

Financial
Year
2018-19



Internal Audit Report for FY 2018-2019 of Benipur Nagar Parishad

Internal Audit Conducted By
M/s Tibrewal Chand & Co. Chartered Accountants
From 01.04.2018 to 31.03.2019
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Report Submitted Date: 23.12.2019

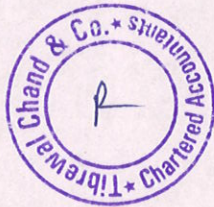
INTERNAL AUDIT REPORT



Internal Audit Report for the year ended 31st March of F.Y. 2018-19

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Internal Audit Report- Nagar Parishad – Benipur

Urban Development and Housing Department in order to implement the best practices of the internal audit of 140 ULBs through NIT No. IA 140ULBs/ 2018-19. This Internal audit report has been issued as a part of our appointment for internal audit.

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

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

We have conducted the Internal Audit with the objective:-

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

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

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

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

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

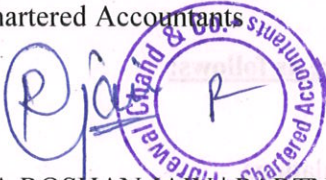
- ❖ Accountant cash Book
- ❖ Subsidiary Cash Book
- ❖ Bank Book
- ❖ Records related to revenue



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- ❖ Vouchers along with supporting documents.
- ❖ Others related records and registers.

For Tibrewal Chand & Company
Chartered Accountants



CA ROSHAN JAIN, PARTNER
Membership No 518422
FRN No. 311047E

UDIN :- 20518422AAAAEX1411
Dated :- 17-10-2020



Executive Summary

1. Introduction: Benipur Nagar Parishad, with population of about 75,317 thousand is located in district of Darbhanga sub district of Benipur district in the state Bihar. There are approximate 15,078 households. Mr. Surendra Kumar Jha is Chairman holding post from 09-06-2017 to till the date of Audit. Mr. Rajesh Kumar Jha is the Executive officer holding post from 21-01-2019 to till the date of Audit.

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

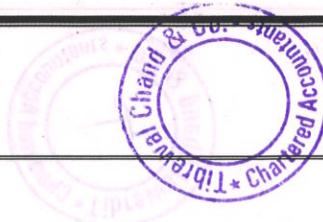
<p>Strengths observed during the audit engagement</p>	<ol style="list-style-type: none"> 1. General Cash book has been prepared for the audited period 2. Cashier cash book has been prepared for the audited period 3. Few Revenue related records were prepared by the Parishad
<p>Weaknesses observed in the functioning of office, maintenance of records etc. during the audit engagement</p>	<ol style="list-style-type: none"> 1. Non preparation of bank reconciliation statements on monthly basis. 2. Lack in follow-up procedure in collection of huge arrear dues in relating to property and other taxes. 3. Non deduction of TDS in salary cases checked on random basis. 4. Non deposition of statutory dues such as labor cess, TDS, VAT, ESI/PF to the authorities after deduction from bills, resulting in huge penalties and interest. <i>(Refer annexure 1 & 2)</i> 5. Non-Performing the variance analysis between budget and actual



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<p>1. General Cash book has been prepared for the audited period.</p> <p>2. Cashier cash book has been prepared for the audited period.</p> <p>3. Few Revenue related records were prepared by the Parishad.</p> <p>4. Non preparation of bank reconciliation statements on monthly basis.</p> <p>5. Lack in follow-up procedure in collection of huge arrears dues in relating to property and other taxes.</p> <p>6. Non deduction of TDS in salary cases checked on random basis.</p> <p>7. Non deposition of statutory dues such as labor cess, TDS, VAT, etc.</p> <p>8. ESIPT to the authorities after deduction from bills resulting in</p>	<p>expenditure for a particular period resulting in short comings in budgetary control.</p> <p>6. Non-Maintenance of assets registers in complete manner resulting in chances of mis-utilization of assets.</p> <p>7. No proper survey of properties has been conducted by the ULB to ascertain the property tax receivables from holdings.</p> <p>8. Loss of revenue due to Sairat was not held for reporting financial year at proper interval.</p> <p>9. Fuel distribution register was not prepared resulting in weakness in control over books of account.</p> <p>10. Daily wages register was not prepared resulting in weakness in control over books of account.</p> <p>11. Huge outstanding of revenue including holding tax, tower tax, rent, Sairats but no sincere efforts has been made by ULBs to recover the same.</p> <p>12. Staffs were not co-operative during the Audit period.</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 matter incidental thereto for overall improvement of the ULB.



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

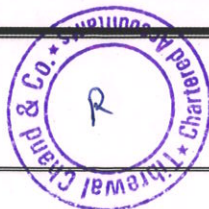
1. Books of accounts should be prepared on real time basis under double entry system and accrual basis should be followed.
2. Employees of all departments are required to be trained and monitored for updating of day to day transactions on regular basis in respective records and registers.
3. Stringent follow up and actions are necessary for recovering arrear relating to property tax, tower tax, rental income and other sources of income.
4. Bank statements or treasury statement shall be collected on regular intervals and bank reconciliation statement should be prepared on monthly basis. Balance confirmation certificate to be obtained from the respective bank treasury periodically.
5. Stock/store register should be updated as per the formats provided in BMAR.
6. Statutory compliances such as deduction and deposition with authorities should be complied strictly to avoid penalty and interests.
7. Fuel issue register should be maintained properly indicating km runs, places covered, purpose of visit, signature of driver, city manager, sanitary inspector etc.
8. Revenue records should be maintained properly including demand and collection details.
9. Advance should be adjusted within reasonable time.
10. PF/ ESI should be timely deposited.



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5. Comments from Management:-

S. No.	Observation	Management Comment	Recommendation
1	As per notification of Bihar Government, The Governor of Bihar made the rules for the mobile tower under the Act. Operator of the mobile has to apply to the ULB for operation of the mobile tower in the concerned area with the Requisite fees of Rs. 40,000/- per Tower and the Renewal fee is Rs. 10,000/- per year. During the course of audit it was observed that Rs 57,70,000.00 is due towards Tower Company for financial year 2018-19. <i>(Details given in report)</i>	This will be strictly taken care by next financial year and Nagar Parishad will take necessary steps to recover or boost revenue from towers.	There is a huge loss of revenue & interest income. So, necessary steps should be taken for timely collection of taxes.
2	There is a long outstanding list of property tax collection and also not deposited on same day or latest before noon. <i>(Details given in report)</i>	Tax collectors are directed to deposit the tax.	Demand register for property tax should be maintained year wise and appropriate action should be taken.
3	Report on Findings of the field survey of property tax of minimum 20 high value properties. <i>(Details given in report)</i>	ULB staff is directed to cooperate with auditors and to provide all the necessary documents for audit.	Physical survey can't be conducted due to Non availability of ULB staff for conducting physical verification. Further SAF forms were also not provided for 20 high value properties as per list provided by us.
4	PF deducted from all permanent staff salary but not deposited in his PF account on timely.	Will be considered in next financial year.	PF should be deposited immediately.
5	During the audit various cases were observed regarding non deduction and non-deposition of statutory dues like TDS, VAT, and Royalty in stipulated time by the Nagar	Will be considered in next financial year.	All statutory compliances related to deduction, deposition and return filling should be complied.



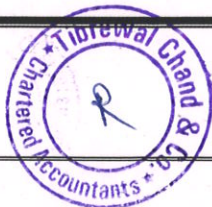
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	Parishad. Further it was also observed that return was also not filled for TDS & VAT. <i>(Details given in report and annexure 1 & 2)</i>		
6	The municipality is not in a practice to prepare BRS on regular or periodical basis and few banks & treasury is not reconciled. But huge difference is showing A/c No. 07385 Canara Banak of Rs. 1,03,97,950.00 <i>(Details given in report)</i>	Nagar Parishad ensure that this will be taken care from now onwards.	BRS should be maintained month wise.
7	FAR is not maintained/updated by the ULB.	Will be considered in next financial year.	FAR including assets wise identification number should be maintained/ updated by Nagar Parishad.
8	Non preparation of stores registers.	Will be considered in next financial year.	Due to non – maintenance of FAR, it will become difficult to identify quantity of each class of stock. So, the ULB should maintain a store ledger including price of inward goods.
9	Benipur Nagar Parishad is not in practice to prepare monthly receipt and payment account and the trial balance.	Will be considered in next financial year.	ULB should prepare receipts and payment account on monthly basis. It helps to find out that how much fund received by the ULB and whether its utilization was made properly or not.
10	Daily wages register were not produced to us for audit.	ULB staff is directed to provide all the necessary documents to auditors.	Daily wages register should be made available to auditors.
11	Fuel distribution register was not prepared resulting in weakness in control over books of account. <i>(Details given in audit report)</i>	Necessary action will be taken.	Log book should be maintained by ULB.
12	Demand Register for collection of Trade License for the financial year 2018-19 is not yet prepared.	All tax collector cashier, cashier and tax daroga is directed to make necessary	Demand register should be prepared.



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		attempt in this regard.	
13	Collection of internal resources is very poor.	Nagar Parishad will take steps to improve the collection from internal resources.	It should be timely collected.
14	During the course of Audit, we observed that Nagar Parishad has conducted C&AG for the year 2016-17 & 2017-18 Internal Audit for 2016-17 & 2017-18 but the compliance report for the same has not been prepared. <i>(Details given in audit report)</i>	Necessary action will be taken.	It should be prepared as soon as possible.
15	Non-Implementation of double entry accounting system (DEAS) We found the detail that double accounting system is implemented at Banipur Nagar Parisad and AFS, FAR & PTR for 2017-18 has been submitted by M/s BORKAR & MAZUMDAR. However we not got any data for 2018-19 verification.	Implementation of DEAS is ongoing and ULB staff is directed to cooperate with auditors and to provide all necessary documents for audit.	As per requirement of BMAR-2014, Part-A, Chapter-2 Rule -4, "All ULB refereed in schedule-1 shall maintain its books of account using the double entry system". Since Benipur Nagar Parisad is covered under schedule -1, therefore they should have to maintain their accounts on double entry accounting system in compliance of such rule.
16	No details were made available regarding meeting of municipal accounts committee held during the financial year 2018-19.	ULB staff is directed to comply with BMA-2007	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of municipal accounts committee each year. During our audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.
17	As per public notice given by Benipur Nagar Parisad, Agreement should be done on the stamp paper which has value 3% of Sairat while	Nagar Parishad ensure that this will be taken care from now onwards.	It should be 3% of Sairat value and should be collected stamp duty.

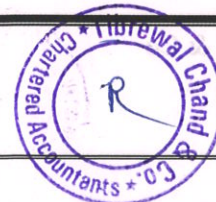


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	we observed that agreement has not done by ULB & not being collected stamp duty. <i>(Details given in report)</i>		
18	Non-maintenance of required registers as per Rule No.-3 of BMAR-2014	ULB staff is directed to follow and comply the guidelines of BMAR	Details of registers not maintained by ULB is mentioned under Part-A (a). ULB should ensure proper maintenance of required books of account and register as per the list given in rule-3 of BMAR-2014.
19	Non-Compliance of Act & Rules	ULB staff is directed to ensure compliance of all applicable Act & Rules.	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable Act & Rules.
20	<p>Lack of internal control measures We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory compliances:</p> <p>(i)Voucher file was not maintained (ii)No internal mechanism for statutory compliance (iii)No MIS was prepared for tracking of payments (iv)Required books of Accounts as per BMAM was not maintained (v)Statutory compliance reconciliation was not maintained</p>	Nagar Parishad ensure that this will be taken care from now onwards.	<p>We suggest that (i)MIS system should be implemented over daily collection and deposit. (ii)Reason for non-deposit/Late deposit should be strongly need to ask for minimize delay. (iii)Need to identify a person to comply with the statutory compliance. In case failure to comply with statutory compliances he should also be penalized. Therefore, the management has to take serious effort in implementation of internal control mechanism for getting a better result from ULB working.</p>
21	<p>Status of Uc's:- <i>(Details given in part B)</i></p>	Not required	Nagar Parishad has submitted all Utilization Certificate which funds are utilized.

Signed Discussion Note is enclosed with the report.

Tibrewal Chand & Co



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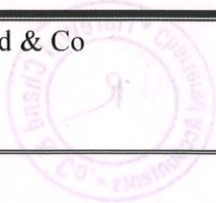
6. Acknowledgement:-

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



<p>18. Non-maintenance of registers as per Rule No-3 of BMAR-2014</p> <p>ULB staff is directed to follow details of registers not maintained by ULB is mentioned under Part-A (a). Proper books of required registers and register as per the rule-3 of BMAR-</p>	<p>ULB staff is directed to ensure compliance of all applicable Act & Rules.</p>	<p>18. Non-maintenance of registers as per Rule No-3 of BMAR-2014</p> <p>ULB staff is directed to follow details of registers not maintained by ULB is mentioned under Part-A (a). Proper books of required registers and register as per the rule-3 of BMAR-</p>
<p>19. Non-Compliance of Act & Rules</p> <p>ULB should ensure compliance of all applicable Act & Rules.</p>	<p>ULB staff is directed to ensure compliance of all applicable Act & Rules.</p>	<p>19. Non-Compliance of Act & Rules</p> <p>ULB staff is directed to ensure compliance of all applicable Act & Rules.</p>
<p>20. Lack of internal control measures</p> <p>We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory compliances.</p> <p>(i) Voucher file was not maintained (ii) No internal mechanism for statutory compliance (iii) No MIS was prepared for tracking of payments (iv) Repaired books of Accounts as per BMA was not maintained (v) Statutory compliance reconciliation was not maintained</p>	<p>Nagar Parishad ensure that this will be taken care from now onwards.</p>	<p>20. Lack of internal control measures</p> <p>We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory compliances.</p> <p>(i) Voucher file was not maintained (ii) No internal mechanism for statutory compliance (iii) No MIS was prepared for tracking of payments (iv) Repaired books of Accounts as per BMA was not maintained (v) Statutory compliance reconciliation was not maintained</p>
<p>21. Status of Utilization Certificate which funds are utilized.</p> <p>Nagar Parishad has submitted all Utilization Certificate which funds are utilized.</p>	<p>Not reported</p>	<p>21. Status of Utilization Certificate which funds are utilized.</p> <p>Nagar Parishad has submitted all Utilization Certificate which funds are utilized.</p>

Signed Discussion Note is enclosed with the report.



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Detailed Audit Report

1. Introduction: Benipur is a Nagar Parishad city in district of Darbhanga, Bihar. The Benipur city is divided into 29 wards for which elections are held every 5 years. The Benipur Nagar Parishad has population of 75,317. There are approximate 15,078 households.

Name of ULB	Period Covered	Team Deployed
Benipur Nagar Parishad	1 st April 2018-31 st March 2019	1) Name of MAE: CA Amit Ranjan 2) TL: CA Neerav Bhanushali 3) Auditor: Raman Kumar

2. Administration: -

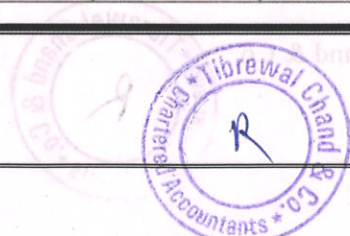
The Present governing body of the ULB has taken charge on 21-01-2019. The incumbencies in the key administrative and executive positions are as under:

- Mr. Surendra Kumar Jha, Chairman from 09-06-2017 to till the date of Audit.
- Mr. Rajesh Kumar Jha, Executive officer from 21-01-2019 to till the date of Audit.

3. Review of outstanding Audit Paras :

Status of Audit observations is as under:

Sl. No.	Particulars of audit and date of report	Total no. of Audit paras.	Total No. of Audit Paras where necessary improvement/corrective measure is require	Total No. of Audit paras where recovery of cash is proposed	Total No. of Audit paras where recover has been made	Total amount of recovery	Total No. of outstanding paras where no action has been taken	No. & date of compliance report
1	C&AG Audit (2016-17 & 2017-18)							C&AG audit report not received as per information given by accountants
2	Internal							Compliance



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Audit 2016-17 & 2017-18							report not prepared
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(Note: Refer point No. 14 of discussion note)

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

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

Year	2018-19	2017-18	2016-17
Final/Revised Budget	80,84,75,000	66,84,51,450	30,68,33,000
Actual Expenditure	24,26,43,269	20,99,06,731	11,42,91,474
Savings(+)/Excess(-)	56,58,31,731	45,85,44,719	19,25,41,526

(Note: All figures are taken from the books of account)

ii. **Volume of Transactions :-**

Period	Budgeted	Previous year (17-18)	Corresponding period of previous year	Current period	Cumulative for the current period
Opening Balance	23,02,39,448	20,03,83,611	7,68,10,951	23,02,39,448	23,02,39,448
Receipts	83,36,26,000	23,97,62,568	23,78,64,134	31,58,58,625	31,58,58,625
Total	1,09,33,92,915	44,01,46,179	31,46,75,085	54,60,98,073	54,60,98,073
Net expenditure	80,84,75,000	20,99,06,731	11,42,91,474	24,26,43,269	24,26,43,269
Closing Balance	28,49,17,915	23,02,39,448	20,03,83,611	30,34,54,804	30,34,54,804

(Note: All figures are taken from the books of account)

iii. **Bank Reconciliation:** Un-reconciled balance between bank book and bank statement as on 31-03-2019 has been shown below:

Name of Project	Name of Bank	Account No.	Passbook Balance	Cash Book Balance	Difference	Status
Holding	SBI	40497	14,24,836.00	14,43,889.00	19,053	Unreconciled



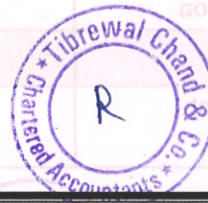
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Tax						
Tower Tax	SBI	50903	1,28,18,703.00	1,29,67,099.05	1,48,396	Unreconciled
E. Governance	SBI	25433	37,054.00	56,317.00	19,263	Unreconciled
Birth & Death	SBI	15113	71,287.00	77,897.00	6,610	Unreconciled
Swacch Bharat Mission	SBI	43620	14,43,633.00	14,43,633.00	-	Reconciled
E.O. Salary	SBI	09304	14,701.00	14,958.00	257	Unreconciled
Kabir antyesty yojna	SBI	94182	1,37,459.00	1,37,459.00	-	Reconciled
Kabir antyesty yojna	SBI	92185	4,55,069.00	4,55,069.00	-	Reconciled
General Account	SBI	04603	88,999.00	70,842.00	18,157	Unreconciled
14 th Finance	Canara Bank	07385	58,934.00	1,04,56,884.00	1,03,97,950	Unreconciled
PMAY	PNB	30808	1,35,66,971.50	1,35,66,971.50	-	Reconciled
NULM	PNB	39580	49,368.80	49,368.80	-	Reconciled
Swacch Bharat Mission	ICICI	00210	10,87,479.00	10,87,479.00	-	Reconciled
Municipal Fund Treasury	P/L Account		26,59,32,623.00	26,59,32,623.00	-	Reconciled

Comments: ULB has not prepared BRS on a monthly basis.

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

(Note: Refer Discussion Note point no.6.)



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iv. Revenue & Capital Receipts :-

SI. No.	Details	Income Details			
		2018-19		2017-18	
		2018-19	2017-18	2017-18	2016-17
	Total Receipts (A+B)	31,58,58,625	23,97,62,568	23,97,62,568	23,78,64,134
A	Revenue Receipts (1+2+3)	86,54,345	1,40,99,242	1,40,99,242	62,90,698
1	Own Revenue Receipts	79,54,345	47,59,240	47,59,240	38,37,548
a)	Tax Revenue (Levied & Collected By municipal Body) (i+ii)	40,53,232	25,37,402	25,37,402	15,66,881
i)	Property Tax	4,043,232	24,87,402	24,87,402	10,84,099
ii)	Other Tax (Levied & Collected By municipal Body)	10,000	50,000	50,000	4,82,782
b)	Non Tax Revenue (Levied & Collected By municipal Body) (i+ii+iii)	3,27,580	4,95,805	4,95,805	2,23,704
i)	Fess & Fines	1,13,080	1,55,805	1,55,805	63,704
ii)	User Charges	2,000	-	-	-
iii)	Other Non-Tax Revenue (Levied & Collected By municipal Body)	2,12,500	3,40,000	3,40,000	1,60,000
2	Other Revenue Receipts	35,73,533	17,26,033	17,26,033	20,46,963
a)	Income from interest/Investments	28,46,033	16,16,673	16,16,673	8,06,813
b)	Other Revenue Income	7,27,500	1,09,360	1,09,360	12,40,150
3	Transfers/grants/Assigned Revenues	7,00,000	93,40,002	93,40,002	24,53,150
a)	State Assigned Revenues	-	68,17,200	68,17,200	-
b)	State Finance Commission (SFC) Grants/Devolution	7,00,000	-	-	-
c)	Octroi Compensation	-	-	-	-
d)	Other State Government transfers	-	25,22,802	25,22,802	24,53,150



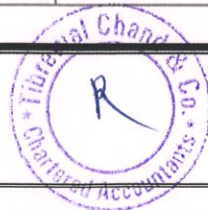
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e)	Central Finance Commission (CFC) Grants	-	-	-	-
f)	Other Central Government transfers	-	-	-	-
g)	Others	-	-	-	-
B	Capital Receipts (1+2+3+4+5)	30,72,04,280	22,56,63,326	22,56,63,326	23,15,73,436
1	Sale of Municipal Land	-	-	-	-
2	Loan (From state Govt. or Banks etc.)	-	-	-	-
3	State Capital Account Grant (Under state Scheme etc.)	2,08,44,111	2,19,15,111	2,19,15,111	5,27,78,449
4	Central Capital Account Grant (Under central Scheme etc.)	28,61,79,169	18,14,24,848	18,14,24,848	17,65,35,476
5	Other Capital Receipts	1,81,000	2,23,23,367	2,23,23,367	22,59,511

(Note: All figures are taken from the books of accounts)

v. Revenue & Capital Expenditure Information :-

Expenditure Details					
Sl. No.	Details	2018-19		2017-18	
		2018-19	2017-18	2017-18	2016-17
	Total Expenditure (1+2)	24,26,43,269	20,99,06,731	20,99,06,731	11,42,91,474
1	Revenue Expenditure	1,65,87,006	2,09,84,953	2,09,84,953	1,86,42,190
1.1	Administrative Expenses, Establishment & Salaries (All Departments regular & contractual staff)	1,06,48,499	1,30,97,483	1,30,97,483	1,34,07,780
1.2	Operation & Maintenance (O & M)	29,11,909	53,31,246	53,31,246	42,73,782
1.3	Loan Repayment (Interest Payments)	17,966	-	-	1,508
1.4	Others (any other revenue Expenditure which is not salaries, O&M & or interest payment)	30,08,632	25,56,224	25,56,224	9,59,120



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2	Capital Expenditure	22,60,56,263	18,89,21,778	18,89,21,778	9,56,49,284
2.1	All developmental works under central/state specific schemes	22,60,56,263	18,89,21,778	18,89,21,778	9,36,35,347
2.2	Loan Repayments	-	-	-	20,13,937
2.3	Other capital expenditure	-	-	-	-

(Note: All figures are taken from the books of accounts)

vi. Status of implementation of double entry accounting system: The ULB has implemented real time double entry accounting system. The details are as below:

- **PTR:** PTR for the year 2017- 18 is completed.
- **FAR:** FAR for the year 2017- 18 is completed.
- **AFS:** AFS for the year 2017- 18 is completed.

Submitted by M/s A P Sanzgiri & Co but we not got data for verification (2018-19).

(Note: Refer Discussion Note point no.15)

vii. Status of Municipal Accounts Committee if meeting is held: Meeting of Municipal Accounts Committee has not been held during the year 2018-19.

(Note: Refer Discussion Note point no.16)

Sl. No.	Particulars	2018-19		
		2017-18	2017-18	2018-19
1	Total Expenditure (1+2)	24,26,43,269	20,99,06,731	20,99,06,731
1.1	Revenue Expenditure	1,62,87,006	2,09,84,923	2,09,84,923
1.1.1	Administrative Expenses	1,06,48,492	1,30,97,483	1,30,97,483
1.1.2	Establishment & Salaries (All Departments regular & contractual staff)			
1.1.3	Operation & Maintenance (O & M)	20,11,909	23,31,246	23,31,246
1.1.4	Loan Repayment (Interest Payments)	17,906	-	-
1.4	Others (any other revenue Expenditure which is not salaries, O&M & or interest payment)	30,08,602	23,26,234	23,26,234



5. Audit Observations: -

Part-A

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

Holding and Property tax not deposited:

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

Criteria: As per Rules 22(1) of Bihar Municipal Accounting Rules, 2014 Tax Collected has to be deposited on same day or latest before noon on the following working day.

Condition: As per the records made available during the audit, delays were observed between date of collection made by the tax collector and the deposit of the same to the cashier which are shown below.

Cash collected by TC	Cash submitted to Cashier	Cash deposited into Bank	No. of days delay	Amounts
05.09.2018	01.10.2018	03.10.2018	29	16,067
30.09.2018	01.10.2018	03.10.2018	29	33,423
13.06.2018	30.06.2018	02.07.2018	20	17,832

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

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

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

(Note: Refer Discussion Note point no.2 & 13.)



Tower tax not deposited:

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

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

Condition: per notification of Bihar Government, the Governor of Bihar made the rules for the mobile tower under the Act. The mobile operator has to install tower only after obtaining necessary approvals and paying a Requisite fees of Rs. 40,000/- per Tower and the Renewal fee is Rs. 10,000/- per year. As per verification of records and document during the course of audit and according to the cash book produced by the ULB, it was found that Rs 57,70,000.00 is due in regard of Tower Company for financial year 2018-19, resulting in a heavy loss of revenue. Details of such are given in here:-:

Sl. No.	Name of tower	No. of tower	Registration fee	Renewal Fee	Collection Amount	Total Due
1	Vodafone	1	40,000	3,70,000	0.00	4,10,000
2	Docomo	1	40,000	1,90,000	0.00	2,30,000
3	Airtel	1	40,000	4,00,000	0.00	4,40,000
4	Airtel	1	40,000	3,70,000	0.00	4,10,000
5	Airtel	1	40,000	2,20,000	0.00	2,60,000
6	Voda/Idea	2	80,000	2,90,000	0.00	3,70,000
7	Airtel/Idea	2	80,000	80,000	0.00	1,60,000
8	Vodafone	1	40,000	1,30,000	0.00	1,70,000
9	Airtel/ Idea/ Telenor	2	80,000	2,00,000	0.00	2,80,000
10	Voda/ Jio	2	80,000	3,80,000	0.00	4,60,000
11	Telenor/ Aircel	2	80,000	2,60,000	0.00	3,40,000
12	Reliance Jio	2	80,000	3,50,000	0.00	4,30,000
13	Vodafone/ Airtel	2	80,000	6,80,000	0.00	7,60,000



Internal Audit Report for the year ended 31st March of F.Y. 2018-19

14	Aircel	1	40,000	1,30,000	0.00	1,70,000
15	BSNL	1	40,000	4,30,000	0.00	4,70,000
16	Vodafone	1	40,000	3,70,000	0.00	4,10,000
TOTAL			9,20,000	48,50,000	0.00	57,70,000

Consequence/Effect/ Impact: Due to non-deposition of Tower Rent with the stipulated time line, ULB incurred heavy revenue loss.

Cause: We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval, the ULB has no proper mechanisms for supervision and monitoring of the Tower Rent due to which result in Revenue leakage. While checking the files and other relevant records company wise outstanding was not maintained properly and o/s detail of Rs. 57,70,000 Lakh was found. In absence of proper demand and collection register it was difficult to find the exact demand and outstanding.

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

(Note: Refer Discussion Note point no.1.)

Stamp Duty

Audit Objective: As per Point no-5 of TOR.

Criteria: As per Stamp Duty Act.

Condition: Stamp Duty @ 3%: During the audit of Sairat files it was observed that a bidder named Uma Shankar Gupta's stamp paper is blank i.e., no agreement was made and still he was allotted the work of Parking Asthal.

Sl. No	Name of Sairat	Amount	Remarks
1	Benipur haat	2,40,000	Stamp Duty not collected

Consequences/ Effect/ Impact: Due to no collection of Stamp duty there is a huge revenue loss to Nagar Parishad.



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

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

(Note: Refer Discussion Note point no.17)

Non collection of Advertisement Tax

Audit Objective: As per Point no-5 of TOR.

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

Condition: Nagar Parishad is not collecting any advertisement tax.

Consequences/ Effect/ Impact: Due to no collection of advertisement tax there is a huge revenue loss to Nagar Parishad.

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

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

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

No observations found in this regards.

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

SAF forms of few properties were provided but no arrangements were made for physical verification so, SAF forms can't be verified. Further demand collection register which was produced to us was incomplete and not having required information.



Internal Audit Report for the year ended 31st March of F.Y. 2018-19

Apart from details of 20 high value properties provided by the ULB is as below:

SI No.	Holding No.	Ward No.	Name	Types of property	Carpet Area (Sq Feet)	Amount Receivable
1	14	1	Sanjeev Kumar Thakur	Residential	20600	63,193
2	284	1	Bechan Mahto	Commercial	8075	7,193
3	297	2	Rajesh Kumar	Residential	4275	9,291
4	298	2	Satrudhan Jha	Commercial	4750	15,660
5	339	3	Asafa Bano	Commercial	21632	16,128
6	319	15	Shiv Shankar Jha	Residential	11400	64,500
7	320	15	Salendra Kumar Jha	Commercial	6950	30,960
8	256	14	Ram Narayan Thakur	Residential	7600	42,265
9	3	23	Sarmila Devi	Commercial	6730	29,160
10	356	15	Binod Thakur	Commercial	4750	19,950
11	683	20	Deepak Kumar	Residential	4750	21,347
12	682	20	Buehia Devi	Residential	3800	39,672
13	735	20	Ganesh Thakur	Commercial	3800	20,845
14	156	21	Savitri Devi	Commercial	4275	21,930
15	752	20	Bachiya Devi	Residential	4275	21,569
16	596	21	Ram Kishore Thakur	Residential	4750	18,066
17	559	24	Deepak Kumar Jha	Commercial	5850	64,485
18	302	24	Ram Sundar Jha	Residential	11400	12,234
19	01B	24	Manikant Prasad	Residential	1520	10,968
20	531	24	Harishad Chandra Gupta	Commercial	1300	8,126

(Note: Refer Discussion Note point no.3)



Part B

a. Non-maintenance of books of accounts, subsidiary registers: During the audit we observed that following registers which are given below has not been maintained by the ULBs.

- Subsidiary register
- Stock register
- Cheque issue registers.
- Assets register.
- Contra, journal, Receipt Voucher.
- Records and revision of taxes and rent.

In addition to the above following records were also not maintained by the ULB:

- Memorandum of collection (GEN 21)
- Summary of daily collection register
- Register for bills payment
- Cheque issue register
- Register for Advances
- Deposits register

(Note: Refer point no. 18 of discussion note)

b. Irregularity in procurement process:

No observation was found in this regard.

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

- Non Implementation of GeM procurement mechanism.
- Non compliances of the pending AG Audit Paras
- Non collection of various taxes required to be collected.
- Non maintenance of prescribed books of accounts.
- Non maintenance of prescribed DEAS.
- None maintenance of DCR.

d. Non Compliances of the Acts and Rules: During the audit we observed below mentioned non compliances:

- Non formation of Municipal Accounts Committee
- Non maintenance of books of accounts as per BMAR
- Non preparation of budget as per Bihar Municipal Budget Manual



Internal Audit Report for the year ended 31st March of F.Y. 2018-19

- Property tax rate should be increased in every 5 years but not increased since a long period.

(Note: Refer point no.19 of discussion note)

e. Lack of Internal Control Measures:

- Voucher file was not maintained
- No internal mechanism for statutory compliance
- No MIS was prepared for tracking of payments
- Required books of Accounts as per BMAM was not maintained
- Statutory compliance reconciliation was not maintained

(Note: Refer point no.20 of discussion note)

- f. Non- Compliance of TDS, VAT, and other relevant statute:** During the audit it was observed that there is very serious issues in statutory compliances taxes are often deducted/ but not deposited on time resulting in heavy interest and penalty. In few cases it was deduction such as TDS and Royalty are not even deducted. Few cases are-

(Note: Refer point no. 5 of discussion note and annexure 1 & 2)

i. TDS: Cases in which TDS not deducted

Date	Details of Bills	Amount	Remarks
30.06.2018	Misc. expenses for office	8,100.00	TDS not deducted
31.08.2018	Vehicle repairing charges	29,941.00	TDS not deducted
11.02.2019	A4 paper & cloth	18,480.00	TDS not deducted
02.11.2018	Stationery item	48,995.00	TDS not deducted
18.06.2018	Stationery item	47,448.00	TDS not deducted

- ii. GST:** During audit observed that Rs. 6,85,587 was deposited against GST during reporting period.

- iii. Royalty:** It was observed that Royalty of Rs. 5,74,978/- was not deposited timely during the reporting period.



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iv. **Labor Cess:** It was observed that Labor Cess of Rs. 2,78,887 was not deposited timely during the reporting period.

v. **TDS:** During audit observed that Rs. 5,59,830 was deposited against TDS during reporting period but supporting present of Rs. 4,37,652.

(Note: Refer point no.5 in discussion note and annexure 1 & 2)

g. **Deficiency in pay roll system:** During the audit it was observed that no bio metric attendance was used for making attendance. Further there was very poor internal control on leave tracking of the employees.

Further, during the audit it was also observed that the ULB is not in the practice of maintaining salary payment vouchers.

Name of Employee	Basic	DA	HRA	Medical	TDS
Rajesh Kumar Jha	44,900	5,388	123	1,000	TDS not deducted

(Note: Refer point no.4 in discussion note)

PF and ESI: During the audit it was observed that PF and ESI deducted from employees salary not deposited with authorities causing loss to the savings of the employees.

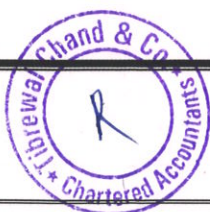
h. **Utilization certificate report on grants allotted during the year:** Details of UCs related to FY: 2018 – 19 are given as annexure in report.

(Note: Refer point no.21 in discussion note)

i. **Physical Verification of the inventories and stores:** Stores registers has not been prepared by the ULB. During the year 2018-19 no physical verification was carries out of the stores.

(Note: Refer point no.7 & 8 in discussion note)

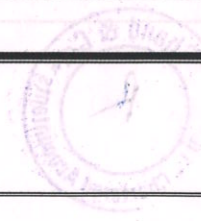
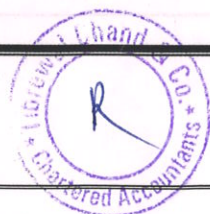
j. **Advances:** No advances were given to any employee or party for the reporting year.



Internal Audit Report for the year ended 31st March of F.Y. 2018-19

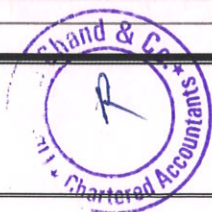
Part C

Sl. No	Particular	Remarks/ Observation
1	Whether all these the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.	Chapter xi, rule 84 (Budget has not been sanctioned by empowered standing committee) & Chapter xii, rule 86 (Prepare and maintain accounts of receipts and expenditure), 87 (Preparation of Municipal Accounting Manual), 88 (Financial Statement.) 89 (Balance sheet.), 90 (Submission of financial statement and balance sheet to auditor.) and 98 (Municipal accounts committee.) are not follow by the ulb.
2	What is the status of implementation of SAS of Property Tax in the ULB; If SAS has been implemented then witness some assessment procedures to check any in-consistencies in assessment. at least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not).	No, in the ULB SAS implementation of property tax has not been implemented. We have not witnessed the 20 high value of property.
3	Whether all compliance have been complied regarding Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR Rule 22: All moneys to be brought to account Rule: 27: Collections to be deposited into Bank on the same day Rule 69: Grant Related Compliance Rule 120-121: Monthly Receipt & Payment Account and Trial Balance Rule 130: Audit to be completed & reported within 6 month	Rule 22: we have found that all money has been brought to account but delayed. Rule 27: we have observed that the collected money has not to be deposited into Bank Account on same day. Rule 69: Grant related compliance has been done properly. Rule 120-121: Monthly Receipt & Payment Account and Trial Balance are not being prepared. Rule 130 is not being followed.
4	Whether all such compliance of financial guidelines of schemes of MOHUA and UD & HD, Gob has been complied.	Yes, Compliance of financial guidelines of schemes of MOHUA and UD & HD, Gob has been complied.



Internal Audit Report for the year ended 31st March of F.Y. 2018-19

5	If any revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc. have incurred then quantify the same.	It has been discussed in discussion notes and audit report under part A.
6	Status of adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments on or above Rs. 10,000.	No observation was found in this regard.
7	Whether all Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	No observation was found in this regard.
8	An assessment of presence or absence of a system of issuance of utilization certificate for the different schemes for any utilization made during the reporting period; Where there is no system for issuance of U/Cs, prepare Utilization Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	Refer detailed audit report002E
9	Verify instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	It has been provided in discussion notes as well as in audit report under part A.
10	Whether all such payments have been made according to payment terms & conditions of tenders and rate offers are according to procurement law and policies.	It has been provided in discussion notes as well as in audit report under part A.
11	Whether the fixed deposit and other funds should be kept in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period.	No fixed deposit made during the F.Y. 2018-19. All funds held by ULB are maintained at Nationalized Banks and rate of interest is per banking norms.
12	Verify all major areas of ULBs and assessed revenue loss and if any losses have been identified then prepare a statement of loss for revenue losses.	It has been provided in discussion notes as well as in audit report under part A.



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13	Whether tax deductions i.e. Commercial tax, Income tax, provident fund etc. should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.	It has been provided in discussion notes as well as in audit report under part A.
14	Whether C&AG and Internal audit paras have been complied, if not assistance has been provided in this regard.	Mention in report.

1	2018-19	FO SALARY	32022018	700	NIL	amount Rs. 700 Lakh Transfer to PL A/C
2	2018-19	Nali-Gali	30022018	208.44	NIL	Un-Utilized amount Rs. 208.44 Lakh Transfer to PL A/C
3	2018-19	Civic Amenities	31A02018	169.34	NIL	Un-Utilized amount Rs. 169.34 Lakh Transfer to PL A/C
4	2018-19	14th Finance	31102018	197.48	NIL	Un-Utilized amount Rs. 197.48 Lakh Transfer to PL A/C
5	2018-19	5th Finance	03A02018	410.37	NIL	Un-Utilized amount Rs. 410.37 Lakh Transfer to PL A/C
6	2018-19	3th Finance	10072018	419.69	NIL	Un-Utilized amount Rs. 419.69 Lakh Transfer to PL A/C
Grand Total				1412.32	NIL	1412.32



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ANNEXURE

Annexure: Details of UC's of Financial Year 2018 – 2019

SN	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2018-19	EO SALARY	22/05/2018	7.00	NIL	7.00	Un-Utilized amount Rs. 7.00 Lakh Transfer to PL A/C
2	2018-19	Nali-Gali	30/05/2018	208.44	NIL	208.44	Un-Utilized amount Rs. 208.44 Lakh Transfer to PL A/C
3	2018-19	Civic Amenities	31/10/2018	169.34	NIL	169.34	Un-Utilized amount Rs. 169.34 Lakh Transfer to PL A/C
4	2018-19	14th Finance	31/10/2018	197.48	NIL	197.48	Un-Utilized amount Rs. 197.48 Lakh Transfer to PL A/C
5	2018-19	5th Finance	03/07/2018	410.37	NIL	410.37	Un-Utilized amount Rs. 410.37 Lakh Transfer to PL A/C
6	2018-19	5th Finance	10/07/2018	419.69	NIL	419.69	Un-Utilized amount Rs. 419.69 Lakh Transfer to PL A/C
Grand Total				1412.32	NIL	1412.32	



Retail Invoice

Vidyarthi General Stores

Station Road, Laheriasarai, Darbhanga

GSTIN-10AXTPS9681D1ZZ

No. 1477

Date 11/02/2019

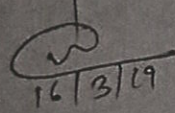
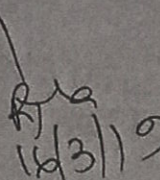
Name.....

Address.....

नगर पीपल

Party G.S.T.N. No.

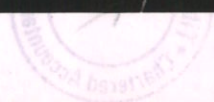
दरभंगा

Qty.	Particulars	Rate	Amount	
			Rs.	P.
6 पैकेट	नॉन वेपर त्रि बेरी	2400/-	14400	-
2 थान	उपडा त्रि थान	2040/-	4080	-
<p>Passed for Rs-18480/-</p> <p>  16/3/19  16/3/19 </p>				
<p>उपडा त्रि थान</p>		TOTAL-	18480.00	

Rupees in words.....

अठारह हजार चार सौ अस्सी रुपये मात्र

Signature



Retail Invoice

Vidyarthi General Stores

Station Road, Laheriasarai, Darbhanga

GSTIN-10AXTPS9681D1ZZ

No. 1134

Date 2/11/2018

Name

Address

Party G.S.T.N. No.

Qty.	Particulars	Rate	Amount	
			Rs.	P.
30 पी	रजिस्टर क्रेन्ती	340:00	10200	-
5 पी	शेपलर छोटा	50:-	250	-
6 पी	A4 पेपर	2500:00	15000	-
1500 पी	फ्लाइ लीम इलोय पडी	9:50	14250	-
10 पी	शेग बड़ा	400:-	4000	-
20 पी	कलम	20:-	400	-
5 पी	इथम्प पेड	40:-	200	-
5 पी	इबिल	20:-	100	-
12 पी	पेन्सिल बड़ी	15:-	180	-
2 पी	शेपलर बड़ा	225:-	450	-
2 पी	पेड इंड	50:-	100	-
5 पी	जेल कलम	45:-	225	-
5 पी	जेल शीटल	20:-	100	-
4 पी	कलम - पार्शर	20:-	80	-
1 पी	कलम कुलर	700:-	1400	-
2 पी	पेड इंड + कलम	950	1900	-
1 पी	शेपलर पीन	160	160	-
TOTAL-			48995	00

Billed for Rs-48995/-

Rupees in words. अठसत्सप्त हजार नौ सौ पचास रुपये मात्र।

Signature



Retail Invoice

Vidyarthi General Stores

Station Road, Laheriasarai, Darbhanga

GSTIN-10AXTPS9681D1ZZ

No. 856

Date 19/06/2018

Name

वार्डन. नगर परिषद

Address

बौध्द

Party G.S.T.N. No.

Qty.	Particulars	Rate	Amount	
			Rs.	P.
500	A4 पेपर	2200/-	11000	00
2500	फर्मा वीपु वनीय वही	9.50	23750	00
10	टैग क्लिप	400/-	4000	00
20	पेन	20/-	400	00
1	इरिगिने पेन	2200/-	2200	00
8	इरिगिने पेन	50/-	400	00
3	इरिगिने पेन	40/-	120	00
2	पेनसिल	5/-	10	00
2	इरिगिने पेन	5/-	10	00
24	इरिगिने पेन	7/-	168	00
100	इरिगिने पेन	40/-	4000	00
2	निर्गत पंजी भोरा	550/-	1300	00
6	पेनसिल क्लिप	15/-	90	00
Total Rs - 47448/- GST - कर सहित			TOTAL 47448.00	

Rupees in words

एक लाख सात हजार चार सौ अठ्ठासी रुपये केवल

Signature



Form GST PMT - Payment Challan
(See Rule 87(2))
Challan for deposit of goods and services tax

121000020036

Challan Generated on : 08/12/2018
13:06:17

Expiry Date : 23/12/2018

Details of Taxpayer

10PTNN01056G1DK

E-mail Id:
bXXXXXXXXXX@XXXXXX.com

Mobile No : 9XXXXX6387

(Legal) NAGAR PARISHAD
OFFICE BENIPUR

Address : XXXXX XXXX Bihar,
847103

Details of Deposit (All Amount in Rs.)

Government	Major Head	Minor Head					Total
		Tax	Interest	Penalty	Fee	Others	
Government Of India	CGST(0005)	93370	-	-	-	-	93370
	IGST(0008)	-	-	-	-	-	-
	CESS(0009)	-	-	-	-	-	-
	Sub-Total	93370	0	0	0	0	93370
Bihar	SGST(0006)	93370	-	-	-	-	93370
Total Amount							186740
Total Amount (in words)		Rupees One Lakhs Eighty-Six Thousand Seven hundred Fourty Only					

Mode of Payment

E-Payment Over the Counter(OTC) NEFT / RTGS

Over The Counter

Bank (Where Cash or Instrument is proposed to be deposited) STATE BANK OF INDIA

Details of Instruments: Cash Cheque Demand Draft

Particulars of depositor

Name	
Designation/Status(Manager,partner etc)	
Signature	
Date	

Paid Challan Information

GSTIN	
Taxpayer Name	
Name of the Bank	
Amount	
Bank Reference No.(BRN)/UTR	
CIN	
Payment Date	
Bank Ack No. (For Cheque / DD deposited at Bank's counter)	



Form GST PMT -06 Payment Challan
(See Rule 87(2))
Challan for deposit of goods and services tax

CPIN: 19031000008802

Challan Generated on: 05/03/2019
13:21:23

Expiry Date: 20/03/2019

Details of Taxpayer

GSTIN: 10PTNN01056G1DK
Name(Legal): NAGAR PARISHAD
OFFICE BENIPUR

E-mail Id: bXXXXXXXXXX@XXXXXXXX.com
Address: XXXXXXXXXX Bihar,
847103

Mobile No.: 9XXXXX8887

Details of Deposit (All Amount in Rs.)

Government	Major Head	Minor Head					Total
		Tax	Interest	Penalty	Fee	Others	
Government Of India	CGST(0005)	7704	-	-	-	-	7704
	IGST(0008)	-	-	-	-	-	-
	CESS(0009)	-	-	-	-	-	-
	Sub-Total	7704	0	0	0	0	7704
Bihar	SGST(0006)	7704	-	-	-	-	7704
Total Amount							15408
Total Amount (in words)		Rupees Fifteen Thousand Four hundred Eight Only					

Mode of Payment

E-Payment Over the Counter(OTC) NEFT / RTGS

NEFT/RTGS

Remitting Bank	STATE BANK OF INDIA
Beneficiary Name	GST
Beneficiary Account Number (CPIN)	19031000008802
Name of beneficiary bank	Reserve Bank of India
Beneficiary Bank's Indian Financial System Code (IFSC)	RBIS0GSTPMT
Amount	15408

Note: Charges to be separately paid by the person making payment.

Particulars of depositor

Name	Rajesh Kumar Jha
Designation/Status(Manager,partner etc)	Executive officer N.P. Bihar
Signature	Rajesh Kumar Jha
Date	02/3/19

Paid Challan Information

GSTIN	
Taxpayer Name	Rajesh Kumar Jha
Name of the Bank	SBT Bihar
Amount	15804/-
Bank Reference No.(BRN)/UTR	SBIN819065502835



Form GST PMT - 06 Payment Challan
(See Rule 87(2))
Challan for deposit of goods and services tax

19031000096966

Challan Generated on : 28/03/2019 12:11:23 Expiry Date : 12/04/2019

Details of Taxpayer

GSTIN: 10PTNN01056G1DK
Name (Legal): NAGAR PARISHAD
OFFICE BENIPUR

E-mail Id: bXXXXXXXXXX@XXXXXXXXXom
Address : XXXXXXXXXX Bihar,
847103
Mobile No: 9XXXXX6387

Details of Deposit (All Amount in Rs.)

Government	Major Head	Minor Head					Total
		Tax	Interest	Penalty	Fee	Others	
Government Of India	CGST(0005)	241721	-	-	-	-	241721
	IGST(0008)	-	-	-	-	-	-
	CESS(0009)	-	-	-	-	-	-
	Sub-Total	241721	0	0	0	0	241721
Bihar	SGST(0006)	241721	-	-	-	-	241721
Total Amount							483442
Total Amount (in words)		Rupees Four Lakhs Eighty-Three Thousand Four hundred Fourty-Two Only					

Mode of Payment

E-Payment Over the Counter(OTC) NEFT / RTGS

NEFT/RTGS

Remitting Bank	STATE BANK OF INDIA
Beneficiary Name	GST
Beneficiary Account Number (CPIN)	19031000096966
Name of beneficiary bank	Reserve Bank of India
Beneficiary Bank's Indian Financial System Code (IFSC)	RBIS0GSPMT
Amount	483442

Note: Charges to be separately paid by the person making payment.

Particulars of depositor

Name	Rajesh Kumar Jha
Designation/Status(Manager,partner etc)	Executive officer N.P Benipur
Signature	Rajesh Kumar Jha
Date	28/3/19

Paid Challan Information

GSTIN	
Taxpayer Name	Rajesh Kumar Jha
Name of the Bank	State Bank of India
Amount	483442
Bank Reference No.(BRN)/UTR	SBIN719088853830
CIN	S



29/3/19

Discussion Note F.Y. 2018-19 Benipur Nagar Parishad

S. No.	Observation	Management Comment	Recommendation
1	As per notification of Bihar Government, The Governor of Bihar made the rules for the mobile tower under the Act. Operator of the mobile has to apply to the ULB for operation of the mobile tower in the concerned area with the Requisite fees of Rs. 40,000/- per Tower and the Renewal fee is Rs. 10,000/- per year. During the course of audit it was observed that Rs 57,70,000.00 is due towards Tower Company for financial year 2018-19. <i>(Details given in report)</i>	This will be strictly taken care by next financial year and Nagar Parishad will take necessary steps to recover or boost revenue from towers.	There is a huge loss of revenue & interest income. So, necessary steps should be taken for timely collection of taxes.
2	There is a long outstanding list of property tax collection and also not deposited on same day or latest before noon. <i>(Details given in report)</i>	Tax collectors are directed to deposit the tax.	Demand register for property tax should be maintained year wise and appropriate action should be taken.
3	Report on Findings of the field survey of property tax of minimum 20 high value properties. <i>(Details given in report)</i>	ULB staff is directed to cooperate with auditors and to provide all the necessary documents for audit.	Physical survey can't be conducted due to Non availability of ULB staff for conducting physical verification. Further SAF forms were also not provided for 20 high value properties as per list provided by us.
4	PF deducted from all ^{July 2018} permanent staff salary but not deposited in his PF account on timely. <i>contract</i>	Will be considered in next financial year.	PF should be deposited immediately.
5	During the audit various cases were observed regarding non deduction and non-deposition of statutory dues like TDS, VAT, and Royalty in stipulated time by the Nagar Parishad. Further it was also observed that return was also not filled for TDS & VAT.	Will be considered in next financial year.	All statutory compliances related to deduction, deposition and return filling should be complied.



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	<i>(Details given in report and annexure 1 & 2)</i>		
6	The municipality is not in a practice to prepare BRS on regular or periodical basis and few banks & treasury is not reconciled. But huge difference is showing A/c No. 07385 Canara Banak of Rs. 1,03,97,950.00 <i>(Details given in report)</i>	Nagar Parishad ensure that this will be taken care from now onwards.	BRS should be maintained month wise.
7	FAR is not maintained/updated by the ULB.	Will be considered in next financial year.	FAR including assets wise identification number should be maintained/ updated by Nagar Parishad.
8	Non preparation of stores registers.	Will be considered in next financial year.	Due to non - maintenance of FAR, it will become difficult to identify quantity of each class of stock. So, the ULB should maintain a store ledger including price of inward goods.
9	Benipur Nagar Parishad is not in practice to prepare monthly receipt and payment account and the trial balance.	Will be considered in next financial year.	ULB should prepare receipts and payment account on monthly basis. It helps to find out that how much fund received by the ULB and whether its utilization was made properly or not.
10	Daily wages register were not produced to us for audit.	ULB staff is directed to provide all the necessary documents to auditors.	Daily wages register should be made available to auditors.
11	Fuel distribution register was not prepared resulting in weakness in control over books of account. <i>(Details given in audit report)</i>	Necessary action will be taken.	Log book should be maintained by ULB.
12	Demand Register for collection of Trade License for the financial year 2018-19 is not yet prepared.	All tax collector cashier, cashier and tax daroga is directed to make necessary attempt in this regard.	Demand register should be prepared.
13	Collection of internal resources is very poor.	Nagar Parishad will take steps to improve the collection from internal resources.	It should be timely collected.



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Discussion Note

Benipur Nagar Parishad

14	During the course of Audit, we observed that Nagar Parishad has conducted C&AG for the year 2016-17 & 2017-18 Internal Audit for 2016-17 & 2017-18 but the compliance report for the same has not been prepared. (Details given in audit report)	Necessary action will be taken. <i>Compliance report already submitted.</i>	It should be prepared as soon as possible.
15	Non-Implementation of double entry accounting system (DEAS) We found the detail that double accounting system is implemented at Banipur Nagar Parishad and AFS, FAR & PTR for 2017-18 has been submitted by M/s BORKAR & MAZUMDAR. However we not got any data for 2018-19 verification.	Implementation of DEAS is ongoing and ULB staff is directed to cooperate with auditors and to provide all necessary documents for audit.	As per requirement of BMAR-2014, Part-A, Chapter-2 Rule -4, "All ULB referred in schedule-1 shall maintain its books of account using the double entry system". Since Benipur Nagar Parishad is covered under schedule -1, therefore they should have to maintain their accounts on double entry accounting system in compliance of such rule.
16	No details were made available regarding meeting of municipal accounts committee held during the financial year 2018-19.	ULB staff is directed to comply with BMA-2007	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of municipal accounts committee each year. During our audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.
17	As per public notice given by Benipur Nagar Parishad, Agreement should be done on the stamp paper which has value 3% of Sairat while we observed that agreement has not done by ULB & not being collected stamp duty. (Details given in report)	Nagar Parishad ensure that this will be taken care from now onwards.	It should be 3% of Sairat value and should be collected stamp duty.
18	Non-maintenance of required	ULB staff is directed to follow	Details of registers not



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Discussion Note

Benipur Nagar Parishad

	registers as per Rule No.-3 of BMAR-2014	and comply the guidelines of BMAR	maintained by ULB is mentioned under Part-A (a). ULB should ensure proper maintenance of required books of account and register as per the list given in rule-3 of BMAR-2014.
19	Non-Compliance of Act & Rules	ULB staff is directed to ensure compliance of all applicable Act & Rules.	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable Act & Rules.
20	<p>Lack of internal control measures We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory compliances:</p> <p>(i)Voucher file was not maintained (ii)No internal mechanism for statutory compliance (iii)No MIS was prepared for tracking of payments (iv)Required books of Accounts as per BMAM was not maintained (v)Statutory compliance reconciliation was not maintained</p>	Nagar Parishad ensure that this will be taken care from now onwards.	<p>We suggest that</p> <p>(i)MIS system should be implemented over daily collection and deposit. (ii)Reason for non-deposit/Late deposit should be strongly need to ask for minimize delay. (iii)Need to identify a person to comply with the statutory compliance. In case failure to comply with statutory compliances he should also be penalized. Therefore, the management has to take serious effort in implementation of internal control mechanism for getting a better result from ULB working.</p>
21	<p>Status of Uc's:- (Details given in part B)</p>	Not required	Nagar Parishad has been submitted all Utilization Certificate which funds are utilized.

Details of 20 high value properties:-

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Discussion Note

Benipur Nagar Parishad

Details of 20 high value properties:-

S/N	Holding No.	Ward No.	Name	Types of property	Carpet Area (Sq. Feet)	Amount Receivable
1	14	1	Sanjeev Kumar Thakur	Residential	20600	63,193
2	284	1	Bechan Mahto	Commercial	8075	7,193
3	297	2	Rajesh Kumar	Residential	4275	9,291
4	298	2	Satrudhan Jha	Commercial	4750	15,660
5	339	3	Asafa Bano	Commercial	21632	16,128
6	319	15	Shiv Shankar Jha	Residential	11400	64,500
7	320	15	Salendra Kumar Jha	Commercial	6950	30,963
8	256	14	Ram Narayan Thakur	Residential	7600	42,265
9	3	23	Sarmila Devi	Commercial	6730	29,160
10	356	15	Binod Thakur	Commercial	4750	19,950
11	683	20	Deepak Kumar	Residential	4750	21,347
12	682	20	Buehia Devi	Residential	3800	39,672
13	735	20	Ganesh Thakur	Commercial	3800	20,845
14	156	21	Savitri Devi	Commercial	4275	21,930
15	752	20	Bachiya Devi	Residential	4275	21,569
16	596	21	Ram Kishore Thakur	Residential	4750	18,066
17	559	24	Deepak Kumar Jha		5850	64,485
18	302	24	Ram Sundar Jha	Residential	11400	12,234
19	01B	24	Manikant Prasad	Residential	1520	10,968
20	531	24	Harishad Chandra Gupta	Commercial	1300	8,126

Details of statutory deduction:-

i. TDS: Cases in which TDS not deducted

Date	Details of Bills	Amount	Remarks
30.06.2018	Misc. expenses for office	8,100.00	
31.08.2018	Vehicle repairing charges	29,941.00	
11.02.2019	A4 paper & cloth	18,480.00	
02.11.2018	Stationery item	48,995.00	TDS not deducted
18.06.2018	Stationery item	47,448.00	TDS not deducted

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Discussion Note

Benipur Nagar Parishad

	Bank	No.	Balance	Balance		
Holding Tax	SBI	40497	14,24,836	14,43,889	19,053	Unreconciled
Tower Tax	SBI	50903	1,28,18,703	1,29,67,099	1,48,396	Unreconciled
E. Governance	SBI	25433	37,054	56,317	19,263	Unreconciled
Birth & Death	SBI	15113	71,287	77,897	6,610	Unreconciled
Swacch Bharat Mission	SBI	43620	14,43,633	14,43,633	-	Reconciled
E.O. Salary	SBI	09304	14,701	14,958	257	Unreconciled
Kabir antyesty yojna	SBI	94182	1,37,459	1,37,459	-	Reconciled
Kabir antyesty yojna	SBI	92185	4,55,069	4,55,069	-	Reconciled
General Account	SBI	04603	88,999	70,842	18,157	Unreconciled
14 th Finance	Canara Bank	07385	58,934	1,04,56,884	1,03,97,950	Unreconciled
PMAY	PNB	30808	1,35,66,972	1,35,66,972	-	Reconciled
NULM	PNB	39580	49,369	49,369	-	Reconciled
Swacch Bharat Mission	ICICI	00210	10,87,479	10,87,479	-	Reconciled
Municipal Fund Treasury	P/L Account		26,59,32,623	26,59,32,623	-	Reconciled

Details of UC's of Financial Year 2018 - 2019

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Discussion Note

Benipur Nagar Parishad

SN	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2018-19	EO SALARY	22/05/2018	7.00	NIL	7.00	Un-Utilized amount Rs. 7.00 Lakh Transfer to PL A/C
2	2018-19	Nali-Gali	30/05/2018	208.44	NIL	208.44	Un-Utilized amount Rs. 208.44 Lakh Transfer to PL A/C
3	2018-19	Civic Amenities	31/10/2018	169.34	NIL	169.34	Un-Utilized amount Rs. 169.34 Lakh Transfer to PL A/C
4	2018-19	14th Finance	31/10/2018	197.48	NIL	197.48	Un-Utilized amount Rs. 197.48 Lakh Transfer to PL A/C
5	2018-19	5th Finance	03/07/2018	410.37	NIL	410.37	Un-Utilized amount Rs. 410.37 Lakh Transfer to PL A/C
6	2018-19	5th Finance	10/07/2018	419.69	NIL	419.69	Un-Utilized amount Rs. 419.69 Lakh Transfer to PL A/C
Grand Total				1412.32	NIL	1412.32	



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