

Financial
Year
2018-19



Internal Audit Report for F.Y 2018-2019 of Jainagar Nagar Panchayat

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
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Report submitted date: 31.08.2019

INTERNAL AUDIT REPORT



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Report submitted date: 31.03.2019

Internal Audit Report- Nagar Panchayat – Jainagar

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

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

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

We have conducted the Internal Audit with the objective:-

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

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

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

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

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

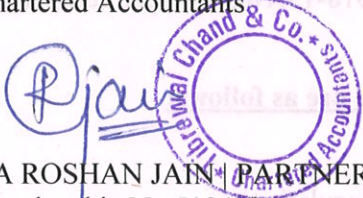
- ❖ Accountant cash Book
- ❖ Subsidiary Cash Book
- ❖ Bank Book
- ❖ Records related to revenue
- ❖ Vouchers along with supporting documents.



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❖ Others related records and registers.

For Tibrewal Chand & Company
Chartered Accountants



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

UDIN :- 20518422 AAAAFN4052

Dated :- 17-10-2020

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- ❖ Vouchers along with supporting documents.



Executive Summary

- 1. Introduction:** Jainagar Nagar Panchayat, with population of about 22 thousand is located in district of Madhubani sub district of Jainagar district in the state Bihar. There are approximate 13,529 households. Mr. Kailash Paswan is Chairman holding post from 09-06-2017 to till the date of Audit. Mr. Amit Kumar is the Executive officer holding post from 30-01-2019 to till the date of Audit.
- 2. Results and Findings:** During our audit we observed below mentioned strengths and weakness in the functioning of ULB:

Strengths observed during the audit engagement	<ol style="list-style-type: none">1. General Cash book has been prepared for the audited period2. Cashier cash book has been prepared for the audited period3. Few Revenue related records were prepared by the Panchayat
Weaknesses observed in the functioning of office, maintenance of records etc. during the audit engagement	<ol style="list-style-type: none">1. Financial Statements for the period 2018-19 were not prepared by the Panchayat2. Non preparation of bank reconciliation statements.3. Lack in follow-up procedure in collection of huge arrear dues in relating to property and other taxes.4. Non deduction of TDS in salary cases checked on random basis.5. Non deposition of statutory dues such as labor cess, TDS, VAT, ESI/PF to the authorities after deduction from bills, resulting in huge penalties and interest.6. Non-Performing the variance



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	<p>analysis between budget and actual expenditure for a particular period resulting in short comings in budgetary control.</p> <p>7. No proper survey of properties has been conducted by the ULB to ascertain the property tax receivables from holdings.</p> <p>8. Loss of revenue due to Sairat was not held for reporting financial year at proper interval.</p> <p>9. Fuel distribution register was not prepared resulting in weakness in control over books of account.</p> <p>10. Daily wages register was not prepared resulting in weakness in control over books of account.</p> <p>11. Advance was not adjusted within reasonable time resulting in weakness in control over internal control.</p> <p>12. Huge outstanding of revenue including holding tax, tower tax, rent, Sairats but no sincere efforts has been made by ULBs to recover the same.</p>
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3. **Opinion:** The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the municipal personnel and other matter incidental thereto for overall improvement of the ULB.



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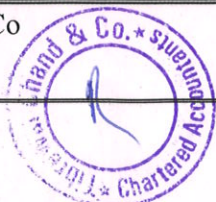
4. Audit Recommendations: The recommendation of audit team on the observed weakness is as below:

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

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5. Comments from Management:-

S/N	Observation	Management Comment	Recommendation
1	As per notification of Bihar Government, The Governor of Bihar made the rules for the mobile tower under the Act. Operator of the mobile has to apply to the ULB for operation of the mobile tower in the concerned area with the Requisite fees of Rs. 30,000/- per Tower and the Renewal fee is Rs. 8,000/- per year. During the course of audit it was observed that Rs 11,10,000 is due towards Tower Company for financial year 2018-19. <i>(Details given in report)</i>	This will be strictly taken care by next financial year and Nagar Panchayat will take necessary steps to recover or boost revenue from towers.	There is a huge loss of revenue & interest income. So, necessary steps should be taken for timely collection of taxes.
2	During audit observed that property tax is not being deposited on daily basis. Tax collector has been collected property tax of Rs. 6,42,724.00 but not deposited in the bank as on date.	Tax collectors are directed to deposit the tax.	Property tax must be deposited on daily basis or before noon.
3	Report on Findings of the field survey of property tax of minimum 20 high value properties. <i>(Refer details audit report)</i>	ULB staff is directed to cooperate with auditors and to provide all the necessary documents for audit.	Physical survey can't be conducted due to Non availability of ULB staff for conducting physical verification. Further SAF forms were also not provided for 20 high value properties as per list provided by us.
4	Demand Register for collection of Trade License, property tax & shop rent for the financial year 2017-18 & 2018-19 is not yet prepared.	All tax collector cashier, cashier and tax daroga is directed to make necessary attempt in this regard.	Demand register should be prepared.
5	PF deducted from all permanent staff salary but not deposited in his PF account. We are unable to quantify exact amount because Nagar Panchayat was not provided	Will be considered in next financial year.	PF should be deposited immediately.



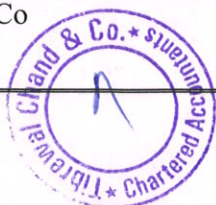
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	details regarding PF/ESI.		
6	During the audit various cases were observed regarding non deduction and non-deposition of statutory dues like TDS, VAT, and Royalty in stipulated time by the Nagar Panchayat. Further it was also observed that return was also not filled for TDS & VAT. <i>(Refer details audit report)</i>	Will be considered in next financial year.	All statutory compliances related to deduction, deposition and return filling should be complied.
7	The municipality is not in a practice to prepare BRS on regular or periodical basis. Fes banks is not reconciled which are given in report. <i>(Refer details audit report)</i>	Will be considered in next financial year.	BRS should be maintained month wise.
8	(i) Improper maintenance of records related to revenue collection. (ii) During the audit it was observed that mobile tower tax is not getting collected on a timely basis and even if it is getting collected, the same is not deposited timely.	Nagar Panchayat ensure that this will be taken care from now onwards.	(i)Daily collection register for property tax should be maintained and appropriate action should be taken. (ii) Collection should be made on a regular basis and deposited on the same day to avoid any irregularity.
9	Non preparation of stores register	Will be considered in next financial year.	Due to non – maintenance of FAR, it will become difficult to identify quantity of each class of stock. So, the ULB should maintain a store ledger including price of inward goods.
10	Insurance deduction from all permanent staff salary but not deposited. We are unable to quantify exact amount because Nagar Panchayat was not provided details regarding insurance.	Will be considered in next financial year.	Insurance should be deposited.
11	Jainagar Nagar Panchayat is not in practice to prepare monthly receipt	Will be considered in next financial year.	ULB should prepare receipts and payment account on



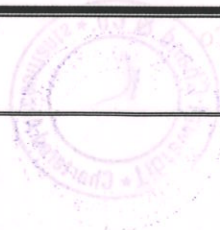
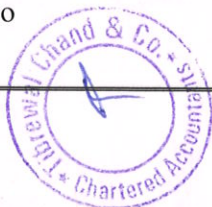
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	and payment account and the trial balance.		monthly basis. It helps to find out that how much fund received by the ULB and whether its utilization was made properly or not.
12	Daily wages register were not produced to us for audit.	ULB staff is directed to provide all the necessary documents to auditors.	Daily wages register should be made available to auditors.
13	FAR is not maintained/updated by the ULB	Necessary action will be taken.	FAR including assets wise identification number should be maintained/ updated by Nagar Panchayat.
14	Non collection of outstanding rent of Rs. 7,20,931 for the period 2018-19.	Necessary action will be taken.	Management should take necessary step to collect outstanding rent.
15	No-collection of notice fees	ULB staff is directed to comply with Bihar Municipal Act 2007	As per the regulation 158(a) of chapter XIX of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fee, levy of interest for delay payment at a rate as may be specified, and the amount of penalty therefore, but in case of Jainagar Nagar Panchayat, corporation has not provided any information regarding charging and collection of notice fees. ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.
16	Soft copy of Advice regarding payment of housing for all and disbursement under project of SBM was not produced before us, therefore it is difficult to trace double payment for same.	ULB staff is directed to provide all the necessary documents to auditors.	It should be produced for verification.
17	Collection of internal resources is	Nagar Panchayat will take	It should be timely collected.



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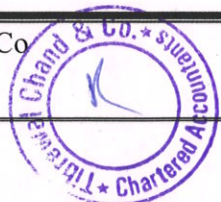
	very poor. (Refer details audit report)	steps to improve the collection from internal resources.	
18	During the course of Audit, we observed that Nagar Panchayat has conducted Internal audit & CAG audit for the year 2017-18 & internal audit for 2016-17 & 2017-18 but the compliance report for the same has not been prepared. (Details given in report)	Necessary action will be taken.	It should be prepared as soon as possible.
19	Lack of internal control measures We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory compliances: (i)Voucher file was not maintained (ii)No internal mechanism for statutory compliance (iii)No MIS was prepared for tracking of payments (iv)Required books of Accounts as per BMAM was not maintained (v)Statutory compliance reconciliation was not maintained	Nagar Panchayat ensure that this will be taken care from now onwards.	We suggest that (i)MIS system should be implemented over daily collection and deposit. (ii)Reason for non-deposit/Late deposit should be strongly need to ask for minimize delay. (iii)Need to identify a person to comply with the statutory compliance. In case failure to comply with statutory compliances he should also be penalized. Therefore, the management has to take serious effort in implementation of internal control mechanism for getting a better result from ULB working.
20	Non-Compliance of Act & Rules	ULB staff is directed to ensure compliance of all applicable Act & Rules.	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable Act & Rules.
21	No details were made available regarding meeting of municipal accounts committee held during the	ULB staff is directed to comply with BMA-2007	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of



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	financial year 2018-19.		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.
22	Non-Implementation of double entry accounting system (DEAS) We found the detail that double accounting system is implemented at Jainagar Nagar Panchayat and submitted AFS, FAR & PTR for 2017-18. However we not got any data for verification the same (2018-19).	Implementation of DEAS is ongoing and ULB staff is directed to cooperate with auditors and to provide all necessary documents for audit.	As per requirement of BMAR-2014, Part-A, Chapter-2 Rule -4, "All ULB referred in schedule-1 shall maintain its books of account using the double entry system". Since Jainagar Nagar Panchayat is covered under schedule -1, therefore they should have to maintain their accounts on double entry accounting system in compliance of such rule.
23	Non-maintenance of required registers as per Rule No.-3 of BMAR-2014	ULB staff is directed to follow and comply the guidelines of BMAR	Details of registers not maintained by ULB is mentioned under Part-A (a). ULB should ensure proper maintenance of required books of account and register as per the list given in rule-3 of BMAR-2014.
24	Non adjustment of advances	Necessary action for recovery/ adjustment of this amount will be taken.	Main cash book is showing unadjusted advance of Rs. 27,33,000. It should be adjusted as earliest.
25	Submission of Utilization Certificates <i>(Refer detailed audit report)</i>	Not Required	Fund wise details given in report.

Signed Discussion Note is enclosed with the report.



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6. Acknowledgement:-

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

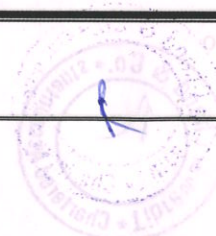
Name of U/B	Period Covered	Audit Team
Jainagar Nagar Panchayat	1 st April 2018- 31 st March 2019	(1) T. CA Bhambhani
		(2) M.A.E. CA Rajjan
		(3) Auditor Kumar



5. Administration:-
The present governing body of the U/B has taken charge on 09-06-2017. The incumbencies in the key administrative and executive positions are as under:
 • Mr. Kalash Paswan, Chairman from 09-06-2017 to till the date of Audit.
 • Mr. Amit Kumar Executive officer from 30-01-2019 to till the date of Audit.

3. Review of outstanding Audit Paras :
Status of Audit observations is as under:

Sr No	Particulars of report and date of audit	Total no. of Audit Paras	Total No. of Audit Paras where necessary improvement is required	Total No. of Audit Paras where recovery of cash is proposed	Total No. of Audit Paras where recovery has been made	Total amount of recovery	Total No. of outstanding paras where no action has been taken	No. & date of compliance report
1	AG Audit (2017-18)	20	20	31,13,409	NA	NA	0	Compliance report not prepared till date of audit.
2	Internal Audit (2016-17 & 2017-18)							Compliance report not prepared till date of audit.



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Detailed Audit Report

1. **Introduction:** Jainagar is a Nagar Panchayat city in district of Madhubani, Bihar. The Jainagar city is divided into 14 wards for which elections are held every 5 years. The Jainagar Nagar Panchayat has population of 22 thousand approx.

Name of ULB	Period Covered	Audit Team
Jainagar Nagar Panchayat	1 st April 2018- 31 st March 2019	(1) TL: CA Neerav Bhanushali (2) MAE:CA Amit Ranjan (3) Auditor: Vicky Kumar

2. **Administration: -**

The Present governing body of the ULB has taken charge on 09-06-2017. The incumbencies in the key administrative and executive positions are as under:

- Mr. Kailash Paswan, Chairman from 09-06-2017 to till the date of Audit.
- Mr. Amit Kumar Executive officer from 30-01-2019 to till the date of Audit.

3. **Review of outstanding Audit Paras :**

Status of Audit observations is as under:

S/ N	Particulars of audit and date of report	Total no. of Audit paras.	Total No. of Audit Paras where necessary improvement/corrective measure is require	Total No. of Audit paras where recovery of cash is proposed	Total No. of Audit paras where recover has been made	Total amount of recovery	Total No. of outstanding paras where no action has been taken	No. & date of compliance report
1	AG Audit (2017-18)	20	20	31,13,499	NA	NA	0	Compliance report not prepared till date of audit.
2	Internal Audit (2016-17 & 2017-18)							Compliance report not prepared till date of audit.



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(Note: Refer Discussion note point no. 18)

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

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

Year	2018-19	2017-18	2016-17
Final/Revised Budget	23,29,76,931	22,07,49,242	6,93,53,141
Actual Expenditure	7,08,46,948	5,48,32,794	8,74,26,716
Savings(+)/Excess(-)	16,21,29,983	16,59,16,448	(1,80,73,575)

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

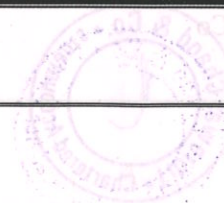
ii. **Volume of Transactions :-**

Period	Budgeted 2018-19	Previous year 2017-18	Corresponding period of previous year	Current period	Cumulative for the current period
Opening Balance	7,51,29,014	8,13,47,937	8,75,10,478	7,51,29,014	7,51,29,014
Receipts	16,66,60,791	4,86,13,871	8,12,64,174	5,22,43,469	5,22,43,469
Total	24,17,89,805	12,99,61,808	16,87,74,652	12,73,72,483	12,73,72,483
Net expenditure	23,29,76,931	5,48,32,794	8,74,26,716	7,08,46,948	7,08,46,948
Closing Balance	88,12,874	7,51,29,014	8,13,47,937	5,65,25,535	5,65,25,535

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

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

Name of Bank	Account Type	Account No.	Passbook Balance	Cash Book Balance	Difference	Status
SBI	Various	98056	34,88,476.24	30,21,458.00	4,67,018.24	Unreconciled
SBI	Various	51828	26,360.48	26,360.48	-	Reconciled
SBI	PF	98125	12,75,386.07	8,75,487.00	3,99,899.07	Unreconciled



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SBI	4 th Finance	71365	57.22	57.22	-	Reconciled
SBI	Various	49980	0.00	0.00	-	Reconciled
SBI	Kabir	22519	26,41,197.50	18,25,584.00	8,15,613.50	Unreconciled
PNB	13 th Finance	47766	5,62,337.82	5,62,337.82	-	Reconciled
CBI	Various	40645	0.00	0.00	-	Reconciled
BOI	HFA	13897	17,68,595.85	18,25,125.00	56,529.15	Unreconciled
BOI	Various	13898	59,793.50	59,793.50	-	Reconciled
BOI	Various	13732	10,417.30	10,417.30	-	Reconciled
ICICI	SBM	00493	17,17,598.00	17,17,598.00	-	Reconciled
BOI	Committee Fund	013731	34,76,188.38	31,45,782.00	3,30,406.38	Unreconciled
IDBI	Din Dayal	36922	57,914.00	57,914.00	-	Reconciled
PL	Various	PL	4,13,76,515.00	4,09,47,012.00	4,29,503.00	Unreconciled

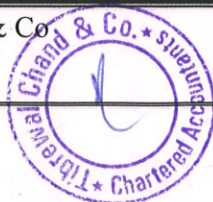
Comments: ULB does not prepared bank reconciliation statement on monthly basis.

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

(Note: (Refer discussion note point no.7.)

iv. Revenue & Capital Receipts :-

Income Details					
Sl. No.	Details	2018-19		2017-18	
		2018-19	2017-18	2017-18	2016-17
	Total Receipts (A+B)	5,22,43,469	4,86,13,871	4,86,13,871	8,12,64,174
A	Revenue Receipts (1+2+3)	90,10,460	79,01,090	79,01,090	1,61,09,329
1	Own Revenue Receipts	27,08,650	64,44,462	64,44,462	50,15,130
a)	Tax Revenue (Levied & Collected By municipal Body) (i+ii)	11,64,661	9,34,526	9,34,526	16,68,515
i)	Property Tax	11,51,861	8,96,526	8,96,526	10,06,131
ii)	Other Tax (Levied & Collected By municipal Body)	12,800	38,000	38,000	6,62,384
b)	Non Tax Revenue (Levied & Collected By municipal Body) (i+ii+iii)	7,30,220	48,41,820	48,41,820	10,85,475



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i)	Fess & Fines	1,61,000	2,22,712	2,22,712	5,23,765
ii)	User Charges	61,600	5,37,685	5,37,685	4,21,200
iii)	Other Non-Tax Revenue (Levied & Collected By municipal Body)	5,07,620	40,81,423	40,81,423	1,40,510
2	Other Revenue Receipts	8,13,769	6,68,116	6,68,116	22,61,140
a)	Income from interest/Investments	2,23,780	3,87,016	3,87,016	18,56,410
b)	Other Revenue Income	5,89,989	2,81,100	2,81,100	4,04,730
3	Transfers/grants/Assigned Revenues	63,01,810	14,56,628	14,56,628	1,10,94,199
a)	State Assigned Revenues	33,20,800	7,26,628	7,26,628	60,54,254
b)	State Finance Commission (SFC) Grants/Devolution	29,80,410	7,30,000	7,30,000	50,39,945
c)	Octroi Compensation	-	-	-	-
d)	Other State Government transfers	-	-	-	-
e)	Central Finance Commission (CFC) Grants	-	-	-	-
f)	Other Central Government transfers	-	-	-	-
g)	Others	-	-	-	-
B	Capital Receipts (1+2+3+4+5)	4,32,33,009	4,07,12,781	4,07,12,781	6,51,54,845
1	Sale of Municipal Land	-	-	-	-
2	Loan (From state Govt. or Banks etc.)	-	-	-	-
3	State Capital Account Grant (Under state Scheme etc.)	1,30,07,897	1,32,13,861	1,32,13,861	1,93,66,133
4	Central Capital Account Grant (Under central Scheme etc.)	2,90,95,022	2,74,98,920	2,74,98,920	4,97,88,712
5	Other Capital Receipts	11,30,090	-	-	-

(Note: All figures taken from books of accounts)

v. Revenue & Capital Expenditure Information :-

Expenditure Details					
Sl. No.	Details	2018-19		2017-18	
		2018-19	2017-18	2017-18	2016-17
	Total Expenditure (1+2)	7,08,46,948	5,48,32,793	5,48,32,793	8,74,26,716



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1	Revenue Expenditure	3,98,97,195	3,34,36,078	3,34,36,078	2,57,70,273
1.1	Administrative Expenses, Establishment & Salaries (All Departments regular & contractual staff)	2,42,08,075	1,84,75,699	1,84,75,699	1,74,63,420
1.2	Operation & Maintenance (O & M)	57,65,854	62,31,683	62,31,683	41,75,960
1.3	Loan Repayment (Interest Payments)		-	-	-
1.4	Others (any other revenue Expenditure which is not salaries, O&M & or interest payment)	99,23,266	87,28,696	87,28,696	41,30,893
2	Capital Expenditure	3,09,49,752	2,13,96,715	2,13,96,715	6,16,56,443
2.1	All developmental works under central/state specific schemes	3,00,99,752	2,03,59,815	2,03,59,815	5,48,86,349
2.2	Loan Repayments	-	-	-	-
2.3	Other capital expenditure	8,50,000	10,36,900	10,36,900	67,70,094

(Note: All figures taken from books of accounts)

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

PTR: PTR for the year 2017-18 is completed.

FAR: FAR for the year 2017-18 is completed.

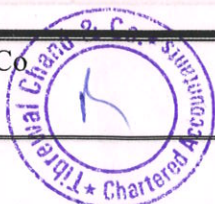
AFS: AFS for the year 2017-18 is completed.

The report submitted by A P Sanzgiri & Co but we did not get data for verification of 2018-19.

(Note: Refer discussion note point no. 22)

vii. Status of Municipal Accounts Committee: if meeting is held: As per section 98 of Bihar Municipal Act, 2007 it is necessary for the Municipality to constitute accounts committee at its first meeting in each year or as soon as may be at any meeting subsequent thereto but no municipal accounts committee has been constituted till the date of our audit.

(Note: Refer discussion note point no. 21)



5. Audit Observations: -

I. 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.

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: Daily collection register has not been provided for verification, in such a situation, we cannot ascertain the actual delay of deposits but Tax collector has been collected property tax of Rs. 6,42,724.00 but not deposited in the bank as on date this could be a huge loss to Nagar Panchayat.

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. 2, 4 & 17 of discussion note)

Tower tax

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

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

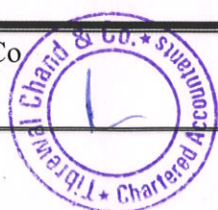
Criteria – Tower Tax is taxes on Communication Tower & related structure as defined in Bihar Communication Tower and related structure rules, 2012 as per the rule Tax Collected has to be deposited on same day or latest before noon on the following working day.

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. 30,000.00/- per Tower and the Renewal fee is Rs. 8000.00/- per year. As per verification of records and document during the course of audit and according to the cash book produced by the ULB, it was found that only Rs. 348000/- was realized from the Tower Company till 31st March 2019, resulting in loss of Rs. 11,10,000 /-

S No.	Name of Company	Establishment fee	Renewal	Total	Amount Collected	Amount Due
1	Tata Docomo	30,000	80,000	1,10,000	-	1,10,000
2	Tata Docomo	30,000	80,000	1,10,000	-	1,10,000
3	Tata Docomo	30,000	80,000	1,10,000	-	1,10,000
4	Aircel	30,000	1,04,000	1,34,000	-	1,34,000
5	Aircel	30,000	88,000	1,18,000	30,000	88,000
6	Aircel	30,000	88,000	1,18,000	30,000	88,000
7	Vodafone	30,000	80,000	1,10,000	32,000	78,000
8	GTL	30,000	1,04,000	1,34,000	30,000	1,04,000
9	Vodafone Tata Docomo Tata Indica	66,000	2,40,000	3,06,000	82,000	2,24,000
10	Relience	30,000	40,000	70,000	54,000	16,000
11	ATC	30,000	24,000	54,000	30,000	24,000
12	Airtel	30,000	16,000	46,000	30,000	16,000
13	Relience jio	30,000	8,000	38,000	30,000	8,000
	Total	4,26,000	10,32,000	14,58,000	3,48,000	11,10,000

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

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.



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

(Note: Refer point no. 1 of discussion note)

Non Collection of Advertisement Tax:

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

Condition: Nagar Panchayat is not collecting any advertisement tax.

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

Cause: This 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.

Shop Rent

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

Criteria: As per Bihar Municipal Act.

Condition: Nagar Panchayat is not being taken necessary step for collection of outstanding rent. Non collection of outstanding rent of Rs. 7,20,931.

Consequence / Effect / Impact: Due to non-collection of shop rent 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 shop which results in Revenue leakage.

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

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



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

No observation found in this regards.

c. Report on Findings of the field survey of property tax of minimum 20 high value properties is given here: -Our team on the basis of information available asked the

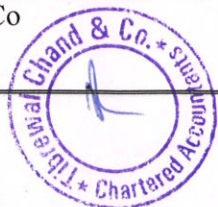
SAF, demand collection detail of below mentioned properties:

SAF forms of below properties were not provided neither no arrangements were made for physical verification.

Details of 20 high value properties provided by the ULB is as below:

S/N	Ward No.	Holder Name	Area in Square	Type of residence.	Rate of Comm.	Tax Amount
1	1	Smt. Prabhawati Devi	6374	Residential	22	10,096.00
2	1	Murti Devi	2376	Residential	33	7,007.00
3	2	Malti Devi	2464	Residential	21	8,557.00
4	2	Malti Devi	0	Residential	33	8,306.00
5	2	Kameshwar Prasad Singh	1736	Residential	33	10,541.00
6	2	Sumnay Kumar Bairoliya	-	Residential	33	18,264.00
	2	Sumnay Kumar Bairoliya	-	Residential	22	
7	2	Vinay Kumar Purve	-	Residential	14	5,746.00
8	2	Lalit Kumar Purve	-	Residential	21	5,189.00
9	2	Sandeep Kumar Chaudhary	741	Residential	22	3,547.00
10	2	Pramod Kumar Raut	1975	Residential	33	3,781.00
11	2	Ram BrikshMahto	1538	Residential	33	2,809.00
12	2	Gobind Prasad Kodiya	2160	Residential	21	5,053.00
13	2	PremPrakeshKodiya		Residential	21	18,190.00
14	2	Chandeswar Gupta		Residential	21	4,385.00
15	2	Kiran Devi	3600	Residential	21	4,604.00
16	6	Anita Jaishwal		Residential	33	17,820.00
17	6	Dr. Heera Yadav	1725	Residential	21	4,688.00
18	6	DhanshyamMahto		Residential	33	5,089.00
19	6	Baidhnathsah	7280	Residential	22	5,150.00
20	6	Ram NareswarJha	3782	Residential	21/22	5,360.00

(Note: Refer point no. 3 of discussion note)



II. Part B

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

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

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

- Memorandum of collection (GEN 21)
- Summary of daily collection register
- Register for bills payment
- Cheque issue register
- Register for Advances
- Deposits register
- Summary statement of deposit adjustment
- Summary statement of bills raised
- Register of refunds, remissions and write offs
- Statement of outstanding expenses liability
- Document control register
- Register of immovable property
- Register of movable property
- Register of land
- Register of assets replacement
- Register of public lighting system.

(Note: Refer discussion note point no.23)

b. Irregularity in procurement process:

No observation found in this regards.

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

- Non Implementation of GeM procurement mechanism
- Non collection of various taxes required to be collected.

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

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

- Non formation of Municipal Accounts Committee
- Non maintenance of books of accounts as per BMAR
- Non preparation of budget as per Bihar Municipal Budget Manual
- Property tax rate should be increased in every 5 years but not increased since a long period

(Note: Refer discussion note point no. 20)

e. Lack of Internal Control Measures:

- (i) Voucher file was not maintained
- (ii) No internal mechanism for statutory compliance
- (iii) No MIS was prepared for tracking of payments
- (iv) Required books of Accounts as per BMAM was not maintained
- (v) Statutory compliance reconciliation was not maintained

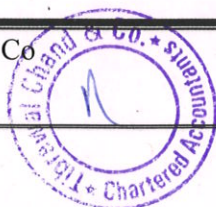
(Note: Refer discussion note point no. 19)

f. Non- Compliance of TDS, VAT, and other relevant statute: During the audit various cases were observed regarding non deduction and non-deposition of statutory dues like TDS, VAT, and Royalty in stipulated time by the Nagar Panchayat. Further it was also observed that return was also not filled for TDS & VAT.

(Note: Refer point no. 6 of discussion note)

i. TDS:

SI No.	Date of deduction	Date of Deposit	Amount	Return date
1.	Sep (2018)	Not Deposit	108597.00	Not Filled
2.	Dec (2018)	Not Deposit	15502.00	Not Filled



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ii. Royalty:

SI No.	Date of deduction	Date of Deposit	Amount
1.	June (2018)	Not deposit	32169.00
2.	June (2018)	Not deposit	115963.00
3.	Dec (2018)	Not deposit	146700.00

iii. Labour Cess

SI No.	Date of deduction	Date of Deposit	Amount
1.	June (2018)	Not Deposit	16070.00
2.	June (2018)	Not Deposit	64981.00
3.	Dec (2018)	Not Deposit	82889.00

- 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 deducted from all permanent staff salary but not deposited in his PF account. We are unable to quantify exact amount because Nagar Panchayat was not provided details regarding PF/ESI.

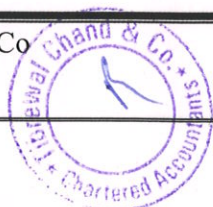
Insurance: Insurance deduction from all permanent staff salary but not deposited. We are unable to quantify exact amount because Nagar Panchayat was not provided details regarding insurance.

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

Further, during the audit of salary vouchers it was observed that TDS was not deducted in few cases mentioned as below:

Name of Employee	Basic	DA	HRA	Medical	TDS
Parfull Chandra Yadav	32,210	31,294	1,776	200	Not deducted
Parfull Chandra Yadav	62,200	3,110	1,776	200	Not deducted
Parfull Chandra Yadav	62,200	3,110	1,776	1,000	Not deducted

- h. Utilization certificate report on grants allotted during the year:** Details of UCs related to FY: 2018 – 2019 are given as annexure.



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

(Note: Refer discussion note point no. 25)

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

(Note: Refer Discussion Note point no. 9)

- j. Advances:** Main cash book is showing unadjusted advance of Rs. 27,33,000. It should be adjusted as earliest.

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



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

f. PF and ESI: PF deducted from all permanent staff salary but not deposited in his PF account. We are unable to quantify exact amount because Nagar Panchayat was not provided details regarding PF/ESI.

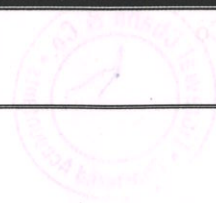
e. Insurance: Insurance deduction from all permanent staff salary but not deposited. We are unable to quantify exact amount because Nagar Panchayat was not provided details regarding insurance.

(Note: Refer point no. 7 & 10 of discussion note)

d. Further, during the audit of salary vouchers it was observed that TDS was not deducted in few cases mentioned as below:

Name of Employee	Basic	DA	HRA	Medical	TDS
Parfull Chandra Yadav	32,210	31,294	1,776	200	Not deducted
Parfull Chandra Yadav	62,200	3,110	1,776	200	Not deducted
Parfull Chandra Yadav	62,200	3,110	1,776	1,000	Not deducted

c. Utilization certificate report on grants allotted during the year: Details of UGs related to FY: 2018 - 2019 are given as annexure.



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

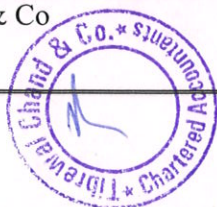
III. Part C

S/N	Particular	Remarks/ Observation
1	Whether all these the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.	Chapter xi, rule 84 (Budget has not been sanction by Empowered standing committee) & Chapter xii, rule 86 (Prepare and maintain accounts of receipts and expenditure), 87 (Preparation of Municipal Accounting Manual), 88 (Financial Statement.) 89 (Balance sheet.), 90 (Submission of financial statement and balance sheet to auditor.) and 98 (Municipal accounts committee.) are not follow by the ULB.
2	What is the status of implementation of SAS of Property Tax in the ULB; If SAS has been implemented then witness some assessment procedures to check any in-consistencies in assessment. at least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not).	Refer audit report.
3	Whether all compliance have been complied regarding Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR Rule 22: All moneys to be brought to account Rule: 27: Collections to be deposited into Bank on the same day Rule 69: Grant Related Compliance Rule 120-121: Monthly Receipt & Payment Account and Trial Balance Rule 130: Audit to be completed & reported within 6 month	Rule 22: we have found that all money has been brought to account but delayed. Rule 27: we have observed that the collected money has not to be deposited into Bank Account on same day. Rule 69: Grant related compliance has been done properly. Rule 120-121: Monthly Receipt & Payment Account and Trial Balance are not being prepared. Rule 130 is not being followed.



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4	Whether all such compliance of financial guidelines of schemes of MOHUA and UD & HD, GoB have been complied.	Yes, Compliance of financial guidelines of schemes of MOHUA and UD & HD, Gob have been complied.
5	If any revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sai rat etc. have incurred then quantify the same.	It has been discussed in discussion notes and audit report under part A.
6	Status of adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments on or above Rs. 10,000.	Discussed in audit report Part A.
7	Whether all Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	Refer detailed audit report.
8	An assessment of presence or absence of a system of issuance of utilization certificate for the different schemes for any utilization made during the reporting period; Where there is no system for issuance of U/Cs, prepare Utilization Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	Refer audit report.
9	Verify instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	It has been provided in discussion notes as well as in audit report under part A.
10	Whether all such payments have been made according to payment terms & conditions of tenders and rate offers are according to procurement law and policies.	It has been provided in discussion notes as well as in audit report under part A.
11	Whether the fixed deposit and other funds should be kept in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period.	No fixed deposit made during the F.Y. 2017-18. All funds held by ULB are maintained at Nationalized Banks and rate of interest is per banking norms.



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12	Verify all major areas of ULBs and assessed revenue loss and if any losses have been identified then prepare a statement of loss for revenue losses.	It has been provided in discussion notes as well as in audit report under part A.
13	Whether tax deductions i.e. Commercial tax, Income tax, provident fund etc. should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.	It has been provided in discussion notes as well as in audit report under part A.
14	Whether C&AG and Internal audit paras has been complied, if not assistance has been provided in this regard.	Discussed in details audit report and also annexure attached.

2	Un-Utilised Amount Rs. 26.21 transferred to P.F. A/C	26.21	26.21	3102018	Civic Amenities	2018-19	
6	Un-Utilised Amount Rs. 43.24 transferred to P.F. A/C	43.24	NIL	31102018	14 th FC	2018-19	
7	Un-Utilised Amount Rs. 60.28 transferred to P.F. A/C	60.28	60.28	30022018	Mail Car	2018-19	
8	Un-Utilised Amount Rs. 7.00 transferred to P.F. A/C	7.00	NIL	22022018	E.O Salary	2018-19	
	Grand Total	76.42	201.43	277.87			



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ANNEXURE

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

SN	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2018-19	14 th FC	10/07/2018	35.68	35.68	NIL	UC Submitted
2	2018-19	Nali Gali	10/07/2018	35.68	35.68	NIL	"
3	2018-19	5 th SFC	03/07/2018	34.89	34.89	NIL	"
4	2018-19	5 th SFC	03/07/2018	34.89	34.89	NIL	"
5	2018-19	Civic Amenities	31/10/2018	26.21	NIL	26.21	Un-Utilised Amount Rs. 26.21 transferred to PL A/C
6	2018-19	14 th FC	31/10/2018	43.24	NIL	43.24	Un-Utilised Amount Rs. 43.24 transferred to PL A/C
7	2018-19	Nali Gali	30/05/2018	60.28	60.28	NIL	UC Submitted
8	2018-19	E. O Salary	22/05/2018	7.00	NIL	7.00	Un-Utilised Amount Rs. 7.00 transferred to PL A/C
Grand Total				277.87	201.42	76.45	



Discussion Note F-4/2018-19 Jainagar Nagar Panchayat

S/N	Observation	Management Comment	Recommendation
1	As per notification of Bihar Government, The Governor of Bihar made the rules for the mobile tower under the Act. Operator of the mobile has to apply to the ULB for operation of the mobile tower in the concerned area with the Requisite fees of Rs. 30,000/- per Tower and the Renewal fee is Rs. 8,000/- per year. During the course of audit it was observed that Rs 11,10,000 is due towards Tower Company for financial year 2018-19. <i>(Details given in report)</i>	This will be strictly taken care by next financial year and Nagar Panchayat will take necessary steps to recover or boost revenue from towers.	There is a huge loss of revenue & interest income. So, necessary steps should be taken for timely collection of taxes.
2	During audit observed that property tax is not being deposited on daily basis. Tax collector has been collected property tax of Rs. 6,42,724.00 but not deposited in the bank as on date.	Tax collectors are directed to deposit the tax.	Property tax must be deposited on daily basis or before noon.
3	Report on Findings of the field survey of property tax of minimum 20 high value properties. <i>(Refer details audit report)</i>	ULB staff is directed to cooperate with auditors and to provide all the necessary documents for audit.	Physical survey can't be conducted due to Non availability of ULB staff for conducting physical verification. Further SAF forms were also not provided for 20 high value properties as per list provided by us.
4	Demand Register for collection of Trade License, property tax & shop rent for the financial year 2017-18 & 2018-19 is not yet prepared.	All tax collector cashier, cashier and tax daroga is directed to make necessary attempt in this regard.	Demand register should be prepared.
5	PF deducted from all permanent staff salary but not deposited in his PF account. We are unable to quantify exact amount because Nagar Panchayat was not provided details regarding PF/ESI.	Will be considered in next financial year.	PF should be deposited immediately.



Anil
Executive Officer
Nagar Panchayat
Jainagar

- | | | |
|--|--|---|
| <p>6 During the audit various cases were observed regarding non deduction and non-deposition of statutory dues like TDS, VAT, and Royalty in stipulated time by the Nagar Panchayat. Further it was also observed that return was also not filled for TDS & VAT.</p> | <p>Will be considered in next financial year.</p> | <p>All statutory compliances related to deduction, deposition and return filling should be complied.</p> |
| <p>7 The municipality is not in a practice to prepare BRS on regular or periodical basis. Fee banks is not reconciled which are given in report.</p> | <p>Will be considered in next financial year.</p> | <p>BRS should be maintained month wise.</p> |
| <p>8 (i) Improper maintenance of records related to revenue collection.
(ii) During the audit it was observed that mobile tower tax is not getting collected on a timely basis and even if it is getting collected, the same is not deposited timely.</p> | <p>Nagar Panchayat ensure that this will be taken care from now onwards.</p> | <p>(i) Daily collection register for property tax should be maintained and appropriate action should be taken.
(ii) Collection should be made on a regular basis and deposited on the same day to avoid any irregularity.</p> |
| <p>9 Non preparation of stores register</p> | <p>Will be considered in next financial year.</p> | <p>Due to non - maintenance of FAR, it will become difficult to identify quantity of each class of stock. So, the ULB should maintain a store ledger including price of inward goods.</p> |
| <p>10 Insurance deduction from all permanent staff salary but not deposited. We are unable to quantify exact amount because Nagar Panchayat was not provided details regarding insurance.</p> | <p>Will be considered in next financial year.</p> | <p>Insurance should be deposited.</p> |
| <p>11 Jainagar Nagar Panchayat is not in practice to prepare monthly receipt and payment account and the trial</p> | <p>Will be considered in next financial year.</p> | <p>ULB should prepare receipts and payment account on monthly basis. It helps to find</p> |



Amr
15.06.2020
Executive Officer
Nagar Panchayat
Jaynagar

Discussion Note

Jainagar Nagar Panchayat

	balance.		out that how much fund received by the ULB and whether its utilization was made properly or not.
12	Daily wages register were not produced to us for audit.	ULB staff is directed to provide all the necessary documents to auditors.	Daily wages register should be made available to auditors.
13	FAR is not maintained/updated by the ULB	Necessary action will be taken.	FAR including assets wise identification number should be maintained/ updated by Nagar Panchayat.
14	Non collection of outstanding rent of Rs. 7,20,931 for the period 2018-19.	Necessary action will be taken.	Management should take necessary step to collect outstanding rent.
15	No-collection of notice fees	ULB staff is directed to comply with Bihar Municipal Act 2007	As per the regulation 158(a) of chapter XIX of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fee, levy of interest for delay payment at a rate as may be specified, and the amount of penalty therefore, but in case of Jainagar Nagar Panchayat, corporation has not provided any information regarding charging and collection of notice fees. ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.
16	Soft copy of Advice regarding payment of housing for all and disbursement under project of SBM was not produced before us, therefore it is difficult to trace double payment for same.	ULB staff is directed to provide all the necessary documents to auditors.	It should be produced for verification.
17	Collection of internal resources is very poor. (Refer details audit	Nagar Panchayat will take steps to improve the	It should be timely collected.



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	report)	collection from internal resources.	
18	During the course of Audit, we observed that Nagar Panchayat has conducted Internal audit & CAG audit for the year 2017-18 & internal audit for 2016-17 & 2017-18 but the compliance report for the same has not been prepared. <i>(Details given in report)</i>	Necessary action will be taken.	It should be prepared as soon as possible.
19	Lack of internal control measures We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory compliances: (i) Voucher file was not maintained (ii) No internal mechanism for statutory compliance (iii) No MIS was prepared for tracking of payments (iv) Required books of Accounts as per BMAM was not maintained (v) Statutory compliance reconciliation was not maintained	Nagar Panchayat ensure that this will be taken care from now onwards.	We suggest that (i) MIS system should be implemented over daily collection and deposit. (ii) Reason for non-deposit/Late deposit should be strongly need to ask for minimize delay. (iii) Need to identify a person to comply with the statutory compliance. In case failure to comply with statutory compliances he should also be penalized. Therefore, the management has to take serious effort in implementation of internal control mechanism for getting a better result from ULB working.
20	Non-Compliance of Act & Rules	ULB staff is directed to ensure compliance of all applicable Act & Rules.	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable Act & Rules.
21	No details were made available regarding meeting of municipal accounts committee held during the financial year 2018-19.	ULB staff is directed to comply with BMA-2007	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of municipal accounts



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			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.
22	Non-Implementation of double entry accounting system (DEAS) We found the detail that double accounting system is implemented at Jainagar Nagar Panchayat and submitted AFS, FAR & PTR for 2017-18. However we not got any data for verification the same (2018-19).	Implementation of DEAS is ongoing and ULB staff is directed to cooperate with auditors and to provide all necessary documents for audit.	As per requirement of BMAR-2014, Part-A, Chapter-2 Rule -4, "All ULB referred in schedule-1 shall maintain its books of account using the double entry system". Since Jainagar Nagar Panchayat is covered under schedule -1, therefore they should have to maintain their accounts on double entry accounting system in compliance of such rule.
23	Non-maintenance of required registers as per Rule No.-3 of BMAR-2014	ULB staff is directed to follow and comply the guidelines of BMAR	Details of registers not maintained by ULB is mentioned under Part-A (a). ULB should ensure proper maintenance of required books of account and register as per the list given in rule-3 of BMAR-2014.
24	Non adjustment of advances	Necessary action for recovery/ adjustment of this amount will be taken.	Main cash book is showing unadjusted advance of Rs. 27,33,000. It should be adjusted as earliest.
25	Submission of Utilization Certificates (Refer detailed audit report)	Not Required	Fund wise details given in report.



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Details of 20 high value properties:-

Sl No.	Ward No.	Holder Name	Area in Square	Type of residence.	Rate of Comm.	Tax Amount
1	1	Smt. Prabhawati Devi	6374	Residential	22	10,096.00
2	1	Murti Devi	2376	Residential	33	7,007.00
3	2	Malti Devi	2464	Residential	21	8,557.00
4	2	Malti Devi	0	Residential	33	8,306.00
5	2	Kameshwar Prasad Singh	1736	Residential	33	10,541.00
6	2	Sunnay Kumar Bairoliya	-	Residential	33	18,264.00
7	2	Sunnay Kumar Bairoliya	-	Residential	22	5,746.00
8	2	Vinay Kumar Purve	-	Residential	14	5,189.00
9	2	Lalit Kumar Purve	-	Residential	21	3,547.00
10	2	Sandeep Kumar Chaudhary	741	Residential	22	3,781.00
11	2	Pramod Kumar Raut	1975	Residential	33	2,809.00
12	2	Ram BrikshMahto	1538	Residential	33	5,053.00
13	2	Gobind Prasad Kodiya	2160	Residential	21	18,190.00
14	2	PremPrakeshKodiya	-	Residential	21	4,385.00
15	2	Chandeswar Gupta	-	Residential	21	4,604.00
16	2	Kiran Devi	3600	Residential	21	17,820.00
17	6	Anita Jaishwal	-	Residential	33	4,688.00
18	6	Dr. Heera Yadav	1725	Residential	21	5,089.00
19	6	DhanshyamMahto	-	Residential	33	5,150.00
20	6	Baidhnathsah	7280	Residential	22	5,360.00
	6	Ram NareswarJha	3782	Residential	21/22	5,360.00

Details of statutory deduction:-

i. TDS:

Sl No.	Date of deduction	Date of Deposit	Amount	Return date
1.	Sep (2018)	Not Deposit	108597.00	Not Filled
2.	Dec (2018)	Not Deposit	15502.00	Not Filled

ii. Royalty:

Sl No.	Date of deduction	Date of Deposit	Amount
1.	June (2018)	Not deposit	32169.00

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2	June (2018)	Not deposit	115963.00
3.	Dec (2018)	Not deposit	146700.00

iii. Labour Cess

SI No.	Date of deduction	Date of Deposit	Amount
1.	June (2018)	Not Deposit	16070.00
2.	June (2018)	Not Deposit	64981.00
3.	Dec (2018)	Not Deposit	82889.00

Bank Reconciliation Statement

Name of Bank	Account Type	Account No.	Passbook Balance	Cash Book Balance	Difference	Status
SBI	Various	98056	34,88,476.24	31,98,327.24	2,90,149.00	Unreconciled
SBI	Various	51828	26,360.48	26,360.48	-	Reconciled
SBI	PF	98125	12,75,386.07	12,09,162.07	66,224.00	Unreconciled
SBI	4 th Finance	71365	57.22	57.22	-	Reconciled
SBI	Various	49980	0.00	0.00	-	Reconciled
SBI	Kabir	22519	26,41,197.50	25,52,992.50	88,205.50	Unreconciled
PNB	13 th Finance	47766	5,62,337.82	5,62,337.82	-	Reconciled
CBI	Various	40645	0.00	0.00	-	Reconciled
BOI	HFA	13897	17,68,595.85	17,68,595.87	-	Reconciled
BOI	Various	13898	59,793.50	59,793.50	-	Reconciled
BOI	Various	13732	10,417.30	10,417.30	-	Reconciled
ICICI	SBM	00493	17,17,598.00	17,17,598.00	-	Reconciled
BOI	Committee Fund	013731	34,76,188.38	31,45,782.00	3,30,406.38	Unreconciled
IDBI	Din Dayal	36922	57,914.00	57,914.00	-	Reconciled
PL	Various	PL299	3,48,73,450.00	3,48,73,450.00	-	Reconciled

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Details of UC's of Financial Year 2018 - 2019

SN	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2018-19	14 th FC	10/07/2018	35.68	35.68	NIL	UC Submitted
2	2018-19	Nali Gali	10/07/2018	35.68	35.68	NIL	
3	2018-19	5 th SFC	03/07/2018	34.89	34.89	NIL	
4	2018-19	5 th SFC	03/07/2018	34.89	34.89	NIL	 Un-Utilised
5	2018-19	Civic Amenities	31/10/2018	26.21	NIL	26.21	Amount Rs. 26.21 transferred to PL A/C Un-Utilised
6	2018-19	14 th FC	31/10/2018	43.24	NIL	43.24	Amount Rs. 43.24 transferred to PL A/C
7	2018-19	Nali Gali	30/05/2018	60.28	60.28	NIL	UC Submitted Un-Utilised
8	2018-19	E. O Salary	22/05/2018	7.00	NIL	7.00	Amount Rs. 7.00 transferred to PL A/C
Grand Total				277.87	201.42	76.45	



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