



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

# INTERNAL AUDIT REPORT

## FOR

### F. Y. 2019-20

## GROUP 1

# TEKARI NAGAR PANCHAYAT

## BY

# A. P. SANZGIRI & CO. CHARTERED ACCOUNTANTS

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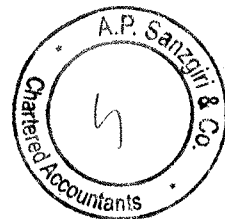


A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

**Document History**  
**INTERNAL AUDIT FOR FY 2019-20**

<b>Project Title</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>Report Title</b>	Internal Audit for FY 2019-20 of Nagar Panchayat Tekari
<b>Reporting Entity</b>	A P SANZGIRI & Co., Chartered Accountants
<b>Reporting for</b>	Nagar Panchayat Tekari
<b>Report Prepared by</b>	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
<b>Date of Submission</b>	21.04.2021



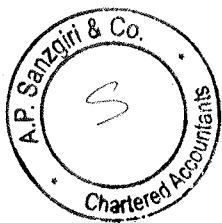
**ABBREVIATION AND ACRONYMS**

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



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# A. P. SANZGIRI & Co.

CHARTERED ACCOUNTANTS

Date:21-04-2021

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

**Sub:** Submission of Internal Audit Report of Nagar Panchayat Tekari 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*

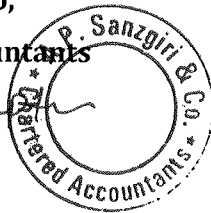
**CA Satish Gupta**  
**Partner**

**Membership No.:101134**

**FRN: 116293W**

**UDIN: 21101134AAAAJT2029**

**Date:16-09-2021**



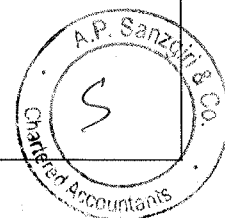
## EXECUTIVE SUMMARY

### 1. INTRODUCTION:

<b>Name of the Municipality</b>	-	Nagar Panchayat Tekari
<b>Period covered under Current Audit</b>	-	01 <sup>st</sup> April 2019 to 31 <sup>st</sup> Mar 2020
<b>Name of Mayor</b>	-	Smt. Pinky Kumari
<b>Name of Executive Officer</b>	-	Shri Nalin Kumar

### 2. OBSERVATIONS AND FINDINGS:

<b>Strengths</b>	<ol style="list-style-type: none"><li>1. In the existing system as prevailing in the ULB, day to day working is in progressive manner in respect of collection of revenue and execution of the projects.</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. The collection of rental income is not satisfactory.</li><li>2. The shopkeeper/tenants have not been paying rent and have huge outstanding debts.</li><li>3. No physical verification of store is exercised by ULB.</li><li>4. List of Outstanding dues is not available</li><li>5. No Physical verification of cash is exercised by ULB.</li><li>6. Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.</li><li>7. Fixed assets register is not maintained by ULB</li><li>8. Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection for FY 2011-12 &amp; 2013-14. Hence, we are unable to comment on the same.</li><li>9. Statutory compliance of the ULB is not deposited timely and hence it incurs penalty and other charges.</li><li>10. Certain Statutory Registers and Books are not maintained.</li></ol> <p><b>11. Non Levy of Taxes:</b></p> <ul style="list-style-type: none"><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>• User Charges for Solid Waste Management</li><li>• User Charges for Parking Facility</li></ul>



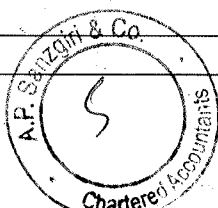
	<ul style="list-style-type: none"> <li>• User Charges for Garbage Clearance</li> <li>• Collection of fees for sanction of building plans and issue of completion certificates,</li> <li>• Collection of Development Charges</li> </ul> <p>12. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 4 to 27 Days.</p> <p>13. ULB is not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p> <p>14. ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter</p> <p>15. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p> <p>16. Non Compliance of Rule 130 of BMAR in some of the cases.</p> <p>17. ULB is not maintaining the accounts as well as not preparing the financial statements.</p> <p>18. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.</p>
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### 3. **OPINIONS:**

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

### 4. **AUDIT RECOMMENDATION:**

Observed Weaknesses	Audit Recommendations
The collection of rental income is not satisfactory. The shopkeeper/ tenants have not been paying rent and have huge outstanding debts.	To implement/take action to boost collection of arrear revenue to increase their own source revenue.
Receipts and payments account is not prepared by the Chief Municipal Officer.	The Chief Municipal Officer should prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.
No physical verification of store is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of the stock and process.
ULB has not maintained procurement register for procurement with value above Rs.15000/-	ULB should follow the practice of maintaining procurement register with value above Rs.15000/- for monitoring of procurement.



No Physical verification of cash is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of cash.
ULB did not follow the practice of valuation of stock.	ULB should follow the practice of valuation of stock on interval basis in order to monitor value of stock.
Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.
Fixed assets register is not maintained by ULB	Fixed assets register should be maintained and updated properly.
Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection for FY 2011-12 to 2013-14. Hence, we are unable to comment on the same.	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.
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.
<b>Non Levy of Taxes:</b> <ul style="list-style-type: none"> <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>• 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 Development Charges</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
During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 4 to 27 Days	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.
ULB is not prepared monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	As per BMAR Rule No. - 121, ULB should prepare of monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the executive officer.
ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.




Outstanding Taxes like Holding Tax, Mobile tower tax etc has been collected, but collection procedure is slow.	ULB should make best effort to realize it by establishing camp in ward.
Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.	As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB. 1. Municipal General Fund 2. Basic service for urban poor 3. Water supply & sewerage fund 4. Solid Waste Management Fund 5. Road Development & Maintenance 6. Enterprise Fund
Non Compliance of Rule 130 of BMAR in some of the cases.	ULB should ensure compliance related to Rule 130 of BMAR on regular basis.
ULB is not maintaining the accounts as well as not preparing the financial statements.	ULB is required to maintain the accounts as well as prepare the financial statements at the end of the year.
ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.	ULB should prepare financial statements for each year and get it approved from municipal account committee. As per BMAR, audited financial statements are required to submit to auditor for audit.
In-consistencies in assessment of property tax	Checked on random basis and found variation between demand raised by ULB and actual demand.

#### 5. COMMENTS FROM MANAGEMENT

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

#### 6. ACKNOWLEDGEMENT

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

On Behalf of **A P Sanzgiri & Co.**  
**Chartered Accountants**  
  
**CA Satish Gupta**  
**Partner**  
**Membership No: 101134**  
**FRN: 116293W**  
**UDIN: 21101134AAA AJT 2029**  
**Date: 16-09-2024**

## DETAILED AUDIT REPORT

### 1. INTRODUCTION:

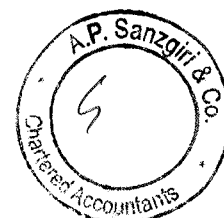
Name Of ULB	Period-covered		Audit Team
	From	To	
Nagar Panchayat Tekari	1 <sup>st</sup> April 2019	31 <sup>st</sup> Mar.2020	<b>1 Team Leader:</b> CA Satish Gupta <b>2 Name of CA:</b> CA.Ronak Agarwal <b>3 Name of Auditor-1:</b> Yashwant Kumar

### 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:	Smt. PinkyKumari
2.1.1	Period of Service:	<b>From:</b> June, 2017 <b>To:</b> Till date
2.2	Name of Executive Officer:	Shri Nalin Kumar
2.2.1	Period of Service:	From: 30th November, 2018 To: Till date

### 3. STATUS OF AUDIT OBSERVATIONS IS AS UNDER:

Particulars of Audit and date of report	Total No. of audit Para's	Improvement/corrective measures required (Nos. of Para's)	Recovery of cash is proposed (Nos. of Para's)	Recovery has been made (Nos. of Para's)	Total amount of Recovery	No action has been taken	No. & date of compliance report
Audit report submitted by AG for the F.Y. 2011-12 to 2013-14	14	14	11	0	0	14	Compliance Report not prepared. (Refer Discussion Note)
Internal Audit Paras of FY 2017-18 & 2018-19							Compliance Report not prepared. (Refer Discussion Note)



### 3.1 REVIEW OF OUTSTANDING AUDIT PARAS:

S.N	Heading of the Audit Para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	Stall's rent.	4.07 Lacs	4.07 Lacs	-	No
2	Holding tax	3.90 Lacs	3.90 Lacs	-	No
3	JSRY	10.35 Lacs	10.35 Lacs	-	No
4	ULB has collected Education & health Cess but not sent in the Government Treasury.	2.83 Lacs	2.83 Lacs	-	No
5	Non-presentation of receipts	0.0058 Lacs	0.0058 Lacs	-	No
6	General Convection	0.005 Lacs	0.005 Lacs	-	No
7	Sevakar	0.36 Lacs	0.36Lacs	-	No
8	Shop rent.	4.58 Lacs	4.58 Lacs	-	No
9	Non-deduction of Compensation amount	0.32 Lacs	0.32 Lacs	-	No
10	Excess Expenditure on Estimates than Scheme/funds	9.52 Lacs	9.52 Lacs	-	No
11	Department of revenue and land reform	0.53 Lacs	0.53 Lacs	-	No
12	Amount of tax not deposited to their respective department	-	-	-	No
13	AnudanPanji	-	-	-	No
14	Mobile tower	-	-	-	No

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

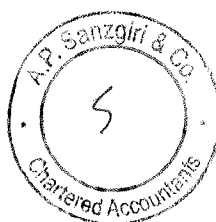
Period of AG Audit Report : 2011-12 to 2013-14

Compliance Report Date & Number : (Refer Discussion Note)

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

**Note-2:** Further Compliance Report has not been prepared by management.

**Management Comment:** ULB is preparing Compliance Report, once it is completed report will be provided. (Refer Discussion Note).



4. FINANCE

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

Year	Year- 2017-18	Year- 2018-19	Year- 2019-20
Final/Revised Budget Data	3,53,15,359.00	2,19,08,959.00	2,85,33,061.00
Actual Expenditure Data	2,37,07,006.00	1,43,00,135.00	26,062,521.00
Savings(+)/Excess(-)	<b>1,16,08,353.00</b>	<b>76,08,824.00</b>	<b>2,470,540.00</b>

**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	1,08,55,279.00	7,079,530.00	7,520,667.00	39,302,195.00	39,302,195.00
Receipts	7,46,51,192.00	4,65,22,800	2,96,65,861	79,129,562.44	79,129,562.44
<b>Total</b>	<b>8,55,06,471.00</b>	53,602,330.00	37,186,528.00	118,431,757.44	118,431,757.44
Net expenditure	2,85,33,061.00	14300135	23707006	26,062,521.00	26,062,521.00
<b>Closing balance</b>	<b>5,69,73,410.00</b>	<b>39,302,195.00</b>	<b>13,479,522.00</b>	<b>92,369,236.44</b>	<b>92,369,236.44</b>

**Auditor's Comment:**

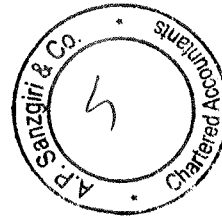
The cash book prepared by ULB in such way that we could not bifurcated or separated data as required in above mentioned format .The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Financial Statement i.e. Audited Balance 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. There is opening balance difference in F.Y. 2017-18 & 2018-19.



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

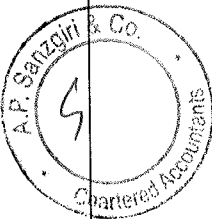
**BANK RECONCILIATION POSITION AS ON 31-03-2020**

S.N	Name of Bank	Bank A/C No.	Purpose of Bank Account	Balance as per Cash Book	Balance as per Bank Statement	Differences	Reconciled (Yes/No)
1	SBI	30679226387	GENERAL	12,62,991.18	12,62,991.18	0	YES
2	SBI	32706517941	REVENUE	1,41,789.62	1,41,789.62	0	YES
3	PNB	385100011206	MISCELLANEOUS	5,15,440.39	5,15,440.39	0	YES
4	BOB	120100026125	SJSRY	0.00	0.00	0	YES
5	BOB	120100026124	BRGF	80,711.00	80,711.00	0	YES
6	BOB	001020000021	GENERAL	14,72,687.00	14,72,687.00	0	YES
7	MBGB	72662100000732	REVENUE	1,34,677.25	1,34,677.25	0	YES
8	P/L	0260	VARIOUS SCHEME	12,33,06,998.00	12,33,06,998.00	0	YES
9	CANARA BANK	4573201000063	HFA	1,37,324.00	1,37,324.00	0	YES
10	CANARA BANK	4573201000083	DAY-NULM	28,12,981.00	28,12,981.00	0	YES
	<b>TOTAL</b>			<b>12,98,65,599.44</b>	<b>12,98,65,599.44</b>		



**IV. RECEIPT DETAILS:**

INCOME DETAILS (Amounts IN INR)									
SN	Details	2017-18		2016-17		2018-19		2019-20	
		(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)
	<b>Total Receipts (A+B)</b>	2,96,65,861.00	4,65,11,327	4,65,22,800.00	2,96,65,861.00	79,129,562.44	4,65,22,800.00		
<b>A</b>	<b>Revenue Receipts (1+2+3)</b>	25,18,378.00	24,27,318	21,22,320.00	25,18,378.00	48,639,886.00	21,22,320.00		
<b>1</b>	<b>Own Revenue Receipts (a+b)</b>	25,18,378.00	17,73,274	21,22,320.00	25,18,378.00	1,807,895.00	21,22,320.00		
<b>a)</b>	<i>Tax Revenue (Collected by ULB)</i>	21,19,937.00	14,44,722	18,30,754.00	21,19,937.00	1,580,329.00	18,30,754.00		
i)	<i>Property Tax</i>	15,92,212.00	9,69,978	12,13,752.00	15,92,212.00	684,322.00	12,13,752.00		
ii)	<i>Other tax (Collected by ULB)</i>	5,27,725.00	4,74,744	6,17,002.00	5,27,725.00	896,007.00	6,17,002.00		
<b>b)</b>	<i>Non-tax revenue (Collected)</i>	3,98,441.00	3,28,552	2,91,566.00	3,98,441.00	227,566.00	2,91,566.00		
i)	<i>Fees &amp; fines</i>	0.00	0.00	0.00	0.00	227,566.00	0.00		
ii)	<i>User Charges</i>	3,75,271.00	73,552	1,45,726.00	3,75,271.00	0.00	1,45,726.00		
iii)	<i>Other non-tax revenue</i>	23,170.00	2,55,000	1,45,840.00	23,170.00	0.00	1,45,840.00		
<b>2</b>	<b>Other Revenue Receipts</b>	0.00	6,54,043	0.00	0.00	2,652,518.00	0.00		
a)	<i>Income from interest/investments</i>	0.00	6,54,043	0.00	0.00	0.00	0.00		
b)	<i>Other Revenue income</i>	0.00	0.00	0.00	0.00	2,652,518.00	0.00		
<b>3</b>	<b>Transfers/Grants/Assigned Revenues</b>	0.00	1.00	0.00	0.00	44,179,473.00	0.00		
a)	<i>State Assigned Revenue</i>	0.00	1.00	0.00	0.00	44,179,473.00	0.00		
b)	<i>State Finance Commission (SFC)</i>	0.00	0.00	0.00	0.00	0.00	0.00		
c)	<i>Octroi compensation</i>	0.00	0.00	0.00	0.00	0.00	0.00		
<b>B</b>	<b>Capital Receipts</b>								
		2,71,47,483.00	4,40,84,009	4,44,00,480.00	2,71,47,483.00	30,489,676.44	4,44,00,480.00	30,489,676.44	4,44,00,480.00



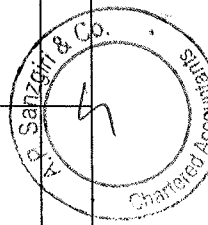
1	Sale of Municipal Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Loans (from State Govt. or Banks etc.)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	State Capital Account	2,71,47,483.00	4,40,84,009	4,44,00,480.00	2,71,47,483.00	30,489,676.44			4,44,00,480.00
4	Central Capital Account	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Other Capital Receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Auditor's Comment:**

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

**V. EXPENDITURE INFORMATION:**

S.N	Details	EXPENDITURE DETAILS (Amounts IN INR)							
		2017-18		2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2018-19 (Actual)	2019-20 (Actual)
<b>A.</b>	<b>Total Expenditure (1+2)</b>	2,37,07,006.00	2,32,72,202	1,43,00,135.00	2,37,07,006.00	1,43,00,135.00	2,37,07,006.00	26,062,521.00	1,43,00,135.00
<b>1</b>	<b>Revenue Expenditure</b>	1,92,79,712.00	1,67,54,190	89,07,282.00	1,92,79,712.00	89,07,282.00	1,92,79,712.00	11,629,128.00	89,07,282.00
1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and contract)	1,05,52,257.00	81,57,677	66,43,814.00	1,05,52,257.00	66,43,814.00	1,05,52,257.00	8,176,537.00	66,43,814.00
1.2	Operation and Maintenance	6,00,839.00	0.00	6,23,760.00	6,00,839.00	6,23,760.00	6,00,839.00	2,764,231.00	6,23,760.00
1.3	Loan repayment (Interest payments)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.4	Others(any other revenue expenditure )	81,26,616.00	85,96,513	16,39,708.00	81,26,616.00	16,39,708.00	81,26,616.00	688,360.00	16,39,708.00
<b>2</b>	<b>Capital Expenditure</b>	44,27,294.00	65,18,012	53,92,853.00	44,27,294.00	53,92,853.00	44,27,294.00	14,433,393.00	53,92,853.00
2.1	All developmental works under Central/ State schemes	44,27,294.00	65,18,012	0.00	44,27,294.00	0.00	44,27,294.00	14,398,677.00	0.00
2.2	Loan Repayments(Principal Amount)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.3	Other Capital expenditure	0.00	0.00	0.00	0.00	0.00	0.00	34,716.00	0.00



**Auditor's Comment:**

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

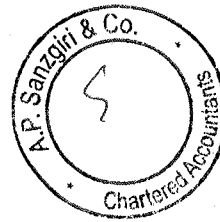
**VI. STATUS OF IMPLEMENTATION OF DOUBLE ENTRY SYSTEM:**

It is told by the ULB that there one Agency M/S Sahani Bansal & Associates was appointed for the DEAS work and it has completed following activities till FY 2015-16. Further at present M/s Sarkar Gurumurthy & Associates has been appointed for double entry system but no accounting entries has been made from F. Y 2016-17.

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

**VII. MUNICIPAL ACCOUNTS COMMITTEE:**

Tekari Nagar Panchayat is not yet constitutes municipal Accounts Committee under section 98 of the Municipal Act 2007.  
**(Kindly refer discussion note attached with this report)**



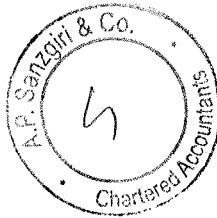
5. AUDIT OBSERVATION:

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

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

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

S.N	Head	Comments
1	Objective	The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable provisions and rules.
2	Criteria	We have checked list of all the taxes which to be levied and collected by the ULB as per Act. Further we have checked Syah Register, Receipt book, cashier cash book and accountant cash book etc.



As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. **In case of Nagar Panchayat Tekari**, 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	YES
3	Fire tax.	NO
4	Tax on advertisements, other than advertisements published in newspapers	NO
5	Surcharge on electricity consumption within the municipal area	NO
6	Tax on congregations.	NO
7	Tax on pilgrims and tourists.	NO
8	Tax on profession.	YES
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.	YES
10	User Charges for provision of water-supply, drainage and sewerage	YES
11	User Charges for Solid Waste Management	NO
12	User Charges for Parking Facility	YES
13	User Charges for Garbage Clearance	NO
14	Collection of fees for sanction of building plans and issue of completion certificates,	YES
15	Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,	YES
16	Collection of Fees for issue of birth and death certificates.	YES
17	Collection of Development Charges	No

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

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

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

7 **Management Comments**  
Kindly refer discussion note attached with the report.

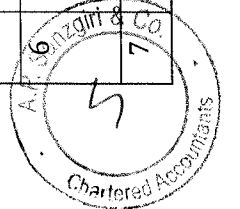


**OBSERVATION-2 : DELAY IN DEPOSIT OF PROPERTY TAX COLLECTED BY ULB STAFF**

S.N	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 04 to 27 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**

S.N	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.
5	<b>Cause</b>	No proper explanation in this regard given by ULB.
6	<b>Corrective Action/Recommendation</b>	Notice fees should be collected as per applicable provisions and rules.
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>



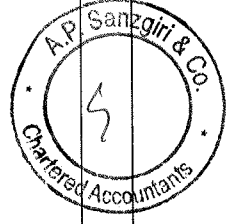
**OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME**

**1. RECOVERY OF OUTSTANDING PROPERTY TAX**

S.N	Head	Comments
1	<b>Objective</b>	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	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted that property tax of Rs. <b>4.97lacs</b> was outstanding as on 31/03/2020
3	<b>Consequences/Effect</b>	It leads in shortage of fund for ULB and loss of revenue.
5	<b>Cause</b>	No proper explanation in this regard given by ULB.
6	<b>Corrective Recommendation</b>	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>

**2. RECOVERY OF ADVERTISEMENT TAX**

S.N	Head	Comments
1	<b>Objective</b>	ULB authorized to charge advertisement tax/fee in municipal are as per act/rule.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted that ULB is not in practice of providing and collecting advertisement tax.
3	<b>Consequences/Effect</b>	It leads in shortage of fund for ULB and loss of revenue.
5	<b>Cause</b>	No proper explanation in this regard given by ULB
6	<b>Corrective Recommendation</b>	ULB should adopt practice of providing and collecting advertisement tax as well.
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>

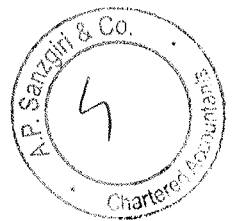


**3. RENT INCOME**

S.N	Head	Comments
1	<b>Objective</b>	ULB authorized to charge rent from municipal properties.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted that rent income of Rs. 0.51lac was outstanding as on 31/03/2020.
3	<b>Consequences/Effect</b>	It leads in shortage of fund for ULB and loss of revenue.
5	<b>Cause</b>	No proper explanation in this regard given by ULB.
6	<b>Corrective</b>	Notice should be issued to the assessor's on regular interval for recovery of outstanding dues.
	<b>Action/Recommendation</b>	
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>

**4. MOBILE TOWER TAX**

S.N	Head	Comments
1	<b>Objective</b>	ULB is authorized to collect tax from telecom companies for mobile towers installed in the municipal area.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted there mobile tower tax of Rs. 9.41lacs was outstanding as on 31/03/2020:
3	<b>Consequences/Effect</b>	It leads in shortage of fund for ULB and loss of revenue.
5	<b>Cause</b>	No proper explanation in this regard given by ULB
6	<b>Corrective</b>	Notice should be issued to the assessor's on regular interval for recovery of outstanding dues
	<b>Action/Recommendation</b>	
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>



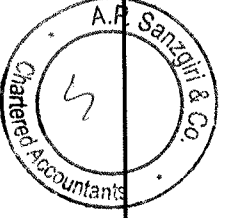
5. OTHER TAX

S.N	Head	Comments
1	Objective	ULB is authorized to collect other various types of taxes/fee.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that other tax of Rs <b>0.31</b> lacs was outstanding as on 31/03/2020:
3	Consequences/Effect	Delay in collection of revenue leads in loss to ULB.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective	Notice should be issued to the assessor's on regular interval for recovery of outstanding dues.
	Action/Recommendation	
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:

S.N	Head	Comments																																						
1	Objective	Checking of payment made by ULBs to find out irregularities made during payment																																						
2	Criteria	Payment were checked on random basis																																						
3	Condition	We have checked following payment related to FY 2019-20 during audit:																																						
		<table border="1"> <thead> <tr> <th>S.N</th> <th>Name of Party</th> <th>Head</th> <th>Invoice Amount</th> <th>Approved Amount</th> <th>Date of Payment</th> <th>Audit Observations</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Ramashishsingh</td> <td>contractor</td> <td>3,11,870.00</td> <td>3,11,870.00</td> <td>07.01.2020</td> <td rowspan="5">No irregularity found</td> </tr> <tr> <td>2</td> <td>Sanojkumar</td> <td>contractor</td> <td>3,65,800.00</td> <td>3,65,800.00</td> <td>30.01.2020</td> </tr> <tr> <td>3</td> <td>Ajeetkumar</td> <td>contractor</td> <td>3,87,737.00</td> <td>3,87,737.00</td> <td>11.02.2020</td> </tr> <tr> <td>4</td> <td>Amitabkumar</td> <td>contractor</td> <td>3,41,318.00</td> <td>3,41,318.00</td> <td>17.03.2020</td> </tr> <tr> <td>5</td> <td>Sheetarkumar</td> <td>contractor</td> <td>4,27,089.00</td> <td>4,27,089.00</td> <td>30.03.2020</td> </tr> </tbody> </table>	S.N	Name of Party	Head	Invoice Amount	Approved Amount	Date of Payment	Audit Observations	1	Ramashishsingh	contractor	3,11,870.00	3,11,870.00	07.01.2020	No irregularity found	2	Sanojkumar	contractor	3,65,800.00	3,65,800.00	30.01.2020	3	Ajeetkumar	contractor	3,87,737.00	3,87,737.00	11.02.2020	4	Amitabkumar	contractor	3,41,318.00	3,41,318.00	17.03.2020	5	Sheetarkumar	contractor	4,27,089.00	4,27,089.00	30.03.2020
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5	Sheetarkumar	contractor	4,27,089.00	4,27,089.00	30.03.2020																																			





**(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:

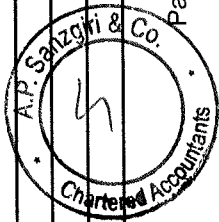
S.N	Head	Comments
1	<b>Objective</b>	Field survey and report of 20 high value properties of ULB and report on the basis of area of building, rate of property tax etc of the same. Comparison with the data of same property provided by the ULB and report on variance between them if available.
2	<b>Criteria</b>	Survey was done for 20 High value properties.
3	<b>Condition</b>	We have checked twenty high value assessed property and found no variances related to FY 2019-20 during audit. Details of such cases are given in <b>Annexure-2</b>
4	<b>Consequences/Effect</b>	No irregularities found
5	<b>Cause</b>	Not Applicable
6	<b>Corrective Action/Recommendation</b>	Not Applicable
7	<b>Management Comments</b>	Not Applicable

**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 ULB 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	Maintained	31.03.2020
8	Summary statement of deposit adjusted	Not Maintained	-



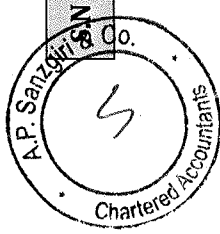
9	Demand Register	Maintained	31.03.2020
10	Summary Statement of Bills Raised	Not maintained	-
11	Register of Notice Fees, Warrant Fees, Other Fees	Not maintained	-
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	Not maintained	-
13	Register of Refunds, Remissions and Write off	Maintained in YojnaPanji	31.03.2020
14	Summary statement of Refunds and Remissions	Not maintained	-
15	Summary Statement of Write-offs	Not maintained	-
16	Statement of outstanding Liability for Expenses	Not maintained	-
17	Document Control Register/Stock Account Receipts/Cheque Book	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	Maintained in DCR	31.03.2020
21	Summary Statement of Refunds	Maintained in YojnaPanji	31.03.2020
22	Summary Statement of Write off	Not maintained	-
23	Grant Register	Maintained	31.03.2020
24	Summary Statement of status of Capital Work in Progress	Not Maintained	-
25	Work Sheet	Not Maintained	-
26	Deposit Works Register	Maintained	31.03.2020
27	Material Receipt Note	Not Maintained	-
28	Store Ledger	Not Maintained	-
29	Statement of Closing Stock	Not Maintained	-
30	Statement of Material Issued	Maintained	31.03.2020
31	BRS of all bank accounts (including dormant accounts)	Maintained	31.03.2020
32	Final Accounts	Not maintained	-
33	Audited Balance Sheet	Not maintained	-
34	Audited Income & Expenditure Account	Not maintained	-
35	Audited Receipts & Payment Account	Not maintained	-

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

COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS: During audit of Panchayat, we have noticed that no tenders were issued during audit period.

**DETAILS OF LOG BOOK MAINTAINED:**

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
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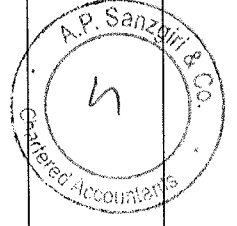
1	Tipper Magic (4)	Yes, Maintained	Updated	Insured	Not Maintained Properly
2	JCB (1)	Yes, Maintained	Updated	Not Insured	Not Maintained Properly
3	Sonaliika Tractor (1)	Yes, Maintained	Updated	Not Insured	Not Maintained Properly
4	Ferguson Massey Tractor (1)	Yes, Maintained	Updated	Not Insured	Not Maintained Properly

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

S.N	Direction issued by UDHD	Particulars of Circulars/Orders/Notice	Complied or Not
1	Gyapank No.- 2120; Dated- 24.04.2019	Shortage of Drinking water within municipality area Kind of steps taken by ULB to prevent this shortage	Complied
2	Gyapank No.- 2560; Dated- 23.05.2019	Necessary steps taken to prevent problem arises due to shortage of drinking water	Complied
3	Patrank Number: 2960; Dated-13.06.2019	Regarding Repair and Maintenance of Hand pump	Complied
4	Gyapank No.- 1497; Dated- 30.10.2019	Survey of "use of Ply ash and Bricks" and compliance of direction given in this regard . And availability of copy for compliance of direction for decision taken in the Meeting held in this behalf as on 26.09.2018.	Complied

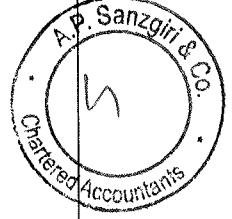
**(d) NON COMPLIANCE OF ACTS& RULES:**

S.N	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.	BMAR Rule No.- 22	<b>Refer point: Part-A (a) (2)</b> On an Average 4 to 27 days delayed and amount collected was in hand with Tax Collector.	<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, Tax collector and other municipal employees are entrusted to collect municipal revenue within municipality area.	
3	Whether the collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.	BMAR Rule No.- 27	Yes ,Tax Collector kept receipt book in his personal custody;	
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated stall of the Municipality.	BMAR Rule No.- 27	Yes, Daily Collection Register is verified by designated Officer of Council.	

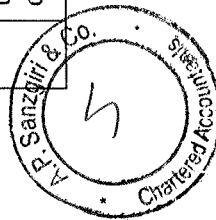




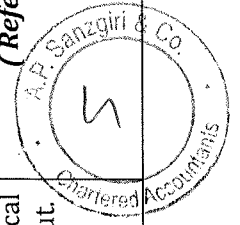
13	<p>Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter.</p>	<p>BMAR Rule No.- 121</p>	<p>The ULB was not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter.</p>	<p>(Refer Discussion Note)</p>
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)  b. Income &amp; Expenditure Statement for the year (BMAR Form No.73)  c. Balance Sheet as on 31st March of the year (BMAR Form No.74)  d. Significant accounting policies adopted by the Municipality in presentation of the financial statements.  e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly.  f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply</p>	<p>BMAR Rule No.- 122</p>	<p>Financial Statement has not been prepared by municipality.</p>	<p>ULB is not in practice to prepare Trial Balance, Income and Expenditure and Balance Sheet. It will be prepared after implementation of Double entry Accounting System.</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>	<p>BMAR Rule No.- 130</p>	<p><b>Refer PART-B (f)</b>  Amount of statutory dues has not been deposited on due date. Like TDS should be deposited 7<sup>th</sup> day of next month and same has been delayed.</p>	<p>(Refer Discussion Note)</p>



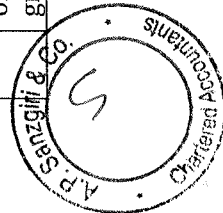
		<b>Refer PART-B (g)</b>	<b>( Refer Discussion Note)</b>
16	Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation.(BMAR Rule No.-130)	BMAR Rule No.-130	<b>[ Refer Discussion Note &amp; Audit Recommendation (4)]</b>
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated in sufficient detail.	BMAR Rule No.-130	No Trial balance is prepared hence classification of transaction was not done.
18	Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted.	BMAR Rule No.-130	Yes, recorded properly in grant register as well as in cash book , but no case of deduction was found.
19	Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created.	BMAR Rule No.-130	No special fund created.
20	Whether the ULB is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account.	BMAR Rule No.-130	There is no system developed to physically verify the existing assets.
21	Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	BMAR Rule No.-130	Yes, There exist an adequate Internal control system in purchasing of Stores etc.
22	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality's accounts; If so, the details thereof.	BMAR Rule No.-130	No such case was found during the period of Audit.
23	Whether the Bank Reconciliation statements have been property 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	<b>Refer Point-04 (III)</b> Yes. BRS of all existing bank a/c have been prepared. Remedial Action, rectification of entries has been made in proper order.

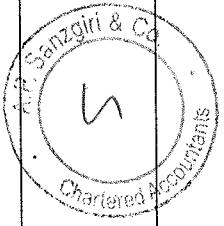


24	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules.	BMAR Rule No.-130	YES, Reconciliation Procedures have been carried out.	
25	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. Whether made originally or subsequently and in all cases such as are authorized by Act.	BMAR Rule No.-130	YES. Expenditure has been authorised by competent authority.	
26	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis.	BMAR Rule No.-130	<b>Refer-PART-A (a)(4)</b> Yes, Revenue has been properly assessed and collected but recovery procedure is slow.	<i>(Refer Discussion Note)</i>
27	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	<b>Refer-PART-A (a)(2)</b> Yes, amount due to and received by ULB have been brought in to books of accounts not within prescribed time limits.	<i>(Refer Discussion Note)</i>
28	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	
29	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> Books of Account are maintained except some Books of accounts.	<i>(Refer Discussion Note)</i>
30	Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores.	BMAR Rule No.-130	No such practices followed by ULB.	<i>(Refer Discussion Note)</i>
31	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	No physical verification is carried out.	It is considered and will be followed as per rule.
32	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	ULB did not maintained stock register properly and further periodical physical verification of stores also not carried out.	<i>(Refer Discussion Note)</i>

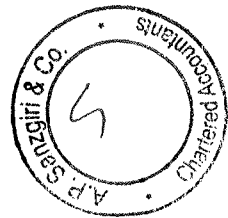


33	Whether the valuation of stores is in accordance with the accounting principles laid down in the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;	BMAR Rule No.-130	ULB did not follow the practice of valuation of stock.	<b>[ Refer Discussion Note &amp; Audit Recommendation(4 )]</b>
34	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the Interest and If not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	BMAR Rule No.-130	No loan given during F.Y.2019-20	ULB does not give any loan and advances. <b>( Refer Discussion Note)</b>
35	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130	No loan given during F.Y.2019-20	ULB does not give loan & advances to employees. <b>( Refer Discussion Note)</b>
36	Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Performa 75,77 and 80 Preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. Rule 132 regarding Public Participation in Preparation Of Budget. Moreover, as required under provisions of Rule 139, mid -year review of Budget.	BMAR Rule No.-132	Yes, budget has been prepared.	
37	<b>Municipal Fund:</b> Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	The required fund has not been created as per said chapter of act.	
38	<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 such case was found during Audit period.	
39	<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	Yes, Complied	Payment made out of budget provision. No such payments that is not covered by budget



40	<p><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:</p> <p><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.</p> <p><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,</p> <p><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,</p> <p><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.</p>		No fund has been invested by ULB as investment..	ULB does not follow the practices of investing its surplus amount.
41			Yes, the same is levied at specified rate.	
42			Receipt and Expenditure A/c has not been prepared;	<i>[Refer Discussion Note &amp; Audit Recommendation(4)]</i>
43			Financial Statement has not been prepared.	<i>[ Refer Discussion Note &amp; Audit Recommendation(4) ]</i>
44			Financial Statement has not been submitted.	<i>[Refer Discussion Note &amp; Audit Recommendation(4)]</i>
45	<p><b>As per section 127, 128, 129 &amp; 131 of chapter XV Bihar Municipal Act,2007 various tax are applicable on ULBs</b></p>		Refer-PART-A (4) for status of taxes not collecting by ULB	

	<p>Section 145,146 and 147 of the Bihar Municipal Act 2007 chapter XVII provides for Advertisement tax on Advertisement in Urban Areas. Chapter XVII of the Bihar municipal Act, 2007 required license of Advertisement of any holding, etc. As per act Every person who erects, exhibited, fixes or retain upon or over any land, building ,wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph),visible from a public street a public place in any location in a municipal area including airport or a port or a railway station ,shall pay or every advertisement, which is so erected ,exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement.</p>			
46	<p>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,</p>	<p>BMA,200 7: Chapter XIX</p>	<p><b>Refer-PART-A(a)(3)</b> Yes, Notice of demand issued but levy of Notice Fee is not followed currently.</p>	<p><b>( Refer Discussion Note)</b></p>
47	<p>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.</p>	<p>BMA,200 7: Chapter XXXVII</p>	<p>Yes, Trade licence Fees have been collected.</p>	



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

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

- a. Tax should be collected& deposited on timely basis as per BMAR Rules- As every tax collector takes 4 to27 days to deposit the same after collection
- b. ULB should follow Books of Account, Trial Balance, FAR, FS, and other records as per BMAR- Neither Trial Balance nor Financial Statement have been prepared by ULB.
- c. Stock register should maintain properly.
- d. ULB should maintain register in respect of outstanding taxes and statutory dues.
- e. NO MIS was prepared for tracking of payments.
- f. Appropriate staff is not appointed at appropriate place.

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

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

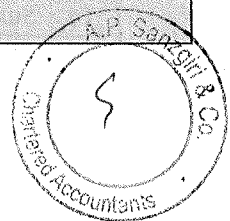
S.N	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/ Challan Number
1.	Ajitkumar	5,12,810.00	5128.00	07-10-19	Not Deposited till Audit Period	
2.	Sheetalkumari	4,82,369.00	4,824.00	07-10-19		
3.	Amitab Kumar	4,88,908.00	4,889.00	07-10-19		
4.	Nirvaykumar	7,44,967.00	7,450.00	07-10-19		
5.	Sunitadevi	8,74,619.00	8,746.00	07-10-19		
6.	Sheoduttasharma	9,30,663.00	9,307.00	07-11-19		
7.	Sheetarkumar	4,18,009.00	4,180.00	07-11-19		
8.	Amitabkumar	4,14,318.00	4,655.00	07-11-19		
9.	Ajeetkumar	5,14,028.00	5,140.00	07-12-19		
10.	Nirbhykumar	5,13,760.00	5,138.00	07-01-20		
11.	Ramashishsingh	3,11,870.00	3,119.00	07.02.2020		
12.	Sanojkumar	3,65,800.00	3,658.00	07.02.2020		
13.	Ajeetkumar	3,87,737.00	3,877.00	07.03.2020		
14.	Amitabkumar	3,41,318.00	3,413.00	07.04.2020		
15.	Sheetarkumar	4,27,089.00	4,271.00	07.04.2020		
	<b>TOTAL</b>	<b>7728265.00</b>	<b>77795.00</b>			

**2. DETAILS OF DELAY IN DEPOSIT OF VAT ARE MENTIONED BELOW:**

Not Applicable

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

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/ Challan Number
1.	Ramashishsingh	3,11,870.00	6,237.00	Not Deposited till Audit Period	
2.	Sanojkumar	3,65,800.00	7,316.00		

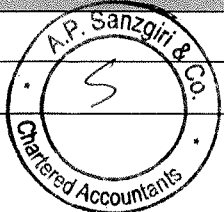


3.	Ajeetkumar	3,87,737.00	7,755.00	
4.	Amitabkumar	3,41,318.00	6,826.00	
5.	Sheoduttasharma	9,30,663.00	18,613.00	
6.	Sheetarkumar	4,18,009.00	8,360.00	
7.	Amitabkumar	4,14,318.00	9,311.00	
8.	Ajeetkumar	5,14,028.00	10,281.00	
9.	Nirbhaykumar	5,13,760.00	10,275.00	
10.	Ajitkumar	5,12,810.00	10,256.00	
11.	Sheetalkumari	4,82,369.00	9,547.00	
12.	Amitab Kumar	4,88,908.00	9,778.00	
13.	Nirvaykumar	7,44,967.00	14,899.00	
14.	Sunitadevi	8,74,619.00	17,492.00	
15.	Sheetarkumar	4,27,089.00	8,542.00	
	<b>TOTAL</b>	<b>7728265.00</b>	<b>155488.00</b>	

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

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/ Challan Number
1.	Ramashishsingh	3,11,870.00	3,119.00		Not Deposited till Audit Period
2.	Sanojkumar	3,65,800.00	3,658.00		
3.	Ajeetkumar	3,87,737.00	3,877.00		
4.	Amitabkumar	3,41,318.00	3,413.00		
5.	Sheoduttasharma	9,30,663.00	9,307.00		
6.	Sheetarkumar	4,18,009.00	4,180.00		
7.	Amitabkumar	4,14,318.00	4,655.00		
8.	Ajeetkumar	5,14,028.00	5,140.00		
9.	Nirbhaykumar	5,13,760.00	5,138.00		
10.	Ajitkumar	5,12,810.00	5,128.00		
11.	Sheetalkumari	4,82,369.00	4,824.00		
12.	Amitab Kumar	4,88,908.00	4,889.00		
13.	Nirvaykumar	7,44,967.00	7,450.00		
14.	Sunitadevi	8,74,619.00	8,746.00		
15.	Sheetarkumar	4,27,089.00	4,271.00		
	<b>TOTAL</b>	<b>7728265.00</b>	<b>77795.00</b>		

5. DETAILS OF DEPOSIT OF TDS ON GST 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	Ramashishsingh	3,11,870.00	6,237.00	10.02.2020	Not	
2	Sanojkumar	3,65,800.00	7,316.00	10.02.2020	Deposited	

3	Ajeetkumar	3,87,737.00	7,755.00	10.03.2020	till Audit	
4	Amitabkumar	3,41,318.00	6,826.00	10.04.2020	Period	
5	Sheoduttasharma	9,30,663.00	18,613.00	10-11-19	28-11-19	210774
6	Sheetarkumar	4,18,009.00	8,360.00	10-11-19	28-11-19	210774
7	Amitabkumar	4,14,318.00	9,311.00	10-11-19	28-11-19	210774
8	Ajeetkumar	5,14,028.00	10,281.00	10-12-19	19-01-20	210778
9	Nirbhykumar	5,13,760.00	10,275.00	10-01-20	19-01-20	210778
10	Ajitkumar	5,12,810.00	5,128.00	10-10-19	27-11-19	210773
11	Sheetalkumar	4,82,369.00	5,813.00	10-10-19	27-11-19	210773
12	Amitab Kumar	4,88,908.00	9,778.00	10-10-19	27-11-19	210773
13	Nirvaykumar	7,44,967.00	14,899.00	10-10-19	27-11-19	210773
14	Sunitadevi	8,74,619.00	17,492.00	10-10-19	27-11-19	210773
	<b>TOTAL</b>	<b>7301176.00</b>	<b>138084.00</b>			

**5. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:**

During the audit we have observed that no TDS returns has been filed during the financial year 2019-2020

**(g) DEFICIENCY IN PAYROLL SYSTEM:**

S.N	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/Contract worker)	Maintained
2	Non availability of Salary payment voucher	Available
3	Matching of voucher number with cash book	Matched with cash book
4	Salary register contains all elements of salary	Maintained
5	Maintenance of Salary Deduction register	Maintained
6	Whether deduction of PF/ESI made from contract employee	Not deducted
7	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	Biometric device is implemented but salary process through manual basis

**DETAILS OF DELAY OF DEPOSIT OF EPF:**

**Contract & Permanent Employee:**

During audit of Panchayat we have observed that no amount of PF has been deposited to EPF A/C during financial year 2019-2020. EPF deduction details are not provided by ULB during audit. **(Kindly refer attached discussion note).**

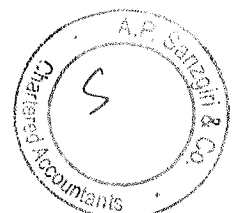
**(h) UTILISATION OF GRANT AND REPORT ON UTILISATION CERTIFICATES**

**STATUS  
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)**

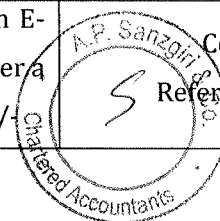
(j) Advances, their adjustment & recovery: Refer point 35-36 PART-B (d), ULB did not give

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(b)
B	Auditor should Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any in-consistencies in assessment. At least 20 high value properties in the city /town (irrespective of the fact that SAS is received or not) must be surveyed and checked in each quarter and reported variations, if any, in PTRs and Actual as per internal audits;	Complied 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(c)
	<b>Rule 22:</b> All moneys to be brought to account	
	<b>Rule 27:</b> Collections to be deposited into Bank on the same day	
	<b>Rule 69:</b> Grant Related Compliance	
	<b>Rule 120-121:</b> Monthly Receipt & Payment Account and Trial Balance	
	<b>Rule 130:</b> 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(b)
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)(a)
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)(a)
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(c)
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 was compiled by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.	Complied Point-03 of Detailed Audit Report



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

##### RISK ASSESSMENT

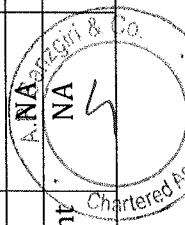
SN	Observations	Risk Rating	Design Gap	System Gap	Operating Gap	Management Comment	Auditor Recommendations
<b>DEMAND GENERATION</b>							
1	Loss of Revenue due to under assessment/ wrong generation of demand	NA	NA	NA	NA	NA	NA
2	Collusion with citizen regarding assessment	NA	NO	NO	NO		
3	Non-updating 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					

##### **RECEIPT AND BANKING**

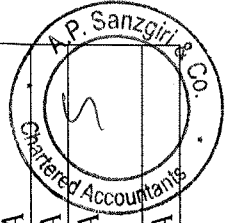
1	Error in collections, loss of receipts and perpetrated frauds					It will be rectified very soon.	It is recommended that ➤ Collection must be in timely manner ; ➤ Amount collected must be deposited without making any delay ➤ And Regular check by competent authority to mitigate any type of fraud in this regard.
2	Non-updating various register like hand book, DCB register, cash book, etc.	H	NO	NO	YES		
3	Collusion with the citizen and the ULBs staff to make wrong assessments of income	M	NO	YES	NO	We have shortage of skilled employees and due to this we are facing problem like this.	The various register like DCB, hand book Cash Book etc. should be maintained on real time basis.
4	Others	NA	NA	NA	NA		

##### **REVENUE EXPENDITURE**

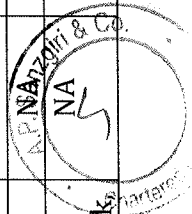
1	Error in Over Payment	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA
3	Loss of authentication	A NA	NA	NA	NA	NA	NA
4	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA



	Non-updating various register like billregister with payment figureetc.	M	NO	YES	NO	We have shortage of skilled employees and due to this we are facing problem like this.	Billregister etc. should be maintained on real time basis.
6	Others	NA	NA	NA	NA	NA	NA
<b>ESTABLISHMENT EXPENDITURE</b>							
1	Error in Over Payment	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA
4	Collusion with Employee	NA	NA	NA	NA	NA	NA
5	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA
5	Non-updating various register like billregister with payment figureetc.	M	NO	YES	NO	We have shortage of skilled employees and due to this we are facing problem like this.	Billregister etc. should be maintained on real time basis.
6	Others	NA	NA	NA	NA	NA	NA
<b>CAPITAL EXPENDITURE</b>							
1	Error in Over Payment	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA
4	Collusion with Contractor	NA	NA	NA	NA	NA	NA
5	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA
6	Non-updating various register like workregister, MB, bill register, Fixed Assetsregister, Service book/record, advanceregister, etc.	M	NO	YES	NO	We have shortage of skilled employees and due to this we are facing problem like this.	Workregister, MB, bill register, Fixed Assetsregister, Service book/record, advanceregister, etc. should be maintained on real time basis.
7	Others	NA	NA	NA	NA	NA	NA
<b>PROCUREMENT AND INVENTORY</b>							
1	Error in Over Payment	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA
3	Loss of authentication/ Procedural Error	NA	NA	NA	NA	NA	NA
4	Collusion with Employee	NA	NA	NA	NA	NA	NA

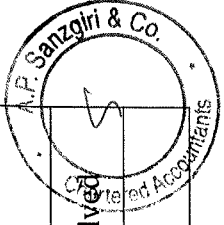


5	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register likes Store register, issue register, bill register with payment fig., advance register, etc.	M	NO	YES	NO			We have shortage of skilled employees and due to this we are facing problem like this.	NA	Store register, issue register, bill register with payment fig., advance register, etc. should be maintained on real time basis.
7	Others	NA	NA	NA	NA	NA	NA		NA	NA
<b>GRANT AND LOANS AND UTILIZATION THEREOF</b>										
1	Not utilization of grant or grant unspent	M	NA	NA	NA	NA	NA	YES	Will utilize in next period.	Grant must be fully utilized during specified period as per guidelines.
2	Not furnishing of UC	H	NA	NA	NA	NA	NA	YES	Will provide in next time.	UC must be furnished on time as per specified guidelines and format.
3	Non fulfillment of condition part thereto	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Perpetrated fraud (Like payment more than one time same contractor)	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Non-updating various register like grant register, work register, bill register with payment fig., advance register etc.	H	NA	NA	NA	NA	NA	YES	Will maintain from next time.	Grant register, work register, bill register with payment fig., advance register etc. must maintain.
6	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>FIXED DEPOSIT AND INVESTMENT</b>										
1	Not deposited at appropriate time (loss of revenue)	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of Investment certificate	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Non fulfillment of condition part thereto	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with bank officials to invest at lower rate	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Deposit into Current account	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register like investment register, Bank books,	NA	NA	NA	NA	NA	NA	NA	NA	NA

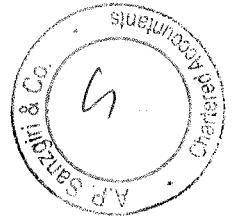


	cashbook, etc.											
7	Other	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>UNAUTHORIZED ADVANCE</b>												
1	Unauthorized release of advance	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Release of advance beyond authority	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Non-adjustment of loan or advance during the year	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with employee/party to release advance/loan beyond authority	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
6	Non-updating various register like Loan & advance, Bank book, cash book, etc.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7	Other	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

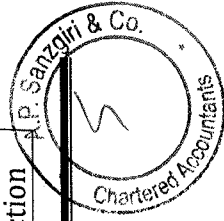
<b>LIST OF IMPORTANT REGISTERS</b>												
<b>Nagar Panchayat Tekari</b>												
<b>COMPLIANCE REPORT NOT PREPARED</b>												
SN	Particulars	Audit Observation	Associates Risk	Management Comment	Status (Resolved or not)							
1	Cash Book	Maintained	NA	NA	NA							
2	Ledger	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved							
3	Journal	Not Maintained	HIGH	Will be maintained from upcoming year.								
4	Register 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	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved							
7	Cheque Issue Register	Maintained	HIGH	NA	NA							



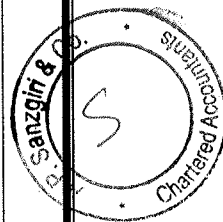
8	Register of Remittances made into bank	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved
9	Bank Passbook	Maintained	HIGH	NA	NA
10	Register of Bank drafts dispatched	Maintained	HIGH	NA	NA
11	Bill Register	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved
12	Establishment Register	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved
13	Stock Register	Maintained	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	Maintained	NA	NA	NA
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	NA	NA	NA	NA
21	Dispatch Register	Maintained	NA	NA	NA
22	File Register	Not Maintained	HIGH	Will be maintained from upcoming year	NA
23	Any other (Name of the register)	NA	NA	NA	NA



CASH AND BANK						
Nagar Panchayat Tekari						
HIGH						
COMPLIANCE REPORT NOT PREPARED						
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,	Bank Reconciliation Statements are not prepared by the ULB hence we are not able to comment on it.	NA	NA	NA	NA
4	Whether cheque issue register are matched with cash book	Yes, it is matched with cash book.	NA	NA	NA	NA
5	Whether proper steps has been taken for dishonored cheque, it was realized in cash or not,	No such cases observed during the Audit period.	NA	NA	NA	NA
6	Whether Bank Reconciliation has been made for each account, verify the status of BRS, (attached BRS as annexure )	Bank reconciliation statement has not prepared by ULB on regular basis. However there is no	NA	NA	Will be prepared from upcoming year.	Should be prepared to trace whether transaction



									accurately recorded in books of accounts or not.
7	Check whether no any fraud payment or payment to other person has been made,	No such case found payments selected for audit	NA	NA	NA	NA	NA	NA	NA
8	Whether bank statement for all account have been promptly received from bank.	Bank statement of every bank is not received by ULB on timely basis. As a result of this bank reconciliation statement has not been prepared timely.	NA	NA	NA	NA	Will be prepared from upcoming year.	Should be prepared to trace whether transaction accurately recorded in books of accounts or not	Need to make statement file for each bank account
9	Number of Bank account maintained	09 bank accounts are maintained.	NA	NA	Medium	NA	Will issue instructions to staff to collect monthly statements from bank	Need to make statement file for each bank account	Need to be maintained
10	Original copy of cancelled receipt is attached with duplicate copy with "CANCELLED" marked on it.	Not Maintained	NA	NA	High	NA	It will be implemented now onwards	Need to be maintained	NA
11	Liability for stale cheques account review is done and necessary reversal entries are passed	Done	NA	NA	NA	NA	NA	NA	NA
12	Any other	NA	NA	NA	NA	NA	NA	NA	NA

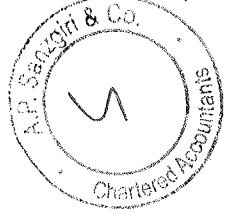


PUBLIC WORKS						
	Nagar Panchayat Tekari					
	HIGH					
	COMPLIANCE REPORT NOT PREPARED					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether bill has been prepared as per actual measurement & page no. of the MB in which detailed measurement 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

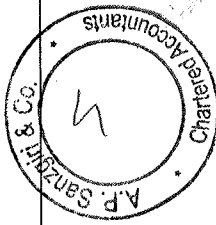




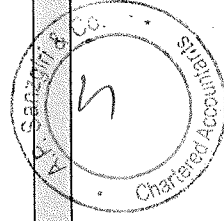
Cash Book						
NAME OF THE ULB		Nagar Panchayat Tekari				
RISK RATING:		HIGH				
COMPLIANCE REPORT NOT PREPARED						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether Opening Balance & Closing Balance was worked out or not,	Yes	NA	NA	NA	NA
2	Whether posting of receipt & payment side of cash book are properly maintained & it was matched with proper evidence like Receipt Voucher, Cheque issue Register, Bank Statement, etc.,	Posting of transactions in receipt side of cash book is not proper. It is observed that receipt amount like interest, holding taxes or any other nature of income received has been accumulated and posted in cash book.	NA	HIGH	It will be followed as per Accounting Rule of Bihar Municipal Accounting Rule	No
3	Whether posting in on daily basis.	Audit is done after September, 2019 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,	Kindly refer Annexure-1 Attached with report.				
6	conduct physical verification of cash and report heavy cash balance if any	ULB did not physically verify Cash.		LOW	We will put the matter before board and follow accordingly.	No
7	Any Other					



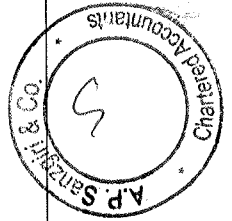
Collection						
	Nagar Panchayat Tekari					
	HIGH					
	COMPLIANCE REPORT NOT PREPARED					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether collection procedure are as per guidelines/direction of ULB,	No, Further collection is not deposited in to bank on same day.		High	We will follow the policy now onwards.	Not Resolved
2	Whether collections are made on the basis of Demand & Collection Register ,	Yes	NA	NA	NA	NA
3	Whether collection are made in the same receipt Vouchers which has been issued/ authorized by ULB/ state government & it should be clearer mentioned of different head & not any alteration, & the carbon copy of receipt vouchers are properly vouched so that no any variation in posting the same.	Yes	NA	NA	NA	NA
4	Whether collections are bifurcated in different heads as required,	Yes	NA	NA	NA	NA
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-I attached with this report	NA	High	We will follow Bihar Municipal Act now onwards.	No



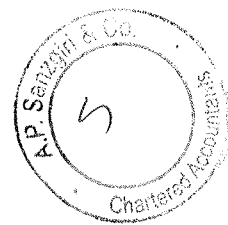
8	Whether no any collection are directly expended without prior approval,	No such instances found during the audit.	NA	NA	NA	NA
9	Whether collections are made by all the holding fall under the same TC or Civics Centre	No such type of records is maintained at ULB Level.	NA	Medium	NA	No
10	Whether government share of collections (like Education Cess & Health Cess) are properly & timely deposited in its own account, (if applicable)	NA	NA	NA	NA	NA
11	Whether there is any short/non collection or short deposit or not deposit	Yes, property tax is not collected from all households	NA	Medium	We will look in to this.	No
12	Whether penalty (@2% P.M/ 1.5%) has been duly charged on late payment.	We have checked transactions on random basis and it is found that 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 after duly sanction or without sanction.	NA	NA	NA	NA
16	Whether any immediate steps has been taken or not for cheque dishonored received	No such cases found during audit	NA	NA	NA	NA
17	Whether reversal of payment has been made for any dishonored cheque	No such cases found during audit	NA	NA	NA	NA



NAME OF THE ULB		NAGAR PANCHAYAT TEKARI				
RISK RATING:		HIGH				
NAME OF TAX COLLECTOR						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Ensure whether closing balance of previous year is accurately brought forward,	Yes, brought accurately from previous year to current year.	NA	NA	NA	NA
2	Whether determination of demand is on manual or computerized way, & it would be as per updated rules, regulation, guidelines & other required details for proper calculation,	Manual cum computerized. As per requirement.	NA	NA	NA	NA
3	Whether data for calculation is correct & properly verified by appropriate authority/ Internal Auditor by way of physical survey,	It is found that for calculation of property tax, area of property or use of property, is on the basis of physical survey.	NA	NA	NA	NA
4	Whether revision of valuation of holding properly made after specified period	ULB not revised its valuation method after specified period. As a result of this ULB suffering revenue loss for not revising method of valuation.	NA	High	We will look in to this matter.	No
5	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	Yes, in case of taxes remission/discount is given to households but there is no mechanism to trace that this refund or remission was given after duly sanction or without section.	NA	NA	NA	NA

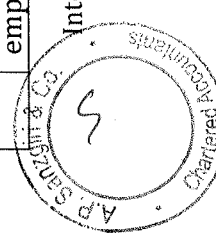


6	Ensure whether there is any clerical error in calculation,	We have checked some cases on random and such instances not found.	NA	NA	NA	NA
7	Whether demand register in prescribed format is maintained or not,	Not Maintained	NA	Medium	NA	We will maintain it now onwards.
8	Whether persons involve in calculation/collection have knowledge of their responsibility.	Yes, but they do not have knowledge of BMAM and BMAR	NA	NA	NA	We will conduct training for the same and trained them accordingly.
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	NA	Due to lack of staff, it is not possible to allot this task to multiple members.
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	NA	We look in to this matter and resolve the same very soon.
12	Whether notice for demand has been made in prescribed format (As Per BMAR) & as per rules & regulations,	We found ULB is not in a regular practice to send notice of demand to concerned property holder to recover dues from them.	NA	High	NA	We look in to this matter and will be send notice to concern person for the same.
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
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	NA	Due to lack of staff, it is difficult to maintain on daily basis.

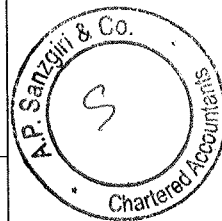


15	Whether there are adequate safeguard on data has been operated or not,	Yes	NA	NA	NA	NA
16	Whether self assessment property tax return for payment of property tax has been filed by the assessee in the prescribed format,	We have checked transactions on random basis and it is found that SAF is implemented.	NA	NA	NA	NA
17	Whether there is any collusion with customer/holding w.r.t. assessment, payment, etc.	No such instances found	NA	NA	NA	NA

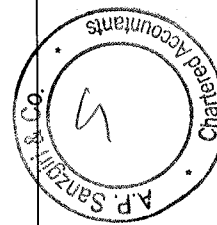
<b>ESTABLISHMENT</b>						
	<b>NAME OF THE ULB</b>	<b>NAGAR PANCHAYAT TEKARI</b>				
	<b>RISK RATING:</b>	<b>HIGH</b>				
<b>S/N</b>	<b>Particulars</b>	<b>Audit Observation</b>	<b>Amt. Involved</b>	<b>Associates Risk</b>	<b>Management Comment</b>	<b>Status (Resolved /Not)</b>
1	Whether establishment expenditure is sanction 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,	Not Maintained.	NA	High	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	Medium	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 practice followed by ULB	NA	Medium	Practice will be followed in near future.	No
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	NA	NA	NA
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
26	Personnel Files	Not produced before us	NA	NA	NA	NA



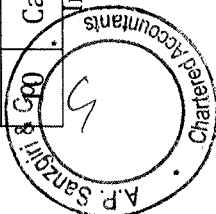
		during audit					
27	Training of employees (including development Levy)	Skill	No such practice at ULB	NA	Medium	Training for capacity building of employees will be implemented in near future.	No
28	Leave Register - To check whether a leave register is maintained as per types of leave as medical Leave/CL/EL/maternity/paternity leave.		Yes	NA	NA	NA	NA

GRANT							
NAGAR PANCHAYAT TEKARI							
HIGH							
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)	
1	Maintenance/Update registers regarding detail of funds received and expenditure.	Grant register maintained by ULB.	NA	NA	NA	NA	
2	Any diversion/re-appropriation of funds not covered under the provision of BMA, 2007 should be pointed out for remedial action.	No such case found	NA	NA	NA	NA	
3	To check whether utilization certificate is for actual utilization of funds received	No such UC submitted during this audit period.	NA	HIGH	We are working on it and will be submit after completion of it.	No	
4	It should also be checked that utilization certificate is issued as per prescribed time frame given in the Manual and issue of UCs is not delayed	No such UC submitted during this audit period.	NA	HIGH	We are working on it and will be submit after completion of it.	No	



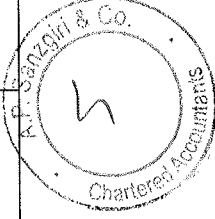
5	Internal Auditor should also check whether expenditure incurred on each activity does not exceed the budget.	We have check and found no expenditures exceeds to its budgets.	NA	NA	NA	NA	NA
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PAYMENT OF BILLS OF CONTRACTORS							
NAGAR PANCHAYAT TEKARI							
HIGH							
S/N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)	
1	Original bill duly signed by contractors is submitted.	We have checked this on random basis and it is found ok.	NA	NA	NA	NA	
2	Contractor has put his initials in all cuttings and corrections in the bill.		NA	NA	NA	NA	
3	All Supporting documents are attached with the bills.		NA	NA	NA	NA	
4	The rates, security deposit and deductions are as per terms and conditions specified in the agreement		NA	NA	NA	NA	
5	The variations in quantities and completion period etc. have been authorized by the competent authority		NA	NA	NA	NA	
6	Job completion certificate has been processed by the dealing assistant.		NA	NA	NA	NA	
7	Bills passed for payment are as per rules & T & C of Tender.		NA	NA	NA	NA	
8	All terms and conditions of the contract are fulfilled before passing the bills.		NA	NA	NA	NA	
9	Every final bill is checked in detail with measurement books.		NA	NA	NA	NA	
Cash/Bank Vouchers to be checked for authorization							

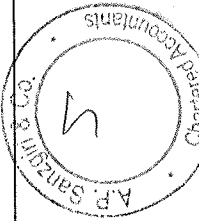


	etc.							
11	Overall review of the books of accounts.			NA	NA			NA
12	Position of outstanding advances paid to suppliers/ contractors.			NA	NA			NA

RECEIPT VOUCHER								
NAGAR PANCHAYAT TEKARI								
NAME OF THE ULB								
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		NA
2	➤ Check;		NA	NA	NA	NA		NA
3	○ What is the date of printing,	Dates written manually	NA	NA	NA	NA		NA
4	○ What quantity of serial number was printed out,	Not produced	NA	NA	NA	NA		NA
5	○ What is the date of dispatched, quantity of receipt vouchers & their serial number;	Not produced	NA	NA	NA	NA		NA
6	○ Log book/ Register maintained at printing press regarding printing of "Receipt Vouchers".	Maintained	NA	NA	NA	NA		NA
7	Verify that "Receipt Vouchers" received & their storing, having same quantity & serial numbered which was actually dispatched & proper recording of the same along with issue,	Yes	NA	NA	NA	NA		NA

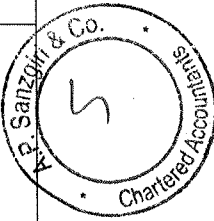


8	Verify Log book/ Register maintained at every collection centre & cash counter with regard to receipt & return quantity & serial number,	Yes	NA	NA	NA	NA	NA
9	Verify the log book/ Register of 'Receipt Vouchers' & cross verified the allotments to TC(Log Book) with their date of issue, serial number, name of TC & their circle	Yes	NA	NA	NA	NA	NA
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
11	Check that there should be proper recording at each stage (where authority has been changed) of log book/ register for issue/receipt of "Receipt Vouchers",	Yes, the same has been maintained.	NA	NA	NA	NA	NA
12	Confirm that all unused "Receipt Vouchers" are under the custody of authorized person,	Yes, under the custody of store keeper.	NA	NA	NA	NA	NA
13	Verify that any cancelled vouchers have in both original & carbon copy,	No such case observed.	NA	NA	NA	NA	NA
14	Verify whether reversible carbon has been used during receipt.	Yes	NA	NA	NA	NA	NA
<b>Other Revenue</b>							
1	Advertisement Tax	ULB is not in a practice to collect it.	NA	NA	NA	NA	NA
2	Tower Tax	ULB has huge outstanding balance to recover and recovery procedure followed is slow.	9.41 lakh	High	We will implement necessary step very soon.	No	No
3	Professional Tax						
4	Assigned Revenue (As details annexed)						



5	Rental Charges (As details annexed)	ULB has huge outstanding balance to recover and recovery procedure followed is slow.	0.51Lakh	High	We will implement necessary step very soon.	No
6	Fee & uses Charges (As details annexed)					
7	Other Revenue Items	ULB has huge outstanding balance to recover and recovery procedure followed is slow.	0.31 Lakh	High	We will implement necessary step very soon.	No

REVENUE EXPENSES						
NAGAR PANCHAYAT TEKARI						
HIGH						
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	Medium	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



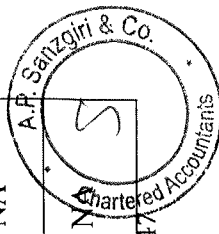
4	Whether there is bifurcation of responsibility towards person making payment & person preparing MB, receipt of goods, maintenance of Payment file, etc.,	Yes, the hierarchy is maintained toward contracts work assigned.	NA	NA	NA	NA
5	Whether updation of accounts/books are on proper & timely basis,	No	NA	Medium	NA	Due to lack of human resources the same issues has been arise.
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,	NA	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,	NA	NA	NA	NA	NA
14	Whether payment has to be made after confirmation from store,	No such type of practice followed.	NA	Medium	NA	Will follow in future.
15	Whether payment for repairs, etc, has to be made on the basis of logbook maintained,	No such type of practice followed.	NA	Medium	NA	We have make



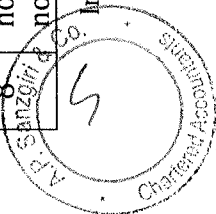
						payment on the basis of bill raised by service provider	
16	Whether payment are as per defined approval level sanctioned u/s 75 of BMA,2007,	No such case observed during Audit period.	NA	NA	NA	NA	NA

STATUTORY REQUIREMENT								
	NAGAR PANCHAYAT TEKARI							
	HIGH							
S.N	NAME OF THE ULB	RISK RATING:	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

Internal Audit Report



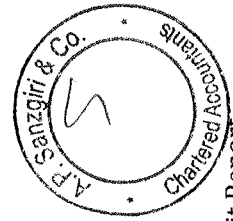
TENDER DETAILS								
NAGAR PANCHAYAT TEKARI								
HIGH								
S.N	NAME OF THE ULB	RISK RATING:	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1			To check whether the provisions contained in Tender Advertisement for procurement were followed in award of contracts.	Yes, there is no deviation found	NA	NA	NA	NA
2			To check that the time/date of receipt and opening of tenders was properly incorporated in the tender documents.	Yes	NA	NA	NA	NA
3			The important guidelines relating to earnest money, delivery schedule, payment terms, performance warranty / guarantee, inspection, arbitration, liquidated damages/penalty for delayed supplies, purchase on risk and cost were incorporated in the tender documents for safeguarding the interest of corporation.	Yes	NA	NA	NA	NA
4			The purchase proposal was approved by the competent authority as per delegation of powers	Yes	NA	NA	NA	NA
5			Indent for purchase indicates the details of quantity required, last purchase rate, period for which stores are needed and name of consignee.	Yes	NA	NA	NA	NA
6			Approval of mode of procurement	Yes	NA	NA	NA	NA
7			The tender documents are prepared properly and description of items to be procured, quantity and estimated value should be indicated.	Yes	NA	NA	NA	NA
8			To check whether the direction were followed for notification/advertising and opening of bids at notified date, time and place in the presence of	Yes, direction in this regard followed by ULB	NA	NA	NA	NA



	bidders.								
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	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	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 award contract to lowest bidder.	NA	NA	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	NA	NA
13	To check whether articles werereceived/work was completed in time as per delivery schedule.	Yes	NA	NA	NA	NA	NA	NA	NA
14	The stores/goods are properly recorded in the Stock Registers /Asset Register.	Yes	NA	NA	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	NA	NA



VEHICLE LOG BOOK							
	NAGAR PANCHAYAT TEKARI						
	HIGH						
S.N	NAME OF THE ULB	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,	Yes	NA	NA	NA	NA
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

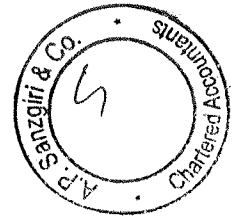


Internal Audit Report

FIXED ASSETS								
NAGAR PANCHAYAT TEKARI								
HIGH								
S.N	NAME OF THE ULB	RISK RATING:	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 in next time.	No
7			Asset Replacement Register is properly maintained asset class- wise		NA	High	Will follow in next time.	No



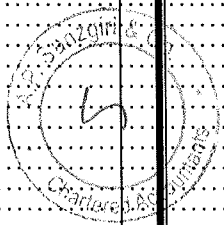
Others						
NAME OF THE ULB		NAGAR PANCHAYAT TEKARI				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
<b>Register of Mutation</b>						
1	All permanent changes made in the assessment of buildings and lands have been recorded 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.	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**

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

We will deposit on prescribed due date from next time.



**Implication/ Risk**

HIGH

**Recommendation**

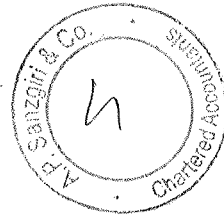
**Management Comments**

Person Responsible:

Timeless:

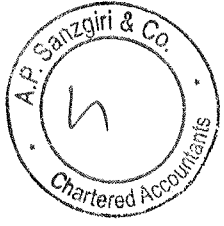
**INTERNAL AUDIT REPORT FOR F.Y 2019-20**  
**ULB-NAGAR PANCHAYAT TEKARI**  
**ANNEX-1 REPORT ON LATE DEPOSIT OF PROPERTY TAX**

S.N	Serial Number		Amount of Tax	Date of Collection as per Receipts Book	Amount Deposited with Cashier	Delay in Deposit with Cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To						
1	826	843	39,085.00	01.01.2020-15.01.2020	39,085.00	0	28.01.2020	13-27
2	844	902	49,546.00	16.01.2020-31.01.2020	49,546.00	0	12.02.2020	12-26
3	903	918	63,270.00	01.02.2020-15.02.2020	63,270.00	0	25.02.2020	10-24
4	919	929	59,859.00	16.02.2020-29.02.2020	59,859.00	0	06.03.2020	05-20
5	930	947	34,185.00	01.03.2020-15.03.2020	34,185.00	0	20.03.2020	04-19
6	948	963	17,417.00	16.03.2020-31.03.2020	17,417.00	0	08.04.2020	07-22

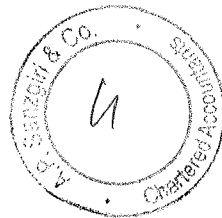


**INTERNAL AUDIT REPORT FOR F.Y 2019-20**  
**ULB-NAGAR PANCHAYAT TEKARI**  
**ANNEX-2 REPORT ON FINDINGS OF FIELD SURVEY OF PROPERTY TAX OF MINIMUM 20 HIGH VALUE PROPERTIES:**

S.N	Holding Name	W.N	H.N.	Type of Use of Property		Area of Property		Tax Amount		Remarks	
				As per Tax Collector	As per Auditor	As per Tax Collector	As per Auditor	As per Tax Collector	As per Auditor		Difference
1	Bhola Prasad	12	102	Commercial	Commercial	2154	2154	1061	1061	-	-
2	Saryu Prasad	13	141A	Residential	Residential	2100	2100	926	926	-	-
3	Siya Mani Devi	13	154C	Residential	Residential	2100	2100	926	926	-	-
4	Neelam Singh	13	67A	Commercial	Commercial	6010	6010	1905	1905	-	-
5	Rama Shankar Singh	13	84A	Residential cum Commercial	Residential cum Commercial	1200	1200	1443	1443	-	-
6	Dev Kaliya Devi	6	133A	Residential	Residential	44000	44000	2097	2097	-	-
7	B. D. O Tekari	13	206	Other	Other	44745	44745	58332	58332	-	-
8	Post Office	11	75	Commercial	Commercial	30084	30084	145458	145458	-	-
9	Sub Registry Office Tekari	6	210/301	Commercial	Commercial	5232	5232	30026	30026	-	-
10	Matri Torn Middle School Tekari	6	210/305	Commercial	Commercial	49268	49268	298360	298360	-	-
11	Narayan Singh	13	30	Commercial	Commercial	678	678	1163	1163	-	-



12	Sub Inspector Quarters Pwd	13	210B	Commercial	Commercial	Commercial	1308	1308	-	137528	137528	-	-
13	Thakur Bhubaneswar Nath High School Tekari	11	2/2	Commercial	Commercial	Commercial	120024	120024	-	172292	172292	-	-
14	Kedar Nath Singh	13	30	Commercial	Commercial	Commercial	1063	1063	-	1163	1163	-	-
15	Mahadev Sav	13	37	Commercial	Commercial	Commercial	1650	1650	-	1070	1070	-	-
16	Thakul Ji Sevayat	13	1	Commercial	Commercial	Commercial	880	880	-	1394	1394	-	-
17	Tulsi Mishra	13	33A	Residential cum Commercial	Residential cum Commercial	Residential cum Commercial	1850	1850	-	1662	1662	-	-
18	Vijay Narayan Vegarah	13	21	Commercial	Commercial	Commercial	816	816	-	1293	1293	-	-
19	KanhaiyaPaswan	13	53	Residential cum Commercial	Residential cum Commercial	Residential cum Commercial	884	884	-	1236	1236	-	-
20	Ram Balk Singh	13	55	Commercial	Commercial	Commercial	3869	3869	-	1058	1058	-	-



**DISCUSSION NOTE**

**Tekari Nagar Panchayat**

**Letter No- 03 Dated: - 12-12-2019**

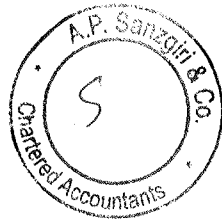
**To,  
The A P Sanzgiri & Co.  
Chartered Accountants**

**Sub: Regarding confirmation of documents not maintained and management comment in audit report for f.y 2019-20 (Quarter-1)**

**Dear Sir,**

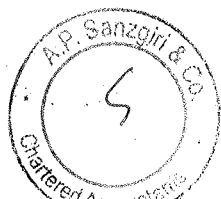
It is informed you that as per your requirement of documents, information and data for the internal audit of FY 2019-20, status is as follows:

S. N.	Audit Observation	Management Comment
1.	Comment from Management section of Executive Summary	It is under process and management will take necessary measures to avoid their recurrence in future.
2.	A.G Compliance Report	It is under process and management will submit as soon as possible
3.	Status of Implementation of DEAS	M/s Sarkar Gurumurthy & Associates has been appointed for double entry system but from f.y 2016-17 no account entry has been made.
4.	Status of Municipal Accounts Committee	Municipal Accounts Committee has not been Constituted till date.
5.	Advance Register	ULB is not in practice of providing advance. Hence advance register not maintained at ULB level and therefore we are not able to produce the same to you during audit.



*21/12/2019*  
कार्यपालक पदाधिकारी  
तेकरि नगर पंचायत - टिकारी

6.	Status of outstanding taxes	Register for outstanding dues are not mentioned at ULB hence we are not able to provide details during audit.
7.	Outstanding Statutory Dues	Register for outstanding statutory dues are not maintained at ULB level hence we are not able to produce details related to Outstanding.
8.	Physical Verification of Stores/ Inventory	ULB is not maintaining store register properly, hence we are not able to produce it during the audit. Apart from that Management will follow to conduct physical verification of stores at reasonable intervals.
9.	Status of use of grant as per default allocation	Other than 5 th SFC no directives/guidelines/instructions is issued by department to allocate scheme in Salary, Water Supply & Nali Gali etc
10.	Procurement Register	We are not maintaining procurement register hence it is not produced before you for audit.
11.	Directive/instructions/guidelines issued by UD&HD	No directives/guidelines/instructions issued by department during this period hence we are not able to comment on the same.
12.	Advertisement Tax	ULB is not in practice of providing and collecting advertisement tax.
13.	Non-Maintenance of books of accounts, subsidiary registers	ULB's relevant books of accounts & subsidiary registers is under process of maintenance and it will be updated at earliest.
14.	Non-levy of taxes	We do not have any directives/guidelines/ instructions Issued by department for implementing of taxes in respect of Water tax, Fire tax, Development charges, Garbage Clearance, Solid Waste Management. In respect of Surcharge on Electricity Consumption within the municipal area ULB is not responsible for levy of taxes (letter of copy is attached). There is no congregation and tourist place in tekari therefore no taxes is levied on it.
15.	Lack of internal control measures: 1. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 3 to 4 Months.  2. ULB has not maintained register in respect of outstanding taxes and statutory dues.	1. ULB will make effort to reduce the gap noticed in collection of tax and deposit of tax around 3 to 4 months. 2. ULB will maintain register of outstanding taxes and Statutory dues as well.
16.	Notice Fee	Currently not collecting but it will be consider and collected accordingly
17.	Excess payment against bill,	Required data has been provided to internal audit teams.



	lack of prudence in payment against voucher, inefficiency in controls resulting loss to ULBs	
18.	Details of delay of deposit of EPF	ULB has not deposited amount of PF in respect of permanent employee to EPFO A/C. Further in respect of contractual employee no amount of PF has been deducted and therefore not deposited to EPFO A/C
19.	Tax deduction	It is under process and all taxes i.e Commercial Tax, Income Tax etc will be deposited to the respective department as soon as possible.



21/12/2019  
 कार्यपालक पदाधिकारी  
 पंचायत - टिकारी

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Tekari Nagar Panchayat

Discussion Note

Date: 11.02.2020  
Tekari Nagar Panchayat  
with  
AP Sangziri & Co.  
(Chartered Accountants)

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

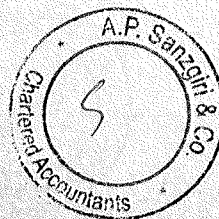
S.N.	Auditor observation	Management comment
1	Non Levy of taxes in IAR I. PART A (a)1	Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible.
2	Late deposit of property tax	Property taxes deposited late due to some problems. Instructions given to tax collector in this respect and it will be collected as per Act.
3	Notice fee Collection	Currently not collecting but it will be collected as soon as possible.
4	Not prepared Payment voucher	Due to lack of revenue staff but It will be prepared as soon as possible .
5	Non-maintenance of books of accounts as per para ii-PART B (a)	Due to lack of qualified staff we could not maintain books of accounts. It will be done from now.
6	AG Compliance report	It is under process and will be submitted very soon.
7	Royalty not deposited & TDS on GST not deposited.	It will be deposited.
8	Labourcess & TDS not deposited.	It will be deposited.
9	Directive/Circular issued during Quarter of 2019-20.	No directives issued during quarter-2 of FY 2019-20.
10	Preparation of complete UC details.	It is prepared with the help of IA.
11	Non practice of Stock valuation; Non-preparation of Stock Register.	It will be followed as per rule and management will decide about reasonable period of valuation i.e. frequency of



9  
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कार्यपालक पञ्चायतार्य  
नगर पञ्चायत दिवारी  
(गया)

Tekari Nagar Panchayat

		time for valuation;
12	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized .
13	Vehicles are not insured.	It is under process.
14	Non deposition of PF and ESI	it is not deposited but now it will be deposited on or before due date.
15	Bank a/c which are closed.	No any bank A/c closed yet.
16	Advances and their adjustment.	No Advances and loan given.
17	Municipal Account Committee	Under process, and matter will be put before board for constitution of "Municipal Accounts Committee".
18	<p>i) Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement).</p> <p>ii) Implementation of DEAS.</p>	<p>i) It will be prepared by agency appointed for implementation of double entry accounting system.</p> <p>ii) M/s Sarkar gurmurti &amp; Co. has been appointed for DEAS and accounting entry for FAR , Property Tax register , Opening B/S and Annual Financial Statement of ULB are under process and it will be updated very soon.</p>
19	Non completion of survey of trade license	It will be done very soon.
20	Non-preparation of rent collections and demand registers as per rule	It will be prepared.
21	Huge amount arrear of rent ,Holding tax, Mobile tower tax, and other taxes.	The collection are going on and notice has been sent to defaulters.
22	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer. Details of repairs and maintenance did not mention in log book.	We will comply the same.
23	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Mobile Tower Tax and Other Tax .	Detailed records has not been maintained but now we will maintain such type of records.



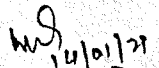
A.P. Sanzoni & Co.  
 कायमालक पदाधिकारी  
 नगर पंचायत टिकारी  
 (---)

Tekari Nagar Panchayat

24	Advertisement tax charging	It is charged by tender.
25	Non filing of TDS Return .	It will be done on or before due date now.
26	Non maintenance of fixed assets register	It will be maintained.
27	Compliances of internal audit paras.	It will be complied.
28	Non-updating of cash book and various register like Advance register, store register, issue register, bill register with payment fig., Lots of register not maintained like Register of Remittances made into bank, Statutory Deduction Register, Scheme Register etc, on regular basis.	It will be maintained.
29	i) Non utilization of grant or grant unspent. ii) Non maintenance of grant record with bifurcation like amount of salary, water management, Nali Gali Solid Waste mgmt and so on.	i) Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future. ii) It will be provided.
30	Depreciation is not charged on Fixed Assets.	ULB did not follow double entry accounting system , hence depreciation is not accounted in our book.
31	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.
32	Any payment made out of Municipal Fund that is not covered by budget.	Payment made out of budget provision. No such payment made that is not cover by budget;

Signature of EO



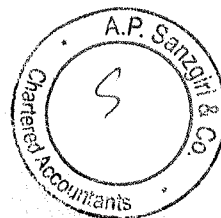
  
 नगर पंचायत टिकारी  
 (गया)

Discussion Note

Date: 25.03.2020  
 Tekari NagarPanchayat  
 with  
 A.P. Sarzgit & Co.  
 (Chartered Accountants)

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

S.N	Auditor observation	Management comment
1	Non Levy of taxes in IAR I. PART-A (a)1	Some of taxes is 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.
2	Late deposit of property tax	Property taxes deposited late due to some problems. Instructions given to tax collector in this respect and it will be collected as per Act.
3	Notice fee Collection	Currently it is not collecting but it will be collected as soon as possible.
4	Not prepared Payment voucher	It will be prepared as soon as possible .
5	Non maintenance of books of accounts as per para ii-PART B (a)	Due to lack of qualified staff we could not maintain books of accounts. It will be done from now.
6	AG Compliance report	It is under process and will be submitted very soon.
7	Royalty not deposited & TDS on GST not deposited.	It will be deposited.
8	Labourcess & TDS not deposited.	It will be deposited.
9	Directive/Circular issued during Quarter of 2019-20.	Directives issued during quarter-3 of FY 2019-20 has been complied.
10	Preparation of complete UC details.	It is prepared with the help of IA.
11	Non practice of Stock valuation; Non preparation of Stock Register.	It will be followed as per rule and management will decide about reasonable period of valuation i.e. frequency of



Handwritten signature and text, including the name 'A.P. Sarzgit & Co.' and other illegible markings.

Tekari Nagar Panchayat

		time for valuation;
12	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized .
13	Vehicles are not insured.	It is under process.
14	Non deposition of PF and ESI	it is not deposited but now it will be deposited on or before due date.
15	Bank a/c which are closed.	No any bank A/c closed yet.
16	Advances and their adjustment.	No Advances and loan given.
17	Municipal Account Committee	Under process, and matter will be put before board for constitution of "Municipal Accounts Committee".
18	<p>i) Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement.</p> <p>ii) Implementation of DEAS.</p>	<p>i) It will be prepared by agency appointed for implementation of double entry accounting system.</p> <p>ii) M/s Srakar gurmurti &amp; Co. has been appointed for DEAS and accounting entry for FAR , Property Tax register , Opening B/S and Annual Financial Statement of ULB are under process and it will be updated very soon.</p>
19	Non completion of survey of trade license	It will be done very soon.
20	Non preparation of rent collections and demand registers as per rule	It will be prepared.
21	Huge amount arrear of rent ,Holding tax, Mobile tower tax, and other taxes.	The collection are going on and notice has been sent to defaulters.
22	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer. Details of repairs and maintenance did not mention in log book.	We will comply the same.
23	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Mobile Tower Tax and Other Tax .	Detailed records has not been maintained but now we will maintain such type of records.



14/01/21  
 कार्यपालक पदाधिकारी  
 नगर पंचायत टिकारी  
 (गया)

Tekari Nagar Panchayat

24	Advertisement tax charging	It is charged by tender.
25	Non filing of TDS Return .	It will be done on or before due date now
26	Non maintenance of fixed assets register	It will be maintained.
27	Compliances of internal audit paras.	It will be complied.
28	Non-updating of cash book and various register like Advance register, store register, issue register, bill register with payment fig., Lots of register not maintained like Register of Remittances made into bank, Statutory Deduction Register, Scheme Register etc, on regular basis.	It will be maintained.
29	i) Non utilization of grant or grant unspent.  ii) Non maintenance of grant record with bifurcation like amount of salary, water management, Nali Gali Solid Waste mgmt and so on.	i) Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future. ii) It will be provided.
30	Depreciation is not charged on Fixed Assets.	ULB did not follow double entry accounting system , hence depreciation is not accounted in our book.
31	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.
32	Any payment made out of Municipal Fund that is not covered by budget.	Payment made out of budget provision. No such payment made that is not cover by budget;

Signature of EO



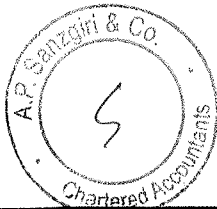
14/10/21  
कार्यपालक पदाधिकारी  
नगर पंचायत टिकारी  
(मया)

Discussion Note

Date 26.03.2020  
Tekari Nagar Panchayat  
with  
AP Sangziri & Co.  
(Chartered Accountants)

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

S.N.	Auditor observation	Management comment
1	Non Levy of taxes in IAR I. PART-A (a)1	Some of taxes is 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.
2	Late deposit of property tax	Property taxes deposited late due to some problems. Instructions given to tax collector in this respect and it will be collected as per Act.
3	Notice fee Collection	it will be collected as soon as possible.
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5	Non-maintenance of books of accounts as per para ii-PART B (a)	Due to lack of qualified staff we could not maintain books of accounts. It will be done from now.
6	AG Compliance report	It is under process and will be submitted very soon.
7	Royalty not deposited & TDS on GST not deposited.	It will be deposited.
8	Labourcess & TDS not deposited.	It will be deposited.
9	Directive/Circular issued during Quarter of 2019-20.	No directives issued during quarter-2 of FY 2019-20.
10	Preparation of complete UC details.	It is prepared with the help of IA.
11	Non practice of Stock valuation; Non preparation of Stock Register.	It will be followed as per rule and management will decide about reasonable period of valuation i.e. frequency of time for valuation;



Ofc. 26/3/20  
सायंपालक पदाधिकारी  
नगर पंचायत टिकारी  
(गया)

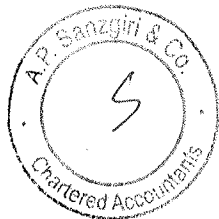
12	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized .
13	Vehicles are not insured.	It is under process.
14	Non deposition of PF and ESI	it is not deposited but now it will be deposited on or before due date.
15	Bank a/c which are closed.	No any bank A/c closed yet.
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18	<p>i) Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement.</p> <p>ii) Implementation of DEAS.</p>	<p>i) It will be prepared by agency appointed for implementation of double entry accounting system.</p> <p>ii) M/s Sarkargurumurti &amp; Co. has been appointed for DEAS and accounting entry for FAR , Property Tax register , Opening B/S and Annual Financial Statement of ULB are under process and it will be updated very soon.</p>
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22	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer. Details of repairs and maintenance did not mention in log book.	We will comply the same.
23	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Mobile Tower Tax and OtherTax .	Detailed records has not been maintained but now we will maintain such type of records.



Chs. 28/11/17  
 कर्मिपालक पदाधिकारी  
 नगर पंचायत टिकारी  
 (गया)

24	Advertisement tax charging	It is charged by tender
25	Non filing of TDS Return .	It will be done on or before due date now
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31	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.
32	Any payment made out of Municipal Fund that is not covered by budget.	Payment made out of budget provision. No such payment made that is not cover by budget;

Signature of EO



24/01/24  
कार्यपालक पदाधिकारी  
नगर पंचायत टिकारी  
(मरा)

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

S.No	Head	Approval order and date	Sanctioned Amount	Expenses Incurred	Balance Amount	UC Submitted against Expenses	UC Pending Against Expenses	% of UC Submitted against expenses	% of UC Pending against expenses	Letter Number & Date of Submission of UC
1	14th finance	128/27.11.19	58.65	-	58.65	-	-	NIL	NIL	Unutilised Amount
2	5th finance	57/13.08.19	77.04	-	77.04	-	-	NIL	NIL	Unutilised Amount
3	14th Finance	38/11.07.2019	58.65	-	58.65	-	-	NIL	NIL	Unutilised Amount
4	5th finance Commission	53/13.08.19	79.74	-	79.74	-	-	NIL	NIL	Unutilised Amount

