



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

INTERNAL AUDIT REPORT

FOR
THE FY 2018-19

BIKRAMGANJ NAGAR PARISHAD

GROUP-06
ULBs-18

Vinod & Co. LLP
CHARTERED ACCOUNTANTS
We Plant Quality





To

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

Sub: Submission of Bikramganj Municipal Council Annual Internal audit report with management comments for the financial year 2018-19.

Ref No.: Project No. 07/I.A.-115/17-83 (NTP) dated; 16.01.2019

Dear Sir,

With Referenceto the above, we Vinod Singhal & Co.,LLP Chartered Accountants appointed as internal auditor of 18 ULBs of Bihar under Group-06 for the project namely "Appointment of internal auditor of 140 ULBs of Bihar."

As we have conducted Annual internal audit of Bikramganj Municipal Council for the financial year 2018-19. ThroughThis letter we are submitting Annual internal audit report of Bikramganj Municipal Council for the F.Y.2018-19 with management comments.

We confirm that the internal audit report has been prepared as per terms of reference of RFP.

Thanking You

For Vinod Singhal & Co, LLP
Chartered Accountants
FRN: 005826C/40676

K
Sodhani



CA Krishan Kumar Sodhani
M.No:- 404603

UDIN No.:- 20409603 AAAA IN 3679

Date: 22-12-2020

Place: Patna

CC:State Level Project Monitoring Unit
PSP Financials Consultants Pvt. Ltd.

CONTENTS

Project Title	Internal audit of 18 ULBs of Group-06 of Bihar
Report Title	Annual internal audit report of Bikramganj Nagar Panchayat
Period	1 st Apr -2018 to 31 st -March-2019
Reporting Entity	Vinod Singhal & Co., LLP, Chartered Accountants
Reporting for	Bikramganj Nagar Panchayat
Report Prepared by	Team, Vinod Singhal & Co. LLP
Date of submission	18 th Nov 2019



EXECUTIVE SUMMARY

1. INTRODUCTION

Name of the Municipality	Bikramganj Nagar Parishad
Period covered under current audit	01.04.2018 to 31.03.2019
Name of Municipal Executive officer for the period under Audit	Ms Prem Swarupam

2. RESULTS AND FINDINGS

➤ **Strengths observed during audit engagement**

In the existing system as prevailing in the Nagar Parishad day to day work is in progressive manner in respect of execution of the projects.

➤ **Weaknesses observed in the functioning of office, maintenance of records etc, observed during the audit engagement:**

SINo	Audit Observations
1	Budget not prepared in proper manner and guidance given by <u>UD&HD GoB</u> :
2	Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014.
3	Non-Implementation of Double Entry Accounting System
4	No details were made available regarding meeting of municipal accounts committee held during the financial year 2018-19.
5	<p>Non-levy of following taxes</p> <ul style="list-style-type: none"> * Surcharge on transfer of lands and buildings * Water tax * Fire tax. * 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. * 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 * User Charges for Garbage Clearance * Collection of fees for sanction of building plans and issue of completion certificates, * Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,
6	Late-Deposit of tax collection of taxes with cashier and with bank as per provision of BMA rule-22
7	Non-collection of notice fees for defaulter



8	Non-recovery of outstanding taxes
9	Non-providing details regarding arrear of advertisement tax, mobile tower tax, rental income
10	Non deposit of outstanding amount of electricity bill of Rs. 44,50,305
11	Non-preparation of payment vouchers
12	Non-conducting physical survey of 20 high value properties.
13	Non-maintenance of required registers as per Rule No. -3 of BMAR-2014
14	Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014
15	Irregularities in vendor payment process: <ul style="list-style-type: none"> ▪ Budget Control register was not updated ▪ Quality control test report was not available ▪ Completion certificate was not available in payment file in case of completed contract.
16	Non-maintenance of register for all procurements with value above Rs. 15,000
17	Missing signature of wages worker and stamp of ULB on muster roll register
18	No maintenance of separate earnest & security deposit register
19	Non-compliance of Act & Rules
20	Lack of internal control measures <ol style="list-style-type: none"> 1. Voucher file was not maintained 2. No internal mechanism for statutory compliance 3. No MIS was prepared for tracking of payments 4. Required books of accounts as per BMAM was not maintained 5. Statutory compliance reconciliation was not maintained 6. Year-end reconciliation was not available 7. Bank reconciliation of any bank account was not prepared. 8. Bank balance as per cash book was not maintained.
21	Non-compliance of statutory compliances: <ul style="list-style-type: none"> ▪ Non preparation of statutory compliance register ▪ Non deposit of TDS on timely basis. ▪ Non filling of TDS return for due period ▪ Non providing details regarding VAT/PF/Royalty/Labour Cess
22	Deficiency in payroll system <ul style="list-style-type: none"> ▪ Non-preparation of salary payment voucher ▪ Non-maintaining salary payment reference number in cash book ▪ Non-implementation of Bio-metric device and payroll software
23	Non-providing of Utilization certificate for the reporting audit period
24	Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.
25	Non providing details of Advances, their adjustment & Recovery



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 RECOMMENDATIONS

SIN	Audit Observations	Audit Observations
1	Budget not prepared in proper manner and guidance given by <u>UD&HD GoB</u> .	ULB should implement real time budget preparation in prescribed format of BMAM. Further, Budget variance report should be prepared for actual budget report.
2	Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014.	<u>Bank Reconciliation help us to monitor over:</u> 1. Difference between Bank Passbook and Cash Book 2. Unauthorised withdrawal from Bank. 3. Excessive debited by Bank 4. Helps to know any other reasons of differences. Therefore, ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records.
3	Non-Implementation of Double Entry Accounting System	As per requirement of BMAR-2014, Part -A, Chapter -2 Rule -4, "All ULB refereed in Schedule -1 shall maintain its Books of Account using the double entry system".
4	No details were made available regarding meeting of municipal accounts committee held during the financial year 2018-19.	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of Municipal Accounts Committee each year. During our Audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.



10	Non deposit of outstanding amount of electricity bill of Rs. 1,22,24,385	ULB should negotiate with electricity board to settle down the dues without late fees.
11	Non-preparation of payment vouchers	ULB should prepare voucher based on running voucher as per the provision of Rule No. 16, 17 and 18 of BMAR -2014.
12	Non-conducting physical survey of 20 high value properties	Being ULB was not maintaining any details of high value properties, The details given in report has been prepared based on receipts book. Filed Survey of the same could not be conducted due to non-support of tax Daroga & tax collectors in filed survey. <i>ULB should identify and prepare separate list of high value properties by conducting re-assessment of prospective properties on timely basis to boost their revenue.</i>
13	Non-maintenance of required registers as per Rule No. -3 of BMAR-2014	Detail of registers not maintained by ULB is mentioned under PART-A (a). <i>ULB should ensure proper maintenance of required Books of Account and register as per the list given in Rule -3 of BMAR -2014.</i>
14	Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR -2014	<i>ULB should ensure preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR -2014</i>
15	Irregularities in vendor payment process: <ul style="list-style-type: none"> ▪ Budget Control register was not updated ▪ Quality control test report was not available ▪ Completion certificate was not available in payment file in case of completed contract. 	Proper tender documents regarding tender approval and allotment was not properly maintained or made available for audit. In provided cases, we are unable to comment on channel of procurement of tender and their required compliances. Further, no statutory compliance register was maintained in regards with statutory dues deducted from party bills. <i>So, ULB should maintained proper tender register and file that include all related documents of tender. Statutory compliance register should be maintained for all statutory deductions made form parties invoices.</i>
16	Non-maintenance of register for all procurements with value above Rs. 15,000	ULB should ensure maintenance of register for all Procurements with value above Rs. 15,000
17	Missing signature of wages worker and stamp of ULB on muster roll register	ULB should ensure proper maintenance of wages register by complying signature and stamping.
18	No maintenance of separate earnest & security deposit register	EMD and security deposit register help in tracking of balance payable to parties.
19	Non-compliance of Act & Rules	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. <i>ULB should ensure compliance of all applicable Act & Rules.</i>

20	<p>Lack of internal control measures</p> <ol style="list-style-type: none"> 1. Voucher file was not maintained 2. No internal mechanism for statutory compliance 3. No MIS was prepared for tracking of payments 4. Required books of accounts as per BMAM was not maintained 5. Statutory compliance reconciliation was not maintained 6. Year-end reconciliation was not available 7. Bank reconciliation of any bank account was not prepared. 8. Bank balance as per cash book was not maintained. 	<p>We observed that there is no any internal mechanism available over collection, deposit of taxes, assets handling, Cheque and Statuary compliances:</p> <p>We suggest that:</p> <ol style="list-style-type: none"> 1. MIS System should be implemented for collection and 2. Reason for non-deposit/ late deposit, strongly need to ask for minimise delay. 3. Need to identify a person to comply statutory compliances. In case failure to comply statutory compliances he should also be penalized. Therefore, the management has to take effort in implementation of Internal Mechanism for getting a better result for working.
21	<p>Non-compliance of statutory compliances:</p> <ul style="list-style-type: none"> ▪ Non preparation of statutory compliance register ▪ Non deposit of TDS on timely basis. ▪ Non filling of TDS return for due period ▪ Non providing details regarding VAT/PF/Royalty/Labour Cess 	<p>Statutory compliance register was maintained regards with statutory dues deducted from bills. So, ULB should maintained proper compliance register. Statutory compliance should be maintained for all statutory dues made form parties invoices.</p> <p>Non-compliance with statutory dues will incur penalty, interest and prosecution. Management should insure that all statutory dues are paid on time and returns related there on time.</p>
22	<p>Deficiency in payroll system</p> <ul style="list-style-type: none"> ▪ Non-preparation of salary payment voucher ▪ Non-maintaining salary payment reference number in cash book ▪ Non-implementation of Bio-metric device and payroll software 	<p>Every payment should be accompanied by payment voucher. Further as per Section 2 of the Indian Stamp Act 1899 makes it mandatory affixing of stamp on any receipt as defined above Rs 5000. Therefore, management should ensure that the payment is accompanied by payment voucher.</p> <p>Meaning of Receipt :</p> <p>"Receipt" includes any note, memorandum or writing-</p> <ol style="list-style-type: none"> (a) whereby any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received, or (b) whereby any other movable property is acknowledged to have been received in satisfaction of a debt, or (c) whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or (d) which signifies or imports any acknowledgment; and whether the same is or is not signed with the name of any person "



23	Non-providing of Utilization certificate for the reporting audit period	Grant is blood of ULB. Therefore, for getting grant and running the ulb working smoothly it is very important to comply with all necessary requirement of grant. Further timely submission of utilisation certificate helps the grant realising authority to send the money for fulfil the requirement of future. <i>Therefore, management should ensure that UC has been submitted with concerned department on time.</i>
24	Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.	<i>Management should implement the control system over inventory and store. Stock register should be in place and get it verified by a responsible person as authorised by management time to time. Further any discrepancies arises/ found during such verification should be reported immediately.</i>
25	Non providing details of Advances, their adjustment & Recovery	To ensure timely recovery of advance with interest proper calculation should be there with proper recovery plan.

5. COMMENTS FROM MANAGEMENT

Audit observations with audit recommendation has been submitted with management for providing management Comments.

6. ACKNOWLEDGEMENT

Considering the Physical Environment, accessibility, literacy of the Human Resources, communication facilities and so many other hindrances, we are in opinion that, the working of the ULB has a deep impact on the economic & social aspects and values of the inhabitants of the demarcated area. And the unit specifically dedicated for the development of Nagar Parishad in the state of Bihar according to plan & for matters ancillary thereto.



DETAILED AUDIT REPORT

1. INTRODUCTION:

S.NO.	Name Of ULB	Period-covered		Audit Team
		From	TO	
1	Bikramganj Nagar Parishad	01-04-2018	31-03-2019	1. Name of Team Leader : Krishan Kumar Sodhani 2. Name of MAE: CA Rahul Kumar Shrivastwa 3. Name of Auditor-1: Nitesh Kumar 2: Sanjeev Kumar

2. ADMINISTRATION:

Sl. No	Particulars	Details
1	The present body of the ULB has taken charge on	09-06-2017
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	Mr. Ravnawaz Khan
2.1.1	Period of Service:	From: 09-06-2018 To: Till date
2.2	Name of Commissioner/Executive Officer:	Mr. Prem Swarupam
2.2.1	Period of Service:	From: 21-01-2019 To: Till date

3. REVIEW OF OUTSTANDING AUDIT PARAS:

3.1. Status of Audit Observations is as under:

(Rs. In Lakh)

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. 2012-13 to 2015-16	21	19	11	-	-	19	863/31.10.2018

3.2. Details of total no of audit paras:

Period of AG audit report : Financial year 2012-13 to 2015-16

Compliance report date & Number : 863/31.10.2018



Sl. No	Audit Para Number	Heading of the audit para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	8	Non-compliance of earlier audit reports.	-	-	-	Action Taken
2	9	General Comment	-	-	-	Action Not required
3	10	Not relevant	-	-	-	Action Not required
4	11	Not relevant	-	-	-	Action Not required
5	12	Budget	-	-	-	
		i. Not prepared budget in specified period	-	-	-	Action Taken
6	13	Not preparing annual account	-	-	-	Action not taken
	14.	Income and Expenditure				Action Taken
		i. Cash book not maintained properly				
		ii. Not prepared reconciliation statement on Monthly, Quarterly, and Annual Basis.				
7	15.	Not proper Internal Audit system till 2016	-	-	-	Action Taken
Part-II (A) of AG Audit Report						
8			Nil			
Part-II (B) of AG Audit Report						
10	1	Loss due to amount not collected from mobile tower	26.23	26.23	-	Action not taken
11	2	irregularities in Purchase of material and Tax not deducted at source	0.21	0.21	-	Action Taken
10	3	irregularities in Purchase of material and Tax not deducted at source	2.71	2.71	-	Action Taken
11	4	irregularities in Purchase of material and Tax not deducted at source	4.14	4.14	-	Action Taken
12	5	Loss due to not collecting development fee in Map Sanction	.24	.24	-	Action not taken
13	6	Loss due to not collecting labour cess in Map Sanction	2.49	2.49	-	Action not taken
14	7	Excess payment due to non-availability of M and N form.	1.44	1.44	-	Action not taken
15	8	Short deposit of Holding tax	4.93	4.93	-	Action not



Year	Year-2016-17	Year-2017-18	Year-2018-19
Final/Revised Budget Data	Not Available	51,876,120	131,876,120
Actual Expenditure Data	Not Available	133368191	160,135,380
Savings (+)/Excess (-)	Can't Calculate	-81492701	-28,259,260

Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2018-19, 2018-19 & 2019-20 and Financial Statement of FY 2015-16. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for the year 2016-17 & 2018-19 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. Refer "Annexure-4"

Note :-

1. The receipt and Payment account received with the Financial statement of the FY 2015-16 is belong for the period 01.04.2014 to 31.03.2016, Therefore we are unable to fill the figure.
2. The Budget statement provided to us are not in the prescribed format, and actual figures are not provided in the budget statement.

II. Volume of transactions

Period	Budgeted for F.Y. 2018-19	Actual for the F.Y. 2017-18	Actual for the F.Y. 2018-19	Cumulative for the current period
Opening balance	30,855,217	248,225,026	257,929,195	257,929,195
Receipts	122,758,032	132,150,502	161,084,532	161,084,532
Total	153,613,249	380,375,528	419,013,727	419,013,727
Net expenditure	131,876,120	133,368,191	160,135,380	160,135,380
Closing balance	21,737,129	257,929,195	258,878,347	258,878,347



The above figures have been taken from the Budget Statement of the ULB for the year 2017-18, 2018-19 & 2019-20 and Financial Statement of FY 2015-16. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for the year 2016-17, 2017-18 & 2018-19 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. Refer "Annexure-4"

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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	Canara Bank	4191101001254	Municipal Fund	-	85,627	Can't Calculate	No
2	Canara Bank	4191101000991	Vishesh Ghatak-1	-	15,182	Can't Calculate	No
3	Canara Bank	4191132000095	Day NULM	-	33,99,779	Can't Calculate	No
4	Canara Bank	4191101000662	Municipal Fund	-	2,01,635	Can't Calculate	No
5	Canara Bank	4191132000089	HFA	-	1,36,075	Can't Calculate	No
6	Canara Bank	4191101000968	Samanya Ghatak	-	7,798	Can't Calculate	No
7	Punjab National Bank	6482000100072752	Niyojeet Teacher	-	19,194	Can't Calculate	No
8	State Bank of India	11380837769	Censers	-	31,746	Can't Calculate	No
9	MBGB	68690100003773	Municipal Fund	-	68,135	Can't Calculate	No
10	Union Bank	776502010002381	Water Supply	-	71,906	Can't Calculate	No
11	Punjab National Bank	6482000100066575	Niyojeet Teacher	-	6,81,104	Can't Calculate	No
12	MBGB	43480100031236	Municipal Fund	-	1,666	Can't Calculate	No
13	Caanara Bank	2315101018332	BRGB	-	11,057	Can't Calculate	No

Comment:

Bank Reconciliation helps us to monitor over:

1. Difference between Bank Passbook and Cash Book
 2. Unauthorised withdrawal from Bank.
 3. Excessive debited by Bank
 4. Helps to know any other reasons of differences.
- Therefore, ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records. Refer "Annexure -5" for copy of Bank statement.

IV. Revenue & Capital
information:

		Income Details (Amount in Rs.)						
Sl No	Details	2017-18		2018-19		2019-20		
		2017-18	2016-17	2018-19	2017-18	2019-20	2018-19	
	Total Receipts (A+B)	132,150,502	Not Available	161,084,532	132,150,502	NOT APPLICABLE	161,084,532	
A	Revenue Receipts (1+2+3)	40,793,217	Not Available	61,386,932	40,793,217	NOT APPLICABLE	61,386,932	
1	Own Revenue Receipts (a+b)	11,621,454	Not Available	20,159,278	11,621,454	NOT APPLICABLE	20,159,278	
a)	Tax Revenue (levied and collected by municipal body)	6,296,497	Not Available	9,402,546	6,296,497	NOT APPLICABLE	9,402,546	
i)	Property tax	5,549,985	Not Available	8,576,923	5,549,985	NOT APPLICABLE	8,576,923	
ii)	Other tax (levied and collected by municipal body)	746,512	Not Available	825,623	746,512	NOT APPLICABLE	825,623	
b)	Non-tax revenue (levied and collected by municipal body)	5,324,957	Not Available	10,756,732	5,324,957	NOT APPLICABLE	10,756,732	
i)	Fees & fines	1,678,803	Not Available	6,715,628	1,678,803	NOT APPLICABLE	6,715,628	
ii)	User Charges	1,859,068	Not Available	1,685,897	1,859,068	NOT APPLICABLE	1,685,897	
iii)	Other non-tax revenue (levied and collected by municipal body)	1,787,086	Not Available	2,355,207	1,787,086	NOT APPLICABLE	2,355,207	
2	Other Revenue Receipts	23,869,719	Not Available	55,143,285	23,869,719	NOT APPLICABLE	55,143,285	
a)	Income from interest/investments	2,315,055	Not Available	1,945,680	2,315,055	NOT APPLICABLE	1,945,680	
b)	Other Revenue income		Not Available			NOT APPLICABLE		



	Transfers/Grants/Assigned Revenues	21,554,666	33,197,605	21,554,666	33,197,605	Applicable
3						
a)	State Assigned Revenue	5,302,044	6,084,369	5,302,044	6,084,369	Not Applicable
b)	State Finance Commission (SFC) Grants/Devolution					Not Applicable
c)	Octroi compensation	4,437,794	5,818,703	4,437,794	5,818,703	Not Applicable
d)	Other State Government Transfers					Not Applicable
e)	Central Finance Commission (CFC) Grant					Not Applicable
f)	Other Central Government Transfers					Not Applicable
g)	Others (Sales & Hire Charges)	864,250	265,666	864,250	265,666	Not Applicable
B	Capital Receipts (1+2+3+4+5+6)	91,357,285	99,697,600	91,357,285	99,697,600	Not Applicable
1	Sale of Municipal Land					Not Applicable
2	Loans (from State Govt. or Bank etc.)					Not Applicable
3	State Capital Account Grant (under State Schemes etc.)					Not Applicable
4	Central Capital Account Grant (under Central Schemes etc.)	91,357,285	99,521,165	91,357,285	99,521,165	Not Applicable
5	Other Capital Receipts		176,435		176,435	Not Applicable

Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2017-18, 2018-19 & 2019-20 and Financial Statement of FY 2015-16. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for the year 2016-17, 2017-18 & 2018-19 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. Refer "Annexure-4"

Note :-



V. Revenue and Capital Expenditure Information.

Expenditure Details (Amount in Rs.)

SI No	Details	2017-18		2018-19		2019-20	
		2017-18	2016-17	2018-19	2017-18	2019-20	2018-19
	Total Expenditure (1+2)	133,368,191	Not Available	160,135,380	133,368,191	Not Applicable	160,135,380
1	Revenue Expenditure	42,352,174	Not Available	44,970,157	42,352,174	Not Applicable	44,970,157
1.1	Adminstrative Expenses, Establishment and Salaries (All Departments-Regular and Contractual Staff)	9,984,316	Not Available	10,851,868	9,984,316	Not Applicable	10,851,868
1.2	Operation and Maintenance (O&M)	15,959,434	Not Available	15,659,035	15,959,434	Not Applicable	15,659,035
1.3	Loan repayment (Interest payments)	916	Not Available	1,168	916	Not Applicable	1,168
1.4	Others(any other revenue expenditure which is not salaries,O&M or Interest Payment)	16,407,508	Not Available	18,458,086	16,407,508	Not Applicable	18,458,086
2	Capital Expenditure	91,016,017	Not Available	115,165,223	91,016,017	Not Applicable	115,165,223
2.1	All developmental works under Central/State specific schemes	90,826,685	Not Available	114,972,785	90,826,685	Not Applicable	114,972,785
2.2	Loan Repayments(Principial Amount)	189,332	Not Available	192,438	189,332	Not Applicable	192,438
2.3	Other Capital expenditure	-	Not Available	-	-	Not Applicable	-



Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2017-18, 2018-19 & 2019-20 and Financial Statement of FY 2015-16. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for the year 2016-17, 2017-18 & 2018-19 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. Refer "Annexure-4"

Note :-

1. The receipt and Payment account received with the Financial statement of the FY 2015-16 is belong for the period 01.04.2014 to 31.03.2016, Therefore we are unable to fill the figure.
2. The Budget statement provided to us are not in the prescribed format, and actual figures are not provided in the budget statement.

VI. Status of Implementation of Double Entry Accounting System

At present there is no Double Entry Accounting System is implemented at Bikramganj ULB. However till FY 2015-16 and outsourcing firm M/s Manas Dash & Co. was appointed for converting the books of account from single accounting system to double accounting system. They have prepared and submitted final statement till 2015-16 at ULB. We are submitting herewith copy of cover letter along with Balance sheet, Receipt & Payment account and Income and Expenditure Account for your ready reference **Please refer "Annexure 6"**

SINo	Name of Implementing Agency	Hiring of Agency (Whether by ULB/UD & HD)	Period of Accounting	
1	Manas Das & co	UD & HD	From 2014-15	To 2015-16

VII. Status of Meeting of Municipal Accounts Committee

There is no any accounting committee has been formed at ULB. Please refer management comment for the same.



5. AUDIT OBSERVATION

I. PART-A

All Audit objections/irregularities which has monetary implication, particularly in following areas:

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.

1. Non-levy of taxes: 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 Bikramganj Nagar Parishad**, the following mentioned tax/charges are not implemented that leads to loss of revenue to ULB.

Sl. No.	Description	Amount	Date
1	* Surcharge on transfer of lands and buildings	2248	2018
2	* Water tax	2201	2018
3	* Fire tax.	2601	2018
4	* Tax on advertisements, other than advertisements published in newspapers	2408	2018
5	* Surcharge on electricity consumption within the municipal area	2128	2018
6	* Tax on congregations.	2003	2018
7	* Tax on pilgrims and tourists.	12681	2018
8	* Tax on profession.	12681	2018

- * 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
- * User Charges for Garbage Clearance
- * Collection of fees for sanction of building plans and issue of completion certificates,
- * Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,
- * Collection of Development Charges

Refer "Annexure -7"

Audit Objective - As per Point No.- 5.00 of TOR

Criteria - Non levied the taxes reported above by ULB.

Condition -As per details provided to us the ULB is not charging the above mentioned taxes.

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

Cause- We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval. The ULB has not proper mechanisms for supervision and monitoring of the Taxes due to which result in Revenue leakage.

Corrective Action / Recommendation - As per our opinion, management should review the working on timely basis



2. Late deposit of property tax: 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 or latest before noon of next day on which collection is made.

In case of Bikramganj Nagar Panchayat, during verification of receipts book and deposit slips, we have noticed that there is average gap in collection of tax and deposit of tax into Cashier around 186-240 days. Refer "Annexure-8"

SL	Rasid No		Date		Amount Collection by TC	Amount Deposited to Cashier by TC	Date of Deposit into Cashier	Delay in Deposited into Cashier	
	From	To	From	To				Minimum	Maximum
1	5346	5400	08-07-2018	06-11-2018	55,278	55,278	09-04-2019	123	244
2	5501	5155	01-04-2018	14-04-2018	40,511	40,511	29-12-2018	256	262
3	5601	5700	18-12-2018	30-03-2019	56,211	56,211	12-07-2019	105	206
4	5406	5500	16-07-2018	02-10-2018	59,963	59,963	15-04-2019	167	242
5	5156	5200	03-05-2018	22-05-2018	20,053	20,053	24-01-2019	247	266
6	4876	4900	11-04-2018	11-04-2018	15,681	15,681	19-11-2018	222	222

Audit Objective - As per Point No.- 5.00 of TOR

Criteria - 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 or latest before noon of next day on which collection is made. Further we wish to inform that failure to comply with Rule 22 may cause for fine of Rs. 5,000.00

Condition -As per details provided to us the ULB is not depositing the amount collected from public on time.

Consequence Effect /Impact - Due to non-deposit of cash on timely basis there is loss of interest to ULB. It seems that huge fund easily available with cashier on the cost of Bihiya ULB.

Cause- We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval, the ULB has not proper control, supervision, and monitoring over collection and deposit of taxes.

Corrective Action / Recommendation - Management should reconcile time to time the physical Cash with cash book for stopping the misuse of cash

3. Non collection of Notice fees: 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, but

In case of Bikramganj Nagar Parishad, ULB has not provided any information regarding charging and collection of notice fees. Refer "Annexure -9"

Audit Objective - As per Point No.- 5.00 of TOR

Criteria - As per sec 158 of Bihar Municipal Act, 2007 The amount of notice fee should be collected by the municipality.



Condition -As per details provided to us the ULB is not collecting notice fee.

Consequence Effect /Impact - Due to non-collection of notice fee there is loss of interest to ULB

Cause- We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval, the ULB has not proper control, supervision, and monitoring over issue of notices and collection of notice fee.

Corrective Action / Recommendation - Management should monitor the notices issued on periodic basis towards charging and collection of notice fee.

4. Recovery of outstanding taxes/rental income: As per record provided by ULB, following income was in arrear as on 31-03-2019.

Details of outstanding arrear of income as on 31-03-2019

Sl. No	Type of Income	Arrear Amount
1	Property Tax "Refer Annexure -10"	3,49,886
2	Mobile Tower "Refer Annexure -10"	10,80,000
3	Licence Fee	5,47,530

Audit Objective - As per Point No.- 5.00 of TOR

Criteria - As per sec 158 of Bihar Municipal Act, 2007 the amount of notice fee should be collected by the municipality.

Condition -As per details provided to us the ULB is not collecting notice fee.

Consequence Effect /Impact - Due to non-collection of notice fee there is loss of interest to ULB

Cause- We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval, the ULB has not proper control, supervision, and monitoring over issue of notices and collection of notice fee.

Corrective Action / Recommendation - Management should implement/take action to boost collection of arrear revenue to increase their own source revenue

Comment:

1. Details of Advertisement Tax and Rent income were not made available for verification.
- b. **Excess payment against bill, lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULBs.**
 1. **Payment of bills after due date:** During audit of ULB we have noticed that ULB is not in practice to paid bill i.e. electricity bill, telephone bill on or before due date. Due to that ULB has to pay penalty for late payment.
 2. **Pass payment without preparation of payment vouchers:** The ULB does not prepare Payment Vouchers for making payment to the parties/vendors. Payment was made on the basis of bills only raised in the name of ULB which is passed by the competent authority. Refer "Annexure-11"
 3. **Irregularities in payments:** No such irregularities were observed in provided sample data. As complete vouchers files were not made available for audit. However, as reported in point no. 1 above there is irregularities in payment of some expenses. ULB is paying huge delay surcharge on the same.



C. Report on findings of field survey of Property Tax of minimum 20 high value properties.

SlNo	Holding Name	Ward No	Holding Number	Amount	O/s Liability at end of reporting period
1	Shanti Devi	11	77	199534	18-19
2	Arababo Kuwar	11	109	81232	18-19
3	Chand Bihari prasad	11	323	96710	18-19
4	Sree Vansh singh	12	337	64541	18-19
5	Sree Brahmdev panday	12	362	54972	18-19
6	Rash Bihari panday	12	292	45199	18-19
7	Hirdayanand singh	12	325	81847	18-19
8	Jamuna prasad	11	176	58924	18-19
9	Suresh prasad	11	177	34374	18-19
10	Kapil Muni singh	11	333	27863	18-19
11	Kamala Devi	11	203	117273	18-19
12	Kedar prasad	11	204	61080	18-19
13	Vishwanath shah	11	211	93045	18-19
14	Meena Devi	11	222	101189	18-19
15	Dev raj singh	11	247	48456	18-19
16	Koishalya Devi	11	252	34815	18-19
17	Krishan Vihari prasad	11	134	30720	18-19
18	Mouddin Ansari	11	174	33594	18-19
19	Ram sigari devi	11	144	36240	18-19
20	Rmayan Shah	11	175	21171	18-19

Comment:

- Physical survey of mentioned properties could not be done due to non-availability of ULB staff for survey. Therefore we can't comment on it.



II. PART-B

a. Non-maintenance of books of accounts and subsidiary registers:

The ULB has not maintained the following prescribed registers *(Please find attached letter to the ULB regarding non-submission of the following documents):* -

1. Journal Book
2. Ledger
3. Contra Voucher
4. Journal Voucher
5. Receipt Voucher
6. Register of Cheque Received
7. Statement on status of cheque received
8. Register of Bills for Payment
9. Payment order
10. Register of Advance
11. Register of Permanent Advance
12. Deposit Received Register
13. Summary statement of Deposits Adjustment
14. Demand register
15. Bill of Income
16. Summary Statement of Bill Raised
17. Register of Notice Fee Warrant Fee other fees
18. Summary statement of Notice Fee Warrant Fee other fees
19. Summary statement of Refund and Remissions
20. Summary statement of Write offs
21. Statement of outstanding liability for expenses
22. Register of Immovable and Movable Property
23. Register of Land
24. Function wise Income Subsidiary Ledger
25. Function wise Expenditure Subsidiary Ledger
26. Asset Replacement Register
27. Register of Public Lighting System
28. Building Register
29. Status and Heritage Assets Register
30. Road and Street register
31. Bridges Flyover Subway and Causeway Register
32. Drains Register
33. Ponds and Lakes Register
34. Plant and Machinery Register
35. Vehicle Register
36. Office Equipment Register
37. Furniture and Fixture Register
38. Computer and Peripheral Register
39. Software Register
40. Grants Register

Required at – Property Tax and other taxes

1. Summary Statement of bills raised
2. Summary statement of Demand Adjustment raised
3. Summary statement of refunds and remissions
4. Summary Statement of write-offs
5. Money Receipt Book
6. Hand Book (details due from tax payer)

Sl. No.	Contract No.	Description of Tender	Amount
1	08/2017-18	CM Nat Jal	21,98,000
2	09/2017-18	CM Nat Jal	21,98,000
3	20/2017-18	CM Nat Jal	21,98,000



Documents required at – water Supply

1. Summary Statement of Demand raised on assessment
2. Summary statement of Head wise collection
3. Summary statement of refunds remissions
4. Summary statement of write- offs

Documents required at – Rentals Fees and Other Income

1. Summary Statement of Demand raised on assessment
2. Summary statement of Head wise collection
3. Summary statement of refunds
4. Summary statement of write- offs

Documents required at- Public Works

1. Summary Statement of status of CWIP
2. Work Sheet
3. Deposit works register

Documents required at – Stores

1. Material Receipt Note
2. Statement of Material Issues

Other

1. Balance confirmation as on 31.03.19
2. BRS of all Bank Accounts (including dormant accounts)
3. Physical Verification report of cash and Stock

Final Accounts for the year 2016-17, 2017-18 & 2018-19

1. Audited Balance Sheet
2. Audited Income & Expenditure Account
3. Audited Receipts & Payments Account and unaudited Receipts & Payment

b. Irregularity in procurement process:

1. **Irregularities in vendor payment process:** During audit, we observed the following discrepancies in allotment of tender:

Sr No.	Contract No.	Description of Tender	Awarded value	Remarks
1	08/2017-18	CM Nal Jal	21,98,000	In connection of this tender, we have noticed the following irregularities: 1. Budget Control register has not been maintaining by ulb 2. Many cases Quality test report not submitted.
2	09/2017-18	CM Nal Jal	21,98,000	3. Completion certificate not presented to us for our verification, therefore we are unable to say that completion certificate issued or not. 4. Further the statutory compliance registers not presented to us for our verification, therefore we are unable
3	29/2017-18	CM Nal Jal	21,98,000	



				to comment that amount deducted from vendor on account of Labour cess, TDS, sales tax and royalty has been deposited on time or not and return related to respective act has been submitted or not.
4	37/2017-18	Nala Nirman	49,68,450	
5	30/2017-18	Path Puliya	19,71,245	

2. **Whether a register is kept for all Procurements with value above Rs. 15,000/-:** No, Procurement register was not maintained at ULB level for procurement with value above Rs. 15,000. However, they have file the expenses bill in the file. Refer "**Annexure -12**".
3. **As per rule no 75, disbursement to the daily wage workers is to be witnessed by the chief municipal officer / engineer and he has to sign the disbursement certificate after ensuring that the acknowledgement has been obtained from the workers on the master payroll (BMAR Form -33):** As per provided master payroll of daily wages worker, we observed that signature of wages worker against their attendance was not available. This is noted that stamp of ULB was not affixed on signature done in master payroll.
4. **No separate earnest & security deposit register:** Earnest money deposit & security deposit register help in tracking refund of EMD/SD on time to concerned parties, but in ULB, no such register was maintained/provided for verification.

c. Non-Compliance of directives by UD&HD, GoB:

SINo.	Direction issued by UDHD	Complied or Not
1	Circular No. 1188 dated 18-05-2017	Complied
2	Circular No. 261 dated 06-02-2018	Complied

d. Non-Compliance of Act & Rules:

Sl. No	Requirement	Criteria	Auditors 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) No, during audit we observed that there was max 186-240 days delay in deposit the amount into Bank.
2	Whether every bill collector or municipal	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.		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 stall of the Municipality	BMAR Rule No.- 27	Yes, bill collector gets its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated of the Municipality
5	Whether every bill collector invariably remits his collections (in cash and/or cheques) to Cashier dallies 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 our verification we noted that there was average 30-45 days delay in collection and deposit of tax into bank.
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	No, Scheme wise grant register was maintained by the ULB.
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception.	BMAR Rule No.- 69	Refer point: Part-B (h) Scheme/Grant related documents was not made available for audit,
8	Whether The grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No such circumstance were noticed during the audit
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) Partial Utilization certificate details produced for verification
10	Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received	BMAR Rule No.- 69	No such circumstance were noticed during the audit
11	Whether the Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	BMAR Rule No.- 120	No, Bikramganj Nagar Panchayat was not preparing a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.
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	BMAR Rule No.- 121	No, Bikramganj Nagar Panchayat was not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as



	Officer.		certified by the Chief Municipal Officer.
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, Bikramganj Nagar Panchayat 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
14	<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.</p> <p>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>	BMAR Rule No.- 122	BMAR Rule No. - 122 were not followed by ULB during the F.Y. 2018-19.
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)
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)
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated in sufficient detail;	BMAR Rule No.-130	No, BMAR Rule No. 130 was not followed by ULB. As Single-entry accounting system was followed by ULB
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	BMAR Rule No.-130	No, grant register was not maintained by ULB



	deductions have been properly accounted;		
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 were made available to comment thereon.
20	Whether the ULB is maintaining proper records showing full particulars, including quantitate 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 2017-18. Further no, fixed assets physically verified report was made available to comment upon.
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.
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	No, ULB is not followed adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets. As ULB was not maintaining any store and assets purchase register.
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 property prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.-130	Refer Point-04 (III) No, ULB has not prepared bank reconciliation for any bank accounts maintained.
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.-130	As ULB has single entry accounting system, in that case year end provisions and reconciliation was not made during the reporting period.
26	Whether all the expenditure incurred by the Municipality is 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	Since proper voucher and expenses invoices not presented for our verification, therefore we can.to comment on it.
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 accountant 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 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 tax collection, that is deposited on average

			186-240 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	In absence of specific record during the audit, we can't comment that 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.
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.
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	No, procedures of physical verification of stores followed by the ULB have been provided to comment upon.
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
35	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the Interest and If not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	BMAR Rule No.-130	No such details provided
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130	No such details provided
37	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.
38	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	BMA,2007: Chapter X	No details provided

	invited from parties before investing surplus funds:		
39	Preparation of budget estimate of Municipality.	BMA,2007: Chapter XI	Yes, followed by the ULB, however budget is not prepared in proper manner.
	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,		
40	Maintenance of accounts.	BMA,2007: Chapter XII	As ULB was following single entry accounting system. So, receipts and payments details were being maintained in form of cash book. Audited receipts & payments account as per BMAM was not prepared by ULB.
	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,		
41	Financial Statement.	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.
	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,		
42	Submission of financial statement and balance sheet to auditor.	BMA,2007: Chapter XII	No, Financial Statements were not provided for audit by ULB
	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.		
43	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act,2007 various tax is applicable on ULBs	BMA,2007: Chapter XV	Refer-PART-A(a)(1) for status of taxes not collected by ULB
44	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)

e. Lack of internal control measures: We have observed the following areas where internal control measures are required by ULBs-

1. Voucher file was not maintained
2. No internal mechanism for statutory compliance
3. No MIS was prepared for tracking of payments
4. Required books of accounts as per BMAM was not maintained
5. Statutory compliance reconciliation was not maintained
6. Year-end reconciliation was not available
7. Bank reconciliation of any bank account was not prepared.
8. Bank balance as per cash book was not maintained.

f. Non-compliance of TDS, VAT and other relevant Statute



1. Details of TDS deducted and to be deposited: During audit we noted that ULB is not regular in deduction of TDS, Since ULB has not presented statutory compliance register for audit therefore we are unable to comment upon the amount of deduction,

Sl. No	Particulars	TDS deducted
1	Data not Provided	-

Note:

i. We have not received the statutory compliance file, therefore we are unable to comment on the total deduction. The actual deduction may be higher than the reported above.

2. Details of TDS deposited :

During the audit, ULB has not provided any details regarding deposit of TDS, below mentioned TDS deposit challan has been taken from TRACES based on TAN number. In mentioned table this is clear that ULB is not deposit of TDS.

Sl. No	Challan Tender Date	Challan Serial No	Amount of Challan	Nature of Payment
1	16-04-2019	00001	34,540	Payment to Contractor

Refer "Annexure -12"

Note:

- The above Statutory deductions details were taken as per contract register.
- We have not received statutory compliance register and expenses invoices for our verification.
- Neither copy of challan nor the copy of return has been presented to us, therefore we are unable to comment that payment made on time or not. However, we wish to say that non-payment of tax on due or before date will attract interest @ 1.5% p.m. or part of month
- As per provision of sec. 276B, If a person fails to pay to the credit of the Central Government to the amount of tax deducted at source by him as required by or under the provisions of Chapter XVII-B; or the tax payable by him, as required by or under sub-section (2) of section 115-O; or the second proviso to section 194B, he shall be punishable with rigorous imprisonment for a term which shall not be less than **three months** but which may extend to **seven years** and with fine.

3. Details of TDS returns filled are mentioned below:

During the audit, we observed that ULB was not regular in filling of TDS return, as per below mentioned details this is clear that either ULB had bot filled TDS return or if filled then not followed due date of return filling. This practice of delay in filling of TDS return would cause ULB in form of penalty.

SlNo	Quarter	Due date of Return	Actual date of Return filled	Remark
1	Quarter-1 of F.Y. 2018-19	31 st -Jul-2018	-	Return Not filled
2	Quarter-2 of F.Y. 2018-19	31 st -Oct-2018	-	Return Not filled
3	Quarter-3 of F.Y. 2018-19	31 st -Jan-2019	-	Return Not filled
4	Quarter-4 of F.Y. 2018-19	31 st -May-2019	-	Return Not filled

Note:

- As per provision of Sec. 234E where a person fails to file the TDS/TCS return on or before the due date prescribed in this regard, then he shall be liable to pay, by way of fee, a sum of Rs. 200 for every day during which the failure continues. The amount of late fees shall not exceed the amount of TDS Further as per provision of Sec 271H diductor or



collector of tax at source fail to file the return within the stipulated date, he/she can also be penalized with a fee which is not less than Rs 10,000. The amount of penalty could go up to Rs. 1 lakh.

- b. **Downloading of TDS Certificates from TRACES made mandatory:** In this regard, your attention is invited to the **CBDT circulars 04/2013 dated 17.04.2013, CBDT Circular No. 03/2011 dated 13-5-2011 and CBDT Circular No. 01/2012 dated 9-4-2012** on the **Issuance of certificate for Tax Deducted at Source** in Form 16/16A as per IT Rules 1962. It is now **mandatory for all diductor's to issue TDS certificates after generating and downloading the same from "TDS Reconciliation Analysis and Correction Enabling System"** or TRACES Portal. In view of above circulars, it may kindly be noted that the TDS Certificates **downloaded only from TRACES Portal** will be valid. Certificates issued in any other form or manner will not comply to the requirements referred in the Income-tax Act 1961 read with relevant Rules and Circulars issued in this behalf from time to time. Further as per the provisions of section 203 of the Income Tax Act, 1961 read with rule 31A, Certificate of tax deducted at source is to be **furnished within fifteen (15) days from the due date for furnishing the statement** of tax deducted at source. Failure to comply with the provisions of the Act will attract **penalty under the provisions of section 272A of the Act, a sum of one hundred rupees for every day** during which the failure continues.
- c. In case of ULB the commissioner/executive officer in charge will be person who is liable to deduct and pay the TDS and issue of TDS certificate on time. Therefore, management is suggested to take a serious note on the status of Tax collected or deposited, timely submission of return thereof and issuance of TDS Certificate.

4. Details of Royalty deduction and deposit deposited :

During the audit, we have not received any data for deduction and deposit of royalty, In mentioned table this is clear that ULB is not regular in deposit of Royalty amount,

Sl. No	Amount deducted	Amount Deposited	Remarks
1	-	-	Data not provided

5. Details of Labour Cess deduction and deposit deposited :

During the audit, we have not received any data for deduction and deposit of Labour Cess, In mentioned table this is clear that ULB is not regular in deposit of labour Cess amount,

Sl. No	Amount deducted	Amount Deposited	Remarks
1	-	-	Data not provided

6. Details of VAT deduction and deposit deposited :

During the audit, we have not received any data for deduction and deposit of VAT, In mentioned table this is clear that ULB is not regular in deposit of VAT amount,

Sl. No	Amount deducted	Amount Deposited	Remarks
1	-	-	Data not provided

7. Details of TDS on GST deduction and deposit deposited :

During the audit, we have not received any data for deduction and deposit of TDS on GST, In mentioned table this is clear that ULB is not regular in deposit of TDS on GST amount. Further we have taken extract from GST site and it seems that ULB has not filed any return during the period under consideration. Refer "**Annexure-13**"

g. Deficiency in payroll system:



SINo	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/Contract worker)	Yes, Salary register was maintained for all employees
2	Non availability of Salary payment voucher	ULB was not in practice to issue salary payment voucher, Payment of salary was passed based on approval by competent authority on salary register.
3	Matching of voucher number with cash book	No salary payment voucher number was mentioned in cash book
4	Salary register contains all elements of salary	Yes, all elements of salary were mentioned in salary register.
5	Maintenance of Salary Deduction register	Deductions from salary was mentioned in salary register, no separate deduction register was maintained.
6	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	Biometric device was and payroll software was not implemented in ULB.

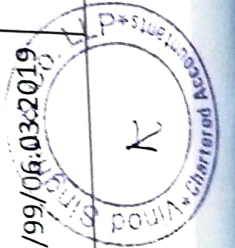
Sl. No.	Name of Party	Order No.	Order Date	Amount	Debit	Credit	Date of Payment	Balance
1	1449	153\13\03\3019	13/11/2019	3143388	3143388		30/11/2019	
2	1449	12\13\13\12	12/11/2019	2165450	2165450		30/11/2019	
3	1449	13\13\03\3012	13/11/2019	2366391	2366391		30/11/2019	
4	1449	118\12\03\3013	11/11/2019	5062062	5062062		10/01/2019	
5	1449	02\10\03\3013	02/10/2019	4302928	4302928		10/01/2019	
6	1449	02\10\03\3013	02/10/2019	1805458	1805458		10/01/2019	
7	1549	133\13\03\3010	13/11/2019	352362	352362		10/01/2019	
8	1449	02\10\03\3013	02/10/2019	5168232	5168232		10/01/2019	
9	1449	30\30\06\13	30/06/2013	83400	83400		13/11/19	
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Prepared by: _____
 Checked by: _____
 Date: _____



g. n of Grant and report on missing Utilisation Certificates: ULB has provided any hard copy of Approved utilization certificate and letter send to the department. We are submitting below detail of such UC.

क्र. सं.	वित्तीय वर्ष	आवटन का मद	स्वीकृत्यदेश संख्या एवं तिथि	आवटित राशि	निकासी की गई राशि	व्यय की गई राशि	निकासी के विरुद्ध व्यय के उपरंत अवशेष राशि	समर्पित उपयोगिता प्रमाण पत्र की राशि	विभाग द्वारा महालेखाकार को समायोजन हेतु भेजे गए उपयोगिता प्रमाण पत्र का पत्रांक एवं दिनांक	लंबित UC की राशि	पी. एल. खाता में जमा अवशेष राशि	अभियुक्ति
1	2018-19	3	4	5	6	9	10	12	15	16	18	19
1	2018-19	5th Finance	15/03.07.2018	82.93	82.93	82.93	-	82.93				UC Not Provided
2	2018-19	नागरिक सुविधा मद	81/31.10.2018	23.15	23.15	10.7	12.45			10.7	12.45	Original to P.A.
3	2018-19	14th Finance	82/31.10.2018	50.44	50.44		50.44				50.44	Original to P.A.
4	2018-19	पेशाकर मद	77/24.10.2018	10.32	10.32	-	10.32				10.32	Original to P.A.
5	2018-19	5th Finance	21/10-07-2018	84.81	84.81	42.41	42.4	42.41			42.4	Original to P.A.
6	2018-19	14th finance	75/120/25.01.2019	50.08	50.08		50.08					Original to P.A.
7	2018-19	ELECTRIC BIL	174/30.03.2019	153.79	153.79	153.79		153.79	105/28.01.2020			
8	2018-19	NALI GALI	141/99/06.03.2019	20.8	20.8	20.8		20.8	105/28.01.2020			



Out of these stores some

- h. Physical verification of inventory/Stores:** We have verified the physical store as per detail provided to us. Out of these stores some are outdated and not in condition to use.
- f. Advances, their adjustment & Recovery:** Refer point 35-36 PART-B (d) Since the ULB has not provided any detail of the amount of advance given during the year, therefore we are unable to comment on it.
- i. Any other matters as may be prescribed in due course:** As all relevant matters has been covered in above mention point



III. PART-C

SINo	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.	We have reported on this point under PART-B(d) of the report. Please refer the same for detail.
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 inconsistencies 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;	We have reported on this point under PART-A(c). Please refer the same for detail. Further ULB is Assessing the property as per valuation of the FY 2009-10. We have discussed on this point with executive officer and Tax Daroga.
C	Auditor should report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR: Rule 22: All moneys to be brought to account Rule 27: Collections to be deposited into Bank on the same day Rule 69: Grant Related Compliance Rule 120-121: Monthly Receipt & Payment Account and Trial Balance Rule 130: Audit to be completed & reported within 6 months	We have reported on this point under PART-B(d) of the report. Please refer the same for detail.
d	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.	Yes, Compliance of financial, guidelines of schemes of MOHUA and UD & HD, GoB have been complied
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.;	We have reported on this point under PART-A of the report. Please refer the same for detail.
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.	We have reported on this point under PART-B(b) of the report. Please refer the same for detail.
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/-	We have reported on this point under PART-B(b) of the report. Please refer the same for detail.
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.	We have reported on this point under PART-B(h) of the report. Please refer the same for detail.
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



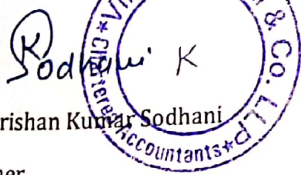
		recommendation
j	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.	We have reported on this point under PART-B(b) of the report. Please refer the same for detail
k	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies	We have reported on this point under PART-B(b) of the report. Please refer the same for detail
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.	We have reported on this point under PART-B(d) of the report. Please refer the same for detail
m	Internal Auditor will identify major areas of ULBs own revenue loss and auditor will access the loss and Prepare a statement of loss.	We have reported on this point under PART-A(a) of the report. Please refer the same for detail)
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.	We have reported on this point under PART-B(f) and (g) of the report. Please refer the same for detail
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 and Note thereof.

Thanking You,

For Vinod Singhal & Co. LLP

(Chartered Accountants)

FRN: 005826C/C400275



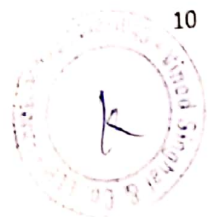
CA Krishan Kumar Sodhani

Partner

M.No. : 404603

UDIN :- 20909603 AAAA IN 3679

DATE :- 22-12-2020



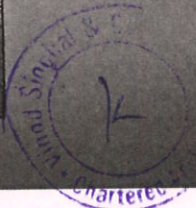
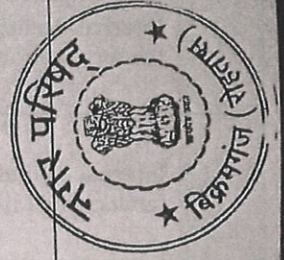
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Management Comments

1. INTRODUCTION

Name of the Municipality	Bikramganj Nagar Parishad
Period covered under current audit	01.04.2018 to 31.03.2019
Name of Executive Officer for the period under Audit	Ms. Prem Swarupam

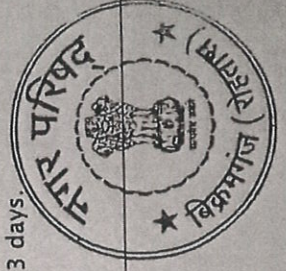
Sl. No	Audit Observations	Auditor Recommendations	Management Comment
1	Budget not prepared in proper manner and guidance given by <u>UD&HD Gob:</u>	ULB should implement real time budget preparation in prescribed format of BMAM. Further, Budget variance report should be prepared for actual budget report.	Due to lack of skilled man power and professional at the Bikramganj Nagar Parishad we were unable to prepare the Budget as per required format. However we are improving the same day to day. we are preparing the budget as per required format. Further all your guidelines will be followed by from next budget.
2	Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014.	Bank Reconciliation help us to monitor over: 1. Difference between Bank Passbook and Cash Book 2. Unauthorised withdrawal from Bank. 3. Excessive debited by Bank 4. Helps to know reasons of differences. <i>Therefore, ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records.</i>	We are preparing Reconciliation for the operating accounts. We will submit the same for your verification at next Audit.



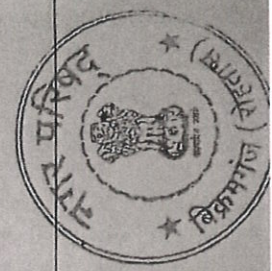
<p>Double entry system was implemented at ULB till FY 2015-16, M/s Manas Das & Co. was working here as DEAS consultant. The appointment of the firm were done by UD & HD head office. We are waiting for new appointment. However, if the new firm not appointed by UD & HD, we will appoint our own accounting team for Double entry accounting system</p>	<p>There is no any accounting committee has been formed at ULB. We have submitted a request letter in board for formation of Municipal accounting Committee.</p>
<p>As per requirement of BMAR-2014, Part -A, Chapter -2 Rule -4, "All ULB refereed in Schedule -1 shall maintain its Books of Account using the double entry system". Since Bikramganj Nagar Parishad is Covered under Schedule -1, therefore they should have to maintain their accounts on double entry accounting system in compliance of such rule. We found the detail that double accounting system is implemented at Bikramganj Nagar Parishad, however we not got any data for verification the same.</p>	<p>As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of Municipal Accounts Committee each year. During our Audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.</p>
<p>Non-Implementation of Double Entry Accounting System</p>	<p>No details were made available regarding meeting of municipal accounts committee held during the financial year 2018-19.</p>



<p>Non-levy of following taxes</p> <ul style="list-style-type: none"> * Surcharge on transfer of lands and buildings * Fire 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 * User Charges for Garbage Clearance * Collection of fees for sanction of building plans and issue of completion certificates, * Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings. * Collection of Development Charges 	<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. <i>ULB should take steps to implement required taxes to boost their revenue</i></p>	<p>Bikramganj is a Nagar Parishad and many of taxes as reported here are not applicable on it. Further we insure you that we will collect all applicable taxes as soon as possible.</p>
<p>Late-Deposit of tax collection of taxes with cashier and with bank as per provision of BMA rule-22</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 or latest before noon of next day on which collection is made. However, during our audit, we observed that there is a huge delay in depositing the tax at bank. <i>Therefore, management should implement a MIS Mechanism towards getting control over collection and deposit of Taxes. Further we wish to inform that failure to comply with Rule 22 may cause for fine of Rs. 5,000</i></p>	<p>Due to work load and filed survey the collector not submitted their collection for deposit into bank. However irrespective of fact we have directed the collector to submit their collection amount as per Rule. Now there is maximum delay in deposit is 2-3 days.</p>



7	Non-Collection of notice fees	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, but in case of Bikramganj Nagar Parishad, Corporation has not provided any information regarding charging and collection of notice fees. <i>ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.</i>	From now onwards we will implement the same.
8	Non-recovery of outstanding taxes	Bikramganj Nagar Parishad has provided during audit the detail of outstanding tax and other income, we observed on the basis of the such data that there is huge arrear of taxes at Bikramganj Nagar Parishad. <i>Therefore, the management should take proper step to boost collection of arrears. Further a weekly or fortnightly meeting with all tax collectors to be held for getting the reason of non-collection and resolving the same.</i>	The major tax defaulter at our ULB is Government department and electricity department. However, we have served several notices for payment of the arrear taxes on all asseses including and we are continuously try to collect the same at earliest.
9	Non-providing details regarding arrear of advertisement tax, mobile tower tax, rental income	ULB should prepare proper records for arrear amount and should take proper steps to collect arrears.	Detail will provided at next Audit
10	Non deposit of outstanding amount of electricity bill.	ULB should negotiate with electricity board to settle down the dues without late fees.	We have deposited the same dated 30.03.2019
11	Non preparation of payment voucher	ULB should prepare voucher based on running voucher as per the provision of Rule No. 16, 17 and 18 of BMAR-2014.	With the help of available man power we are trying to serve in best possible manner. However, due to lack of manpower and excess work load some of rules are not followed by or missed by us. We will try to cover the same at earliest.



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Patna, Bihar

<p>12</p> <p>Non-conducting physical survey of 20 high value properties and non-collection of outstanding property tax</p>	<p>Being ULB was not maintaining any details of high value properties, The details given in report has been prepared based on receipts book. Filled Survey of the same could not be conducted due to non-support of tax Daroga & tax collectors in filed survey. <i>ULB should identify and prepare separate list of high value properties by conducting re-assessment of prospective properties on timely basis to boost their revenue.</i></p>	<p>Due to election duty many of our regular work got pending, therefore we have not visited in filed with your team. However, we ensure that we will visit the filed on your next audit schedule.</p>
<p>13</p> <p>Non-maintenance of required registers as per Rule No. - 3 of BMAR-2014</p>	<p>Detail of registers not maintained by ULB is mentioned under PART-A (a). <i>ULB should ensure proper maintenance of required Books of Account and register as per the list given in Rule -3 of BMAR - 2014.</i></p>	<p>We will maintain the same at earliest.</p>
<p>14</p> <p>Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BMAR - 2014</p>	<p><i>ULB should ensure preparation of Annual Financial Statement as per the provision of Rule 122 of BMAR - 2014</i></p>	<p>Annual Financial statement are prepared till FY 2015-16 by M/s Manas Das & Co.. The appointment of the firm were done by UD & HD head office. We are waiting for new appointment. However, if the new firm not appointed by UD & HD till 31st Dec. we will appoint our own accounting team for Double entry accounting system and preparation of Annual Financial Statement.</p>



<p>We are maintaining the file, However due to lack of manpower we were unable to arranged the same on day to day. Now we have arranged the tender file in proper manner. We will show the same on next Audit.</p> <p>Further, statutory compliance are handle by file. We are maintaining the file w.r.t. deduction and deposit of all statutory dues. We will prepare statutory deduction register and will be presented to your team on next visit.</p>	<p>Proper tender documents regarding tender approval and allotment was not properly maintained or made available for audit. In provided cases, we are unable to comment on channel of procurement of tender and their required compliances. Further, no statutory compliance register was maintained in regards with statutory dues deducted from party bills. So, ULB should maintained proper tender register and file that include all related documents of tender. Statutory compliance register should be maintained for all statutory deductions made form parties invoices.</p>	<p>Irregularities in vendor payment process:</p> <ul style="list-style-type: none"> ▪ Budget Control register was not updated ▪ Quality control test report was not available ▪ Completion certificate was not available in payment file in case of completed contract. 	<p>We are maintaining voucher file w.r.t. all expenses irrespective of amount. However, due to lack of manpower and excess work load some of rules are not followed by or missed by us. Further we wish to say that with the help of available man power we are trying to serve in best possible manner at earliest.</p>
<p>All concerned person are directed to resolve this issue within 30 days. We will inform you after rectification.</p>	<p>ULB should ensure maintenance of register for all Procurements with value above Rs. 15,000</p>	<p>Non-maintenance of register for all procurements with value above Rs. 15,000</p>	<p>We are maintain the same with contractor register. However, due to lack of manpower and excess work load some of rules are not followed by or missed by us. We will try to cover the same at earliest.</p>
<p>We are maintain the same with contractor register. However, due to lack of manpower and excess work load some of rules are not followed by or missed by us. We will try to cover the same at earliest.</p>	<p>ULB should ensure proper maintenance of wages register by complying signature and stamping.</p>	<p>Missing signature of wages worker and stamp of ULB on muster roll register</p>	<p>All concerned person are directed to resolve this issue within 30 days. We will inform you after rectification.</p>
<p>We are maintain the same with contractor register. However, due to lack of manpower and excess work load some of rules are not followed by or missed by us. We will try to cover the same at earliest.</p>	<p>EMD and security deposit register help in tracking of balance payable to parties.</p>	<p>No maintenance of separate earnest & security deposit register</p>	<p>We are maintain the same with contractor register. However, due to lack of manpower and excess work load some of rules are not followed by or missed by us. We will try to cover the same at earliest.</p>



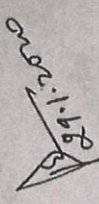
<p>19</p> <p>Non-Compliance of Act & Rules</p>	<p>Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable Act & Rules.</p>	<p>With the help of available man power we are trying to serve in best possible manner. However, due to lack of manpower and excess work load some of rules are not followed by or missed by us. We will try to cover the same at earliest.</p>
<p>20</p> <p>Lack of internal control measures</p> <ol style="list-style-type: none"> 1. Voucher file was not maintained 2. No internal mechanism for statutory compliance 3. No MIS was prepared for tracking of payments 4. Required books of accounts as per BMAM was not maintained 5. Statutory compliance reconciliation was not maintained 6. Year-end reconciliation was not available 7. Bank reconciliation of any bank account was not prepared. 	<p>We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, Cheque handling and Statuary compliances:</p> <p>We suggest that:</p> <ol style="list-style-type: none"> 1. MIS System should be implemented over daily collection and deposit. 2. Reason for non-deposit/late deposit should be strongly need to ask for minimise delay. 3. Need to identify a person to comply with the statutory compliances. In case failure to comply with statutory compliances he should also be penalised. <p>Therefore, the management has to take serious effort in implementation of Internal control Mechanism for getting a better result from ULB working.</p>	<p>With the help of available man power we are trying to serve in best possible manner. However, due to lack of manpower and excess work load some of rules are not followed by or missed by us. We will try to cover the same at earliest.</p>
<p>21</p> <p>Non-compliance of statutory compliances:</p> <ul style="list-style-type: none"> ▪ Non preparation of statutory compliance register ▪ Non deposit of TDS on timely basis. ▪ Non filling of TDS return for due period <p>Non providing details regarding VAT/PF/Royalty/Labour Cess</p>	<p>As ULB is not proper in statutory compliance, that cause monetary/non-monetary implication on ULB in mode of interest, penalty and Late Fee & imprisonment. So, management should ensure statutory compliance on time.</p>	<p>Due to lack of trained staff statutory compliances are handled by professional hired by us. We will present all file with you after getting data from them.</p>



<p>Every payment should be accompanied with payment voucher. Further as per Section 2(23) of the Indian Stamp Act 1899 makes it mandatory for affixing of stamp on any receipt as defined therein above Rs 5000. Therefore, management should ensure that the payment is accompanied with payment voucher.</p> <p>Meaning of Receipt : "Receipt" includes any note, memorandum or writing- (a) whereby any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received, or (b) whereby any other movable property is acknowledged to have been received in satisfaction of a debt, or (c) whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or (d) which signifies or imports any such acknowledgment; and whether the same is or is not signed with the name of any person "</p>	<p>All concerned person are directed to resolve this issue within 30 days. We will inform you after rectification.</p>
<p>Deficiency in payroll system</p> <ul style="list-style-type: none"> ▪ Non-preparation of salary payment voucher ▪ Non-maintaining salary payment reference number in cash book ▪ Non-implementation of Bio-metric device and payroll software 	<p>Grant is blood of ULB. Therefore, for getting grant and running the ulb working smoothly it is very important to comply with all necessary requirement of grant. Further timely submission of utilisation certificate helps the grant realising authority to send the money for fulfil the requirement of future. Therefore, management should ensure that UC has been submitted with concerned department on time.</p>
<p>Non-providing of Utilization certificate for the reporting audit period</p>	<p>We have submitted various UC at the department. We will submit the same at your next visit. However, Balance UC will be prepared and submitted in January 2020 with the help of your team.</p>
<p>Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.</p>	<p>We are maintaining the Store register. The same will be show you at your next visit.</p>



25	Non providing details of Advances, their adjustment & Recovery	To ensure timely recovery of advance with interest proper calculation should be there with proper recovery plan.	We have not given any advance during the period under consideration.
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 कार्यपालक पदाधिकारी
 नगर परिषद बिक्रमाल (रोहतास)
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Urban Development & Housing Department

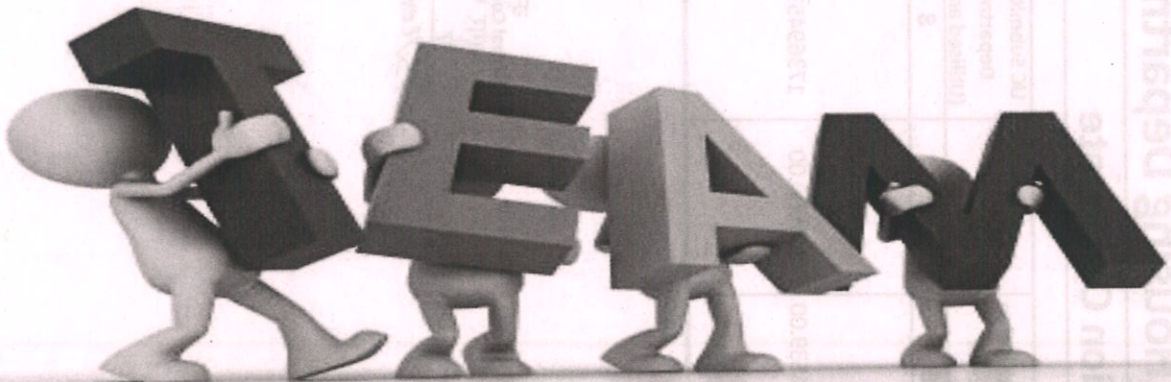
Status of Utilisation Certificate

Sl No	Name of ULB	Name of Schemes	Financial Year	Total Allotted Amount	Total Utilisation Amount	Balance	UC Submitted to Department (Utilised amount)	Reference of UC Submitted (Letter no/Date)	Remarks
1	2	3	4	5	6	7	8	9	10
1	Nagar Parishad Bikramganj	All. Schemes	2003-04 to 2014-15	174545539	173694539.00	851000.00	173694539.00	-	-


 23.5.19
 कार्यपालक पदाधिकारी
 Municipal Commissioner/Executive Officer
 नगर पौरपंच, विक्रमगंज, पटना
 5/5/19
 23.5.19



thank you



Vinod & Co. LLP
CHARTERED ACCOUNTANTS
We Plant Quality

**510, SUMATI PALANCE, OPPOSITE ALANKAR
JEWELERS, BORING ROAD, PATMA-800001**



TEAM
**TOGETHER
EVERYONE
ACHIEVES
MORE**