

Urban Development & Housing
Department, Government of Bihar

INTERNAL AUDIT REPORT

Of Nagar Parishad Danapur Nizamat,

For the period from 01-04-2021 to 31-03-2022

Internal Audit conducted by

GKSureka & Co.
Chartered Accountants

Flat No: 104, Baidyanath Palace, Jagdeo Path More, Bailey Road

Pillar No. 10, Patna-800014 (Bihar).

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From 10-09-2022 to 25-09-2022

Report Issued on 14-10-2022

Audit Report :

Content of Audit Report:

1. Executive Summary
Scope of Audit
2. Auditee Profile
3. Summary Audit Observations
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5. Annexure
6. Acronyms

1. Executive Summary

1. Introduction

Name of the Municipality	Nagar Parishad Danapur
Period covered under current audit	01-04-2021 to 31-03-2022
Name of the Chairman of the ULB for the period under Audit	Dr. Annukumari, from 21-06-2017 to till date,
Name of Chief Municipal Officer for the period under Audit	Executive Officer Mr. Shushil Kumar

2. Results and Findings

Strength observed during the audit engagement	<ul style="list-style-type: none">➤ General Cash Book, Inventory and stock register is maintained.➤ Staff Co-operation during the Audit period was very good.➤ All municipal transactions shall be identified with funds in accordance with rule 5, and separate accounting records have been maintained for each fund.➤ Office infrastructure is sufficient for operation.
Weakness observed in the functioning of office, maintenance of records etc. observed during the audit engagement. <i>The comments under these two categories should summarize each significant Audit observation in the order of materiality. The summary should be as brief as possible and draw on the observations under</i>	<ul style="list-style-type: none">➤ Municipality has not been maintaining its books of accounts using double accounting system of book keeping following accrual system of accounting principles guided by the Bihar Municipal Accounting Manual, while UDHD has appointed Vinod Singhal & Co Chartered accountant vide letter no 07/16/2018,849.➤ Statement of outstanding liabilities



<p><i>the Para on Consequence/Effect/ impact of each Audit observation. It should also include a summation of outstanding statutory and internal audit observations.</i></p>	<p>Expense in BMAR Form-55 is not maintaining by the municipality.</p> <ul style="list-style-type: none"> ➤ Taxes and other revenue collections from internal sources are not deposited in bank on same day. ➤ Assessment of Property Tax, Rent and other resources has not been conducting on regular intervals.
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3. Opinion

<p>Overall opinion of the Audit team about the functioning of the Municipality</p>	<p>The functioning of the Municipality is weak due to following reasons:</p> <ul style="list-style-type: none"> ➤ Most of the prescribed Books of accounts are not maintained ➤ Internal Control w.r.t. collection of taxes, monitoring of grant, monitoring of advances, monitoring of schemes etc. is very poor. ➤ Collection from own sources is very poor. ➤ Grant received for various purposes are not utilized on timely basis.
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4. Audit Recommendations

<p>The recommendations of Audit team on the observed weakness</p>	<p>We recommend the followings:</p> <ul style="list-style-type: none"> ➤ Books of Accounts need to be maintained on double entry accounting system. ➤ All the prescribed books of accounts and Registers should be prepared on real time basis. ➤ Cashier Cash Book should be written on daily basis. ➤ Collection by tax collector should be deposited on daily basis. ➤ Assessment of property should be conducted on regular intervals. ➤ Demand Collection Register of all the wards should be prepared. ➤ Property tax register should be prepared as per new assessment. ➤ Collection from own sources should be improved.
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The recommendations of Audit Team on the observed weaknesses. This could be presented in a box of highlighted print.



5. Comments from Management

Comment from Management	The audit report has been discussed with us; we will try our best to remove the irregularities pointed out in the audit report. For Nagar Parishad Danapur Nizamat (Executive Officer)
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This should also include local management's action plan for resolution of the issues and compliance to the internal auditor's recommendations and suggestions on the areas of process and control weakness/ deficiency.

6. Acknowledgement

7. We thank Mr. Shushil Kumar (Executive Officer) and Mr. Shiv Pujan Rai (Accountant) for their support during the period of our audit. We are also thankful to Tax Daroga Mr. Shayam Babu Prasad and support staffs of the municipality for their cooperation extended to us during the period of our audit.

Place: Patna

Date: 05.06.2023

For G.K. Sureka & Co.

Chartered Accountants

FRN - 513018C


C.A. Khurram Javed
Partnered Accountants
M.N.-539535

UDIN: 23539535BGTJQT5725

8. Management Discussion with Risk Assessment

Risk Rating

High

Medium

Low



S. No.	Observations (sort the observations from high risk to low)	Risk Rating	Design Gap	System Gap	Operational Gap	Management (CMO) Comments	Reference Page
01	Loss of Revenue due to under assessment/ wrong generation of demand	H	--	Demand not Generated	Demand Registers not maintained	Noted for compliance	Demand registers should be prepared and updated to implement the designed system and to reduce the losses.
02	Non-updating various register like General Cash book, hand book, DCB register, Assessment register, etc.	M	--	--	Registers has not been updated on regular intervals.		

G. K. Sureka & Co.

Chartered Accountants



Date:

Place:

Executive Officer
(signature with ULB's stamp)

Nagar Parishad Danapur Nizammat

Date:

Place:

Scope of Audit:

To improve and strengthen the financial Management at ULB, it has been decided, inter alias, to initiate Internal Audit of all significant financial transaction on an on- going basis.

Scope of Audit has been defined in Terms of Reference (TOR) of Internal Audit, Which include the following transaction:

- I. Internal Audit should undertake risk-based review and evaluation of the internal control as discussed in Bihar Internal Control Manual. Internal Audit should devote particular attention to any aspects of the internal control environment affected by significant changes to the ULB's risk environment.
- II. Internal 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. In its report there must be a separate section for non-compliance of rules/directives of UD&HD, GoB;
- III. Report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR
 - Rule 22: All moneys to be brought to account
 - Rule: 27: Collections to be deposited into Bank on the same day
 - Rule 69: Grant Related Compliance
 - Rule 120-121: Monthly Receipt & Payment Account and Trial Balance
 - Rule 130: Audit to be completed & reported within 6 month
- IV. Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.
- V. 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;
- VI. Check on audit trail of all collection of Taxes and Non-Taxes either through staff or outsourced agency and report of any lapses in controls,



- if any and also advise recommendations to strengthen the prevailing processes;
- VII. Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;
- VIII. Vouch on all payments above Rs. 10,000 and report on adequacy and appropriateness of its documentation, approvals, compliance of procedures etc.
- IX. 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/-
- X. Auditor should report on presence or absence of a system of issuance of UC 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 If no system for UCs in the ULB Internal Auditor has to prepare UCs for the reporting period for which audit has been conducted.
- XI. Commissioner / Executive Officer of the ULBs if they want, they can take help of the internal Auditor to ensure all the payment related to contracted works, purchase bills, advances refund of all kind of work related deposits, all kinds of consultancy fees and contingent bill of ULB according to the rules and regulation as per Municipality Act 2007, Municipal Accounts manual & Rules;
- XII. Report on Procurement procedure and payment of all works, goods and services.
- XIII. Internal Auditor shall also, provide recommendations to help the ULB management improve the ULB's internal control environment;
- XIV. Internal Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be



taken to avoid their recurrence in future.

- XV. Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.
- XVI. 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.
- XVII. Internal Auditor will report on that all the expenditure i.e. Construction work, Material Procurement, Electric Bill, Telephone Bill, Diesel, Petrol, Greece, Vehicle Bill, House Rent etc. are as per the terms and condition of the contracts.
- XVIII. Internal Auditor will report on, whether all the security deposit and earnest money deposited in tender/agreement process have been deposited in the bank immediately. Similarly refunds of these security deposit and earnest money deposit have been made on time.
- XIX. Internal Auditor will identify major areas of ULBs own revenue loss and auditor will access the loss and Prepare a statement of loss.
- XX. Auditor will report on 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.
- XXI. 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.



2. Auditee Profile

1) Introduction

The Internal audit of (Nagar Parishad Danapur) covering the period from 01-04-2021 to 31-03-2022 was conducted by following persons under guidance of CA. Khurram Javed Partner, M/s G.K. Sureka & Co., (Chartered Accountants).

- i. CA Santosh Sah
- ii. Mr. Upendar Kumar

2) Administration

The present body of the ULB has taken charge on 21-06-2017. The incumbency in the key administrative and executive positions was as under:

- | | |
|----------------------|--|
| 1. Chairman | : Dr. Annukumari, from 21-06-2017 to till date, |
| 2. Vice-Chairman | : Mr Deepak kumar, from 20-08-2019 to till date. |
| 3. Executive officer | : Mr. Shushil Kumar |



3) Review of outstanding audit paras: Status of Audit Observations is as under:

S.NO	Particulars of audit and date of report	Total No. of Audit Paras	Total No. of Paras where necessary improvement/ corrective measure is 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 outstanding para where no action has been taken	No. & date of compliance report
1.	AG Audit Report No.274/16-17 Dated: 24-10-2016	11	11	8	2	3.88 Lakhs	Nil	11 Dated: 03-02-2018

Please mention the outstanding paras wise details, where audit team helped ULBs in making compliance report as per para xxi of scope of work of internal audit.

The Major observations of AG audit report are as under:

Para No.	AG Audit Observations	Amount Recovered	Compliance Status
1.	Non collection of labourcess of Rs.268.72 Lakh on approval of MAP's.	-	Complied
2.	Irregular payment of Rs.167.65 Lakh on carriage and freight.	-	-do-
3.	Non Deposit of cash collections Rs.1.16 Lakh and delayed deposited during audit.	1.16	-do-
4.	Non deduction of penalty amount on delayed completion of work.	-	-do-
5.	Un-authorized payment of Rs.223.18 Lakh on daily wages.	-	-do-
6.	Non collection of development permits fees Rs.8.96 Lakhs on approval of maps.	-	-do-
7.	Observations shifted to Para-8	-	-do-
8.	Purchase of equipment's on single tender application.	-	-do-
9.	Irregular payment of Rs.24.54 Lakh to contractual staffs appointed without approval of UDHD, Patna.	-	-do-
10.	Unauthorized installation of mobile towers and outstanding balance due of Rs.105.81 Lakh for registration and renewal fees.	-	-do-
11.	Non-collection of shop rent Rs.2.72 Lakh.	2.72.	-do-

➤ We have been provided with the AG Audit Report and and its compliances. Nagar Parishad has already send compliance report to Chief Secretary, UD&HD, Bihar and Chief Audit Officer, Auditor General, Bihar via Letter No. 172 dated 05-02-2018 and 170 dated 03-02-2018 respectively.



1) Finance

I. Budgetary provisions and expenditure for the last three years

	FY 2019-20	FY 2020-21	FY 2021-22
Final/Revised Budget	1,81,36,71,000	2,001,010,750.00	2,18,08,13,225.00
Actual Expenditure	45,15,94,825	7,82,17,686.00	972,285,318.11
Savings(+)/Excess(-)	1,362,076,175	1,922,793,064.00	1,208,527,906.89

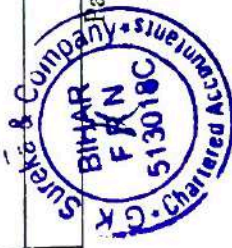
II. Volume of transactions

Period	Budgeted FY 2021-22	Previous Year (For one year) FY 2020-21	Corresponding Period of Previous Year of FY 2019-20	Current Period of F. Y 2021-22	Cumulative for the current period 2021-22
Opening balance		1,47,83,71,322.	1,30,21,01,928	1,467,258,201.88	1,467,258,201.88
Adjustment in			5,48,201		
Opening Balance		692,251,963.59	627,316,018	566,030,079.90	566,030,079.90
Receipts	2,18,10,69,387.00	2,170,623,285.65	1,929,966,147	2,033,288,281.78	2,033,288,281.78
Total	2,18,10,69,387.00	703,365,083.77	45,15,94,825	972,285,318.11	972,285,318.11
Net expenditure	2,18,08,13,225.00	1,467,258,201.88	1,478,371,322	1,061,002,963.67	1,061,002,963.67
Closing balance	2,56,162.00				



III. Revenue & Capital Receipts

S. No.	Details	Income Details (Amounts to be provided in Rupees)					Period of Audit 2021-22	
		Period of Audit 2019-20					2020-21	2021-22
		2019-20	2018-19	2020-21	2019-20	2020-21		
	Total Receipts (A+B)	62,73,16,018	1,21,96,56,470.00	692,251,963.59	62,73,16,018	56,60,30,079.90	692,251,963.59	
A	Revenue Receipts (1+2+3)	62,73,16,018	12,70,09,580.00	87,611,081.59	62,73,16,018	56,60,30,079.90	87,611,081.59	
1	Own Revenue Receipts (a+b)	3,19,25,309	4,56,38,003.00	45,024,202.66	3,19,25,309	6,09,28,344.90	45,024,202.66	
a)	Tax Revenue (levied and collected by municipal body)	55,95,555	2,71,50,150.00	14,863,137.00	55,95,555	6,09,28,344.90	14,863,137.00	
i)	Property tax	2,42,42,754	2,71,50,150.00	14,443,736.00	2,42,42,754	5,75,14,935.90	14,443,736.00	
ii)	Other tax (levied and collected by municipal body)	31,70,801	--	419,401.00	31,70,801	34,13,409.00	419,401.00	
b)	Non-tax revenue (levied and collected by municipal body)	45,11,754	1,84,87,853.00	50,422,473.66	45,11,754		50,422,473.66	
i)	Fees & fines		1,58,25,069.00	-			-	
ii)	User Charges		--	-			-	
iii)	Other non-tax revenue (levied and collected by municipal body)	45,11,754	26,62,784.00	30,161,065.66	45,11,754		30,161,065.66	
2	Other Revenue Receipts	69,66,155	53,61,662.00	22,581,238.93	69,66,155	34,22,707.00	22,581,238.93	
a)	Income from interest/investments	1,862,322	16,18,695.00	2,313,630.93	1,862,322	34,22,707.00	2,313,630.93	
b)	Other Revenue income	5,103,833	37,42,967.00	20,267,608.00	5,103,833		20,267,608.00	
3	Transfers/Grants/Assigned Revenues	58,84,24,554	7,60,09,916.00	5,142,503.00	58,84,24,554	50,16,79,028.00	5,142,503.00	
a)	State Assigned Revenue		--	-			-	
b)	State Finance Commission (SFC) Grants/Devolution	2,88,99,630	--	-	2,88,99,630		-	
c)	Octroi compensation		--	-			-	



d)	Other State Government Transfers		--										
e)	Central Finance Commission (CFC) Grant	35,71,38,933	--							35,71,38,933			
f)	Other Central Government Transfers		--										20,88,59,660.00
g)	Others		--										5,142,503.00
B	Capital Receipts												619,504,019.0
1	Sale of Municipal Land		--										0
2	Loans (from State Govt. or Banks etc.)		--										
3	State Capital Account Grant (under State Schemes etc.)		--										575,369,901.00
4	Central Capital Account Grant (under Central Schemes etc.)		--										44,134,118.00
5	Other Capital Receipts		--										



IV. Revenue and Capital Expenditure Information.

Expenditure Details (Amounts to be provided in Rupees)									
S.No	Details	2019-20		2018-19		2020-21		2021-22	
		2019-20	2019-20	2018-19	2018-19	2020-21	2020-21	2021-22	2021-22
	Total Expenditure (1+2)	242,398,944	78,902,269	227,828,994.26	242,398,944	972,285,318.11	227,828,994.26	227,828,994.26	227,828,994.26
1	Revenue Expenditure	206,167,724	62,519,436	205,133,182.15	206,167,724	90,029,439.15	205,133,182.15	205,133,182.15	205,133,182.15
1.1	Administrative Establishment and Salaries (All Departments- Regular and Contractual Staff) Expenses,	28,701,742	7,825,061	127,780,041.73	28,701,742	4,09,48,525.99	127,780,041.73	127,780,041.73	127,780,041.73
1.2	Operation and Maintenance (O&M)	2,315,364	2,789	52,574,957.00	2,315,364	24,79,655.00	52,574,957.00	52,574,957.00	52,574,957.00
1.3	Loan repayment (Interest payments)		8,554,983						
1.4	Others (any other revenue expenditure which is not salaries, O&M or Interest Payment)	173,456,618		24,778,183.42	173,456,618	46,601,258.16	24,778,183.42	24,778,183.42	24,778,183.42
2	Capital Expenditure	1,694,000	33,667,852		1,694,000	88,22,55,878.96			
2.1	All developmental works under Central/State specific schemes	36,231,220	33,667,852	22,695,812.11	36,231,220	88,17,99,731.96			22,695,812.11
2.2	Loan Repayments (Principal Amount)	36,231,220	0.00	16,314,368.00	36,231,220				16,314,368.00
2.3	Other Capital expenditure		0.00						
			0.00	6,381,444.11		4,56,147.00			6,381,444.11



V. Status of implementation of Double Entry Accounting System: Comment on Fixed Assets Register, Opening Balance Sheet and Tally License and Installation in ULB Computer, Annual Financial Statement (AFS) and entry status and interval of accounting entry passed in tally etc.

As suggested by the C&AG, the Ministry of Finance, Government of India has introduced a "National Municipal Accounts Manual" for adoption of accrual system of accounting system of accounting of ULBs. Based on NMAM, Bihar Municipal Accounts Manual (BMAM) has been got prepared by the Government of Bihar and has been enforced from April 1, 2007. Generally, ULB following cash-based accounting system which is only detail of total collection and expenses as per provision of BMR 2007, the double entry system should be employed to all ULB.

Vinod Singhal & Co. (LLP) (Jaipur, Rajasthan) has started doing double entry accounting system.

Year wise Status of DEAS aras follows;

FY- 2014-15: Completed

FY- 2015-16: Completed

FY- 2016-17: Completed

FY- 2017-18: Completed

FY- 2018-19: Completed

FY- 2019-20: Completed

FY- 2020-21: Completed

FY- 2021-22: In Progress

Interval of accounting entry passed in tally: Daily Basis Preparation of Fixed Asset Register: In Process.
Opening Balance Sheet: Prepared.
Annual Financial Statement: Not Prepared.

VI. Status of Municipal Accounts Committee; if meeting is held: Reporton Committee has been formed or not, if not mention the reason, Review and comments on compliance of decision taken in meeting of MAC, comments of interval of meeting.

- 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 thereto, **Municipal Accounts Committee has been constituted** by the Nagar Parishad.



3. Summary Audit Observations

Part – A (Monetary Implications)

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

- a. Leakage of own source revenue (tax and non tax) either due to wrong assessment or non-levy of property tax, mobile tower tax, rent on municipal properties, advertisement tax, Trade License, User Charges and fee etc. Internal Auditor will identify major areas of ULB's own revenue loss and auditor will access the loss and prepare statement of loss.

Audit Objective:

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;

- a) Property Tax and other revenue receipts are not deposited by tax collectors to the cashier by 4:30 PM on the same Day.

Criteria:

Collections should be deposited in to bank on the same day. (Rule-27) All moneys to be brought to account. (Rule 22)

Condition:

Revenue collection process is not satisfactory; in case of property tax internal control is not adequate. We have observed that Property Taxes collected by tax collector were not deposited on the same day or the day after tomorrow but it is being deposited after a week/month.

1. Reconciliation of property tax collection by tax collector and amount deposited into bank is also not available.
2. Tax demand register has not been provided for verification; in such a situation we cannot ascertain the actual tax demanded/dues which can be recovered from a single tax payer. This could be a huge loss to Nagar Parishad.

Consequence/Effect/Impact:

As per Rule 27 of BMAR it should be deposited on daily basis otherwise a penalty up to Rs. 5000/- may be imposed for delayed deposit.

Cause:

Non-compliance of BMAR by tax collectors and failure to remit collections to cashier by 4:30 PM on same day.

Corrective Action/ Recommendation:

Tax collectors are needs to follows the BMAR and remit the collections to cashier by 4:30 PM on same day.



b) Irregularities in Mobile Tower Collection

Criteria:

Registration Fees per tower @ Rs. 40,000/- and annual renewal fees @ Rs.18,000/- per annum to be collected. If more than 1 antenna is placed on the tower then an extra registration and renewal fees @ 60% per annum will be collected. Moreover, a late fine at 1.5% would be imposed in case of delay in collection after first month of the financial year. Further after every 5 years renewal fees have to be increased by 25%.

Further as per Rule 6(9) of Bihar Communication Towers and Related Structures Rules 2012, in case arrears of registration fees and/or renewal fees for any tower, the municipality reserve the right to seal the tower until the payment is received in full along with accrued interest.

Condition

1. Towertax (Registration and Renewal Fees) is being collected by Nagar Parishad.

Sl. No.	Name of Company	Name of Individual	Balance Outstanding
1.	M/s Wireless T.T Info. Service	Raghunath Singh	263,600.00
2.		Ramanuj Singh	263,600.00
3.		Gopal Prasad	263,600.00
4.		HeeraLalRai	263,600.00
5.		S M Hasan	263,600.00
6.		Jayshankar Prasad	263,600.00
7.		Sankuntala Devi	185,202.00
8.	M/s Vodafone	Asha Devi	149,866.00
9.		SunitaKumari	119,920.00
10.		Ramdayal Singh	288,600.00
11.		RampadarathLal	119,920.00
12.		KailashRai	119,920.00
13.		Ashok Mehta	239,398.00
14.		tetarRai	239,398.00
15.		Tileshwar Narayan	239,398.00
16.		Devender Prasad Singh	236,898.00
17.		HeeraLalRai	236,898.00
18.		Vishandevsingh	236,898.00
19.		Sankuntala Devi	236,898.00
20.		AnjanKumari	236,898.00
21.	M/s SHIFI Technology	Rama Devi	288,600.00
22.	M/s Decient Wireless Ltd.	raviPriyadershi	288,600.00
23.		Chendershwar Prasad	288,600.00
24.		Ramadhar Singh	288,600.00
25.		Devender Prasad Singh	239,398.00
26.		Meera Devi	239,398.00
27.		Mamta Sharma	239,398.00
28.		Laxmi Devi	239,398.00
29.		Kuhsum Devi	185,202.00
30.		M/s BhartiInfratell Ltd.	Mukesh Kumar Singh
31.	Ramadhar Singh		135,500.00



c) **Non-Collection of Advertisement Tax:**

Criteria:

Advertisement Taxes, in case auctioned to external agencies, shall be recognized as per the terms of agreement. In all other cases, when permission for advertisement is granted for the first time, the Advertisement Tax shall be accrued at the point when tax is paid and permission is granted. After the first year, Advertisement Tax shall be accrued when renewal is due.

Condition

Nagar Parishad is not collecting any advertisement tax. (As reported by ULB there is no any guidelines to collect the advertisement tax).

Consequence/Effect/Impact:

Due to non collection and monitoring of advertisement tax there is huge revenue loss to the Nagar Parishad. Further the updating of advertisement tax demand register is not in process. Total outstanding balance of Rs. **1,78,02,572/-** as on **31th March , 2022** is as under:

SL. No.	Name of Agency	Outstanding as on 1-04-21	Collection	Outstanding as on 31-03-2022
1	National Outdoor Media	12,66,750		12,66,750
2	Manish Kumar AD. A	6,97,500		6,97,500
3	Magadh Advertising	42,08,000		42,08,000
4	Swastik Publicity	22,300		22,300
5	Century Ventures Pvt Ltd	14,82,500		14,82,500
6	Maa Advertising Agency	6,97,472		6,97,472
7	Aaliyas Adzone	5,16,800		5,16,800
8	Garima Publicity Pvt. Ltd.	11,02,700		11,02,700
9	Dr Pranay Kumar	352500		3,52,500
10	Adam Media	2420700		24,20,700
11	Rakesh Ranjan Orange Media	725000		7,25,000



12	3 S Enterprises	342500		3,42,500
13	Tribro Ad	2665250		26,65,250
14	Display & Signager Pvt. Ltd.	420100		4,20,100
15	Shashi Enterprises	882500		8,82,500
16	J K Printers	NA	NA	0
17	Sai Achivers	NA	NA	0
18	Rohini Publicity	NA	NA	0
19	Bimal hosptial	NA	NA	0
20	M/S Laxmi Jagat Service Station	NA	NA	0
21	Lotus Advertising	NA	NA	0
22	Land Mark Outdoor	NA	NA	0
23	R R Advertising	NA	NA	0
24	Sri Grima Publicity pvt ltd	NA	NA	0
25	Ashana Media Solution	NA	NA	0
26	Brand Vila	NA	NA	0
27	Home Line furniture	NA	NA	0
	Total	1,78,02,572	1,78,02,572	1,78,02,572



Cause:

This is happening due to failure of staff designated and proper non-monitoring of authorized by the officials on timely basis.

Corrective Action/ Recommendation:

There should be proper collection and monitoring mechanism for advertisement tax.

d) Irregularities in Shop Rent Collection:

Criteria:

Revenues in respect of rents from properties shall be accrued based on terms of agreement. All rent should be collected on due date otherwise it should be collected with penalty and interest.

Condition

Records of shop rent not maintained as per required norms, shop rent is not being collected on timely basis as Rs.5,60,718.00/- is receivable as shop rent. Details of shops are given below:

S. No.	Shop No	Name	Balance Due as on 01-07-2021	Monthly Rent	Collection	Balance Due as on 30-09-2021
1.	1	Shailender Kumar		1,673		
2.	2	Vinod Kumar	0	1,924		
3.	3	Kumar Kundan	0	1,673		20,076.00
4.	4	Ashwani Kumar		1,673		20,076.00
5.	5	Keshari Nandan		1,673		20,076.00
6.	6	Ramesh Kumar	52,380	1,455		69,840.00
7.	7	Sudheer Kumar	50,190	1,673		70,266.00
8.	8	Amit Kumar	20,076	1,673		40,152.00
9.	9	Jhulandas Sharma		1,673		
10.	10	Nawneet		1,673		
11.	11	Ranjay Singh		1,924		
12.	12	Hitesh Kumar	40152	1,673		60,228.00
13.	13	Mannu Manoj	46176	1,924		69,264.00
14.	14	Naresh Kumar Sinha	23,088	1,924		46,176.00
15.	15	Ranjana Kumari		1924		
16.	16	Ranjana Kumari		794		
17.	17	Kumar Kundan		794		
18.	18	Chandan Kumar Singh		794		
19.	19	Rakesh Kumar Singh		913		
20.	20	Rajesh Kumar Singh		794		
21.	21	Nawneet		794		
22.	22	Ranjay Singh		794		

23.	23	Hitesh Kumar		794		
24.	24	Mannu Manoj		794		9,528.00
25.	25	Lalpari Devi	9,528	794		19,056.00
26.	26	Sani Raj	5,776	1,444		21,660.00
27.	27	Sharda Devi		1,673		
28.	Staff Colony-1	Kaydey Aazam	19056	794		28,584.00
29.	Staff Colony-2	Kurban Alam		913		
30.	Staff Colony-3	Mohan Kumar Srivastav	21,912	913		32,868.00
31.	Staff Colony-4	Rajender Prasad	21,912	913		32,868.00
TOTAL			310246			5,60,718.00



Consequence/Effect/Impact:

Due to no collection of rent on regular basis there is a huge revenue loss to the Nagar Parishad.

Cause:

This is happens due to non-monitoring of designated staff and of authorised officials on timelybasis.

Corrective Action/ Recommendation:

There should be proper collection and monitoring mechanism for shop rent.

- b. Excess payment against bill, lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULBs.**

During our test check we do not observed any irregularities.



c. Report on findings of field survey and calculation of Property Tax of minimum 20 high value properties (irrespective of the fact that SAS is received or not) in each quarter. Deviation with municipal record should be reported with quantification of loss.

REPORT ON FIELD SURVEY OF 20 HIGH VALUE PROPERTIES OF N.P.DANAPUR

SL. NO	NAME	WARD NO.	TYPE OF CONSTRUCTION	TYPE OF USES	TYPE OF ROAD	CARPET AREA	ANNUAL VALUE	ANNUAL TAX	REMARKS OF AUDITOR
1	Saint Karens School	19	RCC	Commercial	NA	76216	Not Provided	17782	NO DISCREPANCY
2	Bharatya Reserve Bank	15	RCC	Residential	NA	251146	do	237975	do
3	Takshila Education Society	18	RCC	Commercial	NA	106611	do	173339	do
4	Saint Karens School	38	RCC	Commercial	NA	32664	do	188515	do
5	M.V.V Nays	38	RCC	Commercial	NA	59546	do	165934	do
6	MS Priyadhrshi Motors Pvt Ltd	11	RCC	Commercial	NA	74855	do	149388	do
7	Anjali Agrwal	39	RCC	Commercial	NA	12000	do	126458	do
8	Nileshwar Narayan Lal	34	RCC	Commercial	NA	8827	do	98035	do
9	Govinda Construction	37	RCC	Commercial	NA	27220	do	86400	do
10	MS/ Arcade Educational Trust	40	RCC	Commercial	NA	10710	do	73038	do
11	Umesh Singh	11	RCC	Commercial	NA	17338	do	64450	do
12	Utam Kumar	12	RCC	Commercial	NA	25000	do	56725	do
13	BholaramStil Pvt Ltd	35	RCC	Commercial	NA	272200	do	55023	do
14	St. Domenic Sabios Higher School	1	RCC	Commercial	NA	89826	do	66975	do
15	Shanti Devi	23	RCC	Commercial	NA	5100	do	50112	do
16	Keshav Hospital Pvt Ltd	11	RCC	Commercial	NA	4083	do	42336	do
17	Kushlya Devi	39	RCC	Commercial	NA	63967	do	47121	do
18	Gupta Nutrition Pvt Ltd	12	RCC	Commercial	NA	28790	do	38930	do
19	Priyapurn Auto Mobile Pvt Ltd	39	RCC	Commercial	NA	14971	do	37957	do
20	R.P.S. Collage	11	RCC	Commercial	NA	225565	do	32365	do

Note: We have not observed any variances in data of above properties provided.



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d. Auditor should Report in a separate chapter on implementation of Self- Assessment System (SAS) of Property Tax in the ULB;

Audit Objective: To which Audit Engagement objective does this observation relate?

- Wherever self-assessment of taxes is prevalent, income shall be accrued based on records available with the Municipality when it becomes due as per the provisions of the Act. Further, changes arising out of self-assessment will be treated as „Change in Demand“ and will be accounted accordingly.

Criteria: What should exist? The rules/ regulations/ procedures/ expectations are the basis against which Audit evidence is compared.

- As per Section-127 (3). Power to Levy Taxes.- The levy, assessment and collection of taxes under this Act shall be in accordance with the provisions of this Act and the Rules and the regulations made thereunder,

Provided that any person may make self-assessment and make payment of any levy or tax under this Act and rules and regulations made thereunder;

Provided further that if any discrepancy or under-assessment is found in such self-assessment, such person shall be liable for payment of differential amount and a fine of not less than fifty percent and upto 100% of such differential amount.

Condition: What exists? The condition identifies the nature and extent of deviation from the criteria i.e. deviation from what should exist. This should be supported by factual evidence. A statement of condition would be formed on the basis of Auditor's comparison of actual evidence against the appropriate criteria.

- Nagar Parishad is in practice to collect the tax revenue as per self-assessment system of property tax (SAS). Further, to verify the accuracy of amount deposited by tax depositors and to find the amount of deferential tax revenue there is no demand registers has been maintained.

Consequence/Effect/Impact: What effect did it have? The effect establishes the actual or potential impact of the condition and can be both quantitative and qualitative. It is the likely effect/impact which would determine the significance of the condition.

- The effect of this could either lead to increase or decrease in demand.

Cause: Why did it happen? The possible or likely reason for the difference between the expected and actual condition.

- This happened due to non-maintenance of tax demand register.

Corrective Action/Recommendation: What should be done? The actions suggested or required to correct the situation and prevent future occurrences.

- To implement the self-assessment system of property tax there should must be proper maintenance of demand register.



Part-B (Non-Monetary Implication)

All Audit objections/ irregularities 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. In this part auditor should report in respect of

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

S.No.	Particulars	Status
1.	Ledger Book	Not Maintained
2.	Payroll Register	Not properly maintained
3.	Assessment Register	Not Maintained

Recommendation:

We recommend to the Nagar Parishad to Prepare and update the required books and registers.

b. Irregularity in procurement process. Internal Auditor will report on each payment, the payment terms & conditions of tenders and rate offers are according to procurement law and policies.

➤ No major irregularity observed.

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

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

- i. Non collection of various taxes required to be collected.
- ii. Non maintenance of prescribed books of accounts
- iii. Non submission of UC and other reports on timely basis etc.

Recommendation:

We recommend to the Nagar Parishad to comply with all directives issued by concerned authorizes of UD & HD, GOB.

d. Non-compliance of Act & Rules

➤ As per Section 127 of the Bihar Municipal Act, the Municipality can levy the following taxes: -

- i. Property tax on lands and buildings.
- ii. Surcharge on transfer of lands and buildings,
- iii. Tax on deficit in parking spaces in any non-residential building,
- iv. Water tax,
- v. Fire tax,
- vi. Tax on advertisements, other than advertisements published in newspapers,
- vii. Surcharge on entertainment tax



viii. Surcharge on electricity consumption within the municipal area,

ix. Tax on congregations,

x. Tax on pilgrims and tourists, and

xi. Toll –

a) on roads, bridges, ferries and navigable channel and

b) on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles, within the meaning of the Motor Vehicles Act, 1988, plying on a public street.

xii. Tax on profession

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

➤ *New Assessment has not been done since long and holding tax is being collected at old rates.*

Recommendation:

We recommend to the Nagar Parishad to levy the above taxes and user charges, Nagar Parishad should comply all Act and rules of Bihar Municipal Act and Rules and carry out proper collection of various revenue sources along with timely assessment of these revenue as per Act and Rule.

e. Lack of internal control measures

- 1) There are lack of internal control w.r.t collection of taxes.
- 2) Demand collection Register has not been prepared hence it is not possible to ascertain total arrear of taxes
- 3) Taxes collected by tax collector are not deposited on daily basis we observed that it is being deposited after significant interval which is not proper. As per Rule 27 of BMAR it should be deposited on daily basis otherwise a penalty up to Rs. 5000/- per day may be imposed for delayed deposit.
- 4) Reassessment of holding tax has not been done since long and holding tax is being collected at old rates.
- 5) Due collection of revenue on old rates there is significant loss the N.P. Quantification of loss is not possible at this point of time.
- 6) Advertisement Tax is not being levied by the N.P as a result there is a loss to the N.P of advertisement tax amount.
- 7) Tower tax dues are not collected on time basis.
- 8) Tender of Ghat, Crematorium, Gate, Palm trees and lands are not done on yearly basis.
- 9) There is lack of internal control on deduction and deposit of various taxes. On deduction of taxes liability is not created hence it is difficult to ascertain tax payable at any point of time. Taxes such as VAT, I.T. Royalty etc 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.

Recommendation:

We recommend to the Nagar Parishad to comply with the accrual system of accounting using double entry system.

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

- The municipality is regular in depositing statutory dues including tax deducted at source, servicetax, GST, workscontracttax, cess payable to the government etc. We observed that all such taxes deducted during the period of 01-07-2021 to 30-09- 2021 had been deposited to the concerned departments.

Recommendation:

We recommend to the Nagar Parishad to comply with all statutory deduction collection and deposit to concerned government department.

g. Deficiency in pay-roll system

- The pay-roll system does not contain leave details of employee.

Recommendation:

We recommend to the Nagar Parishad to comply with all provision of payroll system.

h. Utilization of Grant and report on missing Utilisation Certificates

- Utilization Certificate has not been submitted by the ULB of Grant received during the FY 2021-22, Grant Register has not been provided to us for verification.

Recommendation:

We recommend to the Nagar Parishad to prepare Utilization Certificate as soon as possible if any support is required from Internal Auditor in preparation of Utilization Certificate, Nagar Parishad can contact concerned Internal Auditor.

i. Physical verification of inventory/stores

Store Register has been prepared and physical verification of inventory/stores has also been done.

Recommendation:

We recommend to the Nagar Parishad to prepare the store/inventory register.



j. Advances, their adjustment & recovery

Advance Payment

Criteria:

The employees of the Municipality to whom official advances are provided for incurring expenditure on behalf of the Municipality shall prepare a Payment Order for the expenditure incurred as soon as the purpose for which the advance was provided is accomplished.

Condition:

Advance is not given to employees hence the advance register is not maintained.

k. Comment on management of Fixed and other Assets

➤ We were not provided with the Fixed Assets Register for the FY 2021-22 for verification.

l. Report on compliance of financial guidelines of schemes of MOHUA and UD & HD, GoB

➤ Separate details of schemes of MOHUA (Ministry of Housing and Urban Affair) and UD&HD (Urban Development and Housing Department) not provided to us for Report on compliance of financial guidelines.

m. Any other matters as may be prescribed in due course.

➤ Staff strength of accounts department needs to be increased.

Recommendation:

We recommend to the Nagar Parishad to employ new staff due to scarcity in staff strength especially in own source collection.



Part-C (Other)

<p>a) Auditor should Report on adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments above Rs. 10,000 and above.</p>	<p>➤ No irregularities observed on test check basis.</p>
<p>b) 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/-</p>	<p>➤ No irregularities observed on test check basis.</p>
<p>c) Auditors should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.</p>	<p><u>Instances of losses, failures or inefficiencies</u></p> <p>➤ Tax demand register has not been provided for verification in such a situation we cannot ascertain the actual tax demanded/dues which can be recovered from a single tax payer. This could be a huge loss to Nagar Parishad.</p> <p>➤ Tower tax (Registration and Renewal Fees) is not being collected on timely.</p> <p>Recommendations and/or measures which can be taken to avoid their recurrence in future.</p> <p>➤ Proper monitoring of all transactions and implementation of Bihar Municipal Accounting Manual by authorised</p>



	personals are Recommended.
d) 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 all should be properly recorded in appropriate ledgers.	➤ ULB is regular in depositing statutory dues on timely basis,
e) 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.	We are following up with the concerned Staff of the ULBs.
f) Any Other-Auditor should report the deficiencies noticed during their audit and recommend ULB management to improve internal control systems.	➤ Manpower crisis in NP, we recommended for the appointment of manpower with adequate quality especially in tax collection Department.

Each Audit Observation under Part-A, B and C should be in brief (maximum 100 words) and supporting evidence or list or statement should be attached as annexure with reference. In addition, observations should be structured as described below.

Audit Objective: To which Audit Engagement objective does this observation relate?

Criteria: What should exist? The rules/ regulations/ procedures/ expectations are the basis against which Audit evidence is compared.

Condition: What exists? The condition identifies the nature and extent of deviation from the criteria i.e. deviation from what should exist. This should be supported by factual evidence. A statement of condition would be formed on the basis of Auditor's comparison of actual evidence against the appropriate criteria.

Consequence/Effect/Impact: What effect did it have? The effect establishes the actual or potential impact of the condition and can be both quantitative and qualitative. It is the likely effect/impact which would determine the significance of the condition.

Cause: Why did it happen? The possible or likely reason for the difference between the expected and actual condition.

Corrective Action/Recommendation: What should be done? The actions suggested or



required to correct the situation and prevent future occurrences.

Wherever possible, the audit findings should be accompanied by graphs and charts to improve the visibility of the analysis and findings. Photographs could also be used as corroborative evidence.



4. Detail Audit Observations

RISK ASSESSMENT						
Nagar Parishad Danapur						
Sr. No.	Observations	Risk Rating	Design Gap	System Gap	Operating Gap	Mgt. Comment
DEMAND GENERATION:						
1.	Loss of Revenue due to under Assessment /wrong Generation Of demand.	HIGH	No	Yes	Yes	There is scarcity of manpower in the ULB; however we will comply in the near future.
2.	Collusion with Citizen regarding Assessment.	MEDIUM	No	Yes	Yes	We are trying our best to comply the same in near future.
						Demand/Assessment register should be appropriately maintained ward wise with all required details with previous dues assessment year wise before preparation of BUDGET of ULB.
						Management should hire independent person or organization for assessment of properties.





3.	Non-Updating Various Register like hand book, DC Register, Assessment registered.	MEDIUM	No	No	Yes	It will be taken care in future.	Hand Book & DC Register are not up to date. Assessment Register has not been maintained.
4.	Others	-	-	-	-	-	-
RECEIPTS AND BANKING:							
1.	Error in collections, loss of receipts and perpetrated frauds	HIGH	Yes	Yes	Yes	It will be taken care in future.	Management should ensure implementation of the system to serve notice

							to the property holders who are not depositing the holding tax. Further, management should ensure that the amount which is collected has to be deposited as per prescribed norms.
2.	Non-updating various register like hand book, DCB register, cash book, etc.	MEDIUM	No	No	Yes	It will be taken care in future.	Hand Book & DCB register are not up to date. It should be updated on daily basis.
3.	Collusion with the citizen and the ULBs staff to make wrong assessment of income	HIGH	No	No	No	There is scarcity of manpower in the ULB; however we will comply in the near future.	Management should segregate the work regarding collection, demand initiation, notices serving, balancing demand and collection register, and assessment of properties.
4.	Others	-	-	-	-	-	-

REVENUE EXPENDITURE:

1.	Error in overpayment	HIGH	No	No	No	No Such cases found.
2.	Loss of supporting document	HIGH	No	No	No	No Such cases found.
3.	Loss of authentication	HIGH	No	No	No	No Such cases found.



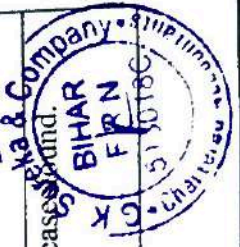


		HIGH	No	No	No	No	No Such cases found.
4.	Perpetrated fraud (Like payment more than onetime consame bill)		No	No	No	No	No Such cases found.
5.	Non-updating various register like Bill register with payment fig., etc.	MEDIUM	No	No	No	No	No Such cases found.

6.	Others	-	-	-	-	-	-	-	-	-
<u>ESTABLISHMENT EXPENDITURE:</u>										
1.	Error in overpayment	HIGH	No	No	No	No	No	No	-	No Such cases found.
2.	Loss of supporting document	HIGH	No	No	No	No	No	No	-	No Such cases found.
3.	Loss of authentication	HIGH	No	No	No	No	No	No	-	No Such cases found.
4.	Collusion with employee	HIGH	No	No	No	No	No	No	-	No Such cases found.
5.	Perpetrated fraud (Like payment more than one time to same or ghost employee)	HIGH	No	No	No	No	No	No	-	No Such cases found.
6.	Non-updating various register like salary register, PF register, Service book/r record, advance register, etc.	HIGH	Yes	Yes	Yes	Yes	Yes	Yes	It will be taken care in future.	These registers are not updated on daily basis. Registers should be maintained as quick as possible.
7.	Others	-	-	-	-	-	-	-	-	-

CAPITAL EXPENDITURE:

1.	Error in overpayment	HIGH	No	No	No	No	No	No	-	No Such cases found.
2.	Loss of supporting document	HIGH	No	No	No	No	No	No	-	No Such cases found.
3.	Loss of authentication	HIGH	No	No	No	No	No	No	-	No Such cases found.
4.	Collusion with contractor	HIGH	No	No	No	No	No	No	-	No Such cases found.
5.	Perpetrated fraud (Like payment more than one time to same contractor).	HIGH	No	No	No	No	No	No	-	No Such cases found.



6.	Non-updating various register like work register, MB, bill register, Fixed Assets register, Service book/record, advance register, etc.	MEDIUM	Yes	Yes	Yes	It will be taken care in future.	These registers are not updated on timely basis. Its should be updated on real time basis.
7.	Others	-	-	-	-	-	-

PROCUREMENT AND INVENTORY:

1.	Error in overpayment	HIGH	No	No	No	-	No such cases found.
2.	Loss of supporting document	HIGH	No	No	No	-	No such cases found.
3.	Loss of authentication/Procedural error	HIGH	No	No	No	-	No such cases found.
4.	Collusion with contractor	HIGH	No	No	No	-	No such cases found.
5.	Perpetrated fraud (Like payment more than one time to same contractor)	HIGH	No	No	No	-	No such cases found.
6.	Non-updating various register like store register, issuer register, bill register with payment fig., advance register, etc.	MEDIUM	Yes	Yes	Yes	It will be taken care in future.	These registers are not maintained. Only payment files are maintained. Registers should be maintained as quickly as possible.
7.	Others	-	-	-	-	-	-

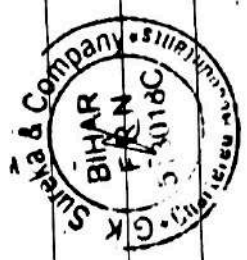
GRANT AND LOANS AND UTILISATION THEREOF:

1.	Non utilization of grant or grant unspent.	MEDIUM	No	No	No	It will be complied as quickly as possible.	The unspent & grant should be credited to department not been utilized by 31.12.2015.
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2.	Not furnishing of UC	HIGH	No	No	Yes	We are giving special attention on it. It will be furnished as quickly as possible.	UC should be furnished within the timeline prescribed by the department.
3.	Non fulfillment of condition part thereof	MEDIUM	No	No	No	-	-
4.	Perpetrated fraud (Like payment more than one time same contractor)	HIGH	No	No	No	-	-
5.	Non-updating various register like grant register, work register, bill register with payment fig., advance register, etc.	MEDIUM	Yes	Yes	Yes	It will be taken care in future.	Only Contractor files are maintained. Register should be maintained as quickly as possible.
6.	Others	-	-	-	-	-	-

FIXED DEPOSITS AND INVESTMENTS:

1.	Not deposited at appropriate time (loss of revenue)	HIGH	Yes	Yes	Yes	It will be taken care in future.	Not tradition of Fixed Deposits & Investments in NAGAR PARISHAD DANAPUR. Management should inventory together more interest income.
2.	Loss of Investment certificate	HIGH	No	No	No	-	-
3.	Non fulfillment of condition part thereof	MEDIUM	No	No	No	-	-
4.	Collusion with bank officials to invest at low rate	HIGH	No	No	No	-	-



5.	Deposit into Current account	MEDIUM	No	No	No	-	-
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6.	Non-updating various register like investment register, Bank book, cash book, etc.	MEDIUM	Yes	Yes	Yes	It will be taken care in future.	Investment Register, Bank Book has not been maintained/updated by the ULB. It should be maintained on daily basis.
7.	Others	-	-	-	-	-	-
LOANS AND ADVANCES:							
1.	Unauthorized release of advance	MEDIUM	No	No	No	-	No Such cases found.
2.	Release of advance beyond authority	MEDIUM	No	No	No	-	No Such cases found.
3.	Non-adjustment of loan or advance during the year	MEDIUM	No	No	No	-	No Such cases found.
4.	Collusion with employee/party to release advance/loan beyond authority	HIGH	No	No	No	-	No Such cases found.
5.	Advance/loan not accounted for	HIGH	No	No	No	-	No Such cases found.
6.	Non-updating various register like Loan & advance, Bank book, cash book, etc.	MEDIUM	Yes	Yes	Yes	It will be taken care in future.	Loans & Advances Register, Bank Book has not been maintained by the ULB. It should be maintained on daily basis.
7.	Others	-	-	-	-	-	-



List of Important Registers

Nagar Parishad Danapur

MEDIUM

NOT AVAILABLE

PERIOD: 01-04-2021 to 31-03-2022

Sl. No.	Particulars	Audit Observation	Associates Risk	MGT. Comment	Status (Resolved/Not)
1.	Cash Book	General Cash Book & Subsidiary Cash Book has been maintained by the ULB but entry made in cash book was not real time basis.	Due to non-updates of cash book on real time basis there may be chance of making back dated entry. This may lead to fraud & default.	There is scarcity of manpower in the ULB; however we will comply in the near future.	Not Resolved
2.	Ledger	Ledger is being prepared by DEAS team in tally not by ULB.	Due to this segregation of head wise balance is difficult. It becomes difficult to prepare appropriate financial statement.	It will be taken care in future.	Not Resolved
3.	Journal	Journal Register has not been maintained.	Due to this amount receivable & payable is not ascertainable. Advances have been accounted as income & expenditure.	It will be taken care in future.	Not Resolved



4.	Register for Journal/ Magazines/Newspapers	Not-Maintained	This may lead to misplacement of Journal, Magazines & Newspapers.	It will be taken care in future.	Not Resolved
5.	Register for Temporary Advances	Not-Maintained	It may lead to fraud & Defalcation.	It will be taken care in future.	Not Resolved
6.	Register of Money Orders/Bank Draft Received	Not Maintained	It may lead to dishonor of DD received or misplacement of DD.	It will be maintained from next financial year.	Not Resolved
7.	Cheque Issue Register	Maintained	It may lead to dual payment and further created difficulty to prepare BRS.	It will be maintained from next financial year or as early as possible.	Not Resolved
8.	Register of Remittances made into bank	Not Maintained	It may also lead to dual payment and further create difficulty to prepare BRS.	It will be maintained from next financial year or as early as possible.	Not Resolved
9.	Bank Passbook	Maintained	-	-	-
10.	Register of Bank drafts dispatched	Not Maintained	It may lead to dishonor of DD received and further created difficulty to prepare BRS.	It will be maintained from next financial year.	Not Resolved
11.	Bill Register	Not-Maintained separately, bills are attached in their respective files only.	It may lead to fraud & Defalcation.	It will be taken care in future.	Not Resolved
12.	Establishment Register	Maintained	-	-	-
13.	Stock Register	Not-Maintained	It may lead to mis-utilisation of Stock items.	It will be taken care in future.	Not Resolved



14.	Capital Goods/Consumable articles, non-consumable articles and	Not-Maintained	It may lead to misplacement of Capital Goods/Consumable articles & non-consumable article.	It will be taken care in future.	Not Resolved
15.	Statutory Deduction Register	Not-Maintained in register only prepared in excel sheet	It may lead to statutory irregularities. Delay in	It will be taken care in future.	Not Resolved



	head wise but not authorised.	deposit of deducted amount further leads to interest @ 1.5% per month. Further, filling of return may be affected.			
16.	Fixed Assets Register	Not-Maintained	It may lead to misplacement of fixed assets.	Being prepared by DEAS team but in process.	Not Resolved
17.	Grant Register	Not-Maintained	It may lead to delay in preparation and submission of UC. It may also affect the utilization of fund.	It will be taken care in future.	Not Resolved
18.	Scheme Register	Maintained	-	-	-
19.	Monthly accounts of Receipts/Payments	Not-Maintained	Due to segregation of the ad wise balance is difficult.	Being Prepared by DEAS team.	Not Resolved
20.	Temporary Advances Register for Staff, Customers/supplier/VE and TADA Advance	Not-Maintained	It may lead to fraud & Defalcation.	It will be taken care in future.	Not Resolved
21.	Dispatch Register	Maintained	-	-	-
22.	File Register	Not-Maintained	It may lead to misplacement of files.	It will be taken care in future.	Not Resolved
23.	Any other (Name of the register)	-	-	-	-



CashandBank

Name of the ULB		Nagar Parishad Danapur				
RISK RATING:		MEDIUM				
CAG OBSERVATION STATUS		NOT AVAILABLE				
PERIOD: 01-04-2021 to 31-03-2022						
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved/Not)
1.	Check whether there is no any undue delay in presentation of cheque/DD received, to bank.	No Such cases Found.	-	-	-	-
2.	Whether cheque/ draft issue/ receipt/dishonored register have been maintained as per prescribed form (As Per BMAM) & entry are made on properly, accurately & timely basis.	No such registers are maintained.	-	It may lead to dual payment and further create difficulty to prepare BRS.	It will be taken care in future.	Not Resolved
3.	Whether banking transactions (receipts & Payments) are matched with cashbook, Cheque issuer register, collection register, etc., Verify the same with Bank statement & BRS,	BRS has not been provided to us to verify further cheque issue and collection register is not maintained.	-	It may lead to dual payment and further create difficulty to prepare BRS.	It will be taken care in future.	Not Resolved
4.	Whether cheque issuer register are matched with	Cheque issue register not maintained.	-	It may lead to dual payment and further create difficulty to prepare BRS.	It will be taken care in future.	Not Resolved



5.	Whether proper step has been taken for dishonored cheque, it was realized in cash or not,	Nosuchcasesfound.	-	-	-	-
6.	Whether Bank Reconciliation has been made for each account, verify the status of BRS, (attached BRS as annexure)	Not Prepared.	-	It may lead to mis-appropriation of fund.	It will be taken care in future.	Not Resolved
7.	Check whether no any fraud payment or payment to other person has been made,	Nosuchcasesfound.	-	-	-	-
8.	Whether bank statement for all account have been promptly received from bank.	Yes	-	-	-	-
9.	Number of Bank account maintained	11	-	-	-	-
10.	Original copy of cancelled receipt is attached with duplicate copy with "CANCELLED" marked on it.	Nosuchcasesfound.	-	-	-	-
11.	Liability for stale cheques account review is done and necessary reversal entries are repassed	Nosuchcasesfound.	-	-	-	-
12.	Any other	-	-	-	-	-



Public Work

S

	Nagar Parishad Danapur					
Name of the ULB						
RISK RATING:	MEDIUM					
CAG OBSERVATIONS STATUS	NOT AVAILABLE					
PERIOD: 01-04-2021 to 31-03-2022						
Sl. No.	Particulars	Audit Observation	Amount involved	Associates Risk	MGT. Comment	Status (Resolved/ornot)
1.	Whether bill has been prepared as per actual measurement & page no. of the MB in which detailed measurement have been quoted has mentioned in first page of MB,	Yes	-	-	-	-
2.	Whether bill has been signed by proper in charge,	Yes	-	-	-	-
3.	Whether the bill has been checked by the accountant with the MB (also compare the qty.), estimate, agreement, previous bill (in case of running agreement)	Yes	-	-	-	-
4.	Verify whether any payment made for removing / dismantling material which has scrap value as indicated in the bill,	No such cases found.	-	-	-	-



5.	Whether measuring has done by the engineer concerned,	Yes	-	-	-	-
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6.	Whether expenditure on construction of work was debited to WIP & verified with MB maintained,	Yes	-	-	-	It will be prepared in future.	Not Resolved
7.	Whether master roll (machine numbered & authorized) has been maintained for detail store, specifying: Date of issue, Name of subordinate, Name of work, Number of labour, Period of engagement, Details of payment (date, amount, cheque no, etc.)	Not Maintained	-	-	-	It may lead to fraud & Defalcation.	Not Resolved
8.	Whether the same has been periodically verified.	No	-	-	-	-	Not Resolved
9.	Whether payment are as per defined approval levels sanctioned u/s 75 of BMA, 2007,	No	-	-	-	-	Not Resolved
		Yes	-	-	-	-	Not Resolved



Cash Book

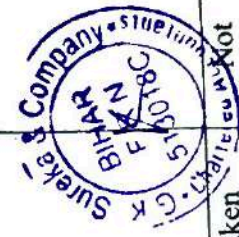
Nagar Parishad Danapur

MEDIUM

NOT AVAILABLE

PERIOD: 01-04-2021 to 31-03-2022

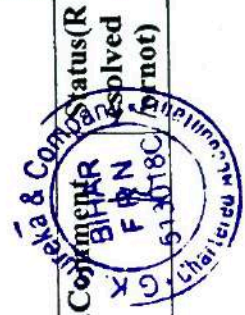
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved / or not)
1.	Whether Opening Balance & Closing Balance was worked out or not,	General Cash Book & Subsidiary Book has been maintained by the ULB but entry made in cash book was not on real time basis.	-	Due to non-closing of cash book on real time basis there may be chance of making backdated entry. This may lead to fraud & defalcation.	There is scarcity of manpower in the ULB; however we will comply in the near future.	Not Resolved
2.	Whether posting of receipt & payment side of cash book are properly maintained & it was matched with proper evidence like Receipt Voucher, Cheque issue Register, Bank Statement, etc.,	Posting of receipt & payment side of cash book are properly maintained but we are unable to match with Cheque issue Register as it is not being maintained by the ULB.	-	It may lead to dual recording of receipts & payment and further created difficulty to prepare BRS.	It will be taken care in future.	Not Resolved
3.	Whether posting is on daily basis,	No	-	Some entries may be forgotten.	It will be taken care in future.	Resolved



4.	Whether there is any clerical error (casting or/and posting error, etc.) or not,	Yes	-	It may lead to over & under stating of income, expenditure, opening and closing balance.	It will be taken care of in future.	Not Resolved
5.	Whether any delay in deposit of amount of collection by cashier,	In most of the cases any amount collected is deposited about a week delay.	-	It leads to interest revenue loss to the ULB.	It will be taken care of in future.	Not Resolved
6.	conduct physical verification of cash and report the cash balance if any	No discrepancy found in this regard.	Not Resolved	Not Resolved	Not Resolved	Not Resolved
7.	Any Other	No	-	-	-	-

Collection

Name of the ULB			
Nagar Parishad Danapur			
RISK RATING:			
MEDIUM			
Name of Tax Collector			
PERIOD: 01-04-2021 to 31-03-2022			
Sl. No.	Particulars	Amount Involved	Associates Risk
			MGT. Comments (Resolved or not)



1. Whether collection procedure are as per guidelines/direction of ULB,	Yes	-	-	-	-
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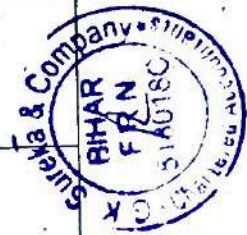
2.	Whether collections are made on the basis of Demand & Collection Register,	Demand & Collection register has not been maintained.	-	It may lead to revenue loss to the ULB.	It will be prepared in future.	Not Resolved
3.	Whether collections are made in the same receipt Vouchers which has been issued/authorized by ULB /state government & it should be clearly mentioned of different head & not any alteration, & the carbon copy of receipt vouchers are properly vouchered so that no any variation in posting the same,	Yes	-	-	-	-
4.	Whether collections are bifurcated in different heads as required,	Yes	-	-	-	-
5.	Whether a separate bank account has been maintained for each circle, (for PM Only)	-	-	-	-	-
6.	Whether all collections are made in proper "Receipt Voucher Book" having same serial number which was actually issued to TC,	Yes	-	-	-	-
7.	Whether all collections made during the day are accounted for & banked on next working day or there is any teaming & lading,	In most of the cases any amount collected is deposited about a week delay	-	It leads to interest revenue loss to the ULB.	It will be taken care in future.	Not Resolved
8.	Whether any collection is directly expended without prior approval,	No such cases found.	-	-	-	-



9.	Whether collections are made by all the holding fall under the same TC or Civics Centre,	No. Collections were not made by all the holding.	-	It will affect municipality fund.	It will be taken care in future.	Not resolved
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10.	Whether government share of collections (like Education cess & health cess) are properly & timely deposited in its own account, (if applicable)	No Such cases found.	-	-	-
11.	Whether there is any short/non collection or short deposit, or not deposit,	No Such cases found.	-	-	-
12.	Whether penalty (@2% P.M/1.5%) has been duly charged on late payment,	Yes	-	-	-
13.	Whether daily collections are entered into hand book, collection register maintained by TC & it should be properly entered in demand & collection register,	Daily Collection register has been Maintained. Not	-	It leads to interest revenue loss to the ULB	Not Resolved
14.	Whether collection by way of cheque are properly banked & credited into account,	Yes	-	-	-
15.	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	No Such cases found.	-	-	-
16.	Whether any immediate step has been taken or not for cheque dishonored received,	No Such cases found.	-	-	-
17.	Whether reversal of payment has been made for any dishonored cheque.	No Such cases found.	-	-	-



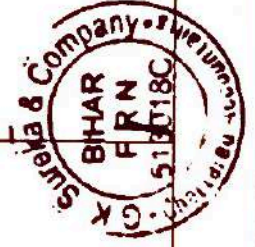
Demand

Nagar Parishad Danapur

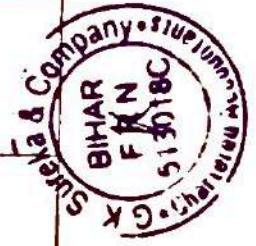
MEDIUM

Name of Tax Collector

Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved / or not)
1.	Ensure whether the closing balance of previous year is accurately brought forward,	Opening and closing balance has not been quantified due to non-maintenance of Demand Register.	-	It may lead to revenue loss to the ULB.	It will be taken care in future.	Not Resolved
2.	Whether determination of demands on manual or computerized way, & it would be as per updated rules, regulation, guidelines & other required details for proper calculation,	ULB is not being printed to raise the demand. No proper details are recorded in the manual register.	-	It may lead to revenue loss to the ULB.	It will be taken care in future.	Not Resolved
3.	Whether data for calculation is correct & properly verified by appropriate authority/ Internal Auditor by way of physical survey,	No verification is being conducted by appropriate authority however we have done physical survey of 20 high value properties	-	-	-	-



5.	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	No Such cases found.	-	-	-	-
6.	Ensure whether there is any clerical error in calculation,	No Such cases found.	-	-	-	-
7.	Whether demand register in prescribed format is maintained or not,	Demand Register Not Maintained	-	It may lead to revenue loss to the ULB.	It will be taken care in future.	Not Resolved
8.	Whether persons involve in calculation/collection have knowledge of their responsibility,	Yes	-	-	-	-
9.	Whether there is proper distribution of responsibility for calculation, recovery & updation of register for demand, so that no single person have control on two or process at the same time,	Due to lack of Manpower all these work has been controlled singly.	-	It may lead to fraud & Defalcation.	Need more skilled employees.	Not Resolved
10.	Whether there is any under/ no assessment,	No	-	-	-	-
11.	Whether there is appropriate measures (As per section 155 & 158 of BMA, 2007) are adopted for recovery of Government/billed dues,	No measures have been taken for recovery of Government Dues.	-	It may lead to revenue losses.	It will be taken care in future.	Not Resolved



12.	Whether notice for demand has been made in prescribed format (As Per BMAR) & as per rules & regulations,	Nonotices of demand are being served.	-	It may lead to store revenue losses.	It will be taken care in future.	Not Resolved
13.	Whether penalty (@ 2% P.M/1.5%) has been charged on late payment,	Yes	-	-	-	-



14.	Whether Demand, Collection & Balance Register has been prepared on daily basis for all receipts or not, & it would be authorized by proper authority or not,	Not Maintained in prescribed format & not updated.	-	It may lead to revenue losses.	It will be taken care in future.	Not Resolved
15.	Whether there are adequate safeguards on data has been operated or not,	No	-	-	-	-
16.	Whether self-assessment property tax return for payment of property tax has been filed by the assesses in the prescribed format,	Yes	-	-	-	-
17.	Whether there is any collusion with customer/holding w.r.t., assessment, payment, etc.	No Such cases found.	-	-	-	-
18.	Any Other	No	-	-	-	-

Establishment

Nagar Parishad Danapur

MEDIUM

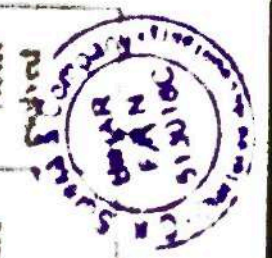
Name of the ULB

RISK RATING:

Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved / or not)
1.	Whether establishment sanction by expenditure is authorized person & it has been within sanctioned limit,	Yes	-	-	-	-



	Not Maintained	It may lead to over less payments	It will be taken care in future	N/A/R involved
2. Whether service log book has been maintained & upto date or not.	Service book not prepared.	-	It will be taken care in future.	N/A/R involved
3. Audit whether the apart from comparing the pay & allow a need drawn by each employee in the payroll with the corresponding entries in the pay column of the service book and checking the acquaints rollof employeew ho have been paid in cash.	-	-	-	N/A/R involved
4. Whether each employee has unique identification number & it has been referred in all matter in relation to service book Whether payment made to employee has been verified with attendance register/logbook,	Yes	-	-	-
5. Whether service book for calculation of payable has been authorized by the proper person,	Service Book not maintained	-	It will be taken care in future.	N/A/R involved
6. Whether account department has prepared the advice & instructed the bank for the payment as per advice,	Yes	-	-	-
7. Whether undistributed amount of pay & allowance as shown in cash book matched with balance of undistributed salary balance,	Undistributed salary amount not maintained in cash book.	-	It will be taken care in future.	N/A/R involved



8.	Whether distributed amount of pay & allowance are not for more than 3 months cash in hand,	No Such cases found.	-	-	-	-	-
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9.	Whether disbursement of pay & allowance are duly recorded in books & accepted by employee specifying separate date with date of receipt (In case of arrears),	No Such cases found.	-	-	-	-
10.	Whether the bill prepared according to sanctioned scale,	Yes	-	-	-	-
11.	Whether no any payment made to employee whose service retired in any manner,	No Such cases found.	-	-	-	-
12.	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	Pay-In-Slip prepared.	no	It becomes difficult to trace last payment. It may lead to over/less payments.	It will be taken care in future.	Not resolved
13.	Whether all statutory deduction or adjustment has been made before payment,	Only Provident Fund has been deducted. TD Not deducted.	-	It may lead to levy statutory penalty/interest.	It will be taken care in future.	Not resolved
14.	To check compliance of rules in regard to establishment matters viz., travel, daily allowance, leave, advances (House building and vehicle advance etc.) and settlement thereof.	No Such cases found.	-	-	-	-
15.	To check salary bills.	Salary Bills prepared.	not	It may lead to over/less payments.	It will be taken care in future.	Not resolved
16.	Position of outstanding advances paid to employees	No Such cases found.	-	-	-	-



17. To check deduction of provident fund and ES has been made as per rules	Yes	-	-	-	-
18. Whether PF slips are issued to the employees on yearly basis and to see whether all statutory returns	Yes	-	-	-	-



	for PF are submitted to the concerned authorities.	Not prepared.	-	It may lead to over/less payments.	It will be taken care in future.	Not Resolved
19.	To check whether salary bill is prepared in such a manner that it gives break up of the amount of bill and adjustment such as deduction of PF, FDS and other advances and loans etc.	Not prepared.	-	It may lead to over/less payments.	It will be taken care in future.	Not Resolved
20.	Check Retirement benefit to employee	No Such cases found.	-	-	-	-
21.	Personnel/Appointments and to see whether all records are updated from time to time.	No Such cases found.	-	-	-	-
22.	Dismissal and Resignation /Termination	No Such cases found.	-	-	-	-
23.	Temporary workers	No Such cases found.	-	-	-	-
24.	Overtime	No Such cases found.	-	-	-	-
25.	Attendance Register To check number of persons mentioned in the attendance register tally with the sanctioned strength of the unit.	Yes	-	-	-	-
26.	Personnel Files	Yes	-	-	-	-
27.	Training of employees (including Skill development Levy)	No Such cases found.	-	-	-	-
28.	Leave Register- To check whether leave register is maintained as per types of leaves as medical Leave/CL/EL/maternity/paternity	Not Maintained	-	It may lead to over/less payments.	It will be taken care in future.	Not Resolved



leave.						
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Grant

Name of the ULB		Nagar Parishad Danapur				
RISK RATING:		MEDIUM				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status/Resolved (format)
1.	Maintenance/Update register regarding details of funds received and expenditure.	Yes	-	-	-	-
2.	Any diversion/re-appropriation of funds not covered under the provision of B.M.A. 2007 should be pointed out for remedial action.	No Such cases found.	-	-	-	-
3.	To check whether utilization certificate is for actual utilization of funds received.	Yes	-	-	-	-
4.	It should also be checked that utilization certificate is issued as per prescribed time frame given in the Manual and issue of UC is not delayed.	We have found some cases where UCs are not prepared on time. However we have guided to prepare it.	-	It may lead to misutilization of fund.	With the guidance of internal auditor, we have started preparing UC's. It will be submitted to department very soon.	In Process
5.	Internal Auditor should also check whether expenditure incurred on each activity does not exceed the budget.	No Such cases found.	-	-	-	-



Payment of bills of contractors

Name of the ULB		Nagar Parishad Danapur					
RISK RATING:		MEDIUM					
Sl. No.	Particulars	Audit Observation	Amount involved	Associates Risk	MGT. Comment	Status (Resolved/ or not)	
1.	Original bill duly signed by contractor is submitted.	Yes	-	-	-	-	
2.	Contractor has put his initials in all billings and corrections in the bill.	No Such cases found.	-	-	-	-	
3.	All supporting documents are attached with the bills.	Yes	-	-	-	-	
4.	The rates, security deposit, and deductions are as per terms and conditions specified in the agreement	Yes	-	-	-	-	
5.	The variations in quantities and completion period etc. have been authorized by the competent authority	Yes	-	-	-	-	
6.	Job completion certificate has been processed by the dealing assistant.	Yes	-	-	-	-	
7.	Bills passed for payment are as per rules & T & Co of Tender.	Yes	-	-	-	-	
8.	All terms and conditions of the contract are fulfilled before passing the bills.	Yes	-	-	-	-	
9.	Every final bill is checked in detail with measurement books.	Yes	-	-	-	-	



10.	Cash/Bank Voucher to be checked for authorization etc.	Yes	-	-	-
11.	Overall review of the books of accounts.	Yes	-	-	-
12.	Position of outstanding advances paid to suppliers/contractors.	No such cases found.	-	-	-

Receipt Voucher

Nagar Parishad Danapur

MEDIUM

PERIOD: 01-04-2021 to 31-03-2022

Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved / or not)
1.	Whether "Receipt Vouchers" are in the prescribed format & having machined serial number & there is no any manuscript form, Check;	Yes	-	-	-	-
2.	What is the date of printing,	Checked	-	-	-	-
3.	What quantity of serial number was printed out,	Checked	-	-	-	-
4.	What is the date of dispatched, quantity of receipt vouchers & their serial number;	Checked	-	-	-	-



6.	Logbook/ Register maintained at printing press regarding printing of "Receipt Vouchers".	Checked	-	-	-	-
7.	Verify that "Receipt Vouchers" received & their storing, having same quantity & serial numbered which was actually dispatched & proper recording of the same along with issue,	Yes	-	-	-	-
8.	Verify Logbook/ Register maintained at every collection center & cash counter with regard to receipt & return quantity & serial number,	Yes	-	-	-	-
9.	Verify the logbook/ Register of "Receipt Vouchers" & cross verified the allotments to TC (LogBook) with their date of issue, serial number, name of TC & their circle	Yes	-	-	-	-
10.	Check whether TC has same "Receipt Voucher" which was actually issued by store & it must be authorized by the appropriate authority,	Yes	-	-	-	-



11.	Check that there should be proper recording at each stage (where authority has been changed) of log book/register for issue/ receipt of "Receipt Vouchers",	No Such cases found.				
12.	Confirm that all unused "Receipt Vouchers" are under the custody of authorized person,	Yes				



13.	Verify that any cancelled vouchers have in both original & carbon copy.	Yes	-	-	-	-	-	-
14.	Verify whether reversible carbon has been used during receipt.	Yes	-	-	-	-	-	-
Other Revenue:								
1.	Advertisement Tax	No System Developed for collection of advertisement tax.	-	-	It will affect municipality fund.	System will be developed very soon.	Not resolved	-
2.	Tower Tax	No amount is collected as Tower Tax in this financial year and no steps have been taken for recovery of dues.	-	-	It will affect municipality fund.	Notice will be sent to concerned tower operator.	In Process	-
3.	Professional Tax	No professional tax collected.	-	-	-	-	-	-
4.	Assigned Revenue (As details annexed)	No such cases found.	-	-	-	-	-	-
5.	Rental Charges (As details annexed)	No any municipal properties given on rent during this period.	-	-	It will affect municipality fund.	System will be developed very soon.	Not resolved	-
6.	Fee & Uses Charges (As details annexed)	Collected.	-	-	-	-	-	-
7.	Other Revenue Items	-	-	-	-	-	-	-



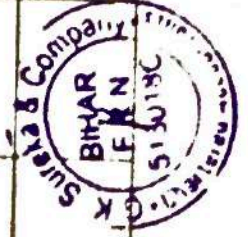
Revenue Expenses

NAGAR PARISHAD DANAPUR

MEDIUM

PERIOD: 01-04-2021 to 31-03-2022

Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved / not)
1.	Whether payment is on the basis of Sanction/work order letter & incurred by authorized person.	Yes	-	-	-	-
2.	Whether payment is made through prescribed format.	Yes	-	-	-	-
3.	Whether payment is made without any undue delay or whether any cheques issued are promptly issued to the respective person.	Yes	-	-	-	-
4.	Whether there is bifurcation of responsibility towards person making payment & person preparing MB, receipt of goods, maintenance of payment file, etc.	Yes	-	-	-	-
5.	Whether updation of accounts/books are on proper & timely basis,	Yes	-	-	-	-





6.	Whether authorized person verify & sign the document involve,	Yes				
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7.	Whether data base for the same has been properly maintained & safeguard measures are taken,	No database has been maintained by the ULB.	-	Important information may be lost or stolen.	We will take necessary steps to implement the DBMS in near future.	Not Resolved.
8.	Whether exact amount (no over payment) are paid and verified by supporting document, & no collusion with party,	Yes	-	-	-	-
9.	Whether register for settlement of service bill has been maintained and up to date,	Yes	-	-	-	-
10.	Whether payment made to the same to whom it might be payable and no second claim in this regard,	Yes	-	-	-	-
11.	Whether payment has been made after deducting statutory dues or advances,	Yes	-	-	-	-
12.	Whether the expenditure are made with a period & amount as sanctioned,	Yes	-	-	-	-
13.	Whether there is under rush of expenditure at the end of financial year,	No	-	-	-	-
14.	Whether payment has to be made after confirmation from store,	Yes	-	-	-	-



15.	Whether payment for repairs, etc., has to be made on the basis of logbook maintained,	No such cases found.	-	-	-	-
-----	---	----------------------	---	---	---	---



16.	Whether payment are as per defined approval levels sanctioned u/s 75 of B.M.A, 2007,	Yes	-	-	-	-
17.	Confirm whether goods/assets received/accepted on or before 31 st March, where the bill is received after that date have been accounted for (either on the basis of purchase order, tender rate or as per bill),	No Such cases found.	-	-	-	-
18.	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No Such cases found.	-	-	-	-
19.	Whether all statutory deduction or adjustment has been made before payment,	yes	-	-	-	-
20.	Whether entry of any event during service has been made in service book by authorized person,	Yes	-	-	-	-



Statutory Requirement

NAGAR PARISHAD DANAPUR

MEDIUM

Name of the ULB

RISK RATING:

Particulars

Sl. No.

Whether deduction of TDS on payment has been made as per law,

Whether TDS deducted are timely deposited into bank with same amount,

Whether regulatory requirement for submission of Return has been followed,

Whether any deduction is made in any act, must be deposited as per their respective act,

Verify whether in case of "through rate" contract, there is any payment for material, etc. by the ULB

Any demand outstanding from regulatory authority for non-compliance.

Audit Observation

Yes

Not deposited on time and also statutory liability register has not been maintained.

No return is being filled.

Yes but deposited late.

No such cases found.

No such cases found.

Amount involved

-

Unable to quantify.

Unable to quantify.

Unable to quantify.

-

-

Associates Risk

-

There may be violation of statutory interest/penalty

There may be violation of statutory interest/penalty

There may be violation of statutory interest/penalty

-

-

MGT. Comment

-

It will be taken care in future.

It will be taken care in future.

It will be taken care in future.

-

-

Status (Resolved/Not)

-

Not Resolved.

Not Resolved.

Not Resolved.

-

-



Tender Details (Work Order Wise)

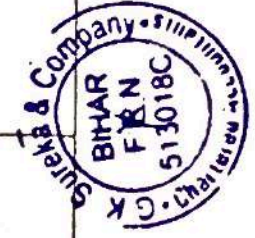
Name of the ULB NAGAR PARISHAD DANAPUR						
RISK RATING: MEDIUM						
Work order No. <i>No Tender were done during this period.</i>						
PERIOD: 01-04-2021 to 31-03-2022						
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved / or not)
1.	To check whether the provisions contained in Tender Advertisement for procurement were followed in award of contracts.	Yes	-	-	-	-
2.	To check that the time/date of receipt and opening of tenders was properly incorporated in the tender documents.	Yes	-	-	-	-
3.	The important guidelines relating to earnest money, delivery schedule, payment terms, performance warranty/guarantee, inspection, arbitration, liquidated damages/penalty for delayed supplies, purchase on risk and cost were incorporated in the tender documents for safeguarding the	Yes	-	-	-	-





	interest of corporation.								
4.	The purchase proposal was approved by the competent	Yes	-	-	-	-	-	-	-

	authority. as per delegation of powers	Not in prescribed format.	-	There may be chances of fraud & defalcation.	It will be taken care in future.	Not resolved.
5.	Indent for purchase indicates the details of quantity required, last purchase rate, period for which stores are needed and name of consignee.	Yes	-			
6.	Approval of mode of procurement	Yes	-			
7.	The tender documents are prepared properly and description of items to be procured, quantity and estimated values should be indicated.	Yes	-			
8.	To check whether the direction was followed for notification/advertising and opening of bids at notified date, time and place in the presence of bidders.	Yes	-			
9.	Award of contract and its execution in accordance with the guidelines issued by the Govt. of India in view of conditions agreed with the Development partners (DFID, World Bank, & European Union etc.)	Yes	-			





10.	To check whether bids were evaluated in terms of the provision of the bid documents and the evaluation report was available.	Yes	-	-	-	-
11.	To check whether contract was awarded to the lowest evaluated responsive bidder who fulfilled	Yes	-	-	-	-

	qualification requirements, specified in the tender documents.						
12.	In case of negotiations of prices, it should be checked whether the negotiation was made with LI bidder and all the relevant records thereof were available.	Yes	-	-	-	-	-
13.	To check whether the articles were received/work was completed in time as per delivery schedule.	Yes	-	-	-	-	-
14.	The stores/goods are properly recorded in the Stock Registers / Asset Register.	Stock/Asset has not been maintained to record the same.	Registered	-	There may be chances of misplacement of goods/stores.	It will be taken care in future.	Not resolved.
15.	Whether any complaint was received regarding procurement and payment and existence of mechanism for redressal of Complaints	Yes	-	-	-	-	-





Vehicle LogBook

NAGAR PARISHAD DANAPUR

MEDIUM

PERIOD:01-04-2021 to 31-03-2022

Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved / or not)
1.	Whether logbook has maintained or not & up to date with proper details like journeys, work undertaken, covering route, visited place, kilometer, etc.,	Yes	-	-	-	-
2.	Whether logbook of journey is maintained in detail & signed by the officials using them,	Yes	-	-	-	-
3.	Whether it should be used for official purpose, otherwise charge is recoverable,	Used only for official purpose.	-	-	-	-
4.	Whether detail of fuel for the same has been maintained in log book,	Yes	-	-	-	-
5.	Whether full details of repair have been maintained & it has been through authorized center,	Yes	-	-	-	-
6.	Whether authorized person have proper check over logbook.	Yes	-	-	-	-



Fixed Asset

S

NAGAR PARISHAD DANAPUR

MEDIUM

Sl. No.	Particulars	Audit Observation	Amount involved	Associate Risk	MGT. Comment	Status (Resolved / not)
1.	Status on Maintenance of Fixed Assets Register	Not Maintained	-	It may lead to misplacement of assets.	Being Prepared by DEAS Team.	Not Resolved
2.	Budget availability is confirmed before acquisition	Yes	-	-	-	-
3.	Fixed assets are recognized at cost of acquisition and if so, check whether the cost components are incidental to its acquisition	Unable to comment on it, since fixed asset register is not finalized till now.	-	-	Being Prepared by DEAS Team.	Not Resolved
4.	all fixed assets are acquired only after obtaining approval of the concerned authority	Yes	-	-	-	-
5.	Physical verification of fixed asset is done and discrepancies are reconciled with Fixed Asset Register.	Due to non-availability of Register. Physical Verification is not done.	-	It may lead to misplacement of assets.	Being Prepared by DEAS Team.	Not Resolved
6.	Depreciation is provided on each class of fixed assets at the prescribed rates	No Depreciation is provided.	-	It leads to overvaluation of fixed assets.	Levied once fixed asset register is maintained.	Not Resolved





7.	Asset Replacement Register is properly maintained asset class wise	Nos such cases found.				
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Others

NAGAR PARISHAD DANAPUR

MEDIUM

Name of the ULB	MEDIUM				
RISK RATING:	MEDIUM				
Particulars	Audit Observation	Amount involved	Associated Risk	M.C.I. Comment	Status (Resolved / Not)
1. All permanent changes made in the assessment of buildings and lands have been recorded in this register with reference to the monthly lists, Register of Revision Petitions, Register of Appeals, and Register of Writes-off.	No assessment has been done from the date of imposition of holding tax.	-	It may lead to revenue loss.	It will be taken care in future.	Not Resolved
2. Demands of current year and previous year have been recorded with reference to the above details	No reconciliation being made due to demand register has not been prepared.	-	It may lead to revenue loss.	It will be taken care in future.	Not Resolved
Register of Suits					
1. All suits filed by the municipality for recovery of any sum due are entered.	Register of Suits filed by ULB has not been maintained by the ULB.	-	To trace status of cases is very difficult.	It will be taken care in future.	Not Resolved
2. All suits filed against the municipality are entered	Register of Suits filed against ULB has not been maintained by the ULB.	-	To trace status of cases is very difficult.	It will be taken care in future.	Not Resolved



3.	Sanction from the Council obtained for filing/defending the suit	No Such cases found	-	-	-	-
4.	All details like the Assessment Number, amount involved, Name of	No Such cases found	-	-	-	-



	Court and Suit Number etc. are clearly entered					
5.	Execution Petitions are filed for recovery of sums, in cases the suits are disposed in favour of municipality.	No Such cases found				

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 G K SUREKA &
CO Chartered Accountants



Patna
Mem No: 558635
FRN: 513018C

UDIN: 235395358GTJQT5725
Date-05.06.2023

Urban Development & Housing
Department Government of Bihar
Nagar Parishad Danapur Nizamat

Discussion Note for Internal Audit observation of FY 2021-2022
Period of audit 08-09-2022 to 24-09-2022

Discussion has been made with the audit manager of the internal audit Firm M/s G K Sureka & Co on the Internal Audit observations of the financial year 2021-2022 and we kept in mind and follow the recommendations and suggestion son there as of process and control weakness in best manner. Some of the serious issues have been given below

Sl No	<u>Audit Observations</u>	<u>Reply of Management</u>
1.	Implementation of DEAS at ULB for the FY 2021-2022	DEAS team has been appointed by the concerned department. DEAS has been implemented from current Financial Year.
2.	Constitution of "Municipal Accounts Committee" is pending yet.	We are working on constitution of municipal account committee.
3.	ULB is not preparing its books of accounts using the accruals term of accounting.	DEAS team has been appointed by the concerned department for this and they are working on this.
4.	Staff strength of accounts department needs to be increased.	Yes, I will place this matter in meeting board/committee.
5.	Separate details of schemes of MOHUA (Ministry of Housing and Urban Affair) and UD&HD (Urban Development and Housing Department) not provided to us for Reporting compliance of financial guidelines.	It will be provided from next time.



Executive Officer
Nagar Parishad Danapur Nizamat

6.	Narration is not written correctly in the General Cash Book	Checking and Questioning by Executive officer to concerned department.
7.	During the Audit, we observed that, the ULB have not been monthly & quarterly summary of TDS, GST, Labour Cess, Royalty.	It will be maintained by the ULB and we will show it in next future
8.	Physical verification of inventory & Fixed assets has not been done by ULB on regular interval.	It has done by ULB on regular time and inspection report will be provided to auditor as soon as possible
9.	During the Audit, it was found that the amount has been written in the General Cash Book and there is no detail of the head on which the amount was spent.	Checking and Questioning by Executive officer to concerned department.
10.	Bank Reconciliation statement has not been prepared in prescribed format.	Checking and Questioning by Executive officer to concerned department.
11.	There is cash book balance difference is Rs 30.	Checking and Questioning by Executive officer to concerned department.
12.	During the Audit, it was found that no balancing for the month of April and may in general cash book.	Checking and Questioning by Executive officer to concerned department.

Executive Officer

Nagar Palika Danapur Nizamat

For Nagar Danapur Nizamat

(Executive Officer)

Date:

Place:



नगर परिषद दानापुर निजामत

वित्तीय वर्ष 2003-04 से 2018-19 तक प्राप्त सहायक अनुदानों की निकासी / क्या एवं आशेष राशि की विगणी से राशियां 20 बिन्दु में प्रस्तुत हैं।

नगर निकाय का नाम:- दानापुर

कोषागार का नाम:- दानापुर

DDO Code:- URB-001

Treasury Code :- DNP

PL Account No:- 130

क्र.सं.	वर्ष	विवरण	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	2003-04	11th Finance Commission	1340	04	30.03.20	22.87	By RTGS	1/31.03.04	0	22.87	2004-05	22.87	0.00	0	0	0	22.87	247/03.02.15	0	0	0	0
2	2003-04	Salary Allowance	459	04	05.02.20	11.23	11.23	07/31.03.04	11.23	0	2004-05	11.23	0.00	0	0	0	11.23	1487/9.12.14	0	0	0	0
3	2003-04	Salary Allowance	460	04	05.02.20	11.23	11.23	12/31.03.04	11.23	0	2004-05	11.23	0.00	0	0	0	11.23	1487/9.12.14	0	0	0	0
Total						45.33	22.46	0	22.46	22.87	0	45.33	0	0	0	45.33	0	0	0	0	0	0
FY 2004-05																						
4	2004-05	Samaiket vikash yojna	158	05	31.03.20	50.00	By RTGS	4/31.03.05	0	50.00	2005-06	50.00	0.00	0	0	0	50.00	366/20.02.15	0	0	0	0
5	2004-05	Civic Aminties	3876	04	05.11.20	34.34	By RTGS	06/31.03.05	0	34.34	2005-06	34.34	0.00	0	0	0	34.34	1487/9.12.14	0	0	0	0
6	2004-05	Salary Allowance	800	05	30.03.20	11.05	By RTGS	1/31/03.05	0	11.05	2005-06	11.05	0.00	0	0	0	11.05	288/07.02.15	0	0	0	0
7	2004-05	Salary Allowance	801	05	30.03.20	12.77	By RTGS	2/31.03.2005	0	12.77	2005-06	12.77	0.00	0	0	0	12.77	288/07.02.15	0	0	0	0
Total						108.16	0.00	0.00	108.16	108.16	0.00	108.16	0.00	0.00	0.00	0.00	108.16	0.00	0.00	0.00	0.00	0.00
FY 2005-06																						
8	2005-06	12th Finance	3191	05	28.09.20	27.72	27.72	07/31.01.06	27.72	0	2006-07	27.72	0.00	0	0	0	27.72	1487/9.12.14	0	0	0	0



क्र. सं.	वर्ष	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
136	2017-18	5th State Finance	46	14.09.17	383.33	383.33	383.33	T/2217/000 07	383.33				383.33	0.00								
137	2017-18	M.S.N.G. Yojana	68	30.10.17	9.71	9.71	9.71	T/2217/000 08.03.18 03	9.71				9.71	0.00						383.33		
138	2017-18	M.S.N.G. Yojana	68	30.10.17	127.74	127.74	127.74	T/2217/000 08.03.18 08	127.74				127.74	0.00						9.71		
139	2017-18	M.S.N.G. Yojana	68	30.10.17	79.33	79.33	79.33	T/2217/000 08.03.18 09	79.33				79.33	0.00						127.74		
140	2017-18	State Fund	78	06.12.17	107.90	107.90	107.90	T/2217/000 08.03.18 04	107.90			107.90	0.00	0.00	0.00	107.90	2975/09.11.20 12			0.00		
141	2017-18	14th State Finance	97	24.01.18	154.09	154.09	154.09	T/2217/000 08.03.18 02	154.09			154.09	0.00	0.00	0.00	154.09	2195/14.08.21			0.00		
142	2017-18	14th State Finance	97	24.01.18	154.09	154.09	154.09	T/2217/000 08.03.18 01	154.09			154.09	0.00	0.00	0.00	154.09	2195/14.08.21			0.00		
143	2017-18	State Fund	114	15.02.18	25.78	25.78	25.78	T/2217/000 08.03.18 05	25.78				25.78	0.00	0.00					0.00		
144	2017-18	State Fund	122	26.02.18	15.21	15.21	15.21	T/2217/000 15.03.18 01	15.21				15.21	0.00	0.00					25.78		
145	2017-18	Nagrak Suvidha	123	26.02.18	53.46	53.46	53.46	T/2217/000 15.03.18 10	53.46			39.87	13.59	0.00	0.00	39.87				15.21		



1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
146	2017-18	State Fund	178	08/03/18	9.85	1103/1000	9.85	9	10	11	12	13	14	15	16	17	18	19	20
						11	9.85			9.85	0.00	0.00							
147	2017-18	Periodic Manager	153	21/01/18	1.97	1103/1000	1.97			1.54	0.43	0.00							
						23,25,25	1.97			1.54	0.43	0.00							
148	2017-18	State Fund	156	21/01/18	8.58	1103/1000	8.58			8.58	0.00	0.00							
						23,25,25	8.58			8.58	0.00	0.00							
149	2017-18	Regula Salary	160	21/01/18	3.35	1103/1000	3.35			3.35	3.00	0.00							
						21	3.35		3.35	3.35	3.00	0.00							
						23,25,25	3.35		3.35	3.35	3.00	0.00							
						5.71	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75
						1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000
150	2018-19	Pay of EO	7	21/05/18	7.00	8	7.00			7.00	0.00	0.00							
						23,25,25	7.00			7.00	0.00	0.00							
151	2018-19	Pay of Line Manager	8	24/05/18	1.97	1	1.97			1.97	0.00	0.00							
						1103/1000	1.97			1.97	0.00	0.00							
152	2018-19	Sp. State Service	25	04/07/18	213.72	2	213.72			213.72	0.00	0.00							
						23,25,25	213.72			213.72	0.00	0.00							
153	2018-19	Sp. State Service	25	05/07/18	213.72	8	213.72			213.72	0.00	0.00							
						1103/1000	213.72			213.72	0.00	0.00							
154	2018-19	Sp. State Service	21	19/07/18	283.69	26/07	283.69			283.69	0.00	0.00							
						1103/1000	283.69			283.69	0.00	0.00							
						23,25,25	283.69			283.69	0.00	0.00							
						5.71	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75	1603.75
						1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000	1103/1000



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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
155	2018-19	5th State Finance	21 10.07.18	381.69	381.69	T/2217/001 0	381.69				0.00	0.00						0.00	
156	2018-19	State Fund	53 04.07.18	16.20	16.20	T/2217/000 3	16.20				0.00	0.00						0.00	
157	2018-19	State Fund	63 27.09.18	174.38	174.38	T/2217/000 4	174.38			40.29	134.09	0.00		40.29				134.09	
158	2018-19	Professionl Tax	77 24.10.18	66.98	66.98	T/2217/000 5	66.98				0.00	0.00						0.00	
159	2018-19	M.M.S.Anud an	81 31.10.18	176.12	176.12	T/2217/000 6	176.12				0.00	0.00						0.00	
160	2018-19	14th State Finance	82 31.10.18	180.25	180.25	T/2217/000 7	180.25			126.18	54.07			126.18	2196 / 14.08.21			54.07	
161	2018-19	14th State Finance	82 31.10.18	180.25	180.25	T/2217/001 2	180.25			126.18	54.07	0.00		126.18	2196 / 14.08.21			54.07	
162	2018-19	14th State Finance	120 25.01.19	178.99	178.99	T/2217/000 7	178.99			179.99	0.00	0.00						0.00	
163	2018-19	14th State Finance	120 25.01.19	178.99	178.99	T/2217/002 0	178.99			125.29	53.70	0.00		125.29	2197 / 14.08.21			53.70	
164	2018-19	Ward Commission er Allowance	76 31.01.19	9.00	9.00	T/2217/000 5	9.00			125.29	53.70	0.00		125.29	2197 / 14.08.21			53.70	



1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
174	2018-19	State Fund	157	19,03.19	26.10	26.10	26.10												
		Total		3711.83	3711.83	0.00	3711.83												363.76
											0.00	0.00						0.00	

Executive Officer
 Nagar Panshad Danapur Nizamah



DANAPUR NIZAMAT

1/1/2022

BOOK

PAYMENTS

PARTICULARS

Date	Voucher No	Function Code	Account Code	12	13	Amount (Rs)
8	9	10	11			14
				Scholarship award	101	12532899.50
				10102 Education		12532899.50
				101020202020202		9525937.50
				101020202020202		3007.00
				101020202020202		5501650.50
				101020202020202		42166.00
				101020202020202		8455348.50
				101020202020202		0
				101020202020202		2849706.50
				101020202020202		1437400.00
				101020202020202		5000.00
				101020202020202		65000.00
				101020202020202		1691605.00
				15th FC		276562700.00
				15th FC Health Center		3287600.00
				15th FC Health		0
				15th FC		16325570.00
				Total		1061002965.57
				Total		1061002965.57

प्रधान लिपिक नगर निगम

Executive Officer
Nagar Panshad Danapur Nizamati

प्रधान लिपिक नगर निगम

Executive Officer
Nagar Panshad Danapur Nizamati

Total



XXXX
XXXX

XXXX

Internal Audit of FY 2021-22

Internal Audit Report for Internal Audit of FY 2021-22
Reference: ...

Handwritten signature and date: 7/9/2022



Main body of the report containing detailed findings, observations, and recommendations regarding the internal audit process for the financial year 2021-22.

Concluding remarks and signature line.

