

INTERNAL AUDIT REPORT

OF ULB

(MEHSI)

FOR THE PERIOD

01/04/2018 TO 31/03/2019

CONDUCTED BY

**M/s R. N. Singh & Co.
208, Hem Plaza, Fraser Road
Near Dak Bunglaw Chauraha,
Patna – 800001**

**From 23-07-2019 to 08-08-2019
Report Issued on 28th August 2019**

10.	ULB should maintain Daily Collection Register separately for each head of its own revenue sources for appropriate internal control and also for appropriate disclosures of books of accounts.
11.	ULB should develop and prepare Pay-roll system of Permanent & Contractual employees.
12.	ULB should assess the Holding & Property tax every year.

5. Comments from Management:

As per discussion with Management, they have ensured that they are looking into the matter and proper action will be taken for all the irregularities coming out from audit.

Detailed discussions on this are given in *Discussion Noteas* attached in quarterly report.

6. Acknowledgement: -

We Thanks Smt. Nirmala Kumari (Executive Officer), for his support during the period of our audit. We are also thankful to the Accountant and other staffs of the Nagar Panchayat for their co-operation during the period of audit.

For R. N. SINGH & CO.
Chartered Accountant
ICAI Reg.No:322066E

CA Chanakya Shree
Partner
M.No: -079322



UDIN - 20079322 AAAAKJ7325

Date - 06/06/2020

8.	There is lack of internal control on education and deposit of various taxes. On deduction of taxes, liability is not created hence it is difficult to ascertain tax payable at any point on time. Taxes such as an I.T.,VAT labourcess androyaltyetc. are collected from time to time but its payments are made on yearly basis which is not proper. Taxes should be remitted to the govt.account on timely basis otherwise penal action may be taken by the concerned department for delayed deposit of taxes.	Persisting Since last year 2016-17	No Action taken by Mehsi nagar panchayat.
9.	Cashier cash book has not been written on daily basis .	Persisting Since last year 2016-17	No Action taken by Mehsi nagar panchayat.
10.	Bank reconciliation statement has not been prepared on monthly basis.	Persisting Since last year 2016-17	No Action taken by Mehsi nagar panchayat.

4. Finance

I. Budgetary provisions and expenditure for the last three years

Year	2016-17	2017-18	2018-19
Final/Revised Budget	28512500.00	117092500.00	665153321.00
Actual Expenditure	26362520.25	100783541.00	118679667.00
Savings(+)/ Excess(-)	2149979.75	16308959.00	546473654.00

II. Volume of transactions.

Period	Budgeted 2018-19	Previous Year (For one year)2017-18	current period (2018-19)
Opening balance	454004.00	212431868.00	235193254.00
Receipts	702126000.00	123544926.80	156961119.00
Total	702580004.00	335976794.80	392154373.00
Net expenditure	665153321.00	100783541.00	118679667.00
Closing balance	37426683.00	235193253.60	273474706.00

- **Notes:** -Closing balance of previous year 2016-17 is 21,45,00,252.75 as per previous audited report, however opening balance of current year 2017-18 is 212431867.8 as per cash book provided for Audit purpose.



III. Bank Reconciliation: -

Details of Closing Balance:

Sr no.	Name of scheme / item	Bank name / account no.	Balance as per pass book	Balance as per cash book	Differences	Remarks BRS Prepared/ Not Prepared
1.	Internal source	PNB- 4253	1951820.10	2035853.60	84033.50	Not Prepared
2.	13 TH Finance	PNB-0024	377634.60	2935711.31	2558076.71	Not Prepared
3.	E-governence	PNB-0305	36990.80	3891.80	33099.00	Not Prepared
4.	Mukhyamantri nagar vikas yojna	PNB-4271	1398233.72	1323023.12	75210.60	Not Prepared
5.	Day Nulm	PNB-7404	131601.90	131601.90	0.00	Not required
6.	H.F.A	PNB-0323	104435687.90	91236599.90	13199088.00	Not Prepared
7.	S.B.M	PNB-0314	2025642.80	2004040.50	21602.30	Not Prepared
8.	BRGF	PNB-0024	377634.60	350026.35	27608.25	Not Prepared
9.	Kabir antosti	PNB-4244	435717.80	390700.80	45017.00	Not Prepared
10.	SJSRY	UBGB-4177	632565.00	632565.00	0.00	Not Required
11.	14 th finance	PNB-0024	377634.60	18863967.00	18486332.40	Not Prepared
11.	Treasury	P.L.A 193	173521837.00	173521837.00	0.00	Not Required

IV. Revenue Receipts: -

Income Details (Amounts to be provided in Rupees)							
Sl. No.	Details	2017-18		2018-19		2019-20	
		2017-18 Annual	2016-17 Annual	2018-19 Annual	2017-18 Annual	2019-20	2018-19
Total Receipts (A+B)		123544927.00	95061956.00	156961119.00	123544927.00		
A.	Revenue Receipts (1+2+3)	3812072.00	1970717.00	10504442.45	3812072.00		
1.	Own Revenue Receipts (a+b)	1057530.00	240767.00	9217823.45	1057530.00		
a)	Tax Revenue(levied and collected by municipal body)	548068.00	240767.00	765561.00	548068.00		
i)	Property tax	548068.00	240767.00	765561.00	548068.00		
ii)	Other tax (levied and collected by municipal body)	-	-	-	-		
b)	Non-tax revenue (levied and collected by municipal body)	509462.00	0.00	8452262.45	509462.00		
i)	Fees & fines	72488.00	-	7837160.00	72488.00		
ii)	User Charges	436974.00	-	615102.45	436974.00		



iii)	Other non-tax revenue (levied and collected by municipal body)	-	-	-	--
2	Other Revenue Receipts	2754542.00	0.00	1286619.00	2754542.00
a)	Income from interest/investments	2478133.00	-	1257901.00	2478133.00
b)	Other Revenue income	276409.00	-	28718.00	276409.00
3.	Transfers/ Grants/ Assigned Revenues-	0.00	1729950.00	0.00	0.00
a)	State Assigned Revenue	-	806112.00	-	-
b)	State Finance Commission (SFC) Grants/ Devolution	-	907156.00	-	-
c)	Octroi compensation	-	-	-	-
d)	Other State Govt. Transfer	-	-	-	-
e)	Central Finance Commission (CFC) Grant	-	16682.00	-	-
f)	Other Central Govt. Transfer	-	-	-	-
g)	Others	-	-	-	-
B.	Capital Receipts	119732855.00	93091239.00	146456675.60	119732858.00
1	Sale of Municipal Land	-	-	-	-
2	Loans (from State Govt. or Banks etc.)	-	-	-	-
3	State Capital Account Grant (under State Schemes etc.)	59300283.00	42404472.00	138855830.60	59300283.00
4	Central Capital Account Grant (under Central Schemes etc.)	60297462.00	50686767.00	7600845.00	60297462.00
5	Other Capital Receipts	135110.00	0.00	-	135110.00

Notes:- Receipt as per volume of transaction is Rs97,013,573 And Balance as per revenue and capital receipt Rs95,061,956 in previous audit report . The difference is Rs1,951,617 in volume of transaction and revenue and capital Exp.For the financial year 2016-17.

V. Revenue and Capital Expenditure Information: -



Expenditure Details (Amounts to be provided in Rupees)

		2017-18		2018-19		2019-20	
Sl. No.	Details	2017-18 (Annual)	2016-17 (Annual)	2018-19 (Annual)	2017-18 (Annual)	2019-20	2018-19
Total Expenditure (1+2)		100783541.25	52991875.25	118679667.55	100783541.25		
1	Revenue Expenditure	8580042.25	Details have not been provided to us to annexed.	12581117.45	8580042.25		
1.1	Administrative Expenses, Establishment and Salaries (All Departments- Regular and Contractual Staff)	6975416.00		4108399.00	6975416.00		
1.2	Operation and Maintenance (O&M)	1425555.55		1011201.25	1425555.55		
1.3	Loan repayment (Interest payments)	-		1031940.00			
1.4	Others (any other revenue expenditure which is not salaries, O&M or Interest Payment)	179070.70		6429577.20	179070.70		
2.	Capital Expenditure	92203499.00		106098550.10	92203499.00		
2.1	All developmental works under Central/State specific schemes	91531569.00	106043851.40	91531569.00			
2.2	Loan Repayments (Principal Amount)	-	-	-			
2.3	Other Capital expenditure	671930.00	54698.65	671930.00			



Note: - We have taken all financial figures of 2017-18 from previous audit report Which is provided by the Nagar Panchayat and all financial figures which is required as per report format is not available in previous audit report i.e., 2017-18.

VI. Status of implementation of Double Entry Accounting System

Accounting of Nagar Panchayat Mehsi has not been maintained as Double Entry Accounting System. The consultant for DEAS has been appointed but financial accounts for 2018-19 are still to be prepared. However, DEAS team has started work on 28/01/2019 From consultancy firm-M/S Vinod Singhal & co.

VII. Status of Municipal Accounts Committee; if meeting is held

As per Section 98 of Bihar Municipal Act ,2007 it is necessary for the municipality to constitute a municipal Accounts committee at its First meeting in each year or as soon as may be at any meeting Subsequent there to, but no municipal Accounts Committee has been constituted by the N.P. till the date of our audit.

5. Audit Observations:

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.**

i. Mobile Tower Collection: -

Audit Objective – As per Point No. – 5 of TOR

Criteria – Tower Tax is tax on Communication Tower & related structure as defined in BIHAR COMMUNICATION TOWERS AND RELATED STRUCTURES RULES, 2012. As per the rule, all operators are required to register with their concerned ULBs and pay registration fee & renewal charges on annual basis for communication tower erected within municipal area. Currently the registration fee for Nagar Panchayat is Rs. 30,000/- per tower and annual renewal fee is Rs. 8,000/- per annum per tower.

Condition –As per details provided to us there are total 08 Mobile Towers registered with this ULB up to 31.03.2019 and Rs.1434893.355 is dues till the date of audit from these tower operators as Tower Tax.

Consequence Effect/ Impact - Due to non-collection of Tower Rent within prescribed 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 hasno proper mechanisms for supervision and monitoring of the Tower Rent which results in Revenue leakage.

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

Sl. No	Name of Mobile Tower	Ward No.	REGISTRATION FEE	RENEWAL FEE	AMOUNT OUTSTANDING AS ON 31-03-2017	INTREST	COLLECTION	DUES
1.	GTL INFRASTRUCTURE LIMITED	10	30000	8000	180952.80	8502.87	0	189455.67
2.	BHARTI INFRATEL LIMITED	06	30000	8000	81088.23	81448.00	0	162536.23
3.	BHARTI INFRATEL LIMITED	12	30000	8000	81088.23	81448.23	0	162536.47
4.	BHARTI INFRATEL LIMITED	03	30000	8000	81088.23	81448.23	0	162536.47
5.	IDEA CELLULAR INFRASTRUCTURE SERVICE LTD.	03	30000	8000	180952.82	8502.88	0	189455.70
6.	AIRCEL	12	30000	8000	180953.87	8502.93	0	189456.90
7.	RELIANCE	07	30000	8000	180953.87	8502.93	0	189456.90
8.	B.S.N.L	05	30000	8000	180955.96	8503.02	0	189458.98
TOTAL			1434893.35					

ii. Advertisement Tax

Audit Objective – As per Point No. – 5 of TOR

Criteria– Non – levied of advertisement tax by the ULB.

Consequence / Effect / Impact - Due to non - levy of collection of advertisement tax, there is a revenue loss to ULB.

Cause– This happens due to lack of awareness of imposition of advertisement tax of concerned person of the ULB.

Corrective Action / Recommendation – There should be proper monitoring and further steps are required to be taken for collection of advertisement tax by the concerned ULB.

iii. Holding & Property Tax Deposit – Irregularity: -

Audit Objective – As per Point No. – 5 of TOR



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

Condition - Tax Amount is not deposited timely into Bank. In some cases, collected amount has been retained by the Tax Collectors for a period of 1-2 month from the date of collection of taxes.

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

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

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

iv. **Holding & Property Tax Collection: -**

Audit Objective– As per Point No. – 5 of TOR

Criteria – Non-Collection of Property Tax/Holding Tax by the concerned ULB.

Condition– Total Property Tax/Holding Tax outstanding as on 31stMarch 2019 is Rs. 2270530/-

Consequence / Effect / Impact- Holding / Property Tax is collected by the tax collector from all wards but in some cases, property tax is not being collected from long period by the tax collector. Due to non-collection of Property/Holding Tax, there is a major operational revenue loss to ULB and there is no record / register to know total current & arrear demand of holding tax. Demand / Arrear Register have also not been provided to us for verification.

Cause– This happens due to lack of proper follow up and monitoring of activities of Tax Inspector / Collector by the concerned officers on regular interval.

Corrective Action / Recommendation– There should be day to day monitoring on Collection of Taxes and also maintenance and updating of Demand & Collection Register on regular interval.

Year	Total Demand			Total Recovery	Total Arrear
	Arrear	Current	Total		
2018-19	1199091.00	1837000.00	3036091	765561	2270530



v. **Market/Shop Rent Collection: –**

Audit Objective– As per Point No. – 5 of TOR

Criteria– Non-Collection of Market/Shop Rent and imposition of late fine by the concerned ULB.

Condition– ULB has no any own shop in their Nagar Panchayat.

Consequence / Effect / Impact- ULB has no any own shop in their Nagar Panchayat.

Cause– ULB has no any own shop in their Nagar Panchayat.

Corrective Action / Recommendation– ULB has no any own shop in their Nagar Panchayat.

b. **Excess payment against bill, lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULB's:**

➤ No observation found during the course of audit.

c. **Report on findings of field survey of Property Tax of minimum 20 high value properties:**

Report on field survey of 20 high value properties

Sl. No.	Owner Property Name	Add Of Owner	Ward No	Taxable Area	Annual Rent	Annual Property Tax.	Resi/Com/Other
1	Albela Singh	-	07	2040	3232	290.88	Commercial
2	Avnish Prasad	-	10	2000	3168	285.12	Commercial/Residential
3	Badruddin Ansari.	-	07	6000	3024	272.16	Commercial
4	Madarsa	-	06	6800	2999	269.91	Commercial
5	School	-	06	8800	2772	250.92	Commercial
6	Md. Farzad Ali	Habib Ansari	04	1760	2788	250.92	Commercial
7	Madhu Market	Praveen Raj	04	1760	2788	250.92	Commercial
8	Arvind Mishra	-	04	1760	2788	250.92	Residential/Commercial
9	Rakesh Kumar	Late.Billo Mangal Prasad	04	1760	2788	250.92	Residential/Commercial
10	Bhulan Ansari	Late. Sadakat Husain	10	1760	2788	250.92	Commercial
11	Vishwanath Chaudhry	Late. Gajadhar Prasad Chaudhry	11	1760	2788	250.92	Commercial/Residential



12	md.kyamuddin	Saiyad nawab	04	1760	2788	250.92	Commercial/residential
13	Md. Jamaluddin	Md. Ahmad Husain	04	1760	2788	250.92	Commercial
14	Haidar nawab	Saiyad nawab	04	8800	2772	249.48	Commercial/residential
15	Ramesh Prasad	-	03	2200	3485	313.65	residential
16	Jawahar lal singh	Late suraj ray	11	4200	5739	516.51	Residential/commercial
17	Binda shah	Late Khenal shah	03	3520	5575	501.75	Commercial
18	Bhagwan Prashad	Late bhola prashad	04	3400	5385	484.65	Commercial
19	Sanjay	Ram lubhash	04	2600	4118	370.62	Commercial
20	Lukshman prashad	Nand lal shah	06	3590	4550	409.5	Residential/commercial

Note: Property/ Holding tax are assessed by the ULB. On test check basis, we have calculated the area and no variance found. However, it is very difficult to do the Field Survey due to resentment of property holders and sometimes it gets very ugly.

II. Part-B

All Audit objections/regularities which has no monetary implication, but significant violation of act, Rules directives of UD&HD. Mention the reference to Act & Rules wherein remedial measure is required.

a. Non –maintenance of books of accounts, subsidiary registers: -

It has been noticed during the audit that the following Books of Accounts & Registers has not been maintained or not properly maintained (Status as mentioned).

Sl. No.	Particulars	Status
1	Fixed Assets Register	Not Maintained
2	D.C.R Register	Not Maintained
3	Log Book Register	Not Maintained
4	Statutory Register	Not Maintained

b. Irregularity in procurement process: -

As per TOR we have checked and verified all procurements above Rs. 15000 and we have some irregularity found in this regard as per the rule all procurement above 500000.00 should be made through E-tendering however he has procured through Quotation which is irregularity of procurement process.

Details of some of the Procurement above 15000 are mentioned below:



Sr.No	Contractor Name	Agreement No	Amount
1.	SG.CONSTRUCTIONS	SGC/2018-19/006	1642500

c. Non-compliance of directives by UD &HD, Government of Bihar: -

We observed several non-compliances of directives of UD&HD, GOB such as; -

- (1) Non collection of various taxes required to be collected.
- (2) Non maintenance of prescribe books of accounts
- (3) Non submission of UC and other reports on timely basis

d. Non- compliance of Act & Rules: -

As per section 127 of the Bihar Municipal Act, the Municipality can levy the following taxes:

- Property tax on land and building
- Surcharge on transfer of land and building.
- Tax on deficit in parking space in any non-residential building.
- Water tax,
- Fire tax,
- Tax on advertisement
- Surcharges on entertainment tax,

We observed that only property tax has been collected during the year other taxes have not been levied till date.

And Income Tax Act 1962 is not properly followed by Ulb.

- TDS is not deducted under proper sections.
- Statutory Deductions are done but have not been deposited.

e. Lack of internal control measures: -

1. During the course of our Audit, we have observed various discrepancies in the Cash Book, which are enumerated below: -

- Head wise expenditure were not clearly entered and recorded.
- The cash book balances were not reconciled with the Balances in Bank Pass Book.



2. After analyzing operating control, it was observed that there is shortage of Man Power in ULB. Consequently, it is not functioning smoothly with respect to completion of works on time, provide and review the service efficiently which is the main function of ULB, preparation of books and records on time etc.

f. Non-compliance of TDS, GST and other relevant statute: -

- Quarterly Return for TDS has not been filed for the FY_2018-19.
- Quarterly Return for GST has not been filed for the FY_2018-19.

g. Deficiency in pay-roll system: -

There is no system of Payroll implemented at the ULB. So, we are unable to comment on the same. Moreover, there is no Register has been shown to us during the period of internal audit, records relating to statutory deduction like PF, ESIC, and Income tax etc. Thus we are unable to comment in the deficiency in pay-roll system.

h. Utilizations of grant and report on Pending/missing Utilization certificates for the FY_2018-19.

During the course of audit we observed that some of the UCs are pending for submission to the UD & HD and the details of pending UCs(in lakh) are as follows:-

S. No.	Name of Scheme	Amt. Allotted	UC Pending Amt.	Letter No.
1.	Executive officer salary	700000	700000	07/25-05-2018
2.	Mudrank sulak	7837160	7837160	532/02-08-2018
3.	5 th Finance	4839039	4839039	15/03-07-2018
4.	5 th Finance	4839039	4839039	15/03-07-2018
5.	Mukh mantri Nali Gali Yogna	3633823	3633823	22/10-07-2018
6.	Mukh mantri Nali Gali Yogna	3348026	3348026	22/10-07-2018
7.	Mukh mantri Nali Gali Yogna	212314	212314	22/10-07-2018
8.	State Plan	1024150	1024150	53/04-09-2018
9.	5 th Finance	4948865	4948865	21/10-07-2018
10.	5 th Finance	4948864	4948864	21/10-07-2018
11.	14th Finance	2901436	2901436	32,82/31-10-2018
12.	14th Finance	2901436	2901436	32,82/31-10-2018
13.	State Plan	3688250	3688250	46/04-12-2018
14.	Peshakar Mad	1126723	1126723	27,77/24-10-2018
15.	State Paln(Nagrik Subhidha Mad)	3364800	3364800	31,81/31-10-2018
16.	14th Finance	2881146	2881146	75,120/25-01-2019
17.	14th Finance	2881145	2881145	75,120/25-01-2019



18.	Mukh mantri Nali Gali Yogna	2270078	2270078	99/06-03-2019
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I. Physical verification of inventory/stores: -

Inventory/ Stores Register and Fixed Assets Register have not been maintained in concerned ULB and in the absence of above register; it is difficult to verify the same.

J. Advances, their adjustment & recovery: -

Advance Register has not been maintained by the concerned ULB and in the absence of above register it is difficult to check or comments on adjustment and recovery of advances.

K. Any other matter as may be prescribed in due course: - Nil

PART – “C”
Scope of Audit

Sl. No	Particular	Remarks/ Observation
1	Whether all these the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.	No observation found in this regard.
2	What is the status of implementation of SAS of Property Tax in the ULB; If SAS has been implemented then witness some assessment procedures to check any in-consistencies in assessment. at least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not).	We have witnessed the 20 high value of property same has been reported above in Point 5, Part A(c).
3.	Whether all compliance have been complied regarding Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR	Rule 22: We have found that all money has been brought to account but delayed. Rule 27: We have observed that the collected money has not to be deposited into the account on time



<p>Rule 22: All moneys to be brought to account</p> <p>Rule: 27: Collections to be deposited into Bank on the same day</p> <p>Rule 69: Grant Related Compliance</p> <p>Rule 120-121: Monthly Receipt & Payment Account and Trial Balance</p> <p>Rule 130: Audit to be completed & reported within 6 month</p>	<table border="1"> <thead> <tr> <th>Receipt No.</th> <th>Amt</th> <th>Period</th> <th>Deposit date</th> </tr> </thead> <tbody> <tr> <td>2567 to 2592</td> <td>13260</td> <td>17.04.18 to 30.04.18</td> <td>04.05.18</td> </tr> <tr> <td>2661 to 2699</td> <td>50158</td> <td>01.06.148 to 30.06.18</td> <td>30.06.18</td> </tr> <tr> <td>2802 to 2826</td> <td>10078</td> <td>05.09.18 to 30..9.18</td> <td>01.10.18</td> </tr> <tr> <td>2884 to 2933</td> <td>22810</td> <td>01.12.18 to 31.12.18</td> <td>31.12.18</td> </tr> <tr> <td>3051 to 3453</td> <td>155058</td> <td>02.03.2019 to 31.03.2019</td> <td>02.04.19</td> </tr> </tbody> </table>	Receipt No.	Amt	Period	Deposit date	2567 to 2592	13260	17.04.18 to 30.04.18	04.05.18	2661 to 2699	50158	01.06.148 to 30.06.18	30.06.18	2802 to 2826	10078	05.09.18 to 30..9.18	01.10.18	2884 to 2933	22810	01.12.18 to 31.12.18	31.12.18	3051 to 3453	155058	02.03.2019 to 31.03.2019	02.04.19
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<p>Rule 69: Grant related compliance has been done properly.</p> <p>Rule 120-121: Monthly Receipt & Payment Account and Trial Balance are not being prepared.</p> <p>Rule 130 is not being followed.</p>																									
<p>4 Whether all such compliance of financial guidelines of schemes of MOHUA and UD & HD, Gob have been complied.</p>	<p>Yes, Compliance of financial guidelines of schemes of MOHUA and UD & HD, Gob have been complied.</p>																								
<p>5 If any revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc. have incurred then quantify the same.</p>	<p>Loss of Rs. 1434893.355/- has been made to the ULB for non-collection registration and renewal fee from installed transmission tower in the jurisdiction of ULB.</p> <p>There are no cases regarding collection of Advertisement Tax, Notice Fee and Trade License has been observed during the course of our audit.</p>																								
<p>6 Status of adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments on or above Rs. 10,000.</p>	<p>No Observation Found in this regard.</p>																								
<p>7 Whether all Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above Rs. 15,000/-</p>	<p>As per TOR we have checked and verified all procurements above Rs. 15000 and we have some irregularity found in this regard as per the rule all procurement above 500000.00 should be made through E-tendering however he has procured through Quotation which is irregularity of procurement process..</p>																								



8	An assessment of presence or absence of a system of issuance of utilization certificate for the different schemes for any utilization made during the reporting period; Where there is no system for issuance of U/Cs, prepare Utilization Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	There is some sort system for issuance UC of Rs. 52916319 of various scheme are pending for submission to the Urban Development & Housing Department till the 4 th Qtr. of financial year 2018-19. However, we are trying our best to help the ULB to get all the UCs prepared and submitted in due course and it will be done in due course. Details of these are given above in point no. h of Part-B.
9	Verify instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	We have verified such instances and found some irregularities. Details of irregularity have been annexed in Executive Summary in Observation Para, and recommendations have also been annexed in Recommendation in Executive Summary.
10	Whether all such payments have been made according to payment terms & conditions of tenders and rate offers are according to procurement law and policies.	It has been observed that all payments have been made according to payment terms & conditions of tenders.
11.	Whether the fixed deposit and other funds should be kept in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period.	No Such type of issue found in this regard.
12	Verify all major areas of ULBs and assessed revenue loss and if any losses have been identified then prepare a statement of loss for revenue losses.	We have verified all major areas of ULB and assessed some revenue losses; same have been reported in "Part A".
13	Whether tax deductions i.e. Commercial tax, Income tax, provident fund etc. should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.	We observed that statutory compliance has not been accomplished by ULB regarding deduction, deposit and return also. Details of major statutory irregularities are: <ul style="list-style-type: none"> • TDS return has not been filled. • TDS have not been deposited appropriately. • GST return has not been filled. Penalty and Interest may be levied on ULB as per Statutory Laws.

"Sheet B".



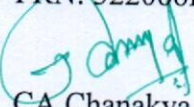
Amount Collected from own sources revenue has not been deposited into bank by the ULB on the same date/next to the same date as required. The details are given below.

Receipt No.	Amt.	Period	Deposit date
2567 to 2592	13260	17.04.18 to 30.04.18	04.05.18
2661 to 2699	50158	01.06.148 to 30.06.18	30.06.18
2802 to 2826	10078	05.09.18 to 30..9.18	01.10.18
2884 to 2933	22810	01.12.18 to 31.12.18	31.12.18
3051 to 3453	155058	02.03.2019 to 31.03.2019	02.04.19

General Observations: -

There is lots of scope for improvement with respect to maintenance of Records and Registers. The important and basic records like Advance register, annual accounts, assets register were not maintained. Effective steps may be taken to improve the maintenance of accounts and increasing of its own sources of revenues.

For R.N. Singh &Co.
Chartered Accountants
FRN: 322066E


CA Chanakya Shree
Partner
Mem No: 079322



UDINI-20079322AAAAKJ7325

Date - 06/06/2020

Discussion Note Mehsi

Annual Quarter

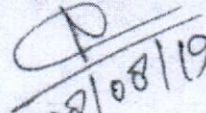
Financial Year 2018-19

SL No	Particulars	Management Remarks
1.	Computerized accounting system has not been implemented by the ULB in F/Y2018-19.	अतिरिक्त बल नहीं होने के कारण नहीं हो पाया। भविष्य में इसे कर लिया जाएगा।
2.	ULB has not been in practice to prepare monthly receipt and payment account.	अतिरिक्त बल नहीं होने के कारण नहीं हो पाया। भविष्य में इसे कर लिया जाएगा।
3.	We observed that Statutory Compliance has not been accomplished by ULB. These statutory irregularities are following: TDS return has not been filled. Labor-cess & Royalty & VAT has not been deposited to concern department which is deducted from payment.	सभी प्रकार की कटौति का भुगतान संबंधित विभाग को वित्तीय वर्ष के अंत में जमा कर दिया जाता है। भविष्य में सुझावात्मक कार्य किया जाएगा।
4.	Holding tax is not Deposited on same Day according to the time Stipulated in Municipal act 2007.The details has been given- Date of collection receipt no. Amount Date of deposit 02/03/19 to 3051 to 3453 Rs. 155058.02/04/19 31/03/19	होल्डिंग टैक्स की राशि माह के अंत में जमा कर दिया जाता है। भविष्य में सुझावात्मक कार्य किया जाएगा।
5.	Various register books of records etc. are not being prepared by the ULB such as fixed asset register, Demand register, collection register.etc	अतिरिक्त बल नहीं होने के कारण नहीं हो पाया। भविष्य में इसे कर लिया जाएगा।
6.	No action is taken by Nagar Panchayat Mehsi for collection of Tower tax.	कार्यालय द्वारा सभी टॉवर मालिको नोटिस निर्गत किया जा चुका है। टॉवर मालिको द्वारा सी0डब्लु0जे0सी का हवाला देते हुए अभी कोई कार्रवाई नहीं करने का आग्रह किया गया है।



08/08/19
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7.	Municipal accounts committee has not been constituted till the date of audit.	जानकारी के आभाव में ऐसा हुआ भविष्य में इसका गठन कर लिया जाएगा।
8.	ULB is not in practice to prepare summary of daily collection receipt in form GEN-13.	अतिरिक्त बल नहीं होने के कारण नहीं हो पाया। भविष्य में इसे कर लिया जाएगा।
9	Demand and arrear registers of holding tax are not prepared by the ULB.	अतिरिक्त बल नहीं होने के कारण नहीं हो पाया। भविष्य में इसे कर लिया जाएगा।
10.	Pay-roll system at the ULB is not maintain. The register, records relating to statutory deduction like PF, ESIC, Income tax are not maintained. the PF, ESIC with respect to contractual employee are neither deducted nor paid to the statutory authority.	भविष्य में सुझावात्मक कार्य किया जाएगा।
11.	Bank reconciliation statement is not prepared month wise for fourth quarter of F.Y -2018-19.	अतिरिक्त बल नहीं होने के कारण नहीं हो पाया। भविष्य में इसे कर लिया जाएगा।
12.	Some amount of Grant allotted to nagar panchayat but against these allotments, no UCs Submitted.	खर्च के उपरोक्त यू0सी0 जमा कर दिया जाएगा।


 08/08/19
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 नगर पंचायत मेहसी
 पूर्वी, चम्पारण

08/19



कार्यालय नगर पंचायत मेहसी पूर्वी चम्पारण ।

- 01 वित्तिय वर्ष 2017/18, 2018/19, 2019/20 का Bank Reconcilattion Statement कार्यालय में अतिरिक्त बल नहीं होने के कारण तैयार नहीं किया गया है।
- 02 वित्तिय वर्ष 2017/18 2018/19 2019/20 का Financial Statement कार्यालय में अतिरिक्त बल नहीं होने के कारण तैयार नहीं किया गया है।

08/08/19
नगर कार्यपालक पदाधिकारी
नगर पंचायत मेहसी, पू0च0।

8/8/19



NAME OF NAGAR PANCHAYAT MEHSI

As per information and explanations given by Nagar Panchayat Mehsi and records examined by us relating to fund of Rs. Alloted during the year - 2018-19 to Rs. of U.C. has been submitted to the department and Rs. Of U.C. are pending relating to the F.Y. 2018-19 as on date. Details as given:

Sr. No.	Name of Scheme	Allotment of Fund	Amount of Ucs	U.C. Pending	Letter no. and date of submission
1	Executive Officer salary	700,000.00		Pending	07/25.05.2018
2	Mudrank Sulk	7,837,160.00		Pending	532/02.08.2018
3	5th Finance	4,839,039.00		Pending	15/03.07.2018
4	5th Finance	4,839,039.00		Pending	15/03.07.2018
5	Mukh Mantri Nali Gali Yojna	3,633,823.00		Pending	22/10.07.2018
6	Mukh Mantri Nali Gali Yojna	3,348,026.00		Pending	22/10.07.2018
7	Mukh Mantri Nali Gali Yojna	212,314.00		Pending	22/10.07.2018
8	State Plan	1,024,150.00		Pending	53/04.09.2018
9	5th Finance	4,948,865.00		Pending	21/10.07.2018
10	5th Finance	4,948,864.00		Pending	21/10.07.2018
11	14th Finance	2,901,436.00		Pending	32,82/31.10.2018
12	14th Finance	2,901,436.00		Pending	32,82/31.10.2018
13	State Plan	3,688,250.00		Pending	46/04.12.2018
14	Peshakar Mad	1,126,723.00		Pending	27,77/24.10.2018
15	State Plan (Nagrik Subidha Ma	3,364,800.00		Pending	31,81/31.10.2018
16	14th Finance	2,881,146.00		Pending	75,120/25.01.2019
17	14th Finance	2,881,145.00		Pending	75,120/25.01.2019
18	Mukh Mantri Nali Gali Yojna	2,270,078.00		Pending	99/06.03.2019
Total		58,346,294.00			

(Signature)
18/12/20

नगर कार्यपालक पदाधिकारी
नगर पंचायत मेहसी
पूर्वी, चम्पारण

