



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

INTERNAL AUDIT REPORT
FOR

F. Y. 2019-20

GROUP 1

ARWAL MUNICIPAL
COUNCIL

BY

A. P. SANZGIRI & CO.
CHARTERED ACCOUNTANTS

**PLOT NO. 22, HOUSE NO. 174, ANAND NAGAR LANE,
BEHIND VAKOLA POLICE STATION, SANTACRUZ (EAST),
MUMBAI 400055. INDIA**

**MOB NO.: +91-98333 44727 FAX: +91-22-26691233
EMAIL ID.: CAAYUSH.APS@GMAIL.COM**



A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

DOCUMENT HISTORY

INTERNAL AUDIT FOR FY 2019-20

Project Title	Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar (Tender No. IA-140ULBs/2017-18/2018-19/2019-20) Group – 1 covering 19 ULBs”
Report Title	Internal Audit for FY 2019-20 of Nagar Parishad Arwal
Reporting Entity	A P SANZGIRI & Co., Chartered Accountants
Reporting for	Nagar Parishad Arwal
Report Prepared by	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
Date of Submission	30-03-2021



ABBREVIATION AND ACRONYMS

Abbreviation	Description
UD&HD	Urban Development & Housing Department
BMAM	Bihar Municipal Accounting Manual
NMAM	National Municipal Accounting Manual
ULBs	Urban Local Bodies
FAR	Fixed Assets Register
OBS	Opening Balance Sheet
ToR	Terms of Reference
MIS	Management Information System
DEAS	Double entry accounting system
MOUD	Ministry of Urban Development
GOI	Government of India
GOB	Government of Bihar
CWIP	Capital Works in Progress
CAG	Comptroller & Auditor General of India
MAS	Municipal Audit Specialist
MAA	Municipal Audit Assistant
SS	Support Staff
NTP	Notice to Proceed
RFP	Reference for Proposal



TABLE OF CONTENTS

Sl. No.	Particulars	Page No.
1.	Covering Letter	4
2.	Executive Summary	5 - 8
3.	Detailed Audit Report	
	A. Introduction	9
	B. Administration	9
	C. Review of Outstanding Audit Para's	9 - 10
	D. Finance	11 - 16
	E. Audit Observations	16 - 83
4	Annexure-1	84-87
5	Annexure-2	88 - 90
6	Discussion Note	91- 105



A. P. SANZGIRI & CO.
CHARTERED ACCOUNTANTS

Date:30-03-2021

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

Sub: Submission of Internal Audit Report of Nagar Parishad Arwal for the Financial Year 2019-20.

Ref No.: Letter No. 7/I. AK. 23/2018 – 82 **Dated:** 16.01.2019

Respected Sir,

With reference to above subject matter, We **A P Sanzgiri & Co., Chartered Accountants** has been appointed as **Internal Auditor** for the project named as "**Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar (Tender No. IA-140 ULBs /2017-18/2018-19/2019-20) Group – 1 covering 19 ULBs**

We have undertaken our audit as per various standards on internal audit issued by the ICAI and as per scope of work and methodology presented. The audit procedures have been performed on the basis of accounting records and other information and explanation provided by the management and other authorised official. We have totally relied upon the data and information furnished by the ULB. It is the sole and exclusive responsibility of the ULB to ensure that data furnished is complete, consistent and accurate in all respect.

Our report is in nature of internal audit report only and prepared as per scope of work and methodology submitted earlier. Since the above procedures were not any statutory audit in accordance with generally accepted standards in India, we do not express any assurance on financial statement and also on the completeness of aforesaid factual findings.

Content of the report and matter might have varied if we had performed a statutory audit of the financial statement in accordance with generally accepted accounting/ auditing standards in India.

This report is restricted for the use of ULB who has agreed to the procedures and should not be used for any other purposed including disclosure to/ discussion with any other parties. We have no responsibility to update this report for the events and circumstances occurring after the date of this report.

Thanking You,

Yours faithfully,

On Behalf of

A P Sanzgiri & Co,
Chartered Accountants

Satish Gupta

CA Satish Gupta
Partner

Membership No. :101134

FRN: 116293W

UDIN: 21101134AAAAJK2893

Date:16-09-2021

**Address: Plot No. 21, House No. 167, Anand Nagar Lane, Behind Vakola Police Station, Santacruz (East) ,
Mumbai 400055. INDIA, Phone: +91-22-6689 9900, Fax: +91-22-6689 9910 E-mail: apsanzgiriandco@gmail.com**



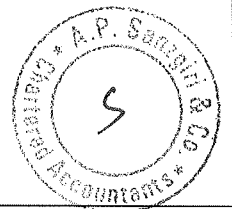
EXECUTIVE SUMMARY

1. INTRODUCTION:

Name of the Municipality	-	Nagar Parishad Arwal
Period covered under Current Audit	-	01 st April 2019 to 31 st March 2020
Name of Mayor/Chairman	-	Shri Nityanand Singh
Name of Executive Officer	-	Shri Brij kishore Pandey

2. OBSERVATIONS AND FINDINGS:

Strengths	<ol style="list-style-type: none">1. In the existing system as prevailing in the ULB, day to day working is in progressive manner in respect of collection of revenue and execution of the projects.2. There is sufficient co-operation from the management during the course of our audit.3. General Cash book is properly up-to-dated.
Weaknesses	<ol style="list-style-type: none">1. The collection of rental income is not satisfactory.2. Budget is not prepared properly; there is huge difference in opening balance of each year in continuous nature.3. No physical verification of store is exercised by ULB.4. No Physical verification of cash is exercised by ULB.5. Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the ULB has not been complied.6. List of Outstanding dues is not available.7. Fixed assets register was prepared by a CA firm as on 01/04/2014 and it was updated till 2015-16..8. Statutory compliance of the ULBs is not deposited timely and hence it incurs penalty and other charges.9. Certain Statutory Registers and Books are not maintained.10. Bank Reconciliation Statement has not been prepared properly. <p>11. Non Levy of Taxes:</p> <ul style="list-style-type: none">• Tax on advertisements, other than advertisements published in newspapers• Surcharge on electricity consumption within the municipal area• Tax on congregations.• Tax on pilgrims and tourists.• User Charges for Solid Waste Management• User Charges for Garbage Clearance.• Collection of Development Charges



	12. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 1 to 18 days.
	13. ULB is not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.
	14. ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter
	15. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.
	16. Non Compliance of Rule 130 of BMAR in some of the cases.
	17. ULB is not maintaining the accounts as well as not preparing the financial statements.
	18. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.

3. **OPINION:**

The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the municipal personnel and other matters incidental thereto for overall improvement of the ULB.

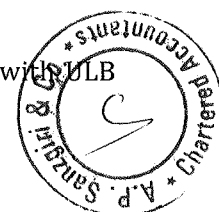
4. **AUDIT RECOMMENDATION:**

Observed Weaknesses	Audit Recommendations
No physical verification of store is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of the stock and process.
No Physical verification of cash is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of cash.
Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.
Fixed assets register is not updated at ULB	Fixed assets register should be maintained and updated properly.
Statutory compliance of the ULB are not properly complied, hence it incurs penalty and other charges.	As ULB is not proper complying with statutory obligations, that cause financial implication on ULB in mode of interest and penalty. So, ULB should ensure statutory compliance on time.
Certain Statutory Registers and Books are not maintained.	Statutory register and books of accounts should be maintained as per guidelines and BMAR.
Bank Reconciliation Statement has not been prepared properly.	ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records.
Non Levy of Taxes:	As per section 127, 128, 129 & 131 of chapter XV

<ul style="list-style-type: none"> • Tax on advertisements, other than advertisements published in newspapers • Surcharge on electricity consumption within the municipal area • Tax on congregations. • Tax on pilgrims and tourists. • User Charges for Solid Waste Management • User Charges for Garbage Clearance • Collection of Development Charges 	Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. ULB should take steps to implement required taxes to boost their revenue
During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 01 to 18 days.	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.
ULB is not prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	As per BMAR Rule No. - 121, ULB should prepare of monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the executive officer.
ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.
Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.	As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB. <ol style="list-style-type: none"> 1. Municipal General Fund 2. Basic service for urban poor 3. Water supply & sewerage fund 4. Solid Waste Management Fund 5. Road Development & Maintenance 6. Enterprise Fund
Non Compliance of Rule 130 of BMAR in some of the cases.	ULB should ensure compliance related to Rule 130 of BMAR on regular basis.
ULB is not maintaining the accounts as well as not preparing the financial statements.	ULB is required to maintain the accounts as well as prepare the financial statements at the end of the year.
ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.	ULB should prepare financial statements for each year and get it approved from municipal account committee. As per BMAR, audited financial statements are required to submit to auditor for audit.
In-consistencies in assessment of property tax	Checked on random basis and found variation between demand raised by ULB or actual demand.

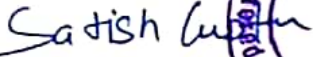
5. **COMMENTS FROM MANAGEMENT**

We have conducted audit of the ULB and our report with observation was discussed with ULB officials and their comments are given *in discussion note*.



6. ACKNOWLEDGEMENT

We are thankful to management and staff for their cooperation during audit.

On Behalf of A P Sanzgiri & Co.
Chartered Accountants

CA Satish Gupta
Partner
Membership No.: 101134
FRN: 116293W
UDIN: 21101134AAAAJK2893
Date: 16-09-2021



DETAILED AUDIT REPORT

1. INTRODUCTION:

Name Of ULB	Period-covered		Audit Team
	From	To	
Nagar Parishad Arwal	1 st Apr 2019	31 st Mar.2020	1. Team Leader: CA Satish Gupta 2. Name of CA: CA Raunak Agrwal 1. Name of Auditor-1: Dipak Sharma

2. ADMINISTRATION:

Sl. No.	Particulars	Details
1	The present body of the ULB has taken charge on	July, 2017
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	Shri Nityanand Singh
2.1.1	Period of Service:	From: July, 2017 To: Till date
2.2	Name of Executive Officer:	Shri Brij Kishor Pandey
2.2.1	Period of Service:	From: March 2019 To: Till date

3. REVIEW OF OUTSTANDING AUDIT PARAS:

3.1. STATUS OF AUDIT OBSERVATIONS IS AS UNDER:

Particulars of audit and date of report	Total No. of audit Para's	Improvement /corrective measures required (Nos. of Para's)	Recovery of cash is proposed (Nos. of Para's)	Recovery has been made (Nos. of Para's)	Total amount of Recovery	No action has been taken	No. & date of compliance report
Audit report submitted by AG for the F.Y. 2014-16	15	15	0	0	0	15	1168/16-17 Dated 03.08.2019
Interanl Audit paras of FY 2017-18 & 2018-19							Not complied (Refer discussion note)

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

Period of AG Audit Report : 2014-15 to 2015-16
 Compliance Report Date & Number : 1168/16-17/Dated 03.08.2019 (Refer Discussion Note)

Para Nos.	Heading of the Audit Para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	Irregularities in purchase of LED Street Light (Excess payment & undue benefits because not	62.55 Lac	No	No	No

	considered of quotation price due to purchase lower watt as per tender condition)				
2	Irregularities in payment & undue benefits to the firm against purchase of Poal mounted Beed & Hand Trash Van through single tender.	40.89 Lac	No	No	No
3	Irregularities through inevitable against purchase of Auto Tipper.	52.52 Lac	No	No	No
4	Unnecessary expenditure & undue benefits of performance security to the firm against purchase of door to door garbage collection due to lack of planning management.	17.03 Lac	No	No	No
5	Purchase of blanket against the rules.	9.00 Lac	No	No	No
6	Irregularities in payment of High Mask due to lack of full enquire of tender procedure.	87.08 Lac	No	No	No
7	Irregularities in purchase through single tender of Tractor due to not followed of finance rules.	5.88 Lac	No	No	No
8	Irregularities & undue benefits in purchase of rikha-thela.	15.27 Lac	No	No	No
9	Purchase of High Mask (05 nos.) through single tender process without proper approval.	40.41 Lac	No	No	No
10	Disqualified in technical tender through in-appropriate manner against Construction of Drain.	16.87 Lac	No	No	No
11	Disqualified to contractor on the basis of non-attachment of documents.	4.92 Lac	No	No	No
12	Non-approval of board meeting against Selection of work through single tender.	95.01 Lac	No	No	No
13	Irregularities in expenses against allotment of household bin(door to door garbage collection).	0.00	No	No	No
14	Expenses against purchase of equipments/items not as per budget provision.	0.00	No	No	No
15	Non-maintenance of Asset Register.	0.00	No	No	No

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

Note-2: Further Compliance Report has been prepared by management.

Management Comment: ULB has prepared Compliance Report for above said period of AG Report.
(Refer Discussion Note).



4. FINANCE

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

Year	Year- 2017-18	Year- 2018-19	Year- 2019-20
Final/Revised Budget Data	No Budget prepared by the ULB.	29,31,14,810.00	39,35,46,591.00
Actual Expenditure Data	11,61,55,002.00	15,63,56,178.00	194,382,817.00
Savings(+)/Excess(-)	-	13,67,58,632.00	199,163,774.00

Auditor's Comment:

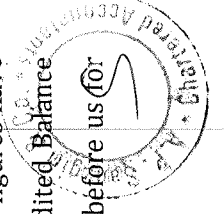
The cash book prepared by ULB in such way that we could not bifurcated or separated data as required in above mentioned format .The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification. **Kindly refer discussion note**

II. VOLUME OF TRANSACTIONS:

Period	Budgeted for F.Y. 2019-20	Actual for the F.Y. 2017-18	Actual for the F.Y. 2018-19	Actual for the F.Y. 2019-20	Cumulative for the current period
Opening balance	119,560,354.00	122,118,709.00	110,086,636.00	107,154,201.00	107,154,201.00
Receipts	393,546,591.00	104,122,929.00	153,423,743.00	195,428,722.00	195,428,722.00
Total	513,106,945.00	226,241,638.00	263,510,379.00	302,582,923.00	302,582,923.00
Net expenditure	393,546,591.00	116,155,002.00	156,356,178.00	194,382,817.00	194,382,817.00
Closing balance	119,560,354.00	110,086,636.00	107,154,201.00	108,200,106.00	108,200,106.00

Auditor's Comment:

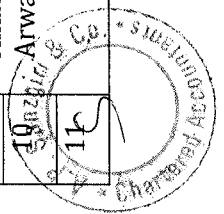
The cash book prepared by ULB in such way that we could not bifurcated or separated data as required in above mentioned format .The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification.



III. BANK RECONCILIATION POSITION AS ON REPORTING DATE:

BANK RECONCILIATION POSITION AS ON 31-03-2020

S.N	Name of Bank	Bank A/c No.	Purpose of Bank Account	Balance as per Cash Book	Balance as per Bank Statement	Differences	Reconciled (Yes/No)
1	Treasury	PL A/c 197	2217 Establishment	6,58,560.00	658,560.00	0.00	No
			Peshaker	7,633.00	7,633.00	0.00	
			14th Finance	1,58,08,238.00	15,823,238.00	(15,000.00)	
			MM7NY	4,03,83,612.00	40,383,612.00	0.00	
			5th Finance	3,92,87,171.00	32,891,125.00	6,396,046.00	
			Stamp sulk	35,850.00	35,850.00	0.00	
			MM swachchhta Anudan	31,533.00	31,533.00	0.00	
			State Plan	1,73,06,051.00	17,306,051.00	0.00	
			Jal Jeevan Hariyali		1,150,764.00	(1,150,764.00)	
			C.M Payjal		2,98,91,101.00	29,891,101.00	
2		70850100130344	14th Finance	-	31,460.00	(31,460.00)	No
3		70850100130274		-	41,764.00	(41,764.00)	No
4	MBGB ARWAL	70850100130159	5th Finance	-	68,868.00	(68,868.00)	No
5		70850100130353		-	37,634.00	(37,634.00)	No
6		70850100130618	4th Finance	2,01,895.00	2,764.00	199,131.00	No
7	PNB ARWAL	4484000100053025	BRGF	0.00	815.00	-815.00	No
8	Canara Bank ARWAL	3473101003400	e-Gov.	0.00	1,314.00	-1,314.00	No
9	Allahabad Bank Arwal	50400495994	HFA	2,44,31,528.00	2,44,31,528.00	0.00	Yes
		50312448221	NULM	48,43,952.00	58,45,785.00	-1,001,833.00	No
		503567800742	SBM	27,94,372.00	6,02,781.00	0.00	No



12	ICICI BANK (SBM)			21,91,591.00		
13	Axis Bank	917010038472978	Miscellaneous	5,972.85	60,272.00	54,299.15
14	MBGB Arwal	70850100139415	Miscellaneous	0.00		No
	Total			17,57,41,768.00	17,12,62,017.9	44,79,750.15

Auditor's Comment: It is suggested that separate cash book in respect of each 'YOJNA/MISSION/SCHEME' should be maintained and separate bank account should be opened. Each 'YOJNA/MISSION/SCHEME' should be maintained separate Treasury Balance and Bank Balance. BRS relating to PLA Accounts has not been prepared.

IV. RECEIPT DETAILS:

INCOME DETAILS (Amounts IN INR)							
SN	Details	2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)
	Total Receipts (A+B)	104,122,929.00	92,300,879.00	153,423,743.00	104,122,929.00	195,428,722.00	153,423,743.00
A	Revenue Receipts (1+2+3)	31,625,851.00	27,199,970.00	53,134,909.00	31,625,851.00	160,792,216.00	53,134,909.00
1	Own Revenue Receipts (a+b)	2,824,087.00	4,946,096.00	2,941,535.00	2,824,087.00	4,119,897.00	2,941,535.00
a)	Tax Revenue (Collected by ULB)	1,845,131.00	4,537,693.00	1,060,733.00	1,845,131.00	3,282,398.00	1,060,733.00
i)	Property Tax	1,845,131.00	4,287,693.00	960,733.00	1,845,131.00	1,045,905.00	960,733.00
ii)	Other tax (Collected by ULB)	-	250,000.00	100,000.00	-	2,236,493.00	100,000.00
b)	Non-tax revenue (Collected by ULB)	978,956.00	408,403.00	1,880,802.00	978,956.00	837,498.99	1,880,802.00
i)	Fees & fines	166,452.00	145,877.00	119,531.00	166,452.00	402,258.00	119,531.00
ii)	User Charges	567,184.00	232,270.00	1,661,271.00	567,184.00	4,200.00	1,661,271.00
iii)	Other non-tax revenue	245,320.00	30,256.00	100,000.00	245,320.00	431,041.00	100,000.00

2	Other Revenue Receipts	2,020,764.00	1,315,874.00	2,216,840.00	2,020,764.00	997,286.00	2,216,840.00
a)	<i>Income from interest/investments</i>	318,902.00	311,124.00	1,065,778.00	318,902.00	997,286.00	1,065,778.00
b)	<i>Other Revenue income</i>	1,701,862.00	1,040,750.00	1,151,062.00	1,701,862.00	-	1,151,062.00
3	Transfers/Grants/Assigned Revenues	26,781,000.00	20,938,000.00	47,976,534.00	26,781,000.00	155,675,032.99	47,976,534.00
a)	<i>State Assigned Revenue</i>	9,305,000.00	3,573,000.00	47,976,534.00	9,305,000.00	155,675,032.99	47,976,534.00
b)	<i>State Finance Commission(SFC) Grants</i>	17,476,000.00	1,765,000.00	-	17,476,000.00	-	-
c)	<i>Octroi compensation</i>	-	-	-	-	-	-
B	Capital Receipts	72,497,078.00	65,100,909.00	100,288,834.00	72,497,078.00	34,636,506.00	100,288,834.00
1	<i>State Capital Account Grant</i>	33,097,000.00	6,280,000.00	-	33,097,000.00	24,869,443.00	-
2	<i>Central Capital Account Grant</i>	39,400,078.00	58,820,909.00	100,288,834.00	39,400,078.00	9,652,063.00	100,288,834.00
3	<i>Other Capital Receipts</i>	-	-	-	-	115,000.00	-

Auditor's Comment:

The cash book prepared by ULB in such way that we could not bifurcated or separated data as required in above mentioned format .The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification. **Kindly refer discussion note**

5

V. EXPENDITURE INFORMATION:

S.N	Details	2017-18		2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)		
	Total Expenditure (1+2)	116,155,002.00	87,751,262.00	156,356,178.00	116,155,002.00	194,382,817.00	156,356,178.00		
1	Revenue Expenditure	28,570,518.00	19,500,796.00	30,627,164.00	28,570,518.00	25,749,428.00	30,627,164.00		
1.1	Administrative Expenses, Establishment and Salaries	4,976,006.00	4,579,416.00	9,959,353.00	4,976,006.00	11,565,486.00	9,959,353.00		
1.2	Operation and Maintenance	15,743,920.00	12,086,743.00	18,836,198.00	15,743,920.00	6,543,017.99	18,836,198.00		
1.3	Others(any other revenue expenditure)	7,850,592.00	2,834,637.00	1,831,613.00	7,850,592.00	7,640,924.00	1,831,613.00		
2	Capital Expenditure	87,584,484.00	68,250,466.00	125,729,014.00	87,584,484.00	168,633,389.00	125,729,014.00		
2.1	All developmental works under Central/ State schemes	84,777,095.00	67,363,076.00	125,164,014.00	84,777,095.00	88,262,685.00	125,164,014.00		
2.2	Other Capital expenditure	2,807,389.00	987,390.00	565,000.00	2,807,389.00	80,370,704.00	565,000.00		

Auditor's Comment:

The cash book prepared by ULB in such way that we could not bifurcated or separated data as required in above mentioned format .The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification. **Kindly refer discussion note**



VI. STATUS OF IMPLEMENTATION OF DOUBLE ENTRY SYSTEM:

It is told by the ULB that one Agency M/S Sahani Bansal & Associates was appointed for the DEAS work and it has completed following activities till FY 2015-16. Further at present **M/s Sarkar Gurumurthy & Associates** is working for implementation of Double Entry Accounting System.

SN	Activity	Work Done
1	Fixed Assets Register	Opening FAR was prepared as on 01/04/2014 and it was updated for FY 2014-15 and 2015-16
2	Property Tax Register	Opening PTR was prepared as on 01/04/2014 and it was updated for FY 2014-15 and 2015-16
3	Opening Balance Sheet	Opening Balance Sheet was prepared as on 01/04/2014
4	Annual Financial Statements	Annual Financial Statements were prepared for FY 2014-15 and 2015-16.
5	Installation of Tally License	Tally was installed by CA firm but now ULB staff is not aware about it.

VII. MUNICIPAL ACCOUNTS COMMITTEE:

At present Committee is not formed but it was told by the ULB officials that it is under process and matter will be put before Board for constitution of committee.
Kindly refer discussion note attached with this report.

5. AUDIT OBSERVATION:

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

(A) LEAKAGE OF OWN SOURCE REVENUE EITHER DUE TO WRONG ASSESSMENT OR NON-LEVY OF PROPERTY TAX, MOBILE TOWER TAX, RENT ON MUNICIPAL PROPERTIES, ADVERTISEMENT TAX, FEE ETC.

OBSERVATION-1 : TAXES/CHARGES WHICH ARE NOT IMPLEMENTED BY ULB ACCORDING TO THE BIHAR MUNICIPAL ACT,2007

SN	Head	Comments
1	Objective	The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable provisions and rules.
2	Criteria	We have checked list of all the taxes which to be levied and collected by the ULB as per Act. Further we have checked , Receipt book, cashier cash book and accountant cash book etc.
3	Condition	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to

increase their own source revenue. **In case of Nagar Parishad Arwal**, The following mentioned tax/charges are not implemented that leads to loss of revenue to ULB:

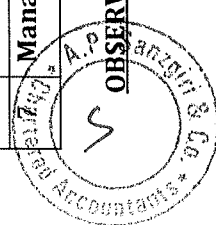
S. N	Particulars	Implemented by ULB or Not
1	Property tax on lands and buildings.	YES
2	Surcharge on transfer of lands and buildings	YES
3	Fire tax.	NO
4	Tax on advertisements, other than advertisements published in newspapers	NO
5	Surcharge on electricity consumption within the municipal area	NO
6	Tax on congregations.	NO
7	Tax on pilgrims and tourists.	NO
8	Tax on profession.	NO
9	Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.	NO
10	User Charges for provision of water-supply, drainage and sewerage	NO
11	User Charges for Solid Waste Management	NO
12	User Charges for Parking Facility	YES
13	User Charges for Garbage Clearance	NO
14	Collection of fees for sanction of building plans and issue of completion certificates,	YES
15	Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,	YES
16	Collection of Fees for issue of birth and death certificates.	YES
17	Collection of Development Charges	No

4 **Consequences/Effect**
No levy of taxes will be resulted in to revenue loss to ULB.

5 **Cause**
There is lack of standard policies and instructions from department. In some cases policies are prepared by it is not followed by the ULBs.

6 **Corrective Action/Recommendation**
It is recommended that department should prepare uniform policies for levy and collection of taxes in proper manner and on due time. Further capacity building programmes should be held for ULBs staff and awareness about these taxes should be done.

Management Comments
Kindly refer discussion note attached with the report.

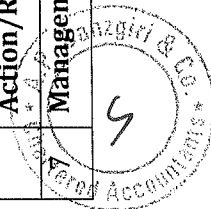


OBSERVATION-2: DELAY IN DEPOSIT OF PROPERTY TAX COLLECTED BY ULB STAFF

SN	Head	Comments
1	Objective	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 the amount of tax collected by the tax collector is required to be handed over to cashier and deposited into bank on the same day on which collection is made. To check compliance of these provisions, we have carried audit of such type of cases.
2	Criteria	We have checked respective books in order to carry the audit and some cases were checked on random basis.
3	Condition	During verification of receipts book and deposit slips, we have noticed that there is gap period in collection of tax and deposit of tax around 01 to 18 days. Details of such cases are given in Annexure-1 .
4	Consequences/Effect	In respect of above in most of the cases property tax has not been deposited on same day of collection which resulted in interest loss to ULB.
5	Cause	It is explained by concern person that due to non-availability of human resources the same issues arises.
6	Corrective Action/Recommendation	It is recommended that tax collector/cashier should deposit the collected money into bank on same day itself and if he fails to do the same, necessary action should be taken by the ULB management in such cases.
7	Management Comments	Kindly refer discussion note attached with the report.

OBSERVATION-3: NON COLLECTION OF NOTICE FEE

SN	Head	Comments
1	Objective	As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007, Municipality can issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore.
2	Condition	ULB is not charging and collecting notice fees.
3	Consequences/Effect	It is non-compliance of Bihar Municipal Act, 2007 which resulted in loss of revenue to the ULB.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/Recommendation	Notice fees should be collected as per applicable provisions and rules.
	Management Comments	Kindly refer discussion note attached with the report.



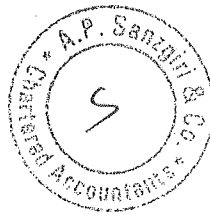
OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME:

1. RECOVERY OF OUTSTANDING PROPERTY TAX:

SN	Head	Comments
1	Objective	ULB is authorized to collect holding tax from households situated in the municipal area and Property tax have major role in the internal revenue of ULB.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that property tax of Rs. 51.67 lacs was outstanding as on 31/03/2020:
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice should be issued to the Assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

2. RECOVERY OF ADVERTISEMENT TAX:

SN	Head	Comments
1	Objective	ULB authorized to charge advertisement tax/fee in municipal are as per act/rule.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted there was no outstanding dues as on 31/03/2020.
3	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to ULB.
5	Cause	Not Applicable
6	Corrective Action/ Recommendation	Not Applicable
7	Management Comments	Not Applicable



3. RENT INCOME:

SN	Head	Comments
1	Objective	ULB authorized to charge rent from municipal properties.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that there was no rent income outstanding as on 31/03/2020.
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	NA
6	Corrective Action/ Recommendation	NA
7	Management Comments	NA

4. MOBILE TOWER TAX:

SN	Head	Comments
1	Objective	ULB is authorized to collect tax from telecom companies for mobile towers installed in the municipal area.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that mobile tower tax of Rs. 37.05lacs was outstanding as on 31/03/2020.
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice should be issued to the Assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report

5 OTHER TAX:

SN	Head	Comments
1	Objective	ULB is authorized to collect other various types of taxes/fee.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that no other tax was outstanding as on 31/03/2020:

3	Consequences/Effect	Not Applicable
5	Cause	Not Applicable
6	Corrective Action/Recommendation	Not Applicable
7	Management Comments	Not Applicable.

(B) EXCESS PAYMENT AGAINST BILL, LACK OF PRUDENCE IN PAYMENT AGAINST VOUCHER, INEFFICIENCY IN CONTROLS RESULTING LOSS TO ULBS:

During the audit we have checked below mentioned payments on random basis and audit observation are as follows:

SN	Head	Comments						
1	Objective	Checking of payment made by ULBs to find out irregularities made during payment						
2	Criteria	Payment were checked on random basis						
3	Condition	We have checked following payment related to FY 2019-20 during audit:						
		S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Date of Payment	Audit Observations
		1	Mina Devi	C. M Nal Jal Yojna	24,07,913.00	24,07,913.00	19.06.2019	No Irregularities Found During Audit
		2	Bikram Kumar		8,21,705.00	8,21,705.00		
		3	Santosh Kumar Prabhaker		93,544.00	93,544.00		
		4	Shambhu Saran Singh		11,29,895.00	11,29,895.00	28.06.2019	
		5	Naval Kumar		24,07,913.00	24,07,913.00	19.06.2019	
		6	Mina Devi		6,38,800.00	6,38,800.00		
4	Consequences/Effect	Irregularities in payment lead to excess payment, wrong deductions, non-compliance with agreement and statutory compliances.						
5	Cause	NA						
6	Corrective Action	Management can implement standard checklist for each payment so that irregularities in payments can be avoided.						
7	Management	Kindly refer discussion note attached with the report						

Comments

(C) REPORT ON SURVEY ON 20 HIGH VALUE PROPERTIES:

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

SN	Head	Comments
1	Objective	Field survey and report of 20 high value properties of ULB and report on the basis of area of building, rate of property tax etc of the same. Comparison with the data of same property provided by the ULB and report on variance between them if available.
2	Criteria	Survey was done for 20 High value properties.
3	Condition	We have checked twenty high value assessed property and found variances related to FY 2019-20 during audit. Details of such cases are given in Annexure-2
4	Consequences/Effect	Irregularities in this area may cause short recovery of revenue receipt and it will result in loss to the ULB.
5	Cause	There are some cases found in which variance arise due to assessment of area of property on lower side.
6	Corrective Action/Recommendation	Management need to carry survey of properties on regular interval.
7	Management Comments	Kindly refer discussion note attached with the report.

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

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

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

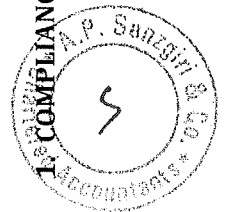
S.N	Name of Register	Maintained/ Not Maintained	Last date of Update
1	Cash Book-Cashier	Not Maintained	
2	Cash Book-Accountant	Maintained	31.03.2020
3	Collection Register	Maintained	31.03.2020
4	Cheque issue Register	Maintained	31.03.2020
5	Register of Advance	Not Maintained	
6	Register of Permanent Advance	Not Maintained	
7	Deposit received register	Not Maintained	



8	Summary statement of deposit adjusted	Not Maintained	
9	Demand Register	Not maintained	
10	Summary Statement of Bills Raised	Not maintained	
11	Register of Notice Fees, Warrant Fees, Other Fees	Not maintained	
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	Not maintained	
13	Register of Refunds, Remissions and Write off	Maintained in Yojna Panji	31.03.2020
14	Summary statement of Refunds and Remissions	Not maintained	
15	Summary Statement of Write-offs	Not maintained	
16	Statement of outstanding Liability for Expenses	Not maintained	
17	Document Control Register/Stock Account Receipts/Cheque Book	Maintained	31.03.2020
18	Fixed Assets Register	Not Maintained	
19	Summary Statement of Demand Raised on assessment	Not Maintained	
20	Summary Statement of Head wise Collection of Other Income	Not Maintained	
21	Summary Statement of Refunds	Not Maintained	
22	Summary Statement of Write off	Not Maintained	
23	Grant Register	Maintained	31.03.2020
24	Summary Statement of status of Capital Work in Progress	Not Maintained	
25	Work Sheet	Not Maintained	
26	Deposit Works Register	Not Maintained	
27	Material Receipt Note	Not Maintained	
28	Store Ledger	Not Maintained	
29	Statement of Closing Stock	Not Maintained	
30	Statement of Material Issued	Not Maintained	
31	BRS of all bank accounts (including dormant accounts)	Not Maintained	
32	Final Accounts for the F.Y. 2012-13 to 2018-19	Not maintained	
33	Audited Balance Sheet	Not maintained	
34	Audited Income & Expenditure Account	Not maintained	
35	Audited Receipts & Payment Account	Not maintained	

(b) IRREGULARITY IN PROCUREMENT PROCESS:

1. COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS: During audit, we have checked following procurements :

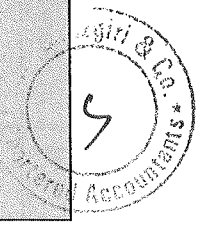


S.N	Name of Party	Invoice Amount	Deduction has made or not	Whether Deductions are with appropriate Rate	Check signature of Commissioner/EO in Payment Order	Whether Measurement book & bill signed by the JE of ULB	Whether in respect of all bills for charges on account of all works and other expenditure, proper certificates have been furnished in support of them and no deviation has been made for the sanctioned plans and the estimates without the sanction of the competent authority (BMAR Rule No.-130)
1	Mina Devi	24,07,913.00	YES	YES	YES	YES	Furnished and no deviation found
2	Bikram Kumar	8,21,705.00	YES	YES	YES	YES	Furnished and no deviation found
3	Santosh Kumar Prabhaker	93,544.00	YES	YES	YES	YES	Furnished and no deviation found
4	Shambhu Saran Singh	11,29,895.00	YES	YES	YES	YES	Furnished and no deviation found
5	Naval Kumar	24,07,913.00	YES	YES	YES	YES	Furnished and no deviation found
6	Mina Devi	6,38,800.00	YES	YES	YES	YES	Furnished and no deviation found
7	Mahila Evam Bal Kalyan Sangathan	11,00,000.00	YES	YES	YES	YES	Furnished and no deviation found
8	Mahila Evam Bal Kalyan Sangathan	40,52,752.00	YES	YES	YES	YES	Furnished and no deviation found
9	Brajesh Kumar	88,71,760.00	YES	YES	YES	YES	Furnished and no deviation found
10	Shubhangi Shree Supply And Services Pvt Ltd	34,20,000.00	YES	YES	YES	YES	Furnished and no deviation found
11	Bikram Kumar	7,69,073.00	YES	YES	YES	YES	Furnished and no deviation found
12	Mahila Evam Bal Kalyan Sangathan	28,44,461.00	YES	YES	YES	YES	Furnished and no deviation found
13	Mina Devi	10,41,899.00	YES	YES	YES	YES	Furnished and no deviation found
14	Sanjay Singh	3,90,716.00	YES	YES	YES	YES	Furnished and no deviation found
15	Mina Devi	15,37,988.00	YES	YES	YES	YES	Furnished and no deviation found



16	Ram Babu	76,557.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
17	Ram Babu	61,684.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
18	Nawal Kumar	8,48,744.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
19	Mamta Kumari	5,71,278.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
20	Nawal Kumar	5,23,031.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
21	Sanjay Singh	5,47,981.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
22	Shyam Dil Prasad	24,51,057.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
23	Krishna Kumar	20,40,623.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
24	Santosh Kumar Prabhaker	8,11,917.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
25	Ramesh Kumar	7,27,446.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
26	Nawal Kumar	18,06,106.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
27	Ramesh Kumar	4,24,364.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
28	Anish Kumar	2,16,023.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
29	Shivam Construction	6,41,979.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
30	Anish Kumar	4,90,027.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
31	Pappu Kumar	48,660.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
32	Anil Kumar Varma	23,733.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
33	Pappu Kumar	48,660.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
34	Ganga Sager Chaudhari	14,31,934.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
35	Krishna Kumar	3,88,208.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
36	Pappu Kumar	24,45,693.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
37	Vijay Kumar	22,53,196.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
38	Abhay Kumar	24,10,885.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found

39	Mamta Kumari	23,10,360.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
40	Vikram Kumar	18,66,371.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
41	Krishna Kumar	19,67,792.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
42	Shambhu Saran Singh	6,38,456.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
43	Shambhu Saran Singh	6,19,541.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
44	Vikram Kumar	24,43,085.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
45	Rahul Kumar	3,59,342.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
46	Saneh Kumar	16,40,258.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
47	Mina Devi	24,08,192.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
48	Krishna Kumar	4,14,682.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
49	Mina Devi	24,15,052.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
50	Ram Babu	7,70,130.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
51	Santosh Kumar Prabhaker	24,53,641.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
52	Nitish Kumar	8,25,451.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
53	Santosh Kumar Prabhaker	14,41,014.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
54	Nitish Kumar	10,39,356.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
55	Ganga Sager Chaudhari	24,01,885.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
56	Vijay Kumar	19,97,489.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
57	Dinanath Sharma	20,73,811.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found
58	Mina Devi	24,53,970.00	YES	YES	YES	YES	YES	YES	Furnished and no deviation found

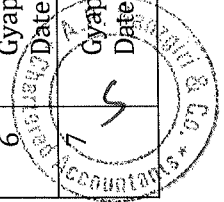


2. DETAILS OF LOG BOOK MAINTAINED:

S.N	Name of Vehicle	Whether vehicle log book is maintained or not	Whether log book is properly updated or not	Whether vehicle is insured or not	Whether Rate of Diesel/Petrol properly mentioned in log book
1	Scorpio (Hire Charge)	YES	YES	YES	NO
2	Tempo Tipper-6	YES	YES	NO	NO
3	Tractor-1	YES	YES	NO	NO
4	J.C.B-2	YES	YES	NO	NO
5	Fogging Machine-1	YES	YES	NO	NO

(C.) NON-COMPLIANCE OF DIRECTIVES BY UD&HD, GOB:

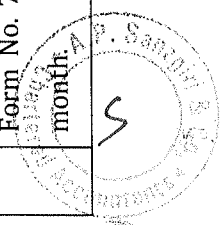
S.N	Directions Issued by UDHD	Particulars of Circulars/Orders/Notices	Complied or Not
1	Patrank Number : 1888 Dated : 03.04.2019	Regarding Compliances of Provision of Employees Provident Fund Act, 1952;	Not Complied
2	Gyapank Number : 2120 Dated : 24.04.2019	Shortage of Drinking water within municipality area - Kind of steps taken by ULB to prevent this shortage.	Complied
3	Gyapank Number : 2412 Dated : 14.05.2019	Regarding Deposit of PF amount	Not Complied
4	Gyapank Number : 1353 Dated : 28.05.2019	Direction regarding processing and disposal of "Solid waste management"	Complied
5	Patrank Number : 2960 Dated : 13.06.2019	Regarding Repair and Maintenance of Handpump	Complied
6	Gyapank Number : 1551 Dated : 24.06.2019	HFA	Complied
7	Gyapank No.- 1497; Dated- 30.10.2019	Survey of "use of Ply ash and Bricks" and compliance of direction given in this regard. And availability of copy for compliance of direction for decision taken in the Meeting held in this behalf as on 26.09.2018.	Complied



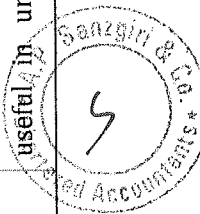
(d) NON COMPLIANCE OF ACTS & RULES:

S.N	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.-22	Refer point: Part-A (a) (2) On an Average 01 to 18 days delayed and amount collected was in hand with Tax Collector.	(Refer Discussion Note)
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Yes, Tax collector and other municipal employees are entrusted to collect municipal revenue within municipality area.	
3	Whether the collection register was in the personal custody of the bill collector and the particulars in it shall be written up from the original receipts issued at the time of collection.	BMAR Rule No.- 27	Yes, Tax Collector kept receipt book in his personal custody.	
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated stall of the Municipality	BMAR Rule No.- 27	Yes, Daily Collection Register is verified by designated Officer of Council.	
5	Whether every bill collector invariably remit his collections (in cash and/or cheques) to Cashier dally before 4.30 PM and take the cashier's acknowledgment in the collection register.	BMAR Rule No.- 27	Refer point: Part-A (a) (2) The same rule did not followed by Tax Collector and on an average 1 to 18 days delayed found during which collected amount was in hand of Tax Collector.	(Refer Discussion Note)
6	Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the	BMAR Rule No.- 69	Yes, Grant Register has been maintained by ULB.	

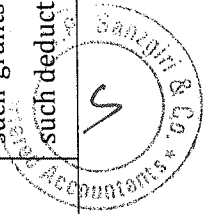
	Government.				
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception.	BMAR Rule No.- 69	Yes, Complied.		
8	Whether the grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No irregularities were found.		
9	Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29.	BMAR Rule No.- 69	Refer PART-B (8) Yes, complete UC has been prepared and sent to department		(Refer Discussion Note).
10	Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received	BMAR Rule No.- 69	Earlier Period unutilized grant has been transferred by closing Account.		
11	Whether The Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	BMAR Rule No.- 120	Currently Receipt and Payment A/c has not been prepared by ULB.		Currently it is not prepared, However we will proceed further. (Refer Discussion Note)



12	Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	BMAR Rule No.- 121	Trial Balance has not been prepared.	ULB not preparing Trial Balance, Income & Expenditure on monthly basis.
13	Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter.	BMAR Rule No.- 121	The ULB was not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter.	(Refer Discussion Note)
14	The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. The Financial Statements shall comprise of a. Receipts and Payments Account for the year (BMAR Form No.71) b. Income & Expenditure Statement for the year (BMAR Form No.73) c. Balance Sheet as on 31st March of the year (BMAR Form No.74) d. Significant accounting policies adopted by the Municipality in presentation of the financial statements.e. e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements	BMAR Rule No.- 122	Financial Statement has not been prepared by municipality.	ULB is not in practice to prepare Trial Balance, Income and Expenditure and Balance Sheet. It will be prepared after implementation of Double entry Accounting System.



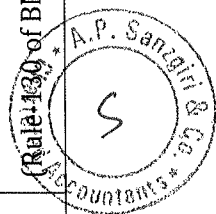
	clearly. f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply			
15	Whether the municipality is regular in depositing statutory dues including Tax deducted at source, GST, TDS on GST, service tax, VAT, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (6) Amount of statutory dues has not been deposited on due date. Like TDS should be deposited 7 th day of next month and same has been delayed.	<i>(Refer Discussion Note)</i>
16	Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation;(BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (7)	<i>(Refer Discussion Note)</i>
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated In sufficient detail;	BMAR Rule No.-130	No Trial balance is prepared hence classification of transaction was not done.	<i>(Refer Discussion Note)</i>
18	Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted;	BMAR Rule No.-130	Yes, recorded properly in grant register as well as in cash book , but no case of deduction was found.	



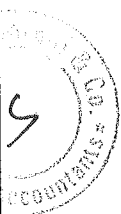
19	Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created;	BMAR Rule No.-130	No special fund created.	(Refer Discussion Note)
20	Whether the ULB is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable Intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	BMAR Rule No.-130	There is no system developed to physically verify the existing assets.	(Refer Discussion Note)
21	Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are renewed after their expiry;	BMAR Rule No.-130	Yes, Lease rental has been collected, but collection procedure is slow.	Necessary action will be taken to realise outstanding amount. (Refer Discussion Note)
22	Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	BMAR Rule No.-130	Yes, There exist an adequate Internal control system in purchasing of Stores etc.	
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality's accounts; If so, the details thereof;	BMAR Rule No.-130	No such case was found during the period of Audit.	
24	Whether the Bank Reconciliation statements have been property prepared for all the bank accounts of the ULB and the remedial actions including all	BMAR Rule No.-130	Refer Point-04 (III) No, BRS of all existing bank A/c have not been prepared. Remedial Action, rectification of	(Refer Discussion Note)



	correcting entries have been taken on timely basis;		entries has been made in proper order.	
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.-130	YES, Reconciliation Procedures have been carried out.	
26	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and in all cases such as are authorized by Act;	BMAR Rule No.-130	YES. Expenditure has been authorised by competent authority.	
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.-130	Refer-PART-A (a)(4) Yes, Revenue has been properly assessed and collected but recovery procedure is slow.	<i>(Refer Discussion Note)</i>
28	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act;	BMAR Rule No.-130	Refer-PART-A (a)(2) Yes, amount due to and received by ULB have been brought in to books of accounts not within prescribed time limits.	<i>(Refer Discussion Note)</i>
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	BMAR Rule No.-130	Yes, UC have been prepared in prescribed format in timely manner	<i>(Refer Discussion Note)</i>
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.-130	Refer-PART-B (a) Books of Account are maintained except some Books of accounts.	<i>(Refer Discussion Note)</i>

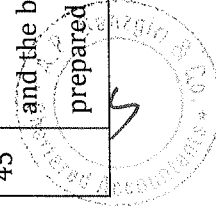


31	Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores;	BMAR Rule No.-130	No such practices followed by ULB.	<i>(Refer Discussion Note)</i>
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate? Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and If so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to Identify any unserviceable or damaged stores and whether provision for the loss In this respect, If any, has been made In the accounts;	BMAR Rule No.-130	No physical verification is carried out.	It is considered and will be followed as per rule.
33	Whether the valuation of stores is in accordance with the accounting principles laid down In the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;	BMAR Rule No.-130	ULB did not maintained stock register properly and further periodical physical verification of stores also not carried out.	<i>(Refer Discussion Note)</i>
34	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the Interest and If not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	BMAR Rule No.-130	ULB did not follow the practice of valuation of stock.	<i>(Refer Discussion Note)</i>
35	Whether advances given to municipal employees and	BMAR Rule No.-130	No loan given during F.Y.2019-20	<i>(Refer Discussion Note)</i>
		BMAR Rule	No loan given during F.Y.2019-20	<i>(Refer Discussion Note)</i>

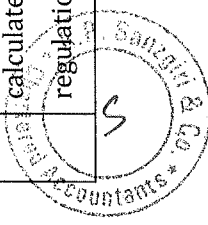


36	interest thereon are being regularly recovered;	No.-130		
37	Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Performa 75,77 and 80 Preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. Rule 132 regarding Public Participation in Preparation Of Budget. Moreover, as required under provisions of Rule 139, mid -year review of Budget.	BMAR Rule No.-132	Yes, budget has been prepared.	(Refer Discussion Note)
38	Municipal Fund: Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	The required fund has not been created as per said chapter of act.	(Refer Discussion Note)
39	Payment not to be made out of Municipal Fund unless covered by budget grant: Whether any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	No such case was found during Audit period.	
40	Procedure when money not covered by budget grant is paid. Whether the case is put up with Empowered Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X		(Refer Discussion Note)
41	Investment of surplus money. Whether municipality has invested surplus fund as per the requirement of the chapter-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum		No fund has been invested by ULB as investment..	ULB does not follow the practices of investing its surplus amount.

	<p>interest at their gestation period. Check whether comparative interest rate is invited from parties before investing surplus funds:</p>		
42	<p>Preparation of budget estimate of Municipality. Whether The budget estimate stated the rates at which various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following,</p>	<p>Yes, the same is levied at specified rate.</p>	
43	<p>Maintenance of accounts. Whether the Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed,</p>	<p>Receipt and Expenditure A/c has not been prepared;</p>	<p><i>(Refer Discussion Note)</i></p>
44	<p>Financial Statement. Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality,</p>	<p>Financial Statement has not been prepared.</p>	<p><i>(Refer Discussion Note)</i></p>
45	<p>Submission of financial statement and balance sheet to auditor. The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the</p>	<p>Financial Statement has not been submitted.</p>	<p><i>(Refer Discussion Note)</i></p>



	<p>Chief Municipal Officer before the Empowered Standing Committee which, after examination of the same, shall adopt and remit them to the Auditor as may be appointed in this behalf by the State Government.</p>	
<p>As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007 various tax are applicable on ULBs</p>	<p>Section 145, 146 and 147 of the Bihar Municipal Act 2007 chapter XVII provides for Advertisement tax on Advertisement in Urban Areas. Chapter XVII of the Bihar municipal Act, 2007 required license of Advertisement of any holding, etc. As per act Every person who erects, exhibited, fixes or retain upon or over any land, building, wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph), visible from a public street a public place in any location in a municipal area including airport or a port or a railway station, shall pay or every advertisement, which is so erected, exhibited, fixed or retained or so displayed to public view, a tax</p>	<p>Refer PART-A-(4) for status of Taxes not Collecting by ULB</p>



	advertisement.				
47	As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore.	BMA,2007: Chapter XIX	Refer-PART-A(a)(3) Yes, Notice of demand issued but levy of Notice Fee is not followed currently.		(Refer Discussion Note)
48	As per section 342 of Bihar Municipal Act, 2007 Trade license fee is to be collected from different types of Trader, who are trading in Concerned Municipal area.	BMA,2007: Chapter XXXVII	Yes, Trade licence Fees have been collected.		



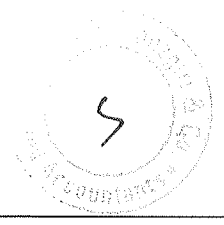
(e) LACK OF INTERNAL CONTROL MEASURES: We have observed the following areas where internal control measures are required by ULBs-

- a. Tax should be collected & deposited on timely basis as per BMAR Rules-As per trend every tax collector takes 1 to 18 days to deposit the same after collection.
- b. ULB should follow Books of Account, Trial Balance, FAR, FS, and other records as per BMAR- Neither Trial Balance nor Financial Statement have been prepared by ULB.
- c. ULB should prepare & Maintain monthly BRS- Monthly Bank Reconciliation statement has not been prepared, however year end reconciliation has been prepared.
- d. Necessary sub-ledger is not maintained by the ULB. For instance register of fuel, bleaching powder etc. not maintained separately.
- e. In respect of budget, realistic approach is not adopted by the ULB in preparation of budget.
- f. Appropriate staff is not deployed at appropriate place.
- g. No MIS was prepared for tracking of payments.

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

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

S.N	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/Challan Number
1	Mina Devi	24,07,913.00	24,079.00	07.07.2019	Not Deposited	
2	Bikram Kumar	8,21,705.00	8,127.00	07.07.2019		
3	Santosh Kumar Prabhaker	93,544.00	935.00	07.07.2019		
4	Shambhu Saran Singh	11,29,895.00	11,299.00	07.07.2019		
5	Naval Kumar	24,07,913.00	24,079.00	7.07.2019		
6	Mina Devi	6,38,800.00	6,388.00	07.07.2019		
7	Mahila Balkalyan Sangathan (NGO)	11,00,000.00	22,000.00	07.05.2019		
8	Mahila Balkalyan Sangathan (NGO)	45,50,000.00	91,000.00	07.07.2019		
9	Mahila Evam Bal Kalyan Sangathan	1,100,000.00	22,000.00	07.08.2019		
10	Mahila Evam Bal Kalyan Sangathan	4,052,752.00	81,055.00	07.08.2019		
11	Brajesh Kumar	8,871,760.00	88,717.00	07.08.2019		
12	Shubhangi Shree Supply And Services Pvt Ltd	3,420,000.00	68,400.00	07.08.2019		



13	Bikram Kumar	769,073.00	7,690.00	07.10.2019
14	Mahila Evam Bal Kalyan Sangathan	2,844,461.00	56,889.00	07.10.2019
15	Mina Devi	1,041,899.00	10,419.00	07.10.2019
16	Sanjay Singh	390,716.00	3,907.00	07.10.2019
17	Mina Devi	1,537,988.00	15,380.00	07.10.2019
18	Ram Babu	76,557.00	1,148.00	07.02.2020
19	Ram Babu	61,684.00	925.00	07.02.2020
20	Nawal Kumar	8,48,744.00	12,731.00	07.02.2020
21	Mamta Kumari	5,71,278.00	8,569.00	07.02.2020
22	Nawal Kumar	5,23,031.00	7,845.00	07.02.2020
23	Sanjay Singh	5,47,981.00	8,220.00	07.02.2020
24	Shyam Dil Prasad	24,51,057.00	36,766.00	07.02.2020
25	Krishna Kumar	20,40,623.00	30,609.00	07.02.2020
26	Santosh Kumar Prabhaker	8,11,917.00	12,178.00	07.02.2020
27	Ramesh Kumar	7,27,446.00	10,912.00	07.02.2020
28	Nawal Kumar	18,06,106.00	22,576.00	07.02.2020
29	Ramesh Kumar	4,24,364.00	4,244.00	07.02.2020
30	Anish Kumar	2,16,023.00	3,240.00	07.02.2020
31	Shivam Construction	6,41,979.00	8,024.00	07.02.2020
32	Anish Kumar	4,90,027.00	6,125.00	07.02.2020
33	Pappu Kumar	48,660.00	730.00	07.02.2020
34	Anil Kumar Varma	23,733.00	356.00	07.02.2020
35	Pappu Kumar	48,660.00	486.00	07.02.2020
36	Ganga Sager Chaudhari	14,31,934.00	14,319.00	07.03.2020
37	Krishna Kumar	3,88,208.00	3,882.00	07.03.2020
38	Pappu Kumar	24,45,693.00	24,457.00	07.03.2020
39	Vijay Kumar	22,53,196.00	22,532.00	07.03.2020
40	Abhay Kumar	24,10,885.00	24,109.00	07.03.2020
41	Mamta Kumari	23,10,360.00	23,103.00	07.03.2020
42	Vikram Kumar	18,66,371.00	18,664.00	07.03.2020
43	Krishna Kumar	19,67,792.00	19,678.00	07.03.2020

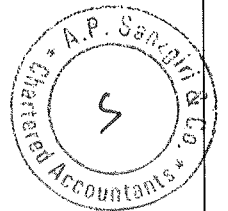


44	Shambhu Saran Singh	6,38,456.00	6,385.00	07.03.2020
45	Shambhu Saran Singh	6,19,541.00	6,196.00	07.03.2020
46	Vikram Kumar	24,43,085.00	24,431.00	07.03.2020
47	Rahul Kumar	3,59,342.00	3,594.00	07.03.2020
48	Saneh Kumar	16,40,258.00	16,403.00	07.03.2020
49	Mina Devi	24,08,192.00	24,082.00	31.03.2020
50	Krishna Kumar	4,14,682.00	4,147.00	31.03.2020
51	Mina Devi	24,15,052.00	24,151.00	31.03.2020
52	Ram Babu	7,70,130.00	7,701.00	31.03.2020
53	Santosh Kumar Prabhaker	24,53,641.00	24,536.00	31.03.2020
54	Nitish Kumar	8,25,451.00	8,255.00	31.03.2020
55	Santosh Kumar Prabhaker	14,41,014.00	14,410.00	31.03.2020
56	Nitish Kumar	10,39,356.00	10,394.00	31.03.2020
57	Ganga Sager Chaudhari	24,01,885.00	24,019.00	31.03.2020
58	Vijay Kumar	19,97,489.00	19,975.00	31.03.2020
59	Dinanath Sharma	20,73,811.00	20,738.00	31.03.2020
60	Mina Devi	24,53,970.00	24,540.00	31.03.2020

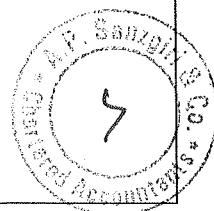
2. DETAILS OF DELAY IN DEPOSIT OF VAT ARE MENTIONED BELOW: Not applicable

3. DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

S.N	Name Of Party	Invoice Value	Amount Of Deduction	Date Of Deposit	Cheque/Challan Number
1	Mina Devi	24,07,913.00	36,119.00	No Deposited Till Audit Period	
2	Bikram Kumar	8,21,705.00	12,326.00		
3	Santosh Kumar Prabhaker	93,544.00	1,403.00		
4	Shambhu Saran Singh	11,29,895.00	16,948.00		
5	Naval Kumar	24,07,913.00	36,119.00		
6	Mina Devi	6,38,800.00	9,582.00		
7	Brajesh Kumar	88,71,760.00	1,33,076.00		
8	Bikram Kumar	769,073.00	11,536.00		



9	Mina Devi	1,041,899.00	15,628.00
10	Sanjay Singh	390,716.00	5,861.00
11	Mina Devi	1,537,988.00	23,070.00
12	Ram Babu	76,557.00	1,148.00
13	Ram Babu	61,684.00	925.00
14	Nawal Kumar	8,48,744.00	12,731.00
15	Mamta Kumari	5,71,278.00	8,569.00
16	Nawal Kumar	5,23,031.00	7,845.00
17	Sanjay Singh	5,47,981.00	8,220.00
18	Shyam Dil Prasad	24,51,057.00	36,766.00
19	Krishna Kumar	20,40,623.00	30,609.00
20	Santosh Kumar Prabhaker	8,11,917.00	12,179.00
21	Ramesh Kumar	7,27,446.00	10,912.00
22	Nawal Kumar	18,06,106.00	27,092.00
23	Ramesh Kumar	4,24,364.00	6,365.00
24	Anish Kumar	2,16,023.00	3,240.00
25	Shivam Construction	6,41,979.00	9,630.00
26	Anish Kumar	4,90,027.00	7,350.00
27	Pappu Kumar	48,660.00	730.00
28	Anil Kumar Varma	23,733.00	356.00
29	Pappu Kumar	48,660.00	730.00
30	Ganga Sager Chaudhari	14,31,934.00	21,479.00
31	Krishna Kumar	3,88,208.00	5,823.00
32	Pappu Kumar	24,45,693.00	36,685.00
33	Vijay Kumar	22,53,196.00	33,798.00
34	Abhay Kumar	24,10,885.00	36,163.00
35	Mamta Kumari	23,10,360.00	34,655.00
36	Vikram Kumar	18,66,371.00	27,996.00
37	Krishna Kumar	19,67,792.00	29,517.00
38	Shambhu Saran Singh	6,38,456.00	9,577.00
39	Shambhu Saran Singh	6,19,541.00	9,293.00
40	Vikram Kumar	24,43,085.00	36,646.00
41	Rahul Kumar	3,59,342.00	5,390.00
42	Saneh Kumar	16,40,258.00	24,604.00



43	Mina Devi	24,08,192.00	36,123.00		
44	Krishna Kumar	4,14,682.00	6,220.00		
45	Mina Devi	24,15,052.00	36,226.00		
46	Ram Babu	7,70,130.00	11,552.00		
47	Santosh Kumar Prabhaker	24,53,641.00	36,805.00		
48	Nitish Kumar	8,25,451.00	12,382.00		
49	Santosh Kumar Prabhaker	14,41,014.00	21,615.00		
50	Nitish Kumar	10,39,356.00	15,590.00		
51	Ganga Sager Chaudhari	24,01,885.00	36,028.00		
52	Vijay Kumar	19,97,489.00	29,962.00		
54	Dinanath Sharma	20,73,811.00	31,107.00		
54	Mina Devi	24,53,970.00	36,810.00		

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

S. N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Mina Devi	24,07,913.00	24,079.00	Not Deposited Till Audit Period	
2	Bikram Kumar	8,21,705.00	8,127.00		
3	Santosh Kumar Prabhaker	93,544.00	935.00		
4	Shambhu Saran Singh	11,29,895.00	11,299.00		
5	Naval Kumar	24,07,913.00	24,079.00		
6	Mina Devi	6,38,800.00	6,388.00		
7	Mahila Evam Bal Kalyan Sangathan	11,00,000.00	11,000.00		
8	Mahila Evam Bal Kalyan Sangathan	40,52,752.00	40,528.00		
9	Brajesh Kumar	88,71,760.00	88,718.00		
10	Bikram Kumar	7,69,073.00	7,691.00		
11	Mahila Evam Bal Kalyan Sangathan	28,44,461.00	28,445.00		
12	Mina Devi	10,41,899.00	10,419.00		
13	Sanjay Singh	3,90,716.00	3907.00		
14	Mina Devi	15,37,988.00	15,380.00		




45	Saneh Kumar	16,40,258.00	16,403.00		
46	Mina Devi	24,08,192.00	24,082.00		
47	Krishna Kumar	4,14,682.00	4,147.00		
48	Mina Devi	24,15,052.00	24,151.00		
49	Ram Babu	7,70,130.00	7,701.00		
50	Santosh Kumar Prabhaker	24,53,641.00	24,536.00		
51	Nitish Kumar	8,25,451.00	8,255.00		
52	Santosh Kumar Prabhaker	14,41,014.00	14,410.00		
53	Nitish Kumar	10,39,356.00	10,394.00		
54	Ganga Sager Chaudhari	24,01,885.00	24,019.00		
55	Vijay Kumar	19,97,489.00	19,975.00		
56	Dinanath Sharma	20,73,811.00	20,738.00		
57	Mina Devi	24,53,970.00	24,540.00		

Auditor's Comment: While doing audit of deduction made by ULB, the Statutory deduction has not been deposited on due date (refer above). For example TDS should be deposited on or before 7th day of next month.

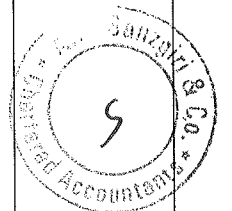
Consequences of Non deposition of TDS on due date: ULB may suffer following consequences;

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

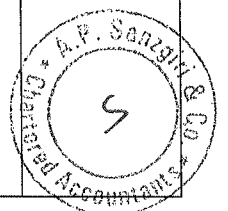
5. DETAILS OF DEPOSIT OF TDS ON GST ARE MENTIONED BELOW:

S. N	Name of Party	Invoice Value	Amount of deduction		Date of deposit	Cheque/ Challan Number
			CGST	SGST		
1	Mina Devi	24,07,913.00	24,079.00	24,079.00	Not Deposited Till Audit Period	
2	Bikram Kumar	8,21,705.00	8,127.00	8,127.00		
3	Santosh Kumar Prabhaker	93,544.00	935.00	935.00		
4	Shambhu Saran	11,29,895.00	11,299.00	11,299.00		

	Singh			
5	Naval Kumar	24,07,913.00	24,079.00	24,079.00
6	Mina Devi	6,38,800.00	6,388.00	6,388.00
7	Mahila Balkalyan Sangathan (NGO)	11,00,000.00	11,000.00	11,000.00
8	Mahila Balkalyan Sangathan (NGO)	45,50,000.00	45,500.00	45,500.00
9	Mahila Evam Bal Kalyan Sangathan	11,00,000	11,000	11,000
10	Mahila Evam Bal Kalyan Sangathan	40,52,752	40,528	40,528
11	Brajesh Kumar	88,71,760	88,718	88,718
12	Bikram Kumar	7,69,073	7,691	7,691
13	Mahila Evam Bal Kalyan Sangathan	28,44,461	28,445	28,445
14	Mina Devi	10,41,899	10,419	10,419
15	Sanjay Singh	3,90,716	3,907	3,907
16	Mina Devi	15,37,988	15,380	15,380
17	Shubhangi Shree Supply And Services Pvt Ltd	34,20,000	34,200	34,200
18	Ram Babu	76,557.00	766.00	766.00
19	Ram Babu	61,684.00	617.00	617.00
20	Nawal Kumar	8,48,744.00	8,487.00	8,487.00



21	Mamta Kumari	5,71,278.00	5,713.00	5,713.00
22	Nawal Kumar	5,23,031.00	5,230.00	5,230.00
23	Sanjay Singh	5,47,981.00	5,480.00	5,480.00
24	Shyam Dil Prasad	24,51,057.00	24,511.00	24,511.00
25	Krishna Kumar	20,40,623.00	20,406.00	20,406.00
26	Santosh Kumar Prabhaker	8,11,917.00	8,119.00	8,119.00
27	Ramesh Kumar	7,27,446.00	7,274.00	7,274.00
28	Nawal Kumar	18,06,106.00	18,061.00	18,061.00
29	Ramesh Kumar	4,24,364.00	4,244.00	4,244.00
30	Anish Kumar	2,16,023.00	2,160.00	2,160.00
31	Shivam Constructi on	6,41,979.00	6,420.00	6,420.00
32	Anish Kumar	4,90,027.00	4,900.00	4,900.00
33	Pappu Kumar	48,660.00	487.00	487.00
34	Anil Kumar Varma	23,733.00	237.00	237.00
35	Pappu Kumar	48,660.00	487.00	487.00
36	Ganga Sager Chaudhari	14,31,934.00	14,319.00	14,319.00
37	Krishna Kumar	3,88,208.00	3,882.00	3,882.00
38	Pappu Kumar	24,45,693.00	24,457.00	24,457.00
39	Vijay Kumar	22,53,196.00	22,532.00	22,532.00
40	Abhay Kumar	24,10,885.00	24,109.00	24,109.00
41	Mamta Kumari	23,10,360.00	23,104.00	23,104.00
42	Vikram Kumar	18,66,371.00	18,664.00	18,664.00
43	Krishna Kumar	19,67,792.00	19,678.00	19,678.00
44	Shambhu Saran Singh	6,38,456.00	6,385.00	6,385.00
45	Shambhu Saran Singh	6,19,541.00	6,195.00	6,195.00
46	Vikram Kumar	24,43,085.00	24,431.00	24,431.00
47	Rahul Kumar	3,59,342.00	3,593.00	3,593.00



48	Saneh Kumar	16,40,258.00	16,403.00	16,403.00		
49	Mina Devi	24,08,192.00	24,082.00	24,082.00		
50	Krishna Kumar	4,14,682.00	4,147.00	4,147.00		
51	Mina Devi	24,15,052.00	24,151.00	24,151.00		
52	Ram Babu	7,70,130.00	7,701.00	7,701.00		
53	Santosh Kumar Prabhaker	24,53,641.00	24,536.00	24,536.00		
54	Nitish Kumar	8,25,451.00	8,255.00	8,255.00		
55	Santosh Kumar Prabhaker	14,41,014.00	14,410.00	14,410.00		
56	Nitish Kumar	10,39,356.00	10,394.00	10,394.00		
57	Ganga Sager Chaudhari	24,01,885.00	24,019.00	24,019.00		
58	Vijay Kumar	19,97,489.00	19,975.00	19,975.00		
59	Dinanath Sharma	20,73,811.00	20,738.00	20,738.00		
60	Mina Devi	24,53,970.00	24,540.00	24,540.00		

6. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:

S.N	Quarter	Due date of Return	Actual date of Return filled	Remark
1	1st quarter	31.07.2019	Return not filled	01 ST Quarter return not filled on due dates.
2	2nd quarter	31.10.2019	Return not filled	02 ND Quarter return has not been filed on due dates.
3	3rd quarter	31.01.2020	Not Filed	Return Not filed on due date.
4	4th quarter	31.05.2020	Not Filed	Return Not filed on due date.

(g) DEFICIENCY IN PAYROLL SYSTEM:

SN	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/Contract worker)	Not Maintained
2	Non availability of Salary payment voucher	Not Available
3	Matching of voucher number with cash book	Not Matched with cash book

4	Salary register contains all elements of salary	Not Maintained (Not Applicable)
5	Maintenance of Salary Deduction register	Not Maintained
6	Whether deduction of PF/ESI made from contract employee	Not deducted
7	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	Not implemented

DETAILS OF DELAY OF DEPOSIT OF EPF:

Permanent Employee: During audit of Parishad we have observed that there is no **Permanent Employee** posted here. Therefore, no amount of PF has been deposited to EPFO A/C during the financial year 2019-20

(h) UTILISATION OF GRANT AND REPORT ON MISSING UTILISATION CERTIFICATES

SN	Head	Details
1	Status of Utilization Certificate:	UC details prepared. (Refer Discussion Note and annexure attached.)
2	Status of use of grant as per default allocation	Specifically grant allocation details has not been maintained, however it is maintained in grant register. (Refer Discussion Note)


(i) Physical verification of inventory/stores Refer point 31-40 PART-B (d). ULB did not follow the practice of physical verification of stock.

(Refer Discussion Note)

(j) Advances, their adjustment & recovery Refer point 35-36 PART-B (d), ULB did not give loan/advance, hence there are no case of adjustment and recovery. **(Refer Discussion Note)**

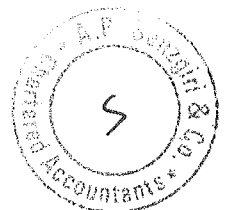
(k) Any other matters as may be prescribed in due course-As all relevant matters has been covered in above mentioned points.

III. PART-C

SN	Particulars	Complied or Not
A	Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GoB; Auditor should see the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.	Complied Refer-PART-B(3)
B	Auditor should Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any in-consistencies in	Complied  Refer-PART-A(c)

	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 Actual as per internal audits;	
C	Auditor should report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR :	Complied Refer-PART-B(4)
	Rule 22: All moneys to be brought to account	
	Rule 27: Collections to be deposited into Bank on the same day	
	Rule 69: Grant Related Compliance	
	Rule 120-121: Monthly Receipt & Payment Account and Trial Balance	
	Rule 130: Audit to be completed & reported within 6 month	
D	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.	Complied Refer-PART-B(c)
E	Report and quantify all major own revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc;	Complied Refer-PART-A(c)
F	Auditor should Report on adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments above Rs. 10,000 and above.	Complied Refer-PART-B(b)
G	Auditor should Report on Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	Complied Refer-PART-B(b)
H	Auditor should Report on presence or absence of a system of issuance of utilisation certificate for the different schemes for any utilisation made during the reporting period; Where there is no system for issuance of U/Cs, the Internal Audit report shall prepare Utilisation Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	Complied Refer-PART-B(h)
I	Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied Refer-Audit Recommendation
J	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.	Complied Refer-PART-B(b)

K	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies	Complied Refer-PART-B(b)
L	Auditor will report on that the fixed deposit and other funds should be in nationalized. Banks/Approved financial institutions and should earn maximum interest at their gestation period.	Complied Refer-PART-B(d)
M	Internal Auditor will identify major areas of ULBs own revenue loss and auditor will access the loss and Prepare a statement of loss.	Complied Refer-PART-A(a)
N	Auditor will report on that all kind of tax deductions i.e. Commercial tax, Income tax, provident fund etc. Should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.	Complied Refer-PART-B (f)
O	Internal Auditor will ensure that all the C&AG audit & Internal audit Para's was compiled by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.	Complied Point-03 of Detailed Audit Report



4. DETAIL AUDIT OBSERVATIONS OF F.Y. 2019-20

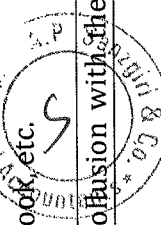
RISK ASSESSMENT

Name of the ULB: Nagar Parishad Arwal

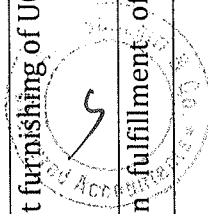
SN	Observations	Risk Rating	Design Gap	System Gap	Operating Gap	Management Comment	Auditor Recommendations
DEMAND GENERATION							
1	Loss of Revenue due to under assessment/ wrong generation of demand	H	NO	YES	YES	Due to lack of manpower some gap arose, However we are trying to minimize the gap every month.	We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval. The ULB has not proper mechanisms for supervision and monitoring of the Taxes due to which result in Revenue Loss.
2	Collusion with citizen regarding assessment	NA	NO	NO	NO		
3	Non-updating various register like hand book, DCB register, Assessment register, etc.	M	NO	NO	YES	Instructions given to the staff for Updation of books of accounts on time.	Books of accounts should be updated on real time basis and ULB management should check it on regular interval.
4	Others	NA	NA	NA	NA		

RECEIPT AND BANKING

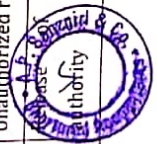
1	Error in collections, loss of receipts and perpetrated frauds	H	NO	NO	YES	It will be rectify very soon in near future	It is recommended that <ul style="list-style-type: none"> ➤ Collection must be in timely manner ; ➤ Amount collected must be deposited without making any delay; ➤ And Regular check by competent authority to mitigate any type of fraud in this regard.
2	Non-updating various register like hand book, DCB register, cash book etc.	M	NO	YES	NO	We have shortage of skilled employees and due to this we are facing problem like this.	The various register like DCB, hand book Cash Book etc. should be maintained on real time basis.
3	Collusion with the citizen and the	NA	NO	NO	NO		



4	Collusion with Contractor	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register like work register, MB, bill register, Fixed Assets register, Service book /record, advance register, etc.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
PROCUREMENT AND INVENTORY											
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication/ Procedural Error	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with Employee	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register likes store register, issue register, bill register with payment fig., advance register, etc.	M	NA	YES	NA	NA	NA	NA	It will be maintained.	It is recommended to maintain the same and it should be cross checked on regular interval by competent authority to mitigate fraud.	NA
7	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
GRANT AND LOANS AND UTILIZATION THEREOF											
1	Not utilization of grant or grant unspent	M			YES				Due to practical and operational issues, there are some cases of non-utilization of grant. It will be utilizing in future.	Grant must be utilized as per guidelines in timely manner.	
2	Not furnishing of UC	H			YES				It will be submitted.	UC must be furnished on time as per specified guidelines and format.	
3	Non fulfillment of condition part	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



	NA	NA	NA	NA	NA	NA	NA	NA
thereto	NA	NA	NA	NA	NA	NA	NA	NA
4 Perpetrated fraud (Like payment more than one time same contractor)	NA	NA	NA	NA	NA	NA	NA	NA
5 Non-updating various register like grant register, work register, bill register with payment fig., advance register etc.	H						YES	Will be updated very soon by deploying skilled staff.
6 Others	NA	NA	NA	NA	NA	NA	NA	Grant register, work register, bill register with payment fig., advance register etc. must maintain.
FIXED DEPOSIT AND INVESTMENT								
1 Not deposited at appropriate time (loss of revenue)	NA	NA	NA	NA	NA	NA	NA	NA
2 Loss of Investment certificate	NA	NA	NA	NA	NA	NA	NA	NA
3 Non fulfillment of condition part thereto	NA	NA	NA	NA	NA	NA	NA	NA
4 Collusion with bank officials to invest at lower rate	NA	NA	NA	NA	NA	NA	NA	NA
5 Deposit into Current account	NA	NA	NA	NA	NA	NA	NA	NA
6 Non-updating various register like investment register, Bank book, cash book, etc.	NA	NA	NA	NA	NA	NA	NA	NA
7 Other	NA	NA	NA	NA	NA	NA	NA	NA
UNAUTHORIZED ADVANCE								
1 Unauthorized release of advance	NA	NA	NA	NA	NA	NA	NA	NA
2 Advance beyond	NA	NA	NA	NA	NA	NA	NA	NA

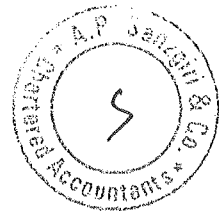


3	Non-adjustment of loan or advance during the year	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with employee/party to release advance/ loan beyond authority	NA	NA	NA	NA	NA	NA	NA	NA
5	Advance/loan not account for	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register like Loan & advance, Bank book, cash book, etc.	NA	NA	NA	NA	NA	NA	NA	NA
7	Other	NA	NA	NA	NA	NA	NA	NA	NA

LIST OF IMPORTANT REGISTERS

1	NAME OF THE ULB	Nagar Parishad Arwal							
2	RISK RATING:	HIGH							
3	CAG OBSERVATIONS STATUS	COMPLIANCE REPORT SUBMITTED (1168/16-17 Dated 03.08.2019)							
SN	Particulars	Audit Observation	Associates Risk	Management Comment	Status (Resolved or not)				
1	Cash Book	Maintained	NA	NA	NA				
2	Ledger	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved				
3	Journal	Not Maintained	HIGH	Will be maintained from upcoming year.					
4	Register for Journal/ Magazines/ Newspapers	Not Maintained	HIGH	Will be maintained from upcoming year.					
5	Register for Temporary Advances	Not Maintained	HIGH	Will be maintained from upcoming year.					
6	Register of Money Orders/Bank Draft Received	Maintained	NA	NA	NA				
7	Cheque Issue Register	Maintained	NA	NA	NA				
8	Register of Remittances made into bank	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved				

9	Bank Passbook	Maintained	NA	NA	NA	NA
10	Register of Bank drafts dispatched	Maintained	NA	NA	NA	NA
11	Bill Register	Maintained	NA	NA	NA	NA
12	Establishment Register	Maintained	NA	NA	NA	NA
13	Stock Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	Not Resolved
14	Capital Goods/ Consumable articles, non-consumable articles	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	Not Resolved
15	Statutory Deduction Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	Not Resolved
16	Fixed Assets Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	Not Resolved
17	Grant Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	Not Resolved
18	Scheme Register	Maintained	NA	NA	NA	NA
19	Monthly accounts of Receipts/ Payments	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	Not Resolved
20	Temporary Advances Register for Staff, Customers/ supplier/VEC and TA/DA Advance	Maintained	NA	NA	NA	NA
21	Dispatch Register	Maintained	NA	NA	NA	NA
22	File Register	Not Maintained	HIGH	Will be maintained from upcoming year	NA	NA
23	Any other (Name of the register)	NA	NA	NA	NA	NA

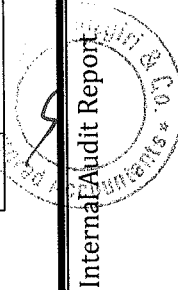


CASH AND BANK						
Nagar Parishad Arwal						
Name of the ULB						
RISK RATING:						
HIGH						
CAG OBSERVATIONS STATUS						
COMPLIANCE REPORT SUBMITTED (1168/16-17 Dated 03.08.2019)						
PERIOD:						
F.Y. 2019-20						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Check whether there is no any undue delay in presentation of cheque /DD received, to bank	No such cases observed during the said period of Audit.	NA	NA	NA	NA
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.	Yes, the same has been maintained	NA	NA	NA	NA
3	Whether banking transactions (receipts & Payments) are matched with cash book, Cheque issue register, collection register, etc., Verify the same with Bank statement & BRS,	Yes, it is matched with cash book.	NA	NA	NA	NA
4	Whether cheque issue register are matched with cash book	Yes, it is matched with cash book.	NA	NA	NA	NA
5	Whether proper steps has been taken for dishonored cheque, it was realized in cash or not,	No such cases observed during the Audit period.	NA	NA	NA	NA
6	Whether Bank Reconciliation has been made for each account, verify the status of BRS; (attached BRS as annexure)	Bank reconciliation statement has not prepared by ULB on regular basis. However there is no	NA	Medium	Will be prepared from upcoming year.	No.

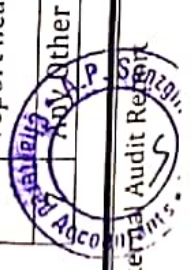
7	Check whether no any fraud payment or payment to other person has been made,	No such case found payments selected for audit	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
8	Whether bank statement for all account have been promptly received from bank.	Bank statement of every bank is not received by ULB on timely basis. As a result of this bank reconciliation statement has not been prepared timely.	NA	Medium	Will issue instructions to staff to collect monthly statements from bank.	No						
9	Number of Bank accounts maintained	13 bank accounts are maintained.	NA	Medium	Will issue instructions to staff to collect monthly statements from bank	No						
10	Original copy of cancelled receipt is attached with duplicate copy with "CANCELLED" marked on it.	Not Maintained	NA	High	It will be implemented now onwards	No						
11	Liability for stale cheques account review is done and necessary reversal entries are passed	Done	NA	NA	NA	NA						
12	Any other	NA	NA	NA	NA	NA						



PUBLIC WORKS						
	NAME OF THE ULB	Nagar Parishad Arwal				
	RISK RATING:	HIGH				
	CAG OBSERVATIONS STATUS	COMPLIANCE REPORT SUBMITTED (1168/16-17 Dated 03.08.2019)				
SN	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
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, bill has been prepared on the basis of MB book.	NA	NA	NA	NA
2	Whether bill has been signed by proper in charge,	Yes	NA	NA	NA	NA
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	NA	NA	NA	NA
4	Verify whether any payment made for removing/dismantling materials which have scrap value must be indicated in the bill.	Yes	NA	NA	NA	NA
5	Whether measuring has done by the engineer concerned,	Measurement of work is done by J.E. of ULB.	NA	NA	NA	NA
6	Whether expenditure on construction of work was debited to WIP & verified with MB maintained	Manual books are maintained	NA	NA	NA	NA



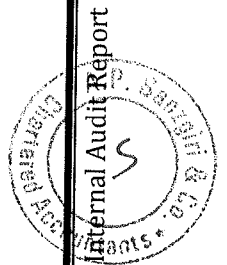
Cash Book						
NAME OF THE ULB		Nagar Parishad Arwal				
RISK RATING:		HIGH				
CAG OBSERVATIONS STATUS		COMPLIANCE REPORT SUBMITTED (1168/16-17 Dated 03.08.2019)				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether Opening Balance & Closing Balance was worked out or not.	Yes	NA	NA	NA	NA
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 transactions in receipt & Payment side of cash book is not proper. It is observed that receipt amount like interest, holding taxes or any other nature of income received has been accumulated and posted in cash book.	NA	HIGH	It will be followed as per Accounting Rule of Bihar Municipal Accounting Rule	No
3	Whether posting in on daily basis.	Audit is done after March, 2020 hence we cannot comment on it.	NA	NA	NA	NA
4	Whether there is any clerical error (casting or/and posting error, etc) or not	Yes such instances found	NA	HIGH	Such clerical error Rectified as soon possible.	yes
5	Whether any delay in deposit of amount of collection by cashier,	Yes Kindly refer Annexure-I Attached with report.	NA	HIGH	We will take steps for deposition of collection on very next day.	No
6	conduct physical verification of cash and report heavy cash balance in any	ULB did not physically verify Cash.	NA	LOW	We will put the matter before board and follow accordingly.	No
	Other	NA	NA	NA	NA	NA



Collection						
	Nagar Parishad Arwal					
	HIGH					
	COMPLIANCE REPORT SUBMITTED (1168/16-17 Dated 03.08.2019)					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether collection procedure are as per guidelines/direction of ULB,	No, Further collection is not deposited in to bank on same day.	Annex-1	High	We will follow the policy now onwards.	Not Resolved
2	Whether collections are made on the basis of Demand & Collection Register ,	Yes	NA	NA	NA	NA
3	Whether collection are made in the same receipt Vouchers which has been issued/ authorized by ULB/ state government & it should be clearer mentioned of different head & not any alteration, & the carbon copy of receipt vouchers are properly vouched so that no any variation in posting the same.	In case of checking of property tax receipt, it is found that in some cases different heads are mentioned.	NA	Medium	We will look in to this matter.	No
4	Whether collections are bifurcated in different heads as required,	Consolidated amount is mentioned in the cash book.	NA	Medium	We will look in to this matter.	No
5	Whether a separate bank account has been maintained for each circle, (for PMC only)	NA	NA	NA	NA	NA
6	Whether all collections are made in proper "Receipt Voucher Book" having same serial number which was actually issued to TC,	We have checked receipts vouchers books on random basis and it is found ok.	NA	NA	NA	NA

7	Whether all collections made during the day are account for & banked on next working day or there is any teaming & lading,	No, There is gap between collection and deposit of money in to bank. Kindly also refer Annexure-1 attached with this report	NA	High	We will follow Bihar Municipal Act now onwards.	No
8	Whether no any collection are directly expended without prior approval,	No such instances found during the audit.	NA	NA	NA	NA
9	Whether collections are made by all the holding fall under the same TC or Civics Centre	No such type of records is maintained at ULB Level.	NA	Medium	Due to shortage of human resources it is not possible in spite of this we will implement it from now.	No
10	Whether government share of collections (like Education Cess & Health Cess) are properly & timely deposited in its own account, (if applicable)	NA	NA	NA	NA	NA
11	Whether there is any short/non collection or short deposit or not deposit	Yes, property tax is not collected from all households	NA	Medium	We will look in to this.	No
12	Whether penalty (@2% P.M/ 1.5%) has been duly charged on late payment.	We have checked transactions on random basis and it is found that Interest is charged.	NA	NA	NA	NA
13	Whether daily collections are entered into hand book, collection register maintained by TC & it should be properly entered in demand & collection register,	No	NA	Medium	We will look in to this	NA
14	Whether collection by way of cheque are properly banked & credited into account,	Yes	NA	NA	NA	NA
15	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	Yes, in case of taxes remission/discount is given to households.	NA	NA	NA	NA
16	Whether any immediate steps has been taken or not for cheque dishonored received	No such cases found during audit	NA	NA	NA	NA

17	Whether reversal of payment has been made for any dishonored cheque	No such cases found during audit	NA	NA	NA	NA	NA
DEMAND							
NAME OF THE ULB		Nagar Parishad Arwal					
RISK RATING:		HIGH					
NAME OF TAX COLLECTOR							
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)	
1	Ensure whether closing balance of previous year is accurately brought forward,	Yes, brought accurately from previous year to current year.	NA	NA	NA	NA	
2	Whether determination of demand is on manual or computerized way, & it would be as per updated rules, regulation, guidelines & other required details for proper calculation,	Manual cum computerized. As per requirement.	NA	NA	NA	NA	
3	Whether data for calculation is correct & properly verified by appropriate authority/ Internal Auditor by way of physical survey,	It is found that for calculation of property tax, area of property or use of property, is on the basis of physical survey.	NA	NA	NA	NA	
4	Whether revision of valuation of holding properly made after specified period	ULB not revised its valuation method after specified period. As a results of this ULB suffering revenue loss for not revising method of valuation.	NA	High	We will look in to this matter.	No	

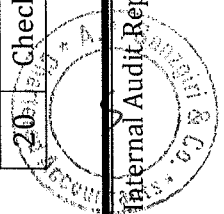


5	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	Yes, in case of taxes remission/discount is given to households but there is no mechanism to trace that this refund or remission was given after duly sanction or without section.	NA	NA	NA	NA
6	Ensure whether there is any clerical error in calculation,	We have checked some cases on random and such instances not found.	NA	NA	NA	NA
7	Whether demand register in prescribed format is maintained or not,	Not Maintained	NA	Medium	No	No
8	Whether persons involve in calculation/collection have knowledge of their responsibility.	Yes, but they do not have knowledge of BMAM and BMAR	NA	NA	No	No
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,	These activities are done by one person at ULB.	NA	High	No	No
10	Whether there is any under/no assessment,	No such case observed	NA	NA	NA	NA
11	Whether there is appropriate measures(As Per section 155 & 158 of BMA, 2007) are adopted for recovery of Government/bid dues,	No such evidence of recovery of Gov. dues provided by ULB	NA	Medium	No	No
12	Whether notice for demand has been made in prescribed format (As Per BMAR) & as per rules & regulations,	We found ULB is not in a regular practice to send notice of demand to concerned property holder to recover dues from them.	NA	High	No	No
13	Whether penalty (@2% P.M/ 1.5%) has been charged on late payment,	We have checked transactions on random basis and it is found that	NA	NA	NA	NA

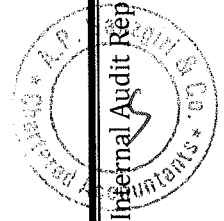
		Interest is charged.				
14	Whether Demand, Collection & Balance Register has been prepared on daily basis for all receipts or not, & it would be authorized by proper authority or not,	Demand, Collection and Balance register is not maintained by the ULB.	NA	High	Due to lack of staff, it is difficult to maintain on daily basis.	No
15	Whether there are adequate safeguard on data has been operated or not,	Yes	NA	NA	NA	NA
16	Whether self assessment property tax return for payment of property tax has been filed by the assesses in the prescribed format,	We have checked transactions on random basis and it is found that SAF is Not implemented.	NA	NA	NA	NA
17	Whether there is any collusion with customer/holding w.r.t. assessment, payment, etc.	No such instances found	NA	NA	NA	NA

ESTABLISHMENT						
	NAME OF THE ULB	Nagar Parishad Arwal				
	RISK RATING:	HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether establishment expenditure is sanction by Authorized person & it has been within sanctioned limit,	Yes, it has been authorized by appropriate person within limit.	NA	NA	NA	NA
2	Whether service log book has been maintained & up to date or not,	It is not produced before us during audit.	NA	NA	We did not maintained, however same will be maintained from	No

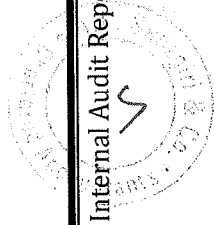
10	Whether the bill prepared according to sanctioned scale,	Yes	NA	NA	NA	NA
11	Whether no any payment is made to employee whose service retired in any Manner	No such instances found	NA	NA	NA	NA
12	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No such instances found	NA	NA	NA	NA
13	Whether all statutory deduction or adjustment has been made before payment,	Yes	NA	NA	NA	NA
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.	Yes	NA	NA	NA	NA
15	To check salary bills.	No Salary bill is prepared by the ULB.	NA	Medium	It will be implemented in future.	No
16	Position of outstanding advances paid to Employees	NA	NA	NA	NA	NA
17	To check deduction of provident fund and ESI has been made as per rules	Yes, it is deducted.	NA	NA	NA	NA
18	Whether PF slips are issued to the employees on yearly basis and to see whether all the statutory returns for PF are submitted to the concerned authorities.	Neither PF slip provided to its employees nor return submitted	NA	NA	NA	NA
19	To check whether salary bill is prepared in such a manner that it gives breakup of the amount of bill and all adjustments such as deduction of PF, TDS and other advances and loans etc.	No salary bill prepared by ULB; however a register containing of all details of deduction and their adjustment has been maintained.	NA	Low	Salary Bill will be prepared from now.	No
20	Check Retirement benefit to employee	No such instances found	NA	NA	NA	NA



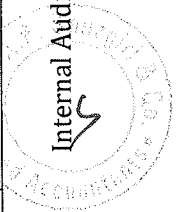
	Personnel Appointments and to see whether all records are updated from time to time.	Yes	NA	NA	NA	NA
21	Personnel Appointments and to see whether all records are updated from time to time.	Yes	NA	NA	NA	NA
22	Dismissal and Resignation/ Termination	No Such case found.	NA	NA	NA	NA
23	Temporary workers	Yes	NA	NA	NA	NA
24	Overtime	No Such case found	NA	NA	NA	NA
25	Attendance Register To check number of persons mentioned in the attendance register tally with the sanctioned strength of a unit.	Checked and found ok	NA	NA	NA	NA
25	Personnel Files	Not produced before us during audit	NA	NA	NA	NA
27	Training of employees(including development Levy)	No such practice at ULB	NA	Medium	Training for capacity building of employees will be implemented.	No
28	Leave Register - To check whether a leave register is maintained as per types of leave as medical Leave/CL/EL/maternity/paternity leave.	Only Attendance register is maintained	NA	Medium	Registers of medical Leave/CL/EL/maternity/paternity leave will be maintained.	No



GRANT						
NAME OF THE ULB		Nagar Parishad Arwal				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Maintenance/Updation registers regarding detail of funds received and expenditure.	Grant register maintained by ULB.	NA	NA	NA	NA
2	Any diversion/re-appropriation of funds not covered under the provision of BMA, 2007 should be pointed out for remedial action.	No such case found	NA	NA	NA	NA
3	To check whether utilization certificate is for actual utilization of funds received	No such UC submitted during this audit period.	NA	HIGH	We are working on it and will be submit after completion of	No
4	It should also be checked that utilization certificate is issued as per prescribed time frame given in the Manual and issue of UCs is not delayed	No such UC submitted during this audit period.	NA	HIGH	We are working on it and will be submit after completion of	No
5	Internal Auditor should also check whether expenditure incurred on each activity does not exceed the budget.	We have checked and found no expenditures exceeds to its budgets.	NA	NA	NA	NA



PAYMENT OF BILLS OF CONTRACTORS						
NAME OF THE ULB		Nagar Parishad Arwal				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Original bill duly signed by contractors is submitted.	We have checked this on random basis and it is found ok.	NA	NA	NA	NA
2	Contractor has put his initials in all cuttings and corrections in the bill.		NA	NA	NA	NA
3	All Supporting documents are attached with the bills.		NA	NA	NA	NA
4	The rates, security deposit and deductions are as per terms and conditions specified in the agreement		NA	NA	NA	NA
5	The variations in quantities and completion period etc. have been authorized by the competent authority		NA	NA	NA	NA
6	Job completion certificate has been processed by the dealing assistant.		NA	NA	NA	NA
7	Bills passed for payment are as per rules & T & C of Tender.		NA	NA	NA	NA
8	All terms and conditions of the contract are fulfilled before passing the bills.		NA	NA	NA	NA
9	Every final bill is checked in detail with measurement books.		NA	NA	NA	NA
10	Cash/Bank Vouchers to be checked for authorization etc.		NA	NA	NA	NA
11	Overall review of the books of accounts.		NA	NA	NA	NA
12	Position of outstanding advances paid to suppliers/ contractors.		NA	NA	NA	NA



Internal Audit Report

RECEIPT VOUCHER

NAME OF THE ULB

Nagar Parishad Arwal

RISK RATING:

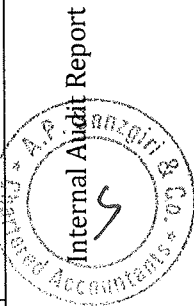
HIGH

S/N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether "Receipt Vouchers" are in the prescribed format & having machined serial number & there is no any manuscript form.	Yes	NA	NA	NA	NA
2	> Check;		NA	NA	NA	NA
3	o What is the date of printing,	Dates printed Computerized	NA	NA	NA	NA
4	o What quantity of serial number was printed out,	Not produced	NA	NA	NA	NA
5	o What is the date of dispatched, quantity of receipt vouchers & their serial number;	Not produced	NA	NA	NA	NA
6	o Log book/ Register maintained at printing press regarding printing of "Receipt Vouchers".	Maintained	NA	NA	NA	NA
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.	No such records was maintained	NA	NA	NA	NA
8	Verify Log book/ Register maintained at every collection centre & cash counter with regard to receipt & return quantity & serial number,	Yes	NA	NA	NA	NA
9	Verify the log book/ Register of "Receipt Vouchers" & cross verified the allotments to TC(Log Book) with their date of issue, serial number, name of TC & their circle	No.	NA	NA	NA	NA

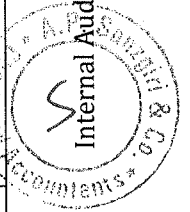


Internal Audit Report

10	Check whether TC have same "Receipt Voucher" which was actually issued by store & it must be authorized by the appropriate authority.	No ,issue Receipt Voucher to TC	NA	NA	NA	NA	NA
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",	Yes, the same has been maintained.	NA	NA	NA	NA	NA
12	Confirm that all unused "Receipt Vouchers" are under the custody of authorized person,	Yes, under the custody of store keeper.	NA	NA	NA	NA	NA
13	Verify that any cancelled vouchers have in both original & carbon copy,	Yes.	NA	NA	NA	NA	NA
14	Verify whether reversible carbon has been used during receipt.	Yes	NA	NA	NA	NA	NA
Other Revenue							
1	Advertisement Tax	NA	NA	NA	NA	We will implement necessary	NA
2	Tower Tax	ULB has huge outstanding balance to recover and recovery procedure followed is slow	37.05 Lakh	High		We will implement necessary step for recovery very soon	No
3	Professional Tax	NA	NA	NA	NA	NA	NA
4	Assigned Revenue (As details annexed)	NA	NA	NA	NA	NA	NA
5	Rental Charges (As details annexed)	NA	NA	NA	NA	NA	NA
6	Fee & uses Charges (As details annexed)	NA	NA	NA	NA	NA	NA
7	Other Revenue Items	NA	NA	NA	NA	NA	NA



REVENUE EXPENSES							
	Nagar Parishad Arwal						
	Medium						
S.N	NAME OF THE ULB	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved/Not)
1		Whether payment is on the basis of sanction/work order letter & incurred by authorized person,	Yes.	NA	NA	NA	NA
2		Whether payment is made through prescribed voucher (As per BMAM),	Yes, ULB make payment on the basis of bill raised by contractor or supplier.	NA		We will follow the prescribed procedure from next time.	No
3		Whether payment is made without any undue delay or whether any cheque issued are promptly issued to the respective person,	No delay observed during audit period.	NA	NA	NA	NA
4		Whether there is bifurcation of responsibility towards person making payment & person preparing MB, receipt of goods, maintenance of Payment file, etc.,	Yes, the hierarchy is maintained toward contracts work assigned.	NA	NA	NA	NA
5		Whether updation of accounts/books are on proper & timely basis,	No	NA	Medium	Due to lack of human resources the same issues has been arise.	No
6		Whether authorized person verify & sign the document involve,	Yes	NA	NA	NA	NA



7	Whether data base for the same has been properly maintained & safeguard measures are taken,	Yes	NA	NA	NA	NA
8	Whether exact amount (no any over payment) are paid and verified by supporting document, & no any collusion with party,	No such type of case observed .	NA	NA	NA	NA
9	Whether register for settlement of service bill has been maintained and up to date,	No such type of case observed	NA	NA	NA	NA
10	Whether payment made to the same to whom it might be payable and no any second claim in this regard,	Yes	NA	NA	NA	NA
11	Whether payment has been made after deducting statutory dues or advances,	Yes	NA	NA	NA	NA
12	Whether the expenditure are made with a period & amount as sanctioned,	Yes	NA	NA	NA	NA
13	Whether there is undue rush of expenditure at the end of financial year,	No such type of case observed	NA	NA	NA	NA
14	Whether payment has to be made after confirmation from store,	No such type of practice followed.	NA	Medium	Will follow in future.	No
15	Whether payment for repairs, etc, has to be made on the basis of logbook maintained,	No such type of practice followed.	NA	Medium	We have make payment on the basis of bill raised by service provider	No
16	Whether payment are as per defined approval level sanctioned u/s 75 of BMA,2007,	No such case observed during Audit period.	NA	NA	NA	NA
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	NA	NA	NA	NA

18	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No such type of cases observed during period of Audit.	NA	NA	NA	NA
19	Whether all statutory deduction or adjustment has been made before payment,	Yes, payment has been made after deduction and adjustment.	NA	NA	NA	NA
20	Whether entry of any event during service has been made in service book by authorized person.	No	NA	NA	NA	NA

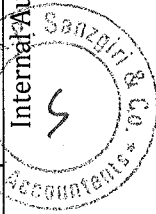
STATUTORY REQUIREMENT

Nagar Parishad Arwal						
HIGH						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether deduction of TDS on payment has been made as per law,	Yes	NA	NA	NA	NA
2	Whether TDS deducted are timely deposited into bank with same amount,	No. Deducted amount of TDS is not deposited on timely basis as prescribed in Law.	NA	High	Ok, we will deposit on timely basis from next time.	No
3	Whether regulatory requirement for submission of Return has been followed,	No. Return for TDS, GST and PF has not submit on or before due date.	NA	High	Ok, we will comply.	No
4	Whether any deduction is made in any act, must be deposited as per their respective act,	Yes, deposited but not on timely basis.	NA	High	Ok, we will comply.	No
5	Verify whether in case of "through rate" contract,	Yes no deviation found	NA	NA	NA	NA

Internal Audit Report

Page 48

	there is no any payment for material, etc by the ULB								
6	Any demand is outstanding from regulatory authority for non compliance	No notice of demand found in ULB.	NA	NA	NA	NA	NA	NA	NA
TENDER DETAILS									
	NAME OF THE ULB	Nagar Parishad Arwal							
	RISK RATING:	HIGH							
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)			
1	To check whether the provisions contained in Tender Advertisement for procurement were followed in award of contracts.	Yes, there is no deviation found	NA	NA	NA	NA			
2	To check that the time/date of receipt and opening of tenders was properly incorporated in the tender documents.	Yes	NA	NA	NA	NA			
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 interest of corporation.	Yes	NA	NA	NA	NA			
4	The purchase proposal was approved by the competent authority as per delegation of powers	Yes	NA	NA	NA	NA			
5	Indent for purchase indicates the details of quantity required, last purchase rate, period for which stores are needed and name of consignee.	Yes	NA	NA	NA	NA			
6	Approval of mode of procurement	Yes	NA	NA	NA	NA			
7	The tender documents are prepared properly and description of items to be procured, quantity and estimated value should be indicated.	Yes	NA	NA	NA	NA			



8	To check whether the direction were followed for notification/advertising and opening of bids at notified date, time and place in the presence of bidders.	Yes, direction in this regard followed by ULB	NA	NA	NA	NA
9	Award of contract and its execution is as per procedure and guidelines issued by the Govt. of India in view of conditions agreed with the Development partners (DFID, World Bank, & European Union etc.)	NA	NA	NA	NA	NA
10	To check whether bids were evaluated in terms of the provisions of the bid documents and the evaluation report was available.	Yes	NA	NA	NA	NA
11	To check whether contract was awarded to the lowest evaluated responsive bidders, who fulfilled qualification requirements, specified in the tenders documents.	Yes, ULB awarded contract to lowest bidder.	NA	NA	NA	NA
12	In case of negotiations of prices, it should be checked whether the negotiation was made with L1 bidder and all the relevant records thereof were available.	NA	NA	NA	NA	NA
13	To check whether articles were received/work was completed in time as per delivery schedule.	Yes	NA	NA	NA	NA
14	The stores/goods are properly recorded in the Stock Registers /Asset Register.	Yes	NA	NA	NA	NA
15	Whether any complaint was received regarding procurement and payment and existence of mechanism for Redressal of Complaints	No such case observed	NA	NA	NA	NA

VEHICLE LOG BOOK

NAME OF THE ULB	Nagar Parishad Arwal
RISK RATING:	HIGH



S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether logbook has maintained or not & up to date with proper details like journeys, work undertaken, covering root, visited place, kilometer, etc.	Log book is not properly maintained and updated.	NA	High	We have given instruction to follow.	No
2	Whether logbook of journey is maintained in detail & signed by the officials using them,	No	NA	High	We have given instruction to follow.	No
3	Whether it should be used for official purpose, otherwise charges are recoverable.	Yes	NA	NA	NA	NA
4	Whether details of fuel for the same has been maintained in log book,	No	NA	High	We have given instruction to follow.	No
5	Whether full details of repairs has been maintained & it have been through authorized center	No	NA	High	We have given instruction to follow.	No
6	Whether authorized person have proper check over log book.	Yes	NA	NA	NA	NA

FIXED ASSETS

NAME OF THE ULB

Nagar Parishad Arwal

RISK RATING:

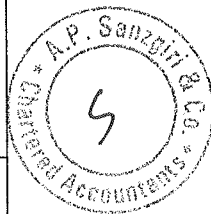
HIGH

Internal Audit Report

S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Status on Maintenance of Fixed Assets Register	Not Maintained	NA	High	We will maintain from now.	No
2	Budget availability is confirmed before acquisition	Neither Fixed assets register nor Asset Replacement Register maintained for current reporting period. Physical verification of fixed assets is also not done.	NA	High	Will follow and maintain from now.	No
3	Fixed assets are recognized at cost of acquisition and if so, check whether the cost components are incidental to its acquisition		NA	High	Will follow and maintain from now.	No
4	All fixed assets are acquired only after obtaining approval of the concerned authority		NA	High	Will follow and maintain from now.	No
5	Physical verification of fixed assets is done and discrepancies are reconciled with Fixed Asset Register.		NA	High	Physical verification of Fixed Assets will be done.	No
6	Depreciation is provided on each class of fixed assets at the prescribed rates		NA	High	Will follow from now..	No
7	Asset Replacement Register is properly maintained asset class- wise		NA	High	Will follow and maintain from now.	No



Others								
	Nagar Parishad Arwal							
	HIGH							
S.N	NAME OF THE ULB	RISK RATING:	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /No)
Register of Mutation								
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 Appeal Petitions, and Register of Writes-off	Yes, ULB charges for all such thing mentioned.	NA	NA	NA	NA
2			Demands of current year and previous year have been reconciled with reference to the above details	No such documents or files provided by ULB.	NA	High	We will provide during audit of next quarter.	No
Register of Suits								
1			All suits filed by the municipality for recovery of any sum due are entered	NA	NA	NA	NA	NA
2			All suits filed against the municipality are entered	NA	NA	NA	NA	NA
3			Sanction from the Council obtained for filing / defending the suit	NA	NA	NA	NA	NA
4			All details like the Assessment Number, amount involved, Name of Court and Suit Number etc. are clearly entered	NA	NA	NA	NA	NA
5			Execution Petitions are filed for recovery of sums, in cases the suits are disposed in favor of municipality	NA	NA	NA	NA	NA



H INADEQUATE MONITORING OF TAX DEDUCTED AT SOURCE AND AS DEPOSITED

[Empty rounded rectangular box for notes]

Implication/ Risk

HIGH

Recommendation

Deducted amount of TDS is not deposited on timely basis as prescribed in Law.

Management Comments

We will deposit on prescribed due date from next time.

Person Responsible:

Timeless:

2



Financial Year 2019-20(Qtr-1)

ULB Nagar Parishad Arwal

Annexure -1

List of Late deposit of property tax

S.N.	Serial no		Amount of tax	Date of collection as per receipt booked	Amount Deposit in to bank	Date of Deposit Into bank as per Deposit slip	Delay in Deposit with bank (in Days)
	From	To					
1	6330	6342	15792.00	01.04.2019 - 30.04.2019	0.00		7-37
2	7401	7410	12371.00	01.04.2019-28.04.2019	0.00		9-37
3	7411	7417	7936.00	29.04.2019-20.05.2019	0.00		9
4	6343	6354	8394.00	1.05.2019 -21.05.2019	36,775.00	07.05.2019	50-71
5	6355	6365	18570.00	22.05.2019-4.06.2019	0.00		36-49
6	6366	6369	7500.00	5.06.2019-08.06.2019	0.00		32-35
7	7418	7427	6000.00	21.05.2019-26.06.2019	0.00		14-50
8	7016	7100	89637.00	01.04.2019-21.06.2019	0.00		19-101
9	7501	7537	96488.00	01.04.2019-21.06.2019	0.00		19-101
10	7301	7400	80904.00	01.04.2019-21.06.2019	1,72,000.00	10.07.2019	19-101
Total			3,43,592.00		2,08,775.00		

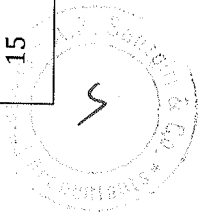


Financial Year 2019-20(Qtr-2)

Arwal Nagar Parishad

Annexure -1 List of Late deposit of property tax

S.N.	Serial Number		Amount of tax	Date of collection as per Receipt Book	Amount Deposited in to bank	Date of Deposit Into bank as per Deposit slip	Delay in Deposit with bank (in Days)
	From	To					
1	6370	6400	30,420.00	01.07.2019 - 09.07.2019	30,420.00	10.07.2019	01-09
2	6401	6430	33,505.00	10.07.2019-16.07.2019	33,505.00	17.07.2019	01-07
3	6431	6446	33,150.00	17.07.2019-20.07.2019	33,150.00	22.07.2019	02-05
4	6447	6484	46,835.00	21.07.2019 -31.07.2019	46,835.00	31.07.2019	0-10
5	6485	6491	2,630.00	02.08.2019-10.08.2019	2,630.00	14.08.2019	04-12
6	6492	6516	33,485.00	11.08.2019-13.08.2019	33,485.00	16.08.2019	03-05
7	7101	7127	20,348.00	14.08.2019-19.08.2019	20,348.00	20.08.2019	01-06
8	7128	7137	10,610.00	21.08.2019-22.08.2019	10,610.00	23.08.2019	01-02
9	7138	7146	11,125.00	23.08.2019-26.08.2019	11,125.00	27.08.2019	01-04
10	7147	7165	36,019.00	27.08.2019-28.08.2019	36,019.00	29.08.2019	01-02
11	7166	7182	32,155.00	29.08.2019-01.09.2019	32,155.00	02.09.2019	01-05
12	7183	7200	46,250.00	03.09.2019-06.09.2019	46,250.00	07.09.2019	01-04
13	7201	7231	44,570.00	07.09.2019-15.09.2019	44,570.00	16.09.2019	01-09
14	7232	7253	44,797.00	17.09.2019-25.09.2019	44,797.00	26.09.2019	01-09
15	7254	7268	19,500.00	26.09.2019-29.09.2019	19,500.00	30.09.2019	01-04

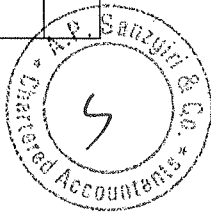


Financial Year 2019-20(Qtr-3)

ULB Nagar Parishad Arwal

Annexure -1 List of Late deposit of property tax

S.N.	Serial no		Amount of tax	Date of collection as per Receipt book	Amount Deposit in to bank	Date of Deposit into bank as per Deposit slip	Delay in Deposit with bank (in Days)
	From	To					
1	6517	6523	24,764.00	01.10.2019 - 09.10.2019	36,855.00	22.10.2019	12-21
2	6524	6533	12,091.00	10.10.2019-16.10.2019			06-11
3	6534	6545	41,780.00	18.10.2019-21.10.2019			37-40
4	6547	6556	37,690.00	22.10.2019 -31.10.2019	1,03,692.00	28.11.2019	28-36
5	6557	6567	24,222.00	01.11.2019-08.11.2019			20-27
6	6568	6573	27,390.00	11.11.2019-14.11.2019			14-17
7	6574	6579	7,751.00	16.11.2019-21.11.2019	35,141.00	29.11.2019	08-13
8	6580	6584	13,780.00	22.11.2019-25.11.2019			12-15
9	6585	6596	7,919.00	26.11.2019-29.11.2019	21,699.00	07.12.2019	08-11
10	6597	6600	8,970.00	30.11.2019-03.12.2019			09-12
11	7269	7277	8,350.00	04.12.2019-07.12.2019	17,320.00	12.12.2019	05-08
12	7278	7281	8,645.00	09.12.2019-12.12.2019			06-09
13	7282	7290	9,635.00	13.12.2019-16.12.2019	18,280.00	18.12.2019	02-05
14	7291	7300	4,276.00	18.12.2019-19.12.2019			07-08
15	7301	7313	5,491.00	20.12.2019-24.12.2019	9,767.00	26.12.2019	02-06
16	7314	7326	9,870.00	26.12.2019-28.12.2019			10-12
17	7328	7340	11,276.00	30.12.2019-31.12.2019	21,146.00	07.01.2020	07-08

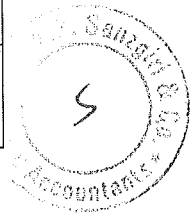


Financial Year 2020-20(Qtr-4)

ULB Nagar Parishad Arwal

Annexure - 1 List of Late deposit of property tax

S.N.	Serial no		Amount of tax	Date of collection as per Receipt Book	Amount Deposit in to bank	Date of Deposit into bank as per Deposit slip	Delay in Deposit with bank (in Days)
	From	To					
1	7428	7439	5958.00	01.01.2020 - 05.01.2020	5958.00	7.01.2020	02-06
2	7440	7453	18200.00	06.01.2020-12.01.2020	18200.00	14.01.2020	02-08
3	7454	7467	9976.00	13.01.2020-21.01.2020	9976.00	31.01.2020	10-18
4	7468	7476	8760.00	22.01.2020 -31.01.2020	8760.00	5.02.2020	05-14
5	7477	7489	15000.00	01.02.2020-08.02.2020	15000.00	12.02.2020	04-11
6	7491	7500	6440.00	11.02.2020-14.02.2020	6440.00	15.02.2020	01-04
7	7901	7914	12000.00	16.02.2020-21.02.2020	12000.00	22.02.2020	01-06
8	7915	7918	8420.00	22.02.2020-25.02.2020	8420.00	27.02.2020	02-05
9	7919	7928	17230.00	26.02.2020-28.02.2020	17230.00	28.02.2020	0-2
10	7930	7943	18270.00	29.02.2020	18270.00	29.02.2020	0
11	7944	7963	25920.00	01.03.2020-07.03.2020	25920.00	13.03.2020	06-12
12	7964	7977	7000.00	09.03.2020-12.03.2020	7000.00	16.03.2020	04-07
13	8401	8406	5400.00	13.03.2020-16.03.2020	5400.00	19.03.2020	03-06
14	8407	8423	35350.00	18.03.2020-22.03.2020	35350.00	31.03.2020	09-13
15	8424	8447	33228.00	23.03.2020-31.03.2020	33228.00	05.04.2020	05-13

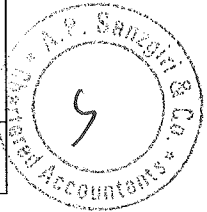


Financial Year 2019-20(Annually)

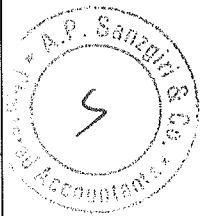
ULB Nagar Parishad Arwal

Annexure -2 List of 20 High property

S.N.	Holding Name	W.N.	H.N.	Type of Use		Area			Tax Amount			Remarks		
				As per tax Collector	As per Auditor	As per Tax Collector	As per Auditor	Diff.	As per Tax Collector	As per Auditor	Diff.			
1	Trade Mandal (Saidpur Dhawa)	13		PRINCIPAL, Comme.	PRINCIPAL, other	1163	1163	1163	1163	-	3150.56	1593.61	1556.95	-
2	Block & Circle Office	13		PRINCIPAL, Comme	PRINCIPAL, other	4128	4128	4128	4128		11184.3	5656.4	5527.9	
3	Power House Building	13		PRINCIPAL Comme +other	PRINCIPALC omme +other	48150	48150	48150	48150		62297.1	62297.1	0	
4	Telephone Exchange	11		PRINCIPAL, Comme	PRINCIPAL, other	10101	10101	10101	10101		27363.62	13840.9	13522.72	
5	Bihar State Electricity Board	13		PRINCIPAL, Comme	PRINCIPALC omme	50837	50837	50837	50837		71130.77	71130.77	0	
6	D.M Office Arwal	11		PRINCIPAL, Comme	PRINCIPAL, other	29253	29253	29253	29253		79246.38	40083.92	39162.46	



7	Police Station Arwal	6	PRINCIPAL, Comme	PRINCIPAL, other	19901.75	19901.75	53913.84	27270.37	26643.47	
8	Primary Health centre Arwal	5	PRINCIPAL, Comme	PRINCIPAL, other	55781	55781	32078	76433.92	-	44355.92
9	Sadder Hospital Arwal	13	PRINCIPAL, Comme	PRINCIPAL, other	69382	69382	187955	95070.69	92884.31	
10	C.J.M D.G.M Residence	11	PRINCIPAL, Comme	PRINCIPAL, other	5026	5026	13614.66	6887	6727.66	
11	District Atithi Grih Arwal	11	PRINCIPAL, Comme	PRINCIPAL, other	68218	68218	82712	93475.7	-10763.7	
12	Bihar State Agnisamak seva Arwal	11	PRINCIPAL, Comme	PRINCIPAL, other	9529	9529	10022.22	10022.22	0	
13	Civil surgeon office Arwal	11	PRINCIPAL, Comme	PRINCIPAL, other	6672	6672	18072.9	9142.31	8930.59	
14	SCNU Arwal	11	PRINCIPAL, Comme	PRINCIPAL, other	3860	3860	10456.74	5289.17	5167.57	
15	Executive Engineer office work Department Arwal	13	PRINCIPAL, Comme	PRINCIPAL, other	963	963	2608.38	1319.56	1288.82	
16	SCST Police Station	24	PRINCIPAL, Comme	PRINCIPAL, other	1920	1920	5201.28	2630.88	2570.4	



17	Information office Arwal	11	PRINCIPAL, Comme	PRINCIPAL, other	3162	3162		8565.86	4332.74	4233.12	
18	District Planning Office Arwal	11	PRINCIPAL, Comme	PRINCIPAL, other	5575.5	5575.5		15104	7639.82	7464.171	
19	Minority office Arwal	11	PRINCIPAL, Comme	PRINCIPAL, other	1232	1232		2503.12	1688.15	814.97	
20	District Mahila Sashaktikaran Office Arwal	11	PRINCIPAL, Comme	PRINCIPAL, other	1222	1222		3310.4	1674.45	1635.95	




Nagar Parishad Arwal Discussion Note

Date: 08 -Feb- 2020
Nagar Parishad Arwal
with
AP Sangziri & Co.
(Chartered Accountants)

Subject: Regarding confirmation of documents not maintained and management comment in Internal Audit Report for F.Y. 2019-20 Q-1

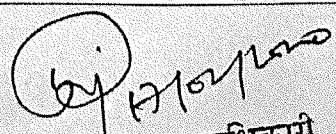
S.N.	Auditor observation	Management comment
1	Non implementation of Double entry system;	M/s Sarkar Gurumurthy & Associates has been appointed for implementation of accrual based double entry accounting system but from F.Y 2019-20 Q-1 no account entry has been made..
2	AG Compliance Report 2014-16	It is submitted vide letter no.1168/16-17/Dated 03.08.2019
3.	TDS on GST Payment & return not on due date	It will be provided. Due to shortage human resources & pressure of work TDS on GST Payment & return file is delay.
4	Non maintenance of Advance Register;	ULB is not in practice of providing advance except Junior Engineer . Hence advance register not maintained at ULB level and therefore we are not able to produce the same to you during audit.
5	No Municipal Accounts committee established.	Under process, and matter will be put before Board for constitution of "Municipal Accounts Committee".
6	Notice fee.	People are not aware currently. At present Notice Fee is not collecting, but it will be considered and collected accordingly in near future.
7	TDS return not on due date/ acknowledgement.	It will be provided. Due to shortage human resources & pressure of work TDS return file is delay.
8	Non levy of Taxes in IAR Para " 5 Part-A a) (1).	Some of taxes is collected by other department of GoB like professional tax and there is many taxes mentioned in this Para are not collected by ULB due to not providing services in this respect like fire tax and water taxes. There is no conglomeration and tourist place in Makhdumpur therefore no taxes are levied on it. For rest we will discussed in Board meeting and implement accordingly.
9	Late deposit of property Tax.	1.Due to shortage human resources & pressure of work amount of tax collected is not deposited on time. 2. Collection is not huge amount that's why not deposited on same Day . 3. ULB will make effort to reduce the gap noticed in collection of tax and deposit of tax 4.Necessary steps will be taken in this respect and it will be collected and deposited as per Act.

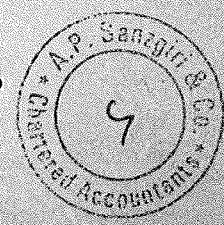

 कार्यपालक पदाधिकारी
 नगर परिषद अरवल
 17/02/2020



Nagar Parishad Arwal

10	Late deposit of statutory deduction of TDS.	It will deposit on or before due date from now.
11	Prepare budget for F.Y. 2015-16, 2016-17 & 2017-18;	Up to F.Y 2018-19 budget not prepared. F.Y 2019-20 is continuing.
12	Delay in deposit of EPF	1.ULB has not deposited amount of PF in respect of contractual employee to EPFO A/C.
13	Non preparation of Complete UC details	F.Y 2017-18 & 2018 -19 Submitted and F.Y 2019-20 is under process and will be submitted before next report.
14	Non practice of Stock valuation.	It will be followed as per rule and Management will decide about reasonable period of valuation i.e. frequency of time for valuation.
15	Electricity DPS	Due to non furnishing of bill on due date the DPS on Electricity arises. A letter will be given to SBPDCL to submit bill on due date and also gives reasons for DPS.
16	Maintenance of grant record with bifurcation like amount for Salary, water management, nail gali solid waste management and so on.	It will be provided.
17	Non maintenance of book refer to Para : II-PART B (a) ;	After reading this Para we conclude the following comments 1. S.N. 5 to 8 - No transaction Occurred. 2. 10 to 11 - Amount not collected in this respect. Rest will be maintained upon applicability of concern Para.
18	Difference in Holding Tax Amount as per Physical Measurement: ➤ Auditor found difference in area; as per self assessment form and actual measurement of property area there is difference for some cases selected on sample basis ➤ Valuation method not Revised till 2011	➤ We will take necessary action and imposed Holding Tax as per actual measurement taken. ➤ The Entire process of valuation need to be changed and the concern matter will be put before Board very soon and after approval of UD & HD (will be send after approval of board) it will be implement accordingly;
19	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet (Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet will be prepared after implementation of Double Entry Accounting System.
20	Non creation of Special Fund and Fund Mentioned in Chapter ix of BMA, 2007	The same will be created on applicability of relevant provision of said act.
21	Non Maintenance Fixed Assets register	It will be maintained
22	Outstanding Taxes	We will makes our best effort to realized it by establishing camp in ward.



 कार्यपालक पदाधिकारी
 नगर परिषद, अरवल
 18/02/2020

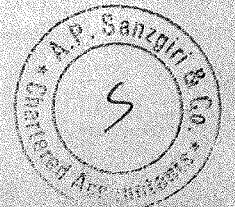


Nagar Parishad Arwal

23	Bank Reconciliation on Monthly Basis	It will be prepared on monthly basis of all bank Accounts.
24	Any Payment made out of Municipal Fund that is not covered by Budget.	Payment made out of budget provision. No such payment made that is not cover by budget.
25	Non implementation of Biometric Devices and Payroll Software.	It is under process.
26	Non maintenance of Procumbent Register.	ULB did not follow practice of Procumbent Register.
27	No deposit of statutory deduction of Labour cess and Royalty.	It will be deposited on or before due date from now.

Further we confirm/affirm the Management comment given in Internal Audit report for 2019-20 Q-1 is on behalf of Nagar Parishad Arwal. .


17/02/20
कार्यपालक पदाधिकारी
नगर परिषद अरवल
17/02/2020

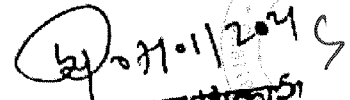
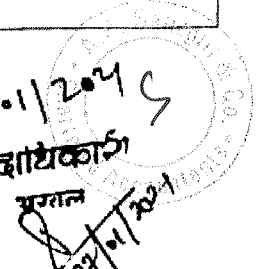


Nagar Parishad Arwal

Discussion Note
 Date: 04-March-2020
 Nagar Parishad Arwal
 with
 AP Sangziri & Co.
 (Chartered Accountants)

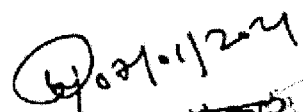
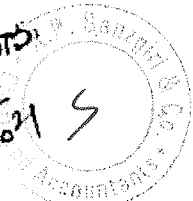
Subject: Regarding confirmation of documents not maintained and management comment in Internal Audit Report for F.Y. 2019-20 (Qtr-2)

S.N.	Auditor observation	Management comment
1	Non implementation of Double entry system.	M/s SarkarGurumurthy& Associates has been appointed for implementation of accrual based double entry accounting system but from F.Y 2019-20 Qtr-2 no account entry has been made. SCN has been issued to agency.
2	AG Compliance Report 2014-16	It is submitted vide letter no.1168/16-17 Dated 03.08.2019
3	TDS on GST Payment not made & return not filed on due date	It will be complied fully from now. Due to shortage of human resources & pressure of work non-compliance occurred in some cases.
4	Non maintenance of Advance Register;	ULB is not in practice of providing advance except Junior Engineer. Hence advance register is not maintained at ULB level and therefore we are not able to produce the same to you during audit.
5	No Municipal Accounts committee established.	Under process, and matter will be put before Board for constitution of "Municipal Accounts Committee".
6	Notice fee collection.	At present Notice Fee is not collecting, but it will be considered and collected as soon as possible.
7	TDS return filing on due date/ acknowledgement.	TDS return has been filed on time now.
8	Non levy of Taxes in IAR Para " 5 Part-A a) (1).	Some of taxes is collected by other department of GoB like professional tax and there is many taxes mentioned in this Para are not collected by ULB due to not providing services in this respect like fire tax and water taxes. There is no congregation and tourist place in Arwal therefore no taxes are levied on it. For rest we will discuss in Board meeting and implement accordingly.
9	Late Deposit of property Tax.	Due to shortage human resources & pressure of work amount of tax collected is not deposited on time. ULB will make effort to reduce the gap noticed in collection of tax and deposit of tax. Necessary steps will be taken in this respect and it will be collected and deposited as per Act.
10	Late deposit of statutory deduction of TDS.	It will be deposited on or before due date from now.
11	Directive/Circular issued during Quarter 2 of 2019-20.	No directives issued during (qtr-2) audit period.


 अध्यक्ष पदाधिकारी
 नगर परिषद अरवाल

 04/03/2020

Nagar Parishad Arwal

12	Preparation of budget.	Budget will be prepared very soon.
13	Delay in deposit of EPF employee.	EPF will be deposited on time.
14	preparation of Complete UC details	It is prepared with the help of internal auditor.
15	Non practice of Stock valuation.	It will be followed as per rule.
16	Electricity DPS	Due to non furnishing of bill on due date the DPS on Electricity arises. A letter will be given to SBPDCL to submit bill on due date and also given reasons for DPS.
17	Maintenance of grant record with bifurcation like amount for Salary, water management, NaliGali, solid waste management and so on.	It will be provided.
18	Cash book and Non-updating of various register like Advance register, store register, issue register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register etc. is not maintained on regular basis.	It will be maintained.
19	Difference in Holding Tax Amount as per Physical Measurement: <ul style="list-style-type: none"> ➤ Auditor found difference in area; as per self assessment form and actual measurement of property area there is difference for some cases selected on sample basis ➤ Valuation method not Revised till 2011 	<ul style="list-style-type: none"> ➤ We will take necessary action and imposed Holding Tax as per actual measurement taken. ➤ The Entire process of valuation need to be changed and the concern matter will be put before Board very soon and after approval of UD & HD (will be send after approval of board) it will be implemented accordingly;
20	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet (Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet will be prepared after implementation of Double Entry Accounting System.
21	Non creation of Special Fund and Fund Mentioned in Chapter IX of BMA, 2007	The same will be created on applicability of relevant provision of said act.
22	Compliances of internal audit paras.	It will be complied.
23	Outstanding Taxes	We will make our best effort to realize it by establishing camp in ward.

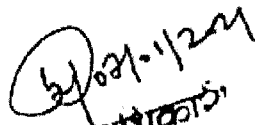

 कार्यपालक पदाधिकारी
 नगर परिषद अरवाल
 08/01/2024


Nagar Parishad Arwal

24	Bank Reconciliation on Monthly Basis	It will be prepared on monthly basis of all bank Accounts
25	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Mobile Tower Tax and Other Tax.	Detailed records has not been maintained but now we will maintain such type of records.
26	Any Payment made out of Municipal Fund that is not covered by Budget.	Payment made out of budgeted provision.
27	Non implementation of Biometric Devices and Payroll Software.	It is under process.
28	Non maintenance of Procurement Register and fixed assets register.	It will be maintained.
29	No deposit of statutory deduction of Labour cess and Royalty.	It will be deposited on or before due date from now.
30	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer. Details of repairs and maintenance did not mention in log book.	We will comply the same.
31	Payment voucher not prepared	Not prepared due to lack of revenue staff. It will be prepared as soon as possible.
32	Depreciation is not charged on Fixed Assets.	ULB did not follow double entry accounting system , hence depreciation is not accounted in our book.
33	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized .
34	Advances and their adjustment.	No Advances and loan given.

Further we confirm/affirm the Management comment given in Internal Audit report for F.Y 2019-20 Qtr-2 is on behalf of Nagar Parishad Arwal .

Signature of E.O


 07/01/2024
 कार्यपालक पदाधिकारी
 नगर परिषद अरवाल
 07/01/2024



Nagar Parishad Arwal

Discussion Note

Date: 04-March-2020

Nagar Parishad Arwal

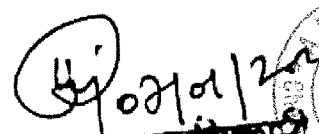
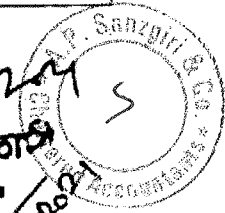
with

AP Sangiri & Co.

(Chartered Accountants)

Subject: Regarding confirmation of documents not maintained and management comment in Internal Audit Report for F.Y. 2019-20 (Qtr-3)

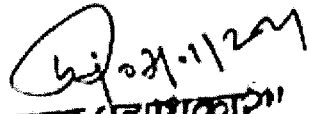
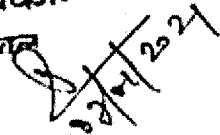
S.N	Auditor observation	Management comment
1	Non implementation of Double entry system.	M/s Sarkar Gurumurthy & Associates has been appointed for implementation of accrual based double entry accounting system but from F.Y 2019-20 Qtr-2 no account entry has been made. SCN will be issued to agency.
2	A7 Compliance Report 2014-16	It is submitted vide letter no. 1168/16-17 Dated 03.08.2019
3	TDS and GST Payment not made & return not filed on due date	It will be complied fully from now. Due to shortage of human resources & pressure of work non-compliance occurred in some cases.
4	Non maintenance of Advance Register;	ULB is not in practice of providing advance except Junior Engineer. Hence advance register is not maintained at ULB level and therefore we are not able to produce the same to you during audit.
5	No 'Municipal' Accounts committee established.	Under process, and matter will be put before Board for constitution of "Municipal Accounts Committee".
6	No 'Notice Fee' collection.	At present 'Notice Fee' is not collecting, but it will be considered and collected as soon as possible.
7	TDS return filing on due date/ acknowledgement.	TDS return will be filed on due date.
8	Non levy of Taxes in IAR Para " 5 Part-A a) (1)	Some of taxes is collected by other department of GoB like professional tax and there is many taxes mentioned in this Para are not collected by ULB due to not providing services in this respect like fire tax and water taxes. There is no congregation and tourist place in Arwal therefore no taxes are levied on it. For rest we will discuss in Board meeting and implement accordingly.
9	Late deposit of property Tax.	Due to shortage human resources & pressure of work amount of tax collected is not deposited on time. ULB will make effort to reduce the gap noticed in collection of tax and deposit of tax. Necessary steps will be taken in this respect and it will be collected and deposited as per Act.
10	Late deposit of statutory deduction of TDS	It will be deposited on or before due date from now.
11	Directives Circular issued during Quarter 3 of 2019-20.	Directives issued during (qtr-3) audit period have been complied.


 कार्यपालक पदाधिकारी
 नगर परिषद अरवल
 02/01/2020


Nagar Parishad Arwal

25	Bank Reconciliation on Monthly Basis	It will be prepared on monthly basis of all bank Accounts.
26	Break ups of outstanding amount of Rent on Municipal Properties, Property Tax, Mobile Tower Tax and Other Tax.	Detailed records has not been maintained but now we will maintain such type of records.
26	Any Payment made out of Municipal Fund that is not covered by Budget.	Payment made out of budgeted provision.
27	Non implementation of Biometric Devices and Payroll Software.	It is under process.
28	Non maintenance of Procurement Register and fixed assets register.	It will be maintained.
29	Non deposit of statutory deduction of Labour cess and Royalty.	It will be deposited on or before due date from now.
30	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer. Details of repairs and maintenance did not mention in log book.	We will comply the same.
31	Payment voucher not prepared	Not prepared due to lack of revenue staff. It will be prepared as soon as possible.
32	Depreciation is not charged on Fixed Assets	ULB did not follow double entry accounting system, hence depreciation is not accounted in our book.
35	Physical verification of Inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized.
34	Advances and their adjustment	No Advances and loan given.

Further we confirm/affirm the Management comment given in Internal Audit report for 2019-20 Qtr-3 is on behalf of Nagar Parishad Arwal.


 कार्यपालक पदाधिकारी
 Sign-नगर परिषद अरवल




Nagar Parishad Arwal

Discussion Note

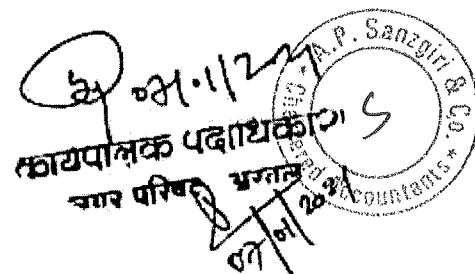
Date: 14 July 2020
Nagar Parishad Arwal
with
A.P. Sangari & Co.
(Chartered Accountants)

Subject: Regarding confirmation of documents not maintained and management comment in Internal Audit Report for F.Y. 2019-20 (Qtr-4)

S.N.	Auditor observation	Management comment
1	Non implementation of Double entry system	M/s Sarkar Gurumurthy & Associates has been appointed for implementation of accrual based double entry accounting system but from F.Y 2019-20 Qtr-2 no account entry has been made. SCN has been issued to agency.
2	AG Compliance Report 2014-16	It is submitted vide letter no. 1168/16-17 Dated 03.08.2019
3	TDS or GST Payment not made & return not filed on due date	It will be complied fully from now. Due to shortage of human resources & pressure of work non-compliance occurred in some cases.
4	Non maintenance of Advance Register;	ULB is not in practice of providing advance except Junior Engineer. Hence advance register is not maintained at ULB level and therefore we are not able to produce the same to you during audit.
5	No Municipal Accounts committee established	Under process, and matter will be put before Board for constitution of "Municipal Accounts Committee".
6	Notice fee collection.	At present Notice Fee is not collecting, but it will be considered and collected as soon as possible.
7	TDS return filing on due date/ acknowledgement	TDS return has been filed on time now.
8	Non levy of Taxes in IAR Para " 5 Part-A a) (1).	Some of taxes is collected by other department of GoB like professional tax and there is many taxes mentioned in this Para are not collected by ULB due to not providing services in this respect like fire tax and water taxes. There is no congregation and tourist place in Arwal therefore no taxes are levied on it. For rest we will discuss in Board meeting and implement accordingly.
9	Late deposit of property Tax.	Due to shortage human resources & pressure of work amount of tax collected is not deposited on time. ULB will make effort to reduce the gap noticed in collection of tax and deposit of tax. Necessary steps will be taken in this respect and it will be collected and deposited as per Act.
10	Late deposit of statutory deduction of TDS.	It will be deposited on or before due date from now.

Nagar Parishad Arwal


11	Directives Circular issued during Quarter Ist 2019-20	No directives issued during (qtr-4) audit period.
12	Preparation of budget	Budget prepared.
13	Delay in deposit of EPF employee	EPF will be deposited on time.
14	Preparation of Complete UC details	It is prepared with the help of internal auditor.
15	Non practice of Stock valuation.	It will be followed as per rule.
16	Electricity DPS	Due to non furnishing of bill on due date the DPS on Electricity arises. A letter will be given to SBPDCL to submit bill on due date and also given reasons for DPS.
17	Maintenance of grant record with bifurcation like amount for Salary, water management, KaliGali, solid waste management and so on.	It will be provided.
18	Cash book and Non-updating of various register like Advance register, store register, issue register, bill register with payment fig. Register of Remittances made into bank, Statutory Deduction Register, Scheme Register etc. is not maintained on regular basis.	It will be maintained.
19	Difference in Holding Tax Amount as per Physical Measurement: <ul style="list-style-type: none"> ➤ Auditor found difference in area; as per self assessment form and actual measurement of property area there is difference for some cases selected on sample basis ➤ Valuation method not Revised till 2011 	<ul style="list-style-type: none"> ➤ We will take necessary action and imposed Holding Tax as per actual measurement taken. ➤ The Entire process of valuation need to be changed and the concern matter will be put before Board very soon and after approval of UD & HD (will be send after approval of board) it will be implemented accordingly;
20	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet (Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet will be prepared after implementation of Double Entry Accounting System.
21	Non creation of Special Fund and Fund Mentioned in Chapter ix of BMA, 2007	The same will be created on applicability of relevant provision of said act.
22	Compliances of internal audit paras.	It will be complied.
23	Outstanding Taxes	We will make our best effort to realize it by establishing camp in ward.

20/11/2019
 कायपालक पदाधिकारी
 नगर परिषद अरवल


Nagar Parishad Arwal

24	Bank Reconciliation on Monthly Basis	It will be prepared on monthly basis of all bank Accounts.
25	Break ups of outstanding amount of Rent on Municipal Properties, Property Tax, Mobile Tower Tax and Other Tax.	Detailed records has not been maintained but now we will maintain such type of records.
26	Any Payment made out of Municipal Fund that is not covered by Budget.	Payment made out of budgeted provision.
27	Non implementation of Biometric Devices and Payroll Software.	It is under process.
28	Non maintenance of Procurement Register and fixed assets register.	It will be maintained.
29	No deposit of statutory deduction of Labour cess and Royalty.	It will be deposited on or before due date from now.
30	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer. Details of repairs and maintenance did not mention in log book.	We will comply the same.
31	Payment voucher not prepared	Not prepared due to lack of revenue staff. It will be prepared as soon as possible.
32	Depreciation is not charged on Fixed Assets.	ULB did not follow double entry accounting system , hence depreciation is not accounted in our book.
33	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized .
34	Advances and their adjustment.	No Advances and loan given.

Further we confirm/affirm the Management comment given in Internal Audit report for 2019-20 Qtr-4 is on behalf of Nagar Parishad Arwal.


 07/11/2021
 Signature of A.P. Sanjiv
 चार्ज्ड अकाउंटन्ट्स
 नगर पारिशद अरवल



ARWAL NAGAR PARISHAD
STATUS OF UTILIZATION CERTIFICATION FOR FY 2019-20

S.No	Head	Approval order and date	Sanctioned Amount	Expenses Incurred	Balance Amount	UC Submitted against Expenses	UC Pending Against Expenses	% of UC Submitted against expenses	% of UC Pending against expenses	Letter Number & Date of Submission of UC
1	Every house has tap water	24/20.06.2019	298.91	-	298.91	-	-	NIL	NIL	Unutilised Amount
2	Honorarium of city manager	26/20.06.2019	1.20	-	1.20	-	-	NIL	NIL	Unutilised Amount
3	14th finance	127/27.11.19	136.98	-	136.98	-	-	NIL	NIL	Unutilised Amount
4	5th finance	56/13.08.19	228.61	-	228.61	-	-	NIL	NIL	Unutilised Amount
5	5th finance	54/13.08.2019	236.62	-	236.62	-	-	NIL	NIL	Unutilised Amount
6	Chairman / Deputy Chairman Councilor Allowance	81/20.09.2019	6.30	-	6.30	-	-	NIL	NIL	Unutilised Amount
7	Executive officer salary	83/20.09.2019	6.59	-	6.59	-	-	NIL	NIL	Unutilised Amount
8	civil Liberties	48/06.08.19	52.11	-	52.11	-	-	NIL	NIL	Unutilised Amount
9	Vocational item	52/09.08.19	23.89	-	23.89	-	-	NIL	NIL	Unutilised Amount
10	14th Finance	38/11.07.2019	136.98	-	136.98	-	-	NIL	NIL	Unutilised Amount

