



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

**Internal Audit Report for**  
**F. Y. 2019-20**

**Group 1**

**NAGAR PANCHAYAT**  
**NABINAGAR**

**BY**

**A. P. SANZGIRI & CO.**

**Chartered Accountants**

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## Internal Audit

<b>Project Title</b>	<b>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”</b>
<b>Report Title</b>	<b>Internal Audit for FY 2019-20 of Nagar Panchayat Nabinagar</b>
<b>Reporting Entity</b>	<b>A P SANZGIRI &amp; Co., Chartered Accountants</b>
<b>Reporting for</b>	<b>Nagar Panchayat Nabinagar</b>
<b>Report Prepared by</b>	<b>Internal Audit Team of A P SANZGIRI &amp; Co., Chartered Accountants</b>
<b>Date of Submission</b>	<b>14.04.2021</b>



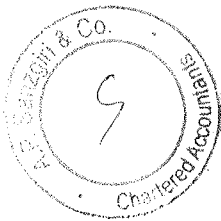
## Abbreviation and Acronyms

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



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**A. P. SANZGIRI & CO.**  
**CHARTERED ACCOUNTANTS**

Date: 13.04.2021

To

**The Secretary**

Urban Development & Housing Department,

Patna-Bihar

**Sub:** Submission of Internal Audit Report of Nagar Panchayat Nabinagar 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 No. : 21101134AAAAJW8846**

**Date :16-09-2021**

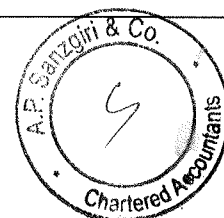
## EXECUTIVE SUMMARY

### 1. INTRODUCTION:

<b>Name of the Municipality</b>	-	Nagar Panchayat Nabinagar
<b>Period covered under Current Audit</b>	-	01 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020
<b>Name of Mayor</b>	-	Mrs. Sapna Sarika
<b>Name of Executive Officer</b>	-	Sri Rishikesh Awasthi

### 2. OBSERVATIONS AND FINDINGS:

<b>Strengths</b>	<ol style="list-style-type: none"><li>1. In the existing system as prevailing in the Nagar Panchayat, day to day working is in progressive manner in respect of collection of revenue and execution of the projects.</li><li>2. There is sufficient co-operation from the management during the course of our audit.</li><li>3. General Cash book is properly up-to-dated.</li></ol>
<b>Weaknesses</b>	<ol style="list-style-type: none"><li>1. No data related to outstanding dues is maintained by Nagar Panchayat Nabinagar. Even no demand register is maintained by ULB.</li><li>2. ULB did not paid electricity bill on due date, hence as a results Penalty levied by Electricity Department on bill of electricity.</li><li>3. 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 Panchayat has not been complied.</li><li>4. There is a vast difference between estimated budget and actual.</li><li>5. On physical verification of store it is found that insurance and registration of vehicles is not done.</li><li>6. Fixed assets register is not maintained by ULB</li><li>7. Compliance report of AG audit is prepared by the ULB but some Para of AG report still need to be comply and also report is not provided to us for inspection. Based on which, we are unable to comment whether the recoverable amount from the personal concerned has been recovered or not.</li><li>8. In most of the cases, shops established or running under the jurisdiction of ULB are running without trade licence as per the concerned officer.</li><li>9. In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.</li><li>10. Certain Statutory Registers and Books are not maintained.</li><li>11. Bank Reconciliation Statement has not been prepared of all accounts.</li></ol>



**12. Non Levy of Taxes:**

- Surcharge on transfer of lands and buildings
- Water Tax
- Tax on advertisements, other than advertisements published in newspapers
- Surcharge on electricity consumption within the municipal area
- Tax on congregations.
- Tax on pilgrims and tourists.
- Tax on profession.
- Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles.
- User Charges for provision of water-supply, drainage and sewerage
- User Charges for Solid Waste Management
- User Charges for Parking Facility
- User Charges for Garbage Clearance
- Collection of fees for sanction of building plans and issue of completion certificates,
- Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,

13. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 01 to 147 days.

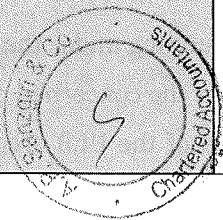
14. ULB is not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.

15. ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter

16. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.

17. Non Compliance of Rule 130 of BMAR in some of the cases.

18. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.



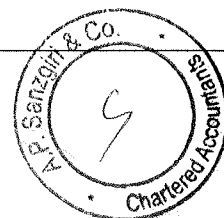
**3. OPINION:**

During the course of the auditor we have come across many deficiencies like maintaining of holding tax register, fixed assets register, award register of contract etc. all such deficiencies we have brought to

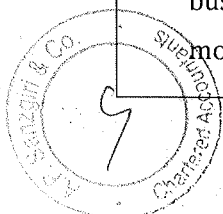
knowledge of the ULB officials. Further non preparation of bank reconciliation has also been brought to the notice of the ULB officials.

**4. AUDIT RECOMMENDATION:**

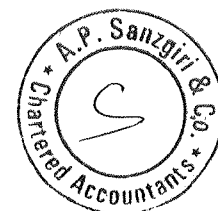
Observed Weaknesses	Audit Recommendations
No data related to outstanding dues is maintained by Nagar Panchayat Nabinagar. Even no demand register is maintained by ULB.	ULB should maintained and update their demand register on regular basis for proper understanding of outstanding dues till date to be recover. Hence, it will be a huge loss of revenue for ULB.
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 Panchayat has not been complied.	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.
Non payment of Electricity Due on time.	ULB should pay all those dues ,in respect of which penalty can be levied, on time. Hence in present case Electricity department levied penalty for non payment of bill on time. Hence it is recommended to pay on time to save cost burden to ULB.
There is a vast difference between estimated budget and actual.	Estimation should be based on the past experience and after considering the fact that how the condition might change in future though the provision of Section 82 of the Act regarding preparation of budget need to be complied.
On physical verification of store it is found that insurance and registration of vehicles is not done.	Insurance and Registration of all vehicles should be done.
Fixed assets register is not maintained by ULB	Fixed assets register should be maintained and updated properly with the assistance of DEAS team.
Compliance report of AG audit is prepared but still some Para of AG report still need to be comply by the ULB and also report is not provided to us for inspection. Based on which, we are unable to comment whether the	A complete Compliance report should be prepared as soon as the report is received by ULB and steps to be taken for recovery of the amount for financial irregularities.



recoverable amount from the personal concerned has been recovered or not.	
In most of the cases, shops established or running under the jurisdiction of ULB have not made payment for trade licence as per the concerned officer.	ULB should maintained proper register for registered shops and authorize them with Trade licence for proper collection and recovery of charges.
In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.	As ULB is not proper in statutory compliances, that cause financial implication on ULB in mode of interest and penalty. So, ULB should ensure statutory compliance on time.
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 of all accounts.	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.
<p><b>Non Levy of Taxes:</b></p> <ul style="list-style-type: none"> <li>• Surcharge on transfer of lands and buildings</li> <li>• Water Tax</li> <li>• Tax on advertisements, other than advertisements published in newspapers</li> <li>• Surcharge on electricity consumption within the municipal area</li> <li>• Tax on congregations.</li> <li>• Tax on pilgrims and tourists.</li> <li>• Tax on profession.</li> <li>• Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles.</li> </ul>	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. ULB should take steps to implement required taxes to boost their revenue



<ul style="list-style-type: none"> <li>• User Charges for provision of water-supply, drainage and sewerage</li> <li>• User Charges for Solid Waste Management</li> <li>• User Charges for Parking Facility</li> <li>• User Charges for Garbage Clearance</li> <li>• Collection of fees for sanction of building plans and issue of completion certificates,</li> <li>• Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings</li> </ul>	
<p>During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 01 to 147 days.</p>	<p>As per Bihar Municipal Act, 2007 &amp; Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.</p>
<p>ULB is not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p>	<p>As per BMAR Rule No. - 121, ULB should prepare of monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p>
<p>ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter</p>	<p>Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.</p>
<p>Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p>	<p>As per BMAM-ULB are required to maintain fund wise receipts &amp; payments. As per BMAM, following funds should be maintained by ULB.</p> <ol style="list-style-type: none"> <li>1. Municipal General Fund</li> <li>2. Basic service for urban poor</li> <li>3. Water supply &amp; sewerage fund</li> </ol>



	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 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.

**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. **(Kindly refer Discussion Note attached with the Report).**

**6. ACKNOWLEDGEMENT**

During the course of the audit, sufficient cooperation from management was provided.

On Behalf of  
**A P Sanzgiri & Co,**  
**Chartered Accountants**

Satish Gupta



CA Satish Gupta  
Partner  
Membership No. : 101134  
FRN : 116293W  
UDIN No. : 21101134AAAATW8846  
Date of UDIN : 16-09-2021

## DETAILED AUDIT REPORT

### 1. INTRODUCTION:

Name Of ULB	Period-covered		Audit Team
	From	TO	
Nabi Nagar Panchayat	01-04-2019	31-03-2020	1. Name of CA: Satish Gupta 2. Name of Auditor-1 Raunak Agarwal 3. Name of Auditor-2: Raja Ansari

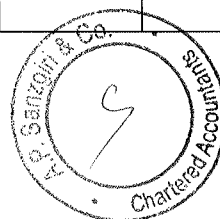
### 2. ADMINISTRATION:

S.N.	Particulars	Details
1	The present body of the ULB has taken charge on	June 2017
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	Mrs. Sapna Sharika
2.1.1	Period of Service:	From: 10 <sup>th</sup> June 2017 To: Continue
2.2	Name of Commissioner/Executive Officer:	Sri Rishikesh Awasthi
2.2.1	Period of Service:	From: 18 <sup>th</sup> January 2019 To: Continue

### 3. REVIEW OF OUTSTANDING AUDIT PARAS:

#### 3.1. Status of Audit Observations is as under:

S.N	Particulars of audit and date of report	Total no. of audit paras	Total no. of audit paras where necessary improvement/corrective measures required	Total no. of audit paras where recovery of cash is proposed	Total no. of audit paras where recovery has been made	Total amount of Recovery	Total no. of para where no action has been taken	No. & date of compliance report
1	Audit report submitted by AG for the F.Y. 2011-12 & 2015-16	10	09	4	2	23.64 Lakh	8	No.-1977 dated 6.9.2018
2	Internal Audit F.Y 2017-18 & 2018-19							Not Complied ( Refer Discussion note)

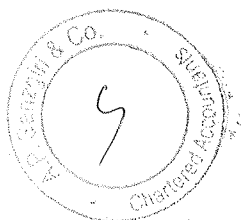


**3.2. DETAILS OF TOTAL NO OF AUDIT PARAS:**

Period of AG audit report : 2011-12 &amp; 2015-16

Compliance report date &amp; Number : Number-1977; dated 06.09.2018

Audit Para Number	Heading of the audit para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	Mobile Tower tax	6.90 Lakh	YES	NO	NO
2	Payment to Private Agency for cleaning work	7.44 Lakh	NO	NO	No
3	Holding Tax not deposited	0.64 lakh	YES	YES	YES
4	Sairato ki Bandowasti	23.00 Lakh	YES	YES	YES
5	Property tax due on government Building	0.23 lakh	YES	NO	NO
6	Purchase of Laptop	3.00 lakh	NO	NO	NO
7	Outstanding of Property tax	3.95 Lakh	NO	NO	NO
8	Fund remains since 2007	0.38 Lakh	NO	NO	NO
9	Non Preparation of BRS and non maintenance of single cash book for single bank A/c	1.80 Lakh	NO	NO	NO
10	AFS, Grant Register, Demand & collection Register, Assets Register etc.	NA	NO	NO	NO



**4. FINANCE**

**I. BUDGETARY PROVISIONS AND EXPENDITURE FOR THE LAST THREE YEARS**

Year	Year- 2017-18	Year- 2018-19	Year- 2019-20
Final/Revised Budget Data	22,32,23,000.00	17,97,18,000.00	23,00,18,300.00
Actual Expenditure Data	2,18,62,343.00	2,67,29,447.00	34,039,676
Savings(+)/Excess(-)	20,13,60,657.00	15,29,88,553.00	95,978,624

**Auditor's Comment:**

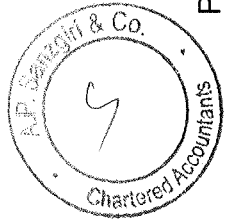
The cash book prepared by ULB in such way that we could not bifurcated or separated data as required in above mentioned format .The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Financial Statement i.e. Audited Balance 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. 2018-19	Actual for the F.Y. 2017-18	Actual for the F.Y. 2019-20	Cumulative for the current period
Opening balance	13,77,71,065	17,89,93,065	17,00,81,320	156,895,974.00	156,895,974.00
Receipts	20,61,18,100	46,32,356	3,07,74,088	51,288,894	51,288,894
<b>Total</b>	34,38,89,165	18,36,25,421	20,08,55,408	208184868	208184868
Net expenditure	23,00,18,300	2,67,29,447	2,18,62,343	3,40,39,676	34,039,676
<b>Closing balance</b>	11,38,70,865	15,68,95,974	17,89,93,065	17,41,45,192	17,41,45,192

**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,

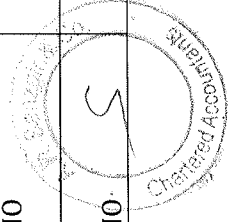


Income & Expenditure Account and receipts & Payments Account for The year 2015-16, 2016-17 & 2017-18 have not been produced before us for verification.  
**Kindly refer discussion not**

**III. BANK RECONCILIATION POSITION AS ON REPORTING DATE**

**BANK RECONCILIATION POSITION AS ON 31.3.2020**

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	Central Bank of India	2150967877	Internal resource	18,43,259.25	22,90,295.10	4,47,035.85	NO
2	State Bank of India	32711214204	13th finance	Not updated	6,51,867.50	Cash book not updated	NO
3	State Bank of India	11753311713	13th finance		19,666.86		
4	Panjab National Bank	6082000100091821	Swarn Jayanti Rojgar Yujna	34,96,855.14	34,96,855.14	NO	YES
5	Central Bank of India	3126172909	Raj Sahay	Not updated	72,57,049.90	Cash book and Bank statement not updated	NO
6	Panjab National Bank	60820001000061103	Raj Sahay		83,80,544.14		
7	State Bank of India	11753373859	Raj Sahay		Not updated		
8	Panjab National Bank	6282000100158510	SBM	51,40,517.52	Not updated	Bank statement not updated	NO
9	Panjab National Bank	6082000100178982	House for All	11,27,028.50	11,27,010.80	17.70	No
10	State Bank of India	33527600198	IHSDP (AWAS)	13,81,240.00	13,81,240.00	NO	YES
11	Central Bank of India	3333446955	IHSDP (AWAS)	1,19,031.00	1,19,031.00	NO	YES

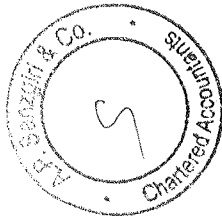


12	Panjab National Bank	6082000100150667	IHSDP (AWAS)	4,54,29,567.94	4,54,29,567.94	NO	YES
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**Auditor Comment:**

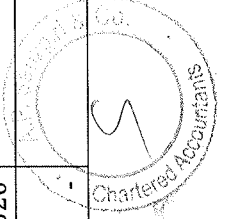
A single cash book maintained for a 'YOJNA/MISSION/SCHEME' whereas under a 'YOJNA/MISSION/SCHEME' more than one bank account open, hence it is suggested by us to maintained separate cash book in respect of each bank account so that reconciliation between cash book and bank statement can be prepared.

BRS of related PLA Accounts has not been prepared.



IV. REVENUE & CAPITAL RECEIPTS INFORMATION:

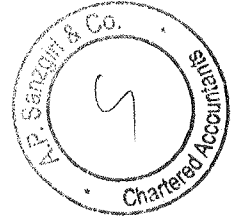
S. N.	Details	INCOME DETAILS (Amounts In Rupees)							
		2017-18		2018-19		2019-20		2018-19	
		(ACTUAL)	(ACTUAL)	(ACTUAL)	(ACTUAL)	(ACTUAL)	(ACTUAL)	(ACTUAL)	(ACTUAL)
	<b>Total Receipts (A+B)</b>	30,774,088	15,02,27,441	46,32,356	30,774,856	51,288,894	46,32,356		
A	<b>Revenue Receipts (1+2+3)</b>	87,50,309	10,64,58,630	46,32,356	8,751,076	3,060,145	46,32,356		
1	<b>Own Revenue Receipts (a+b)</b>	2,501,041	37,88,589	23,82,864	2,501,804	1,416,668	23,82,864		
a)	<i>Tax Revenue (collected by ULB)</i>	1,294,803	30,50,173	2,01,779	1,294,804	291,058	2,01,779		
i)	<i>Property tax</i>	494,718	3,17,841	2,01,779	494,720	253,058	2,01,779		
ii)	<i>Other tax (collected by ULB)</i>	800,085	27,32,332	0	800,844	38,000	0		
b)	<i>Non-tax revenue (Collected by ULB)</i>	1,206,238	73,8,416	21,81,085	1,206,240	1,125,610	21,81,085		
i)	<i>Fees &amp; fines</i>	52,268	2,30,720	15,945	52,268	37,260	15,945		
ii)	<i>User Charges</i>	-	4,500	23,500	-	-	23,500		
iii)	<i>Other non-tax revenue ( Collected by ULB)</i>	1,153,970.00	5,03,196	21,41,640	1,153,972.00	1,088,350	21,41,640		
2	<b>Other Revenue Receipts</b>	3,189,318	22,99,487	13,52,272	3,189,320	533,477	13,52,272		
a)	<i>Income from interest/investments</i>	3,189,318	22,99,487	13,42,872	3,189,320	527,877	13,42,872		
b)	<i>Other Revenue income</i>	-	-	9,400	-	5,600	9,400		



3	Transfers/Grants/Assigned Revenues	3,059,950	10,03,70,554	8,97,220	3,059,952	1,110,000	8,97,220
a)	State Assigned Revenue	3,059,950	10,03,70,554	8,97,220	3,059,952	1,110,000	8,97,220
b)	State Finance Commission Grants	0			0	-	
c)	Octroi compensation	0			0	-	
d)	Other State Government Transfers	0			0	-	
e)	Central Finance Commission Grant	0			0	-	
f)	Other Central Government Transfers	0			0	-	
g)	Others	0			0	-	
<b>B</b>	<b>Capital Receipts</b>	22,023,779	4,37,68,811	0	22,023,780	48,228,749	0
1	Sale of Municipal Land	0		0	0	-	0
2	Loans (from State Govt. Or Banks etc.)	0			0	-	
3	State Capital Account Grant		3,89,29,639	0	15,221,620	25,736,202	0
4	Central Capital Account Grant		48,39,172	0	6,802,160	22,492,547	0
5	Other Capital Receipts	22,023,779		0	-	-	0

**Auditor 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.**

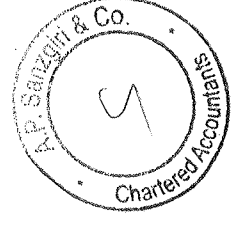


**-V. Revenue and Capital Expenditure Information.**

EXPENDITURE DETAILS (Amounts In Rupees )							
S. N.	Details	2017-18		2018-19		2019-20	
		2017-18 (ACTUAL)	2016-17 (ACTUAL)	2018-19 (ACTUAL)	2017-18 (ACTUAL)	2019-20 (ACTUAL)	2018-19 (ACTUAL)
	Total Expenditure (1+2)	2,18,62,343	7,06,51,721	2,67,29,447	2,18,62,343	3,40,39,676	2,67,29,447
<b>1</b>	<b>Revenue Expenditure</b>	<b>99,44,371</b>	<b>6,53,44,799</b>	<b>1,47,88,370</b>	<b>99,44,371</b>	<b>1,49,57,600</b>	<b>1,47,88,370</b>
1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and Cont.)	53,45,344	33,45,972	22,78,650	53,45,344	2,822,466	22,78,650
1.2	Operation and Maintenance	21,44,671	3,29,568	59,09,858	21,44,671	62,02,260	59,09,858
1.3	Loan repayment (Interest payments)	0	0	0	0	362	0
1.4	Others(any other revenue expenditure)	24,54,356	6,16,69,259	65,99,862	24,54,356	59,32,512	65,99,862
<b>2</b>	<b>Capital Expenditure</b>	<b>1,19,17,972</b>	<b>53,06,922</b>	<b>1,19,41,077</b>	<b>1,19,17,972</b>	<b>1,90,82,076</b>	<b>1,19,41,077</b>
2.1	All developmental works under Central/State	1,18,61,922	52,91,976	1,18,95,727	1,18,61,922	18,945,218	1,18,95,727
2.2	Loan Repayments(Principal Amount)		0	0			0
2.3	Other Capital expenditure	56,050	14,946	45,350	56,050	1,36,858	45,350

**Auditors 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 ACCOUNTING SYSTEM:**

As per replied given by concerned person that Agency communicate with us, but no work yet has been initiated.

**VII. STATUS OF MEETING OF MUNICIPAL ACCOUNTS COMMITTEE**

As per reply given by concern person standing committee by default is Accounts committee.

**5. AUDIT OBSERVATION:**

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

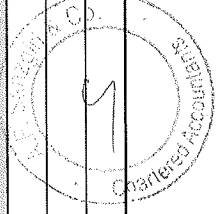
**(A) LEAKAGE OF OWN SOURCE REVENUE EITHER DUE TO WRONG ASSESSMENT OR NON-LEVY OF PROPERTY TAX, MOBILE TOWER TAX, RENT ON MUNICIPAL PROPERTIES, ADVERTISEMENT TAX, FEE ETC.**

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

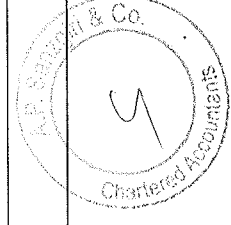
SN	Head	Comments
1	<b>Objective</b>	The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable provisions and rules.
2	<b>Criteria</b>	We have checked list of all the taxes which to be levied and collected by the ULB as per Act. Further we have checked Syah Register, Receipt book, cashier cash book and accountant cash book etc.
3	<b>Condition</b>	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. <b>In case of Nagar Panchayat Nabinagar</b> , The following mentioned tax/charges are not implemented that leads to loss of revenue to corporation:

S.N	Particulars	Implemented by ULB or Not
1	Property tax on lands and buildings.	YES
2	Surcharge on transfer of lands and buildings	NO
3	Fire tax.	NO



		4	Tax on advertisements, other than advertisements published in newspapers	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	NO
		13	User Charges for Garbage Clearance	NO
		14	Collection of fees for sanction of building plans and issue of completion certificates,	NO
		15	Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,	No
		16	Collection of Fees for issue of birth and death certificates.	YES
		17	Collection of Development Charges	No
4	<b>Consequences/Effect</b>	No levy of taxes will be resulted in to revenue loss to ULB.		
5	<b>Cause</b>	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	<b>Corrective Action/ Recommendation</b>	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.		
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>		

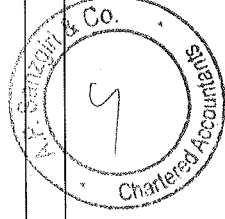


**OBSERVATION-2: DELAY IN DEPOSIT OF PROPERTY TAX COLLECTED BY ULB STAFF**

SN	Head	Comments
1	<b>Objective</b>	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	<b>Criteria</b>	We have checked respective books in order to carry the audit and some cases were checked on random basis.
3	<b>Condition</b>	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 1 to 147 days. Details of such cases are given in <b>Annexure-1</b> .
4	<b>Consequences/Effect</b>	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	<b>Cause</b>	It is explained by concern person that due to non-availability of human resources the same issues arises.
6	<b>Corrective Action/Recommendation</b>	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	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>

**OBSERVATION-3: NON COLLECTION OF NOTICE FEE**

SN	Head	Comments
1	<b>Objective</b>	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	<b>Condition</b>	ULB is not charging and collecting notice fees.
3	<b>Consequences/Effect</b>	It is non-compliance of Bihar Municipal Act, 2007 which resulted in loss of revenue to the ULB.
4	<b>Cause</b>	No proper explanation in this regard given by ULB.
5	<b>Corrective Action/Recommendation</b>	Notice fees should be collected as per applicable provisions and rules.
6	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>



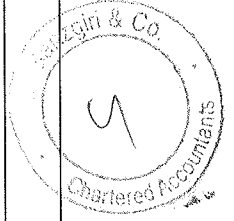
**OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME**

**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
3	Condition	No such data provided from which outstanding balance can be derived.
4	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	<b>Kindly refer discussion note attached with the report.</b>

**1. 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
3	Condition	No such data provided from which outstanding balance can be derived.
4	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to ULB.
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	<b>Kindly refer discussion note attached with the report.</b>

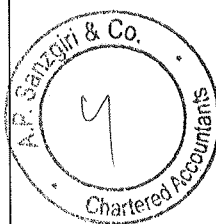


**2. RENT INCOME**

SN	Head	Comments
1	Objective	ULB authorized to charge rent from municipal properties.
2	Criteria	It is checked from progress report prepared by ULB
3	Condition	No such data provided from which outstanding balance can be derived.
4	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to ULB.
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	<b>Kindly refer discussion note attached with the report.</b>

**3. 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
3	Condition	No such data provided from which outstanding balance can be derived.
4	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to ULB.
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	<b>Kindly refer discussion note attached with the report.</b>



**(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	1. During the Audit period following <b>Penalty has been imposed</b> on Nagar Panchayat due to late payment of electricity bill.

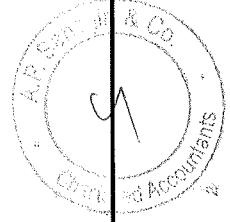
  

Name of Utility	Bill Amount	Due date for Payment	Actual date for payment	Penalty/Late Fees Charged
SBPDCL (Electricity bill)	36,679.00	27.03.2020	13.08.2020	17,139/-
SBPDCL(Electricity)	151021	07.03.2019	Not Paid	36,800/-
SBPDCL (Electricity bill)	23,168	25.09.2019	Not till date	16,043/-

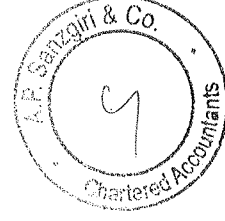
2. We have checked following payment related to FY 2019-20 during audit:

S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Audit Observations
1	Permeshwar	5 <sup>th</sup> F.C.	11,84,040.00	11,84,040.00	No such Irregularity found
2	Anup Kumar singh	5 <sup>th</sup> F.C.	13,40,900.00	13,40,900.00	
3	Suresh kumar Ram	14 <sup>th</sup> F.C.	7,32,900.00	7,32,900.00	
4	Social Institute for weaker section	5 <sup>th</sup> F.C.	6,88,873.00	6,88,873.00	
5	Pradeep kumar	5 <sup>th</sup> F.C.	10,18,700.00	10,18,700.00	
6	Kusum Devi	MMNJ	13,40,900.00	13,40,900.00	



7	Arvind kumar	MMNJ	5,38,556.00	5,38,556.00					
8	Anup kumar	5 <sup>th</sup> F.C.	11,08,500.00	11,08,500.00					
9	Arvind kumar	MMNGY	5,38,556.00	5,38,556.00					
10	Arvind kumar	5 <sup>th</sup> F.C.	8,46,000.00	8,46,000.00					
11	Anant kumar singh	5 <sup>th</sup> F.C.	3,19,100.00	3,19,100.00					
12	Gita Devi	5 <sup>th</sup> F.C.	15,71,000.00	15,71,000.00					

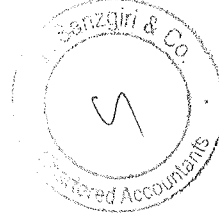
4	<b>Consequences/Effect</b>	Irregularities in payment lead to excess payment, wrong deductions, non-compliance with agreement and statutory compliances.
5	<b>Cause</b>	In respect of electricity Penalty levied by SBPDCL, we will communicate with SBPDCL regarding this why it has been levied and inform accordingly.
6	<b>Corrective Action/Recommendation</b>	Management can implement standard checklist for each payment so that irregularities in payments can be avoided.
7	<b>Management Comments</b>	<b>Kindly Refer Discussion Note for above said observation</b>



**(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	<b>Objective</b>	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	<b>Criteria</b>	Survey has to be done for 20 High value properties.
3	<b>Condition</b>	We have requested to Management to provide Tax Collector for Physical Measurement and Assessment of 20 High value Property, but Management replied staff of ULB are busy in some important work , hence Management will provide for same at latter stage of Audit. We will submit details of 20 High Value property Assessment report very soon.
4	<b>Consequences/Effect</b>	Irregularities in this area may cause short recovery of revenue receipt and it will result in loss to the ULB.
5	<b>Cause</b>	Not Applicable
6	<b>Corrective Action/Recommendation</b>	Not Applicable
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>

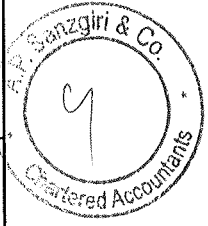


**PART-B: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATION, BUT SIGNIFICANT VIOLATION OF ACT, RULES & DIRECTIVES OF UD & HD, MENTION THE REFERENCE TO ACT & RULES WHEREIN REMEDIAL MEASURE IS REQUIRED:**

**(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 Updation
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	Not Maintained	
14	Summary statement of Refunds and Remissions	Not Maintained	
15	Summary Statement of Write-offs	Not Maintained	
16	Statement of outstanding Liability for Expenses	Not Maintained	
17	Document Control Register/Stock Account Receipts/Cheque Book	Not Maintained	
18	Fixed Assets Register	Not Maintained	
19	Summary Statement of Demand Raised on assessment	Not Maintained	
20	Summary Statement of Head wise Collection of Other Income	Not Maintained	
21	Summary Statement of Refunds	Not Maintained	



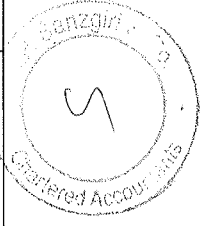
22	Summary Statement of Write off	Not Maintained
23	Grant Register	Not Maintained
24	Summary Statement of status of Capital Work in Progress	Not Maintained
25	Work Sheet	Not Maintained
26	Deposit Works Register	Not Maintained
27	Material Receipt Note	Not Maintained
28	Store Ledger	Not Maintained
29	Statement of Closing Stock	Not Maintained
30	Statement of Material Issued	Not Maintained
31	BRS of all bank accounts (including dormant accounts)	Not Maintained
32	Final Accounts for the F.Y. 2012-13 to 2017-18	Not Maintained
33	Audited Balance Sheet	Not Maintained
34	Audited Income & Expenditure Account	Not Maintained
35	Audited Receipts & Payment Account	Not Maintained

Note: Cashier cash book was maintained till 2017-18 but after that same has not maintained.

**(b) IRREGULARITY IN PROCUREMENT PROCESS:**

**1. COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS:**

Tender Issue & Date Number	Mode of Tender (Quotation/Open Tender/ Selective Tender/ Limited Tender)	Is Minimum Party applied for tender	Is comparative chart attached in tender file.	Is Original EMD/PG/Security deposit submitted by participants as requirement of tender	Whether all the security deposit and earnest money tender/agreement deposited in the bank immediately.	Similarly refunds of these security deposit and earnest money deposit have been made on time.	Is order issued to selected party on time?	Is Financial Bid of all participants attached
No. 07/2019-20 dated 01.01.2020	E-tendering	YES	YES	YES	YES	Not matured	Yes	YES
No. 08/2019-20 dated 06.01.2020	E-tendering	YES	YES	YES	YES	Not matured	Yes	YES
No. 09/2019-20 dated	E-tendering	YES	YES	YES	YES	Not matured	Yes	YES



22.01.2020													
No. 02/2019-20 dated 19.11.2019	E-tendering	YES	YES	YES	YES	YES	YES	Not matured	Yes	YES			
No. 03/2019-20 dated 02.12.2019	E-tendering	YES	YES	YES	YES	YES	YES	Not matured	Yes	YES			
No. 04/2019-20 dated 09.12.2019	E-tendering	YES	YES	YES	YES	YES	YES	Not matured	Yes	YES			
No. 05/2019-20 dated 10.12.2019	E-tendering	YES	YES	YES	YES	YES	YES	Not matured	Yes	YES			

**Note: Total 3, 7 and 15 work unit tendered for NIT-07, NIT-08 and NIT-09 respectively. Out of this, total work unit 1, 2 and 6 for NIT-07, NIT-08 and NIT-09 respectively has been cancelled.**

**Note: NIT-04 Cancelled**

**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 mention in log book
1	Tempo (owned)	NOT	NOT	NOT	NOT
2	Scorpio (Hired)	YES	NOT	YES	NOT

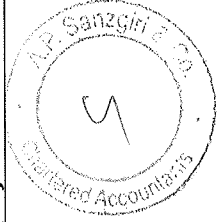


**(C) NON-COMPLIANCE OF DIRECTIVES BY UD&HD, GOB:**

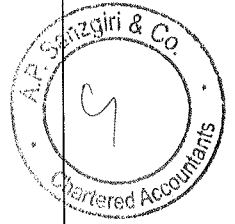
There is no directives issued by UD & HD during audit period.

**(d) NON-COMPLIANCE OF ACT & RULES:**

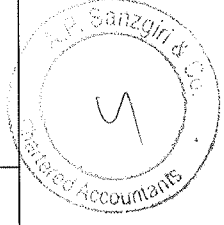
S.N.	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.-22	<b>Refer point: Part-A (a) (2)</b> As per verification of receipt book it is noted that there was average delay of 01-147 days in collection and deposit of tax into bank	Due to shortage human resources & pressure of work amount of tax collected is not deposited on time. <b>(Refer Discussion Note)</b>
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Yes, Every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	
3	Whether the collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.	BMAR Rule No.- 27	Yes, Collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.	In ULB the collection register was in the personal custody of the bill collector.
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, it is verified by concern authority.	
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	<b>Refer point: Part-A (a) (2)</b> As per verification of receipt book it is noted that there was average delay of 1-147 days in collection and deposit of tax into bank.	<b>(Refer Discussion Note)</b>
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	Grant Register Not Maintained in ULB	ULB is not in practice of maintaining Grant Register. <b>(Refer Discussion Note)</b>



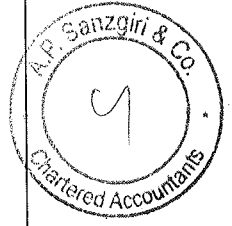
	Government.			
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance 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	
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	<b>Refer PART-B (9)</b>	<b>(Refer Discussion Note)</b>
10	Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received	BMAR Rule No.- 69	No, See Note Below	<b>(Refer Discussion Note)</b>
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	Yes	Yes, The Chief Municipal Officer prepares a fund wise statement of receipts and payments.
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	No, ULB was not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	<b>(Refer Discussion Note)</b>
13	Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	BMAR Rule No.- 121	No	<b>(Refer Discussion Note)</b>



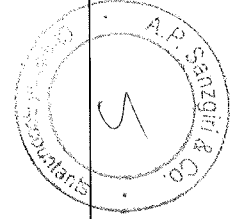
14	<p>The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. <b>The Financial Statements shall comprise of</b></p> <p>a. Receipts and Payments Account for the year (BMAR Form No.71)</p> <p>b. Income &amp; Expenditure Statement for the year (BMAR Form No.73)</p> <p>c. Balance Sheet as on 31st March of the year (BMAR Form No.74)</p> <p>d. Significant accounting policies adopted by the Municipality in presentation of the financial statements.</p> <p>e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly.</p> <p>f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply</p>	BMAR Rule No.- 122	<p><b>BMAR Rule No. - 122</b> was not followed by ULB during the F.Y. 2019-20</p>	<p><b>(Refer Discussion Note)</b></p>
15	<p>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)</p>	BMAR Rule No.-130	<p><b>Refer PART-B (6)</b> We observed that ULB was not regular in compliance of statutory dues.</p>	<p><b>(Refer Discussion Note)</b></p>
16	<p>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)</p>	BMAR Rule No.-130	<p><b>Refer PART-B (8)</b></p>	<p><b>(Refer Discussion Note)</b></p>
17	<p>Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated In sufficient detail;</p>	BMAR Rule No.-130	<p>Not stated sufficient details.</p>	



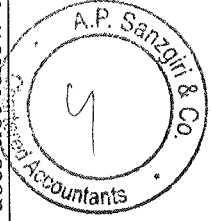
18	Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted;	BMAR Rule No.-130	Yes, all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB. The ULB has made such deductions properly accounted but not accounted on time.	
19	Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created;	BMAR Rule No.-130	No details regarding creation of special fund and their use were made available to comment thereon.	<b>(Refer Discussion Note)</b>
20	Whether the ULB is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	BMAR Rule No.-130	ULB was not maintaining fixed assets register for the financial year 2019-20 Further no, fixed assets physically verified report was made available to comment upon.	<b>(Refer Discussion Note)</b>
21	Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are renewed after their expiry;	BMAR Rule No.-130	No details regarding lease hold property was made available to comment upon.	<b>(Refer Discussion Note)</b>
22	Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	BMAR Rule No.-130	Yes, ULB followed adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets.	
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality's accounts; If so, the details thereof;	BMAR Rule No.-130	We have not observed such type of transaction during audit.	



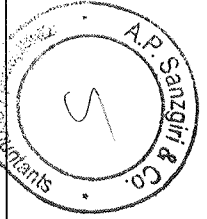
24	Whether the Bank Reconciliation statements have been properly prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.-130	<p><b>Refer Point-04 (III)</b> Yes, ULB has not prepared bank reconciliation for all bank accounts maintained but in case of some bank accounts balances and their respective cash book balances matched.</p> <p><b>Refer Point-04 (III)</b> Yes, ULB has not prepared bank reconciliation for all bank accounts maintained but in case of some bank accounts balances and their respective cash book balances matched.</p>	<i>(Refer Discussion Note)</i>
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.-130	<p><b>Refer Point-04 (III)</b> Yes, ULB has not prepared bank reconciliation for all bank accounts maintained but in case of some bank accounts balances and their respective cash book balances matched.</p>	<i>(Refer Discussion Note)</i>
26	Whether all the expenditure incurred by the Municipality is authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently cases such as are authorized by Act;	BMAR Rule No.-130	Yes	
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.-130	<p><b>Refer-PART-A (a)(4)</b> Yes, ULB has accounted revenue properly. But collection and recovery of taxes was in slow pace that's why there was arrear of taxes in ULB.</p>	
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	<p><b>Refer-PART-A (a)(2)</b> Yes, all sums due to and received by the ULB have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act. Except; In case of deposit of daily tax collection, that is deposited on average 01-147 days delay of collection.</p>	



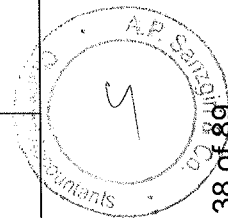
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	BMAR Rule No.-130	Yes, the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order.	
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.-130	<b>Refer-PART-B (a)</b> No, Some required books of accounts as per BMAM/BMAR has not been maintained.	<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 store verification report was made available during the reporting period to comment upon.	<i>(Refer Discussion Note)</i>
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	ULB has not maintained any for physical verification of store so we cannot comment on it.	<i>(Refer Discussion Note)</i>
33	Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and If so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to Identify any unserviceable or damaged stores and whether provision for the loss In this respect, If any, has been made In the accounts;	BMAR Rule No.-130	No such details provided	<i>(Refer Discussion Note)</i>
34	Whether the valuation of stores is in accordance with the accounting principles laid down In the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;	BMAR Rule No.-130	No such details provided	<i>(Refer Discussion Note)</i>
35	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the Interest and If not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	BMAR Rule No.-130	ULB does not follow the system to give loan or Advances.	<i>(Refer Discussion Note)</i>
36	Whether advances given to municipal employees and	BMAR Rule	ULB does not follow the system	



	interest thereon are being regularly recovered;	No.-130	to give loan or Advances to its employees.	(Refer Discussion Note)
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, the same has been maintained	
38	<b>Municipal Fund:</b> Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	No, ULB is using single entry accounting system, so there was no fund was accounting followed.	(Refer Discussion Note)
39	<b>Payment not to be made out of Municipal Fund unless covered by budget grant:</b> Whether any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	No payment made out of Municipal Fund that is not covered by budget grant.	
40	<b>Procedure when money not covered by budget grant is paid.</b> Whether the case is put up with Empowered Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	No such case observed	
41	<b>Investment of surplus money.</b> Whether municipality has invested surplus fund as per the requirement of the chapter-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period. Check whether comparative interest rate is invited from parties before investing surplus funds:		ULB is no in a practice to invest surplus fund in any mode of investment.	
42	<b>Preparation of budget estimate of Municipality.</b> 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,		No, Estimation should be based on the past experience and after considering the fact that how the condition might change in	Budget prepared from 18-19 only. (Refer Discussion Note)



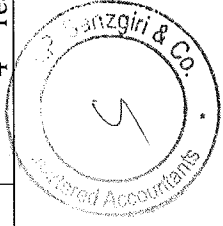
			future though the provision of Section 82 of the Act regarding preparation of budget has been complied.	
43	<b>Maintenance of accounts.</b> Whether the Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed,		As ULB was following single entry accounting system. So receipts and payments details were being maintained in form of cash book. Audited receipts & payments account as per BMAM was not prepared by ULB.	<i>(Refer Discussion Note)</i>
44	<b>Financial Statement.</b> 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,		No, ULB was not preparing a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality.	Currently ULB follow single entry system and unable to prepare the same.
45	<b>Submission of financial statement and balance sheet to auditor.</b> The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after examination of the same, shall adopt and remit them to the Auditor as may be appointed in this behalf by the State Government.		No, Financial Statements were not provided for audit by ULB.	Currently ULB follow single entry system and unable to prepare the same.
46	<b>As per section 127, 128, 129 &amp; 131 of chapter XV Bihar Municipal Act, 2007 various tax are applicable on ULBs</b> 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		Refer-PART-A (a) (1) for status of taxes not collecting by ULB.	



	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 calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement.			
47	As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007.) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,	BMA,2007: Chapter XIX	<b>Refer-PART-A(a)(3)</b>	
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	No	Trade Licence has not been issued from ULB so Trade license fee is to be collected from different types of Trader.

Note-1 While Carrying out Audit For, we observe following Grant remains outstanding for very long period. The Details are as under:

S.N.	Bank A/c	Grant/ Fund Name	Last Transaction	Amount outstanding As on 31.03.2020	Appx. No of Year outstanding
1	150667	IHSDP Infrastructure	30.08.2016	4,36,95,552.04	3.5 Years
2	7600198	IHSDP Awash Yojna	16.03.2017	1,08,63,441.00	3 Years
3	46955	IHSDP Awash Yojna	19.01.2015	1,14,943.00	5 Years
4	91821	SJRY	09.11.2015	32,63,740.24	4 Years



**(e) LACK OF INTERNAL CONTROL MEASURES:**

We have observed the following areas where internal control measures are required by ULBs-

- Store procurement should be followed proper rules as per BMAR Rules & Provisions;
- ULB should be followed Books of Account, Trial Balance, FAR, FS, and other records as per BMAR;
- ULB should prepare & Maintain monthly BRS;
- Stock Register is not updated properly;
- No MIS was prepared for tracking of payments
- Year-end reconciliation was not available;
- In some cases single cash book maintained in respect of more than one bank a/c. It is necessary for ULB to
- Should prepare single cash book for single bank a/c in order to trace payment and bank reconciliation.

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

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

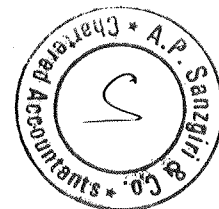
S.N	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/Challan Number
1	Gita Devi	15,71,000.00	15,710.00	07.02.2020	06.08.2020	00004
2	Anup Kumar singh	11,51,200.00	11,512.00	07.02.2020	06.08.2020	00004
3	Arvind kumar	16,92,000.00	16,920.00	07.02.2020	06.08.2020	00004
4	Gita Devi	45,778.00	503.00	07.03.2020	06.08.2020	00004
5	Pradeep kumar	14,07,600.00	14,076.00	07.03.2020	06.08.2020	00004
6	Pradeep kumar	21,52,000.00	21,520.00	07.03.2020	06.08.2020	00004
7	Gita Devi	21,88,000.00	21,880.00	07.03.2020	06.08.2020	00004
8	Arvind kumar	8,46,000.00	8,460.00	07.03.2020	06.08.2020	00004
9	Anant Kumar	11,48,130.00	11,483.00	07.03.2020	06.08.2020	00004
10	Permeshawar Baitha	8,37,700.00	8,377.00	07.03.2020	06.08.2020	00004
11	Nand Kishore Jha	20,66,619.00	41,333.00	07.03.2020	06.08.2020	00004
	<b>TOTAL</b>	<b>1,51,06,027.00</b>	<b>1,71,774.00</b>			

**2. DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:**

Year	Amount Deducted	Date of deposit
2019-20	3,18,781.00	29 <sup>th</sup> & 30 <sup>th</sup> April of 2020

**3. DETAILS OF DEPOSIT OF LABOUR CESS ARE MENTIONED BELOW:**

Year	Amount Deducted	Date of deposit
2019-20	2,98,281.00	15.05.2020



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

Month	Amount Deducted	Date of deposit
Jan'2020	77,982.00	15.02.2020
Feb'2020	35,444.00	17.03.2020
March'2020	1,40,010.00	04.04.2020

5. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:

TDS return has been filed on 08.08.2020.

(g) DEFICIENCY IN PAYROLL SYSTEM:

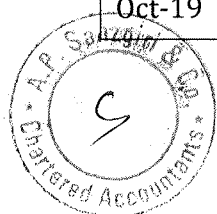
S.N	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/ Contract worker)	YES
2	Non availability of Salary payment voucher	YES
3	Matching of voucher number with cash book	NO
4	Salary register contains all elements of salary	YES
5	Maintenance of Salary Deduction register	YES
6	Whether deduction of PF/ESI made from contract employee	NO
7	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	NO

DETAILS OF DELAY OF DEPOSIT OF EPF:

1.1 PERMANENT EMPLOYEE:

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

Month of Deduction	Amount Deduction	Due date of deposit	Amount Deposit	Actual Date of deposit	Delay in days
April - 19	14000.00	15.05.2019	14000.00	03.10.2019	140
May - 19	14000.00	15.06.2019	14000.00	03.10.2019	110
Jun - 19	10000.00	15.07.2019	10000.00	03.10.2019	80
July - 19	14000.00	15.08.2019	14000.00	03.10.2019	49
Aug - 19	14000.00	15.09.2019	14000.00	03.10.2019	18
Sep- 19	14000.00	15.10.2019	14000.00	03.10.2019	-
Oct-19	14000.00	15.11.2019	14000.00	11.12.2019	25



Nov - 19	14000.00	15.12.2019	14000.00	11.12.2019	-
Dec- 19	14000.00	15.01.2020	14000.00	23.01.2020	8
Jan - 20	14,000.00	15.02.2020	14,000.00	04.02.2020	-
Feb - 20	14,000.00	15.03.2020	14,000.00	03.03.2020	-
March- 20	14,000.00	15.04.2020	14,000.00	04.04.2020	-

## 1.2 CONTRACTUAL EMPLOYEE:

**Management Comment:-**PF has not deducted from Contractual Employee. **Refer discussion note**

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

STATUS OF UTILIZATION CERTIFICATE: The same is prepared with the help of Auditor.( Refer Discussion note and annexure)

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)**

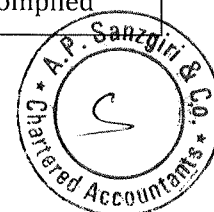
**(i) PHYSICAL VERIFICATION OF INVENTORY/STORES:** Refer point 31-40 PART-B (d). ULB did not follow the practice of physical verification of stock. **(Refer Discussion Note)**

**(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)**

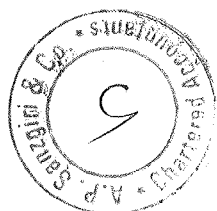
**(k) Any other matters as may be prescribed in due course:**As all relevant matters has been covered in above mentioned points.

## III. PART-C

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



	procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actuals as per internal audits;	Refer-PART-A(c)
C	Auditor should report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR :	Refer-PART-B(d)
	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(d)
E	Report and quantify all major own revenue losses and opportunities lost or missed including in the area of Property Tax, Mobile Transmission Towers Tax, Rental of Municipal properties, Advertisement Taxes/Fees, Sairat etc;	Complied Refer-PART-A(a)
F	Auditor should Report on adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments above Rs. 10,000 and above.	Complied Refer-PART-B(b)
G	Auditor should Report on Procurement made including through E-Tendering and E-Auction indicating exceptions , if any and whether a register is kept for all Procurements with value above Rs. 15,000/-	Complied Refer-PART-B(b)
H	Auditor should Report on presence or absence of a system of 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 Paras has been complied by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.	Complied Point-03 of Detailed Audit Report



**4. DETAIL AUDIT OBSERVATIONS ( F.Y. 2019-20)**

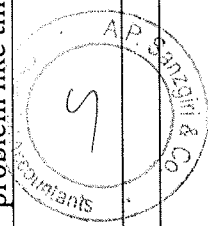
**RISK ASSESSMENT**

Name of the ULB: NAGAR PANCHAYAT NABENAGAR

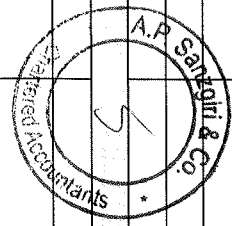
SN	Observations	Risk Rating	Design Gap	System Gap	Operating Gap	Management Comment	Auditor Recommendations
<b>DEMAND GENERATION</b>							
1	Loss of Revenue due to under assessment/ wrong generation of demand	H	NO	YES	YES	Due to lack of manpower some gap arose, However we are trying to minimize the gap 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					It will be rectify very soon in near future	It is recommended that ➤ 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	NO	YES	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 ULBs staff to make wrong assessments of income	NA	NO	NO	NO		
4	Others	NA	NA	NA	NA		



<b>REVENUE EXPENDITURE</b>										
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Non-updating various register like billregister with payment figureetc.	M	NA	NA	NA	YES	We have shortage of skilled employees and due to this we are facing problem like this.	Bill registers etc should be update on real time basis transaction.		
6	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>ESTABLISHMENT EXPENDITURE</b>										
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with Employee	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
5	Non-updating various register like billregister with payment figureetc.	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>CAPITAL EXPENDITURE</b>										
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with Contractor	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
6	Non-updating various register like workregister, MB, bill register, Fixed Assetsregister, Service book/record, advanceregister, etc.	NA	NA	NA	NA	NA	NA	NA	NA	NA
7	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>PROCUREMENT AND INVENTORY</b>										
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication/ Procedural	NA	NA	NA	NA	NA	NA	NA	NA	NA





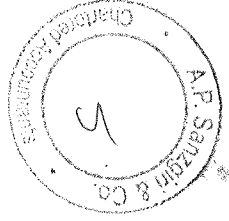
	cashbook, etc.												
7	Other	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>UNAUTHORIZED ADVANCE</b>													
1	Unauthorized release of advance	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Release of advance beyond authority	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Non-adjustment of loan or advance during the year	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with employee/party to release advance/loan beyond authority	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Advance/loan not account for	NA	NA	NA	NA	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	NA	NA	NA	NA
7	Other	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



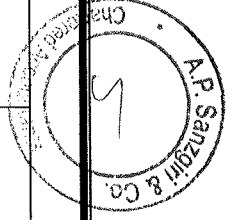
**LIST OF IMPORTANT REGISTERS**

NAME OF THE ULB		COMPLIANCE REPORT SUBMITTED					Status (Resolved or not)
1	Nagar Panchayat Nabenagar						
2	RISK RATING:	HIGH					
3	CAG OBSERVATIONS STATUS	COMPLIANCE REPORT SUBMITTED					
SN	Particulars	Audit Observation	Associates Risk	Management Comment	Status (Resolved or not)		
1	Cash Book	Maintained	NA	NA	NA	NA	
2	Ledger	Not Maintained	HIGH	Will be maintained from upcoming year.			
3	Journal	Not Maintained	HIGH	Will be maintained from upcoming year.		Not Resolved	
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	NA	
7	Cheque Issue Register	Maintained	NA	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	Not Maintained	HIGH	Will be maintained from upcoming year.		Not Resolved	
11	Bill Register	Maintained	NA	NA	NA	NA	
12	Establishment Register	Not Maintained	HIGH	Will be maintained from upcoming year.		Not Resolved	
13	Stock Register	Maintained	NA	NA	NA	NA	
14	Capital Goods/ Consumable articles, non-consumable articles	Not Maintained	HIGH	Will be maintained from upcoming year		Not Resolved	
15	Statutory Deduction Register	Not Maintained	HIGH	Will be maintained from upcoming year		Not Resolved	
16	Fixed Assets Register	Not Maintained	HIGH	Will be maintained from upcoming year		Not Resolved	
17	Grant Register	Not Maintained	HIGH	Will be maintained from upcoming year		Not Resolved	

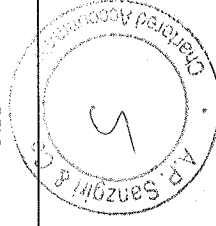
18	Scheme Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
19	Monthly accounts of Receipts/ Payments	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
20	Temporary Advances Register for Staff, Customers/ supplier/VEC and TA/DA Advance	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
21	Dispatch Register	Maintained	NA	NA	NA
22	File Register	Maintained	NA	NA	NA
23	Any other (Name of the register)	NA	NA	NA	NA



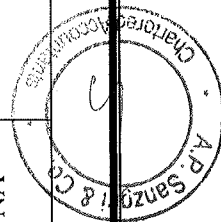
CASH AND BANK						
Nagar Panchayat Nab Nagar						
HIGH						
COMPLIANCE REPORT SUBMITTED						
F.Y. 2019-20						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Check whether there is no any undue delay in presentation of cheque /DD received, 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)	No, the same has not been prepared.	NA	High	It will be reconciled	No



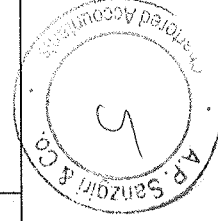
7	Check whether no any fraud payment or payment to other person has been made,	No such case found payments selected for audit	NA	NA	NA	NA
8	Whether bank statement for all account have been promptly received from bank.	YES	NA	NA	NA	NA
9	Number of Bank accounts maintained	12 bank accounts are maintained.	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



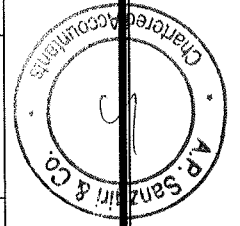
PUBLIC WORKS						
	NAME OF THE ULB	Nagar Panchayat Nabenagar				
	RISK RATING:	HIGH				
	CAG OBSERVATIONS STATUS	COMPLIANCE REPORT SUBMITTED				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether bill has been prepared as per actual measurement & 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



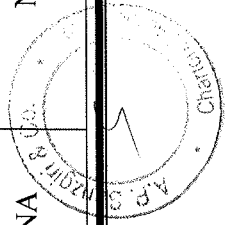
7	Whether master roll(machine numbered & authorized) has been maintained for details of store, specifying:								
8	• Date of Issue	NA							
9	• Name of Subordinate	NA							
10	• Name of Work	NA							
11	• Number of Labour	NA							
12	• Period of Engagement	NA							
13	• Details of Payment (Date, amount, Cheque no etc.)	NA							
14	Whether the same has been periodically verified.	NA	High	Not Available at ULB Office at that time.	NA	NA	NA	NA	NA
15	Whether payment are as predefined approval level sanctioned u/s 75 of BMA, 2007,	NA			As per information provided to us, JE of the Concerned ULB is verifying the same on Periodically gap.	Yes	NA	NA	NA
16	Any Other	NA			NA	NA	NA	NA	NA



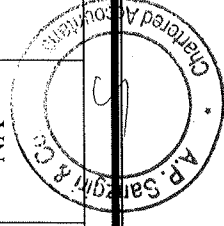
Cash Book						
NAME OF THE ULB		Nagar Panchayat Nab Nagar				
RISK RATING:		HIGH				
COMPLIANCE REPORT SUBMITTED						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether Opening Balance & Closing Balance was worked out or not,	Yes	NA	NA	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.,	Yes	NA	NA	NA	NA
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	No such instances found	NA	NA	NA	NA
5	Whether any delay in deposit of amount of collection by cashier,	Yes Kindly refer Annexure-1 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 if any	ULB did not physically verify Cash.	NA	LOW	We will put the matter before board and follow accordingly.	No
7	Any Other	NA	NA	NA	NA	NA



Collection							
Nagar Panchayat Nab Nagar							
HIGH							
COMPLIANCE REPORT SUBMITTED							
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 ,	No demand register produced before Auditor. Further as per information given by concern officer there is no demand register.	NA	High	We will consider the matter and solve accordingly.	Not Resolved	
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,	Collection are bifurcated in DCR , however 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	



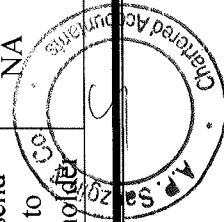
7	Whether all collections made during the day are account for & banked on next working day or there is any teaming & lading,	No, There is gap between collection and deposit of money in to bank. Kindly also refer Annexure-1 attached with this report	NA	High	We will follow Bihar Municipal Act now onwards.	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)	Yes, same has been deposited	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 penalty 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,	Yes	NA	NA	NA	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 but there is no mechanism to trace that this refund or remission was given	NA	NA	NA	NA



		after duly sanction or without sanction.			
16	Whether any immediate steps has been taken or not for cheque dishonored received	No such cases found during audit	NA	NA	NA
17	Whether reversal of payment has been made for any dishonored cheque	No such cases found during audit	NA	NA	NA

<b>DEMAND</b>						
	<b>NAME OF THE ULB</b>	<b>Nagar Panchayat Nabenagar</b>				
	<b>RISK RATING:</b>	<b>HIGH</b>				
	<b>NAME OF TAX COLLECTOR</b>					
<b>S.N</b>	<b>Particulars</b>	<b>Audit Observation</b>	<b>Amt. Involved</b>	<b>Associates Risk</b>	<b>Management Comment</b>	<b>Status (Resolved /Not)</b>
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	NA	High	We will look in to this matter.	No

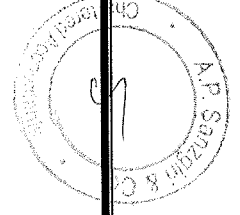
		suffering revenue loss for not revising method of valuation.				
5	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	Yes, in case of taxes remission/discount is given to households but there is no mechanism to trace that this refund or remission was 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	We will maintain it now onwards.	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	We will conduct training for the same and trained them accordingly.	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	Due to lack of staff, it is not possible to allot this task to multiple members.	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	We look in to this matter and resolve the same very soon.	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	NA	High	We look in to this matter and will be send notice to concern person for	No



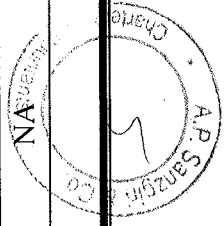
13	Whether penalty (@2% P.M/ 1.5%) has been charged on late payment,	We have checked transactions on random basis and it is found that penalty is charged.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
14	Whether Demand, Collection & Balance Register has been prepared on daily basis for all receipts or not, & it would 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.	NA	NA	NA	NA	NA	NA	NA	NA
15	Whether there are adequate safeguard on data has been operated or not,	Yes	NA	NA	NA	NA	NA	NA	NA	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 implemented.	NA	NA	NA	NA	NA	NA	NA	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	NA	NA	NA	NA	NA	NA	NA



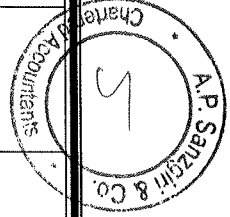
ESTABLISHMENT						
	Nagar Panchayat Nabenagar					
	HIGH					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether establishment expenditure is sanctioned by authorised person & it has been within sanctioned limit,	Yes, it has been authorized 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 maintain, however same will be maintained from upcoming time.	No
3	Audit whether apart from comparing the pay & allowance drawn by each employee in the pay bill with the corresponding entries in the pay column of the service book and checking the acquaints roll of employee who have been paid in cash,	Service book was not produced before us during audit hence we are not able to comment on it.	NA	NA	We did not maintain, however same will be maintained from upcoming time.	No
4	Whether each employee has unique identification number & it has been referred in all matter in relation to service book Whether payment made to employee has been verified with attendance register/logbook,	No such practice followed by ULB to assigned separate identity to each employee with unique number.	NA	Medium	We do not have any instructions for this matter.	No
5	Whether service book for calculation of payable has been authorized by the proper person,	Service book was not produced before us during audit hence we are not able to comment on it.	NA	NA	We did not maintain, however same will be maintained from upcoming year.	No



6	Whether account department has prepared the advice & instructed the bank for the payment as per advice,	Yes	NA	NA	NA	NA
7	Whether undistributed amount of pay & allowance as shown in cash book matched with balance of undistributed salary balance,	No such case observed.	NA	NA	NA	NA
8	Whether undistributed amount of pay & allowance are not for more than 3 months as cash in hand,	No such instances found	NA	NA	NA	NA
9	Whether disbursement of pay & allowance are duly recorded in books & accepted by employee specifying separate hade with date of receive (In case of arrear),	Yes	NA	NA	NA	NA
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



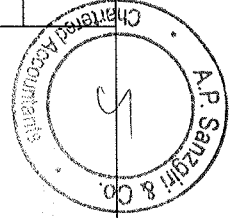
17	To check deduction of provident fund and ESI has been made as per rules	Yes, it is deducted.	NA	NA	NA	NA
18	Whether PF slips are issued to the employees on yearly basis and to see whether all the statutory returns for PF are submitted to the concerned authorities.	Neither PF slip provided to its employees 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
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 Skill 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	No



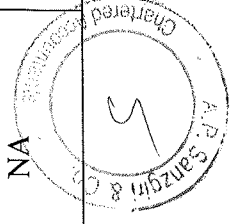


PAYMENT OF BILLS OF CONTRACTORS						
NAME OF THE ULB		Nagar Panchayat Nabenagar				
RISK RATING:		HIGH				
S/N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Original bill duly signed by contractors is submitted.		NA	NA	NA	NA
2	Contractor has 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

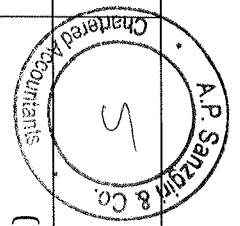
We have checked this on random basis and it is found ok.



RECEIPT VOUCHER						
NAME OF THE ULB		Nagar Panchayat Nabenagar				
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	○ What is the date of printing,	Dates written manually	NA	NA	NA	NA
4	○ What quantity of serial number was printed out,	Not produced	NA	NA	NA	NA
5	○ What is the date of dispatched, quantity of receipt vouchers & their serial number;	Not produced	NA	NA	NA	NA
6	○ Log book/ Register maintained at printing press regarding printing of "Receipt Vouchers".	Not Maintained	NA	High	We will look this matter and follow and implement accordingly.	Not Resolve
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	High	We will maintained	Not Resolve
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 &	Yes	NA	NA	NA	NA

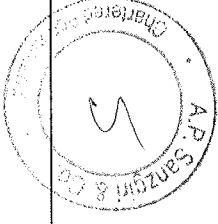


	their circle												
10	Check whether TC have same "Receipt Voucher" which was actually issued by store & it must be authorized by the appropriate authority,	Yes	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
11	Check that there should be proper recording at each stage (where authority has been changed) of log book/ register for issue/receipt of "Receipt Vouchers",	Yes, the same has been maintained.	NA	NA	NA	NA	NA	NA	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	NA	NA	NA	NA	NA	NA
13	Verify that any cancelled vouchers have in both original & carbon copy,	Yes.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
14	Verify whether reversible carbon has been used during receipt.	Yes	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Other Revenue</b>													
1	Advertisement Tax	No such record provided by ULB	NA	High	High	NA	NA	NA	NA	NA	NA	We will implement necessary step for recovery very soon.	No
2	Tower Tax	No such record provided by ULB	NA	High	High	NA	NA	NA	NA	NA	NA	We will implement necessary step for recovery very soon.	No
3	Professional Tax	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Assigned Revenue (As details annexed)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Rental Charges (As details annexed)	No such record provided by ULB	NA	High	High	NA	NA	NA	NA	NA	NA	We will implement necessary step for	No

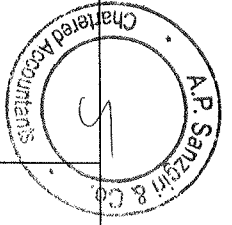


							recovery very soon.	
6	Fee & uses Charges (As details annexed)	NA	NA	NA	NA	NA	NA	NA
7	Other Revenue Items	No such record provided by ULB	NA	High	NA	NA	We will implement necessary step for recovery very soon.	No

REVENUE EXPENSES								
Nagar Panchayat Nab Nagar								
Medium								
S.N	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),	No, 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		



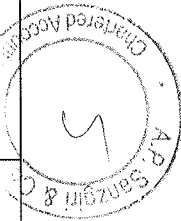
5	Whether updation of accounts/books are on proper & timely basis,	No	NA	Medium	Due to lack of human resources the same issues has been arise.	No
6	Whether authorized person verify & sign the document involve,	Yes	NA	NA	NA	NA
7	Whether data base for the same has been properly maintained & safeguard measures 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	NA
17	Confirm whether goods/assets received/accepted on or before 31 <sup>st</sup> 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	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	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	NA
20	Whether entry of any event during service has been made in service book by authorized person.	No	NA	NA	NA	NA	NA

**STATUTORY REQUIREMENT**

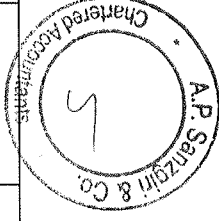
<b>NAME OF THE ULB</b>		Nagar Panchayat Nabenagar					
<b>RISK RATING:</b>		HIGH					
S/N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)	
1	Whether deduction of TDS on payment has been made as per law,	Yes	NA	NA	NA	NA	
2	Whether TDS deducted are 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	



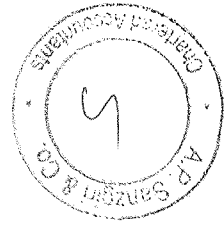
3	Whether regulatory requirement for submission of Return has been followed,	No. Return for TDS, GST and PF has not submit on or before due date.	NA	High	Ok, we will comply.	No
4	Whether any deduction is made in any act, must be deposited as per their respective act,	Yes, deposited but not on timely basis.	NA	High	Ok, we will comply.	No
5	Verify whether in case of "through rate" contract, there is no any payment for material, etc by the ULB	Yes no deviation found	NA	NA	NA	NA
6	Any demand is outstanding from regulatory authority for non compliance	No notice of demand found in ULB.	NA	NA	NA	NA

**TENDER DETAILS**

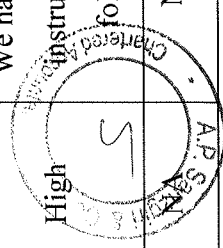
NAME OF THE ULB		Nagar Panchayat Nabenagar				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	To check whether the provisions contained in Tender Advertisement for procurement were followed in award of contracts.	Yes, 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

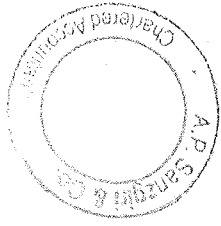


5	Indent for purchase indicates the details of quantity required, last purchase rate, period for which stores are needed and name of consignee.	Yes	NA	NA	NA	NA	NA
6	Approval of mode of procurement	Yes	NA	NA	NA	NA	NA
7	The tender documents are prepared properly and description of items to be procured, quantity and estimated value should be indicated.	Yes	NA	NA	NA	NA	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	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	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	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	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	NA
13	To check whether articles werereceived/work was completed in time as per delivery schedule.	Yes	NA	NA	NA	NA	NA
14	The stores/goods are properly recorded in the Stock Registers /Asset Register.	Yes	NA	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	NA

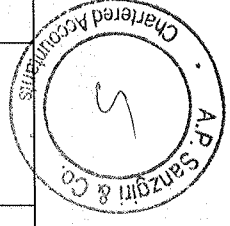


VEHICLE LOG BOOK						
Nagar Panchayat Nabenagar						
HIGH						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether logbook has maintained or not & up to date with proper details like journeys, work undertaken, covering root, visited place, 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

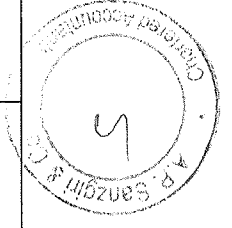




FIXED ASSETS							
Nagar Panchayat Nab Nagar							
HIGH							
S/N	NAME OF THE ULB	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1		Status on Maintenance of Fixed Assets Register	Not Maintained	NA	High	We will maintain from now.	No
2		Budget availability 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 Panchayat Nabenagar						
	HIGH						
SN	NAME OF THE ULB	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
<b>Register of Mutation</b>							
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
<b>Register of Suits</b>							
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**

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**Implication/ Risk**

HIGH

**Recommendation**

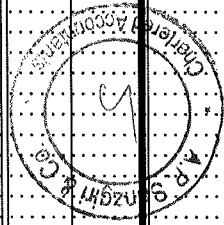
Deducted amount of TDS is not deposited on timely basis.

**Management Comments**

We will deposit on due date from next time.

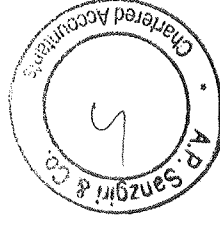
Person Responsible:

Timeless:



**ANNEXURE-1: DELAY IN DEPOSIT OF PROPERTY TAX**  
**ULB-NABINAGAR**  
**INTERNAL AUDIT REPORT- 2019-20**

S.N.	Serial no		Amount of tax	Date of collection as per receipt book	Amount Deposited With Cashier	Delay in Deposit With cashier	Date of Deposit with bank	Delay in Deposit with bank
	From	To						
1	7778	7802	16,993.00	05.01.2020 to 07.01.2020			19.02.2020	1- 47 days
2	7803	7827	20,204.00	08.01.2019 to 21.01.2020			20.03.2020	1- 72 Days
3	7828	7752	10,548.00	21.01.2020 to 29.01.2020			30.05.2020	1-130 Days
4	7853	7878	10900.00	29.01.2020 to 10.02.2020			12.06.2020	1-135 Days
5	7879	7905	8,650.00	12.02.2020 to 18.02.2020			08.07.2020	1-147 Days
6	7906	7932	9,150.00	18.02.2020 to 29.02.2020			09.07.2020	1-142 Days
7	7933	7959	15,483.00	29.02.2020 to 18.03.2020			18.07.2020	1-142 Days
8	7960	7986	5,176.00	18.03.2020 to 19.03.2020			23.07.2020	1-127 Days
9	7987	8000	14,613.00	19.03.2020 to 31.03.2020			28.07.2020	1-131 Days



**NabinagarPanchayat**  
Discussion Note

NabinagarPanchayat  
with  
AP Sangziri & Co.  
(Chartered Accountants)

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

S.N.	Auditor observation	Management comment
1	No Action Taken on remaining Para of AG Compliance Report.	It is under process and management will submit it as soon as possible.
2	Non Preparation of Budget	ULB Nabinagar had not prepared budget. We will prepare it.
3	Non maintenance of Advance Register.	ULB not in a practice to give advance to it employees as well as supplier. Hence the same has not been maintained.
4	Status of Implementation of "DEAS"	There is no agency working for implementation of DEAS during the audit period. Further there is no back up of data of DEAS available with ULB for the work done by earlier Agency. .
5	No Municipal Accounts committee established.	Account committee by default is Municipal Accounts committee as per board decision.
6	Non Levy and Collection of Notice fee.	Currently in NabinagarPanchayat Notice Fee is not collecting .
7	Non levy of Taxes in IAR under Para " I 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. For rest we will discussed in meeting of board and implement accordingly.
8	Late deposit of property Tax.	Due to shortage of human resources same has not been deposited on time
9.	Non maintenance/ Preparation of Payment Voucher	ULB made payment on the basis of Invoice or Bill raised by supplier. ULB currently Not prepared Payment voucher. However we will consider it.
10	Late / Non deposition of statutory deduction including TDS.	It will be deposited on or before due date from now.
11	Delay in deposit for deducted amount of EPF:	It will be deposit on time from now.
12	Non deduction of EPF Amount of Contractual Employees	It will be consider and deducted accordingly.
13	Non preparation of UC .	It is prepared with the help of Auditor and will submit .
14	Non practice of Stock valuation.	It will be follow as per rule and management will decide about reasonable period of valuation i.e. frequency of time for valuation.
15	Non return of "Unutilized Grant":	We are under process the return the same.
16	Non Maintenance of Grant Register:	It will be maintained very soon.
17	Electricity Penalty/ DPS levied by SBPDCL in Bill:	We will consider the matter and necessary action will be taken to avoid penalty.

  
नगर कार्यपालिक पदाधिकारी  
नगर पंचायत नवीनगर



## NabinagarPanchayat

18	Directives/Notificatons/ Orders issued by UD & HD:	We have complied the direction and notification issued by UD & HD.
19	Maintenance of grant record with bifurcation like amount for Salary, water management, nail gali solid waste management and so on:	ULB was not maintaining the Grant register.We will maintain it.
20	Non maintenance of book refer to Para : II-PART B (a) of Internal Audit Report of above said period:	It will be maintained as per applicability of the same.
21	Non Availability of File Refer to Para PART-B (b)(2) of IAR for above said period	We are making our best effort to recover the same.
22	Non Maintenance of Log Book	We will maintain.
23	TDS Return has not been filed	It will be complied very soon.
24	Report Relating to 20 High Value Property Assessment:	We will provide Tax Collector for Physical Assessment of 20 High Value in municipality area during Audit Period of Q-2 of 2019-20. As Tax collector are busy in some important work in ULB.
25	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.
26	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.
27	Non Maintenance Fixed Assets register	Due to shortage of human resources the same has been not maintained, however we will maintained the same as soon as possible..
28	Non Renewal of Leasehold property	This matter will be put before Next Board Meeting and after approval, it will be collected as per resolution passed by Board.
29	Position Outstanding Taxes and their Collection Procedure Status	The recovery procedure are under process.
30	Non Preparation of Bank Reconciliation on Monthly Basis	It will be reconciled very soon.
31	Any Payment made out of Municipal Fund that is not covered by Budget.	No such payment made that is not covered by budget.
32	Non implementation of Biometric Devices and Payroll Software	It will be implemented.
33	Non Compliance of Internal Audit Paras	It will be complied.

Signature of Executive Officer

नगर कार्यपालक पदाधिकारी  
नगर पंचायत नबीनगर



Nabinagar Panchayat

Discussion note

2019-20(Qtr-2)

Letter No.

To

AP Sangziri & Co.

(Chartered Accountants)

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

We, Nabi Nagar Panchayat, discussed with internal auditor and confirm the following:

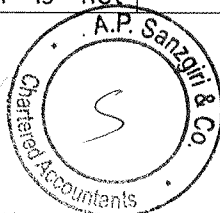
S.N	Audit observation	Management comment
1	No Municipal Accounts Committee constituted.	By default standing committee is Municipal Accounts committee.
2	Non-Levy of taxes in IAR I. PART-A (a)1	Some of taxes are collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible.
3	Late deposit of property tax	Property taxes deposited late due to lack of staff and over load work.
4	Budget not prepared yet for F.Y. 2020-21	We are under process to prepare the same. It will be provided very soon.
5	Non collection of Notice fee	Currently not collecting but it is considered and will be collected as soon as possible.
6	Non preparation of Payment voucher	Invoice of supplier/MB along with relevant supporting is considered payment voucher. Further payment is made after order pass by concerned Authority.
7	Non-maintenance of Books of Accounts para ii-PART B (a)	Due to lack of qualified staff we could not maintain books of accounts. However currently we are preparing.
8	Non-implementation of biometric devices and payroll software.	It is under process.
9	Implementation of DEAS	Agency has been appointed for the same but neither initiates the work nor any output provided as per remarks given by concerned person.
10	Permanent Employee -PF Amount deposited after due date.	It will be deposited from now.
11	Contractual employee - PF not	Ok, we will consider the matter in next board meeting and

2A  
नगर कार्यपालिका पदाधिकारी  
नगर पंचायत नवीनगर

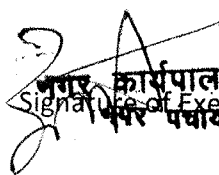


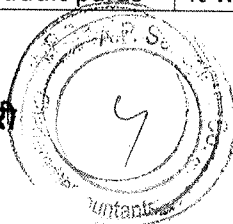
	deducted and deposited.	implement as decided.
12	Non-preparation of complete UC.	It is prepared with the help of Internal Auditor.
13	Nagar Panchayat does not follow the system/ practice for " Valuation of stock"	We do not have any directivities/guidelines/instruction, issue by department for valuation of stock.
14	Vehicles are not insured.	It is under process.
15	Advances & their adjustment.	ULB does not provide any loan and advances to its staff.
16	Non preparation of Receipt and Payment A/C , Trial balance, Income and expenditure A/C and balance sheet (Financial Statement)	It will be prepared by Agency which is selected for implementing Double Entry Accounting System.
17	Non completion of survey for trade license.	It will be done very soon.
18	Non-preparation of Rent collections and demand registers as per rule.	It will be prepared.
19	Data/information regarding outstanding balances of property taxes, Mobile tower tax, Advertisement, and other incomes have not been provided.	Detailed record has not been maintained at ULB. Management is planning for maintaining detailed data..
20	Creation of special fund	No such fund has been created.
21	Details of leasehold property.	We will provide it very soon.
22	BRS Issues relating to non-production of Bank statement and Non Preparation of BRS on time .	Bank Statement will be provided on time from now as well as BRS will be prepared on time.
23	Non maintenance of fixed assets registers.	It will be maintained.
24	Non-updating various register like store register, issue register, bill register with payment fig., etc.	It will be maintained.
25	Lots of register not maintained like Register of Remittances made into bank, Statutory Deduction Register, Scheme Register, etc	It will be maintained shortly.
26	Whether expenditure on construction of work was debited to WIP & verified with MB maintained.	ULB did not follow practice to debit WIP for expenditure incurred on Construction.
27	Amount collected is not deposited on same day. Further collection procedure is slow as compare to target fixed by ULB. Hence guidelines in respect of collection is not	It will be followed as per Bihar Municipal Act.

नगर कार्यपालिका पदाधिकारी  
नगर पंचायत नवीनगर



	completely followed by ULB.	
28	ULB did not maintain said register on real time basis of transaction.	We will maintain the same very soon.
29	Books of accounts are not timely updated like cash book, daily collection book etc.	Due to lack of human resources the same has not been updated on timely basis; however we will update from now.
30	ULB did not deposit TDS,GST and other statutory dues on or before due date as prescribed under Act,. There is huge delay in deposit of same. As a result of this ULB suffer huge losses in form of interest on delay payment of TDS and Penalty for same.	We will deposit the same on or before due date from now.
31	ULB did not maintain logbook,except for Scorpio vehicle.	We will be maintained very soon.
32	The record for said purpose is unavailable, so we are unable to comment upon it.	We will provide the same at latter stage
33	Details of Repairs and Maintenance havenot been mentioned in log book.	We will Comply the same.
34	Depreciation is not charged to Fixed Assets.	ULB not follow Double Entry Accounting System, hence depreciation is not accounted in our book.
35	Levy of penalty on electricity bill	We will communicate with SBPDCL for same and revert back very soon.
36	Unspent grant lying idle for more than 3 years.	We will return it very soon.
37	Report on Survey of 20 High Values.	We have requested to Management to provide Tax Collector for Physical Measurement and Assessment of 20 High value Property, but Management replied due to ongoing spurt of "COVID-19 "Pandemic, currently it is not possible to provide the same. However we will provide the same in near future.
38	TDS Return late filed	It will be filed on time.
39	Compliances of internal audit paras	It will be complied.


  
**नगर कार्यपालक पदाधिकारी**
  
 Signature of Executive Officer



Nabinagar Panchayat

Discussion note

2019-20(Qtr-3)

Letter No.

To

AP Sangziri & Co.

(Chartered Accountants)

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

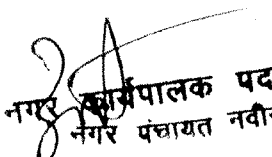
We, Nabinagar Panchayat, discussed with internal auditor and confirm the following:

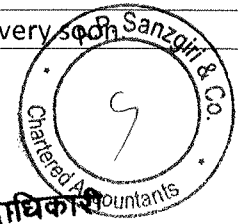
S.N	Audit observation	Management comment
1	No Municipal Accounts Committee constituted.	By default standing committee is Municipal Accounts committee.
2	Non-Levy of taxes in IAR I. PART-A (a)1	Some of taxes are collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible.
3	Late deposit of property tax	Property taxes deposited late due to lack of staff and over load work.
4	Budget not prepared yet for F.Y. 2020-21	We are under process to prepare the same. It will be provided very soon.
5	Non collection of Notice fee	Currently not collecting but it is considered and will be collected as soon as possible.
6	Non preparation of Payment voucher	Invoice of supplier/MB along with relevant supporting is considered payment voucher. Further payment is made after order pass by concerned Authority.
7	Non-maintenance of Books of Accounts para ii-PART B (a)	Due to lack of qualified staff we could not maintain books of accounts. However currently we are preparing.
8	Non-implementation of biometric devices and payroll software.	It is under process.
9	Implementation of DEAS	Agency has been appointed for the same but neither initiates the work nor any output provided as per remarks given by concerned person.
10	Permanent Employee - PF Amount	It will be deposited from now.



१०/१२  
नगर पंचायत नवीनगर

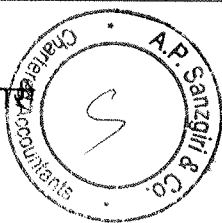
	deposited after due date.	
11	Contractual employee - PF not deducted and deposited.	Ok, we will consider the matter in next board meeting and implement as decided.
12	Non-preparation of complete UC.	It is prepared with the help of Internal Auditor.
13	Nagar Panchayat does not follow the system/ practice for " Valuation of stock"	We do not have any directivities/guidelines/instruction, issue by department for valuation of stock.
14	Vehicles are not insured.	It is under process.
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23	Non maintenance of fixed assets registers.	It will be maintained.
24	Non-updating various register like store register, issue register, bill register with payment fig., etc.	It will be maintained.
25	Lots of register not maintained like Register of Remittances made into bank, Statutory Deduction Register, Scheme Register, etc	It will be maintained shortly.
26	Whether expenditure on construction of work was debited to WIP & verified with MB maintained.	ULB did not follow practice to debit WIP for expenditure incurred on Construction.
27	Amount collected is not deposited on same day. Further collection procedure is slow as compare to target fixed by ULB. Hence guidelines in respect of collection is not completely followed by ULB.	It will be followed as per Bihar Municipal Act.
28	ULB did not maintain said register on real	We will maintain the same very soon

  
 नगर कार्यपालक पदाधिकारी  
 नगर पंचायत नवीनगौर



	time basis of transaction.	
29	Books of accounts are not timely updated like cash book, daily collection book etc.	Due to lack of human resources the same has not been updated on timely basis; however we will update from now.
30	ULB did not deposit TDS, GST on or before due date as prescribed under Act,. There is huge delay in deposit of same. As a result of this ULB suffer huge losses in form of interest on delay payment of TDS and Penalty for same.	We will deposit the same on or before due date from now.
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38	TDS return late filed.	It will filed on time.
39	Internal audit parascompliances	It will be complied.

Signature of Executive Officer  
 कार्यप्रमुख पदाधिकारी  
 नगर पंचायत



NabinagarPanchayat

Discussion note

2019-20(Qtr-4)

Letter No.

To

AP Sangziri & Co.

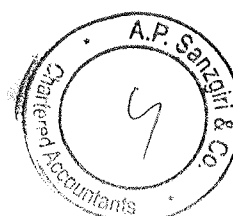
(Chartered Accountants)

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

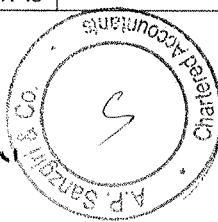
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S.N	Audit observation	Management comment
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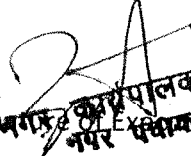
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नगर कार्यपालिका पदाधिकारी  
नगर पंचायत नवीनगर

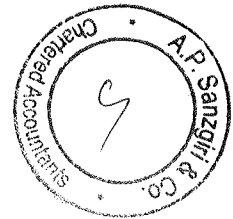


10	Permanent Employee - PF Amount deposited after due date.	It will be deposited from now.
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 नगर कार्यपालक पदाधिकारी  
 नगर पंचायत नवीनगर

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 पदाधिकारी  
 नवीन नगर  
 नगर पंचायत  
 नवीन नगर  
 Executive Officer



**NABINAGAR NAGAR PANCHAYAT**  
**STATUS OF UTILIZATION CERTIFICATION FOR FY 2019-20**

SNo	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	Honorarium of city manager	26/20.06.2019	1.20	-	1.20	-	-	NIL	NIL	Transfer to PL
2	14th finance	128/27.11.19	89.40	-	89.40	-	-	NIL	NIL	Transfer to PL
3	5th finance	57/13.08.19	126.46	-	126.46	-	-	NIL	NIL	Transfer to PL
4	Subsidiary grant	146/16.12.2019	7.00	-	7.00	-	-	NIL	NIL	Transfer to PL
5	City manager	76/13.09.2019	2.40	-	2.40	-	-	NIL	NIL	Transfer to PL
6	14th Finance	38/11.07.2019	89.40	-	89.40	-	-	NIL	NIL	Transfer to PL
7	5th finance Commission	53/13.08.19	130.89	-	130.89	-	-	NIL	NIL	Transfer to PL

