

INTERNAL AUDIT REPORT

Of

{Chakia Nagar Parishad}

For the period from

01.04.2020 to 31.03.2021

(Annual)

Conducted by

M/s R. N. Singh & Co.

208, Hem Plaza, Fraser Road

Near Dak Bungalow Chowraha,

Patna – 800001

From 02/06/2022 to 20/06/2022

Report Issued on 22/06/2022

1. Executive Summary

1. Introduction:

▪ Name of the Municipality	Chakia Nagar Parishad
▪ Period covered under current audit	F.Y. 2020-21
▪ Name of Executive Officer for the period under Audit	Sri Radheshyam Kumar Mishra Sri Guru Saran
▪ Name of Chairman for the period under Audit	Smt. Bina Devi

2. Results and Findings:

i) Strengths observed during the audit engagement.

1. Main Cash Book has been maintained by Chakia Nagar Parishad.
2. Subsidiary Cash Books have been maintained by Chakia Nagar Parishad.
3. All Transactions have supporting documents.
4. Office infrastructure is sufficient for operation.

ii) Weaknesses observed in the functioning of office, maintenance of records etc. observed during the audit engagement.

1. Municipal Accounts Committee has not been constituted by the Chakia Nagar Parishad. It should be constituted in the first Board Meeting of the ULB every year.
2. During verification of property tax collection receipt and tax deposit receipt we have found that property tax collected by the tax collector is not deposited to the bank on the same date. Details will be given in detailed audit report.
3. Demand register is not maintained or up to date by the ULB. We are unable to quantify the total outstanding demand of Property Tax, Tower Tax, Advertisement Tax, Rent on Municipal Properties etc.
4. Demand Register of Property Tax has not been up to date; neither survey of property holder has been done for assessment of tax liability after F.Y. 2015-16.
5. We are not able to check the Compliance Status of Audit Observations of AG Audit Report for FY 2018-19 & 2019-20, as compliance report has not been provided by the ULB.
6. During verification of property tax related documents, we have found so many property holders that are not paying property tax from a long time. ULB should take necessary action for recovery of the same. Details of which will be provided in detailed audit report.
7. Mobile Tower Tax has not been collected by the ULB. As per details provided to us there are total 7 Mobile Towers registered with this ULB up to 31.03.2021 and Rs. 767120 has not been collected till the date of audit from these tower operators as Tower Tax.
8. Various registers, books of records etc. are not prepared by the ULB. Such as Journal Register, Register for Temporary Advance, Bank Draft Issue and Receipt Register, Bill Register, PF Register, Capital Goods, Consumable/Non-Consumable, Journals & Magazines, Investment Register, Fixed Assets Register, Advance & Recovery Register, Scheme Register, TA-DA Advance Register.
9. ULB has not been in practice to prepare monthly receipt and payment account.



10. ULB has not been in practice to prepare financial statements.
11. UC of FY 2019-20 & 2020-21 is pending in all the scheme in which allotment is given to ULB. Amount (Rs. 38344000) Details has been given in detailed Audit Report.
12. Details of Directives issued by UD & HD have not been provided to us during the course of audit, so we are unable to check compliance of the same.
13. Procurement Register has not been maintained for all procurements above Rs.15000.
14. Advertisement tax is not collected by the Chakia Nagar Parishad.
15. Registers such as Statutory Deduction Register, Stock Register, Grant Register, etc. has not been maintained by the ULB.
16. ULB isn't in practice to prepare summary of Daily Collection Receipt in FORM GEN-13.
17. Details of Frauds as well as Legal cases taken against or by the ULB Couldn't be provided.
18. Grant Register is not maintained.

3. Opinion:

As per our opinion, the following improvements are required:

- ULB is not working properly, even internal control is poor.
- Revenue collection of the ULB is very poor it has scope to increase to much higher level.
- All cash collection from sources of revenue are not deposited in the bank on same day. It should be deposited on time as specified in Bihar Municipal Act.
- Due to lack of manpower, there is delay in performing day-to-day work.
- There should be proper segregation of duties to perform day-to-day work in efficient manner.
- We find that rules and regulation are there but ULB is not following them properly.
- Most of the Books of Accounts as prescribed by BMAR are not maintained by the ULB.
- ULB should maintain serially numbered Cash/Bank vouchers for every receipt and payments and then attach supporting documents with vouchers.
- Separate bank account should be maintained for each scheme.

4. Audit Recommendations:

The recommendations of audit team on observed weaknesses:

Sl. No.	We recommend the following:
1.	Registers such as Statutory Deduction Register, Stock Register, Grant Register, etc. should be maintained.
2.	ULB should maintain all the books of account, register, records etc. as prescribed in Bihar Municipal Accounts Act, Manual and Rules.
3.	ULB should collect mobile tower tax, advertisement tax, shop rent etc. as quick as possible and on regular basis.
4.	As per Rules 22(1) of Bihar Municipal Accounting Rules, 2014, Tax Collected has to be deposited on same day or latest before noon on the following working day.
5.	ULB should comply the CAG audit observations as soon as possible after getting information about audit observations and should also prepare compliance report of the same & submit it to the department.



6.	ULB should prepare UC in prescribed format of various schemes as soon as possible and submit the same to UD & HD Dept. on regular interval as per prescribed guidelines.
7.	ULB should assess the Holding & Property tax every year & do survey for assessment of the same.
8.	ULB should prepare demand and arrear register of holding tax as soon as possible and on regular basis.
9.	ULB should maintain Daily Collection Register separately for each head of its own revenue sources for appropriate internal control and also for appropriate disclosures of books of accounts.
10.	ULB should develop and prepare Pay-roll system of Permanent as well as Contractual employees.
11.	ULB should comply the CAG audit observations as soon as possible after getting information about audit observations and should also prepare compliance report of the same & Submit it to the Department.
12.	ULB should maintain serially numbered Cash/Bank vouchers for every receipt and payments and then attach supporting documents with vouchers.
13.	ULB should prepare Receipts & Payments Account on monthly basis due to which it becomes very easy to find the amount of fund received.
14.	ULB has to refund the unutilized amount to the Urban Development & Housing Department.

5. Comments from Management:

As per our discussion with Management, they have ensured that they are looking into the matter and proper action will be taken for all the irregularities coming out from audit. Detailed discussions on this are given in *Discussion Note* as attached as **(Annexure 1)**.

6. Acknowledgement:

We thanks to Sri Radheshyam Kumar Mishra & Sri Guru Saran (Executive Officer) for his support during the period of our audit. We are also thankful to accountants and other staffs of the Nagar Panchayat for their co-operation during the period of audit

7. Management Discussion with Risk Assessment:

Sl. No	Observations (Sort the observations from high risk to low)	Risk Rating	Design gap	System gap	Operational gap	Management (CMO) Comments	Ref. Pg
1	ULB isn't in practice of preparing monthly BRS.	High	No	No	Yes	BRS is being prepared on Quarterly Basis.	
2	Municipal Accounts Committee hasn't been constituted by Chakia Nagar Parishad. It should be constituted in the 1 st Board	Low	Yes	Yes	Yes	Last 2 Years Pandemic (Covid). This year board is considered.	



	Meeting of ULB.					
3	During verification of property tax related documents, we have found so many property holders that are not paying property tax from a long time. ULB should take action for recovery of the same.	Medium	No	No	Yes	Maintained through software. Big Defaulters name has been published in Newspaper.
4	During verification of property tax collection receipt and tax deposit receipt we have found that property tax collected by Tax Collector isn't deposited to the bank on the same date.	Medium	No	No	Yes	Wrong Finding. All collection is deposited timely and the defaulter is maintained through MIS.
5	Demand & Collection Register isn't updated by the ULB. We were unable to quantify the total outstanding demand of Property Tax, Advertisement Tax, Rent on Municipal Properties, etc.	Medium	No	No	Yes	Real time Demand & Collection is being maintained in this ULB.
6	Mobile Tower Tax hasn't been collected by the ULB. They should take action to collect the same.	Medium	No	No	Yes	According to UDHD-Bihar the mobile tax has to be collected through online portal of Department which is under progress.
7	Advertisement Tax, Water Tax, etc. hasn't been levied by the ULB.	Medium	No	No	Yes	It is being levied as per law.
8	Various Registers, Books of Records, etc. aren't being prepared by the ULB such as Journals & magazines, File Movement Register, Ledger Register, etc. ULB should maintain these registers as soon as possible.	Medium	No	No	Yes	Work-in-Process. It is on Portal & MIS.
9	Details of Directives issued by UD&HD hasn't been provided to us during the course of audit, so we were unable to check the compliance of same.	Low	No	No	Yes	All Guidelines and orders are preserved regularly in file.
10	No AG Audit after F.Y. 2015-16 was conducted and Compliance Report of Internal Audit Report couldn't be provided by the ULB. Hence we were unable to check the compliance of same.	High	No	Yes	Yes	AG Audit is in progress. (04/06/2022 till date)



11	We observed that ULB isn't in practice of maintaining Procurement Register. ULB should maintain the same.	Medium	No	No	Yes	Work-in Process
12	We observed that ULB isn't in practice of maintaining Statutory Deduction Register. ULB should maintain the same.	Medium	No	No	Yes	No specific demand has been made by Audit Team regarding Non-Compliance of BMAR Rules Format.
13	We observed that ULB isn't in practice of maintaining of Fixed Assets & Stock Register separately.	Medium	No	No	Yes	BMAR Rule format hasn't been demanded.
14	During the course of audit, it was seen that the maintained register for both fixed assets and stock register wasn't updated.	Medium	No	No	Yes	BMAR Rule format hasn't been demanded.
15	Irregularities in compliance of Statutory Deductions such as GST, TDS, Royalty & Labour Cess was found. Such irregularities should be corrected by the ULB as soon as possible.	High	No	No	Yes	Maintained regularly & Timely.
16	Daily Collection Receipt in Form Gen-13 wasn't maintained in the ULB.	Low	No	No	Yes	It is maintained. Form-13 is for Bill for Municipal Dues.
17	Details of Fraud/Legal cases against or by the ULB wasn't provided.	Medium	No	No	Yes	Certificate has been provided to CAG Audit Team.
18	Property Tax wasn't assessed after F.Y. 2015-16.	Medium	No	No	Yes	Wrong Finding. All records are properly maintained through software.
19	During the occasion of Independence Day (15 th Aug,2020), payment of Rs. 2250 was made to labour even though their signatures were missing which was taken after the audit in June-2022. This should be examined by the ULB.	High	No	No	Yes	Maintained as per Observation.



20	During the course of audit, it was seen that full payment to contractors were made for projects undertaken even though such projects were completed/ongoing beyond agreed time period without receiving the writing by contractor asking for time extension for such projects stating the reasons. This should be examined by the ULB.	High	No	No	Yes	Time Extension Writing was not needed for such due to Pandemic.
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For R. N. SINGH & CO.

Chartered Accountant
ICAI Reg.No: 322066E

CA Chanakya Shree
Partner

M.No: -079322

UDIN: 22079322AOZEMM6795

Date: 13-08-2022



-SD-

Executive officer
Chakia Nagar Parishad

Date:

Place: Chakia Nagar Parishad

2. Auditee Profile

1. Introduction

The Internal Audit of (Chakia Nagar Parishad) covering the Period from 01.04.2020 to 31.03.2021 was conducted by following person under guidance of TL CA Ashok Kumar Pandey and MAE CA Birendra Kumar Singh:

(1) **Gunjan Baitha**

2. Administration

The incumbency in the key Administrative and Executive Positions was as under:

Sri Radheshyam Kumar Mishra (Executive Officer); 14th March, 2020 to 21st September, 2020
Sri Guru Saran (Executive Officer); 21st September, 2020 to 2nd July, 2021
Smt. Bina Devi (Chairman); 6th August, 2020 till date.

3. Review of outstanding audit paras:

Status of Audit Observations is as under:

Sl. No.	Particulars of audit and date of report	Total No. of Audit Paras	Total No. of Audit Paras where necessary improvement / corrective measure is required	Total No of Audit Paras where recovery of cash is proposed	Total No. of Audit Paras where recovery has been made	Total Amount of Recovery	Total No. of outstanding para where no action has been taken	No. & date of compliance report
1.	AG Audit for the FY 2018-19 & 2019-20	Compliance Report has not been provided to us on the date of audit. So, we are unable to comment on it.						
2.	Internal Audit (2019-20)	16	16	0	0	0	16	Not Complied
3.	Internal Audit (2018-19)	16	16	0	0	0	16	Not Complied
4.	Internal Audit (2017-18)	16	16	0	0	0	16	Not Complied

Further, we observed that the previous internal audit paras have not been compiled at the ULB level.



4. Finance:

I. Budgetary provisions and expenditure for the last three years

Year	2018-19	2019-20	2020-21
Final / Revised Budget	85,02,19,773.00	1,23,98,90,500.00	1,050,502,000.00
Actual Expenditure	21,02,08,852.50	13,11,86,388.29	173,588,725.48
Savings (+) / Excess (-)	64,00,10,920.50	1,10,87,04,111.71	876,913,274.52

II. Volume of transactions:

Period	Budgeted (2020-21)	Previous Year (For One Year) 2019-20	Current Period (2020-21)
Opening balance	247,37,592.00	20,07,24,199.83	179,672,154.14
Receipts	102,71,41,000.00	11,01,34,343.00	167,434,485.00
Total	105,18,78,592.00	31,08,58,542.83	347,106,639.14
Net expenditure	1,05,05,02,000.00	13,11,86,388.69	173,588,725.48
Closing balance	13,76,592.00	17,96,72,154.14	173,517,913.66

IV. Bank reconciliation

The balance of different bank accounts has been provided which are as follows;

Sl. No.	Name of scheme/item	Bank name/account no.	Balance as per Cash Book as on 31.03.2021	Balance as per Pass Book as on 31.03.2021	Difference	Remarks BRS prep./not prep.
1	The ULB is not in Practice in Maintaining the Bank Reconciliation Statement on Monthly basis. Further, the Bank Data has Not been Provided to us during the course of audit and in absence of the same we are unable to provide the appropriate details as required in the reporting format. Besides that, it has been also mentioned in <i>Point No. 3</i> of the discussion note					



V. Revenue & Capital Receipts Information:

INCOME DETAILS (AMOUNTS TO BE PROVIDED IN RUPEES)

		2018-19		2019-20		2020-21	
SL. NO.	DETAILS	2018-19 (Annual)	2017-18 (Annual)	2019-20 (Annual)	2018-19 (Annual)	2020-21 (Annual)	2019-20 (Annual)
TOTAL RECEIPTS (A+B)		239825956.5 3	114245881 .53	110134343. 00	239825956 .53	167,434,48 5.00	110134343.00
A.	Revenue Receipts (1+2+3)	72149191.53	72149191. 53	10109695.7 0	72149191.5 3	167,434,48 5.00	10109695.70
1	Own Revenue Receipts (a+b)	25407606.35	25407606. 35	6351481.00	25407606.35	45653556	6351481.00
a)	Tax revenue (levied and collected by municipal body)	18671326.35	18671326. 35	5871188.00	18671326.3 5	-	5871188.00
i)	Property tax	16574168.35	16574168. 35	5632978.0 0	16574168.35	45653556	5632978.00
ii)	Other tax (levied and collected by municipal body)	2097158.00	2097158.0 0	238210.00	2097158.00	0	238210.00
b)	Non-tax revenue (levied and collected by municipal body)	6736280.00	6736280.0 0	480293.00	6736280.00	0	480293.00
i)	Fees and fines	2055301.00	2055301.0 0	25900.00	2055301.00	0	25900.00
ii)	User charges	3180239.00	3180239.0 0	0.00	3180239.00	0	0.00
iii)	Other non-tax revenue (levied and collected by municipal body)	1500740.00	1500740.0 0	454393.00	1500740.00	0	454393.00
2	Other Revenue Receipts	1346365.18	1346365.1 8	1830869.70	1346365.18	3277929	1830869.70



a)	Income from interest/invest ments	72603.33	72603.33	868437.00	72603.33	665853	868437.00
b)	Other Revenue Income	1273761.85	1273761.85	962432.70	1273761.85	2612076	962432.70
3	Transfers/ Grants/ Assigned Revenues	45395220.00	45395220.00	1927345.00	45395220.00	118503000	1927345.00
a)	State Assigned Revenue	3936066.00	3936066.00	1441308.00	3936066.00	0	1441308.00
b)	State Finance Commission (SFC) Grants/ Devolution	9238200.00	9238200.00	0.00	9238200.00	0	0.00
c)	Octroi Compensation	0.00	0.00	0.00	0.00	0	0.00
d)	Other State Govt. Transfer	21139006.00	21139006.00	0.00	21139006.00	31592000	0.00
e)	Central Finance Commission (CFC) Grant	11081948.00	11081948.00	0.00	11081948.00	0	0.00
f)	Other Central Govt. Transfer	0.00	0.00	0.00	0.00	3600000	0.00
g)	Others	0.00	0.00	486037.00	0.00	0	486037.00
B.	Capital Receipts	42096690.00	42096690.00	100024647.30	42096690.00	83311000	100024647.30
1	Sale of municipal land	0.00	0.00		0.00	0	
2	Loans (from State Govt. Or Banks etc)	0.00	0.00	0.00	0.00	0	0.00
3	State Capital Account Grant (under State Schemes etc.)	42096690.00	42096690.00	25773248.00	42096690.00	0	25773248.00
4	Central Capital	0.00	0.00	74251399.30	0.00	0	74251399.30



	Account Grant (under Central Schemes etc.)						
5	Other Capital Receipts	0	0	0	0	83311000	0

VI. Revenue & Capital Expenditure Information:

EXPENDITURE DETAILS (AMOUNTS TO BE PROVIDED IN RUPEES)

SL. NO.	DETAILS	2018-19		2019-20		2020-21	
		2018-19 (Annual)	2017-18 (Annual)	2019-20 (Annual)	2018-19 (Annual)	2020-21 (Annual)	2019-20 (Annual)
	TOTAL EXPENDITURE (1+2)-	210208852.10	838148763.8	131186388.69	210208852.10	173,588,725.48	131186388.69
1	Revenue Expenditure	14268661.85	14258061.85	10885623.44	14268661.85	60760244	10885623.44
1.1	Administration Expenses, Establishment and Salaries (All Departments - Regular and Contractual Staff)	11337702.85	11337102.85	5909755.00	11337702.85	10511356	5909755.00
1.2	Operation and maintenance (O&M)	2930959.00	2920959	2521081.69	2930959.00	39681175	2521081.69
1.3	Loan repayment (Interest payments)	0.00	0.00	637.25	0.00	0	637.25
1.4	Others (any other revenue expenditure which is not salaries, O&M or Interest Payment)	0.00	0.00	2454149.50	0.00	10567713	2454149.50
2	Capital Expenditure	195940189.7	69556814.53	120300765.25	195940189.7	112828482	120300765.25
2.1	All development works under Central/State specific schemes	179831606.7	9961129.73	119474113.25	179831606.7	112828482	119474113.25
2.2	Loan repayment (Principal Amount)	0.00	0.00	0.00	0.00	0	0.00
2.3	Other Capital expenditure	16108583.00	59595684.80	16108583.00	16108583.00	0	16108583.00



vi) Status of implementation of Double Entry Accounting System:

Vinod Singhal & Co. (Jaipur, Rajasthan & Boring Road, Patna-800001) has started doing double entry accounting system in the concerned ULB and the Year wise Status of DEAS are as follows: -

FY: 2014-15: Completed
FY: 2015-16: Completed
FY: 2016-17: Completed
FY: 2017-18: Completed
FY: 2018-19: Completed
FY: 2019-20: Completed
FY: 2020-21: In Process
FY: 2021-22: In Process

- Interval of accounting entry passed in tally: Daily Basis
- Tally License ID: ulb.bih.chakia@gmail.com
- Tally Serial No. : 746646993
- Installed In: Chakia Nagar Parishad System

vii) Status of Municipal Accounts Committee; if meeting is held

As per section 98 of Bihar Municipal Act ,2007 it is necessary for the Municipality to constitute a Municipal Accounts Committee at its first meeting in each year or as soon as may be at any meeting subsequent thereto, but no Municipal Accounts Committee has been constituted by the Nagar Panchayat till the date of our audit.

3. Summary Audit Observations:

Part – A (Monetary Implications);

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

Leakage of own source revenue either due to wrong assessment or non-levy of property tax, mobile tower tax, rent on municipal properties, advertisement tax, fee etc.

(i) Mobile Tower Collection:

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

Criteria – Tower Tax is taxes on Communication Tower & related structure as defined in BIHAR COMMUNICATION TOWERS AND RELATED STRUCTURES RULES, 2012. As per the rule, all operators are required to register with their concerned ULBs and pay registration fee & renewal charges on Annual basis for communication tower erected within municipal area. Currently the registration fee for Nagar Panchayat Rs.30000/- per tower and Annual renewal fee is Rs.8000/- per annum per tower.



Condition –As per details provided to us there are total 07 (Seven) Mobile Towers registered with this ULB up to 31.03.2021 and **Rs.767120** has not been collected till the date of audit from these tower operators as Tower Tax.

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

Cause– We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval, the ULB has no proper mechanisms for supervision and monitoring of the Tower Rent due to which result in Revenue leakage.

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

S No.	Tower Company Name	Location	Registration Fees	Renewal Fees	Collection	Interest	Penalty	Outstanding Dues
1	Bharti Cellular Ltd	Block Road, Near LIC Office, WN-09	30,000.00	64,000.00	38,000.00	50,400.00	5,000.00	119,400.00
2	Bharti Tele-Venture Ltd	Raniganj Mohalla, WN-07	30,000.00	64,000.00	38,000.00	48,960.00	5,000.00	117,960.00
3	Bharti Infratel Ltd.	Sahebganj Road, WN-05	30,000.00	64,000.00	38,000.00	47,520.00	5,000.00	116,520.00
4	Quippo Telecom Infrastructure Sevice Ltd.	Laxmi Market, Kesariya Road, WN-04	30,000.00	56,000.00	38,000.00	69,930.00	5,000.00	130,930.00
5	Idea Cellular Infrastructure Service Ltd.	Near Railway Station	30,000.00	32,000.00	38,000.00	56,220.00	5,000.00	93,220.00
6	Tower Vision Private Ltd.	Raniganj Mohalla, WN-07	30,000.00	64,000.00	8,000.00	90,090.00	5,000.00	189,090.00
7	Reliance Jio Infocomm Ltd.	Ward No-03	30,000.00	8,000.00	38,000.00	-	-	-
TOTAL				352,000.00	236,000.00	363,120.00	30,000.00	767,120.00



(ii) **Advertisement Tax:**

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

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

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

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

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

(iii) **Holding & Property Tax Deposit – Irregularity:**

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

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

Condition - During verification of property tax collection receipt and tax deposit receipt we have found that, first property tax collected by the tax collector is submitted to tax inspector of ULB then tax inspector deposited the same after some days to the Bank Account. This results in doubly gap in tax collection & tax deposition. Also Daily Collection Register is either not prepared or not up to date.

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

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

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

Details of Some of the cases where Property Tax collected by tax inspector is not deposited on the same date;

S. No.	Collection Amt.	Receipt Date	MR No.	Deposit Amt.	Deposit Date
1	100944	16.03.2020 To 22.06.2020	7139	100944	22.06.2020
2	39540	13.07.2020 To 03.09.2020	7396	39540	03.09.2020



3	917597	30.09.2020 To 31.12.2020	7456	12000	29.10.2020
			7503	31201	04.12.2020
			7533	48556	31.12.2020
4	93513	05.01.2021 To 03.03.2021	7601	20770	29.01.2021
			7648	41950	03.03.2021
			7643	30793	31.03.2021

(iv) **Holding & Property Tax Collection:**

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

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

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

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

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

During verification of property tax related documents, we have found so many property holders that are not paying property tax from a long lime but no major action taken by the ULB for recovery of the same. Details of Some Big defaulters are mentioned below;

S. No.	Property Owner's Name	House No.	Ward No.	Annual Property Tax	Total Amt. Due
1	Vyapar Mandal	2596 N-329	9	44,697.00	102,055,354.00
2	Rahul Kumar Singh	2889 N-172	10	36,749.00	1,627,980.00
3	Ajay & Vijay Prasad	3009 N-460	10	7,490.00	717,840.00
4	Umesh Prasad Singh	2887	10	10,780.00	33,993,888.00
5	Rahul Kumar Singh (Poll Factory)	2888	10	2,394.00	105,014.00
6	Kedar Ojha	318 N-469	10	6,898.00	235,499.00
7	Mahendra Ojha	3019 N-470	10	5,940.00	187,169.00
8	Krishna Ojha	3020 N-471	10	1,663.00	52,401.00
9	Mahesh Prasad	3022 N-473	10	2,022.00	88,695.00

(v) **Market/Shop rent collection:**

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

Criteria– Non-Collection of rent and imposition of late fine by the concerned ULB.



Condition – During the course of audit we have found that there has not been collected any shop rent from any shopkeepers during Annual of 2020-21. Also Demand and collection register was not up to date.

Consequence / Effect / Impact- Due to non-collection of Rent there is a revenue loss to ULB.

Cause– This happens due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval. The ULB does not have proper mechanisms for supervision and monitoring of the Rent which results in Revenue leakage.

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

B. Excess payments against bill, lack of prudence in payment against vouchers inefficiency in control resulting loss to ULB'S;

- No such cases found where any excess payment was made against any bill during the course of audit.
Details of some cases checked during the course of audit;

Bill No.	Date	Purpose	Amt.	Name
2937	28.01.2021	Repairs & Maintenance	6400	Laxmi Computer Solution
355	17.04.2020	Covid-19 Expenses	4800	New Suman Medical Hall
272	16.07.2020	Repairs & Maintenance	3500	Sandeep Engineering Works
-	25.12.2020	Staff Welfare Expenses	1000	Roopa Studio

C. Report on finding of field survey of property tax of minimum 20 high value properties;

Report on field survey of 20 high value properties

S. No.	Property Owner's Name	House No.	Ward No.	Type of Construction Use	Carpet Area (Sq. Feet)	Purpose	Annual Value	Annual Property Tax
1	North Bihar Power Distribution Company Ltd.	2689 N-326	9	RCC	262088	Commercial	2,268,589.00	204,173.00
2	Vyapar Mandal	2596 N-329	9	RCC	31480	Commercial	496,634.00	44,697.00
3	Chakia Referral Hospital	2773 N-327	9	RCC	159900	Commercial	1,314,434.00	118,299.00
4	Rahul Kumar Singh	2889 N-172	10	Empty Land	23200	Commercial	408,323.00	36,749.00
5	Ajay & Vijay	3009 N-460	10	RCC	7400	Commercial	83,223.00	7,490.00



	Prasad					rcial		
6	Umesh Prasad Singh	2887	10	Asbestos	7700	Comme rcial	119,778.00	10,780.00
7	Rahul Kumar Singh (Poll Factory)	2888	10	RCC	1675	Comme rcial	26,600.00	2,394.00
8	Kedar Ojha	318 N-469	10	RCC	4356	Comme rcial	76,645.00	6,898.00
9	Mahendra Ojha	3019 N-470	10	RCC	3750	Comme rcial	66,000.00	5,940.00
10	Krishna Ojha	3020 N-471	10	RCC	1050	Comme rcial	18,478.00	1,663.00
11	Mahesh Prasad	3022 N-473	10	Asbestos	1400	Comme rcial	22,467.00	2,022.00
12	Baidnath Sugar Mill Pvt.Ltd.	190	8	Empty Land	42300	Comme rcial	5,128,800.00	461,592.00
13	Baidnath Sugar Mill Pvt.Ltd.	191	8	Asbestos	15000	Comme rcial	60,000.00	5,400.00
14	Baidnath Sugar Mill Pvt.Ltd.	192	8	Empty Land	4319	Others	516,312.00	46,468.00
15	Baidnath Sugar Mill Pvt.Ltd.	324	9	Empty Land	12093	Others	4,337,067.00	390,336.00
16	Baidnath Sugar Mill Pvt.Ltd.	319	9	Empty Land	427	Others	51,112.00	4,600.00
17	Baidnath Sugar Mill Pvt.Ltd.	320	9	Empty Land	157	Others	18,745.00	1,687.00
18	Baidnath Sugar Mill Pvt.Ltd.	322	9	Empty Land	3282	Others	784,800.00	70,632.00
19	Baidnath Sugar Mill Pvt.Ltd.	321	9	Empty Land	1860	Others	444,556.00	40,010.00
20	Baidnath Sugar Mill Pvt.Ltd.	323	9	Empty Land	1860	Others	444,556.00	40,010.00

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

d. Implementation of Self-Assessment System (SAS) of Property Tax in the ULB;

Self-Assessment System(SAS) of Property Tax has been implemented in Chakia Nagar Parishad but we have found that assesse is very less aware of that .ULB should conduct time to time awareness programmed to make people aware of SAS .



Part-B (Non-Monetary Implications)

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

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

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

Sl. No.	Particulars	Status
1	Fixed Assets Register	Not Maintained
2	Advance & Recovery Register	Maintained
3	Demand Register	Not Maintained
4	Daily Collection Register	Not Maintained
5	Labour-Cess Register	Not Maintained
6	Royalty Register	Not Maintained
7	TDS Register	Not Maintained
8	GST Register	Not Maintained
9	Procurement Register	Not Maintained
10	Bank Wise Cashbook	Maintained
11	Pay Roll Register	Not Maintained
12	Leave Register	Not Maintained
13	Bill Register	Not Maintained
14	File Movement Register	Not Maintained
15	Temporary Advances to Staff	Maintained
16	Grant Register	Not Maintained
17	Journal Register	Not Maintained
18	Ledger Register	Not Maintained

b. Irregularity in procurement process: -

No irregularities were found. Procurement were made through GEM Portal.

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

Details of Directives issued by UD & HD has not been provided to us during the course of audit, so we are unable to check compliance of the same.



d. Non-compliance of Act & Rules: -

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

- Property tax on land and building.
- Surcharge on transfer of land and building.
- Tax on deficit in parking space in any non-residential building.
- Water tax
- Fire Tax
- Advertisement Tax
- Surcharge on Entertainment Tax

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

e. Lack of internal control measures: -

1. After analyzing operating control, it was observed that there is shortage of Man Power in ULB. Consequently, it is not functioning smoothly with respect to completion of works on time, provide and review the service efficiently which is the main function of ULB, preparation of books and records on time etc.
2. During verification of property tax collection receipt and tax deposit receipt we have found that property tax collected by the tax collector is not deposited to the ULB on the same date.
3. Advance and Recovery register is not maintained by Chakia Nagar Parishad.

f. Non-compliance of TDS, and other relevant statute: - We observed that all the statutory deduction has been deposited to their concerning department.

g. Deficiency in pay-roll system: -

Pay-roll register is not maintained at the ULB level. Also there is no system of issuing pay slip.

h. Utilizations of grant and report on missing Utilization certificates: -

UC of FY (2019-20 & 2020-21) was not prepared & submitted to the Urban Development & Housing Department till the date of audit. We have given direction & helped Chakia Nagar Parishad for the preparation of UC's.



The detail of Pending UC: -

We are providing all help to the ULB so that UC shall be prepared on time and submitted to UD&HD.

S. No.	F.Y.	Head	Allotted Amount	Expenditure Amount	UC Submitted Amount	UC Pending as on 31.03.2021
1	2019-20	EO Salary	659,000.00	659,000.00	659,000.00	-
2	2019-20	14th Finance	3,141,147.00	-	-	3,141,000.00
3	2019-20	14th Finance	3,141,148.00	-	-	3,141,000.00
4	2019-20	14th Finance	3,141,000.00	3,002,000.00	3,002,000.00	140,000.00
5	2019-20	14th Finance	3,141,000.00	1,479,000.00	1,479,000.00	1,662,000.00
6	2019-20	5th Finance (State)	4,389,000.00	4,389,000.00	4,389,000.00	-
7	2019-20	5th Finance (State)	4,389,000.00	4,389,000.00	4,389,000.00	-
8	2019-20	Professional Tax	955,000.00	-	-	955,000.00
9	2019-20	5th Finance (State)	4,241,000.00	4,241,000.00	4,241,000.00	-
10	2019-20	5th Finance (State)	4,241,000.00	4,241,000.00	4,241,000.00	-
11	2019-20	EO Salary	220,000.00	220,000.00	220,000.00	-
12	2019-20	Jal Jeevan Hariyali	459,000.00	-	-	459,000.00
13	2019-20	5th Finance (State)	5,454,000.00	-	-	5,454,000.00
14	2019-20	5th Finance (State)	5,454,000.00	-	-	5,454,000.00
15	2019-20	Swachata Anudan	2,576,000.00	2,197,000.00	2,197,000.00	379,000.00
16	2019-20	Pradanmantri Aawas Yojna	480,000.00	480,000.00	480,000.00	-
17	2019-20	Pradanmantri Aawas Yojna	13,700,000.00	13,700,000.00	13,700,000.00	-
18	2019-20	Pradanmantri Aawas Yojna	27,900,000.00	27,900,000.00	27,900,000.00	-
19	2020-21	Pradanmantri Aawas Yojna	60,000.00	60,000.00	60,000.00	-
20	2020-21	Pradanmantri Aawas Yojna	14,580,000.00	14,580,000.00	14,580,000.00	-
21	2020-21	Pradanmantri Aawas Yojna	2,940,000.00	2,940,000.00	2,940,000.00	-
22	2020-21	Pradanmantri Aawas Yojna	420,000.00	420,000.00	420,000.00	-
23	2020-21	Pradanmantri Aawas Yojna	11,700,000.00	11,700,000.00	11,700,000.00	-
24	2020-21	Pradanmantri Aawas Yojna	900,000.00	900,000.00	900,000.00	-
25	2020-21	Pradanmantri Aawas Yojna	3,540,000.00	3,540,000.00	3,540,000.00	-



26	2020-21	Chairman/VC/ Ward Parshad Allowance	252,000.00	252,000.00	-	252,000.00
27	2020-21	EO Salary	800,000.00	800,000.00	800,000.00	-
28	2020-21	15th Finance	5,688,000.00	-	-	5,688,000.00
29	2020-21	15th Finance	5,688,000.00	5,688,000.00	5,688,000.00	-
30	2020-21	Nal-Jal	9,559,000.00	9,559,000.00	9,559,000.00	-
31	2020-21	Drainage	12,494,000.00	12,341,000.00	12,341,000.00	153,000.00
32	2020-21	15th Finance	5,705,000.00	5,705,000.00	5,705,000.00	-
33	2020-21	15th Finance	5,704,000.00	-	-	5,704,000.00
34	2020-21	15th Finance	5,762,000.00	5,762,000.00	5,762,000.00	-
35	2020-21	15th Finance	5,762,000.00	-	-	5,762,000.00
36	2020-21	Path & Puliya	15,507,000.00	-	-	-
37	2020-21	15th Finance	5,721,000.00	5,721,000.00	5,721,000.00	-
38	2020-21	15th Finance	5,721,000.00	5,721,000.00	5,721,000.00	-
TOTAL			206,184,295.00	152,586,000.00	152,334,000.00	38,344,000.00

I. Physical verification of inventory/stores: -

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

J. Advances, their adjustment & recovery: -

Advance Register has been maintained by the concerned ULB. No any advance is given to any staff during the year 2020-21.

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

**PART – “C”
Scope of Audit**

Sl. No.	Particular	Remarks/ Observation																				
a.	Status of adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments on or above Rs. 10,000.	No Irregularities Found in this regard. Details of some of the cases checked during the course of audit are as follows: <table border="1"> <thead> <tr> <th>Bill No.</th> <th>Date</th> <th>Purpose</th> <th>Amt.</th> <th>Name</th> </tr> </thead> <tbody> <tr> <td>2937</td> <td>28.01.2021</td> <td>Repairs & Maintenance</td> <td>6400</td> <td>Laxmi Computer Solution</td> </tr> <tr> <td>355</td> <td>17.04.2020</td> <td>Covid-19 Expenses</td> <td>4800</td> <td>New Suman Medical Hall</td> </tr> <tr> <td>272</td> <td>16.07.2020</td> <td>Repairs & Maintenance</td> <td>3500</td> <td>Sandeep Engineering Works</td> </tr> </tbody> </table>	Bill No.	Date	Purpose	Amt.	Name	2937	28.01.2021	Repairs & Maintenance	6400	Laxmi Computer Solution	355	17.04.2020	Covid-19 Expenses	4800	New Suman Medical Hall	272	16.07.2020	Repairs & Maintenance	3500	Sandeep Engineering Works
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272	16.07.2020	Repairs & Maintenance	3500	Sandeep Engineering Works																		



		-	25.12.2020	Staff Welfare Expenses	1000	Roopa Studio
b.	Whether all Procurement made including through E-Tendering and E-Auction indicating exceptions, if any and whether a register is kept for all Procurements with value above Rs. 15,000/-.	Procurement register has not been maintained by the ULB. Further, no any major observations were found in this regard.				
c.	Verify instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	We have verified such instances and found some irregularities. Details of irregularity have been annexed in Executive Summary in Observation Para, and recommendations have also been annexed in Recommendation in Executive Summary.				
d.	Whether tax deductions i.e. Commercial tax, Income tax, provident fund etc. has been deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.	<p>We observed that statutory compliance has been accomplished by ULB regarding deduction but deposit and returns has not been accomplished.</p> <p>Details of major statutory irregularities are:</p> <ul style="list-style-type: none"> • TDS return has not been filed on timeline. • GST Returns has not been filed on timeline. <p>Penalty may be levied on ULB as per Statutory Laws.</p>				
e.	Whether all the C&AG audit & Internal audit Paras has been complied by the ULBs	No, Internal audit paras of FY 2016-17 & previous years has not been complied by the ULB. As Compliance report of the same has not been prepared by the ULB till the date of audit we are unable to check the exact status of compliance of the same.				
f.	Any Other deficiencies noticed during the audit to improve internal control systems	It was observed that there is shortage of Man Power in ULB. Consequently, it is not functioning smoothly with respect to completion of works on time, provide and review the service efficiently which is the main function of ULB, preparation of books and records on time etc.				



4. Detail Audit Observations

RISK ASSESSMENT

CHAKIA NAGAR PARISHAD

Sr. No.	Observations	Risk Rating	Design Gap	System gap	Operating Gap	Mgt. Comment	Auditor Recommendation
DEMAND GENERATION:							
1.	Loss of Revenue due to under Assessment /wrong Generation Of demand.	HIGH	No	Yes	Yes	There is scarcity of manpower in the ULB; however we will comply in the near future.	Demand/Assessment register should be appropriately maintained ward wise with all required details with previous dues assessment year wise before preparation of BUDGET of ULB.
2.	Collusion with Citizen regarding Assessment.	MEDIUM	No	Yes	Yes	We are trying our best to comply the same in near future.	Management should hire Independent Person or Organization for assessment of properties.
3.	Non-Updating Various Register like hand book, DCB register, Assessment registered.	MEDIUM	No	No	Yes	It will be taken care in future.	Hand Book & DCB register are not up to date. Assessment Register has not been maintained.
4.	Others	-	-	-	-	-	-

RECEIPTS AND BANKING:

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

REVENUE EXPENDITURE:

1.	Error in over payment	HIGH	No	No	No	-	No Such cases found.
2.	Loss of supporting document	HIGH	No	No	No	-	No Such cases found.
3.	Loss of authentication	HIGH	No	No	No	-	No Such cases found.
4.	Perpetrated fraud (Like payment more than one time on same bill)	HIGH	No	No	No	-	No Such cases found.
5.	Non-updating various register like Bill register with payment fig., etc.	MEDIUM	No	No	No	-	No Such cases found.
6.	Others	-	-	-	-	-	-

ESTABLISHMENT EXPENDITURE:

1.	Error in over payment	HIGH	No	No	No	-	No Such cases found.
2.	Loss of supporting document	HIGH	No	No	No	-	No Such cases found.



3.	Loss of authentication	HIGH	No	No	No	-	No Such cases found.
4.	Collusion with employee	HIGH	No	No	No	-	No Such cases found.
5.	Perpetrated fraud (Like payment more than one time to same or ghost employee)	HIGH	No	No	No	-	No Such cases found.
6.	Non-updating various register like salary register, PF register, Service book/record, advance register, etc.	HIGH	Yes	Yes	Yes	It will be taken care in future.	These registers are not updated on regular basis. Registers should be maintained as quickly as possible.
7.	Others	-	-	-	-	-	-

CAPITAL EXPENDITURE:

1.	Error in over payment	HIGH	No	No	No	-	No Such cases found.
2.	Loss of supporting document	HIGH	No	No	No	-	No Such cases found.
3.	Loss of authentication	HIGH	No	No	No	-	No Such cases found.
4.	Collusion with contractor	HIGH	No	No	No	-	No Such cases found.
5.	Perpetrated fraud (Like payment more than one time to same contractor).	HIGH	No	No	No	-	No Such cases found.
6.	Non-updating various register like work register, MB, bill register, Fixed Assets register, Service book/record, advance register, etc.	MEDIUM	Yes	Yes	Yes	It will be taken care in future.	These registers are not updated on regular basis. It should be updated on real time basis.
7.	Others	-	-	-	-	-	-

PROCUREMENT AND INVENTORY:

1.	Error in over payment	HIGH	No	No	No	-	No Such cases found.
2.	Loss of supporting document	HIGH	No	No	No	-	No Such cases found.



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

GRANT AND LOANS AND UTILISATION THEREOF:

1.	Non utilization of grant or grant unspent.	MEDIUM	No	No	No	It will be complied as quickly as possible.	The unspent grant should be refunded to the department which has not been utilized yet.
2.	Not furnishing of UC	HIGH	No	No	Yes	We are giving special attention on it. It will be furnished as quickly as possible.	UC should be furnished within the timeline prescribed by the department.
3.	Non fulfillment of condition part thereto	MEDIUM	No	No	No	-	-
4.	Perpetrated fraud (Like payment more than one time same contractor)	HIGH	No	No	No	-	-



5.	Non-updating various register like grant register, work register, bill register with payment fig., advance register, etc.	MEDIUM	Yes	Yes	Yes	It will be taken care in future.	Only Contractor files are maintained. Registers should be maintained as quickly as possible.
6.	Others	-	-	-	-	-	-

FIXED DEPOSITS AND INVESTMENTS:

1.	Not deposited at appropriate time (loss of revenue)	HIGH	Yes	Yes	Yes	It will be taken care in future.	No tradition of Fixed Deposit & Investments in CHAKIA NAGAR PARISHAD. Management should invest or open swipe account to get more interest income.
2.	Loss of Investment certificate	HIGH	No	No	No	-	-
3.	Non fulfillment of condition part thereto	MEDIUM	No	No	No	-	-
4.	Collusion with bank officials to invest at lower rate	HIGH	No	No	No	-	-
5.	Deposit into Current account	MEDIUM	No	No	No	-	-
6.	Non-updating various register like investment register, Bank book, cash book, etc.	MEDIUM	Yes	Yes	Yes	It will be taken care in future.	Investment Register, Bank Book has not been maintained/up to date by the ULB. It should be maintained on daily basis.
7.	Others	-	-	-	-	-	-

LOANS AND ADVANCES:

1.	Unauthorized release of advance	HIGH	No	No	No	-	No Such cases found.
2.	Release of advance beyond authority	HIGH	No	No	No	-	No Such cases found.
3.	Non-adjustment of loan or advance during the year	MEDIUM	No	No	No	-	No Such cases found.
4.	Collusion with employee/party to release advance/loan	HIGH	No	No	No	-	No Such cases found.



	beyond authority						
5.	Advance/loan not account for	HIGH	No	No	No	-	No Such cases found.
6.	Non-updating various register like Loan & advance, Bank book, cash book, etc.	MEDIUM	Yes	Yes	Yes	-	No Such cases found.
7.	Others	-	-	-	-	-	-

List of Important Registers

Name of the ULB		CHAKIA NAGAR PARISHAD				
RISK RATING:		MEDIUM				
CAG OBSERVATIONS STATUS		AVAILABLE				
PERIOD: 01/04/2020 to 31/03/2021						
Sl. No.	Particulars	Audit Observation	Associates Risk	MGT. Comment	Status (Resolved/ or not)	
1.	Cash Book	General Cash Book & Subsidiary Cash Book has been maintained by the ULB and entry made in cash book was on real time basis.				
2.	Ledger	Ledger is being prepared by DEAS team in tally.				
3.	Journal	Journal Register has not been maintained.	Due to this amount receivable & payable is not ascertainable. Advances have been accounted as income & expenditure.	It will be taken care in future.	Not Resolved	



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



15.	Statutory Deduction Register	Not Maintained	It may lead to wrong calculation of deductions made and deposited.	It will be taken care in future.	-
16.	Fixed Assets Register	Not-Maintained separately	It may leads to fraud & Defalcation.	It is being prepared by the DEAS Team.	Not Resolved
17.	Grant Register	Not Maintained	It may lead to wrong assessment of Grant received, amount utilized and remaining unspent balance.	It will be taken care in future.	-
18.	Scheme Register	Maintained	-	-	-
19.	Monthly accounts of Receipts/Payments	Not Maintained	It may leads to fraud & Defalcation.	-	-
20.	Temporary Advances Register for Staff, Customers/supplier/VEC and TA/DA Advance	Not-Maintained	It may leads to fraud & Defalcation.	It will be taken care in future.	Not Resolved
21.	Dispatch Register	Maintained	-	-	-
22.	File Register	Not-Maintained	It may leads to misplacement of files.	It will be taken care in future.	Not Resolved
23.	Any other (Name of the register)	-	-	-	-

Cash and Bank

Name of the ULB		CHAKIA NAGAR PARISHAD				
RISK RATING:		MEDIUM				
CAG OBSERVATIONS STATUS		AVAILABLE				
		01/04/2020 to 31/03/2021		PERIOD: PERIOD:		
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved/



						or not)
1.	Check whether there is no any undue delay in presentation of cheque/DD received, to bank,	No Such cases Found.	-	-	-	-
2.	Whether cheque/ draft issue/ receipt/ dishonored register have been maintained as per prescribed form (As Per BMAM) & entry are made on properly, accurately & timely basis.	Draft/Receipt dishonored registers are maintained.	-	It may lead to dual payment and further create difficulty to prepare BRS.	It will be taken care in future.	Not Resolved
3.	Whether banking transactions (Receipts & Payments) are matched with cash book, Cheque issue register, collection register, etc., Verify the same with Bank statement & BRS,	Matched.	-	-	-	-
4.	Whether cheque issue register are matched with	Matched	-	-	-	-
5.	Whether proper steps has been taken for dishonored cheque, it was realized in cash or not,	No such cases found.	-	-	-	-
6.	Whether Bank Reconciliation has been made for each account, verify the status of BRS, (attached BRS as annexure)	Prepared.	-	-	-	-
7.	Check whether no any fraud payment or payment to other person has been made,	No such cases found.	-	-	-	-
8.	Whether bank statement for all account have been promptly received from bank.	Yes	-	-	-	-



9.	Number of Bank account maintained	14	-	-	-	-
10.	Original copy of cancelled receipt is attached with duplicate copy with "CANCELLED" marked on it.	No such cases found.	-	-	-	-
11.	Liability for stale cheques account review is done and necessary reversal entries are passed	No such cases found.	-	-	-	-
12.	Any other	-	-	-	-	-

Public Works

Name of the ULB		CHAKIA NAGAR PARISHAD				
RISK RATING:		MEDIUM				
CAG OBSERVATIONS STATUS		AVAILABLE				
PERIOD: 01/04/2020 to 31/03/2021						
Sl. No.	Particulars	Audit Observation	Amount involved	Associates Risk	MGT. Comment	Status (Resolved/ or 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	-	-	-	-
2.	Whether bill has been signed by proper in charge,	Yes	-	-	-	-
3.	Whether the bill has been checked by the accountant with the MB (also compare the qty.), estimate, agreement, previous bill (in case of	Yes	-	-	-	-



	running agreement)					
4.	Verify whether any payment made for removing /dismantling material which have scrap value must be indicated in the bill,	No such cases found.	-	-	-	-
5.	Whether measuring has done by the engineer concerned,	Yes	-	-	-	-
6.	Whether expenditure on construction of work was debited to WIP & verified with MB maintained,	Yes	-	-	-	-
7.	Whether master roll(machine numbered & authorized) has been maintained for details of store, specifying:	Not Maintained	-	It may leads to fraud & Defalcation.	It will be prepared in future.	Not Resolved
	Date of Issue,	No	-	-	-	Not Resolved
	Name of subordinate,	No	-	-	-	Not Resolved
	Name of work,	No	-	-	-	Not Resolved
	Number of labour,	No	-	-	-	Not Resolved
	Period of engagement,	No	-	-	-	Not Resolved
	Details of payment(date, Amount, Cheque no, etc.)	No	-	-	-	Not Resolved
8.	Whether the same has been periodically verified.	No	-	-	-	Not Resolved
9.	Whether payment are as per defined approval level sanctioned u/s 75 of BMA, 2007,	Yes	-	-	-	-

Cash Book

Name of the ULB	CHAKIA NAGAR PARISHAD
RISK RATING:	MEDIUM



CAG OBSERVATIONS STATUS		AVAILABLE				
		PERIOD: 01/04/2020 to 31/03/2021				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether Opening Balance & Closing Balance was worked out or not,	-	-	-	-	
2.	Whether posting of receipt & payment side of cash book are properly maintained & it was matched with proper evidence like Receipt Voucher, Cheque issue Register, Bank Statement, etc.,	Posting of receipt & payment side of cash book are properly maintained but we are unable to match with Receipt Vouchers Register as it is not being maintained by the ULB.	-	It may lead to dual recording of receipts & payment and further create difficulty to prepare BRS.	It will be taken care in future.	Not Resolved
3.	Whether posting in on daily basis,	No	-	Some entries may be forgotten.	It will be taken care in future.	Not Resolved
4.	Whether there is any clerical error (casting or/and posting error, etc.) or not,	Yes	-	It may leads to over & under stating of income, expenditure, opening and closing balance.	It will be taken care in future.	Not Resolved
5.	Whether any delay in deposit of amount of collection by cashier,	In most of the cases any amount collected is deposited about a week delay.	-	It leads to interest revenue loss to the ULB.	It will be taken care in future.	Not Resolved
6.	conduct physical verification of cash and report heavy cash	No discrepancies found in this	Not Resolved	Not Resolved	Not Resolved	Not Resolved



	balance if any	regard.				
7.	Any Other	No	-	-	-	-

Collection

Name of the ULB		CHAKIA NAGAR PARISHAD				
RISK RATING:		MEDIUM				
Name of Tax Collector		SRI VIDYA BHUSHAN PRASHAD.				
		PERIOD: 01/04/2020 to 31/03/2021				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether collection procedure are as per guidelines/direction of ULB,	Yes	-	-	-	-
2.	Whether collections are made on the basis of Demand & Collection Register,	Demand & Collection register has not been maintained properly.	-	It may leads revenue loss to the ULB.	It will be maintained properly in future.	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,	Yes	-	-	-	-
4.	Whether collections are bifurcated in different heads as required,	Yes	-	-	-	-



5.	Whether a separate bank account has been maintained for each circle, (for PMC only)	-	-	-	-	-
6.	Whether all collections are made in proper "Receipt Voucher Book" having same serial number which was actually issued to TC,	Yes	-	-	-	-
7.	Whether all collections made during the day are account for & banked on next working day or there is any teaming & lading,	In most of the cases any amount collected is deposited about a week delay	-	It leads to interest revenue loss to the ULB.	It will be taken care in future.	Not Resolved
8.	Whether no any collection are directly expended without prior approval,	No such cases found.	-	-	-	-
9.	Whether collections are made by all the holding fall under the same TC or Civics Centre,	No, Collections were not made by all the holding.	-	It will affect municipality fund.	It will be taken care in future.	Not Resolved
10.	Whether government share of collections (like Education cess & health cess) are properly & timely deposited in its own account, (if applicable)	No Such cases found.	-	-	-	-
11.	Whether there is any short/non collection or short deposit or not deposit,	No Such cases found.	-	-	-	-
12.	Whether penalty(@2% P.M/ 1.5%) has been duly charged on late payment,	Yes	-	-	-	-
13.	Whether daily collections are entered into hand book, collection register	Daily Collection register has Not been	-	It leads to interest revenue loss to the ULB	It will be taken care in future.	Not Resolved



	maintained by TC & it should be properly entered in demand & collection register,	Maintained.				
14.	Whether collection by way of cheque are properly banked & credited into account,	Yes	-	-	-	-
15.	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	No Such cases found.	-	-	-	-
16.	Whether any immediate steps has been taken or not for cheque dishonored received,	No Such cases found.	-	-	-	-
17.	Whether reversal of payment has been made for any dishonored cheque.	No Such cases found.	-	-	-	-

Demand

Name of the ULB		CHAKIA NAGAR PARISHAD				
RISK RATING:		MEDIUM				
Name of Tax Collector		SRI VIDYA BHUSHAN PRASHAD				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Ensure whether closing balance of previous year is accurately brought forward,	Opening and closing balance has not been quantified due to non-maintenance of Demand Register.	-	It may leads revenue loss to the ULB.	It will be taken care in future.	Not Resolved
2.	Whether determination of demand is on manual or computerized way, &	ULB is not being in practice to	-	It may leads revenue loss to the ULB.	It will be taken care in future.	Not Resolved



	it would be as per updated rules, regulation, guidelines & other required details for proper calculation,	raise the demand. No proper details are recorded in the manual register.				
3.	Whether data for calculation is correct & properly verified by appropriate authority/ Internal Auditor by way of physical survey,	No verification is being conducted by appropriate authority however we have done physical survey of 20 high value properties and no variance found.	-	-	-	-
4.	Whether revision of valuation of holding properly made after specified period	No, revision of valuation of holding is being not made after specified period.	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved
5.	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	No Such cases found.	-	-	-	-
6.	Ensure whether there is any clerical error in calculation,	No Such cases found.	-	-	-	-
7.	Whether demand register in prescribed format is maintained or not,	Demand Register Not Maintained	-	It may leads revenue loss to the ULB.	It will be taken care in future.	Not Resolved
8.	Whether persons involve in calculation/ collection have knowledge of their responsibility,	Yes	-	-	-	-



9.	Whether there is proper distribution of responsibility for calculation, recovery & updation of register for demand, so that no single person have control on two or process at the same time,	Due to lack of Manpower all these work has been controlled single handedly.	-	It may leads to fraud & Defalcation.	Need more skilled employees.	Not Resolved
10.	Whether there is any under/no assessment,	No	-	-	-	-
11.	Whether there is appropriate measures(As Per section 155 & 158 of BMA, 2007) are adopted for recovery of Government/bid dues,	Appropriate measures have not been taken for recovery of Government Dues.	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved
12.	Whether notice for demand has been made in prescribed format (As Per BMAR) & as per rules & regulations,	No notices of demand are being served.	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved
13.	Whether penalty(@2% P.M/ 1.5%) has been charged on late payment,	Yes	-	-	-	-
14.	Whether Demand, Collection & Balance Register has been prepared on daily basis for all receipts or not, & it would be authorized by proper authority or not,	Not Maintained in prescribed format & also not updated.	-	It may leads to revenue losses.	It will be taken care in future.	Not Resolved
15.	Whether there are adequate safeguard on data has been operated or not,	No	-	-	-	-
16.	Whether self-assessment property tax return for payment of property tax has been filed by the assesses in the	Yes	-	-	-	-



	prescribed format,						
17.	Whether there is any collusion with customer/holding w.r.t., assessment, payment, etc.	No Such cases found.	-	-	-	-	-
18.	Any Other	No	-	-	-	-	-

Establishment

Name of the ULB		CHAKIA NAGAR PARISHAD				
RISK RATING:		MEDIUM				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether establishment expenditure is sanction by authorized person & it has been within sanctioned limit,	Yes	-	-	-	-
2.	Whether service log book has been maintained & up to date or not,	Not Maintained	-	It may leads to over/less payments.	It will be taken care in future.	Not Resolved
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 not prepared.	-	It may leads to over/less payments.	It will be taken care in future.	Not Resolved
4.	Whether each employee has unique identification number & it has be referred in all matter in relation to service book Whether payment made to employee has been verified with attendance register/logbook,	Yes	-	-	-	-
5.	Whether service book for calculation of payable has been authorized by the proper person,	Service Book not maintained.	-	It may leads to over/less payments.	It will be taken care in future.	Not Resolved



6.	Whether account depart has prepared the advice & instructed the bank for the payment as per advice,	Yes	-	-	-	-
7.	Whether undistributed amount of pay & allowance as shown in cash book matched with balance of undistributed salary balance,	Undistributed salary amount not maintained in cashbook.	-	It may leads to over/less payments.	It will be taken care in future.	Not Resolved
8.	Whether undistributed amount of pay & allowance are not for more than 3 months as cash in hand,	No Such cases found.	-	-	-	-
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),	No Such cases found.	-	-	-	-
10.	Whether the bill prepared according to sanctioned scale,	Yes	-	-	-	-
11.	Whether no any payment is made to Employee whose service retired in any manner,	No Such cases found.	-	-	-	-
12.	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	Pay-In-Slip not prepared.	-	It becomes difficult to trace last payment. It may leads to over/less payments.	It will be taken care in future.	Not Resolved
13.	Whether all statutory deduction or adjustment has been made before payment,	Only Provident Fund has been deducted. TDS not deducted.	-	It may leads to levy statutory penalty/ interest.	It will be taken care in future.	Not Resolved
14.	To check compliance of rules in regard to establishment matters viz., travel, daily allowance, leave, advances (House building and vehicle advance etc.) and settlement thereof.	No Such cases found.	-	-	-	-
15.	To check salary bills.	Salary Bills not prepared.	-	It may leads to	It will be taken care	Not Resolved



				over/less payments.	in future.	
16.	Position of outstanding advances paid to employees	No Such cases found.	-	-	-	-
17.	To check deduction of provident fund and ESI has been made as per rules	Yes	-	-	-	-
18.	Whether PF slips are issued to the employees on yearly basis and to see whether all statutory returns for PF are submitted to the concerned authorities.	Yes	-	-	-	-
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.	Not prepared.	-	It may leads to over/less payments.	It will be taken care in future.	Not Resolved
20.	Check Retirement benefit to employee	No Such cases found.	-	-	-	-
21.	Personnel Appointments and to see whether all records are updated from time to time.	No Such cases found.	-	-	-	-
22.	Dismissal and Resignation/ Termination	No Such cases found.	-	-	-	-
23.	Temporary workers	No Such cases found.	-	-	-	-
24.	Overtime	No Such cases found.	-	-	-	-
25.	Attendance Register To check number of persons mentioned in the attendance register tally with the sanctioned strength of a unit.	Yes	-	-	-	-
26.	Personnel Files	Yes	-	-	-	-
27.	Training of employees(including Skill development Levy)	No Such cases found.	-	-	-	-
28.	Leave Register – To check whether a leave register is maintained as per types of leave as medical Leave/CL/EL/maternity/paternity leave.	Not Maintained	-	It may leads to over/less payments.	It will be taken care in future.	Not Resolved



Grant

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



Payment of bills of contractors

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



	authorization etc.					
11.	Overall review of the books of accounts.	Yes	-	-	-	-
12.	Position of outstanding advances paid to suppliers/contractors.	No Such cases found.	-	-	-	-

Receipt Voucher

Name of the ULB		CHAKIA NAGAR PARISHAD				
RISK RATING:		MEDIUM				
		PERIOD: 01/04/2020 to 31/03/2021				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether "Receipt Vouchers" are in the prescribed format & having machined serial number & there is no any manuscript form,	Yes	-	-	-	-
2.	Check;		-	-	-	-
3.	What is the date of printing,	Checked	-	-	-	-
4.	What quantity of serial number was printed out,	Checked	-	-	-	-
5.	What is the date of dispatched, quantity of receipt vouchers & their serial number;	Checked	-	-	-	-
6.	Log book/ Register maintained at printing press regarding printing of "Receipt Vouchers".	Checked	-	-	-	-
7.	Verify that "Receipt Vouchers" received & their storing, having same quantity & serial numbered which was actually dispatched & proper recording of	Yes	-	-	-	-



	the same along with issue,					
8.	Verify Log book/ Register maintained at every collection center & cash counter with regard to receipt & return quantity & serial number,	Yes	-	-	-	-
9.	Verify the log book/ Register of "Receipt Vouchers" & cross verified the allotments to TC(Log Book) with their date of issue, serial number, name of TC & their circle	Yes	-	-	-	-
10.	Check whether TC have same "Receipt Voucher" which was actually issued by store & it must be authorized by the appropriate authority,	Yes	-	-	-	-
11.	Check that there should be proper recording at each stage (where authority has been changed) of log book/ register for issue/receipt of "Receipt Vouchers",	No Such cases found.	-	-	-	-
12.	Confirm that all unused "Receipt Vouchers" are under the custody of authorized person,	Yes	-	-	-	-
13.	Verify that any cancelled vouchers have in both original & carbon copy,	Yes	-	-	-	-
14.	Verify whether reversible carbon has been used during receipt.	Yes	-	-	-	-

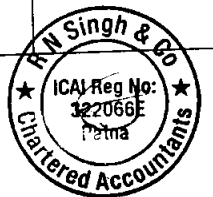


Other Revenue:

1.	Advertisement Tax	No System Developed for collection of advertisement tax.	-	It will affect municipal fund.	System will be developed very soon.	Not Resolved
2.	Tower Tax	Some amount is pending to be collected as Tower Tax in this Quarter and no steps have been taken for recovery of dues.	1206025	It will affect municipal fund.	Notice will be send to concerned tower operator.	In Process
3.	Professional Tax	No professional tax collected.	-	-	-	-
4.	Assigned Revenue (As details annexed)	No Such cases found.	-	-	-	-
5.	Rental Charges (As details annexed)	No any municipal properties given on rent during this period.	-	It will affect municipal fund.	System will be developed very soon.	Not Resolved
6.	Fee & uses Charges (As details annexed)	Collected.	-	-	-	-
7.	Other Revenue Items	-	-	-	-	-

Revenue Expenses

Name of the ULB		CHAKIA NAGAR PARISHAD				
RISK RATING:		MEDIUM				
		PERIOD: 01/04/2020 to 31/03/2021				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether payment is on the basis of Sanction / work order letter & incurred by authorized person.	Yes	-	-	-	-



2.	Whether payment is made through prescribed format.	Yes	-	-	-	-
3.	Whether payment is made without any undue delay or whether any cheque issued are promptly issued to the respective person.	Yes	-	-	-	-
4.	Whether there is bifurcation of responsibility towards person making payment & person preparing MB, receipt of goods , maintenance of payment file, etc.	Yes	-	-	-	-
5.	Whether updation of accounts/books are on proper & timely basis,	Yes	-	-	-	-
6.	Whether authorized person verify & sign the document involve,	Yes	-	-	-	-
7.	Whether data base for the same has been properly maintained & safeguard measures are taken,	No database has been maintained by the ULB.	-	Important information may be lost or stolen.	We will take necessary step to implement the DBMS is near future.	Not Resolved.
8.	Whether exact amount (no any over payment) are paid and verified by supporting document, & no any collusion with party,	Yes	-	-	-	-
9.	Whether register for settlement of service bill has been maintained and up to date,	Yes	-	-	-	-
10.	Whether payment made to the same to whom it might be payable and no any second claim in	Yes	-	-	-	-



	this regard,					
11.	Whether payment has been	Yes	-	-	-	-
12.	Whether the expenditure are made with a period & amount as sanctioned,	Yes	-	-	-	-
13.	Whether there is undue rush of expenditure at the end of financial year,	No	-	-	-	-
14.	Whether payment has to be made after confirmation from store,	Yes	-	-	-	-
15.	Whether payment for repairs, etc., has to be made on the basis of logbook maintained,	No Such cases found.	-	-	-	-
16.	Whether payment are as per defined approval level sanctioned u/s 75 of BMA, 2007,	Yes	-	-	-	-
17.	Confirm whether goods/assets received/accepted on or before 31 st March, where the bill is received after that date have been accounted for (either on the basis of purchase order, tender rate or as per bill),	No Such cases found.	-	-	-	-
18.	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No Such cases found.	-	-	-	-
19.	Whether all statutory deduction or adjustment has been made before payment,	yes	-	-	-	-



20.	Whether entry of any event during service has been made in service book by authorized person,	Yes	-	-	-	-
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Statutory Requirement

	Name of the ULB	CHAKIA NAGAR PARISHAD				
	RISK RATING:	MEDIUM				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether deduction of TDS on payment has been made as per law,	Yes	-	-	-	-
2.	Whether TDS deducted are timely deposited into bank with same amount,	Not deposited on time	Unable to quantify.	There may be levied statutory interest/penalty	It will be taken care in future.	Not Resolved.
3.	Whether regulatory requirement for submission of Return has been followed,	Yes	-	-	-	-
4.	Whether any deduction is made in any act, must be deposited as per their respective act,	Yes but deposited late.	Unable to quantify.	There may be levied statutory interest/penalty	It will be taken care in future.	Not Resolved.
5.	Verify whether in case of "through rate" contract, there is no any payment for material, etc. by the ULB	No Such cases found.	-	-	-	-
6.	Any demand is outstanding from regulatory authority for non-compliance.	No Such cases found.	-	-	-	-

Tender Details (Work Order Wise)

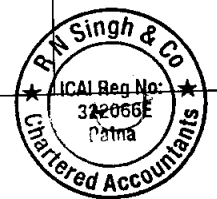
Name of the ULB	CHAKIA NAGAR PARISHAD
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	RISK RATING:	MEDIUM				
	Work order No.					
		PERIOD: 01/04/2020 to 31/03/2021				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	To check whether the provisions contained in Tender Advertisement for procurement were followed in award of contracts.	Yes	-	-	-	-
2.	To check that the time/date of receipt and opening of tenders was properly incorporated in the tender documents.	Yes	-	-	-	-
3.	The important guidelines relating to earnest money, delivery schedule, payment terms, performance warranty/guarantee, inspection, arbitration, liquidated damages/penalty for delayed supplies, purchase on risk and cost were incorporated in the tender documents for safeguarding the interest of corporation.	Yes	-	-	-	-
4.	The purchase proposal was approved by the competent authority. as per delegation of powers	Yes	-	-	-	-
5.	Indent for purchase indicates the details of quantity required, last purchase rate, period for which stores are needed and name of consignee.	Not in prescribed format.	-	There may be chances of fraud & defalcation.	It will be taken care in future.	Not Resolved.



6.	Approval of mode of procurement	Yes	-	-	-	-
7.	The tender documents are prepared properly and description of items to be procured, quantity and estimated value should be indicated.	Yes	-	-	-	-
8.	To check whether the direction was followed for notification /advertising and opening of bids at notified date, time and place in the presence of bidders.	Yes	-	-	-	-
9.	Award of contract and its execution 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.)	Yes	-	-	-	-
10.	To check whether bids were evaluated in terms of the provisions of the bid documents and the evaluation report was available.	Yes	-	-	-	-
11.	To check whether contract was awarded to the lowest evaluated responsive bidders who fulfilled qualification requirements, specified in the tender's documents.	Yes	-	-	-	-
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.	Yes	-	-	-	-



13.	To check whether articles were received/work was completed in time as per delivery schedule.	Yes	-	-	-	-
14.	The stores/goods are properly recorded in the Stock Registers /Asset Register.	Stock/Asset Register hasn't been maintained separately.	-	There may be chances of misplacement goods/stores.	It will be taken care in future.	Not resolved.
15.	Whether any complaint was received regarding procurement and payment and existence of mechanism for redressal of Complaints	Yes	-	-	-	-

Vehicle Log Book

Name of the ULB		CHAKIA NAGAR PARISHAD				
RISK RATING:		MEDIUM				
		PERIOD: 01/04/2020 to 31/03/2021				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Whether logbook has maintained or not & up to date with proper details like journeys, wok undertaken, covering root, visited place, kilometer, etc.,	Maintained.	-	-	-	-
2.	Whether logbook of journey is maintained in detail & signed by the officials using them,	Maintained.	-	-	-	-
3.	Whether it should be used for official purpose, otherwise charges are recoverable,	Used only for official purpose.	-	-	-	-
4.	Whether details of fuel for the same has been	Maintained.	-	-	-	-



	maintained in log book,					
5.	Whether full details of repairs have been maintained & it have been through authorized center,	Maintained.	-	-	-	-
6.	Whether authorized person have proper check over logbook.	Maintained.	-	-	-	-

Fixed Assets

	Name of the ULB	CHAKIA NAGAR PARISHAD				
	RISK RATING:	MEDIUM				
Sl. No.	Particulars	Audit Observation	Amount Involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	Status on Maintenance of Fixed Assets Register	Not Maintained	-	It may leads to misplacement of assets.	Being Prepared by DEAS Team.	Not Resolved
2.	Budget availability is confirmed before acquisition	Yes	-	-	-	-
3.	Fixed assets are recognized at cost of acquisition and if so, check whether the cost components are incidental to its acquisition	Appropriate details are not mentioned in the fixed Assets register	-	-	Being Prepared by DEAS Team.	Not Resolved
4.	all fixed assets are acquired only after obtaining approval of the concerned authority	Yes	-	-	-	-
5.	Physical verification of fixed assets is done and discrepancies are reconciled with Fixed Asset Register.	Not able to do the same.	-	It may leads to misplacement of assets.	-	-



6.	Depreciation is provided on each class of fixed assets at the prescribed rates	No Depreciation is provided.	-	It leads to over valuation of fixed assets.	Levied once fixed asset register maintained.	Not Resolved
7.	Asset Replacement Register is properly maintained asset class-wise	No such cases found.	-	-	-	-

Others

Name of the ULB		CHAKIA NAGAR PARISHAD				
RISK RATING:		MEDIUM				
Sl. No.	Particulars	Audit Observation	Amount involved	Associates Risk	MGT. Comment	Status (Resolved /or not)
1.	All permanent changes made in the assessment of buildings and lands have been recorded in this register with reference to the monthly lists, Register of Revision Petitions, Register of Appeal Petitions, and Register of Writes-off.	No assessment has been done from the date of imposition of holding tax.	-	It may lead to revenue loss.	It will be taken care in future.	Not Resolve
2.	Demands of current year and previous year have been reconciled with reference to the above details	No reconciliation is being made due to demand register has not been prepared.	-	It may lead to revenue loss.	It will be taken care in future.	Not Resolve
Register of Suits						
1.	All suits filed by the municipality for recovery of any sum due are entered.	Register of Suits filed by ULB hasn't been maintained.	-	It may lead to problems in finding pending suits.	-	-
2.	All suits filed against the municipality are entered	-	-	-	-	-
3.	Sanction from the Council obtained for	-	-	-	-	-

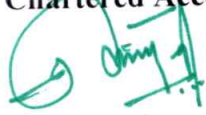


	filing/defending the suit					
4.	All details like the Assessment Number, amount involved, Name of Court and Suit Number etc. are clearly entered	No Such cases found	-	-	-	-
5.	Execution Petitions are filed for recovery of sums, in cases the suits are disposed in favour of municipality.	No Such cases found	-	-	-	-

General Observations: -

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

For R.N. Singh & Co.
Chartered Accountants



CA Chanakya Shree
Partner
Mem No: 079322
FRN: 322066E



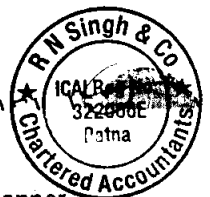
Chakia Nagar Parishad

F.Y. 2020-21 (Annual)

S. No.	Audit Observations	Management Comment
1	ULB isn't in practice of preparing monthly Receipts & Payments Account.	This financial year 2021-22 is being Maintained.
2	ULB isn't in practice of preparing Financial Statements.	Financial Statement is prepared through outsource agency Vinod Singh & Co.
3	ULB isn't in practice of preparing monthly BRS.	Bank Reconciliation is quarterly Maintained.
4	ULB isn't maintaining Tally software.	Maintaining through outsource agency Vinod Singh & Co.
5	Municipal Accounts Committee hasn't been constituted by Chakia Nagar Parishad. It should be constituted in the 1 st Board Meeting of ULB every year.	Last time you had done (M.A.C.) This year Board is suspended.
6	Status of Double Entry Accounting System (DEAS) couldn't be provided by ULB. DEAS is being done by Tibrewal Chand & Co at Chakia ULB.	Maintained upto 20-21 by outsource agency by Vinod Singh & Co.
7	During verification of property tax related documents, we have found so many property holders that are not paying property tax from a long time. ULB should take action for recovery of the same. (Annexure Attached)	Maintained through Software Big Default List has been Published in News paper
8	During verification of property tax collection receipt and tax deposit receipt we have found that property tax collected by Tax Collector isn't deposited to the bank on the same date. (Annexure Attached)	Wrong finding, All Collection is deposited timely and the date sheet is maintained through MIS
9	Demand & Collection Register isn't updated by the ULB. We were unable to quantify the total outstanding demand of Property Tax, Advertisement Tax, Rent on Municipal Properties, etc.	Real time Demand & Collection is maintained in the U.B.



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10	Mobile Tower Tax hasn't been collected by the ULB. They should take action to collect the same. (Annexure Attached)	According to the UDHD Bihar the Mobile Tax has to be collected through online portal of Deptt which is under progress.
11	Advertisement Tax, Water Tax, etc. hasn't been levied by the ULB.	According to law water tax, Advt tax is levied.
12	Various Registers, Books of Records, etc. aren't being prepared by the ULB such as Journals & magazines, File Movement Register, Ledger Register, etc. ULB should maintain these registers as soon as possible.	Work is in progress on M.B. Portal of MIB
13	Details of Directives issued by UD&HD hasn't been provided to us during the course of audit, so we were unable to check the compliance of same.	All buildings of order. regularly in file.
14	No CAG Audit after F.Y. 2015-16 was conducted and Compliance Report of Internal Audit Report couldn't be provided by the ULB. Hence we were unable to check the compliance of same.	CAG Audit is in progress from 01-06-2022 to till date
15	We observed that ULB isn't in practice of maintaining Procurement Register. ULB should maintain the same.	Work is in progress to maintain in MIB
16	We observed that ULB isn't in practice of maintaining Grant Register. ULB should maintain the same.	Special rate is proposed, and can be seen in file
17	We observed that ULB isn't in practice of maintaining Statutory Deduction Register. ULB should maintain the same.	No specific demand has been made by Audit team regarding Non-Compliance of B.M.A.R. Rule format.
18	We observed that ULB isn't in practice of maintaining of Fixed Assets & Stock Register separately.	B.M.A.R. Rule format has not been demanded.
19	During the course of audit, it was seen that the maintained register for both fixed assets and stock register wasn't updated.	NA
20	Irregularities in compliance of Statutory Deductions such as GST, TDS, Royalty & Labour Cess was found. Such irregularities should be corrected by the ULB as soon as possible.	Maintained Regularly and properly.



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21	Daily Collection Receipt in Form Gen-13 wasn't maintained in the ULB.	It is maintained. B.MAR. format - B. to Bill for Municipal Des.
22	Details of Fraud/Legal cases against or by the ULB wasn't provided.	Certificate has been provided to An Audit.
23	Property Tax wasn't assessed after F.Y. 2015-16.	Wrong Budget with record a property maintained through software.
24	During the occasion of Independence Day (15 th Aug, 2020), payment of Rs. 2250 was made to labour even though their signatures were missing which was taken after the audit in June-2022. This should be examined by the ULB. (Annexure Attached).	Maintained as per observation.
25	During the course of audit, it was seen that full payment to contractors were made for projects undertaken even though such projects were completed/ongoing beyond agreed time period without receiving the writing by contractor asking for time extension for such projects stating the reasons. This should be examined by the ULB. (Annexure Attached).	Time extension was the need. of time due to Covid. Pandemic.



(Signature)
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