

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

INTERNAL Audit Report

for

F. Y. 2018-19

Group 1

NAGAR PARISHAD

AURANGABAD

BY

A. P. SANZGIRI & CO.

Chartered Accountants

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A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

Document History

Internal Audit

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 Nagar Parishad Aurangabad
Reporting Entity	A P SANZGIRI & Co., Chartered Accountants
Reporting for	Nagar Parishad Aurangabad
Report Prepared by	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
Date of Submission	15th 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

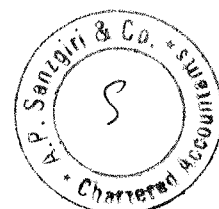


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A. P. SANZGIRI & CO.
CHARTERED ACCOUNTANTS

Date: 13th July, 2020

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

Subject: Submission of Internal Audit Report of Nagar Parishad Aurangabad for the financial year 2018-19

Ref No.: Letter No. 7/l. 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 Nagar Parishad Aurangabad for the Financial Year 2018-19 and submitting the report of the same as per our deliverables

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

I hope you will find the same in compliance. Assuring you of our best services & cooperation always.

Thanking You,

Yours faithfully,

In Behalf of
A P Sanzgiri & Co,
Chartered Accountants

Satish Gupta

A Satish Gupta
Partner

PRN: 116293W

IDIN: 20101134AAAAJR5149

Date - 07-07-2020

Membership No - 101134



EXECUTIVE SUMMARY

1. INTRODUCTION:

Name of the Municipality	-	Nagar Parishad Aurangabad
Period covered under Current Audit	-	01 st April 2018 to 31 st March 2019
Name of Mayor	-	Shri Uday Kumar Gupta
Name of Executive Officer	-	Dr. Amit Kumar

2. OBSERVATIONS AND FINDINGS:

Strengths	<ol style="list-style-type: none">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. Vouchers are numbered and authorized by competent authority and kept properly by the Nagar Parishad.4. Separate files of the parties to whom payments are made are properly maintained. Proper documentation process in respect of parties has been followed.5. Board Meetings of Aurangabad Nagar Parishad are held regularly and problems faced in the smooth operation are resolved by passing resolutions.6. General Cash book is properly up-to-dated.7. List of Outstanding dues is available.
Weaknesses	<ol style="list-style-type: none">1. The collection of tax revenue is not satisfactory in case of housing tax because of inadequate controls and the tax collector is not depositing the tax on the same or the day. The process takes a week or fortnight in some cases.2. The shopkeeper/tenants have not been paying rent and have huge outstanding debts. The ULB has also not maintained any separate register for SABAJI BAZAR rent.3. The mobile tower tax collection has been poor as there are huge outstanding amounts yet to be recovered and no proper action in place to recover the same. The tax is outstanding since 2008-09.4. 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.5. On physical verification of store it is found that insurance and registration of vehicles is not done.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. However we download AG report from UDHD Website and provide status accordingly.

8. In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.
9. Certain Statutory Registers and Books are not maintained.
10. A lot of pending cases against the organization and the cases go back till 2013.
11. Bank Reconciliation Statement has not been prepared.

12. Non Levy of Taxes:

- ✓ Surcharge on transfer of lands and buildings
- ✓ Water tax
- ✓ Surcharge on electricity consumption within the municipal area
- ✓ Tax on congregations.
- ✓ Tax on pilgrims and tourists.
- ✓ Tax on profession.
- ✓ Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles.
- ✓ User Charges for provision of water-supply, drainage and sewerage
- ✓ User Charges for Solid Waste Management
- ✓ User Charges for Parking Facility
- ✓ Collection of Fees for issue of birth and death certificates.
- ✓ Collection of Development Charges

13. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 10- 15 days.
14. 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.
15. 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
16. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.
17. Non Compliance of Rule 130 of BMAR in some of the cases.
18. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.



OPINION:

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.

3. AUDIT RECOMMENDATION:

Observed Weaknesses	Audit Recommendations
The collection of tax revenue is not satisfactory in case of housing tax because of inadequate controls and the tax collector is not depositing the tax on the same or the day. The process takes a week or fortnight in some cases.	Every tax collector should deposit the money so collected with the ULB before 4:30 pm on the same day itself and if he fails to do the same, he shall attract penalties up to Rs. Five Thousand Rupees. Adequate revenue collection procedure should be followed.
The shopkeeper/tenants have not been paying rent and have huge outstanding debts. The ULB has also not maintained any separate register for SABAJI BAZAR rent.	ULB should follow adequate revenue collection procedure and required to pay some extra attention towards rent collection.
The mobile tower tax collection has been poor as there are huge outstanding amounts yet to be recovered and no proper action in place to recover the same. The tax is outstanding since 2008-09.	An urgent and necessary action is required in order to collect the mobile tower tax as it a substantial amount of revenue is being lost.
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.
On physical verification of store it is found that insurance and registration of vehicles is not done.	Insurance and Registration of all vehicles should be done.
Utilization certificate for FY 2018-19 has not been prepared.	Utilization Certificate should be prepare 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 with the assistance of DEAS team.



<p>Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection. Based on which, we are unable to comment whether the recoverable amount from the personal concerned has been recovered or not.</p>	<p>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.</p>
<p>In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.</p>	<p>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.</p>
<p>Certain Statutory Registers and Books are not maintained.</p>	<p>Statutory register and books of accounts should be maintained as per guidelines and BMAR.</p>
<p>Bank Reconciliation Statement has not been prepared.</p>	<p>ULB should prepare bank reconciliation of all bank accounts including dormant accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records.</p>
<p>Non Levy of Taxes:</p> <ul style="list-style-type: none"> ✓ Surcharge on transfer of lands and buildings. ✓ Water Tax. ✓ Surcharge on electricity consumption within the municipal area ✓ Tax on congregations. ✓ Tax on pilgrims and tourists. ✓ Tax on profession. ✓ Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles. ✓ User Charges for provision of water-supply, drainage and sewerage ✓ User Charges for Solid Waste Management ✓ User Charges for Parking Facility ✓ Collection of Fees for issue of birth and death certificates. 	<p>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</p>



<p>Collection of Development Charges</p> <p>During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 10-15 days.</p>	<p>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.</p>
<p>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.</p>	<p>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 Chief Municipal Officer.</p>
<p>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>Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.</p>
<p>Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p>	<p>As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB.</p> <ol style="list-style-type: none"> 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
<p>Non Compliance of Rule 130 of BMAR in some of the cases.</p>	<p>ULB should ensure compliance related to Rule 130 of BMAR on regular basis.</p>
<p>ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.</p>	<p>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.</p>

4. 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. *Refer attached Discussion Note.*

5. 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

Satish Gupta
CA Satish Gupta
Partner
FRN: 116293W
UDIN: 20101134AAAARJR5149
DATE: 07-07-2020
Membership No: 101134



DETAILED AUDIT REPORT

1. INTRODUCTION:

S.N	Name Of ULB	Period-covered		Audit Team
		From	TO	
1	Nagar Parishad Aurangabad	01.04.2018	31.03.2019	1. Team Leader : Satish Gupta 2. Name of CA : Ayush Agarwal 2. Name of Auditor-1: Raja Ansari

2. ADMINISTRATION:

SN	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 Uday Kumar Gupta
2.1.1	Period of Service:	From: June'2017 To: Till date
2.2	Name of Commissioner/Executive Officer:	Dr. Amit Kumar
2.2.1	Period of Service:	From: 01.07.2018 To: Till date

3. REVIEW OF OUTSTANDING AUDIT PARAS:

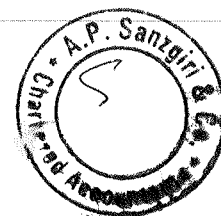
3.1. STATUS OF AUDIT OBSERVATIONS IS AS UNDER:

S.N.	Particulars of audit and date of report	Total No. of audit paras	Total No. of audit Paras where necessary improvement/ corrective measures required	Total No. of audit Paras where recovery of cash is proposed	Total No. of audit paras where recovery has been made	Total amount of Recovery	Total no. of O/s para where no action has been taken	No. & date of compliance report
1	Audit report submitted by AG for the F.Y. 2016-17	12	12	4	0	0	12	No

DETAILS OF TOTAL NUMBER OF AUDIT PARA'S:

Period of AG Audit Report : 2016-17

Compliance Report Date & Number : Not Prepared (*Refer Discussion No*

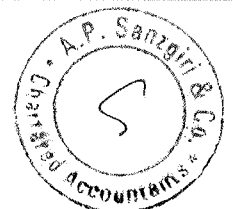


S.N	Audit Para Number	Heading of the audit para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	1	Lapse of Grant	162.96	-	-	No
2	2	Purchase made without Publication of Tender	34.95	-	-	No
		Late fees not recovered from Suppliers and maximum amount of late fees on supply order was missing	338	-	-	No
3	3	Loss of Government fund	0.58	-	-	No
		Excess payment to Supplier under Registration & Insurance scheme against terms & conditions of Tender	3.35	-	-	No
4	4	Loss due to Non-implementation of user charges against Solid West Management System	68.44	68.44	-	No
5	5	Outstanding Property Tax on Government offices & Building	136	136	-	No
6	6	Expenses on Incomplete Projects/Scheme	214.50	-	-	No
7	7	Outstanding Shop Rent	9.15	9.15	-	No
8	8	Non-collection of Registration & Renewal fees of Mobile Towers	17.50	17.50	-	No
9	9	Additional Liabilities against Late Payment Cess due to delayed in payment of Electric Bill	66.88	-	-	No
10	10	Non-submission of Accounting Records/Reports	-	-	-	No
PART-III (TAN) OF AG AUDIT REPORT						
11	1	Non- Maintenance of Grant Register	-	-	-	No
12	2	Non-preparation of Bank & Cash Reconciliation Statements	-	-	-	No

Note-1: ULB did not provide AG report thereafter have taken from UD & HD website.

Note-2: Further Compliance Report has not been prepared by managements.

Management Comment: AG report has not been received by Aurangabad Nagar Parishad from Department. After receiving of the same , it will be prepared (*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	91,63,50,000.00	40,88,98,000.00	62,22,93,980.00
Actual Expenditure Data	21,48,60,409.00	12,29,75,037.00	17,95,88,246.00
Savings(+)/Excess(-)	70,14,89,591.00	28,59,22,163.00	44,27,05,734.00

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 & 2019-20. 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. Further in respect of 2018-19, the actual expenditure has been taken up to December 2018.

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	37,75,77,825.00	26,47,55,712.00	28,26,11,565.00	37,75,77,825.00	37,75,77,825.00
Receipts	60,15,77,000.00	23,57,97,950.00	19,70,04,556.00	8,78,83,026.00	8,78,83,026.00
Total	97,91,54,825.00	50,05,53,662.00	47,96,16,121.00	46,54,60,851.00	46,54,60,851.00
Net expenditure	62,22,93,980.00	12,29,75,837.00	21,48,60,409.00	17,95,88,246.00	17,95,88,246.00
Closing balance	35,68,60,845.00	37,75,77,825.00	26,47,55,712.00	28,58,72,605.00	28,58,72,605.00

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 & 2019-20. 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. Further in respect of 2018-19, the actual expenditure has been taken up to December 2018.



III. BANK RECONCILIATION POSITION AS ON REPORTING DATE:

BANK RECONCILIATION POSITION AS ON 31-03-2019

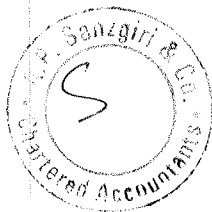
S.N	Name of Bank	Bank A/C No.	Purpose of Bank Account	Balance as per Cash Book	Balance as per Bank Statement	Differences	Reconciled (Yes/No)
1	PNB	73805	NULM	71,40,690.40	71,58,560.40	-17,870.00	NO
2	ICICI	00500	SBM(M.C.)	25,48,515.00	25,48,515.00	-	YES
3	CANARA Bank	01652	SBM	1,04,09,054.05	1,00,45,553.05	3,63,501.00	NO
4	PNB	13496	SLUM Dev.	2,35,38,244.60	2,35,38,244.60	-	YES
5	PNB	14945	HFA	39,763.15	80,016.75	-40,253.60	NO
6	MBGB	46471	Misc.	3,27,401.35	5,23,785.75	-1,96,384.40	NO
7	SBI	42271	Pension	53,44,453.52	53,44,453.52	-	YES
8	PNB	14954	AMRUT	50,66,055.85	50,66,055.85	-	YES
9	Treasury			33,12,27,585.89	33,12,27,585.89	-	YES
Total				38,56,41,763.80	38,55,32,770.80	1,08,993.00	

Management Comment: (Refer Discussion Note)



IV. RECEIPT DETAILS:

INCOME DETAILS (Amounts t In Rupees)							
S. N.	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)	23,57,97,950	19,70,04,556	8,78,83,026	23,57,97,950		8,78,83,026
A	Revenue Receipts (1+2+3)	9,19,49,269	7,14,06,085	6,30,24,815	9,19,49,269		6,30,24,815
1	Own Revenue Receipts(a+b)	7,62,02,264	95,92,480	2,37,13,884	7,62,02,264		2,37,13,884
a)	Tax Revenue(collected by municipal body)	1,50,11,718	80,93,766	74,02,089	1,50,11,718		74,02,089
i)	Property tax	1,28,12,918	55,28,098	46,35,389	1,28,12,918		46,35,389
ii)	Other tax (collected by municipal body)	21,98,800	25,65,668	27,66,700	21,98,800		27,66,700
b)	Non-tax revenue (collected by municipal body)	6,11,90,546	14,98,714	1,63,11,795	6,11,90,546		1,63,11,795
i)	Fees & fines	0	0	0	0		0
ii)	User Charges	16,81,853	6,70,414	3,04,692	16,81,853		3,04,692
iii)	Other non-tax revenue	5,95,08,693	8,28,300	1,60,07,103	5,95,08,693		1,60,07,103
2	Other Revenue Receipts	54,82,371	23,72,284	12,98,809	54,82,371		12,98,809
a)	Income from interest/investments	43,67,685	22,07,129	9,89,967	43,67,685		9,89,967
b)	Other Revenue income	11,14,686	1,65,155	3,08,842	11,14,686		3,08,842
3	Transfers/Grants/Assigned Revenues	1,02,64,634	5,94,41,321	3,80,12,122	1,02,64,634		3,80,12,122
a)	State Assigned Revenue	1,02,64,634	1,60,22,245	3,80,12,122	1,02,64,634		3,80,12,122
b)	State Finance Commission Grants/Devolution	0	0	0	0		0
c)	Octroi compensation	0	0	0	0		0
d)	Other State Government Transfers	0	29,39,778	0	0		0
e)	Central Finance Commission (CFC) Grant	0	0	0	0		0
f)	Other Central Government Transfers	0	0	0	0		0
g)	Others	0	4,04,79,298	0	0		0
B	Capital Receipts	14,38,48,681	1,25,59,847	2,48,58,211	14,38,48,681		2,48,58,211



1	Sale of Municipal Land	0	0	0	0	0	0	0
2	Loans (from State Govt. Or Banks etc.)	0	0	0	0	0	0	0
3	State Capital Account Grant	11,61,67,532	7,77,36,258	74,34,243	11,61,67,532			74,34,243
4	Central Capital Account Grant (under Central Schemes etc.)	2,72,61,149	4,78,62,213	1,74,23,968	2,72,61,149			1,74,23,968
5	Other Capital Receipts	4,20,000	0	0	4,20,000			0

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& 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year , 2016-17, 2017-18 2018-19& 2019-20 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures.

V. REVENUE AND CAPITAL EXPENDITURE INFORMATION.

EXPENDITURE DETAILS (Amounts In Rupees)								
S. N.	Details	2017-18		2018-19		2019-20		2019-20 (ACTUAL)
		2017-18 (ACTUAL)	2016-17 (ACTUAL)	2018-19 (ACTUAL)	2017-18 (ACTUAL)	2019-20 (ACTUAL)	2018-19 (ACTUAL)	
	Total Expenditure (1+2)	12,29,75,837	21,48,60,410	17,95,88,246	12,29,75,837			17,95,88,246
1	Revenue Expenditure	5,13,68,331	8,19,13,075	2,66,67,488	5,13,68,331			2,66,67,488
1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and Contract)	1,29,33,427	79,17,756	1,15,43,410	1,29,33,427			1,15,43,410
1.2	Operation and Maintenance	2,80,94,367	1,12,46,034	1,31,01,934	2,80,94,367			1,31,01,934
1.3	Loan repayment (Interest payments)	0	0	0	0			0
1.4	Others (any other revenue expenditure which is not salaries,	1,03,40,537	6,27,49,285	20,22,144	1,03,40,537			20,22,144
2	Capital Expenditure	7,16,07,506	13,29,47,335	15,29,20,758	7,16,07,506			15,29,20,758
2.1	All developmental works under Central/State schemes	5,79,00,098	12,58,32,820	14,52,71,265	5,79,00,098			14,52,71,265
2.2	Loan Repayments (Principal Amount)	0	0	0	0			0
	Other Capital expenditure	1,37,07,408	71,14,515	76,49,493	1,37,07,408			76,49,493



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& 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year, 2016-17, 2017-18 2018-19& 2019-20 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures.

VI. STATUS OF IMPLEMENTATION OF DOUBLE ENTRY SYSTEM: Conversion of single entry into double entry is in progress as per discussion with account officer. As explained contractual work had been assigned to the Agency and the same has been initiated by the respective agency, its related record has made available to us and are appropriate. As per the records (work order, NTP and other letter submitted by agency, it is authenticated that it is under process .Following are the status of DEAS.

Name of Agency : Tibrewal Chand & Co.

Period : 2012 to 2021

Email ID : aurangabad.ulb@gmail.com

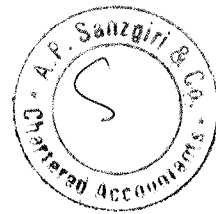
Tally S.ID : 776803581

Status

Year	Grant Register	Cash book	PTR	FAR
2012-13	Completed	Completed	Under Process	Under Process
2013-14	Under Process	Completed	Under Process	Under Process
2014-15	Under Process	Completed	Under Process	Under Process
2015-16	Under Process	Completed	Under Process	Under Process
2018-19	Completed	Completed	Under Process	Under Process
2019-20	Up to 14.10.2019	Up to 14.10.2019	Under Process	Under Process

VII. MUNICIPAL ACCOUNTS COMMITTEE:

We have discussed the matter with the ULB staff and they replied that the committee has not been formed till 31 March-2019.(Refer Discussion Note)



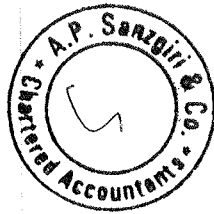
5. AUDIT OBSERVATION:

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. <i>In case of Nagar Parishad Aurangabad</i> , The following mentioned tax/charges are not implemented that leads to loss of revenue to corporation:
S.N	Particulars	Implemented by ULB or Not
1	Property tax on lands and buildings.	YES
2	Surcharge on transfer of lands and buildings	NO
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



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 10 to 15 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.

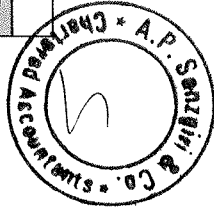
OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME

No Record in this respect has been provided by ULB Aurangabad Nagar Parishad from where outstanding Income and Taxes can be derived . *(Refer Discussion Note)*

(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

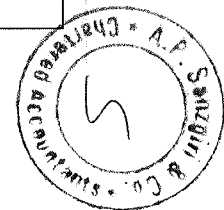


2	Criteria	Payment were checked on random basis
3	Condition	We have check the following payment in Aurangabad Nagar Parishad: I. Condition: Cleaning contract within municipality area has been assign to 'Taraqquee NGO, surya enterprise and Md. Aslam Deva construction'. As per contract agreement: a. ULB will provide all vehicle and machinery to these three contractor at agreed rate of hire charges; b. Except for maintenance of engine of vehicle ,given on hire, all expenditure related to vehicle including fuel expenses and drier for vehicle will be arrange and borne by these two contractor; c. While carrying audit following amount of fuel expenses deducted from hire charges of vehicle , which violate the terms of contract;

S.N.	Date	Name	Diesel charges
1	17.04.2018	Surya Enterprises	500.00
2	17.05.2018	Surya Enterprises	1,000.00
3	18.06.2018	Deva construction	2,226.00
4	24.07.2018	Deva construction	10,642.00
5	24.07.2018	Surya Enterprises	4,500.00
6	28.08.2018	Deva construction	10,500.00
7	30.08.2018	Surya Enterprises	900.00
8	13.09.2018	Deva construction	2,800.00
9	26.09.2018	Surya Enterprises	800.00
10	03.11.2018	Surya Enterprises	2,010.00
11	03.11.2018	Deva construction	2,030.00
12	24.11.2018	Surya Enterprises	6,520.00
13	11.12.2018	Surya Enterprises	5,020.00
14	09.01.2019	Surya enterprise	3,500.00
15	27.02.2019	Deva construction	3,500.00
		Total	56,448.00/-

Auditor's Comment: The above said amounted to Rs. 56,448.00 is to be recovered from relevant contractors.

II. No TDS has been deducted on following bill:



Date	Name	Amount	Remark
10.10.2018	Advocate fee	44200	TDS should be deducted @10% u/s 194] of Income Tax Act,1961
08.12.2018	Tross consultancy	40000	TDS should be deducted @10% u/s 194] of Income Tax Act,1961

III. **Penalty levied by Electricity Department:** During audit of corporation we have noticed that corporation is not in practice to paid bill i.e. electricity bill on or before due date. Due to that corporation has to pay penalty for late payment.

SN	Name of Utility	Bill Amount	Due date for Payment	Actual date for payment	Penalty/Late Fees Charged
1	HML Circuit House	2204619.99	23.02.2019	See Note	621777.79
2	HML Town Thana	2222377.62	23.02.2019	See Note	639535.42
3	HML Collectriate Campus	2221900.63	23.02.2019	See Note	639058.43
4	HML Lorik chowk	2222377.62	23.02.2019	See Note	639535.42
5	HML M.G. Road bypass	2132137.12	23.02.2019	See Note	566865.47
6	HML Maharana Pratap Chowk	2221900.63	23.02.2019	See Note	639058.43
7	HML Ramesh Chowk	2221900.63	23.02.2019	See Note	639058.43
8	Street Light	12747672.10	23.02.2019	See Note	3919527.47
9	Municipal Office	254987.77	17.02.2019	See Note	30087.51
Total		2,84,49,874.11			83,34,504.37

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/Recommendatio	Management can implement standard checklist for each payment so that irregularities in payments can be avoided.



7	Management Comments	As per reply given by concern person that the against above payment due Rs. 2,84,49,874.11 , adjustment for property tax Rs. 1,13,77,648.12 has to be made. Once this dues is adjusted by electricity department remaining balance amount will be paid. Kindly Refer Discussion Note for above said observation.
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(C) REPORT ON SURVEY ON 20 HIGH VALUE PROPERTIES

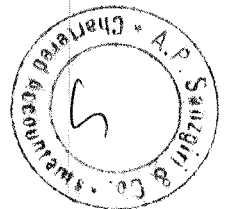
During the audit we have selected 20 properties on random basis for survey and our comments are as follows:

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. 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.



S.N	Name of Register	Maintained/ Not Maintained	Last date of Update
1	Cash Book-Cashier	Updated	31/03/2019
2	Cash Book-Accountant	Updated	31/03/2019
3	Collection Register	Updated	31/03/2019
4	Cheque issue Register	Not Maintained	-
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	Not Maintained	-
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	Not Maintained	-
19	Summary Statement of Demand Raised on assessment	Not Maintained	-
20	Summary Statement of Head wise Collection of Other Income	Not Maintained	-
21	Summary Statement of Refunds	Not Maintained	-
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	31.03.2019
21	Summary Statement of Refunds	Not Maintained	-
22	Summary Statement of Write off	Not Maintained	-
23	Grant Register	Not Maintained	-
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	Not Maintained	-
28	Store Ledger	Not Maintained	-

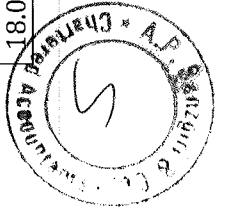


29	Statement of Closing Stock	Not Maintained	-
30	Statement of Material Issued	Not Maintained	-
31	BRS of all bank accounts (including dormant accounts)	Not Maintained	-
32	Final Accounts for the F.Y. 2012-13 to 2017-18	Not Maintained	-
33	Audited Balance Sheet	Not Maintained	-
34	Audited Income & Expenditure 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 :

Tender Issue Date & Number	Mode of Tender (Quotation/Op en Tender/ Selective Tender/ Limited Tender)	Is Minimum Party applied for tender	Is comparative chart attached in tender file.	Is Original EMD/PG/Sec urity deposit submitted by participants as requirement of tender	Whether all the security deposit and earnest money tender/agreement process have been deposited in the bank immediately.	Similarly refunds of these security deposit and earnest money deposit have been made on time.	Is work order issued to selected party on time?	Is Financial Bid of all participants attached
No. 01/2018-19 dated 12.05.2018	E-tendering	YES	YES	YES	YES	Not matured	Yes	YES
No. 02/2018-19 dated 27.07.2018	E-tendering	YES	YES	YES	YES	Not matured	Yes	YES
No. 03/2018-19 dated 18.08.2018	E-tendering	YES	YES	YES	YES	Not matured	Yes	YES
No. 04/2018-19 dated 18.08.2018	E-tendering	YES	YES	YES	YES	Not matured	Yes	YES
No. 05/2018-19 dated 18.08.2018	E-tendering	YES	YES	YES	YES	Not matured	Yes	YES



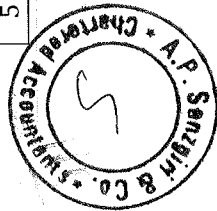
No.06/2018-19 dated 17.11.2018	E-tendering	YES	YES	YES	YES	Not matured	Yes	YES
No.08/2018-19 dated 25.01.2019	E-tendering	YES	YES	YES	YES	Not matured	Yes	YES
No.09/2018-19 dated 25.01.2019	E-tendering	YES	YES	YES	YES	Not matured	Yes	YES

2. DETAILS OF LOG BOOK MAINTAINED

Aurangabad Nagar Parishad has given all its Vehicle on hire to taraqqee NGO, this NGO perform services for cleaning within Aurangabad municipality, Because of right to operation has been transfer to taraqqee NGO, Aurangabad Nagar Parishad did not maintained Log book in respect of vehicle and other machinery given on hire. (Refer Discussion Note)

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

S.N	Directions Issued by UDHD	Particulars of Circulars/Orders/Notices	Complied or Not
1	Gyapank No.- 6628; Dated- 26.12.2018	<u>Mukhyamantri NAL JAL Yojna:-</u> "Whether Para No. 1- 28 have been complied of this circulars".	Complied
2	Gyapank No.- 3234; Dated- 12.06.2018	<u>Purchase of Material or Receive of Service from "GeM Portal" w.e.f. 01.07.2018</u>	Complied
3	Gyapank No.- 3453; Dated- 29.06.2018	<u>Outsourcing of Services and There respective Standard:-</u> "Whether Standard or Measurement criteria mentioned in this circular in respect to their respective 'Type of Services' have been complied".	Complied
4	Amendment in Oath Number-3557, Dated 20.11.2014;Dated of Amendment- 04.05.2018	<u>Related to Departmental Work:-</u> "Whether Para '1- 4' of this order have been complied in respect to 14 th F.C. or 5 th F.C Departmental work carried on , which is mentioned in this order,".	Complied
5	Gyapank No.- 5124; Dated- 28.09.2018	<u>Deduction of TDS on GST:-</u> w.e.f. 01.10.2018 TDS on GST shall be deducted as per Section 51 of BGST act,	Complied

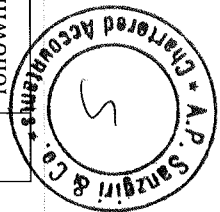


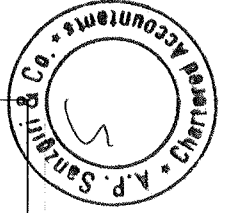
4. NON COMPLIANCE OF ACTS& RULES:

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 8-15 days in collection and deposit of tax into bank	(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, 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.	
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, 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.	
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 staff of the Municipality	BMAR Rule No.- 27	Yes, it is verified by concern authority.	
5	Whether every bill collector invariably remit his collections (in cash and/or cheques) to Cashier daily 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 12 days in collection and deposit of tax into bank.	(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	Grant register not updated on time. Grant register should be maintained on time.	(Refer Discussion Note)



<p>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.</p>	<p>BMAR Rule No.- 69</p>	<p>Refer point: Part-B (h) No data was provided by the ULB. As per the last year audit report it was found that ULB is not preparing the UC and submitting to department.</p>	<p><i>(Refer Discussion Note)</i></p>
<p>Whether The grant received for a specific purpose was diverted for any other purpose.</p>	<p>BMAR Rule No.- 69</p>	<p>No irregularities in this regard was observed.</p>	
<p>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.</p>	<p>BMAR Rule No.- 69</p>	<p>Refer PART-B (9) All Utilization certificate has been signed by the Chief Municipal Officer</p>	<p><i>(Refer Discussion Note)</i></p>
<p>Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received</p>	<p>BMAR Rule No.- 69</p>	<p>Yes, Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received</p>	
<p>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.</p>	<p>BMAR Rule No.- 120</p>	<p>No, ULB was not preparing a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.</p>	<p><i>(Refer Discussion Note)</i></p>
<p>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.</p>	<p>BMAR Rule No.- 121</p>	<p>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.</p>	<p><i>(Refer Discussion Note)</i></p>
<p>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</p>	<p>BMAR Rule No.- 121</p>	<p>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.</p>	<p><i>(Refer Discussion Note)</i></p>



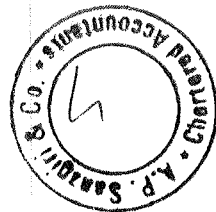


	<p>The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. The Financial Statements shall comprise of</p> <p>a. Receipts and Payments Account for the year (BMAR Form No.71)</p> <p>b. Income & Expenditure Statement for the year (BMAR Form No.73)</p> <p>c. Balance Sheet as on 31st March of the year (BMAR Form No.74)</p> <p>d. Significant accounting policies adopted by the Municipality in presentation of the financial statements.</p> <p>e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly.</p> <p>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</p>			<p>(Refer Discussion Note)</p>
14		<p>BMAR Rule No.- 122</p>	<p>BMAR Rule No. - 122 was not followed by ULB during the F.Y. 2018-19.</p>	
15		<p>BMAR Rule No.- 130</p>	<p>Refer PART-B (6) We observed that ULB was not regular in compliance of statutory dues.</p>	<p>(Refer Discussion Note)</p>
16		<p>BMAR Rule No.- 130</p>	<p>Refer PART-B (8) We cannot comment on employees related to statutory compliance, as related records was not made available for audit.</p>	<p>(Refer Discussion Note)</p>
17	<p>Whether all transactions (incomes,</p>	<p>BMAR</p>	<p>Not stated sufficient details.</p>	

	expenditures, assets and liabilities) are correctly classified and stated in sufficient detail;	Rule No.- 130		
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, 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. The ULB has made such deductions properly accounted but not accounted on time.	
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 details regarding creation of special fund and their use was made available to comment thereon.	(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	ULB was not maintaining fixed assets register for the financial year 2018-19. Further no, fixed assets physically verified report was made available to comment upon.	(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	No details regarding lease hold property was made available to comment upon.	(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, ULB followed adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets.	
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	We have not observed such type of transaction 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 has prepared bank reconciliation for all bank accounts maintained but in case of some bank accounts, BRS was not updated till 31-03-2019.			(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, ULB has prepared bank reconciliation for all bank accounts maintained but in case of some bank accounts, BRS was not updated till 31-03-2019.			
26	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and are 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, ULB has accounted revenue properly. But collection and recovery of taxes was in slow pace that's why there was arrear of taxes in ULB.			
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 ULB 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 tax collection, that is deposited on average 8-15 days delay of collection.			
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	Yes, the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order.			
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.			(Refer Discussion Note)



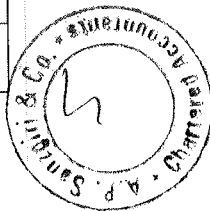
31	Whether physical verification has been conducted by the ULB at reasonable intervals in respect of stores;	BMAR Rule No.-130	No store verification report was made available during the reporting period to comment upon.	<i>(Refer Discussion Note)</i>
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	ULB has not maintained any store for physical verification so we cant comment on it.	<i>(Refer Discussion Note)</i>
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	No such details provided	
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	No such details provided	<i>(Refer Discussion Note)</i>
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	Refer-PART-B (j) For Details of outstanding advances	<i>(Refer Discussion Note)</i>
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130	ULB has not given advance to any municipal employee.	<i>(Refer Discussion Note)</i>
37	Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Performance 75, 77 and 80 Preparing Budgets as per the Rules framed	BMAR Rule No.-132	No details were provided.	<i>(Refer Discussion Note)</i>



	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.				
38	Municipal Fund: Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007 : Chapter IX	No, ULB is using single entry accounting system, so there was no fund was accounting followed.	<i>(Refer Discussion Note)</i>	
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 payment made out of Municipal Fund that is not covered by budget grant.	<i>(Refer Discussion Note)</i>	
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	No details was provided	<i>(Refer Discussion Note)</i>	
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:	BMA,2007 : Chapter X	As per ULB, No investment was done by ULB.		
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.	BMA,2007 : Chapter XI	No, Estimation should be based on the past experience and after considering the fact that how the condition might change in future though the provision of Section 82 of the Act regarding preparation of budget have been complied.		
43	Maintenance of accounts. Whether the Commissioner/ Chief Municipal Officer	BMA,2007 :	As ULB was following single entry accounting system. So receipts and payments	<i>(Refer Discussion Note)</i>	



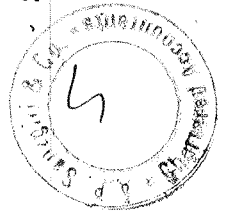
	prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed.	Chapter XII	details were being maintained in form of cash book. Audited receipts & payments account as per BMAM was not prepared by ULB.	
44	Financial Statement. Whether 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,	BMA,2007 : Chapter XII	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.	
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.	BMA,2007 : Chapter XII	No, Financial Statements were not provided for audit by ULB.	
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 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	BMA,2007 : Chapter XV	Refer-PART-A (a) (1) for status of taxes not collecting by ULB.	<i>(Refer Discussion Note)</i>



	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.				
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) Notice fees has not been implemented in the Nagar Parishad Aurangabad.	(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, ULB is collecting trade license fee from different types of Trader, who are trading in Concerned Municipal area. Although many of them even are not registered as per concerned officer.		

5. LACK OF INTERNAL CONTROL MEASURES:

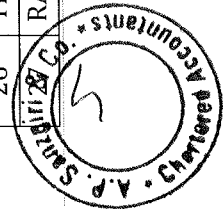
- We have observed the following areas where internal control measures are required by ULBs-
- Tax should be collect & deposit on timely basis as per BMAR Rules- As every tax collector takes 8 to 15 days to deposit the same after collection
 - ULB should be followed Books of Account, Trial Balance, FAR, FS, and other records as per BMAR- Neither Trial Balance nor Financial Statement have been prepared by ULB.
 - ULB should be prepared & Maintained monthly BRS- Monthly Bank Reconciliation statement has not been prepared, however year end reconciliation has been prepared.
 - UC should be regularly prepared as per utilization of grant- No utilisation certificate has been prepared in respect of grant used.
 - Required books of accounts as per BMAM was not maintained
 - Statutory compliance reconciliation was not maintained



6. NON-COMPLIANCE OF TDS, VAT AND OTHER RELEVANT STATUTE

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

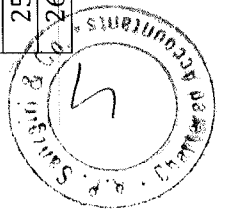
S.N.	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/ Challan Number
1	Satish Kumar Singh	20,100.00	402.00	07.05.2018		
2	Mahesh Bhatt Surya Enterprises	665,000.00	6,650.00	07.05.2018		
3	Md. Aslam, Deva Construction	785,000.00	7,850.00	07.05.2018		
4	Sudhir Kr. Parmar	1,131,146.00	11,312.00	07.05.2018		
5	Md. Ismail	790,125.00	3,787.00	07.05.2018		
6	Ram Pravesh Ram	983,713.00	9,838.00	07.05.2018		
7	Renu devi	670,029.00	6,701.00	07.06.2018		
8	Jyoti Shankar Singh	1,106,982.00	11,070.00	07.06.2018		
9	Amendra Singh	684,370.00	6,844.00	07.06.2018	27.11.2018	A767256
10	Rohit Kumar	1,704,041.00	17,041.00	07.06.2018		
11	Amrendra Kr. Singh	346,758.00	3,468.00	07.07.2018		
12	Onkarnath Singh	1,061,137.00	10,612.00	07.07.2018		
13	Kalpna Singh	551,415.00	5,515.00	07.07.2018		
14	Ankit Saurabh	1,208,686.00	12,087.00	07.07.2018		
15	Chandan Kr. Singh	1,007,492.00	10,075.00	07.09.2018		
16	Sita Devi	1,107,635.00	11,077.00	07.09.2018		
17	Puranjay Kr. Singh	570,100.00	5,701.00	07.09.2018		
18	Samir Kr. Singh	1,634,131.00	16,342.00	07.11.2018		
19	Prince Singh	1,068,035.00	10,681.00	07.11.2018		
20	Chandan Kr. Singh	1,185,905.00	11,860.00	07.11.2018		
21	Renu Devi	823,496.00	8,235.00	07.12.2018		
22	Jainendra Sinha	657,160.00	6,572.00	07.12.2018		
23	Piyush Kumar	262,870.00	2,629.00	07.12.2018		
24	Priyanka Kumari	1,106,202.00	11,063.00	07.01.2019		
25	Sanjay Kr. Singh	586,394.00	5,864.00	07.01.2019		
26	TRINETRA RAGHWENDRA RAM KUMAR SINGH	1859426.00 1479176.00	37189.00 14792.00	07.02.2019 07.02.2019	02.01.2019 28.02.2019	A767293 A767364



28	REENA SINGH	1974765.00	19748.00	07.02.2019	
29	Jainendra sinha	108489.00	1085.00	07.04.2019	
30	Shankar Kr saw	1093230.00	10933.00	07.04.2019	29.03.2019
31	Sudhir Kr parmar	1558937.00	15590.00	07.04.2019	A767618
Total		2,97,91,945.00	3,12,613.00		

B. DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

S.N.	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Renu devi	670,029.00	13,401.00		
2	Jyoti Shankar Singh	1,106,982.00	22,140.00		
3	Amendra Singh	684,370.00	13,688.00		
4	Rohit Kumar	1,704,041.00	34,081.00		
5	Amrendra Kr. Singh	346,758.00	6,935.00		
6	Onkarnath Singh	1,061,137.00	21,223.00		
7	Kalpna Singh	551,415.00	11,028.00	27.11.2018	A767260
8	Ankit Saurabh	1,208,686.00	24,174.00		
9	Sanjai kumar	120,611.00	2,412.00		
10	Neelam Devi	305,001.00	6,100.00		
11	Departmental	577,787.00	11,556.00		
12	Departmental	634,388.00	12,688.00		
13	Departmental	686,096.00	13,722.00		
14	Departmental	558,044.00	11,161.00		
15	Puranjay Kr. Singh	668,193.00	13,364.00		
16	Ran Vijay Singh	1,012,995.00	20,260.00		
17	Aurangabad Real State Pvt. Ltd.	873,879.00	17,478.00		
18	Vivek Kumar	678,563.00	13,571.00		
19	Prince Singh	1,154,940.00	23,099.00		
20	OnkarNath Singh	1,222,729.00	24,455.00		
21	Aurangabad Real State Pvt. Ltd.	1,846,876.00	36,938.00		
22	Jainendra Sinha	1,546,819.00	30,936.00		
23	Gopal Yadav	701,965.00	14,039.00		
24	Sudhir Kr. Parmar	1,387,409.00	27,748.00		
25	Yogeshwar Paswan	667,625.00	13,353.00		
26	Neelam-Devi	11,931.00	229.00		



27	Jainendra Sinha	748,012.00	14,960.00		
28	Trinetra Raghvendra Co. & L. Pvt. Ltd.	1,451,954.00	29,039.00		
29	Gopal Yadav	331,923.00	6,639.00		
30	Vishal Srivastva	553,115.00	11,062.00		
31	Renu Devi	823,496.00	16,470.00		
32	Jainendra Sinha	657,160.00	13,144.00		
33	Piyush Kumar	262,870.00	5,258.00		
34	Ram Kumar Singh	1,216,356.00	24,327.00		
35	Samir Kr. Singh	1,634,131.00	32,683.00		
36	Prince Singh	1,068,035.00	21,361.00		
37	Chandan Kr. Singh	1,185,905.00	23,718.00		
38	Vishal Srivastva	1,155,944.00	23,119.00		
39	Jainendra Sinha	339,643.00	6,793.00		
40	TRINETRA RAGHWENDRA	1859426.00	37189.00		
41	RAM KUMAR SINGH	1479176.00	29584.00		
42	REENA SINGH	1974765.00	39495.00		
43	SITA DEVI	822631.00	16453.00		
44	ANUJ KUMAR SINGH	1595993.00	34012.00		
45	PURANJAY KUMAR SINGH	402036.00	8040.00		
46	SUDHIR KUMAR PARMAR	1090157.00	38906.00		
47	Ambuj Kumar Singh	1190459.00	30496.00		
48	Trinetra Raghvendra	1358741.00	57306.00		
49	Santosh Kumar Singh	634379.00	6866.00		
50	Jainendra Sinha	1337649.00	25673.00		
51	Anuj Kumar Singh	1279114.00	15675.00		
52	Vikrant Kumar	562862.00	5124.00		
53	Sita Devi	1053222.00	23681.00		
54	Amrendra Kumar Singh	705302.00	16238.00		
55	Lawkush Singh	681020.00	15801.00		
Total		5,14,44,745.00	10,68,891.00		

02.01.2019

02.01.2019

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28.02.2019

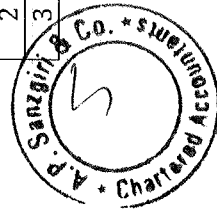
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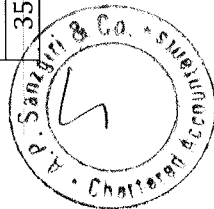
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C. DETAILS OF DEPOSIT OF LABOUR CESS ARE MENTIONED BELOW:

S.N.	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/ Challan Number
1	Sudhir Kr. Parmar	1,131,146.00	11,312.00		
2	Md. Ismail	790,125.00	3,787.00		
3	Ram Pravesh Ram	983,713.00	9,838.00		



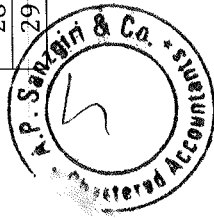
4	Renu devi	670,029.00	6,701.00		
5	Jyoti Shankar Singh	1,106,982.00	11,070.00		
6	Amendra Singh	684,370.00	6,844.00		
7	Rohit Kumar	1,704,041.00	17,041.00		
8	Amendra Singh	684,370.00	6,844.00		
9	Rohit Kumar	1,704,041.00	17,041.00		
10	Amendra Kr. Singh	346,758.00	3,468.00		
11	Onkarnath Singh	1,061,137.00	10,612.00		
12	Kalpna Singh	551,415.00	5,515.00		
13	Ankit Saurabh	1,208,686.00	12,087.00		
14	Departmental	660,283.00	6,603.00		
15	Departmental	731,686.00	7,317.00		
16	Chandan Kr. Singh	1,007,492.00	10,075.00		
17	Sita Devi	1,107,635.00	11,077.00		
18	Puranjay Kr. Singh	570,100.00	5,701.00		
19	Ashutosh Kumar	2,130,433.00	21,305.00		
20	Sudeshwar Kumar	924,886.00	9,249.00		
21	Rohit Kumar	800,054.00	8,001.00		
22	Renu Devi	459,501.00	4,595.00		
23	Samir Kr. Singh	1,634,131.00	16,342.00		
24	Prince Singh	1,068,035.00	10,681.00		
25	Chandan Kr. Singh	1,185,905.00	11,860.00		
26	Renu Devi	823,496.00	8,235.00		
27	Jainendra Sinha	657,160.00	6,572.00		
28	Piyush Kumar	262,870.00	2,629.00		
29	Priyanka Kumari	1,106,202.00	11,063.00		
30	Sanjay Kr. Singh	586,394.00	5,864.00		
31	TRINETRA RAGHWENDRA	1859426.00	18595.00		
32	RAM KUMAR SINGH	1479176.00	14792.00		
33	REENA SINGH	1974765.00	19748.00		
34	Jainendra sinha	108489.00	1085.00		
35	Shankar Kr saw	1093230.00	10933.00		
				27.11.2018	A767259
				02.01.2019	A767294
				06.02.2019	A767335
				29.03.2019	A767619



36	Sudhir Kr parmar	1558937.00	15590.00
Total		3,64,17,099.00	3,60,072

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

S.N.	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/ Challan Number
1	Sudhir Kr. Parmar	1,131,146.00	90,492.00	27.11.2018	A767261
2	Md. Ismail	790,125.00	30,293.00		
3	Ram Pravesh Ram	983,713.00	78,697.00		
4	Departmental	650,215.00	52,017.00		
5	Departmental	591,830.00	47,347.00		
6	Sita Devi	878,225.00	70,258.00		
7	Renu devi	670,029.00	53,602.00		
8	Jyoti Shankar Singh	1,106,982.00	88,559.00		
9	Amendra Singh	684,370.00	54,750.00		
10	Rohit Kumar	1,704,041.00	136,323.00		
11	Departmental	651,471.00	97,721.00		
12	Departmental	706,489.00	105,973.00		
13	Departmental	667,339.00	100,100.00		
14	Sudhir Kr. Parmar	1,387,409.00	27750	02.01.2019	
15	Yogeshwar Paswan	667,625.00	13,354.00		
16	Neelam Devi	11,931.00	240.00		
17	Jainendra Sinha	748,012.00	14,962.00		
18	Trinetra Raghvendra Co. & L. Pvt. Ltd.	1,451,954.00	29,040.00		
19	Gopal Yadav	331,923.00	6,640.00		
20	Vishal Srivastva	553,115.00	11,064.00		
21	Surendra Prasad	731,633.00	14,634.00		
22	TRINETRA RAGHWENDRA	1859426.00	37190.00		
23	RAM KUMAR SINGH	1479176.00	29584.00		
24	REENA SINGH	1974765.00	39496.00		
25	SITA DEVI	822631.00	16454.00		
26	ANUJ KUMAR SINGH	1595993.00	31920.00		
27	PURANJAY KUMAR SINGH	402036.00	8042.00		
28	SUDHIR KUMAR PARMAR	1090157.00	21804.00		
29	Sudhir Kumar Parmar	99855.00	1998.00		



30	Ambuj Kumar Singh	1190459.00	23810.00	
31	Trinetra Raghvendra	1358741.00	27176.00	
32	Santosh Kumar Singh	634379.00	12688.00	A767292
Total			13,73,978.00	

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 deposit of TDS on due date: ULB may suffer following consequences;

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

E. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:

S.N	Quarter	Due date of Return	Actual date of Return filled	Remark
1	Q-1 of 2018-19	31.07.2018	10.12.2018	
2	Q-2 of 2018-19	31.10.2018	10.12.2018	
3	Q-3 of 2018-19	31.01.2019	25.01.2019	
4	Q-4 of 2018-19	31.05.2019	31.05.2019	

7. DEFICIENCY IN PAYROLL SYSTEM:

S.N.	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	Yes, Maintained in quittance register
5	Maintenance of Salary Deduction register	Yes, Maintained in quittance register
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:

1.1. Permanent Employee:

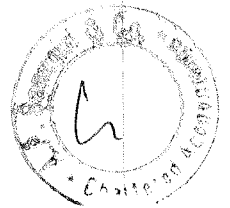
As per PF Act, deposit of EPF of Employees should be made 15th of the following month. However, delay has been observed for depositing of PF A/C to EPFO A/C which are as below: -

Month of Deduction	Amount Deduction	Due date of deposit	Amount Deposit	Actual Date of deposit	Delay in days
April - 18	57558	15.05.2018	57558	05.05.2018	-
May - 18	57577	15.06.2018	57577	05.06.2018	-
Jun - 18	64974	15.07.2018	64974	30.06.2018	-
July-2018	68660	15.08.2018	68660	10.08.2018	-
August-2018	64550	15.09.2018	64550	06.09.2018	-
September-2018	64881	15.10.2018	64881	10.10.2018	-
October-2018	76282	15.11.2018	76282	01.11.2018	-
November-2018	60148	15.12.2018	60148	08.12.2018	-
December-2018	56872	15.01.2019	56872	05.01.2019	-
January-2019	53060	15.02.2019	53060	14.02.2019	-
February-2019	57166	15.03.2019	57166	28.02.2019	-
March-2019	50729	15.04.2019	Not deposited	NA	286

1.2 Contractual Employee:

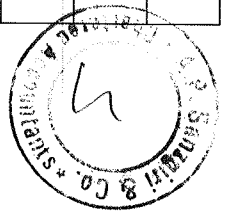
No PF has been deducted from contractual employees.

9. UTILISATION OF GRANT AND REPORT ON MISSING UTILISATION CERTIFICATES: (REFER ANNEXURE)



III. PART-C

S.N.	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 :	Complied 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(3)
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 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(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 has been complied 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



INTERNAL AUDIT REPORT FOR F.Y. 2018-19
ULB- NAGAR PARISHAD AURANGABAD
ANNEXURE-1 REPORT ON DELAY DEPOSIT OF PROPERTY TAX

S.N.	Serial Number/No. of Property Holder	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
1	17(No. of Property Holder)	22786	19.06.2018	22786	23.06.2018	4	30.06.2018	7
2	15(No. of Property Holder)	19579	23.06.2018	19579	26.06.2018	3	30.06.2018	4
3	15(No. of Property Holder)	20486	30.06.2018	20486	03.07.2018	3	05.07.2018	2
4	32(No. of Property Holder)	51397	13.07.18 to 17.07.18	51397	21.07.2018	1-7	23.07.2018	2
5	29(No. of Property Holder)	18541	20.07.18 to 23.07.18	18541	25.07.2018	1-5	30.07.2018	5
6	6349	49344	30.07.2018	49344	03.08.2018	1-4	03.08.2018	-
7	18(No. of Property Holder)	27791	09.08.18 to 10.08.18	27791	11.08.2018	1-2	18.08.2018	7
8	15(No. of Property Holder)	18803	20.08.2018	18803	23.08.2018	3	31.08.2018	8
9	9(No. of Property Holder)	25437	23.08.2018	25437	25.08.2018	2	31.08.2018	6
10	9(No. of Property Holder)	44959	31.08.2018	44959	07.09.2018	7	13.09.2018	6
11	10(No. of Property Holder)	17544	11.09.2018	17544	17.09.2018	6	19.09.2018	2
12	8(No. of Property Holder)	13665	21.09.2018	13665	26.09.2018	5	27.09.2018	1
13	14(No. of Property Holder)	27507	28.09.2018	27507	01.10.2018	3	08.10.2018	7



14	13(No. of Property Holder)	29750	01.10.2018	29750	10.10.2018	9	12.10.2018	2
15	8(No. of Property Holder)	18055	10.10.2018	18055	22.10.2018	12	29.10.2018	7
16	18(No. of Property Holder)	11229	22.10.18 to 26.10.18	11229	02.11.2018	1-10	06.11.2018	4
17	8(No. of Property Holder)	111823	02.11.18 to 04.11.18	111823	17.11.2018	1-15	26.11.2018	9
18	18(No. of Property Holder)	31894	22.11.18 to 24.11.18	31894	27.11.2018	1-5	30.11.2018	3
19	17(No. of Property Holder)	16954	24.11.18 to 06.12.18	16954	17.12.2018	1-24	28.12.2018	11
20	9(No. of Property Holder)	17264	29.01.2019	17264	2901.2019	-	29.01.2019	-
21	17(No. of Property Holder)	22189	13.02.19 to 17.02.19	22189	22.02.2019	1-9	27.02.2019	5
22	17(No. of Property Holder)	18686	23.02.19 to 26.02.19	18686	01.03.2019	1-6	01.03.2019	-
23	14(No. of Property Holder)	91282	11.03.2019	91282	15.03.2019	4	26.03.2019	11



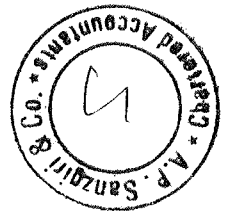
INTERNAL AUDIT REPORT- 2018-19
ULB - NAGAR PARISHAD AURANGABAD
ANNEX-2 REPORT ON FINDINGS OF FIELD SURVEY OF PROPERTY TAX OF MINIMUM 20 HIGH VALUE PROPERTIES:

S.N.	Holding Name	W.N	H.N.	Type of Use		Area(Sq. Fit.)			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	Lalita Mauhar	3	456	See Note -1									
2	Raj Kumar	2	525										-
3	Urmila Devi	5	459	Comm.	Comm.	17120	17120	-	85686	85686	-		-
4	Ravindra Singh	5	379	Comm.	Comm.	10000	22400	12400	40891	91596	50704		-
5	Murli Manohar Singh	5	385										-
6	Prameshwar Prasad	5	413	Comm.	Comm.	2760	4754	1994	13786	23746	9960		-
7	Mina Devi	5	411	Comm.	Comm.	2760	4754	1994	13786	23746	9960		-
8	Aman Ananad	5	414	Comm.	Comm.	2760	4752	1992	13786	23736	9950		-
9	Anita Devi	5	430	Comm.	Comm.	12381	20116	7735	49474	85354	35880		-
10	Bikash Kumar Singh	5	478	Comm. cum Resi.	Comm. cum Resi.	13904	21360	7456	22885	35157	12272		-



11	Anil Kumar Singha	5			Comm. cum Resi.	15684	-	24844	24844	-	-
12	Haribansh, Nandu, Krishna	8	13/26 1	12197	Comm.	12197	-	14594	14594	-	-
13	Laxmi Prasad	9	181/3 97					37769			-
14	Gupteshawar Prasad	9	180/3 98					29011			-
15	J.K. Hotel	11	75/A	16000	Comm.	16000	-	63936	63936	-	-
16	Sobha Rani	12	3/506					13689			-
17	Vashuki Nath	12	14/48 8					18986			-
18	Vashant Kumar Singha	12	111					29984			-
19	Bina Devi	12	112	20313	Comm.	30672	10359	81171	122565	41395	-
20	Ankit Prasad	12	181					31259			-

Note-1 : After list of 20 High value Property provided by concern Tax Collector, we have conducted Physical survey for same. However some property holder strictly deny to take measurement of their property , as a results of this we are unable to provide the report in respect of that property.



Aurangabad Nagar Parishad

Discussion Note

Date: 24.12.2019

Aurangabad Nagar Parishad


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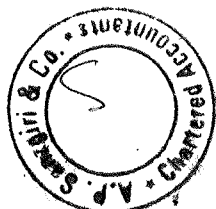
AP Sangziri & Co.

(Chartered Accountants)

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

S.N.	Auditor observation	Management comment
1	AG Compliance Report has not been prepared:	AG Report for the period of 2016-17 has not been received by Aurangabad Nagar Parishad after receiving of it, we will comply the same;
2	Non Preparation of Bank Reconciliation Statement in respect of Bank A/c (Refer Internal Audit Report For F.Y. 18-19):	It is under process and will be reconciled very soon;
3	Non maintenance of Advance Register:	ULB did not follow practice of giving advance;
4	Municipal Accounts committee has not been established:	"Municipal Accounts Committee" has been formed as on 20.08.2019 but no meeting held till date ;
5	Non Collection of Notice fee;	Currently not collecting, but it will be consider and collected accordingly to BMA, 2007;
6	Non levy of Taxes in IAR Para " I Part-A a) (1);	Not imposed by Aurangabad Nagar Parishad;
7	Late deposit of property Tax;	Every day small amount collected by tax collector. We deposit after accumulation of some days which is consider by Nagar Parishad.
8	Non Preparation of Payment Voucher	Invoice of Party shall be treated as " Payment Voucher"
9	Non Maintenance of "Grant Register"	It will be maintained 2019-20
10	Late deposit of statutory deduction of TDS;	Due to Lack of Staff/ Employees the same problem arise;
11	Delay in deposit of EPF	Account of ULB Employees has not been open, due to this delay in deposit of PF happen;
12	Non preparation of Complete UC details	It is under process and will be submit in coming next month;
13	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;
14	Non maintenance of log book:	All running vehicle has been given on hire to " Taraquuee NGO & MD Aslam Deva Construction", a cleaning contractor, appointed by ULB to keep city clean, and ULB collect hire charges in that respect. Hence log book has not maintained due to right to operate has been transfer.
15	Electricity DPS:	Due to Non Availability of Fund the due amount has not been paid. Further there is dispute regarding holding tax, which is due on

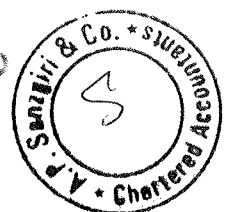

 AP Sangziri & Co. Chartered Accountants
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Aurangabad Nagar Parishad

		electricity department, and this amount has not been adjusted towards electricity due.
16	Irregularities in Payment - Refer to PART-A (b) (3)	In respect of observation found by Auditor, we reply following <ul style="list-style-type: none"> ➤ For fuel charges which is deducted from hire charges, however it mentioned in agreement clause that all cost including driver shall be bear by Contractor. In respect of above observation found by Auditor, we reply that it is mentioned in minutes of board meeting- a copy of same will be provided; <ul style="list-style-type: none"> ➤ For non deduction of TDS- the same will be deposited and deducted from bill;
17	Non maintenance of book refer to Para : II-PART B (a) ;	It is under Process;
18	Difference in Holding Tax Amount as per Physical Measurement: <ul style="list-style-type: none"> ➤ 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 	
19	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.
20	Directives/ Circulars/ Notifications issued to ULB during F.Y. 2018-19	The same has been complied;
21	Non creation of Special Fund and Fund Mentioned in Chapter ix of BMA, 2007	ULB has not created such mentioned fund in the Act;
22	Non Maintenance Fixed Assets register	It is under process with the help of Agency appointed to implement " Double Entry Accounting System";
23	ULB Unable to Find out "Amount of Outstanding Taxes" Refer to PART-A (a) (4)	ULB not maintained such books of accounts from where outstanding income can be calculated;
24	Bank Reconciliation on Monthly Basis	It will be maintained;
25	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;
26	Non implementation of Biometric Devices and Payroll Software	It is under process
27	Cheque Issue Register	It is under process;



 आयुक्त, अहमदनगर महानगरपालिका
 अहमदनगर, महाराष्ट्र (इंडिया)

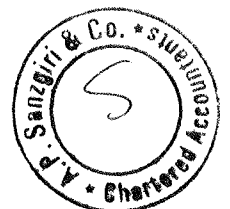


Aurangabad Nagar Parishad

28	Maintenance of grant record with bifurcation like amount for Salary, water management, nail gali solid waste management and so on ;	It Will be provided.
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Further we confirm/affirm the management comment given in Internal Audit report for 2018-19 is on behalf of Aurangabad Nagar Parishad.


Aurangabad Nagar Parishad
Aurangabad, Maharashtra



AURANGABAD MUNICIPAL COUNCIL
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 Ucs
1	CM Salary	90/29.11.2018	1.97	-	1.97	-	-	NIL	NIL	Unutilised amount and Transfer to PL A/C
2	14th Finance	82/31.10.2018	219.97	-	219.97	-	-	NIL	NIL	Unutilised amount and Transfer to PL A/C
3	5th Finance	15/03.07.2018	456.01	-	456.01	-	-	NIL	NIL	Unutilised amount and Transfer to PL A/C
4	Peshakar	77/24.10.2018	37.54	-	37.54	-	-	NIL	NIL	Unutilised amount and Transfer to PL A/C
5	EO SALARY	07/22-05-2018	7.00	-	7.00	-	-	NIL	NIL	Unutilised amount and Transfer to PL A/C
6	Public Services	10/01-06-2018	79.95	-	79.95	-	-	NIL	NIL	Unutilised amount and Transfer to PL A/C
7	Nali-Gali	09/30-05-2018	282.96	-	282.96	-	-	NIL	NIL	Unutilised amount and Transfer to PL A/C

