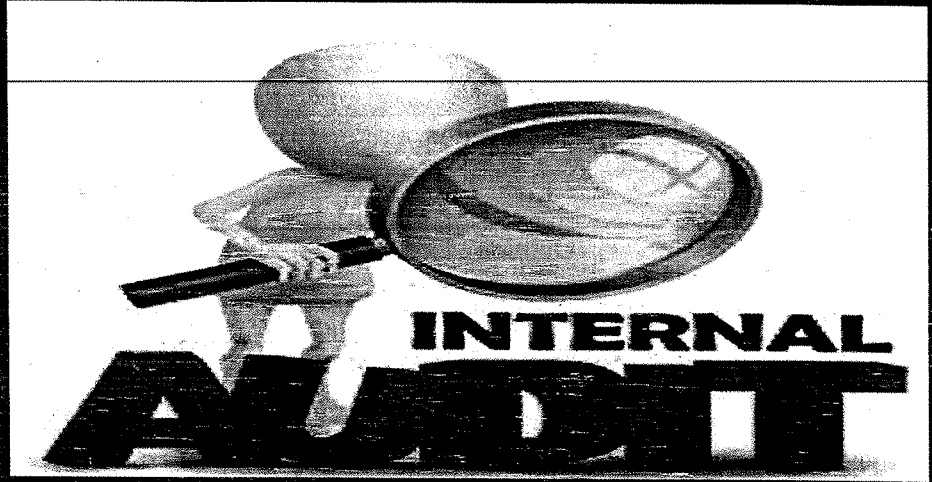


Financial
Year
2018-19



Report submitted date: 30.08.2019

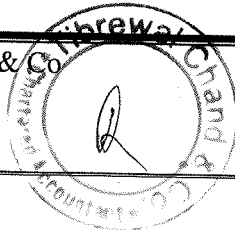
INTERNAL AUDIT REPORT



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

INDEX

Sl. No.	Particulars	Page No.
1.	Executive Summary	
	• Introduction	5
	• Results and Findings	5-6
	• Opinion	7
	• Audit Recommendation	8
	• Management Comment	9-12
	• Acknowledgment	13
2.	Detailed Audit Report	14-30



Internal Audit Report- Nagar Panchayat – Jhanjharpur

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

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

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

We have conducted the Internal Audit with the objective:-

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

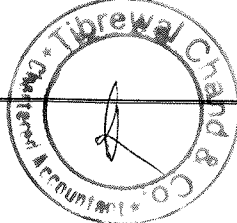
We started with an overview of activities through a study on various documents generated by the ULB. Then we identified evaluated and tested adequacy, effectiveness and efficiency of internal controls including standard policies and procedure laid down by the management for each of the areas included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

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

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

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

- Accountant Cash Book
- Subsidiary Cash Book
- Bank Book
- DCR
- Vouchers along with supporting documents



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

- Other related records and register

For Tibrewal Chand & Company
Chartered Accountants



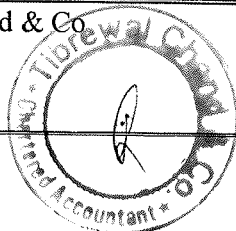
CA ROSHAN JAIN | PARTNER

Membership No 518422

FRN No. 311047E

UDIN NO = 21518422AAAAA613356

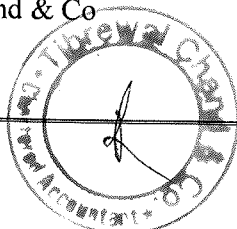
UDIN DATE = 24-02-2021



Executive Summary

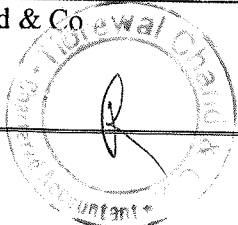
1. **Introduction:** Jhanjharpur Nagar Panchayat, with population of about 30,590 is located in district of Madhubani sub district of Jhanjharpur district in the state Bihar. There are approximate 5,904 households. Mrs. Usha Devi is Chairman holding post from 09-06-2017 to till the date of Audit. Mr. Amit Kumar is the Executive officer holding post from 29.01.2019 to till the date of Audit.
2. **Results and Findings:** During our audit we observed below mentioned strengths and weakness in the functioning of ULB:

Strengths observed during the audit engagement	<ol style="list-style-type: none">1. General Cash book has been prepared for the audited period2. Cashier cash book has been prepared for the audited period3. Few Revenue related records were prepared by the Panchayat
Weaknesses observed in the functioning of office, maintenance of records etc. during the audit engagement	<ol style="list-style-type: none">1. Non preparation of bank reconciliation statements.2. Non deduction of TDS in various cases resulting in violation of tax provisions and attraction of interest and penalty.3. Lack in follow-up procedure in collection of huge arrear dues in relating to property and other taxes.4. Non deposition of statutory dues such as labor cess, TDS, VAT to the authorities after deduction from bills, resulting in huge penalties and interest.



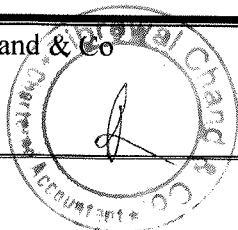
Internal Audit Report for the year ended 31st March of F.Y. 2018-19

	<p>5. Non-Performing the variance analysis between budget and actual expenditure for a particular period resulting in short comings in budgetary control.</p>
	<p>6. Physical survey can't be conducted due to Non availability of ULB staff for conducting physical verification. Further SAF forms were also not provided for 20 high value properties as per list provided by us.</p> <p>7. Fuel distribution register was not prepared resulting in weakness in control over books of account.</p> <p>8. Daily wages register was not prepared resulting in weakness in control over books of account.</p> <p>9. Advance register is not maintained.</p> <p>10. Huge outstanding of revenue including holding tax, tower tax, rent but no sincere efforts has been made by ULBs to recover the same.</p> <p>11. Subsidiary cash was not maintained by ULB</p> <p>12. Fixed assets register is not maintain properly at Nagar Panchayat level.</p>



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

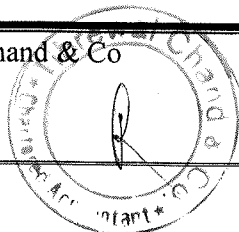
3. **Opinion:** The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the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



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

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

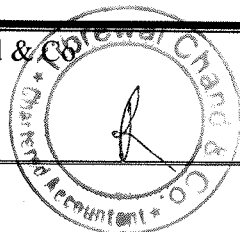
1. Books of accounts should be prepared on real time basis under double entry system and accrual basis should be followed.
2. Employees of all departments are required to be trained and monitored for updating of day to day transactions on regular basis in respective records and registers.
3. Stringent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



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

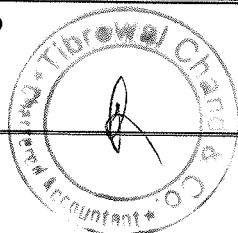
5. Comments from Management:-

Sl. No.	Observation	Recommendation
1	As per notification of Bihar Government, The Governor of Bihar made the rules for the mobile tower under the Act. Operator of the mobile has to apply to the ULB for operation of the mobile tower in the concerned area with the Requisite fees of Rs. 30,000/- per Tower and the Renewal fee is Rs. 8,000/- per year. During the course of audit it was observed that Rs. 9,30,000.00 is due towards Tower Company for financial year 2018-19. <i>(Refer detailed audit report)</i>	There is a huge loss of revenue & interest income. So, necessary steps should be taken for timely collection of taxes.
2	The amount of tax collected by the Tax collector is required to be handed over to the cashier by the next day of the collection. But we are unable to find actual delay due to non availability of daily collection register.	It should be recovered from concerned person and same should be deposited into bank.
3	Report on Findings of the field survey of property tax of minimum 20 high value properties. <i>(Refer detailed audit report)</i>	Physical survey can't be conducted due to Non availability of ULB staff for conducting physical verification. Further SAF forms were also not provided for 20 high value properties as per list provided by us.
4	Fixed Assets Register (FAR) is not maintained properly at Nagar Panchayat level. Also, there is no record of wasted fixed assets & current fixed assets of Nagar Panchayat. Further, identification No. is not mentioned on assets.	Due to non – maintenance of FAR, it will become difficult to identify quantity of each class of fixed asset. In case of theft, FAR will be helpful to trace the asset. So, FAR should be prepared at the Nagar Panchayat and Identification No. should be mentioned on the each assets.
5	Stock register is not maintained properly. All the articles of stock are mentioned on same page in stock register. Information regarding issue quantity and Opening/Closing balance quantity is not given in stock register.	Due to non – maintenance of FAR, it will become difficult to identify quantity of each class of stock. So, the ULB should maintain a price store ledger properly.
6	During the audit various cases were observed regarding non deduction and non-deposition of	All statutory compliances related to deduction, deposition and return filling



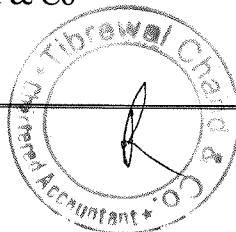
Internal Audit Report for the year ended 31st March of F.Y. 2018-19

	statutory dues like TDS, VAT, and Royalty in stipulated time by the Nagar Panchayat. Further it was also observed that return was also not filled for TDS & VAT. <i>(Refer detailed audit report)</i>	should be complied.
7	The municipality is not in a practice to prepare BRS on regular or periodical basis and few banks is not reconciled. <i>(Refer detailed audit report)</i>	BRS should be maintained month wise.
8	(i) Improper maintenance of records related to revenue collection. (ii) During the audit it was observed that mobile tower tax is not getting collected on a timely basis and even if it is getting collected, the same is not deposited timely.	(i) Daily collection register for property tax should be maintained and appropriate action should be taken. (ii) Collection should be made on a regular basis and deposited on the same day to avoid any irregularity.
9	Non preparation of stores register	Due to non – maintenance of stock register, it will become difficult to identify quantity of each class of stock. So, the ULB should maintain a store ledger including price of inward goods.
10	Jhanjharpur Nagar Panchayat is not in practice to prepare monthly receipt and payment account and the trial balance.	ULB should prepare receipts and payment account on monthly basis. It helps to find out that how much fund received by the ULB and whether its utilization was made properly or not.
11	Nagar Panchayat paid Rs. 8,50,000 without TDS deduction to newspaper agency and also we did not find supporting documents of same payment.	Nagar Panchayat should recover TDS and also attached bill of payment.
12	Non-availability of supporting	Nagar Panchayat paid Rs. 1,65,000 without supporting documents to Nandani Developer. Therefore supporting documents should be produced to auditor for verification.
13	Excess payment to Yama Kala Parishad	Nagar Panchayat has given Rs. 3000 per house to Yama Kala Parishad while the payment should be 2500 per house as per agreement. Therefore ULB must recover excess payment from Yama Kala Parishad.
14	No-collection of notice fees	As per the regulation 158(a) of chapter XIX



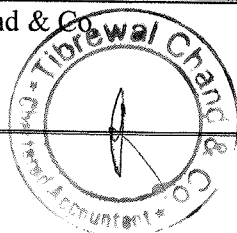
Internal Audit Report for the year ended 31st March of F.Y. 2018-19

		of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fee, levy of interest for delay payment at a rate as may be specified, and the amount of penalty therefore, but in case of Jhanjharpur Nagar Panchayat, corporation has not provided any information regarding charging and collection of notice fees. ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.
15	Non Compliance of statutory provision	<p>i) Nagar Panchayat paid Rs. 33,500 to Tros Consultancy services Pvt. Ltd. without TDS deduction.</p> <p>ii) Nagar Panchayat paid Rs. 48,000 to Rajanikant Singh (advocate) without TDS deduction.</p> <p>ULB should adjust or recover TDS amount from next bill.</p>
16	During the course of Audit, we observed that Nagar Panchayat has conducted Internal audit & CAG audit for the year 2016-17 & 2017-18 but the compliance report for the same has not been prepared and also audit report has not provided to us. <i>(Refer detailed audit report)</i>	It should be prepared as soon as possible.
17	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	<p>We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory compliances:</p> <p>We suggest that</p> <p>(i)MIS system should be implemented over daily collection and deposit.</p> <p>(ii)Reason for non-deposit/Late deposit should be strongly need to ask for minimize delay.</p> <p>(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.</p>



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

		Therefore, the management has to take serious effort in implementation of internal control mechanism for getting a better result from ULB working.
18	Non-Compliance of 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.
19	Non-Implementation of double entry accounting system.	As per requirement of BMAR-2014, Part-A, Chapter-2 Rule -4, "All ULB referred in schedule-1 shall maintain its books of account using the double entry system". Since Jhanjharpur 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. We found the detail that double accounting system is implemented at Jhanjharpur Nagar Panchayat and AFS, FAR & PTR for 2017-18 has been submitted. However we not got any data for 2018-19 verification the same.
20	Non-maintenance of required registers as per Rule No.-3 of BMAR-2014	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.
21	Non availability of advance register	Non-provided details of advance by ULB. It should be provided to Auditors for verification.
22	No details were made available regarding meeting of municipal accounts committee held during the financial year 2018-19.	As per requirement of BMA-2007, Chapter-XII, ULB should hold a meeting of municipal accounts committee each year. During our audit no 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.
23	Insurance deduction & PF file and register was not provided to us. Therefore we are unable to quantify amounts.	Insurance & PF should be produced to auditors.



6. Acknowledgement:-

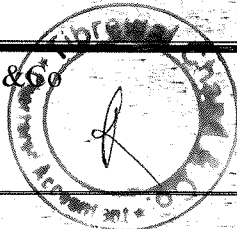
We convey our heartfelt thanks to the entire team of "Jhanjharpur Nagar Panchayat" for rendering their help in successfully completing the assignment.

For Tibrewal Chand & Company Chartered Accountants

CAROSHANJAIN | PARTNER
Membership No 518422
FRN No. 311047E

CA Roshan Jain
Partner
M. No: 518422

Executive officer
Nagar Panchayat Jhanjharpur
Date:
Place: Patna



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

Detailed Audit Report

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

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

2. **Administration:-**

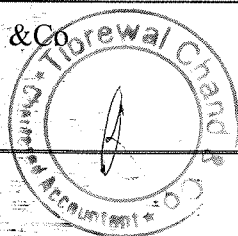
The Present governing body of the ULB has taken charge on 09-06-2017. The incumbencies in the key administrative and executive positions are as under:

- Mrs. Usha Devi Chairman from 09-06-2017 to till the date of Audit.
- Mr. Amit Kumar Executive officer from 29-01-2019 to till the date of Audit.

3. **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 recovery has been made	Total amount of recovery	Total No. of outstanding paras where no action has been taken	No. & date of compliance report
1	C&AG Audit (2016-17 & 2017-18)	-	-	-	-	-	-	Compliance report has not prepared and report also not provided to



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

								us.
2	Internal Audit 2016-17 & 2017-18	-	-	-	-	-	-	Compliance report not prepared and report also not provided to us.

(Note: Refer discussion note point no. 12)

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

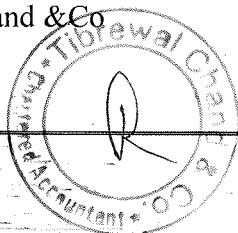
i. **Budgetary provisions and expenditure for the last three years:-**

Year	2018-19	2017-18	2016-17
Final/Revised Budget	16,59,46,254	16,11,12,868	7,74,87,012
Actual Expenditure	3,17,63,991	14,64,28,368	8,83,81,117
Savings(+)/Excess(-)	13,41,82,263	1,46,84,500	(1,08,94,105)

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

ii. **Volume of Transactions:-**

Period	Budgeted	Previous year (17-18)	Corresponding period of previous year	Current period	Cumulative for the current period
Opening Balance	32,04,61,978	16,24,21,947	12,23,78,611	32,04,61,978	32,04,61,978
Receipts	10,32,70,300	30,44,68,399	12,84,24,452	4,00,77,923	4,00,77,923
Total	42,37,32,278	46,68,90,346	25,08,03,063	36,05,39,901	36,05,39,901
Net expenditure	16,59,46,254	16,11,12,868	8,83,81,117	3,17,63,991	3,17,63,991
Closing Balance	25,77,86,024	30,57,77,478	16,24,21,947	32,87,75,910	32,87,75,910



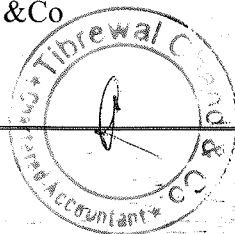
Internal Audit Report for the year ended 31st March of F.Y. 2018-19

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

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

Name of Bank	Scheme Name	Account No.	Passbook Balance	Cash Book Balance	Difference	Status
Allahabad Bank	Vivah Bhawan	65627	6,96,275.00	6,96,275.00	-	Reconciled
Allahabad Bank	SBM	62206	2,87,085.00	2,87,085.00	-	Reconciled
SBI	Various	84618	34,16,496.73	27,24,258.00	-	Unreconciled
SBI	BRGF	85215	37,882.50	37,882.50	-	Reconciled
PNB	HFA	33643	1,39,95,273	1,29,25,784	-	Unreconciled
PNB	Kabir	83649	5,89,374.14	4,58,789.00	-	Unreconciled
Central Bank	Various	42484	12,64,348.00	12,64,348.00	-	Reconciled
Gramin Bank	Nagar vikas	00003	10,90,885.80	7,85,478.00	-	Unreconciled
Gramin Bank	Committee Fund	59092	4,25,920.20	4,25,920.20	-	Reconciled
Axis Bank	14 th Finance	81317	4,10,762.00	4,10,762.00	-	Reconciled
Axis Bank	Day Nulm	86326	16,76,896.50	17,54,879.00	-	Unreconciled
IDBI Bank	Stamp Duty	05593	32,435.00	32,435.00	-	Reconciled
IDBI Bank	5 th Finance	05937	11,32,017.00	11,32,017.00	-	Reconciled
ICICI Bank	SBM	00188	30,21,136.00	28,25,879.00	-	Unreconciled
PL Account	Various	PL-183	14,56,23,562	14,56,23,562	-	Reconciled
Axis bank	Prashanik bhawan	58947	45,70,729.00	45,70,729	-	Reconciled

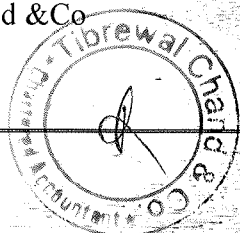
Comments: ULB does not prepared bank reconciliation statement on monthly basis. **Recommendation:** ULB should be prepared bank reconciliation on monthly basis. (Note: Refer discussion note point no. 7)



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

iv. Revenue & Capital Receipts:-

SI. No.	Details	Income Details			
		2018-19		2017-18	
		2018-19	2017-18	2017-18	2016-17
	Total Receipts (A+B)	4,00,77,923	30,44,68,399	30,44,68,399	12,84,24,452
A	Revenue Receipts (1+2+3)	1,56,11,673	4,37,70,880	4,37,70,880	2,90,00,459
1	Own Revenue Receipts a+b	73,25,603	10,60,000	10,60,000	8,35,929
a)	Tax Revenue (Levied & Collected By municipal Body) (i+ii)	5,62,053	1,41,500	1,41,500	6,20,158
i)	Property Tax	4,86,053	1,41,500	1,41,500	5,52,158
ii)	Other Tax (Levied & Collected By municipal Body)	76,000	-	-	68,000
b)	Non Tax Revenue (Levied & Collected By municipal Body) (i+ii+iii)	67,63,550	9,18,500	9,18,500	2,15,771
i)	Fess & Fines	23,800	63,500	63,500	21,771
ii)	User Charges	2,13,000	2,05,000	2,05,000	1,94,000
iii)	Other Non-Tax Revenue (Levied & Collected By municipal Body)	65,26,750	6,50,000	6,50,000	-
2	Other Revenue Receipts	22,66,000	29,08,472	29,08,472	39,29,726
a)	Income from interest/Investments	20,60,000	20,00,000	20,00,000	35,97,044
b)	Other Revenue Income	2,06,000	9,08,472	9,08,472	3,32,682
3	Transfers/grants/Assigned Revenues	60,20,070	3,98,02,408	3,98,02,408	2,42,34,804
a)	State Assigned Revenues	5,30,800	80,20,455	80,20,455	64,20,974
b)	State Finance Commission (SFC) Grants/Devolution	54,89,270	3,17,81,953	3,17,81,953	1,78,13,830
c)	Octroi Compensation	-	-	-	-
d)	Other State Government transfers	-	-	-	-
e)	Central Finance Commission (CFC) Grants	-	-	-	-
f)	Other Central Government transfers	-	-	-	-



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

g)	Others	-	-	-	-
B	Capital Receipts(1+2+3+4+5)	2,44,66,250	26,06,97,519	26,06,97,519	9,94,23,993
1	Sale of Municipal Land	-	-	-	-
2	Loan (From state Govt. or Bank etc.)	-	-	-	-
3	State Capital Account Grant (Under state Scheme etc.)	1,78,95,000	26,06,97,519	26,06,97,519	3,96,39,011
4	Central Capital Account Grant (Under central Scheme etc.)	65,71,250	-	-	5,97,84,982
5	Other Capital Receipts	-	-	-	-

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

v. Revenue & Capital Expenditure Information:-

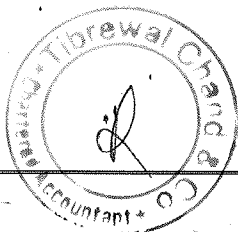
Sl. No.	Details	Expenditure Details			
		2018-19		2017-18	
		2018-19	2017-18	2017-18	2016-17
	Total Expenditure(1+2)	3,17,63,991	16,11,12,868	16,11,12,868	8,83,81,117
1	Revenue Expenditure	2,53,93,725	7,21,27,500	7,21,27,500	3,85,94,768
1.1	Administrative Expenses, Establishment & Salaries (All Departments regular & contractual staff)	1,51,17,425	1,46,84,500	1,46,84,500	57,25,178
1.2	Operation & Maintenance (O & M)	98,92,000	96,70,000	96,70,000	26,41,869
1.3	Loan Repayment (Interest Payments)	3,300	3,000	3,000	2,254
1.4	Others (any other revenue expenditure which is not salaries, O & M or interest payment)	3,81,000	4,77,70,000	4,77,70,000	3,02,25,467
2	Capital Expenditure	63,70,266	8,89,85,368	8,89,85,368	4,97,86,349
2.1	All developmental works under central/state specific schemes	54,93,016	7,62,15,368	7,62,15,368	3,16,03,905
2.2	Loan Repayments	-	-	-	-



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

2.3	Other capital expenditure	8,77,250	1,27,70,000	1,27,70,000	1,81,82,444
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(Note: All figures are taken from books of accounts)



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

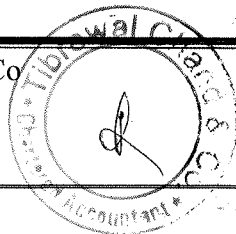
- vi. Status of implementation of double entry accounting system:** DEAS has been implemented by M/s A P Sanzgiri & Co. at Jhanjharpur Nagar Panchayat till F.Y. 2017-18 but for the period 2018-19 no real time double entry system started till date of audit and even not got data for verification.

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

(Note: Refer discussion note point no. 15)

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

(Note: Refer discussion note point no. 18)



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.**

➤ **Holdings and property tax not deposited on timely basis.**

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

Criteria: As per Rules 22(1) of Bihar Municipal Accounting Rules, 2014 Tax Collected has to be deposited on same day or latest before noon on the following working day.

Condition: Daily collection register has not been provided for verification, in such a situation, we cannot ascertain the actual delay of deposits this could be a huge loss to Nagar Panchayat.

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

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

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

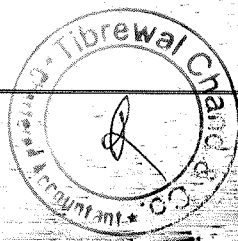
(Note: Refer point no. 2 of discussion note)

➤ **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



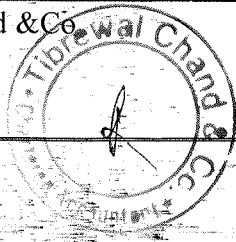
Internal Audit Report for the year ended 31st March of F.Y. 2018-19

Collected has to be deposited on same day or latest before noon on the following working day.

Condition: As per notification of Bihar Government, The Governor of Bihar made the rules for the mobile tower under the Act. Operator of the mobile has to apply to the ULB for operation of the mobile tower in the concerned area with the Requisite fees of Rs.30,000.00/- per Tower and the Renewal fee is Rs. 8000.00/- per year. As per verification of records and document during the course of audit and according to the cash book produced by the ULB, it was found that only Rs.10,47,000.00/- was realized from the Tower Company till 31.03.2019, resulting in loss of Rs.1,12,000/-

S.N.	Name of tower	Establishment Fee	Registration & Renewal Fees	Amount collected	Total due
1	Airtel	30,000	1,12,000	30,000	1,12,000
2	Airtel	30,000	72,000	1,02,000	-
3	Airtel	30,000	72,000	1,02,000	-
4	Airtel	30,000	72,000	1,02,000	-
5	Vodafone	30,000	88,000	1,08,000	-
6	Vodafone	30,000	72,000	1,02,000	-
7	Vodafone	30,000	72,000	1,02,000	-
8	Reliance	30,000	72,000	1,02,000	-
9	Reliance Jio	30,000	48,000	78,000	-
10	Reliance Jio	30,000	24,000	54,000	-
11	Reliance Jio	30,000	16,000	38,000	-
12	Tata Telecom	30,000	56,000	86,000	-
13	Reliance Jio	30,000	8,000	38,000	-
Total				10,47,000	1,12,000

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



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

Cause: We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval, the ULB has no proper mechanisms for supervision and monitoring of the Tower Rent due to which result in Revenue leakage.

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

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

➤ **Non Collection of Advertisement Tax:**

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

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

Condition: Nagar Panchayat is not collecting any advertisement tax.

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

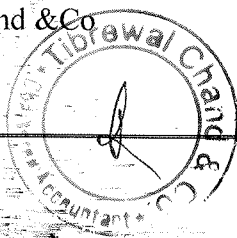
Cause: This is happening due to failure of designated staff and non-monitoring of authorized officials on timely basis.

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

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

ULB had paid to Yama Kala Panchayat Rs. 3,000.00 per house (Total Rs. 3,000.00*50=1,50,000.00) while in the agreement, ULB had agreed to pay Rs. 2,500.00 per house (Total Rs. 2,500.00*50=1,25,000.00) per quarter. Therefore it was a case of excess payment of Rs. 25,000.00 in the whole year.

Nagar Panchayat paid Rs. 1,65,000 without supporting documents to Nandani Developer. Therefore supporting documents should be produced to auditor for verification.



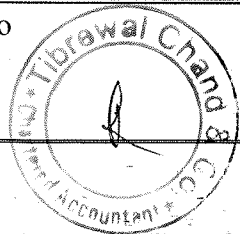
Internal Audit Report for the year ended 31st March of F.Y. 2018-19

13. **Report on Findings of the field survey of property tax of minimum 20 high value properties is given here:** - Physical survey can't be conducted due to Non availability of ULB staff for conducting physical verification. Further SAF forms were also not provided for 20 high value properties as per list provided by us.

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

SI No.	Ward No.	Holder Name	Area	Type of Properties	Tax Amount
1	11	Sarita Devi	3450	Residential	22,365
2	06	Parameshwari Devi	2000	Residential	12,960
3	12	Surendra Prasad Sahu	2400	Residential	10,368
4	06	Santosh Prasad Kejriwal	2775	Residential	8,991
5	12	Mukhtar Alam	2772	Residential	8,981
6	05	Sandeep Kumar	3575	Residential	7,222
7	12	Sohan Jha	2240	Residential	3,326
8	12	Ajay Kumar	2236	Residential	2,213
9	05	Rajankumar	1955	Residential	1,935
10	13	Madanmohan Gupta	537	Residential	1,740
11	05	Sat Narayan pd	624	Residential	1,516
12	13	Ram Bihari Kamat	2584	Residential	930
13	12	Dilip jha	1368	Residential	862
14	13	Md Vakilhaque	2250	Residential	810
15	03	Anjani Kumari	738	Residential	731
16	06	Nageswar Thakur	711	Residential	704
17	13	Anilkumar Purve	525	Residential	661
18	10	Bharatnayak	1664	Residential	600
19	10	Laxmikant jha	1920	Residential	691
20	06	Pradeepkumar Kejriwal	224	Residential	729

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



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
- Bankbook.
- Assets register.
- Cashbook.
- Records and revision of taxes and rent.

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

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

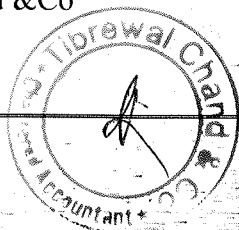
(Note: Refer discussion note point no. 7 & 16)

b. **Irregularity in procurement process:**

No observation found in this regards.

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

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



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

- Non maintenance of prescribed books of accounts.
- Non maintenance of prescribed DEAS.
- Non maintenance of DCR.
- Non preparation of budget as per budget manual.
- Closing of daily cash book and bank book.
- Physical verification of cash balance with daily collection register and bank balances.

d. Non Compliance 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 rates should be increased in every 5 years but not increased since a long period

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

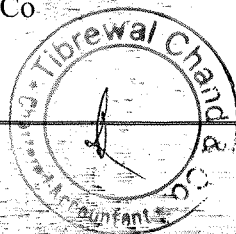
Lack of Internal Control Measures: (i) Voucher file was not maintained (ii) No internal mechanism for statutory compliance (iii) No MIS was prepared for tracking of payments (iv) Required books of Accounts as per BMAM was not maintained (v) Statutory compliance reconciliation was not maintained

(Note: Refer point no. 13 of discussion note)

e. Non- Compliance of TDS, VAT, and other relevant statute: During the audit it was observed that there is very serious issues in statutory compliance taxes are often deducted/ but not deposited on time resulting in heavy interest and penalty

i. TDS:

SI No	Date of deduction	Date of Deposit	Amount	Return date
1.	June(2018)	31.03.2019	52,715.00	Not Filled
2.	Dec(2018)	31.03.2019	41,104.00	Not Filled
3.	Mar(2018)	31.03.2019	1,77,116.00	Not Filled



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

ii. Royalty:

SI No	Date of deduction	Date of Deposit	Amount
1.	June(2018)	31.03.2019	1,05,432.00
2.	SEP(2018)	31.03.2019	82,211.00
3.	DEC(2018)	31.03.2019	3,54,234.00

iii. Labour Cess

SI No	Date of deduction	Date of Deposit	Amount
1.	June(2018)	Not deposited	52,715.00
2.	SEP(2018)	Not Deposited	41,105.00
3.	DEC(2018)	Not Deposited	1,77,116.00

iv. GST

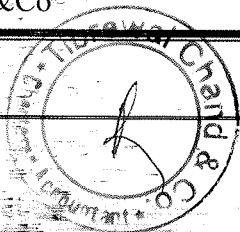
SI No	Date of deduction	Date of Deposit	Amount
1.	DEC(2018)	Deposited	3,54,234.00

- v. Nagar Panchayat paid Rs.8,50,000 without TDS deduction to newspaper agency and also we did not find supporting documents of same payment.
- vi. Nagar Panchayat paid Rs.33,500 to Tros Consultancy services Pvt.Ltd. without TDS deduction.
- vii. Nagar Panchayat paid Rs.48,000 to Rajanikant Singh (advocate) without TDS deduction.

(Note: Refer point no. 6,9 & 11 of discussion note)

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

Insurance & PF: Insurance deduction & PF file and register was not provided to us. Therefore we are unable to quantify amounts.



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

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

(In Lacs)

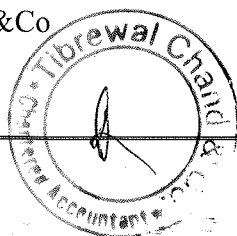
Year	Name of fund	Date of Allotment	Amount in Lakh	Expenditure	Un utilized Amount	Remarks
2018-19	5 th State Finance	10-07-2018	126.91	NIL	126.91	Un-utilised amount Rs 126.91 transferred to PL A/C
2018-19	5 th State Finance	03-07-2018	124.09	14.07	110.02	Un-utilised amount Rs 110.02 transferred to PL A/C & No information provided for the expenditure incurred amount rs 14.07
2018-19	Nagrik Suvidha	31-10-2018	36.44	NIL	36.44	Un-utilised amount Rs 36.44 transferred to PL A/C
2018-19	Path & Puliya Nirman	27-12-2018	66.05	NIL	66.05	Un-utilised amount Rs 66.05 transferred to PL A/C
2018-19	14 th Finance	31-10-2018	73.14	NIL	73.14	Un-utilised amount Rs 73.14 transferred to PL A/C
2018-19	EO Salary	22-05-2018	7.00	NIL	7.00	Un-utilised amount Rs 7.00 transferred to PL A/C
TOTAL			433.63	14.07	419.56	

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

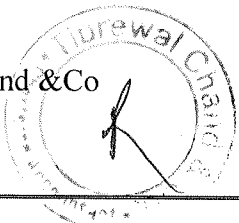
(Note: Refer point no. 5 of discussion note)

i. Advances: Details of advance was not provided to us.

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



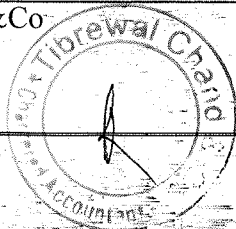
Internal Audit Report for the year ended 31st March of F.Y. 2018-19



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

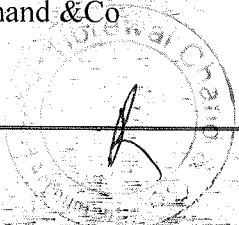
II. Part C

Sl. No	Particular	Remarks/Observation
1	Whether all these the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD & HD.	Chapter xi, rule 84 (Budget has not been sanctioned by Empowered standing committee) & Chapter xii, rule 86 (Prepare and maintain account 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 followed 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 procedure 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 audit report.
3	Whether all compliance have been complied regarding Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR Rule 22: All money to be brought to account Rule 27: Collection 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 months	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.



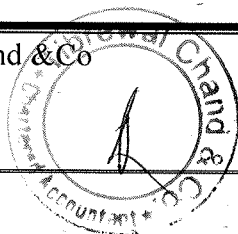
Internal Audit Report for the year ended 31st March of F.Y. 2018-19

4	Whether all such compliance of financial guidelines of schemes of MOHUA and UD & HD, GoB have been complied.	Yes, Compliance of financial guidelines of schemes of MOHUA and UD & HD, GoB have been complied.
5	If any revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Saira 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 appropriate ness of the documentation, approvals, compliance of procedures etc. of all payments on or above Rs. 10,000.	Discussed in audit report Part A.
7	Whether all Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	Refer detailed audit report.
8	An assessment of presence or absence of a system of issuance of utilization certificate for the different schemes for any utilization made during the reporting period; Where there is no system for issuance of U/Cs, prepare Utilization Certificate for various schemes/grants as per the guidelines of such scheme available on the UD & HD website.	Refer audit report.
9	Verify instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	It has been provided in discussion notes as well as in audit report under part A.
10	Whether all such payments have been made according to payment terms & conditions of tenders and rate offers are according to procurement law and policies.	It has been provided in discussion notes as well as in audit report under part A.

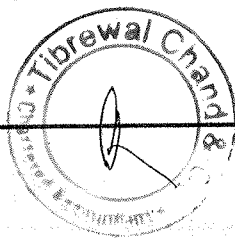


Internal Audit Report for the year ended 31st March of F.Y. 2018-19

11	Whether the fixed deposit and other funds should be kept in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period.	No fixed deposit made during the F.Y. 2018-19. All funds held by ULB are maintained at Nationalized Banks and rate of interest is per banking norms.
12	Verify all major areas of ULB and assess revenue loss and if any losses have been identified then prepare a statement of loss for revenue losses.	It has been provided in discussion notes as well as in audit report under part A.
13	Whether tax deductions i.e. Commercial tax, Income tax, provident fund etc. should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.	It has been provided in discussion notes as well as in audit report under part A.
14	Whether C&A and Internal audit paras has been complied, if not assistance has been provided in this regard.	Discussed in details audit report



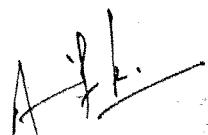
S.N	Observation	Management Comment	Recommendation
1	As per notification of Bihar Government, The Governor of Bihar made the rules for the mobile tower under the Act. Operator of the mobile has to apply to the ULB for operation of the mobile tower in the concerned area with the Requisite fees of Rs. 30,000/- per Tower and the Renewal fees Rs. 8,000/- per year. During the course of audit it was observed that Rs. 1,12,000.00 is due towards Tower Company for financial year 2018-19. <i>(Refer detailed audit report)</i>	This will be strictly taken care by next financial year and Nagar Panchayat will take necessary steps to recover or boost revenue from towers.	There is a huge loss of revenue & interest income. So, necessary steps should be taken for timely collection of taxes.
2	The amount of tax collected by the Tax collector is required to be handed over to the cashier by the next day of the collection. But we are unable to find actual delay due to non-availability of daily collection register.	Tax collectors are directed to deposit the tax.	It should be recovered from concerned person and same should be deposited into bank.
3	Report on Findings of the field survey of property tax of minimum 20 high value properties. <i>(Refer detailed audit report)</i>	ULB staff is directed to cooperate with auditors and to provide all the necessary documents for audit.	Physical survey can't be conducted due to Non availability of ULB staff for conducting physical verification. Further SAF forms were also not provided for 20 high value properties as per list provided by us.
4	Fixed Assets Register (FAR) is not maintained/ Updated properly at Nagar Panchayat level. Also, there is no record of wasted fixed assets & current fixed assets of Nagar Panchayat. Further, identification No. is not mentioned on assets.	Will consider it in next financial year.	Due to non-maintenance / Updated of FAR, it will become difficult to identify quantity of each class of fixed asset. In case of theft, FAR will be helpful to trace the asset. So, FAR should be prepared at the Nagar Panchayat and Identification No. should be mentioned on the each assets.



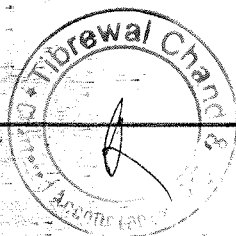
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5	Stock register is not maintained properly. All the articles of stock are mentioned on same page in stock register. Information regarding issue quantity and Opening/Closing balance quantity is not given in stock register.	Will consider it in next financial year.	Due to non-maintenance of FAR, it will become difficult to identify quantity of each class of stock. So, the ULB should maintain a price store ledger properly.
6	During the audit various cases were observed regarding non deduction and non-deposition of statutory dues like TDS and Royalty in stipulated time by the Nagar Panchayat. Further it was also observed that return was also not filled for TDS & VAT. (Refer detailed audit report)	Will consider it in next financial year.	All statutory compliances related to deduction, deposition and return filling should be complied.
7	(i) Improper maintenance of records related to revenue collection. During the audit it was observed that mobile tower tax is not getting collected on a timely basis and even if it is getting collected, the same is not deposited timely.	Will consider it in next financial year.	(i) Daily collection register for property tax should be maintained and appropriate action should be taken. (ii) Collection should be made on a regular basis and deposited on the same day to avoid any irregularity.
8	Jhanjharpur Nagar Panchayat is not in practice to prepare monthly receipt and payment account and the trial balance.	Will consider it in next financial year.	ULB should prepare receipts and payment account on monthly basis. It helps to find out hat how much fund received by the ULB and whether its utilization was made properly or not.
9	Nagar Panchayat paid Rs.8,50,000 without TDS deduction to news paper agency and also we did not find supporting documents of same payment.	Necessary action will be taken.	Nagar Panchayat should recover TDS and also attached bill of payment.
10	No-collection of notice fees	ULB staff is directed to comply with Bihar Municipal Act 2007	As per the regulation 158(a) of chapter XIX of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fee, levy of interest for



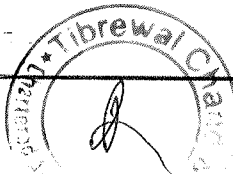

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 नगर पंचायत झंझारपुर

			delay payment at a rate as may be specified, and the amount of penalty therefore, but in case of Jhanjharpur Nagar Panchayat, has not provided any information regarding charging and collection of notice fees. ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.
11	Non Compliance of statutory provision	Nagar Panchayat ensure that this will be taken care from now onwards.	<p>i) Nagar Panchayat paid Rs.33,500 to Tros Consultancy services Pvt.Ltd. without TDS deduction.</p> <p>ii) Nagar Panchayat paid Rs.48,000 to Rajanikant Singh (advocate) without TDS deduction. ULB should adjust or recover TDS amount from next bill.</p>
12	During the course of Audit, we observed that Nagar Panchayat has conducted Internal audit & CAG audit for the year 2016-17 & 2017-18 but the compliance report for the same has not been prepared and also audit report has not provided to us. <i>(Refer detailed audit report)</i>	Necessary action will be taken.	It should be prepared as soon as possible.
13	We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, cheque handling and statutory compliances: Lack of internal control measures (i) Voucher file was not maintained (ii) No internal mechanism for statutory compliance (iii) No MIS was	Nagar Panchayat ensure that this will be taken care from now onwards.	We suggest that MIS system should be implemented over daily collection and deposit. Reason for non-deposit/Late deposit should be strongly need to ask for minimize delay. Need to identify a person to comply with the statutory compliance. In case failure to comply with statutory



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नगर पंचायत झंझारपुर

	prepared for tracking of payments (iv) Required books of Accounts as per BMAM was not maintained (v) Statutory compliancee reconciliation was not maintained		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.
14	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.
15	Non-Implementation of double entry accounting system. We found the detail that double Entry Accounting System is implemented at Jhanjharpur Nagar Panchayat and AFS, FAR & PTR for 2017-18 has been submitted. However we not got any data for 2018-19 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 referred in schedule-1 shall maintain its books of account using the double entry accounting system". Since Jhanjharpur 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.
16	Non-maintenance of required registers as per Rule No.-3 of BMAR-2014	ULB staff is directed to follow and comply the guidelines of BMAR	Details of registers not maintained by ULB is mentioned under Part-A (a). ULB should ensure proper maintenance of required books of account and register as per the list given in rule-3 of BMAR-2014.
17	Non availability of advance register	Will consider it in next financial year.	Non-provided details of advance by ULB. It should be provided to Auditors for verification.
18	No details were made available regarding meeting of municipal accounts committee held during the financial year 2018-19.	ULB staff is directed to comply with BMA-2007	As per requirement of BMA-2007, Chapter- XII, ULB should hold a meeting of municipal accounts committee each year. During our audit no evidence has

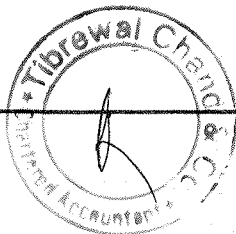


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नगर पंचायत झंझारपुर

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.

Bank Reconciliation Statement

Name of Bank	Scheme Name	Account No.	Passbook Balance	Cash Book Balance	Difference	Status
Allahabad Bank	VivahBhawan	65627	6,96,275.00	6,96,275.00	-	Reconciled
Allahabad Bank	SBM	62206	2,87,085.00	2,87,085.00	-	Reconciled
SBI	Various	84618	34,16,496.73	34,16,496.73	-	Reconciled
SBI	BRGF	85215	37,882.50	37,882.50	-	Reconciled
PNB	HFA	33643	1,39,95,273	1,39,95,273	-	Reconciled
PNB	Kabir	83649	5,89,374.14	5,89,374.14	-	Reconciled
Central Bank	Various	42484	12,64,348.00	12,64,348.00	-	Reconciled
Gramin Bank	Nagar vikas	00003	10,90,885.80	10,90,885.80	-	Reconciled
Gramin Bank	Committee Fund	59092	4,25,920.20	4,25,920.20	-	Reconciled
Axis Bank	14 th Finance	81317	4,10,762.00	4,10,762.00	-	Reconciled
Axis Bank	DayNulm	86326	16,76,896.50	16,76,896.50	-	Reconciled
IDBIBank	StampDuty	05593	32,435.00	32,435.00	-	Reconciled
IDBIBank	5 th Finance	05937	11,32,017.00	11,32,017.00	-	Reconciled
ICICI Bank	SBM	00188	30,21,136.00	30,21,136.00	-	Reconciled
PL Account	Various	PL-183	14,56,23,562	14,56,23,562	-	Reconciled
Axis bank	Prashanik	58947	45,70,729.00	45,70,729.00	-	Reconciled



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नगर पंचायत झंझारपुर

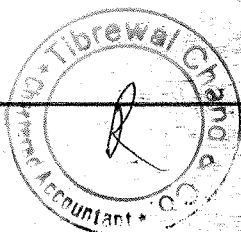
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Details of 20 high value properties:-

S/N	Ward No.	Holder Name	Area	Type of Properties	Tax Amount
1	11	Sarita Devi	3450	Residential	22,365
2	06	Parameshwari Devi	2000	Residential	12,960
3	12	Surendra Prasad Sahu	2400	Residential	10,368
4	06	Santosh Prasad Kejriwal	2775	Residential	8,991
5	12	Mukhtar Alam	2772	Residential	8,981
6	05	Sandeep Kumar	3575	Residential	7,222
7	12	Sohan Jha	2240	Residential	3,326
8	12	Ajay Kumar	2236	Residential	2,213
9	05	Rajan kumar	1955	Residential	1,935
10	13	Madan Mohan Gupta	537	Residential	1,740
11	05	Sat Narayan pd	624	Residential	1,516
12	13	Ram Bihari Kamat	2584	Residential	930
13	12	Dilipjha	1368	Residential	862
14	13	Md Vakilhaque	2250	Residential	810
15	03	Anjani Kumari	738	Residential	731
16	06	Nageswar Thakur	711	Residential	704
17	13	Anil Kumar Purve	525	Residential	661
18	10	Bharat Nayak	1664	Residential	600
19	10	Laxmi kant jha	1920	Residential	691
20	06	Pradeep Kumar Kejriwal	224	Residential	729

Status of Statutory Liabilities**i. TDS:**

S/N	Date of deduction	Date of Deposit	Amount	Return date
1.	June (2018)	31.03.2019	52,715.00	Not Filled
2.	Dec (2018)	31.03.2019	41,104.00	Not Filled
3.	Mar (2018)	31.03.2019	1,77,116.00	Not Filled

ii. Royalty:

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कार्यपालक पदाधिकारी
नगर पंचायत झंझारपुर

Discussion Note: 2018-19

Jhanjharpur Nagar Panchayat

S/N	Date of deduction	Date of Deposit	Amount
1.	June (2018)	31.03.2019	1,05,432.00
2.	SEP(2018)	31.03.2019	82,211.00
3.	DEC (2018)	31.03.2019	3,54,234.00

iii. Labour Cess

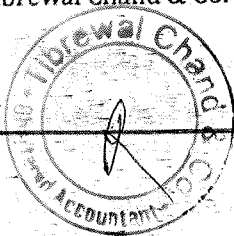
S/N	Date of deduction	Date of Deposit	Amount
1.	June (2018)	Not deposited	52,715.00
2.	SEP (2018)	Not Deposited	41,105.00
3.	DEC (2018)	Not Deposited	1,77,116.00

iv. GST

S/N	Date of deduction	Date of Deposit	Amount
1.	DEC (2018)	Deposited	3,54,234.00

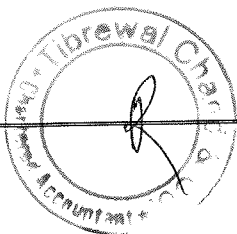
Details of UC's of Financial Year 2018 – 2019

SN	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2018-19	5th State Finance	10/07/2018	126.91	NIL	126.91	Un-utilised amount Rs. 126.91 transferred to PL A/C
2	2018-19	5th State Finance	03/07/2018	124.09	14.07	110.02	Un-utilised amount Rs. 110.02 transferred to PL A/C
3	2018-19	नगरिकसुविधामद	31/10/2018	36.44	NIL	36.44	Un-utilised amount Rs. 36.44 transferred to PL A/C
4	2018-19	पथएवंपुलियानिर्माण	27/12/2018	66.05	NIL	66.05	Un-utilised amount Rs. 66.05 transferred to PL A/C
5	2018-19	14th	31/10/2018	73.14	NIL	73.14	Un-utilised amount



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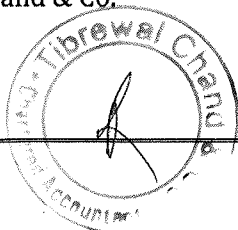
S.N	Observation	Management Comment	Recommendation
1	As per notification of Bihar Government. The Governor of Bihar made the rules for the mobile tower under the Act. Operator of the mobile has to apply to the ULB for operation of the mobile tower in the concerned area with the Requisite fees of Rs. 30,000/- per Tower and the Renewal fees Rs. 8,000/- per year. During the course of audit it was observed that Rs. 1,12,000.00 is due towards Tower Company for financial year 2018-19. <i>(Refer detailed audit report)</i>	This will be strictly taken care by next financial year and Nagar Panchayat will take necessary steps to recover or boost revenue from towers.	There is a huge loss of revenue & interest income. So, necessary steps should be taken for timely collection of taxes.
2	The amount of tax collected by the Tax collector is required to be handed over to the cashier by the next day of the collection. But we are unable to find actual delay due to non-availability of daily collection register.	Tax collectors are directed to deposit the tax.	It should be recovered from concerned person and same should be deposited into bank.
3	Report on Findings of the field survey of property tax of minimum 20 high value properties. <i>(Refer detailed audit report)</i>	ULB staff is directed to cooperate with auditors and to provide all the necessary documents for audit.	Physical survey can't be conducted due to Non availability of ULB staff for conducting physical verification. Further SAF forms were also not provided for 20 high value properties as per list provided by us.
4	Fixed Assets Register (FAR) is not maintained/ Updated properly at Nagar Panchayat level. Also, there is no record of wasted fixed assets & current fixed assets of Nagar Panchayat. Further, identification No. is not mentioned on assets.	Will consider it in next financial year.	Due to non-maintenance / Updated of FAR, it will become difficult to identify quantity of each class of fixed asset. In case of theft, FAR will be helpful to trace the asset. So, FAR should be prepared at the Nagar Panchayat and Identification No. should be mentioned on the each assets.

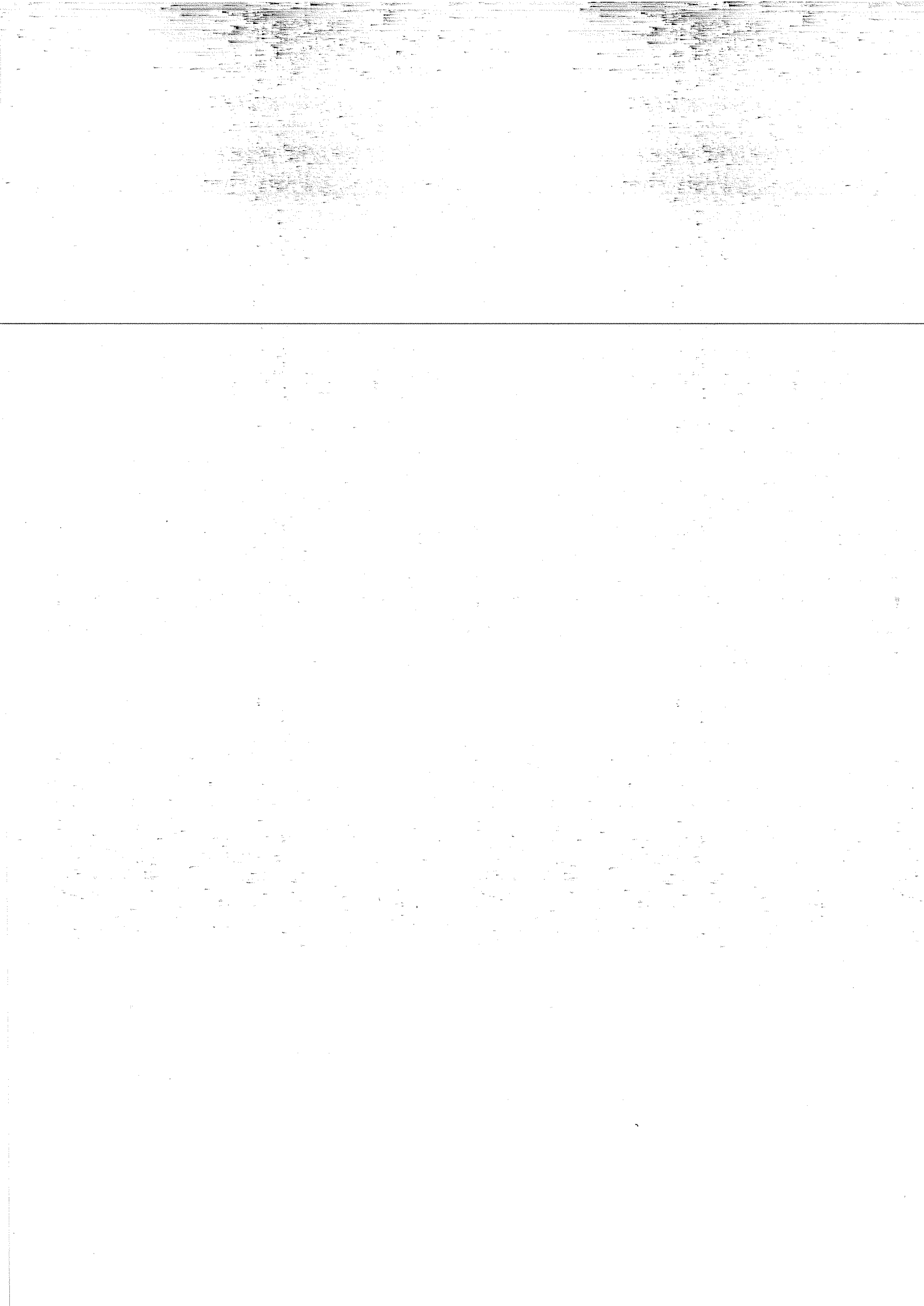


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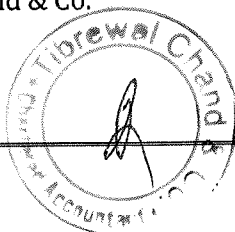


5	Stock register is not maintained properly. All the articles of stock are mentioned on same page in stock register. Information regarding issue quantity and Opening/Closing balance quantity is not given in stock register.	Will consider it in next financial year.	Due to non-maintenance of FAR, it will become difficult to identify quantity of each class of stock. So, the ULB should maintain a price store ledger properly.
6	During the audit various cases were observed regarding non deduction and non-deposition of statutory dues like TDS and Royalty in stipulated time by the Nagar Panchayat. Further it was also observed that return was also not filled for TDS & VAT. <i>(Refer detailed auditreport)</i>	Will consider it in next financial year.	All statutory compliances related to deduction, deposition and return filling should be complied.
7	(i) Improper maintenance of records related to revenue collection. During the audit it was observed that mobile tower tax is not getting collected on a timely basis and even if it is getting collected, the same is not deposited timely.	Will consider it in next financial year.	(i) Daily collection register for property tax should be maintained and appropriate action should be taken. (ii) Collection should be made on a regular basis and deposited on the same day to avoid any irregularity.
8	Jhanjharpur Nagar Panchayat is not in practice to prepare monthly receipt and payment account and the trial balance.	Will consider it in next financial year.	ULB should prepare receipts and payment account on monthly basis. It helps to find out hat how much fund received by the ULB and whether its utilization was made properly or not.
9	Nagar Panchayat paid Rs.8,50,000 without TDS deduction to news paper agency and also we did not find supporting documents of same payment.	Necessary action will be taken.	Nagar Panchayat should recover TDS and also attached bill of payment.
10	No-collection of notice fees	ULB staff is directed to comply with Bihar Municipal Act 2007	As per the regulation 158(a) of chapter XIX of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fee, levy of interest for





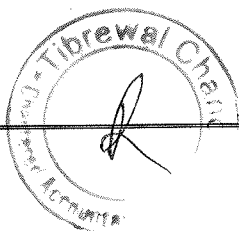
			delay payment at a rate as may be specified, and the amount of penalty therefore, but in case of Jhanjharpur Nagar Panchayat, has not provided any information regarding charging and collection of notice fees. ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.
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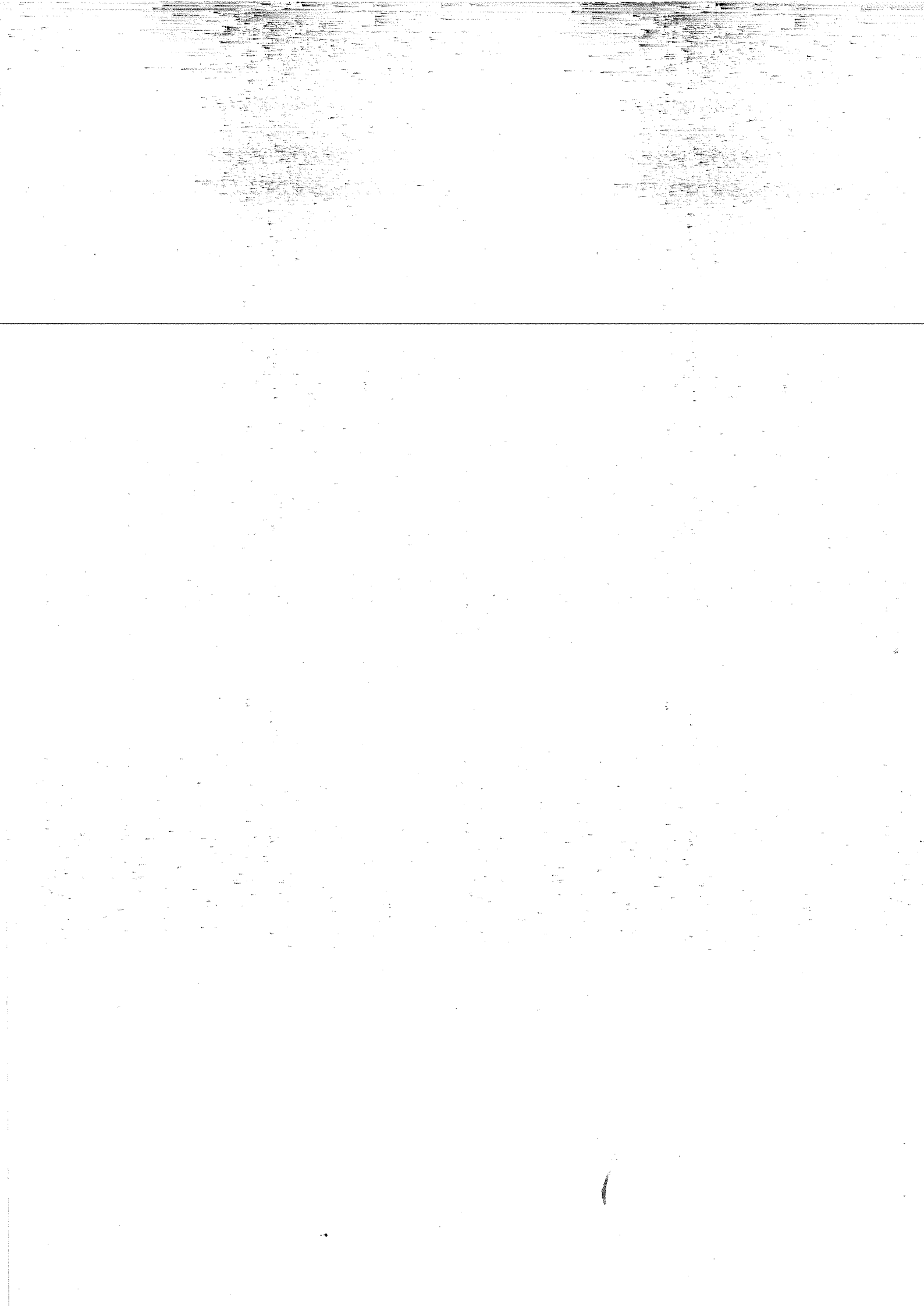
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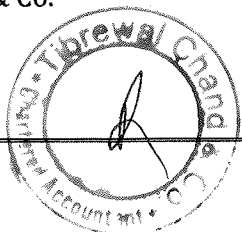
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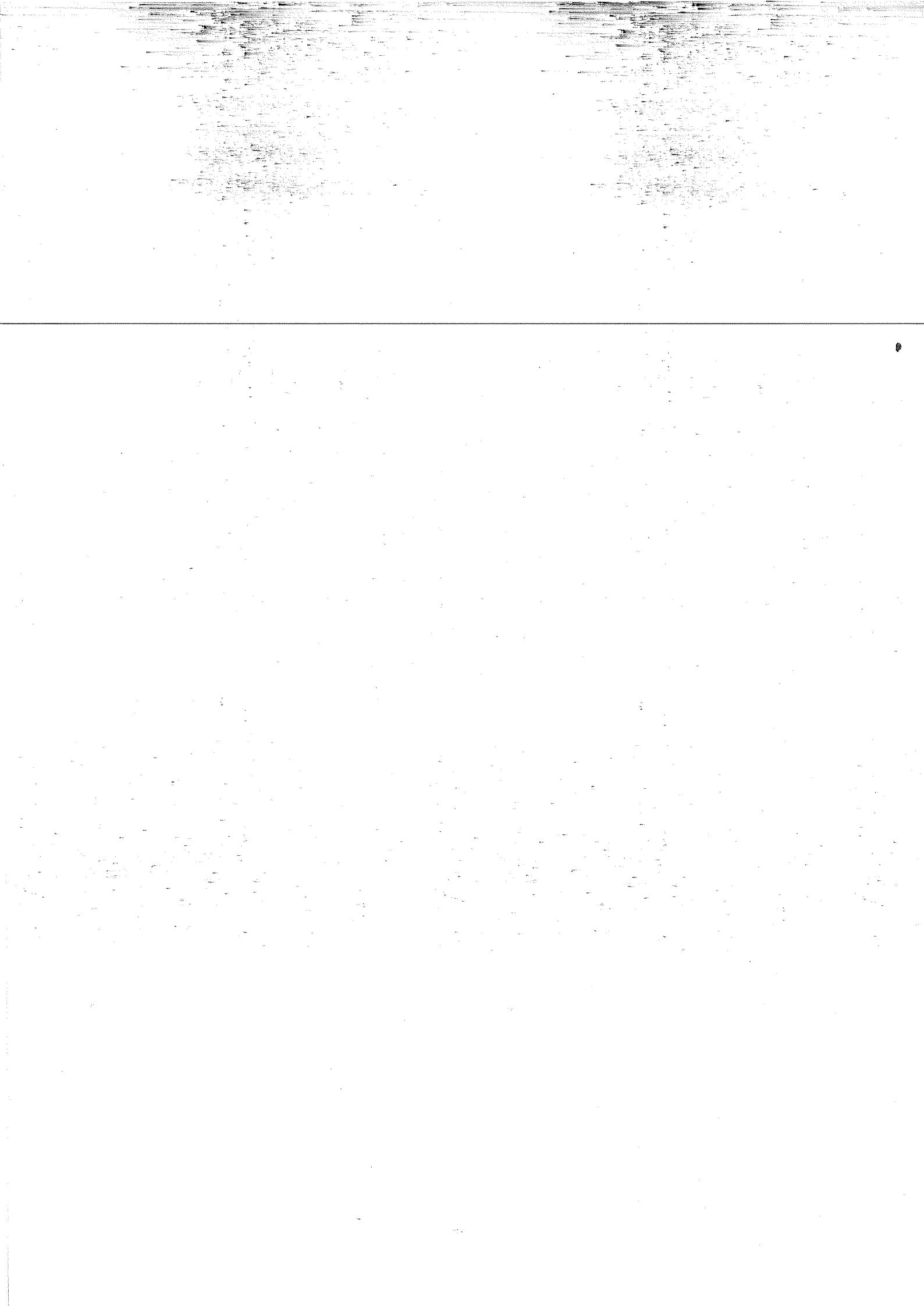
been produced to us w.r.t. meeting of municipal accounts committee. ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.

Bank Reconciliation Statement

Name of Bank	Scheme Name	Account No.	Passbook Balance	Cash Book Balance	Difference	Status
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Axis Bank	DayNulm	86326	16,76,896.50	16,76,896.50	-	Reconciled
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PL Account	Various	PL-183	14,56,23,562	14,56,23,562	-	Reconciled
Axis bank	Prashanik	58947	45,70,729.00	45,70,729.00	-	Reconciled



A-76
कार्यपालक पदाधिकारी
नगर पंचायत झंझारपुर



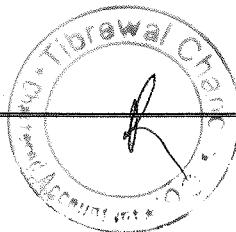
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Details of 20 high value properties:-

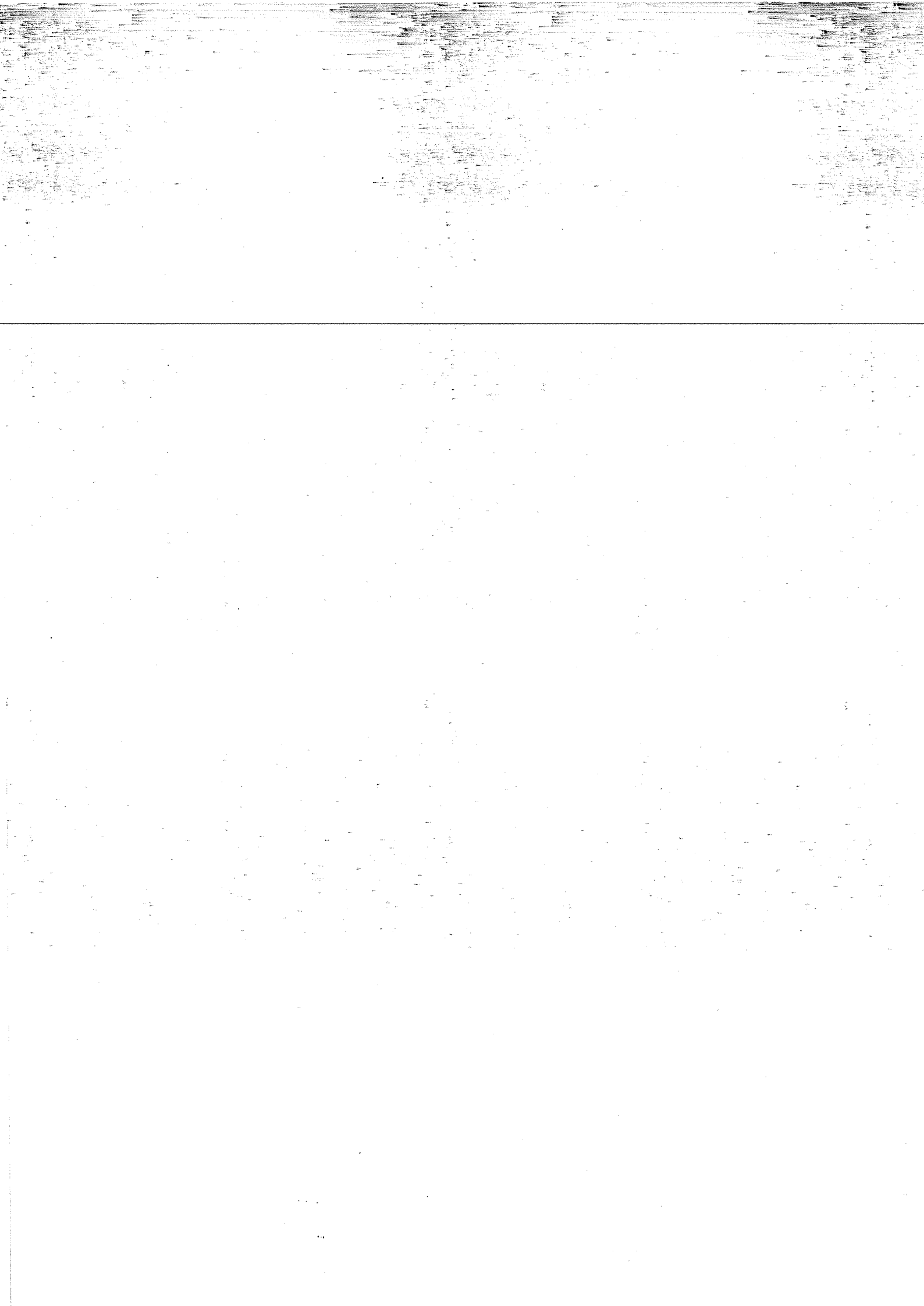
S/N	Ward No.	Holder Name	Area	Type of Properties	Tax Amount
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2	06	Parameshwari Devi	2000	Residential	12,960
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4	06	Santosh Prasad Kejriwal	2775	Residential	8,991
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10	13	Madan Mohan Gupta	537	Residential	1,740
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12	13	Ram Bihari Kamat	2584	Residential	930
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15	03	Anjani Kumari	738	Residential	731
16	06	Nageswar Thakur	711	Residential	704
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18	10	Bharat Nayak	1664	Residential	600
19	10	Laxmi kant jha	1920	Residential	691
20	06	Pradeep Kumar Kejriwal	224	Residential	729

Status of Statutory Liabilities**i. TDS:**

S/N	Date of deduction	Date of Deposit	Amount	Return date
1.	June(2018)	31.03.2019	52,715.00	Not Filled
2.	Dec (2018)	31.03.2019	41,104.00	Not Filled
3.	Mar (2018)	31.03.2019	1,77,116.00	Not Filled

ii. Royalty:

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नगर पंचायत जहानपुर



S/N	Date of deduction	Date of Deposit	Amount
1.	June (2018)	31.03.2019	1,05,432.00
2.	SEP(2018)	31.03.2019	82,211.00
3.	DEC (2018)	31.03.2019	3,54,234.00

iii. Labour Cess

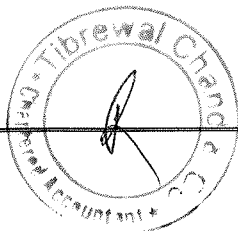
S/N	Date of deduction	Date of Deposit	Amount
1.	June (2018)	Not deposited	52,715.00
2.	SEP (2018)	Not Deposited	41,105.00
3.	DEC (2018)	Not Deposited	1,77,116.00

iv. GST

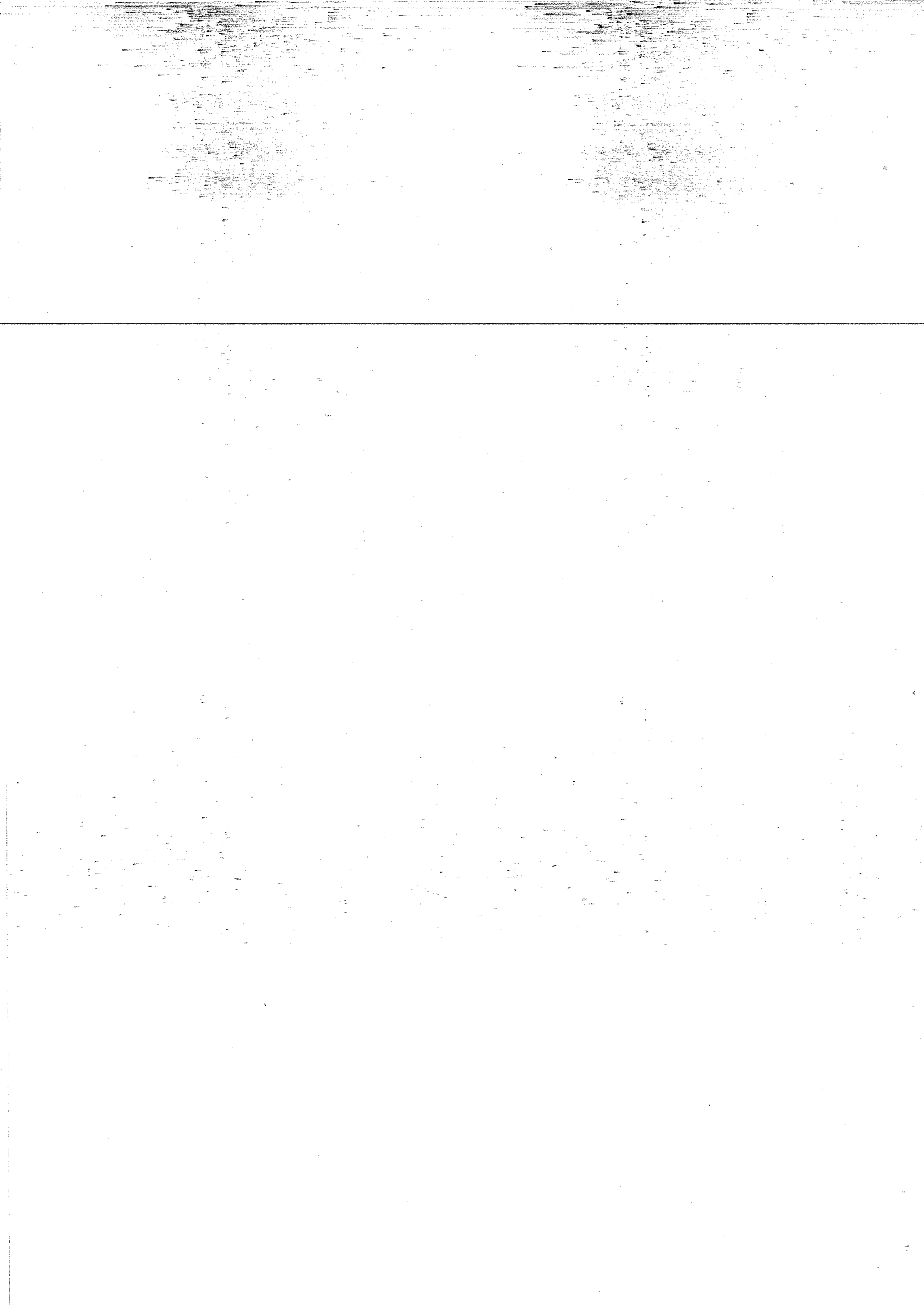
S/N	Date of deduction	Date of Deposit	Amount
1.	DEC (2018)	Deposited	3,54,234.00

Details of UC's of Financial Year 2018 – 2019

SN	Year of allotment	Name of Scheme	Date of Allotment	Amount In Lakh	Expenditure	Un-utilized Amount	Remarks
1	2018-19	5th State Finance	10/07/2018	126.91	NIL	126.91	Un-utilised amount Rs. 126.91 transferred to PL A/C
2	2018-19	5th State Finance	03/07/2018	124.09	14.07	110.02	Un-utilised amount Rs. 110.02 transferred to PL A/C
3	2018-19	नागरिकसुविधामद	31/10/2018	36.44	NIL	36.44	Un-utilised amount Rs. 36.44 transferred to PL A/C
4	2018-19	पथएवंपुलियानिर्माण	27/12/2018	66.05	NIL	66.05	Un-utilised amount Rs. 66.05 transferred to PL A/C
5	2018-19	14th	31/10/2018	73.14	NIL	73.14	Un-utilised amount



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 नगर पंचायत जंझारपुर



		Finance					Rs. 73.14 transferred to PL A/C
6	2018-19	EO SALARY	22/05/2018	7.00	NIL	7.00	Un-utilised amount Rs. 7.00 transferred to PL A/C
Grand Total				433.63	14.07	419.56	

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18/2/2021
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नगर पंचायत झंझारपुर

