नगर विकास एवं आवास विभाग
URBAN DEVELOPMENT & HOUSING DEPARTMENT
Government of Bihar

INTERNAL Audit Report
for
F. Y. 2017-18

Group 1

NAGAR PARISHAD DAUDNAGAR

BY

A. P. SANZGIRI & CO.

Chartered accountants

Plot No. 22, House No. 174, Anand Nagar Lane, Behind Vakola Police Station, Santacruz (East), Mumbai 400055. INDIA

Mob No.: +91-98333 44727 Fax: +91-22-26691233
Email Id.: caayush.aps@gmail.com

<u>**Document History**</u>

INTERNAL AUDIT FOR FY 2017-18

Project Title	Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar (Tender No. IA-140ULBs/2017-18/2018-19/2019-20) Group – 1 covering 19 ULBs"
Report Title	Internal Audit for FY 2017-18 of Nagar Parishad Daudnagar
Reporting Entity	A P SANZGIRI & Co., Chartered Accountants
Reporting for	Nagar Parishad Daudnagar
Report Prepared by	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
Date of Submission	26th August 2019

ABBREVIATION AND ACRONYMS

Abbreviation	Description
UD&HD	Urban Development & Housing Department
BMAM	Bihar Municipal Accounting Manual
NMAM	National Municipal Accounting Manual
ULBs	Urban Local Bodies
FAR	Fixed Assets Register
OBS	Opening Balance Sheet
ToR	Terms of Reference
MIS	Management Information System
DEAS	Double entry accounting system
MOUD	Ministry of Urban Development
GOI	Government of India
GOB	Government of Bihar
CWIP	Capital Works in Progress
CAG	Comptroller & Auditor General of India
MAS	Municipal Audit Specialist
MAA	Municipal Audit Assistant
SS	Support Staff
NTP	Notice to Proceed
RFP	Reference for Proposal

A.P. Sanzgiri & Co. Chartered Accountants

TABLE OF CONTENTS

A. P. SANZGIRI & Co.
CHARTERED ACCOUNTANTS

Date: 13th July, 2020

To
The Secretary
Urban Development & Housing Department,
Patna-Bihar

Sub: Submission of Internal Audit Report of Daud Nagar Parishad for the Financial Year 2017-18

Ref No.: Letter No. 7/I. AK. 23/2018 – 82 **Dated:** 16.01.2019

Respected Sir,

With reference to above subject matter, We **A P Sanzgiri & Co., Chartered Accountants** has been appointed as **Internal Auditor** for the project named as "**Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar (Tender No. IA-140ULBs/2017-18/2018-19/2019-20) Group – 1 covering 19 ULBs**"

As per the terms and conditions of RFP Document, we have successfully conducted the Internal Audit of **Daud Nagar Parishad** for the **Financial Year 2017-18** and submitting the report of the same as per our deliverables.

We hereby confirm that, this report has been prepared in accordance with the Terms of Reference of RFP issued by the department.

Hope you will find the same in compliance.

Thanking You,

Yours faithfully,

On Behalf of
A P Sanzgiri & Co,
Chartered Accountants

Satish Gupta

A.P. Sanzgiri & Co. Chartered Accountants

CA Satish Gupta
Partner
FRN: 116293W
UDIN: 20101134AAAAIN8632
Date - 06 - 07 - 2020
Membership No- 101134

Address: Plot No. 21, House No. 167, Anand Nagar Lane,BehindVakola Police Station, Santacruz East),Mumbai 400055. INDIAPhone: +91-22-6689 9900, Fax: +91-22-6689 9910 E-mail: apsanzgiriandco@gmail.com

EXECUTIVE SUMMARY

1. Introduction:

Name of the Municipality	–	Nagar Parishad Daudnagar
Period covered under Current Audit	–	01st April 2017 to 31st March 2018
Name of Mayor	–	Shri Permanand Prasad
Name of Executive Officer	–	Shri Bipin Bihari Singh

2. Observations and Findings:

Strengths	1. In the existing system as prevailing in the ULB, day to day working is in progressive manner in respect of collection of revenue and execution of the projects. 2. There is sufficient co-operation from the management during the course of our audit. 3. General Cash book is properly up-to-dated. 4. List of Outstanding dues is available.
Weaknesses	1. The collection of rental income is not satisfactory. 2. The shopkeeper/tenants have not been paying rent and have huge outstanding debts. 3. Budget is not prepared properly; there is huge difference in opening balance of each year in continuous nature. 4. No physical verification of store is exercised by ULB. 5. No Physical verification of cash is exercised by ULB. 6. Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied. 7. Utilization certificate for FY 2017-18 has not been prepared. 8. Fixed assets register is not maintained by ULB 9. Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection for FY 2016-17.Hence, we are unable to comment on the same. 10. Statutory compliance of the ULBs is not deposited timely and hence it incurs penalty and other charges. 11. Certain Statutory Registers and Books are not maintained. 12. Bank Reconciliation Statement has not been prepared. **13. Non Levy of Taxes:** - Tax on advertisements, other than advertisements published in

	newspapers - Surcharge on electricity consumption within the municipal area - Tax on congregations. - Tax on pilgrims and tourists. - User Charges for Solid Waste Management - User Charges for Parking Facility - User Charges for Garbage Clearance - Collection of fees for sanction of building plans and issue of completion certificates, - Collection of Development Charges 14. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 100 to 120 days. 15. ULB is not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer. 16. ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter 17. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month. 18. Non Compliance of Rule 130 of BMAR in some of the cases. 19. ULB is not maintaining the accounts as well as not preparing the financial statements. 20. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.

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 matters incidental thereto for overall improvement of the ULB.

4. AUDIT RECOMMENDATION:

Observed Weaknesses	Audit Recommendations
The collection of rental income is not satisfactory. The shopkeeper/ tenants have not been paying rent and have huge outstanding debts.	To implement/take action to boost collection of arrear revenue to increase their own source revenue.

Budget is not prepared properly; there is huge difference in opening balance of each year in continuous nature.	ULB have to take strict action against the same and need to rectify it in retrospective effect.
No physical verification of store is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of the stock and process.
No Physical verification of cash is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of cash.
Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.
Utilization certificate for FY 2017-18 has not been prepared.	Utilization Certificate should be prepared timely by the ULB and submit the same to Department on regular basis.
Fixed assets register is not maintained by ULB	Fixed assets register should be maintained and updated properly.
Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection for FY 2010-11 to 2014-15. Hence, we are unable to comment on the same.	Compliance report should be prepared as soon as the report is received by ULB and steps to be taken for recovery of the amount for financial irregularities.
Statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.	As ULB is not proper in statutory compliances, that cause financial implication on ULB in mode of interest and penalty. So, ULB should ensure statutory compliance on time.
Certain Statutory Registers and Books are not maintained.	Statutory register and books of accounts should be maintained as per guidelines and BMAR.
Bank Reconciliation Statement has not been prepared.	ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records.
Non Levy of Taxes: - Tax on advertisements, other than advertisements published in newspapers - Surcharge on electricity consumption within the municipal area - Tax on congregations. - Tax on pilgrims and tourists. - User Charges for Solid Waste Management - User Charges for Parking Facility - User Charges for Garbage Clearance - Collection of fees for sanction of building plans and issue of completion certificates, - Collection of Development Charges	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. ULB should take steps to implement required taxes to boost their revenue
During verification of receipts book and deposit slips, we have noticed that there is gap in	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the

collection of tax and deposit of tax around 20 days.	Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.
ULB is not prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	As per BMAR Rule No. - 121, ULB should prepare of monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the executive officer.
ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.
Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.	As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB. 1. Municipal General Fund 2. Basic service for urban poor 3. Water supply & sewerage fund 4. Solid Waste Management Fund 5. Road Development & Maintenance 6. Enterprise Fund
Non Compliance of Rule 130 of BMAR in some of the cases.	ULB should ensure compliance related to Rule 130 of BMAR on regular basis.
ULB is not maintaining the accounts as well as not preparing the financial statements.	ULB is required to maintain the accounts as well as prepare the financial statements at the end of the year.
ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.	ULB should prepare financial statements for each year and get it approved from municipal account committee. As per BMAR, audited financial statements are required to submit to auditor for audit.
In-consistencies in assessment of property tax	Checked on random basis and found variation between demand raised by ULB or actual demand.

5. COMMENTS FROM MANAGEMENT

We have conducted audit of the ULB and our report with observation was discussed with ULB officials and their comments are given in ***Annex-1 Discussion Note.***

6. ACKNOWLEDGEMENT

During the course of the auditor we have come across many deficiencies like maintaining of holding tax register, fixed assets register, award register of contract etc. all such deficiencies we have brought to knowledge of the ULB officials. Further non preparation of bank reconciliation has also been brought to the notice of the ULB officials

On Behalf of
A. Sanzgiri & Co.
Chartered Accountants

Satish Gupta

CA Satish Gupta
Partner
FRN: 116293W
UDIN: 20101134AAAAIN8632
DATE: 06-07-2020
Membership No: 101134

A. Sanzgiri & Co. Chartered Accountants

Scanned by CamScanner

DETAILED AUDIT REPORT

1. INTRODUCTION:

Name Of ULB	Period-covered		Audit Team
	From	To	
Daud Nagar Parishad	1st April, 2017	31st March,2018	1. **Team Leader:** CA Satish Gupta 2. **Name of CA:** Ayush Agarwal 1. **Name of Auditor-1:** Vivek Singh 2. **Name of Auditor-2:** Raja Ansari

2. ADMINISTRATION:

Sl. No.	Particulars	Details
1	**The present body of the ULB has taken charge on**	June, 2017
2	**The incumbency in the key administrative and executive positions was as under:**	
2.1	**Name of Mayor:**	Shri Permanand Prasad
2.1.1	**Period of Service:**	**From:** June, 2017 **To:** Till date
2.2	**Name of Executive Officer:**	Shri Bipin Bihari Singh
2.2.1	**Period of Service:**	**From:** September 2015 **To:** June 2018

3. REVIEW OF OUTSTANDING AUDIT PARAS:

3.1. STATUS OF AUDIT OBSERVATIONS IS AS UNDER:

Particulars of audit and date of report	Total No. of audit Para's	Improvement/corrective measures required (Nos. of Para's)	Recovery of cash is proposed (Nos. of Para's)	Recovery has been made (Nos. of Para's)	Total amount of Recovery	No action has been taken	No. & date of compliance report
Audit report submitted by AG for the F.Y. 2010-11 to 2014-15	25	25	8	Nil	-	25	Not Prepared ***(Refer Discussion Note***)

3.2. DETAILS OF TOTAL NUMBER OF AUDIT PARA'S:

Period of AG Audit Report : **2010-11 to 2014-15**

Compliance Report Date & Number : Not Prepared ***(Refer Discussion Note)***

Para No.	Heading of the Audit Para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	Solar Light	18.16 Lakh	18.16 Lakh	NO	NO
2	Cleaning Goods (under 13th F.C.)	31.94 Lakh	-	-	NO
3	Cleaning Goods (under 13th F.C.)	17.00 Lakh	-	-	NO
4	Self-Cheque – Withdrawal	31.59 Lakh	-	-	NO
5	Advance Payment (Power supply)	4.81 Lakh	-	-	NO
6	Shop Rent – Non recovery of Service tax	0.91 Lakh	0.91 Lakh	NO	NO
7	Shop Rent – Outstanding	3.01 Lakh	3.01 Lakh	NO	NO
8	Mobile tower tax- outstanding	6.12 Lakh	6.12 Lakh	NO	NO
9	Holding Tax- outstanding	16.44 Lakh	16.44 Lakh	NO	NO
10	Trade licence	6.76 Lakh	-	-	NO
11	Market rent – outstanding	0.94 Lakh	0.94 Lakh	NO	NO
12	See note-				NO
13	Daily Wages-	7.92 Lakh	-	-	NO
14	Not presented Abhiswan	36.95 Lakh	-	-	NO
15	Misc. Receipt	0.85 Lakh	0.85 Lakh	NO	NO
16	Bank Statement	NA	-	-	NO
17	See note below	0.32 Lakh	0.32 Lakh	NO	NO
18	Advance Register	19.00 Lakh	-	-	NO

Note-1: ULB did not provide AG report thereafter we have taken from UD & HD website. Note-2: Further Compliance Report has not been prepared by managements.

Management Comment: ULB is preparing Compliance Report for above said period of AG Report, once it is completed this report will be provided. ***(Refer Discussion Note).***

A.P. Sanzgiri & Co. Chartered Accountants

4. **FINANCE**

I. BUDGETARY PROVISIONS AND EXPENDITURES FOR THE LAST THREE YEARS:

Year	Year- 2015-16	Year- 2016-17	Year- 2017-18
Final/Revised Budget Data	226,880,000.00	317,514,300.00	499,313,942.00
Actual Expenditure Data	65,775,545.00	78,636,278.00	98,074,673.00
Savings(+)/Excess(-)	**161,104,455.00**	**238,878,022.00**	**401,239,269.00**

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 2016-17, 2017-18 & 2018-19. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and Receipts & Payments Account for the year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification. Hence, we could not validate the above-mentioned figures.

II. VOLUME OF TRANSACTIONS:

Period	Budgeted for F.Y. 2017-18	Actual for the F.Y. 2016-17	Actual for the F.Y. 2015-16	Actual for the F.Y. 2017-18	Cumulative for the current period
Opening balance	135,003,984.00	132,002,516.00	121,866,431.00	190,166,803.00	190,166,803.00
Receipts	364,309,987.00	136,900,565.00	63,149,895.00	101,817,625.00	101,817,625.00
Total	**499,313,971.00**	**268,903,081.00**	**185,016,326.00**	**281,984,428.00**	**281,984,428.00**
Net expenditure	499,313,942.00	78,636,278.00	65,775,545.00	98,074,673.00	98,074,673.00
Closing balance	**29.00**	**190,266,803.00**	**119,240,781.00**	**193,909,755.00**	**193,909,755.00**

Auditor's Comment:

1. The above figures have been taken from the Budget Statement of the ULB for the year 2015-16, 2016-17, 2017-18 & 2018-19. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and Receipts & Payments Account for the year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification. Hence, we could not validate the above-mentioned figures.
2. Refer Discussion Note for above differences i.e. Closing Balance of 2016-17 of Rs. 190,266,803 has been taken as Opening Balance of 2017-18 Rs. 190,166,803 & Closing Balance of 2015-16 Rs. 119,240,781/- has been taken as Opening Balance of 2016-17 as 13,20,02,516/-.

A.P. Sanzgiri & Co. Chartered Accountants

III. BANK RECONCILIATION POSITION AS ON REPORTING DATE:

BANK RECONCILIATION POSITION AS ON 31-03-2018

S.N	Name of Bank	Bank A/C No.	Purpose of Bank Account	Balance as per Cash Book	Balance as per Bank Statement	Differences	Reconciled (Yes/No)
1	State Bank of India	11436537040	Internal Resource	2,097,610.61	2,097,610.61	0	YES
2	PNB	386100210006942	SBM	1,433,925.73	1,433,925.73	0	YES
3	Bank of Baroda	00100200007052	BRGF	209,486.30	209,486.30	0	YES
4	Bank of Baroda	'00100200006901	12TH FINANCE	Closed	Closed	-	-
5	PNB	3861000109373638	BRGF	Closed	Closed	-	-
6	PNB	3861002100004250	AWASHIYE YOJNA	6,799,894.56	6,799,894.56	0	YES
7	MGB	71012100000268	Dindayal Antoday	71,941	71,941	0	YES
8	Bank of Baroda	00100100036332	14th finance	Closed	Closed	-	-
9	PNB	3861000109393632'	Swarn Jayanti Shahri Yojna	Closed	Closed	-	-
10	PNB	3861000109418630	13th Finance	Closed	Closed	-	-
11	Bank of Baroda	8448001020001	Nehru Rojgar yojna	Closed	Closed	-	-
12	Bank of Baroda	00100100014590	Gandi Basti (Slum Yojna)	Closed	Closed	-	-
13	State Bank of India	11436537040	Internal Resource	2,097,610.61	2,097,610.61	0	YES
	Treasury		Treasury	18,34,50,750.00	-		

IV. RECEIPT DETAILS:

SN	Details	INCOME DETAILS (Amounts IN INR) 2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)
	Total Receipts (A+B)	**101,817,625**	**13,69,00,565**		**10,18,17,625**		
A	**Revenue Receipts (1+2+3)**	**5,747,552**	**37,95,430**		**57,47,552**		
1	*Own Revenue Receipts (a+b)*	5,407,643	3,709,271		5,407,643		
a)	*Tax Revenue(Collected by ULB)*	4,089,973	3,082,457		4,089,973		
i)	*Property Tax*	1023992	674,933		1023992		
ii)	*Other tax (Collected by ULB)*	3,065,981	2,407,524		3,065,981		
b)	*Non-tax revenue (Collected by ULB)*	1,317,670	626,814		1,317,670		
iii)	*Other non-tax revenue*	1,126,215	114,680		1,126,215		
2	**Other Revenue Receipts**	339909	41,744		3,39,909		
a)	*Income from interest/investments*	309,909	0		3,09,909		
b)	*Other Revenue income*	30000	41,744		30,000		
3	**Transfers/Grants/Assigned Revenues**	0	44,415		0		
a)	*State Assigned Revenue*						
b)	*State Finance Commission (SFC) Grants*	0	44,415		0		
c)	*Octroi compensation*	0	0		0		
d)	*Other State Government Transfers*	0	0		0		
e)	*Central Finance Commission (CFC) Grant*	0	0		0		
f)	*Other Central Government Transfers*	0	0		0		
B	**Capital Receipts**	**9,60,70,073**	**13,31,05,135**		**9,60,70,073**		
1	*Sale of Municipal Land*	0	0		0		
2	*Loans (from State Govt. of Banks etc.)*	0	0		0		
3	*State Capital Account Grant*	96,070,073	133,105,135		96,070,073		
4	*Central Capital Account Grant*	0	0		0		
	Other Capital Receipts	0	0		0		

Auditor's Comment:
The above figures have been taken from the Budgeted Statement of the ULB for the year 2016-17, 2017-18, 2018-19 & 2019-20. Financial Statement i.e. Balance Sheet, Income & Expenditure Account and Receipts & Payments Account for the year 2016-17, 2017-18, 2018-19 have not been produced before us by management for verification. Hence, we could not validate the above-mentioned figures. Actual figure for F.Y. 2018-19 has been taken up to December 2018 from budget of F.Y. 2019-20.

V. EXPENDITURE INFORMATION:

S.N	Details	EXPENDITURE DETAILS (Amounts IN INR) 2017-18: 2017-18 (Actual)	2017-18: 2016-17 (Actual)	2018-19: 2018-19 (Actual)	2018-19: 2017-18 (Actual)	2019-20: 2019-20 (Actual)	2019-20: 2018-19 (Actual)
A.	**Total Expenditure (1+2)**	**9,80,74,673**	**7,86,36,278**		**9,80,74,673**		
1	**Revenue Expenditure**	42,407,372	33,952,348		42,407,372		
1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and contract)	23,865,387	13,587,226		23,865,387		
1.2	Operation and Maintenance	809,802	4,254,968		809,802		
1.3	Loan repayment (Interest payments)	7,891	0		7,891		
1.4	Others(any other revenue expenditure)	1,77,24,292	1,61,10,154		1,77,24,292		
2	**Capital Expenditure**	**5,56,67,301**	**4,46,83,930**		**5,56,67,301**		
2.1	All developmental works under Central/ State schemes	55,667,301	44,683,930		55,667,301		
2.2	Loan Repayments(Principal Amount)	0	0		0		
2.3	Other Capital expenditure	0	0		0		

AUDITOR'S COMMENT:
The above figures have been taken from the Budgeted Statement of the ULB for the year 2016-17, 2017-18, 2018-19 & 2019-20. Financial Statement i.e. Balance Sheet, Income & Expenditure Account and Receipts & Payments Account for the year 2016-17, 2017-18, 2018-19 have not been produced before us by management for verification. Hence, we could not validate the above-mentioned figures. Actual figure for F.Y. 2018-19 has been taken up to December 2018 from budget of F.Y. 2019-20.

VI. STATUS OF IMPLEMENTATION OF DOUBLE ENTRY SYSTEM: It is told by the ULB that there one Agency M/S Sahani Bansal & Associates was appointed for the DEAS work and it has completed following activities till FY 2015-16. Further at present there no agency is working for implementation of Double Entry Accounting System.

SN	Activity	Work Done
1	Fixed Assets Register	Opening FAR was prepared as on 01/04/2014 and it was updated for FY 2014-15 and 2015-16
2	Property Tax Register	Opening PTR was prepared as on 01/04/2014 and it was updated for FY 2014-15 and 2015-16
3	Opening Balance Sheet	Opening Balance Sheet was prepared as on 01/04/2014
4	Annual Financial Statements	Annual Financial Statements were prepared for FY 2014-15 and 2015-16.
5	Installation of Tally License	Tally was installed by CA firm but now ULB staff is not aware about it.

VII. MUNICIPAL ACCOUNTS COMMITTEE: At present committee is not formed but it was told by the ULB officials that it is under process and matter will be put before board for constitution of committee. Kindly refer discussion note attached with this report.

5. AUDIT OBSERVATION:

PART-A: ALL AUDIT OBJECTIONS/IRREGULATRIES WHICH HAS MONETARY IMPLICATIONS

(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.

OBSERVATION-1 : TAXES/CHARGES WHICH ARE NOT IMPLEMENTED BY ULB ACCORDING TO THE BIHAR MUNICIPAL ACT,2007

<table>
<tr><th>SN</th><th>Head</th><th>Comments</th></tr>
<tr><td>1</td><td>Objective</td><td>The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable provisions and rules.</td></tr>
<tr><td>2</td><td>Criteria</td><td>We have checked list of all the taxes which to be levied and collected by the ULB as per Act. Further we have checked Syah Register, Receipt book, cashier cash book and accountant cash book etc.</td></tr>
<tr><td>3</td><td>Condition</td><td>As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. In case of Nagar Parishad Daudnagar, The following mentioned tax/charges are not implemented that leads to loss of revenue to corporation:
<table>
<tr><th>S.N</th><th>Particulars</th><th>Implemented by ULB or Not</th></tr>
<tr><td>1</td><td>Property tax on lands and buildings.</td><td>YES</td></tr>
<tr><td>2</td><td>Surcharge on transfer of lands and buildings</td><td>YES</td></tr>
<tr><td>3</td><td>Fire tax.</td><td>NO</td></tr>
<tr><td>4</td><td>Tax on advertisements, other than advertisements published in newspapers</td><td>NO</td></tr>
<tr><td>5</td><td>Surcharge on electricity consumption within the municipal area</td><td>NO</td></tr>
</table>
</td></tr>
</table>

A.P. Sanzgiri & Co. Chartered Accountants
5

		6	Tax on congregations.	NO
		7	Tax on pilgrims and tourists.	NO
		8	Tax on profession.	NO
		9	Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.	NO
		10	User Charges for provision of water-supply, drainage and sewerage	YES
		11	User Charges for Solid Waste Management	NO
		12	User Charges for Parking Facility	NO
		13	User Charges for Garbage Clearance	NO
		14	Collection of fees for sanction of building plans and issue of completion certificates,	NO
		15	Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,	YES
		16	Collection of Fees for issue of birth and death certificates.	YES
		17	Collection of Development Charges	No
4	**Consequences/Effect**	No levy of taxes will be resulted in to revenue loss to ULB.		
5	**Cause**	There is lack of standard policies and instructions from department. In some cases policies are prepared by it is not followed by the ULBs.		
6	**Corrective Action/ Recommendation**	It is recommended that department should prepare uniform policies for levy and collection of taxes in proper manner and on due time. Further capacity building programmes should be held for ULBs staff and awareness about these taxes should be done.		
7	**Management Comments**	***Kindly refer discussion note attached with the report.***		

OBSERVATION-2 : DELAY IN DEPOSIT OF PROPERTY TAX COLLECTED BY ULB STAFF

SN	Head	Comments
1	**Objective**	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 the amount of tax collected by the Tax collector is required to be handed over to cashier and deposited into bank on the same day on which collection is made. To check compliance of these provisions, we have carried audit of such type of cases.
2	**Criteria**	We have checked respective books in order to carry the audit and some cases were checked on random basis.

3	**Condition**	During verification of receipts book and deposit slips, we have noticed that there is gap period in collection of tax and deposit of tax around 100 to 120 days. Details of such cases are given in ***Annexure-1.***
4	**Consequences/Effect**	In respect of above in most of the cases property tax has not been deposited on same day of collection which resulted in interest loss to ULB.
5	**Cause**	It is explained by concern person that due to non- availability of human resources the same issues arises.
6	**Corrective Action/ Recommendation**	It is recommended that tax collector/cashier should deposit the collected money into bank on same day itself and if he fails to do the same, necessary action should be taken by the ULB management in such cases.
7	**Management Comments**	***Kindly refer discussion note attached with the report.***

OBSERVATION-3: NON COLLECTION OF NOTICE FEE

SN	Head	Comments
1	**Objective**	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 delayed payment at a rate as may be specified, and the amount of penalty therefore.
2	**Condition**	ULB has not provided any information regarding charging and collection of notice fees.
3	**Consequences/Effect**	It is non-compliance of Bihar Municipal Act, 2007 which resulted in loss of revenue to the ULB.
5	**Cause**	No proper explanation in this regard given by ULB.
6	**Corrective Action/ Recommendation**	Notice fees should be collected as per applicable provisions and rules.
7	**Management Comments**	***Kindly refer discussion note attached with the report.***

A.P. Sanzgiri & Co. * Chartered Accountants *

OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME

1. RECOVERY OF OUTSTANDING PROPERTY TAX

SN	Head	Comments
1	**Objective**	ULB is authorized to collect holding tax from households situated in the municipal area and Property tax have major role in the internal revenue of ULB.
2	**Criteria**	It is checked from progress report prepared by ULB
2	**Condition**	During checking it is noted that property tax of Rs. 22.30 lacs was outstanding as on 31/03/2018:
3	**Consequences/Effect**	It leads in shortage of fund for ULB and loss of revenue.
5	**Cause**	No proper explanation in this regard given by ULB.
6	**Corrective Action/ Recommendation**	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	**Management Comments**	***Kindly refer discussion note attached with the report.***

2. RECOVERY OF ADVERTISEMENT TAX

SN	Head	Comments
1	**Objective**	ULB authorized to charge advertisement tax/fee in municipal are as per act/rule.
2	**Criteria**	It is checked from progress report prepared by ULB
2	**Condition**	During checking it is noted there was no outstanding dues as on 31/03/2018.
3	**Consequences/Effect**	Delay in collection or outstanding dues results in revenue loss to ULB.
5	**Cause**	Not Applicable
6	**Corrective Action**	Not Applicable
7	**Management Comments**	Not Applicable

A.P. Sanzgiri & Co. Chartered Accountants

3. RENT INCOME

SN	Head	Comments
1	**Objective**	ULB authorized to charge rent from municipal properties.
2	**Criteria**	It is checked from progress report prepared by ULB
2	**Condition**	During checking it is noted that rent income of Rs. 1.56 lacs was outstanding as on 31/03/2018.
3	**Consequences/Effect**	It leads in shortage of fund for ULB and loss of revenue.
5	**Cause**	No proper explanation in this regard given by ULB.
6	**Corrective Action/ Recommendation**	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	**Management Comments**	***Kindly refer discussion note attached with the report.***

4. MOBILE TOWER TAX

SN	Head	Comments
1	**Objective**	ULB is authorized to collect tax from telecom companies for mobile towers installed in the municipal area.
2	**Criteria**	It is checked from progress report prepared by ULB
2	**Condition**	During checking it is noted there was outstanding of Rs. 45.22 Lacs as on 31/03/2018:
3	**Consequences/Effect**	Delay in collection of revenue leads in loss to ULB.
5	**Cause**	No proper explanation in this regard given by ULB.
6	**Corrective Action/ Recommendation**	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	**Management Comments**	***Kindly refer discussion note attached with the report.***

A.P. Sanzgiri & Co. * Chartered Accountants *

5. OTHER TAX

SN	Head	Comments
1	**Objective**	ULB is authorized to collect other various types of taxes/fee.
2	**Criteria**	It is checked from progress report prepared by ULB
2	**Condition**	During checking it is noted that other tax of Rs. 5.19 lacs was outstanding as on 31/03/2018:
3	**Consequences/Effect**	Delay in collection of revenue leads in loss to ULB.
5	**Cause**	No proper explanation in this regard given by ULB.
6	**Corrective Action/ Recommendation**	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	**Management Comments**	***Kindly refer discussion note attached with the report.***

(B) EXCESS PAYMENT AGAINST BILL, LACK OF PRUDENCE IN PAYMENT AGAINST VOUCHER, INEFFICIENCY IN CONTROLS RESULTING LOSS TO ULBS.

During the audit we have checked below mentioned payments on random basis and audit observation are as follows:

SN	Head	Comments
1	**Objective**	Checking of payment made by ULBs to find out irregularities made during payment
2	**Criteria**	Payment were checked on random basis

3	**Condition**	

1. **Penalty Levied** by Electricity Department:

S.N	Name of Utility	Due date for Payment	Actual date for payment	Penalty/Late Fees Charged
1	SBPDCL(100398394)	12.04.2018	24.09.2019	15899.00
2	SBPDCL(100398395)	25.02.2018		142971.00
3	SBPDCL(100398396)	12.04.2018		2645.00
	Total Penalty/DPS			**161515.00**

2. We have checked following payment related to FY 2017-18 during audit:

S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Audit Observations
1	Pushapa kumara	Contractor	256230	256230	No Irregularity Found
2	Chhota Prasad	Contractor	451700	451700	No Irregularity Found
3	Chhota Prasad	Contractor	540452	540452	No Irregularity Found
4	Dhanshayam	Contractor	109600	109600	No Irregularity Found
5	Manoj kumar	Contractor	119286	119286	No Irregularity Found
6	Rakesh pandey	Contractor	95120	95120	No Irregularity Found
7	kamlesh kumar singh	Contractor	451314	451314	No Irregularity Found
8	Ravindra kumar	Contractor	187439	187439	No Irregularity Found
9	Ghanshayam kumar sinha	Contractor	158490	158490	No Irregularity Found
10	Ajay kumar	Contractor	252300	252300	No Irregularity Found

A.P. Sanzgiri & Co. Chartered Accountants

4	**Consequences/Effect**	Irregularities in payment lead to excess payment, wrong deductions, non-compliance with agreement and statutory compliances.
5	**Cause**	No such cases were identified during audit.
6	**Corrective Action/Recommendation**	Management can implement standard checklist for each payment so that irregularities in payments can be avoided.
7	**Management Comments**	***Kindly Refer Discussion Note***

(C) REPORT ON SURVEY ON 20 HIGH VALUE PROPERTIES

During the audit we have selected 20 properties on random basis for survey and our comments are as follows:

SN	Head	Comments
1	**Objective**	Field survey and report of 20 high value properties of ULB and report on the basis of area of building, rate of property tax etc of the same. Comparison with the data of same property provided by the ULB and report on variance between them if available.
2	**Criteria**	Survey was done for 20 High value properties.
3	**Condition**	We have checked twenty high value assessed property and found variances related to FY 2017-18 during audit. Details of such cases are given in ***Annexure-2***
4	**Consequences/Effect**	Irregularities in this area may cause short recovery of revenue receipt and it will result in loss to the ULB.
5	**Cause**	There are some cases found in which variance arise due to assessment of area of property on lower side.
6	**Corrective Action/Recommendation**	Management need to carry survey of properties on regular interval.
7	**Management Comments**	***Kindly refer discussion note attached with the report.***

PART-B: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATION, BUTSIGNIFICANT VIOLATION OF ACT, RULES &DIRECTIVES OF UD & HD.MENTION THE REFERENCE TO ACT & RULESWHEREIN REMEDIAL MEASURE IS REQUIRED:

(a) NON MAINTENANCE OF BOOKS OF ACCOUNTS,SUBSIDIARY REGISTERS:

The Municipality has not maintained/provide for verification the following prescribed registers.

S.N	Name of Register	Maintained/ Not Maintained	Last date of Updation
1	Cash Book-Cashier	Maintained	31.03.2018
2	Cash Book-Accountant	Maintained	31.03.2018
3	Collection Register	Maintained	31.03.2018
4	Cheque issue Register	Maintained	31.03.2018
5	Register of Advance	Not Maintained	
6	Register of Permanent Advance	Not Maintained	
7	Deposit received register	Not Maintained	
8	Summary statement of deposit adjusted	Not Maintained	
9	Demand Register	Not maintained	
10	Summary Statement of Bills Raised	Not maintained	
11	Register of Notice Fees, Warrant Fees, Other Fees	Not maintained	
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	Not maintained	
13	Register of Refunds, Remissions and Write off	Maintained in Yojna Panji	
14	Summary statement of Refunds and Remissions	Not maintained	
15	Summary Statement of Write-offs	Not maintained	
16	Statement of outstanding Liability for Expenses	Not maintained	
17	Document Control Register/Stock Account Receipts/Cheque Book	Maintained	31.03.2018
18	Fixed Assets Register	Not Maintained	
19	Summary Statement of Demand Raised on assessment	Not Maintained	
20	Summary Statement of Head wise Collection of Other Income	Maintained in DCR	31.03.2018
21	Summary Statement of Refunds	Maintained in Yojna Panji	31.03.2018
22	Summary Statement of Write off	Not Maintained	
19	Summary Statement of Demand Raised on assessment	Not Maintained	
20	Summary Statement of Head wise Collection of Other Income	Maintained in DCR	31.03.2018
21	Summary Statement of Refunds	Maintained in Yojna Panji	
22	Summary Statement of Write off	Not maintained	

A.P. Sanzgiri & Co. Chartered Accountants

23	Grant Register	Maintained	31.03.2018
24	Summary Statement of status of Capital Work in Progress	Not Maintained	
25	Work Sheet	Not Maintained	
26	Deposit Works Register	Not Maintained	
27	Material Receipt Note	Maintained	31.03.2018
28	Store Ledger	Maintained	31.03.2018
29	Statement of Closing Stock	Not Maintained	
30	Statement of Material Issued	Maintained	31.03.2018
31	BRS of all bank accounts (including dormant accounts)	Maintained	31.03.2018
32	Final Accounts for the F.Y. 2012-13 to 2017-18	Not maintained	
33	Audited Balance Sheet	Not maintained	
34	Audited Income & Expenditure Account	Not maintained	
35	Audited Receipts & Payment Account	Not maintained	

(b) IRREGULARITY IN PROCUREMENT PROCESS:

1. COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS: During audit, we have checked following procurements :

S.N	Name of Party	Invoice Amount	Deduction has made or not	Whether Deductions are with appropriate Rate	Check signature of Commissioner/EO in Payment Order	Whether Measurement book & bill signed by the JE of ULB	Whether in respect of all bills for charges on account of all works and other expenditure, proper certificates have been furnished in support of them and no deviation has been made for the sanctioned plans and the estimates without the sanction of the competent authority (BMAR Rule No.-130)
1	Sunita Devi	8,64,000	YES	YES	YES	YES	Furnished and no deviation found
2	Ravindra Kumar	6,05,300	YES	YES	YES	YES	Furnished and no deviation found
3	Md. Sohail	2,09,900	YES	YES	YES	YES	Furnished and no deviation found
4	Kumar Narenda Dev	3,19,050	YES	YES	YES	YES	Furnished and no deviation found
5	vishnu dayal	5,486,00	YES	YES	YES	YES	Furnished and no deviation found
6	kamlesh kumar singh	4,51,314	YES	YES	YES	YES	Furnished and no deviation found
7	Ravindra	1,87,439	YES	YES	YES	YES	Furnished and no deviation found

	kumar						
8	Chotte prasad	6,99,348	YES	YES	YES	YES	Furnished and no deviation found
9	Pushpa Devi	1,34,770	YES	YES	YES	YES	Furnished and no deviation found
10	Kamlesh kumar	2,07,997	YES	YES	YES	YES	Furnished and no deviation found
	TOTAL	**36,79,118**					

2. **DETAILS OF LOG BOOK MAINTAINED:** All machinery and other assets, **except Scorpio,** in respect of which log book is maintained by Taraquee NGO, with whom contract has been entered for cleaning within municipality area. Hire charges is deducted from bill amount charged by Taraquee NGO. ***Refer Discussion Note.***

S.N	Name of Vehicle	Whether vehicle log book is maintained or not	Whether log book is properly updated or not	Whether vehicle is insured or not	Whether Rate of Diesel/Petrol properly mentioned in log book
1	Scorpio	YES	YES	YES	NO

3. **NON-COMPLIANCE OF DIRECTIVES BY UD&HD, GOB:**

S.N	Directions Issued by UDHD	Particulars of Circulars/Orders/Notices	Complied or Not
1	No. 03/SBM20-14/2015 Dated 08.08.2017	**SBM Guidelines Regarding Toilet sheet Const. Guidelines:-**	**Complied**
2	Gyapank No.- 1007; Dated- 14.07.2017	**Guidelines Regarding Hire Vehicle**	**Complied**
3	No.- 4464; Dated- 05.07.2017	**GST Implementation Guidelines**	**Complied**

4. NON COMPLIANCE OF ACTS& RULES:

S.N	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.- 22	**Refer point: Part-A (a) (2)** On an Average 100 to 120 days delayed and amount collected was in hand with Tax Collector.	***(Refer Discussion Note)***
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Yes, Tax collector and other municipal employees are entrusted to collect municipal revenue within municipality area.	
3	Whether the collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.	BMAR Rule No.- 27	Yes ,Tax Collector kept receipt book in his personal custody;	
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated stall of the Municipality	BMAR Rule No.- 27	Yes, Daily Collection Register is verified by designated Officer of Council.	
5	Whether every bill collector invariably remit his collections (in cash and/or cheques) to Cashier dally before 4.30 PM and take the cashier's acknowledgment in the collection register.	BMAR Rule No.- 27	**Refer point: Part-A (a) (2)** The same rule did not followed by Tax Collector and on an average 100 to 120 days delayed found during which collected amount was in hand of Tax Collector.	***(Refer Discussion Note)***
6	Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.	BMAR Rule No.- 69	Yes, Grant Register has been maintained by ULB.	
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the	BMAR Rule No.- 69	Yes, Complied.	

	Chief Municipal Officer that the conditions attached to the grant are complied with without exception.			
8	Whether the grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.-69	No irregularities were found.	
9	Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29.	BMAR Rule No.-69	**Refer PART-B (h)** Yes, but complete UC has not been prepared.	***(Refer Discussion Note)***.
10	Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received	BMAR Rule No.-69	Earlier Period unutilized grant has been transferred by closing Account.	
11	Whether The Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	BMAR Rule No.-120	Currently Receipt and Payment A/c has not been prepared by ULB.	Currently it is not prepared, However we will proceed further. ***(Refer Discussion Note)***
12	Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	BMAR Rule No.-121	Trial Balance has not been prepared.	ULB not following to prepare Trial Balance, Income &Expenditure on monthly basis. It will be prepare after implementation of double entry Accounting System.
13	Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	BMAR Rule No.-121	The ULB was not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter.	***(Refer Discussion Note)***
14	The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality.**The Financial Statements shall comprise of**	BMAR Rule No.-122	Financial Statement has not been prepared by municipality.	ULB is not in practice to prepare Trial Balance, Income and Expenditure and Balance Sheet. It will be prepared after implementation of Double entry Accounting System.

A.P. Sanzgiri & Co. Chartered Accountants

	a. Receipts and Payments Account for the year (BMAR Form No.71) b. Income & Expenditure Statement for the year (BMAR Form No.73) c. Balance Sheet as on 31st March of the year (BMAR Form No.74) d. Significant accounting policies adopted by the Municipality in presentation of the financial statementse. e. Notes to Accounts, which shall disclose Contingent liabilities, and such otherinformation as, may be useful in understanding the financial statements clearly. f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply			
15	Whether the municipality is regular in depositing statutory dues including Tax deducted at source, GST, TDS on GST, service tax, VAT, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130)	BMAR Rule No.-130	**Refer PART-B (f)** Amount of statutory dues has not been deposited on due date. Like TDS should be deposited 7th day of next month and same has been delayed.	***(Refer Discussion Note)***
16	Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation;(BMAR Rule No.-130)	BMAR Rule No.-130	**Refer PART-B (g)**	***(Refer Discussion Note)***
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated In sufficient detail;	BMAR Rule No.-130	No Trial balance is prepared hence classification of transaction was not done.	***(Refer Discussion Note)***
18	Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted;	BMAR Rule No.-130	Yes, recorded properly in grant register as well as in cash book , but no case of deduction was found.	

19	Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created;	BMAR Rule No.-130	No special fund created.	***(Refer Discussion Note)***
20	Whether the ULB is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable Intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	BMAR Rule No.-130	Fixed assets register was prepared MS Sahani Bansal & Associates as on 01/04/2014. There is no system developed to physically verify the existing assets.	***(Refer Discussion Note)***
21	Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are renewed after their expiry;	BMAR Rule No.-130	Yes, Lease rental has been collected, but collection procedure is slow as outstanding amount of Rs. 6.75 Lakhs have to collect in this respect.	Necessary action will be taken to realise outstanding amount. ***(Refer Discussion Note)***
22	Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	BMAR Rule No.-130	Yes, There exist an adequate Internal control system in purchasing of Stores etc.	
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality' s accounts; If so, the details thereof;	BMAR Rule No.-130	No such case was found during the period of Audit.	
24	Whether the Bank Reconciliation statements have been property prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.-130	**Refer Point-04 (III)** Yes. BRS of all existing bank a/c have been prepared. Remedial Action, rectification of entries has been made in proper order.	***(Refer Discussion Note)***
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.-130	YES, Reconciliation Procedures have been carried out.	
26	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and in all cases such as are authorized by Act;	BMAR Rule No.-130	YES. Expenditure has been authorised by competent authority.	

27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.-130	**Refer-PART-A (a)(4)** Yes, Revenue has been properly assessed and collected but recovery procedure is slow. Total outstanding amount is Rs. 22.30 Lakhs	***(Refer Discussion Note)***
28	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act;	BMAR Rule No.-130	**Refer-PART-A (a)(2)** Yes, amount due to and received by ULB have been brought in to books of accounts not within prescribed time limits.	***(Refer Discussion Note)***
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	BMAR Rule No.-130	UC have not been prepared in prescribed format in timely manner	***(Refer Discussion Note)***
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.-130	**Refer-PART-B (a)** Books of Account are maintained except some Books of accounts.	***(Refer Discussion Note)***
31	Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores;	BMAR Rule No.-130	No such practices followed by ULB.	It will be followed by F.Y. 2019-20. ***(Refer Discussion Note)***
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	No physical verification is carried out.	It is considered and will be followed as per rule.
33	Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and If so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to Identify any unserviceable or damaged stores and whether provision for the loss In this respect, If any, has been made In the accounts;	BMAR Rule No.-130	ULB did not maintained stock register properly and further periodical physical verification of stores also not carried out.	***(Refer Discussion Note)***
34	Whether the valuation of stores is in accordance with the accounting principles laid down In the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of	BMAR Rule No.-130	ULB did not follow the practice of valuation of stock.	***(Refer Discussion Note)***

	such deviation, if material, should be reported;			
35	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the Interest and If not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	BMAR Rule No.- 130	No loan given during F.Y.2017-18	ULB does not give any loan and advances. ***(Refer Discussion Note)***
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.- 130	No loan given during F.Y.2017-18	ULB does not giveloan & advances to employees. ***(Refer Discussion Note)***
37	Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Performa 75,77 and 80 Preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. Rule 132 regarding Public Participation in Preparation Of Budget. Moreover, as required under provisions of Rule 139, mid -year review of Budget.	BMAR Rule No.- 132	Yes, budget has been prepared.	
38	**Municipal Fund:** Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	The required fund has not been created as per said chapter of act.	***(Refer Discussion Note)***
39	**Payment not to be made out of Municipal Fund unless covered by budget grant:**Whether any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	No such case was found during Audit period.	
40	**Procedure when money not covered by budget grant is paid.** Whether the case is put up with Empowered Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	***(Refer Discussion Note)***	***(Refer Discussion Note)***

41	**Investment of surplus money.** Whether municipality has invested surplus fund as per the requirement of the chaptor-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period. Check whether comparative interest rate is invited from parties before investing surplus funds:		No fund has been invested by ULB as investment..	ULB does not follow the practices of investing its surplus amount.
42	**Preparation of budget estimate of Municipality.** Whether The budget estimate stated the rates at which various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following,		Yes, the same is levied at specified rate.	
43	**Maintenance of accounts.**Whether the Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed,		Receipt and Expenditure A/c has not been prepared;	***(Refer Discussion Note)***
44	**Financial Statement.** Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality,		Financial Statement has not been prepared.	***(Refer Discussion Note)***
45	**Submission of financial statement and balance sheet to auditor.** The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after examination of the same, shall adopt and remit them to the Auditor as may be appointed in **this behalf by the State Government.**		Financial Statement has not been submitted.	***(Refer Discussion Note)***

46	**As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act,2007 various tax are applicable on ULBs** Section 145,146 and 147 of the Bihar Municipal Act 2007 chapter XVII provides for Advertisement tax on Advertisement in Urban Areas. Chapter XVII of the Bihar municipal Act, 2007 required license of Advertisement of any holding, etc. As par act Every person who erects, exhibited, fixes or retain upon or over any land, building ,wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph),visible from a public street a public place in any location in a municipal area including airport or a port or a railway station ,shall pay or every advertisement, which is so erected ,exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement.		**Refer-PART-A (4)** for status of taxes not collecting by ULB	
47	As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,	BMA,2007: Chapter XIX	**Refer-PART-A(a)(3)** Yes, Notice of demand issued but levy of Notice Fee is not followed currently.	***(Refer Discussion Note)***
48	As per section 342 of Bihar Municipal Act, 2007 Trade license fee is to be collected from different types of Trader, who are trading in Concerned Municipal area.	BMA,2007: Chapter XXXVII	Yes, Trade licence Fees have been collected.	

5. **<u>LACK OF INTERNAL CONTROL MEASURES:</u>** We have observed the following areas where internal control measures are required by ULBs-

a. Tax should be collect & deposit on timely basis as per BMAR Rules- As every tax collector takes 100 to 120 days to deposit the same after collection.

b. ULB should be followed Books of Account, Trial Balance, FAR, FS, and other records as per BMAR- Neither Trial Balance nor Financial Statement have been prepared by ULB.

c. ULB should be prepared & Maintained monthly BRS- Monthly Bank Reconciliation statement has not been prepared, however year end reconciliation has been prepared.

d. UC should be regularly prepared as per utilization of grant- No utilisation certificate has been prepared in respect of grant used.

6. **<u>NON-COMPLIANCE OF TDS, VAT AND OTHER RELEVANT STATUTE</u>**

1. **DETAILS OF DELAY IN DEPOSIT OF TDS ARE MENTIONED BELOW:**

<table>
<tr><th>S.N</th><th>Name of Party</th><th>Invoice Value</th><th>Amount of deduction</th><th>Due date of deposit</th><th>Actual Date of deposit</th><th>Cheque/ Challan Number</th></tr>
<tr><td>01</td><td rowspan="10">Taraqqi NGO</td><td>534000</td><td>10680</td><td>07.04.2016</td><td rowspan="10">31.03.2018</td><td>000009</td></tr>
<tr><td>02</td><td>1202300</td><td>24046</td><td>07.06.2016</td><td rowspan="6">000008</td></tr>
<tr><td>03</td><td>1202300</td><td>24046</td><td>07.08.2016</td></tr>
<tr><td>04</td><td>1598000</td><td>31960</td><td>07.10.2016</td></tr>
<tr><td>05</td><td>1598000</td><td>31960</td><td>07.12.2016</td></tr>
<tr><td>06</td><td>1598000</td><td>31960</td><td>07.02.2017</td></tr>
<tr><td>07</td><td>1443200</td><td>28864</td><td>07.04.2017</td></tr>
<tr><td>08</td><td>3324566</td><td>64492</td><td>07.08.2017</td><td rowspan="6">000006</td></tr>
<tr><td>09</td><td>3177700</td><td>63554</td><td>07.12.2017</td></tr>
<tr><td>10</td><td>2439000</td><td>48780</td><td>07.03.2018</td></tr>
<tr><td>11</td><td>Sunita Devi</td><td>864000</td><td>8640</td><td>07.01.2018</td><td rowspan="6">20.03.2018</td></tr>
<tr><td>12</td><td>Ravindra Kumar</td><td>605300</td><td>6053</td><td>07.01.2018</td></tr>
<tr><td>13</td><td>Md. SohaiL</td><td>209900</td><td>2099</td><td>07.03.2018</td></tr>
<tr><td>14</td><td>Kumar Narenda Dev</td><td>319050</td><td>3192</td><td>07.04.2017</td><td rowspan="3">00007</td></tr>
<tr><td>15</td><td>Nilam Devi</td><td>117090</td><td>1171</td><td>07.12.2017</td></tr>
<tr><td>16</td><td>Ajay kumar</td><td>216740</td><td>2168</td><td>07.01.2018</td></tr>
<tr><td>17</td><td>Ravindra kumar</td><td>99056</td><td>991</td><td>07.12.2017</td><td>20.03.2018</td><td>00007</td></tr>
</table>

18	Chotte Prasad	31430	314	07.04.2017		
19	Manoj kumar	119286	1193	07.04.2017		
20	Rakesh pandey	95120	952	07.12.2017		
21	Ram pravesh Ram	261000	2610	07.01.2018		
22	Ajay kumar	141239	2826	07.01.2018		
23	Ghanshayam kumar sinha	158490	1585	07.01.2018		
24	Ajay kumar	252300	2523	07.01.2018		
25	Nilam Devi	5800	58	07.01.2018		00010
26	vishnu dayal	548600	5486	07.01.2018		
27	kamlesh kumar singh	451314	4514	07.11.2017		
28	Ravindra kumar	187439	1875	07.03.2108		
29	chotte prasad	699348	6994	07.01.2018		
30	Ajay kumar	411318	1414	07.03.2108		
31	jayur rahman	192998	1930	07.12.2017		
32	Ajay kumar	359237	3593	07.03.2108		
33	chhote prasad	553873	5539	07.01.2018		
34	Kamlesh kumar singh	116948	1170	07.01.2018		00008
35	Kamlesh kumar singh	215001	2150	07.03.2108		
36	Kumar Narendra Dev	336455	3365	07.06.2017		
37	Pushapa kumara	256230	2562	07.06.2017		00011
38	Chhota Prasad	451700	4517	07.06.2017		
39	Chhota Prasad	540452	5405	07.06.2017		
40	Rampravesh Ram	450000	2085	07.12.2017	10.12.2017	
41	Kamlesh kumar singh	256906	2570	07.06.2017		00010
42	Kamlesh kumar singh	166500	1665	07.06.2017		
43	pushapa devi	371947	3720	07.06.2017		
44	Dhanshayam	109600	1096	07.06.2017		00009
45	Dhanshayam	334239	3342	07.07.2017	10.12.2017	00009
46		222833	2229	07.06.2017		

47	Jyaur Rahman	316816	3168	07.06.2017		
48	Jyaur Rahman	96165	961	07.06.2017		
49	Ravindra kumar	73767	738	07.07.2017		
50	Nilam Devi	446416	4465	07.07.2017		
51	Jyaur Rahman	718007	7180	07.06.2017		
52	Vishnu dayal singh	178649	1787	07.07.2017		
53	Chhote prasad	188651	1865	07.12.2017		
54	Md sohail	151645	1517	07.06.2017		
55	Pushapa devi	134770	1348	07.06.2017		
56	Kamlesh kumar singh	207997	2080	07.07.2017		
	TOTAL	**3,13,58,688**	**4,89,047**			

2. DETAILS OF DELAY IN DEPOSIT OF VAT ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/ Challan Number
01	Jaya Rahman	1104300	108765	15.05.2017	30.03.2018	931584
02	Md.Suhel	438000	35063	15.05.2017		
03	Ravindra Kumar	626800	50141	15.05.2017		
04	Sunita Devi	864000	69116	15.05.2017	29.03.2018	930875
05	Ravindra Kumar	605300	71692	15.05.2017		
06	Md.Suhel	209900	76669	15.05.2017		
	TOTAL	**38,48,300**	**4,11,446**			

3. DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

SN	Name Of Party	Amount Of Deduction	Date Of Deposit	Cheque/ Challan Number
1	Sunita Devi	6006	28-03-2018	930908
2	Ravindra Kumar	1187		
3	Md.Suhel	11512		
4	Kumar Narendra Dev	1938	19-03-2018	567794
5	Chhote Prasad	1768		
6	Chhote Prasad	1493		
7	Jailendra Kumar Patel	893		

8	Urmila Devi	1649		
9	Kumar Narendra Dev	1936		
10	Md Sohel	2205		
11	Kumar Narendra Dev	4472		
12	Ghanshayam Kumar Sinha	1490		
13	Satish Ranjan	1670		
14	Kumar Narendra Dev	1546		
15	Kumar Narendra Dev	1707		
16	Kumar Narendra Dev	1723		
17	Md Sohel	1324		
18	Kumar Narendra Dev	979		
19	Kumar Narendra Dev	1643		
20	Kumar Narendra Dev	1953		
21	Satish Ranjan	1723		
22	Kumar Narendra Dev	1666		
23	Kumar Narendra Dev	1732		
24	Chhote Prasad	380		
25	Abhay Kumar Singh	2055		
26	Kumar Narendra Dev	1944		
27	Ram Pravesh Ram	7162	26-03-2018	930892
28	Ajay Kumar	5302		
29	Kamlesh Kumar Singh	2628		
30	Kamlesh Kumar Singh	3903		
31	Chhote Prasad	15198		
32	Pushapa Kumari	6236		
33	Kamlesh Kumar Singh	2185		
34	Kamlesh Kumar Singh	4497		
35	Manoj Kumar	4472		
36	Rakesh Pandey	850		
37	Ghanshayam Kumar Sinha	3397		
38	Manoj Kumar	3014	28-03-2018	930910
39	Rakesh Pandey	1649		
40	Ram Pravesh Ram	4090		
41	Ghanshayam Kumar Sinha	1968		
42	Ghanshayam Kumar Sinha	9021		
43	Jayur Rahman	13656		
44	Jayur Rahman	1033		
45	Ajay Kumar	1269		

A.P. Sehgal & Co. Chartered Accountants

46	Ghanshayam Kumar Sinha	2500		
47	Ravindra Kumar	1473		
48	Ajay Kumar	4908		
49	Nilam Devi	9810		
50	Jayur Rahman	11385		
51	Vishnu Dayal	17113		
52	Chotte Prasad	900		
53	Kamlesh Kumar Singh	12640		
54	Ravindra Kumar	3312		
55	Md Suhel	2551		
56	Pushapa	2460		
57	Chotte Prasad	13955		
58	Ajay Kumar	8511		
59	Jayur Rahman	3709		
60	Kamlesh Kumar Singh	3944		
61	Kumar Narenda Dev	25269		
62	Nilam Devi	3177		
63	Ajay Kumar	1451		
64	Pushapa Kumari	1480	30-03-2018	-
65	Ravindra Kumar	1932		
66	Chotte Prasad	6364		
67	Chotte Prasad	4714		
TOTAL		**2,93,682**		

4. DETAILS OF DEPOSIT OF LABOUR CESS ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/ Challan Number
1	Traqqee NGO	15632200	156322	26-03-2018	930900
2	SUNITA DEVI	864000	8640		
3	RAVINDRA KUMAR	815200	8152	26-03-2018	930899
4	MD.SUHEL	958400	9584		
5	KR NARENDRA DEV	142222	1422.22		
6	CHHOTE PRASAD	142694	1426.94	26-03-2018	567792
7	CHHOTE PRASAD	143000	1430		

8	JAILENDRA KUMAR PATEL	143000	1430		
9	URMILA DEVI	143000	1430		
10	KR NARENDRA DEV	142438	1424.38		
11	MD SOHEL	153441	1534.41		
12	KR NARENDRA DEV	142158	1421.58		
13	GHANSHAYAM KUMAR SINHA	145700	1457		
14	SATISH RANJAN	143000	1430		
15	KR NARENDRA DEV	142657	1426.57		
16	KR NARENDRA DEV	136848	1368.48		
17	KR NARENDRA DEV	143000	1430		
18	MD SOHEL	138398	1383.98		
19	KR NARENDRA DEV	142784	1427.84		
20	KR NARENDRA DEV	143000	1430		
21	KR NARENDRA DEV	142816	1428.16		
22	SATISH RANJAN	143000	1430		
23	KR NARENDRA DEV	142957	1429.57		
24	KR NARENDRA DEV	137646	1376.46		
25	CHHOTE PRASAD	148974	1489.74		
26	ABHAY KUMAR SINGH	141694	1416.94		
27	KR NARENDRA DEV	142900	1429		
28	KR NARENDRA DEV	655700	6557	28-03-2019	-
29	NILAM DEVI	117100	1171		
30	AJAY KUMAR	216800	2168		
31	PUSHAPA KUMARI	256200	2562		
32	RAVINDRA KUMAR	99100	991		
33	CHHOTE PRASAD	451700	4517		
34	CHHOTE PRASAD	571900	5719		
35	KR NARENDRA DEV	655700	6557		

36	MANOJ KUMAR	119300	1193		
37	RAKESH PANDEY	95200	952		
38	RAMPRAVESH RAM	261000	2610		
39	DHANSHAYAM KUMAR SINGH	109600	1096		
40	DHANSHAYAM KUMAR SINGH	557100	5571		
41	JYAUR RAHMAN	316800	3168		
42	JYAUR RAHMAN	96165	961		
43	AJAY KUMAR	141300	1413		
44	DHANSHAYAM KUMAR SINGH	158500	1585		
45	RAVINDRA KUMAR	73800	738		
46	AJAY KUMAR	252300	2523		
47	NILAM DEVI	452300	4523		
48	JYAUR RAHMAN	718000	7180	28-03-2018	-
49	VISHNU DAYAL SINGH	727300	7273		
50	CHHOTE PRASAD	186500	1865		
51	KAMLESH KR SINGH	451400	4514		
52	RAVINDRA KUMAR	187500	1875		
53	MD SUHEL	151700	1517		
54	PUSHAPA KUMARI	134800	1348		
55	CHHOTE PRASAD	699400	6994		
56	AJAY KUMAR	411400	4114		
57	JYAUR RAHMAN	193000	1930		
58	KAMLESH KR SINGH	208000	2080		
59	RAMPRAVESH RAM	442300	4423		
60	AJAY KUMAR	359300	3593		
61	KAMLESH KR SINGH	257000	2570		
62	KAMLESH KR SINGH	166500	1665		

63	CHHOTE PRASAD	553900	5539		
64	PUSHAPA KUMARI	372000	3720		
65	KAMLESH KR SINGH	117000	1170		
66	KAMLESH KR SINGH	215000	2150		
67	MANOJ KUMAR	159900	1599		
68	RAKESH PANDEY	272100	2721		
69	DHANSHAYAM KUMAR SINHA	213600	2136		
TOTAL		**3,44,12,292**	**3,44,122**		

Auditor's Comment: While doing audit of deduction made by ULB, the Statutory deduction has not been deposited on due date (refer above). For example TDS should be deposited on or before 7th day of next month.

Consequences of Non deposition of TDS on due date: ULB may suffer following consequences;

i. Interest u/s 221 of income tax act,1961- 1.5 % per month, if amount not deposited after deduction;
ii. Penalty u/s 271C of income tax act, 1961- Up to amount of TDS
iii. Prosecution u/s 276B: 3 Month to 7 Years

5. **DETAILS OF DEPOSIT OF TDS ON GST ARE MENTIONED BELOW:** Not applicable

6. **DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:**

S.N	Quarter	Due date of Return	Actual date of Return filled	Remark
01	1st quarter	31.07.2017	29.05.2018	Quarterly return not filled on due dates.
02	2nd quarter	31.10.2018		
03	3rd quarter	31.01.2018		
04	4th quarter	31.05.2018		

7. **DEFICIENCY IN PAYROLL SYSTEM:**

SN	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/Contract worker)	Maintained
2	Non availability of Salary payment voucher	Available
3	Matching of voucher number with cash book	Matched with cash book
4	Salary register contains all elements of salary	Maintained
5	Maintenance of Salary Deduction register	Not Maintained
6	Whether deduction of PF/ESI made from contract employee	Not deducted
7	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	Not implemented

8. DETAILS OF DELAY OF DEPOSIT OF EPF:

Permanent Employee: During audit of Panchayat we have observed that no amount of PF has been deposited to EPFO A/C during the financial year 2017-2018.

Month Of Deduction	Total Amount of PF Deduction	Due date of deposit	Amount Deposited	Actual Date of deposition	Delay in deposition (in days)
April – 17	120153	15.05.2017	120153	20.05.2-17	5
May – 17		15.06.2017			50
June – 17	361449	15.07.2017	361449	04.08.2017	20
July-17		15.08.2017			-
August-17	139136	15.09.2017	139136	19.09.2017	4
Sept-17	141836	15.10.2017	141836	22.09.2017	-
October-17	141836	15.11.2017	141836	21.11.2017	6
November-17	245065	15.12.2017	245065	17.01.2018	33
December-17		15.01.2018			2
January-18	126136	15.02.2018	126136	17.02.2018	2
February-18	132083	15.03.2018	132083	04.06.2018	20
March-18	125024	15.04.2018	125024	04.06.2018	-
TOTAL	**15,32,718**		**15,32,718**		

9. UTILISATION OF GRANT AND REPORT ON MISSING UTILISATION CERTIFICATES

SN	Head	Details
1	STATUS OF UTILIZATION CERTIFICATE:	***(Refer Annexure)***
2	STATUS OF USE OF GRANT AS PER DEFAULT ALLOCATION	Specifically grant allocation details has not been maintained, however it is maintained in grant register. ***(Refer Discussion Note)***
3	PHYSICAL VERIFICATION OF INVENTORY/STORES	Refer point 31-40 PART-B (d). ULB did not follow the practice of physical verification of stock. ***(Refer Discussion Note***
4	ADVANCES, THEIR ADJUSTMENT & RECOVERY	Refer point 35-36 PART-B (d), ULB did not give loan/ advance, hence there are no case of adjustment and recovery. ***(Refer Discussion Note)***

III. PART-C

SN	Particulars	Complied or Not
A	Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GoB; Auditor should see 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.	Complied Refer-PART-B(3)
B	Auditor should Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;	Complied Refer-PART-A(c)
C	Auditor should report on compliance of 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	Refer-PART-B(4)
D	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.	Complied Refer-PART-B(4)
E	Report and quantify all major own revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc;	Complied Refer-PART-A(a)
F	Auditor should Report on adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments above Rs. 10,000 and above.	Complied Refer-PART-B(b)
G	Auditor should Report on 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/-	Complied Refer-PART-B(b)
H	Auditor should Report on presence or absence of a system of issuance of utilisation certificate for the different schemes for any utilisation made	Complied Refer-PART-

	during the reporting period; Where there is no system for issuance of U/Cs, the Internal Audit report shall prepare Utilisation Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	B(9)
I	Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied Refer-Audit Recommendation
J	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.	Complied Refer-PART-B(b)
K	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies	Complied Refer-PART-B(b)
L	Auditor will report on that the fixed deposit and other funds should be in nationalized. Banks/Approved financial institutions and should earn maximum interest at their gestation period.	Complied Refer-PART-B(4)
M	Internal Auditor will identify major areas of ULBs own revenue loss and auditor will access the loss and Prepare a statement of loss.	Complied Refer-PART-A(a)
N	Auditor will report on that all kind of 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.	Complied Refer-PART-B(6)
O	Internal Auditor will ensure that all the C&AG audit & Internal audit Paras was compiled by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.	Complied Point-03 of Detailed Audit Report

ANNEX-1 DELAY IN DEPOSIT OF PROPERTY TAX
ULB – DAUDNAGAR
INTERNAL AUDIT REPORT- 2017-18

S.N	Serial no		Amount of Tax	Date of Collection as per Receipts Booked	Amount Deposited with Cashier	Date of deposit with Cashier	Delay in Deposit with Cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To							
1	9742	9763	9050.00	30-03-2017 to 21-04-2017	9050.00	7/18/2017	1-89 days	7/18/2017	
2	9764	9784	1374.00	21-04-2017 to 25-04-2017	1374.00	7/18/2017	1-56 days	7/18/2017	
3	9785	9800	6464.00	25-04-2017 to 03-05-2017	6464.00	8/28/2017	1-119 days	8/28/2017	
4	9801	9822	10585.00	06-05-2017 to 13-05-2017	10585.00	28-08-2017	1-112 days	28-08-2017	
5	9823	9844	9948.00	13-05-2017 to 19-05-2017	9948.00	8/28/2017	1-104 days	8/28/2017	
6	9845	9859	7939.00	19-05-2017 to 27-05-2017	7939.00	8/28/2017	1-96 days	8/28/2017	
7	9860	9887	6458.00	27-05-2017 to 05-06-2017	6458.00	8/28/2017	1-89 days	8/28/2017	
8	9883	9900	10599.00	05-06-2017 to 13-06-2017	10599.00	8/28/2017	1-81 days	8/28/2017	
9	10101	10123	6129.00	14-06-2017 to 22-06-2017	6129.00	8/28/2017	1-73 days	8/28/2017	
10	10124	10146	10100.00	22-06-2017 to 01-07-2017	10100.00	8/28/2017	1-64 days	8/28/2017	
11	10147	10169	12966.00	03-07-2017 to 12-07-2017	12966.00	10/31/2017	1-114 days	10/31/2017	
12	10170	10190	4527.00	12-07-2017 to 28-07-2017	4527.00	10/31/2017	1-102 days	10/31/2017	
13	10191	10200	4528.00	28-07-2017 to 05-08-2017	4528.00	10/31/2017	1-89 days	10/31/2017	
14	10201	10221	12523.00	08-08-2017 to 16-08-2017	12523.00	10/31/2017	1-78 days	10/31/2017	
15	10222	10231	1694.00	16-08-2017 to 21-08-2017	1694.00	11/18/2017	1-90 days	11/18/2017	
16	10232	10241	6598.00	21-08-2017 to 28-08-2017	6598.00	11/18/2017	1-76 days	11/18/2017	
17	10233	10254	12638.00	25-08-2017 to 30-08-2017	12638.00	11/18/2017	1-80 days	11/18/2017	
18	10234	10262	1587.00	30-08-2017 to 01-09-2017	1587.00	11/18/2017	1-78 days	11/18/2017	
19	10235	10273	14353.00	01-09-2017 to 07-09-2017	14353.00	11/30/2017	1-86 days	11/30/2017	
20	10236	10288	4092.00	07-09-2017 to 15-09-2017	4092.00	12/12/2017	1-90 days	12/12/2017	
21	10237	10300	7569.00	18-09-2017 to 23-09-2017	7569.00	12/12/2017	1-110 days	12/12/2017	
22	10238	10422	7528.00	03-10-2017 to 14-10-2017	7528.00	12/30/2017	1-85 days	12/30/2017	
23	10239	10428	19272.00	14-10-2017 to 16-10-2017	19272.00	12/30/2017	1-75 days	12/30/2017	
24	10240	10449	10610.00	16-10-2017 to 31-10-2017	10610.00	1/25/2018	1-91 days	1/25/2018	

25	10241	10470	4912.00	01-11-2017 to 04-11-2017	4912.00	1/25/2018	1-84 days	1/25/2018	
26	10242	10490	6776.00	06-11-2017 to 11-11-2017	6776.00	1/25/2018	1-79 days	1/25/2018	
27	10243	10500	3670.00	11-11-2017 to 14-11-217	3670.00	1/25/2018	1-82 days	1/25/2018	
28	10244	10620	5621.00	14-11-2017 to 15-11-2017	5621.00	1/29/2018	1-75 days	1/29/2018	
29	10245	10642	6963.00	16-11-2017 to 25-11-2017	6963.00	1/29/2018	1-70 days	1/29/2018	
30	10246	10664	1410.00	25-11-2017 to 04-12-2017	1410.00	2/9/2018	1-90 days	2/9/2018	
31	10247	10686	7348.00	05-12-2017 to15-12-2017	7348.00	2/9/2018	1-60 days	2/9/2018	
32	10248	10700	10096.00	15-12-2017 to 22-12-2017	10096.00	2/9/2018	1-58 days	2/9/2018	
33	10249	10922	9862.00	23-12-2017 to 02-01-2018	9862.00	2/9/2018	1-40days	2/9/2018	
34	10250	10943	4529.00	02-01-2018 to 11-01-2018	4529.00	2/9/2018	1-34 days	2/9/2018	
35	10251	10965	7765.00	11-01-2018 to 20-01-2018	7765.00	2/9/2018	1-24 days	2/9/2018	
36	10252	10987	6063.00	20-01-2018 to 30-01-2018	6063.00	2/9/2018	1-14 days	2/9/2018	
37	10253	11000	4357.00	02-02-2018 to 09-02-2018	4357.00	2/9/2018	-	2/9/2018	
38	10254	11016	3992.00	15-02-2018 to 16-02-2018	3992.00	2/19/2018	1-3 days	2/19/2018	
39	10255	11028	2293.00	17-02-2018 to 20-02-2018	2293.00	2/21/2018	1-3 days	2/21/2018	
40	10256	11046	18190.00	22-02-2018 to 06-03-2018	18190.00	3/27/2018	1-27 days	3/27/2018	
41	10257	11053	4110.00	06-03-2018 to 07-03-2018	4110.00	3/27/2018	1-20 days	3/27/2018	
42	10258	11065	6346.00	08-03-2018 to 09-03-2018	6346.00	3/27/2018	1-19 days	3/27/2018	
43	10259	11085	13053.00	09-03-2018 to 15-03-2018	13053	3/27/2018	1-15 days	3/27/2018	
44	10260	11200	38140.00	15-03-2018 to 16-03-2018	38140	3/31/2018	1-15 days	3/31/2018	
45	10261	11218	7624.00	17-03-2018 to 19-03-2018	7624	3/31/2018	1-13 days	3/31/2018	
46	10262	11240	5119.00	19-03-2018 to 21-03-2018	5119	3/31/2018	1-11 days	3/31/2018	
47	10263	11262	7429.00	21-03-2018 to 21-03-2018	7429	3/31/2018	1-10 days	3/31/2018	
48	10264	11280	6928.00	21-03-2018 to 23-03-0218	6928	3/31/2018	1-9 days	3/31/2018	
49	10265	13000	4156.00	23-03-2018 to 23-03-2018	4156	3/31/2018	1-8 days	3/31/2018	
50	10801	10808	3770.00	22-12-2017 to 04-01-2018	3770.00	1/25/2018	1-25 days	1/25/2018	
51	10809	10813	4196.00	04-01-2018-to 09-01-2018	4196.00	2/9/2018	1-34 days	2/9/2018	
52	10814	10830	11577.00	11-01-2018 to 15-02-2018	11577.00	3/12/2018	1-28 days	3/12/2018	
53	10831	10847	10608.00	16-02-2018 to 07-03-2018	10608.00	3/26/2018	1-26 days	3/26/2018	
54	10848	10862	9509.00	07-03-2018 to 19-03-2018	9509.00	3/27/2018	1-14 days	3/27/2018	

A.P. Sanzgiri & Co. Chartered Accountants

55	10863	10873	4253.00	19-03-2018 to 21-03-2018	4253.00	3/27/2018	1-5 days	3/27/2018	
56	10874	10890	7265.00	21-03-2018 to 26-03-2018	7265.00	3/31/2018	1-7 days	3/31/2018	
57	10890	10900	6046.00	26-03-2018 to 27-03-2018	6046.00	3/31/2018	4 days	3/31/2018	
58	11401	11416	9620.00	3/28/2018	9620.00	4/25/2018	1-28 days	4/25/2018	
59	9673	9682	3016	25-04-2017 To 28-04-2017	3016.00	6/29/2017	1-33 days	6/29/2017	
60	9683	9692	8610	02-05-2017 to 05-05-2017	8610.00	6/29/2017	1-27 days	6/29/2017	
61	9693	9700	2712	05-05-2017 to 06-05-2017	2712.00	6/24/2017	1-19 days	6/24/2017	
62	9901	9910	5180	06-05-2017 to 08-05-2017	5180.00	6/29/2017	1-21 days	6/29/2017	
63	9911	9920	4923	08-05-2017 to 08-05-2017	4923.00	6/29/2017	1-21 days	6/29/2017	
64	9921	9930	3865	09-05-2017 to 15-05-2017	3865.00	6/29/2017	1-15 days	6/29/2017	
65	9931	9940	4230	15-05-2017 to 16-05-2017	4230.00	6/29/2017	1-13 days	6/29/2017	
66	9941	9950	11817	16-05-2017 to 18-05-2017	11817.00	6/29/2017	1-12 days	6/29/2017	
67	9951	9973	8756	19-05-2017 to 25-05-2017	8756.00	8/17/2017	1-85 days	8/17/2017	
68	9974	9990	19806	27-05-2017 to02-06-2017	19806.00	8/17/2017	1-77 days	8/17/2017	
69	9991	10000	6205	05-06-2017 to 06-06-2017	6205.00	8/17/2017	1-72 days	8/17/2017	
70	10001	10015	5900.00	07-06-2017 to 15-06-2017	5900.00	8/17/2017	1-66 days	8/17/2017	
71	10016	10032	11381	16-06-2017 to 23-06-2017	11381.00	8/17/2017	1-57 days	8/17/2017	
72	10033	10044	8511	24-06-2017 to 10-07-2017	8511.00	8/17/2017	1-37 days	8/17/2017	
73	10045	10059	8644	10-07-2017 to 17-07-2017	8644.00	8/17/2017	1-34 days	8/17/2017	
74	10060	10075	4174	17-07-2017 to 27-07-2017	4174.00	8/21/2017	1-30days	8/21/2017	
75	10076	10079	13669	29-07-2017 to 01-08-2017	13669.00	8/21/2017	1-22 days	8/21/2017	
76	10091	10100	4664	03-08-2017 to 08-08-2017	4664.00	8/21/2017	1-15 days	8/21/2017	
77	10301	10314	7977	08-08-2017 to 10-08-2017	7977.00	8/21/2017	1-11 days	8/21/2017	
78	10315	10328	12937	16-08-2017 to 17-08-2017	12937.00	8/21/2017	1-5 days	8/21/2017	
79	10329	10344	10049	18-08-2017 to 26-08-2017	10049.00	10/31/2017	1-68 days	10/31/2017	
80	10345	10360	10285	28-08-2017 to 04-09-2017	10285.00	10/31/2017	1-61 days	10/31/2017	
81	10361	10376	5740	04-09-2017 to 13-09-2017	5740.00	10/31/2017	1-51days	10/31/2017	
82	10377	10391	6612	13-09-2017 to 26-09-2017	6612.00	10/31/2017	1-41days	10/31/2017	

A.P. Sanzgiri & Co. * Chartered Accountants *

83	10392	10400	5504	03-10-2017 to 06-10-2017	5504.00	10/31/2017	1-25 days	10/31/2017	
84	10501	10516	11963	06-10-2017 to 23-10-2017	11963.00	11/23/2017	1-38 days	11/23/2017	
85	10517	10532	7527	23-10-2017 to 31-10-2017	7527.00	11/23/2017	1-28 days.	11/23/2017	
86	10533	10548	10167	31-10-2017 to 03-11-2017	10167.00	11/23/2017	1-21 days	11/23/2017	
87	10549	10564	6342	03-11-2017 to 07-11-2017	6342.00	11/23/2017	1-19 days	11/23/2017	
88	10565	10582	7059	07-11-2017 to 11-11-2017	7059.00	11/11/2017	1-2 days	11/11/2017	
89	10583	10593	9870	11-11-2017 to 15-11-2017	9870.00	11/23/2017	1-12 days	11/23/2017	
90	10701	10714	11607	20-11-2017 to 28-11-2017	11607.00	12/28/2017	1-33 days	12/28/2017	
91	10715	10728	7280	28-11-2017 to 05-12-2017	7280.00	12/28/2017	1-28 days.	12/28/2017	
92	10729	10742	9990	05-12-2017 to 16-12-2017	9990.00	1/25/2018	1-46 days	1/25/2018	
93	10743	10756	15773	16-12-2017 to 22-12-2017	15773.00	1/25/2018	1-37 days	1/25/2018	
94	10757	10765	8809	23-12-2017 to 17-01-2018	8809.00	1/25/2018	1-25 days	1/25/2018	
95	10768	10779	9628	20-01-2018 to 03-02-2018	9628.00	2/27/2018	1-32 days	2/27/2018	
96	10780	10788	5511	05-02-2018 to 12-02-2018	5511.00	2/27/2018	1-19 days	2/27/2018	
97	10789	10794	6321	13-02-2018 to 20-02-2018	6321.00	3/12/2018	1-24 days	3/12/2018	
98	10795	10800	2073	24-02-2018 to 06-03-2018	2073.00	3/12/2018	1-12days	3/12/2018	
99	11103	11112	7594	06-03-2018 to 14-03-2018	7594.00	3/27/2018	1-17 days	3/27/2018	
100	11113	11126	9090	14-03-2018 to 14-03-2018	9090.00	3/27/2018	1-13 days	3/27/2018	
101	11127	11141	11411	14-03-2018 to 20-03-2018	11411.00	3/27/2018	1-10days	3/27/2018	
102	11142	11157	8299	20-03-2018 to 23-03-2018	8299.00	3/27/2018	1-5 days	3/27/2018	
103	11158	11173	7316	23-03-2018 to 26-03-2018	7316.00	3/27/2018	1-2 days	3/27/2018	
104	11174	11189	14367	27-03-2018 to 28-03-2018	14367.00	3/31/2018	1-3 days	3/31/2018	

A.P. Sanzgiri & Co. Chartered Accountants

ANNEX-1 DELAY IN DEPOSIT OF PROPERTY TAX
ULB – DAUDNAGAR
INTERNAL AUDIT REPORT- 2017-18

ANNEX-2 REPORT ON FINDINGS OF FIELD SURVEY OF PROPERTY TAX OF MINIMUM 20 HIGH VALUE PROPERTIES:

S.N	Holding Name	W.N	H.N.	Type of Use of Property		Area of Property			Tax Amount			Remarks
				As per tax Collector	As per Auditor	As per Tax Collector	As per Auditor	Difference	As per Tax Collector	As per Auditor	Difference	
1	Arvind Yadav	20	327	Residential cum Commercial		2400	3780	1380	2916	4593	1677	
2	Arvind Yadav	20	328	Commercial	Commercial	2080	3276	1196	2880	4536	1656	-
3	Dr. Krishna Kumar	19	262	Commercial	Commercial	2070	7600	5530	2790	10244	7453	-
4	Rajdev Pandey	19	271	Commercial	Commercial	1900	3675	1775	2565	4961	2396	-
5	Rajendra Prasad	19	272	Commercial	Commercial	1784	3675	1891	2565	5283	2719	-
6	Sudhir Kumar	20	35	Commercial	Commercial	2640	2640	-	2358	2358	-	-
7	Vijay Kumar	20	13C	Commercial	Commercial	1650	1650	-	2565	2565	-	-
8	Ravindar Sharma	19	261	Commercial	Commercial	1440	1440	-	1944	1944	-	-
9	Kripal Prasad	20	130	Commercial	Commercial	1390	1390	-	1872	1872	-	-
10	Gangotri Devi	20	22	Residential cum Commercial		2495	2495	-	1710	1710	-	-
11	Sonamati Devi	11	93	Residential cum Commercial		1500	1500	-	1557	1557	-	-
12	Shivjatan Pandey	19	270	Commercial	Commercial	1100	1840	740	1485	2484	999	-
13	Ravindar Sharma	20	326	Commercial	Commercial	984	1550	566	1332	2098	766	-

A.P. Sanzgiri & Co. Chartered Accountants

14	Smt. Rubi Devi	20	29	Commercial	Commercial	720	720	-	1260	1260	-	-
15	ri Kripal Prasad	20	4	Commercial	Commercial	510	510	-	1170	1170	-	-
16	ri SangamSav	19	4	Commercial	Commercial	840	840	-	1134	1134	-	-
17	Ravi Kumar	19	70	Commercial	Commercial			-	900	900	-	-
18	hila Devi	19	8	Commercial	Commercial	600	600	-	720	810	90	-
19	Manorma Devi	19	161	Commercial	Commercial	560	560	-	756	756	-	-
20	Laxman Prasad	19	17	Commercial	Commercial	507	792	285	684	1068	385	-

A.P. Sanzgiri & Co. * Chartered Accountants *

Daudnagar Parishad

Discussion Note

Date: 12.12.2019
Daudnagar Council
with
AP Sangziri & Co.
(Chartered Accountants)

Subject: Regarding confirmation of documents not maintained and management comment in Internal Audit Report for F.Y. 2017-18.

S.N.	Auditor observation	Management comment
1	Non implementation of Double entry system;	Currently there is no agency working for implementation of accrual based double entry accounting system;
2	AG Compliance Report;	It is under process and management will submit it as soon as possible;
3	Difference in opening balance of in budget for F.Y. 2015-16,16-17 and 2017-18;	Management is now making effort to find out error and will be rectify accordingly;
4	Non availability of Cash: a. Bank of Baroda	It is under custody of BRGF Audit team;
5	Non maintenance of Advance Register;	ULB did not follow practice of giving advance;
6	No Municipal Accounts committee established;	Under process, and matter will be put before board for constitution of "Municipal Accounts Committee";
7	Notice fee;	Currently not collecting, but it will be consider and collected accordingly;
8	TDS return acknowledgement;	It will be provided;
9	Non levy of Taxes in IAR Para " I Part-A a) (1);	Some of taxes is collected by other department of GoB like professional tax; And there is many taxes mentioned in this Para are not collected by ULB due to not providing services in this respect like fire tax and water taxes. For rest we will discussed in meeting of board and implement accordingly;
10	Late deposit of property Tax;	Show cause notice has been issued to tax collector in this respect and it will be collected as per Act. **A copy of show caused attached**
11	Late deposit of statutory deduction of TDS;	It will deposit on or before due date from now;
12	Delay in deposit of EPF	Due to implementation of CFMS the same problem arise.
13	Non preparation of Complete UC details	It is under process and will be submit in coming next month;

12/12/19

Executive Officer
Nagar Parishad Daudnagar
Aurangabad (Bihar)

12.12.19

A.P. Sangziri & Co. Chartered Accountants

	;	
14	Non practice of Stock valuation;	It will be follow as per rule and management will decide about reasonable period of valuation i.e. frequency of time for valuation;
15	Non maintenance of log book, except Scorpio for EO,:	All running vehicle has been given on hire to Taraqquee NGO, a cleaning contractor appointed by ULB to keep city clean, and ULB collect hire charges in that respect. Hence log book not maintained due right to operate has been transfer.
16	Electricity DPS	Due to non furnishing of bill on due date the DPS on electricity arised. A letter will be given to SBPDCL to submit bill on due date and also gives reasons for DPS.
17	Maintenance of grant record with bifurcation like amount for Salary, water management, nail gali solid waste management and so on ;	It Will be provided.
18	Non maintenance of book refer to Para : II-PART B (a) ;	After reading this para we conclude the following comments 1. S.N. 5 to 8 – no transaction happened; 2. 10 to 11 - amount not collected in this respect; Rest will be maintained upon applicability of concern para.
19	Bank A/c which is closed	Following Bank A/c has been closed **Bank Name** — **A/c No.** — **Purpose** 1. **Bank of Baroda-** '00100200006901 12th F.C. 2. **PNB** 3861000109373638 BRGF 3. **Bank of Baroda** 00100100036332 14th F.C 4. **PNB** 3861000109393632' SJSY 5. **PNB** 3861000109418630 13th F.C 6. **Bank of Baroda** 8448001020001 NRY 7. **Bank of Baroda** 00100100014590 GBSY
20	Difference in Holding Tax Amount as per Physical Measurement: ➢ Auditor found difference in area; as per self assessment form and actual measurement of property area there is difference for some cases selected on sample basis ➢ Valuation method not Revised till 2011	➢ We will take necessary action and imposed Holding Tax as per actual measurement taken. ➢ The Entire process of valuation need to be changed and the concern matter will be put before Board very soon and after approval of UD & HD (will be send after approval of board) it will be implement accordingly;
21	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet (Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet will be prepare after implementation of Double Entry Accounting System.

12/12/15

Executive Officer
Nagar Parishad Daudnagar

Daudnagar Parishad

22	Non creation of Special Fund and Fund Mentioned in Chapter ix of BMA, 2007	The same will be created on applicability of relevant provision of said act;
23	Non Maintenance Fixed Assets register	It will be maintained
24	Outstanding Taxes	We will makes our best effort to realized it by establishing camp in ward;
25	Bank Reconciliation on Monthly Basis	It will be maintained;
26	Any Payment made out of Municipal Fund that is not covered by Budget	Payment made out of budget provision. No such payment made that is not cover by budget;
27	Non implementation of Biometric Devices and Payroll Software	It is under process

Further we confirm/affirm the management comment given in Internal Audit report for 2017-18 is on behalf of Daudnagar Parishad.

12/12/19

Executive Officer
Nagar Parishad Daudnagar

NAGAR PARISHAD DAUDNAGAR

STATUS OF UTILIZATION CERTIFICATION FOR FY 2017-18

S.No	Head	Approvel order and date	Sanctioned Amount	Expenses Incurred	Balance Amount	UC Submitted against Expenses	UC Pending Against Expenses	% of UC Submitted against expenses	% of UC Pending against expenses	Letter No. & Date of Submission of Ucs
1	Urban Drain Street	68/30.10.2017	62.22	-	62.22	-	-	NIL	NIL	-
2	14th Finance	97/24.01.2018	99.46	-	99.46	-	-	NIL	NIL	-
3	Allowance Payment	15/15.06.2017	3.84	3.83	0.01	3.83	-	100%	NIL	Not Provided
4	Civil Liberties	43/24.08.2017	48.67	48.67	-	48.67	-	100%	NIL	318/04.03.2020
5	14th Finance	33/02.08.2017	99.72	-	99.72	-	-	NIL	NIL	-
6	Peshakar	23/30.06.2017	17.47	17.47	-	17.47	-	100%	NIL	318/04.03.2020
7	Nali Gali	38/11.08.2017	72.61	-	72.61	-	-	NIL	NIL	-
8	15th Finance	46/14.09.2017	199.08	-	199.08	-	-	NIL	NIL	-
9	EO SALARY	07/23.05.2017	5.00	-	5.00	-	-	NIL	NIL	-
10	Every house tap water B.R.J.P	139/15.03.2018	297.66	-	297.66	-	-	NIL	NIL	-
11	14th Finance	29/06.07.2016	77.71	62.01	15.7	7.05 8.84 7.92 18.38 11.91	7.91	87%	13%	1195/08.08.2017 1760/07.11.2017 1599/09.10.2017 1551/26.09.2017 1261/21.08.2017

A.P. Sanzgiri & Co. * Chartered Accountants *