliance Report has not been prepared by management.

Management Comment: ULB is preparing Compliance Report for above said period of AG Report once it is completed this report will be provided. **(Refer Discussion Note).**



4. FINANCE

I. BUDGETARY PROVISIONS AND EXPENDITURES FOR THE LAST THREE YEARS:

Year	Year- 2015-16	Year- 2016-17	Year- 2017-18
Final/Revised Budget Data		235,04,22,000.00	65,32,12,000.00
Actual Expenditure Data	No Budget copy provided by the ULB	24,23,44,127.00	9,57,36,694.00
Savings(+)/Excess(-)		210,80,77,873.00	55,74,75,306.00

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2016-17 & 2017-18 Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and Receipts & Payments Account for the year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification. Hence, we could not validate the above-mentioned figures.

II. VOLUME OF TRANSACTIONS:

Period	Budgeted for F.Y. 2017-18	Actual for the F.Y. 2016-17	Actual for the F.Y. 2015-16	Actual for the F.Y. 2017-18	Cumulative for the current period
Opening balance	32,40,13,502.00	31,64,99,172.00		32,40,13,502.00	32,40,13,502.00
Receipts	47,44,92,000.00	24,98,58,457.00		11,64,61,097.00	11,64,61,097.00
Total	79,85,05,502.00	56,63,57,629.00		44,04,74,599.00	44,04,74,599.00
Net expenditure	65,32,12,000.00	24,23,44,127.00		9,57,36,694.00	9,57,36,694.00
Closing balance	14,52,93,502.00	32,40,13,502.00		34,47,37,905.00	34,47,37,905.00

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, & 2017-18. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and Receipts & Payments Account for the year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification. Hence, we could not validate the above-mentioned figures.



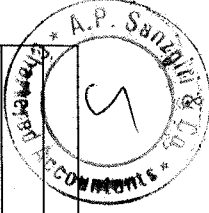
**III. BANK RECONCILIATION POSITION AS ON REPORTING DATE:
BANK RECONCILIATION POSITION AS ON 31-03-2018**

S.N	Name of Bank	Bank A/C No.	Purpose of Bank Account	Balance as per Cash Book	Balance as per Bank Statement	Differences	Reconciled (Yes/No)
1	Treasury	PLA 8448001020001	PLA	175,419,752.00	175,419,752.00	0	YES
2	Bank of Baroda	40190200000154			2,243,154.00		
3	IDBI Bank	1865104000017684	SBM	21,30,795.00	335,601.00	-	No
4	ICICI Bank	275301000326			2,509,855.00	29,57,815.00	
5	Axis Bank	913010024470834			240,050.82		
6	MBGB	72040100231073	Samajik Suraksha Pension	68,56,850.00	1,497,698.00	33,63,491.18	No
7	MBGB	72040100231091			1,755,610.00		
8	IDBI Bank	1865104000017670	Nali Gali	25,072,550.00	25,072,550.00	-	YES
9	UCO Bank	32410110038468	Amrut	1,432,596.19	1,432,596.19	-	YES
10	MBGB	72040100146942	Miscellaneous	1,778,798.40	3,705,422.07	(1,926,623.67)	No
11	MBGB	72040100231082	4th Finance	6,696,438.00	6,696,438.00	-	YES
12	Axis Bank	913010024470494	Shahri jalapurti	3,403,472.00	8,629,203.00	(5,225,731.00)	No
13	Axis Bank	913010031429490			36,030,585.00	(24,483,419.00	No
14	HDFC	5010078630691	Sewerage	20876843)	
15	IDBI Bank	1865104000018577	C.M Shahri Pay jal	54,178,076.00	54,178,076.00	-	No
16	P.N.B	228000100227462	BRGF	12,178,715.89	5,533,994.03	6,644,721.86	No

17	P.N.B	228000100451625	Own Fund	11,047,479.97	11,052,479.97	-5,000.00	YES
18	P.N.B	228000100451652	13th Finance	22,193.15	21,989.89	203.26	YES
19	P.N.B	228000100453517	Bus stand Nirman/State Fund	29,902,805.00	1,308,387.89	28,594,417.11	No
20	P.N.B	228000100192883	Peshaker/Swaran Guarantee Rojgar Yojna	723,272.00	4,178,384.10	(3,455,112.10)	No
21	Allahabad Bank	50345313747	HFA	12,335,362.00	12,335,362.00	-	YES
22	Bank of Baroda	40190100002156	NULM	1,799,503.63	1,918,120.00	(118,616.37)	No
	Total			365,855,502.23	365,424,985.96	430,516.27	

IV. RECEIPT DETAILS:

SN	Details	INCOME DETAILS (Amounts IN INR)					
		2017-18 (Actual)	2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2018-19 (Actual)	2019-20 (Actual)
	Total Receipts (A+B)	11,64,61,097.00	11,64,61,097.00	24,98,58,457.00	12,335,362.00	12,335,362.00	-
A	Revenue Receipts (1+2+3)	3,73,07,374.00	3,73,07,374.00	14,51,22,745.00	1,799,503.63	1,918,120.00	(118,616.37)
1	Own Revenue Receipts (a+b)	42,20,100.00	42,20,100.00	8,34,88,277.00			
a)	Tax Revenue (Collected by ULB)	20,58,403.00	20,58,403.00	8,24,74,720.00			
i)	Property Tax	20,58,403.00	20,58,403.00	38,75,378.00			
ii)	Other tax (Collected by ULB)	0.00	0.00	7,85,99,342.00			
b)	Non-tax revenue (Collected)	21,61,697.00	21,61,697.00	10,13,557.00			
i)	Fees & fines	12,76,965.00	12,76,965.00	0.00			
ii)	User Charges	7,18,910.00	7,18,910.00	10,13,557.00			
iii)	Other non-tax revenue	1,65,822.00	1,65,822.00	0.00			
2	Other Revenue Receipts	55,34,422.00	55,34,422.00	66,75,677.00			
a)	Income from interest/investments	45,48,972.00	45,48,972.00	66,75,677.00			
b)	Other Revenue income	9,85,450.00	9,85,450.00	0.00			
3	Transfers/Grants/Assigned	2,75,52,852.00	2,75,52,852.00	5,49,58,791.00			



Revenues						
a)	State Assigned Revenue	2,40,98,657	5,49,58,791.00		2,40,98,657	
b)	State Finance Commission (SFC)	0.00	0.00		0.00	
c)	Octroi compensation	34,54,195.00	0.00		34,54,195.00	
B	Capital Receipts	7,91,53,723.00	10,47,35,712.00		7,91,53,723.00	
1	State Capital Account Grant	6,70,15,563.00	5,83,69,700.00		6,70,15,563.00	
2	Central Capital Account Grant	1,21,38,160.00	4,63,66,012.50		1,21,38,160.00	

Auditor's Comment:

The above figures have been taken from the Budgeted Statement of the ULB for the year 2016-17, 2017-18, & 2018-19. Financial Statement i.e. Balance Sheet, Income & Expenditure Account and Receipts & Payments Account for the year 2016-17, 2017-18, 2018-19 have not been produced before us by management for verification. Hence, we could not validate the above-mentioned figures. Actual figure for F.Y. 2018-19 has not been taken from budget of F.Y. 2019-20.

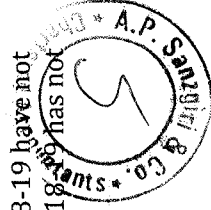
V. EXPENDITURE INFORMATION:

S.N	Details	2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (ACTUAL)	2019-20 (Actual)	2018-19 (Actual)
A.	Total Expenditure (1+2)	9,57,36,694.00	24,23,44,126.00		9,57,36,694.00		
1	Revenue Expenditure	4,85,24,647.00	8,01,78,416.00		4,85,24,647.00		
1.1	Administrative Expenses, Establishment and Salaries (All Departments)	2,52,67,700.00	3,89,58,727.00		2,52,67,700.00		
1.2	Operation and Maintenance	1,28,94,087.00	1,92,46,151.00		1,28,94,087.00		
1.3	Loan repayment (Interest payments)						
1.4	Others (any other revenue expenditure)	1,03,62,860.00	2,19,73,538.00		1,03,62,860.00		
2	Capital Expenditure	4,72,12,047.00	16,21,65,710.00		4,72,12,047.00		
2.1	All developmental works under Central/ State schemes	4,50,08,284.00	16,04,68,816.00		4,50,08,284.00		
2.2	Loan Repayments (Principal Amount)						
2.3	Other Capital expenditure	22,03,763.00	16,96,894.00		22,03,763.00		

Auditor's Comment:

The above figures have been taken from the Budgeted Statement of the ULB for the year 2016-17, 2017-18, 2018-19 & 2019-20.

Financial Statement i.e. Balance Sheet, Income & Expenditure Account and Receipts & Payments Account for the year 2016-17, 2017-18, 2018-19 have not been produced before us by management for verification. Hence, we could not validate the above-mentioned figures. Actual figure for F.Y. 2018-19 has not been taken from budget of F.Y. 2019-20.



VI. STATUS OF IMPLEMENTATION OF DOUBLE ENTRY SYSTEM: It is told by the ULB that there one Agency M/S Sahani Bansal & Associates was appointed for the DEAS work and it has completed following activities till FY 2015-16. Further at present there no agency is working for implementation of Double Entry Accounting System.

SN	Activity	Work Done
1	Fixed Assets Register	Opening FAR was prepared as on 01/04/2014 and it was updated for FY 2014-15 and 2015-16
2	Property Tax Register	Opening PTR was prepared as on 01/04/2014 and it was updated for FY 2014-15 and 2015-16
3	Opening Balance Sheet	Opening Balance Sheet was prepared as on 01/04/2014
4	Annual Financial Statements	Annual Financial Statements were prepared for FY 2014-15 and 2015-16.
5	Installation of Tally License	Tally was installed by CA firm but till now ULB staff is not aware about it.

VII. MUNICIPAL ACCOUNTS COMMITTEE:

At present committee is not formed but it was told by the ULB officials that it is under process and matter will be put before Board for constitution of committee.
Kindly refer discussion note attached with this report.

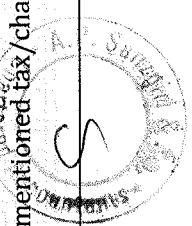
5. AUDIT OBSERVATION:

PART-A: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATIONS

(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.

OBSERVATION-1 : TAXES/CHARGES WHICH ARE NOT IMPLEMENTED BY ULB ACCORDING TO THE BIHAR MUNICIPAL ACT.2007

SN	Head	Comments
1	Objective	The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable provisions and rules.
2	Criteria	We have checked list of all the taxes which to be levied and collected by the ULB as per Act. Further we have checked Syah Register, Receipt book, cashier cash book and accountant cash book etc.
3	Condition	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. In case of Nagar Parishad Jehanabad , The following mentioned tax/charges are not implemented that leads to loss of revenue to ULB:



S.No	Particulars	Implemented by ULB or Not
1	Property tax on lands and buildings.	YES
2	Surcharge on transfer of lands and buildings	YES
3	Fire tax.	NO
4	Tax on advertisements, other than advertisements published in newspapers	YES
5	Surcharge on electricity consumption within the municipal area	NO
6	Tax on congregations.	NO
7	Tax on pilgrims and tourists.	NO
8	Tax on profession.	NO
9	Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.	NO
10	User Charges for provision of water-supply, drainage and sewerage	YES
11	User Charges for Solid Waste Management	NO
12	User Charges for Parking Facility	YES
13	User Charges for Garbage Clearance	YES
14	Collection of fees for sanction of building plans and issue of completion certificates,	YES
15	Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,	YES
16	Collection of Fees for issue of birth and death certificates.	YES
17	Collection of Development Charges	No
4	Consequences/Effect	No levy of taxes will be resulted in to revenue loss to ULB.
5	Cause	There is lack of standard policies and instructions from department. In some cases policies are prepared by it is not followed by the ULBs.
6	Corrective Action/ Recommendation	It is recommended that department should prepare uniform policies for levy and collection of taxes in proper manner and on due time. Further capacity building programmes should be held for ULBs staff and awareness about these taxes should be done.
7	Management Comments	Kindly refer discussion note attached with the report.

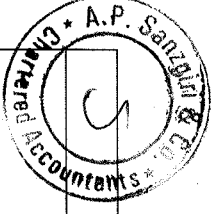


OBSERVATION-2 : DELAY IN DEPOSIT OF PROPERTY TAX COLLECTED BY ULB STAFF:

SN	Head	Comments
1	Objective	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 the amount of tax collected by the Tax collector is required to be handed over to cashier and deposited into bank on the same day on which collection is made. To check compliance of these provisions, we have carried audit of such type of cases.
2	Criteria	We have checked respective books in order to carry the audit and some cases were checked on random basis.
3	Condition	During verification of receipts book and deposit slips, we have noticed that there is gap period in collection of tax and deposit of tax around 100 to 120 days. Details of such cases are given in Annexure-1 .
4	Consequences/Effect	In respect of above in most of the cases property tax has not been deposited on same day of collection which resulted in interest loss to ULB.
5	Cause	It is explained by concern person that due to non-availability of human resources the same issues arises.
6	Corrective Action/ Recommendation	It is recommended that tax collector/cashier should deposit the collected money into bank on same day itself and if he fails to do the same, necessary action should be taken by the ULB management in such cases.
7	Management Comments	Kindly refer discussion note attached with the report.

OBSERVATION-3: NON COLLECTION OF NOTICE FEE

SN	Head	Comments
1	Objective	As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore.
2	Condition	ULB has not provided any information regarding charging and collection of notice fees.
3	Consequences/Effect	It is non-compliance of Bihar Municipal Act, 2007 which resulted in loss of revenue to the ULB.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice fees should be collected as per applicable provisions and rules.
7	Management Comments	Kindly refer discussion note attached with the report.



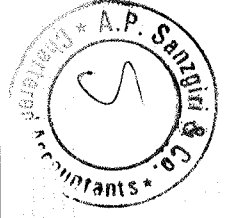
OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME

1. RECOVERY OF OUTSTANDING PROPERTY TAX

SN	Head	Comments
1	Objective	ULB is authorized to collect holding tax from households situated in the municipal area and Property tax have major role in the internal revenue of ULB.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that property tax of Rs. 89.27lacs was outstanding as on 31/03/2018:
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	It is explained by concern person that due to non- availability of human resources the same issues arises.
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

2. RECOVERY OF ADVERTISEMENT TAX

SN	Head	Comments
1	Objective	ULB authorized to charge advertisement tax/fee in municipal are as per act/rule.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that Advertisement tax of Rs. 0.915 lacs was outstanding as on 31/03/2018.
3	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to ULB.
5	Cause	It is explained by concern person that due to non- availability of human resources the same issues arises
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

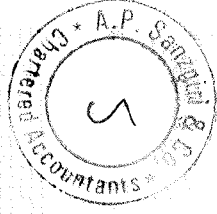


3. RENT INCOME

SN	Head	Comments
1	Objective	ULB authorized to charge rent from municipal properties.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that Rent Income of Rs. 1.812 lacs was rent income outstanding as on 31/03/2018.
3	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to ULB.
5	Cause	It is explained by concern person that due to non-availability of human resources the same issues arises
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues
7	Management Comments	Kindly refer discussion note attached with the report.

4. MOBILE TOWER TAX

SN	Head	Comments
1	Objective	ULB is authorized to collect tax from telecom companies for mobile towers installed in the municipal area.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that mobile tower tax of Rs. 1.10 lacs was outstanding as on 31/03/2018.
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report



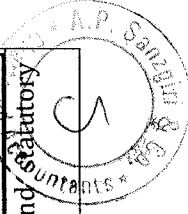
5 OTHER TAX:

SN	Head	Comments
1	Objective	ULB is authorized to collect other various types of taxes/fee.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that other tax of Rs 44.80 Lacs was outstanding as on 31/03/2018:
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report

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

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

SN	Head	Comments																																										
1	Objective	Checking of payment made by ULBs to find out irregularities made during payment																																										
2	Criteria	Payment were checked on random basis																																										
3	Condition	We have checked following payment related to FY 2017-18 during audit:																																										
		<table border="1"> <thead> <tr> <th>S.N</th> <th>Name of Party</th> <th>Payment Head</th> <th>Invoice Amount</th> <th>Approved Amount</th> <th>Date of Payment</th> <th>Audit Observations</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chandni Devi</td> <td>Own Fund</td> <td>20000.00</td> <td>20,000.00</td> <td>07.05.2017</td> <td>TDS not deducted.</td> </tr> <tr> <td>2</td> <td></td> <td>5th finance</td> <td>4550197.00</td> <td>4550197.00</td> <td>24.08.2017</td> <td>Rs 304596/- DPS Payment made.</td> </tr> <tr> <td>3</td> <td>SBPDCL</td> <td>5th finance</td> <td>1149624.00</td> <td>1149624.00</td> <td>17.10.2017</td> <td>Rs 183824/- DPS Payment made.</td> </tr> <tr> <td>4</td> <td></td> <td>5th finance</td> <td>3349269.00</td> <td>3349269.00</td> <td>24.01.2018</td> <td>Rs 83932 DPS Payment made.</td> </tr> <tr> <td>5</td> <td>PRD Patna</td> <td>5th/14th Finance</td> <td>100000.00</td> <td>100000.00</td> <td>21.03.2018</td> <td>Original invoice of related party not attached.</td> </tr> </tbody> </table>	S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Date of Payment	Audit Observations	1	Chandni Devi	Own Fund	20000.00	20,000.00	07.05.2017	TDS not deducted.	2		5 th finance	4550197.00	4550197.00	24.08.2017	Rs 304596/- DPS Payment made.	3	SBPDCL	5 th finance	1149624.00	1149624.00	17.10.2017	Rs 183824/- DPS Payment made.	4		5 th finance	3349269.00	3349269.00	24.01.2018	Rs 83932 DPS Payment made.	5	PRD Patna	5 th /14 th Finance	100000.00	100000.00	21.03.2018	Original invoice of related party not attached.
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5	PRD Patna	5 th /14 th Finance	100000.00	100000.00	21.03.2018	Original invoice of related party not attached.																																						
4	Consequences	Irregularities in payment lead to excess payment, wrong deductions, non-compliance with agreement and statutory																																										



		compliances.
5	Cause	Cases were identified during audit and observations given.
6	Corrective Action	Management can implement standard checklist for each payment so that irregularities in payments can be avoided.
7	Management Comments	Kindly refer discussion note attached with the report.

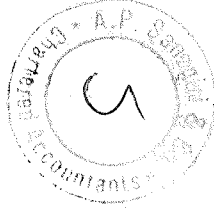
(C) REPORT ON SURVEY ON 20 HIGH VALUE PROPERTIES

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

SN	Head	Comments
1	Objective	Field survey and report of 20 high value properties of ULB and report on the basis of area of building, rate of property tax etc of the same. Comparison with the data of same property provided by the ULB and report on variance between them if available.
2	Criteria	Survey was done for 20 High value properties.
3	Condition	We have checked twenty high value assessed property and found variances related to FY 2017-18 during audit. Details of such cases are given in Annexure-2
4	Consequences/Effect	Irregularities in this area may cause short recovery of revenue receipt and it will result in loss to the ULB.
5	Cause	There are some cases found in which variance arise due to assessment of area of property on lower side.
6	Corrective Action/Recommendation	Management need to carry survey of properties on regular interval.
7	Management Comments	Kindly refer discussion note attached with the report.

PART-B: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATION, BUT SIGNIFICANT VIOLATION OF ACT, RULE

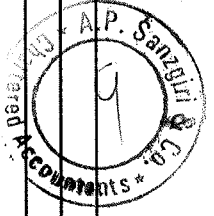
& DIRECTIVES OF UD & HD. MENTION THE REFERENCE TO ACT & RULES WHEREIN REMEDIAL MEASURE IS REQUIRED:



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

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

S.N	Name of Register	Maintained/ Not Maintained	Last date of Updation
1	Cash Book-Cashier	Maintained but not proper	31.03.2018
2	Cash Book-Accountant	Maintained	31.03.2018
3	Collection Register	Maintained	31.03.2018
4	Cheque issue Register	Maintained	31.03.2018
5	Register of Advance	Maintained	
6	Register of Permanent Advance	Not Maintained	
7	Deposit received register	Not Maintained	
8	Summary statement of deposit adjusted	Not Maintained	
9	Demand Register	Not maintained	
10	Summary Statement of Bills Raised	Not maintained	
11	Register of Notice Fees, Warrant Fees, Other Fees	Maintained	31.03.2018
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	Not maintained	
13	Register of Refunds, Remissions and Write off (S.D.)	Maintained in Yojna Panji	31.03.2018
14	Summary statement of Refunds and Remissions	Not maintained	
15	Summary Statement of Write-offs	Not maintained	
16	Statement of outstanding Liability for Expenses	Not maintained	
17	Document Control Register/Stock Account Receipts/Cheque Book	Maintained	31.03.2018
18	Fixed Assets Register	Not Maintained	
19	Summary Statement of Demand Raised on assessment	Not Maintained	
20	Summary Statement of Head wise Collection of Other Income	Not Maintained	
21	Summary Statement of Refunds	Maintained in Yojna Panji	
22	Summary Statement of Write off	Not Maintained	
23	Grant Register	Maintained	31.03.2018
24	Summary Statement of status of Capital Work in Progress	Not Maintained	
25	Work Sheet	Not Maintained	
26	Deposit Works Register	Not Maintained	
27	Material Receipt Note	Not Maintained	
28	Store Ledger	Not Maintained	
29	Statement of Closing Stock	Not Maintained	
30	Statement of Material Issued	Not Maintained	
31	BRS of all bank accounts (including dormant accounts)	Not Maintained	

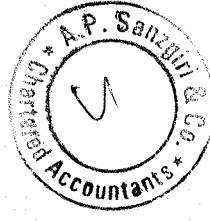


32	Final Accounts for the F.Y. 2012-13 to 2017-18	Not maintained
33	Audited Balance Sheet	Not maintained
34	Audited Income & Expenditure Account	Not maintained
35	Audited Receipts & Payment Account	Not maintained

(b) IRREGULARITY IN PROCUREMENT PROCESS:

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

S.N	Name of Party	Invoice Amount	Deduction has made or not	Whether Deductions are with appropriate Rate	Check signature of Commissioner/EO in Payment Order	Whether Measurement book & bill signed by the JE of ULB	Whether in respect of all bills for charges on account of all works and other expenditure, proper certificates have been furnished in support of them and no deviation has been made for the sanctioned plans and the estimates without the sanction of the competent authority (BMAR Rule No.-130)
1	Heman Kumar Menan	431,324.00	YES	YES	YES	YES	Furnished and no deviation found.
2	Rajiv Ranjan Narayan	455,400.00	YES	YES	YES	YES	Furnished and no deviation found.
3	Manish Kumar	749,615.00	YES	YES	YES	YES	Furnished and no deviation found.
4	Indu Kumari	115,150.00	YES	YES	YES	YES	Furnished and no deviation found.
5	Prasant Kumar	641,858.00	YES	YES	YES	YES	Furnished and no deviation found.
6	Shakuntala Sinha	4,39,443.00	YES	YES	YES	YES	Less deduction of VAT of Rs 7746/-
7	Manu Saw	5,18,002.00	YES	YES	YES	YES	Less deduction of VAT of Rs 5591/-
Total		33,50,792.00					



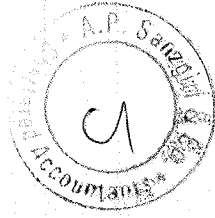
2. DETAILS OF LOG BOOK MAINTAINED: All machinery and other assets in respect of which log book is maintained by ULB.

S.N	Name of Vehicle	Whether vehicle log book is maintained or not	Whether log book is properly updated or not	Whether vehicle is insured or not	Whether Rate of Diesel/Petrol properly mentioned in log book
1	Scorpio-1	YES	YES	YES	NO
2	JCB(Big)-1	YES	YES	NO	NO
3	Tractor-3	YES	YES	NO	NO
4	JCB(Small)-1	YES	YES	NO	NO
5	Tipper Tempo-1	YES	YES	NO	NO
6	Section Machine-1	YES	YES	NO	NO
7	Fogging Machine-15	YES	YES	NO	NO
8	Pumping Set-1	YES	YES	NO	NO
9	Generator-1	YES	YES	NO	NO

NOTE: Scorpio is Private vehicle use by E.O on Hire Charges at Rs 20000/- p.m with Fuel.

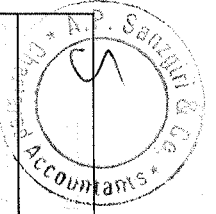
3. NON-COMPLIANCE OF DIRECTIVES BY UD&HD. GOB:

S.N	Directions Issued by UDHD	Particulars of Circulars/Orders/Notices	Complied or Not
1	No. 03/SBM20-14/2015 Dated 08.08.2017	SBM Guidelines Regarding Toilet sheet Const. Guidelines:-	Complied
2	Gyapank No.- 1007; Dated- 14.07.2017	Guidelines Regarding Hire Vehicle	Complied
3	No.- 4464; Dated- 05.07.2017	GST Implementation Guidelines	Complied

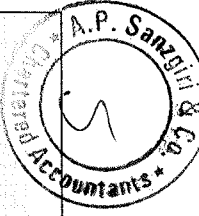


4. NON-COMPLIANCE OF ACTS & RULES:

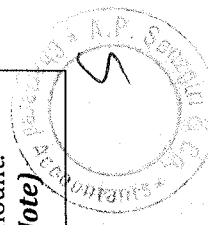
S.N	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.-22	Refer point: Part-A (a) (2) On an Average 100 to 120 days delayed and amount collected was in hand with Tax Collector.	(Refer Discussion Note)
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Yes, Tax collector and other municipal employees are entrusted to collect municipal revenue within municipality area.	
3	Whether the collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.	BMAR Rule No.- 27	Yes ,Tax Collector kept receipt book in his personal custody;	
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated stall of the Municipality	BMAR Rule No.- 27	Yes, Daily Collection Register is verified by designated Officer of Council.	
5	Whether every bill collector invariably remit his collections (in cash and/or cheques) to Cashier daily before 4.30 PM and take the cashier's acknowledgment in the collection register.	BMAR Rule No.- 27	Refer point: Part-A (a) (2) The same rule did not followed by Tax Collector and on an average 100 to 120 days delayed found during which collected amount was in hand of Tax Collector.	(Refer Discussion Note)
6	Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.	BMAR Rule No.- 69	Yes, Grant Register has been maintained by ULB.	
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception.	BMAR Rule No.- 69	Yes, Complied.	
8	Whether the grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No irregularities were found.	



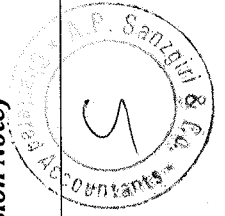
9	Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29.	BMAR Rule No.- 69	Refer PART-B (h) Yes, but complete UC has been prepared.	(Refer Discussion Note).
10	Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received	BMAR Rule No.- 69	Earlier Period unutilized grant has been transferred by closing Account.	
11	Whether The Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	BMAR Rule No.- 120	Currently Receipt and Payment A/c has not been prepared by ULB.	Currently it is not prepared. (Refer Discussion Note)
12	Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	BMAR Rule No.- 121	Trial Balance has not been prepared.	ULB is not prepared Trial Balance, Income & Expenditure On monthly basis.
13	Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	BMAR Rule No.- 121	The ULB was not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter.	(Refer Discussion Note)
14	The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. The Financial Statements shall comprise of a. Receipts and Payments Account for the year (BMAR Form No.71) b. Income & Expenditure Statement for the year (BMAR Form No.73) c. Balance Sheet as on 31st March of the year (BMAR Form No.74) d. Significant accounting policies adopted by the Municipality in presentation of the financial statements. e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful	BMAR Rule No.- 122	Financial Statement has not been prepared by municipality.	ULB is not in practice to prepare Trial Balance, Income and Expenditure and Balance Sheet. It will be prepared after implementation of Double entry Accounting System.



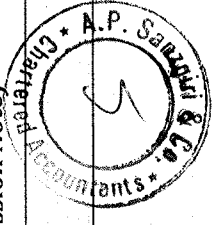
	in understanding the financial statements clearly. f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply			
15	Whether the municipality is regular in depositing statutory dues including Tax deducted at source, GST, TDS on GST, service tax, VAT, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (f) Amount of statutory dues has not been deposited on due date. Like TDS should be deposited 7 th day of next month and same has been delayed.	(Refer Discussion Note)
16	Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation;(BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (g)	(Refer Discussion Note)
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated in sufficient detail;	BMAR Rule No.-130	No Trial balance is prepared hence classification of transaction was not done.	(Refer Discussion Note)
18	Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted;	BMAR Rule No.-130	Yes, recorded properly in grant register as well as in cash book , but no case of deduction was found.	
19	Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created;	BMAR Rule No.-130	No special fund created.	(Refer Discussion Note)
20	Whether the ULB is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable Intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	BMAR Rule No.-130	Fixed assets register was prepared MS Sahani Bansal & Associates as on 01/04/2014. There is no system developed to physically verify the existing assets.	(Refer Discussion Note)
21	Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are renewed after their expiry;	BMAR Rule No.-130	Yes, Lease rental has been collected, but collection procedure is slow as major outstanding amount have to collect in this respect.	Necessary action will be taken to realise outstanding amount. (Refer Discussion Note)



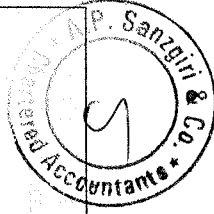
22	Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	BMAR Rule No.-130	Yes, there exist an adequate Internal control system in purchasing of Stores etc.	
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality' s accounts; If so, the details thereof;	BMAR Rule No.-130	No such case was found during the period of Audit.	
24	Whether the Bank Reconciliation statements have been properly prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.-130	Refer Point-04 (III) No, BRS of all existing bank a/c have not been prepared.	(Refer Discussion Note)
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.-130	No, Reconciliation Procedures have not been carried out.	
26	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and in all cases such as are authorized by Act;	BMAR Rule No.-130	YES. Expenditure has been authorised by competent authority.	
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.-130	Refer-PART-A (a)(4) Yes, Revenue has been properly assessed and collected but recovery procedure is slow. Total outstanding amount is Rs. 22.30 Lakhs	(Refer Discussion Note)
28	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act;	BMAR Rule No.-130	Refer-PART-A (a)(2) Yes, amount due to and received by ULB have been brought in to books of accounts not within prescribed time limits.	(Refer Discussion Note)
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	BMAR Rule No.-130	UC have been prepared in prescribed format in timely manner	(Refer Discussion Note)
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.-130	Refer-PART-B (a) Books of Account are maintained except some Books of accounts.	(Refer Discussion Note)



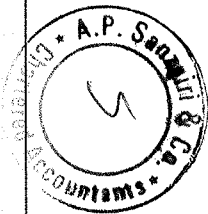
31	Whether physical verification has been conducted by the ULB at reasonable intervals in respect of stores;	BMAR Rule No.-130	No such practices followed by ULB.	It will be followed by F.Y. 2019-20. (Refer Discussion Note)
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	No physical verification is carried out.	It is considered and will be followed as per rule.
33	Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and if so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to identify any unserviceable or damaged stores and whether provision for the loss in this respect, if any, has been made in the accounts;	BMAR Rule No.-130	ULB did not maintain stock register properly and further periodical physical verification of stores also not carried out.	(Refer Discussion Note)
34	Whether the valuation of stores is in accordance with the accounting principles laid down in the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;	BMAR Rule No.-130	ULB did not follow the practice of valuation of stock.	(Refer Discussion Note)
35	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the interest and if not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	BMAR Rule No.-130	No loan given during F.Y.2017-18	(Refer Discussion Note)
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130	No loan given during F.Y.2017-18	(Refer Discussion Note)
37	Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Form No. 75,77 and 80 Preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. Rule 132 regarding Public Participation in Preparation Of Budget. Moreover, as required under provisions of Rule 139, mid -year review of Budget.	BMAR Rule No.-132	Yes, budget has been prepared.	(Refer Discussion Note)
38	Municipal Fund: Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	The required fund has not been created as per said chapter of act.	(Refer Discussion Note)
39	Payment not to be made out of Municipal Fund unless covered by budget grant: Whether any	BMA,2007: Chapter X	No such case was found during Audit period.	(Refer Discussion Note)

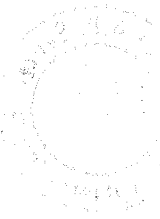


	payment made out of Municipal Fund that is not covered by budget grant.				
40	Procedure when money not covered by budget grant is paid. Whether the case is put up with Empowered Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	(Refer Discussion Note)	(Refer Discussion Note)	
41	Investment of surplus money. Whether municipality has invested surplus fund as per the requirement of the chapter-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period. Check whether comparative interest rate is invited from parties before investing surplus funds:		No fund has been invested by ULB as investment..	ULB does not follow the practices of investing its surplus amount.	
42	Preparation of budget estimate of Municipality. Whether The budget estimate stated the rates at which various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following,		Yes, the same is levied at specified rate.		
43	Maintenance of accounts. Whether the Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed,		Receipt and Expenditure A/c has not been prepared;	(Refer Discussion Note)	
44	Financial Statement. Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality.		Financial Statement has not been prepared.	(Refer Discussion Note)	
45	Submission of financial statement and balance sheet to auditor. The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after examination of the same, shall adopt and remit them to the Auditor as may be		Financial Statement has not been submitted.	(Refer Discussion Note)	



	appointed in this behalf by the State Government.				
46	<p>As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007 various tax are applicable on ULBs</p> <p>Section 145,146 and 147 of the Bihar Municipal Act 2007 chapter XVII provides for Advertisement tax on Advertisement in Urban Areas. Chapter XVII of the Bihar municipal Act, 2007 required license of Advertisement of any holding, etc. As per act Every person who erects, exhibited, fixes or retain upon or over any land, building ,wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph), visible from a public street a public place in any location in a municipal area including airport or a port or a railway station ,shall pay or every advertisement, which is so erected ,exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement.</p>	Refer Part A (4) for status of Taxes not collecting by ULB			
47	<p>As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,</p>	<p>Refer-PART-A(a)(3) Yes, Notice of demand issued but levy of Notice Fee is not followed currently.</p>	BMA,2007: Chapter XIX		(Refer Discussion Note)
48	<p>As per section 342 of Bihar Municipal Act, 2007 Trade license fee is to be collected from different types of Trader, who are trading in Concerned Municipal area.</p>	Yes, Trade licence Fees have been collected.	BMA,2007: Chapter XXXVII		





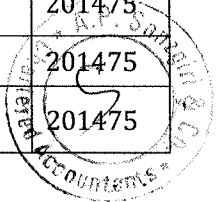
1. LACK OF INTERNAL CONTROL MEASURES: We have observed the following areas where internal control measures are required by ULBs-

- a. Tax should be collect & deposit on timely basis as per BMAR Rules- As every tax collector takes 100 to 120 days to deposit the same after collection.
- b. ULB should be followed Books of Account, Trial Balance, FAR, FS, and other records as per BMAR- Neither Trial Balance nor Financial Statement have been prepared by ULB.
- c. ULB should prepare and maintain monthly BRS- Monthly Bank Reconciliation statement has not been prepared, however year end reconciliation has been prepared.
- d. Necessary sub-ledger is not maintained by the ULB. For instance register of fuel, bleaching powder etc. not maintained separately. So that the actual amount of expenditure from cash book could not be verified
- e. In respect of budget, realistic approach is not adopted by the ULB in preparation of budget.
- f. Appropriate staff is not appointed at appropriate place.
- h. No MIS was prepared for tracking of payments.

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

1. DETAILS OF DELAY IN DEPOSIT OF TDS ARE MENTIONED BELOW:

Sl. No	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque / Challan Number
1	Heman Kumar Menan	431,324.00	4,572.00	07.09.2017	07.09.2017	001673
2	Rajiv Ranjan Narayan	455,400.00	4,827.00	07.05.2017	06.06.2017	201475
3	Manish Kumar	749,615.00	7,946.00	07.05.2017	06.06.2017	201475
4	Indu Kumari	115,150.00	1,221.00	07.07.2017	09.08.2017	001641
5	Prasant Kumar	641,858.00	6,804.00	07.07.2017	09.08.2017	001641
6	Jay Maa Tara Sans than	1,98,750.00	4,091.00	07.05.2017	06.06.2017	201475
7	Jay Maa Tara Sans than	1,49,500.00	3,082.00	07.05.2017	06.06.2017	201475
8	Rashmi Foundations	3,82,200.00	7,050.00	07.05.2017	06.06.2017	201475
9	M of People	1,09,646.00	2,259.00	07.05.2017	06.06.2017	201475
10	Sulabh Samagar Sewa	2,04,440.00	4,211.00	07.05.2017	06.06.2017	201475
11	Mahila BalKalyan Sansthan	3,84,723.00	7,925.00	07.05.2017	06.06.2017	201475
12	Rajiv Ranjan Narayan	4,55,400.00	4,827.00	07.05.2017	06.06.2017	201475
13	Sanjay Kumar	5,03,950.00	4,808.00	07.05.2017	06.06.2017	201475
14	RamJanam Chaudry	2,89,130.00	3,064.00	07.05.2017	06.06.2017	201475



15	Ram Niwash Sharma	4,41,000.00	4,675.00	07.05.2017	06.06.2017	201475
16	Upendra Kumar	22,70,563.00	2,4068.00	07.05.2017	06.06.2017	201475
17	Ravi Ranjan Kumar	22,06,574.00	23,390.00	07.08.2017	09.08.2017	001641
Total		99,89,223.00	1,18,820.00			

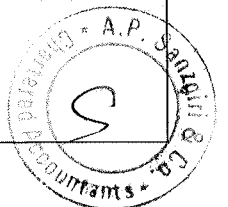
NOTE: TDS has been deducted at 1.06% in case of individual instead of 1%.

2. DETAILS OF DELAY IN DEPOSIT OF VAT ARE MENTIONED BELOW:

Sl. No	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/Challan Number
1	Heman Kumar Menan	431,324.00	34506.00	15.09.2017	21.03.2018	020493
2	Rajiv Ranjan Narayan	455,400.00	36,432.00	15.05.2017	21.03.2018	
3	Manish Kumar	749,615.00	59,969.00	15.05.2017	21.03.2018	
4	Indu Kumari	115,150.00	9,212.00	15.07.2017	21.03.2018	
5	Prasant Kumar	641,858.00	51,349.00	15.07.2017	21.03.2018	
6	Shakuntala Sinha	4,39,443.00	35,155.00	29.06.2017	21.03.2018	
7	Manu Saw	5,18,002.00	35,849.00	26.09.2017	21.03.2018	
8	Shakuntala Sinha	4,82,314.00	30,839.00	19.05.2017	21.03.2018	
9	Ram Janam Chaudhary	2,89,130.00	23,130.00	10.04.2017	21.03.2018	
10	Janardhan Prasad	4,43,102.00	35,448.00	12.01.2018	No Payment	
11	Birendra Kumar Singh	4,96,307.00	39,705.00	26.09.2017	21.03.2018	
12	Nishikant Kumar	4,00,023.00	32,002.00	07.02.2018	21.03.2018	
13	Janardhan Prasad	4,43,932.00	35,515.00	21.08.2017	No Payment	
TOTAL		59,05,600.00	4,59,111.00			

3. DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

SN	Name Of Party	Invoice Value	Amount Of Deduction	Date Of Deposit	Cheque/Challan Number
1	Heman Kumar Menan	431,324.00	16,448.00	Not Deposited	
2	Rajiv Ranjan Narayan	455,400.00	14,334.00		
3	Manish Kumar	749,615.00	7,309.00		



4	Indu Kumari	115,150.00	-		
5	Prasant Kumar	641,858.00	5,834.00		
TOTAL		23,93,347.00	43,925.00		

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

S. N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Heman Kumar Menan	431,324.00	4,313.00	No Deposit Till Audit Period	
2	Rajiv Ranjan Narayan	455,400.00	4,554.00		
3	Manish Kumar	749,615.00	7,496.00		
4	Indu Kumari	115,150.00	1,151.00		
5	Prasant Kumar	641,858.00	6,419.00		
TOTAL		23,93,347.00	23,933.00		

Auditor's Comment: While doing audit of deduction made by ULB, the Statutory deduction has not been deposited on due date (refer above). For example TDS should be deposited on or before 7th day of next month.

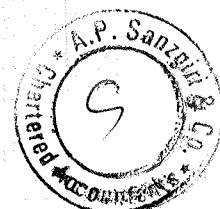
Consequences of Non deposition of TDS on due date: ULB may suffer following consequences;

- i. Interest u/s 221 of income tax act, 1961- 1.5 % per month, if amount not deposited after deduction;
- ii. Penalty u/s 271C of income tax act, 1961- Up to amount of TDS
- iii. Prosecution u/s 276B: 3 Month to 7 Years

5. DETAILS OF DEPOSIT OF TDS ON GST ARE MENTIONED BELOW: Not applicable

6. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:

SL. No.	Quarter	Due date of Return	Actual date of Return filled	Remarks
01	1st quarter	31.07.2017	04.08.2017	Quarterly return not filled on due dates.
02	2nd quarter	31.10.2017	18.11.2017	
03	3rd quarter	31.01.2018	24.02.2018	
04	4th quarter	31.05.2018	31.05.2018	



3. DEFICIENCY IN PAYROLL SYSTEM:

SN	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/Contract worker)	Maintained only permanent employee
2	Non availability of Salary payment voucher	Not Available
3	Matching of voucher number with cash book	Not Matched with cash book
4	Salary register contains all elements of salary	Maintained
5	Maintenance of Salary Deduction register	Not Maintained
6	Whether deduction of PF/ESI made from contract employee	Not Deducted
7	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	Not implemented

DETAILS OF DELAY OF DEPOSIT OF EPF:

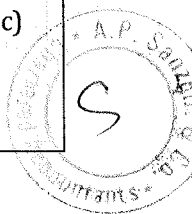
Permanent Employee: During audit of Nagar Parishad Jehanabad we have observed that no amount of PF has been deposited to EPFO A/C during the financial year 2017-2018. **(Refer Discussion Note)**

4. UTILISATION OF GRANT AND REPORT ON MISSING UTILISATION CERTIFICATES

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

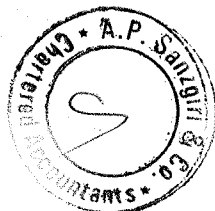
III. PART-C

SN	Particulars	Complied or Not
A	Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GoB; Auditor should see the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.	Complied Refer-PART-B(3)
B	Auditor should Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per	Complied Refer-PART-A(c)



	internal audits;	
C	Auditor should report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR :	Complied Refer-PART-B(4)
	Rule 22: All moneys to be brought to account	
	Rule 27: Collections to be deposited into Bank on the same day	
	Rule 69: Grant Related Compliance	
	Rule 120-121: Monthly Receipt & Payment Account and Trial Balance	
	Rule 130: Audit to be completed & reported within 6 month	
D	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.	Complied Refer-PART-B(3)
E	Report and quantify all major own revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc;	Complied Refer-PART-A(c)
F	Auditor should Report on adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments above Rs. 10,000 and above.	Complied Refer-PART-B(1)
G	Auditor should Report on Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	Complied Refer-PART-B(1)
H	Auditor should Report on presence or absence of a system of issuance of utilisation certificate for the different schemes for any utilisation made during the reporting period; Where there is no system for issuance of U/Cs, the Internal Audit report shall prepare Utilisation Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	Complied Refer-PART-B(8)
I	Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied Refer-Audit Recommendation
J	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.	Complied Refer-PART-B(b)
K	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies	Complied Refer-PART-B(b)
L	Auditor will report on that the fixed deposit and other funds should be in nationalized. Banks/Approved financial institutions and should earn maximum interest at their gestation period.	Complied Refer-PART-B(4)

M	Internal Auditor will identify major areas of ULBs own revenue loss and auditor will access the loss and Prepare a statement of loss.	Complied Refer-PART-A(a)
N	Auditor will report on that all kind of tax deductions i.e. Commercial tax, Income tax, provident fund etc. Should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.	Complied Refer-PART-B(6) & (g)
O	Internal Auditor will ensure that all the C&AG audit & Internal audit Para's was compiled by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.	Complied Point-03 of Detailed Audit Report



INTERNAL AUDIT REPORT FOR FY 2017-18

ULB – NAGAR PARISHAD JEHANABAD

ANNEXURE-1 REPORT ON LATE DEPOSIT OF PROPERTY TAX

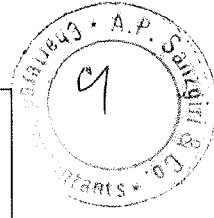
S.N	Serial Number	Amount of Tax	Date of Collection as per Receipts Booked	Amount Deposited with Cashier	Date of Deposited with Cashier	Delay in deposit with Cashier (No in days)	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
1	As23	30,659.00	01.04.2017 - 06.04.2017	25,376.00	13.03.2018	341 to 347		
2	As258	36,600.00	07.04.2017 - 12.04.2017	33,945.00	12.03.2018	334 to 340		
3	As426	59,523.00	13.04.2017 - 27.04.2017	45,347.00	15.04.2018	353 to 367		
4	As760	43,080.00	02.05.2017 - 13.05.2017			484 to 495		
5	As854	47,171.00	15.05.2017 - 31.05.2017			466 to 482		
6	As992	16,404.00	01.06.2017 - 12.06.2017	1,54,378.00	08.09.2018	453 to 465		
7	As1070	25,609.00	14.06.2017 - 22.06.2017			443 to 451		
8	As1968	29,242.00	09.11.2017 - 16.11.2017			365 to 373		
9	As2072	24,378.00	01.12.2017 - 20.12.2017			330 to 350		
10	As2214	22,048.00	21.12.2017 - 29.12.2017			322 to 330		
11	As2254	55,371.00	03.01.2018 - 29.01.2018	2,32,453.00	16.11.2018	291 to 317		
12	As2392	32,403.00	01.02.2018 - 24.02.2018			265 to 289		
13	As2616	21,811.00	07.03.2018 - 14.03.2018			247 to 254		
14	As2648	47,200.00	15.03.2018 - 26.03.2018			235 to 246		
15	PID2601	97,238.00		97,238.00	04.04.2017			
16	PID2701	67,859.00		67,859.00	23.08.2018			
17	PID2801	85,917.00		85,917.00	23.08.2018			
18	PID2901	48,497.00						
19	PID3001	80,033.00		1,28,530.00	25.12.2018			
20	PID3101	88,327.00		88,327.00	11.06.2019			
21	PID3201	1,02,329.00		1,02,329.00	27.10.2018			
22	PID3301	1,45,430.00		1,45,430.00	25.07.2019			
	Total	12,07,129.00		12,07,129.00				

PID No. related Voucher has not been maintained date wise. Hence there is not possibility to calculate delayed number of days.



INTERNAL AUDIT REPORT FOR FY 2017-18
ULB – NAGAR PARISHAD JEHANABAD
ANNEXURE-2 REPORT ON FINDINGS OF FIELD SURVEY OF PROPERTY TAX OF MINIMUM 20 HIGH VALUE PROPERTIES

S.N.	Holding Name	W. N.	H.N.	Type of Use		Area		Tax Amount			Remarks
				As per tax Collector	As per Auditor	As per Tax Collector	As per Auditor	Diff.	As per Tax Collector	As per Auditor	
1	Dev Nagina welfare & Charitable trust	4	330	Commercial	Commercial	20101	30151	10050	97691	146533.86	New Building
2	Usha Kumari	4	363/144	Commercial	Commercial	19426	19426	0	94414	94414	-
3	Usha Kumari	4	1180/208	Res. cum Commercial	Res. cum Commercial	14297.68	14297.68	0	69483	69483	-
4	Mukta Mahto	26	47/53	Res. cum Commercial	Commercial	10767	10767	0	45910	52327.00	6417.00
5	Haji Muhamad shahbir Ajhar	6	376	Commercial	Commercial	6954	6954	0	33796	33796	-
6	Ram Janam Singh	11	759/154	Commercial	Commercial	15800	15800	0	17064	76788	59724
7	Rajni Ranjan	6	636/680	Commercial	Commercial	3264	3264	0	15863	15863	-
8	Gyananti Devi	11	632/98	Commercial	Commercial	4852.5	4852.5	0	23581	23581	-
9	Gyananti Devi	11	640/106	Commercial	Commercial	4366	4366	0	21219	21219	-
10	BSNL	8	1192/292	other	other	24095	24095	0	58551	58551	-
11	BSRTC	8	1098/292	other	other	45176	45176	0	28416	109777	81361 Differences



Nagar Parishad Jehanabad

Discussion Note

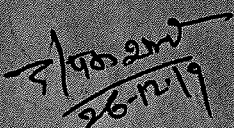
Date: 26.12.2019
Nagar Parishad Jehanabad
with
AP Sangziri & Co.
(Chartered Accountants)

Subject: Regarding confirmation of documents not maintained and management comment in Internal Audit Report for F.Y. 2017-18.

S.N.	Auditor observation	Management comment
1	Non implementation of Double entry system;	Currently there is no agency working for implementation of accrual based double entry accounting system.
2	AG Compliance Report;	It is under process and management will submit it as soon as possible
3	Difference in opening balance of in budget for F.Y. 2016-17 To 2019-20;	Management is now making effort to find out error and will be rectify accordingly;
4	Non maintenance of Advance Register;	ULB did not follow practice of giving advance. <i>Except Junior Engineer</i>
5	No Municipal Accounts committee established	Under process, and matter will be put before Board for constitution of "Municipal Accounts Committee".
6	Notice fee.	At present Notice Fee is not collecting, but it will be considered and collected accordingly in near future.
7	TDS return file not on due date/ acknowledgement.	It will be provided. Due to shortage human resources & pressure of work TDS return file is delay
8	Non levy of Taxes in IAR Para " I Part-A a) (1)	ULB not providing services in this respect like fire tax and water taxes. For rest we will discussed in Board meeting and implemented accordingly.
9	Late deposit of property Tax.	1. Due to shortage human resources & pressure of work and tax collected is not deposited on time. 3. Necessary steps will be taken in this respect and tax collected and deposited as per Act.
10	Late deposit of statutory deduction of TDS.	It will deposit on or before due date from now.
11	Delay in deposit of EPF	management will deposit as soon as possible. Due to implementation of EPF Act.
12	Non preparation of Complete UC details	Up to F.Y. 2017-18, the details of UCs are not maintained. Management will prepare details of UCs and submit to the concerned department.
13	Non practice of Stock valuation.	Management will practice stock valuation from F.Y. 2018-19 onwards.

Nagar Parishad Jehanabad

14	Electricity DPS	Due to non furnishing of bill on due date the DPS on Electricity arises. A letter will be given to SBPDCL to submit bill on due date and also gives reasons for DPS.
15	Maintenance of grant record with bifurcation like amount for Salary, water management, nail gali solid waste management and so on.	It will be provided.
16	Non maintenance of book refer to Para : II-PART B (a) .	After reading this Para we conclude the following comments 1. S.N. 5 to 8 - No transaction Occurred. 2. 10 to 11 - Amount not collected in this respect. Rest will be maintained upon applicability of concern Para.
17	Difference in Holding Tax Amount as per Physical Measurement: ➤ Auditor found difference in area, as per self assessment form and actual measurement of property area there is difference for some cases selected on sample basis ➤ Valuation method not Revised till 2011	➤ We will take necessary action and imposed Holding Tax as per actual measurement taken. ➤ The Entire process of valuation need to be changed and the concern matter will be put before Board very soon and after approval of UD & HD (will be send after approval of board) it will be implement accordingly;
18	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet (Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet will be prepared after implementation of Double Entry Accounting System.
19	Non creation of Special Fund and Fund Mentioned in Chapter ix of BMA, 2007	The same will be created on applicability of relevant provision of said act.
20	Non Maintenance Fixed Assets register	It will be maintained
21	Outstanding Taxes	We will makes our best effort to realized it by establishing camp in ward.
22	Bank Reconciliation on Monthly Basis	It is not prepared on monthly basis of all bank Accounts.
23	Any Payment made out of Municipal Fund that is not covered by Budget	Payment made out of budget provision. No such payment made that is not cover by budget.
24	Non implementation of Biometric Devices and Payroll Software.	It is under process.

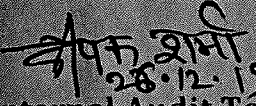

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 26-12-19


Nagar Parishad Jehanabad

Non maintenance of Procumbent Register.	ULB did not follow practice of Procumbent Register.
No deposit of statutory deduction of Labour cess and Royalty.	It will be deposited on or before due date from now.

Further we confirm/affirm the Management comment given in Internal Audit report for 2017-18 is on behalf of *Nagar Parishad Jehanabad*.


28.12.19
Internal Audit Team

(AP Sangziri & Co.)
(Chartered Accountants)


Executive Officer Jehanabad

N.P. Jehanabad



JAHANABAD MUNICIPAL COUNCIL
STATUS OF UTILIZATION CERTIFICATION FOR FY 2017-18

S.No	Head	Approval order and date	Sanctioned Amount	Expenses Incurred	Balance Amount	UC Submitted against Expenses	UC Pending Against Expenses	% of UC Submitted against expenses	% of UC Pending against expenses	Letter No. & Date of Submission of Ucs
1	Peshakar	23/30.06.2017	34.54	34.54	-	34.54	-	100%	NIL	34/07.01.2019
2	City Manager Salary	153/25.03.2018	1.97	1.97	-	1.97	-	100%	NIL	34/10/24.12.2018
3	EO Salary	07/23.05.2017	5.00	4.96	0.04	4.96	-	100%	NIL	225/18.02.2020
4	Mukhyamantri Nali Gali	38/11.08.2017	71.55	-	71.55	-	-	NIL	NIL	Transferred to PL A/c
5	Mukhyamantri Nali Gali	38/11.08.2017	71.55	-	71.55	-	-	NIL	NIL	Transferred to PL A/c
6	14th Finance	33/02.08.2017	188.97	188.97	-	188.97	-	100%	NIL	34/07.01.2019
7	Civic amenities item	43/24.08.2017	100.81	98.14	2.67	98.14	-	100%	NIL	236/20.02.2020
8	5th Finance	46/14.09.2017	469.42	-	469.42	-	-	NIL	NIL	Transferred to PL A/c
9	Mukhyamantri Nali Gali	68/30.10.2017	44.88	-	44.88	-	-	NIL	NIL	Transferred to PL A/c
10	Mukhyamantri Nali Gali	68/30.10.2017	72.27	-	72.27	-	-	NIL	NIL	Transferred to PL A/c
11	Mukhyamantri Nali Gali	68/30.10.2017	5.49	-	5.49	-	-	NIL	NIL	Transferred to PL A/c
12	City Manager Salary	10/31.05.2017	1.97	1.09	0.88	1.09	-	100%	NIL	Not Provided
13	Path and Puliya Nirman	128/08.03.2018	16.83	-	16.83	-	-	NIL	NIL	Transferred to PL A/c
14	Fixed Allowance of elected representative	15/15.06.2017	7.74	6.45	1.29	6.45	-	100%	NIL	Not Provided
15	14th Finance	97/24.01.2018	188.47	-	188.47	-	-	NIL	NIL	Transferred to PL A/c

