

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

INTERNAL AUDIT REPORT

FOR

F. Y. 2017-18

GROUP 1

MUNGER NAGAR NIGAM

BY

A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

PLOT NO. 22, HOUSE NO. 174, ANAND NAGAR LANE,
BEHIND VAKOLA POLICE STATION, SANTACRUZ (EAST),
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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 Munger Nagar Nigam
Reporting Entity	A P SANZGIRI & Co., Chartered Accountants
Reporting for	Munger Nagar Nigam
Report Prepared by	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
Date of Submission	5th July 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

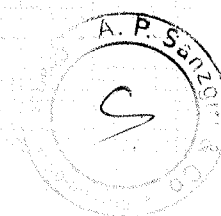
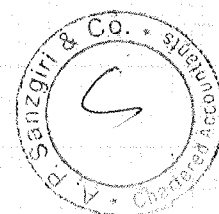


TABLE OF CONTENTS

Sl. No.	Particulars	Page No.
1.	Covering Letter	4
2.	Executive Summary	5 - 8
3.	Detailed Audit Report	
	A. Introduction	9
	B. Administration	9
	C. Review of Outstanding Audit Para's	9
	D. Finance	10 - 17
	E. Audit Observations	18 - 42
4	Annexure-1	43 - 44
5	Annexure-2	45 - 46
6	Discussion Note	47 - 48



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 Munger Nagar Nigam for the Financial Year 2017-18

Ref No.: Letter No. 7/LAK.23/2018-82 DATED:16.01.19

Respected Sir,

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

As per the terms and conditions of RFP Document, we have successfully conducted the Internal Audit of **Munger Nagar Nigam** 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: 20101134AAAAEB4887

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

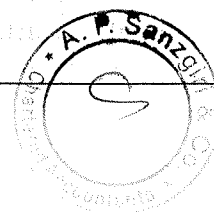
EXECUTIVE SUMMARY

1. Introduction:

Name of the Municipality	-	Munger Nagar Nigam
Period covered under Current Audit	-	01 st April 2017 to 31 st March 2018
Name of Mayor	-	SMT.RUMA RAJ
Name of Commissioner	-	SHRI SHRIKANT SHASTREE

2. Observations and Findings:

Strengths	<ol style="list-style-type: none">1. In the existing system as prevailing in the Municipal Corporation, 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 prepared6. Bank Reconciliation Statement has been prepared.7. Advertisement tax charged by tender.8. User charges by parking facility.
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. No physical verification of store is exercised by ULB.4. No Physical verification of cash is exercised by ULB.5. 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.6. Fixed assets register is not maintained by ULB7. 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.8. Statutory compliance of the ULBs is not deposited timely and hence it incurs penalty and other charges.9. Certain Statutory Registers and Books are not maintained. <p>10. Non Levy of Taxes:</p> <ul style="list-style-type: none">✓ Surcharge on electricity consumption within the municipal area✓ Tax on congregations.✓ Tax on pilgrims and tourists.



	<ul style="list-style-type: none"> ✓ User Charges for Solid Waste Management ✓ User Charges for Garbage Clearance ✓ Collection of fees for sanction of building plans and issue of completion certificates, ✓ Collection of Development Charges <p>11. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax around 15 to 30 days.</p> <p>12. 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>13. 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>14. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p> <p>15. Non Compliance of Rule 130 of BMAR in some of the cases.</p> <p>16. ULB is not maintaining the accounts as well as not preparing the financial statements.</p> <p>17. 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. Opinion:

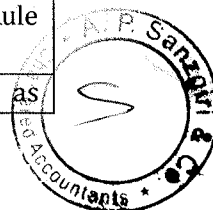
The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the municipal personnel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

4. Audit Recommendation:

Observed Weaknesses	Audit Recommendations
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.
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	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.



of the corporation has not been complied.	
Fixed assets register is not maintained by ULB	Fixed assets register should be maintained and updated properly.
Compliance report of AG audit is prepared by the ULB and also report is provided to us for inspection for FY 2014-15 to 2015-16. 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 are not deposited timely and hence it incurs penalty and other charges.	As ULB is not proper in statutory compliances, that cause financial implication on ULB in mode of interest and penalty. So, ULB should ensure statutory compliance on time.
Certain Statutory Registers and Books are not maintained.	Statutory register and books of accounts should be maintained as per guidelines and BMAR.
Non Levy of Taxes: <ul style="list-style-type: none"> ✓ Surcharge on electricity consumption within the municipal area ✓ Tax on congregations. ✓ Tax on pilgrims and tourists. ✓ User Charges for Solid Waste Management ✓ User Charges for Garbage Clearance ✓ Collection of fees for sanction of building plans and issue of completion certificates, ✓ 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 around 15-30 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 following each quarter	Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.
Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.	As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB. <ol style="list-style-type: none"> 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	ULB is required to maintain the accounts as



not preparing the financial statements.	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.
ULB is not depositing of deduction before due date	ULB should depositing all deduction before due date

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 in *(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
CA Satish Gupta
Partner
FRN: 116293
UDIN: 20101134AAAA EB4887
DATE: 06-07-2020
Membership No: 101134



DETAILED AUDIT REPORT

1. INTRODUCTION:

Name Of ULB	Period-covered		Audit Team
	From	To	
Munger Nagar Nigam	1 st April, 2017	31 st March, 2018	1. Team Leader: CA Satish Gupta 2. Name of CA: Ayush Agarwal 1. Name of Auditor-1: Md Rashid Hussain 2. Name of Auditor-2: Yogesh Kharpuse

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.PARWATIDEVI
2.1.1	Period of Service:	From: June, 2017 To: Till date
2.2	Name of Executive Officer:	SHREE SURYA NAND SING
2.2.1	Period of Service:	From: 21 st January 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	21	17	0	0	0	17	860/08.04. 2019

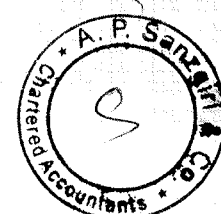
3.2. DETAILS OF TOTAL NUMBER OF AUDIT PARA'S:

Period of AG Audit Report : 01.04.17 to 31.03.18

Compliance Report Date & Number : 860/08.04.19

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

Management comment (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	48,32,29,262.50	66,94,29,967.50	50,19,40,000.00
Actual Expenditure Data	18,80,32,925.00	22,65,83,251.00	35,13,10,974.00
Savings(+)/Excess(-)	29,51,96,337.5	44,28,46,716.50	15,06,29,026.00

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 2016-17, 2017-18 & 2018-19. 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	61,43,78,108.50	56,19,09,033.50	48,32,29,262.50	61,43,78,108.50	61,43,78,108.50
Receipts	29,84,85,000.00	27,90,52,326.00	26,67,12,696.00	49,00,86,774.00	49,00,86,774.00
Total	91,28,63,108.50	84,09,61,359.50	749,94,19,58.50	1,10,44,64,882.50	1,10,44,64,882.50
Net expenditure	50,19,40,000.00	22,65,83,251.00	18,80,32,925.00	35,13,10,974.00	35,13,10,974.00
Closing balance	41,09,23,108.50	61,43,78,108.50	56,19,09,033.50	75,31,53,908.50	75,31,53,908.50

Auditor's Comment:

1. The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 2016-17, 2017-18 & 2018-19. 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.



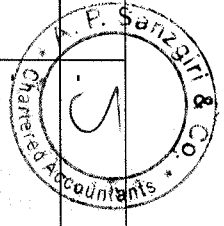
III. BANK RECONCILIATION POSITION AS ON REPORTING DATE:

BANK RECONCILIATION POSITION AS ON 31-03-2018

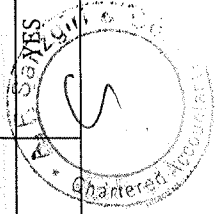
III. BANK RECONCILIATION POSITION AS ON REPORTING DATE:

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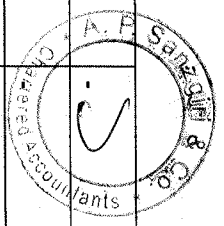
S.N	Name of Bank	Bank A/C No.	Purpose of Bank Account	Balance as per Cash Book	Balance as per Bank Statement	Differences	Reconciled (Yes/No)
1	UCO BANK	04280110010020	B R G F	8497018.00	8497018.00	00.00	YES
2	ALLAHBAD BANK	50238754149	MALIN BASTI	33522330.00	33522330.00	00.00	YES
3	UNITED BANK OF INDIA	0508010220620	NULM	18507158.00	18507158.00	00.00	YES
4	VIJYA BANK	844100301000053	AMRUT	4399400.00	4399400.00	00.00	YES
5	PUNJAB NATIONAL BANK	32600100379500	I H S D P	50242796.00	50242796.00	00.00	YES
6	BANK OF BARODA	38390100005761	HOUSE FOR ALL	41760079.00	4022079.00	37738000.00	YES
7	ALLAHBAD BANK	50103553559.00	KABIR ANESTY	7218136.00	7218136.00	00.00	YES
8	ALLAHBAD BANK	50079158135	B R G F	12097855.00	11307064.00	790791.00	
9	UCO BANK	04280110017296	I H S D P	1164207.00	1164207.00	00.00	YES
10	VIJYA BANK	441003010000035	SWATCH BHARAT MISHION	3462893.00	3451603.00	11290.00	YES
11	SBI	32318548870		120193.50	120193.50	00.00	YES
12	SBI	32701280278	14 TH FINANCE	15317345.00	15317112.00	00.00	YES
13	PL ACCOUNTS		ANIMALS CACLULATION	32553.00	32553.00	-	YES
14	PL ACCOUNTS		RATION CARD	68678.00	68678.00	-	YES
15	PL ACCOUNTS		12 FINANCE COMMISSION	00.00	00.00		YES
16	PL ACCOUNTS		MUNICIPAL CORPORATION BHAWAN	443297.00	443297.00		YES



17	PLACCOUNTS		BPL SURVEY	135296.00	135296.00	-	YES
18	PLACCOUNTS		KABIR FUNERAL GRANTS	948000.00	948000.00	-	YES
19	PLACCOUNTS		CHAPA NULL WATER SUPPLY	5266.00	5266.00	-	YES
20	PLACCOUNTS		GPT ARMS PUMPS	921844.00	921844.00	-	YES
21	PLACCOUNTS		COMPUTER OPERATION	163546.00	163546.00	-	YES
22	PLACCOUNTS		DRINKING WATER SUPPLY IN THE AREA OF CASTES	93776.00	93776.00	-	YES
23	PLACCOUNTS		PATH CONSTRUCTION	4062430.00	4062430.00	-	YES
24	PLACCOUNTS		MAYOR'S DEPUTY MAYOR'S ALLOWANCE	924900.00	924900.00	-	YES
25	PLACCOUNTS		HONORARIUM OF CITY MANAGER	206242.00	206242.00	-	YES
26	PLACCOUNTS		GENSUS ITEM SURVEY	109504.00	109504.00	-	YES
27	PLACCOUNTS		SAFE DEPOSITE ACCOUNTS	51094.00	51094.00	-	YES
28	PLACCOUNTS		CEREAL CONSTRUCTION SEWERAGE WORK OF OTHER CANITATION	6456950.00	6456950.00	-	YES
29	PLACCOUNTS		INLAND PATHWAY CONSTRUCTION OF TRANSPORATION	22251558.00	22251558.00	-	YES
30	PLACCOUNTS		UNDER THE CITIZEN FACILITATION WARD NO 27, LIBRARY	1927450.00	1927450.00	-	YES
31	PLACCOUNTS		EMPEROR ASHOKA BUILDING CONSTRUCTION	6763000.00	6763000.00	-	YES
32	PLACCOUNTS		4 TABLET MAYOR DEPUTY MAYOR AND OTHER WARD COUNCILOR	204000.00	204000.00	-	YES
33	PLACCOUNTS		PARKING SEAL ALLOWANCE	711398.00	711398.00	-	YES
34	PLACCOUNTS		THE END THE PRACTICE OF SCAVEGERS	4201856.00	4201856.00	-	YES



	PL ACCOUNTS		4 TH STATE COMMISSION	FINANCE	00.00	00.00	00.00	-	YES
35	PL ACCOUNTS		4 TH STATE COMMISSION	FINANCE	00.00	00.00	00.00	-	YES
36	PL ACCOUNTS		PROVIDE ELECTRICAL CERTIFICATES AND OTHER SERVICES		00.00	00.00	00.00	-	YES
37	PL ACCOUNTS		DEVELOPMENT WORK		15349.00	15349.00	15349.00	-	YES
38	PL ACCOUNTS		CIVIL ROAD		2353176.00	2353176.00	2353176.00	-	YES
39	PL ACCOUNTS		WATER SUPPLY		1038127.00	1038127.00	1038127.00	-	YES
40	PL ACCOUNTS		PUBLIC HEALTH AND SANITATION IMPORTANCE		790909.00	790909.00	790909.00	-	YES
41	PL ACCOUNTS		LIGHT FOR THE STREETS		00.00	00.00	00.00	-	YES
42	PL ACCOUNTS		INNOCENT GRANT		00.00	00.00	00.00	-	YES
43	PL ACCOUNTS		PAY PENSION		00.00	00.00	00.00	-	YES
44	PL ACCOUNTS		MP ALLOWENCE		399622.00	399622.00	399622.00	-	YES
45	PL ACCOUNTS		MLA ALLOWENCE		2360584.00	2360584.00	2360584.00	-	YES
46	PL ACCOUNTS		CLEANING SYSTEM UNDER CIVIL FACILITY		11753851.00	11753851.00	11753851.00	-	YES
47	PL ACCOUNTS		14 TH FINANCE COMMISSION & Water supply		5837260.00	5837260.00	5837260.00	-	YES
48	PL ACCOUNTS		S W M		62330294.00	62330294.00	62330294.00	-	YES
49	PL ACCOUNTS		ROAD AND STREET LIGHTING		7099614.00	7099614.00	7099614.00	-	YES
50	PL ACCOUNTS		ROADS AND RIPPED PARKS OF MUNICIPAL BODY SWANIL		1609962.00	1609962.00	1609962.00	-	YES
51	PL ACCOUNTS		PARK		1609962.00	1609962.00	1609962.00	-	YES
52	PL ACCOUNTS		PLAYGROUND		1609962.00	1609962.00	1609962.00	-	YES
53	PL ACCOUNTS		CEMETERIES AND CREMATION GROUNDS		3219923.00	3219923.00	3219923.00	-	YES
54	PL ACCOUNTS		HOME WATER TAP		31415334.00	31415334.00	31415334.00	-	YES



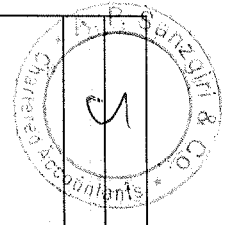
55	PL ACCOUNTS		NATIONAL REGISTER	POPULATION	9000.00	9000.00	-	YES
56	PL ACCOUNTS		FOR TRAINING		2000.00	2000.00	-	YES
57	PL ACCOUNTS		CONTINGENCY		15000.00	15000.00	-	YES
58	PL ACCOUNTS		OFFICE EXP FUND		20000.00	20000.00	-	YES
59	PL ACCOUNTS		MUNICIPAL FUND		26182963.00	26182963.00	-	YES
60	PL ACCOUNTS		INCOME FROM INTREST		3245210.00	3245210.00	-	YES
61	PL ACCOUNTS		FIFTH STATE COMMISSION	PAY	2720543.00	2720543.00	-	YES
62	PL ACCOUNTS		CHIEF MINISTER WATER SUPPLY	URBAN	90922762.00	90922762.00	-	YES
63	PL ACCOUNTS		CHIEF MINISTER STREET DRAIN PAVING	URBAN	51957985.00	51957985.00	-	YES
64	PL ACCOUNTS		CHIEF MINISTER STREET DRAIN PAVING	URBAN	64578048.00	64578048.00	-	YES
65	PL ACCOUNTS		ELECTRIC CREMATORIUM		00.00	00.00	-	YES
66	PL ACCOUNTS		RAJA RANI BEAUTIFICATION	TALAB	00.00	00.00	-	YES
67	PL ACCOUNTS		CHIEF MINISTER DEVELOPMENT SCHEME	CITY	25569215.00	25569215.00	-	YES
68	PL ACCOUNTS		SJSRB		1025301.00	1025301.00	-	YES
69	PL ACCOUNTS		E GOVERNANCA		156679.00	156679.00	-	YES
70	PL ACCOUNTS		CHIEF MINISTER INCENTIVE SCHEME AMOUNT		50000000.00	50000000.00	-	YES

Auditor's Comment: Abovementioned PLA Accounts are not reconciled. Hence it is suggesting it must be reconciled as Soon as Possible.



IV. RECEIPT DETAILS:

INCOME DETAILS (Amounts IN INR)							
SN	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)
	Total Receipts (A+B)	49,00,86,774.00	27,90,52,326.00		49,00,86,774.00	N/A	
A	Revenue Receipts (1+2+3)	1,23,661,139.00	13,80,39,397.00		12,36,61,139.00	N/A	
1	<i>Own Revenue Receipts (a+b)</i>	11,59,40,162.00	12,07,43,432.00		11,59,40,162.00	N/A	
a)	<i>Tax Revenue(Collected by ULB)</i>	10,95,10,983.00	11,41,29,496.00		10,95,10,983.00	N/A	
i)	<i>Property Tax</i>	30,655,133.00	2,92,75,768.00		3,06,55,133.00	N/A	
ii)	<i>Other tax (Collected by ULB)</i>	7,88,55,850.00	84,853,728.00		7,88,55,850.00	N/A	
b)	<i>Non-tax revenue (Collected by ULB)</i>	64,29,179.00	66,13,936.00		64,29,179.00	N/A	
ii)	<i>User charges</i>	59,50,454.00	60,52,936.00		59,50,454.00	N/A	
iii)	<i>Other non-tax revenue</i>	4,78,725.00	5,61,000.00		4,78,725.00	N/A	
2	Other Revenue Receipts	6,18,444.00	2,06,133.00		6,18,444.00	N/A	
a)	<i>Income from interest/investments</i>	00.00	00.00		00.00	N/A	
b)	<i>Other Revenue income</i>	6,18,444.00	2,06,133.00		6,18,444.00	N/A	
3	Transfers/Grants/Assigned Revenues	71,02,533.00	1,70,89,832.00		71,02,533.00	N/A	
a)	<i>State Assigned Revenue</i>	71,02,533.00	17,089,832.00		71,02,533.00	N/A	
b)	<i>State Finance Commission (SFC) Grants</i>	00.00	00.00		00.00	N/A	
c)	<i>Octroi compensation</i>	00.00	00.00		00.00	N/A	
d)	<i>Other State Government Transfers</i>	00.00	00.00		00.00	N/A	



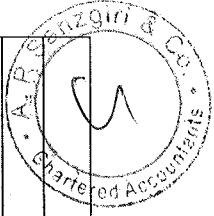
e)	Central Finance Commission (CFC) Grant	00.00	00.00	00.00	00.00	N/A
f)	Other Central Government Transfers	00.00	00.00	00.00	00.00	N/A
B	Capital Receipts	36,64,25,635.00	14,10,12,929.00		36,64,25,635.00	N/A
1	Sale of Municipal Land	00.00	00.00	00.00	00.00	N/A
2	Loans (from State Govt. of Banks etc.)	00.00	00.00	00.00	00.00	N/A
3	State Capital Account Grant	23,04,21,503.00	10,92,60,715.00		23,04,21,503.00	N/A
4	Central Capital Account Grant	13,60,04,132.00	3,17,52,214.00		13,60,04,132.00	N/A
5	Other Capital Receipts	00.00	00.00		00.00	N/A

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 been taken up to December 2018.

V. EXPENDITURE INFORMATION

S.N	Details	EXPENDITURE DETAILS (Amounts IN INR)				2019-20	
		2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2018-19 (Actual)
A.	Total Expenditure (1+2)	35,13,10,974.00	22,65,83,251.00		35,13,10,974.00	N/A	
1	Revenue Expenditure	21,81,30,649.00	14,67,07,316.00		21,81,30,649.00	N/A	
1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and contract)	14,50,92,460.00	13,58,17,457.00		14,50,92,460.00	N/A	
1.2	Operation and Maintenance	1,72,26,075.00	92,07,707.00		1,72,26,075.00	N/A	
1.3	Loan repayment (Interest payments)	00.00	00.00		00.00	N/A	
1.4	Others (any other revenue expenditure)	558,12,114.00	16,82,152.00		5,58,12,114.00	N/A	
2	Capital Expenditure	13,31,80,325.00	14,05,87,239.00		13,31,80,325.00	N/A	
2.1	All developmental works under Central/ State schemes	13,31,80,325.00	14,05,87,239.00		13,31,80,325.00	N/A	
2.2	Loan Repayments (Principal Amount)	00.00	00.00		00.00	N/A	
2.3	Other Capital expenditure	00.00	00.00		00.00	N/A	



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 been taken up to December 2018 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 Tibrewal Chand & co. was appointed for the DEAS work and it has completed following activities till FY 2012-13, 2013-14,2019-20. Further at present there no agency is working for implementation of Double Entry Accounting System.

Name of agency - Tibrewal Chand & co.

Period - 2012 to 2021

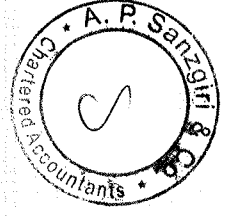
Tally serial no - 716774571

Tally id - munger.ulb@gmail.com

Work details	2012-13	2013-14	2014-15	2015-16	2016-17	2019-20
Payment entry	Completed	Processing	Processing	Processing	Processing	Processing
Receipt entry	Completed	Processing	Processing	Processing	Processing	Processing
Journal entry	Completed	Processing	Processing	Processing	Processing	Processing
Salary payment entry	Completed	Completed	Processing	Processing	Processing	Processing
Contractor payment						
Grant adjustment						
FAR Register	Processing					

VII. MUNICIPAL ACCOUNTS COMMITTEE:

At present committee is formed but it was told there is no one meeting held yet. Kindly refer discussion note attached with this report.



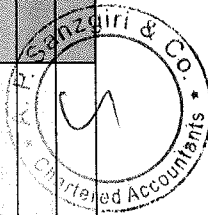
5. AUDIT OBSERVATION:

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

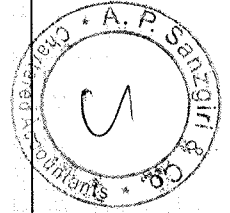
SN	Head	Comments	Implemented by ULB or Not
1	Objective	The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable provisions and rules.	Yes
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.	Yes
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 Munger Nagar Nigam , the following mentioned tax/charges are not implemented that leads to loss of revenue to corporation:	No
			Yes
			No
			Yes
			No
			No
			No
			No
			No
			No
			No
			No
			Yes
			No



		13	User Charges for Garbage Clearance	No
		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,	No
		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 30 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.



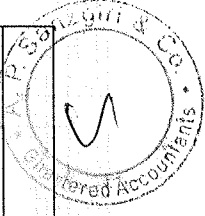
OBSERVATION-3: NON COLLECTION OF NOTICE FEE

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. 4,50,90,000 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.

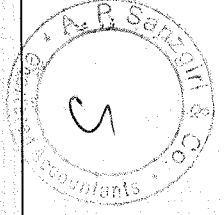


2. RECOVERY OF ADVERTISEMENT TAX

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 there was no outstanding dues as on 31/03/2018.
3	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to ULB.
5	Cause	Not Applicable
6	Corrective Action/ Recommendation	It is charged by tender
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. 7,18,320 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.



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 there was Rs. 3,90,000 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 assesses on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

5. OTHER TAX

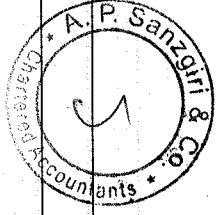
SN	Head	Comments
1	Objective	ULB is authorized to collect other various types of taxes/fee.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that no other tax was outstanding as on 31/03/2018
3	Consequences/Effect	Not applicable
5	Cause	Not applicable
6	Corrective Action/ Recommendation	Not applicable
7	Management Comments	Not applicable



(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:							
		S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Date of Payment	Audit Observations	
		1	Reshma perween	Contractor payment	542716.00	542716.00	01.08.2017	No Irregularities fond	
		2	Chappan bhog	Sween and snacks	3000.00	3000.00	01.08.2017	No Irregularities fond	
		3	Gopi tent house,sound and decoration, shree mistan	Occasion of 15 th aug	46803.00	46803.00	15.8.17	No Irregularities fond	
		4	B S N L	Telephone bill	10320.00	10320.00	23.12.17	No Irregularities fond	
		5	Bibhuti enterprises	Stationery	4041.00	4041.00	10.3.18	No Irregularities fond	
		6	Gopi tent house	Tent, lunch	57315.00	57315.00	10.3.18	No Irregularities fond	
		7	Prakash electrics	Repairing	2900.00	2900.00	10.3.18	No Irregularities fond	
		8	Safal education welfare society	Ganga ghat safai	333174.00	333174.00	19.3.18	No Irregularities fond	
		9	praganks	NPR	668000.00	668000.00	27.3.18	No Irregularities fond	
		10	Rekha devi	Arrear salary	194128.00	194128.00	27.3.18	No Irregularities fond	
4	Consequences/Effect	Irregularities in payment lead to excess payment, wrong deductions, non-compliance with agreement and statutory compliances.							
5	Cause	No such cases were identified during audit.							



6	Corrective Action.	Management can implement standard checklist for each payment so that irregularities in payments can be avoided.
7	Management Comments	Not Applicable

(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 16 High value properties.
3	Condition	We have checked twelve high value assessed property and no 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 board meeting.
6	Corrective Action/Recommendation	Management discuss in board meeting.
7	Management Comments	Kindly refer discussion note attached with the report.

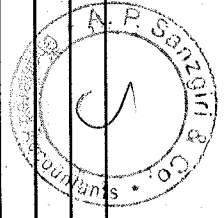


PART-B: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATION, BUT SIGNIFICANT VIOLATION OF ACT, RULES & DIRECTIVES OF UD & HD, MENTION THE REFERENCE TO ACT & RULES WHEREIN REMEDIAL MEASURE IS REQUIRED:

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

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

S.N	Name of Register	Maintained/ Not Maintained	Last date of Updating
1	Cash Book-Cashier	Maintained	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	31.03.2018
6	Register of Permanent Advance	Maintained	31.03.2018
7	Deposit received register	Maintained	31.03.2018
8	Summary statement of deposit adjusted	Not Maintained	
9	Demand Register	Maintained	31.03.2018
10	Summary Statement of Bills Raised	Not maintained	
11	Register of Notice Fees, Warrant Fees, Other Fees	Not Maintained	
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	Not maintained	
13	Register of Refunds, Remissions and Write off	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	Not Maintained	
18	Fixed Assets Register	Maintained	01.04.2011
19	Summary Statement of Demand Raised on assessment	Not Maintained	
20	Summary Statement of Head wise Collection of Other Income	Maintained in DCR	31.03.2018
21	Summary Statement of Refunds	Maintained in Yojna Panji	31.03.2018
22	Summary Statement of Write off	Not Maintained	
19	Summary Statement of Demand Raised on assessment	Not Maintained	
20	Summary Statement of Head wise Collection of Other Income	Maintained in DCR	31.03.2018
21	Summary Statement of Refunds	Maintained in Yojna Panji	31.03.2018
22	Summary Statement of Write off	Not maintained	

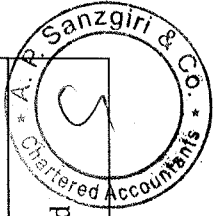


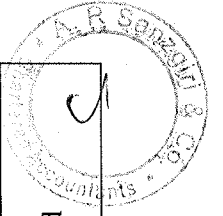
23	Grant Register	Maintained	31.03.2018
24	Summary Statement of status of Capital Work in Progress	Not Maintained	
25	Work Sheet	Maintained	31.03.2018
26	Deposit Works Register	Not Maintained	
27	Material Receipt Note	Maintained	31.03.2018
28	Store Ledger	Maintained	31.03.2018
29	Statement of Closing Stock	Not Maintained	
30	Statement of Material Issued	Maintained	31.03.2018
31	BRS of all bank accounts (including dormant accounts)	Maintained	31.03.2018
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 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	SUNAINA DEVI	447337.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
2	DIWAKAR KUMAR	675289.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
3	MADAN KUMAR	724660.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
4	RUBI KUMAR	145458.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found





5	RESHMA PERWEEN	542716.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
6	RUBI KUMARI	600865.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
7	PRASHANT KUMAR	617406.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
8	ALIK KUMAR	235586.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
9	RESHMA PERWEEN	152474.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
10	ALOK KUMAR	398826.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
11	SUBODH KUMAR	345404.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
12	RANI DEVI	692173.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
13	RUBI KUMARI	55831.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
14	BHAWANI CHANDRA	495094.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
15	RITIYA DEVI	320975	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
16	GARUDUTT KUMAR	375855.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
17	RANI DEVI	425036.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found

18	RANJEETA KUMARI	699542.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
19	RAJESH KUMAR	495951.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
20	SANTOSH KUMAR SINGH	417015.00	CHECKED AND OK	YES	YES	YES	Furnished and no deviation found
TOTAL		8863493.00					

2. DETAILS OF LOG BOOK MAINTAINED:

S.N	Name of Vehicle	QTY	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 mention in log book
1	JCB	2	NOT MAINTAINED	NOT UPDATED	NOT INSURED	YES MENTION
2	ROBOT	1	NOT MAINTAINED	NOT UPDATED	NOT INSURED	YES MENTION
3	SONALIMA TRACTOR	3	NOT MAINTAINED	NOT UPDATED	NOT INSURED	YES MENTION
4	MASI TRACTOR	1	NOT MAINTAINED	NOT UPDATED	NOT INSURED	YES MENTION
5	JOSHTRACTOR	4	NOT MAINTAINED	NOT UPDATED	NOT INSURED	YES MENTION
6	TIPPER	21	NOT MAINTAINED	NOT UPDATED	NOT INSURED	YES MENTION
7	Section machine	2	NOT MAINTAINED	NOT UPDATED	NOT INSURED	YES MENTION
8	Mahindra tractor	3	NOT MAINTAINED	NOT UPDATED	NOT INSURED	YES MENTION
9	Scot tractor	2	NOT MAINTAINED	NOT UPDATED	NOT INSURED	YES MENTION
10	Fogging machine	6	NOT MAINTAINED	NOT UPDATED	NOT INSURED	YES MENTION

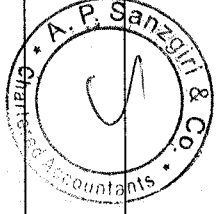


3. NON-COMPLIANCE OF DIRECTIVES BY UD&HD, GOB:

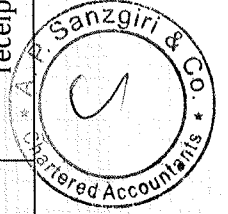
S.N	Directions Issued by UDHD	Particulars of Circulars/Orders/Notices	Complied or Not
1	NO.3 SBM20-14/2015 Date 08.08.2017	SBM Guidelines Regarding Toilet Sheet Const. Guidelines:-	Complied
2	Gyapank no.-1007;dated - 14.07.2017	Guidelines Regarding Hire Vehicle	Complied
3	NO.-4464;Dated-05.07.2017	GST Implementation Guidelines	Complied
4	N0-11/68 - 2014/660 Dated - 17-07-2017	Assets and liabilities, ongoing contracts Employees Details And litigation of Details Value	Complied
5	Gyapank No- 6457, dated - 26-2017	Child Marriage and dowry eradication campaign	Complied
6	No- 04/HFA-18-16/23 Dated-09-01-2017	Pradhan mantra Awas Yojna Housing For all	Complied

4. NON COMPLIANCE OF ACTS& RULES:

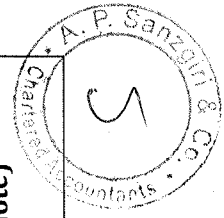
S.N	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.- 22	Refer point: Part-A (a) (2) As per verification of receipt book it is noted that there was average delay of 30 days in collection and same days' deposit of tax into bank.	Due to absence of supervisory staff the practice of late deposit of property tax is doing by tax collector now strictly instruction is given to tax collectors for depositing property tax on time (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	Only Tax collector 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	
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	BMAR Rule No.- 27	Yes	



	designated stall of the Municipality				
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) As per verification of receipt book it is noted that there was average delay of 30 days in collection and same days' deposit of tax into bank.	Due to absence of supervisory staff the practice of late deposit of property tax is doing by tax collector now strictly instruction is given to tax collectors for depositing property tax on time (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		
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	Yes		
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 not been prepared.	It will be submitted after expenditure of grant. (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	Yes		
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;	Due to lack of staff in account department we could not prepared receipt and payment account.	

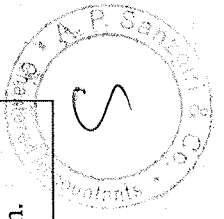


12	Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	BMAR Rule No.- 121	No, ULB was not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	Due to lack of staff in account department we could not prepared monthly trial balance.
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	No	No director is appointed for this work by UD&HD
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 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	BMAR Rule No.- 122	BMAR Rule No.- 122 - was not followed by ULB during the financial year 17 - 18	Due to lack of staff in account department we could not prepare financial statement please provide staff by UD&HD (Refer Discussion Note)
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) We observed that ULB was not regular in compliance of statutory dues.	It will be depositing in 1.4.19 before due date. (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) Yes	
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated In sufficient detail;	BMAR Rule No.-130	all transactions (incomes, expenditures, assets and liabilities) are not correctly classified and stated In sufficient detail	Due to lack of staff in account department we could not classified and stated In sufficient detail;
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	
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 any Special Funds have been created.	
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	ULB is not maintaining fixed assets register for the year ended 17 - 18 no fixed assets physically verified.	Due to lack of staff in account department we could not maintaining proper record of fixed 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 collected, but collection procedure is slow	Announcement has been done it will be collected soon. (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, Procedure have been followed.	
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	We have not find this type of transition during audit.	



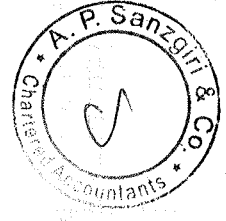


24	Whether the Bank Reconciliation statements have been properly prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.- 130	Refer Point-04 (III) yes ULB is preparing bank reconciliation for all bank accounts maintained.	
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.- 130	Yes.	
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	
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, properly assessed and collected but recovery procedure is slow.	Collecting is going on. (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, 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; except in case of deposit of daily collection, that is deposited on average 30 days delay of collection.	Due to absence of supervisory staff the practice of late deposit of property tax is doing by tax collector now strictly instruction are given to tax collectors for depositing property tax on time.
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 not been prepared in prescribed format in timely manner.	It will be prepared after expenditure of grant. (Refer(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) No some required books of accounts as per BMAM/BMAR has not been maintained.	Due to lack of staff we could not maintained some required 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 store verification report was made available during the reporting period.	Due to lack of qualified staff we could not verified physical variation.
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;	Due to lack of qualified staff we could not verified physical variation.

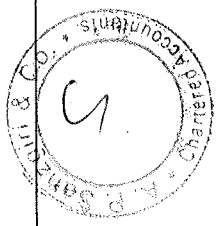
33	Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and If so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to identify any unserviceable or damaged stores and whether provision for the loss in this respect, if any, has been made in the accounts;	BMAR Rule No.- 130	ULB not maintained stock register properly and further physical verification is also not carried out;	We could not maintained stock register due revenue staff.
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	Yes	(Refer Discussion Note)
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.- 130	Advance given but recovery process slow.	(Refer Discussion Note)
37	Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Form 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 is prepared.	
38	Municipal Fund: Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	Not found.	
39	Payment not to be made out of Municipal Fund unless covered by budget grant: Whether any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	No 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	BMA,2007: Chapter X	Refer discussion note	(Refer Discussion Note)



	Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant.			
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:	As per ULB, No investment was done by ULB.	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,	No, estimation should be based on the past experience and after considering the fact that how the condition might change in future thought the provision of section of the act regarding preparation of budget have been complied.		
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,	As ULB was following single entry accounting system. So receipt and payments details were being maintained in form of cash book. Audited receipts & payments as per BMAM was not prepared by ULB.		
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,	No, ULB was not preparing 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.	Due to use single entry system we could not prepare a financial statement.	



45	<p>Submission of financial statement and balance sheet to auditor. The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after examination of the same, shall adopt and remit them to the Auditor as may be appointed in this behalf by the State Government.</p>		No, Financial statement were not provided for audit by ULB.	Due to lack of qualified staff we could not prepared financial statement.
46	<p>As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007 various tax are applicable on ULBs 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 (a) (1)	Tender is advertised for collecting advertisement tax.
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>	BMA, 2007: Chapter XIX	Refer-PART-A(a)(3) No, ULB is not issuing notice fees to defaulter and collecting notices fees.	Currently not collecting but it will be considering and collected accordingly. (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>	BMA, 2007: Chapter XXXVII	Yes, trade licence have been collected, but collection rate is very slow and 75% of total demand remains outstanding	(Refer Discussion Note)



5. LACK OF INTERNAL CONTROL MEASURES:

We have observed the following areas where Internal Control measures are required by ULBs-

- a.) lack of appropriate staff.
- b.) In ULB has store but store officer not doing store work.
- c.) Log book maintained but not properly.
- d.) Procumbent register not maintained.
- e.) PF of Contractual Employee not deducted.
- f.) Vehicles are not insurance.
- g.) Lots of vehicles registration failed.
- h.) No any meeting of Accounts committee held yet.

b) NON-COMPLIANCE OF TDS, VAT AND OTHER RELEVANT STATUTE

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

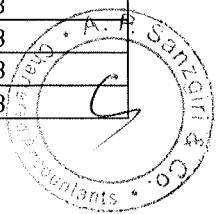
S.N	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/Challan Number
1	Amit Kumar	183068.00	3661.00	31.5.17	19.5.17	011672
2	Ranjan Kumar	113654.00	2273.00	31.5.17	19.5.17	011672
3	Ranjan Kumar	113370.00	2267.00	31.5.17	19.5.17	011672
4	Ranjan Kumar	112870.00	2257.00	31.5.17	19.5.17	011672
5	Amit Kumar	347492.00	6950.00	31.7.17	13.07.17	014287
6	Madhuri Ranjan	38974.00	780.00	30.9.17	06.09.17	014293
7	Sisir Kumar	112526.00	2251.00	31.3.18	06.09.17	014293
8	Mahila Nikaten	2762144.00	2107.00	31.5.17	18.5.17	PLA/C
9	Sunaina devi	206054.00	4121.00	31.5.17	18.5.17	PLA/C
10	Sunaina devi	149371.00	2987.00	31.5.17	18.5.17	PLA/C
11	Mahila vikash	894000.00	17880.00	31.5.17	18.5.17	PLA/C
12	Mahila Nikaten	652500.00	13050.00	31.5.17	18.5.17	PLA/C
13	Rubi kumara	463303.00	9266.00	31.5.17	18.5.17	PLA/C
14	Safal education	1829843.00	36597.00	31.5.17	18.5.17	PLA/C
15	Mahila nikaten	1654407.00	1120.00	31.5.17	18.5.17	PLA/C
TOTAL		96,33,576.00	1,07,567.00			

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

**** There are no deduction of vat has been made.**

3. DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Amit Kumar	347492.00	1765.00	13.7.17	014289
2	Amit Kumar	112870.00	3658.00	13.7.17	014289
3	Ranjan Kumar	112528.00	230.00	11.11.17	014294
4	Sisir Kumar	257578.00	5152.00	28.3.18	014301
5	Ravi kumar	458544.00	4585.00	31.3.18	793128
6	Sunaina devi	206054.00	2061.00	31.3.18	793128
7	Rubi kumara	463303.00	4728.00	31.3.18	793128
8	Sunaina devi	544175.00	9769.00	31.3.18	793128
9	Archana kumara	345600.00	9776.00	31.3.18	793128
10	Dibhakar kumar	843340.00	33117.00	31.3.18	793128
11	Madan kumar	899810.00	31180.00	31.3.18	793128
12	Rubi kumara	176800.00	3054.00	31.3.18	793128
13	Sunaina devi	315361.00	571.00	31.3.18	793128
14	Sunaina devi	315361.00	680.00	31.3.18	793128
15	Sunaina devi	165976.00	669.00	31.3.18	793128
16	Dibhakar kumar	109256.00	673.00	31.3.18	793128



17	Santosh kumar	315361.00	634.00	31.3.18	793128
18	Alok kumar	290610.00	8527.00	31.3.18	793128
19	Prabhat kumar	746379.00	9552.00	31.3.18	793128
20	Rubi kumara	724965.00	8106.00	31.3.18	793128
21	Reshma perween	662458.00	13748.00	31.3.18	793128
22	Reshma perween	206783.00	545.00	31.3.18	793158
23	Alok kumar	487107.00	10344.00	31.3.18	793158
24	Subodh kumar	449944.00	7349.00	31.3.18	793158
25	Rani devi	999294.00	19630.00	31.3.18	793158
26	Rani devi	852688.00	24085.00	31.3.18	793158
27	Rubi kumara	67035.00	4752.00	31.3.18	793158
28	Bhawani Chandra	602347.00	11046.00	31.3.18	793158
29	Safal education	1378978.00	11041.00	31.3.18	793158
TOTAL		1,34,57,997.00	2,41,027.00		

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	Amit kumar	183068.00	1831.00	25.7.17	014288
2	Ranjan kumar	113654.00	1137.00	25.7.17	014288
3	Ranjan kumar	113372.00	1134.00	25.7.17	014288
4	Ranjan kumar	112870.00	1129.00	25.7.17	014288
5	Smt sunaina devi	544175.00	5442.00	11.11.17	786327
6	Archana kumara	345600.00	3456.00	11.11.17	786327
7	Dibhakar kumar	843340.00	8433.00	11.11.17	786237
8	Madan kumar	899810.00	8998.00	11.11.17	786237
9	Rubi kumara	176800.00	1768.00	11.11.17	786237
10	Sunaina devi	315361.00	3154.00	11.11.17	786237
11	Sunaina devi	1659760.00	1660.00	11.11.17	786237
12	Sunaina devi	109256.00	1093.00	11.11.17	786237
13	Dibhakar kumar	315422.00	3154.00	11.11.17	786237
14	Santosh kumar	315361.00	3154.00	11.11.17	786237
15	Alok kumar	290610.00	2906.00	11.11.17	786237
16	Prabhat kumar	746379.00	7464.00	11.11.17	786237
17	Rubi kumara	724965.00	7250.00	11.11.17	786237
18	Reshma perween	662458.00	6625.00	11.11.17	786237
19	Reshma perween	206783.00	2068.00	11.11.17	786237
20	Alok kumar	487107.00	4871.00	11.11.17	786237
22	Subodh kumar	419944.00	4199.00	11.11.17	782637
23	Safal education	1248104.00	12841.00	11.11.17	782637
24	Rani devi	999294.00	9993.00	11.11.17	782637
TOTAL		1,18,33,493.00	1,03,760.00		

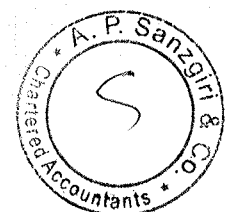
Auditor's Comment: While doing audit of deduction made by ULB, the Statutory deduction has not been deposited on due date (refer above). For example TDS should be deposited on or before 7th day of next month.

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

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

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

Note – During audit we find there is no deduction GST TDS.



1. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:

S.N	Quarter	Due date of Return	Actual date of Return filled	Remark
1	Quarter 1 st	31.07.17	31.07.17	No delay
2	Quarter 2 nd	30.10.17	30.10.17	No delay
3	Quarter 3 rd	31.01.18	25.01.18	No delay
4	Quarter 4 th	30.04.18	03.05.18	3 days delay

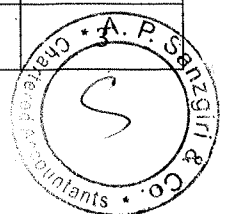
c) DEFICIENCY IN PAYROLL SYSTEM:

SN	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/Contract worker)	Maintained .
2	Non availability of Salary payment voucher	Available.
3	Matching of voucher number with cash book	Yes
4	Salary register contains all elements of salary	Maintained
5	Maintenance of Salary Deduction register	Yes
6	Whether deduction of PF/ESI made from contract employee	No
7	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	Yes

DETAILS OF DELAY OF DEPOSIT OF EPF:

Permanent Employee: During audit of Panchayat we have observed that no amount of PF has been deposited to EPFO A/C during the financial year 2017-2018.

Month of Deduction	Amount Deduction	Due date of deposit	Amount Deposit	Actual Date of deposit	Delay in days
April - 17	92510.00	May 15	185020.00	16.5.17	01
May - 17	99717.00	June 15	199434.00	17.6.17	02
may - 17	9725.00	June 15	19450.00	31.7.17	16
Jun - 17	96148.00	July 15	192296.00	13.7.19	No delay
July - 17	190761.00	August 15	381522.00	30.8.17	15
August - 17	453428.00	Sep 15	906856.00	14.9.17	No delay
Sep - 17	454347.00	Oct 15	908694.00	18.10.17	03
Oct - 17	449841.00	Nov 15	899682.00	24.11.17	9
Nov - 17	451405.00	Dec 15	902810.00	13.12.17	No delay
Dec - 17	441412.00	Jan 15	882824.00	16.01.18	1
Jan - 18	443527.00	Feb 15	887054.00	14.2.18	No delay
Feb - 18	459129.00	Mar 15	918258.00	5.3.18	No delay
Mar - 18	433122.00	Apr 15	866244.00	18.4.18	



d) UTILISATION OF GRANT AND REPORT ON MISSING UTILISATION CERTIFICATES

S N	Head	Details							
1	STATUS OF UTILISATION CERTIFICAT	(REFER ANNEXURE)							
2	STATUS OF USE OF GRANT AS PER DEFAULT ALLOCATION	S. N	Particulars	DA	Salary	Water Supply	Nali Gali	Solid Waste Management	
		1	5th SFC	50%	50%				
				30%		30%			
				20%			20%		
		2	14th SFC	50%	SWM		Water supply	Street light	Roads owned by the
				30%	50%	5%		10%	Municipal body
				10%					1%
				8%					
				2%					
			Total		Play ground		Cemeteries and cremation ground	Tap water of	
			1%		2%	Every house (30%)			
3	PHYSICAL VERIFICATION OF INVENTORY/S TORES	S.NO	Particulars				QTY		
		1	Hand trolley				60		
		2	Hammer				02		
		3	khurchni				32		
		4	Panja				30		
		5	Gainta				05		
		6	Kudal				30		
		7	Khanti				02		
		8	Kulhari				01		
		9	Kachiya				03		
		10	Fogging machine				03		
11	Belcha				18				
4	ADVANCES, THEIR ADJUSTMENT & RECOVERY	Yes. Advance given are properly adjusted.							

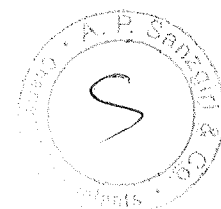


	Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	
I	Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied Refer-Audit Recommendation
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(d)
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(f) & (g)
O	Internal Auditor will ensure that all the C&AG audit & Internal audit Paras 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

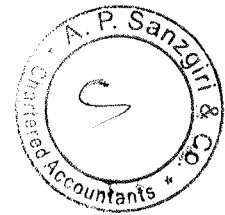


MUNGER NAGAR NIGAM
INTERNAL AUDIT REPORT FOR F.Y 2017-18
ANNEX-1 REPORT ON LATE DEPOSIT OF PROPERTY TAX

S.N	Serial Number		Amount of Tax	Date of Collection as per Receipts Book	Amount Deposited with Cashier	Delay in deposit with cashier	Delay in deposit with Cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To							
1	33953	33970	50959.00	9.4.17 to 20.4.17	50959.00	20.4.17	11 days	20.4.17	No delay
2	33971	33976	14263.00	21.4.17 to 28.4.17	14263.00	28.4.17	7 days	28.4.17	No delay
3	33977	33983	16973.00	29.4.17 to 10.5.17	16973.00	15.5.17	16 days	15.5.17	No delay
4	33984	33986	1333.00	16.5.17 to 29.5.17	1333.00	29.5.17	13 days	29.5.17	No delay
5	33989	33992	9755.00	16.6.17 to 21.6.17	9755.00	21.6.17	5 days	21.6.17	No delay
6	33993	33995	14542.00	22.6.17 to 29.6.17	14542.00	29.6.17	7 days	29.6.17	No delay
7	35812	35820	28315.00	31.7.17 to 18.8.17	28315.00	23.8.17	23 days	23.8.17	No delay
8	35823	35835	19419.00	30.8.17 to 25.9.17	19419.00	25.9.17	25 days	25.9.17	No delay
10	35837	35843	15006.00	6.10.17 to 24.10.17	15006.00	24.10.17	18 days	24.10.17	No delay
11	33844	33854	25422.00	27.10.17 to 9.11.17	25422.00	9.11.17	12 days	9.11.17	No delay
12	35855	35861	9819.00	17.11.17 to 21.11.17	9819.00	23.11.17	6 days	23.11.17	No delay
13	34135	34148	16300.00	8.4.17 to 20.4.17	16300.00	20.4.17	12 days	20.4.17	No delay
14	34178	34180	4395.00	17.6.17 to 17.7.17	4395.00	19.7.17	30 days	19.7.17	No delay
15	34186	34189	17304.00	28.7.17 to 5.8.17	17304.00	23.8.17	25 days	23.8.17	No delay
16	36425	36436	26870.00	24.11.17 to 29.11.17	26870.00	5.12.17	11 days	5.12.17	No delay
17	36437	36442	156391.00	4.12.17 to 6.12.17	156391.00	13.12.17	9 days	13.12.17	No delay
18	38210	38222	31031.00	14.3.18 to 21.3.18	31031.00	27.3.18	13 days	27.3.18	No delay
19	35001	35021	36810.00	18.4.17 to 19.4.17	36810.00	28.4.17	10 days	28.4.17	No delay
20	35049	35052	4821.00	30.5.17 to 15.6.17	4821.00	15.6.17	15 days	15.6.17	No delay
21	35060	35067	15788.00	23.6.17 to 26.6.17	15788.00	29.6.17	6 days	29.6.17	No delay
22	36131	36138	10639.00	23.10.17 to 4.11.17	36138.00	9.11.17	16 days	9.11.17	No delay



23	37403	37406	8296.00	1.2.18 to 7.2.18	8296.00	8.2.18	7 days	8.2.18	No delay
24	37419	37424	6216.00	14.3.18 to 15.3.18	6216.00	19.3.18	5 days	19.3.18	No delay
25	37432	37436	15725.00	15.3.18 to 18.3.19	15725.00	27.3.18	12 days	27.3.18	No delay
26	34801	34815	12056.00	8.4.17 to 20.4.17	12056.00	20.4.17	12 days	20.4.17	No delay
27	34833	34835	10259.00	17.7.17 to 28.7.17	10259.00	28.7.17	11 days	28.7.17	No delay
28	34880	34886	30920.00	22.12.17 to 28.12.17	30920.00	29.12.17	7 days	29.12.17	No delay
29	34890 to 34900	37501 to 37507	8738.00	27.1.18 to 7.2.18	8738.00	8.2.18	11 days	8.2.18	No delay
30	37510	37513	13745.00	24.2.18 to 13.3.18	13745.00	19.3.18	25 days	19.3.18	No delay

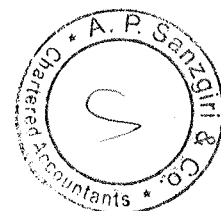


INTERNAL AUDIT REPORT FOR FY 2017-18

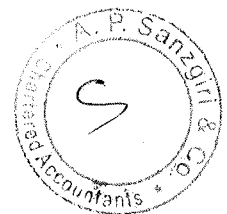
ULB-MUNGER NAGAR NIGAM

ANNEX-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			Remark
				As per tax Collector	As per Auditor	As per Tax Collector	As per Auditor	Diff.	As per Tax Collector	As per Auditor	Diff.	
1	ITC LTD	5 & 7	N/A	-	-	-	-	-	3821000	-	-	DUES CURRENT YEAR
2	PREETI LATA SINGH	14	90/224	PAKKA	PAKKA	10296	10296	-	520348	551483	31135	DUES FROM 13/14
3	NEELU DEVI	15	1/1	PAKKA	PAKKA	8500	8500	-	136137	157664	21527	DUES FROM 13/14
4	RAM CHANDRA PRASAD GUPTA	26	447	PAKKA	PAKKA	3790	3790	-	180590	190572	9982	DUES FROM 05/06
5	VINOD MANDAL	14	235/350	PAKKA	PAKKA	-	-	-	98008	-	-	DUES FROM 11/12
6	VIDYAWATI DEVI	11	184	PAKKA	PAKKA	-	-	-	79650	-	-	DUES FROM 13/14
7	SANGEETA DEVI	14	144/279	PAKKA	PAKKA	3280	3280	-	25088	32943	7855	DUES FROM 13/14
8	RAMESWAR LAL	26	511	PAKKA	PAKKA	2320	2320	-	20045	27060	7015	DUES FROM 14/15
9	ISHWARI DEVI	15	19/19	PAKKA	PAKKA	1782	1782	-	11788	14146	2358	2011/2012
10	RAGHUVAR SINGH	15	-	PAKKA	PAKKA	15782	15782	-	47344	53690	6346	DUES FROM 15/16



11	TARNI PARSHAD SHARMA	27	448	PAKKA	PAKKA	1236	1236	-	14239	19222	4983	DUES FROM 14/15
12	KUNTI DEVI	26	511	PAKKA	PAKKA	2112	2112	-	16790	21669	4879	DUES FROM 13/14
13	CHANDI GOPE	37	86	PAKKA	PAKKA	925	925	-	35685	45371	9713	DUES FROM 1986/87
14	JEETU SHAH	15	570/497	PAKKA	PAKKA	1416	1416	-	39995	41964	1969	DUES FROM 99/2000
15	HRIDAY NARAYAN KESHRI	13	672	PAKKA	PAKKA	4220	4220	-	37996	41984	3988	DUES FROM 5/6
16	SHIVSHAN NKAR JAISWAL	28	154	PAKKA	PAKKA	2941	2941	-	13896	16675	2779	DUES FROM 13/14
17	G S SINGHA	37	97	PAKKA	PAKKA	2700	2700	-	33061	35612	2552	DUES FROM 99/2000
18	SUMIT KUMAR	10	139/149	PAKKA	PAKKA			-	24384	-		DUES FROM 13/14
19	MAHESH NAND SINGH	10	1/805	PAKKA	PAKKA	1750	1750	-	30240	40824	10584	DUES FROM 14/15
20	BASHUD EV PARSAD MANDAL	10	117/130	PAKKA	PAKKA	750	7500	-	7650	11340	3690	13/14



Munger Nagar Nigam
Discussion note

Letter No.
Date: 19-12-2019
To
AP Sangziri & Co.
(Chartered Accountants)

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

We, Munger Nagar Nigam, discuss with internal auditor and confirm the following books of accounts/ documents/ file has not been maintained, hence we could not produce it:

S.NO	Audit 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 it is implemented on 1.4.19.
2	No Municipal accounts committee established.	Municipal accounts has been established but no one meeting held yet.
3	Non-Levy of taxes in IAR I. PART-A(a)1	Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax. Otherwise discussed in meeting of board and implement soon as soon.
4	Late deposit of property tax	Due to lack of staff and over load work.
5	Notice fee	Currently not collecting but it will be consider and collected as soon as possible.
6	Not prepare Payment voucher	Due lack of revenue staff but it will be preparing soon as soon possible Please provide us sample copy of payment voucher.
7	Non-maintenance of books of accounts para ii-PART B (a)	Due to lack of qualified staff we could not maintenance of books of accounts which are not maintained.
8	No direction issue by UDHD.GOB	We do not have any direction issue by UDHD.GOB
9	Non-deduction of PF/ESI from contractual employee	It will be deducted on 1.4.19
10	Delay in Deposit Of EPF	Due to lack of staff and over load work but now it will be deposited before due date.
11	Trade License	It will be collect.
12	Valuation Of stock	We do not have any directivities/guidelines/instruction, issue by department for find valuation of stock.
13	Audit para not provided	No audit para in 2017-18
14	Vehicles are not insurance	It will be insurance soon as soon possible.
15	Late deposit of PF From Permanent Employee	Due to lack of staff and over load work but now it will be deposited before due date.

[Signature]
19-12-19
Cashier
Nagar Nigam
Munger

[Signature]
संजय कुमार सिन्हा
प्रकारी
नगर निगम, मुंगेर

[Signature]
उप नगर आयुक्त
नगर निगम, मुंगेर



MUNGER NAGAR NIGAM
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	Monthly allowance of the mayor and all ward councillors	15-16/15-6-2017	15.54	15.54	-	15.36	0.18	99%	1%	393/12.03.2019
2	14th Finance	33/02.08.2017	365.28	-	365.28	-	-	NIL	NIL	Transferred to PL A/c
3	Chief minister urban drain street	38-39/11-8-2017	147.89	-	147.89	-	-	NIL	NIL	Transferred to PL A/c
4	Chief minister urban drain street	38-39/11-8-2017	147.89	-	147.89	-	-	NIL	NIL	Transferred to PL A/c
5	Path Pullya Nirman	31/27.07.2017	87.05	-	87.05	-	-	NIL	NIL	Transferred to PL A/c
6	Cleanliness and civic amenities	43-44/24-8-2017	233.53	-	233.53	-	-	NIL	NIL	Transferred to PL A/c
7	5th Finance	46-47/14-9-2017	1,039.05	-	1,039.05	-	-	NIL	NIL	Transferred to PL A/c
8	Subsidiary grant under the citizen facility	64/30-10-2017	376.08	-	376.08	-	-	NIL	NIL	Transferred to PL A/c
9	Chief minister urban drain street	68-69/30-10-2017	92.76	-	92.76	-	-	NIL	NIL	Transferred to PL A/c
10	Chief minister urban drain street	68-69/30-10-2017	149.36	-	149.36	-	-	NIL	NIL	Transferred to PL A/c
11	Chief minister urban drain street	68-69/30-10-2017	11.36	-	11.36	-	-	NIL	NIL	Transferred to PL A/c
12	14th Finance	97/24-1-2018	182.19	-	182.19	-	-	NIL	NIL	Transferred to PL A/c
13	14th Finance	97/24-01-2018	182.19	-	182.19	-	-	NIL	NIL	Transferred to PL A/c
14	5th Finance	140-141/15-3-2018	500.00	-	500.00	-	-	NIL	NIL	Transferred to PL A/c
15	Honorarium of city manager	153-154/23-3-2018	1.97	1.97	-	1.97	-	100%	NIL	3411/20.12.2020
16	city manager salary	10/31.05.2017	1.97	-	1.97	-	-	NIL	NIL	Transferred to PL A/c
17	Funeral parlor	48/14.09.2017	107.56	-	107.56	-	-	NIL	NIL	Transferred to PL A/c
18	Civil Liberties	37/07.08.2017	44.15	-	44.15	-	-	NIL	NIL	Transferred to PL A/c
19	Peshakar Mad	23/30.06.2017	71.03	-	71.03	-	-	NIL	NIL	Transferred to PL A/c

