



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

INTERNAL Audit Report

for

F. Y. 2017-18

Group 1

NAGAR PARISHAD SASARAM

BY

A. P. SANZGIRI & CO.

Chartered accountants

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A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

Document History

Internal Audit

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 Sasaram
Reporting Entity	A P SANZGIRI & Co., Chartered Accountants
Reporting for	Nagar Parishad Sasaram
Report Prepared by	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
Date of Submission	5th July 2019



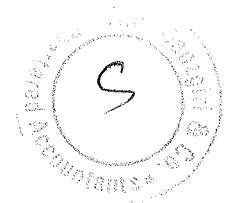
Abbreviation and Acronyms

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 - 9
3.	DETAILED AUDIT REPORT	
	A. INTRODUCTION	10
	B. ADMINISTRATION	10
	C. REVIEW OF OUTSTANDING AUDIT PARA'S	10 - 11
	D. FINANCE	12 - 16
	E. AUDIT OBSERVATIONS	17- 48
4.	ANNEXURE-1	49 - 50
5.	DISCUSSION NOTE	51 - 52



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 Sasaram for the financial year 2017-18

Ref No.: Letter No. 7/l. 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 of Nagar Parishad Sasaram for the Financial Year 2017-18 and submitting the report of the same as per our deliverables.


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

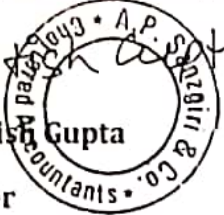
Hope you will find the same in compliance. Assuring you of our best services & cooperation always.

Thanking You,

Yours faithfully,

On Behalf of
A P Sanzgiri & Co,
Chartered Accountants


CA Satis Gupta
Partner



FRN: 116293W

UDIN: 20101134AAAAFZ9723

Date - 06-07-2020

Membership No - 101134

EXECUTIVE SUMMARY

1. INTRODUCTION:

Name of the Municipality	-	Nagar Parishad Sasaram
Period covered under Current Audit	-	01 st April 2017 to 31 st March 2018
Name of Mayor	-	Mrs. Kanchan Devi Gupta
Name of Executive Officer	-	Smt. Himani

2. OBSERVATIONS AND FINDINGS:

Strengths	<ol style="list-style-type: none">1. In the existing system as prevailing in the Nagar Parishad Sasaram, 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.
Weaknesses	<ol style="list-style-type: none">1. No physical verification of store is exercised by ULB.2. No Physical verification of cash is exercised by ULB.3. 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.4. Utilization certificate for FY 2017-18 has not been prepared for some of the schemes.5. Fixed assets register is not maintained by ULB6. 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.7. Statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.8. Certain Statutory Registers and Books are not maintained.9. Bank Reconciliation Statement has not been prepared.10. Non Levy of Taxes:<ul style="list-style-type: none">- Tax on congregations.- Tax on pilgrims and tourists.- Tax on profession.- Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles.- User Charges for Solid Waste Management- User Charges for Parking Facility- User Charges for Garbage Clearance- Collection of fees for Issue of municipal licenses for various non-

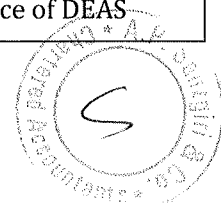
	<p>residential uses of lands and buildings</p> <ul style="list-style-type: none"> - Collection of Development Charges <p>11. ULB is not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p> <p>12. 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>13. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p> <p>14. Non Compliance of Rule 130 of BMAR in some of the cases.</p> <p>15. ULB is not maintaining the accounts as well as not preparing the financial statements.</p> <p>16. 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:

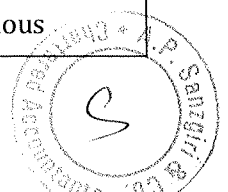
The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the municipal personnel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

4. AUDIT RECOMMENDATION:

Observed Weaknesses	Audit Recommendations
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 not been prepared for some of the schemes.	Utilization Certificate should be prepare timely by the ULB and submit the same to Department on regular basis.
Fixed assets register is not maintained by ULB	Fixed assets register should be maintained and updated properly with the assistance of DEAS



	team.
Compliance report of AG audit is not provided to us for inspection for FY 2012-13 & 2013-14. 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.
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.
<p>Non Levy of Taxes:</p> <ul style="list-style-type: none"> ✓ Tax on congregations. ✓ Tax on pilgrims and tourists. ✓ Tax on profession. ✓ Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles. ✓ User Charges for Solid Waste Management ✓ User Charges for Parking Facility ✓ User Charges for Garbage Clearance ✓ Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings ✓ 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
ULB is not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as	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



certified by the Chief Municipal Officer.	Account Codes as certified by the Chief Municipal 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 not preparing the financial statements.	ULB is require 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.

OTHER MAJOR OBSERVATIONS FOUND AT THE TIME OF AUDIT:

- a. During the 3rd Quarter of FY 2017-18 total collection of Shop Rent including arrears was NIL as against target for the year was Rs.1,47,90,000/-in term of collection percentage is Zero.
- b. During the 4th Quarter 2017-18 total collection of Shop Rent including arrears was Rs. 1,15,37,913/- as against target for the year was Rs.9,27,22,000/-in term of collection percentage is 12%.
- c. As per information provided to us total Outstanding of Mobile tower Tax is Amounting to Rs.18,68,000/- up to 31st June 2016.



- d. During the course of Audit we observed that TDS Demand notice of Rs.2,49,810/-issued from FY2012-13 to FY 2015-16 by Income Tax Department .
- e. **Royalty:** During the course of Audit It has been found that the Royalty Amount of Rs.21,95,716 /- from June 2017 to March 2019 was deposited on April 2019 to Mineral Department.
- f. **Labour Cess:** During the course of Audit It has been found that the Labour Cess Amount of Rs.15,52,751/- from June 2017 to March 2019 was deposited on April 2019 to Labour Department.
- g. Biometric devices and payroll software not implemented in ULB.

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 EO and he insured of improvement next time. Non preparation of bank reconciliation has also been brought to the notice of the EO and improvement has been promised.

On Behalf of
A P Sanzgiri & Co,
Chartered Accountants
Satish Gupta
CA Satish Gupta
Partner
FRN: 116293W
UDIN: 20101134AAAA-29723
DATE: 06-07-2020
Membership No: 101134



DETAILED AUDIT REPORT

1. INTRODUCTION:

S.N	Name Of ULB	Period-covered		Audit Team
		From	TO	
1	SASARAM	01.04.2017	31.03.2018	1. Team Leader: CA Satish Gupta 2. Name of CA: Ayush Agarwal 1. Name of Auditor-1: Sunil Rajput 2. Name of Auditor-2: Dharmendra Saini

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:	Mrs. Kanchan Devi Gupta
2.1.1	Period of Service:	From: June'17 To: till date
2.2	Name of Commissioner/Executive Officer:	Smt. Kumari Himani
2.2.1	Period of Service:	From: Nov'17 To: Till Date

3. REVIEW OF OUTSTANDING AUDIT PARAS:

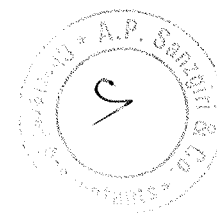
3.1. STATUS OF AUDIT OBSERVATIONS IS AS UNDER:

S.N.	Particulars of audit and date of report	Total no. of audit paras	Total no. of audit paras where necessary improvement/corrective measures required	Total no. of audit paras where recovery of cash is proposed	Total no. of audit paras where recovery has been made	Total amount of Recovery	Total no. of O/s para where no action has been taken	No. & date of compliance report
1	Audit report submitted by AG for the F.Y. 2012-13 & 13-14	10	10	-	-	NIL	10	Prepared (Refer Discussion Note)

3.2. DETAILS OF TOTAL NO OF AUDIT PARAS:

Period of AG audit report : 2012-13 & 13-14

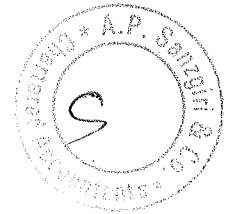
Compliance report date & Number : Refer Discussion Note



Para Nos.	Heading of the audit para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	Solar Light	437.92 Lakh			
2	Solar Light (Excess payment)	72.66 Lakh	NIL	NIL	NO
7	Non deduction of VAT	18.36 Lakh			
8	Non deduction performance security	37.94 Lakh			

1. Under Para 6 of AG report , it was mentioned that 4.91 crore received in 13th F.C. which should be allocated as per letter no. 95/17.08.10 but same has not been complied and 51 % of total grant spent on solar light.
2. Purchase of ' Piaggio Ape Three Wheeler' on 10% has to be deducted on invoice value of Rs.26,55,000 but the same has not been deducted.

Management Comment: Currently Management unable to find out the AG Compliance Report, however the same will be provided very soon , most probably in Q-2 of 2019-20 Audit period. **(Refer Discussion Note)**



4. FINANCE

I. BUDGETARY PROVISIONS AND EXPENDITURE FOR THE LAST THREE YEARS

Year	Year-2015-16	Year-2016-17	Year-2017-18
Final/Revised Budget Data	90,73,00,500.00	50,81,35,742.00	83,68,96,000.00
Actual Expenditure Data	18,71,99,805.00	25,35,84,859.00	14,28,79,823.00
Savings(+)/Excess(-)	72,01,00,695.00	25,45,50,883.00	69,40,16,177.00

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 & 2019-20. 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	3,80,09,802.00	24,25,75,752.00	22,10,32,552.00	27,06,97,103.00	27,06,97,103.00
Receipts	1,57,75,39,703.00	28,17,06,210.00	20,87,43,005.00	22,82,11,545.00	22,82,11,545.00
Total	1,61,55,49,505.00	52,42,81,962.00	42,97,75,557.00	49,89,08,648.00	49,89,08,648.00
Net expenditure	83,68,96,000.00	25,35,84,859.00	18,71,99,805.00	14,28,79,823.00	14,28,79,823.00
Closing balance	77,86,53,505.00	27,06,97,103.00	24,25,75,752.00	35,60,28,825.00	35,60,28,825.00

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 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and Trial balance for The year 2015-16, 2016-17 & 2017-18 have been produced before us for verification. After verification we found there is wide difference in budget and financial statement figure in their respective head, hence we have taken above data from budget only which is approved by ULB.. The actual Figure for F.Y. 2017-18 has been taken from approved budget of F.Y. 2019-20.



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	United Bank of India	1630010022136	Pension	21,97,893.00	22,17,893.00	20,000.00	No
2	Panjab National Bank	126883	-	58,235.00	35,58,235.00	35,00,000.00	No
3	Canara Bank	19538	BRGF	60,10,674.00	60,13,566.00	2,892.00	No
4	Panjab National Bank	3350	Nagar Nidhi Kosh	964683.90	1414959.54	450275.64	No
5	UBI	30357	NULM	2955383	3806523	851140	No
6	State Bank of India	182	Internal	4420777.24	11,37,215.00	3283562.24	No
7	State Bank of India	11133930965	Pension Fund	5,47,934.00	4,85,397.00	62,537.00	No
8	State Bank of India	11133930954	SJSRY	29,502.00	28,074.00	1,428.00	No
9	PNB	2325	HFA	7642335.40	Not found	NA	NO
10	PNB	143686	MMNGY	1564436.60	377322.60	1187114	No
11	PNB	32316	AMRUT	150831590.60	831590.60	150000000	NO
12	Treasury	L8448001020002	-	24,09,74,385.00	24,27,68,337.00	1793952	No

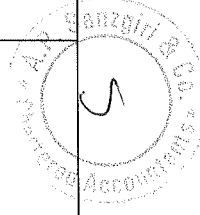
Auditor's Comment: The ULB had not prepared bank reconciliation for above said period. There may a chances some transaction cannot be matched. This is leads to inappropriate control over cash book and pass book.

Management Comment: As per reply given by concern person due to overburden of work, we did not prepared. We will prepared as soon as possible with the help of Agency appointed to "Implement to Double Entry Accounting System".



IV. REVENUE & CAPITAL RECEIPTS INFORMATION:

INCOME DETAILS (Amounts In Rupees)							
S. No	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)	22,82,11,545	28,17,06,210		22,82,11,545		
A	Revenue Receipts (1+2+3)	8,96,01,979	12,64,28,517		8,96,01,979		
1	Own Revenue Receipts (a+b)	8,64,16,787	12,16,90,496		8,64,16,787		
a)	Tax Revenue(levied and collected by municipal body)	6,86,57,182	10,85,37,256		6,86,57,182		
i)	Property tax	1,08,52,006	1,43,59,449		1,08,52,006		
ii)	Other tax (Collected by ULB)	5,78,05,176	9,41,77,807		5,78,05,176		
b)	Non-tax revenue (Collected by ULB)	1,77,59,605	1,31,53,240		1,77,59,605		
i)	Fees & fines	96,02,121	1,27,69,857		96,02,121		
ii)	User Charges	7,78,194	3,54,505		7,78,194		
iii)	Other non-tax revenue (Collected by ULB)	73,79,290	28,878		73,79,290		
2	Other Revenue Receipts	31,85,192	24,05,194		31,85,192		
a)	Income from interest/investments	23,08,873	22,32,879		23,08,873		
b)	Other Revenue income	8,76,319	1,72,315		8,76,319		
3	Transfers/Grants/Assigned Revenues	00.00	23,32,827		00.00		
a)	State Assigned Revenue	00.00	23,32,827		00.00		
b)	State Finance Commission Grants	00.00	00.00		00.00		
c)	Octroi compensation	00.00	00.00		00.00		
d)	Other State Government Transfers	00.00	00.00		00.00		
e)	Central Finance Commission Grant	00.00	00.00		00.00		
f)	Other Central Government Transfers	00.00	00.00		00.00		
g)	Others	00.00	00.00		00.00		
B	Capital Receipts	13,86,09,566	15,52,77,693		1,38,609,566		



1	Sale of Municipal Land	00.00	00.00	00.00	00.00		
2	Loans (from State Govt. Or Banks etc)	00.00	00.00	00.00	00.00		
3	State Capital Account Grant	13,10,54,730	12,24,19,021		13,10,54,730		
4	Central Capital Account Grant	75,54,836	3,28,58,672		75,54,836		
5	Other Capital Receipts	0	0		0		

Auditor's Comment:

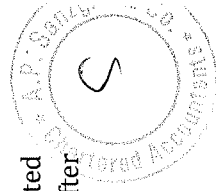
The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 2016-17, 2017-18 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and Trial balance for The year 2015-16, 2016-17 & 2017-18 have been produced before us for verification. After verification we found there is wide difference in budget and financial statement figure in their respective head, hence we have taken above data from budget only which is approved by ULB. The above actual figure for financial year 2018-19 is taken from approved budget 2019-20 which is up to December 2018 only.

V. REVENUE AND CAPITAL EXPENDITURE INFORMATION.

EXPENDITURE DETAILS (Amounts In Rupees)							
S. No.	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 Expenditure (1+2)	14,28,79,823	25,35,84,859		14,28,79,823		
1	Revenue Expenditure	9,41,85,849	13,54,45,005		9,41,85,849		
1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and Cont.)	5,55,99,385	7,02,63,053		5,55,99,385		
1.2	Operation and Maintenance	1,56,08,433	3,32,43,021		1,56,08,433		
1.3	Loan repayment (Interest payments)	38,518	34		38,518		
1.4	Others (any other revenue expenditure)	2,29,39,513	3,19,38,897		2,29,39,513		
2	Capital Expenditure	4,86,93,974	11,81,39,854		4,86,93,974		
2.1	All developmental works under Central/State	00.00	00.00		00.00		
2.2	Loan Repayments (Principal Amount)	00.00	00.00		00.00		
2.3	Other Capital expenditure	00.00	00.00		00.00		

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 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and Trial balance for The year 2015-16, 2016-17 & 2017-18 have been produced before us for verification. After



verification we found there is wide difference in budget and financial statement figure in their respective head , hence we have taken above data from budget only which is approved by ULB. The above actual figure for financial year 2018-19 is taken from approved budget 2019-20 which is up to December 2018 only.

VI. STATUS OF IMPLEMENTATION OF DOUBLE ENTRY ACCOUNTING SYSTEM

Name of Agency : Tibrewal chand & co.
 Period : 2012 to 2021
 Email ID : nagarparishadsasaram@gmail.com
 Tally S.ID : 756803583
 Status

Particular of work	2012-13	2018-19	2019-20
Payment entry (Cashier CB)	Completed	Completed	Up to 30.09.19
Receipt entry(Cashier CB)	Completed	Completed	Up to 30.09.19
Journal Voucher	In process	Almost completed	Up to 31.08.19
Grant Adjustment	In process	In process	In process
PTR	In process	In process	In process
FAR	In process	In process	In process

VII. STATUS OF MEETING OF MUNICIPAL ACCOUNTS COMMITTEE

As reply given by concern person No Municipal Accounts committee has been formed. **(Refer Discussion Note)**



		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	NO
		13	User Charges for Garbage Clearance	NO
		14	Collection of fees for sanction of building plans and issue of completion certificates,	NO
		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.		

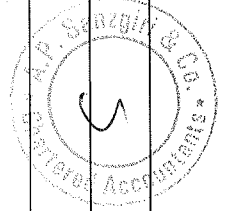


OBSERVATION-2 : DELAY IN DEPOSIT OF PROPERTY TAX COLLECTED BY ULB STAFF

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 15 to 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.



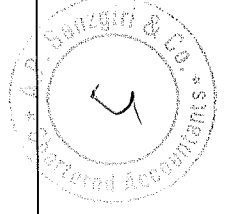
OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME

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. 54,70,555 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.

1. RECOVERY OF LICENCE FEE

SN	Head	Comments
1	Objective	ULB authorized to charge Licence 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 outstanding dues Rs. 5,35,950 as on 31/03/2018.
3	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to ULB.
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. 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. 42,22,421 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.

3. 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 outstanding of Rs. 27,33,600 as on 31/03/2018:
3	Consequences/Effect	Delay in collection of revenue leads in loss to ULB.
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.



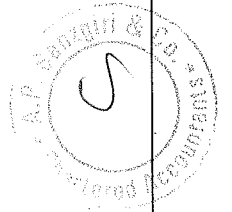
4. OTHER TAX

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. 8,96,818 was outstanding as on 31/03/2018:
3	Consequences/Effect	Delay in collection of revenue leads in loss to ULB.
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	<i>Kindly refer discussion note attached with the report.</i>

(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>Ajay Kumar Tiwari</td> <td>Consultancy</td> <td>22550</td> <td>22550</td> <td>30.11.2017</td> <td>TDS has not been deducted even limit mentioned in 194J exceeds.</td> </tr> <tr> <td>2</td> <td>Hindustan Media Centre Ltd</td> <td>Advertisement</td> <td>397513</td> <td>397513</td> <td>10.06.2017</td> <td>TDS has not been deducted</td> </tr> <tr> <td>3</td> <td>Jagran Prakashan</td> <td>Advertisement</td> <td>236115</td> <td>236115</td> <td>28.06.2017</td> <td>TDS has not been deducted</td> </tr> </tbody> </table>			S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Date of Payment	Audit Observations	1	Ajay Kumar Tiwari	Consultancy	22550	22550	30.11.2017	TDS has not been deducted even limit mentioned in 194J exceeds.	2	Hindustan Media Centre Ltd	Advertisement	397513	397513	10.06.2017	TDS has not been deducted	3	Jagran Prakashan	Advertisement	236115	236115	28.06.2017	TDS has not been deducted
S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Date of Payment	Audit Observations																								
1	Ajay Kumar Tiwari	Consultancy	22550	22550	30.11.2017	TDS has not been deducted even limit mentioned in 194J exceeds.																								
2	Hindustan Media Centre Ltd	Advertisement	397513	397513	10.06.2017	TDS has not been deducted																								
3	Jagran Prakashan	Advertisement	236115	236115	28.06.2017	TDS has not been deducted																								



4	Neutral Publishing House	Advertisement	196847	196847	28.06.2017	TDS has not been deducted
5	Sahara India Mass Comm.	Advertisement	96213	96213	28.06.2017	TDS has not been deducted
6	Rajpati singh	NGNY	322820	322820	30.06.2017	No Irregularity was found
7	Dinesh kumar	MMNY	389407	450000	31.03.2018	No Irregularity was found
8	Vidhyapati singh	Sewerage	286547	238295	31.03.2018	No Irregularity was found

Details of electricity bill for ULB and Street Light

S.N	Name of Utility	Bill Amount	Due date for Payment	Actual date for payment	Penalty/Late Fees Charged
1	SBPDC	107,06,834	20.11.2017	23.01.2018	6,94,047
2	SBPDC	102,74,417	16.02.2018	31.03.2019	3,37,350

Details of Electricity bill for Water Tank

S.N	Name of Utility	Bill Amount	Due date for Payment	Actual date for payment	Penalty/Late Fees Charged
1	SBPDC	79,65,871	18.12.2017	20.12.2017	2,07,512
2	SBPDC	43,57,667	18.01.2018	27.01.2018	43,746
3	SBPDC	59,05,705	17.02.2018	31.03.2019	64,708

Note: Following are the observation notice while carrying audit

1. The above bill amounted Rs. 1,07,06,834 is up to the month of oct'17 which contains all month up to oct'17 of F.Y.2017-18. Bill for the month of February and March 2018 has not been provided. However it was found that SBPDC does not provide monthly bill as 'REMARK GIVEN BY CONCERN AUTHORITY'
2. In respect of above only 50,00,0000 paid out of 1, 07,06,834.
3. Payment made as on 31.03.2019 in respect of Jan'17 bill which was due as on 16.02.2018, however we have taken penalty only up to 16.02.2018.
4. Payment made as on 31.03.2019 in respect of Jan'17 bill which was due as on 17.02.2018, however we have taken penalty only up to 17.02.2018.



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/Recommendation	Management can implement standard checklist for each payment so that irregularities in payments can be avoided.
7	Management Comments	<i>Kindly refer discussion note attached with the report.</i>

(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 Relating to 20 High value properties.
3	Condition	As per remark given by Concern Authority that currently ULB staff were busy in other work relating to Chief Minister Visit and Election .We will provide tax collector during next Audit Period Q-2 of 2019-20. (Refer Discussion Note)
4	Consequences/Effect	Not Applicable
5	Cause	Not Applicable
6	Corrective Action/Recommendation	Not Applicable
7	Management Comments	<i>Kindly refer discussion note attached with the report.</i>

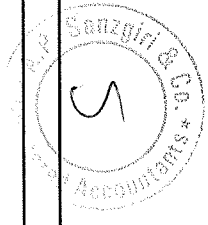


PART-B: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATION. BUT SIGNIFICANT VIOLATION OF ACT, RULES & DIRECTIVES OF UD & HD. MENTION THE REFERENCE TO ACT & RULES WHEREIN REMEDIAL MEASURE IS REQUIRED:

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

The ULB 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	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	Not maintained	
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	Not maintained	
13	Register of Refunds, Remissions and Write off	Not maintained	
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	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	
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	Not maintained	
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	Maintained 31.03.2018
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	See note below
33	Audited Balance Sheet	See note below
34	Audited Income & Expenditure Account	See note below
35	Audited Receipts & Payment Account	See note below

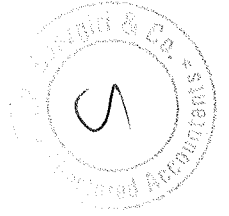
Note: ULB not in practice to prepared financial statement However , AMK & Co. A CA firm, prepared financial statement for F.Y. 2015 -16, 16-17 and 17-18.

(b) IRREGULARITY IN PROCUREMENT PROCESS:

1. COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS:

S.N	Tender Issue Date & Number	Mode of Tender (Quotation/Open Tender/ Selective Tender/ Limited Tender)	Is Minimum Party applied for tender	Is comparative chart is attached in tender file.	Is Original EMD/PG/Security deposit submitted by participants as per requirement of tender	Whether all the security deposit and earnest money deposited in tender/agreement process have been deposited in the bank immediately.	Similarly refunds of these security deposit and earnest money deposit have been made on time.	Is work order issued to selected party on time?	Is Financial Bid of all participants attached
1	08/17-18	E-Tendering	Yes	Yes	Yes	YES	YES	YES	YES
2	07/17-18	E-Tendering	Yes	Yes	Yes	YES	YES	YES	YES
3	16/17-18	E-Tendering	Yes	Yes	Yes	YES	YES	YES	YES

Note: In tender no 08/17-18 total 42 tender issued out of which 27 had been cancelled.



2. DETAILS OF LOG BOOK MAINTAINED:

SINO	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 mention in log book
1	JCB	NO	NO	YES	NO
2	MiniTipper	YES	NO	NO	NO
3	New Zeter	YES	NO	NO	NO
4	Hydraulic Tractor	YES, but not properly	YES	NO	NO
5	Loader	YES	NO	NO	NO
7	Tempo-2	YES	NO	NO	NO
8	Tempo-3	YES	NO	NO	NO
9	Tempo-4	YES	NO	NO	NO
10	Tempo-8	YES	NO	NO	NO
11	Tempo-9	YES	NO	NO	NO
12	Tempo-10	YES	NO	NO	NO

Note: Following points observe while carrying out audit of log book of vehicle

1. Meter reading, except for JCB and Tipper, has not been mention in vehicle log book. However in some cases meter reading mentioned but not regularly i.e. maintained for 3-4 month rest of month remains blank;
2. Further chief municipal officer or city manager did not authorise the log book mentioned above.

Management Comment – Refer Discussion Note

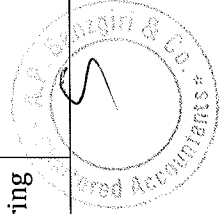
3. NON-COMPLIANCE OF DIRECTIVES BY UD&HD, GOB:

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:

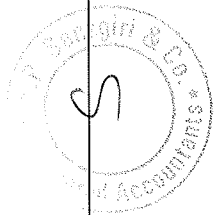
SINO	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.- 22	Refer point: Part-A (a) (2)	(Refer Discussion Note)
2	Whether 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	
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 designated stall of the Municipality	BMAR Rule No.- 27	YES	
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) There is on an average 15-30 days delay in hand of Tax Collector.	There is only one computer operator against all tax collector, we are unable to deposit on time, this is main cause of it. Further we recommend to appoint one more operator.
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.	
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	Refer point: Part-B (h)	
8	Whether The grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No such case observe during Audit Period	



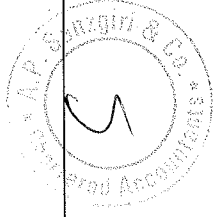
	Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29.	BMAR Rule No.- 69	Refer PART-B (h)	
9	Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received	BMAR Rule No.- 69	As per reply given by concern person there is no outstanding Fund which remains for more than 3 years	
10	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	No	(Refer Discussion Note)
11	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 not prepared monthly trial balance.	No such practices follow in ulb hence we are unable to comment on it.
12	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	Because of non preparation , we did not sent.
13	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 statementse. 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	ULB not in practice to prepared financial statement however , AMK & Co. ,a CA firm, prepared financial statement.	



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.	
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)	
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated in sufficient detail;	BMAR Rule No.- 130	Because ULB has not prepared financial statement classification of transaction does not arise.	
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, the same have been recorded.	
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 such Fund has been created by ULB.	(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	Neither fixed assets register maintained nor verification was done.	(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	ULB is not collecting outstanding dues of lease rent in time.	(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		



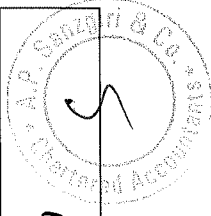
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality's accounts; If so, the details thereof;	BMAR Rule No.- 130	Not such case observe during the period of audit.	
24	Whether the Bank Reconciliation statements have been properly prepared for all 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)	
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.- 130	NO ULB is not preparing reconciliation statement, however the same have been under process with the help of Agency appointed to Implement DEAS	(Refer Discussion Note)
26	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and are 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, ULB has accounted revenue properly. But collection and recovery of taxes was in slow pace that's why there was arrear of taxes in ULB.	
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 ULB 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 tax collection, that is deposited on average 15-30 days delay of collection.	(Refer Discussion Note)

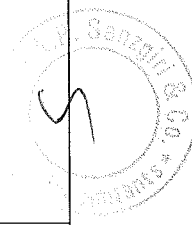


29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	BMAR Rule No.- 130	Yes, While carrying out Audit we found no such case that is specific Grant use for non specific case.	
30	Whether, proper books of account as required by the 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)	(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	(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 of store has been conducted by ULB. Hence we are unable to find out whether procedure or adequate or not.	(Refer Discussion Note)
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 does not maintained stock register in proper format , hence we are unable to find out discrepancies.	(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 not valued the inventory at reasonable time. Further such practice also not followed in ULB	(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	ULB has not given advance or loan to third party.	(Refer Discussion Note)
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.- 130	No interest has been charge. Further advance register not maintained properly. We attached a few example of it.	We will put the matter in meeting and after approval of the same will be charge.



37	Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Performa 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, the same has been prepared	
38	Municipal Fund: Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	No, ULB is using single entry accounting system, so there was no fund was accounting followed.	
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.		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 Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant.		No such case observe	
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:		ULB not in a practice to invest its surplus amount.	ULB not 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	
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,		Not 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		ULB not in practice to prepared financial statement however , AMK & Co. A CA	(Refer Discussion Note)



	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.		firm, prepared financial statement.	
45	<p>Submission of financial statement and balance sheet to auditor.</p> <p>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>		Not Submitted	<i>(Refer Discussion Note)</i>
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>	BMA, 2007: Chapter XIX	Refer-PART-A(a)(3) Notice fee has not been collected	<i>(Refer Discussion Note)</i>
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, It is collecting.	

5. LACK OF INTERNAL CONTROL MEASURES:

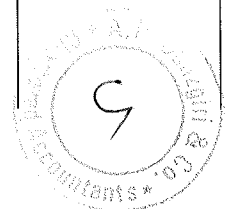
We have observed the following areas where internal control measures are required by ULBs-

- ✓ There is huge amount in terms of quantity of scrap found in ULB which is lays idle, it is recommended to sale such scrap.
- ✓ Store procurement should be followed proper rules as per BMAR Rules & Provisions.
- ✓ ULB should be followed Books of Account, Trial Balance, FAR, FS, and other records as per BMAR.
- ✓ ULB should be prepared & Maintained monthly BRS.
- ✓ Stock Register is not updated properly.
- ✓ No MIS was prepared for tracking of payments.
- ✓ Year-end reconciliation was not available.
- ✓ Statutory compliance reconciliation was not maintained.
- ✓ Required books of accounts as per BMAM was not maintained.
- ✓ In respect of budget, realistic approach is not adopted by the ULB in preparation of budget

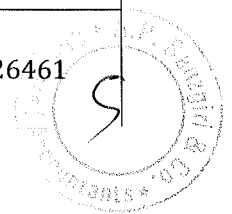
6. NON-COMPLIANCE OF TDS, VAT AND OTHER RELEVANT STATUTE

a. 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 no.
1	RSE SYSTEM PVT LIMITES	302400	30240	07.06.2017	21.07.2017	00002
2	Usha Devi	713130	6465	07.06.2017		
3	Geeta Devi	450000	4635	07.06.2017		
4	Ravishankar Kumar	209641	2159	07.06.2017		
5	Geeta Devi	313162	3226	07.06.2017		
6	Surendra Pandey	280954	2894	07.06.2017		
7	Geeta Devi	473219	4874	07.06.2017		
8	Lalan prasad singh	443429	4567	07.06.2017		
9	Surendra Pandey	676365	6967	07.06.2017		
10	Aim of people	405000	40500	07.06.2017		
11	Vishal kumar	406649	4185	07.06.2017		
12	Vidhaya pati singh	286545	2951	07.06.2017		
13	Vidhya pati singh	334910	3450	07.06.2017		
14	Vidhy singh	334910	3450	07.06.2017		
15	Vidhya pati singh	286545	2951	07.06.2017		
16	Vishal kumar	214138	2205	07.06.2017		
17	Mahendra Prasad	433558	4899	07.06.2017		
18	Vishal kumar	214138	2205	07.06.2017		
19	Santosh kumar	450000	4635	07.06.2017		
20	Madan mohan Towari	473309	4875	07.07.2017		
21	Rajpati singh	386187	3978	07.07.2017		
22	Rajpati singh	386197	3978	07.07.2017		
23	dinesh kumar singh	450000	4635	07.07.2017		
24	Rajpati singh	619802	6384	07.07.2017		
25	Om Prakash singh	28860	326	07.07.2017		
26	Om Prakash singh	2643574	27267	07.07.2017		
27	Rajesh Kumar	352205	3628	07.07.2017		
28	Ravishankar Kumar	475919	4902	07.07.2017		
29	Santosh kumar	450000	4635	07.07.2017		



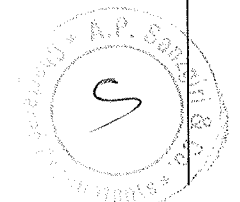
30	Surendra Pandey	189027	1947	07.07.2017		
31	Surendra Pandey	125539	1295	07.07.2017		
32	Geeta Devi	385571	4149	07.07.2017		
33	Amit kumar	472590	4868	07.07.2017		
34	Amit kumar	594362	6122	07.07.2017		
35	Ravishankar Kumar	243913	2512	07.07.2017		
36	UIPCO	490933	43254	07.07.2017		
37	Ranjeet kumar	501300	5163	07.07.2017		
38	Up ibdustrial consaltant	117450	11745	07.07.2017		
39	Raju sinha	90133	928	07.07.2017		
40	Raju sinha	463031	4769	07.07.2017		
41	Rakesh Prakash	376246	4049	07.07.2017		
42	Amit kumar singh	162100	1670	07.07.2017		00003
43	Raju sinha	142200	1465	07.07.2017		
44	Raju sinha	548638	5651	07.07.2017		
45	payment of vehicles	72000	2400	07.07.2017		
46	Usha devi	551653	5682	07.07.2017		
47	Geeta Devi	136838	1409	07.07.2017		
48	Dinesh kumar	542700	5590	07.08.2017		
49	Vidhy singh	136690	1408	07.08.2017		
50	Vidhya pati singh	215007	2224	07.08.2017		
51	Vishal kumar	258090	2658	07.08.2017		
52	Sunil kumar singh	448652	4621	07.08.2017		
53	Data pro computer pvt ltd.	227984	19825	07.08.2017		
54	Geeta Devi	706948	7988	07.09.2017		
55	Rajni kant Sinha	596252	6141	07.10.2017		
56	Tosif Ahmad	474747	4890	07.10.2017		
57	Rajni kant Sinha	450700	4644	07.10.2017		
58	Gajendra shankar Tiwari	550003	5665	07.10.2017		
59	Rajpati singh	78427	808	07.10.2017		
60	Lalan Prasad Singh	218155	2247	07.10.2017	27.03.2018	526463
61	Ravishankar Kumar	635895	6549	07.10.2017		
62	Lalbabu Ram	343683	3540	07.10.2017		
63	Shayam Sunder Prasad	462056	4759	07.10.2017		
64	Vidhya pati singh	215996	2225	07.10.2017		
65	Om Prakash singh	461902	4767	07.10.2017		
66	Ashok Ram	641081	6603	07.10.2017		
67	Gajendra shankar Tiwari	374029	3852	07.10.2017		
68	Sushil kumar pathak	301128	3102	07.11.2017		
69	Lalan Prasad Singh	213627	2200	07.11.2017		
70	Madan mohan Towari	96084	990	07.11.2017		
71	Lalbabu Ram	356517	3301	07.11.2017		
72	Rajesh Kumar	508858	5241	07.11.2017		
73	NULM	594000	59400	07.11.2017		
74	Amit Kumar	429572	4460	07.12.2017	28.03.2018	526461
75	Rajesh Kumar	195909	2018	07.12.2017		



76	Vidhya pati singh	513912	5807	07.03.2018
77	Vidhya pati singh	175316	1981	07.03.2018
78	Duarika singh	710096	7922	07.03.2018
79	Adharjia Devi	899372	10163	07.03.2018
80	Arun kumar singh	55403	554	07.03.2018
81	Ranjeet kumar	267519	2755	07.03.2018
82	Santosh kumar	590092	6668	07.03.2018
83	Rajesh Kumar	598890	6168	07.03.2018
84	Madan mohan Towari	647087	7312	07.03.2018
85	Manoj sah	514266	5811	07.03.2018
86	Tejpati Ram	556430	6288	07.03.2018
87	Subhash kumar singh	646816	6662	07.03.2018
88	Mahendra Prasad	458605	4724	07.03.2018
89	Pankaj kumr	18054	252	07.03.2018
90	Shyam Sunder Prasad	71773	811	07.03.2018
91	Gajendra shankar Tiwari	124781	1410	07.04.2018
92	Srikant Tiwari	530220	5991	07.04.2018
93	Lalan Prasad Singh	302816	3422	07.04.2018
94	Amit Kumar	382508	6404	07.04.2018
95	Amit Kumar	445754	5037	07.04.2018
96	BacchhaLal Paswan	405809	4180	07.04.2018
97	Saroj Kumar Paswan	302671	3420	07.04.2018
98	Saroj Kumar Paswan	401857	4541	07.04.2018
99	Bandhu Ram	348286	3935	07.04.2018
100	Randhir kumar singh	2644800	27840	07.04.2018
101	Sanjay kumr singh	897133	10137	07.04.2018
102	Chhote Lal Ram	735125	8307	07.04.2018
103	Mahant Pandey	318645	3429	07.04.2018
	Total	44456998	654791	

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

S.N	Name of Party	Invoice Value	Amount of deduction	Due Date of deposit	Actual date of deposit	Cheque/challan no.
1	Usha Devi	713130	50216			
2	Geeta Devi	450000	36000			
3	Ravishankar Kumar	209641	16771			
4	Geeta Devi	313162	25053			
5	Surendra Pandey	280954	22476			
6	Geeta Devi	473219	37857			
7	Lalan prasad singh	443429	35474			
8	Surendra Pandey	676365	54109		21.07.2017	A789549
9	Vishal kumar	406649	32805			
10	Vidhaya pati singh	286545	22924			
11	Vidhya pati singh	334910	26793			
12	Vidhy singh	334910	26793			
13	Vidhya pati singh	286545	22924			
14	Vishal kumar	214138	17131			
15	Mahendra Prasad	433558	34685			

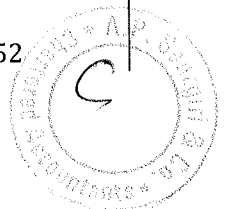


16	Vishal kumar	214138	17131
17	Santosh kumar	450000	36000
18	Madan mohan Towari	473309	37865
19	Rajpati singh	386187	30895
20	Rajpati singh	386197	30895
21	dinesh kumar singh	450000	36000
22	Arvind kumar	403208	19712
23	Arvind kumar	763174	32133
24	Rajpati singh	619802	49584
25	Om Prakash singh	28860	2309
26	Om Prakash singh	2643574	193053
27	Arbind kumar	106460	7164
28	Rajesh Kumar	352205	17610
29	Mahant Pandey	782060	31902
30	Ravishankar Kumar	475919	38074
31	Santosh kumar	450000	36000
32	Surendra Pandey	189027	15122
33	Surendra Pandey	125539	10047
34	Geeta Devi	385571	29377
35	Amit kumar	472590	37807
36	Amit kumar	594362	47549
37	Arbind kumar	182006	9162
38	Ravishankar Kumar	243913	19513
39	Maa vaishnav advertise	50496	4040
40	Raju sinha	90133	7211
41	Raju sinha	463031	37043
42	Rakesh Prakash	376246	28666
43	Santosh kumar	670425	30303
44	Amit kumar singh	162100	12968
45	Raju sinha	142200	11376
46	Raju sinha	548638	43891
47	Usha devi	551653	44132
48	Geeta Devi	136838	10947
49	Arvind kumar	530562	33104
50	Dinesh kumar	542700	43416
51	Vidhy singh	136690	10935
52	Vidhya pati singh	215007	17277
53	Vishal kumar	258090	20647
54	Sunil kumar singh	448652	35892
55	Mahant Pandey	785400	33372
56	Geeta Devi	706948	56556
57	Rajni kant Sinha	596252	47700
58	Rajni kant Sinha	450700	36072
59	Rajpati singh	78427	6274
60	Mahant Pandey	785400	34358
61	Sushil kumar pathak	301128	24090
62	Madan mohan Towari	96084	7687
63	Madan mohan Towari	491037	38513

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64	Rajni kant Sinha	459719	36777	
65	Arun kumar singh	55403	2770	
66	Arbind kumar	537824	27067	
	Total	27703039	1989999	

c. DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

S.N.	Name of contractor	Invoice Value	Amount of Deduction	Actual date of deposit	Cheque/challan No.
1	Usha Devi	713130	29121		
2	Geeta Devi	450000	6613		
3	Ravishankar Kumar	209641	1949		
4	Geeta Devi	313162	5314		
5	Surendra Pandey	280954	4288		
6	Geeta Devi	473219	7283		
7	Lalan prasad singh	443429	6181		
8	Surendra Pandey	676365	6203		
9	Mahant pandey	727650	7449		
10	Vishal kumar	406649	4747		
11	Vidhaya pati singh	286545	5185		
12	Vidhya pati singh	334910	7459		
13	Vidhy singh	334910	7459		
14	Vidhya pati singh	286545	5185		
15	Vishal kumar	214138	3673		
16	Mahendra Prasad	433558	6913		
17	Vishal kumar	214138	3673		
18	Santosh kumar	450000	5703		
19	Madan mohan Towari	473309	8151		
20	Rajpati singh	386187	5322	21.07.2017	A734850
21	Rajpati singh	386197	5332		
22	dinesh kumar singh	450000	4840		
23	Arvind kumar	403208	4836		
24	Arvind kumar	763174	5607		
25	Rajpati singh	619802	9112		
26	Om Prakash singh	28860	99		
27	Om Prakash singh	2643574	12879		
28	Arbind kumar	106460	316		
29	Rajesh Kumar	352205	5767		
30	Mahant Pandey	782060	5869		
31	Ravishankar Kumar	475919	8137		
32	Santosh kumar	450000	6724		
33	Surendra Pandey	189027	2730		
34	Surendra Pandey	125539	1147		
35	Geeta Devi	385571	3421		
36	Amit kumar	472590	5467		
37	Amit kumar	594362	14693		
38	Arbind kumar	182006	1256		
39	Ravishankar Kumar	243913	3937		
40	Ranjeet kumar	501300	4953		



41	Raju sinha	90133	1693
42	Raju sinha	463031	4152
43	Rakesh Prakash	376246	3248
44	Santosh kumar	670425	10098
45	Amit kumar singh	162100	1789
46	Raju sinha	142200	2492
47	Raju sinha	548638	6895
48	Geeta Devi	136838	3466
49	Arvind kumar	530562	6792
50	Dinesh kumar	542700	8179
51	Vidhy singh	136690	416
52	Vidhya pati singh	215007	2780
53	Vishal kumar	258090	4601
54	Sunil kumar singh	448652	5791
55	Mahant Pandey	785400	14608
56	Geeta Devi	706948	12923
57	Rajni kant Sinha	596252	8418
58	Tosif Ahmad	474747	6557
59	Rajni kant Sinha	450700	3356
60	Gajendra shankar Tiwari	550003	9778
61	Rajpati singh	78427	207
62	Lalan Prasad Singh	218155	4907
63	Ravishankar Kumar	635895	8108
64	Lalbabu Ram	343683	2861
65	Shayam Sunder Prasad	462056	6558
66	Mahant Pandey	785400	10285
67	Vidhya pati singh	215996	1479
68	Om Prakash singh	461902	3334
69	Ashok Ram	641081	9833
70	Gajendra shankar Tiwari	374029	3420
71	Sushil kumar pathak	301128	5009
72	Lalan Prasad Singh	213627	6713
73	Madan mohan Towari	96084	668
74	Lalbabu Ram	356517	5964
75	Rajesh Kumar	508858	6431
76	Amit Kumar	429572	6012
77	Rajesh Kumar	195909	2074
78	Madan mohan Towari	491037	9182
79	Lalan Prasad Singh	527271	2363
80	Om Prakash singh	310626	736
81	Amit Kumar	344490	2793
82	Rajni kant Sinha	459719	4461
83	Vidhya pati singh	550000	6968
84	Vidhya pati singh	267486	2345
85	Asif Ahmad	326576	1212
86	Sunil kumar singh	737100	8216
87	Suman Kumar Mehta	340122	5005
88	Chhote Lal Ram	563474	14203
89	Lalit kmar	539871	4838

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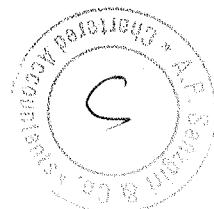
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90	Shabbir	514071	10209
91	Shayam Sunder Prasad	474484	9490
92	Vidhya pati singh	513912	1697
93	Vidhya pati singh	175316	3506
94	Arvind kumar	775857	14778
95	Arvind kumar	434136	8320
96	Duarika singh	710096	14022
97	Adharjia Devi	899372	17988
98	Arvind kumar	739087	14078
99	Arun kumar singh	55403	468
100	Ranjeet kumar	267519	5350
101	Santosh kumar	590092	11802
102	Rajesh Kumar	598890	11978
103	Madan mohan Towari	647087	8799
104	Manoj sah	514266	10285
105	Tejpati Ram	556430	11128
106	Subhash kumar singh	646816	12936
107	Mahendra Prasad	458605	9172
108	Pankaj kumr	18054	445
109	Shyam Sunder Prasad	71773	1435
110	Gajendra shankar Tiwari	124781	2495
111	Srikant Tiwari	530220	10604
112	Lalan Prasad Singh	302816	6056
113	Amit Kumar	382508	11335
114	Amit Kumar	445754	8915
115	BacchhaLal Paswan	405809	8116
	Total	50178813	734617

c. **DETAILS OF DEPOSIT OF LABOUR CESS ARE MENTIONED BELOW:**

S.N.	Name of contractor	Invoice Value	Amount of Deduction	Actual date of deposit	Cheque/challan no.
1	Usha Devi	713130	6277	31.07.2017	A734860
2	Geeta Devi	450000	4500		
3	Ravishankar Kumar	209641	2096		
4	Geeta Devi	313162	3132		
5	Surendra Pandey	280954	2810		
6	Geeta Devi	473219	4732		
7	Lalan prasad singh	443429	4434		
8	Surendra Pandey	676365	6764		
9	Mahant pandey	727650	6930		
10	Vishal kumar	406649	4064		
11	Vidhaya pati singh	286545	2865		
12	Vidhya pati singh	334910	3349		
13	Vidhy singh	334910	3349		
14	Vidhya pati singh	286545	2865		
15	Vishal kumar	214138	2141		
16	Mahendra Prasad	433558	4335		
17	Vishal kumar	214138	2141		



18	Santosh kumar	450000	4500		
19	Madan mohan Towari	473309	4733		
20	Rajpati singh	386187	3862		
21	Rajpati singh	386197	3862		
22	dinesh kumar singh	450000	4500		
23	Arvind kumar	403208	3840		
24	Arvind kumar	763174	6648		
25	Rajpati singh	619802	6198		
26	Om Prakash singh	28860	289		
27	Om Prakash singh	2643574	70215		
28	Arbind kumar	106460	1966		
29	Rajesh Kumar	352205	3522		
30	Mahant Pandey	782060	7412		
31	Ravishankar Kumar	475919	4759		
32	Santosh kumar	450000	4500		
33	Surendra Pandey	189027	1890		
34	Surendra Pandey	125539	1255		
35	Geeta Devi	385571	3672		
36	Amit kumar	472590	4726		
37	Amit kumar	594362	5944		
38	Arbind kumar	182006	1733		
39	Ravishankar Kumar	243913	2439		
40	Ranjeet kumar	501300	5013		
41	Raju sinha	90133	901		
42	Raju sinha	463031	4630		
43	Rakesh Prakash	376246	3583		
44	Santosh kumar	670425	6385		
45	Amit kumar singh	162100	1621		
46	Raju sinha	142200	1422		
47	Raju sinha	548638	5486		
48	Usha devi	551653	5516		
49	Geeta Devi	136838	1368		
50	Arvind kumar	530562	4348		
51	Dinesh kumar	542700	5427		
52	Vidhy singh	136690	1367		
53	Vidhya pati singh	215007	2160		
54	Vishal kumar	258090	2581	06.09.2017	322519
55	Sunil kumar singh	448652	4487		
56	Mahant Pandey	785400	7480		
57	Geeta Devi	706948	7069		
58	Rajni kant Sinha	596252	5963		
59	Tosif Ahmad	474747	4747		
60	Rajni kant Sinha	450700	4509		
61	Gajendra shankar Tiwari	550003	5500		
62	Rajpati singh	78427	784	30.04.2019	336093
63	Lalan Prasad Singh	218155	2181		
64	Ravishankar Kumar	635895	6359		
65	Lalbabu Ram	343683	3437		
66	Shayam Sunder Prasad	462056	4621		



67	Mahant Pandey	785400	7480
68	Vidhya pati singh	215996	2160
69	Om Prakash singh	461902	4628
70	Ashok Ram	641081	6411
71	Gajendra shankar Tiwari	374029	3740
72	Sushil kumar pathak	301128	3011
73	Lalan Prasad Singh	213627	2136
74	Madan mohan Towari	96084	961
75	Lalbabu Ram	356517	9205
76	Rajesh Kumar	508858	5088
77	Amit Kumar	429572	3636
78	Rajesh Kumar	195909	1959
79	Gajendra shankar Tiwari	416529	4165
80	Asif Ahmad	326576	3266
81	Sunil kumar singh	737100	7371
82	Suman Kumar Mehta	340122	3401
83	Chhote Lal Ram	563474	5605
84	Lalit kumar	539871	5399
85	Shabbir	514071	5705
86	Shayam Sunder Prasad	474484	4745
87	Vidhya pati singh	513912	5139
88	Vidhya pati singh	175316	1753
89	Arvind kumar	775857	7389
90	Arvind kumar	434136	4160
91	Duarika singh	710096	7011
92	Adharjia Devi	899372	8994
93	Arvind kumar	739087	7039
94	Arun kumar singh	55403	554
95	Ranjeet kumar	267519	2675
96	Santosh kumar	590092	5901
97	Rajesh Kumar	598890	5989
98	Madan mohan Towari	647087	6471
99	Manoj sah	514266	5143
100	Tejpati Ram	556430	5564
101	Subhash kumar singh	646816	6468
102	Mahendra Prasad	458605	4586
103	Pankaj kumar	18054	223
104	Shyam Sunder Prasad	71773	718
105	Gajendra shankar Tiwari	124781	1248
106	Srikant Tiwari	530220	5302
107	Lalan Prasad Singh	302816	3028
108	Amit Kumar	382508	5668
109	Amit Kumar	445754	4457
110	BacchhaLal Paswan	405809	4058
111	Saroj Kumar Paswan	302671	3027
112	Saroj Kumar Paswan	401857	4018
113	Bandhu Ram	348286	3483
114	Arbind kumar	537824	4171
115	Sanjay kumar singh	897133	8971



116	Chhote Lal Ram	735125	7351	
117	Mahant Pandey	318645	3035	
	Total	51737907	561860	

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

S.N.	Name of contractor	Invoice Value	GST	Date of deposit	Challan/cheque no.
1	Tosif Ahmad	474747	9492		
2	Gajendra shankar Tiwari	550003	11000		
3	Lalan Prasad Singh	218155	4363		
4	Ravishankar Kumar	635895	12718		
5	Lalbabu Ram	343683	6874		
6	Shayam Sunder Prasad	462056	9241		
7	Vidhya pati singh	215996	4320		
8	Om Prakash singh	461902	9256		
9	Ashok Ram	641081	12821		
10	Gajendra shankar Tiwari	374029	7480		
11	Lalan Prasad Singh	213627	4272		
12	Lalbabu Ram	356517	6410		
13	Rajesh Kumar	508858	10177		
14	Amit Kumar	429572	8661		
15	Rajesh Kumar	195909	3918		
16	Gajendra shankar Tiwari	416529	8332		
17	Madan mohan Towari	491037	9628		
18	Lalan Prasad Singh	527271	10545		
19	Om Prakash singh	310626	6213		
20	Amit Kumar	344490	6921		
21	Vidhya pati singh	550000	11000	31.08.2018	18124
22	Vidhya pati singh	267486	5349		
23	Asif Ahmad	326576	6532		
24	Sunil kumar singh	737100	14742		
25	Suman Kumar Mehta	340122	6802		
26	Chhote Lal Ram	563474	11210		
27	Lalit kmar	539871	10797		
28	Shabbir	514071	10209		
29	Shayam Sunder Prasad	474484	9490		
30	Vidhya pati singh	513912	10278		
31	Vidhya pati singh	175316	3506		
32	Arvind kumar	775857	14778		
33	Arvind kumar	434136	8320		
34	Duarika singh	710096	14022		
35	Adharjia Devi	899372	17988		
36	Arvind kumar	739087	14078		
37	Ranjeet kumar	267519	5350		
38	Santosh kumar	590092	11802		
39	Rajesh Kumar	598890	11978		
40	Madan mohan Towari	647087	12942		
41	Manoj sah	514266	10285		



42	Tejpati Ram	556430	11128
43	Subhash kumar singh	646816	12936
44	Mahendra Prasad	458605	9172
45	Pankaj kumr	18054	445
46	Shyam Sunder Prasad	71773	1435
47	Gajendra shankar Tiwari	124781	2495
48	Srikant Tiwari	530220	10604
49	Lalan Prasad Singh	302816	6056
50	Amit Kumar	382508	11335
51	Amit Kumar	445754	8915
52	BacchhaLal Paswan	405809	8116
53	Saroj Kumar Paswan	302671	6053
54	Saroj Kumar Paswan	401857	8037
55	Bandhu Ram	348286	6966
58	Sanjay kumr singh	897133	17943
59	Chhote Lal Ram	735125	14703
60	Mahant Pandey	318645	6069
	Total	26298080	526508

7. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:

Note: TDS return has not been provided to us. *Refer Discussion Note*

8. DEFICIENCY IN PAYROLL SYSTEM:

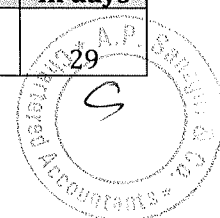
SINo	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/ Contract worker)	Maintained
2	Non availability of Salary payment voucher	Available
3	Matching of voucher number with cash book	Matched with cash book
4	Salary register contains all elements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

9. DETAILS OF DELAY OF DEPOSIT OF EPF:

1.1. Permanent Employee:

As per PF Act, deposit of EPF of Employees should be made 15th of the following month. However, delay has been observed for depositing of PF A/C to EPFO A/C which are as below: -

Month of Deduction	Amount Deduction	Due date of deposit	Amount Deposit	Actual Date of deposit	Delay in days
April - 17	10843	15.05.2017	10843	13.06.2017	29



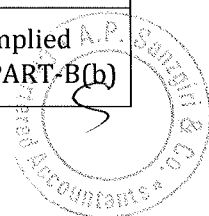
10. UTILISATION OF GRANT AND REPORT ON MISSING UTILISATION CERTIFICATES

1. STATUS OF UTILIZATION CERTIFICATE-(REFER ANNEXURE)

SN	Head	Details
1	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)
2	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)
3	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 internal audits;	Complied Refer-PART-A(c)
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 : 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	Complied Refer-PART-B(4)
d	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.	Complied Refer-PART-B(c)
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(a)
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(b)
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(b)



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(10)
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 Recommendati o n
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)
o	Internal Auditor will ensure that all the C&AG audit & Internal audit Paras has been complied 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 F.Y. 2017-18

ULB- NAGAR PARISHAD SASARAM

ANNEXURE-1 REPORT ON DELAY DEPOSIT OF PROPERTY TAX

S.N	Serial Number		Amount of Tax	Date of Collection as per Receipts Booked	Date of deposit with cashier	Amount Deposited with Cashier	Delay in deposit with cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To							
1	13919	13998	47422	26.04.17 to 26.05.2017	15.07.2017	47422	1-91	20.07.2017	5
2	15001	15100	64823	26.05.2017 to 22.06.2017	29.07.2017	64823	1-33	01.08.2017	3
3	15901	16000	67527	22.06.2017 to 25.07.2017	31.08.2017	67527	1-70	04.09.2017	4
4	16801	16900	52620	25.07.2017 to 09.11.2017	14.11.2017	52620	1-112	14.11.2017	-
5	13801	13900	88073	22.04.2017 to 05.06.2017	06.06.2017	88073	1-45	01.07.2017	25
6	15301	15332	38051	06.06.2017 to 17.06.2017	19.06.2017	38051	1-13	01.07.2017	12
7	15333	15400	104512	19.06.17 to 07.07.17	08.07.2017	104512	1-18	20.07.2017	12
8	16401	16445	26513	07.07.17 to 10.08.17	23.08.17	26513	1-46	23.08.2017	-
9	16456	16472	19241	28.08.17 to 19.09.17	26.09.2017	19241	1-28	26.09.2017	-
10	17830	17900	115912	11.01.18 to 08.02.18	26.02.18	115912	1-45	27.02.2018	1
11	14703	14778	67417	19.04.17 to 25.04.17	29.04.17	67417	1-9	01.05.2017	2
12	14401	14445	35789	29.04.17 to 05.05.17	13.05.17	35789	1-14	01.06.2017	19
13	14466	14500	63049	11.05.17 to 17.05.17	25.05.17	63049	1-13	01.06.2017	7
14	14801	14828	44212	18.05.17 to 25.05.17	30.05.17	44212	1-11	01.06.2017	2
15	14848	14872	53080	31.05.17 to 05.06.17	10.06.17	53080	1-10	01.07.2017	21
16	15415	15439	106883	13.06.17 to 16.06.17	17.06.17	106883	1-4	01.07.2017	14



17	15472	15499	129199	21.06.17 to 27.06.17	05.07.17	129199	1-14	20.07.2017	15
18	16020	16064	133910	29.06.17 to 30.06.17	10.07.17	133910	1-10	20.07.2017	10
19	16072	16099	47146	04.07.17 to 13.07.17	20.07.17	47146	1-15	20.07.2017	-
20	16529	16536	27182	25.07.17	28.07.17	27182	3	01.08.2017	4
21	16557	16568	31173	31.07.17 to 09.08.17	23.08.17	31173	1-22	23.08.2017	-
22	16574	16580	11840	17.08.17 to 26.08.17	31.08.17	11840	1-13	04.09.2017	4
23	17327	17343	32739	03.11.17 to 13.11.17	17.11.17	32729	1-13	18.11.2017	1
24	17355	17361	30719	27.11.17 to 29.11.17	30.11.17	30719	1-3	01.12.2017	1
25	17370	17375	26606	09.12.17 to 13.12.17	13.12.17	26606	1-4	14.12.2017	1
26	18303	18323	32970	29.01.18 to 12.02.18	20.02.18	32970	1-22	23.02.2018	3
27	18344	18352	18652	26.02.18 to 06.03.18	15.03.18	18652	1-17	26.03.2018	11



SASARAM NAGAR PARISHAD

Discussion Note

Date: 27.12.2019
Sasaram Nagar Parishad
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 submission of AG Compliance Report for F.Y. 2012-13 & 13-14;	It will be submitted at the time of Q-2 of F.Y. 2019-20 Audit;
2	No Municipal Accounts committee established;	It is under process, and matter will be put before board for constitution of "Municipal Accounts Committee";
3	Non levy of Notice fee;	Currently in Sasaram Nagar Parishad "Notice Fee" is not collecting but it will be collected as per rules framed in this behalf;
4	Non levy of Taxes in IAR under Para "1 Part-A a) (1);	We will collect in near future of those taxes which is imposible within municipality area;
5	Late deposit of property Tax;	Due to wok pressure and Tax Collector are busy in another work the amount so collected has not been deposited on same day ;
6	Late deposit of statutory deduction including TDS;	It will deposit on or before due date from now;
7	Delay in deposit for deducted amount of EPF;	It will be deposited on time from now;
8	Non Preparation of Payment Voucher	It will be implemented from Q-4 of 2019-20
9	Non preparation of Complete UC details ;	It is under process with the help of "Internal Auditor" and will be submit in coming next month;
10	Non practice of Stock valuation;	It will be follow as per rule and management will decide about reasonable period of valuation i.e. frequency of time for valuation;
11	Non return of "Unutilized Grant";	It is under process;
12	Directives/Notificatons/ Orders issued by UD & HD;	The same has been complied;
13	Maintenance of grant record with bifurcation like amount for Salary, water management, nall gali solid waste management and so on;	It will be submitted at the time of Q-2 of F.Y. 2019-20 Audit;
14	Non maintenance of book refer to Para : B-PART B (a) of Internal Audit Report	It will be maintained as per applicability of the same;
15	Non maintenance of 20 High Value	Report on survey relating to 20 high value property will be Reported in 19-20 Report after physically survey"



SASARAM NAGAR PARISHAD

16	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 prepare after Implementation of Double Entry Accounting System.
17	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;
18	Non Maintenance Fixed Assets register	Fixed Assets Register were prepare up to 01.04.2011 by P. Puneet & Co. (Chartered Accountants), after 01.04.2011 ULB not maintaining the same, however it will be prepare very soon with the help of Agency appointed to implement Double Entry Accounting System;
19	Non Renewal of Leasehold property	This matter will be put before Next Board Meeting and after approval, it will be collected as per resolution passed by Board.
20	Outstanding Taxes Refer to PART-A (a)(4) of Internal Audit Report:	The recovery procedure are under process;
21	Non preparation of Bank Reconciliation statement on Monthly Basis:	It will be prepared with the help of Agency Appointed to "Implement Double Entry Accounting System"
22	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;
23	Non implementation of Biometric Devices and Payroll Software	Not implemented, however it is under process.
24	Electricity - DPS	The Fund available with respective Grant has been fully utilized for payment of salary of ULB Staff, and after that Due to Non Availability of Fund, ULB Sasaram delay the payment. However it will be consider from next time to deposit before due date;
25	Non filing of TDS Return on Due date:	The same has been complied thereafter with the help of agency Appointed to Implement Double Entry Accounting System;

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


 नगरपालिका प्रशासकरी
 नगर परिषद, सासाराम





SASARAMI NAGAR PARISHAD
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	Cleaning System	43/24.08.2017	143.20	143.20	-	143.20	-	100%	NIL	3139/26.11.2018/ 2007/20.08.2019
2	EO (salary)	101/29.01.2018	7.10	7.10	-	7.10	-	100%	NIL	319/04.03.2020
3	EO SALARY	07/23.05.2017	5.00	-	5.00	-	-	NIL	NIL	Transferred to PL A/c
4	Urban Drain Street	68/30.10.2017	175.16	-	175.16	-	-	NIL	NIL	Transferred to PL A/c
5	Nali Gali	38/11.08.2017	204.41	-	204.41	-	-	NIL	NIL	Transferred to PL A/c
6	14th Finance	97/24.01.2018	250.57	250.57	-	-	250.57	NIL	100%	Not Submitted
7	14th Finance	33/02.08.2017	251.20	251.20	-	125.60	125.60	50%	50%	Not Submitted
8	Allowance Payment	15/15.06.2017	9.00	9.00	-	9.00	-	100%	NIL	632/30.04.2019
9	Peshakar	23/30.06.2017	49.34	49.34	-	49.34	-	100%	NIL	319/04.03.2020
10	15th Finance	46/14.09.2017	623.42	623.42	-	623.42	-	100%	NIL	319/04.03.2020
11	EO SALARY	07/23.05.2017	5.00	5.00	-	3.50	1.50	70%	30%	253/07.02.2018

