

Financial
Year
2017-18



**Internal Audit Report for
FY 2017-2018 of
Jogbani Nagar Panchayat**

INTERNAL AUDIT CONDUCTED BY

M/s Tibrewal Chand & Co., Chartered Accountants

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

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

Email- tcbbihar@gmail.com

Date of Submission :- 04-11-2019

INTERNAL AUDIT REPORT



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Internal Audit Report- Nagar Panchayat – Jogbani

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

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

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

We have conducted the Internal Audit with the objective:-

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

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

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

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

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

- ❖ Accountant cash Book
- ❖ Subsidiary Cash Book
- ❖ Bank Book



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

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

For Tibrewal Chand & Company
Chartered Accountants



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

UDIN : 20518422 AAAADG5721

Dated :- 24-08-2020



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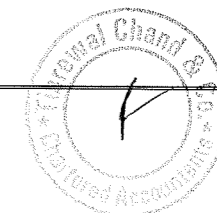
Executive Summary

1. Introduction: Jogbani is a Nagar Panchayat city in district of Araria, Bihar. The Jogbani city is divided into 19 wards for which elections are held every 5 years. The Jogbani Nagar Panchayat has population of 39,281 of which 20,419 are males while 18,862 are females as per report released by Census India 2011. Jogbani Nagar Panchayat is having more than 8000 households.

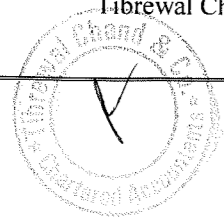
Smt. Anita Devi is Chairman holding post from 09-06-2017 to till the date of Audit. Mr. Chandra Raj Prakash is Executive officer holding post from 18-02-2019 to till the date of Audit.

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 Panchayat4. Financial Statements for the period 2017-18 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. Non preparation of bank reconciliation statements.2. Non deduction of royalties from contractor's bills checked on sample basis.3. Non deduction of TDS in various cases such as Vehicle hire Charges, Repair & Maintenance to building, vehicles etc., resulting

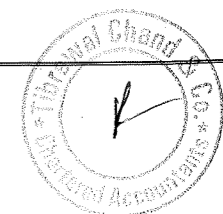


	<p>in violation of tax provisions and attraction of interest and penalty.</p> <p>4. Lack in follow-up procedure in collection of huge arrear dues in relating to property and other taxes.</p> <p>5. Non deduction of TDS in salary cases checked on random basis.</p> <p>6. Non deposition of statutory dues such as labor cess, TDS, VAT, ESI/PF to the authorities after deduction from bills, resulting in huge penalties and interest.</p> <p>7. Non-Performing the variance analysis between budget and actual expenditure for a particular period resulting in short comings in budgetary control.</p> <p>8. Non-Maintenance of assets registers in complete manner resulting in chances of mis-utilization of assets.</p> <p>9. Some of the rent agreements were expired.</p> <p>10. No proper survey of properties has been conducted by the ULB to ascertain the property tax receivables from holdings.</p> <p>11. Delay in deposition of revenue into bank account causing loss of interest.</p>
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	<p>12. Loss of revenue due to huge outstanding rent.</p> <p>13. Proper log book & fuel distribution register was not prepared resulting in weakness in control over books of account.</p> <p>14. Daily wages register was not prepared resulting in weakness in control over books of account.</p> <p>15. Advance was not adjusted within reasonable time resulting in weakness in control over internal control.</p> <p>16. Huge outstanding of revenue including holding tax, tower tax, rent, Sairats but no sincere efforts has been made by ULBs to recover the same.</p> <p>17. Huge Audit para's are outstanding but no efforts has been made by ULB for compliances.</p>
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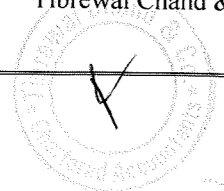
3. **Opinion:** The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the 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. Fixed assets register has to be prepared for all fixed assets owned by the ULB, assets should be numbered. Physical verification of such fixed assets has to be conducted every year.
6. Stock/store register should be updated as per the formats provided in BMAR
7. Statutory compliances such as deduction and deposition with authorities should be complied strictly to avoid penalty and interests.
8. Log book and fuel issue register should be maintained properly indicating km runs, places covered, purpose of visit, signature of driver, city manager, sanitary inspector etc.
9. Revenue records should be maintained properly including demand and collection details.
10. Advance should be adjusted within reasonable time.



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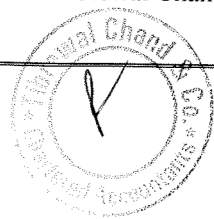
5. Comments from Management:-

S. No	Observation	Management Action Plan	Auditor Recommendation
1	Delay in deposit of cash to cashier 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 cashier.	Collection of holding tax is being made on time now. We will follow the recommendation of the audit team in future.	Holding tax should be collected and deposited at same date.
2	The cash kept in the locker is not insured against theft & fire which is very vital issue. It can be seen that huge amount of cash is kept for quite a no of days. So, it is necessary to keep the physical cash under insurance cover.	Insurance will be taken for cash kept in locker.	Insurance should be taken for cash kept in locker.
3	After reconciliation of cashier cash book with treasury challan, we observed that collections under different head are not deposited in treasury Account.	Treasury account register is being updated and required adjustment will be made.	Treasury account register should be updated and required reconciliation should be made.
4	Demand Register for collection of holding/ property tax for the financial year 2017-18 is not yet prepared.	Demand register for collection of holding/ property tax is being prepared now. It will be taken care in future and shown to the next audit team in respect of mentioned observation.	Demand register should be maintained and updated on regular basis.
5	In Vehicle Log book and Fuel Distribution Register, in most of the cases, there is no any signature of the Competent authority.	After review of observation, reasonable action will be taken on recommendation of the audit team.	It is advice to maintain the records in Proper manner and should be duly approved.
6	Report on Findings of the field survey of property tax of minimum 20 high value properties is given in detailed report.	Requirement of field survey of property tax of minimum 20 high value properties is given in written by audit team.	-
7	Register for mobile tower Tax is not	Register of mobile tower tax	Register of mobile tower tax



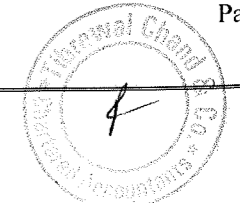
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	being maintained by the ULB.	register is being prepared now and will be updated time to time on the recommendation of audit team.	register should be prepared and should be updated time to time
8	As per notification of Bihar Government, The Governor 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. 8000/- 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 out Rs. 9,10,0000/-, only Rs. 2,00,000/- was realized from the Tower Company for financial year 2017-18, resulting in loss of Rs. 7,10,000.	Notice is being served to the concerned mobile tower co. for collection of mobile tower tax which is arrear in nature. We will follow the recommendation of the audit team in future.	Management should take appropriate action in this regard.
9	During the verification of sairat register, we observed that during the financial year 2017-18, a lot of sairat was not held at Nagar Panchayat. Due to this reason Revenue loss of Rs 21,92,245 to concerned ULB.	Auction for the sirats was conducted but no bidder participated in auction of the sairat. As a result no sairat was auctioned during F.Y 2017-18.	Sairat should be done every year in multiple phases. Appropriate steps such as advertisement, proper bidding time should be provided so that more and more bidders can participate.
10	During the audit it was observed that there are many cutting and overwriting in accountant cashbook and subsidiaries cashbook.	We are considering the recommendation of the audit team in respect of mentioned observation.	Necessary take care should be taken while updating records and registers, proper training may be provided in this regards.
11	Trade License issued earlier got expired of few shops but no renewal was made till the date of audit.	Action for renewal of trade license are being taken by the ULB.	Reasonable action should be taken in this regard.
12	Demand Register for collection of	Demand Register for	Demand register for trade



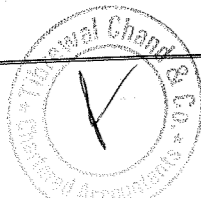
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	Trade License for the financial year 2017-18 is not yet updated.	collection of Trade License is being prepared.	license should be updated on real time basis.
13	No money was collected as Advertisement Tax during the financial year 2017-18. List of unrealized advertisement tax is required to be prepared.	After reviewing the matter, reasonable action will be taken for collection of advertisement tax.	Reasonable action should be taken in this regard.
14	Payments made toward TA of executive officer dated 24/04/2017 vide voucher no. 294 and cheque No. 089382 for Rs. 13365, which has been canceled and adjusted in accountant cashbook on 25/09/2017. A new cheque has been issued for the above payments on 27/04/2017 vide cheque no. 089389 and voucher no. 309. But in subsidiaries cashbook, entry for canceled cheque has not been adjusted and payment made through new cheque was also passed resulting in excess payment towards TA by Rs.13365 in books.	Adjustment for the mentioned observation has been made in next F.Y 2018-19 on recommendation of audit team.	Management should take appropriate action in this regard.
15	Advance to Sanjeet Kumar (Head Clerk) for Flood Relief through Voucher no. 362 & 363 for totaled amount of Rs. 400000 but no voucher attached with the advance application. The staff advance of previous year has not been adjusted till date. As a result there is loss of ULB in terms of Bank Interest of Rs. 21,333 for a period of 16 months till 31-03-2018.	After review the matter, reasonable action will be taken for collection of advance from the concerned person.	Management should take appropriate action in this regard.
16	We found many discrepancies while vouching the expenditure. Few payment were made in cash which is not justifiable as per the guideline of BMA. Such cash expenses have been adjusted against cash received from	After review the matter, reasonable action will be taken in respect of observation suggested by the ULB.	Management should take appropriate action in this regard.



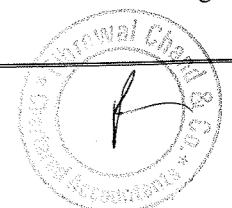
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	holding tax.		
17	During Audit, it is found that some amount of holding tax has not been deposited by concerned Tax collector.	Mentioned amount of holding tax has been deposited in F.Y 2018-19. We will follow the recommendation of the audit team.	Management should take appropriate action in this regard.
18	During Audit, it is observed that Log book of vehicles has not maintained properly, important information are not filed in log book. Further, Fuel issue register and Log book of vehicles were not authorized by the competent Authority (executive officer) ➤ Log book of TATA Magic, Section machine, JCB and Generator have not been prepared by the concerned Driver/ Safai Jamadar. however above said vehicles consumed Fuel on daily basis, which are enumerated below:- Magic- 125 Liters Section Machine-430 Lt. Generator - 853 Liters ➤ During Audit, major financial irregularities were found in log books of vehicles.	Action is being taken in respect of log book of vehicle on recommendation of audit team.	Management should take appropriate action in this regard.
19	Payment made to Rajeev Kumar Singh under BRGF scheme Yojna no. 35/2013-14 for Rs. 48896 for construction of Road and Nala. The payment made through cheque No. 017748 of CBI bank Account. In cashbook same payment is made through cheque No. 017742 which relates to other payment. No justification has been provided by	It is observed that, this is clerical mistake. It has been rectified later on recommendation of audit team.	Management should take appropriate action in this regard.



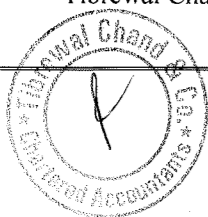
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	ULB in this regards.		
20	Stock and Fixed assets Registers have not been updated till 31/03/2018.	Stock and Fixed assets Registers are being prepared on recommendation of audit team.	Stock register should be maintained for each item. Date of purchase and issue for consumption and balance quantity should be maintained.
21	Stock register has not been properly maintained. All the article of stock has been entered at same page in register. Issue quantity and balance quantity has not been shown in stock register.	Stock and Fixed assets Registers are being prepared in details and required entry is made in it on recommendation of audit team.	Stock register should be maintained for each item. Date of purchase and issue for consumption and balance quantity should be maintained.
22	The Jogbani Nagar Panchayat is not complying with the provisions of EPF with regards to Contractual and permanent Employee. It may lead to imposition of Penalty by the Authority in this Regards.	The Jogbani Nagar Panchayat is discussing the matter with department, on clarification the provisions of EPF with regards to Contractual and permanent Employee we will implement the same.	Employee wise EPF account should be opened with EPF department.
23	We observed that ULB is not in practice to Deposit the deducted TDS on stipulated time causing interest and penalties.	It will be taken care in future in respect of the mentioned observation on recommendation of the audit team.	TDS should be deposited as per income tax act and rule to avoid interest and penalty
24	Real time double entry system has been not yet implemented.	Work on Double entry system is in process and will be implemented on real time basis as soon as possible.	Management should take appropriate action in this regard.
25	Payment to 99 beneficiaries under SBM on 19/07/2017 through cheque no. 790577 out of which payment for 4 beneficiaries' @Rs.4500 each and totaled Rs.18000 have been canceled due to wrong Bank account details. Adjustment for the above canceled payments has not been made in cashbook and payments made through issue of new cheque. As a result there is twice payment for the same. In subsidiaries cashbook same	It is observed that, this is omission in nature. It has been rectified later on recommendation of audit team.	Management should take appropriate action in this regard.



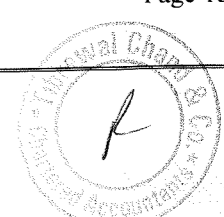
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	entries made through cheque no. 790570, which is wrong.		
26	Payments to Yusuf Khan under HFA for 2nd installment of Rs. 100000 on 396/16-10-2017 through PNB/3875 vide cheque No. 234953. It is observed that same transaction has not been posted in subsidiaries cashbook as it has not been prepared in this period. Hence we are unable to verify the above transaction.	It is observed that, this is omission in nature. It has been rectified later on recommendation of audit team.	Management should take appropriate action in this regard.
27	Payment made to Lila Devi and Sunita Devi for 1 st installment of SBM amount of Rs. 7500 each on 08/01/2018 and 09/01/2018 respectively. The above transaction of payments has not been posted in subsidiaries cashbook. As a result there would be Balances difference.	Non availability of subsidiary cash book, The above transaction of payments has not been posted in subsidiaries cashbook. It is being prepared now.	Management should take appropriate action in this regard.
28	Payment made to R.K. Tent and light house, patel nagar, Jogbani for decoration on the occasion of festival of Rs.42000 through cheque No. 087886 on 04/11/2017. During audit it observed that the invoice is not updated and seal is missing on invoice. It appears the case of financial irregularities.	After review the matter, reasonable action will be taken in respect of observation suggested by the ULB.	Management should take appropriate action in this regard.
29	Payment made to Raj Kumar Rajesh, Patna for hearing expenses of Rs.22000 through cheque No. 087915 on 16/01/2018. No invoice was attached with the payment advice slip. The Payment is inadmissible in nature as no supporting is attached.	After review the matter, reasonable action will be taken in respect of observation suggested by the ULB.	Management should take appropriate action in this regard.
30	Receipts from Map charge (holding) of Rs.11,100 on 02/02/2018 through DD No. 961045/12-12-2107. It is observed that above receipts has not been credited in bank accounts	Adjustment for the mentioned observation is made late on recommendation of audit team.	Management should take appropriate action in this regard and recover the fees from concerned person.



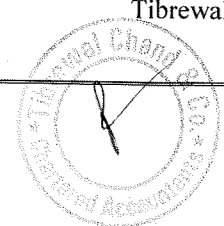
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	however its effects have been taken in cashbook and subsidiaries book. It's a loss to the ULB.		
31	A fund transferred of Rs. 37,455 from Safai Sudhar to kabir Antesti on 07/02/2018. The transaction has not been posted in subsidiaries account. Hence we are unable to verify the transaction.	Non availability of subsidiary cash book, The above transaction of payments has not been posted in subsidiaries cashbook. It is being prepared now.	Management should take appropriate action in this regard.
32	The municipality is continuing with a single demand collection register and cashier cash book since 2012-13. We suggest to maintained separate registers yearly. It was also observed that register is not in good condition, appropriate binding and covering should be done on immediate basis to prevent loss of important documents and records.	The recommendation of the audit team will be followed later.	Management should take appropriate action in this regard.
33	An allotment was received of Rs. 1,85,019 from BUDA (NULM) on 28/02/2018. The transaction has not been posted in subsidiaries account. Hence we are unable to verify the transaction.	Non availability of subsidiary cash book, The above transaction of payments has not been posted in subsidiaries cashbook. It is being prepared now.	Management should take appropriate action in this regard.
34	An amount of Rs.86268 SJSRY has been returned to treasury through cheque No. 087920 on 05/02/2018. Same amount again returned on 28/02/2018 by mistake. Necessary actions are required to be taken.	Adjustment for the mentioned observation is made late on recommendation of audit team.	Management should take appropriate action in this regard.
35	An amount of Rs. 428266 under samajik suraksha has been returned to BDO through cheque No. 802829 on 05/02/2018. In the absence of subsidiaries Register, we could not verify this transaction.	Non availability of subsidiary cash book, The above transaction of receipts has not been posted in subsidiaries cashbook. It is being prepared now.	Management should take appropriate action in this regard.
36	The municipality is not in practice to prepare BRS on monthly basis / quarterly basis as per format	The recommendation of the audit team will be followed later.	BRS should be maintained on monthly basis.



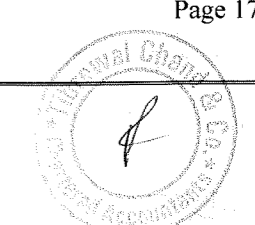
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	prescribed. Reason for non-reconciliation between cash book and passbook is not as per BRS Format.		
37	Non-providing of Utilization certificate for the reporting audit period	It has been updated	Grant is blood of ULB. Therefore, for getting grant and running the ULB working smoothly it is requirement of grant. Further timely submission of utilization certificate helps the grant realizing authority to send the money for fulfill the requirement of future. Therefore, management should ensure that UC has been submitted with concerned department on time.
38	Non-maintenance of required registers as per Rule No.-3 of BMAR-2014	We will maintain the same at earliest.	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.
39	Non-Implementation of double entry accounting system (DEAS) We found the detail that double accounting system is implemented at Jogbani Nagar Panchayat, however we not got any data for verification the same.	Implementation of DEAS is ongoing and ULB staff is directed to cooperate with auditors and to provide all necessary documents for audit.	As per requirement of BMAR-2014, Part-A, Chapter-2 Rule -4, "All ULB refereed in schedule-1 shall maintain its books of account using the double entry system". Since Jogbani 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.
40	No details were made available regarding meeting of municipal	ULB staff is directed to comply with BMA-2007	As per requirement of BMA-2007, Chapter-XII, ULB



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	accounts committee held during the financial year 2017-18.		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.
41	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.
42	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 Panchayat ensure that this will be taken care from now onwards.	We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory compliances: We suggest that (i)MIS system should be implemented over daily 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



43 During the course of Audit, we observed that Nagar Panchayat has conducted Internal audit for the year 2016-17 but the compliance report for the same has not been prepared. (Details given in report)

Necessary action will be taken.

control mechanism for getting a better result from ULB working. It should be prepared as soon as possible.

Signed Discussion Note is enclosed with the report.

6. **Acknowledgement:-**

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

Detailed Audit Report

1. **Introduction:** Jogbani is a Nagar Panchayat city in district of Araria, Bihar. The Jogbani city is divided into 19 wards for which elections are held every 5 years. The Jogbani Nagar Panchayat has population of 39,281 of which 20,419 are males while 18,862 are females as per report released by Census India 2011.

Smt. Anita Devi is Chairman holding post from 09-06-2017 to till the date of Audit. Mr. Chandra Raj Prakash is Executive officer holding post from 18-02-2019 to till the date of Audit.

Name of ULB	Period Covered	Audit Team
Jogbani Nagar Panchayat	1 st April 2017- 31 st March 2018	(1) TL: CA Nirav Bhanusali (2) MAE: CA Amit Ranjan (3) Auditor: Manoj Sharma

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

Status of Audit observations is as under:

Sl. No.	Particulars of audit and date of report	Total no. of Audit paras.	Total No. of Audit Paras where necessary improvement/corrective measure is required	Total No. of Audit paras where recovery of cash is proposed	Total No. of Audit paras where recover has been made	Total amount of recovery	Total No. of outstanding paras where no action has been taken	No. & date of compliance report
1	AG Audit (2013 to 2015)	22	22	10	02	210020	00	Letter No. 39 dated- 12/01/2019
2	Internal Audit (2015-2016)	20	20	5	0	0	20	No compliance report submitted.

AG audit observation and management comments are given in Annexure -1



3. FINANCE:

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

Year	2017-18	2016-17	2015-16
Final/Revised Budget	42,262,331.55	13,755,904.00	3,64,77,888
Actual Expenditure	42,438,035.00	66,650,570.00	2,01,87,751
Savings(+)/Excess(-)	(175,703.45)	(52,894,666.00)	1,62,90,137

Note: All figures taken from books of accounts.

ii. Volume of Transactions :-

Period	Budgeted for (2017-18)	Previous year (2016-17)	Current period	Cumulative for the current period
Opening Balance	12,94,12,193	73,642,737.57	129,412,193.57	12,94,12,193
Receipts	5,62,95,564	122,420,026.00	58,100,671.21	5,81,00,671
Total	18,57,07,758	196,062,763.57	187,512,864.84	18,75,12,864
Net expenditure	4,22,62,331	66,650,570.00	42,438,035.00	4,24,38,035
Closing Balance	14,34,45,426	129,412,193.57	145,074,829.84	14,50,74,829

Note: All figures taken from books of accounts.

iii. Bank Reconciliation :-

Status of bank reconciliation statement as on 31.03.2018 is as below:-

Sl no.	Project Name	Bank Name	A/C no.	Cash book balance	Pass book balance	Difference	Status
1	13 th FINANCE	UCO BANK	5064	62,958.00	62,958.00	-	Reconciled
2	M. NALI-GALI PAKKIKARAN	PNB	13884	22,79,539.90	22,79,539.90	-	Reconciled
3	SAMAJIK SURAKSHA	SBI	32013	4,000.00	4,000.00	-	Reconciled
4	BRGF	CBI	7104	7,20,007.00	7,20,007.00	-	Reconciled



5	ANTRATIK SANSADHAN	UCO BANK	7584	16,23,133.69	16,23,133.69	-	Reconciled
6	HFA	PNB	13875	1,70,90,522.90	1,70,90,522.90	-	Reconciled
7	14 th FINANCE	CBI	9004	25,86,581.85	25,86,581.85	-	Reconciled
8	PENSION FUND	SBI	9624	8,34,738	8,34,738.00	-	Reconciled
9	SBM	UCO BANK	7119	16,20,596.97	16,20,596.97	-	Reconciled
10	PAYJALAPU RTI	PNB	13866	67,20,871.90	67,20,871.90	-	Reconciled
11	DAY-NULM	PNB	14351	1,82,851.91	1,82,851.91	-	Reconciled
12	KABIR ANTESTI	SBI	2013	4,99,961.31	4,99,961.31	-	Reconciled
13	DUDA	PNB	14360	59,90,900.40	59,90,900.40	-	Reconciled
14	TREASURY A/C	FORBES GANJ	URB - 002	10,48,58,166.01	10,48,58,166.01	-	Reconciled

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

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

Note: Refer discussion note point no. 36.

iv. Revenue & Capital Receipts :-

Sl. No.	Details	2017-18	
		2017-18	2016-17
	Total Receipts (A+B)	58,100,671.21	122,420,026.00
A	Revenue Receipts (1+2+3)	21,595,625.59	49,435,954.00
1	Own Revenue Receipts	5,618,871.34	4,078,603.00
a)	Tax Revenue (Levied & Collected By municipal Body) (i+ii)	2,332,794.00	2,719,387.00
i)	Property Tax	2,332,794.00	2,357,617.00
ii)	Other Tax (Levied & Collected By municipal	-	361,770.00



	Body)	1,254,925.00	1,359,216.00
b)	Non Tax Revenue (Levied & Collected By municipal Body) (i+ii+iii)	726,415.00	-
i)	Fess & Fines	172,400.00	348,556.00
ii)	User Charges	356,110.00	1,010,660.00
iii)	Other Non-Tax Revenue (Levied & Collected By municipal Body)	2,031,152.34	1,648,315.00
2	Other Revenue Receipts	1,866,894.34	1,639,033.00
a)	Income from interest/Investments	164,258.00	9,282.00
b)	Other Revenue Income	15,976,754.25	43,709,035.00
3	Transfers/grants/Assigned Revenues	-	1,040,508.00
a)	State Assigned Revenues	-	42,668,527.00
b)	State Finance Commission (SFC) Grants/Devolution	-	-
c)	Octroi Compensation	-	-
d)	Other State Government transfers	-	-
e)	Central Finance Commission (CFC) Grants	-	-
f)	Other Central Government transfers	-	-
g)	Others	15,976,754.25	-
B	Capital Receipts (1+2+3+4+5)	3,65,05,045.62	72,984,072.00
1	Sale of Municipal Land	-	-
2	Loan (From state Govt. or Banks etc.)	-	-
3	State Capital Account Grant (Under state Scheme etc.)	3,65,05,045.62	54,292,988.00
4	Central Capital Account Grant (Under central Scheme etc.)	-	12,960,284.00
5	Other Capital Receipts	-	5,730,800.00

v. Revenue & Capital Expenditure Information :-

Sl. No.	Details	2017-18	
		2017-18	2016-17
	Total Expenditure (1+2)	42,438,035.00	6,66,50,570
1	Revenue Expenditure	23,922,845.25	4,93,95,691
1.1	Administrative Expenses, Establishment & Salaries (All Departments regular & contractual staff)	8,785,438.00	1,98,53,258
1.2	Operation & Maintenance (O & M)	649,414.00	1,15,52,658
1.3	Loan Repayment (Interest Payments)	-	-
1.4	Others (any other revenue Expenditure which is not salaries, O&M & or interest payment)	14,487,993.25	1,79,89,775
2	Capital Expenditure	1,85,15,189.75	1,72,54,879
2.1	All developmental works under central/state specific schemes	1,85,15,189.75	1,72,54,879
2.2	Loan Repayments	-	-
2.3	Other capital expenditure	-	-

vi. Status of implementation of double entry accounting system: DEAS has been implemented by M/s BORKAR & MAZUMDAR at Manihari Nagar Panchayat till F.Y 2017-18.

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

Note: Refer point no. 39 & 24 of discussion note.

vii. Status of Municipal Accounts Committee: if meeting is held: Meeting of Municipal Accounts Committee has not been held during the year 2017-18 as Municipal accounts committee is not in existence at the Municipality.

Note: Refer point no. 40 of discussion note.

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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.

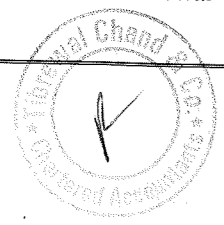
Audit Objective: Assessment of property tax as per Bihar Municipal Act and all collection deposited with treasury.

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 been provided for verification, in such a situation, we ascertain the actual delay of deposits & short deposit. This could be a huge loss to Nagar Panchayat. Details given below:

Date of Collection by tax collector		Amount	Date of Deposit	Delay in submission to cashier	
From	To			From	to
01-04-2017	27-04-2017	2,84,932	01-05-2017	30	4
02-05-2017	31-05-2017	17,399	10-06-2017	28	10
01-06-2017	30-06-2017	2,16,169	01-07-2017	30	1
03-07-2017	30-12-2017	3,53,481	01-01-2018	180	1
09-01-2018	16-01-2018	1,87,979	20-01-2018	11	4
17-01-2018	06-02-2018	12,662	08-02-18	22	2
19-02-2018	20-03-2018	21,592	24-03-2018	34	4

Date of Collection	Collected Amount(Rs.)	Deposited Amount(Rs.)	Amount Due	Name of Tax Collector
31/03/2017 to 27/04/2017	73,277	68,430	4,847	Surendra Kumar
30/03/2017 to 17/03/2018	7,60,250	7,55,679	4,571	Sajjan Rajak
06/04/2017 to 26/04/2017	83,438	69,721	13,717	Parvej Alam
Total			23,135	



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

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

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

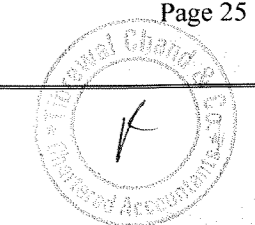
• Tower tax not deposit

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

S No	Name of Tower	Registration Fees	Renewal Fees	Amount Received	Amount Due
1	Bharti Infratel Ltd	30,000	1,04,000	30,000	1,04,000
2	Bharti Infratel Ltd	30,000	80,000	30,000	80,000
3	Bharti Infratel Ltd	30,000	40,000	0	70,000
4	Bharti Infratel Ltd	30,000	48,000	70,000	8,000
5	Bharti Infratel Ltd	30,000	48,000	70,000	8,000
6	Tower Vision	30,000	80,000	0	1,10,000
7	Tower Vision	30,000	80,000	0	1,10,000
8	Tower Vision	30,000	80,000	0	1,10,000
9	Wireless T.T Info	30,000	80,000	0	1,10,000
Total		2,70,000	6,40,000	2,00,000	7,10,000



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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.

• **Irregularity in shop rent collection:**

Criteria: Revenues in respect of rents from properties shall be accrued based on terms of agreement. All rent should be collected on due date otherwise it should be collected with penalty and interest.

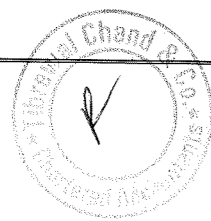
Condition: Non-renewal of Rent Agreement: During the audit of rent agreements it was observed that various rent agreements are expired and no action on such agreements has been taken by management till the date of audit. Details are as below:

S No	Name of Party	Shop name	Last date of agreement
1	Balram Kumar Sah	Krishna Garments	31-03-2018
2	Ali Hasan	Ali Ahmad Enterprises	31-03-2018
3	Deepak Kumar Das	Sangeet Samagri	31-03-2018
4	Lal Babu Bhagat	Prem General Store	31-03-2018
5	Md. Munna	Meat Shop	31-03-2018
6	Sarita Agrawal	Sarita Textiles	31-03-2018
7	Md. Aslam	Aslam Meat House	31-03-2018
8	Md. Imtiaz	Imtiaz Chicken Centre	31-03-2018
9	Noor Alam	Alam Kirana Store	31-03-2018
10	Md. Ansar	Lucky Emporium	31-03-2018
11	Rajendra Yadav	Varsha Fashion House	31-03-2018

Consequence/ Effect/ Impact: Due to non -renewal of rent agreement. there is huge revenue loss to the Nagar Parishad.

Cause: The cause for this issue is non- monitoring of authorized officials on a timely basis.

Corrective Action / Recommendation: There should be proper collection and monitoring of mechanism for shop rent.



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• **A lot of sairat was not held at municipal council**

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

Criteria: As per Bihar Municipal Act.

Condition: During the verification of sairat register, we observed that during the financial year 2017-18, a lot of sairat was not held at municipal council. Due to this reason Revenue loss of Rs 21,92,245 to concerned ULB. Details of such are given here:-

S No	Name of Sairat	Amount
1	Jogbani Hat	3,60,269
2	Jogbani Gudri	6,39,464
3	Jogbani bus stand	11,55,012
4	Registration Fee	29,500
5	Maveshi Fatak	8,000
Total		21,92,245

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

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

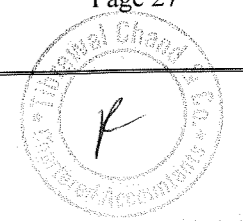
• **Trade license registration**

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

Criteria: As per Bihar Municipal Act.

Condition: During audit it was found that there are total 800 shops in the jurisdiction of Nagar Panchayat Jogbani out of which only 200 shops are registered under Trade license i.e. Only 25% shops are covered under trade license rest 75% are still not taken trade license.

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



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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 shops which results in Revenue leakage.

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

• **Property Tax Collections**

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

Criteria: As per Bihar Municipal Act.

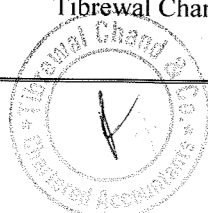
Condition: On physical verification of properties we found that Nagar Panchayat Jodbani is not in practice to collect property tax according to Bihar Municipal Act. So revenue loss of Rs.1,82,060 was observed. Details are given here:-

S No	Holding No	Ward No	Name	Loss (Rs)
1	16	11	Krishna Prasad	11,798
2	48	11	Shaligram Sav	15,126
3	119	11	Nagendra Goyal	91,342
4	149	11	Sushma Devi	24,840
5	154	11	Anil Kumar Gupta	14,904
6	180	11	Sushil Kumar	9,936
7	343	08	Khushbun Khatun	9,312
8	183	09	Haruni Yadav	4,802
Total				1,82,060

Consequence / Effect / Impact: Due to non-maintenance of proper register. 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 property which results in Revenue leakage.

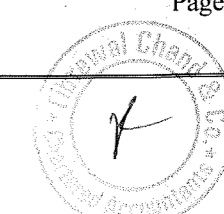
Corrective Action / Recommendation: There should be proper monitoring and further steps are required to be taken for maintenance of register by concerned ULB.



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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:

- i. Payments made toward TA of executive officer dated 24/04/2017 vide voucher no. 294 and cheque No. 089382 for Rs.13365, which has been canceled and adjusted in accountant cashbook on 25/09/2017. A new cheque has been issued for the above payments on 27/04/2017 vide cheque no. 089389 and voucher no. 309. In subsidiaries cashbook, an entry for canceled cheque has not been adjusted and payment made through new cheque. As per subsidiaries cashbook, this is an excess payment towards TA by Rs.13365 (In books only)
- ii. Payment to 99 beneficiaries under SBM was made on 19/07/2017 through cheque no. 790577 out of which 4 payment @ Rs.4500 each were failed due to wrong Bank account details. Adjustment for the above canceled payments has not been made in cashbook and payments were made through issuance of new cheque. As a result books are reflecting twice payment for the same.
- iii. Payments to Yusuf Khan was made under HFA for 2nd installment of Rs. 100000 on 396/16-10-2017 through PNB/3875 vide cheque No. 234953. During the audit it was observed that the transaction was not been posted in subsidiaries cashbook, resulting in understatement of expenses by Rs 100000, further this also shows lack of reconciliation process and internal control over books of accounts.
- iv. Payment was made to Lila Devi and Sunita Devi for 1st installment of SBM amount of Rs. 7500 each on 08/01/2018 and 09/01/2018 respectively. During the audit it was observed that the transaction was not been posted in subsidiaries cashbook, resulting in understatement of expenses by Rs 15000, further this also shows lack of reconciliation process and internal control over books of accounts.
- v. An unspent amount of Rs. 86,268 under SJSRY was to be returned to treasury account but the same amount was deposited into treasury twice time through cheque No. 087920 on 05/02/2018 and another on 28/02/2018. The question is from which fund the extra amount is deposited to treasury under SJSRY scheme.



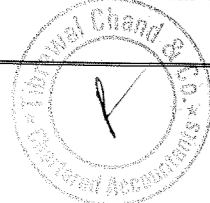
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- vi. An amount of Rs. 428266 under Samajik Suraksha has been returned to BDO through cheque No. 802829 on 05/02/2018. But the same was not recorded into subsidiary cash book.
- vii. Payment made to Rajeev Kumar Singh under BRGF scheme yojna no. 35/2013-14 for Rs. 48896 for construction of Road and Nala. The payment made through cheque No. 017748 of CBI bank Account. In cashbook same payment is made through cheque No. 017742 which relates to other payment. No clarification has been provided or the same.
- viii. Due to delayed payment of electricity bills, unavoidable expenses of delayed payment surcharge was imposed to ULB of Rs. 11,827. *For details please refer to Annexure-2.* Details are as below:

Bill Month	Account No	Supplier	Amount
Nov- 2017	1042006529	NBPDCL	11,077
Nov- 2017	1042030190	NBPDCL	750
Total			11,827

- ix. During the course of audit we checked invoices of fuel supply, for verification of the same we also checked few logbooks and fuel supply register, log books were not complete and fuel supply register was not maintained properly. Further we observed that comparative to actual running of vehicle fuels supplier was very high, details are as below:

Tipper 1	Tipper1	Massey Tractor	Eicher Tractor
Total Distance= 3201km	Total Distance= 3497km	Total Distance= 2505km	Total Distance= 2681km
Average Mileage= 7km/L	Average Mileage= 7km/L	Average Mileage= 6km/L	Average Mileage= 6km/L
Total fuel should be used = 3201/7= 457 Liters	Total fuel should be used = 3497/7= 500Liters	Total fuel should be used = 2505/6= 417Liters	Total fuel should be used = 2681/6= 447 Liters
Actual Fuel received from office= 894 Liters	Actual Fuel received from office= 748 Liters	Actual Fuel received from office= 485 Liters	Actual Fuel received from office= 505 Liters
894 Liters - 457 Liters=437 Liters	748 Liters - 500 Liters=248 Liters	485 Liters - 417Liters=68 Liters	505 Liters - 447 Liters=58 Liters
No justification has been provided for	No justification has been provided for	No justification has been provided for	No justification has been provided for



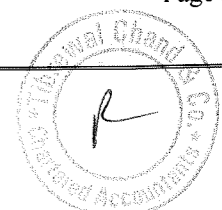
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extra fuel of 437 Liters provided to vehicle	extra fuel of 248 Liters provided to vehicle	extra fuel of 68 Liters provided to vehicle	extra fuel of 58 Liters provided to vehicle
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- c. **Report on 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.

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

SI No.	Year	Holding No	Types	Ward No	Property Tax
1	2017-18	35	Residential	11	11,642
2	2017-18	36	Residential	11	12,420
3	2017-18	39	Residential	11	16,560
4	2017-18	16	Residential	11	11,798
5	2017-18	48	Residential	11	15,126
6	2017-18	66	Residential	11	18,630
7	2017-18	79	Residential	11	7861
8	2017-18	80	Residential	11	13,371
9	2017-18	100	Residential	11	8,280
10	2017-18	110	Residential	11	11,178
11	2017-18	114	Residential	11	15,525
12	2017-18	119	Residential	11	91,342
13	2017-18	149	Residential	11	24,840
14	2017-18	150	Residential	11	7,415
15	2017-18	151	Residential	11	4,305
16	2017-18	154	Residential	11	14,904
17	2017-18	175	Residential	11	4,769
18	2017-18	180	Residential	11	9,936
19	2017-18	16	Residential	8	1,656
20	2017-18	73	Residential	8	2,637
21	2017-18	343	Residential	8	9,312
22	2017-18	13	Residential	9	1,465
23	2017-18	67	Residential	9	1,890
24	2017-18	165	Residential	9	1,080
25	2017-18	171	Residential	9	1,350
26	2017-18	178	Residential	9	1,172
27	2017-18	183	Residential	9	4,802
28	2017-18	205	Residential	9	1,620
29	2017-18	250	Residential	9	1,863



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30	2017-18	291	Residential	9	2,160
31	2017-18	109	Residential	10	4,455
32	2017-18	195	Residential	10	1,944

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.

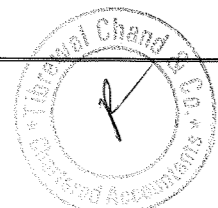
- Subsidiary register
- Stock register
- Cheque issue register.
- Assets register.
- Contra, journal, Receipt Voucher.
- Records and revision of taxes and rent.

Note: Refer point no 38 of discussion note.

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.

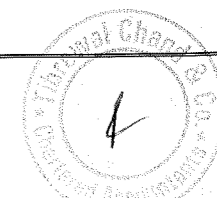
Note: Refer point no. 38 of discussion note.



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b. Irregularity in procurement process: During the audit of procurement files following issues were observed by our team:

1. Payment was made to R.K. Tent and light house, Patel Nagar, Jogbani for decoration on the occasion of festival of Rs. 42,000/- through cheque No. 087886 on 04/11/2017. During audit it observed that invoice was not updated and doesn't contains any seal and signature.
2. Payment was made to Raj Kumar Rajesh, Patna for hearing expenses of Rs.22,000 through cheque No. 087915 on 16/01/2018. No invoice bill attached with the advice slip. The Payment is inadmissible in nature as bill is not available. It may also involve financial irregularities.
3. Receipts from Map charge (holding) of Rs.11,100 on 02/02/2018 through DD No. 961045/12-12-2107. It is observed that above receipts has not been credited in bank accounts however its effects have been taken in cashbook and subsidiaries book. Necessary action should be taken for recovery of amount from concerned person.
4. Payment made to Raj Kumar Rajesh, Patna for hearing expenses of Rs. 22,000 through cheque No. 087915 on 16/01/2018. No invoice was attached with the payment advice slip. The Payment is inadmissible in nature as bill is not available.
5. A fund transferred of Rs. 37,455 from Safai Sudhar to Kabir Antesti on 07/02/2018. The transaction has not been posted in subsidiaries account.
6. An allotment received of Rs. 1,85,019 from BUDA (NULM) on 28/02/2018. The transaction has not been posted in subsidiaries account resulting in unreliable figures.
7. **Payment made in Cash:** During the audit we found that payment of few bills are made in cash, which is not justifiable as per the guideline of BMAR. Such cash expenses were adjusted against cash received from holding tax.



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

S No	V No	Date	Amount	Details	Remarks
1	401	31-10-2017	35,985	Miscellaneous expenses (Durga Pooja 2017)	Payment made in cash
2	402	31-10-2017	23,600	Purchase of Hume Pipe	Payment made in cash
3	403	31-10-2017	14,592	JCB Hire Charges	Payment made in cash
4	404	31-10-2017	41,285	Machinery and Tools	Payment made in cash

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

- Non collection of various taxes required to be collected.
- Non maintenance of prescribed books of accounts.
- Non maintenance of prescribed DEAS.
- None maintenance of DCR.

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

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

Note: Refer point no. 41 of discussion note.

e. Lack of Internal Control Measures:

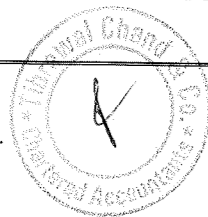
(1) During the audit it was observed that there is serious lack of internal control over revenue collection. Revenue records are not maintained properly. Further, collection books after finishing should be kept in safe custody in ULB only.

(2) There is no cash vault in the cash department for safety measure

Note: Refer Point No. 42 of discussion note.

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

i. TDS: Cases in which TDS not deducted



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Date	Details of Bills	Amount	Remarks
27-06-2017	Rajeev Kumar (Contractor)	46,000.00	TDS not deducted
27-06-2017	Shabdul Ansari (Contractor)	46,000.00	TDS not deducted
30-06-2017	Sanskritik Manch	1,52,000.00	TDS not deducted

Note: Refer point no 23 of discussion note.

ii. Royalty: Few cases in which royalty not deducted

Date	Name of Contractor	Bill Amount	Remarks
25-04-2017	Zafar Alam	3,35,711.00	Royalty not deducted
27-06-2017	Rajeev Kumar	46,000.00	Royalty not deducted
27-06-2017	Shabdul Ansari	46,000.00	Royalty not deducted
19-09-2017	Rajeev Kumar	7,80,084.00	Royalty not deducted
			Royalty not deducted

g. Deficiency in pay roll system:

(1) During the audit it was observed that no bio metric attendance were used for making attendance. Further there was very poor internal control on leave tracking of the employees.

(2) **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.

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
Vinod Kumar	22,800.00	30,202.00	1,716.00	200.00	-
Vinod Kumar	64,688.00	-	1,716.00	200.00	-

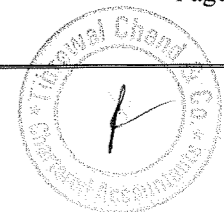
h. Utilization certificate report on grants allotted during the year:

Details of UC's related to FY: 2017 – 2018 is given as annexure – 2.

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

Note: Refer point no 21 of discussion note.

j. Advances: Following advances were provided to the employees during this period:

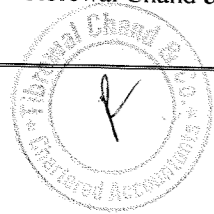


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S. No.	Name of Employee	Purpose	Voucher No.	Amount of Advance
1	Sanjeet Kumar (Head Clerk)	Flood Relief	362	2,00,000
2	Sanjeet Kumar (Head Clerk)	Flood Relief	363	2,00,000

However in absence of proper register and records recovery and adjustment of earlier loans can't be checked.

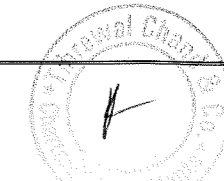
Note: Refer point no 15 of discussion note.



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

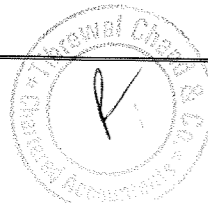
III. Part C

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



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

5	If any revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sai rat etc. have incurred then quantify the same.	It has been discussed in discussion notes and audit report under part A.
6	Status of adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments on or above Rs. 10,000.	Discussed in audit/report Part A.
7	Whether all Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	Discussed in audit report 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.	During the audit ULB has not been provided details regarding UC and Grant register has not been prepared by ULB.
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	It has been provided in discussion notes as well as in audit report under part A.



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

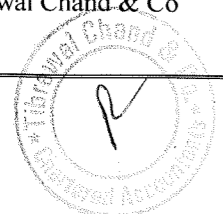
	deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.	
14	Whether C&AG and Internal audit paras has been complied, if not assistance has been provided in this regard.	Discussed in details audit report and also annexure attached.



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

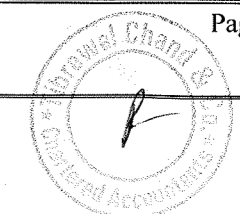
Annexure-I AG Audit Paras and response Submitted by Management

Part	Audit para	Observation	Compliance by Management
I	10	Budget and Annual Accounts preparation.	The Budget for F.Y 2014-15 has been prepared and submitted to the Government. There will be taken care in future for remaining observations.
	11	Non preparation of Government Grant register and adjustment of Government Grant during F.Y 2013-14 and 2014-15 respectively.	Government grant register has been prepared and required adjustment made. It will be shown to the next audit team.
	12	Differences arises in cash book and bank as well as treasury balance at the end of 31/03/2015 Cash book Balance - Rs. 3570982.88 Passbook & S. Try - Rs. 34995198.88 Difference - Rs. 712784	It will be taken care in future and shown to the next audit team in respect of mentioned observation.
Part II	1	Short deposit of holding tax by Rs. 2.01 Lakh by Sajjan Rajak (Tax collector).	Short amount of Rs2.01 lakh of holding tax has been deposited by the Sajjan Rajak(Tax collector) through following MR No.: - MR No. Date Amount 2670 30/10/2017 1.89 lakh 2673 30/10/2017 .12 lakh 2798 28/05/2018 .00120 Deposit receipt will be shown to the next audit team.
	2	Loss of Rs. 30.89 lakh due to non collection of Labor Cess on building construction project.	Deduction of labor cess on building construction project is being collected and deposited to the concerned department after it is suggested by the audit team. Evidence for the same will be shown to the next audit team.
	3	Non collection of compensation of Rs. 11.86 lakh from contractors for non completion of work within time limit prescribed.	Compensation on delayed work is being collected presently and action is being taken for recovery of compensation of Rs. 11.86 lakh from contractors.
	4	Irregularities in expenditure of training mad under SJSRY of Rs.	Expenditure under SJSRY has been made out of current receipt and previous balance



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

		30.03 lakh.	standing in the SJSRY account. Recommendation of the audit team will be followed in future.
	5	Amount of Rs.8900 of various receipts has not been deposited by Sajjan Rajak (Tax collector).	Amount of Rs.8900 of various receipts has been deposited by Sajjan Rajak (Tax collector) through following challan No.: - Challan No. Date Amount 17 19/05/2015 7800 3111 12/01/2019 1100
	6	Non adjustment of advance amounted Rs. 21.25 lakh.	Deposited advance has been adjusted and attached its details. Action is being taken for recovery of balance amount of advance.
	7	Irregularities in procurement of High Mast Light.	Recommendation of the audit team will be followed in future.
	8	Huge surcharge of Rs. 22.42 lakh on delayed payment of Electricity bill.	Electricity bill will be paid on time after recommendation suggested by the audit team.
	9	Losses of Rs. 1.98 lakh due to Non collection of development permit fees.	Development permit fees are being collected after recommendation of the audit team.
	10	Non collection of sairat amount of Rs. 0.69 lakh for F.Y 2011-12.	Notice is being served from the ULB to the concerned contractors for recovery of Rs.0.69 lakh. It will be informed as soon as amount of sairat deposited.
	11	Losses of stamp duty of Rs. 0.47 lakh due to agreements of sairat have not been made on stamp paper.	The loss is made due to lack of knowledge in respect of stamp paper. Recommendation of the audit team will be followed in future.
	12	Non collection of Tower tax in regard of registration fee and renewal fee amounted to Rs. 4.70 lakh.	Mobile tower register prepared and action is being taken for collection of mobile tower tax.
	13	Outstanding amount of holding tax at the end of F.Y 2014-15 is Rs.13.17 lakh.	Action for collection of Holding tax (Arear) is being taken. Evidence for the same will be shown to the next audit team.
	14	Education and health cess of Rs. 8.64 lakh have not been transferred to the concerned department.	In the absence of knowledge, it has not been transferred to the concerned department. Now we are taking action for transfer of the Education and health cess to the concerned department and Evidence for the same will be shown to the next audit team.
	15	Diversion of Fund of Rs. 36 lakh due to advance made to employees out of	The mentioned amount received from BDO, Forbesganj on account of distribution of



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	Samajik Suraksha mad.	pension under Samajik Suraksha mad out of which advance made to the employees. On recovery of advance adjustment made. After distribution of the pension balancing amount refunded to the BDO, Forbesganj.
16	Excess labor force employed over allotted post.	One post is allotted for the post of peon however two peons are employed. On recommendation of the audit team, one peon is out of two dismissed from the ULB.
Part III	1	Non Revision of Holding Tax after F.Y 2005-06
	2	Non-compliance of Rules and regulation in respect of granting building permit.
	3	Non-compliance of previous audit objection.

Annexure-2 Details of Utilization Certificates

SN	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2017-18	Salary of E.O	20/11/2017	2.49	2.49	NIL	VC Submitted
2	2017-18	शहरी नाली गली	30/10/2017	46.67	46.67	NIL	VC Submitted
3	2017-18	14th Fin	24/01/2018	79.42	NIL	79.42	Un - utilized amount Rs. 79.42 transferred to PL A/C
4	2017-18	भत्ता भुगतान	15/06/2017	3.36	3.36	NIL	VC Submitted
5	2017-18	नागरिक सुविधा	24/08/2017	47.41	47.41	NIL	VC Submitted
6	2017-18	14th Finance	02/08/2017	79.62	NIL	79.62	Un - utilized amount Rs. 79.42 transferred to PL A/C
7	2017-18	पेशाकर मद	30/06/2017	13.1	NIL	13.1	Un - utilized amount Rs. 13.10 transferred to PL A/C
8	2017-18	नाली गली	11/08/2017	54.47	15.60	38.87	Un - utilized amount Rs. 38.87

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9	2017-18	5th Finance	14/09/2017	161.5	NIL	161.5	transferred to PL A/C
10	2017-18	Salary of E.O	23/05/2017	6.95	6.95	NIL	Un - utilized amount Rs. 161.50 transferred to PL A/C
Grand Total				494.99	122.48	372.51	VC not Submitted

S. No	Observation	Management Action Plan	Auditor Recommendation
1	Delay in deposit of cash to cashier 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 cashier.	Collection of holding tax is being made on time now. We will follow the recommendation of the audit team in future.	Holding tax should be collected and deposited at same date.
2	The cash kept in the locker is not insured against theft & fire which is very vital issue. It can be seen that huge amount of cash is kept for quite a no of days. So, it is necessary to keep the physical cash under insurance cover.	Insurance will be taken for cash kept in locker.	Insurance should be taken for cash kept in locker.
3	After reconciliation of cashier cash book with treasury challan, we observed that collections under different head are not deposited in treasury Account.	Treasury account register is being updated and required adjustment will be made.	Treasury account register should be updated and required reconciliation should be made.
4	Demand Register for collection of holding/ property tax for the financial year 2017-18 is not yet prepared.	Demand register for collection of holding/ property tax is being prepared now. It will be taken care in future and shown to the next audit team in respect of mentioned observation.	Demand register should be maintained and updated on regular basis.
5	In Vehicle Log book and Fuel Distribution Register, in most of the cases, there is no any signature of the Competent authority.	After review of observation, reasonable action will be taken on recommendation of the audit team.	It is advice to maintain the records in Proper manner and should be duly approved.
6	Report on Findings of the field survey of property tax of minimum 20 high value properties is given in detailed report.	Requirement of field survey of property tax of minimum 20 high value properties is given in written by audit team.	-
7	Register for mobile tower Tax is not being maintained by the ULB.	Register of mobile tower tax register is being prepared now and will be updated time	Register of mobile tower tax register should be prepared and should be updated time to time

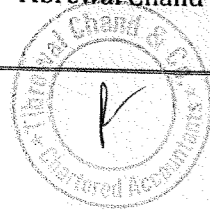
8	As per notification of Bihar Government, The Governor of Bihar made the rules for the mobile tower under the Act. Operator of the mobile has to apply to the ULB for operation of the mobile tower in the concerned area with the Requisite fees of Rs. 30,000/- per Tower and the Renewal fee is Rs. 8000/- 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 out Rs. 9,10,000/-, only Rs. 2,00,000/- was realized from the Tower Company for financial year 2017-18, resulting in loss of Rs. 7,10,000.	to time on the recommendation of audit team.	Notice is being served to the concerned mobile tower co. for collection of mobile tower tax which is arrear in nature. We will follow the recommendation of the audit team in future.	Management should take appropriate action in this regard.
9	During the verification of sairat register, we observed that during the financial year 2017-18, a lot of sairat was not held at Nagar Panchayat. Due to this reason Revenue loss of Rs 21,92,245 to concerned ULB.	Auction for the sirats was conducted but no bidder participated in auction of the sairat. As a result no sairat was auctioned during F.Y 2017-18.	Sairat should be done every year in multiple phases. Appropriate steps such as advertisement, proper bidding time should be provided so that more and more bidders can participate.	
10	During the audit it was observed that there are many cutting and overwriting in accountant cashbook and subsidiaries cashbook.	We are considering the recommendation of the audit team in respect of mentioned observation.	Necessary take care should be taken while updating records and registers, proper training may be provided in this regards.	
11	Trade License issued earlier got expired of few shops but no renewal was made till the date of audit.	Action for renewal of trade license are being taken by the ULB.	Reasonable action should be taken in this regard.	
12	Demand Register for collection of Trade License for the financial year 2017-18 is not yet updated.	Demand Register for collection of Trade License is being prepared.	Demand register for trade license should be updated on real time basis.	
13	No money was collected as	After reviewing the matter,	Reasonable action should be	

Discussion Note

Jogbani Nagar Panchayat

Advertisement Tax during the reasonable action will be taken in this regard. financial year 2017-18. List of taken for collection of unrealized advertisement tax is advertisement tax. required to be prepared.

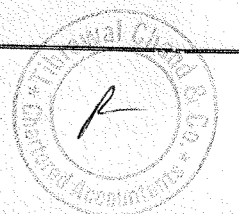
14	Payments made toward TA of executive officer dated 24/04/2017 vide voucher no. 294 and cheque No. 089382 for Rs. 13365, which has been canceled and adjusted in accountant cashbook on 25/09/2017. A new cheque has been issued for the above payments on 27/04/2017 vide cheque no. 089389 and voucher no. 309. But in subsidiaries cashbook, entry for canceled cheque has not been adjusted and payment made through new cheque was also passed resulting in excess payment towards TA by Rs.13365 in books.	Adjustment for the mentioned observation has been made in next F.Y 2018-19 on recommendation of audit team.	Management should take appropriate action in this regard.
15	Advance to Sanjeet Kumar (Head Clerk) for Flood Relief through Voucher no. 362 & 363 for totaled amount of Rs. 400000 but no voucher attached with the advance application. The staff advance of previous year has not been adjusted till date. As a result there is loss of ULB in terms of Bank Interest of Rs. 21,333 for a period of 16 months till 31-03-2018.	After review the matter, reasonable action will be taken for collection of advance from the concerned person.	Management should take appropriate action in this regard.
16	We found many discrepancies while vouching the expenditure. Few payment were made in cash which is not justifiable as per the guideline of BMA. Such cash expenses have been adjusted against cash received from holding tax.	After review the matter, reasonable action will be taken in respect of observation suggested by the ULB.	Management should take appropriate action in this regard.
17	During Audit, it is found that some amount of holding tax has not been deposited by concerned Tax collector.	Mentioned amount of holding tax has been deposited in F.Y 2018-19. We will follow the	Management should take appropriate action in this regard.



Discussion Note

Jogbani Nagar Panchayat

18	During Audit, it is observed that Log book of vehicles has not maintained properly, important information are not filed in log book. Further, Fuel issue register and Log book of vehicles were not authorized by the competent Authority (executive officer)	recommendation of the audit team. Action is being taken in respect of log book of vehicle on recommendation of audit team.	Management should take appropriate action in this regard.
	<ul style="list-style-type: none"> ➤ Log book of TATA Magic, Section machine, JCB and Generator have not been prepared by the concerned Driver/ SafaiJamadar. however above said vehicles consumed Fuel on daily basis, which are enumerated below:- Magic- 125 Liters Section Machine-430 Lt. Generator - 853 Liters ➤ During Audit, major financial irregularities were found in log books of vehicles. 		
19	Payment made to Rajeev Kumar Singh under BRGF scheme Yojna no. 35/2013-14 for Rs. 48896 for construction of Road and Nala. The payment made through cheque No. 017748 of CBI bank Account. In cashbook same payment is made through cheque No. 017742 which relates to other payment. No justification has been provided by ULB in this regards.	It is observed that, this is clerical mistake. It has been rectified later on recommendation of audit team.	Management should take appropriate action in this regard.
20	Stock and Fixed assets Registers have not been updated till 31/03/2018.	Stock and Fixed assets Registers are being prepared maintained for each item. Date on recommendation of audit of purchase and issue for	



Discussion Note

Jogbani Nagar Panchayat

	team.	consumption and balance quantity should be maintained.
21	Stock register has not been properly maintained. All the article of stock has been entered at same page in register. Issue quantity and balance quantity has not been shown in stock register.	Stock and Fixed assets Registers are being prepared in details and required entry is made in it on recommendation of audit team. Stock register should be maintained for each item. Date of purchase and issue for consumption and balance quantity should be maintained.
22	The Jogbani Nagar Panchayat is not complying with the provisions of EPF with regards to Contractual and permanent Employee. It may lead to imposition of Penalty by the Authority in this Regards.	The Jogbani Nagar Panchayat is discussing the matter with department, on clarification the provisions of EPF with regards to Contractual and permanent Employee we will implement the same. Employee wise EPF account should be opened with EPF department.
23	We observed that ULB is not in practice to Deposit the deducted TDS on stipulated time causing interest and penalties.	It will be taken care in future in respect of the mentioned observation on recommendation of the audit team. TDS should be deposited as per income tax act and rule to avoid interest and penalty
24	Real time double entry system has been not yet implemented.	Work on Double entry system is in process and will be implemented on real time basis as soon as possible. Management should take appropriate action in this regard.
25	Payment to 99 beneficiaries under SBM on 19/07/2017 through cheque no. 790577 out of which payment for 4 beneficiaries' @Rs.4500 each and totaled Rs.18000 have been canceled due to wrong Bank account details. Adjustment for the above canceled payments has not been made in cashbook and payments made through issue of new cheque. As a result there is twice payment for the same. In subsidiaries cashbook same entries made through cheque no. 790570, which is wrong.	It is observed that, this is omission in nature. It has been rectified later on recommendation of audit team. Management should take appropriate action in this regard.
26	Payments to Yusuf Khan under HFA for 2nd installment of Rs. 100000 on	It is observed that, this is omission in nature. It has Management should take appropriate action in this regard.

Discussion Note

Jogbani Nagar Panchayat

	396/16-10-2017 through PNB/3875 vide cheque No. 234953. It is observed that same transaction has not been posted in subsidiaries cashbook as it has not been prepared in this period. Hence we are unable to verify the above transaction.	been rectified later on recommendation of audit team.	
27	Payment made to Lila Devi and Sunita Devi for 1 st installment of SBM amount of Rs. 7500 each on 08/01/2018 and 09/01/2018 respectively. The above transaction of payments has not been posted in subsidiaries cashbook. As a result there would be Balances difference.	Non availability of subsidiary cash book, The above transaction of payments has not been posted in subsidiaries cashbook. It is being prepared now.	Management should take appropriate action in this regard.
28	Payment made to R.K. Tent and light house, patelnagar, Jogbani for decoration on the occasion of festival of Rs.42000 through cheque No. 087886 on 04/11/2017. During audit it observed that the invoice is not updated and seal is missing on invoice. It appears the case of financial irregularities.	After review the matter, reasonable action will be taken in respect of observation suggested by the ULB.	Management should take appropriate action in this regard.
29	Payment made to Raj Kumar Rajesh, Patna for hearing expenses of Rs.22000 through cheque No. 087915 on 16/01/2018. No invoice was attached with the payment advice slip. The Payment is inadmissible in nature as no supporting is attached.	After review the matter, reasonable action will be taken in respect of observation suggested by the ULB.	Management should take appropriate action in this regard.
30	Receipts from Map charge (holding) of Rs.11,100 on 02/02/2018 through DD No. 961045/12-12-2107. It is observed that above receipts has not been credited in bank accounts however its effects have been taken in cashbook and subsidiaries book. It's a loss to the ULB.	Adjustment for the mentioned observation is made late on recommendation of audit team.	Management should take appropriate action in this regard and recover the fees from concerned person.
31	A fund transferred of Rs. 37,455 from	Non availability of subsidiary	Management should take

Discussion Note

Jogbani Nagar Panchayat

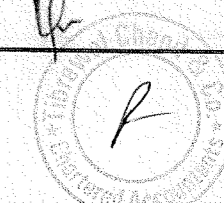
	SafaiSudhar to kabirAntesti on 07/02/2018. The transaction has not been posted in subsidiaries account. Hence we are unable to verify the transaction.	cash book, The above transaction of payments has not been posted in subsidiaries cashbook. It is being prepared now.	appropriate action in this regard
32	The municipality is continuing with a single demand collection register and cashier cash book since 2012-13. We suggest to maintained separate registers yearly. It was also observed that register is not in good condition, appropriate binding and covering should be done on immediate basis to prevent loss of important documents and records.	The recommendation of the audit team will be followed later.	Management should take appropriate action in this regard
33	An allotment was received of Rs. 1,85,019 from BUDA (NULM) on 28/02/2018. The transaction has not been posted in subsidiaries account. Hence we are unable to verify the transaction.	Non availability of subsidiary cash book, The above transaction of payments has not been posted in subsidiaries cashbook. It is being prepared now.	Management should take appropriate action in this regard
34	An amount of Rs.86268 SJSRY has been returned to treasury through cheque No. 087920 on 05/02/2018. Same amount again returned on 28/02/2018 by mistake. Necessary actions are required to be taken.	Adjustment for the mentioned observation is made late on recommendation of audit team.	Management should take appropriate action in this regard
35	An amount of Rs. 428266 under samajiksaraksha has been returned to BDO through cheque No. 802829 on 05/02/2018. In the absence of subsidiaries Register, we could not verify this transaction.	Non availability of subsidiary cash book, The above transaction of receipts has not been posted in subsidiaries cashbook. It is being prepared now.	Management should take appropriate action in this regard
36	The municipality is not in practice to prepare BRS on monthly basis / quarterly basis as per format prescribed. Reason for non-reconciliation between cash book and passbook is not as per BRS Format.	The recommendation of the audit team will be followed later.	BRS should be maintained on monthly basis.
37	Non-providing of Utilization	It has been updated	Grant is blood of ULB



Discussion Note

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	certificate for the reporting audit period		Therefore, for getting grant and running the ULB working smoothly it is requirement of grant. Further timely submission of utilization certificate helps the grant realizing authority to send the money for fulfill the requirement of future. Therefore, management should ensure that UC has been summited with concerned department on time.
38	Non-maintenance of required registers as per Rule No.-3 of BMAR-2014	We will maintain the same at earliest.	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.
39	Non-Implementation of double entry accounting system (DEAS) We found the detail that double accounting system is implemented at Jogbani Nagar Panchayat, however we not got any data for verification the same.	Implementation of DEAS is ongoing and ULB staff is directed to cooperate with auditors and to provide all necessary documents for audit.	As per requirement of BMAR-2014, Part-A, Chapter-2 Rule -4, "All ULB refereed in schedule-1 shall maintain its books of account using the double entry system". Since Jogbani 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.
40	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



41 Non-Compliance of Act & Rules	ULB staff is directed to ensure compliance of all applicable Act & Rules.	accounts committee compliance of BMA-2007. 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.
42 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 Panchayat ensure that this will be taken care from now onwards.	We observed that there is no internal control mechanism available over collection recovery, deposit of taxes, asset handling, cheque handling and statutory compliances: We suggest that (i) MIS system should be implemented over daily collection and deposit. (ii) Reason for non-deposit/Late deposit should be strongly need to ask for minimize delay. (iii) Need to identify a person to comply with the statutory compliance. In case failure to comply with statutory compliances he should also be penalized. Therefore, the management has to take serious effort in implementation of internal control mechanism for getting a better result from ULB working. It should be prepared as soon as possible.
43 During the course of Audit, we observed that Nagar Panchayat has conducted Internal audit for the year 2016-17 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.

Details of 20 high value properties:-

SI No.	Year	Holding No	Types	Ward No	Property Tax
1	2017-18	35	Residential	11	11,642
2	2017-18	36	Residential	11	12,420
3	2017-18	39	Residential	11	16,560
4	2017-18	16	Residential	11	11,798
5	2017-18	48	Residential	11	15,126
6	2017-18	66	Residential	11	18,630
7	2017-18	79	Residential	11	7861
8	2017-18	80	Residential	11	13,371
9	2017-18	100	Residential	11	8,280
10	2017-18	110	Residential	11	11,178
11	2017-18	114	Residential	11	15,525
12	2017-18	119	Residential	11	91,342
13	2017-18	149	Residential	11	24,840
14	2017-18	150	Residential	11	7,415
15	2017-18	151	Residential	11	4,305
16	2017-18	154	Residential	11	14,904
17	2017-18	175	Residential	11	4,769
18	2017-18	180	Residential	11	9,936
19	2017-18	16	Residential	8	1,656
20	2017-18	73	Residential	8	2,637
21	2017-18	343	Residential	8	9,312
22	2017-18	13	Residential	9	1,465
23	2017-18	67	Residential	9	1,890
24	2017-18	165	Residential	9	1,080
25	2017-18	171	Residential	9	1,350
26	2017-18	178	Residential	9	1,172
27	2017-18	183	Residential	9	4,802
28	2017-18	205	Residential	9	1,620
29	2017-18	250	Residential	9	1,863
30	2017-18	291	Residential	9	2,160
31	2017-18	109	Residential	10	4,455
32	2017-18	195	Residential	10	1,944

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Jogbani Nagar Panchayat

Bank Reconciliation Statement

S/N	Project Name	Bank Name	A/C no.	Cash book balance	Pass book balance	Difference	Status
1	13 th FINANCE	UCO BANK	5064	62,958.00	62,958.00	-	Reconcile
2	M. Nali-Gali Pakkikaran	PNB	13884	22,79,539.90	22,79,539.90	-	Reconcile
3	Samajik Suraksha	SBI	32013	4,000.00	4,000.00	-	Reconcile
4	BRGF	CBI	7104	7,20,007.00	7,20,007.00	-	Reconcile
5	Antratik Sansadhan	UCO BANK	7584	16,23,133.69	16,23,133.69	-	Reconcile
6	HFA	PNB	13875	1,70,90,522.90	1,70,90,522.90	-	Reconcile
7	14 th FINANCE	CBI	9004	25,86,581.85	25,86,581.85	-	Reconcile
8	Pension Fund	SBI	9624	8,34,738	8,34,738.00	-	Reconcile
9	SBM	UCO BANK	7119	16,20,596.97	16,20,596.97	-	Reconcile
10	Payjalapurti	PNB	13866	67,20,871.90	67,20,871.90	-	Reconcile
11	DAY-NULM	PNB	14351	1,82,851.91	1,82,851.91	-	Reconcile
12	Kabir Antesti	SBI	2013	4,99,961.31	4,99,961.31	-	Reconcile
13	DUDA	PNB	14360	59,90,900.40	59,90,900.40	-	Reconcile
14	Treasury A/C	FORBES GANJ	URB - 002	10,48,58,166.01	10,48,58,166.01	-	Reconcile

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Jogbani Nagar Panchayat

Details of statutory deduction:-

i. TDS:

Date	Details of Bills	Amount	Remarks
27-06-2017	Rajeev Kumar (Contractor)	46,000.00	TDS not deducted
27-06-2017	Shabdul Ansari (Contractor)	46,000.00	TDS not deducted
30-06-2017	Sanskritik Manch	1,52,000.00	TDS not deducted

Name of Employee	Basic	DA	HRA	Medical	TDS
Vinod Kumar	22,800.00	30,202.00	1,716.00	200.00	-
Vinod Kumar	64,688.00	-	1,716.00	200.00	-

ii. Royalty:

Date	Name of Contractor	Bill Amount	Remarks
25-04-2017	Zafar Alam	3,35,711.00	Royalty not deducted
27-06-2017	Rajeev Kumar	46,000.00	Royalty not deducted
27-06-2017	Shabdul Ansari	46,000.00	Royalty not deducted
19-09-2017	Rajeev Kumar	7,80,084.00	Royalty not deducted

Details of UC's of Financial Year 2017 - 2018

SN	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2017-18	Salary of E.O	20/11/2017	2.49	2.49	NIL	UC Submitted
2	2017-18	शहरीनालीगली	30/10/2017	46.67	46.67	NIL	UC Submitted
3	2017-18	14th Fin	24/01/2018	79.42	NIL	79.42	Un-utilized amount Rs. 79.42 transferred to PL A/C
4	2017-18	भत्ताभुगतान	15/06/2017	3.36	3.36	NIL	UC Submitted
5	2017-18	नागरिकसुविधा	24/08/2017	47.41	47.41	NIL	UC Submitted
6	2017-18	14th Finance	02/08/2017	79.62	NIL	79.62	Un-utilized amount Rs. 79.42 transferred to PL A/C

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Jogbani Nagar Panchayat

7	2017-18	पेशाकरमद	30/06/2017	13.1	NIL	13.1	Un-utilized amount Rs. 13.10 transferred to PL A/C
8	2017-18	नालीगली	11/08/2017	54.47	15.60	38.87	Un-utilized amount Rs. 38.87 transferred to PL A/C
9	2017-18	5th Finance	14/09/2017	161.5	NIL	161.5	Un-utilized amount Rs. 161.50 transferred to PL A/C
10	2017-18	Salary of E.O	23/05/2017	6.95	6.95	NIL	UC Submitted Not
Grand Total				494.99	122.48	372.51	

05/09/2020
 कार्यपालक पदाधिकारी
 ① नगर पंचायत जोगबनी
 09/08/2020

