

Financial
Year
2017-18



Internal Audit Report for F.Y 2017-2018 of Araria Municipal Council

INTERNAL AUDIT CONDUCTED BY

M/s Tibrewal Chand & Co., Chartered Accountants

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

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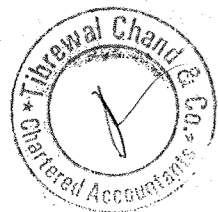
Date of Submission :- 14-09-2019

INTERNAL AUDIT REPORT



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Internal Audit Report- Municipal Council Arraria

Urban Development and Housing Department in order to implement the best practices of internal audit of 140 ULBs through NIT No. IA 140ULBs/2017-18. This Internal audit report has been issued as a part of our appointment for internal audit.

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

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

We have conducted the Internal Audit with the objective:-

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

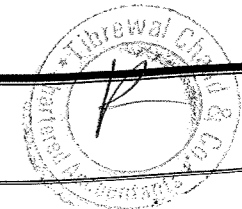
We started with an overview of activities through a study on various documents generated by the ULB. Then we identified evaluated and tested adequacy, effectiveness and efficiency of internal controls including standard policies and procedure laid down by the management for each of the areas included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

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

Our observations resulting from the audit test performed on a sample of transactions along with 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.
- ❖ Others related records and registers.

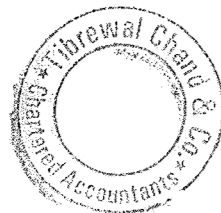
For Tibrewal Chand & Company
Chartered Accountants

R. Jain

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

UDIN - 20518422AAAAJL9205

Dated :- 24-08-2020



Tibrewal Chand & Co

Executive Summary

1. Introduction:

Name of the Municipality	Araria Municipal Council
Period covered under current audit	01-04-2017 to 31-03-2018
Name of Chief Municipal Officer for the period under audit	Dinanath singh

2. Results and Findings:

➤ Strengths observed during the audit engagement:

In the existing system as prevailing in the Municipal Council, day to day work is in progressive manner in respect of collection of revenue and execution of the project.

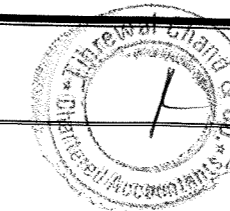
➤ Weaknesses observed in the functioning of office, maintenance of records etc. during the audit engagement: -

1. Non preparation of financial statements resulting in weakness in control over accounts.
2. 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-Performing the variance analysis between budget and actual expenditure for a particular period resulting in short comings in budgetary control.
5. Delay in deposit of collected revenue has been observed.
6. No deduction and late deposit of tax deducted at source (TDS), resulting in violation of tax provisions and attraction of interest and penalty.
7. Non-Maintenance of assets register in complete manner resulting in chances of mis-utilization of assets.
8. Some of the rent agreements were expired.

3. Opinion:-

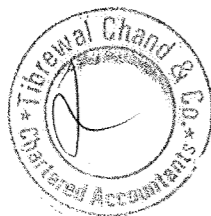
The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the municipal personnel and other matter incidental thereto for overall improvement of the ULB.

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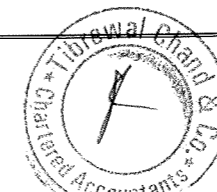
4. Audit Recommendations:-

- i. Books of accounts should be prepared under double entry system and accrual basis should be followed.
- ii. 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.
- iii. Stringent follow up is necessary for recovering arrear dues relating to property tax and other sources of income.
- iv. 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.
- v. 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.
- vi. Stock/store register has to be updated in all respect. Purchase, issue and balance of each items has to be maintained separately.
- vii. Timely deposit of Taxes is must for The ULB.

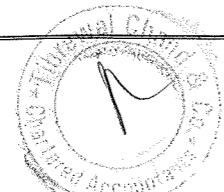


5. Comments from Management:-

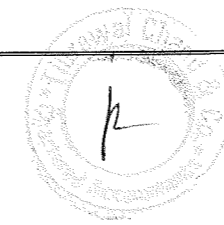
S/N	Observations	Management Comments	Auditor Recommendation
1	During the audit we observed that tax collector has collected holding tax but same has not been entered in daily collection register, Due to this reason Revenue loss of Rs 15,305 to concerned ULB. Details are given in Annexure "A" of our discussion note.	Necessary action taken in this regard.	Follow the direction given by UD & HD. Should be deposited at same date.
2	We communicate with management to done physical verification of some property to verify correct collection of holding tax but management unable to provide assistance for the conduct of Physical verification of property.	Due to prior engagement in other work we could not provide assistance regarding field survey of Property tax. We will provide all assistance in next quarter audit.	Follow the direction given by UD & HD.
3	Delay in deposit of cash to Bank by tax collector:-As per the records made available during the audit, delays were observed between date of collection made by the tax collector and the deposit of the same to the Bank. Which are shown in Annexure "B" of our discussion note.	Necessary action taken in this regard.	Follow the direction given by UD & HD.
4	Holding tax including penalty of Rs 75,54,081 is due as on 31.03.2018. Details of such are given in Annexure "C" of our discussion note.	Necessary action taken in this regard.	Follow the direction given by UD & HD.
5	In DCR, most of the cases nor there is any signature of the cashier or other competent authority collecting the cash from tax collector.	All tax collector, cashier and tax daroga is instruct to make necessary attempt in this regard.	DCR should be maintained Year wise for each party and concerned authority should be verified.



6	Report on Findings of the field survey of property tax of minimum 20 high value properties is given in Annexure "D" of our discussion note.	Property tax self-assessment has been done as per municipal law.	Field survey should be done at appropriate interval.
7	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 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. 26,04,000/- was realized from the Tower Company till 31.03.2018, resulting in loss of Rs. 15,96,000. Details of such are given in Annexure "E" of our discussion note.	Taking necessary action to realize the mobile tower tax. Notice will be given to the defaulter tower owner.	Take appropriate action in this regard.
8	As per notification of Bihar Government, The Governor of Bihar made the rules for the mobile tower under the Act. An additional amount of registration and renewal fee @60% shall be levied for every additional antenna with share the same tower. As per documents provided to us there is no additional antenna shown in any tower.	Taking necessary action to realize the mobile tower tax. Notice will be given to the defaulter tower owner.	Take appropriate action in this regard.
9	Survey report related to tower has not been produced during the audit.	Necessary action taken in this regard.	Take appropriate action in this regard.
10	We communicate with management to done physical	Due to prior engagement in other work we could not provide	Follow the direction given by UD & HD.

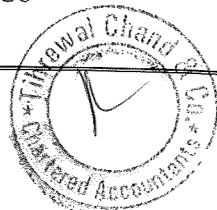


	verification of some Mobile tower to verify correct collection of mobile tower tax but management unable to provide assistance for the conduct of Physical verification of such mobile tower.	assistance regarding field survey of Property tax. We will provide all assistance in next quarter audit.	
11	During the verification of sairat register, we observed that during the financial year 2017-18, stamp duty in regard of one sairat has not been collected. Due to this reason Revenue loss of Rs 9,800 to concerned ULB. Details of such are given in Annexure "F" of our discussion note.	Step are taken to deposit stamp duty for the sairat occupier.	Stamp duty should be deposited with concerned authority.
12	During the verification of sairat register, we observed that during the financial year 2017-18, stamp duty in regard of one sairathas been late collected. Due to this reason sairat rule is violated. Details of such are given in Annexure "G" of our discussion note.	Step are taken to deposit stamp duty for the sairat occupier.	Stamp duty should be deposited with concerned authority.
13	Rent Agreement of any shop has not been produced with us.	Necessary action taken in this regard.	Agreement should be renewed at appropriate intervals.
14	Rent amount of Rs. 4,82,240 was due as on 31.03.2018. Details of such are given in Annexure "H" of our discussion note.	Necessary action taken in this regard.	Take necessary action in this regard.
15	Demand Register for collection of Trade License for the financial year 2017-18 is not yet prepared.	Demand collection register is being prepared.	Demand register for trade license should be maintained for every year.
16	As per section 342 of Bihar Municipal Act, 2007, trade license fee is to be collected from different type of trader, who are trading in concerned Municipal area not collected in 2017-18. Demand not raised in regarding trade license.	Necessary action taken in this regard.	Take necessary action in this regard.



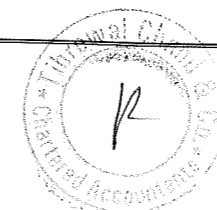
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17	Details regarding number of trader doing business in its area are not maintained in regard of private traders.	Necessary action taken in this regard.	Take necessary action in this regard.
18	While verifying the applicable procurement process, we have noticed few irregularities. Details of such are given in Annexure "I" of our discussion note	Necessary action taken in this regard.	Procurement should be done as per financial rule and should follow procurement procedure.
19	We found a few discrepancies while vouching the expenditure. Details of such are given in Annexure "J" of our discussion note	management comment has been given in detail In annexure	Management should take appropriate action in this regard.
20	Vouchers are not filed serially and kept in loose form. Those need to be filed properly and date wise sequentially.	Future reference.	Voucher should be maintained in index file in serially.
21	It is Found that few bank balances not reconciled. Details of such are given in Annexure "K" of our discussion note	We have Trace in F.Y. 2018-19	Management should take appropriate action in this regard.
22	Fixed assets register has not been maintained properly at Nagar Parisad level.	Only details regarding immovable property and vehicle has been maintained.	Fixed assets register should be maintained in separate register for each assets with identification number.
23	We observed that ULB is not in practice to deduct TDS on Service provider and salary payment to employee.	Necessary action taken in this regard.	Management should take appropriate action in this regard.
24	We observed that ULB is not in practice to deposit the deducted TDS on stipulated time. Details not given in this regard.	Necessary action taken in this regard.	Management should take appropriate action in this regard.
25	Copy of Returns of VAT, TDS has not been shown to us.	Necessary action taken in this regard.	Return should be timely filed for avoiding interest and penalty.
26	The municipality is not in practice to prepare BRS on monthly basis or even on quarterly basis.	Future reference.	BRS should be maintained monthly wise.

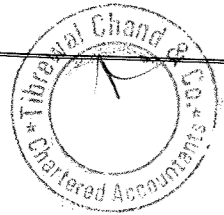


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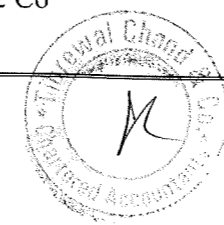
27	Monthly and quarterly budget was not maintained. Therefore, comparison of budgeted and actual figure of income and expenditure was not performed.	Annual budget are prepared	Budget should be maintained quarterly.
28	Utilization of grant and report on missing Utilization Certificates are given in audit report. (also given in Annexure "L")	All twenty UC details given to auditor.	UC should be submitted at reasonable interval.
29	Soft copy of Advice regarding payment of housing for all and disbursement under project of SBM is not Produce with us, so it is difficult to trace double payment for same.	Future reference.	Management should take appropriate action in this regard.
30	There is opportunity cost observed in regard of payment of electricity bill not availed by Nagar Parisad.	Future reference.	Management should take appropriate action in this regard.
31	Chapter XVII of the Bihar Municipal Act requires license for advertisement of any hording. But no advertisement tax has been collected during 2017-18.	Future reference.	Management should take appropriate action in this regard.
32	In case of Departmental work monetary limit is Rs. 7,00,000 but work allotted to Prasant kumar J.E Nagar Parishad is Rs. 7,32,000.	Future reference.	Management should take appropriate action in this regard.
33	As per NULM minimum 30% beneficiary should be female member but no instances is found in case of 1 st batch conducted by LCC Infotech Pvt. Ltd.	Future reference.	Management should take appropriate action in this regard.
34	Log book before 11/07/2018 not produced during the course of audit	Future reference.	Management should take appropriate action in this regard.
35	Non-Implementation of double entry accounting system.	Implementation of DEAS is ongoing and ULB staff is directed to cooperate with auditors and to provide all necessary documents for audit.	As per requirement of BMAR-2014, Part-A, Chapter-2 Rule - 4, "All ULB refereed in schedule-1 shall maintain its books of account using the



			double entry system". Since Araria 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 Araria Nagar Parishad, 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 2017-18.	ULB staff is directed to comply with BMA-2007	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of municipal accounts committee each year. During our audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.
37	During the course of Audit, we observed that Nagar Parishad has conducted Internal audit/CAG audit for the year 2016-17 but compliance report not prepared by ULB. <i>(Details given in report)</i>	Necessary action will be taken.	It should be prepared as soon as possible.
38	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 are mentioned under Part-B (a). ULB should ensure proper maintenance of required books of account and register as per the list given in rule-3 of BMAR-2014.



39	Lack of internal control measures: (i) Voucher file was not maintained (ii) No internal mechanism for statutory compliance (iii) No MIS was prepared for tracking of payments (iv) Required books of Accounts as per BMAM was not maintained (v) Statutory compliance reconciliation was not maintained (vi) Bank reconciliation of any bank account was not prepared.	Nagar Parishad ensure that this will be taken care from now onwards.	We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory compliances: We suggest that (i) MIS system should be implemented over daily collection and deposit. (ii) Reason for non-deposit/late deposit should be strongly addressed to 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.
40	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.
41	Non preparation of stores register	Nagar Parishad ensure that this will be taken care from now onwards.	Due to non - maintenance of FAR, it will become difficult to identify quantity of each class



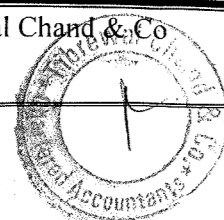
			of stock. So, the ULB should maintain a store ledger including price of inward goods.
42	Non adjustment of advances	Necessary action for recovery of such will be taken.	Advance must be adjusted within reasonable time period.
43	Non collection of notice fees	ULB staff is directed to comply with Bihar 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 fees, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore, but in case of Araria Nagar parishad, Panchayat 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.

Signed Discussion Note is enclosed with the report.

6. Acknowledgement:-

Considering the physical environment, accessibility, literacy of the human resources, communication facilities and so many other hindrances, we are in opinion that, the working of the unit has a deep impact on the electronic and & social aspects and values of the inhabitants of the demarcated area and the unit specifically dedicated for the development of Municipal Council in the state of Bihar according to plan and for matters ancillary thereto.

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



Detailed Audit Report

1. **Introduction:** - The Internal audit of Araria Municipal Council covering the period from 01st April 2017 to 31st March 2018.

Name of ULB	Period Covered	Audit Team
Araria Nagar Parishad	1 st April 2017- 31 st March 2018	(1) TL: CA Neerav Bhanushali (2) MAE: CA Amit Ranjan (3) Auditor: Manoj Sharma

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:

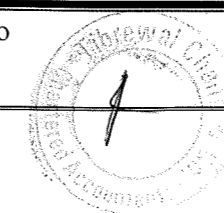
- Smt Janki Devi, Chairman from 09-06-2017 to till the date of Audit.
- Dinanath Singh Executive officer from 24-02-2019 to till the date of Audit.

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 (2016 to 2018)	22	22	1	0	0	22	Compliance Report not prepared.
2	Internal Audit (2016-2017)	35	35	0	0	0	35	Compliance Report not prepared.

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



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4. FINANCE:

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

Year	2017-18	2016-17	2015-16
Final/Revised Budget	78,06,58,500	2,00,56,71,000	39,19,27,972
Actual Expenditure	28,37,95,470	34,03,81,737	71,90,98,993
Savings(+)/Excess(-)	49,68,63,030	1,66,52,89,262	(32,71,71,021)

(All figure taken from books of account)

ii. Volume of Transactions :-

(All figure taken from books of account)

Period	Budgeted	Previous year (16-17)	Current period	Cumulative for the current period
Opening Balance	2,49,42,79,710	2,41,36,86,979	2,49,42,79,710	2,49,42,79,710
Receipts	58,72,33,000	42,09,74,468	45,67,32,450	45,67,32,450
Total	3,08,15,12,710	2,83,46,61,447	2,95,10,12,160	2,95,10,12,160
Net expenditure	78,06,58,500	34,03,81,737	28,37,95,470	28,37,95,470
Closing Balance	2,30,08,54,210	2,49,42,79,710	2,66,72,16,690	2,66,72,16,690

iii. Bank Reconciliation :-

Un-reconciled balance between bank book and bank statement as on 31-03-2018 has been shown below:

Sl No.	Name of Bank	Project/scheme	Account no.	Cash balance as per Cashbook	Bank Balance as per Passbook	Difference	Status
1	BOB	Kabir	01002	1,81,734.50	1,81,734.50		Reconciled
2	HDFC	MAP	60199	14,82,932.00	14,48,832.00	34100 (Cash book entry as on 01-04-2018 payment)	Reconciled
3	SBI	13th Finance	75888	24,15,785.90	24,15,785.90		Reconciled
4	OBC	MM Pay jal	01971	4,48,78,169.00	4,48,78,169.00		Reconciled
5	Union Bank	LHSDP	08268	2,99,825.22	2,99,825.22		Reconciled

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6	BOB	B.R.G.F	00794	10,38,596.00	10,47,650.00	-9054 (Intrest Received by bank 9054 but not entry cash book)	Reconciled
7	Canara Bank	SamajikSra chhaPanson	06356	11,68,956.00	11,68,956.00		Reconciled
8	Union Bank	E-Governance	08269	2,527.85	2,527.85		Reconciled
9	HDFC	14th Finance	47961	89,299.00	89,299.00		Reconciled
10	BOB	I.D.S.M.T	00796	14,397.50	14,397.50		Reconciled
11	SBI	State Finance	43564	10,908.11	10,908.11		Reconciled
12	Union Bank	U.N.L.M. SJSRY	09639	95,535.00	95,535.00		Reconciled
13	OBC	AntimeSans adhan	00011	6,07,617.40	6,07,617.40		Reconciled
14	Treasury		PLA	26,65,54,454.8 4	26,65,54,454.8 4		Reconciled

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

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

(Note: Refer point no. 21 & 26 of discussion note)

iv. Revenue & Capital Receipts :-

Sl.No	Details	Income Details	
		2017-18	2016-17
	Total Receipts (A+B)	45,67,32,450	42,09,74,468
A	Revenue Receipts (1+2+3)	14,72,46,890	27,61,41,468
1	Own Revenue Receipts (a+b)	14,72,46,890	9,59,20,000
a)	Tax Revenue (Levied & Collected By municipal Body)	9,60,47,580	8,80,49,000
i)	Property Tax	9,20,80,550	8,57,46,245
ii)	Other Tax (Levied & Collected By municipal Body)	39,67,030	23,02,755
b)	Non Tax Revenue (Levied & Collected By municipal Body)	5,11,99,310	32,70,000
i)	Fess & Fines	42,850	-
ii)	User Charges	14,250	26,15,000

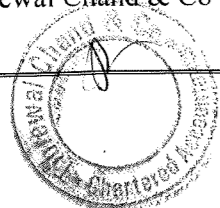
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iii)	Other Non Tax Revenue (Levied & Collected By municipal Body)	5,11,42,210	6,55,000
2	Other Revenue Receipts	-	46,01,000
a)	Income from interest/Investments	-	46,00,000
b)	Other Revenue Income	-	1,000
3	Transfers/grants/Assigned Revenues	-	18,02,21,468
a)	State Assigned Revenues	-	-
b)	State Finance Commission (SFC) Grants/Devolution	-	18,02,21,468
c)	Octroi Compensation	-	-
d)	Other State Government transfers	-	-
e)	Central Finance Commission (CFC) Grants	-	-
f)	Other Central Government transfers	-	-
g)	Others	-	-
B	Capital Receipts	30,94,85,560	14,48,33,000
1	Sale of Municipal Land	-	-
2	Loan (From state Govt or Banks etc.)	-	-
3	State Capital Account Grant (Under state Scheme etc.)	30,94,85,560	12,72,46,000
4	Central Capital Account Grant (Under central Scheme etc.)	-	1,75,87,000
5	Other Capital Receipts	-	-

(All figure taken from books of account)

v. Revenue & Capital Expenditure Information :-

Expenditure Details			
Sl.No	Details	2017-18	
		2017-18	2016-17
	Total Expenditure (1+2)	28,37,95,470	34,03,81,737
1	Revenue Expenditure	16,38,77,050	16,42,91,260
1.1	Administrative Expenses, Establishment & Salaries (All Departments regular & contractual staff)	9,94,65,840	8,76,54,872
1.2	Operation & Maintenance (O & M)	2,45,86,220	3,51,48,792
1.3	Loan Repayment (Interest Payments)	-	-
1.4	Others (any other revenue Expenditure which is not salaries, O&M & or interest payment)	3,98,24,990	4,14,87,596



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2	Capital Expenditure	11,99,18,420	17,60,90,477
2.1	All developmental works under central/state specific schemes	11,99,18,420	17,60,90,477
2.2	Loan Repayments	-	-
2.3	other capital expenditure	-	-

(All figure taken from books of account)

vi. Status of implementation of double entry Accounting system:

DEAS has been implemented by M/s BORKAR & MAZUMDAR at Araria Nagar Parishad till F.Y 2017-18.

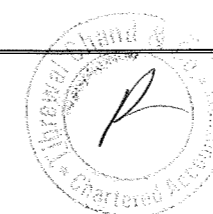
Particular	Completed
PTR	2017-18
AFS	2017-18
FAR	2017-18

(Note: Please 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 2017-18.

(Note: Please refer point no.36 of discussion note)



5. Audit Observations: -

I. Part-A

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

Holding and property tax not deposit.

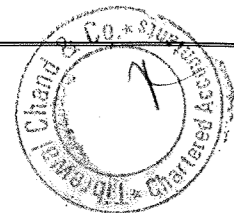
Audit Objective: Assessment of property tax as per Bihar Municipal Act and all collection deposited with treasury.

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: After reconciliation of cashier cash book with treasury challan, we observed that collections under different head are not deposited in treasury Account. Details of such are given here:-

Date of collection by tax collector	Date of remittance by tax collector to cashier	Date of deposit by cashier in bank	Amount
21-04-2017	16-05-2017	04-08-2017	9,413
27-04-2017	26-05-2017	07-10-2017	11,764
08-04-2017	09-05-2017	04-08-2017	5,007
12-04-2017	10-06-2017	21-06-2017	19,076
03-05-2017	03-06-2017	21-06-2017	13,864
01-06-2017	17-07-2017	05-12-2017	42,345
17-07-2017	28-11-2017	20-02-2018	12,015
02-08-2017	16-10-2017	28-03-2018	3,268
22-08-2017	20-09-2017	27-12-2017	12,274
10-08-2017	05-10-2018	13-10-2017	14,164
24-09-2017	30-10-2017	28-03-2018	9,847
30-11-2017	17-01-2017	26-03-2018	21,665
10-01-2018	30-01-2018	31-03-2018	12,075
19-02-2018	08-03-2018	26-03-2018	10,227
15-02-2018	23-03-2018	14-05-2018	18,995

Date of collection	Receipt no.	Holding no.	Ward no.	Amount	Remarks
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12.06.2017	5978	258A	7	1,797	Not Deposited
31.03.2018	9223	-	17	12,889	Not Deposited
-	6643	21A	10	6,19	Not Deposited
Total				15,305	

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 & 3 of discussion note)

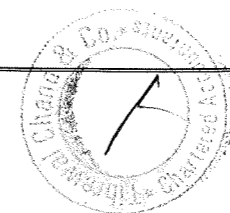
Tower tax

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

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

Condition: As per notification of Bihar Government, the Governor of Bihar made the rules for the mobile tower under the Act. The mobile operator has to install tower only after obtaining necessary approvals and paying a Requisite fees of Rs. 40,000/- per Tower and the Renewal fee is Rs. 10,000/- per year, while checking the files and other relevant records company wise outstanding was not maintained properly and o/s detail of Rs. 15.96 Lakhs was found. In absence of proper demand and collection register it was difficult to find the exact demand.

S/N	Name of Tower	No. of Tower	Registration fees	Renewal fees	Total dues	Collection	Due on 31.03.2018
1	Airtel	9	3,60,000	9,40,000	13,00,000	4,64,000	8,36,000
2	Reliance jio	13	5,20,000	6,10,000	11,30,000	11,30,000	-
3	Vodafone	11	4,40,000	11,20,000	15,60,000	8,80,000	6,80,000



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4	Tower Vision	1	40,000	80,000	1,20,000	40,000	80,000
5	Assend Telecom	1	40,000	50,000	90,000	90,000	
Total			14,00,000	28,00,000	42,00,000	26,04,000	15,96,000

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.

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

(Note: Refer point no. 07 of discussion note)

Stamp duty loss of Rs 9,800 to government

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

Criteria: As per stamp duty Act

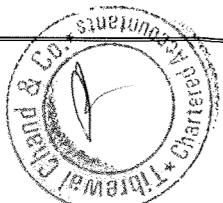
Condition: During the verification of Sairat register, we observed that some agreement between the party and the ULB for the concerned Sairat was not available at the ULB. Due to this reason stamp duty loss of Rs 9,800 and late collection of Rs. 9,100 to concerned ULB. Details of such are given here:-

Sl.No	Ward No.	Name of Sairat	Name of Sairat holder	Amount	Stamp duty
1	23	Basant purhatt	Pradeep kumar bhagat	9,800	Stamp duty not collected
2	28	Sulabh Souchalay	Jaleswar Devi	9,100	Late collected

Consequence / Effect / Impact: Due to non-collection of Stamp duty there is a revenue loss to government.

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 Stamp duty which results in Revenue loss to government.

Corrective Action / Recommendation: Proper attention required.



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(Note: Refer point no. 11 & 12 of discussion note)

Holding and Property Tax Dues

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

Criteria: Holding Tax shall be assessed on the basis of percentage of Annual rental value allowed under section 127 of the Bihar Municipal Act, 2007.

Condition: During audit of Holding/Property tax detect that Nagar Parishad is not being proper procedure for collection of outstanding holding/property tax. Details are given below:-

SI No.	Property holder name	Demand of holding tax	Penalty	Collection during the year	Dues as on 31.03.2018
1	Government Bhawan	78,70,856	3,30,405	6,47,180	75,54,081

Consequence/Effect/Impact: Due to non-collection of holding/property 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.

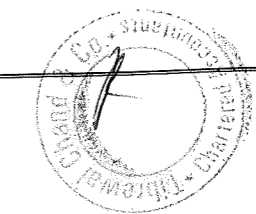
(Note: Refer point no. 04 of discussion note)

Outstanding Shop Rent

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

Criteria: As per stamp duty Act

Condition: During verification of rent register detect that Municipal Council does not have proper mechanism for collection of shop rent. Details of such are given here:-



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Sl.No	Particular of Shop	No. of Shop	Due on 31.03.2018
1	Chandani chowk market	13	85,800
2	Meera talkies market	20	3,96,440
Total			4,82,240

Consequence / Effect / Impact: Due to non-collection of outstanding rent there is a revenue loss to government.

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 loss to government.

Corrective Action / Recommendation: Proper attention required

(Note: Refer point no. 1 & 3 of discussion note)

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

In case of Departmental work monetary limit is Rs. 7,00,000 but work allotted to Prasant kumar J.E Nagar Parishad is Rs. 7,32,000.

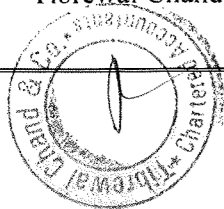
As per NULM minimum 30% beneficiary should be female member but no instances is found in case of 1st batch conducted by LCC Infotech Pvt. Ltd.

Log book before 11/07/2018 not produced during the course of audit.

Report on Findings of the field survey of property tax of minimum 20 high value properties:- Our team on the basis of information available asked the SAF, demand collection detail of below mentioned properties:

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

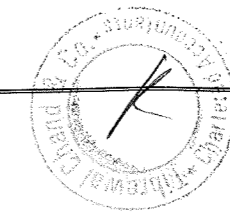
SI No.	Holding No.	Ward No.	Holder Name	Type of Property	Property Tax
1	01	25	Niranjan das gupta	Commercial	45,775
2	302	16	Nashirmu rehman	Commercial	34,316
3	440	20	Md. Abu nasar	Commercial	32,063



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4	105	17	Sagarmal chandaliya	Residential	27,130
5	49	25	Jay das gupta	Residential	25,574
6	654	09	Hotel diya	Residential	23,616
7	213	09	Sumitra devi	Residential	23,395
8	92	20	Md. Tarikalam	Residential	22,976
9	494	17	Anand ghosh	Residential	19,554
10	44	22	Jay prakash	Residential	18,818
11	218	16	Ashok kumar	Residential	18,284
12	-	27	Harunrashid	Residential	18,010
13	387	20	Naiyarhabib	Residential	17,150
14	01	27	Dr. salikaazam	Residential	14,702
15	20	16	Prakashsharma	Residential	13,763
16	New	09	Vijay mishra	Residential	12,689
17	262	16	Govindkr.khuraniya	Residential	12,455
18	216	22	Rajendrabhagat	Residential	11,189
19	257	16	Jagarnathprakashjais wal	Residential	11,006
20	202	21	Ranjeet kr. chauriya	Residential	10,851

(Note: Refer point no. 2 & 6 of discussion note)



ii. Part B

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

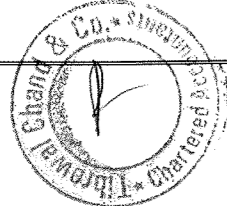
a. **Non-maintenance of books of accounts, subsidiary registers:** During the audit we observed that following registers which are given below has not been maintained by the ULBs.

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

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

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

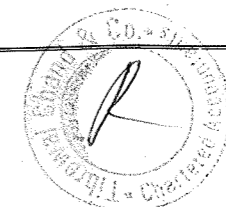
(Note: Refer point no. 38 of discussion note)

**b. Irregularities In procurement Process:-**

While verifying the applicable procurement process, we have noticed few irregularities. Details of such are given below:-

Scheme No	14/2016-17	Remarks
Scheme Name	Construction of Mandir bhawannirwan	
Group no.	04	
Estimated Amount	10259143	
No of Bid Received	01	
Name of Bidders	M/S vidhata construction No other bidder	
Selected Bidder	M/S vidhata construction	
Work order date	30-08-2017	
Work completion date	Not found	
Time allotted to complete the work	Not found	
Observation	(i) We observed that comparative chart of bidders are not prepared by management. (ii) Only one bidder file. (iii) In case of single bidder tender should be cancelled. (iv) No Instances found.	

Scheme No	11/2016-17	Remarks
Scheme Name	Construction of RCC nala from R.S. railway gunti se lakhisah ke ghar tak	
Group no.	25	
Estimated Amount	18793709	
No of Bid Received	02	
Name of Bidders	Sanjay kumar gupta Alok kumar chaturbedi	
Selected Bidder	Alok kumar chaturbedi	
Work order date	06-04-2017	
Work completion date	27-01-2018	
Time allotted to complete the work	6 Month	
Observation	(i) We observed that, comparative chart of bidders are not prepared by management. (ii) Same amount quoted by 2 bidders 10% below but allotted to alok kumar chaturbedi on 0.55% below estimated amount.	

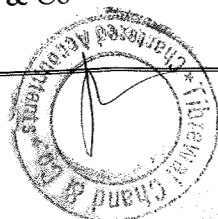


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	(iii) No noting sheet prepared by management in this procurement process. (iv) No late charge deducted as per clause 2 of condition for contract.	
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Scheme No	07/2016-17	Remarks
Scheme Name	Nagar Parisad Araria ke bhawan ka jirnodwar	
Group no.	18	
Estimated Amount	1293500	
No of Bid Received	02	
Name of Bidders	Raj kumar Virendra kumar	
Selected Bidder	Raj kumar	
Work order date	09-02-2017	
Work completion date	30-06-2018	
Time allotted to complete the work	3 Month	
Observation	(i) We observed that, comparative chart of financial bid are not prepared by management. (ii) Same amount quoted by 2 bidders 10% below but allotted to raj kumar on the basis of lottery system. (iii) NO notice regarding lottery system found to be issued to bidder (iv) No signature on noting sheet found of any competent authority (v) No late charge deducted as per clause 2 of condition for contract.	

Scheme No	07/2016-17	Remarks
Scheme Name	Construction of PCC sadak (IHSDP)	
Group no.	21	
Estimated Amount	2498900	
No of Bid Received	04	
Name of Bidders	B.B Sahida khatun , Md. Shamsad , Mahfooz Ansari, Md. Shakib akhtar	
Selected Bidder	Mahfooz Ansari	
Work order date	14-02-2017	
Work completion date		
Time allotted to complete the work	3 Month	

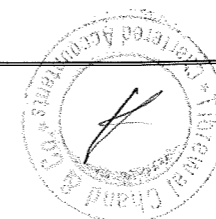


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Observation	(i) We observed that, comparative chart of financial bid are prepared by management but supporting tender bid document was not found. (ii) Same amount quoted by 2 bidders 10% below but allotted to Mahfooz Ansari on the basis of lottery system. (iii) NO notice regarding lottery system found to be issued to bidder. (iv) No signature on noting sheet found of any competent authority (v) No late charge deducted as per clause 2 of condition for contract. (vi) No measurement book found to trace the completion of work	
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Scheme No	07/2016-17	Remarks
Scheme Name	Construction of Marriage hall	
Group no.	20	
Estimated Amount	1312100	
No of Bid Received	02	
Name of Bidders	Rakesh kumar Anuradha devi	
Selected Bidder	Rakesh kumar	
Work order date	Not found	
Work completion date	Not found	
Time allotted to complete the work	03Month	
Observation	(i) Two bidder names found out of which one rejected on technical bid. (ii) The rate quoted by rejected bidder is less than 0.5% on estimated value. (iii) The rate quoted by other bidder who passes on technical bid is on estimated value. (iv) Rakesh kumar was selected on rate quoted by rejected bidder which was not appropriate. (v) Work order notice in regard of rakesh kumar was not found. (vi) 25% amount was deducted on payment amount on non submission of quality certificate was released without obtaining quality certificate from contractor.	

Scheme No	12/2016-17	Remarks
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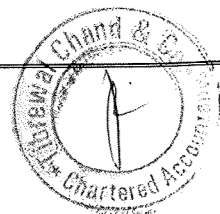


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Scheme Name	Construction of RCC nala	
Group no.	12	
Estimated Amount	1879585	
No of Bid Received	02	
Name of Bidders	Ranjeet kumar ranjan	
Selected Bidder	Ranjeet kumar ranjan	
Work order date	21-03-2017	
Work completion date	30-05-2017	
Time allotted to complete the work	03 Month	
Observation	(i) No noting sheet found on which file is processed. (ii) No tender document found. (iii) The Criteria on which Ranjeet kumar is selected has not been found. (iv) No bidding process initiated.	

Scheme No	11/2016-17	Remarks
Scheme Name	Construction of nail- gali yojana	
Group no.	14	
Estimated Amount	985838	
No of Bid Received	02	
Name of Bidders	Anjesh kumar Anura dhadevi	
Selected Bidder	Anjesh kumar	
Work order date	21-03-2017	
Work completion date	Not found	
Time allotted to complete the work	03Month	
Observation	(i) Signature on noting sheet not found on which file is processed. (ii) No tender document found. (iii) The selection Criteria on which Anjesh kumar is selected is lottery system. (iv) No notice regarding lottery is issued to bidder. (v) No E-Tendering document in regard of financial bid has been found.	

Scheme No	12/2016-17	Remarks
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Scheme Name	Construction of nail- galiyojana	
Group no.	05	
Estimated Amount	1062405	
No of Bid Received	03	
Name of Bidders	Subodh kumar, M/s mata di, Anuradha devi	
Selected Bidder	M/s mata di	
Work order date	17-03-2017	
Work completion date	Not found	
Time allotted to complete the work	03Month	
Observation	(i) NO noting sheet found on which file is processed. (ii) The selection Criteria on which M/S mata di is selected is lottery system. (iii) No notice regarding lottery is issued to bidder. (iv) No E-Tendering document in regard of financial bid has been found.	

1	Not mentioned	09-02-2018	2,03,450	M/s Maa gaytri furniture	(i) Quotations for such procurement are not appropriate. In quotation bill no., mob no. and GST no. found on other two quotations, whose quotation was not selected.
2	Not mentioned	28-02-2018	15,700	-	(i) Quotations for such procurement are not appropriate. In quotation bill no., mob no. and GST no. found on other two quotations, whose quotation was not selected.

Note: Refer point no. 18 & 19 of discussion note)

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



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

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

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

(Note: Refer Discussion Note 40 of discussion note)

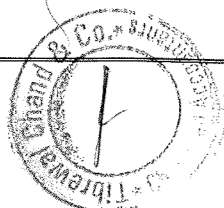
e. Lack of Internal Control Measures:

- (1) During the audit it was observed that there is serious lack of internal control over revenue collection. Revenue records are not maintained properly. Further, collection books after finishing should be kept in safe custody in ULB only.
- (2) There is no cash vault in the cash department for safety measure.
- (3) In case of Departmental work monetary limit is Rs 700000 but work allotted to Prasant kumar J.E Nagar Parishad is Rs. 7,32,000.
- (4) As per NULM minimum 30% beneficiary should be female member but no instances is found in case of 1st batch conducted by LCC Info tech Pvt. Ltd.

(Note: Refer Discussion Note 39 of discussion note)

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. However at the time of audit concerned person was not provided register/file of statutory deduction therefore we are unable to find out exact figure and exact situations of statutory compliances.



(Note: Refer Discussion Note 23, 24 & 25 of discussion note)

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

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

Insurance: Insurance deduction from all permanent staff salary but not deposited on timely basis.

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

h. Utilization of grant and report on missing Utilization Certificates:- Details of UCs of the financial year 2017-18 is given as annexure – “L”.

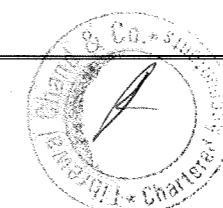
(Note: Refer Discussion Note 28 of discussion note)

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

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

j. Advances, their adjustment & recovery: - Advance register was not provided to us therefore we are unable to comment on this regards.

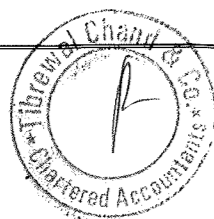
(Note: Refer point no.42 of discussion note)



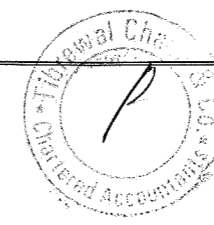
Part C

Scope of Audit

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).	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 in Part C.
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 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 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 120-121: Monthly Receipt & Payment Account and Trial Balance are not being prepared. Rule 130 is not being followed.
4	Whether all such compliance of financial guidelines of schemes of MOHUA and UD & HD, Gob have been complied.	Yes, Compliance of financial guidelines of schemes of MOHUA and UD & HD, Gob have been complied.
5	If any revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc. have incurred then quantify the same.	It has been discussed in discussion notes and audit report under part A.
6	Status of adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments on or above Rs. 10,000.	All payment above Rs. 10000 has been vouched and deficiency has been mentioned in our discussion notes and 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 discussed in discussion notes as well as mentioned 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.	We advised management to prepare pending UC of expenditure already incurred. We will provide all support in this regard. 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 discussion notes as well as in audit report under part A.



10	Whether all such payments have been made according to payment terms & conditions of tenders and rate offers are according to procurement law and policies.	It has been provided in discussion notes as well as in audit report under part A.
11	Whether the fixed deposit and other funds should be kept in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period.	No fixed deposit made during the F.Y. 2017-18. All funds held by ULB are maintained at Nationalized Banks and rate of interest is per banking norms.
12	Verify all major areas of ULBs and assessed revenue loss and if any losses 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 have been complied, if not assistance has been provided in this regard.	It has been discussed with management to prepare compliance report in regards of C&AG Audit paras but management says that it will take few week or month. We suggest management to communicate if any difficulty arises in regarding preparing compliance report we should guide and provide all assistance in this regard.

ANNEXURE

Annexure – L:- Details of UCs related to financial year 2017-18

SN	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2017-18	Sahayak anudan	23/05/2017	5.00	NIL	5.00	Un utilised Rs. 5.00 Lakh Transfer to PL A/C
2	2017-18	Ward Councillor Allowance	15/06/2017	7.02	NIL	7.02	Un utilised Rs. 7.02 Lakh Transfer to PL A/C
3	2017-18	14 finance	02/08/2017	160.78	NIL	160.78	Un utilised Rs. 160.78 Lakh Transfer to PL A/C
4	2017-18	Mukhmantri nal jal yojna	11/09/2017	109.57	109.57	NIL	UC Submitted
5	2017-18	5th Finance	14/09/2017	399.92	NIL	399.92	Un utilised Rs. 399.92Lakh Transfer to PL A/C
6	2017-18	State Finance	30/10/2017	76.72	NIL	76.72	Un utilised Rs. 76.72Lakh Transfer to PL A/C
7	2017-18	Mukhmantri nal jal yojna	30/10/2017	93.90	NIL	93.90	Un utilised Rs. 93.90Lakh Transfer to PL A/C
8	2017-18	हर घर नल का जल BRJP	08/03/2018	432.45	NIL	432.45	Un utilised Rs. 432.45Lakh Transfer to PL A/C
Grand Total				1285.36	109.57	1175.79	

DISCUSSION NOTE
PERIOD- 01-04-2017 TO 31-03-2018

SI.NO	OBSERVATION	MANAGEMENT COMMENT
1	Durring the audit we observed that tax collector has collected holding tax but same has not been entered in daily collection register, Due to this reason Revenue loss of Rs.15305 to concerned ULB. details are given in Annexure "A" of our discussion note.	Amount deposited to cashier details in Annexure (A)
2	We communicate with management to done physical verification of some property to verify correct collection of holding tax but management unable to provide assistance for the conduct of Physical verification of property.	Due to prior engagement of staff in SBM work time for verification of property could not be spared.
3	Delay in deposit of cash to Bank by tax collector:-As per the records made available during the audit, delays were observed between date of collection made by the tax collector and the deposit of the same to the Bank. Which are shown in Annexure "B" of our discussion note.	भजले विगत वर्ष के प्रकार किता जायेगा जिसके लिए नोटिस दिना जा रहा है
4	Holding tax including penalty of Rs 7554081 is due as on 31.03.2018. Details of such are given in Annexure "C" of our discussion note.	वसूली हेतु नोटिस दिना जायेगा
5	In DCR, most of the cases nor	

	there is any signature of the cashier or other competent authority collecting the cash from tax collector.	इस प्राह से जाँच कर किता जायेगा।
6	Report on Findings of the field survey of property tax of minimum 20 high value properties is given in Annexure "D" of our discussion note.	नगर पालिका निम्नभाषली के अनुसार वसूली की जा रही है।
7	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 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. 2604000/- was realized from the Tower Company till 31.03.2018, resulting in loss of Rs. 1596000. Details of such are given in Annexure "E" of our discussion note.	वसूली हेतु नोटिस दिना जा रहा है।
8	As per notification of Bihar Government, The Governor of Bihar made the rules for the mobile tower under the Act. An additional amount of registration and renewal fee @60% shall be	जाँची उपरान्त अतिरिक्त Antenna वाले जाने पर नोटिस कर वसूली की जायेगी



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	levied for every additional antenna with share the same tower. as per documents provided to us there is no additional antenna shown in any tower.	
9	Survey report related to tower has not been produced during the audit.	सैनिकी जाँची उपरान्त survey report तैयार किया जायेगा।
10	We communicate with management to done physical verification of some Mobile tower to verify correct collection of mobile tower tax but management unable to provide assistance for the conduct of Physical verification of such mobile tower.	Due to prior engagement of staff in SBM work time for verification of tower could not be spared.
11	During the verification of sairat register, we observed that during the financial year 2017-18, stamp duty in regard of one sairat has not been collected. Due to this reason Revenue loss of Rs 9800 to concerned ULB. Details of such are given in Annexure "F" of our discussion note.	सैनिकी अवलोकन उपरान्त नोटिस कर वसूल किया जायेगा।
12	During the verification of sairat register, we observed that during the financial year 2017-18, stamp duty in regard of one sairat has been late collected. Due to this reason sairat rule is violated. Details of such are given in Annexure "G" of our discussion note.	सैनिकी जाँच कर नोटिस कर वसूल किया जायेगा।
13	Rent Agreement of anyshop has	अलग से विभिन्न वर्ष में जाची उपरान्त उपलब्ध कराया जायेगा।



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	not been produced with us.	
14	Rent amount of Rs 482240 was due as on 31.03.2018. Details of such are given in Annexure "H" of our discussion note.	वसूली हेतु नोटिस किया जायेगा।
15	Demand Register for collection of Trade License for the financial year 2017-18 is not yet prepared.	prement हेतु नोटिस दिया जायेगा।
16	As per section 342 of Bihar Municipal Act,2007, trade licence fee is to be collected from different type of trader, who are trading in concerned Municipal area not collected in 2017-18. Demand not raised in regarding trade licence.	नोटिस किया गया है।
17	Details regarding number of trader doing business in its area is not maintained in regard of private traders.	सूची तैयार किया जायेगा।
18	While verifying the applicable procurement process, we have noticed few irregularities. Details of such are given in Annexure "I" of our discussion note	Annexure (1) में उल्लेख तैयार कर दिया गया है।
19	We found a few discrepancies while vouching the expenditure. Details of such are given in Annexure "J" of our discussion note	इस माह में जांच कर किया जायेगा।
20	Vouchers are not filed serially and kept in loose form. Those need to be filed properly and date wise sequentially.	अगले विभिन्न वर्ष में सही अभिलेख की व्यवस्था करा जायेगा।
21	It is Found that few bank balances not reconciled. Details of such are	मिलान कर आगे विभिन्न वर्ष में दिरवा दिया जायेगा।

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	given in Annexure "K" of our discussion note	B.R.S. में नोट कर लिया जायेगा
22	Fixed assets register has not been maintained properly at Nagar Parisad level.	Only details regarding immovable property and vehicle has been maintained.
23	We observed that ULB is not in practice to deduct TDS on Service provider and salary payment to employee.	इस तरह से एकत्रित कर लिया जायेगा /
24	We observed that ULB is not in practice to Deposit the deducted TDS on stipulated time. Details not given in this regard.	इस तरह से किया जायेगा
	Double entry system has been not yet implemented.	Double entry सिस्टम लागू नहीं है
25	Copy of Returns of VAT, TDS has not been shown to us.	T.P.S Return File दिखाया जाता है
26	The municipality is not in practice to prepare BRS on monthly basis or even on quarterly basis.	B.R.S. में नोट किया जायेगा
27	Monthly and quarterly budget was not maintained. Therefore, comparison of budgeted and actual figure of income and expenditure was not performed.	वार्षिक बजट में नोट किया जा रहा है
28	Utilization of grant and report on missing Utilization Certificates are given in Annexure "L" of our discussion note	उपलब्ध करा दिया जाता है
29	Soft copy of Advice regarding payment of housing for all and disbursement under project of SBM is not Produce with us, so it is difficult to trace double payment for same.	उपलब्ध करा दिया जायेगा



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30	There is opportunity cost observed in regard of payment of electricity bill not availed by nagarparisad. Details of such are given in	बैट में बिना की होने के कारण सुझाव नहीं दिया गया जाता है
31	Chapter XVII of the Bihar Municipal Act requires license for advertisement of any hording. But no advertisement tax has been collected during 2017-18.	कुछ लोग के द्वारा जमा किया जाता है
32	In case of Departmental work monetary limit is Rs 700000 but work allotted to Prasantkumar J.E nagarparishad is Rs 732000.	विभागीय कार्य का लिये ₹ 355274 - 2011/14 के आलीक में विभागीय कार्य ₹ 50 लाख तक करने का आदेश प्राप्त है
33	As per NULM minimum 30% beneficiary should be female member but no instances is found in case of 1 st batch conducted by LCC Infotech Pvt. Ltd.	As per hold project 30% beneficiary of female has been achieved.
34	Log book before 11/07/2018 not produced during the course of	जोब करवाया जायेगा

Annexure "A"

Date of collection	Receipt no.	Holding no.	Ward no.	Amount	Remarks
12.06.2017	5978	258A	7	1797	30/1/18 Deposited to Cashier
31-03-2018	9223	Vikramkumar singh	17	12889	22/2/19 Deposited to Cashier

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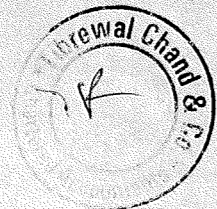
25/3/17	6643	21A	10	619	2/3/19 Deposited to Cashier.
TOTAL				15305	

Annexure "B"

Date of collection by tax collector	Date of remittance by tax collector to cashier	Date of deposit by cashier in bank	Amount
21-04-2017	16-05-2017	04-08-2017	9413
27-04-2017	26-05-2017	07-10-2017	11764
08-04-2017	09-05-2017	04-08-2017	5007
12-04-2017	10-06-2017	21-06-2017	19076
03-05-2017	03-06-2017	21-06-2017	13864
01-06-2017	17-07-2017	05-12-2017	42345
17-07-2017	28-11-2017	20-02-2018	12015
02-08-2017	16-10-2017	28-03-2018	3268
22-08-2017	20-09-2017	27-12-2017	12274
10-08-2017	05-10-2018	13-10-2017	14164
24-09-2017	30-10-2017	28-03-2018	9847
30-11-2017	17-01-2017	26-03-2018	21665
10-01-2018	30-01-2018	31-03-2018	12075
19-02-2018	08-03-2018	26-03-2018	10227
15-02-2018	23-03-2018	14-05-2018	18995

Annexure "C"

SI no	HOLDER NAME	TOTAL DEMAND OF Holding	PENALTY	WATER TAX	COLLECTION	DUE AS ON 31.03-2018
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20/07/2019
Rs. 0
03/07/19

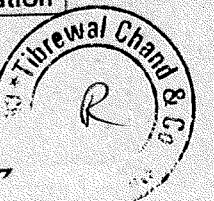
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		tax				
1	Government Bhawan	7870856.00	330405.00	0.00	647180.00	7554081.00

Annexure "D"

SI no.	HOLDING NO	WARD NO	HOLDER NAME	PROPERTY TAX	OBSERVATION
1	01	25	Niranjan das gupta	45775	No observation
2	302	16	Nashirmurehman	34316	No observation
3	440	20	Md. Abu nasar	32063	observation
4	105	17	Sagarmalchandaliya	27130	No observation
5	49	25	Jay das gupta	25574	No observation
6	654	09	Hotel diya	23616	No observation
7	213	09	Sumitradevi	23395	No observation
8	92	20	Md. Tarikalam	22976	No observation
9	494	17	Anandghosh	19554	No observation
10	44	22	Jay prakash	18818	No observation
11	218	16	Ashok kumar	18284	No observation
12	New	27	Harunrashid	18010	No observation
13	387	20	Naiyarhabib	17150	No observation
14	01	27	Dr. salikaazam	14702	No observation
15	20	16	Prakashsharma	13763	No observation
16	New	09	Vijay mishra	12689	No observation

20/07/2019
Rs. 504616
Rs. 225307
07/07/19

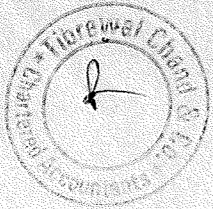


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17	262	16	Govindkr.khuraniya	12455	No observation
18	216	22	Rajendrabhagat	11189	No observation
19	257	16	Jagarnathprakashjaiswal	11006	No observation
20	202	21	Ranjeet kr. chauriya	10851	No observation

Annexure "E"

SI.NO	NAME OF TOWER	Year of establishment	WARD NO.	REGISTRATION FEE	RENEWAL FEE	TOTAL DUE	COLLECTION	TOTAL DUE
1	Airtel	2006-07	16	40000	120000	160000		
2	Airtel	2005-06	26	40000	130000	170000		
3	Airtel	2006-07	21	40000	120000	160000		
4	Airtel	2006-07	08	40000	120000	160000		
5	Airtel	2006-07	20	40000	120000	160000		
6	Airtel	2006-07	23	40000	120000	160000		
7	Airtel	2009-10	03	40000	90000	130000		
8	Airtel	2010-11	06	40000	80000	120000		
9	Airtel	2014-15	24	40000	40000	80000		
TOTAL				360000	940000	1300000	464000	836000
1	Reliance jio	2013-14	27	40000	50000	90000	90000	NIL
2	Reliance jio	2013-14	09	40000	50000	90000	90000	NIL
3	Reliance jio	2013-14	03	40000	50000	90000	90000	NIL
4	Reliance jio	2013-14	23	40000	50000	90000	90000	NIL
5	Reliance jio	2013-14	10	40000	50000	90000	90000	NIL
6	Reliance jio	2013-14	18	40000	50000	90000	90000	NIL
7	Reliance jio	2013-14	17	40000	50000	90000	90000	NIL
8	Reliance jio	2013-14	10	40000	50000	90000	90000	NIL
9	Reliance jio	2013-14	16	40000	50000	90000	90000	NIL
10	Reliance jio	2013-14	26	40000	50000	90000	90000	NIL
11	Reliance jio	2013-14	01	40000	50000	90000	90000	NIL
12	Reliance jio	2013-14	06	40000	50000	90000	90000	NIL
13	Reliance jio	2017-18	29	40000	10000	50000	50000	NIL
TOTAL				520000	610000	1130000	1130000	NIL



23/07/2017
E.O
23/07/17

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1	Vodafone	2008-09	22	40000	100000	140000	80000	60000
2	Vodafone	2007-08	19	40000	110000	150000	80000	70000
3	Vodafone	2007-08	08	40000	110000	150000	80000	70000
4	Vodafone	2008-09	07	40000	100000	140000	80000	60000
5	Vodafone	2007-08	10	40000	110000	150000	80000	70000
6	Vodafone	2008-09	23	40000	100000	140000	80000	60000
7	Vodafone	2008-09	26	40000	100000	140000	80000	60000
8	Vodafone	2008-09	15	40000	100000	140000	80000	60000
9	Vodafone	2007-08	20	40000	110000	150000	80000	70000
10	Vodafone	2009-10	29	40000	90000	130000	80000	50000
11	Vodafone	2009-10	09	40000	90000	130000	80000	50000
TOTAL				440000	1120000	1560000	880000	680000
1	Tower Vision	2010-11	23	40000	80000	120000	40000	80000
1	Assend Telecom	2013-14	10	40000	50000	90000	90000	NIL

Annexure "F"

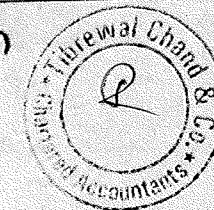
SI.NO	WARD NO.	NAME OF SAIRAT	NAME OF SAIRAT HOLDER	AMOUNT	REMARKS
1	23	Basantpurhatt	Pradeepkumarbhagat	9800	

Annexure "G"

SI.NO	WARD NO.	NAME OF SAIRAT	NAME OF SAIRAT HOLDER	DATE OF COLLECTION	AMOUNT	REMARKS
1	28	Sulabhshauchalay	Jaleshwardevi	15-05-2017	1910	

23/07/2017

E.O
23/07/17



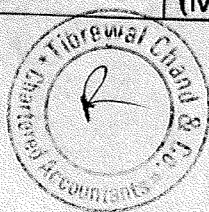
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Annexure "H"

SI.NO	PARTICULAR OF SHOP	NO OF SHOP	DUE AMOUNT ON 31-03-2018
1	Chandanichowk market	13	85800
2	Meera talkies market	20	396440
TOTAL			482240

Annexure "I"

Scheme No	14/2016-17	REMARKS
Scheme Name	Construction of Mandir ^{Sanjay Kumar Shrivastava} bhawannirwan	<p><i>Since it is Retender therefore single bidder M/S vidhata construction has given the work as per S.E. BUDA</i></p>
Group no.	04	
Estimated Amount	10259143	
No of Bid Received	01	
Name of Bidders	M/S vidhata construction No other bidder	
Selected Bidder	M/S vidhata construction	
Work order date	30-08-2017	
Work completion date	Not found	
Time allotted to complete the work	Not found	
Observation	<p>(i) We observed that comparative chart of bidders are not prepared by management.</p> <p>(ii) only one bidder file.</p> <p>(iii) In case of single bidder tender should be cancelled.</p> <p>(iv) No Instances found.</p>	



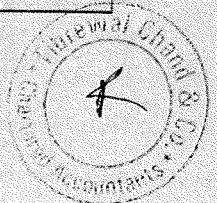
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**TIBREWAL CHAND & CO.
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Scheme No	11/2016-17	REMARKS
Scheme Name	Construction of RCC nala from R.S. railway gumti se lakhisahkeghartak	<p><i>It will be maintained in future.</i></p>
Group no.	25	
Estimated Amount	18793709	
No of Bid Received	02	
Name of Bidders	Sanjay kumargupta Alokkumarchaturbedi	
Selected Bidder	Alokkumarchaturbedi	
Work order date	06-04-2017	
Work completion date	27-01-2018 <i>05/10/2017</i>	
Time allotted to complete the work	6 Month	
Observation	<p>(i) We observed that, comparative chart of bidders are not prepared by management.</p> <p>(ii) same amount quoted by 2 bidders 10% below but allotted to alokkumarchaturbedi on 0.55% below estimated amount.</p> <p>(iii) No noting sheet prepared by management in this procurement procees.</p> <p>(iv) No late charge deducted as per clause 2 of condition for contract.</p>	

Scheme No	07/2016-17	REMARKS
Scheme Name	Nagar parisadarariakebhawankajirnodwar	

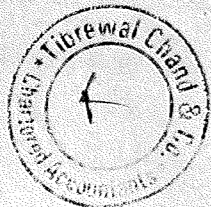
02/07/2019
S.O
03/07/19



**TIBREWAL CHAND & CO.
CHARTERED ACCOUNTANTS.**

Group no.	18	<p>(21) E.E. Juba given the order for lottery due to similar rate of B.O.B.</p> <p>(22) There is no signature on noting sheet but the signature of authority on the agreement F2-form.</p>
Estimated Amount	1293500	
No of Bid Received	02	
Name of Bidders	Raj kumar Virendrakumar	
Selected Bidder	Raj kumar	
Work order date	09-02-2017	
Work completion date	30-06-2018 06/05/17	
Time allotted to complete the work	3 Month	
Observation	<p>(i) We observed that, comparative chart of financial bid are not prepared by management.</p> <p>(ii) same amount quoted by 2 bidders 10% below but allotted to raj kumar on the basis of lottery system.</p> <p>(iii) NO notice regarding lottery system found to be issued to bidder</p> <p>(iv) No signature on noting sheet found of any competent authority</p> <p>(v) No late charge deducted as per clause 2 of condition for contract.</p>	

Scheme No	07/2016-17	
Scheme Name	Construction of PCC sadak (IHSDP)	
Group no.	21	
Estimated Amount	2498900	
No of Bid Received	04	
Name of Bidders	B.B Sahidakhatur , Md. Shamsad ,	

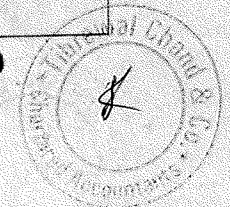


03/07/2019
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03/07/19

**TIBREWAL CHAND & CO.
CHARTERED ACCOUNTANTS.**

	Mahfooz Ansari, Md. Shakibakhtar	<p>(21) Back side of the C.S everything concerning the contract is mentioned and the work of tender given to the contractor on the scheduled rate.</p> <p>(22) AS the order of E.E. Juba.</p> <p>(23) Non lottery letter is looking for we are looking for the lottery letter as told by Mo.</p> <p>(24) There is signature of D.A for tender and signature of authority on F2 form.</p>
Selected Bidder	Mahfooz Ansari	
Work order date	14-02-2017	
Work completion date	16-5-2017	
Time allotted to complete the work	3 Month	
Observation	<p>(i) We observed that, comparative chart of financial bid are prepared by management but supporting tender bid document was not found.</p> <p>(ii) same amount quoted by 2 bidders 10% below but allotted to Mahfooz Ansari on the basis of lottery system.</p> <p>(iii) NO notice regarding lottery system found to be issued to bidder.</p> <p>(iv) No signature on noting sheet found of any competent authority</p> <p>(v) No late charge deducted as per clause 2 of condition for contract.</p> <p>(vi) No measurement book found to trace the completion of work</p>	

Scheme No	07/2016-17	REMARKS
Scheme Name	Construction of Marriage hall PCC Sadak	
Group no.	20	
Estimated Amount	1312100	
No of Bid Received	02	
Name of Bidders	Rakeshkumar Anuradhadevi	
Selected Bidder	Rakeshkumar	



03/07/2019
E.O
03/07/19

**TIBREWAL CHAND & CO.
CHARTERED ACCOUNTANTS.**

Work order date	Not found	<p>(iv) A/c to rule of PWD code.</p> <p>(v) Agreement filed is included in enclosure but work order is misplaced right.</p>
Work completion date	Not found	
Time allotted to complete the work	03Month	
Observation	<p>(i) Two bidder name found out of which one rejected on technical bid.</p> <p>(ii) the rate quoted by rejected bidder is less than 0.5% on estimated value.</p> <p>(iii) The rate quoted by other bidder who pass on technical bid is on estimated value.</p> <p>(iv) Rakeshkumar was selected on rate quoted by rejected bidder which was not appropriate.∴</p> <p>(v) work order notice in regard of rakeshkumar was not found.</p> <p>(vi) 25% amount was deducted on payment amount on non-submission of quality certificate was released without obtaining quality certificate from contractor.</p>	

Scheme No	12/2016-17	REMARKS
Scheme Name	Construction of RCC nala	
Group no.	12	
Estimated Amount	1879585	
No of Bid Received	02	
Name of Bidders	Ranjeetkumarranjan	
Selected Bidder	Ranjeetkumarranjan	
Work order date	21-03-2017	



Handwritten signature and date: 03/07/2019

**TIBREWAL CHAND & CO.
CHARTERED ACCOUNTANTS.**

Work completion date	30-05-2017	<p>Work order Agreement along with other document is attached to the file. E.O. is misplaced and looking for.</p>
Time allotted to complete the work	03Month	
Observation	<p>(i) No noting sheet found on which file is processed.</p> <p>(ii) No tender document found.</p> <p>(iii) The criteria on which Ranjeetkumar is selected has not been found.</p> <p>(iv) No bidding process initiated.</p>	

Scheme No	11/2016-17	REMARKS
Scheme Name	Construction of nail-galiyojana	
Group no.	14	
Estimated Amount	985838	
No of Bid Received	02	
Name of Bidders	Anjeshkumar Anuradhadevi	
Selected Bidder	Anjeshkumar	
Work order date	21-03-2017	
Work completion date	Not found	
Time allotted to complete the work	03Month	
Observation	<p>(i) signature on noting sheet not found on which file is processed.</p> <p>(ii) No tender document found.</p> <p>(iii) The selection criteria on which Anjeshkumar is selected is lottery system.</p>	

Handwritten note: signature of the discussion is made. AS per DUDA E.E order.

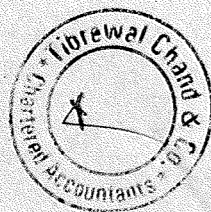


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**TIBREWAL CHAND & CO.
CHARTERED ACCOUNTANTS.**

	(iv) No notice regarding lottery is issued to bidder. (v) No E-Tendering document in regard of financial bid has been found.	<i>In separate lottery file letter is maintained In future, it will be maintained</i>
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Scheme No	12/2016-17	REMARKS
Scheme Name	Construction of nail-galiyojana	
Group no.	05	
Estimated Amount	1062405	
No of Bid Received	03	
Name of Bidders	Subodhkumar, M/s mata di, Anuradhadevi	
Selected Bidder	M/s mata di,	
Work order date	17-03-2017	
Work completion date	Not found	
Time allotted to complete the work	03Month	
Observation	(i) NO noting sheet found on which file is processed. (ii) The selection criteria on which M/S mata di is selected is lottery system. (iii) No notice regarding lottery is issued to bidder. (iv) No E-Tendering document in regard of financial bid has been found.	



*At 03/07/2017
S.O
03/07/17*

**TIBREWAL CHAND & CO.
CHARTERED ACCOUNTANTS.**

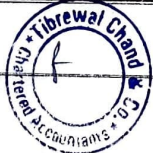
Annexure "J"

SI.NO	VOUCHER NO	DATE	AMOUNT	PARTICULARS	Observation	Remarks
1	Not mentioned	09-02-2018	203450	M/s Maagaytri furniture	Quotation for such procurement are not appropriate. In quotation bill no mob.no and GST no. found on other two quotation whose quotation was not selected.	
2	Not mentioned	28-02-2018	15700		Quotation for such procurement are not appropriate. In quotation bill no mob.no and GST no. found on other two quotation whose quotation was not selected.	

*At 03/07/2017
S.O
03/07/17*



Sl. No	Observations	Management Comments	Auditor Recommendation
35	Non-Implementation of double entry accounting system: We found the detail that double accounting system is implemented at Araria Nagar Parishad, however we not got any data for verification the same.	Implementation of DEAS is ongoing and ULB staff is directed to cooperate with auditors and to provide all necessary documents for audit.	As per requirement of BMAR-2014, Part-A, Chapter-2 Rule - 4, "All ULB refereed in schedule-1 shall maintain its books of account using the double entry system". Since Araria 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.
36	No details were made available regarding meeting of municipal accounts committee held during the financial year 2017-18.	ULB staff is directed to comply with BMA-2007	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of municipal accounts committee each year. During our audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.
37	During the course of Audit, we observed that Nagar Parishad has conducted Internal audit/CAG audit for the year 2016-17 but compliance report not prepared by ULB. (Details given in report)	Necessary action will be taken.	It should be prepared as soon as possible.
38	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 are mentioned under Part-B (a). ULB should ensure proper maintenance of required books of account and register as per the list given in rule-3 of BMAR-2014.
39	Lack of internal control measures: (i) Voucher file was not maintained	Nagar Parishad ensure that this will be taken care from now onwards.	We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque



(ii)	No internal mechanism for statutory compliance	handling and statutory compliances:	
(iii)	No MIS was prepared for tracking of payments	We suggest that	
(iv)	Required books of Accounts as per BMAM was not maintained	(i)	MIS system should be implemented over daily collection and deposit.
(v)	Statutory compliance reconciliation was not maintained	(ii)	Reason for non-deposit/late deposit should be strongly addressed to minimize delay.
(vi)	Bank reconciliation of any bank account was not prepared.	(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.
40	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.
41	Non preparation of stores register	Nagar Parishad ensure that this will be taken care from now onwards.	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.
42	Non adjustment of advances	Necessary action for recovery of such will be taken.	Advance must be adjusted within reasonable time period.
43	Non 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 fees, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore, but in case of Araria Nagar parishad, 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.

Bank Reconciliation Statement Annexure "K"

Sl No.	Name of Bank	Project/scheme	Account no.	Cash balance as per Cashbook	Bank Balance as per Passbook	Difference	Status
1	BOB	Kabir	01002	1,81,734.50	1,81,734.50		Reconciled
2	HDFC	MAP	60199	14,82,932.00	14,48,832.00	34100 (Cash book entry as on 01-04-2018 payment)	Reconciled
3	SBI	13th Finance	75888	24,15,785.90	24,15,785.90		Reconciled
4	OBC	MM Pay jal	01971	4,48,78,169.00	4,48,78,169.00		Reconciled
5	Union Bank	LHSDP	08268	2,99,825.22	2,99,825.22		Reconciled
6	BOB	B.R.G.F	00794	10,38,596.00	10,47,650.00	-9054 (Intrest Received by bank 9054 but not entry cash book)	Reconciled
7	Canara Bank	SamajikSrachhaPanson	06356	11,68,956.00	11,68,956.00		Reconciled
8	Union Bank	E-Governance	08269	2,527.85	2,527.85		Reconciled
9	HDFC	14th Finance	47961	89,299.00	89,299.00		Reconciled
10	BOB	I.D.S.M.T	00796	14,397.50	14,397.50		Reconciled
11	SBI	State Finance	43564	10,908.11	10,908.11		Reconciled
12	Union Bank	U.N.L.M. SJSRY	09639	95,535.00	95,535.00		Reconciled
13	OBC	AntimeSansadhan	00011	6,07,617.40	6,07,617.40		Reconciled
14	Treasury	PLA		26,65,54,454.84	26,65,54,454.84		Reconciled



कार्यपालक पदधिकारी
नगर परिषद. अररिया
24/06/2018

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

S N	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2017-18	Sahayak anudan	23/05/2017	5.00	NIL	5.00	Un utilised Rs. 5.00 Lakh Transfer to PL A/C
2	2017-18	Ward Councillor Allowance	15/06/2017	7.02	NIL	7.02	Un utilised Rs. 7.02 Lakh Transfer to PL A/C
3	2017-18	14 finance	02/08/2017	160.78	NIL	160.78	Un utilised Rs. 160.78 Lakh Transfer to PL A/C
4	2017-18	Mukhmantri nal jal yojna	11/09/2017	109.57	109.57	NIL	UC Submitted
5	2017-18	5th Finance	14/09/2017	399.92	NIL	399.92	Un utilised Rs. 399.92Lakh Transfer to PL A/C
6	2017-18	State Finance	30/10/2017	76.72	NIL	76.72	Un utilised Rs. 76.72Lakh Transfer to PL A/C
7	2017-18	Mukhmantri nal jal yojna	30/10/2017	93.90	NIL	93.90	Un utilised Rs. 93.90Lakh Transfer to PL A/C
8	2017-18	हरघरनलकाजलBR JP	08/03/2018	432.45	NIL	432.45	Un utilised Rs. 432.45Lakh Transfer to PL A/C
Grand Total				1285.36	109.57	1175.79	

कार्यपालक पदधिकारी
नगर परिषद. अररिया
24/06/2018