

Financial
Year
2017-18



Internal Audit Report for F.Y 2017-2018 of Rosera Nagar Panchayat

INTERNAL AUDIT CONDUCTED BY

M/s Tibrewal Chand & Co., Chartered Accountants

From 01-04-2017 to 31-03-2018

Flat No. 501, 5th floor Meridian, SS Bihar Apartment near
Karbighiya Station, Patna, Mob No. +918825110779

Email- tccbihar@gmail.com

Dated of Submission :- 30-08-2019

INTERNAL AUDIT REPORT



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Internal Audit Report- Nagar Panchayat – Rosera

Urban Development and Housing Department in order to implement the best practices of internal audit of 140 ULBs through NIT No. IA 140ULBs/2017-18. 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.

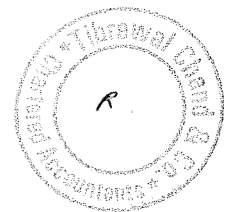
We started with an overview of activities through a study on various documents generated by the ULB. Then we identified evaluated and tested adequacy, effectiveness and efficiency of internal controls including standard policies and procedure laid down by the management for each of the areas included 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
- ❖ Vouchers along with supporting documents.



❖ Others related records and registers.

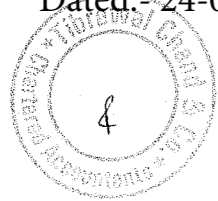
For Tibrewal Chand & Company
Chartered Accountants



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

UDIN: 20518422AAAACH7345

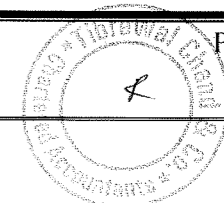
Dated:- 24-08-2020



Executive Summary

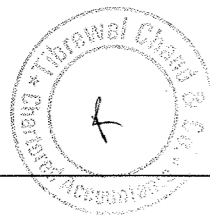
- 1. Introduction:** Rosera Nagar Panchayat, with population of about 31,155 approx thousand is located in district of Samastipur sub district of Rosera district in the state Bihar. There are approximate 4,608 approx households. Smt. Renu Devi is Chairman holding post from 01-06-2017 to till the date of Audit. Mr. Jaychand Akela is the Executive officer holding post from 30.01.2019 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. Main cash book has been updated for reporting period. 2. DCR book has been prepared for the audited period. 3. Few Revenue related records were prepared by the Panchayat. 4. Sairat register maintained separately
<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-compliance of procurement norms (Part A). 2. Non preparation of subsidy cash book. 3. Non Collection of Sairat within given time period. 4. Financial Statements for the period 2017-18 were not prepared by the Panchayat. 5. Non Compliance of internal audit report 2016-17. 6. Non preparation of bank reconciliation statements on

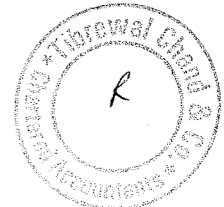


monthly basis.

7. Lack in follow-up procedure in collection of huge arrear dues in relating to property, Sairat and other taxes.
8. 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
9. Non-Performing the variance analysis between budget and actual expenditure for a particular period resulting in short comings in budgetary control.
10. Non-Maintenance of assets registers in a proper manner resulting in chances of mis-utilization of assets.
11. No proper survey of properties has been conducted by the ULB to ascertain the property tax receivables from holdings.
12. Proper log book & fuel distribution register was not prepared resulting in weakness in control over books of account.
13. Daily wages register was not prepared resulting in weakness in control over books of account.
14. Huge outstanding of revenue including holding tax, tower tax, rent but no sincere efforts has been made by ULBs to recover the same.



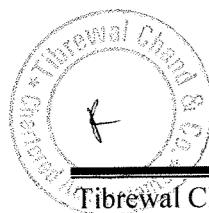
3. **Opinion:** The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the 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, outstanding Sairat, 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. Log book and 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.
11. Subsidiary book must be updated on daily basis.
12. Compliance must be prepared for internal audit 2016-17.



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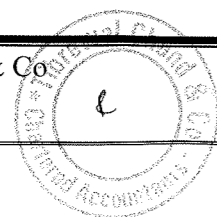
5. Comments from Management:-

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. 30,000/- per Tower and the Renewal fee is Rs. 8,000/- per year. During the course of audit it was observed that Rs 23,00,400.00 is due towards Tower Company for financial year 2017-18. <i>(Details given in report)</i>	This will be strictly taken care by next financial year and nagar panchayat 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	The amount of tax collected by the Tax collector is required to be handed over to the cashier by the next day of the collection. But it is not in practice currently, tax collector hands over the collected cash to the cashier after a time gap of 03 to 06 Months.	Tax collectors are directed to deposit the tax.	If collected cash is not deposited on time, then chances of misappropriation of cash arises. So, collected amount must be deposited on the same day on which it is being collected.
3	Report on Findings of the field survey of property tax of minimum 20 high value properties. <i>(Refer details audit 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	During audit of trade license collection observed that total revenue collected of Rs. 2,74,300 while deposited into bank Rs. 2,64,000 by concerned person. The difference	Collection team will take care of this from now onwards & Management will recover the difference amount from the concerned person.	Difference amount must be recovered from concerned person.



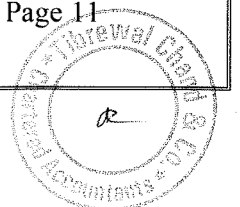
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	amount of Rs. 10,300 is not deposited till audit date.		
5	PF deducted from all permanent staff salary but not deposited in his PF account on timely but concerned file and register was not provided to us. Therefore we are unable to quantify amounts.	Will consider it in next financial year.	PF should be deposited immediately.
6	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 Panchayat. Further it was also observed that return was also not filled for TDS & VAT. <i>(Refer details audit report)</i>	Will consider it in next financial year.	All statutory compliances related to deduction, deposition and return filling should be complied.
7	The municipality is not in a practice to prepare BRS on regular or periodical basis. <i>(Refer details audit report)</i>	Will consider it in next financial year.	BRS should be maintained month wise.
8	(i) Improper maintenance of records related to revenue collection. (ii) During the audit it was observed that mobile tower tax is not getting collected on a timely basis and even if it is getting collected, the same is not deposited timely.	Nagar Panchayat ensure that this will be taken care from now onwards.	(i) Daily collection register for property tax should be maintained and appropriate action should be taken. (ii) Collection should be made on a regular basis and deposited on the same day to avoid any irregularity.
9	Non preparation of stores register	Will consider it in next financial year.	Due to non - maintenance of stock register, 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.
10	Insurance deduction from all permanent staff salary but not	Will consider it in next financial year.	Insurance should be deposited.



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	deposited on timely basis but concerned file and register was not provided to us. Therefore we are unable to quantify amounts.		
11	Rosera Nagar Panchayat is not in practice to prepare monthly receipt and payment account and the trial balance.	Will consider it 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.
12	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.
13	Log books not maintained or maintained with incomplete information in ULB.	Will consider it in next financial year.	Log book should be maintained by ULB.
14	Scheme register not prepared for the financial year 2017-18	Will consider it in next financial year.	Separate register should be maintained for each scheme.
15	If the electricity bill is not paid within the stipulated date as mentioned in the bill, then they will charge a penalty in the next bill, So It will be better to pay regularly under any circumstances. Electricity bill have to be paid regularly, to avoid penal charges. However outstanding amount is Rs. 15,20,955 with ULB.	Necessary action will be taken.	Electricity charges must be paid within stipulated time.
16	No-collection of notice fees	ULB staff is directed to comply with Bihar Municipal Act 2007	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 delay payment at a rate as may be specified, and the amount of penalty therefore, but in case of Rosera Nagar Panchayat, corporation has not provided



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			any information regarding charging and collection of notice fees. ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.
17	ULB has allotted land for farming to farmer while ULB is not being collected by ULB of Rs. 2,85,982 from 2013-14, 2014-15 & 2015-16 to till date of audit.	Necessary action will be taken.	There should proper mechanism for collection of outstanding Sairat amount.
18	No increment in the rent on shop, government building & other building observed during audit.	Necessary action will be taken.	Rate of rent should be increment at proper interval.
19	During verification of contractor's file observed that (Anil Kumar NIT 01/2016-17 group 1, construction of drain from house of Lalan Singh to house of Mukul Kumar at ward no. 06) ➤ Advertisement paper was not found in the file. ➤ Comparative sheet was not prepared by ULB.	Necessary action will be taken.	Comparative Sheet and advertisement paper documents as per NIT should be available in the file.
20	During the course of Audit, we observed that Nagar Panchayat has conducted Internal audit for the year 2016-17 but compliance report not prepared by ULB. <i>(Details given in report)</i>	Necessary action will be taken.	It should be prepared as soon as possible.
21	Lack of internal control measures (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	Nagar Panchayat ensure that this will be taken care from now onwards.	We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory compliances: We suggest that (i)MIS system should be implemented over daily

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	(vi)Bank reconciliation of any bank account was not prepared.		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.
22	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.
23	No details were made available regarding meeting of municipal accounts committee held during the financial year 2017-18.	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.
24	Non-Implementation of double entry accounting system (DEAS): We found the detail that double accounting system is implemented at Rosera Nagar Panchayat. However we not got any data for verification the same.	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 Rosera Nagar Panchayat is

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			covered under schedule -1, therefore they should have to maintain their accounts on double entry accounting system in compliance of such rule.
25	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.
26	Non adjustment of advances	Will consider it in next financial year.	Advance register should be produced to auditors for verification.
27	Collection of internal resources is very poor.	Nagar Panchayat will take steps to improve the collection from internal resources.	It should be timely collected.
28	Monthly and quarterly budget was not maintained. Therefore, comparison of budgeted and actual figure of income and expenditure was not performed.	Will consider it in next financial year.	Budget should be maintained quarterly.

Signed Discussion Note is enclosed with the report.

6. Acknowledgement:-

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



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Detailed Audit Report

1. **Introduction:** Rosera is a Nagar Panchayat city in district of Samastipur, Bihar. The Rosera city is divided into 18 wards for which elections are held every 5 years. The Rosera Nagar Panchayat has population of 31,155 thousand approx. Rosera Nagar Panchayat has total administration over 31,155 households.

2.

Name of ULB	Period Covered	Audit Team
Rosera Nagar Panchayat	1 st April 2017- 31 st March 2018	(1) TL:CA Neerav Bhanushali (2) MAE:CA Amit Ranjan (3) Auditor: Ashutosh Tilak

3. **Administration: -**

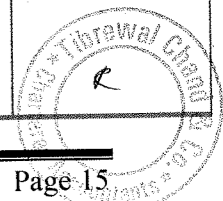
The Present governing body of the ULB has taken charge on 2017. The incumbencies in the key administrative and executive positions are as under:

- Smt. Renu Devi is Chairman holding post from 01-06-2017 to till the date of Audit.
- Mr. Jaychand Akela is the Executive officer holding post from 30.01.2019 to till the date of Audit.

4. **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



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1	AG Audit 2013-14 to 2015-17	29.01.2018	09	09	0	0	0	06.12.2018 Compliance report prepared (Annexure "A")
2	Internal Audit (2016-2017)							Compliance Report not prepared.

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

5. **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	2017-18	2016-17	2015-16
Final/Revised Budget	23,42,35,778	20,57,15,232	82,58,36,314
Actual Expenditure	3,88,59,384	17,81,69,945	1,43,09,128
Savings(+)/Excess(-)	19,53,76,394	2,75,45,287	81,15,27,186

Note: All figures taken from books of accounts.

ii. **Volume of Transactions :-**

Period	Budgeted 2017-18	Previous year (2016-17)	Current period	Cumulative for the current period
Opening Balance	12,87,30,141	16,05,73,609	12,87,30,141	12,87,30,141
Receipts	23,43,66,129	14,63,26,477	5,69,93,680	5,69,93,680
Total	36,30,96,270	30,69,00,086	18,57,23,821	18,57,23,821
Net expenditure	23,42,35,778	17,81,69,945	3,88,59,384	3,88,59,384
Closing Balance	12,88,60,492	12,87,30,141	14,68,64,437	14,68,64,437

Note: All figures taken from books of accounts.

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iii. **Bank Reconciliation:** Un-reconciled balance between bank book and bank statement as on 31-03-2018 has been shown below:

Name of Bank	Name of Scheme	Account No.	Passbook Balance	Cash Book Balance	Difference	Status
SBI	BRGF	9778	2,30,206.00	2,30,206.00	-	Reconciled
SBI	Various	1689	55,141.25	42,455.25	12,686	Un reconciled
SBI	SJSRY	8241	2,57,532.25	2,57,532.25	-	Reconciled
CBI	SJSRY	0034	16,11,279.00	16,11,279.00	-	Reconciled
CBI	SJSRY	4825	3,57,364.39	3,57,364.39	-	Reconciled
CBI	SJSRY	4498	8,26,863.75	8,26,863.75	-	Reconciled
CBI	SJSRY	2235	2,19,090.00	2,19,090.00	-	Reconciled
CBI	SJSRY	4501	68,31,936.24	68,31,936.24	-	Reconciled
PNB	13 TH	9237	71,27,294.59	71,27,294.59	-	Reconciled
PNB	4 TH	9246	66,82,577.74	66,82,577.74	-	Reconciled
PNB	Various	9219	26,99,543.00	26,99,543.00	-	Reconciled
UCO	5 th	8715	1,90,77,491.00	1,90,77,491.00	-	Reconciled
UCO	Various	8724	19,68,779.00	19,68,779.00	-	Reconciled
BIO	BRGF	4920	37,25,408.00	37,25,408.00	-	Reconciled
BIHAR GRAMIN BANK	Various	2838	6,73,885.00	5,64,258	1,09,627	Unreconciled
BIHAR GRAMIN BANK	IDMST	2272	10,44,552.00	10,44,552.00	-	Reconciled
Treasury-146	Various	saving	14,06,41,196	10,04,49,251	-	Reconciled

Comments: ULB does not prepared bank reconciliation statement on monthly basis.

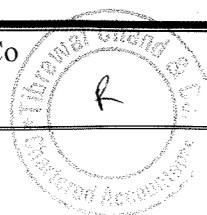
Recommendation: ULB should be prepared bank reconciliation on monthly basis.

(Note: Refer Discussion Note point no. 7)

iv. **Revenue & Capital Receipts :-**

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Income Details			
Sl. No.	Details	Amount (Rs.)	
		2017-18	2016-17
	Total Receipts (A+B)	5,69,93,680	14,63,26,477
A	Revenue Receipts (1+2+3)	1,70,22,390	9,50,04,334
1	Own Revenue Receipts	54,46,986	64,79,766
a)	Tax Revenue (Levied & Collected By municipal Body) (i+ii)	5,03,495	31,04,530
i)	Property Tax	1,47,187	23,51,882
ii)	Other Tax (Levied & Collected By municipal Body)	3,56,308	7,52,648
b)	Non Tax Revenue (Levied & Collected By municipal Body) (i+ii+iii)	17,92,820	7,63,955
i)	Fess & Fines	8,18,212	1,35,718
ii)	User Charges	2,12,458	1,02,548
iii)	Other Non-Tax Revenue (Levied & Collected By municipal Body)	7,62,150	5,25,689
2	Other Revenue Receipts	31,50,671	26,11,281
a)	Income from interest/Investments	18,29,219	16,52,487
b)	Other Revenue Income	13,21,452	9,58,794
3	Transfers/grants/Assigned Revenues	1,15,75,404	8,85,24,568
a)	State Assigned Revenues	-	-
b)	State Finance Commission (SFC) Grants/Devolution	79,27,690	6,74,77,270
c)	Octroi Compensation	-	-
d)	Other State Government transfers	-	-
e)	Central Finance Commission (CFC) Grants	-	-
f)	Other Central Government transfers	-	-
g)	Others	36,47,714	2,10,47,298
B	Capital Receipts (1+2+3+4+5)	3,99,71,290	5,13,22,143
1	Sale of Municipal Land	-	-



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2	Loan (From state Govt. or Banks etc.)	-	-
3	State Capital Account Grant (Under state Scheme etc.)	3,19,48,853	3,36,24,000
4	Central Capital Account Grant (Under central Scheme etc.)	80,22,437	1,76,98,143
5	Other Capital Receipts	-	-

v. Revenue & Capital Expenditure Information :-

Expenditure Details			
Sl. No.	Details	2017-18	
		2017-18	2016-17
	Total Expenditure (1+2)	3,88,59,384	17,81,69,945
1	Revenue Expenditure	1,75,26,312	6,77,47,466
1.1	Administrative Expenses, Establishment & Salaries (All Departments regular & contractual staff)	77,77,662	74,58,971
1.2	Operation & Maintenance (O & M)	97,47,844	3,56,98,741
1.3	Loan Repayment (Interest Payments)	-	-
1.4	Others (any other revenue Expenditure which is not salaries, O&M & or interest payment)	806	2,45,89,754
2	Capital Expenditure	2,13,33,072	11,04,22,479
2.1	All developmental works under central/state specific schemes	2,13,33,072	11,04,22,479
2.2	Loan Repayments	-	-
2.3	Other capital expenditure	-	-

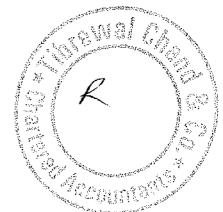
vi. Status of implementation of double entry accounting system: The ULB has not yet implemented the double entry real time accounting system.

Company Name: A P Sanzgiri & Co.

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.



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(Note: Refer point no. 24 of discussion note)

vii. Status of Municipal Accounts Committee: if meeting is held: Meeting of Municipal Accounts Committee has not been held during the year 2017-18.

(Note: Refer point no. 23 of discussion note)

5. Audit Observations: -

I. 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 deposit on timely basis

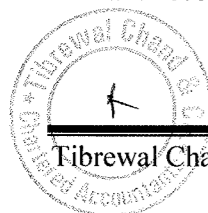
Audit Objective: Assessment of property tax as per Bihar Municipal Act and all collection deposited with treasury.

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 bank which are shown below.

Sl. No	Date of cash collected	Date of cash submitted in bank	Delay in Days	Amounts
1.	01.04.2017	13.08.2017	135	537
2.	14.08.2017	01.04.2018	141	201
3.	21.03.2017	21.03.2018	209	165

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.



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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 point no. 2 & 8 of discussion note)

Tower tax

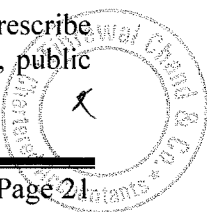
Audit Objective: Assessment of Tower tax as per Bihar Communication Tower and related structure rules, 2012 and all collection deposited with treasury.

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: As 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. 30,000/- per Tower and the Renewal fee is Rs. 8,000/- per year, while checking the files and other relevant records company wise outstanding was not maintained properly and o/s detail of Rs. 23.00 Lakh was found. In absence of proper demand and collection register it was difficult to find the exact demand.

S.N.	Name of tower	No of tower	Registration fee	Registration fee additional antenna	Renewal fee	Collection	Total due
1	Airtel	5	1,50,000	7,88,000	7,82,400	1,50,000	15,70,400
2	Vodafone	5	1,50,000	4,82,000	4,40,000	3,50,000	7,22,000
3	Jio	1	30,000	-	16,000	38,000	8,000
Total			3,30,000	12,70,000	12,38,400	5,38,000	23,00,400

Consequence/Effect/ Impact - Due to non-deposition of Tower Rent with in prescribe time line, ULB incurred interest loss and also the due to non-collection of taxes, public interest has also been suffered.



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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.

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

(Note: Refer point no. 01 of discussion note)

Non Collection of Advertisement Tax:

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 Panchayat is not collecting any advertisement tax.

Consequence/Effect/Impact: Due to no collection of advertisement tax there is a huge revenue loss to the Nagar Panchayat.

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

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

Trade License

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

Criteria: As per Bihar Municipal Act.

Condition: During audit of trade license collection observed that total revenue collected of Rs. 2,74,300 while deposited into bank Rs. 2,64,000 by concerned person. The difference amount of Rs. 10,300 is not deposited till audit date.

Consequence / Effect / Impact: Due to non-deposition of trade license fees there is a revenue loss to ULB.

Cause: This happens due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval. The ULB does not have proper

Internal Audit Report for the year ended 31st March of F.Y. 2017-18

mechanisms for supervision and monitoring of the trade license fees which results in revenue leakage.

Corrective Action / Recommendation: There should be proper monitoring and further steps are required to be taken for collection of trade license fees by concerned ULB.

(Note: Refer point no. 04 of discussion note)

Outstanding Sairat Amount

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

Criteria: As per Bihar Municipal Act.

Condition: ULB has allotted land for farming to farmer while ULB is not being collected by ULB of Rs. 2,85,982 from 2013-14, 2014-15 & 2015-16 to till date of audit.

Consequence / Effect / Impact: Due to non-collection of outstanding Sairat amount there is a revenue loss to ULB.

Cause: This happens due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval. The ULB does not have proper mechanisms for supervision and monitoring of the outstanding Sairat amount which results in revenue leakage.

Corrective Action / Recommendation: There should be proper monitoring, collection procedure and further steps are required to be taken for collection of outstanding Sairat amount by concerned ULB.

(Note: Refer point no. 17 of discussion note)

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

If the electricity bill is not paid within the stipulated date as mentioned in the bill, then they will charge a penalty in the next bill, So It will be better to pay regularly under any circumstances. Electricity bill have to be paid regularly, to avoid penal charges. However outstanding amount is Rs. 15,20,955 with ULB.

(Note: Refer point no. 15 of discussion note)

Internal Audit Report for the year ended 31st March of F.Y. 2017-18

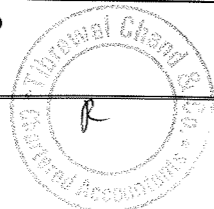
b. Report on Findings of the field survey of property tax of minimum 20 high value properties is given here: -

Our team on the basis of information available asked the SAF, demand collection detail of below mentioned properties:

SAF forms of below properties were not provided neither any arrangement were made for physical verification.

(Note: Refer point no.03 of discussion note)

SI No.	Year	Holding No.	Ward No.	Name of Property	Type of Property	Property Tax
1	2017-18	191	06	Prakhand vikash karyalay	Commercial	5,650
2	2017-18	194	06	Vyapar Mandal	Commercial	1,142
3	2017-18	195	06	Avar Pramandal	Commercial	2,825
4	2017-18	202	06	Upkara Adhikshak	Commercial	4,239
5	2017-18	231	07	Satyadev Jha	Residential	2,137
6	2017-18	01	10	Rosera Thana	Residential	7,062
7	2017-18	249	10	High School	Commercial	847
8	2017-18	228	12	Manoj Kumar	Residential	881
9	2017-18	50	01	Utpad Rest House	Commercial	9,887
10	2017-18	63	01	Sanskrit Vidhalay	Commercial	1,662
11	2017-18	241	03	Nibandhan karyaly	Commercial	724
12	2017-18	221	16	Kuldeep	Residential	1,262
13	2017-18	305	17	Uchhatar Madhya Vidhalay	Commercial	1,262
14	2017-18	306	17	Prathamik Vidhalay	Commercial	2,525
15	2017-18	307	17	Prathamik Vidhalay	Commercial	374
16	2017-18	23	09	Madhya Vidhalay	Commercial	1,010
17	2017-18	05	02	Gosala Samiti	Commercial	1,412
18	2017-18	171	02	Mahila Vidhalay	Commercial	808
19	2017-18	89	18	Kapil Mahato	Residential	11,751



Internal Audit Report for the year ended 31st March of F.Y. 2017-18

20	2017-18	131	18	Gopal Sah	Residential	15,427
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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
- Summary statement of deposit adjustment
- Summary statement of bills raised
- Register of refunds, remissions and write offs
- Statement of outstanding expenses liability
- Document control register
- Register of immovable property
- Register of movable property
- Register of land
- Register of assets replacement
- Register of public lighting system.



(Note: Refer point no. 14 & 25 of discussion note)

b. Irregularity in procurement process:

During verification of contractor's file observed that (Anil Kumar NIT, 01/2016-17 group 1, construction of drain from house of Lalan Singh to house of Mukul Kumar at ward no. 06)

- Advertisement paper was not found in the file.
- Comparative sheet was not prepared by ULB.

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

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 collection of various taxes required to be collected.
- Non maintenance of prescribed books of accounts.
- Non maintenance of prescribed DEAS.
- None maintenance of DCR.
- Non preparation of budget as per budget manual.
- Closing of daily cash book and bank book.
- Physical verification of cash balance with daily collection register and bank balances.

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

(Note: Refer Discussion Note 22 of discussion note)

e. Lack of Internal Control Measures:

- (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
- (vi) Bank reconciliation of any bank account was not prepared.

(Note: Refer Discussion Note 21 of discussion note)

f. Non- Compliance of TDS, VAT, and other relevant statute:

- i. **Royalty:** it was observed that royalty was deducted for the period 1st April 2017 to March 2018 of Rs.1,55,657 but not deposited with authority causing interest & penalty attract.
- ii. **Labor Cess** it was observed that labour cess was deducted for the period 1st April 2017 to March 2018 of Rs.96,343 but not deposited with authority causing interest & penalty attract.
- iii. **VAT:** it was observed that VAT was deducted for the period 1st April 2017 to March 2018 of Rs.2,48,835 but not deposited with authority causing interest & penalty attract.
- iv. **TDS:** it was observed that TDS was deducted for the period 1st April 2017 to March 2018 of Rs.97,947 but not deposited with authority causing interest & penalty attract.
- v. **GST:** GST is not deducted for reporting period by ULB.

(Note: Refer point no. 06 of discussion note)

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.

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 but concerned file and register was not provided to us. Therefore we are unable to quantify amounts.

Insurance: Insurance deduction from all permanent staff salary but not deposited on timely basis but concerned file and register was not provided to us. Therefore we are unable to quantify amounts

(Note: Refer point no. 5 & 10 of discussion note)

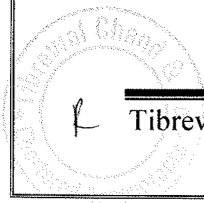
h. Utilization certificate report on grants allotted during the year: Details of UCs related to FY: 2017 – 2018 are given as **Annexure – “B”**

i. Physical Verification of the inventories and stores: Stores registers has not been prepared by the ULB. During the year 2017-18 no physical verification was carries out of the stores.

(Note: Refer point no. 9 of discussion note)

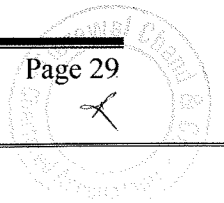
j. Advances: Advance register was not provided to us therefore we are unable to comment on this regards.

(Note: Refer point no.26 of discussion note)



II. 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 sanction 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).	Refer audit report.
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 have been complied.	Yes, Compliance of financial guidelines of schemes of MOHUA and UD & HD, Gob have been complied.



Internal Audit Report for the year ended 31st March of F.Y. 2017-18

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, Sai rat 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.	Discussed in audit report Part A.
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/-	Refer detailed audit report.
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 audit report.
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. 2017-18. 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	It has been provided in discussion notes as well as in audit report under part A.

Internal Audit Report for the year ended 31st March of F.Y. 2017-18

	have been identified then prepare a statement of loss for revenue losses.	
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 has been complied, if not assistance has been provided in this regard.	Discussed in details audit report and also annexure attached.

Annexure "A"

Annexure "B"

कार्यालय, नगर पंचायत, रोसड़ा(समस्तीपुर)

पत्रांक २३४६ दिनांक ०६/०१/१८

कार्यपालक पदाधिकारी,
नगर पंचायत, रोसड़ा।

Type your text

महालेखाकार (लेखा परीक्षा),
प्रधान महालेखाकार का कार्यालय,
बिहार, सामाजिक प्रक्षेत्र-१,
स्थानीय लेखा परीक्षा शाखा, पटना।

नगर पंचायत रोसड़ा में निरीक्षण प्रतिवेदन सं० -1064/17-18 (अवधि 2013-14 से लेकर 2016-17 तक) के प्रतिवेदन के अनुपालन प्रेषण।

कार्यालय प्रधान महालेखाकार (लेखा परीक्षा) बिहार, सामाजिक प्रक्षेत्र-१, स्थानीय लेखा परीक्षा शाखा के पत्रांक 398 दिनांक 29.01.18

उपर्युक्त विषयक नगर पंचायत रोसड़ा के अंकेक्षण निरीक्षण प्रतिवेदन सं० -1064/17-18 (अवधि 2013-14 से लेकर 2016-17 तक) के आपत्ति कंडिकाओं के समाधान एवं सुझाव के आलोक में अनुपालन संबंधित कृत कार्रवाई एवं संबंधित आशय का साक्ष्य संलग्न कर कंडिकावार प्रतिवेदन समर्पित की जाती है।
अनुरोध है कि प्राप्ति स्वीकृत करने की कृपा की जाय।

अनुलग्नक:-

अनुपालन प्रतिवेदन
एवं कंडिकावार संबंधित साक्ष्य की प्रति।

विश्वासभाजन

कार्यपालक पदाधिकारी
नगर पंचायत रोसड़ा

आपाक : २३४६ दिनांक ०६/०१/१८

प्रतिलिपि : विशेष सचिव, नगर विकास एवं आवास विभाग, बिहार पटना को अनुपालन प्रतिवेदन संलग्न करते हुए आवश्यक कार्याध सादर समर्पित।

कार्यपालक पदाधिकारी
नगर पंचायत रोसड़ा

Annexure "B"

S/N	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2017-18	शहरी नाली गली	30/10/2017	37.02	NIL	37.02	Un Utilized Amount Rs. 37.02 transferred to PL A/C
2	2017-18	14th Fin	24/01/2018	51.64	NIL	51.64	Un Utilized Amount Rs. 51.64 Transferred to PL A/C
3	2017-18	भत्ता भुगतान	15/06/2017	3.24	NIL	3.24	Un Utilized Amount Rs. 3.24 Transferred to PL A/C
4	2017-18	14th Finance	02/08/2017	51.77	NIL	51.77	Un Utilized Amount Rs. 51.77 Transferred to PL A/C
5	2017-18	पेशाकर मद	30/06/2017	10.39	NIL	10.39	Un Utilized Amount Rs. 10.39 Transferred to PL A/C
6	2017-18	नाली गली	11/08/2017	43.2	NIL	43.2	Un Utilized Amount Rs. 43.2 Transferred to PL A/C
7	2017-18	5th Finance	14/09/2017	99.41	NIL	99.41	Un Utilized Amount Rs. 99.41 Transferred to PL A/C
8	2017-18	EO SALARY	23/05/2017	5.00	5.00	NIL	VC Submitted
Grand Total				301.67	5.00	296.67	

Discussion Note

FY 2017-18

Rosera Nagar Panchayat

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. 30,000/- per Tower and the Renewal fee is Rs. 8,000/- per year. During the course of audit it was observed that Rs23,00,400.00 is due towards Tower Company for financial year 2017-18. (Details given in report)	This will be strictly taken care by next financial year and nagarpanchayat 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	The amount of tax collected by the Tax collector is required to be handed over to the cashier by the next day of the collection. But it is not in practice currently, tax collector hands over the collected cash to the cashier after a time gap of 03 to 06 Months.	Tax collectors are directed to deposit the tax.	If collected cash is not deposited on time, then chances of misappropriation of cash arises. So, collected amount must be deposited on the same day on which it is being collected.
3	Report on Findings of the field survey of property tax of minimum 20 high value properties. (Refer details audit report)	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	During audit of trade license collection observed that total revenue collected of Rs. 2,74,300 while deposited into bank Rs. 2,64,000 by concerned person. The	Collection team will take care of this from now onwards & Management will recover the difference amount from the concerned person.	Difference amount must be recovered from concerned person.

EXECUTIVE OFFICER
Nagar Panchayat, Rosera

Discussion Note

Rosera Nagar Panchayat

	difference amount of Rs. 10,300 is not deposited till audit date.		
	PF deducted from all permanent staff salary but not deposited in his PF account on timely but concerned file and register was not provided to us therefore we are unable to quantify amounts.	Will consider it in next financial year.	PF should be deposited immediately.
6	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 Panchayat. Further it was also observed that return was also not filled for TDS & VAT. (Refer details audit report)	Will consider it in next financial year.	All statutory compliances related to deduction, deposition and return filling should be complied.
7	The municipality is not in a practice to prepare BRS on regular or periodical basis. (Refer details audit report)	Will consider it in next financial year.	BRS should be maintained month wise.
8	(i) Improper maintenance of records related to revenue collection. (ii) During the audit it was observed that mobile tower tax is not getting collected on a timely basis and even if it is getting collected, the same is not deposited timely.	Nagar Panchayat ensure that this will be taken care from now onwards.	(i) Daily collection register for property tax should be maintained and appropriate action should be taken. (ii) Collection should be made on a regular basis and deposited on the same day to avoid any irregularity.
9	Non preparation of stores register	Will consider it in next financial year.	Due to non-maintenance of stock register, 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.

Discussion Note

Rosera Nagar Panchayat

10	Insurance deduction from all permanent staff salary but not deposited on timely basis but concerned file and register was not provided to us. Therefore we are unable to quantify amounts.	Will consider it in next financial year.	Insurance should be deposited.
11	Rosera Nagar Panchayat is not in practice to prepare monthly receipt and payment account and the trial balance.	Will consider it 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.
12	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.
13	Log books not maintained or maintained with incomplete information in ULB.	Will consider it in next financial year.	Log book should be maintained by ULB.
14	Scheme register not prepared for the financial year 2017-18	Will consider it in next financial year.	Separate register should be maintained for each scheme.
15	If the electricity bill is not paid within the stipulated date as mentioned in the bill, then they will charge a penalty in the next bill, So it will be better to pay regularly under any circumstances. Electricity bill have to be paid regularly, to avoid penal charges. However outstanding amount is Rs. 15,20,955 with ULB.	Necessary action will be taken.	Electricity charges must be paid within stipulated time.
16	No-collection of notice fees	ULB staff is directed to comply with Bihar Municipal Act 2007	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 delay payment at a

Discussion Note

Rosera Nagar Panchayat

			rate as may be specified, and the amount of penalty therefore, but in case of Rosera Nagar Panchayat, corporation has not provided any information regarding charging and collection of notice fees. ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.
17	ULB has allotted land for farming to farmer while ULB is not being collected by ULB of Rs. 2,85,982 from 2013-14, 2014-15 & 2015-16 to till date of audit.	Necessary action will be taken.	There should proper mechanism for collection of outstanding Sarfat amount.
18	No increment in the rent on shop, government building & other building observed during audit.	Necessary action will be taken.	Rate of rent should be increment at proper interval.
19	During verification of contractor's file observed that (Anil Kumar NIT 01/2016-17 group 1, construction of drain from house of Lalan Singh to house of Mukul Kumar at ward no. 06) > Advertisement paper was not found in the file. > Comparative sheet was not prepared by ULB.	Necessary action will be taken.	Comparative Sheet and advertisement paper documents as per NIT should be available in the file.
20	During the course of Audit, we observed that Nagar Panchayat has conducted internal audit for the year 2016-17 but compliance report not prepared by ULB. (Details given in report)	Necessary action will be taken.	It should be prepared as soon as possible.
	lack of internal control measures in the file was not maintained	Nagar Panchayat ensure that this will be taken care from	We observed that there is no any internal control

Discussion Note

Rosera Nagar Panchayat

<p>(i) No internal mechanism for statutory compliance (ii) No MIS was prepared for tracking of payments (iii) Required books of Accounts as per BMA-2007 was not maintained (iv) Statutory compliance reconciliation was not maintained (v) Bank reconciliation of any bank account was not prepared.</p>	<p>now onwards.</p>	<p>mechanism, available over collection, recovery, deposit of taxes, assets handling cheque handling and statutory compliances. 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>
<p>22 Non-Compliance of Act & Rules</p>	<p>ULB staff is directed to ensure compliance of all applicable Act & Rules.</p>	<p>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.</p>
<p>23 No details were made available regarding meeting of municipal accounts committee held during the financial year 2017-18.</p>	<p>ULB staff is directed to comply with BMA-2007</p>	<p>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</p>

Discussion Note

Rosera Nagar Panchayat

<p>24 Non-Implementation of double entry accounting system (DEAS): We found the detail that double accounting system is implemented at Rosera Nagar Panchayat. However we not got any data for verification the same.</p>	<p>Implementation of DEAS is ongoing and ULB staff is directed to cooperate with auditors and to provide all necessary documents for audit.</p>	<p>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 Rosera Nagar Panchayat is covered under schedule -1, therefore they should have to maintain their accounts on double entry accounting system in compliance of such rule.</p>
<p>25 Non-maintenance of required registers as per Rule No.-3 of BMAR-2014</p>	<p>ULB staff is directed to follow and comply the guidelines of BMAR</p>	<p>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.</p>
<p>26 Non adjustment of advances</p>	<p>Will consider it in next financial year.</p>	<p>Advance register should be produced to auditors for verification.</p>
<p>27 Collection of internal resources is very poor.</p>	<p>Nagar Panchayat will take steps to improve the collection from internal resources.</p>	<p>It should be timely collected.</p>
<p>28 Monthly and quarterly budget was not maintained. Therefore, comparison of budgeted and actual figure of income and expenditure was not performed.</p>	<p>Will consider it in next financial year.</p>	<p>Budget should be maintained quarterly.</p>

Discussion Note

Rosera Nagar Panchayat

Details of 20 high value properties:-

S/N	Year	Holding No.	Ward No.	Name of Property	Type of Property	Property Tax
1	2017-18	191	06	Prakhandvikashkaryalay	Commercial	5,650
2	2017-18	194	06	VyaparMandal	Commercial	1,142
3	2017-18	195	06	AvarNramandal	Commercial	2,825
4	2017-18	202	06	UpkaraAdhikshak	Commercial	4,239
5	2017-18	231	07	SatyadevJha	Residential	2,137
6	2017-18	01	10	Rosera Thana	Residential	7,062
7	2017-18	249	10	High School	Commercial	847
8	2017-18	228	12	Manoj Kumar	Residential	881
9	2017-18	50	01	Utpad Rest House	Commercial	9,887
10	2017-18	63	01	Sanskrit Vidhalay	Commercial	1,662
11	2017-18	241	03	Nibandhankaryaly	Commercial	724
12	2017-18	221	16	Kuldeep	Residential	1,262
13	2017-18	305	17	Uchhatar Madhya Vidhalay	Commercial	1,262
14	2017-18	306	17	PrathamikVidhalay	Commercial	2,525
15	2017-18	307	17	PrathamikVidhalay	Commercial	374
16	2017-18	23	09	Madhya Vidhalay	Commercial	1,010
17	2017-18	05	02	GosalaSamiti	Commercial	1,412
18	2017-18	171	02	MahilaVidhalay	Commercial	808
19	2017-18	89	18	KapilMahato	Residential	11,751
20	2017-18	131	18	GopalSah	Residential	15,427

Discussion Note

Rosera Nagar Panchayat

Bank Reconciliation Statement

Name of Bank	Name of Scheme	Account No.	Passbook Balance	Cash Book Balance	Difference	Status
SBI	BRGF	9778	2,30,206.00	2,30,206.00		Reconciled
SBI	Various	1689	55,141.25	42,455.25	12,686	Un reconciled
CBI	SJSRY	8241	2,57,532.25	2,57,532.25		Reconciled
CBI	SJSRY	0034	16,11,279.00	16,11,279.00	-	Reconciled
CBI	SJSRY	4825	3,57,364.39	3,57,364.39		Reconciled
CBI	SJSRY	4498	8,26,863.75	8,26,863.75	-	Reconciled
CBI	SJSRY	2235	2,19,090.00	2,19,090.00		Reconciled
CBI	SJSRY	4501	68,31,936.24	68,31,936.24	-	Reconciled
PNB	13 TH	9237	71,27,294.59	71,27,294.59		Reconciled
PNB	4 TH	9246	66,82,577.74	66,82,577.74		Reconciled
PNB	Various	9219	26,99,543.00	26,99,543.00		Reconciled
UCO	5 th	8715	1,90,77,491.00	1,90,77,491.00		Reconciled
UCO	Various	8724	19,68,779.00	19,68,779.00		Reconciled
BIO	BRGF	4920	37,25,408.00	37,25,408.00		Reconciled
BIHAR GRAMIN BANK	Various	2838	6,73,885.00	5,64,258	1,09,627	Unreconciled
BIHAR GRAMIN BANK	IDMST	2272	10,44,552.00	10,44,552.00		Reconciled
Treasury-146	Various	saving	14,06,41,196	10,04,49,251		Reconciled

Annexure -B:-Details of UC's of Financial Year 2017 - 2018

S/N	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2017-18	शहरीनालीगली	30/10/2017	37.02	NIL	37.02	Un Utilized Amount Rs. 37.02 transferred to PL A/C
2	2017-18	14th Fin	24/01/2018	51.64	NIL	51.64	Un Utilized Amount Rs. 51.64 Transferred to PL A/C
3	2017-18	भत्ताभुगतान	15/06/2017	3.24	NIL	3.24	Un Utilized Amount Rs. 3.24 Transferred to PL A/C
4	2017-18	14th Finance	02/08/2017	51.77	NIL	51.77	Un Utilized Amount Rs. 51.77 Transferred to PL A/C
5	2017-18	पेशाकरमद	30/06/2017	10.39	NIL	10.39	Un Utilized Amount Rs. 10.39 Transferred to PL A/C
6	2017-18	नालीगली	11/08/2017	43.2	NIL	43.2	Un Utilized Amount Rs. 43.2 Transferred to PL A/C
7	2017-18	5th Finance	14/09/2017	99.41	NIL	99.41	Un Utilized Amount Rs. 99.41 Transferred to PL A/C
8	2017-18	EO SALARY	23/05/2017	5.00	5.00	NIL	UC Submitted
Grand Total				301.67	5.00	296.67	

EXECUTIVE OFFICER
Nagar Panchayat, Rosera

[Signature]