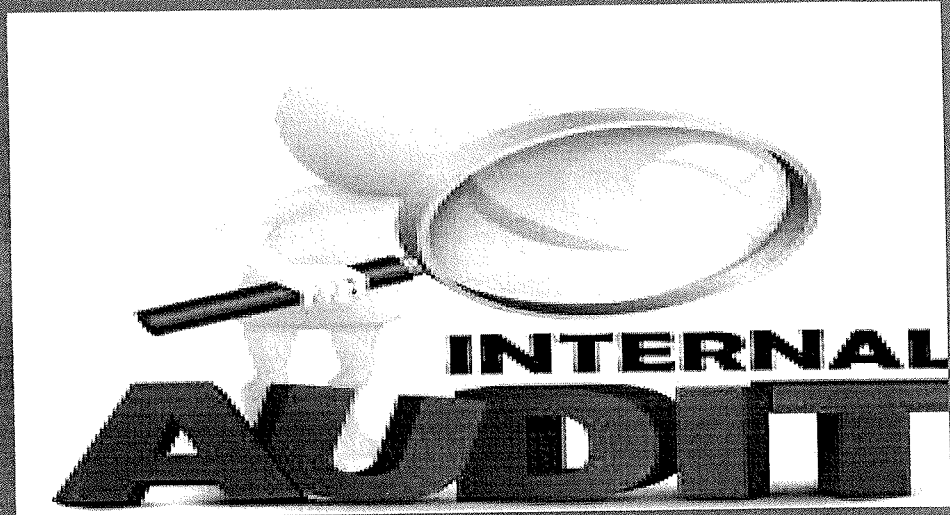


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*Internal Audit Report for
FY 2018-19 of Saharsha
Nagar Parishad*

Internal Audit Conducted By
M/s Tibrewal Chand & Co. Chartered Accountants
From 01.04.2018 to 31.03.2019
Flat No. 501, 5th floor, SS Bihar Apartment
Near Karbighiya Station,
Patna-Bihar 800001
Mob. No. +91 8825110779
Email- tccbihar@gmail.com

Report submitted date: 14.09.2019
INTERNAL AUDIT REPORT



INTERNAL AUDIT REPORT OF SAHARSA MUNICIPAL COUNCIL

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Executive Summary

1. Introduction:

Name of the Municipality	Saharsa Municipal Council
Period covered under current audit	01-04-2018 to 31-03-2019
Name of Chief Municipal Officer for the period under audit	Prabhat Ranjan

2. Results and Findings:

➤ **Strengths of Municipal Council:**

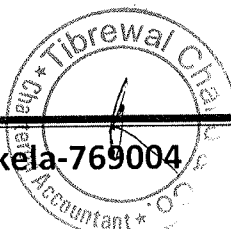
Day to day work is in progress with respect to collection of revenue and execution of the project.

➤ **Weaknesses observed in the functioning of office, maintenance of records etc. during the audit engagement: -**

- Lack of internal control due to non-preparation of financial statements.
- Non preparation of periodic bank reconciliation statements.
- Lack in follow-up procedure in collection of huge arrear dues related to property and other taxes.
- Non-Performing of the variance analysis between budget and actual expenditure for a particular period resulting short comings in budgetary control.
- Delay in deposit of collected revenue
- Late deposit of tax deducted at source (TDS), and Non filling of statutory returns on periodic basis resulting in violation of tax provisions and attraction of interest and penalty.
- Non-Maintenance of assets registers resulting in mis-utilization of assets.

3. Opinion:-

The management has to make 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.

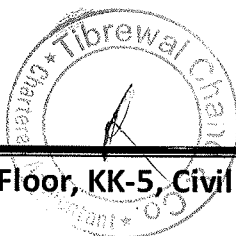


**INTERNAL AUDIT REPORT OF SAHARSA
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4. Audit Recommendations:-

- Books of accounts should be prepared under double entry system and accrual basis should be followed.
- ERP software should be implemented in the ULB for preparation of financial statements and other necessary information as and when required by the management. Employees of all departments will be trained with the software for entering day to day transactions.
- Stringent follow up is necessary for recovering arrear dues relating to property tax and other sources of income.
- Bank statements or treasury statement shall be collected and bank reconciliation statement should be prepared on monthly basis. Balance confirmation certificate to be obtained from the respective bank treasury periodically.
- Fixed assets register has to be prepared for all fixed assets owned by the ULB, assets will be numbered, whenever applicable and location of assets should be mentioned in such register. Physical verification of such fixed assets has to be conducted by appointing external professional agency at such year end.
- Stock/store register has to be updated in all respect. Purchase, issue and balance of each items has to be maintained separately.
- Timely deposit of taxes is must.

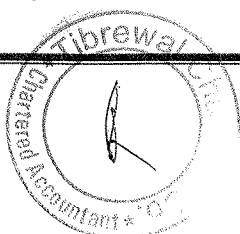


INTERNAL AUDIT REPORT OF SAHARSA MUNICIPAL COUNCIL

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5. Comments from Management:-

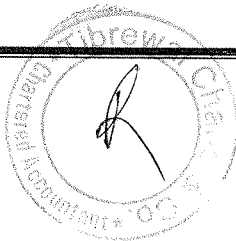
Sl. No	Observation	Management Comment	Auditor Recommendation
1	Delay Deposit of Property Tax Collected by Tax Collector to Najarat: -It is norm of Municipality to deposit collected Property tax to the Najarat on daily basis or to the next working day but it is not followed. Tax Collector deposits the sum after gap of Days.	Direction will be issued to the concerned personnel to deposit collected taxon timely basis.	Deposition should be made as per Bihar Municipal Act.
2	Delay Deposit of Property Tax to Najarat on account of Online counter: - It is norm of Municipality to deposit collected Property tax to the Najarat on daily basis or to the next working day but it is not in the practice, Here Operator deposit the sum after end of month and in most of the cases its deposition takes 2 to 3 months gap.	Direction will be issued to the concerned personnel to deposit collected taxon timely basis.	Deposition should be made as per Bihar Municipal Act.
3	Delay Deposit of Collected Property revenue in The Treasury/Bank:- It is norm of Municipality to deposit collected Property tax to the Treasury/Bank on daily basis or to the next working day but it is not in the practice, Naajir deposit the sum after the end of month and in most of cases deposition taken places gap of 1 to 2 months.	Direction will be issued to the concerned personnel to deposit collected taxon timely basis.	Deposition should be made as per Bihar Municipal Act.
4	Tax Collection on the basis of self-assessment through Online Counter without verification of Property :- Online collection of property tax is made on the basis of self-assessment	Notice will be issued for collection of rest of amount from concerned holding and a practice will be develop for non-occurrence of such type	A system should be developing for verification of self -assessed tax with the actual property through the field staff and Provision of



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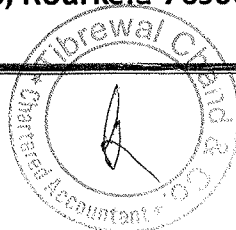
	form submitted by property holder without verification of such form with property, Here may be chances of less disclosure of Property which will be resulted in under recognition and under collection of revenue. A same case was observed during Audit in which RS 6,709 was collected by the counter staff but the actual assessment for the same property was Rs. 14797. PID No 237000499 Ward No 27, Holding no 120 Holder Name Mrs.Lalita Devi.	of case.	Penalty for wrong disclosure should be implemented strictly.
5	Demand Register: -It is not in practice in the ULB Saharsa to prepare Demand register for Holding Tax, as Demand register is very crucial and backbone in Holding Taxation system, absence of this register make it impossible to know the figure of Arrear and Demand in respect of Holding Tax.	After audit objection, proper action will be taken and direction will be issued to the concerned personnel.	Demand register should be maintained year wise.
6	Assessment Register:- Assessment register for Holding tax is not prepared in ULB Saharsa. It is a very important register which assist to know the basis of calculation of Holding tax charged.So absence of this will make difficult to know the area of Holding, Constructed area and Vacant Area.	After audit objection proper action will be taken and direction will be issued to the concerned personnel.	Assessment register should be maintained.
7	Assessment Form:- Since Audit commenced we continuously demanded the Property Tax assessment form for Assessment made during 2018-19 but the same are not produced before us.	It will be provided in next Audit.	It is a crucial document and basis of assessment Register, should be properly maintained and kept safely.
8	Less Deposition of Property Tax	Proper direction will be	Adjustment should be made



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	against Collection: - It is found is some of cases that there is less deposition of Property Tax against collection by Tax collector. It should be deposit by the concerned TC as soon as possible.	issued to the concerned personnel for deposition of rest of amount.	as per provision of UDHD.
9	No collection of Interest on Delayed payment of property tax:- It is guidance of UDHD to charge interest @ 1.5% per month on non-payment of Property tax from 1st of October for current year and continue the same till the date of payment, but in some of cases it is found that Interest is not charged on delayed deposit which resulted in loss of revenue to ULB. It should be collected by the relevant TC from the Concerned Holding as soon as possible.	Proper direction will be issued for collection of interest to the concerned personnel from relevant holding.	Action should be taken for collection of the same and proper clarification shall be made by the competent authority regarding provisions of rebates.
10	Rebate on Advance Tax at the rate of 15%:- It was previous guidance of UDHD to provide a Flat rebate at the rate of 15% on Advance tax for next year but the same guidance was subject to time framework which is expired. It was found in some of cases that the above rebate is still provided in current period which violates the guidance of UDHD and the same resulted in loss of revenue to ULB. It should be collected by the relevant TC from the Concerned Holding as soon as possible. It was found during verification of Collection made by Ganesh Lal Dev.	Proper direction will be issued for collection of rest of amount to the concerned personnel from relevant holding.	Action should be taken for collection of the same and proper clarification shall be made by the competent authority regarding provisions of rebates.
11	Excess Payment of Holding Tax against Collection:- It was found in	Action will be taken for adjustment of same as per	Action will be taken for adjustment of same as per



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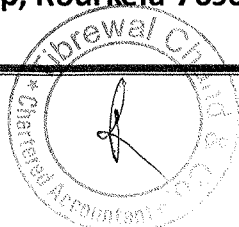
	some of cases that there is excess deposition of Holding tax has been made by Tax collector against Collection of the same. It may be subject to refund depending upon Guidance and norms of UDHD.	norm of UDHD.	norms of UDHD.
12	Physical Verification of Holding:- Audit Personnel had conducted PV of some holding in which one holder allow to assess the property and other holders doesn't allow to asses. On the site visit it was found that in case of Vijaya Hotel the current assessed tax was less than Actual.	Proper action will be taken for re-assessment of concerned Holding.	Assessment should be made in proper way.
13	Sairat, no file and other details were provided: - Since Audit commenced, we continuously demanded the files and other documents regarding the same but that were not produced before us.	Since concerned staff is on medical leave so unable to produce the same before Audit team.	Details should be provided.
14	Mobile Tower, no file and other details were provided: -Since Audit commenced, we continuously demanded the files and other documents regarding the same but that are not produced before us.	Since concerned staff is on medical leave so unable to produce the same before Audit team.	Details should be provided.
15	No Renewal of Trade License: - It is guidance of state for renewal of Trade license every year. ULB issued a total number of 120 Trade license up to 31-03-2018 but not a single renewal of the same took place in Financial year 2018-19 that resulted in huge Revenue loss to ULB.	Step will be taken for renewal of same.	Proper action should be taken for renewal of the same.
16	Less Issue of Trade License: - Only 3 new License were issued during the year 2018-19 and revenue from the	Step will be taken to increase the number of holder.	Reasonable action should be taken in this regard.



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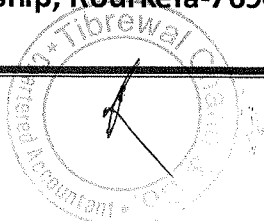
	same is only Rs 7,500. A total number of trade license issued is 123 up to 31-03-2019 which is a very low number as comparing to area and market which persist under Jurisdiction of ULB Saharsa.		
17	Trade License Register: - Register of Trade license for their demand, Collection, is not in practice to prepare. In the absence of this type of register it will be very difficult to know the status of Arrear, Current Demand, and Collection. A simple register is maintained which gives an idea of Number of issue, date, License holder name and some other information which also have crucial importance.	It will be prepared.	Demand register for trade license should be maintained for every year.
18	Advertisement Tax, no file and other details were provided:- Since Audit commenced, we continuously demanded the files and other documents regarding the same but that are not produced before us.	Since concerned staff is on medical leave so unable to produce the same before Audit team.	Details should be provided.
19	Procurement: We verify the Procurement done by ULB above Rs. 15000. <i>(Details given in audit report)</i>	-	No irregularities found
20	TDS - delayed Deposit:- It is found in most of the cases that ULB is in practice in delay the deposit of TDS. Due date of deposit of TDS is 7 th of next month but ULB is not following the same process in most of cases, this procedure has created burden of penalty on ULB U/S 201 of Income Tax Act 1961.	Practice is developing for timely Deposit of the same.	Responsibility should be fix on the concerned staff with provision of punishment regarding promptly deposition of the TDS because late deposition is subject to penalty.



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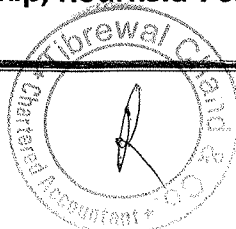
21	<p>TDS Return:- As per provision of Income Tax Act, The Deductor of TDS have to file TDS return Quarterly in Form 26Q (for Non Salary) within the due date for respective Quarter but during the Audit we observed that the ULB is not following such process this shall attract Late filling provision U/S 234 E in which defaulter have to pay RS 200 per day for non-filling period, and shall also attracts Penalty provision U/S 271 H of Income Tax Act 1961 in which penalty can be levied from 10,000 to 1,00,000, this amount will be depend upon ITO Judgment.</p>	Practice is being developed for timely filling of the same.	Responsibility should be fixed on the concerned staff with provision of punishment regarding promptly filling of the TDS return because late filling is subject to penalty.
22	<p>Huge Amount Demand as Penalty Under Income Tax Act 1961:- Delay deposit and Filling of TDS created demand of Penalty which has to be paid to Income Tax department by the ULB. Responsibility of this should be fix upon concerned Personnel.</p>	Legal Advice will be taken for Adjustment of the same.	Notice of penalty for recovery of such demand should be given to the concerned staff due to whom denial & negligence of responsibility and work, ULB comes under such huge amount of penalty.
23	<p>TDS Return Copy:- ULB is not in a practice to compile the copy of same for any period since very beginning, In the absence of such we are not in a positioning to know the status of return.</p>	It will be maintained.	Management should take appropriate action in this regard.
24	<p>GST Delay Deposit:- It is found in most of the cases that ULB is in practice in delaying the deposit of GST. Due date of deposit of GST is 10 th of next month but ULB is not following the same process, this procedure has created burden of</p>	Practice is developing for timely Deposit of the same.	Management should take appropriate action in this regard.



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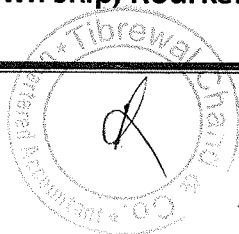
	penalty on ULB.		
25	GST Return:- As per provision of Goods & Service Tax Act, that the Deductor of GST has to file Monthly GST return in Form GSTR 7 up to 10th of following month as filling of GSTR 7 is mandatory. This enables the supplier to claim TDS on GST. Defaulter in Filling of GSTR will be liable to pay penalty under the Act of Rs. 200 for each day. Here not a single copy of GSTR Return was provided in Audit so Return Filling status and process is doubtful.	Practice is developing for timely filling of the same.	Responsibility should be fix on the concerned staff with provision of punishment regarding prompt filling of the GST return because late filling is subject to penalty.
26	GSTR 7A Certificate: - It is provision in GST Act to issue of a system generated Certificate GST 7A to the deductee within a period of 5 days from the date of deposit. Defaulter will be liable for penalty of Rs. 200 per day for the default period. This provision is not in the process in ULB.	Practice is developing to issue the same to the concerned Person.	Management should take appropriate action in this regard.
27	Demand under GST: - A demand dated on 25-04-2019 was raised by GST on ULB on Account of interest of Rs. 7720 and on Account of Late fee Rs. 15440. If the payment will not be made then figure will be increase.	It will not take place in future.	Notice of penalty for recovery of such demand should be given to the concerned staff due to whom denial & negligence of responsibility and work, ULB comes under such huge amount of penalty.
28	Huge penalty due to delayed Payment: - ULB had bared huge penalty on account of Adhibhar for delayed payment of Electricity Bill.	Action will be taken to prevent such type of cases.	Management should take appropriate action for non-occurrence of such type of incidence.
29	Holding huge amount of cash in Najarat without any insurance against	Direction will be issued for timely deposition of same.	Holding of cash for more than normal period of time is a



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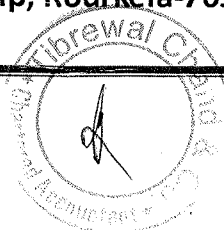
	theft and loss		very critical issue & proper action should be taken for the same.
30	Non maintenance of Vouchers serial number wise: - It is not in practice to compile vouchers of payment numbering wise.	Corrective action will be taken.	Numbering of voucher is necessary for easy access and tracking purpose.
31	Here it is not in practice for year 2018-19 to maintain cash book in the prescribed long format of UD&HD and the same is maintained in the normal cash book which are available in the market.	The accounting team has been instructed to formatise the cash book as per format of UDHD.	It should be maintain in the prescribed format of UDHD.
32	During the course of Audit, we observed that Nagar Parishad has conducted Internal audit for the year 2016-17 and 2017-18 but compliance report not prepared by ULB. <i>(Details given in report)</i>	Future Reference	It should be prepared as soon as possible...
33	The municipality is not in a practice to prepare BRS on regular or periodical basis and also few banks is not reconciled. <i>(Refer details audit report)</i>	Future Reference	BRS should be maintained month wise and should be reconciled.
34	Non providing balance of few banks and Treasury <i>(Refer details audit report)</i>	It shall be provide in next quarter.	It should provide as soon as possible.
35	Non-Implementation of double entry accounting system.	Now it is Implemented.	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 Saharsa 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. We



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			found the detail that double accounting system is implemented at Saharsa Nagar Parishad by Sarkar Gurnurthy and Associates for 2016-17 to 2019-20. However we not got any data for verification the same.
36	No details were made available regarding meeting of municipal accounts committee held during the financial year 2018-19.	Future reference.	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.
37	PF and ESI deduction & deposition details is not provided to us. Therefore we are unable to quantify the amount.	Practice is being developed for timely deposit of the same.	PF should be deposited immediately.
38	Insurance deduction & deposition details is not provided to us. Therefore we are unable to quantify the amount.	Practice is being developed for timely deposit of the same	Insurance should be deposited.
39	Non-Compliance of Act & Rules	Noted for immediate response.	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.
40	Advance Register not shown to us. So, we are unable to comment in this regard.	Future reference	Advance register should be produced to auditors for verification
41	Non preparation of stores register & fixed asset register	Now Implemented	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.
42	No Data produce by the ULB related	Future reference	ULBs should produce the



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to Royalty & Labour- cess, so we are
unable comment in this regard.

information to Internal
Auditor

6. Acknowledgement:-

We convey our heartfelt thanks to the entire human resources of the "Saharsa Municipal Council" for rendering there help for smooth completion of this assignment.

For Tibrewal Chand & Company
Chartered Accountants



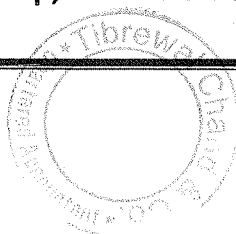
CA ROSHAN JAIN | PARTNER

Membership No 518422

FRN No. 311047E

UDIN NO = 21518422AAAAA#7495

UDIN DATE = 24-02-2021



INTERNAL AUDIT REPORT OF SAHARSA MUNICIPAL COUNCIL

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Detailed Audit Report

i. Introduction: -

The Internal audit of Saharsa Municipal Council covered the period from 01st April 2018 to 31st March 2019

Name of ULB	Period Covered	Audit Team
Saharsa Nagar Parishad	1 st April 2018- 31 st March 2019	(1) TL: CA Nirav Bhanushali (2) MAE: CA Amit Ranjan (3) Auditor: Manoj Sharma

ii. Administration: -

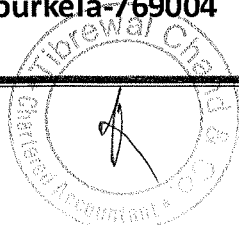
The Present governing body of the ULB has taken charge on 09-06-2012. The incumbencies in the key administrative and executive positions are as under:

- Smt Renu Sinha, Chairman from 09-06-2012 to till the date of Audit.
- Prabhat Ranjan Executive officer from 23-01-2019 to till the date of Audit.

iii. 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 required	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	CAG audit report 2016-17	17	17	05	02	9,32,885	0	237/25.02.2019 (Refer annexure 1)
2	Internal audit report	23	23	0	0	0	0	Compliance report



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	2017-18							has not been prepared
3	Internal audit report 2016-17							Compliance report has not been prepared

(Note: Refer point no. 32 of discussion note)

iv. FINANCE:

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

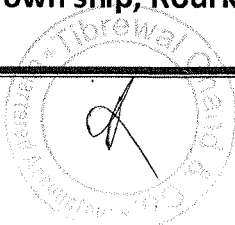
Year	2018-19	2017-18	2016-17
Final Budget	1,20,57,45,000	2,37,59,23,058	3,43,34,29,500
Actual Expenditure	48,41,82,000	21,97,97,145	21,33,46,434
Savings(+)/Excess(-)	72,15,63,000	2,15,61,25,913	3,22,00,83,066

(Note: All figures taken from books of accounts.)

ii. Volume of Transactions:-

Period	Budgeted for(2018-19)	Previous year(2017-18)	Previous year (2016-17)	Current period	Cumulative for the current period
Opening Balance	60,22,04,408	48,22,02,835	24,14,82,351	45,51,07,439	45,51,07,439
Receipts	1,53,63,57,000	19,27,01,749	45,40,66,918	42,11,25,000	42,11,25,000
Total	2,13,85,61,408	67,49,04,584	69,55,49,269	87,62,32,439	87,62,32,439
Net expenditure	1,20,57,45,000	21,97,97,145	21,33,46,434	48,41,82,000	48,41,82,000
Closing Balance	93,28,16,408	45,51,07,439	48,22,02,835	39,20,50,439	39,20,50,439

(Note: All figures taken from books of accounts.)



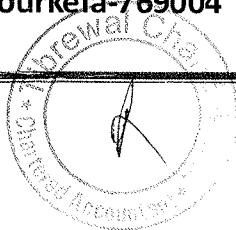
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iii. Bank Reconciliation :-Un-reconciled balance between bank book and bank statement as on 31-03-2019 has been shown below:

Project	Bank Name	A/C Type	Account No.	Balance as per Bank	Balance as per Cash	Difference	Status
SBM	UBI	SB	04337	7,50,666.66	7,57,141	6,474.34	Unreconciled
HFA	UBI	SB	04338	2,41,81,421.28	2,38,81,421	3,00,000.28	Unreconciled
Kabir Anteyasthi General	UBGB	SB	36048	9,39,826	8,08,961	1,30,865.00	Unreconciled
AMRUT	UBI	SB	04669	77,583	77,583	-	Reconciled
Kabir Anteyasthi Special	UBGB	SB	36055	5,54,962	4,15,925	1,39,037.00	Unreconciled
NULM	BOI	SB	08479	28,50,374.05	28,50,374.05	-	Reconciled
EPF	Indian Bank	SB	81751	36,44,931	36,44,931	-	Reconciled
Bus Stand	BOI	SB	02081	3,85,051	3,85,051	-	Reconciled
Internal	PNB	CB	10695	57,67,995.95	54,38,310	3,29,685.95	Unreconciled
SBM	BOI	SB	03770	Not Updated	2,26,41,733.71	2,26,41,733.71	Unreconciled
NULM	Indian Bank	SB	01215	1,06,08,820	Not Provided	1,06,08,820.00	Unreconciled
ISHDP	BOI	SB	08406	57,569.65	Not Provided	57,569.65	Unreconciled
Administrative Building	Indian Bank	SB	01742	Not Provided	Not Provided	-	Unreconciled
SPUR	Indian Bank	SB	45917	Not Provided	Not Provided	-	Unreconciled
SPUR	Indian Bank	SB	46807	Not Provided	Not Provided	-	Unreconciled
ISHDP	UBI	SB	04497	3,40,186.27	3,04,373	35,813.27	Unreconciled
ISHDP Infra	Indian Bank	SB	30852	Not Provided	Not Provided	-	Unreconciled
ISHDP	Indian Bank	SB	01941	Not Provided	Not Provided	-	Unreconciled
Malin Basati	BOI	SB	03769	3,00,526	Not Provided	3,00,526.00	Unreconciled
ISHDP Infra	BOI	SB	08407	45,254.50	45,254.50	-	Reconciled
Misc.	Treasury	PL	URB001	46,92,13,903.19	46,92,13,903.19	-	Reconciled

(Note: Refer point no. 33 and 34 of discussion note)

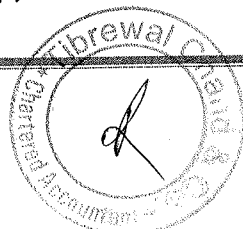


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IV. Revenue & Capital Receipts:-

Sl. No	DETAILS	Income Details			
		2018-19		2017-18	
		2018-19	2017-18	2017-18	2016-17
	Total Receipts (A+B)	42,11,25,000	19,27,01,749	19,27,01,749	45,40,66,918
A	Revenue Receipts (1+2+3)	9,89,20,000	12,64,30,489	12,64,30,489	22,63,57,516
1	Own Revenue Receipts (a+b)	3,12,74,000	3,00,10,147	3,00,10,147	2,23,52,501
a)	Tax Revenue (Levied & Collected By municipal Body)	2,34,87,000	1,92,95,673	1,92,95,673	96,74,170
i)	Property Tax	2,34,87,000	1,61,72,744	1,61,72,744	81,52,645
ii)	Other Tax (Levied & Collected By municipal Body)	-	31,22,929	31,22,929	15,21,525
b)	Non Tax Revenue (Levied & Collected By municipal Body)	77,87,000	1,07,14,474	1,07,14,474	50,91,362
i)	Fess & Fines	3,74,000	9,84,307	9,84,307	4,51,205
ii)	User Charges	-	74,94,195	74,94,195	35,04,265
iii)	Other Non Tax Revenue (Levied & Collected By municipal Body)	74,13,000	22,35,972	22,35,972	11,35,892
2	Other Revenue Receipts	-	1,51,47,060	1,51,47,060	75,86,969
a)	Income from interest/Investments	-	1,42,40,304	1,42,40,304	71,30,210
b)	Other Revenue Income	-	9,06,756	9,06,756	4,56,759
3	Transfers/grants/Assigned Revenues	6,76,46,000	8,12,73,282	8,12,73,282	20,40,05,015
a)	Government Assigned Revenues	-	-	-	-
b)	State Finance Commission (SFC) Grants/Devolution	-	8,12,73,282	8,12,73,282	20,40,05,015
	5 th Finance Salary Portion	6,76,46,000	-	-	-
c)	Octroi Compensation	-	-	-	-
d)	Other State Government transfers	-	-	-	-
e)	Central Finance Commission (CFC) Grants	-	-	-	-
f)	Other Central Government transfers	-	-	-	-
g)	Others	-	-	-	-



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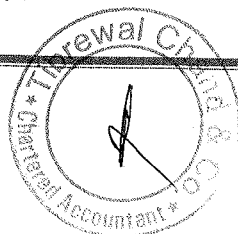
B	Capital Receipts	32,22,05,000	6,62,71,260	6,62,71,260	22,77,09,402
1	Sale of Municipal Land	-	-	-	-
2	Loan (From state Govt or Banks etc.)	-	-	-	-
3	State Capital Account Grant (Under state Scheme etc.)	8,11,15,000	3,27,51,260	3,27,51,260	15,78,98,601
4	Central Capital Account Grant (Under central Scheme etc.)	24,10,90,000	2,45,89,860	2,45,89,860	5,89,98,890
5	Other Capital Receipts	-	89,30,140	89,30,140	1,08,11,911

(Note: All figures taken from books of accounts.)

V. Revenue & Capital Expenditure Information :-

Sl. No	Details	Expenditure Details			
		2018-19		2017-18	
		2018-19	2017-18	2017-18	2016-17
	Total Expenditure (1+2)	48,41,82,000	21,97,97,145	21,97,97,145	21,33,46,434
1	Revenue Expenditure	17,95,31,000	10,89,27,625	10,89,27,625	10,06,35,867
1.1	Establishment & Salaries (All Departments regular & contractual staff)	8,13,63,000	8,89,82,589	8,89,82,589	8,26,59,892
1.2	Operation & Maintenance (O & M)	9,81,68,000	1,58,95,689	1,58,95,689	1,48,95,689
1.3	Loan Repayment (Interest Payments)	-	-	-	-
1.4	Program Expenses	-	40,49,347	40,49,347	30,80,286
2	Capital Expenditure	30,46,51,000	8,41,49,209	8,41,49,209	11,27,10,567
2.1	All developmental works under central/state specific schemes	30,46,51,000	8,41,59,209	8,41,59,209	11,27,10,567
2.2	Loan Repayments	-	-	-	-
2.3	other capital expenditure	-	2,67,10,311	2,67,10,311	-

(Note: All figures taken from books of accounts.)



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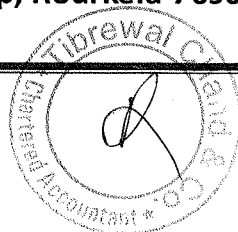
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- vi. **Status of implementation of double entry Accounting system:** As per requirement of BMAR-2014, Part-A, Chapter-2 Rule -4, "All ULB refereed in schedule-1 shall maintain its books of account using the double entry system". Since Saharsa Nagar Parishad is covered under schedule -1, therefore they should have to maintain their accounts on double entry accounting system in compliance of such rule. We found the detail that double accounting system is implemented at Saharsa Nagar Parishad by Sarkar Gurumurthy and Associates for 2016-17 to 2019-20. However we not got any data for verification the same.

(Note: Refer point no. 35 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 2018-19 as Municipal accounts committee is not in existence at the Municipality.

(Note: Refer point no. 36 of discussion note)



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5. Audit Observations: -

1. Part-A

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.*

a. Holding Tax

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: Online collection of property tax is made here on the basis of self-assessment form submitted by property holder without verification of such form with property. There may be chances of less disclosure of Property which will result in under collection of revenue. Details of loss are given here-

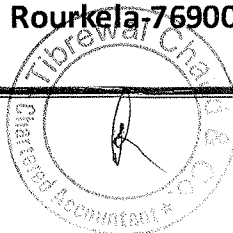
Si. No	Name	PID No	Ward No	Holding No	Actual Amount	Collected Amount
1	Lalita Devi	237000499	27	120	14797.00	6709.00

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 point no. 04 of discussion note)



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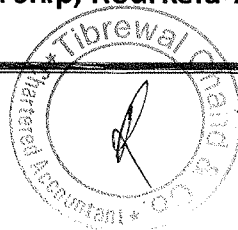
Short deposit of Holding tax to cashier

- During the verification of DCR and Tax collection receipt we observed that Tax collector **BAL KISHORE SINGH** not deposited Rs 3451 to cashier. Details of such are given here-

SI. No	Holding Tax Form No	Holding No	Ward No	Short Deposit Amount
1	23587	19	13	3
2	24356	83	26	6
3	24387	406	15	406
4	24388	311	16	311
5	24389	518	3	518
6	24390	156	3	156
7	24391	104	2	104
8	24392	207	3	207
9	24393	311	9	311
10	24395	145	3	145
11	24396	78	39	78
12	24397	700	21	700
13	24398	338	19	338
14	24399	168	19	168
Total				3,451

- During the verification of DCR and Tax collection receipt we observed that Tax collector **GANESH LAL DEV** not deposited Rs. 48,508 to cashier. Details of such are given here-

SI. No	Holding Tax Form No	Holding No	Ward No	Short Deposit Amount
1	23682	12	13	500
2	23690	21/152	12	10
3	25674	646	3	300
4	24399	735	19	2,698
5	25747	658	31	20,000
6	26103	53	17	3,000
7	26109	55	17	2,000
8	26137	728	3	1,000



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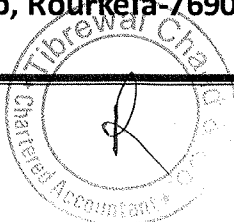
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9	26142	82	3	2,000
10	26148	1046	3	2,000
11	26149	269	2	1,000
12	26151	412	24	2,000
13	26152	41	20	6,000
14	26156	383	19	1,000
15	26157	745	11	1,000
16	26163	746	5	1,000
17	26164	747	5	1,000
18	26178	8	14	1,000
19	26179	82	14	1,000
Total				48,508

- During the verification of DCR and Tax collection receipt we observed that Tax collector **Medha Baitha** not deposited Rs. 4,693 to cashier. Details of such are given here-

Sl. No	Holding Tax Form No	Holding No	Ward No	Short Deposit Amount
1	23108	226	20	400
2	23122	1	21	200
3	23173	329	31	30
4	23179	396	39	230
5	23181	319	33	30
6	24269	54	22	1
7	25436	20	3	3,802
Total				4,693

(Note: Refer point no. 08 and 11 of discussion note)



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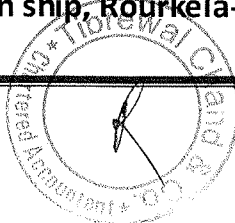
b. Holding and property tax not deposit on timely basis.

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 cashier which are shown below.

Date Of Collection By Tax Collector		Collected Amount	Date Of Deposit	Delay In Submission To Cashier	
From	To			From	To
07-05-2018	25-05-2018	338993	25-05-2018	19	0
25-05-2018	18-06-2018	356298	22-06-2018	29	5
25-07-2018	27-08-2018	295597	31-08-2018	38	5
01-09-2018	26-09-2018	148702	26-09-2018	26	0
26-10-2018	27-11-2018	104637	28-11-2018	34	2
12-01-2019	18-02-2019	120201	11-03-2019	59	22
01-01-2019	11-01-2019	36212	25-01-2019	25	15
01-04-2018	30-04-2019	34359	11-07-2018	102	72
01-05-2018	31-05-2018	72693	11-07-2018	71	41
01-06-2018	30-06-2018	40406	11-07-2018	41	11
01-07-2018	31-07-2018	68961	26-09-2018	88	57
01-08-2018	31-08-2018	18416	26-09-2018	57	26
01-09-2018	30-09-2018	50544	10-01-2019	40	10
01-10-2018	31-10-2018	9168	10-01-2019	102	71
01-11-2018	30-11-2018	17542	10-01-2019	71	61
01-12-2018	31-12-2018	17374	10-01-2019	41	10
01-01-2019	04-01-2019	4628	10-01-2019	10	7
05-01-2019	31-01-2019	13452	04-04-2019	94	63
01-02-2019	28-02-2019	25265	04-04-2019	63	35
01-03-2019	31-03-2019	18062	04-04-2019	35	4



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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 point no. 1, 2, 3, and 6 of discussion note)

c. Tower Tax

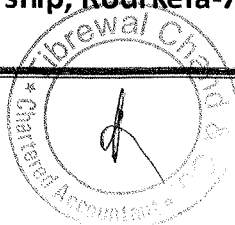
Audit Objective: Assessment of Tower tax as per Bihar Communication Tower and related structure rules, 2012 and all collection deposited with treasury.

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. 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. 10000/- per year. As per MPR provided for the month of march during the course of audit, it was found that only Rs. 2,00,000/- was realized from the Tower Company for financial year 2018-19, resulting in loss of Rs. 13,00,000.

Note- Since the start of audit, we continuously demand the Registers regarding the same but that were never produced before us. We discuss the same with Executive Officer.

Consequence/Effect/ Impact - Due to non-collection 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. 14 of discussion note)

d. 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: Advertisement tax is not being collected by Nagar Parishad, due to which Nagar Parishad is losing its revenue.

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

Cause: This is 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.

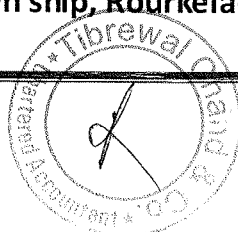
(Note: Refer point no. 18 of discussion note)

e. Trade License

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

Criteria: As per Bihar Municipal Act.

Condition: Only 3 Trade License has been issued during the year 2018-19 and revenue from the same is only Rs. 7,500. A total number of trade license issued is 123 up to 31-03-2019 which is very low number as comparing to area and market which persist under Jurisdiction of ULB.



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It is guidance of state for renewal of Trade license each year. ULB has issued a total number of 120 Trade license up to 31-03-2018 but not a single renewal of the same has been taken place in financial year 2018-19 which results in huge Revenue loss to ULB.

Consequence / Effect / Impact: Due to non-collection of Trade Fee 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 Trade Fee 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 Fee by concerned ULB.

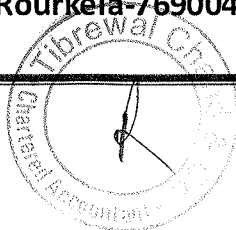
(Note: Refer point no. 15, 16 and 17 of discussion note)

b. Excess Payments against bill, lack of produce in payments against voucher, inefficiency in the control resulting loss to ULBs

No observations found in the section during the audit period.

- c. Report on Findings of the field survey of property tax of minimum 20 high value properties:** Audit Personnel had conducted PV of some holding in which one holder allow to assess the property and other holders doesn't allow to asses. On the site visit it was found that in case of Vijaya Hotel the current assessed tax was less than Actual. However 20 high value properties is given here:-

SI No.	Holding No.	Ward No.	Area	Types	Property Tax
1	412	2	4219	Residential	1558
2	466	16	1125	Residential	336
3	349	14	594	Residential	299
4	223	14	240	Residential	1009
5	51	27	3200	Residential	1323
6	295	12	240	Residential	778

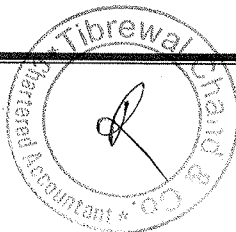


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7	227	9	184	Residential	530
8	27	8	1125	Residential	255
9	549	1	788	Residential	116
10	471	2	1125	Residential	1198
11	235	17	4163	Residential	775
12	43	16	1687.5	Residential	500
13	305	12	2250	Residential	850.5
14	59	14	250	Residential	428
15	69	13	1800	Residential	1276
16	204	8	2138	Residential	709
17	553	1	2250	Residential	601
18	551	1	2250	Residential	601
19	547	1	788	Residential	388
20	599	2	2250	Residential	486

(Note: Refer point no. 12 of discussion note)



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Part B

All Audit objections/regularities which has no monetary implications, but significant violations of Act, Rules & directives of UD&HD. mention the reference to Act & Rules wherein remedial measure is required.

a. Non-maintenance of books of accounts, subsidiary registers: -

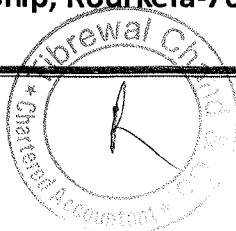
We observed that following registers which are given below are not maintained by the ULB.

- Journal Book.
- Assets register.
- Contra, journal, Receipt Voucher.
- Records and revision of taxes and rent.
- Demand Register.

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.
- Non maintenance of Vouchers serial number wise

(Note: Refer point no. 05, 30, 31 of discussion note)



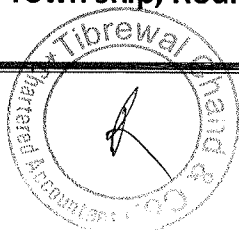
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b. Irregularities In procurement Process:-

We verify the Procurement done by ULB above Rs. 15000. Details of such are given here-

SI. No	Year	Bill Amount	Scheme	Name of Contractor	Observation
1	2018-19	4,03,009.00	MNGY	Triful Devi	Nil
2	2018-19	1,94,402.00	MNGY	ChandaKumari	Nil
3	2018-19	6,39,697.00	MNGY	Triful Devi	Nil
4	2018-19	5,03,723.00	MNGY	ChandaKumari	Nil
5	2018-19	4,96,461.00	MNGY	Md. Aarif	Nil
6	2018-19	2,69,899.00	MNGY	Pratikesh	Nil
7	2018-19	6,05,828.00	MNGY	Anil Kr. Yaduka	Nil
8	2018-19	10,33,167.00	MNGY	Ram VilashRajak	Nil
9	2018-19	1,81,068.00	MNGY	Raj Kumar	Nil
10	2018-19	10,68,926.00	MNGY	Triful Devi	Nil
11	2018-19	5,03,036.00	MNGY	RinkuKumari	Nil
12	2018-19	7,07,699.00	MNGY	Pradeep Kumar	Nil
13	2018-19	7,04,657.00	MNGY	Hare Krishna Kumar	Nil
14	2018-19	14,02,731.00	MNGY	Prashant Kumar Prabhat	Nil
15	2018-19	12,87,524.00	MNGY	Anil Kumar Yadukaa	Nil
16	2018-19	9,93,501.00	MNGY	Anil Kumar Yadukaa	Nil
17	2018-19	9,09,890.00	MNGY	Triful Devi	Nil
18	2018-19	8,21,863.00	MNGY	Triful Devi	Nil
19	2018-19	2,93,320.00	MNGY	Anil Kumar Yadukaa	Nil
20	2018-19	3,44,814.00	MNGY	RinkuKumari	Nil
21	2018-19	8,83,159.00	MNGY	ChandaKumari	Nil
22	2018-19	6,72,583.00	MNGY	Anil Kumar Yadukaa	Nil
23	2018-19	8,86,451.00	MNGY	Anil Kumar Yadukaa	Nil
24	2018-19	10,00,265.00	MNGY	Anil Kumar Yadukaa	Nil
25	2018-19	11,07,846.00	MNGY	ChandaKumari	Nil
26	2018-19	3,77,701.00	MNGY	Anil Kumar Yadukaa	Nil
27	2018-19	10,86,815.00	MNGY	SumanKumari	Nil
28	2018-19	8,29,060.00	MNGY	Mahboob Ali	Nil
29	2018-19	2,42,074.00	MNGY	JawaaharYadav	Nil



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30	2018-19	6,23,211.00	MNGY	Anil Kumar Yadukaa	Nil
31	2018-19	8,97,234.00	MNGY	JawaaharYadav	Nil
32	2018-19	2,61,350.00	MNGY	Ram VilashRajak	Nil
33	2018-19	1,64,037.00	MNGY	Ram VilashRajak	Nil
34	2018-19	3,93,565.00	MNGY	SumanKumari	Nil
35	2018-19	6,13,136.00	MNGY	Hare Krishna Kumar	Nil

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

c. **Non-compliance of directives by UD &HD, Government of Bihar-** 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.

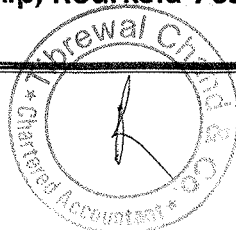
d. **Non-compliance of Act & Rules.** During the audit we observed below mentioned non compliances:

- 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 point no.39 of discussion note)

e. **Lack of Internal Control Measures:**

1. During the audit it was observed that there is serious lack of internal control over revenue collection.
2. Revenue records are not maintained properly. Further, collection books after finishing should be kept in safe custody in ULB only.
3. Huge penalty due to delayed Payment: - ULB had bared huge penalty on account of Adhibhar for delayed payment of Electricity Bill.
4. Holding huge amount of cash in Najarat without any insurance against theft and loss



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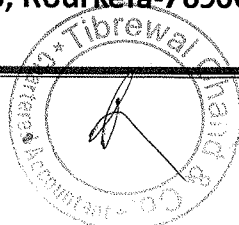
5. Non maintenance of Vouchers serial number wise: - It is not in practice to compile vouchers of payment numbering wise.

(Note: Refer point no. 28, 29 and 30 of discussion note)

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

TDS:-We observed that ULB is not in practice to Deposit the deducted TDS on stipulated time. Details of such are given here:-

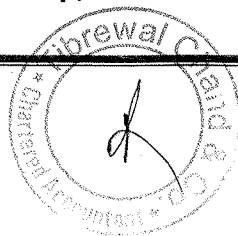
Sl.No	Name of Scheme	TDS Amounts	Date of Deduction	Date of deposit
1	MNGY	4,528	27-06-2018	Not deposited till date
2	MNGY	2,184	27-06-2018	Not deposited till date
3	MNGY	7,188	09-07-2018	Not deposited till date
4	MNGY	5,660	09-07-2018	Not deposited till date
5	MNGY	5,578	09-07-2018	Not deposited till date
6	MNGY	3,033	09-07-2018	Not deposited till date
7	MNGY	6,807	12-07-2018	Not deposited till date
8	MNGY	11,609	07-07-2018	Not deposited till date
9	MNGY	2,051	29-08-2018	Not deposited till date
10	MNGY	12,152	29-08-2018	Not deposited till date
11	MNGY	5,697	29-08-2018	Not deposited till date
12	MNGY	7,942	29-08-2018	Not deposited till date
13	MNGY	7,768	29-08-2018	Not deposited till date
14	MNGY	15,727	29-08-2018	Not deposited till date
15	MNGY	14,387	29-08-2018	Not deposited till date
16	MNGY	11,183	29-08-2018	Not deposited till date
17	MNGY	10,188	29-08-2018	Not deposited till date
18	MNGY	9,267	07-09-2018	Not deposited till date
19	MNGY	3,338	07-09-2018	Not deposited till date
20	MNGY	3,871	07-09-2018	Not deposited till date
21	MNGY	10,026	07-09-2018	Not deposited till date
22	MNGY	7,627	07-09-2018	Not deposited till date
23	MNGY	9,975	07-09-2018	Not deposited till date
24	MNGY	11,309	07-09-2018	Not deposited till date



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25	MNGY	12,614	29-09-2018	Not deposited till date
26	MNGY	4,221	12-10-2018	Not deposited till date
27	MNGY	12,311	01-10-2018	Not deposited till date
28	MNGY	9,354	01-12-2018	Not deposited till date
29	MNGY	2,738	07-12-2018	Not deposited till date
30	MNGY	7,028	20-12-2018	Not deposited till date
31	MNGY	10,151	07-12-2018	Not deposited till date
32	MNGY	2,925	19-12-2018	Not deposited till date
33	MNGY	1,848	19-12-2018	Not deposited till date
34	MNGY	4,464	19-12-2018	Not deposited till date
35	MNGY	6,909	19-12-2018	Not deposited till date
36	14th Finance	2,473	15-09-2018	Not deposited till date
37	14th Finance	11,457	16-10-2018	Not deposited till date
38	14th Finance	10,445	01-12-2018	Not deposited till date
39	14th Finance	6,482	01-12-2018	Not deposited till date
40	14th Finance	10,274	07-12-2018	Not deposited till date
41	14th Finance	15,284	03-12-2018	Not deposited till date
42	14th Finance	9,165	03-12-2018	Not deposited till date
43	14th Finance	9,655	03-12-2018	Not deposited till date
44	14th Finance	10,289	03-12-2018	Not deposited till date
45	14th Finance	10,831	03-12-2018	Not deposited till date
46	14th Finance	9,327	03-12-2018	Not deposited till date
47	14th Finance	11,143	03-12-2018	Not deposited till date
48	14th Finance	11,742	03-12-2018	Not deposited till date
49	14th Finance	7,028	03-12-2018	Not deposited till date
50	14th Finance	11,550	03-12-2018	Not deposited till date
51	14th Finance	11,643	03-12-2018	Not deposited till date
52	14th Finance	10,019	07-12-2018	Not deposited till date
53	14th Finance	9,505	19-12-2018	Not deposited till date
54	14th Finance	9,458	19-12-2018	Not deposited till date
55	14th Finance	8,667	19-12-2018	Not deposited till date
56	14th Finance	10,745	19-12-2018	Not deposited till date
57	14th Finance	9,130	19-12-2018	Not deposited till date
58	14th Finance	13,285	20-12-2018	Not deposited till date
59	14th Finance	10,082	20-12-2018	Not deposited till date
60	14th Finance	11,913	19-12-2018	Not deposited till date



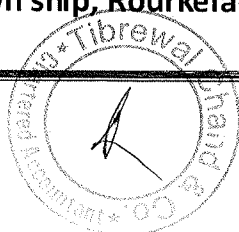
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61	14th Finance	10,122	20-12-2018	Not deposited till date
62	14th Finance	10,917	20-12-2018	Not deposited till date
63	14th Finance	6,432	20-12-2018	Not deposited till date
64	14th Finance	9,730	20-12-2018	Not deposited till date
65	14th Finance	8,672	20-12-2018	Not deposited till date
66	14th Finance	9,819	20-12-2018	Not deposited till date
67	14th Finance	9,018	12-03-2019	Not deposited till date
68	14th Finance	9,949	12-03-2019	Not deposited till date

GST: We observed that ULB is not in practice to Deposit the deducted GST on stipulated time. Details of such are given here:-

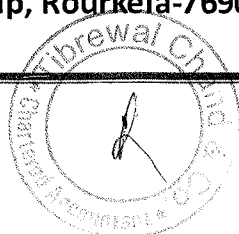
Sl.No	Name of Scheme	GST Amounts	Date of deduction	Date of deposit
1	MNGY	9,056	27-06-2018	Not deposited till date
2	MNGY	4,369	27-06-2018	Not deposited till date
3	MNGY	14,375	09-07-2018	Not deposited till date
4	MNGY	11,320	09-07-2018	Not deposited till date
5	MNGY	11,156	09-07-2018	Not deposited till date
6	MNGY	6,065	09-07-2018	Not deposited till date
7	MNGY	13,614	12-07-2018	Not deposited till date
8	MNGY	23,217	07-07-2018	Not deposited till date
9	MNGY	4,101	29-08-2018	Not deposited till date
10	MNGY	24,303	29-08-2018	Not deposited till date
11	MNGY	11,393	29-08-2018	Not deposited till date
12	MNGY	15,883	29-08-2018	Not deposited till date
13	MNGY	15,537	29-08-2018	Not deposited till date
14	MNGY	31,454	29-08-2018	Not deposited till date
15	MNGY	28,774	29-08-2018	Not deposited till date
16	MNGY	22,367	29-08-2018	Not deposited till date
17	MNGY	20,377	29-08-2018	Not deposited till date
18	MNGY	18,535	07-09-2018	Not deposited till date
19	MNGY	6,676	07-09-2018	Not deposited till date
20	MNGY	7,741	07-09-2018	Not deposited till date
21	MNGY	20,053	07-09-2018	Not deposited till date
22	MNGY	15,254	07-09-2018	Not deposited till date



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23	MNGY	19,950	07-09-2018	Not deposited till date
24	MNGY	22,617	07-09-2018	Not deposited till date
25	MNGY	25,229	29-09-2018	Not deposited till date
26	MNGY	8,442	12-10-2018	Not deposited till date
27	MNGY	24,622	01-10-2018	Not deposited till date
28	MNGY	18,708	01-12-2018	Not deposited till date
29	MNGY	5,475	07-12-2018	Not deposited till date
30	MNGY	14,055	20-12-2018	Not deposited till date
31	MNGY	20,302	07-12-2018	Not deposited till date
32	MNGY	5,850	19-12-2018	Not deposited till date
33	MNGY	3,697	19-12-2018	Not deposited till date
34	MNGY	8,927	19-12-2018	Not deposited till date
35	MNGY	13,817	19-12-2018	Not deposited till date
36	14th Finance	4,946	15-09-2018	Not deposited till date
37	14th Finance	22,913	16-10-2018	Not deposited till date
38	14th Finance	20,889	01-12-2018	Not deposited till date
39	14th Finance	12,964	01-12-2018	Not deposited till date
40	14th Finance	20,548	07-12-2018	Not deposited till date
41	14th Finance	30,568	03-12-2018	Not deposited till date
42	14th Finance	18,330	03-12-2018	Not deposited till date
43	14th Finance	19,311	03-12-2018	Not deposited till date
44	14th Finance	20,578	03-12-2018	Not deposited till date
45	14th Finance	21,662	03-12-2018	Not deposited till date
46	14th Finance	18,655	03-12-2018	Not deposited till date
49	14th Finance	14,056	03-12-2018	Not deposited till date
50	14th Finance	23,100	03-12-2018	Not deposited till date
51	14th Finance	23,285	03-12-2018	Not deposited till date
52	14th Finance	20,037	07-12-2018	Not deposited till date
53	14th Finance	19,010	19-12-2018	Not deposited till date
54	14th Finance	18,916	19-12-2018	Not deposited till date
55	14th Finance	17,334	19-12-2018	Not deposited till date
56	14th Finance	21,489	19-12-2018	Not deposited till date
57	14th Finance	18,260	19-12-2018	Not deposited till date
58	14th Finance	26,571	20-12-2018	Not deposited till date
59	14th Finance	20,163	20-12-2018	Not deposited till date
60	14th Finance	23,825	19-12-2018	Not deposited till date



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61	14th Finance	20,244	20-12-2018	Not deposited till date
62	14th Finance	21,835	20-12-2018	Not deposited till date
63	14th Finance	12,868	20-12-2018	Not deposited till date
64	14th Finance	19,461	20-12-2018	Not deposited till date
65	14th Finance	17,343	20-12-2018	Not deposited till date
67	14th Finance	18,036	12-03-2019	Not deposited till date
68	14th Finance	19,897	12-03-2019	Not deposited till date
69	Dustbin and Toilet	28,800	15-10-2018	Not deposited till date
70	Dustbin and Toilet	19,200	24-10-2018	Not deposited till date
71	Dustbin and Toilet	40,896	15-10-2018	Not deposited till date
72	Dustbin and Toilet	20,448	18-10-2018	Not deposited till date
73	Dustbin and Toilet	61,344	26-10-2018	Not deposited till date

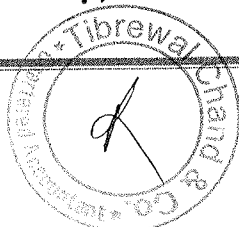
We observed that ULB is not in practice to deposit the deducted GST and File Return of the same on stipulated time which results in penalty under GST due to negligence of ULB Personnel. Details of such are given here:-

SI. No	Major Head	Interest	Fee	Total
1	CGST	3,860	7,720	11,580
2	SGST	3,860	7,720	11,580
Total				23,160

Royalty: It was observed that ULB was not prepared Royalty details in separate register or file. Royalty was shown in contractor's bill which is not possible to calculate that how much deducted and how much deposited to concerned authority.

Labor Cess: It was observed that ULB was not prepared labour cess details in separate register or file. Labour cess was shown in contractor's bill which is not possible to calculate how much deducted and how much deposited to concerned authority.

(Note: Refer point no. 22 to 27 & 42 of discussion note)



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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: PF and ESI deduction & deposition details is not provided to us. Therefore we are unable to quantify the amount.

Insurance: PF and ESI deduction & deposition details is not provided to us. Therefore we are unable to quantify the amount.

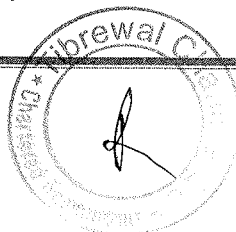
Labour Payment: Labor Payment has been made on master roll.

(Note: Refer point no. 37 and 38 of discussion note)

h. Utilization of grant and report on missing Utilization Certificates

Utilization of grant and report on missing Utilization Certificates are Given here-

Year	Name of fund	Date of Allotment	Amount in Lakh	Expenditure	Un utilized Amount	(In Lacs) Remarks
2018-19	5 th Finance	03-07-2018	668.87	NIL	668.87	Balance Transfer in P&L A/C 668.87
2018-19	Admin Building	03-08-2018	123.71	123.71	NIL	UC not submitted
2018-19	Nali Gali	17-12-2018	433.23	NIL	433.23	Balance Transfer in P&L A/C 433.23
2018-19	14 th Finance	31-10-2018	322.84	15.80	307.04	Balance Transfer in P&L A/C 307.04
2018-19	Storm water drainage	08-03-2019	300.00	300.00	NIL	UC not submitted
2018-19	14 th Finance	25-01-2019	320.57	NIL	320.57	Balance Transfer in P&L A/C 320.57
2018-19	Professional Tax	24-10-2018	57.87	13.55	44.32	Balance Transfer in P&L A/C 44.32



2018-19	5 th Finance	10-07-2018	684.05	92.35	591.7	Balance Transfer in P&L A/C 591.7
2018-19	EO Salary	22-05-2018	7.00	7.00	NIL	UC not submitted
TOTAL			2,918.14	552.41	2,365.73	

i. Physical verification of inventory/stores

Physical Verification of the inventories and stores:

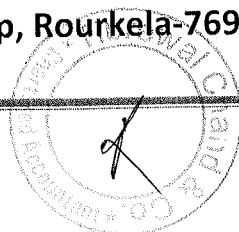
- Stores registers has not been prepared by the ULB. During the year 2018-19 no physical verification was carried out of the stores.
- Fixed Assets Register has not been maintained and updated in proper manner.

(Note: Refer point no. 41 of discussion note)

j. Advances, their adjustment & recovery

Advance Register not shown to us. So, we are unable to comment in this regard.

(Note: Refer point no. 40 of discussion note)



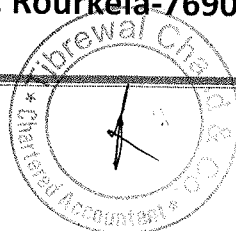
INTERNAL AUDIT REPORT OF SAHARSA MUNICIPAL COUNCIL

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Part C

Scope of Audit

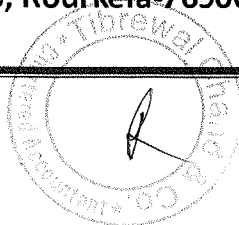
Sl. No	Particular	Remarks/ Observation
1	Whether all these the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.	Chapter xi, rule 84 (Budget has not been sanction by Empowered standing committee)& Chapter xii, rule 86 (Prepare and maintain accounts of receipts and expenditure), 87 (Preparation of Municipal Accounting Manual).
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).	Yes, in this ULB SAS implementation of property tax has been implemented. We have witnessed the 20 high value of property (List of property tax payer provided by ULB) same has been reported.
3	<p>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</p> <p>Rule 22: All moneys to be brought to account</p> <p>Rule: 27: Collections to be deposited into Bank on the same day</p> <p>Rule 69: Grant Related Compliance</p> <p>Rule 120-121: Monthly Receipt & Payment Account and Trial Balance</p> <p>Rule 130: Audit to be completed & reported within 6 month</p>	<p>Rule 22: we have found that all money has been brought to account but delayed.</p> <p>Rule 27: we have observed that the collected money has not to be deposited into Bank Account on same day.</p> <p>Rule 69: Grant related compliance has been done properly.</p> <p>Rule 120-121: Monthly Receipt & Payment Account and Trial Balance are not being prepared.</p> <p>Rule 130 is not being followed.</p>
4	Whether all such compliance of financial	Yes, Compliance of financial guidelines of



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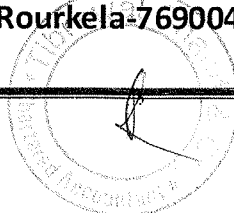
	guidelines of schemes of MOHUA and UD & HD, Gob has been complied.	schemes of MOHUA and UD & HD, Gob has been complied.
5	If any revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc. have incurred then quantify the same.	It has been discussed in 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.	All payment above Rs. 10000 has been vouched and deficiency has been mentioned in our audit report.
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 procurement register has been maintained. All payment above Rs. 15000 has been verified and irregularity has been discuss in audit report under part B
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.	Status of pending UC has been provided in our Audit report under part B.
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 audit report under part A.



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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 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 audit report under part A.
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 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.	It reported in review of outstanding audit paras in detailed audit Report.





बिहार सरकार
(नगर विकास एवं आवास विभाग)

कार्यालय नगर परिषद, सहरसा

पत्रांक...../न0प0

प्रेषक,

कार्यपालक पदाधिकारी,
नगर परिषद, सहरसा।

सेवा में,

महालेखाकार लेखा परीक्षक,
बिहार, पटना।

दिनांक...../।

विषय:-

नगर परिषद, सहरसा के अंकेक्षण प्रतिवेदन संख्या 320/2016-17
अंकेक्षण वर्ष 2013-14 से 2015-16 के संबंध में।

महाशय,

उपरोक्त विषय के संबंध में कहना है कि नगर परिषद, सहरसा के अंकेक्षण
प्रतिवेदन संख्या 320/2016-17 अंकेक्षण वर्ष 2013-14 से 2015-16 का अनुपालन
प्रतिवेदन साक्ष्य के साथ भेजा जा रहा है।

विश्वासभाजन

३०१

कार्यपालक पदाधिकारी
नगर परिषद, सहरसा।

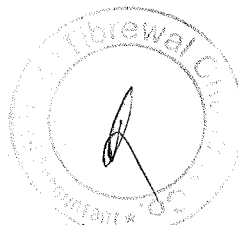
ज्ञापांक 237 ^{सुपत्र} दिनांक 25/02/2019।

प्रतिलिपि:- विशेष सचिव नगर विकास एवं आवास विभाग बिहार, पटना को सादर
सूचनार्थ प्रेषित।

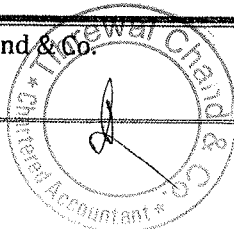
विश्वासभाजन

अनु:- पृष्ठ सं- 1 ले 188 तक।

कार्यपालक पदाधिकारी
नगर परिषद, सहरसा।
25/2/19

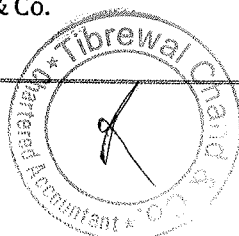


SI. No	Observation	Management Comment	Auditor Recommendation
1	Delay Deposit of Property Tax Collected by Tax Collector to Najarat: -It is norm of Municipality to deposit collected Property tax to the Najarat on daily basis or to the next working day but it is not followed. Tax Collector deposits the sum after gap of Days.	Direction will be issued to the concerned personnel to deposit collected taxon timely basis.	Deposition should be made as per Bihar Municipal Act.
2	Delay Deposit of Property Tax to Najarat on account of Online counter: - It is norm of Municipality to deposit collected Property tax to the Najarat on daily basis or to the next working day but it is not in the practice, Here Operator deposit the sum after end of month and in most of the cases its deposition takes 2 to 3 months gap.	Direction will be issued to the concerned personnel to deposit collected taxon timely basis.	Deposition should be made as per Bihar Municipal Act.
3	Delay Deposit of Collected Property revenue in The Treasury/Bank: -It is norm of Municipality to deposit collected Property tax to the Treasury/Bank on daily basis or to the next working day but it is not in the practice, Naajir deposit the sum after the end of month and in most of cases deposition taken places gap of 1 to 2 months.	Direction will be issued to the concerned personnel to deposit collected taxon timely basis.	Deposition should be made as per Bihar Municipal Act.
4	Tax Collection on the basis of self-assessment through Online Counter without verification of Property :- Online collection of property tax is made on the basis of self-assessment form submitted by property holder without verification of such form with property, Here may be chances of less disclosure of Property which will be resulted in under recognition and	Notice will be issued for collection of rest of amount from concerned holding and a practice will be develop for non-occurrence of such type of case.	A system should be developing for verification of self -assessed tax with the actual property through the field staff and Provision of Penalty for wrong disclosure should be implemented strictly.



under collection of revenue. A same case was observed during Audit in which RS 6,709 was collected by the counter staff but the actual assessment for the same property was Rs. 14797. PID No 237000499 Ward No 27, Holding no 120 Holder Name Mrs.Lalita Devi.

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| <p>5 Demand Register: -It is not in practice in the ULB Saharsa to prepare Demand register for Holding Tax, as Demand register is very crucial and backbone in Holding Taxation system, absence of this register make it impossible to know the figure of Arrear and Demand in respect of Holding Tax.</p> | <p>After audit objection, proper action will be taken and direction will be issued to the concerned personnel.</p> | <p>Demand register should be maintained year wise.</p> |
| <p>6 Assessment Register:-Assessment register for Holding tax is not prepared in ULB Saharsa. It is a very important register which assist to know the basis of calculation of Holding tax charged.So absence of this will make difficult to know the area of Holding, Constructed area and Vacant Area.</p> | <p>After audit objection proper action will be taken and direction will be issued to the concerned personnel.</p> | <p>Assessment register should be maintained.</p> |
| <p>7 Assessment Form:- Since Audit commenced we continuously demanded the Property Tax assessment form for Assessment made during 2018-19 but the same are not produced before us.</p> | <p>It will be provided in next Audit.</p> | <p>It is a crucial document and basis of assessment Register, should be properly maintained and kept safely.</p> |
| <p>8 Less Deposition of Property Tax against Collection: - It is found is some of cases that there is less deposition of Property Tax against collection by Tax collector. It should be deposit by the concerned TC as soon as possible.</p> | <p>Proper direction will be issued to the concerned personnel for deposition of rest of amount.</p> | <p>Adjustment should be made as per provision of UDHD.</p> |
| <p>9 No collection of Interest on Delayed payment of property tax: - It is</p> | <p>Proper direction will be issued for collection of</p> | <p>Action should be taken for collection of the same and</p> |

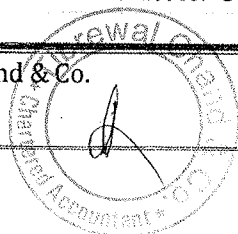


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guidance of UDHD to charge interest @ 1.5% per month on non-payment of Property tax from 1st of October for current year and continue the same till the date of payment, but in some of cases it is found that Interest is not charged on delayed deposit which resulted in loss of revenue to ULB. It should be collected by the relevant TC from the Concerned Holding as soon as possible.

interest to the concerned personnel from relevant holding. proper clarification shall be made by the competent authority regarding provisions of rebates.

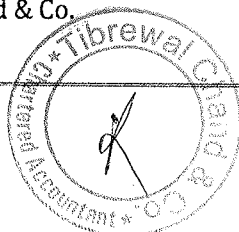
- 10 **Rebate on Advance Tax at the rate of 15%:-** It was previous guidance of UDHD to provide a Flat rebate at the rate of 15% on Advance tax for next year but the same guidance was subject to time framework which is expired. It was found in some of cases that the above rebate is still provided in current period which violates the guidance of UDHD and the same resulted in loss of revenue to ULB. It should be collected by the relevant TC from the Concerned Holding as soon as possible. It was found during verification of Collection made by Ganesh Lal Dev.
- Proper direction will be issued for collection of rest of amount to the concerned personnel from relevant holding.
- Action should be taken for collection of the same and proper clarification shall be made by the competent authority regarding provisions of rebates.
- 11 **Excess Payment of Holding Tax against Collection:** - It was found in some of cases that there is excess deposition of Holding tax has been made by Tax collector against Collection of the same. It may be subject to refund depending upon Guidance and norms of UDHD.
- Action will be taken for adjustment of same as per norm of UDHD.
- Action will be taken for adjustment of same as per norms of UDHD.
- 12 **Physical Verification of Holding:-** Audit Personnel had conducted PV of some holding in which one holder allow to assess the property and other holders doesn't allow to asses. On the
- Proper action will be taken for re-assessment of concerned Holding.
- Assessment should be made in proper way.



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site visit it was found that in case of Vijaya Hotel the current assessed tax was less than Actual.

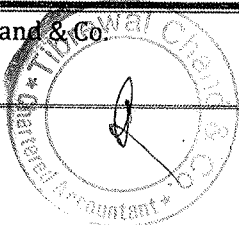
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| <p>13 Sairat, no file and other details were provided: - Since Audit commenced. we continuously demanded the files and other documents regarding the same but that were not produced before us.</p> | <p>Since concerned staff is on medical leave so unable to produce the same before Audit team.</p> | <p>Details should be provided.</p> |
| <p>14 Mobile Tower, no file and other details were provided: -Since Audit commenced. We continuously demanded the files and other documents regarding the same but that are not produced before us.</p> | <p>Since concerned staff is on medical leave so unable to produce the same before Audit team.</p> | <p>Details should be provided.</p> |
| <p>15 No Renewal of Trade License: - It is guidance of state for renewal of Trade license every year. ULB issued a total number of 120 Trade license up to 31-03-2018 but not a single renewal of the same took place in Financial year 2018-19 that resulted in huge Revenue loss to ULB.</p> | <p>Step will be taken for renewal of same.</p> | <p>Proper action should be taken for renewal of the same.</p> |
| <p>16 Less Issue of Trade License: - Only 3 new License were issued during the year 2018-19 and revenue from the same is only Rs 7,500. A total number of trade license issued is 123 up to 31-03-2019 which is a very low number as comparing to area and market which persist under Jurisdiction of ULB Saharsa.</p> | <p>Step will be taken to increase the number of holder.</p> | <p>Reasonable action should be taken in this regard.</p> |
| <p>17 Trade License Register: - Register of Trade license for their demand, Collection, is not in practice to prepare. In the absence of this type of register it will be very difficult to know the status of Arrear, Current Demand, and Collection. A simple register is maintained which gives an</p> | <p>It will be prepared.</p> | <p>Demand register for trade license should be maintained for every year.</p> |



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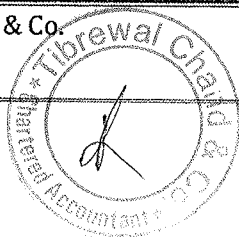
idea of Number of issue, date, License holder name and some other information which also have crucial importance.

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| <p>18 Advertisement Tax, no file and other details were provided:- Since Audit commenced, we continuously demanded the files and other documents regarding the same but that are not produced before us.</p> | <p>Since concerned staff is on medical leave so unable to produce the same before Audit team.</p> | <p>Details should be provided.</p> |
| <p>19 Procurement: We verify the Procurement done by ULB above Rs. 15000.
<i>(Details given in audit report)</i></p> | <p>Noted for future</p> | <p>Details should be given in report.</p> |
| <p>20 TDS - delayed Deposit:- It is found in most of the cases that ULB is in practice in delay the deposit of TDS. Due date of deposit of TDS is 7th of next month but ULB is not following the same process in most of cases, this procedure has created burden of penalty on ULB U/S 201 of Income Tax Act 1961.</p> | <p>Practice is developing for timely Deposit of the same.</p> | <p>Responsibility should be fix on the concerned staff with provision of punishment regarding promptly deposition of the TDS because late deposition is subject to penalty.</p> |
| <p>21 TDS Return:- As per provision of Income Tax Act, The Deductor of TDS have to file TDS return Quarterly in Form 26Q (for Non Salary) within the due date for respective Quarter but during the Audit we observed that the ULB is not following such process this shall attract Late filling provision U/S 234 E in which defaulter have to pay RS 200 per day for non-filling period, and shall also attracts Penalty provision U/S 271 H of Income Tax Act 1961 in which penalty can be levied from 10,000 to 1,00,000, this amount will be depend upon ITO Judgment.</p> | <p>Practice is being developed for timely filling of the same.</p> | <p>Responsibility should be fixed on the concerned staff with provision of punishment regarding promptly filling of the TDS return because late filling is subject to penalty.</p> |
| <p>22 Huge Amount Demand as Penalty</p> | <p>Legal Advice will be taken</p> | <p>Notice of penalty for</p> |



Signature
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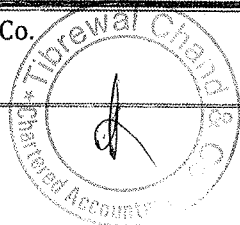
- Under Income Tax Act 1961:-** Delay for Adjustment of the same. recovery of such demand should be given to the concerned staff due to whom denial & negligence of responsibility and work, ULB comes under such huge amount of penalty.
- 23 TDS Return Copy:-** ULB is not in a practice to compile the copy of same for any period since very beginning, In the absence of such we are not in a positioning to know the status of return. It will be maintained. Management should take appropriate action in this regard.
- 24 GST Delay Deposit:-** It is found in most of the cases that ULB is in practice in delaying the deposit of GST. Due date of deposit of GST is 10th of next month but ULB is not following the same process, this procedure has created burden of penalty on ULB. Practice is developing for timely Deposit of the same. Management should take appropriate action in this regard.
- 25 GST Return:-** As per provision of Goods & Service Tax Act, that the Deductor of GST has to file Monthly GST return in Form GSTR 7 up to 10th of following month as filling of GSTR 7 is mandatory. This enables the supplier to claim TDS on GST. Defaulter in Filling of GSTR will be liable to pay penalty under the Act of Rs. 200 for each day. Here not a single copy of GSTR Return was provided in Audit so Return Filling status and process is doubtful. Practice is developing for timely filling of the same. Responsibility should be fix on the concerned staff with provision of punishment regarding prompt filling of the GST return because late filling is subject to penalty.
- 26 GSTR 7A Certificate:** - It is provision in GST Act to issue of a system generated Certificate GST 7A to the deductee within a period of 5 days from the date of deposit. Defaulter will be liable for penalty of Practice is developing to issue the same to the concerned Person. Management should take appropriate action in this regard.



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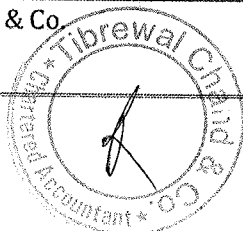
Rs. 200 per day for the default period.
This provision is not in the process in ULB.

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| <p>27 Demand under GST: - A demand dated on 25-04-2019 was raised by GST on ULB on Account of interest of Rs. 7720 and on Account of Late fee Rs. 15440.If the payment will not be made then figure will be increase.</p> | <p>It will not take place in future.</p> | <p>Notice of penalty for recovery of such demand should be given to the concerned staff due to whom denial & negligence of responsibility and work, ULB comes under such huge amount of penalty.</p> |
| <p>28 Huge penalty due to delayed Payment: - ULB had bared huge penalty on account of Adhibhar for delayed payment of Electricity Bill.</p> | <p>Action will be taken to prevent such type of cases.</p> | <p>Management should take appropriate action for non-occurrence of such type of incidence.</p> |
| <p>29 Holding huge amount of cash in Najarat without any insurance against theft and loss</p> | <p>Direction will be issued for timely deposition of same.</p> | <p>Holding of cash for more than normal period of time is a very critical issue &proper action should be taken for the same.</p> |
| <p>30 Non maintenance of Vouchers serial number wise: - It is not in practice to compile vouchers of payment numbering wise.</p> | <p>Corrective action will be taken.</p> | <p>Numbering of voucher is necessary for easy access and tracking purpose.</p> |
| <p>31 Here it is not in practice for year 2018-19 to maintain cash book in the prescribed long format of UDHD and the same is maintained in the normal cash book which are available in the market.</p> | <p>The accounting team has been instructed to formatise the cash book as per format of UDHD.</p> | <p>It should be maintain in the prescribed format of UDHD.</p> |
| <p>32 During the course of Audit, we observed that Nagar Parishad has conducted Internal audit for the year 2016-17 and 2017-18 but compliance report not prepared by ULB.
<i>(Details given in report)</i></p> | <p>Future Reference</p> | <p>It should be prepared as soon as possible...</p> |
| <p>33 The municipality is not in a practice to prepare BRS on regular or periodical basis and also few banks is not reconciled.</p> | <p>Future Reference</p> | <p>BRS should be maintained month wise and should be reconciled.</p> |



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	<i>(Refer details audit report)</i>	
34	Non providing balance of few banks and Treasury	It shall be provide in next quarter.
	<i>(Refer details audit report)</i>	
35	Non-Implementation of double entry accounting system. We found the detail that double accounting system is implemented at Saharsa Nagar Parishad by Sarkar Gurumurthy and Associates for 2016-17 to 2019-20. However we not got any data for verification the same.	Now it is Implemented.
36	No details were made available regarding meeting of municipal accounts committee held during the financial year 2018-19.	Future reference.
37	PF and ESI deduction & deposition details is not provided to us. Therefore we are unable to quantify the amount.	Practice is being developed for timely deposit of the same.
38	Insurance deduction & deposition details is not provided to us. Therefore we are unable to quantify the amount.	Practice is being developed for timely deposit of the same
39	Non-Compliance of Act & Rules	Noted for immediate response.
		It should provide as soon as possible.
		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 Saharsa 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.
		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.
		PF should be deposited immediately.
		Insurance should be deposited.
		Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable



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- 40 Advance Register not shown to us. So, Future reference we are unable to comment in this regard.
- 41 Non preparation of stores register Now Implemented

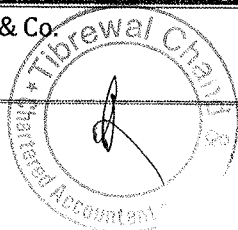
Act & Rules.

Advance register should be produced to auditors for verification

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.

Bank Reconciliation Statement

Project	Bank Name	A/C Type	Account No.	Balance as per Bank	Balance as per Cash	Difference	Status
SBM	UBI	SB	04337	7,50,666.66	7,57,141	6,474.34	Unreconciled
HFA	UBI	SB	04338	2,41,81,421.28	2,38,81,421	3,00,000.28	Unreconciled
KabirAntey asthi General	UBGB	SB	36048	9,39,826	8,08,961	1,30,865.00	Unreconciled
AMRUT	UBI	SB	04669	77,583	77,583	-	Reconciled
KabirAntey asthi Special	UBGB	SB	36055	5,54,962	4,15,925	1,39,037.00	Unreconciled
NULM	BOI	SB	08479	28,50,374.05	28,50,374.05	-	Reconciled
EPF	Indian Bank	SB	81751	36,44,931	36,44,931	-	Reconciled
Bus Stand	BOI	SB	02081	3,85,051	3,85,051	-	Reconciled
Internal	PNB	CB	10695	57,67,995.95	54,38,310	3,29,685.95	Unreconciled
SBM	BOI	SB	03770	Not Updated	2,26,41,733.71	2,26,41,733.71	Unreconciled
NULM	Indian Bank	SB	01215	1,06,08,820	Not Provided	1,06,08,820.00	Unreconciled
ISHDP	BOI	SB	08406	57,569.65	Not Provided	57,569.65	Unreconciled
Administrati ve Building	Indian Bank	SB	01742	-	Not Provided	-	Unreconciled
SPUR	Indian Bank	SB	45917	-	Not Provided	-	Unreconciled
SPUR	Indian	SB	46807	-	Not Provided	-	Unreconciled



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Discussion Note: 2018-19

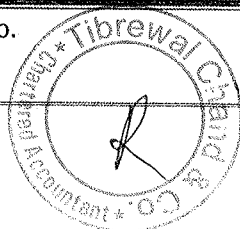
Saharsa Municipal Council

ISHDP	Bank	UBI	SB	04497	3,40,186.27	3,04,373	35,813.27	Unreconciled
ISHDP Infra	Bank	Indian	SB	30852	-	Not Provided	-	Unreconciled
ISHDP	Bank	Indian	SB	01941	-	Not Provided	-	Unreconciled
MalinBasati	Bank	BOI	SB	03769	3,00,526	Not Provided	3,00,526.00	Unreconciled
ISHDP Infra	Bank	BOI	SB	08407	45,254.50	45,254.50	-	Reconciled
Misc.	Bank	Treasur	PL	URB001	46,92,13,903.19	46,92,13,903.19	-	Reconciled

Details of 20 high value properties:-

SI No.	Holding No.	Ward No.	Area	Types	Property Tax
1	412	2	4219	Residential	1558
2	466	16	1125	Residential	336
3	349	14	594	Residential	299
4	223	14	240	Residential	1009
5	51	27	3200	Residential	1323
6	295	12	240	Residential	778
7	227	9	184	Residential	530
8	27	8	1125	Residential	255
9	549	1	788	Residential	116
10	471	2	1125	Residential	1198
11	235	17	4163	Residential	775
12	43	16	1687.5	Residential	500
13	305	12	2250	Residential	850.5
14	59	14	250	Residential	428
15	69	13	1800	Residential	1276
16	204	8	2138	Residential	709
17	553	1	2250	Residential	601
18	551	1	2250	Residential	601
19	547	1	788	Residential	388
20	599	2	2250	Residential	486

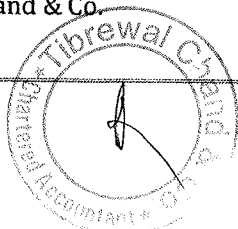
Details of statutory deduction:-



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- i) **TDS:-**We observed that ULB is not in practice to Deposit the deducted TDS on stipulated time. Details of such are given here:-

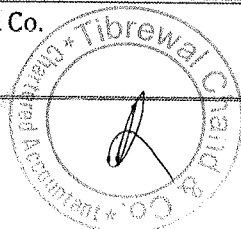
Sl.No	Name of Scheme	TDS Amounts	Date of Deduction	Date of deposit
1	MNGY	4,528	27-06-2018	Not deposited till date
2	MNGY	2,184	27-06-2018	Not deposited till date
3	MNGY	7,188	09-07-2018	Not deposited till date
4	MNGY	5,660	09-07-2018	Not deposited till date
5	MNGY	5,578	09-07-2018	Not deposited till date
6	MNGY	3,033	09-07-2018	Not deposited till date
7	MNGY	6,807	12-07-2018	Not deposited till date
8	MNGY	11,609	07-07-2018	Not deposited till date
9	MNGY	2,051	29-08-2018	Not deposited till date
10	MNGY	12,152	29-08-2018	Not deposited till date
11	MNGY	5,697	29-08-2018	Not deposited till date
12	MNGY	7,942	29-08-2018	Not deposited till date
13	MNGY	7,768	29-08-2018	Not deposited till date
14	MNGY	15,727	29-08-2018	Not deposited till date
15	MNGY	14,387	29-08-2018	Not deposited till date
16	MNGY	11,183	29-08-2018	Not deposited till date
17	MNGY	10,188	29-08-2018	Not deposited till date
18	MNGY	9,267	07-09-2018	Not deposited till date
19	MNGY	3,338	07-09-2018	Not deposited till date
20	MNGY	3,871	07-09-2018	Not deposited till date
21	MNGY	10,026	07-09-2018	Not deposited till date
22	MNGY	7,627	07-09-2018	Not deposited till date
23	MNGY	9,975	07-09-2018	Not deposited till date
24	MNGY	11,309	07-09-2018	Not deposited till date
25	MNGY	12,614	29-09-2018	Not deposited till date
26	MNGY	4,221	12-10-2018	Not deposited till date
27	MNGY	12,311	01-10-2018	Not deposited till date
28	MNGY	9,354	01-12-2018	Not deposited till date
29	MNGY	2,738	07-12-2018	Not deposited till date
30	MNGY	7,028	20-12-2018	Not deposited till date
31	MNGY	10,151	07-12-2018	Not deposited till date
32	MNGY	2,925	19-12-2018	Not deposited till date
33	MNGY	1,848	19-12-2018	Not deposited till date
34	MNGY	4,464	19-12-2018	Not deposited till date
35	MNGY	6,909	19-12-2018	Not deposited till date



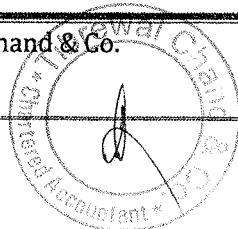
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36	14th Finance	2,473	15-09-2018	Not deposited till date
37	14th Finance	11,457	16-10-2018	Not deposited till date
38	14th Finance	10,445	01-12-2018	Not deposited till date
39	14th Finance	6,482	01-12-2018	Not deposited till date
40	14th Finance	10,274	07-12-2018	Not deposited till date
41	14th Finance	15,284	03-12-2018	Not deposited till date
42	14th Finance	9,165	03-12-2018	Not deposited till date
43	14th Finance	9,655	03-12-2018	Not deposited till date
44	14th Finance	10,289	03-12-2018	Not deposited till date
45	14th Finance	10,831	03-12-2018	Not deposited till date
46	14th Finance	9,327	03-12-2018	Not deposited till date
47	14th Finance	11,143	03-12-2018	Not deposited till date
48	14th Finance	11,742	03-12-2018	Not deposited till date
49	14th Finance	7,028	03-12-2018	Not deposited till date
50	14th Finance	11,550	03-12-2018	Not deposited till date
51	14th Finance	11,643	03-12-2018	Not deposited till date
52	14th Finance	10,019	07-12-2018	Not deposited till date
53	14th Finance	9,505	19-12-2018	Not deposited till date
54	14th Finance	9,458	19-12-2018	Not deposited till date
55	14th Finance	8,667	19-12-2018	Not deposited till date
56	14th Finance	10,745	19-12-2018	Not deposited till date
57	14th Finance	9,130	19-12-2018	Not deposited till date
58	14th Finance	13,285	20-12-2018	Not deposited till date
59	14th Finance	10,082	20-12-2018	Not deposited till date
60	14th Finance	11,913	19-12-2018	Not deposited till date
61	14th Finance	10,122	20-12-2018	Not deposited till date
62	14th Finance	10,917	20-12-2018	Not deposited till date
63	14th Finance	6,432	20-12-2018	Not deposited till date
64	14th Finance	9,730	20-12-2018	Not deposited till date
65	14th Finance	8,672	20-12-2018	Not deposited till date
66	14th Finance	9,819	20-12-2018	Not deposited till date
67	14th Finance	9,018	12-03-2019	Not deposited till date
68	14th Finance	9,949	12-03-2019	Not deposited till date

- ii) **GST:** We observed that ULB is not in practice to Deposit the deducted GST on stipulated time. Details of such are given here:-



S/N	Name of Scheme	GST Amounts	Date of deduction	Date of deposit
1	MNGY	9,056	27-06-2018	02-04-2019
2	MNGY	4,369	27-06-2018	02-04-2019
3	MNGY	14,375	09-07-2018	02-04-2019
4	MNGY	11,320	09-07-2018	02-04-2019
5	MNGY	11,156	09-07-2018	02-04-2019
6	MNGY	6,065	09-07-2018	02-04-2019
7	MNGY	13,614	12-07-2018	02-04-2019
8	MNGY	23,217	07-07-2018	02-04-2019
9	MNGY	4,101	29-08-2018	02-04-2019
10	MNGY	24,303	29-08-2018	02-04-2019
11	MNGY	11,393	29-08-2018	02-04-2019
12	MNGY	15,883	29-08-2018	02-04-2019
13	MNGY	15,537	29-08-2018	02-04-2019
14	MNGY	31,454	29-08-2018	02-04-2019
15	MNGY	28,774	29-08-2018	02-04-2019
16	MNGY	22,367	29-08-2018	02-04-2019
17	MNGY	20,377	29-08-2018	02-04-2019
18	MNGY	18,535	07-09-2018	02-04-2019
19	MNGY	6,676	07-09-2018	02-04-2019
20	MNGY	7,741	07-09-2018	02-04-2019
21	MNGY	20,053	07-09-2018	02-04-2019
22	MNGY	15,254	07-09-2018	02-04-2019
23	MNGY	19,950	07-09-2018	02-04-2019
24	MNGY	22,617	07-09-2018	02-04-2019
25	MNGY	25,229	29-09-2018	02-04-2019
26	MNGY	8,442	12-10-2018	02-04-2019
27	MNGY	24,622	01-10-2018	02-04-2019
28	MNGY	18,708	01-12-2018	02-04-2019
29	MNGY	5,475	07-12-2018	02-04-2019
30	MNGY	14,055	20-12-2018	02-04-2019
31	MNGY	20,302	07-12-2018	02-04-2019
32	MNGY	5,850	19-12-2018	02-04-2019
33	MNGY	3,697	19-12-2018	02-04-2019
34	MNGY	8,927	19-12-2018	02-04-2019
35	MNGY	13,817	19-12-2018	02-04-2019
36	14th Finance	4,946	15-09-2018	02-04-2019
37	14th Finance	22,913	16-10-2018	02-04-2019
38	14th Finance	20,889	01-12-2018	02-04-2019



Executive Office
Nagar Palika, Saharsa
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Discussion Note: 2018-19

Saharsa Municipal Council

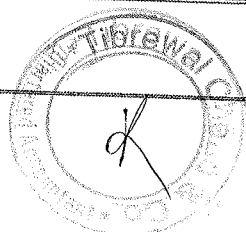
39	14th Finance	12,964	01-12-2018	02-04-2019
40	14th Finance	20,548	07-12-2018	02-04-2019
41	14th Finance	30,568	03-12-2018	02-04-2019
42	14th Finance	18,330	03-12-2018	02-04-2019
43	14th Finance	19,311	03-12-2018	02-04-2019
44	14th Finance	20,578	03-12-2018	02-04-2019
45	14th Finance	21,662	03-12-2018	02-04-2019
46	14th Finance	18,655	03-12-2018	02-04-2019
49	14th Finance	14,056	03-12-2018	02-04-2019
50	14th Finance	23,100	03-12-2018	02-04-2019
51	14th Finance	23,285	03-12-2018	02-04-2019
52	14th Finance	20,037	07-12-2018	02-04-2019
53	14th Finance	19,010	19-12-2018	02-04-2019
54	14th Finance	18,916	19-12-2018	02-04-2019
55	14th Finance	17,334	19-12-2018	02-04-2019
56	14th Finance	21,489	19-12-2018	02-04-2019
57	14th Finance	18,260	19-12-2018	02-04-2019
58	14th Finance	26,571	20-12-2018	02-04-2019
59	14th Finance	20,163	20-12-2018	02-04-2019
60	14th Finance	23,825	19-12-2018	02-04-2019
61	14th Finance	20,244	20-12-2018	02-04-2019
62	14th Finance	21,835	20-12-2018	02-04-2019
63	14th Finance	12,868	20-12-2018	02-04-2019
64	14th Finance	19,461	20-12-2018	02-04-2019
65	14th Finance	17,343	20-12-2018	02-04-2019
67	14th Finance	18,036	12-03-2019	02-04-2019
68	14th Finance	19,897	12-03-2019	02-04-2019
69	Dustbin and Toilet	28,800	15-10-2018	31-03-2019
70	Dustbin and Toilet	19,200	24-10-2018	31-03-2019
71	Dustbin and Toilet	40,896	15-10-2018	31-03-2019
72	Dustbin and Toilet	20,448	18-10-2018	31-03-2019
73	Dustbin and Toilet	61,344	26-10-2018	31-03-2019

Details of UC's of Financial Year 2018 - 2019

S/N	Year of	Name of Scheme	Date of	Amount	Expenditure	Un-	Remarks
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Tibrewal Chand & Co.

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Executive Office
Nagar Parishad, Saharsa
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allotment		Allotment	In Lakh		utilized	Amount	
1	2018-19	5th Fin	03/07/2018	668.87	NIL	668.87	Un-utilized amount Rs. 668.87 transferred to PL A/C
2	2018-19	प्रसासनिकभवन	30/08/2018	123.71	123.71	NIL	Un-utilized amount Rs. 668.87 transferred to PL A/C
3	2018-19	नालीगली	17/12/2018	433.23	NIL	433.23	Un-utilized amount Rs. 668.87 transferred to PL A/C
4	2018-19	14th Finance	31/10/2018	322.84	15.80	NIL	Un-utilized amount Rs. 668.87 transferred to PL A/C
5	2018-19	storm water drainage	08/03/2019	300.00	300.00	NIL	Un-utilized amount Rs. 668.87 transferred to PL A/C
6	2018-19	14 th finance	25/01/2019	320.57	NIL	320.57	Un-utilized amount Rs. 668.87 transferred to PL A/C
7	2018-19	Professional Tax	24/10/2018	57.87	13.55	NIL	Un-utilized amount Rs. 668.87 transferred to PL A/C
8	2018-19	5th Finance	10/07/2018	684.05	92.35	NIL	Un-utilized amount Rs. 668.87 transferred to PL A/C
9	2018-19	EO SALARY	22/05/2018	7.00	7.00	NIL	Un-utilized amount Rs. 668.87 transferred to PL A/C
Grand Total				2918.14	552.41	1422.67	



Office
Nagar Parishad, Saharsa
15/10/2019