



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

INTERNAL Audit Report

for

F. Y. 2017-18

Group 1

NAGAR PANCHAYAT

NABINAGAR

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 Panchayat Nabinagar
Reporting Entity	A P SANZGIRI & Co., Chartered Accountants
Reporting for	Nagar Panchayat Nabinagar
Report Prepared by	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
Date of Submission	14th November 2019



Abbreviation and Acronyms

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

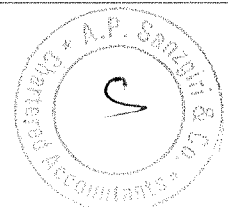


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A. P. SANZGIRI & Co.
CHARTERED ACCOUNTANTS

Date: 13th July, 2020

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

Sub: Submission of Internal Audit Report of Nagar Panchayat Nabinagar for the financial year 2017-18

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

Respected Sir,

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

As per the terms and conditions of RFP Document, we have successfully conducted the Internal Audit of Nagar Panchayat Nabinagar 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

Satish Gupta

CA Satish Gupta
Partner
FRN: 116293
UDIN: 20101134AAAAHC5087
Date - 06-07-2020
Membership No - 101134

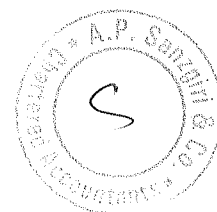
EXECUTIVE SUMMARY

1. INTRODUCTION:

Name of the Municipality	-	Nagar Panchayat Nabinagar
Period covered under Current Audit	-	01 st April 2017 to 31 st March 2018
Name of Mayor	-	Mrs. Sapna Sarika
Name of Executive Officer	-	Sri Puroshattam Paswan

2. OBSERVATIONS AND FINDINGS:

Strengths	<ol style="list-style-type: none">1. In the existing system as prevailing in the Nagar Panchayat, 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 data related to outstanding dues is maintained by Nagar Panchayat Nabinagar. Even no demand register is maintained by ULB.2. In respect of some payment made by Nagar Panchayat, as mentioned in Report in irregularity section, to supplier and contractors related invoice or bill are not available with 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 Panchayat has not been complied.4. There is a vast difference between estimated budget and actual.5. On physical verification of store it is found that insurance and registration of vehicles is not done.6. Complete Utilization certificate for FY 2017-18 has not been prepared.7. Fixed assets register is not maintained by ULB8. Compliance report of AG audit is prepared by the ULB but some Para of AG report still need to be comply and also report is not provided to us for inspection. Based on which, we are unable to comment whether the recoverable amount from the personal concerned has been recovered or not.9. In most of the cases, shops established or running under the jurisdiction of ULB are running without trade licence as per the concerned officer.10. In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.11. Certain Statutory Registers and Books are not maintained.12. Bank Reconciliation Statement has not been prepared.



13. Non Levy of Taxes:

- ✓ Surcharge on transfer of lands and buildings
- ✓ Water Tax
- ✓ Tax on advertisements, other than advertisements published in newspapers
- ✓ Surcharge on electricity consumption within the municipal area
- ✓ Tax on congregations.
- ✓ Tax on pilgrims and tourists.
- ✓ 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 provision of water-supply, drainage and sewerage
- ✓ User Charges for Solid Waste Management
- ✓ User Charges for Parking Facility
- ✓ User Charges for Garbage Clearance
- ✓ Collection of fees for sanction of building plans and issue of completion certificates,
- ✓ Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,

14. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 15 to 30 days.

15. ULB is not prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.

16. 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

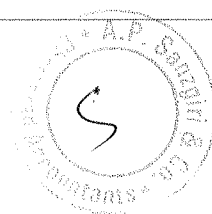
17. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.

18. Non Compliance of Rule 130 of BMAR in some of the cases.

19. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.

3. OPINION:

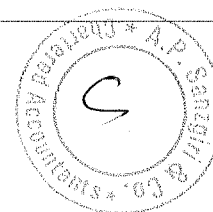
During the course of the auditor we have come across many deficiencies like maintaining of holding tax register, fixed assets register, award register of contract etc. all such deficiencies we have brought to




knowledge of the ULB officials. Further non preparation of bank reconciliation has also been brought to the notice of the ULB officials.

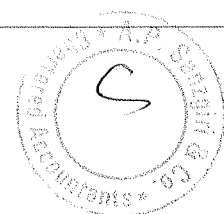
4. AUDIT RECOMMENDATION:

Observed Weaknesses	Audit Recommendations
No data related to outstanding dues is maintained by Nagar Panchayat Nabinagar. Even no demand register is maintained by ULB.	ULB should maintained and update their demand register on regular basis for proper understanding of outstanding dues till date to be recover. Hence, it will be a huge loss of revenue for ULB.
In respect of some payment made by Nagar Panchayat, as mentioned in Report, to supplier and contractors related invoice or bill are not available with ULB.	ULB should follow an appropriate procedure while making payment to any supplier and contractors. Without any bill and related supporting fund of ULB should not be release. It is duty of concern officer to comply Bihar Municipal Accounting Rules.
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 Panchayat has not been complied.	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.
There is a vast difference between estimated budget and actual.	Estimation should be based on the past experience and after considering the fact that how the condition might change in future though the provision of Section 82 of the Act regarding preparation of budget need to be complied.
On physical verification of store it is found that insurance and registration of vehicles is not done.	Insurance and Registration of all vehicles should be done.
Utilization certificate for FY 2017-18 has not been prepared.	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 prepared but	A complete Compliance report should be prepared



<p>still some Para of AG report still need to be comply by the ULB and also report is not provided to us for inspection. Based on which, we are unable to comment whether the recoverable amount from the personal concerned has been recovered or not.</p>	<p>as soon as the report is received by ULB and steps to be taken for recovery of the amount for financial irregularities.</p>
<p>In most of the cases, shops established or running under the jurisdiction of ULB have not made payment for trade licence as per the concerned officer.</p>	<p>ULB should maintained proper register for registered shops and authorize them with Trade licence for proper collection and recovery of charges.</p>
<p>In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.</p>	<p>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.</p>
<p>Certain Statutory Registers and Books are not maintained.</p>	<p>Statutory register and books of accounts should be maintained as per guidelines and BMAR.</p>
<p>Bank Reconciliation Statement has not been prepared.</p>	<p>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>
<p>Non Levy of Taxes:</p> <ul style="list-style-type: none"> ✓ Surcharge on transfer of lands and buildings ✓ Water Tax ✓ Tax on advertisements, other than advertisements published in newspapers ✓ Surcharge on electricity consumption within the municipal area ✓ Tax on congregations. ✓ Tax on pilgrims and tourists. ✓ Tax on profession. ✓ Toll-tax on roads, bridges, ferries and 	<p>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</p> <div style="text-align: right;">  </div>

<p>navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles.</p> <ul style="list-style-type: none"> - User Charges for provision of water-supply, drainage and sewerage - User Charges for Solid Waste Management - User Charges for Parking Facility - User Charges for Garbage Clearance - Collection of fees for sanction of building plans and issue of completion certificates, - Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings 	
<p>During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 15 to 30 days.</p>	<p>As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.</p>
<p>ULB is not prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p>	<p>As per BMAR Rule No. - 121, ULB should prepare of monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p>
<p>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>Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.</p>
<p>Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p>	<p>As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB.</p>



	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 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.

5. COMMENTS FROM MANAGEMENT

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

6. ACKNOWLEDGEMENT

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

On Behalf of

A P Sanzgiri & Co,
Chartered Accountants

Satish Gupta

CA Satish Gupta
Partner

FRN: 116293W

UDIN: 20101134AAAAHC5087

DATE: 06-07-2020

Membership No: 101134



DETAILED AUDIT REPORT

1. INTRODUCTION:

S.N.	Name Of ULB	Period-covered		Audit Team
		From	TO	
1	Nagar Panchayat Nabinager	01-04-2017	31-03-2018	1. Name of Team Leader : Satish Gupta 2. Name of CA : Ayush Agarwal 3. Name of Auditor-1 : Raja Ansari 4. Name of Auditor-2 : Vivek Kumar

2. ADMINISTRATION:

S.N	Particulars	Details
1	The present body of the ULB has taken charge on	
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	Mrs. Sapna Sarika
2.1.1	Period of Service:	From: 10th June 2017 To: 16th July 2019
2.2	Name of Executive Officer:	Sri Puroshatam Paswan
2.2.1	Period of Service:	From: 17th April 2017 To: 11th January 2018

3. REVIEW OF OUTSTANDING AUDIT PARAS:

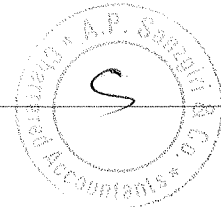
3.1. STATUS OF AUDIT OBSERVATIONS IS AS UNDER:

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. 2011-12 & 2015-16	12	11	7	1	0.64 Lakh		No.-1977 dated 6.9.18

3.2. DETAILS OF TOTAL NO OF AUDIT PARAS:

Period of AG audit report : 2011-12 & 2015-16

Compliance report date & Number : Number-1977; dated 06.09.2018



Audit Para Number	Heading of the audit para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
3	Mobile Tower tax	6.90 Lakh	YES	NO	NO
4	Payment to Private Agency for cleaning work	7.44 Lakh	NO	NO	No
5	Holding Tax not deposited	0.64 lakh	YES	YES	YES
6	Sairato ki Bandowasti	23 Lakh	YES	YES	YES
7	Property tax due on government Building	0.23 lakh	YES	NO	NO
8	Purchase of Laptop	3 lakh	NO	NO	NO
9	Outstanding of Property tax	3.95 Lakh	NO	NO	NO
1	Fund remains since 2007	0.38 Lakh	NO	NO	NO
2	Non Preparation of BRS and non maintenance of single cash book for single bank A/c	1.80 Lakh	NO	NO	NO
3	AFS, Grant Register, Demand & collection Register, Assets Register etc.	NA	NO	NO	NO

Management Comment: 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	Not Found	Not Found	22,32,23,000.00
Actual Expenditure Data	Not Found	7,06,51,721.00	2,18,62,343.00
Savings(+)/Excess(-)	-	-	20,13,60,657.00

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2018-19 & 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 and 2018-19 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. **Before 2018-19 budget has not been prepared. Preparation of budget started from 2018-19. Hence we are unable to comments on remaining parts of above.**

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	17,00,81,320.00	9,05,05,600.00		17,00,81,320.00	17,00,81,320.00
Receipts	20,06,10,500.00	15,02,27,441.00		3,07,74,088.00	3,07,74,088.00
Total	37,06,91,820.00	24,07,33,041.00		20,08,55,408.00	20,08,55,408.00
Net expenditure	22,32,23,000.00	7,06,51,721.00		2,18,62,343.00	2,18,62,343.00
Closing balance	14,74,68,820.00	17,00,81,320.00		17,89,93,065.00	17,89,93,065.00

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2018-19 & 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 and 2018-19 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. **Before 2018-19 budget has not been prepared. Preparation of budget started from 2018-19. Hence we are unable to comments on remaining parts of above.**



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	Central Bank of India	2150967877	Internal resource	2682276.00	2679089.10	3186.90	NO
2	State Bank of India	32711214204	13th finance	2535359.86	2516999.00	0	NO
3	State Bank of India	11753311713			18360.86		
4	Panjab National Bank	6082000100091821	Swarn Jayanti Rojgar Yujna	2942650.64	2968046.64	25396.00	NO
5	Central Bank of India	3126172909			6869212.60		
6	Panjab National Bank	60820001000061100	Raj Sahay	15651278.27	7746247.64	0	NO
7	State Bank of India	11753373859			1035818.00		
8	Panjab National Bank	6282000100158510	SBM	8343969.92	8148969.92	195000.00	YES
9	Panjab National Bank	6082000100178980	House for All	9746940.40	9746940.40	0	YES
10	State Bank of India	33527600198	IHSDP AWAS YOJNA	10439553.00	10439553.00	0	YES
11	State Bank of India	33527604171	IHSDP AWAS YOJNA	9001684.00	9045706.00	44022.00	NO
12	Central Bank of India	3333446955	IHSDP AWAS YOJNA	111007.00	111007.00	0	YES
13	Panjab National Bank	6082000100150667	IHSDP AWAS YOJNA	4369552.04	41990775.44	1704776.60	NO



14	PL -46		84528631.00	84528631.00	0	YES
	Total		18,96,78,902.10	18,78,45,356.60	19,72,381.50	

Auditor's Comment: A single cash book maintained for a 'YOJNA/MISSION/SCHEME' whereas under a 'YOJNA/MISSION/SCHEME' more than one bank account open, hence it is suggested by us to maintained separate cash book in respect of each bank account so that reconciliation between cash book and bank statement can be prepared.

Due to non-preparation of bank reconciliation statement it may be possible that ULB has incurred some financial losses.

Management Comment: Refer Discussion Note.

IV. RECEIPTS INFORMATION:

S. N	Details	INCOME DETAILS (Amounts In Rupees)						
		2017-18 (ACTUAL)	2017-18 (ACTUAL)	2016-17 (ACTUAL)	2018-19 (ACTUAL)	2017-18 (ACTUAL)	2018-19 (ACTUAL)	2019-20 (ACTUAL)
	Total Receipts (A+B)	3,07,74,088.00	3,07,74,088.00	15,02,27,441.00			3,07,74,088.00	
A	Revenue Receipts (1+2+3)	87,50,309.00	87,50,309.00	10,64,58,630.00			87,50,309.00	
1	Own Revenue Receipts (a+b)	25,01,041.00	25,01,041.00	37,88,589.00			25,01,041.00	
a)	Tax Revenue (collected by ULB)	12,94,803.00	12,94,803.00	30,50,173.00			12,94,803.00	
i)	Property tax	4,94,718.00	4,94,718.00	3,17,841.00			4,94,718.00	
ii)	Other tax (collected by ULB)	8,00,085.00	8,00,085.00	27,32,332.00			8,00,085.00	
b)	Non-tax revenue (Collected by ULB)	12,06,238.00	12,06,238.00	73,8,416.00			12,06,238.00	
i)	Fees & fines	52,268.00	52,268.00	2,30,720.00			52,268.00	
ii)	User Charges	0	0	4,500.00			0	
iii)	Other non-tax revenue (Collected by ULB)	11,53,970.00	11,53,970.00	5,03,196.00			11,53,970.00	
2	Other Revenue Receipts	31,89,318.00	31,89,318.00	22,99,487.00			31,89,318.00	
a)	Income from interest/investments	31,89,318.00	31,89,318.00	22,99,487.00			31,89,318.00	
b)	Other Revenue income	0	0	0			0	



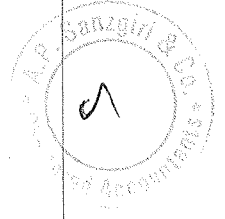
3	Transfers/Grants/Assigned Revenues	30,59,950.00	10,03,70,554.00	30,59,950.00	
a)	State Assigned Revenue	0	0	0	
b)	State Finance Commission Grants	0	0	0	
c)	Octroi compensation	0	0	0	
d)	Other State Government Transfers	0	0	0	
e)	Central Finance Commission Grant	0	0	0	
f)	Other Central Government Transfers	0	0	0	
g)	Others	0	0	0	
B	Capital Receipts	2,20,23,779.00	4,37,68,811.00	2,20,23,779.00	
1	Sale of Municipal Land	0	0	0	
2	Loans (from State Govt. Or Banks etc.)	0	0	0	
3	State Capital Account Grant	1,52,21,621.00	3,89,29,639.00	1,52,21,621.00	
4	Central Capital Account Grant	68,02,158.00	48,39,172.00	68,02,158.00	
5	Other Capital Receipts	2,20,23,779.00	0	2,20,23,779.00	

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2018-19 & 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 and 2018-19 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. **Before 2018-19 budget has not been prepared. From 2018-19 preparation of budget started. The actual figure in respect of 2018-19 has been taken up to December 2018.**

V. EXPENDITURE INFORMATION:

EXPENDITURE DETAILS (Amounts In Rupees)							
S. N.	Details	2017-18		2018-19		2019-20	
		2017-18 (ACTUAL)	2016-17 (ACTUAL)	2018-19 (ACTUAL)	2017-18 (ACTUAL)	2019-20 (ACTUAL)	2018-19 (ACTUAL)
	Total Expenditure (1+2)	2,18,62,343.00	7,06,51,721.00		2,18,62,343.00		
1	Revenue Expenditure	99,44,371.00	6,53,44,799.00		99,44,371.00		



1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and Cont.)	53,45,344.00	33,45,972.00	53,45,344.00	
1.2	Operation and Maintenance	21,44,671.00	3,29,568.00	21,44,671.00	
1.3	Loan repayment (Interest payments)	0	0	0	
1.4	Others(any other revenue expenditure)	24,54,356.00	6,16,69,259.00	24,54,356.00	
2	Capital Expenditure	1,19,17,972.00	53,06,922.00	1,19,17,972.00	
2.1	All developmental works under Central/State	1,18,61,922.00	52,91,976.00	1,18,61,922.00	
2.2	Loan Repayments(Principial Amount)	0	0	0	
2.3	Other Capital expenditure	56,050.00	14,946.00	56,050.00	

Auditor's Comment:

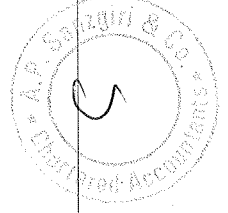
The above figures have been taken from the Budget Statement of the ULB for the year 2018-19 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2015-16, 2016-17, 2017-18 and 2018-19 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. **Before 2018-19 budget has not been prepared. From 2018-19 preparation of budget started. The actual figure in respect of 2018-19 has been taken up to December 2018.**

VI. STATUS OF IMPLEMENTATION OF DOUBLE ENTRY ACCOUNTING SYSTEM

There is no agency currently working for implementation of "Double Entry Accounting System" in Nabinagar- panchayat. Further there is no back up of data available with ULB- Nabinagar in respect of work done by Sahni Bansal & Asso. till F.Y. 2015-16. **Refer Discussion Note.**

VII. STATUS OF MEETING OF MUNICIPAL ACCOUNTS COMMITTEE

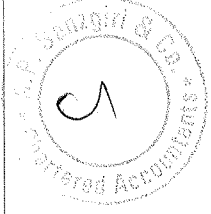
Empowerment committee by default is Municipal Accounts committee as per board decision.



		10	User Charges for provision of water-supply, drainage and sewerage	NO
		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,	No
		16	Collection of Fees for issue of birth and death certificates.	YES
		17	Collection of Development Charges	No
4	Consequences/Effect	No levy of taxes will be resulted in to revenue loss to ULB.		
5	Cause	There is lack of standard policies and instructions from department. In some cases policies are prepared by it is not followed by the ULBs.		
6	Corrective Action/ Recommendation	It is recommended that department should prepare uniform policies for levy and collection of taxes in proper manner and on due time. Further capacity building programmes should be held for ULBs staff and awareness about these taxes should be done.		
7	Management Comments	Kindly refer discussion note attached with the report.		

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

SN	Head	Comments
1	Objective	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 the amount of tax collected by the Tax collector is required to be handed over to cashier and deposited into bank on the same day on which collection is made. To check compliance of these provisions, we have carried audit of such type of cases.
2	Criteria	We have checked respective books in order to carry the audit and some cases were checked on random basis.
3	Condition	During verification of receipts book and deposit slips, we have noticed that there is gap period in collection of tax and deposit of tax around 15 to 30 days, however in some cases it cross more than 50 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.

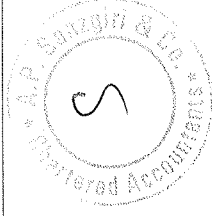
OBSERVATION-3: NON COLLECTION OF NOTICE FEE

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

A. 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. 57,087 was outstanding as on 31/03/2018:
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.



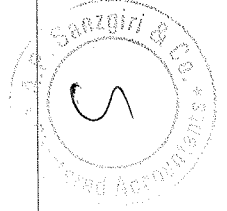
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

B. RECOVERY OF ADVERTISEMENT TAX

SN	Head	Comments
1	Objective	ULB authorized to charge advertisement tax/fee in municipal are as per act/rule.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted there was no outstanding dues as on 31/03/2018 as per information provided to us.
3	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to ULB.
5	Cause	Not Applicable
6	Corrective Action/ Recommendation	Not Applicable
7	Management Comments	Not Applicable

C. RENT INCOME

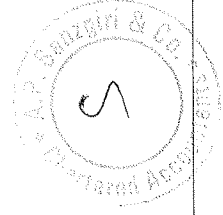
SN	Head	Comments
1	Objective	ULB authorized to charge rent from municipal properties.
2	Criteria	It is checked from progress report prepared by ULB



2	Condition	During checking it is noted there was no outstanding dues as on 31/03/2018.
3	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to ULB.
5	Cause	Not Applicable
6	Corrective Action/ Recommendation	Not Applicable
7	Management Comments	Not Applicable

D. 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. 6,12,960 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.



E. 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 there was no outstanding dues as on 31/03/2018.
3	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to ULB.
5	Cause	Not Applicable
6	Corrective Action/ Recommendation	Not Applicable
7	Management Comments	Not Applicable

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

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

SN	Head	Comments																								
1	Objective	Checking of payment made by ULBs to find out irregularities made during payment																								
2	Criteria	Payment were checked on random basis																								
3	Condition	1. 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>Audit Observations</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Rajesh Kumar Ahluwali</td> <td>Legal Fee</td> <td>22000</td> <td>22000</td> <td>Invoice not Found</td> </tr> <tr> <td>2</td> <td>Trading Co. Pvt Ltd</td> <td>Battery Purchase</td> <td>42050</td> <td>42050</td> <td>Invoice not Found</td> </tr> <tr> <td>3</td> <td>Rajeev Ranjan</td> <td>Labour</td> <td>235103</td> <td>235103</td> <td>Supporting documents not Found</td> </tr> </tbody> </table>	S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Audit Observations	1	Rajesh Kumar Ahluwali	Legal Fee	22000	22000	Invoice not Found	2	Trading Co. Pvt Ltd	Battery Purchase	42050	42050	Invoice not Found	3	Rajeev Ranjan	Labour	235103	235103	Supporting documents not Found
S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Audit Observations																					
1	Rajesh Kumar Ahluwali	Legal Fee	22000	22000	Invoice not Found																					
2	Trading Co. Pvt Ltd	Battery Purchase	42050	42050	Invoice not Found																					
3	Rajeev Ranjan	Labour	235103	235103	Supporting documents not Found																					



	singh							
4	Hindustan Media Ventures	Advertisement	60997	60997	60997	Invoice not Found		
5	Nov Bihar Times	Advertisement	32326	32326	32326	Invoice not Found		
6	Neutral Publishing House Ltd	Advertisement	75043	75043	75043	Invoice not Found		
7	Dharmvir Kumar	Contractor	723844	723844	723844	File of Dharmvir Kumar "Unavailable"		
8	Santosh Kumar	Contractor	709103	709103	709103	File of Santosh Kumar "Unavailable"		

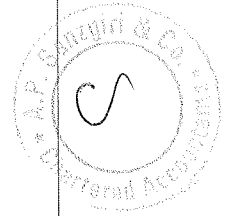
Auditor Note: In respect of payment made to above Party and Rajeev Ranjan Singh, City manager, neither invoice/voucher nor any supporting documents available with ULB as per reply given by concern person.

1. During the Audit period following Penalty has been imposed on Nagar Panchayat due to late payment of electricity bill.

Name of Utility	Bill Amount	Due date for Payment	Actual date for payment	Penalty/Late Fees Charged
SBPDCL(Electricity)	1,23,580	23.05.2018	14.05.2019	21,463/-

Auditor Note: during 2017-18 no payment for electricity bill has been made. The above DPS mentioned is for whole F.Y. 2017-18 have been taken from bill of May'18.

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	Kindly Refer Discussion Note for above said observation



(C) REPORT ON SURVEY ON 20 HIGH VALUE PROPERTIES

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

SN	Head	Comments
1	Objective	Field survey and report of 20 high value properties of ULB and report on the basis of area of building, rate of property tax etc of the same. Comparison with the data of same property provided by the ULB and report on variance between them if available.
2	Criteria	Survey was to be done for 20 High value properties.
3	Condition	We have requested to Management to provide Tax Collector for Physical Measurement and Assessment of 20 High value Property, but Management replied staff of ULB are busy in some important work, hence Management will provide for same at latter stage of Audit. We will submit details of 20 High Value property Assessment report in Report for period of Q-2 of F.Y. 2019-20.
4	Consequences/Effect	Irregularities in this area may cause short recovery of revenue receipt and it will result in loss to the ULB.
5	Cause	Not Applicable
6	Corrective Action/Recommendation	Not Applicable
7	Management Comments	Kindly refer discussion note attached with the report.



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

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

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

S/N	Name of Register	Maintained/ Not Maintained	Last date of Update
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	Not 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	Maintained	31.03.2018
10	Summary Statement of Bills Raised	Not Maintained	
11	Register of Notice Fees, Warrant Fees, Other Fees	Not Maintained	
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	Not Maintained	
13	Register of Refunds, Remissions and Write off	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	Maintained	
20	Summary Statement of Head wise Collection of Other Income	Not Maintained	
21	Summary Statement of Refunds	Not Maintained	
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	Not Maintained	

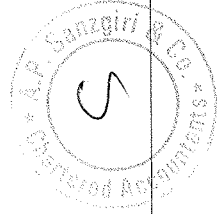


21	Summary Statement of Refunds	Not Maintained
22	Summary Statement of Write off	Not Maintained
23	Grant Register	Not Maintained
24	Summary Statement of status of Capital Work in Progress	Not Maintained
25	Work Sheet	Not Maintained
26	Deposit Works Register	Not Maintained
27	Material Receipt Note	Not Maintained
28	Store Ledger	Not Maintained
29	Statement of Closing Stock	Not Maintained
30	Statement of Material Issued	Not Maintained
31	BRS of all bank accounts (including dormant accounts)	Not Maintained
32	Final Accounts for the F.Y. 2012-13 to 2017-18	Not Maintained
33	Audited Balance Sheet	Not Maintained
34	Audited Income & Expenditure Account	Not Maintained
35	Audited Receipts & Payment Account	Not Maintained

(b) IRREGULARITY IN PROCUREMENT PROCESS:

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

S.N	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 deposited 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	21.02.2018/2017-18	E-Tendering	YES	YES	YES	YES	Not Matured	YES	YES



2. DETAILS OF LOG BOOK MAINTAINED:

S.N	Name of Vehicle	Whether vehicle log book is maintained or not	Whether log book is properly updated or not	Whether vehicle is insured or not	Whether Rate of Diesel/Petrol properly mention in log book
1	Tempo (owned)	NOT	NOT	NOT	NOT
2	Scorpio (Hired)	YES	NOT	YES	NOT

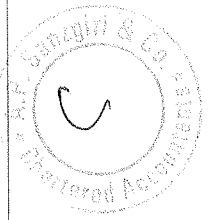
Management Comment: Refer Discussion Note

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

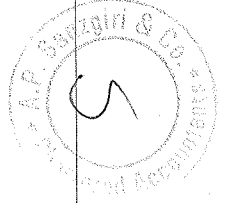
S.N	Directions Issued by UDHD	Particulars of Circulars/Orders/Notices	Complied or Not
1	No. 03/SBM20-14/2015 Dated 08.08.2017	<u>SBM Guidelines Regarding Toilet sheet Const. Guidelines:-</u>	Complied
2	Gyapank No.- 1007; Dated- 14.07.2017	<u>Guidelines Regarding Hire Vehicle</u>	Complied
3	No.- 4464;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

4. NON COMPLIANCE OF ACTS& RULES:

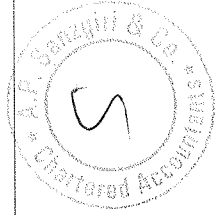
S.N	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.-22	Refer point: Part-A (a) (2) As per verification of receipt book it is noted that there was average delay of 15-30 days in collection and deposit of tax into bank	Due to shortage human resources & pressure of work amount of tax collected is not deposited on time. (Refer Discussion Note)
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Yes, 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.	
3	Whether the collection register was in the personal custody of the bill collector and the	BMAR Rule No.- 27	Yes, Collection register was in the personal custody of the bill collector	In ULB the collection register was in the personal custody of the bill



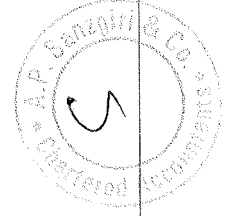
	particulars in It shall be written up from the original receipts issued at the time of collection.		and the particulars in It shall be written up from the original receipts issued at the time of collection.	collector.
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated stall of the Municipality	BMAR Rule No.- 27	Yes, it is verified by concern authority.	
5	Whether every bill collector invariably remit his collections (in cash and/or cheques) to Cashier daily before 4.30 PM and take the cashier's acknowledgment in the collection register.	BMAR Rule No.- 27	Refer point: Part-A (a) (2) As per verification of receipt book it is noted that there was average delay of 25 days in collection and deposit of tax into bank.	(Refer Discussion Note)
6	Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.	BMAR Rule No.- 69	Grant Register Not Maintained in ULB	ULB is not in practice of maintaining Grant Register. (Refer Discussion Note)
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception.	BMAR Rule No.- 69	Yes, Complied	
8	Whether The grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No	
9	Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29.	BMAR Rule No.- 69	Refer PART-B (10)	(Refer Discussion Note)



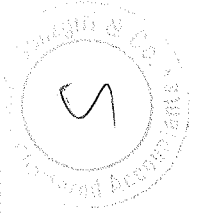
10	Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received	BMAR Rule No.- 69	No, See Note Below	(Refer Discussion Note)
11	Whether The Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	BMAR Rule No.- 120	Yes	Yes, The Chief Municipal Officer prepare a fund wise statement of receipts and payments.
12	Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	BMAR Rule No.- 121	No, ULB was not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	(Refer Discussion Note)
13	Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	BMAR Rule No.- 121	No	(Refer Discussion Note)
14	The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. The Financial Statements shall comprise of a. Receipts and Payments Account for the year (BMAR Form No.71) b. Income & Expenditure Statement for the year (BMAR Form No.73) c. Balance Sheet as on 31st March of the year (BMAR Form No.74) d. Significant accounting policies adopted by the Municipality in presentation of the financial statements. e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial	BMAR Rule No.- 122	BMAR Rule No. - 122 was not followed by ULB during the F.Y. 2017-18.	(Refer Discussion Note)



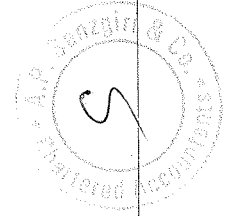
	statements clearly. f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply			
15	Whether the municipality is regular in depositing statutory dues including tax deducted at source, GST, TDS on GST, service tax, VAT, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (6) We observed that ULB was not regular in compliance of statutory dues.	(Refer Discussion Note)
16	Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation; (BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (9)	(Refer Discussion Note)
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated in sufficient detail;	BMAR Rule No.-130	Not stated sufficient details.	
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, 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. The ULB has made such deductions properly accounted but not accounted on time.	
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 details regarding creation of special fund and their use was made available to comment thereon.	(Refer Discussion Note)



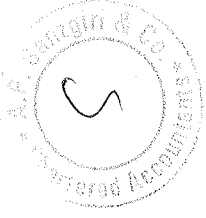
20	Whether the ULB is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable Intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	BMAR Rule No.-130	ULB was not maintaining fixed assets register for the financial year 2017-18. Further no, fixed assets physically verified report was made available to comment upon.	(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	No details regarding lease hold property was made available to comment upon.	(Refer Discussion Note)
22	Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	BMAR Rule No.-130	Yes, ULB followed adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets.	
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality's accounts; If so, the details thereof;	BMAR Rule No.-130	We have not observed such type of transaction during audit.	
24	Whether the Bank Reconciliation statements have been properly prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.-130	Refer Point-04 (III) Yes, ULB has prepared bank reconciliation for all bank accounts maintained but in case of some bank accounts, BRS was not updated till 31-03-2018.	(Refer Discussion Note)
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.-130	Yes, ULB has prepared bank reconciliation for all bank accounts maintained but in case of some bank accounts, BRS was not updated till 31-03-2018.	
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	BMAR Rule No.-130	Yes	



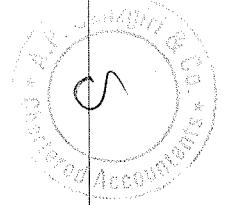
	such as are authorized by Act;				
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.-130	Refer-PART-A (a)(4) Yes, ULB has accounted revenue properly. But collection and recovery of taxes was in slow pace that's why there 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 15-25 days delay of collection.		
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, the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order.		
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.-130	Refer-PART-B (a) No, Some required books of accounts as per BMAM/BMAR has not been maintained.	(Refer Discussion Note)	
31	Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores;	BMAR Rule No.-130	No store verification report was made available during the reporting period to comment upon.	(Refer Discussion Note)	
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	ULB has not maintained any for physical verification of store so we can not comment on it.	(Refer Discussion Note)	



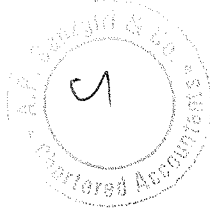
33	Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and If so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to Identify any unserviceable or damaged stores and whether provision for the loss In this respect, If any, has been made In the accounts;	BMAR Rule No.-130	No such details provided	
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	No such details provided	(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	Advance Register has not been maintained	ULB is not in practice to Maintained Advance Register. (Refer Discussion Note)
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130	Advance Register has not been maintained	ULB is not in practice to Maintained Advance Register. (Refer Discussion Note)
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 maintained	
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.	(Refer Discussion Note)
39	Payment not to be made out of Municipal Fund	BMA,2007:	No payment made out of Municipal	



	<p>unless covered by budget grant: Whether any payment made out of Municipal Fund that is not covered by budget grant.</p> <p>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.</p> <p>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:</p> <p>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,</p> <p>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,</p>	Chapter X	Fund that is not covered by budget grant.	
40		BMA,2007: Chapter X	Refer Discussion Note	<i>(Refer Discussion Note)</i>
41			As per ULB, No investment was done by ULB.	
42			No, Estimation should be based on the past experience and after considering the fact that how the condition might change in future though the provision of Section 82 of the Act regarding preparation of budget have been complied.	Budget prepared from 18-19 only. (Refer Discussion Note)
43			As ULB was following single entry accounting system. So receipts and payments details were being maintained in form of cash book. Audited receipts & payments account as per BMAM was not prepared by ULB.	<i>(Refer Discussion Note)</i>



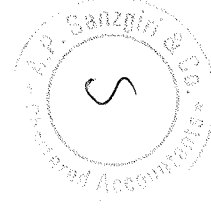
44	<p>Financial Statement. Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality.</p>		No, ULB was not preparing a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality.	
45	<p>Submission of financial statement and balance sheet to auditor. The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after examination of the same, shall adopt and remit them to the Auditor as may be appointed in this behalf by the State Government.</p>		No, Financial Statements were not provided for audit by ULB.	
46	<p>As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007 various tax are applicable on ULBs Section 145, 146 and 147 of the Bihar Municipal Act 2007 chapter XVII provides for Advertisement tax on Advertisement in Urban Areas. Chapter XVII of the Bihar municipal Act, 2007 required license of Advertisement of any holding, etc. As per act Every person who erects, exhibited, fixes or retain upon or over any land, building, wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph), visible from a public street a public place in any location in a municipal area including airport or a port or a railway station, shall pay or every advertisement, which is so erected, exhibited, fixed or retained or</p>		<p>Refer-PART-A (a) (4) for status of taxes not collecting by ULB.</p>	



	so displayed to public view, a tax calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement.				
47	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,	BMA,2007: Chapter XIX	Refer-PART-A(a)(3) Notice fees has not been implemented in the Nabinagar Panchayat.		
48	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.	BMA,2007: Chapter XXXVII	No		Trade Licence has not been issued from ULB so Trade license fee is to be collected from different types of Trader.

Note-1 While Carrying out Audit For, we observe following Grant remains outstanding for very long period. The Details are as under:

S.N.	Bank A/c	Grant / Fund Name	Last Transaction	Amount outstanding As on 31.03.2018	Appx. No of Year outstanding
1	150667	IHSDP Infrastructure	30.08.2016	4,36,95,552.04	3 Years
2	7600198	IHSDP Awash Yojna	16.03.2017	1,08,63,441.00	2.5 Years
3	46955	IHSDP Awash Yojna	19.01.2015	1,14,943.00	4 Years
4	91821	SJRY	09.11.2015	32,63,740.24	4 Years



5. LACK OF INTERNAL CONTROL MEASURES:

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

- a. Store procurement should be followed proper rules as per BMAR Rules & Provisions;
- b. ULB should be followed Books of Account, Trial Balance, FAR, FS, and other records as per BMAR;
- c. It was notice in some cases file was not in custody of ULB. It prime responsibility of concern officer to make proper arrangement to keep books of accounts safely;
- d. ULB should be prepared & Maintained monthly BRS;
- e. Stock Register is not updated properly;
- f. No MIS was prepared for tracking of payments
- g. Year-end reconciliation was not available;
- h. In some cases single cash book maintained in respect of more than one bank a/c. It is necessary for ULB to prepare single cash book for single bank a/c in order to trace payment and bank reconciliation.

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 Number
1	Ajit Kumar singh	20100	402	07.03.2018	Not Deposited	
2	Vinay Kumar singh	24697	494	30.04.2018		
3	Omprakash Chaudhary	281000	28100	07.01.2018		
4	Baldev Kumar singh	261000	26100	07.01.2018		
5	Omprakash Chaudhary	281000	2810	30.04.2018		
6	Baldev Kumar singh	261000	2610	30.04.2018		
Total		11,28,797.00	60516.00			

Auditor comment: TDS has been deducted at 2% in respect of individual instead of 1%.

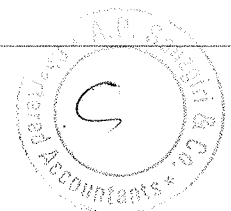
Management Comment: It is consider from next payment.

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

There is no liability for VAT during 2017-18.

C. DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Dharmvir Kumar	723844.00	14493.00	Not Deposited	
2	Santosh Kumar Singh	709103.00	14182.00		
Total		14,32,947.00	28,675.00		



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

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/ Challan Number
1	Dharmvir Kumar	7,23,844.00	7,246.00	Not Deposited	
2	Santosh Kumar Singh	7,09,103.00	7,091.00		
Total		14,32,947.00	14,337.00		

Auditor's Comment :

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

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

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

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

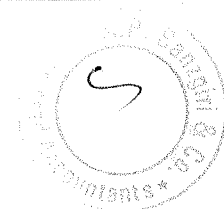
S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/ Challan Number
1	Dharmvir Kumar	7,23,844.00	57,972.00	Not Deposited	
2	Santosh Kumar Singh	7,09,103.00	56,728.00		
Total		14,32,947.00	1,14,700.00		

7. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:

S.N	Quarter	Due date of Return	Actual date of Return filled	Remarks
1	1	31.07.2017	Not Filed till 30.09.2019	
2	2	31.10.2017		
3	3	31.01.2018		
4	4	31.05.2018		

8. DEFICIENCY IN PAYROLL SYSTEM:

S.N	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/ Contract worker)	YES
2	Non availability of Salary payment voucher	YES
3	Matching of voucher number with cash book	NO
4	Salary register contains all elements of salary	YES
5	Maintenance of Salary Deduction register	YES
6	Whether deduction of PF/ESI made from contract employee	NO



7	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	NO
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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	7000	15.05.2017	7000	02.08.2017	79
May - 17	7000	15.06.2017	7000	02.08.2017	48
Jun - 17	7000	15.07.2017	7000	02.08.2017	18
July-17	7540	15.08.2017	7540	17.10.2017	63
August-17	7000	15.09.2017	7000	17.10.2017	32
September-17	7000	15.10.2017	7000	17.10.2017	2
October-17	7000	15.11.2017	7000	04.05.2018	138
Novmber-17	7000	15.12.2017	7000	04.05.2018	108
December-17	7000	15.01.2018	7000	04.05.2018	109
January-18	7000	15.02.2018	7000	04.05.2018	78
February-18	9000	15.03.2018	9000	04.05.2018	50
March-18	9000	15.04.2018	9000	04.05.2018	19

Auditor Comment:-The concern person replied that deducted Amount of PF is deposited into the Employee personal Account though PL Account and not with EPFO A/c.

1.2 Contractual Employee:

Auditor's Comment :-PF has not deducted from Contractual Employee.



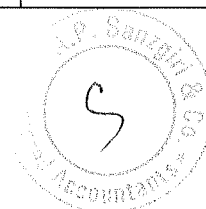
10. UTILISATION OF GRANT AND REPORT ON MISSING UTILISATION CERTIFICATE:

1. STATUS OF UTILIZATION CERTIFICATE-(REFER ANNEXURE)

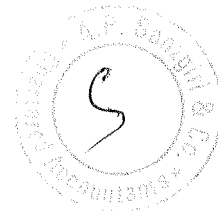
SN	Head	Details
1	STATUS OF USE OF GRANT AS PER DEFAULT ALLOCATION	Specifically grant allocation details has not been maintained, however it is maintained in grant register. (Refer Discussion Note)
2	PHYSICAL VERIFICATION OF INVENTORY/STORES	Refer point 31-40 PART-B (d). ULB did not follow the practice 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

S.N	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	Refer-PART-B(4)
D	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.	Complied Refer-PART-B(4)
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 Recommendation
J	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.	Complied Refer-PART-B(b)
K	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies	Complied Refer-PART-B(b)
L	Auditor will report on that the fixed deposit and other funds should be in nationalized Banks/Approved financial institutions and should earn maximum interest at their gestation period.	Complied Refer-PART-B(4)
M	Internal Auditor will identify major areas of ULBs own revenue loss and auditor will access the loss and Prepare a statement of loss.	Complied Refer-PART-A(a)
N	Auditor will report on that all kind of tax deductions i.e. Commercial tax, Income tax, provident fund etc. Should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.	Complied Refer-PART-B(6)
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 - 2017-1

ANNEXURE-1: DELAY IN DEPOSIT OF PROPERTY TAX

ULB- NABINAGAR NAGAR PANCHAYAT

S. N.	Serial no		Amount of tax	Date of collection as per receipt book	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	6156	6181	21091	16.04.2017	See Note	See Note	27.04.2017	1-11 days
2	6182	6207	11696	16.04.2017			27.04.2017	1-11 days
3	6208	6337	10033	17.04.2017 to 21.04.2017			28.04.2017	1-10 days
4	6338	6363	16721	21.04.2017 to 22.04.2017			28.04.2017	1-6 days
5	6364	6389	510	22.04.2017			29.04.2017	7 days
6	6390	6415	12440	22.04.2017			29.04.2017	7 days
8	6417	6416	9486	22.04.2017 to 25.04.2017			Not deposited	-
9	6438	6450	12591	02.05.2017 to 24.05.2017			31.05.2017	1-29 days
10	6451	6469	16569	06.06.2017 to 30.06.2017			04.07.2017	1-28 days
12	6470	6490	16694	21.07.2017 to 31.07.2017			02.08.2017	1-12 Days
13	6491	6516	11885	18.08.2017 to 31.07.2017			03.10.2017	1-45 days
14	6517	6521	11413	31.08.2017			06.10.2017	36 days
15	6522	6545	8578	06.09.2017 to 20.09.2017			09.10.2017	1-33 days
16	6546	6571	14823	04.10.2017 to 10.10.2017			22.11.2017	1-48 days
17	6572	6597	5190	10.10.2017 to 13.10.2017			08.12.2017	1-62 days
18	6598	6623	11799	21.10.2017 to 31.11.2017			13.12.2017	1-52 days
19	6624	6632	4927	31.11.2017			14.12.2017	1-14 days
20	6633	6658	27003	12.12.2017 to 19.12.2017			22.12.2017	1-10 days



21	6659	6685	34640	19.12.2017 to 26.12.2017		12.01.2018	1-23 days
22	6666	6710	28634	20.12.2017 to 28.01.2018		09.02.2018	1-51 days
23	6711	6729	6521	28.01.2018 to 31.01.2018		15.02.2018	1-15 days
24	6730	6755	19187	03.02.2018 to 16.02.2018		09.03.2018	1-35 days
25	6756	6781	10009	16.02.2018 to 23.02.2018		17.03.2018	1-28 days
26	6782	6800	8966	25.02.2018 to 28.02.2018		19.03.2018	1-19 days
27	6801	6826	22588	10.03.2018 to 16.03.2018		23.03.2018	1-7 days
28	6827	6852	14130	16.03.2018 to 18.03.2018		23.03.2018	1-5 days
29	6853	6878	22237	18.03.2018 to 23.03.2018		27.03.2018	1-7 days
30	6879	6904	18080	23.03.2018 to 24.03.2018		31.03.2018	1-7 days
31	6907	6930	5381	25.03.2018 to 26.03.2018		31.03.2018	1-5 days
32	6931	6956	35240	26.03.2018 to 23.03.2018		07.04.2018	1-14 days
33	6957	6975	10425	31.03.2018		11.04.2018	11 days

Note- Amount has been directly deposited in to the Bank by Tax Collector . Neither cash book has been maintained at Nabinagar Panchayat nor any amount bring to the cash book. Hence delay in deposit with cashier can not be find out.



Nabinagar Panchayat
Discussion Note

Date: 11.02.2020
Nabinagar Panchayat
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	No Action Taken on remaining Para of AG Compliance Report.	It is under process and management will submit it as soon as possible.
2	Non Preparation Budget Before 2018-19	ULB Nabinagar had not prepared budget before 2018-19.
3	Non maintenance of Advance Register.	ULB not in a practice to give advance to it employees as well as supplier. Hence the same has not been maintained.
4	Status of Implementation of "DEAS"	Currently there is no agency working for implementation of DEAS. Further there is no back up of data of DEAS available with ULB for the work done by earlier Agency.
5	No Municipal Accounts committee established.	Empowerment committee by default is Municipal Accounts committee as per board decision.
6	Non Levy and Collection of Notice fee.	Currently in Nabinagar Panchayat Notice Fee is not collecting.
7	Non levy of Taxes in IAR under Para " I Part-A a) (1).	Some of taxes is collected by other department of GoB like professional tax. And there is many taxes mentioned in this Para are not collected by ULB due to not providing services in this respect like fire tax and water taxes. For rest we will discussed in meeting of board and implement accordingly.
8	Late deposit of property Tax.	Due to shortage of human resources same has not been deposited on time
9.	Non maintenance/ Preparation of Payment Voucher	ULB made payment on the basis of Invoice or Bill raised by supplier. ULB currently Not prepared Payment voucher. However we will consider it.
10	Following Irregularities in Payment was found during Audit of above said period refer to Para " PART-A (b) (3): ➤ Non availability of Invoice	We are making our best effort to recover the same.
11	Late deposit of statutory deduction including TDS.	It will deposit on or before due date from now.
12	Delay in deposit for deducted amount of EPF.	We will deposit the same on or before due date from Now.
13	Non deduction of EPF Amount of Contractual Employees	It will be consider and deducted accordingly.
14	Non preparation of Complete UC details	It is under process with the help of Auditor and will be submit in coming next month.

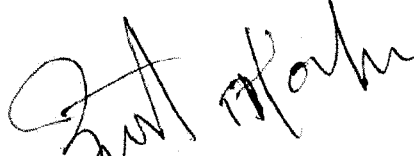
नगर कार्यपालक पदाधिकारी
नगर पंचायत नबीनगर



Nabinagar Panchayat

15	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.
16	Non return of "Unutilized Grant":	It is under process and will be return very soon.
17	Non Maintenance of Grant Register:	It will be maintained as soon as possible.
18	Electricity Penalty/ DPS levied by SBPDCL in Bill:	We will consider the matter and necessary action will be taken to avoid penalty.
19	Directives/Notificatons/ Orders issued by UD & HD:	We have complied the direction or notification issued by UD & HD.
20	Maintenance of grant record with bifurcation like amount for Salary, water management, nail gali solid waste management and so on:	ULB was not maintaining the Grant register, hence it is difficult to bifurcate amount of Grant for Different section as mentioned in Report. We will maintained it from 2019-20.
21	Non maintenance of book refer to Para : II-PART B (a) of Internal Audit Report of above said period:	It will be maintained as per applicability of the same.
22	Non Availability of File Refer to Para PART-B (b)(2) of IAR for above said period	We are making our best effort to recover the same.
23	Non Maintenance of Log Book	We will maintain thereafter.
24	TDS Return has not been filed	It will be file very soon.
25	Report Relating to 20 High Value Property Assessment:	We will provide Tax Collector for Physical Assessment of 20 High Value in municipality area during Audit Period of Q-2 of 2019-20. As Tax collector are busy in some important working in ULB.
26	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.
27	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.
28	Non Maintenance Fixed Assets register	Due to shortage of human resources the same has been not maintained, however we will maintained the same as soon as possible.
29	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.
30	Position Outstanding Taxes and their Collection Procedure Status	The recovery procedure are under process.
31	Non Preparation of Bank Reconciliation on Monthly Basis	It will be prepared as soon as possible.
32	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.
33	Non implementation of Biometric Devices and Payroll Software	It is under process and will be implement very soon.

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


 नगर कार्यपालक पदाधिकारी
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NABINAGAR NAGAR PANCHAYAT
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	PESAKAR	23/30.06.2017	8.00	8.00	-	8.00	-	100%	NIL	2300/11.10.2018
2	NALI GALI	68/30.10.2017	28.50	28.50	-	28.50	-	100%	NIL	2300/11.10.2018
3	City Manager Salary	10/31.05.2017	1.97	0.00	1.97		-	NIL	NIL	Transferred to PL A/c
4	Payday	85/28.12.2017	1.97	0.00	1.97		-	NIL	NIL	Transferred to PL A/c
5	14th Fin	97/24.01.2018	56.97	0.00	56.97		-	NIL	NIL	Transferred to PL A/c
6	Allowance Payment	15/15.06.2017	2.76	0.00	2.76		-	NIL	NIL	Transferred to PL A/c
7	14th Finance	33/02.08.2017	57.14	0.00	57.14		-	NIL	NIL	Transferred to PL A/c
8	NALI GALI	38/11.08.2017	33.26	32.85	0.41	32.85	-	100%	NIL	Not Provided
9	5th Finance	46/14.09.2017	120.03	0.00	120.03		-	NIL	NIL	Transferred to PL A/c
10	EO SALARY	07/23.05.2017	5.00	0.00	5.00		-	NIL	NIL	Transferred to PL A/c
11	Civil Liberties	248/10.03.2017	4.17	4.17	0.00	2.76	1.41	66.19%	33.81%	386/12.03.2019

