

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

INTERNAL AUDIT REPORT

FOR

F. Y. 2018-19

GROUP 1

MUNGER NAGAR NIGAM

BY

A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

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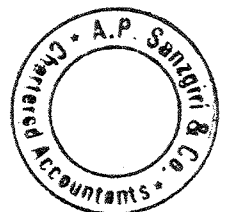
A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

Document History

INTERNAL AUDIT FOR FY 2018-19

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 2018-19 of Munger Nagar Nigam
Reporting Entity	A P SANZGIRI & Co., Chartered Accountants
Reporting for	Munger Nagar Nigam
Report Prepared by	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
Date of Submission	14 th November 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.

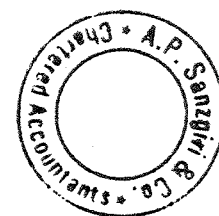
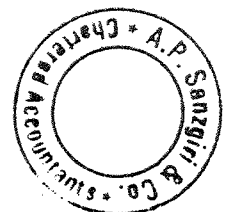


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A. P. SANZGIRI & Co.
CHARTERED ACCOUNTANTS

Date: 13th July, 2020

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

Sub: Submission of Internal Audit Report of Munger Nagar Nigam for the Financial Year 2018-19

Ref No.: Letter No. 7/LAK.23/2018-82 DATED:16.01.19

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 Munger Nagar Nigam for the Financial Year 2018-19 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

CA Satish Gupta
Partner
FRN: 116293W
UDIN:20101134AAAAGT4859
Date - 07-07-2020
Membership No - 101134

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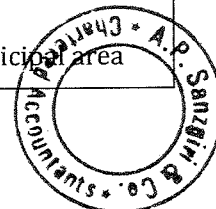
EXECUTIVE SUMMARY

1. Introduction:

Name of the Municipality	-	Munger Nagar Nigam
Period covered under Current Audit	-	01 st April 2018 to 31 st March 2019
Name of Mayor	-	Smt.Ruma Raj
Name of commissioner	-	Shri Shrikant Shastree

2. Observations and Findings:

Strengths	<ol style="list-style-type: none">1. In the existing system as prevailing in the Municipal Corporation, 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.5. Utilization certificate for FY 2018-19 has been prepared6. Bank Reconciliation Statement has been prepared.7. Advertisement tax charged by tender.8. User charges by parking facility
Weaknesses	<ol style="list-style-type: none">1. The collection of rental income is not satisfactory.2. The shopkeeper/tenants have not been paying rent and have huge outstanding debts.3. No physical verification of store is exercised by ULB.4. No Physical verification of cash is exercised by ULB.5. 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.6. Fixed assets register is not maintained by ULB7. 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.8. Statutory compliance of the ULBs is not deposited timely and hence it incurs penalty and other charges.9. Certain Statutory Registers and Books are not maintained. <p>10. Non Levy of Taxes:</p> <ul style="list-style-type: none">• Tax on advertisements, other than advertisements published in newspapers• Surcharge on electricity consumption within the municipal area



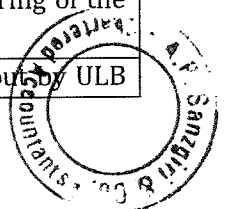
	<ul style="list-style-type: none"> • Tax on congregations. • Tax on pilgrims and tourists. • User Charges for Solid Waste Management • User Charges for Parking Facility • User Charges for Garbage Clearance • Collection of fees for sanction of building plans and issue of completion certificates, • Collection of Development Charges <p>11. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax 04 to 43 and deposit of tax same and days.</p> <p>12. 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.</p> <p>13. 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</p> <p>14. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p> <p>15. Non Compliance of Rule 130 of BMAR in some of the cases.</p> <p>16. ULB is not maintaining the accounts as well as not preparing the financial statements.</p> <p>17. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.</p>
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3. Opinion:

The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the municipal personnel and other 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.
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	Physical verification to be carried out by ULB



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.
Fixed assets register is not maintained by ULB	Fixed assets register should be maintained and updated properly.
Compliance report of AG audit is prepared by the ULB and also report is provided to us for inspection for FY 2014-15 to 2015-16. 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.
Non Levy of Taxes: <ul style="list-style-type: none"> • 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 collection of tax and deposit of tax around 04 to 43 days.	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 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.
ULB is not depositing of deduction before due date	ULB should depositing all deduction before due date

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 P Sanzgiri & Co,
Chartered Accountants

Sadish Gupta
CA Sallish Gupta
Partner

FRN: 118293

UDIN: 2010113411112614859

DATE: 07-07-2020

Membership No: 101134



DETAILED AUDIT REPORT

1. INTRODUCTION:

Name Of ULB	Period-covered		Audit Team
	From	To	
Munger Nagar Nigam	1 st April, 2018	31 st March, 2019	1. Team Leader: CA Satish Gupta 2. Name of CA: Ayush Agarwal 1. Name of Auditor-1: Md Rashid Hussain 2. Name of Auditor-2:

2. ADMINISTRATION:

Sl. No.	Particulars	Details
1	The present body of the ULB has taken charge on	31.March.19
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	SMT.RUMA RAJ
2.1.1	Period of Service:	From: JUNE 2017 To: TILL DATE
2.2	Name of commissioner:	SHRI SHRIKANT SHASTREE
2.2.1	Period of Service:	From: 9 TH MARCH 2019 To: TILL DATE

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. 2016-17	21	17	0	0	0	17	860/08.04.2019

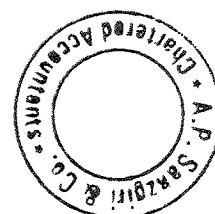
3.2. DETAILS OF TOTAL NUMBER OF AUDIT PARA'S:

Period of AG Audit Report : 01.04.17 to 31.03.18

Compliance Report Date & Number : 860/08.04.19

NOTE – ULB did not provide AG report thereafter have taken from UD & HD website.

Management comment (Refer discussion note)



4. FINANCE

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

Year	Year- 2016-17	Year- 2017-18	Year- 2018-19
Final/Revised Budget Data	66,94,29,967.50	53,43,76,667.40	52,25,43,500.00
Actual Expenditure Data	28,72,94,555.00	35,13,10,974.00	25,90,32,229.00
Savings(+)/Excess(-)	38,21,35,412.50	18,30,65,693.40	26,35,11,271.00

Auditor's Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18 & 2018-19. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and Receipts & Payments Account for the year 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. 2018-19	Actual for the F.Y. 2017-18	Actual for the F.Y. 2016-17	Actual for the F.Y. 2018-19	Cumulative for the current period
Opening balance	65,01,30,902.70	53,43,76,667.40	66,94,29,967.50	67,31,52,467.40	67,31,52,467.00
Receipts	58,18,41,750.00	49,00,86,774.00	15,21,42,326.00	23,60,10,664.00	23,60,10,664.00
Total	1,23,19,72,652.70	1,02,44,63,441.40	82,15,72,293.50	90,91,63,131.40	90,91,63,131.00
Net expenditure	52,25,43,500.00	35,13,10,974.00	28,72,94,555.00	25,90,32,229.00	25,90,32,229.00
Closing balance	70,94,29,152.70	67,31,52,467.40	53,42,77,738.50	65,01,30,902.40	65,01,30,902.00

Auditor's Comment:

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

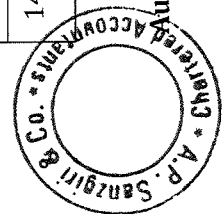
Note: The above difference is due to figure mentioned in budget while closing balance of 2016-17 (534277738.50) has been taken as opening balance of 2017-18 (534376667.40).



III. BANK RECONCILIATION POSITION AS ON REPORTING DATE:

BANK RECONCILIATION POSITION AS ON 31-03-2019

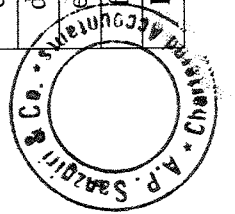
SN	Name of Bank	Bank A/C No.	Purpose of Bank Account	Balance as per Cash Book	Balance as per Bank Statement	Differences	Reconciled (Yes/No)
1	UCO BANK	04280110010020	BRGF	411.00	411.00	00.00	Yes
2	ALLAHBAD BANK	50238754149	MALIN BASTI	73,52,241.00	73,53,241.00	1,000.00	Yes
3	UNITED BANK OF INDIA	0508010220620	NULM	1,83,80,919.00	1,83,80,919.00	00.00	Yes
4	VIJYA BANK	844100301000053	AMRUT	43,99,400.00	43,99,400.00	00.00	Yes
5	PUNJAB NATIONAL BANK	32600100379500	IHSDP	4,09,29,820.00	4,09,29,820.00	00.00	Yes
6	BANK OF BARODA	38390100005761	HOUSE FOR ALL	3,16,27,095.00	3,16,27,095.00	00.00	Yes
7	ALLAHBAD BANK	50103553559.00	KABIR ANESTY	34,71,468.00	34,71,468.00	00.00	Yes
8	CANRA BANK	0141101021272	NAMAMI GANGE	2,47,763.00	2,47,745.00	00.00	Yes
9	ALLAHBAD BANK	50079158135	BRGF	1,05,88,263.00	1,05,88,249.00	14.00	Yes
10	UCO BANK	04280110017296	IHSDP	12,06,401.00	12,06,401.00	00.00	Yes
11	VIJYA BANK	44100301000035	SWATCH BHARAT MISHION	38,04,751.00	38,29,888.00	25,137.00	No
12	SBI	32318548870		1,19,544.00	1,19,544.00	00.00	Yes
13	SBI	32701280278	14 TH FINANCE	84,62,974.00	84,62,741.00	233.00	YES
14	PLACCOUNTS			94,78,68,692.00	94,82,19,464.00	3,50,772.00	No



Auditor's Comment: Above mentioned PLA Accounts are not reconciled. Hence It is suggesting it must be reconciled as Soon as Possible.

IV. RECEIPT DETAILS:

		INCOME DETAILS (Amounts IN INR)						
SN	Details	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)	49,00,86,774	15,21,42,326	23,60,10,664	49,00,86,774	N/A	23,60,10,664	
A	Revenue Receipts (1+2+3)	12,36,61,139	13,80,39,397	12,87,78,091	12,36,61,139	N/A	12,87,78,091	
1	Own Revenue Receipts (a+b)	11,59,40,162	12,07,43,432	8,82,74,308	11,59,40,162	N/A	8,82,74,308	
a)	Tax Revenue(Collected by ULB)	10,95,10,983	11,41,29,496	84,36,8519	10,95,10,983	N/A	8,43,68,519	
i)	Property Tax 110	3,06,55,133	2,92,75,768	2,45,15,326	3,06,55,133	N/A	2,45,15,326	
ii)	Other tax (Collected by ULB)160+130	7,88,55,850	8,48,53,728	5,98,53,193	7,88,55,850	N/A	5,98,53,193	
b)	Non-tax revenue (Collected by ULB)	64,29,179	66,13,936	39,05,789	64,29,179	N/A	39,05,789	
ii)	User charges140	59,50,454	60,52,936	34,27,064	59,50,454	N/A	34,27,064	
iii)	Other non-tax revenue150	4,78,725	5,61,000	4,78,725	4,78,725	N/A	4,78,725	
2	Other Revenue Receipts	6,18,444	2,06,133	00.00	6,18,444	N/A	00.00	
a)	Income from interest/investments 171	00.00	00.00	00.00	00.00	N/A	00.00	
b)	Other Revenue income180	6,18,444	2,06,133	00.00	6,18,444	N/A	00.00	
3	Transfers/Grants/Assigned Revenues	71,02,533	1,70,89,832	4,05,03,783	71,02,533	N/A	4,05,03,783	
a)	State Assigned Revenue120	71,02,533	1,70,89,832	4,05,03,783	71,02,533	N/A	4,05,03,783	
b)	State Finance Commission (SFC) Grants	00.00	00.00	00.00	00.00	N/A	00	
c)	Octroi compensation	00.00	00.00	00.00	00.00	N/A	00.00	
d)	Other State Government Transfers	00.00	00.00	00.00	00.00	N/A	00.00	
e)	Central Finance Commission (CFC) Grant	00.00	00.00	00.00	00.00	N/A	00.00	
f)	Other Central Government Transfers	00.00	00.00	00.00	00.00	N/A	00.00	
B	Capital Receipts	36,64,25,635	14,10,2,929	10,72,32,573	36,64,25,635	N/A	10,72,32,573	



1	Sale of Municipal Land	00.00	00.00	00.00	00.00	00.00	00.00	N/A	00.00
2	Loans (from State Govt. of Banks etc.)	00.00	00.00	00.00	00.00	00.00	00.00	N/A	00.00
3	State Capital Account Grant	2,30,42,1503	10,93,0,715	10,72,32,573	23,04,21,503	10,72,32,573	23,04,21,503	N/A	10,72,32,573
4	Central Capital Account Grant	13,60,04,132	3,17,2,214	00.00	13,60,04,132	00.00	13,60,04,132	N/A	00.00
5	Other Capital Receipts	00.00	00.00	00.00	00.00	00.00	00.00	N/A	00.00

Auditor's Comment:

The above figures have been taken from the Budgeted Statement of the U.B 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:

EXPENDITURE DETAILS (Amounts in INR)									
S.N	Details	2017-18		2018-19		2019-20		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)	2019-20 (Actual)	
A.	Total Expenditure (1+2)	35,13,10,974	28,72,94,555	25,90,32,229	35,13,10,974	N/A	N/A	N/A	25,90,32,229
1	Revenue Expenditure	21,81,30,649	14,67,07,316	17,04,87,090	21,81,30,649	N/A	N/A	N/A	17,04,87,090
1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and contract)210+220	14,50,92,460	13,58,17,457	12,99,97,593	14,50,92,460	N/A	N/A	N/A	12,99,97,593
1.2	Operation and Maintenance	17,22,6075	92,07,707	12,91,840	1,72,26,075	N/A	N/A	N/A	12,91,840
1.3	Loan repayment (Interest payments)	00.00	00.00	00.00	00.00	N/A	N/A	N/A	00.00
1.4	Others (any other revenue expenditure)	5,58,12,114	16,82,152	3,91,97,657	5,58,12,114	N/A	N/A	N/A	3,91,97,657
2	Capital Expenditure	13,31,80,325	14,05,87,239	8,85,45,139	13,31,80,325	N/A	N/A	N/A	8,85,45,139
2.1	All developmental works under Central/ State schemes	13,31,80,325	14,05,87,239	8,85,45,139	13,31,80,325	N/A	N/A	N/A	8,85,45,139
2.2	Loan Repayments(Principal Amount)	00.00	00.00	00.00	00.00	N/A	N/A	N/A	00.00
2.3	Other Capital expenditure	00.00	00.00	00.00	00.00	N/A	N/A	N/A	00.00



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 **Tibrewal Chand & co.** was appointed for the DEAS work and it has completed following activities till FY 2012-13,2013-14,2019-20. Further at present there no agency is working for implementation of Double Entry Accounting System.

Name of agency - Tibrewal Chand & co.

Period - 2012 to 2021

Tally serial no - 716774571

Tally id - munger.ulb@gmail.com

Work details	2012-13	2013-14	2014-15	2015-16	2016-17	2019-20
Payment entry	Completed	Processing	Processing	Processing	Processing	Processing
Receipt entry	Completed	Processing	Processing	Processing	Processing	Processing
Journal entry	Completed	Processing	Processing	Processing	Processing	Processing
Salary payment entry	Completed	Completed	Processing	Processing	Processing	Processing
Contractor payment						
Grant adjustment						

VII. MUNICIPAL ACCOUNTS COMMITTEE:

Present committee is formed but it was told there is no one meeting held yet. Kindly refer discussion note attached with this report.

AUDIT OBSERVATION:

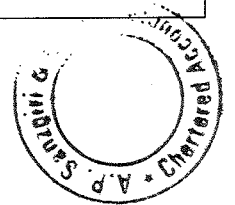
PART-A: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATIONS



(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

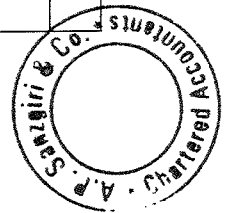
SN	Head	Comments																																																			
1	Objective	The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable provisions and rules.																																																			
2	Criteria	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.																																																			
3	Condition	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 Jamalpur Nagar Parishad , the following mentioned tax/charges are not implemented that leads to loss of revenue to corporation:																																																			
		<table border="1"> <thead> <tr> <th>S:N</th> <th>Particulars</th> <th>Implemented by ULB or Not</th> </tr> </thead> <tbody> <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>Yes</td> </tr> <tr> <td>5</td> <td>Surcharge on electricity consumption within the municipal area</td> <td>No</td> </tr> <tr> <td>6</td> <td>Tax on congregations.</td> <td>No</td> </tr> <tr> <td>7</td> <td>Tax on pilgrims and tourists.</td> <td>No</td> </tr> <tr> <td>8</td> <td>Tax on profession.</td> <td>No</td> </tr> <tr> <td>9</td> <td>Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.</td> <td>No</td> </tr> <tr> <td>10</td> <td>User Charges for provision of water-supply, drainage and sewerage</td> <td>No</td> </tr> <tr> <td>11</td> <td>User Charges for Solid Waste Management</td> <td>Yes</td> </tr> <tr> <td>12</td> <td>User Charges for Parking Facility</td> <td>No</td> </tr> <tr> <td>13</td> <td>User Charges for Garbage Clearance</td> <td>No</td> </tr> <tr> <td>14</td> <td>Collection of fees for sanction of building plans and issue of completion certificates,</td> <td>Yes</td> </tr> <tr> <td>15</td> <td>Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,</td> <td>No</td> </tr> <tr> <td>16</td> <td>Collection of Fees for issue of birth and death certificates.</td> <td>Yes</td> </tr> </tbody> </table>	S:N	Particulars	Implemented by ULB or Not	1	Property tax on lands and buildings.	Yes	2	Surcharge on transfer of lands and buildings	Yes	3	Fire tax.	No	4	Tax on advertisements, other than advertisements published in newspapers	Yes	5	Surcharge on electricity consumption within the municipal area	No	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	No	11	User Charges for Solid Waste Management	Yes	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,	Yes	15	Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,	No	16	Collection of Fees for issue of birth and death certificates.	Yes
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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	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 04 to 43 days and deposit of tax around same 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.



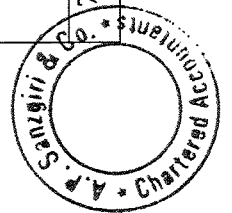
OBSERVATION-3: NON COLLECTION OF NOTICE FEE

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 collecting notice fee.
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.

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. 35568000 was outstanding as on 31/03/2019:
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.

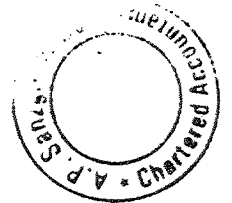


2. RECOVERY OF ADVERTISEMENT TAX

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 31/03/2019.
3	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to ULB.
5	Cause	Advertisement tax charge by tender:
6	Corrective Action/ Recommendation	Advertisement tax has been issue by tender according to board meeting.
7	Management Comments	Kindly refer discussion note attached with the report.

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. 734625 was outstanding as on 31/03/2019
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.

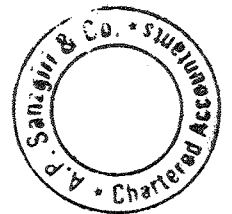


4. MOBILE TOWER TAX

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 1155000 outstanding as on 31/03/2019:
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.

5. OTHER TAX

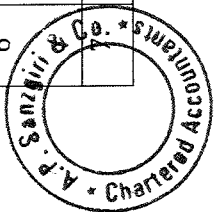
SN	Head	Comments
1	Objective	ULB is authorized to collect other various types of taxes/fee.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that no other tax was outstanding as on 31/03/2019
3	Consequences/Effect	Not applicable
5	Cause	Not applicable
6	Corrective Action/ Recommendation	Not applicable
7	Management Comments	Not applicable



(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	We have checked following payment related to FY 2018-19 during audit:																																																															
		<table border="1"> <thead> <tr> <th>S.N</th> <th>Name of Party</th> <th>Payment Head</th> <th>Invoice Amount</th> <th>Approved Amount</th> <th>Date of Payment</th> <th>Audit Observations</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Diwakar kumar</td> <td>contractor</td> <td>24,905.00</td> <td>24,905.00</td> <td>18.5.18</td> <td>No Irregularities found.</td> </tr> <tr> <td>2</td> <td>Upendra choudry</td> <td>Sauchalye repairing</td> <td>2,89,494.00</td> <td>2,89,494.00</td> <td>12.6.18</td> <td>No Irregularities found.</td> </tr> <tr> <td>3</td> <td>SBPDCL</td> <td>Electricity bill</td> <td>6,63,041.00</td> <td>6,63,041.00</td> <td>4.7.18</td> <td>No Irregularities found.</td> </tr> <tr> <td>4</td> <td>Susila devi</td> <td>Advance paid</td> <td>5,000.00</td> <td>5,000.00</td> <td>3.11.18</td> <td>No Irregularities found.</td> </tr> <tr> <td>5</td> <td>BSNL</td> <td>Telephone bill</td> <td>10,265.00</td> <td>10,265.00</td> <td>22.11.18</td> <td>No Irregularities found.</td> </tr> <tr> <td>6</td> <td>Parkash electrics</td> <td>Electrics goods</td> <td>4,810.00</td> <td>4,810.</td> <td>22.11.18</td> <td>No Irregularities found.</td> </tr> <tr> <td>7</td> <td>Mahila vikash sasthan</td> <td>Door to door safai</td> <td>6,24,820.00</td> <td>6,24,820.00</td> <td>15.12.18</td> <td>No Irregularities found.</td> </tr> <tr> <td>8</td> <td>Sitariya service station</td> <td>Diesel</td> <td>43,493.00</td> <td>43,493.00</td> <td>12.3.19</td> <td>No Irregularities found.</td> </tr> </tbody> </table>	S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Date of Payment	Audit Observations	1	Diwakar kumar	contractor	24,905.00	24,905.00	18.5.18	No Irregularities found.	2	Upendra choudry	Sauchalye repairing	2,89,494.00	2,89,494.00	12.6.18	No Irregularities found.	3	SBPDCL	Electricity bill	6,63,041.00	6,63,041.00	4.7.18	No Irregularities found.	4	Susila devi	Advance paid	5,000.00	5,000.00	3.11.18	No Irregularities found.	5	BSNL	Telephone bill	10,265.00	10,265.00	22.11.18	No Irregularities found.	6	Parkash electrics	Electrics goods	4,810.00	4,810.	22.11.18	No Irregularities found.	7	Mahila vikash sasthan	Door to door safai	6,24,820.00	6,24,820.00	15.12.18	No Irregularities found.	8	Sitariya service station	Diesel	43,493.00	43,493.00	12.3.19	No Irregularities found.
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8	Sitariya service station	Diesel	43,493.00	43,493.00	12.3.19	No Irregularities found.																																																											
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.																																																															
	Management Comments	Not Applicable																																																															



(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 no found variances related to FY 2018-19 during audit. Details of such cases are given in <i>Annexure-2</i>
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 board meeting
6	Corrective Action/Recommendation	Management decide in board meeting.
7	Management Comments	Kindly refer discussion note attached with the report.

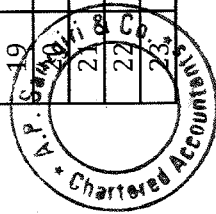


PART-B: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATION, BUT SIGNIFICANT VIOLATION OF ACT, RULES & DIRECTIVES OF UD & HD. MENTION THE REFERENCE TO ACT & RULES WHEREIN REMEDIAL MEASURE IS REQUIRED:

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

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

SN	Name of Register	Maintained/ Not Maintained	Last date of Updating
1	Cash Book-Cashier	Maintained	31.03.2019
2	Cash Book-Accountant	Maintained	31.03.2019
3	Collection Register	Maintained	31.03.2019
4	Cheque issue Register	Maintained	31.03.2019
5	Register of Advance	Maintained	31.03.2019
6	Register of Permanent Advance	Maintained	31.03.2019
7	Deposit received register	Maintained	31.03.2019
8	Summary statement of deposit adjusted	Not Maintained	
9	Demand Register	Maintained	31.03.2019
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	31.03.2019
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	Not Maintained	
18	Fixed Assets Register	Maintained	01.04.2011
19	Summary Statement of Demand Raised on assessment	Not Maintained	
20	Summary Statement of Head wise Collection of Other Income	Maintained in DCR	31.03.2019
21	Summary Statement of Refunds	Maintained in Yojna Panji	31.03.2019
22	Summary Statement of Write off	Not Maintained	
23	Summary Statement of Demand Raised on assessment	Not Maintained	
24	Summary Statement of Head wise Collection of Other Income	Maintained in DCR	31.03.2019
25	Summary Statement of Refunds	Maintained in Yojna Panji	31.03.2019
26	Summary Statement of Write off	Not maintained	
27	Grant Register	Maintained	31.03.2019

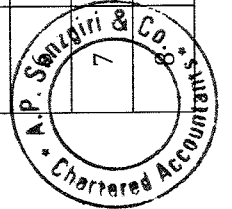


24	Summary Statement of status of Capital Work in Progress	Not Maintained	
25	Work Sheet	Maintained	31.03.2019
26	Deposit Works Register	Not Maintained	
27	Material Receipt Note	Maintained	31.03.2019
28	Store Ledger	Maintained	31.03.2019
29	Statement of Closing Stock	Not Maintained	
30	Statement of Material Issued	Maintained	31.03.2019
31	BRS of all bank accounts (including dormant accounts)	Maintained	31.03.2019
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:

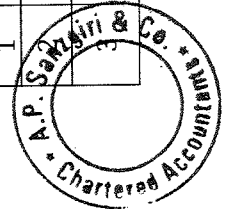
SN	Name of Party	Invoice Amount	Deduction has made or not	Whether Deductions are with appropriate Rate	Check signature of Commissioner/EO in Payment Order	Whether Measurement book & bill signed by the JE of ULB	Whether in respect of all bills for charges on account of all works and other expenditure, 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	ARCHANA KUMARI	4,68,200.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
2	RAJEEV KUMAR	7,91,848.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
3	SUNNI KUMAR	6,40,485.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
4	SUNAINA DEVI	2,49,051.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
5	DIWAKAR KUMAR	5,94,135.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
	RAJESH KUMAR	4,18,649.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
7	PARDEEP KUMAR MISHRA	2,71,224.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
	MD SHAID KUMAR	5,50,529.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found



9	SANNI KUMARI	4,89,130.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
10	KANCHAN KUMARI	4,72,314.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
11	SANJAY KUMAR	7,94,902.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
12	SUNAINA DEVI	7,95,016.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
13	RAJEEV KUMAR	3,12,278.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
14	RUBY KUMARI	4,64,319.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
15	SUNAINA DEVI	2,87,189.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
16	MADHURI RANJAN	7,91,597.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
17	GURUDUTT KUMAR	5,66,659.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
18	RESHMA PERWEEN	1,79,871.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
19	SANDIYA DEVI	2,45,917.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
20	MD SAHIL	4,03,849.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
21	GAJENDRA KUMAR	4,15,824.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found
22	SUNITA SINGH	3,68,280.00	CHECK AND OK	YES	YES	YES	Furnished and no deviation found

2. DETAILS OF LOG BOOK MAINTAINED:

SN	Name of Vehicle	QTY	Whether vehicle log book is maintained or not	Whether log book is properly updated or not	Whether Rate of Diesel/Petrol properly mention in log book
1	JCB	1	Not Maintained	Not updated	Not mentioned
2	ROBOT	2	Not Maintained	Not updated	Not mentioned
3	SONALIMA TRACTOR	3	Not Maintained	Not updated	Not mentioned



4	MAHI TRACTOR	1	Not Maintained	Not updated	Not Insured	Not mentioned
5	JOSH TRACTOR	4	Not Maintained	Not updated	Not Insured	Not mentioned
6	TIPPER	21	Not Maintained	Not updated	Not Insured	Not mentioned
7	Section machine	2	Not Maintained	Not updated	Not Insured	Not mentioned
8	Mahindra tractor	3	Not Maintained	Not updated	Not Insured	Not mentioned
9	Scot tractor	2	Not Maintained	Not updated	Not Insured	Not mentioned
10	Fogging machine	6	Not Maintained	Not updated	Not Insured	Not mentioned

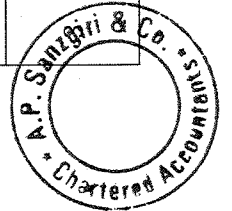
3. NON-COMPLIANCE OF DIRECTIVES BY UD&HD, GOB:

NOTE - No any direction issue by UD&HD

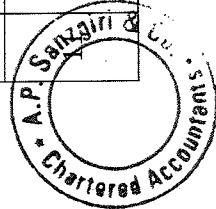
Management comment - (refer discussion note)

4. NON COMPLIANCE OF ACTS& RULES:

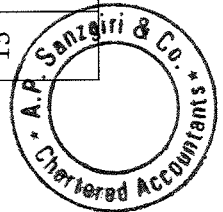
SN	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.- 22	Refer point: Part-A (a) (2) As per verification of receipt book it is noted that there was average delay of 04 to 43 days in collection and same days' deposit of tax into bank.	Due to absence of supervisory staff the practice of late deposit of property tax is doing by tax collector now strictly instruction are given to tax collectors for depositing property tax on time (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	Only Tax collector are entrusted to collect municipal revenue within municipality area.	
	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	



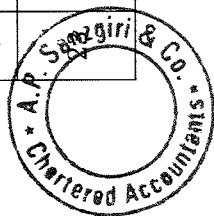
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated stall of the Municipality	BMAR Rule No.- 27	Yes		
5	Whether every bill collector invariably remit his collections (in cash and/or cheques) 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) As per verification of receipt book it is noted that there was average delay of 04 to 43 days in collection and same days' deposit of tax into bank.	Due to absence of supervisory staff the practice of late deposit of property tax is doing by tax collector now strictly instruction are given to tax collectors for depositing property tax on time (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		
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 Chief Municipal Officer that the conditions attached to the grant are complied with without exception.	BMAR Rule No.- 69	Yes complied.		
8	Whether the grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	Yes		
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.	It will be submitted after expenditure of grant. (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 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.- 69 BMAR Rule No.- 120	Yes Currently Receipt and Payment A/c has not been prepared by ULB;	Due to lack of staff in account department we could not prepared receipt and payment account.	



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	No ULB was 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.	Due to lack of staff in account department we could not prepared monthly trial balance.
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	No	No director is appointed for this work by UD&HD
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 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 statements. e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information 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	BMAR Rule No.- 122	BMAR Rule No.- 122 – was not followed by ULB during the financial year 18 - 19	Due to lack of staff in account department we could not prepare financial statement please provide staff by UD&HD (Refer discussion note)
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) We observed that ULB was not regular in compliance of statutory dues.	It will be depositing in 1.4.19 before due date. (Refer discussion note)



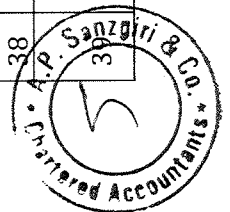
16	Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation;(BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (g) Yes	
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated In sufficient detail;	BMAR Rule No.-130	all transactions (incomes, expenditures, assets and liabilities) are not correctly classified and stated In sufficient detail	Due to lack of staff in account department we could not classified and stated In sufficient detail;
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	
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 any Special Funds have been created.	
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	the ULB is not maintaining fixed assets register for the year ended 18 - 19 no fixed assets physically verified.	Due to lack of staff in account department we could not maintaining proper record of fixed 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 collected, but collection procedure is slow	Announcement has been done it will be collected soon. (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 Procedure have been followed.	
	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	We have not find this type of transition during audit.	



24	Whether the Bank Reconciliation statements have been properly 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 ULB is preparing bank reconciliation for all bank accounts maintained.	
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.-130	Yes.	
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	
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, properly assessed and collected but recovery procedure is slow.	Collecting is going on. (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, 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; except in case of deposit of daily collection, that is deposited on average 15 days delay of collection.	Due to absence of supervisory staff the practice of late deposit of property tax is doing by tax collector now strictly instruction are given to tax collectors for depositing property tax on time.
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.	It will be prepared after expenditure of grant (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) No some required books of accounts as per BMAM/BMAR has not been maintained.	Due to lack of staff we could not maintained some required books of accounts. (Refer discussion note)
	Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores;	BMAR Rule No.-130	No store verification report was made available during the reporting period.	Due to lack of qualified staff we could not verified physical variation.



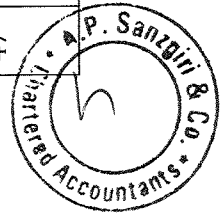
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	No physical verification is carried out;	Due to lack of qualified staff we could not verified physical variation.
33	Whether any material discrepancies have been noticed on 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 not maintained stock register properly and further physical verification is also not carried out;	We could not maintain stock register due revenue staff.
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 such deviation, if material, should be reported;	BMAR Rule No.-130	ULB did not follow the practice of valuation of stock.	(Refer discussion note)
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	Yes	(Refer discussion note)
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130	Advance given but recovery process slow.	(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 is prepared.	
38	Municipal Fund: Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	Not found.	
	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	BMA,2007: Chapter X	No payment made out of municipal fund that is not covered by budget grant.	



	covered by budget grant.				
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 chapter-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:		As per ULB, No investment was done by ULB.	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,		No, estimation should be based on the past experience and after considering the fact that how the condition might change in future thought the provision of section of the act regarding preparation of budget have been complied.		
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,		As ULB was following single entry accounting system. So receipt and payments details were being maintained in form of cash book. Audited receipts & payments as per BMAM was not prepared by ULB.		
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.		No, ULB was not preparing 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.	Due to use single entry system we could not prepare a financial statement.	



45	<p>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.</p>	No, Financial statement were not provided for audit by ULB.	Due to lack of qualified staff we could not prepared financial statement.
46	<p>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 per 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.</p>	<p>Refer-PART-A(a)(1)</p>	Tender is advertised for collecting advertisement tax.
47	<p>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,</p>	<p>BMA,2007: Chapter XIX</p>	<p>Currently not collecting but it will be considering and collected accordingly. (Refer discussion note)</p>



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 have been collected, but collection rate is very slow and 75% of total demand remains outstanding	(Refer discussion note)
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5. LACK OF INTERNAL CONTROL MEASURES:

We have observed the following areas where internal control measures are required by ULBs-

- a.) lack of staff.
- b.) In ULB has store but store officer not doing store work.
- c.) logbook maintained but not properly.
- d.) Procurement register not maintained.
- e.) Two Contractual Employee PF not deducted.
- f.) vechiles are not insured.
- g.) lots of vehicles registration failed.
- h.) No any meeting held yet.

b) NON-COMPLIANCE OF TDS, VAT AND OTHER RELEVANT STATUTE

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

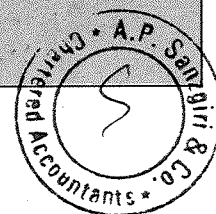
No any delay payment paid

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

No any deduction of vat

3. DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

SN	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/ Challan Number
1	AMIT KUMAR	333672.00	7851.00	20.7.18	014307
2	RAVI KUMAR	376200.00	7524.00	20.7.18	582839
3	SUNNI KUMAR	711649.00	14233.00	20.7.18	582839
4	MANISH KUMAR	415226.00	8355.00	20.7.18	582839
5	ARCHANA BHARTI	520221.00	10404.00	20.7.18	582839
6	RAJIV KUMAR	879832.00	17597.00	20.7.18	582839
7	RAJESH KUMAR PASWAN	465165.00	9303.00	20.7.18	582839
8	DIVAKAR KUMAR	660151.00	13203.00	20.7.18	582839
9	SUNAINA DEVI	276722.00	5534.00	20.7.18	582839
10	ALOK KUMAR	560356.00	11207.00	20.7.18	582839
11	SANJAY KUMAR	604053.00	12081.00	20.7.18	582839
12	PARTAP KUMAR	301360.00	6027.00	20.7.18	582839
13	RANI DEVI	358749.00	7175.00	20.7.18	582839
14	RAJESH PASWAN	270646.00	5413.00	20.7.18	582839
15	SAHID QUMAR	6116699.00	12234.00	20.7.18	582839
16	SUNNI MUMAR	543479.00	27174.00	20.7.18	582839
17	ARCHANA KUMARI	458067.00	9161.00	20.7.18	582839
18	KANCHAN KUMARI	524794.00	10496.00	20.7.18	582839
19	SANJAY KUMARI	883223.00	17664.00	20.7.18	582839
20	SUNAINA DEVI	883350.00	17667.00	20.7.18	582839
21	MOHAN NIBHA	799741.00	15995.00	20.7.18	582839
22	MD MAKBOOL	552922.00	11058.00	20.7.18	582839
23	MAKBBOL ALAM	604945.00	12099.00	20.7.18	582839
24	UPENDRA CHOUDHRY	321660.00	6433.00	20.7.18	582839
25	RAJID KUMAR	346975.00	6939.00	20.7.18	582839
26	RAJESH KUMAR	465835.00	9317.00	20.7.18	582839
27	RINKY KUMARI	471390.00	9428.00	20.7.18	582839
28	SUNAINA DEVI	484830.00	9697.00	20.7.18	582839
	TOTAL	2,01,91,912.00	3,11,269.00		



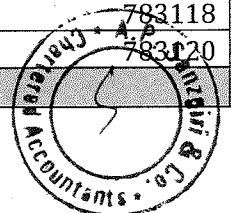
4. DETAILS OF DEPOSIT OF LABOUR CESS ARE MENTIONED BELOW:

SN	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	RAVI KUMAR	3,76,200.00	3,762.00	21.7.18	582840
2	SUNNI KUMAR	7,11,649.00	4,152.00	21.7.18	582840
3	MANISH KUMAR	4,15,226.00	7,116.00	21.7.18	582840
4	ARCHANA BHARTI	5,20,221.00	5,202.00	21.7.18	582840
5	RAJIV KUMAR	8,79,832.00	8,798.00	21.7.18	582840
6	RAJESH KUMAR PASWAN	4,65,165.00	4,652.00	21.7.18	582840
7	DIVAKAR KUMAR	6,60,151.00	6,602.00	21.7.18	582840
8	SUNAINA DEVI	2,76,722.00	2,767.00	21.7.18	582840
9	ALOK KUMAR	5,60,356.00	5,604.00	21.7.18	582840
10	SANJAY KUMAR	6,04,053.00	6,041.00	21.7.18	582840
11	PARTAP KUMAR	3,01,360.00	3,014.00	21.7.18	582840
12	RANI DEVI	3,58,749.00	3,587.00	21.7.18	582840
13	RAJESH PASWAN	2,70,646.00	2,706.00	21.7.18	582840
14	SAHID QUMAR	61,16,699.00	6,117.00	21.7.18	582840
15	SUNNI MUMAR	5,43,479.00	5,435.00	21.7.18	582840
16	ARCHANA KUMARI	4,58,067.00	4,581.00	21.7.18	582840
17	KANCHAN KUMARI	5,24,794.00	5,248.00	21.7.18	582840
18	SANJAY KUMARI	8,83,223.00	8,832.00	21.7.18	582840
19	SUNAINA DEVI	8,83,350.00	8,833.00	21.7.18	582840
20	MOHAN NIBHA	7,99,741.00	7,998.00	21.7.18	582840
22	MD MAKBOOL	5,52,922.00	5,529.00	21.7.18	582840
23	MAKBOL ALAM	6,04,945.00	6,050.00	21.7.18	582840
24	UPENDRA CHOUDHRY	3,21,660.00	3,217.00	21.7.18	582840
25	RAJID KUMAR	3,46,975.00	3,470.00	21.7.18	582840
26	RAJESH KUMAR	4,65,835.00	4,658.00	21.7.18	582840
27	RINKY KUMARI	4,71,390.00	4,713.00	21.7.18	582840
28	SUNAINA DEVI	4,84,830.00	4,848.00	21.7.18	582840
29	EDECATION WELFAIR	6,79,354.00	6,754.00	21.7.18	582840
30	MAHILA WIKASH SANSTHAN	10,32,967.00	10,330.00	21.7.18	582840
31	EDUCATION WELFAIR	51,300.00	5,130.00	21.7.18	582840
	TOTAL	2,16,21,861.00	1,63,040.00		

Auditor's Comment: While doing audit of deduction made by ULB, the Statutory deduction has not been deposited on due date.

5. DETAILS OF DEPOSIT OF TDS ON GST ARE MENTIONED BELOW:

SN	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	MADHURI RANJAN	8,99,541.00	17,990.00	23-10-18	787898
2	SUNAINA DEVI	3,26,349.00	6,526.00	23-10-18	787898
3	RUVI KUMARI	5,27,635.00	10,552.00	23-10-18	787898
4	SUMIT KUMAR	9,82,800.00	19,656.00	27.11.18	783119
5	MD SAHIL	4,58,918.00	9,178.00	27.11.18	783118
6	RAJENDRA KUMAR HIMANSHU	4,72,527.00	9,450.00	27.11.18	783120
	TOTAL	27,68,229.00	55,362.00		



1. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:

SN	Quarter	Due date of Return	Actual date of Return filled	Remark
1	QUARTER 1ST	30.08.18	04.08.18	NO DELAY
2	QUARTER 2ND	30.10.18	23.10.18	NO DELAY
3	QUARTER 3TH	31.01.19	18.01.19	NO DELAY
4	QUARTER 4TH	30.04.19	16.04.19	NO DELAY

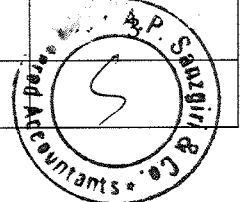
c) DEFICIENCY IN PAYROLL SYSTEM:

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	Yes
4	Salary register contains all elements of salary	Maintained
5	Maintenance of Salary Deduction register	Yes
6	Whether deduction of PF/ESI made from contract employee	No
7	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	Yes

DETAILS OF DELAY OF DEPOSIT OF EPF:

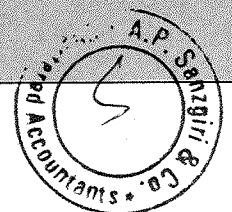
Permanent Employee: During audit of ULB we have observed that no amount of PF has been deposited to EPFO A/C during the financial year 2017-2018.

Month of Deduction	Amount Deduction	Due date of deposit	Amount Deposit	Actual Date of deposit	Delay in days
April - 18	4,28,304.00	May 15	8,56,608.00	19.5.18	3
May - 18	4,42,823.00	Jun 15	8,85,647.00	14.6.18	No delay
Jun & Jul - 18	8,86,998.00	July/august -15	17,73,996.00	30.9.18	75/45
AUG - 18	4,47,564.00	SEP 15	8,95,128.00	17.9.18	2
SEP - 18	4,45,954.00	OCT 15	8,91,908.00	10.10.18	NO DELAY
OCT - 18	4,36,044.00	NOV 15	8,72,088.00	16.11.18	1
NOV - 18	4,51,978.00	DEC 15	9,03,956.00	24.12.18	8
DEC - 18	4,41,559.00	JAN 15	8,83,118.00	15.1.19	NO DELAY
JAN - 19	4,41,134.00	FEB 15	8,82,268.00	18.2.19	3
FEB -19	4,25,696.00	MAR 15	8,51,392.00	18.3.19	
MAR 19	4,43,682.5	APR 15	NO PAYMENT YET		



d) 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	S.N	Particulars	DA	Salary	Water Supply	Nali Gali	Solid Waste Management
		1	5th SFC	50%	50%			
				30%		30%		
				20%			20%	
		2	14th SFC	50%	SWM	Water supply	Street light	Roads owned by the
				30%	50%	5%	10%	Municipal body
				10%				1%
				8%				
				2%				
			Total			Play ground 1%	Cemeteries and cremation ground 2%	Tap water of Every house (30%)
3	PHYSICAL VERIFICATION OF INVENTORY/STORES	S.N	Particulars				Qty	
		1	Hand trolley				60	
		2	Hammer				02	
		3	Khurchani				32	
		4	Panja				30	
		5	Gainta				05	
		6	Kudal				30	
		7	Khanti				02	
		8	Kulhari				01	
		9	Kachiya				03	
		10	Foging machine				03	
		11	Belcha				18	
4	ADVANCES, THEIR ADJUSTMENT & RECOVERY	Yes. Advance given are properly adjusted.						



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 :	Refer-PART-B(4)
	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	
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. 100000/-	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 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.	Complied Refer-PART-B(d)



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(b)
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

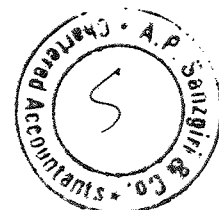


MUNGER NAGAR NIGAM

INTERNAL AUDIT REPORT FOR F.Y 2018-19

ANNEX-1 REPORT ON LATE DEPOSIT OF PROPERTY TAX

SN	Serial Number		Amount of Tax	Date of Collection as per Receipts Booked	Amount Deposited with Cashier	Delay in deposit with cashier	Delay deposit with cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To							
1	38272	38281	41023.00	3.5.18 to 31.5.18	41023.00	1.6.18	28 days	1.6.18	No delay
2	38287	38300	55275.00	12.6.18 to 11.7.18	55275.00	25.7.18	43 days	25.7.18	No delay
3	39501	39510	35164.00	17.7.18 to 6.8.18	35164.00	7.8.18	20 days	7.8.18	No delay
4	39536	39541	24932.00	6.1.19 to 17.1.19	24932.00	28.1.19	22 days	29.1.19	No delay
5	39576	39580	72430.00	30.3.19 to 30.3.19	72430.00	4.4.19	34 days	8.1.19	No delay
6	37446	37449	26825.00	6.4.18 to 10.4.18	26825.00	7.5.18	31 days	7.1.19	No delay
7	37465	37471	59570.00	9.6.18 to 15.6.18	59570.00	21.6.18	13 days	22.6.18	No delay
8	37479	37489	60322.00	3.7.18 to 17.7.18	60322.00	25.7.18	21 days	25.7.18	No delay
9	39801	39807	21863.00	4.9.18 to 24.9.18	21863.00	25.9.18	21 days	25.9.19	No delay
10	39828	39833	32654.00	4.11.18 to 21.11.18	32654.00	26.11.18	22 days	26.11.18	No delay
11	39845	39847	14653.00	17.1.19 to 18.01.19	14653.00	28.1.19	11 days	28.1.19	No delay
12	39860	39863	47833.00	28.2.19 to 25.3.19	47833.00	26.3.19	26 days	26.3.19	No delay
13	37515	37717	9660.00	7.4.18 to 3.5.18	9660.00	7.5.18	30 days	7.5.18	No delay
14	37521	37527	14179.00	21.6.18 to 4.7.18	14179.00	12.7.18	21 days	16.7.18	No delay
15	37538	37545	15544.00	27.7.18 to 7.8.18	15544.00	7.8.18	10 days	8.8.18	No delay
16	37565	37569	20216.00	7.10.18 to 11.10.18	20216.00	15.10.18	8 days	22.10.18	No delay
17	37574	37578	13721.00	24.10.18 to 20.11.18	13721.00	26.11.18	31 days	26.11.18	No delay
18	37585	37588	11578.00	18.1.19 to 20.1.19	11578.00	22.1.19	4 days	23.1.19	No delay
19	37591	37595	8466.00	4.2.19 to 14.2.19	8466.00	21.2.19	17 days	21.2.19	No delay
20	37644	37653	54309.00	7.4.18 to 5.5.18	54309.00	7.5.18	30 days	7.5.18	No delay
21	37666	37671	7835.00	22.5.18 to 23.5.18	7835.00	1.6.18	8 days	4.6.18	No delay
22	37685	37697	24085.00	22.6.18 to 11.7.18	24085.00	12.7.18	20 days	13.7.18	No delay
23	39608	39611	7887.00	9.8.18 to 31.8.18	7887.00	30.8.18	21 days	30.8.18	No delay
24	39632	39641	27915.00	3.10.18 to 11.10.18	27915.00	15.10.18	12 days	20.10.18	No delay
25	39655	39662	13881.00	15.11.18 to 23.11.18	13881.00	26.11.18	11 days	26.11.18	No delay
26	39679	39688	51997.00	29.12.18 to 6.1.19	51997.00	15.1.19	15 days	20.2.19	No delay
27	39691	39694	5880.00	30.1.19 to 3.2.19	5880.00	4.2.19	4 days	4.2.19	No delay
28	41004	41006	4714.00	8.3.19 to 19.3.19	4714.00	26.3.19	18 days	26.3.19	No delay

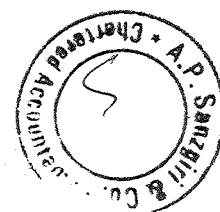


INTERNAL AUDIT REPORT FOR FY 2018-19

ULB-MUNGER NAGAR NIGAM

ANNEX-2 REPORT ON FINDINGS OF FIELD SURVEY OF PROPERTY TAX OF MINIMUM 20 HIGH VALUE
PROPERTIES: 2018-19

SN	Holding Name	W. N	H.N	Type of Use		Area			Tax Amount			Remark
				As per tax Collector	As per Auditor	As per Tax Collector	As per Auditor	Diff	As per Tax Collector	As per Auditor	Diff.	
1	ITC LTD	5 & 7	N/A						3821000			Dues current year
2	PREETI LATA SINGH	14	90/224	PAKKA	PAKKA	10296	10296	00	550000	591513	41513	DUES FROM 13/14
3	NEELU DEVI	15	1/1	PAKKA	PAKKA	8500	8500	00	157328	186030	21527	DUES FROM 13/14
4	RAM CHANDRA PRASAD GUPTA	26	447	PAKKA	PAKKA	3790	3790	00	186009	190572	9982	DUES FROM 05/06
5	VINOD MANDAL	14	235/350	PAKKA	PAKKA	-	-	-	98008	-	-	DUES FROM 11/12
6	VIDYAWATI DEVI	11	184	PAKKA	PAKKA	-	-	-	79650	-	-	DUES FROM 13/14
7	SANGEETA DEVI	14	144/279	PAKKA	PAKKA	3280	3280	00	31361	41179	9818	DUES FROM 13/14
8	RAMESWAR LAL	26	511	PAKKA	PAKKA	2320	2320	00	26727	36080	9353	DUES FROM 14/15
9	ISHWARI DEVI	15	19/19	PAKKA	PAKKA	1782	1782	00	13472	16166	2694	2011/2012
10	RAGHUVAR SINGH	15		PAKKA	PAKKA	15782	15782	00	63126	72628	9502	15-16
11	TARNI PARSHAD SHARMA	27	448	PAKKA	PAKKA	1236	1236	00	17799	24029	6230	DUES FROM 14/15



12	KUNTI DEVI	26	511	PAKKA	PAKKA	2112	2112	00	20149	29197	9048	DUES FROM 13/14
13	CHANDI GOPE	37	86	PAKKA	PAKKA	925	925	00	36533	46419	9886	DUES FROM 1986/87
14	JEETU SHAH	15	570/497	PAKKA	PAKKA	1416	1416	00	41588	43935	2347	DUES FROM 99/2000
15	HRIDAY NARAYAN KESHRI	13	672	PAKKA	PAKKA	4220	4220	00	41984	46770	4786	DUES FROM 5/6
16	SHIVSHANKAR JAISWAL	28	154	PAKKA	PAKKA	2941	2941	00	16676	20012	3336	DUES FROM 13/14
17	G S SINGHA	37	97	PAKKA	PAKKA	2700	2700	00	35612	38674	3062	DUES FROM 99/2000
18	SUMIT KUMAR	10	139/149	PAKKA	PAKKA	-	-	-	24384	-	-	DUES FROM 13/14
19	MAHESH NAND SINGH	10	1/805	PAKKA	PAKKA	1750	1750	00	35280	47628	12348	DUES FROM 14/15
20	BASHUDEV PARSAD MANDAL	10	117/130	PAKKA	PAKKA	7500	7500	00	8843	12879	4036	13/14



Munger Nagar Nigam

Discussion note

Letter No.

Date: 19-12-2019

To

AP Sangziri & Co.

(Chartered Accountants)

Subject: Regarding confirmation and discussion of documents not maintained and management comment in Audit report for F.Y. 2018-19

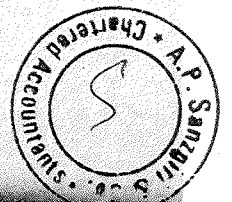
We, Munger Nagar Nigam, discuss with internal auditor and confirm the following books of accounts/ documents/ file has not been maintained, hence we could not produce it:

S.NO	Audit 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 it is implemented on 1.4.19
2	No Municipal accounts committee established.	Municipal accounts have been established but no meeting held yet.
3	AG compliance report	No any compliance report pending all are complied.
4	Non-Levy of taxes in IAR I. PART-A(a) I	Some of taxes are collected by other department of GOB. like professional tax; and there are many taxes in this para which are not collected by ULB due to not providing services in this respect like fire tax. Otherwise discussed in meeting of board and implemented as soon as possible.
5	Late deposit of property tax	Due to lack of staff and over load work.
6	Notice fee	Currently not collecting but it will be considered and collected as soon as possible.
7	Not prepare Payment voucher	Due to lack of revenue staff but it will be prepared soon as soon as possible. Please provide us sample copy of payment voucher.
8	Non-maintenance of books of accounts para ii-PART B (a)	Due to lack of qualified staff we could not maintain books of accounts which are not maintained.
9	No direction issue by UDHD.GOB	We do not have any direction issue by UDHD.GOB
10	Non-deduction of PF/ESI from contractual employee	It will be deducted on 1.3.19
11	Non-implementation of biometric devices and payroll software.	It is implemented in office hours only
12	Delay in Deposit Of EPF	Due to lack of staff and due to starting of CFMS but now it will be deposited before due date.
13	Non-preparation of complete UC details.	It will be prepared.
14	Non-Valuation Of stock	We do not have any directives/guidelines/instruction, issue by department for finding valuation of stock.


AP Sangziri & Co.
19/12/2019
Cashier
Munger Nagar Nigam


संजय कुमार शिखा
19/12/19
प्रभारी लेखाकार
नगर निगम, मुंगेर

उप नगर आयुक्त
नगर निगम, मुंगेर



		JANGANRA STATE BANK OF INDIA 6426010001000 MUKHMANEBI NAGAR VIKASH YOJANA MP FUND LICD BANK 6426010001000 JHSDP ADHAR BOOK SANRACHNA ALLAHABAD BANK 6018151625
19	Advances, their adjustment.	Yes it is being adjusted.
20	Difference in holding tax amount as per physical measurement	The accounting tax of the amount that was fixed at the board meeting is charged there for difference in holding tax amount as per physical measurement.
21	Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement)	it will be prepare by Tibrewal Chand & company double entry accounting system for fy-2012-13 to 2020-2021.
22	Non complete survey of trade license	it will be done very soon.
23	Non-prepare of rent collections and demand registers as per rule	it will be prepare.
24	Huge amount arrear of rent mobile tower tax, Holding tax, and Trade license fee.	The collection are going on and notice has been sent to those people who have more money left.
25	Difference in PL account and some other.	It will be reconcile soon as soon.
26	Non-complied of AG report	No any AG report are pending to complied.
27	Advertisement tax	It is charged by tender.
28	Electricity DPS	Due to non-furnishing of bill on due date the DPS on electricity arise A letter will be given to SBPDCL to submit bill on due date and also gives reason for DPS.
29	Non maintenance of fixed assets register	It will be maintained.


 19/12/2019
 Cashier
 Nagar Nigam
 Manager


 प्रसाद
 नगर निगम, मुंबई


 नगर निगम, मुंबई

MUNGER NAGAR NIGAM
STATUS OF UTILIZATION CERTIFICATION FOR FY 2018-19

S.No	Head	Approval 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 UC
1	City Manager Salary	08/24-05-2018	1.97	-	1.97	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
2	Civic amenities Item	81/31.10.2018	197.35	-	197.35	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
3	CM Salary	90/29.11.2018	1.97	-	1.97	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
4	14th Finance	82/31.10.2018	426.24	-	426.24	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
5	5th Finance	15/03.07.2018	1,011.66	-	1,011.66	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
6	5th Finance	21/10-07-2018	1,034.62	-	1,034.62	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C

