



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

INTERNAL AUDIT REPORT FOR THE FY 2019-20

BIKRAMGANJ MUNICIPAL COUNCIL

GROUP-06
ULBs-18

Vinod & Co. LLP
CHARTERED ACCOUNTANTS
We Plant Quality





Letter No:-VSC/BNP/09-Aug-21/01

Date: 09-08-2021

To

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

Sub: Submission of Internal Audit Report of Bikramganj Nagar Parishad for the financial year 2019-20.
Ref No.: Project No. 07/I.A.-115/17-83 (NTP) dated; 16.01.2019

Sir,

With Reference to the above, we Vinod Singhal & Co., Chartered Accountants appointed internal Auditor of 18 ULBs of Bihar under Group-06 for the project namely "Appointment of internal audit of 140 ULBs of Bihar Group-01 of Bihar."

Through this letter we are submitting the internal audit report of **Bikramganj Nagar Parishad** for the financial year 2019-20. We confirm that the internal audit report is prepared as per terms of reference of RFP.

Hope you will find the same in order

Assuring you of our best services & cooperation always.

Thanks

On Behalf of

Vinod Singhal & Co, LLP
Chartered Accountants
FRN: 005826C/C400276

K
Sodhani

CA Krishan Kumar Sodhani
Partner
M.No:- 404603

UDIN No.:- 21404603AAAADR7089

Date:09-08-2021
Place:-Patna

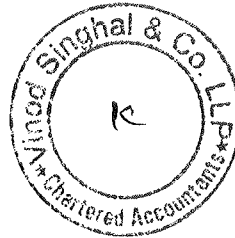
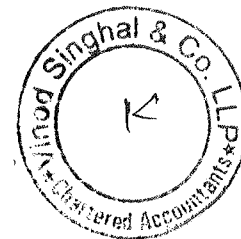


TABLE CONTENTS

Project Title	Internal audit of 18 ULBs of Group-06 of Bihar
Report Title	Internal audit report of Bikramganj Nagar Parishad
Period	1 st Apr -2019 to 31 st March-2020
Reporting Entity	Vinod Singhal & Co., LLP, Chartered Accountants
Reporting for	Bikramganj Nagar Parishad
Report Prepared by	Team, Vinod Singhal & Co. LLP
Date of Submission	27-07-2021



EXECUTIVE SUMMARY

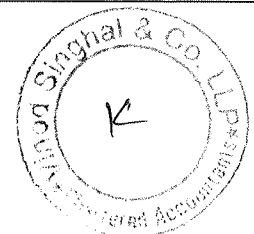
1. INTRODUCTION

Name of the Municipality	Bikramganj Nagar Parishad
Period covered under current audit	01-Apr-2019 to 31-March-2020
Name of Municipal Commissioner/ Executive Officer for the period under Audit	Mr.Prem Swarupam

2. RESULTS AND FINDINGS

- **Strengths observed during audit engagement**
In the existing system as prevailing in the Nagar Parishad day to day work is in progressive manner in respect of execution of the projects.
- **Weaknesses observed in the functioning of office, maintenance of records etc. observed during the audit engagement:**

SINo	Audit Observations
1	Compliance Of Internal Audit report for The FY 2017-18 and 2018-19 are still pending.
2	Budget not prepared in proper manner and guidance given by UD&HD GoB
3	Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014. Further, bank statements and Cash book balance of bank accounts were not made available for audit.
4	No details were made available regarding meeting of municipal accounts committee held during the financial year 2019-20.
5	Non-levy of following taxes * Surcharge on transfer of lands and buildings * Water tax * Fire tax. * Surcharge on electricity consumption within the municipal area * Tax on congregations. * Tax on pilgrims and tourists. * Tax on profession. * Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy Goods vehicles, and buses, which shall be heavy passenger motor vehicles. * User Charges for provision of water-supply, drainage and sewerage * User Charges for Solid Waste Management * User Charges for Parking Facility * User Charges for Garbage Clearance * Collection of fees for sanction of building plans and issue of completion certificates, * Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings, * Collection of Development Charges
6	Late-Deposit of tax collection of taxes with cashier and with bank as per provision of BMA rule-22
7	Non-collection of notice fees from defaulter
8	Non-recovery of outstanding taxes
9	Bifurcation of outstanding property tax and mobile tower tax is not provided. Also, any details regarding rental income, and advertisement tax is not provided.
10	ULB is not in practice to pay electricity bill on time. Due to non payment, it attracts huge surcharge Further, We observed that ULB is not in practice to prepare payment vouchers.
11	Non-maintenance of required registers as per Rule No. -3 of BMAR-2014



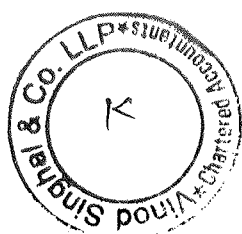
12	Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014
13	Irregularities in vendor payment process: <ul style="list-style-type: none"> ▪ Budget Control register was not updated ▪ Quality control test report was not available Completion certificate was not available in the payment file in case of completed contract.
14	Non-maintenance of register for all procurements with value above Rs. 15,000
15	Missing signature of wages worker and stamp of ULB on muster roll register
16	No maintenance of separate earnest & security deposit register
17	Non-compliance of Act & Rules
18	Lack of internal control measures <ul style="list-style-type: none"> ▪ Voucher file was not maintained ▪ No internal mechanism for statutory compliance ▪ No MIS was prepared for tracking of payments ▪ Required books of accounts as per BMAM was not maintained ▪ Statutory compliance reconciliation was not maintained ▪ Year-end reconciliation was not available ▪ Bank reconciliation of any bank account was not prepared. ▪ Bank balance as per cash book was not maintained.
19	Non-compliance of statutory compliances: <ul style="list-style-type: none"> ▪ Non preparation of statutory compliance register ▪ Non deposit of TDS on timely basis. ▪ Non filling of TDS return for due period ▪ Non providing details regarding VAT/Royalty/Labour Cess
20	Deficiency in payroll system <ul style="list-style-type: none"> ▪ Non-preparation of salary payment voucher ▪ Non-maintaining salary payment reference number in cash book ▪ Non-implementation of Bio-metric device and payroll software
21	Non-providing of Utilization certificate for the reporting audit period
22	Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.
23	Non providing details of Advances, their adjustment & Recovery
24	Details of Directives for the reporting audit period are not provided

3. OPINION

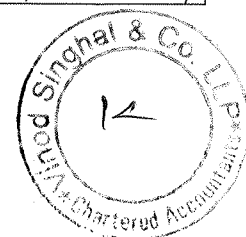
The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the municipal personnel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

4. AUDIT RECOMMENDATIONS

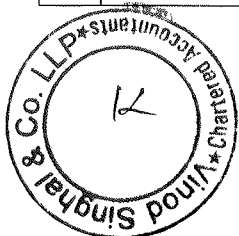
Sl No	Audit Observations	Auditor Recommendations
1	Compliance Of Internal Audit report for the FY 2017-18 and 2018-19 are still pending.	Compliance audit report for the FY 2017-18,2018-19 should be complied
2	Budget not prepared in proper manner and guidance given by <u>UD&HD GoB</u> :	ULB should implement real time budget preparation in prescribed format of BMAM. Further, Budget variance report should be prepared for actual budget report.
3	Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014. Further, bank statements and Cash book balance of bank accounts were not made available for audit.	Bank Reconciliation help us to monitor over: 1. Difference between Bank Passbook and Cash Book 2. Unauthorised withdrawal from Bank. 3. Excessive debited by Bank 4. Helps to know any other reasons of differences. <i>Therefore, ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records.</i>
4	No details were made available regarding meeting of municipal accounts committee held during the period	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of Municipal Accounts Committee each year. During our Audit no any evidence has been produced to us w.r.t. meeting of municipal accounts



		committee. <i>ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.</i>
5	<p>Non-levy of following taxes</p> <ul style="list-style-type: none"> * Surcharge on transfer of lands and buildings * Water tax * Fire tax. * Surcharge on electricity consumption within the municipal area * Tax on congregations. * Tax on pilgrims and tourists. * Tax on profession. * Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy Goods vehicles, and buses, which shall be heavy passenger motor vehicles. * User Charges for provision of water-supply, drainage and sewerage * User Charges for Solid Waste Management * User Charges for Parking Facility * User Charges for Garbage Clearance * Collection of fees for sanction of building plans and issue of completion certificates, * Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings, * Collection of Development Charges 	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. <i>ULB should take steps to implement required taxes to boost their revenue</i>
6	Late-Deposit of tax collection of taxes with cashier and with bank as per provision of BMA rule-22	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 or latest before noon of next day on which collection is made. However, during our audit, we observed that there is a huge delay in depositing the tax at bank. <i>Therefore, management should implement a MIS Mechanism towards getting control over collection and deposit of Taxes. Further we wish to inform that failure to comply with Rule 22 may cause for fine of Rs. 5,000</i>
7	Non-collection of notice fees from defaulter	ULB has not provided any information regarding charging and collection of notice fees. <i>ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.</i>
8	Non-recovery of outstanding taxes	Detail of Outstanding taxes not provided by the ULB staff. In case on absence of detail a major internal control leakage may be arise at ULB.
9	Bifurcation of outstanding mobile tower tax, rental income & other sairat are not provided. Also, any detail regarding Advertisement Tax is not provided.	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, but In case of Bikramganj Nagar Parishad
10	ULB is not in practice to pay electric bill on time. Due to nan payment, it attracts huge surcharge Further, we observed that ULB is not in practice to prepare payment vouchers.	ULB should prepare voucher based on running voucher as per the provision of Rule No. 16, 17 and 18 of BMAR -2014.
11	Non-maintenance of required registers as per Rule No. -3 of BMAR-2014	Detail of registers not maintained by ULB is mentioned under PART-A (a). <i>ULB should ensure proper maintenance of required Books of Account and register as per the list given in Rule -3 of BMAR - 2014.</i>
12	Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014	<i>ULB should ensure preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014</i>
13	<p>Irregularities in vendor payment process:</p> <ul style="list-style-type: none"> ▪ Budget Control register was not updated ▪ Quality control test report was not available ▪ Completion certificate was not available in payment file in case of completed contract. 	Proper tender documents regarding tender approval and allotment was not properly maintained or made available for audit. In provided cases, we are unable to comment on channel of procurement of tender and their required compliances. Further, no statutory



		compliance register was maintained in regards with statutory dues deducted from party bills. <i>So, ULB should maintained proper tender register and file that include all related documents of tender. Statutory compliance register should be maintained for all statutory deductions made from parties invoices.</i>
14	Non-maintenance of register for all procurements with value above Rs. 15,000	ULB should ensure maintenance of register for all Procurements with value above Rs. 15,000
15	Missing signature of wages worker and stamp of ULB on muster roll register	ULB should ensure proper maintenance of wages register by complying signature and stamping.
16	No maintenance of separate earnest & security deposit register	EMD and security deposit register help in tracking of balance payable to parties.
17	Non-compliance of Act & Rules	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. <i>ULB should ensure compliance of all applicable Act & Rules.</i>
18	<p>Lack of internal control measures</p> <ol style="list-style-type: none"> 1. Voucher file was not maintained 2. No internal mechanism for statutory compliance 3. No MIS was prepared for tracking of payments 4. Required books of accounts as per BMAM was not maintained 5. Statutory compliance reconciliation was not maintained 6. Year-end reconciliation was not available 7. Bank reconciliation of any bank account was not prepared. 8. Bank balance as per cash book was not maintained. 	<p>We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, Cheque handling and Statutory compliances:</p> <p>We suggest that:</p> <ol style="list-style-type: none"> 1. MIS System should be implemented over daily collection and deposit. 2. Reason for non-deposit/ late deposit should be strongly need to ask for minimise delay. 3. Need to identify a person to comply with the statutory compliances. In case failure to comply with statutory compliances he should also be penalised. Therefore, the management has to take serious effort in implementation of Internal control Mechanism for getting a better result from ULB working.
19	<p>Non-compliance of statutory compliances:</p> <ul style="list-style-type: none"> ▪ Non preparation of statutory compliance register ▪ Non deposit of TDS on timely basis. ▪ Non filling of TDS return for due period ▪ Non providing details regarding VAT/Royalty/Labour Cess 	<p>Statutory compliance register was maintained in regards with statutory dues deducted from party bills. <i>So, ULB should maintained proper statutory compliance register. Statutory compliance register should be maintained for all statutory deductions made from parties invoices. Non-compliance with statutory dues will cause of penalty, interest and prosecution. Management should insure that all statutory dues are paid on time and returns related thereof filed on time.</i></p>
20	<p>Deficiency in payroll system</p> <ul style="list-style-type: none"> ▪ Non-preparation of salary payment voucher ▪ Non-maintaining salary payment reference number in cash book ▪ Non-implementation of Bio-metric device and payroll software 	<p>Every payment should be accompanied with payment voucher. Further as per Section 2(23) of the Indian Stamp Act 1899 makes it mandatory for affixing of stamp on any receipt as defined therein above Rs 5000. Therefore, management should ensure that the payment is accompanied with payment voucher.</p> <p>Meaning of Receipt :</p> <p>"Receipt" includes any note, memorandum or writing-</p> <ol style="list-style-type: none"> (a) whereby any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received, or (b) whereby any other movable property is acknowledged to have been received in satisfaction of a debt, or (c) whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or (d) which signifies or imports any such Acknowledgement; and whether the same is or is not signed with the name of any person "
21	Non-providing of Utilization certificate for the reporting audit period	Grant is blood of ULB. Therefore, for getting grant and running the ulb working smoothly it is very important to comply with all necessary requirement of grant. Further timely submission of utilisation certificate helps the grant realising authority to send the money for fulfil the requirement of future. <i>Therefore, management should ensure that UC has been submitted with concerned department on time.</i>
22	Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.	<i>Management should implement the control system over inventory and store. Stock register should be in place and get it verified by a responsible person as authorised by management time to time. Further any discrepancies arises/ found during such verification should be reported immediately.</i>



23	Non providing details of Advances, their adjustment & Recovery	To ensure timely recovery of advance with interest proper calculation should be there with proper recovery plan.
24	Details of Directives for the reporting audit period are not provided	ULB Should comply with all directive issued by UDHD or other related department.

5. COMMENTS FROM MANAGEMENT

Audit observations with audit recommendation have been submitted with management for providing management Comments.

6. ACKNOWLEDGEMENT

We are thankful to all staff and management towards their support and coordination during our audit period.

Thanking You,

For

Vinod Singhal & Co. LLP

(Chartered Accountants)

FRN: 005826C/C400276

Sodhani

CA Krishan Kumar Sodhani

Partner

M.No:- 404603

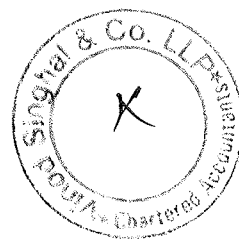
UDIN No.:- 21404603AAAADR7089

Date:

09-08-2021

Place:

Patna



DETAILED AUDIT REPORT

1. INTRODUCTION:

S.NO.	Name Of ULB	Period-covered		Audit Team
		From	To	
1	Bikramganj Nagar Parishad	01-04-2019	31-03-2020	1. Name of TL : Krishan Kumar Sadhonai 2. Name of MAE : Rahul Kumar Shrivastwa 3. Name of Auditor : Mukesh Kumar

2. ADMINISTRATION:

SINo	Particulars	Details
1	The present body of the ULB has taken charge on	09-06-2017
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	Mr. Ravnawaz Khan
2.1.1	Period of Service:	From: 09-06-2018 To: Till Date
2.2	Name of Commissioner/Executive Officer:	Mr.Prem Swarupam
2.2.1	Period of Service:	From: 21-01-2019 To: Till date

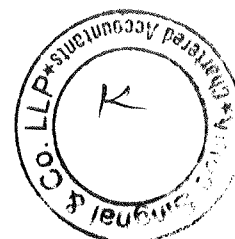
3. REVIEW OF OUTSTANDING AUDIT PARAS:

3.1. Status of Audit Observations is as under:

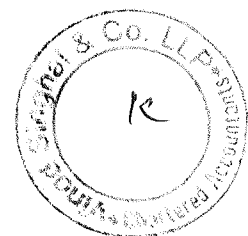
S.N.	Particulars of audit and date of report	Total no. of audit paras	Total no. of audit paras where necessary improvement/corrective measures required	Total no. of audit paras where recovery of cash is proposed	Total no. of audit paras where recovery has been made	Total amount of Recovery	Total no. of O/s para where no action has been taken	No. & date of compliance report
1	Audit report submitted by AG for the F.Y. 2012-13 to 2015-16	21	19	09			19	507/04.12.18
2	Internal Audit paras of F.Y 2017-18 & 2018-19							Not Complied (Refer Discussion Note-1)

3.2. Details of total no of audit paras:

Period of AG audit report : Financial year 2012-13 to 2015-16
 Compliance report date & Number : 507/ 04.12.18



Sl. No	Audit Para Number	Heading of the audit para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	8	Non-compliance of earlier audit reports.	-	-	-	Action Taken
2	9	General Comment	-	-	-	Action Not required
3	10	Not relevant	-	-	-	Action Not required
4	11	Not relevant	-	-	-	Action Not required
5	12	Budget	-	-	-	
		i. Not prepared budget in specified period	-	-	-	Action Taken
6	13	Not preparing annual account	-	-	-	Action not taken
7	14.	Income and Expenditure				Action Taken
		i. Cash book not maintained properly ii. Not prepared reconciliation statement on Monthly, Quarterly, and Annual Basis.				
8	15.	Not proper Internal Audit system till 2016	-	-	-	Action Taken
Part-II (A) of AG Audit Report						
9	Nil					
Part-II (B) of AG Audit Report						
10	1	Loss due to amount not collected from mobile tower	26.6	26.23	-	Action not taken
11	2	irregularities in Purchase of material and Tax not deducted at source	0.21	0.21	-	Action Taken
12	3	irregularities in Purchase of material and Tax not deducted at source	2.71	2.71	-	Action Taken
13	4	irregularities in Purchase of material and Tax not deducted at source	4.14	4.14	-	Action Taken
14	5	Loss due to not collecting development fee in Map Sanction	.24	.24	-	Action not taken
15	6	Loss due to not collecting labour cess in Map Sanction	2.49	2.49	-	Action not taken
16	7	Excess payment due to non-availability of M and N form.	1.44	1.44	-	Action not taken
17	8	Short deposit of Holding tax	4.93	4.93	-	Action not

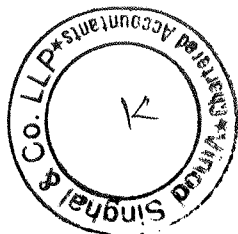


						taken
18	9	Rashid not presented	-	-	-	Action not taken
19	10	Government Grant.	-	-	-	Action not taken
Part-III (TAN) of AG Audit Report						
20	1	Arrear of holding Tax and not deposited Education and Health cess	-	-	-	Action not taken
21	2	Not maintaining Assets register	-	-	-	Action not taken
22	3	Non collection of shop rent and Service Tax	2.83	2.83	-	Action not taken

Note:

Above details has been taken from the AG Report the F.Y. 2012-13 and 2015-16 and compliance report thereof. Latest *AG Compliance Report* is attached as **Annexure-01**.

Further we wish to say that as we have submitted letter to ULB for asking support and to appoint support staff for working on audit compliance, please refer "**Annexure-2**".



4. FINANCE

I. Budgetary provisions and expenditure for the last three years

Particulars	Year- 2017-18	Year- 2018-19	Year- 2019-20
Final/Revised Budget Data	5,18,76,120	13,18,76,120	26,57,21,846
Actual Expenditure Data	13,33,68,191	16,01,35,380	2,08,64,012
Savings(+)/Excess(-)	-8,14,92,071	-2,82,59,260	24,48,57,834

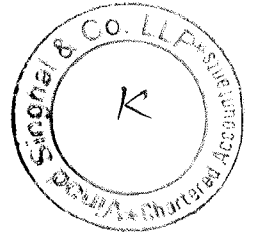
Comment:

The above figures have been taken from the Budget Statement of the ULB for the year 2017-18, 2018-19 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for The year 2017-18, 2018-19 & 2019-20 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures.

II. Volume of transactions

Period	Budgeted for F.Y. 2019-20	Actual for the F.Y. 2017-18	Actual for the F.Y. 2018-19	Actual for the F.Y. 2019-20	Cumulative for the current period
Opening balance	21,737,129	248,225,026	257,929,195	258,878,347	258,878,347
Receipts	338,666,448	13,21,50,502	16,10,84,532	19,10,50,877	19,10,50,877
Total	360,403,577	38,03,75,528	41,90,13,727	44,99,29,224	44,99,29,224
Net expenditure	265,721,846	13,33,68,191	16,01,35,380	2,08,64,012	2,08,64,012
Closing balance	94,681,731	247,007,337	25,88,78,347	42,90,65,212	42,90,65,212

The above figures have been taken from the Budget Statement of the ULB for the year 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 2016-17, 2017-18 & 2018-19 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. However we have verified some of the expenses on adhoc basis.



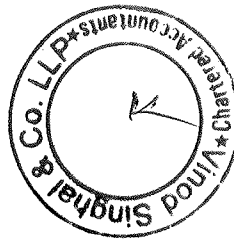
III. Bank Reconciliation position as on reporting date

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	Canara Bank	4191132000095	Day-Nulim	1,671,740.00	1,671,711.00	29.00	No
2	Canara Bank	4191132000089	HFA	47,815.00	232,045.00	-184,230.00	
3	Canara Bank	41911010000662	Municipal Fund	201,635.00	1,495,020.81	-1,293,385.81	No
4	ICICI Bank	41470100004496	SBM	-	1,501,001.00	-1,501,001.00	No
5	Bank Of Baroda	41470100003822	Kabir Antyosthi	33,000.00	33,035.00	-35.00	No
6	State Bank Of India	11380837769	Miscellaneous				No
7	MBGB	68690100003773	Miscellaneous				No
8	MBGB	73480100031236	Miscellaneous				No
9	Punjab National Bank	6482000100098592	Teacher Mandey				No
10	Punjab National Bank	6482000100061659	Teacher Mandey				No
11	Punjab National Bank	6482000100072750	Teacher Mandey				No
12	Punjab National Bank	6482000100066575	Teacher Mandey				No
13	Union Bank Of India	776502010002381	BRJP (Nal-Jal Fund Transfer)				No
14	Canara Bank	4191101000968	Municipal Fund				No
15	Canara Bank	4191101000991	Day-Nulim				No
16	PLA	Treasury	CFMS	16,06,36,523	16,06,36,523	-	No

Comment:

1. Bank Reconciliation statement has not been prepared by the Bikramganj Nagar Parishad.
2. Bank balance as per cash book was not made available for verification.



IV. Revenue & Capital Receipts information:

Sl No	Details	Income Details (Amount in Rs.)					
		2017-18	2017-18	2016-17	2018-19	2017-18	2019-20
	Total Receipts (A+B)	13,21,50,502	13,21,50,502		13,21,50,502	19,10,50,877	16,10,84,532
A	Revenue Receipts (1+2+3)	4,07,93,217	4,07,93,217		4,07,93,217	6,76,30,033	6,13,86,932
1	Own Revenue Receipts (a+b)	1,16,21,454	1,16,21,454		1,16,21,454	1,76,48,346	2,01,59,278
a)	Tax Revenue (levied and collected by municipal body)	62,96,497	62,96,497		62,96,497	1,06,28,820	94,02,546
i)	Property tax	55,49,985	55,49,985		55,49,985	1,06,28,820	85,76,923
ii)	Other tax (levied and collected by municipal body)	7,46,512	7,46,512		7,46,512	-	8,25,623
b)	Non-tax revenue (levied and collected by municipal body)	53,24,957	53,24,957		53,24,957	70,19,526	1,07,56,732
i)	Fees & fines	16,78,803	16,78,803		16,78,803	16,51,053	67,15,628
ii)	User Charges	18,59,068	18,59,068		18,59,068	53,68,473	16,85,897
iii)	Other non-tax revenue (levied and collected by municipal body)	17,87,086	17,87,086		17,87,086	-	23,55,207
2	Other Revenue Receipts	2,38,69,719	2,38,69,719		2,38,69,719	14,36,973	3,51,43,285
a)	Income from interest/investments	23,15,053	23,15,053		23,15,053	6,59,464	19,45,680
b)	Other Revenue income	2,15,54,666	2,15,54,666		2,15,54,666	7,77,509	3,31,97,605
3	Transfers/Grants/Assigned Revenues	53,02,044	53,02,044		53,02,044	4,85,44,714	60,84,369
a)	State Assigned Revenue	-	-		-	1,46,54,824	-
b)	State Finance Commission (SFC) Grants/Devolution	44,37,794	44,37,794		44,37,794	3,38,89,890	58,18,703
c)	Octroi compensation	-	-		-	-	-
d)	Other State Government Transfers	-	-		-	-	-
e)	Central Finance Commission (CFC) Grant	-	-		-	-	-
f)	Other Central Government Transfers	-	-		-	-	-

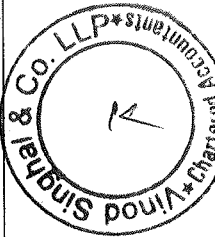
Not Available

g)	Others (Sales & Hire Charges)	8,64,250	-	-	-	-
B	Capital Receipts (1+2+3+4+5+6)	9,13,57,285	8,64,250	-	-	2,65,666
1	Sale of Municipal Land	-	-	-	-	-
2	Loans (from State Govt. or Bank etc.)	-	-	-	-	-
3	State Capital Account Grant (under State Schemes etc.)	9,13,57,285	9,13,57,285	12,34,20,844	12,34,20,844	9,95,21,165
4	Central Capital Account Grant (under Central Schemes etc.)	-	-	-	-	-
5	Other Capital Receipts	-	1,76,435	-	-	1,76,435

The above figures have been taken from the Budget Statement of the ULB for the year 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 2016-17, 2017-18 & 2018-19 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. However we have verified some of the expenses on adhoc basis.

V. Revenue and Capital Expenditure Information.

Sl No	Details	Expenditure Details (Amount in Rs.)					
		2017-18		2018-19		2019-20	
	Total Expenditure (1+2)	13,33,68,191	16,01,35,380	13,33,68,191	20,08,64,012	16,01,35,380	16,01,35,380
1	Revenue Expenditure	4,23,52,174	4,49,70,157	4,23,52,174	7,57,93,538	4,49,70,157	4,49,70,157
1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and Contractual Staff)	99,84,316	1,08,51,868	99,84,316	3,81,35,210	1,08,51,868	1,08,51,868
1.2	Operation and Maintenance (O&M)	1,59,59,434	1,56,59,035	1,59,59,434	3,27,10,710	1,56,59,035	1,56,59,035
1.3	Loan repayment (Interest payments)	916	1,168	916	1,352	1,168	1,168
1.4	Others (any other revenue expenditure which is not salaries, O&M or Interest Payment)	1,64,07,508	1,84,58,086	1,64,07,508	49,46,266	1,84,58,086	1,84,58,086
2	Capital Expenditure	9,10,16,017	11,51,65,223	9,10,16,017	12,50,70,474	11,51,65,223	11,51,65,223
2.1	All developmental works under Central/State specific schemes	9,08,26,685	11,49,72,785	9,08,26,685	12,47,10,049	11,49,72,785	11,49,72,785
2.2	Loan Repayments (Principal Amount)	1,89,332	1,92,438	1,89,332	-	1,92,438	1,92,438



2.3	Other Capital expenditure	-	-	-	3,60,425	-
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The above figures have been taken from the Budget Statement of the ULB for the year 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 2016-17, 2017-18 & 2018-19 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures. However we have verified some of the expenses on adhoc basis.

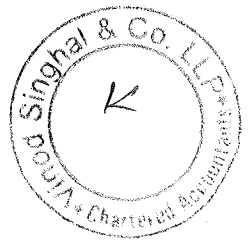
VI. Status of Implementation of Double Entry Accounting System

Please find the detail of current as well as previous DEAS team below :

Particulars	Previous FLIAs	Current FLIAs
Name of Agency Implementing DEAS	M/s Manas Das & Co.	M/s K K Chanani & Associates
Period of FLIAs	06.04.2016 to 05.04.2018	22nd Nov. 2019 to 21st Aug. 2021
Period of Implementing DEAS	FY 2014-15 to 2015-16	FY 2016-17 to 2019-20
Status of Report	Inception has been submitted	Inception Report Submitted
Preparation of Opening Balance Sheet	01.04.2014 has been submitted	N/A
Preparation of Fixed Asset Register	Updated till FY 2015-16	f FAR for the F.Y 2016-17 to 2019-20 is under process.
Preparation of Property Tax Register	Updated till FY 2012-16	PTR for the F.Y 2016-17 to 2019-20 is under process.
Preparation of Financial Statement	FY 2014-15 & 2015-16 has been submitted	Tally of F.Y 2016-2017 to 2019-20 is under process
Details of Tally Installation	Tally Installed	Tally Installed
Tally Serial No.	795653811 Silver	795653811
Email Id	nagarpanchayatbikramgai@gmail.com	bikramganinagarpanchayat@gmail.com

VII. Status of Meeting of Municipal Accounts Committee

There is no accounting committee has been formed at ULB. Please refer point no. 5 of management discussion note.



5. AUDIT OBSERVATION

I. PART-A

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

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.

1. **Non-levy of taxes:** 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 Bikramganj Nagar Parishad*, the following mentioned tax/charges are not implemented at ULB, which leads to loss of revenue of ULB. *(Please refer point no 6 of management discussion note)*

- Surcharge on transfer of lands and buildings
- Fire tax.
- Surcharge on electricity consumption within the municipal area
- Tax on congregations.
- Tax on pilgrims and tourists.
- Tax on profession.
- Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy Goods vehicles, and buses, which shall be heavy passenger motor vehicles.
- User Charges for provision of water-supply, drainage and sewerage
- User Charges for Solid Waste Management
- User Charges for Parking Facility
- User Charges for Garbage Clearance
- Collection of Development Charges

❖ **Audit Objective** - As per Point No. - 5.00 of TOR

❖ **Criteria** - None levied the taxes reported above by ULB.

❖ **Condition** -As per details provided to us the ULB is not charging the above mention taxes.

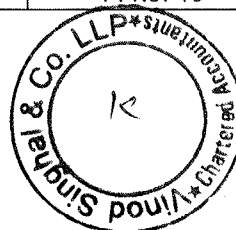
❖ **Consequence Effect /Impact** - Due to non-collection of taxes with in prescribe time line, ULB incurred interest loss and also the further we wish to say that due to such non collection public interest has also been suffered.

❖ **Cause-** We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval. The ULB has not proper mechanisms for supervision and monitoring of the Taxes due to which result in Revenue leakage.

❖ **Corrective Action / Recommendation** - As per our opinion, management should review the working on timely basis

2. **Late deposit of property tax:** 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. In case of Bikramganj Nagar Parishad during verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 0 to 206 days.

Sl. No	Serial Number		Amount of Tax	Date of Collection as per Receipts Booked	Date of Deposited into Bank	Delay in deposit with bank	
	From	To				Minimum	Maximum
1	6101	6150	40,306.00	15-4-2019 To 08-05-2019	31-08-2019	115	138
2	6001	6100	74,128.00	10-04-2019 To 10-05-2019	21-05-2019	11	41
3	6501	6550	88,646.00	22-05-2019 To 29-06-2019	04-07-2019	5	43
4	5926	6000	22,943.00	31-03-2019 To 22-05-2019	31-05-2019	9	61
5	5061	5700	86,211.00	18-12-2018 To 30-03-2019	12-07-2019	105	206
6	6801	6810	6,724.00	25-09-2019 to 15-10-2019	28-Oct-19	13	33
7	6811	6820	31,470.00	15-10-2019 to 25-10-2019	28-Oct-19	3	13
8	6821	6830	7,187.00	05-11-2019 to 07-11-2019	2-Dec-19	25	27
9	6831	6835	6,127.00	12-11-2019 to 18-12-2019	18-Dec-19	0	36
10	6836	6840	216.00	19-12-2019 to 20-12-2019	30-Dec-19	10	11
11	6841	6851	3,412.00	20-12-2019 to 28-12-2019	30-Dec-19	2	10
12	6151	6200	32,635.00	08-05-2019 to 30-05-2019	7-Nov-19	160	183
13	6701	6730	20,933.00	15-06-2019 to 22-08-2019	7-Nov-19	76	145
14	6731	6782	28,254.00	22-08-2019 to 25-11-2019	2-Dec-19	7	101
15	6783	6800	10,906.00	02-12-2019 to 30-01-2019	12-Feb-20	13	72
16	6301	6350	16,613.00	06-05-2019 to 24-08-2019	10-Oct-19	47	157
17	5849	5900	22,215.00	15-04-2019 to 16-07-2019	6-Nov-19	113	205
18	6901	6919	3,525.00	27-11-2019 to 11-01-2020	18-Jan-20	7	52
19	6401	6465	18,906.00	07-05-2019 to 21-10-2019	19-Nov-19	29	196
20	6466	6491	9,485.00	21-10-2019 to 04-02-2020	19-Feb-20	15	121
21	5926	6000	47,005.00	01-04-2019 to 22-05-2019	14-Nov-19	176	228



22	6601	6620		08-06-2019 to 02-07-2019		135	159
23	6621	6700	21,637.00	08-07-2019 to 15-10-2019	19-Nov-19	35	134
24	6852	6861	5,592.00	01-01-2020 to 08-01-2020	29-Jan-20	21	28
25	6862	6871	20,235.00	09-01-2020 to 24-01-2020	29-Jan-20	05	20
26	6872	6880	4,281.00	13-02-2020 to 13-03-2020	9-Apr-20	27	56
27	6881	6890	25,217.00	14-03-2020 to 17-03-2020	9-Apr-20	23	26
28	6891	6900	6,208.00	18-03-2020 to 08-04-2020	9-Apr-20	01	22
29	6783	6800	10,906.00	02-12-2019 to 30-01-2019	12-Feb-20	13	72
30	101	124	10,441.00	26-02-2020 to 05-04-2020	4-Jul-20	90	129
31	6901	6919	3,525.00	27-11-2019 to 11-01-2020	18-Jan-20	07	52
32	6920	6921	2,769.00	21-01-2020 to 05-02-2020	12-Feb-20	07	22
33	6466	6491	9,485.00	21-10-2019 to 04-02-2020	19-Feb-20	15	121
34	6492	6500	2,142.00	06-02-2020 to 12-03-2020	12-Mar-20		34
35	1	35	15,464.00	31-12-2019 to 19-03-2020	18-Jun-20	91	169

- ❖ **Audit Objective** - As per Point No. - 5.00 of TOR
- ❖ **Criteria** - 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 or latest before noon of next day on which collection is made. Further we wish to inform that failure to comply with Rule 22 may cause for fine of Rs. 5,000.00
- ❖ **Condition** -As per details provided to us the ULB is not depositing the amount collected from public on time.
- ❖ **Consequence Effect /Impact** - Due to non-deposit of cash on timely basis there is loss of interest to ULB. It seems that huge fund easily available with cashier on the cost of ULB.
- ❖ **Cause**- We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval, the ULB has not proper control, supervision, and monitoring over collection and deposit of taxes.
- ❖ **Corrective Action / Recommendation** - Management should reconcile time to time the physical Cash with cash book for stopping the misuse of cash

3. **Non collection of Notice fees:** 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, but In *case of Bikramganj Nagar Parishad*, ULB has not provided any information regarding charging and collection of notice fees.

- ❖ **Audit Objective** - As per Point No. - 5.00 of TOR
- ❖ **Criteria** - As per sec 158 of Bihar Municipal Act, 2007 the amount of notice fee should be collected by the municipality.
- ❖ **Condition** -As per details provided to us the ULB is not collecting notice fee.
- ❖ **Consequence Effect /Impact** - Due to non-collection of notice fee there is loss of interest to ULB
- ❖ **Cause**- We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval, the ULB has not proper control, supervision, and monitoring over issue of notices and collection of notice fee.
- ❖ **Corrective Action / Recommendation** - Management should monitor the notices issued on periodic basis towards charging and collection of notice fee.

4. **Recovery of outstanding taxes/rental income:** As per record provided by corporation, following income was in arrear as on 31.03.2020.

Details of outstanding arrear of income as on 31-03-2020		
SINO	Type of Income	Arrear Amount
1	Property Tax	7,23,345
2	Rent Income	Not provided
3	Mobile Tower Tax	2,30,000
4	Advertisement Tax	Not Provided
Total		9,53,345

Comment: ULB should implement/take action to boost collection of arrear revenue to increase their own source revenue.

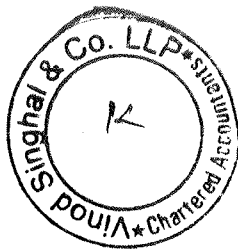
- ❖ **Audit Objective** - As per Point No. - 5.00 of TOR
- ❖ **Criteria** - As per sec 158 of Bihar Municipal Act, 2007 the amount of above mentioned taxes should be collected by the municipality.
- ❖ **Condition** -As per details provided to us the ULB is not collecting above mentioned taxes.
- ❖ **Consequence Effect /Impact** - Due to non-collection of above mentioned taxes there is loss of interest to ULB



- ❖ **Cause-** We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval, the ULB has not proper control, supervision, and monitoring over issue of mentioned taxes.
- ❖ **Corrective Action / Recommendation** - Management should implement/take action to boost collection of arrear revenue to increase their own source revenue.

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

1. **Payment of bills after due date:** During audit of corporation we have noticed that corporation is not in practice to paid bill on time except in case of electricity bill. We have verified expenses from cash book and expenses supporting bills/invoices.:
 - a. Due to non-payment of electricity dues on time the electricity department has charged late fee.
 - b. ULB has not provided data related to dues of property on electricity department, therefore we are unable to comment upon it.
2. **Pass payment without preparation of payment vouchers:** The Nagar Parishad does not prepare Payment Vouchers for making payment to the parties/vendors. Payment was made on the basis of bills only raised in the name of corporation which is passed by the competent authority. We have verified expenses from cash book and expenses supporting bills/invoices : however we observed that Ulb Is not Preparing Voucher
3. **Irregularities in payments:** We observed that there is no irregularity found in payment during the period.



c. Report on findings of field survey of Property Tax of minimum 20 high value properties.

Sl No	Name of Assessee	Ward No	Holding Number	Annual Valu	Current Year Demand	Type of Construction	Use of Property	As per Previous Survey				O/s Liability at end of reporting period	Use of Property	Current Year Demand	O/s Liability at end of reporting period
								O/s Liability at end of reporting period	Annual Valu	Current Year Demand	Use of Property				
1	Lakpati Devi	5	124	2624	2624	RCC	Commercial	0	2624	2624	Commercial	0	2624	0	0
2	Sri Kameshwar Singh	5	153	1812	1812	RCC	Commercial	0	1812	1812	Commercial	0	1812	0	0
3	Sri Nath Singh	5	157	3118	3118	RCC	Commercial	0	3118	3118	Commercial	0	3118	0	0
4	Sri Ramshevak Singh	5	155	2362	2362	RCC	Commercial	8268	2362	2362	Commercial	8268	2362	0	0
5	Sri Jagatan Singh	5	163	2928	2928	RCC	Commercial	0	2928	2928	Commercial	0	2928	0	0
6	Sri Deepak Kumar Gupta	4	175	1216	1216	RCC	Commercial	1216	1216	1216	Commercial	1216	1216	0	0
7	Dhramchand Paneri	3	208	1326	1326	RCC	Commercial	0	1326	1326	Commercial	0	1326	0	0
8	Leta jiyut Sah	3	214	126	126	RCC	Commercial	0	126	126	Commercial	0	126	0	0
9	Sri Luxhman Kumar Gupta	3	223	1112	1112	RCC	Commercial	0	1112	1112	Commercial	0	1112	0	0
10	Sarju Prasad	3	235	1564	1564	RCC	Commercial	0	1564	1564	Commercial	0	1564	0	0
11	Sri Bansidhar Sah	3	239	192	192	RCC	Commercial	18116	192	192	Commercial	18116	192	0	0
12	Dev Vijay singh	3	242	1106	1106	RCC	Commercial	1106	1106	1106	Commercial	1106	1106	0	0
13	Arun Kumar Singh	3	257	1980	1980	RCC	Commercial	1980	1980	1980	Commercial	1980	1980	0	0
14	Krishan Kumar Singh	3	262/263	9360	9360	RCC	Commercial	0	9360	9360	Commercial	0	9360	0	0
15	Ram Pravesh Singh	3	268	1596	1596	RCC	Commercial	18648	1596	1596	Commercial	18648	1596	0	0
16	Brajesh Kumar Singh	3	441	3736	3736	RCC	Commercial	61005	3736	3736	Commercial	61005	3736	0	0
17	Sarjay Kumar Singh	3	445	510	510	RCC	Commercial	0	510	510	Commercial	0	510	0	0
18	Late Birendra Singh	3	446	704	704	RCC	Commercial	104610	704	704	Commercial	104610	704	0	0
19	Prakesh Kumar Singh	3	440	2260	2260	RCC	Commercial	0	2260	2260	Commercial	0	2260	0	0
20	Manoj Kumar Singh	3	439	1080	1080	RCC	Commercial	1080	1080	1080	Commercial	1080	1080	0	0



II. PART-B

a. Non-maintenance of books of accounts and subsidiary registers:

The unit has not maintained the following prescribed registers as required in BMAR (Please find attached letter to the ULB regarding non-submission of the following documents): -

1. Journal Book
2. Ledger
3. Contra Voucher
4. Journal Voucher
5. Receipt Voucher
6. Register of Cheque Received
7. Statement on status of cheque received
8. Register of Bills for Payment
9. Payment order
10. Register of Advance
11. Register of Permanent Advance
12. Deposit Received Register
13. Summary statement of Deposits Adjustment
14. Demand register
15. Bill of Income
16. Summary Statement of Bill Raised
17. Register of Notice Fee Warrant Fee other fees
18. Summary statement of Notice Fee Warrant Fee other fees
19. Summary statement of Refund and Remissions
20. Summary statement of Write offs
21. Statement of outstanding liability for expenses
22. Register of Immovable and Movable Property
23. Register of Land
24. Function wise Income Subsidiary Ledger
25. Function wise Expenditure Subsidiary Ledger
26. Asset Replacement Register
27. Register of Public Lighting System
28. Building Register
29. Status and Heritage Assets Register
30. Road and Street register
31. Bridges Flyover Subway and Causeway Register
32. Drains Register
33. Ponds and Lakes Register
34. Plant and Machinery Register
35. Vehicle Register
36. Office Equipment Register
37. Furniture and Fixture Register
38. Computer and Peripheral Register
39. Software Register
40. Grants Register

Required at - Property Tax and other taxes

1. Summary Statement of bills raised
2. Summary statement of Demand Adjustment raised
3. Summary statement of refunds and remissions
4. Summary Statement of write-offs
5. Money Receipt Book
6. Hand Book (details due from tax pay)

Documents required at - water Supply

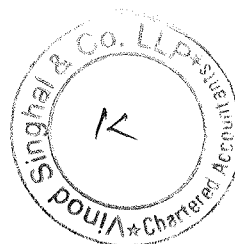
1. Summary Statement of Demand raised on assessment
2. Summary statement of Head wise collection
3. Summary statement of refunds remissions
4. Summary statement of write- offs

Documents required at - Rentals Fees and Other Income

1. Summary Statement of Demand raised on assessment
2. Summary statement of Head wise collection
3. Summary statement of refunds
4. Summary statement of write- offs

Documents required at- Public Works

1. Summary Statement of status of CWIP



2. Work Sheet
3. Deposit works register

Documents required at - Stores

1. Material Receipt Note
2. Statement of Material Issues

Other

1. Balance confirmation as on 30.06.2019
2. BRS of all Bank Accounts (including dormant accounts)
3. Physical Verification report of cash and Stock

Final Accounts for the year 2016-17, 2017-18, 2018-19 and 2019-20

1. Audited Balance Sheet
2. Audited Income & Expenditure Account
3. Audited Receipts & Payments Account and unaudited Receipts & Payment

b. Irregularity in procurement process:

1. **Irregularities in tender issue process:** During audit, the following payment has been checked on random basis:

Sl. No	Scheme Number of Payment File	Name Of Party	Invoice Amount	Remarks
1	07/2018-19	अनिल कुमार	9,15,426	All required deductions from bills have been made with appropriate rate. In payment order, the signature of Chief Municipal Officer is also present. Hence, no deviation has been notice.
2	25/2018-19	संजय कमुर	3,65,766	
3	NA	SURKHAB SUPPLYZ PRIVATE LIMITED	2,45,970	
4	NA	SURKHAB SUPPLYZ PRIVATE LIMITED	57,600	
5	NA	SURKHAB SUPPLYZ PRIVATE LIMITED	78,000	
6	NA	SATYARTHI BRIXWELL PRIVATE LIMITED	2,55,968	
7	NA	जीतेन्द्र कुमार, सहायक अभियंता	7,49,900	
8	NA	जीतेन्द्र कुमार, सहायक अभियंता	6,59,000	
9	NA	अजय चौबे	24,96,000	
10	08/2018-19	अखिलेश्वर शर्मा	1,49,49,140	
11	30/2018-19	मो० मनउवर आलम	11,05,440	
12	10/2018-19	सुधीर कुमार	7,21,322	
13	02/2018-19	अमित कुमार	3,00,335	
14	21/2018-19	अभिषेक कुमार राय	2,69,482	
15	20/2018-19	संतोष कुमार सिंह	14,17,491	
16	29/2018-19	मो० रबनवाज खॉं,	11,28,124	
17	26/2018-19	अस्कैदा खातुन	4,99,120	
18	33/2018-19	सुशिल कुमार	6,06,272	
19	12/2018-19	अभिषेक कुमार राय	4,38,155	
20	01/2019-20	अखिलेश्वर शर्मा	19,52,500	
21	NA	आदित्या ट्रेडर्स	23,55,893	
22	NA	जीतेन्द्र कुमार, सहायक अभियंता	7,49,900	
23	NA	आदित्या ट्रेडर्स	18,00,756	
24	27/2018-19	मो० रबनवाज खॉं	14,94,990	
25	19/2018-19	अभिषेक कुमार राय	2,36,274	



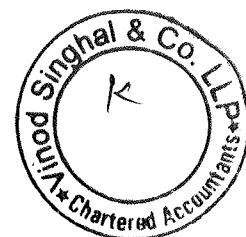
26	18/2018-19	अभिषेक कुमार राय	3,87,243
27	31/2018-19	मो0 रवनवाज खॉ	14,94,990
28	22/2018-19	अस्कैदा खातुन	11,58,399
29	NA	निकेतन इंटरप्राइजेज	1,75,000
30	NA	निकेतन इंटरप्राइजेज	2,16,000
31	NA	निकेतन इंटरप्राइजेज	2,04,000
32	NA	आदित्या ट्रेडर्स	19,33,200
33	23/2018-19	मो0 मनउवर आलम	13,69,819
34	01/2019-20	मॉस कंस्ट्रक्शन	30,51,400
35	03/2016-17	प्रभाकर कुमार	19,66,100
36	02/2019-20	प्रभाकर कुमार	37,41,943
37	01/2019-20	प्रभाकर कुमार	29,33,600
38	12/2019-20	विनोद कुमार मित्रा	6,07,784
40	11/2019-20	विनोद कुमार मित्रा	6,07,784
41	07/2019-20	मॉस कंस्ट्रक्शन	26,65,000
42	NA	निकेतन इंटरप्राइजेज	98,600
43	NA	आदित्या ट्रेडर्स	17,93,000
44	NA	आदित्या ट्रेडर्स	22,88,000
45	NA	जीतेन्द्र कुमार, सहायक अभियंता	7,15,800
46	NA	जीतेन्द्र कुमार, सहायक अभियंता	7,49,900
47	NA	जीतेन्द्र कुमार, सहायक अभियंता	7,49,900
48	NA	जीतेन्द्र कुमार, सहायक अभियंता	5,28,300
49	NA	जीतेन्द्र कुमार, सहायक अभियंता	7,45,500
50	NA	सोना ट्रेडर्स	59,00,000
51	NA	सोना ट्रेडर्स	14,75,000
52	NA	सोना ट्रेडर्स	59,00,000
53	NA	सोना ट्रेडर्स	14,75,000

2. Whether a register is kept for all Procurements with value above Rs. 15,000/-: No procurement register was maintained at ULB level for procurement with value above Rs. 15,000/-. During the Audit, we observed that ULB is using general cash book to maintain the record of all type of purchase.

3. er rule no 75, disbursement to the daily wage workers is to be witnessed by the chief municipal officer / engineer and he has to sign the disbursement certificate after ensuring that the acknowledgement has been obtained from the workers on the master payroll (BMAR Form -33):

As per provided master payroll of daily wages worker, we observed the following observations:

1. Daily Wages Register was not maintain in proper manner.
2. Signature and stamp of approving authority was not affixed in register.
3. In case of absence of staff, absence of that worker was not marked in wages register.
4. Rectification through whitener in register was done but no verification and authorisation was made on that.



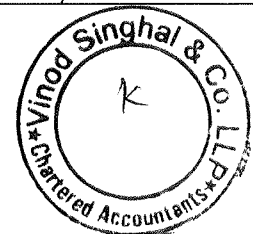
4. **No separate earnest & security deposit register:** Earnest money deposit & security deposit register help in tracking refund of EMD/SD on time to concerned parties, but in ULB, no such register was maintained/ provided for verification.

c. **Non-Compliance of directives by UD&HD, GoB:**

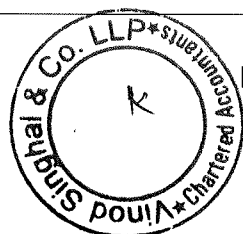
Sl.No.	Direction issued by UDHD	Complied or Not
1	No directive issued during FY 2019-20	

d. **Non-Compliance of Act & Rules:**

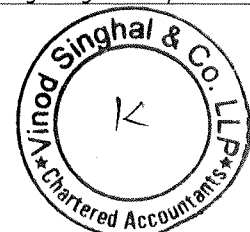
Sl. No	Requirement	Criteria	Auditors Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.-22	Refer point: Part-A (a) (2) No, during audit we observed that there was max 206 days delay in deposit of tax into bank.
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Yes, every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.
3	Whether the collection register was in the personal custody of the bill collector and the particulars in it shall be written up from the original receipts issued at the time of collection.	BMAR Rule No.- 27	Yes, Collection register was in the personal custody of the bill collector and the particulars in it shall be written up from the original receipts issued at the time of collection.
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, bill collector gets its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated of the Municipality
5	Whether every bill collector invariably remits his collections (in cash and/or cheques) to Cashier dallies before 4.30 PM and take the cashier's acknowledgement in the collection register.	BMAR Rule No.- 27	Refer point: Part-A (a) (2) No, in actual we noted that tax collector was not remitting his collections to bank. We noted that there were delay in deposit of tax with bank from day 45 to 47 days. However, amount collected as trade licence fee has not been deposited till date of our audit.
6	Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.	BMAR Rule No.- 69	No, Scheme wise grant register was not maintained by the ULB.
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception.	BMAR Rule No.- 69	Refer point: Part-B (h) Scheme/Grant related documents was not made available for audit,
8	Whether The grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No such circumstance were noticed during the audit
9	Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and physical progress reported on BMAR Form No 29.	BMAR Rule No.- 69	Refer PART-B (h) No, Utilization certificate details produced for verification
10	Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received	BMAR Rule No.- 69	No such circumstance were noticed during the audit
11	Whether the Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	BMAR Rule No.- 120	No, Bikramganj Nagar Parishad was not preparing a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.
12	Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under	BMAR Rule No.- 121	No, Bikramganj Nagar Parishad was not preparing monthly Trial balance in BMAR



	various Account Codes as certified by the Chief Municipal Officer.		Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.
13	Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	BMAR Rule No.- 121	No, Bikramganj Nagar Parishad 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
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.</p> <p>The Financial Statements shall comprise of</p> <p>a. Receipts and Payments Account for the year (BMAR Form No.71)</p> <p>b. Income & Expenditure Statement for the year (BMAR Form No.73)</p> <p>c. Balance Sheet as on 31st March of the year (BMAR Form No.74)</p> <p>d. Significant accounting policies adopted by the Municipality in presentation of the financial statements</p> <p>e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly.</p> <p>f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply</p>	BMAR Rule No.- 122	BMAR Rule No. - 122 were not followed by ULB during FY 2019-20.
15	Whether the municipality is regular in depositing statutory dues including tax deducted at source, GST, TDS on GST, service tax, VAT, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (f)
16	Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation;(BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (g)
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated in sufficient detail;	BMAR Rule No.-130	No, BMAR Rule No. 130 was not followed by ULB. As Single-entry accounting system was followed by ULB
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	No, grant register was not maintained by ULB
19	Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created;	BMAR Rule No.-130	No details regarding creation of special fund and their use were made available to comment thereon.
20	Whether the ULB is maintaining proper records showing full particulars, including quantitate details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable Intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	BMAR Rule No.-130	ULB was not maintaining fixed assets register for the Q-4of financial year 2019-20. Further no, fixed assets physically verified report was made available to comment upon.
21	Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are renewed after their expiry;	BMAR Rule No.-130	No details regarding lease hold property was made available to comment upon.
22	Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	BMAR Rule No.-130	No, ULB is not followed adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets. As ULB was not maintaining any store and assets purchase register.



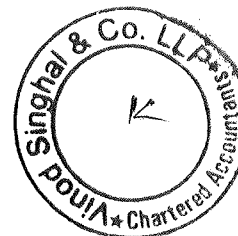
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality's accounts; If so, the details thereof;	BMAR Rule No.-130	We have not observed such type of transaction during audit.
24	Whether the Bank Reconciliation statements have been properly prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.-130	Refer Point-04 (III) No, ULB has not prepared bank reconciliation for any bank accounts maintained.
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.-130	As ULB has single entry accounting system, in that case year end provisions and reconciliation was not made during the reporting period.
26	Whether all the expenditure incurred by the Municipality is authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and are in all cases such as are authorized by Act;	BMAR Rule No.-130	Since proper voucher and expenses invoices not presented for our verification, therefore we can't comment on it.
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.-130	Refer-PART-A (a)(4) No, Revenue is not booked and deposited by ULB on real time basis, Collection of revenue is taken in books when deposit to bank and collection remained handed with revenue collector around 15-20 days. Further no action has been taken for collection of taxes this is clear for not providing details regarding arrear of taxes and revenue of ULB.
28	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act;	BMAR Rule No.-130	Refer-PART-A (a)(2) Yes, 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. Except; In case of deposit of daily tax collection, that is deposited on average 0 to 206 days delay of collection.
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	BMAR Rule No.-130	In absence of specific record during the audit, we can't comment that the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.-130	Refer-PART-B (a) No, some required books of accounts as per BMAM/BMAR has not been maintained.
31	Whether physical verification has been conducted by the ULB at reasonable intervals in respect of stores;	BMAR Rule No.-130	No store verification report was made available during the reporting period to comment upon.
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	No, procedures of physical verification of stores followed by the ULB have been provided to comment upon.
33	Whether any material discrepancies have been noticed on physical verification of stores as compared to book records, and If so, whether the same has been properly dealt with in the books of account; Whether proper procedures are in place to Identify any unserviceable or damaged stores and whether provision for the loss In this respect, If any, has been made In the accounts;	BMAR Rule No.-130	No such details provided
34	Whether the valuation of stores is in accordance with the accounting principles laid down in the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;	BMAR Rule No.-130	No such details provided
35	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the Interest and If not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	BMAR Rule No.-130	No such details provided
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130	No such details provided
37	Municipal Fund: Whether ULB has created required	BMA,2007:	No, ULB is using single entry accounting



	fund as mentioned in chapter IX of BMA-2007	Chapter IX	system, so there was no fund was accounting followed.
38	Investment of surplus money. Whether municipality has invested surplus fund as per the requirement of the chapter-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period. Check whether comparative interest rate is invited from parties before investing surplus funds:	BMA,2007: Chapter X	No details provided
39	Preparation of budget estimate of Municipality. Whether The budget estimate stated the rates at which various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following,	BMA,2007: Chapter XI	Not, Followed. ULB has not preparing budget during reporting period.
40	Maintenance of accounts. Whether the Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed,	BMA,2007: Chapter XII	As ULB was following single entry accounting system. So, receipts and payments details were being maintained in form of cash book. Audited receipts & payments account as per BMAM was not prepared by ULB.
41	Financial Statement. Whether the Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality,	BMA,2007: Chapter XII	No, ULB was not preparing a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality.
42	Submission of financial statement and balance sheet to auditor. The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the 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.	BMA,2007: Chapter XII	No, Financial Statements were not provided for audit by ULB
43	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act,2007 various tax is applicable on ULBs	BMA,2007: Chapter XV	Refer-PART-A(a)(1) for status of taxes not collected by ULB
44	As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,	BMA,2007: Chapter XIX	Refer-PART-A(a)(3)

e. **Lack of internal control measures:** We have observed the following areas where internal control measures are required by ULBs-

- Voucher file was not maintained
- No internal mechanism for statutory compliance
- No MIS was prepared for tracking of payments
- Year-end reconciliation was not available
- Bank reconciliation of any bank account was not prepared.
- Bank balance as per cash book was not maintained.
- Cheque receipt register was not maintained
- No control over cancelled or missing cheque
- Assets & stock register were not maintained

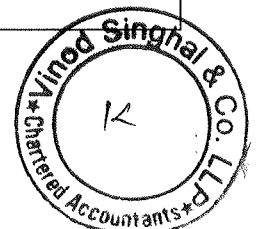


f. **Non Compliance of TDS/VAT and other related statutes:**

1. **Details of TDS should be deducted and to be deposited:** During audit we audited payments details from the cash book, while verification of payments, we observed that statutory deduction details are not mentioned either in cash book or no separate statutory deduction register was made available for verification. We have calculated the below deduction of TDS on sample basis that should be made from invoice. We have not received any documents towards deposition of TDS.

Sl. No	Scheme Number of Payment File	Amount Deducted	Date of deduction	Due Date of Payment	Actual Date of Payment	Challan No.
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1	07/2018-19	8,072	09.06.2019	07.07.2019		
2	25/2018-19	3,652	08.06.2019	07.07.2019		
3	NA	2,410	01.04.2019	07.05.2019		
4	NA	564	01.05.2019	07.06.2019		
5	NA	764	01.06.2019	07.07.2019		
6	NA	2,508	01.04.2019	07.05.2019		
7	NA	7,499	18.04.2019	07.05.2019		
8	NA	6,564	18.04.2019	07.05.2019		
9	NA	24,613	12.06.2019	07.07.2019		
10	08/2018-19	14,799	13.07.2019	07.08.2019		
11	30/2018-19	11,053	06.08.2019	07.09.2019		
12	10/2018-19	7,138	03.07.2019	07.08.2019		
13	02/2018-19	3,001	03.07.2019	07.08.2019		
14	21/2018-19	2,693	24.10.2019	07.11.2019		
15	20/2018-19	14,170	31.07.2019	07.08.2019		
16	29/2018-19	11,270	05.09.2019	07.10.2019		
17	26/2018-19	4,990	06.08.2019	07.09.2019		
18	33/2018-19	6,061	7.23.2019	07.08.2019		
19	12/2018-19	4,380	8.29.2019	07.09.2019		
20	01/2019-20	9,986	18.09.2019	07.10.2019		
21	NA	23,559	8.24.2019	07.09.2019		
22	NA	14,854	9.20.2019	07.10.2019		
23	NA	18,945	10.12.2019	07.01.2020		
24	27/2018-19	14,946	23.12.2019	07.01.2020		
25	19/2018-19	2,361	24.10.2019	07.11.2019		
26	18/2018-19	3,872	24.10.2019	07.11.2019		
27	31/2018-19	14,940	02.12.2019	07.01.2020		
28	22/2018-19	11,580	13.11.2019	07.12.2019		
29	NA	1,750	12.12.2019	07.01.2020		
30	NA	2,160	13.12.2019	07.01.2020		
31	NA	2,040	14.12.2019	07.01.2020		
32	NA	19,332	14.12.2019	07.01.2020		
33	23/2018-19	12,318	12.03.2020	30.04.2020		
34	01/2019-20	27,433	18.02.2020	07.03.2020	Details Not Provided	Details Not Provided
35	03/2016-17	5,792	17.03.2020	30.04.2020		
36	02/2019-20	9,470	17.03.2020	30.04.2020		



37	01/2019-20	11,259	17.03.2020	30.04.2020		
38	12/2019-20	12,146	18.01.2020	07.02.2020		
39	11/2019-20	6,073	18.02.2020	07.03.2020		
40	07/2019-20	10,307	17.03.2020	30.06.2020		
41	NA	986	27.02.2020	07.03.2020		
42	NA	35,860	25.02.2020	07.03.2020		
43	NA	45,760	03.02.2020	07.03.2020		
44	NA	14,250	18.01.2020	07.02.2020		
45	NA	7,427	19.01.2020	07.02.2020		
46	NA	7,427	17.03.2020	30.04.2020		
47	NA	5,265	18.01.2020	07.02.2020		
48	NA	7,246	17.03.2020	30.04.2020		
49	NA	59,000	17.01.2020	07.02.2020		
50	NA	14,750	24.03.2020	30.04.2020		
51	NA	59,000	17.01.2020	07.02.2020		
52	NA	14,750	24.03.2020	30.04.2020		

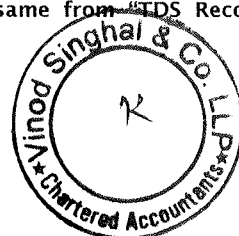
Note:

1. We have not received statutory compliance register and expenses invoices for our verification.
2. Neither copy of challan nor the copy of return has been presented to us, therefore we are unable to comment that payment made on time or not. However, we wish to say that non-payment of tax on due or before date will attract interest @ 1.5% p.m. or part of month
3. As per provision of sec. 276B, If a person fails to pay to the credit of the Central Government to the amount of tax deducted at source by him as required by or under the provisions of Chapter XVII-B; or the tax payable by him, as required by or under sub-section (2) of section 115-O; or the second proviso to section 194B, he shall be punishable with rigorous imprisonment for a term which shall not be less than **three months** but which may extend to **seven years** and with fine.
 2. **Details of TDS returns filed are mentioned below:** During the audit, we observed that ULB was not regular in filling of TDS return, as per below mentioned details this is clear that either ULB had not filled TDS return or if filled then not followed due date of return filling. This practice of delay in filling of TDS return would cause ULB in form of penalty.

SINo	Quarter	Due date of Return	Actual date of Return filled	Remark
1	Quarter-1 of F.Y. 2019-20	31 st July 2019	Not Available	Can't Comment
2	Quarter-2 of F.Y. 2019-20	31 st Oct. 2019		
3	Quarter-3 of F.Y. 2019-20	31 st Jan. 2020		
4	Quarter-4 of F.Y. 2019-20	31 st May-2020		

Note:

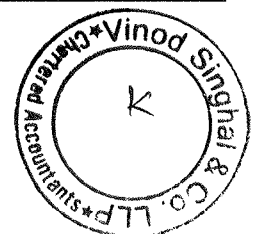
- a. As per provision of Sec. 234E where a person fails to file the TDS/TCS return on or before the due date prescribed in this regard, then he shall be liable to pay, by way of fee, a sum of Rs. 200 for every day during which the failure continues. The amount of late fees shall not exceed the amount of TDS Further as per provision of Sec 271H deductor or collector of tax at source fail to file the return within the stipulated date, he/she can also be penalized with a fee which is not less than Rs 10,000. The amount of penalty could go up to Rs. 1 lakh.
- b. **Downloading of TDS Certificates from TRACES made mandatory:** In this regard, your attention is invited to the **CBDT circulars 04/2013 dated 17.04.2013, CBDT Circular No. 03/2011 dated 13-5-2011 and CBDT Circular No. 01/2012 dated 9-4-2012** on the **Issuance of certificate for Tax Deducted at Source** in Form 16/16A as per IT Rules 1962. It is now mandatory for all diductor's to issue TDS certificates after generating and downloading the same from **TDS Reconciliation Analysis and**



Correction Enabling System” or TRACES Portal. In view of above circulars, it may kindly be noted that the TDS Certificates **downloaded only from TRACES Portal** will be valid. Certificates issued in any other form or manner will not comply to the requirements referred in the Income-tax Act 1961 read with relevant Rules and Circulars issued in this behalf from time to time. Further as per the provisions of section 203 of the Income Tax Act, 1961 read with rule 31A, Certificate of tax deducted at source is to be **furnished within fifteen (15) days from the due date for furnishing the statement** of tax deducted at source. Failure to comply with the provisions of the Act will attract **penalty under the provisions of section 272A of the Act, a sum of one hundred rupees for every day** during which the failure continues.

- c. In case of ULB the commissioner in charge will be person who is liable to deduct and pay the TDS and issue of TDS certificate on time. Therefore, management is suggested to take a serious note on the status of Tax collected or deposited, timely submission of return thereof and issuance of TDS Certificate.
3. **Non-Compliance of VAT/GST:** During audit we noted that ULB is not regular in deposit of VAT/GST, as mentioned below circumstances, ULB has deducted VAT/GST but no proof for deposit was provided. Since ULB has not presented statutory compliance register for audit, therefore the amount reported below is not presenting the full picture of deduction. Actual deduction is may be excess from the reported deduction.

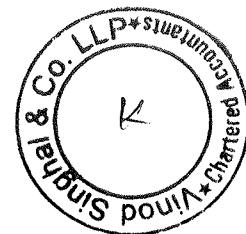
Sl. No	Scheme Number of Payment File	Amount Deducted	Date of deduction	Due Date of Payment	Actual Date of Payment	Challan No.
1	07/2018-19	16,144	09.06.2019	10.07.2019	Details Not Provided	Details Not Provided
2	25/2018-19	7,304	08.06.2019	10.07.2019		
3	NA	4,820	01.04.2019	10.05.2019		
4	NA	1,128	01.05.2019	10.06.2019		
5	NA	1,528	01.06.2019	10.07.2019		
6	NA	5,016	01.04.2019	10.05.2019		
7	NA	14,998	18.04.2019	10.05.2019		
8	NA	13,128	18.04.2019	10.05.2019		
9	NA	49,226	12.06.2019	10.07.2019		
10	08/2018-19	29,598	13.07.2019	10.08.2019		
11	30/2018-19	22,106	06.08.2019	10.09.2019		
12	10/2018-19	14,276	03.07.2019	10.08.2019		
13	02/2018-19	6,002	03.07.2019	10.08.2019		
14	21/2018-19	5,386	24.10.2019	10.09.2019		
15	20/2018-19	28,340	31.07.2019	10.08.2019		
16	29/2018-19	22,540	05.09.2019	10.10.2019		
17	26/2018-19	9,980	06.08.2019	10.09.2019		
18	33/2018-19	12,122	7.23.2019	10.08.2019		
19	12/2018-19	8,760	8.29.2019	10.09.2019		
20	01/2019-20	19,972	18.09.2019	10.10.2019		
21	NA	47,118	8.24.2019	10.09.2019		
22	NA	29,708	9.20.2019	10.09.2019		
23	NA	37,890	10.12.2019	10.01.2020		
24	27/2018-19	29,892	23.12.2019	10.01.2020		
25	19/2018-19	4,722	24.10.2019	10.11.2019		
26	18/2018-19	7,744	24.10.2019	10.11.2019		
27	31/2018-19	29,880	02.12.2019	10.01.2020		
28	22/2018-19	23,160	13.11.2019	10.12.2019		
29	NA	3,500	12.12.2019	10.01.2020		
30	NA	4,320	13.12.2019	10.01.2020		
31	NA	4,080	14.12.2019	10.01.2020		
32	NA	38,664	14.12.2019	10.01.2020		
33	23/2018-19	24,636	12.03.2020	10.04.2020		
34	01/2019-20	54,866	18.02.2020	10.03.2020		



35	03/2016-17	11,584	17.03.2020	10.04.2020		
36	02/2019-20	18,940	17.03.2020	10.04.2020		
37	01/2019-20	22,518	17.03.2020	10.04.2020		
38	12/2019-20	24,292	18.01.2020	10.02.2020		
39	11/2019-20	12,146	18.02.2020	10.03.2020		
40	07/2019-20	20,614	17.03.2020	10.04.2020		
41	NA	1,972	27.02.2020	10.03.2020		
42	NA	71,720	25.02.2020	10.03.2020		
43	NA	91,520	03.02.2020	10.03.2020		
44	NA	28,500	18.01.2020	10.02.2020		
45	NA	14,854	19.01.2020	10.02.2020		
46	NA	14,854	17.03.2020	10.04.2020		
47	NA	10,530	18.01.2020	10.02.2020		
48	NA	14,492	17.03.2020	10.04.2020		
49	NA	1,18,000	17.01.2020	10.02.2020		
50	NA	29,500	24.03.2020	10.04.2020		
51	NA	1,18,000	17.01.2020	10.02.2020		
52	NA	29,500	24.03.2020	10.04.2020		

4. **Non-Compliance of Royalty:** During audit we noted that ULB is not regular in deposit of Royalty, as mentioned below circumstances, ULB has deducted Royalty but no proof for deposit was provided. Since ULB has not presented statutory compliance register for audit, therefore the amount reported below is not presenting the full picture of deduction. Actual deduction is may be excess from the reported deduction.

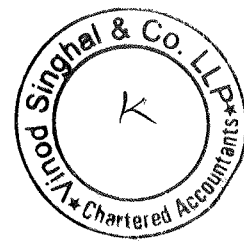
Sl. No	Scheme Number of Payment File	Amount Deducted	Date of deduction	Actual Date of Payment	Challan No.
1	07/2018-19	16,144	09.06.2019	Details Not Provided	Details Not Provided
2	25/2018-19	7,304	08.06.2019		
3	NA	4,820	01.04.2019		
4	NA	1,128	01.05.2019		
5	NA	1,528	01.06.2019		
6	NA	5,016	01.04.2019		
7	NA	14,998	18.04.2019		
8	NA	13,128	18.04.2019		
9	NA	49,226	12.06.2019		
10	08/2018-19	29,598	13.07.2019		
11	30/2018-19	22,106	06.08.2019		
12	10/2018-19	14,276	03.07.2019		
13	02/2018-19	6,002	03.07.2019		
14	21/2018-19	5,386	24.10.2019		
15	20/2018-19	28,340	31.07.2019		
16	29/2018-19	22,540	05.09.2019		
17	26/2018-19	9,980	06.08.2019		
18	33/2018-19	12,122	7.23.2019		
19	12/2018-19	8,760	8.29.2019		
20	01/2019-20	19,972	18.09.2019		
21	NA	47,118	8.24.2019		
22	NA	29,708	9.20.2019		
23	NA	37,890	10.12.2019		
24	27/2018-19	29,892	23.12.2019		



25	19/2018-19	4,722	24.10.2019		
26	18/2018-19	7,744	24.10.2019		
27	31/2018-19	29,880	02.12.2019		
28	22/2018-19	23,160	13.11.2019		
29	NA	3,500	12.12.2019		
30	NA	4,320	13.12.2019		
31	NA	4,080	14.12.2019		
32	NA	38,664	14.12.2019		
33	23/2018-19	24,636	12.03.2020		
34	01/2019-20	54,866	18.02.2020		
35	03/2016-17	11,584	17.03.2020		
36	02/2019-20	18,940	17.03.2020		
37	01/2019-20	22,518	17.03.2020		
38	12/2019-20	24,292	18.01.2020		
39	11/2019-20	12,146	18.02.2020		
40	07/2019-20	20,614	17.03.2020		
41	NA	1,972	27.02.2020		
42	NA	71,720	25.02.2020		
43	NA	91,520	03.02.2020		
44	NA	28,500	18.01.2020		
45	NA	14,854	19.01.2020		
46	NA	14,854	17.03.2020		
47	NA	10,530	18.01.2020		
48	NA	14,492	17.03.2020		
49	NA	1,18,000	17.01.2020		
50	NA	29,500	24.03.2020		
51	NA	1,18,000	17.01.2020		
52	NA	29,500	24.03.2020		

5. **Non-Compliance of Labour Cess to be paid:** During audit we noted that ULB is not regular in deposit of Labour cess, as mentioned below circumstances, ULB has deducted Labour cess but no proof for deposit was provided. Since ULB has not presented statutory compliance register for audit, therefore the amount reported below is not presenting the full picture of deduction. Actual deduction is may be excess from the reported deduction.

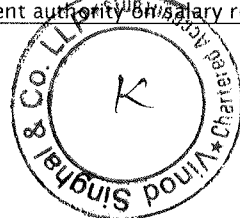
Sl. No	Scheme Number of Payment File	Amount Deducted	Date of deduction	Actual Date of Payment	Challan No.
1	07/2018-19	8,072	09.06.2019		
2	25/2018-19	3,652	08.06.2019		
3	NA	2,410	01.04.2019		
4	NA	564	01.05.2019		
5	NA	764	01.06.2019		
6	NA	2,508	01.04.2019		
7	NA	7,499	18.04.2019		
8	NA	6,564	18.04.2019		
9	NA	24,613	12.06.2019		
10	08/2018-19	14,799	13.07.2019		
11	30/2018-19	11,053	06.08.2019		
12	10/2018-19	7,138	03.07.2019		
13	02/2018-19	3,001	03.07.2019		



14	21/2018-19	2,693	24.10.2019
15	20/2018-19	14,170	31.07.2019
16	29/2018-19	11,270	05.09.2019
17	26/2018-19	4,990	06.08.2019
18	33/2018-19	6,061	7.23.2019
19	12/2018-19	4,380	8.29.2019
20	01/2019-20	9,986	18.09.2019
21	NA	23,559	8.24.2019
22	NA	14,854	9.20.2019
23	NA	18,945	10.12.2019
24	27/2018-19	14,946	23.12.2019
25	19/2018-19	2,361	24.10.2019
26	18/2018-19	3,872	24.10.2019
27	31/2018-19	14,940	02.12.2019
28	22/2018-19	11,580	13.11.2019
29	NA	1,750	12.12.2019
30	NA	2,160	13.12.2019
31	NA	2,040	14.12.2019
32	NA	19,332	14.12.2019
33	23/2018-19	12,318	12.03.2020
34	01/2019-20	27,433	18.02.2020
35	03/2016-17	5,792	17.03.2020
36	02/2019-20	9,470	17.03.2020
37	01/2019-20	11,259	17.03.2020
38	12/2019-20	12,146	18.01.2020
39	11/2019-20	6,073	18.02.2020
40	07/2019-20	10,307	17.03.2020
41	NA	986	27.02.2020
42	NA	35,860	25.02.2020
43	NA	45,760	03.02.2020
44	NA	14,250	18.01.2020
45	NA	7,427	19.01.2020
46	NA	7,427	17.03.2020
47	NA	5,265	18.01.2020
48	NA	7,246	17.03.2020
49	NA	59,000	17.01.2020
50	NA	14,750	24.03.2020
51	NA	59,000	17.01.2020
52	NA	14,750	24.03.2020

g. Deficiency in payroll system:

SI No	Particulars	Comments
1	Status of maintenance of salary register for all employees (Permanent/Daily wages/ Contract worker)	Yes, Salary register was maintained for all employees
2	Non availability of Salary payment voucher	ULB was not in practice to issue salary payment voucher, Payment of salary was passed based on approval by competent authority on salary register.



3	Matching of voucher number with cash book	No salary payment voucher number was mentioned in cash book
4	Salary register contains all elements of salary	Yes, all elements of salary were mentioned in salary register.
5	Maintenance of Salary Deduction register	Deductions from salary was mentioned in salary register, no separate deduction register was maintained.
6	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	Biometric device was and payroll software was not implemented in ULB.

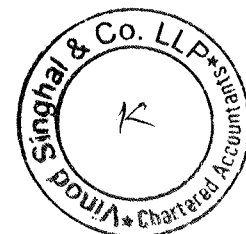
Details of delay of deposit of EPF:

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

Month of Deduction	Amount Deduction		Due date of Deposit	Amount Deposit	Actual Date of Deposit	Delay On Days
	Employee Contribution	Employer Contribution				
April- 19	Not Available		15.05.2019	Not Deposited	Can't Ascertain	
May- 19			15.06.2019			
Jun- 19			15.07.2019			
July- 19	12331	12331	15.08.2019			
Aug- 19	12331	12331	15.09.2019			
Sep.- 19	12331	12331	15.10.2019			
Oct- 19	Not Available		15.11.2019			
Nov- 19			15.12.2019			
Dec- 19			15.01.2020			
Jan- 20			15.02.2020			
Feb- 20			15.03.2020			
March- 20			15.05.2020			

h. Utilisation of Grant and report on missing Utilisation Certificates: We are submitting below the detail of fund received and utilised during the year.

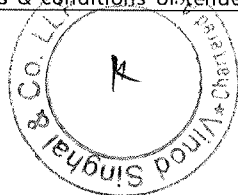
क्र. सं.	वित्तीय वर्ष	आवंटन का मद	स्वीकृत्यादेश संख्या एवं तिथि	आवंटित राशि	निकासी की गई राशि	निकासी के विरुद्ध व्यय के उपरांत अवशेष राशि	पी. एल. खाता में जमा अवशेष राशि	अभियुक्ति
1	2	3	4	5	6	7	8	9
1	2019-2020	नगर प्रबन्धक मानदेय की राशि	26/20.06.2019	1.20	1.20	1.20	1.20	Deposited in PLA
2	2019-2020	14th finance	127/27.11.19	148.88	148.88	148.88	148.88	Deposited in PLA
3	2019-2020	5th finance	56/13.08.19	249.11	249.11	249.11	249.11	Deposited in PLA
4	2019-2020	5th finance	54/13.08.2019	257.83	257.83	257.83	257.83	Deposited in PLA
5	2019-2020	नगर प्रबंधक मानदेह	78/13.09.2019	2.40	2.40	2.40	2.40	Deposited in PLA
6	2019-2020	कार्यपालक पदाधिकारी का वेतन	83/20.09.2019	4.39	4.39	4.39	4.39	Deposited in PLA
7	2019-2020	वेतन भुगतान	42/12.07.19	2.19	2.19	2.19	2.19	Deposited in PLA
8	2019-2020	14th Finance	38/11.07.2019	148.88	148.88	148.88	148.88	Deposited in PLA
Total				814.88	814.88	814.88	814.88	



- i. **Physical verification of inventory/Stores:** We have verified the physical store as per detail provided to us. Out of these stores some are outdated and not in condition to use.
- j. **Advances, their adjustment & Recovery:** Refer point 36 PART-B (d) there is no any advance register provided to us for our verification. We are unable to comment on the same.
- k. **Any other matters as may be prescribed in due course:** As all relevant matters has been covered in above mention point

III. PART-C

SINo	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.	We have reported on this point under PART-B (d) of the report. Please refer the same for detail.
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 Actuals as per internal audits;	We have reported on this point under PART-A(c). Please refer the same for detail. Further ULB is Assessing the property as per valuation of the FY 2009-10. We have discussed on this point with executive officer and Tax Daroga.
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 :	We have reported on this point under PART-B (d) of the report. Please refer the same for detail.
	Rule 22: All moneys to be brought to account	Yes
	Rule 27: Collections to be deposited into Bank on the same day	We have reported on this point under PART-A of the report. Please refer the same for detail.
	Rule 69: Grant Related Compliance	We have reported on this point under PART-B (b) of the report. Please refer the same for detail.
	Rule 120-121: Monthly Receipt & Payment Account and Trial Balance	We have reported on this point under PART-B (b) of the report. Please refer the same for detail.
	Rule 130: Audit to be completed & reported within 6 month	We have reported on this point under PART-B (h) of the report. Please refer the same for detail.
D	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.	Complied Refer-Audit recommendation
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;	We have reported on this point under PART-B (b) of the report. Please refer the same for detail
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.	We have reported on this point under PART-B (b) of the report. Please refer the same for detail
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/-	We have reported on this point under PART-B (d) of the report. Please refer the same for detail
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.	We have reported on this point under PART-A (a) of the report. Please refer the same for detail)
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.	We have reported on this point under PART-B (f) and (g) of the report. Please refer the same for detail
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 Point-03 of Detailed Audit Report and Note thereof.
K	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers	We have reported on this point under PART-B (d) of the report. Please refer the same for detail.



	are according to procurement law and policies	
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.	We have reported on this point under PART-A(c). Please refer the same for detail. Further ULB is Assessing the property as per valuation of the FY 2009-10. We have discussed on this point with executive officer and Tax Daroga.
M	Internal Auditor will identify major areas of ULBs own revenue loss and auditor will access the loss and Prepare a statement of loss.	We have reported on this point under PART-B (d) of the report. Please refer the same for detail.
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.	We have observed that this is very poor are of ULB. There are very less internal control over, deduction and deposit of taxes. We have reported detail of the same in our report.
O	Internal Auditor will ensure that all the C&AG audit & Internal audit Paras has been complied by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.	We have reported on this point under PART-A of the report. Please refer the same for detail.

Thanking You,

For

Vinod Singhal & Co. LLP

(Chartered Accountants)

FRN: 005826C/C400276

Sodhani

CA Krishan Kumar Sodhani

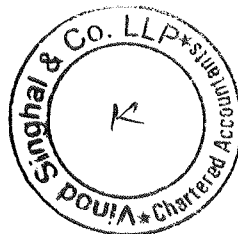
Partner

M.No:- 404603

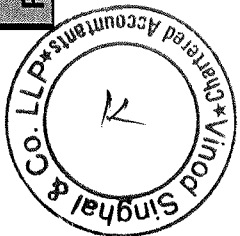
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Date 09-08-2021

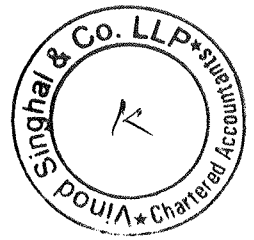
Place - Patna.



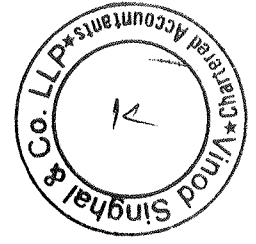
RISK ASSESSMENT							
BIKRAMGANJ NAGAR PARISHAD							
Name of the ULB							
S. No.	Observations	Risk Rating	Design Gap	System gap	OperatingG	Mgt. Comment	Auditor Recommend
DEMAND GENERATION:							
1	➤ Loss of Revenue due to under assessment/wrong generation of demand	H	NO	YES	YES	Due to lack of manpower some gap arise, However we are trying to minimize the gap every month.	We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval. The ULB has not proper mechanisms for supervising and monitoring of the Taxes due to which result in Revenue Loss
2	➤ Collusion with citizen regarding assessment	M	NO	NO	NO		
3	➤ Non-updating various register like hand book, DCB register, Assessment register, etc.	M	NO	NO	NO		
4	➤ Others		NO	NO	NO		
RECEIPTS AND BANKING:							



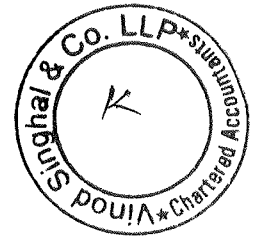
1	➤ Error in collections, loss of receipts and perpetrated frauds	H	NO	NO	NO	NO		
2	➤ Non-updating various register like handbook, DCB register, cash book, etc.	M	NO	NO	NO	NO		
3	➤ Collusion with the citizen and the ULBs staff to make wrong assessments of income	H	NO	NO	NO	NO		
4	➤ Others		NO	NO	NO	NO		
REVENUE EXPENDITURE:								
1	➤ Error in over payment	H	NO	NO	NO	NO		
2	➤ Loss of supporting document	H	NO	NO	NO	NO		
3	➤ Loss of authentication	H	NO	NO	NO	NO		



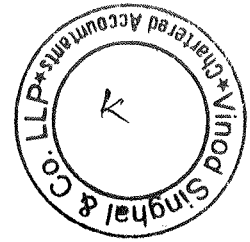
4	> Perpetrated fraud (Like payment more than one time on same bill)	H	NO	NO	NO	NO	
5	> Non-updating various register like Bill register with payment figureetc.	M	NO	NO	NO	NO	
6	> Others		NO	NO	NO	NO	
ESTABLISHMENT EXPENDITURE:							
1	> Error in over payment	H	NO	NO	NO	NO	
2	> Loss of supporting document	H	NO	NO	NO	NO	
3	> Loss of authentication	H	NO	NO	NO	NO	
4	> Collusion with employee	H	NO	NO	NO	NO	
5	> Perpetrated fraud (Like payment more than onetime to same org host employee)	H	NO	NO	NO	NO	



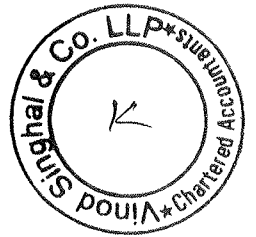
6	➤ Non-updating various register like salary register, PF register, Service book/record, advance register, etc.	M	NO	NO	NO	NO		
7	➤ Others		NO	NO	NO	NO		
CAPITAL EXPENDITURE:								
1	➤ Error in over payment	H	NO	NO	NO	NO		
2	➤ Loss of supporting document	H	NO	NO	NO	NO		
3	➤ Loss of authentication	H	NO	NO	NO	NO		
4	➤ Collusion with contractor	H	NO	NO	NO	NO		
5	➤ Perpetrated fraud (Like payment more than one time to same contractor)	H	NO	NO	NO	NO		



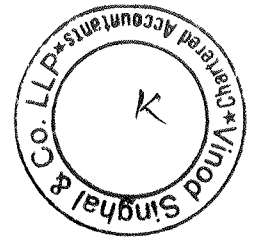
		M	NO	NO	NO	YES	We observed that there are various register that is not updated/ Presented (Like. Fixed Assets register, etc)
6	➤ Non-updating various register like work register, MB, bill register, Fixed Assets register, Service book/record, advance register, etc.		NO	NO	NO	NO	
7	➤ Others		NO	NO	NO	NO	
PROCUREMENT AND INVENTORY:							
1	➤ Error in over payment	H	NO	NO	NO	NO	
2	➤ Loss of supporting document	H	NO	NO	NO	NO	
3	➤ Loss of authentication/Procedural error	H	NO	NO	NO	NO	
4	➤ Collusion with contractor	H	NO	NO	NO	NO	
5	➤ Perpetrated fraud (Like payment more than one time to same contractor)	H	NO	NO	NO	NO	



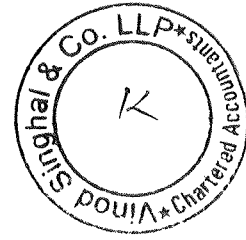
6	> Non-updating various register like core register, issue register, bill register with payment fig., advance register, etc.	M	NO	NO	NO	NO	
7	> Others		NO	NO	NO	NO	
GRANT AND LOANS AND UTILISATION THEREOF:							
1	> Not utilization of grant or grant un-spent	M	NO	NO	YES	YES	We are try to minimize the gap as soon as possible.
2	> Not furnishing of UC	H	NO	NO	YES	YES	UC are already furnished for the fund utilized earlier. However we have directed the concerned person to submit the balance UC at earliest.
3	> Non fulfillment of condition part thereto	M	NO	NO	NO	YES	We are try to minimize the gap as soon as possible.
5	> Perpetrated fraud (Like payment more than one time same contractor)	H	NO	NO	NO	NO	
6	> Non-updating various register like grant register, work register, bill register with payment fig., advance register, etc.	M	NO	NO	NO	NO	
7	> Others		NO	NO	NO	NO	



FIXED DEPOSITS AND INVESTMENTS:						
						UlB has not deposited any fund in any manner.
1	➤ Not deposited at appropriate time (loss of revenue)	H	NO	NO	NO	Fund received from UDHD is as per our requirement. There is no any surplus for deposit
2	➤ Loss of Investment certificate	H	NO	NO	NO	
3	➤ Non fulfillment of condition part thereto	M	NO	NO	NO	
4	➤ Collusion with bank officials to invest at lower rate	H	NO	NO	NO	
5	➤ Deposit into Current account	M	NO	NO	NO	
6	➤ Non-updating various register like investment register, Bank book, cash book, etc.	M	NO	NO	NO	
7	➤ Others					
LOANS AND ADVANCES:						
1	➤ Unauthorized release of advance	H	NO	NO	NO	

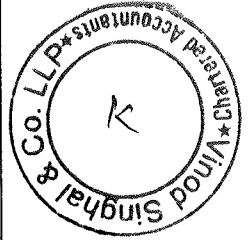


2	> Release of advance beyond authority	H	NO	NO	NO	NO	
3	> Non-adjustment of loan or advance during the year	M	NO	NO	NO	NO	
4	> Collusion with employee/party to release advance/loan beyond authority	H	NO	NO	NO	NO	
5	> Advance/loan not account for	H	NO	NO	NO	NO	
6	> Non-updating various register like Loan & advance, Bank book, cash book, etc.	M	NO	NO	NO	NO	
7	> Others		NO	NO	NO	NO	

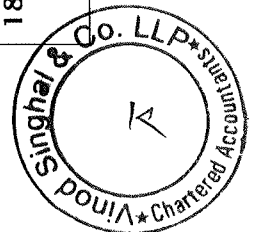


List of Important Registers

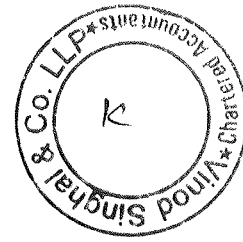
Name of the ULB		BIKRAMGANJ NAGAR PARISHAD			
RISK RATING:		High			
CAG OBSERVATION STATUS		C & AG Audit party vide its audit report for the FY 2015-16 To 2016-17 commented that " Un-satisfactory maintain of books of accounts"			
Period		Annual of FY 2019-20			
S. No.	Particulars	Audit Observation	Associates Risk	MGT. Comment	Status (Resolved or not)
1	➤ Cash Book	Prepared			
2	➤ Ledger	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO
3	➤ Journal	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO
4	➤ Register for Journal/Magazines/Newspapers	Not Prepared	Medium		NO
5	➤ Register for Temporary Advances	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO



6	➤ Register of Money Orders/Bank Draft Received	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO
7	➤ Cheque Issue Register	Prepared			
8	➤ Register of Remittances made into bank	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO
9	➤ Bank Passbook	Updated			NO
10	➤ Register of Bank drafts dispatched	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO
11	➤ Bill Register	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO
12	➤ Establishment Register	Prepared			
13	➤ Stock Register	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO
14	➤ Capital Goods/Consumable articles, and non-consumable articles	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO
16	➤ Statutory Deduction Register	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO
17	➤ Fixed Assets Register	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO
18	➤ Grant Register	Prepared			



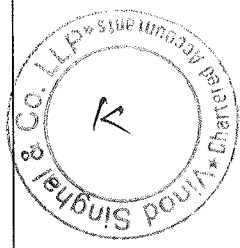
19	➤ Scheme Register	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO
20	➤ Monthly accounts of Receipts/Payments	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO
21	➤ Temporary Advances Register for Staff Customers/supplier/VE C and TA/ DA Advance	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO
22	➤ Dispatch Register	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO
23	➤ File Register	Not Prepared	High	We are try to minimize the gap as soon as possible.	NO
24	➤ Any other (Name of the register)				



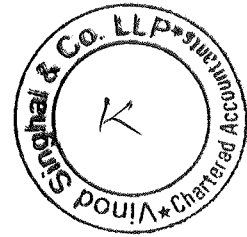
Cash and Bank

Name of the ULB						
BIKRAMGANJ NAGAR PARISHAD						
RISK RATING:						
High						
CAG OBSERVATIONS STATUS						
C & AG Audit party vide its audit report for the FY 2015-16 to 2016-17 commented that " ULB is not preparing Bank Reconciliation".						
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved /Not)
1	<ul style="list-style-type: none"> ➤ Check whether there is no any undue delay in presentation of cheque/DD received to bank, 	<p>ULB is not maintaining Cheque handling register, therefore we can't comment on it.</p>		High	<p>We are try to minimize the gap as soon as possible.</p>	NO
2	<ul style="list-style-type: none"> ➤ Whether cheque/draft issue/receipt/dishonored register have been maintained as per prescribed form (As Per BMAM) & entry are made on properly, accurately & timely basis. 	No		High	<p>We are try to minimize the gap as soon as possible.</p>	NO
3	<ul style="list-style-type: none"> ➤ Whether banking transactions (receipts & Payments) are matched with cash book, Cheque issue register, collection register, etc. Verify the same with Bank statement & BRS, 	<p>ULB has not presented any receipt and payment account for our verification. Therefore we can't comment on it.</p>		High	<p>We are try to minimize the gap as soon as possible.</p>	NO
4	<ul style="list-style-type: none"> ➤ Whether cheque issue register are Matched 	<p>Yes, We noted that cheque issue register are match with cheque counter file and cash book.</p>				

5	<p>➤ Whether proper steps has been taken for Dishonored cheque. It was realized in cash or not,</p>	<p>We have not found any instances like this. Further ULB is not maintaining any cheque handling register, therefore we can't comment on this point.</p>		High	<p>We are try to minimize the gap as soon as possible.</p>	NO
6	<p>➤ Whether Bank Reconciliation has been Made for each account, verify the status of BRS, (attached BRS as annexure)</p>	<p>ULB is preparing BRS on the last page of Cash book, only for active accounts.</p>		Medium		NO
7	<p>➤ Check whether no any fraud payment or payment to other person has been made,</p>	<p>As per information and data given to us during our audit we have not found any instances like fraud.</p>		Low		NO
8	<p>➤ Whether bank statement for all account have been promptly received from bank.</p>	<p>Yes, ULB is collecting Bank statement from Bank on the periodic gap.</p>		Low		NO
9	<p>➤ Number of Bank account maintained</p>	<p>17, including the account maintain under Kabir Antheyasthi Yojna. Further we wish to confirm that we have not received any signed list of Account from ULB. These all Bank accounts are come to our knowledge during Audit.</p>		High	<p>We are try to minimize the gap as soon as possible.</p>	NO

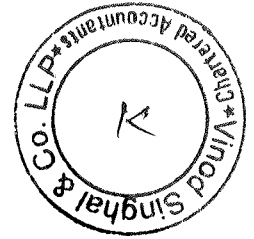


10	<ul style="list-style-type: none"> ➤ Original copy of cancelled receipt is Attached with duplicate copy with "CANCELLED" marked on it. 	Yes					NO
11	<ul style="list-style-type: none"> ➤ Liability for stale cheque account review is done and necessary reversal entries are passed 	There is no stale cheque.					
12	<ul style="list-style-type: none"> ➤ Any other 						NO

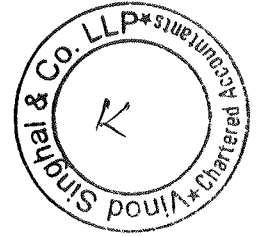


Public Works

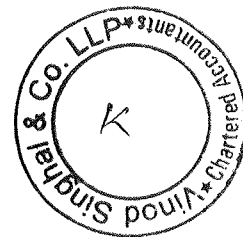
Public Works						
Name of the ULB		BIKRAMGANJ NAGAR PARISHAD				
RISK RATING:		Medium				
CAG OBSERVATION STATUS		<p>C & AG Audit party vide its audit report for the FY 2015-16 To 2016-17 commented that</p> <ol style="list-style-type: none"> 1. ULB is Recovering market taxes without agreement or order, 2. Recovery of duty on vehicle and market taxes without agreement in FY 2013-14 3. No explanation provided w.r.t. what action has been taken for recovery of arrear amount from barrier holder 4. Non collection of stamp duty on sairat agreement 5. Planning of nagar Parishad not send to district planning commission 				
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. 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				
2	➤ Whether bill has been signed by proper in charge,	Yes				



3	<ul style="list-style-type: none"> ➤ Whether the bill has been checked by the accountant with the MB(also compare the qty.),estimate, agreement, previous bill (in case of running agreement) 	Yes				
4	<ul style="list-style-type: none"> ➤ Verify whether any payment made for removing/dismantling material which have scrap value must be indicated in the bill, 	Yes				
5	<ul style="list-style-type: none"> ➤ Whether measuring has done by the engineer concerned, 	Yes				
6	<ul style="list-style-type: none"> ➤ Whether expenditure on construction of work was debited to WIP & verified with MB maintained, 	Yes				
7	<ul style="list-style-type: none"> ➤ Whether masterroll (machine numbered & authorized) has been maintained for details of store, specifying: 	Master roll not presented for our verification, Therefore we can't comment on this.				No
8	➤ Date of Issue,					
9	➤ Name of subordinate,					
10	➤ Name of work,					
11	➤ Number of labour,					
12	➤ Period of engagement,					
13	➤ Details of payment (date,Amount, Cheque no, etc)					

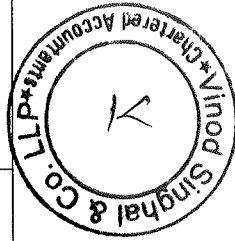


2	<p>➤ Whether posting of receipt & payment side of cash book are properly maintained & it was matched with proper evidence like Receipt Voucher, Cheque issue Register, Bank Statement, etc.,</p>	<p>We observed that posting of receipt & payment side of cash book are properly maintained. However only cheque issue register and bank statement has presented to our verification, therefore we have verified from the same.</p>	High	We are try to minimize the gap as soon as possible.	No
3	<p>➤ Whether posting in on daily basis,</p>	<p>No, We observed that there is gap there is 4-5 days gap in posting</p>	High	We are try to minimize the gap as soon as possible.	No
4	<p>➤ Whether there is any clerical error (casting or/and posting error, etc) or not,</p>	<p>We have not found any clerical error during the period under consideration.</p>			
5	<p>➤ Whether any delay in deposit of amount of collection by cashier,</p>	<p>Yes. Please refer Detail Audit Report for more detail.</p>	High	We are try to minimize the gap as soon as possible.	No
6	<p>➤ conduct physical verification of cash and report heavy cash balance if any</p>	<p>Physical cash not presented for our verification. Therefore we can't comment on it.</p>	High	We are try to minimize the gap as soon as possible.	No
7	<p>➤ Any Other</p>				

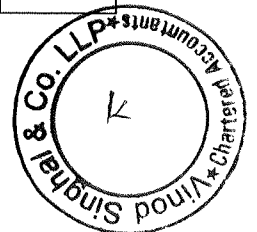


Collection

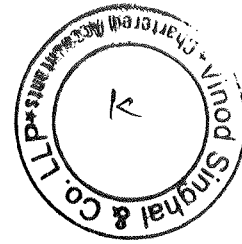
Name of the ULB		BIKRAMGANJ NAGAR PARISHAD					
RISK RATING:		High					
Name Of The Tax Collector		Jayprakesh Tiwari					
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved /Not)	
1	<ul style="list-style-type: none"> ➤ Whether collection procedure are as per guidelines/direction of ULB, 	Yes, Except in case of arrear taxes.					
2	<ul style="list-style-type: none"> ➤ Whether collections are made on the basis of Demand & Collection Register, 	No		High	We are try to minimize the gap as soon as possible		
3	<ul style="list-style-type: none"> ➤ Whether collection are made in the same receipt Vouchers which has been issued/authorized by ULB/state government & it should be clear mentioned of different head & not any alteration,& the carbon copy of receipt vouchers are properly vouched so that no any variation in posting the same, 	Yes					

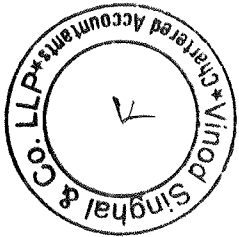


4	➤ Whether collections are bifurcated in different heads as required,	Yes				
5	➤ Whether a separate bank account has been maintained for each circle,(for PMC only)	No				
6	➤ Whether all collections are made in proper "Receipt Voucher Book "having same serial number which was actually is send to TC,	Yes				
7	➤ Whether all collections made during the day are account for & banked on next working day or there is any teaming & lading,	No, We observed that there is an average gap of 20-24 days. Please refer Detail audit report for more detail.			Due to lack of Manpower, the gap arises. However we are trying to minimize the same.	No
8	➤ Whether no any collection are directly expended without prior approval,	Yes				
9	➤ Whether collections are made by all the holding fall under the same TC or Civics Centre,	Yes				
10	➤ Whether government share of collections (like Education cess & health cess) are properly & timely deposited in its own account, (if applicable)	Yes Ulb collected education cess & health Cess And Deposited into Bannk.				
11	➤ Whether there is any short/non collection or short depositor not deposit,	No				



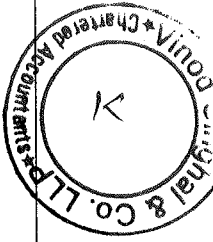
12	<ul style="list-style-type: none"> ➤ Whether penalty (@2% P.M/1.5%) has been duly charged on late payment, 	Yes				
13	<ul style="list-style-type: none"> ➤ Whether daily collections are entered into hand book, collection register maintained by TC & it should be properly entered in demand 	Yes				
14	<ul style="list-style-type: none"> ➤ Whether collection by way of cheque are properly banked & credited into account, 	Yes				
15	<ul style="list-style-type: none"> ➤ Whether any refund/remission granted are admissible under the law and that have been duly sanctioned, 	No any such instances observed				
16	<ul style="list-style-type: none"> ➤ Whether any immediate steps has been taken or not for cheque dishonored received, 	No any such instances observed				
17	Whether reversal of payment has been made for any dishonored cheque	No any such instances observed				



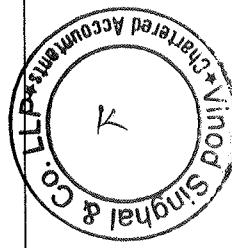


Demand						
BIKRAMGANJ NAGAR PARISHAD						
Name of the ULB						
RISK RATING: High						
Name of Tax Collector Jayprakesh Tiwari						
S. No	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Com ment	Status (Resolve d/Not)
1	➤ Ensure whether closing balance of previous year is accurately brought forward,	Yes				
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,	We observed that demands are calculated on MAnnual way.				
3	➤ Whether data for calculation is correct & properly verified by appropriate authority/Internal Auditor by way of physical survey,	We have verified from the same documents provided by ULB. However due to non availability of staff.				

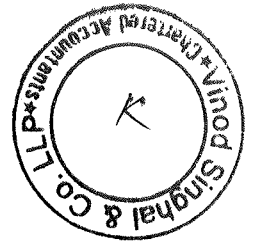
4	➤ Whether revision of valuation of holding properly made after specified period	No				
5	➤ Whether any refund/ remission granted are admissible under the law and that have been duly sanctioned,	We have not observed such type of instances				
6	➤ Ensure whether there is any clerical error in calculation,	No				
7	➤ Whether demand register in prescribed format is maintained or not,	Yes				
8	➤ Whether persons involve in calculation/collection have knowledge of their responsibility,	Yes				
9	➤ Whether there is proper distribution of responsibility for calculation, recovery & updating of register for demand ,so that no single person have control on two or process at the same time,	No, We observed that there are many work done by single person, which is not good for a healthy internal control.				
10	➤ Whether there is any under/no- assessment,	We have not found such type of instances.				
11	➤ Whether there is appropriate measures (As Per section 155 & 158 of BMA,2007) are adopted for recovery of Government/bid dues,	No				
12	➤ Whether notice for demand has been made in prescribed form at (As Per BMAR) & as per rules & regulations,	Yes				
13	➤ Whether penalty (@2% P.M/ 1.5%) has been charged on late payment,	Yes				
14	➤ Whether Demand, Collection & Balance Register has been prepared on daily basis for all receipts or not,& it would be authorized by proper authority or not,	No, We have not got such register for our verification.				



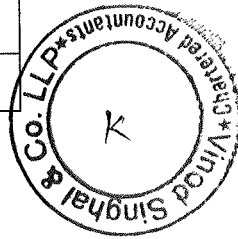
15	➤ Whether there are adequate safe guard on data has been operated or not,	Yes,							
16	➤ Whether self assessment property tax return for payment of property tax has been filed by the assesses in the prescribed format,	We have not found any self assessment tax return filed in the ULB							
17	➤ Whether there is any collusion with customer/holding w.r.t. assessment, payment, etc,	No							
Establishment									
BIKRAMGANJ NAGAR PARISHAD									
Name of the ULB									
RISK RATING:									
Name of the ULB									
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved/Not)			
1	➤ Whether establishment expenditure is sanction by authorized person & it has been within sanctioned limit,	Yes							
2	➤ Whether service log book has been Maintained & up-to-date or not,	We have not got service log book for our verification.							
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,	We have not got service log book for our verification.							



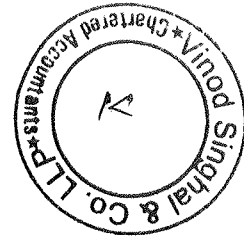
4	<p>➤ Whether each employee has unique Identification number & it has be referred in all matter in relation to service book Whether payment made to employee has been verified with attendance register/logbook,</p>	We have not got service log book for our verification.				
5	<p>➤ Whether service book for calculation of payable has been authorized by the proper</p>	We have not got service log book for our verification.				
6	<p>➤ Whether account depart has prepared the Advice & instructed the bank for the payment as per advice,</p>	Yes				
7	<p>➤ Whether undistributed amount of pay & allowance as shown in cash book matched with balance of undistributed salary balance,</p>	Yes				
8	<p>➤ Whether undistributed amount of pay & Allowance are not for more than 3 months as cash in hand,</p>	Yes				
9	<p>➤ Whether disbursement of pay & allowance Are duly recorded in books & accepted by employee specifying separate hade with date of receive (In case of arrear),</p>	Yes				
10	<p>➤ Whether the bill prepared according to sanctioned scale,</p>	Yes				
11	<p>➤ Whether no any payment is made to employee whose service retired in any manner</p>	Yes, Except those who are getting pension.				



12	> Whether no any withdrawal is made unless Supported by last pay-in-slip, except in case of new appointment,	Yes				
13	> Whether all statutory deduction or adjustment has been made before payment,	No				
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.	We have observed that all deduction and adjustment done by ULB				
15	> To check salary bills.	Verified				
16	> Position of outstanding advances paid to employees	Verified				
17	> To check education of provident fund and ESI has been made as per rules	ULB is poor in Statuary compliances.				
18	> Whether PF slips are issued to the employee's on yearly basis and to see whether all statutory returns for PF are submitted to the concerned authorities.	Yes				
19	> To check whether salary billis 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				
20	> Check Retirement benefit to employee	Verified				

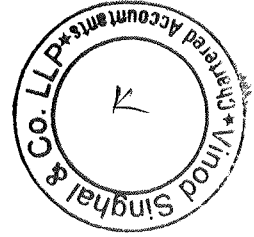


21	➤ Personnel Appointments and to see whether all records are updated from time to time.	Records are not updated on reasonable				
22	➤ Dismissal and Resignation/Termination	Verified				
23	➤ Temporary workers					
24	➤ Overtime					
25	➤ Attendance Register To check number of persons mentioned in the attendance register					
26	➤ Personnel Files					
27	➤ Training of employees (including Skill development Levy)					
28	➤ Leave Register-To check whether a leave register is maintained as per types of leave as medical Leave/CL/EL/maternity/paternity leave.					



Grant

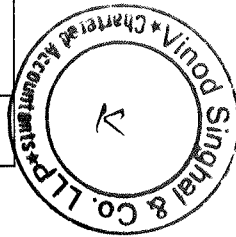
BIKRAMGANJ NAGAR PARISHAD						
Name of the ULB		Medium				
RISK RATING:		Medium				
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved /Not)
1	➤ Maintenance/Updating register regarding details of funds received and expenditure.	Yes				
2	➤ Any diversion/re-appropriation of funds not covered under the provision of BMA, 2007 should be pointed out for remedial action.	No				
3	➤ To check whether utilization certificate for actual utilization of funds received	Yes				
4	➤ It should also be checked that utilization certificate is issued as per prescribed time frame given in the Manual and issue of UCs is not delayed	Yes				



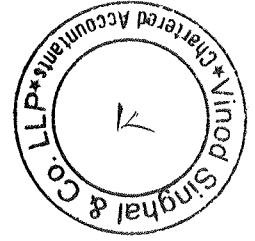
5	➤ Internal Auditor should also check whether expenditure incurred on each activity does not exceed the budget?	We have checked on sample basis and found that Expenses are as per budget. However some variances upto 8-10 % found in such expenses.				
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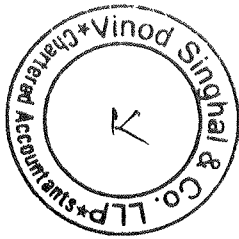
Payment of bills of contractors

Name of the ULB		BIKRAMGANJ NAGAR PARISHAD				
RISK RATING:		High				
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved /Not)
1	➤ Original bill duly signed by contractors is submitted.	Yes				
2	➤ Contractor has put his initial in all cuttings and corrections in the bill.	Yes				
3	➤ All Supporting documents are Attached with the bills.	Yes				
4	➤ The rates, security deposit, and Deductions are as per terms and conditions specified in the agreement	Yes				
5	➤ The variations in quantities and Completion period etc. have been authorized by the competent authority	Yes				



7	➤ Job completion certificate has been processed by the dealing assistant.	No				
8	➤ Bills passed for payment are as per Rules & T& C of Tender.	Yes				
9	All terms and conditions of the Contract are fulfilled before passing the bills.	Yes, Except few as reported in detailed audit report				
10	Every final billis checked in detail with measurement books.	Yes				
11	Cash/Bank Vouchers to be checked for authorization etc.	Yes				
12	Overall review of the books of accounts.	Not Satisfactory				
13	Position of outstanding advances paid to suppliers /contractors.	Not produced for verification.				

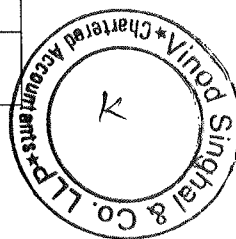




Receipt Voucher

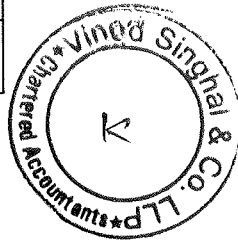
BIKRAMGANJ NAGAR PARISHAD						
Name of the ULB						
High						
RISK RATING:						
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved /Not)
Receipt Vouchers:						
1	> Whether "Receipt Vouchers" are in the prescribed format & having machined serial number & there is no any manuscript form,	Yes				
2	> Check;					
3	> What is the date of printing,	Date is Manually written				
4	> What quantity of serial number was printed out,	Yes				
5	> What is the date of dispatched, quantity of receipt vouchers & their serial number;	Yes				
6	> Logbook/ Register maintained at printing press regarding printing of "Receipt Vouchers".	We have not received log book for verification.				
7	> Verify that "Receipt Vouchers" received & their storing, having Same quantity & serial numbered which was actually dispatched & proper recording of the same along with issue,	Yes				

8	➤ Verify Log book/Register maintained at every collection centre & cash counter with regard to receipt & return quantity & serial number,	We have not received			
9	➤ Verify the logbook/Register of 'Receipt Vouchers' & cross-verified the allotments to TC (Log Book) with their date of issue, serial number, name of TC & their circle	We have not received log book for verification			
10	➤ Check whether TC have same "Receipt Voucher" which was Actually issued by store & it must be authorized by the appropriate authority,	Yes			
11	➤ Check that there should be proper recording at each stage (where authority has been changed) of log book/register for issue/receipt of "Receipt Vouchers",	Yes			
12	➤ Confirm that all unused "Receipt Vouchers" are under the Custody of authorised person,	Yes			
13	➤ Verify that any cancelled vouchers have in both original & Carbon copy,	Yes			
14	➤ Verify whether reversible carbon has been used during receipt.	Yes			
Other Revenue:					
1	Advertisement Tax				
2	Tower Tax				
3	Professional Tax				
4	Assigned Revenue (As details annexed)				
5	Rental Charges (As details annexed)				
6	Fee & uses Charges(As details annexed)				
7	Other Revenue Items				
		Please refer detail Audit report			



Revenue Expense

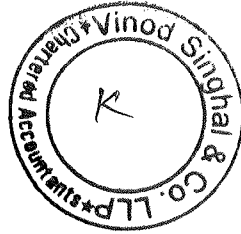
BIKRAMGANJ NAGAR PARISHAD						
Name of the ULB						
RISK RATING: High						
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk Comment	MGT. Comment	Status (Resolved/Not)
1	> Whether payment is on the basis of sanction/work order letter & incurred by authorized person,	Yes				
2	> Whether payment is made through prescribed voucher (As per BMAM),	Yes				
3	> Whether payment is made without any undue delay or whether any cheque issued are promptly issued to the	Yes				
4	> Whether there is bifurcation of responsibility towards person making payment & person preparing MB, receipt of goods, maintenance of Payment file,	Yes				
5	> Whether updating of accounts/books are on proper & timely basis,					
6	> Whether authorized person verify & sign the document involve,	Yes				
7	> Whether data base for the same has been properly maintained & safeguard measures are taken,	Yes				



8	<ul style="list-style-type: none"> ➤ Whether exact amount (no any over payment) are paid and verified by supporting document, & no any collusion with party, 	Yes				
9	<ul style="list-style-type: none"> ➤ Whether register for settlement of service bill has been maintained and up to date, 	We have not received such register for our verification.				
10	<ul style="list-style-type: none"> ➤ Whether payment made to the same to whom it might be payable and no any second claim in this regard, 	Yes				
11	<ul style="list-style-type: none"> ➤ Whether payment has been made after deducting statutory dues or advances, 	Yes				
12	<ul style="list-style-type: none"> ➤ Whether the expenditure are made with a period & amount as sanctioned, 	Yes				
13	<ul style="list-style-type: none"> ➤ Whether there is undue rush of expenditure at the end of financial year, 	No				
14	<ul style="list-style-type: none"> ➤ Whether payment has to be made after confirmation from store, 	Yes				
15	<ul style="list-style-type: none"> ➤ Whether payment for repairs,etc,has to be made on the basis of log book maintained, 	Payments are made on the basis of bill received.				
16	<ul style="list-style-type: none"> ➤ Whether payment are as per defined approval level sanctioned u/s75 of BMA,2007, 	Yes				
17	<ul style="list-style-type: none"> ➤ Confirm whether goods/assets received/accepted on or before 31st March, where the billis received after that date have been accounted for (either on the basis of purchase order ,tender rate or as per bill), 	We have not found such type of instances for our comment.				

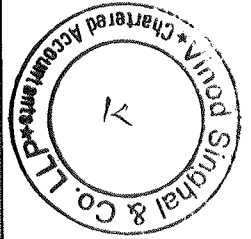


18	➤ Whether no any withdrawal is made unless supported by last pay-in-slip, excepting case of new appointment,	Yes				
19	➤ Whether all statutory deduction or adjustment has been made before payment,	No				
20	➤ Whether entry of any event during service has been made in service book by authorized person,	We have not received the service book for our comment.				



Statutory Requirement

Statutory Requirement						
Name of the ULB		BIKRAMGANJ NAGAR PARISHAD				
RISK RATING:		High				
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved/Not)
1	➤ Whether deduction of TDS on payment has been made as per law,	No		Very High		
2	➤ Whether TDS deducted are timely deposited into bank with same amount,	No		Very High		
3	➤ Whether regulatory requirement for submission of Return has been followed,	No		Very High		
4	➤ Whether any deduction is made in any act, must be deposited as per their respective act,	No		Very High		
5	➤ Verify whether in case of "through rate" contract, there is no any payment for material, etc by the ulb	No				
6	➤ Any demand is outstanding from regulatory authority for non-compliance	ULB has not provided data w.r.t. demand.				

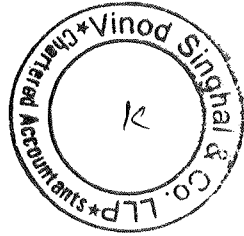


Tender Details (Work Order Wise)

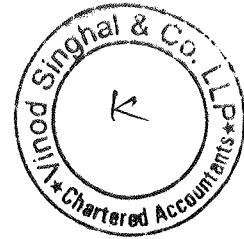
Name of the ULB						
RISK RATING:						
S. No.	Particulars	Audit Observation	Aml. Involved	Associates Risk	MGT. Comment	Status(Resolved/Not)
1	<ul style="list-style-type: none"> ➤ To check whether the provisions Contained in tender Advertisement for procurement were followed in award of contracts. 	Yes				
2	<ul style="list-style-type: none"> ➤ To check that the time/date of receipt and Opening of tenders was properly incorporated in the tender documents. 	Yes				
3	<ul style="list-style-type: none"> ➤ 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 safe guarding the interest of corporation. 	Yes				
4	<ul style="list-style-type: none"> ➤ The purchase proposal was approved by the competent authority. as per 	Yes				



Delegation of powers						
5	<ul style="list-style-type: none"> ➤ Indent for purchase indicates the details of quantity required, last purchase rate, period for which stores are needed and name of consignee. 	No			High	
6	<ul style="list-style-type: none"> ➤ Approval of mode of procurement 					
7	<ul style="list-style-type: none"> ➤ The tender documents are prepared properly and description of items to be procured, quantity and estimated value should be indicated. 	Yes				
8	<ul style="list-style-type: none"> ➤ To check whether the direction were Followed for notification/advertising and opening of bids at notified date, time and place in the presence of bidders. 	Yes				
9	<ul style="list-style-type: none"> ➤ Award of contract and it sex ecution 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.) 	We have not got such type of data, Therefore, We can't comment on it.			High	
10	<ul style="list-style-type: none"> ➤ To check whether bids were evaluated in terms of the provisions of the bid Documents and the evaluation report was available. 	No any evaluation report presented for our verification. Therefore we can't comment on the same.			High	

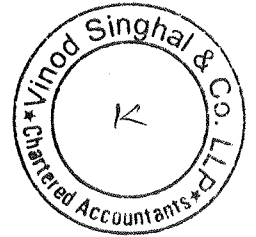


11	<ul style="list-style-type: none"> ➤ To check whether contract was awarded to the lowest evaluated responsive bidders who fulfilled qualification requirements specified in the tenders documents. 	Yes				
12	<ul style="list-style-type: none"> ➤ In case of negotiations of prices, it should be checked whether the negotiation was made with L1 bidder and all the relevant records thereof were available. 	There is no any negotiations of price found during the audit.	Low			
13	<ul style="list-style-type: none"> ➤ To check whether articles were received/ work was completed in time as per delivery schedule. 	Yes				
14	<ul style="list-style-type: none"> ➤ The stores/ goods are properly recorded In the Stock Registers /Asset Register. 	We have not received the stock or store register for our comment.	High			
15	<ul style="list-style-type: none"> ➤ Whether any complaint was received regarding procurement and payment and existence of mechanism for redressal of complaints 	Yes				

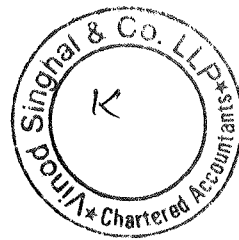


Vehicle Log Book

Name of the ULB						
BIKRAMGANJ NAGAR PARISHAD						
RISK RATING:						
Very High						
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved/Not)
1	Whether log book has maintained or Not & up-to-date with proper details like journeys, work undertaken, covering route, visited place, kilometer , etc.,	We have not received Vehicle Log book for our comment.				
2	Whether log book of journey is maintained in detail & signed by the officials using them,					
3	Whether it should be used for official purpose, otherwise charges are recoverable,					



				<p>We have not received Vehicle Log book for our comment.</p>
<p>4</p>	<p>Whether details of fuel for the same has been maintained in log book,</p>			
<p>5</p>	<p>Whether full details of repairs has been maintained & it have been through authorized center,</p>			
<p>6</p>	<p>Whether authorized person have proper check over log book.</p>			



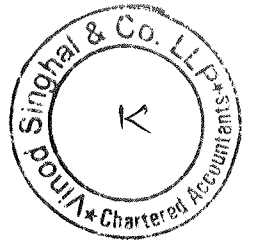
Fixed Assets

Fixed Assets							
Name of the ULB		BIKRAMGANJ NAGAR PARISHAD					
RISK RATING:		High					
S. No.	Particulars	Audit Observation	Amt. Involved	AssociatesRisk	MGT. Comment	Status (Resolved /Not)	
1	Status on Maintenance of Fixed Assets Register	Not Maintained					
3	Budget availability is confirmed before acquisition	ULB has not provided any fixed assets register for our comment.					
4	Fixed assets are recognized at cost of acquisition and if so, check whether the cost components are incidental to its acquisition						
5	All fixed assets are acquired only after obtaining approval of the concerned authority						
6	Physical verification of fixed assets is done and discrepancies are reconciled with Fixed Asset Register.						
7	Depreciation is provided on each class of fixed assets at the prescribed rates						
8	Asset Replacement Registers properly maintained asset class-wise						

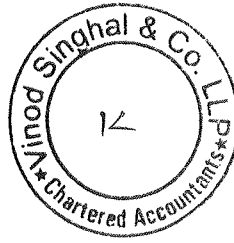


Others

BIKRAMGANJ NAGAR PARISHAD						
Name of the ULB		BIKRAMGANJ NAGAR PARISHAD				
RISK RATING:		Medium				
S. No.	Particulars	Audit Observation	Amt. Involved	Associates Risk	MGT. Comment	Status (Resolved /Not)
	Register of Mutation					
	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				
	Demands of current year and previous year have been reconciled with reference to the above details	We have not received any such statement from the ULB	0	High		Not
	Register of Suits					
	All suits filed by the municipality for recovery of any sum due are entered	We have not received any such statement from the ULB				
	All suits filed against the municipality are entered	We have not received any such statement from the ULB				



sanction from the Council obtained for filing/defending the suit						
all details like the Assessment Number, amount involved, Name of Court and Suit Number etc. are clearly entered	We have not received any such statement from the ULB					
Execution Petitions are filed for recovery of sums, in cases the suits are disposed in favour of municipality	We have not received any such statement from the ULB					



H Adequate monitoring of tax deducted at source and as deposited

Implication/Risk Recommendation

Two empty rectangular boxes for inputting information.

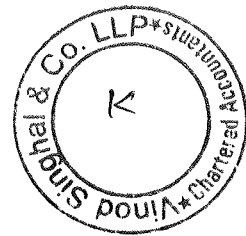
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Large rounded rectangular box for inputting Management Comments.

Management Comments



कार्यालय:- नगर परिषद, बिकमगंज (रोहतास)

प्रेषक,

पत्रांक.....न0परि0

कार्यपालक पदाधिकारी,
नगर परिषद, बिकमगंज।

A.D.
12/12/18

महालेखाकार, (लेखापरीक्षा)
समाजिक प्रक्षेत्र-1 स्थानीय लेखापरीक्षा शाखा,
वीरचन्द पटेल मार्ग, पटना-800001

बिकमगंज, दिनांक.....

502
4.12.18

विषय:- अंकेक्षण प्रतिवेदन संख्या-300/2016-17 का अनुपालन प्रतिवेदन
साक्ष्य सहित उपलब्ध कराने के संबंध में।

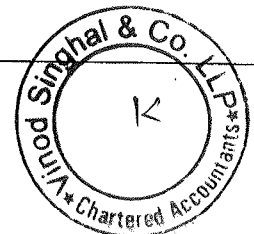
महाशाय,

उपर्युक्त विषय के संबंध में सादर सूचित करते हुए कहना है कि नगर

परिषद बिकमगंज का अंकेक्षण प्रतिवेदन संख्या-300/2016-17 के अनुपालन प्रतिवेदन
निम्न प्रकार है:-


कमांक
1/18

कमांक	प्रश्न	उत्तर
1	सत्या वॉच हाउस डुमरांव रोड बिकमगंज पर महालेखाकार लेखापरीक्षा बिहार पटना के निरीक्षण प्रतिवेदन सं0-300/2016-17 के कंडिका 2 में अंकित नगर पंचायत बिकमगंज के वार्ड पार्श्वदो के समान्य बैठक दिनांक- 08.12.15 के प्रस्ताव सं0-4(11) द्वारा स्थानीय बजार से 85वॉट 200 सौ0 सी0एफ0एल0 क्रय करने का निर्णय लिया गया है। कोटेशन आमंत्रित कर सत्या वॉच हाउस डुमरांव रोड बिकमगंज से 735रू प्रति बॉल के दर से 200 सौ0 सी0एफ0एल0 बॉल क्रय किया गया समग्री कय पर वैट कर कि राशि 21315/-रू0 जिम्मेवार व्यक्ति से वसूली कि जाय।	नगर परिषद बिकमगंज के ज्ञापांक-779, दिनांक-08.09.18 द्वारा सत्या वॉच हाउस डुमरांव रोड बिकमगंज को 21315/- रू0 वैट कर कि राशि वसूली हेतु नोटिश निर्गत कि गयी हैं। उक्त के आलोक में सत्या हाउस द्वारा वैट कि राशि जमा करने कि साक्ष्य कार्यालय को उपलब्ध कराया गया है। साक्ष्य संलग्न कर भवदीय की सेवा में सादर समर्पित।
2	मेसर्स पैन्थर यूनिट इन्फ्रास्ट्रक्चर प्रा0लि0 लक्ष्मी निवास, प्रोफेसर कॉलोनी पुनाईचक, पटना। पर महालेखाकार लेखापरीक्षा बिहार पटना के निरीक्षण प्रतिवेदन सं0-300/2016-17 के कंडिका 3 कोटेशन आमंत्रित कर मेसर्स पैन्थर यूनिट इन्फ्रास्ट्रक्चर प्रा0लि0 से एल0ई0डी0 लाईट कय किया गया जिसमे अधिस्थापन कार्य का विपत्र में सेवा कर कि राशि मो0-271040/-रू0 भुगतान कर दिया गया था।	नगर परिषद बिकमगंज के ज्ञापांक-780, दिनांक-08.09.18 द्वारा मेसर्स पैन्थर यूनिट इन्फ्रास्ट्रक्चर प्रा0लि0 को सेवा कर कि राशि वसूली हेतु नोटिश निर्गत कि गयी उक्त के आलोक में मेसर्स पैन्थर यूनिट इन्फ्रास्ट्रक्चर प्रा0लि0 द्वारा सेवा कर जमा करने कि साक्ष्य कार्यालय को उपलब्ध कराया गया हैं। साक्ष्य संलग्न कर भवदीय की सेवा में सादर समर्पित।




<p>मेसर्स पैन्थर यूनिट इन्फ्रास्ट्रक्चर प्रा०लि० लक्ष्मी निवास, प्रोफेसर कॉलोनी पुनाईचक, पटना। पर महालेखाकार लेखापरीक्षा बिहार पटना के निरीक्षण प्रतिवेदन सं०-300/2016-17 के कंडिका 4 कोटेशन आमंत्रित कर मेसर्स पैन्थर यूनिट इन्फ्रास्ट्रक्चर प्रा०लि० से रोड साईड डस्टवीन क्रय किया गया जिसमें अधिस्तापन कार्य का विपत्र में वैट कर कि राशि मो०-410171/-रु० भुगतान कर दिया गया था।</p>	<p>नगर परिषद बिक्रमगंज के ज्ञापांक-781, दिनांक-08.09.18 द्वारा मेसर्स पैन्थर यूनिट इन्फ्रास्ट्रक्चर प्रा०लि० को वैट कर कि राशि साक्ष्य। कार्यालय में संवेदक का बकाया राशि से समायोजन कर ली गयी हैं।</p>
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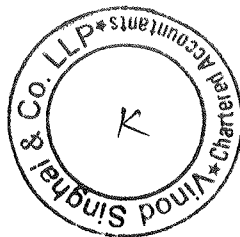
विश्वासभाजन


31/10/18
कार्यपालक पदाधिकारी,
नगर परिषद, बिक्रमगंज।

ज्ञापांक 863 / दिनांक 31-10-18

प्रतिलिपि:—सरकार के विशेष सचिव, नगर विकास एवं आवास विभाग, बिहार पटना के सेवा में सादर सूचनार्थ समर्पित।


31/10/18
कार्यपालक पदाधिकारी,
नगर परिषद, बिक्रमगंज।



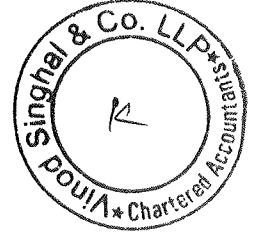


Letter No. IA/VSC/BIKRAM GUNJ/7/08/2019

Date: 7th-Aug-2019

To,

The Municipal Executive Officer,
Bikram gunj ,nagar parishad
Rohtas, Bihar



Sub: Status of Documents/information required for conducting Internal Audit for the F.Y – 2019-20
Ref: No. 07/1.A. 115/17-83 Dated: 16-01-2019

Sir,

We are pleased to inform you that we **Vinod Singhal & Co., LLP Chartered Accountants** are appointed as internal auditor of your ULB by the UD & HD under the assignment namely "**Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar**".

In continuous of our earlier letter dated 27/07/2019 again we are submitting herewith letter for required documents for audit. Your good self is therefore requested to direct your good team towards provide the documents for audit at earliest.

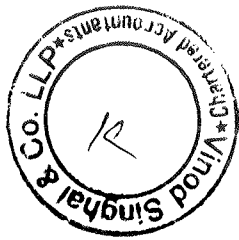
The list of such required documents is given below:

Sl. No.	Documents/Registers Required	Status
1	Budget copy of F.Y 19-20 (In Soft and Hard Copy)	Provide
2	Receipt & payment account (FY 2018-19) & for Quarter-1 of F.Y. 2019-20	Not provide
3	Audited balance sheet and Income & Expenditure Account (FY 2018-19)	not provide
4	Cash Book	Provide
5	Bank Book	Not provide
6	Journal Book	Not provide
7	Ledger	Not provide
8	Cash/Bank receipt voucher	Not provide
9	Cash/ Bank payment voucher	Not provide
10	Contra voucher	Not provide
11	Journal voucher	Provide
12	Receipt (Daily collection register)	Not provide
13	Register of Cheque Received	Not provide
14	Statement on status of cheque received	Not provide
15	Collection register	Not provide
16	Memorandum of collection	Not provide
17	Summary of Daily collection	Not provide
18	Register of bills for payment	Not provide
19	Payment order	Provide
20	Cheque issue register	Not provide
21	Register of advance	Not provide

Patna Office: 510, Sumati Palace, Opposite Alankar Jewellers, Boring Road, Patna-800001 Bihar

Head Office: 207, 222, 11nd Floor, Ganpati Plaza, M.I. Road, Jalpur-302001 Rajasthan

Branches: New Delhi | Kolkata | Lucknow | Patna | Jamshedpur | Ahmedabad | Raipur | Udaipur | Bhanupur



22	Register of permanent advance	Not provide
23	Deposit received register	Not provide
24	Summary statement of deposits adjustment	Not provide
25	Demand register	Provide
26	Bill of Income	Not provide
27	Summary Statement of Bill Raised	Provide
28	Register of Notice Fee, Warrant Fee, other fees	Not provide
29	Summary statement of Notice Fee, Warrant Fee, other fees	Not provide
30	Register of Refunds, Reemissions and write offs	Not provide
31	Summary statement of Refund and Remissions	Not provide
32	Summary statement of Write offs	Not provide
33	Statement of outstanding liability for expenses	Not provide
34	Documents of control Register/ Stock Account of Receipt/Cheque Book	Not provide
35	Fixed Assets Register For the FY 2018-19 along with copy of invoice added during the period April 2019 till June 2019.	Not provide
36	List of Taxes Collected by ULB	Not provide
37	Detail of Allotment Received during the year 2019-20.	Provide
38	Detail of Pending Advance Recovery from Employee and Parties	Not provide
39	Detail of Pending Interest Recovery from Employee and Parties	Not provide
40	List of Tender issued during the year	Provide
41	EMD/ ED register	Not provide
42	Receipt Book of Revenue Collection	Provide
43	Bank Deposit Slip	Provide
44	Summary statement of bills raised, property & other taxes	Not provide
45	Summary statement of demand adjustments raised, property & other taxes	Not provide
46	Summary statement of head wise collection of property & other taxes	Not provide
47	Summary statement of refunds and remissions, property & other taxes	Not provide
48	Summary statement of write offs, property & other taxes	Not provide
49	Summary statement of demand raised on assessment of Water Supply	Not provide
50	Summary statement of head wise collection of other incomes of Water Supply	Not provide
51	Summary statement of refunds of Water Supply	Not provide
52	Summary statement of write offs of Water Supply	Not provide
53	Summary statement of demand raised on assessment of rentals, fee, & other income	Not provide
54	Summary statement of head wise collection of other incomes	Not provide
55	Summary statement of refunds of rentals, fee, & other income	Not provide
56	Summary statement of write offs of rentals, fee, & other income	Not provide
57	Grant register	Provide
58	Latest statutory audit report of A.G/ memo with compliance report.	Provide
59	Summary statement of status of capital work in progress	Not provide
60	Deposit work register	Not provide
61	Materials receipt note	Not provide

63	Store ledger	Not provide
64	Statement of closing stock	Not provide
65	Quarterly Bank Statement for the period 30.06.2019,	Provide
66	Balance Confirmation from Parties as on 30.06.19	Not provide
67	BRS of all bank accounts (Including Dormant account) (Quarterly)	Not provide
68	Vouchers of all Payment and Procurements	Not provide
69	Utilization certificate - Submitted to UDHD Department,	Provide
70	Minutes of Meeting of Municipal Accounting committee	Not provide
71	Minutes of meeting of accounting committee	Not provide
72	Physical verification report of cash and stock	Not provide
73	Details Repayment of Loan	Not provide
74	TDS Deposit Challan (of Each Month) & Copy of Return 24Q and 26Q for the period June, Sep, Dec. and March	Not provide
75	VAT deposit challan & copy of return for the period June, Sep, Dec. and March	Not provide
76	Month wise PF Details (deduction & deposit)	Provide
77	Details of pension	
78	Details of Outstanding an on 30.06.2019	Not provide
	a. Mobile tower	Not provide
	b. Property tax	Not provide
	c. Water tax	Not provide
	d. Rent	Not provide
	e. Advertisement	Not provide
	f. Any other tax	Provide
79	Salary Register/Master Roll	

Further your good self is requested to appoint Tax Daroga/ Tax Collector towards filed survey with us for determining 20 high value properties situated in your area. This will required re-assessment of property by fill up ne SAS form.

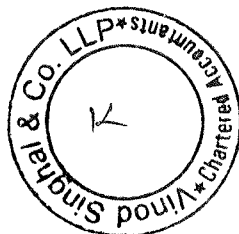
If there is non-compliance of latest C & AG report and regarding non submission of UC, your good self is requested to appoint Accountant/ Head Clerk of your good team with us towards preparation of compliance report for AG Para and UC as per guidelines given by UD & HD. **(We are submitting compliance formats of AG & UC Compliance for your perusal)**

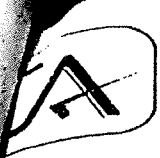
The list is not exhaustive. Further documents required during the audit shall be demanded accordingly. Your co-operation is solicited for smooth conduct of the assignment and hence, please submits the above-mentioned documents before us as early as possible.

Thank you

For

Vinod Singhal & Co. LLP
 Chartered Accountants



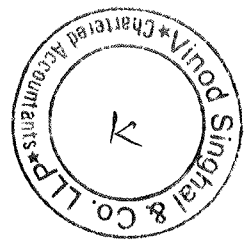


Nitesh Kumar
(Authorized Signatory)

Date: 3rd Aug, 2019

Place:

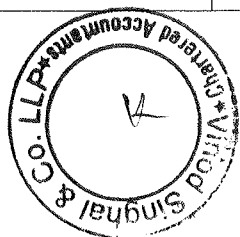
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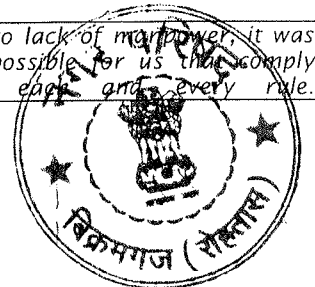
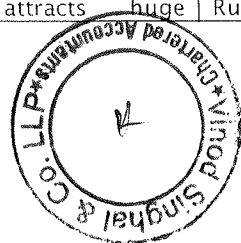
MANAGEMENT DISCUSSION NOTE

Name of the Municipality	Bikramganj Nagar Parishad
Period covered under current audit	Quarter-1 of FY 2019-20 (i.e 01.04.2019 to 30.06.2019)
Name of Executive Officer for the period under Audit	Mrs. Prem Swarupam

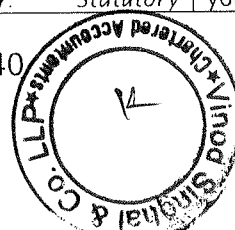
No	Audit Observations	Auditor Recommendations	Management Comment
1	Compliance Of Internal Audit report for the FY 2017-18 and 2018-19 are still pending.	Compliance audit report for the FY 2017-18, 2018-19 should be complied	We will provide compliance report at earliest.
2	Budget not prepared in proper manner and guidance given by <u>UD&HD GoB:</u>	ULB should implement real time budget preparation in prescribed format of BMAM. Further, Budget variance report should be prepared for actual budget report.	
3	Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014. Cash book balance of all bank account were not made available for audit.	Bank Reconciliation help us to monitor over: 1. Difference between Bank Passbook and Cash Book 2. Unauthorised withdrawal from Bank. 3. Excessive debited by Bank 4. Helps to know any other reasons of differences. <i>Therefore, ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records. Further, Bank wise/ Fund wise cashbook is also required to kept.</i>	Bank reconciliation are under preparation and will submit to you at next Audit.
4	Non-Implementation of Double Entry Accounting System	As per requirement of BMAR-2014, Part -A, Chapter -2 Rule -4, "All ULB refereed in Schedule -I shall maintain its Books of Account using the double entry system".	Double entry system was implemented at ULB till FY 2015-16, M/s Manas Das & Co. was working here as DEAS consultant. Further M/s K.K. Chanani & Associates has been Appointed as DEAS Consultant from Dec. 2019. However, We have not received any work progress report from the same till date.
5	No details were made available regarding meeting of municipal accounts committee held during the period	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of Municipal Accounts Committee each year. During our Audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. <i>ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.</i>	The Municipal Accounting committee is not formed here. We are under process to prepare municipal accounting committee shortly.
6	Non-levy of following taxes * Surcharge on transfer of lands and buildings * Water tax * Fire tax. * Surcharge on electricity consumption in the municipal area * Tax on congregations. * Tax on pilgrims and tourists. * Tax on profession.	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. <i>ULB should take steps to implement required taxes to boost their revenue</i>	Bikramganj Is a Nagar Parishad and many of taxes as reported here are not applicable on it. Further we insure you that we will collect all applicable taxes as soon as possible.



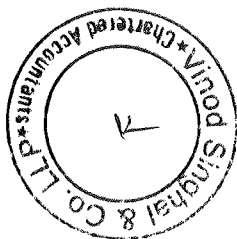
	<ul style="list-style-type: none"> * Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy Goods vehicles, and buses, which shall be heavy passenger motor vehicles. * User Charges for provision of water-supply, drainage and sewerage * User Charges for Solid Waste Management * User Charges for Parking Facility * User Charges for Garbage Clearance * Collection of fees for sanction of building plans and issue of completion certificates, * Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings, * Collection of Development Charges 		
7	Late-Deposit of tax collection of taxes with cashier and with bank as per provision of BMA rule-22	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 or latest before noon of next day on which collection is made. However, during our audit, we observed that there is a huge delay in depositing the tax at bank. <i>Therefore, management should implement a MIS Mechanism towards getting control over collection and deposit of Taxes. Further we wish to inform that failure to comply with Rule 22 may cause for fine of Rs. 5,000</i>	Many of time due to work load and filed survey the collector not submitted their collection for deposit into bank. However irrespective of fact we have directed the all collector to submit their collection amount as per Rule.
8	Non collecting Notice fee from defaulter	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, but In case of Bikramganj Nagar Parishad, ULB has not provided any information regarding charging and collection of notice fees. <i>ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.</i>	We have directed to concerned person for collecting the same. From now it is implemented at ULB.
9	Non-recovery of outstanding taxes	ULB has provided during audit the detail of outstanding tax and other income, we observed on the basis of the data that there is huge arrear of taxes at ULB. <i>Therefore, the management should take proper step to boost collection of arrears. Further a weekly or fortnightly meeting with all tax collectors to be held for getting the reason of non-collection and resolving the same.</i>	We have served several notices for payment of the arrear taxes and we are continuously try to collect the same.
10	Bifurcation of outstanding property tax and mobile tower tax is not provided. Also, any details regarding rental income and advertisement tax is not provided.	ULB should prepare proper records for arrear amount and should take proper steps to collect arrears.	We are preparing these data on every time gap, we will provide the same at next Audit.
11	ULB is not in practice to pay electric bill on time. Due to non payment, it attracts huge	ULB should prepare voucher based on running voucher as per the provision of Rule No. 16, 17 and 18 of BMAR -2014.	<i>Due to lack of man power, it was not possible for us that comply with each and every rule.</i>



	surcharge Further, We observed that ULB is not in practice to prepare payment vouchers.		However, the same will be started at earliest.
12	Non-maintenance of required registers as per Rule No. -3 of BMAR-2014	Detail of registers not maintained by ULB is mentioned under PART-A (a). <i>ULB should ensure proper maintenance of required Books of Account and register as per the list given in Rule -3 of BMAR - 2014.</i>	We will maintain the same at earliest.
13	Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014	<i>ULB should ensure preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014</i>	<i>New Deas Team is Working for preparation of Financial statement. We will update you after getting the data from them.</i>
14	Irregularities in vendor payment process: <ul style="list-style-type: none"> ▪ Budget Control register was not updated ▪ Quality control test report was not available ▪ Completion certificate was not available in payment file in case of completed contract. 	Proper tender documents regarding tender approval and allotment was not properly maintained or made available for audit. In provided cases, we are unable to comment on channel of procurement of tender and their required compliances. Further, no statutory compliance register was maintained in regards with statutory dues deducted from party bills. So, <i>ULB should maintained proper tender register and file that include all related documents of tender. Statutory compliance register should be maintained for all statutory deductions made from parties' invoices.</i>	We will provide the same on next audit.
15	Non-maintenance of register for all procurements with value above Rs. 15,000	ULB should ensure maintenance of register for all Procurements with value above Rs. 15,000	<i>We will maintained the register shortly.</i>
16	Missing signature of wages worker and stamp of ULB on muster roll register	ULB should ensure proper maintenance of wages register by complying signature and stamping.	All concerned person are directed to resolve this issue within 30 days. We will inform you after rectification.
17	No maintenance of separate earnest & security deposit register	EMD and security deposit register help in tracking of balance payable to parties.	<i>Register has been maintained by us. We will show the same on your next visit.</i>
18	Non-compliance of Act & Rules	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. <i>ULB should ensure compliance of all applicable Act & Rules.</i>	With the help of available man power we are trying to serve in best possible manner. However, due to lack of manpower and excess work load some of rules are not followed by or Missed by us. We will try to cover the same at earliest.
19	Lack of internal control measures <ul style="list-style-type: none"> ➤ Voucher file was not maintained ➤ No internal mechanism for statutory compliance ➤ No MIS was prepared for tracking of payments ➤ Required books of accounts as per BMAM was not maintained ➤ Statutory compliance reconciliation was not maintained ➤ Year-end reconciliation was not available ➤ Bank reconciliation of any bank account was not prepared. ➤ Bank balance as per cash book was not maintained. 	We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, Cheque handling and Statutory compliances: We suggest that: 1. MIS System should be implemented over daily collection and deposit. 2. Reason for non-deposit/ late deposit should be strongly need to ask for minimise delay. 3. Need to identify a person to comply with the statutory compliances. In case failure to comply with statutory compliances he should also be penalised. <i>Therefore, the management has to take serious effort in implementation of Internal control Mechanism for getting a better result from ULB working.</i>	We will start the same at earliest.
20	Non-compliance of statutory compliances: <ul style="list-style-type: none"> ▪ Non preparation of statutory compliance register ▪ Non deposit of TDS on timely 	Statutory compliance register was maintained in regards with statutory dues deducted from party bills. So, <i>ULB should maintained proper statutory compliance register. Statutory</i>	Due to shortage of trained staff statutory compliances are handled by professional hired by us. We will present all file with you after getting data from them



	<p>basis.</p> <ul style="list-style-type: none"> Non filling of TDS return for due period Non providing details towards payment and return regarding VAT/GST/Royalty/Labour Cess 	<p><i>compliance register should be maintained for all statutory deductions made from parties invoices. Non-compliance with statutory dues will cause of penalty, interest and prosecution.</i></p> <p><i>Management should insure that all statutory dues are paid on time and returns related thereof filed on time.</i></p>	
21	<p>Deficiency in payroll system</p> <ul style="list-style-type: none"> Non-preparation of salary payment voucher Non-maintaining salary payment reference number in cash book Non-implementation of Bio-metric device and payroll software 	<p>Every payment should be accompanied with payment voucher. Further as per Section 2(23) of the Indian Stamp Act 1899 makes it mandatory for affixing of stamp on any receipt as defined therein above Rs 5000. Therefore, management should ensure that the payment is accompanied with payment voucher.</p> <p>Meaning of Receipt : "Receipt" includes any note, memorandum or writing-</p> <p>(a) whereby any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received, or</p> <p>(b) whereby any other movable property is acknowledged to have been received in satisfaction of a debt, or</p> <p>(c) whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or</p> <p>(d) which signifies or imports any such Acknowledgement; and whether the same is or is not signed with the name of any person "</p>	<p>We have directed to team to resolve the issue within 15 days. We will provide the same at next audit.</p>
22	<p>Non-providing of Utilization certificate for the reporting audit period</p>	<p>Grant is blood of ULB. Therefore, for getting grant and running the ulb working smoothly it is very important to comply with all necessary requirement of grant. Further timely submission of utilisation certificate helps the grant realising authority to send the money for fulfil the requirement of future. <i>Therefore, management should ensure that UC has been submitted with concerned department on time.</i></p>	<p>Fund received during the period are still in PLA A/c. Once the same will utilised we will submit the UC for the same.</p>
23	<p>Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.</p>	<p><i>Management should implement the control system over inventory and store. Stock register should be in place and get it verified by a responsible person as authorised by management time to time. Further any discrepancies arises/ found during such verification should be reported immediately.</i></p>	<p>We will maintain the same at earliest.</p>
24	<p>Non providing details of Advances, their adjustment & Recovery</p>	<p>To ensure timely recovery of advance with interest proper calculation should be there with proper recovery plan.</p>	<p>We have not provided any advance during the period under consideration.</p>
25	<p>Details of Directives not provided</p>	<p>ULB Should comply with all directive issued by UDHD or other related department.</p>	<p>No directive issued during Q-1 of FY 2019-20</p>



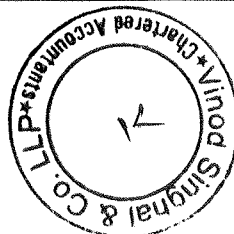
Signature
कमलेश्वर वि.सि.स.
 नगर परिषद बिक्रमगंज (सोहतास)

Signature
 7/9/20

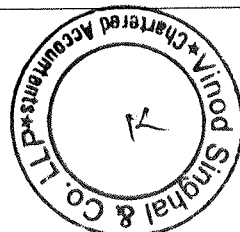
MANAGEMENT DISCUSSION NOTE

Name of the Municipality	Bikramganj Nagar Parishad
Period covered under current audit	Quarter-2 of FY 2019-20 (i.e 01.07.2019 to 30.09.2019)
Name of Executive Officer for the period under Audit	Mr.Prem Swarupam

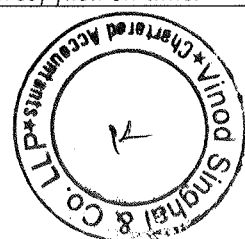
No	Audit Observations	Auditor Recommendations	Management Comment
1	Compliance Of Internal Audit report for the FY 2017-18 and 2018-19 are still pending.	Compliance audit report for the FY 2017-18, 2018-19 should be complied	We will provide compliance report at earliest.
2	Budget not prepared in proper manner and guidance given by <u>UD&HD GoB</u> :	ULB should implement real time budget preparation in prescribed format of BMAM. Further, Budget variance report should be prepared for actual budget report.	We are try to prepare the same on more scientific manner.
3	Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014. Cash book balance of all bank account were not made available for audit.	Bank Reconciliation help us to monitor over: 1. Difference between Bank Passbook and Cash Book 2. Unauthorised withdrawal from Bank. 3. Excessive debited by Bank 4. Helps to know any other reasons of differences. <i>Therefore, ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records. Further, Bank wise/ Fund wise cashbook is also required to kept.</i>	Bank reconciliation are under preparation and will submit to you at next Audit.
4	Non-Implementation of Double Entry Accounting System	As per requirement of BMAR-2014, Part - A, Chapter-2 Rule -4, "All ULB refereed in Schedule -I shall maintain its Books of Account using the double entry system".	Double entry system was implemented at ULB till FY 2015-16, M/s Manas Das & Co. was working here as DEAS consultant. Further M/s K.K. Chandani & Associates has been Appointed as DEAS Consultant from Dec. 2019. However, We have not received any work progress report from the same till date.
5	No details were made available regarding meeting of municipal accounts committee held during the period	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of Municipal Accounts Committee each year. During our Audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. <i>ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.</i>	The Municipal Accounting committee is not formed here. We are under process to prepare municipal accounting committee shortly.
6	Non-levy of following taxes * Surcharge on transfer of lands and buildings * Water tax * Fire tax. * Surcharge on electricity consumption in municipal area * Tax on congregations. * Tax on pilgrims and tourists.	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. <i>ULB should take steps to implement required taxes to boost their revenue</i>	Bikramganj Is a Nagar Parishad and many of taxes as reported here are not applicable on it. Further we insure you that we will collect all applicable taxes as soon as possible.



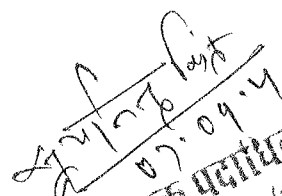
	<ul style="list-style-type: none"> * Tax on profession. * Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy Goods vehicles, and buses, which shall be heavy passenger motor vehicles. * User Charges for provision of water-supply, drainage and sewerage * User Charges for Solid Waste Management * User Charges for Parking Facility * User Charges for Garbage Clearance * Collection of fees for sanction of building plans and issue of completion certificates, * Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings, * Collection of Development Charges 		
7	Late-Deposit of tax collection of taxes with cashier and with bank as per provision of BMA rule-22	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 or latest before noon of next day on which collection is made. However, during our audit, we observed that there is a huge delay in depositing the tax at bank. <i>Therefore, management should implement a MIS Mechanism towards getting control over collection and deposit of Taxes. Further we wish to inform that failure to comply with Rule 22 may cause for fine of Rs. 5,000</i>	Many of time due to work load and filed survey the collector not submitted their collection for deposit into bank. However irrespective of fact we have directed the all collector to submit their collection amount as per Rule.
8	Non collecting Notice fee from defaulter	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, but In case of Bikramganj Nagar Parishad, ULB has not provided any information regarding charging and collection of notice fees. <i>ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.</i>	We have directed to concerned person for collecting the same. From now it is implemented at ULB.
9	Non-recovery of outstanding taxes	ULB has provided during audit the detail of outstanding tax and other income, we observed on the basis of the data that there is huge arrear of taxes at ULB. <i>Therefore, the management should take proper step to boost collection of arrears. Further a weekly or fortnightly meeting with all tax collectors to be held for getting the reason of non-collection and resolving the same.</i>	We have served several notices for payment of the arrear taxes and we are continuously try to collect the same.
10	Bifurcation of outstanding property tax is not provided. Also, any details regarding rental income, mobile tower tax and advertisement tax is not provided.	ULB should prepare proper records for arrear amount and should take proper steps to collect arrears.	We are preparing these data on every time gap, we will provide the same at next Audit.
11	ULB is not in practice to pay electric bill on time. Due to nan payment, it attracts huge surcharge Further, We observed that ULB is not in practice to prepare payment vouchers.	ULB should prepare voucher based on running voucher as per the provision of Rule No. 16, 17 and 18 of BMAR -2014.	<i>Due to lack of manpower, it was not possible for us that comply with each and every rule. However, the same will be started at earliest.</i>
12	Non-maintenance of required registers as per Rule No. -3 of BMAR-2014	Detail of registers not maintained by ULB is mentioned under PART-A (a). <i>ULB should ensure proper maintenance of required Books of Account and register as per the list given in Rule -3 of BMAR -2014.</i>	We will maintain the same at earliest.

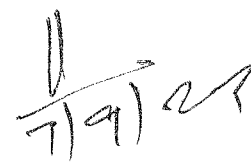


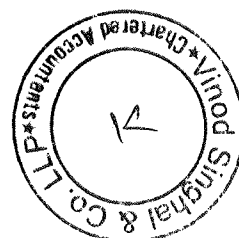
13	Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014	ULB should ensure preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014	New Deas Team is Working for preparation of Financial statement. We will update you after getting the data from them.
14	Irregularities in vendor payment process: <ul style="list-style-type: none"> ▪ Budget Control register was not updated ▪ Quality control test report was not available ▪ Completion certificate was not available in payment file in case of completed contract. 	Proper tender documents regarding tender approval and allotment was not properly maintained or made available for audit. In provided cases, we are unable to comment on channel of procurement of tender and their required compliances. Further, no statutory compliance register was maintained in regards with statutory dues deducted from party bills. So, ULB should maintained proper tender register and file that include all related documents of tender. Statutory compliance register should be maintained for all statutory deductions made from parties' invoices.	We will provide the same on next audit.
15	Non-maintenance of register for all procurements with value above Rs. 15,000	ULB should ensure maintenance of register for all Procurements with value above Rs. 15,000	We will maintained the register shortly.
16	Missing signature of wages worker and stamp of ULB on muster roll register	ULB should ensure proper maintenance of wages register by complying signature and stamping.	All concerned person are directed to resolve this issue within 30 days. We will inform you after rectification.
17	No maintenance of separate earnest & security deposit register	EMD and security deposit register help in tracking of balance payable to parties.	Register has been maintained by us. We will show the same on your next visit.
18	Non-compliance of Act & Rules	Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable Act & Rules.	With the help of available man power we are trying to serve in best possible manner. However, due to lack of manpower and excess work load some of rules are not followed by or Missed by us. We will try to cover the same at earliest.
19	Lack of internal control measures <ul style="list-style-type: none"> ➤ Voucher file was not maintained ➤ No internal mechanism for statutory compliance ➤ No MIS was prepared for tracking of payments ➤ Required books of accounts as per BMAM was not maintained ➤ Statutory compliance reconciliation was not maintained ➤ Year-end reconciliation was not available ➤ Bank reconciliation of any bank account was not prepared. ➤ Bank balance as per cash book was not maintained. 	We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, Cheque handling and Statutory compliances: We suggest that: 1. MIS System should be implemented over daily collection and deposit. 2. Reason for non-deposit/ late deposit should be strongly need to ask for minimise delay. 3. Need to identify a person to comply with the statutory compliances. In case failure to comply with statutory compliances he should also be penalised. Therefore, the management has to take serious effort in implementation of Internal control Mechanism for getting a better result from ULB working.	We will start the same at earliest.
20	Non-compliance of statutory compliances: <ul style="list-style-type: none"> ▪ Non preparation of statutory compliance register ▪ Non deposit of TDS on timely basis. ▪ Non filling of TDS return for due period ▪ Non providing details towards payment and return regarding VAT/GST/Royalty/Labour Cess 	Statutory compliance register was maintained in regards with statutory dues deducted from party bills. So, ULB should maintained proper statutory compliance register. Statutory compliance register should be maintained for all statutory deductions made from parties invoices. Non-compliance with statutory dues will cause of penalty, interest and prosecution. Management should insure that all statutory dues are paid on time and returns related thereof filed on time.	Due to shortage of trained staff statutory compliances are handled by professional hired by us. We will present all file with you after getting data from them



21	<p>Deficiency in payroll system</p> <ul style="list-style-type: none"> Non-preparation of salary payment voucher Non-maintaining salary payment reference number in cash book Non-implementation of Biometric device and payroll software 	<p>Every payment should be accompanied with payment voucher. Further as per Section 2(23) of the Indian Stamp Act 1899 makes it mandatory for affixing of stamp on any receipt as defined therein above Rs 5000. Therefore, management should ensure that the payment is accompanied with payment voucher.</p> <p>Meaning of Receipt : "Receipt" includes any note, memorandum or writing- (a) whereby any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received, or (b) whereby any other movable property is acknowledged to have been received in satisfaction of a debt, or (c) whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or (d) which signifies or imports any such Acknowledgement; and whether the same is or is not signed with the name of any person "</p>	<p>We have directed to team to resolve the issue within 15 days. We will provide the same at next audit.</p>
22	<p>Non-providing of Utilization certificate for the reporting audit period</p>	<p>Grant is blood of ULB. Therefore, for getting grant and running the ulb working smoothly it is very important to comply with all necessary requirement of grant. Further timely submission of utilisation certificate helps the grant realising authority to send the money for fulfil the requirement of future. Therefore, management should ensure that UC has been submitted with concerned department on time.</p>	<p>Fund received during the period are still in PLA A/c. Once the same will utilised we will submit the UC for the same.</p>
23	<p>Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.</p>	<p>Management should implement the control system over inventory and store. Stock register should be in place and get it verified by a responsible person as authorised by management time to time. Further any discrepancies arises/ found during such verification should be reported immediately.</p>	<p>We will maintain the same at earliest.</p>
24	<p>Non providing details of Advances, their adjustment & Recovery</p>	<p>To ensure timely recovery of advance with interest proper calculation should be there with proper recovery plan.</p>	<p>We have not provided any advance during the period under consideration.</p>
25	<p>Details of Directives not provided</p>	<p>ULB Should comply with all directive issued by UDHD or other related department.</p>	<p>No directive issued during Q-2 of FY 2019-20</p>


 07.09.20
 कार्यवाहक पदाधिकारी
 नगर पालिका विक्रमगज (सिंहवास)

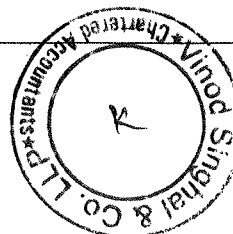

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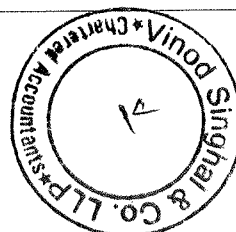
MANAGEMENT DISCUSSION NOTE

Name of the Municipality	Bikramganj Nagar Parishad
Period covered under current audit	Quarter-3 of FY 2019-20 (i.e 01.10.2019 to 31.12.2019)
Name of Executive Officer for the period under Audit	Mr.Prem Swarupam

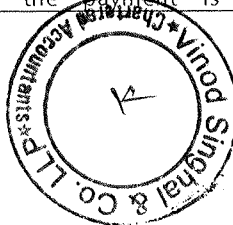
No	Audit Observations	Auditor Recommendations	Management Comment
1	Compliance Of Internal Audit report for the FY 2017-18 and 2018-19 are still pending.	Compliance audit report for the FY 2017-18, 2018-19 should be complied	We will provide compliance report at earliest.
2	Budget not prepared in proper manner and guidance given by <u>UD&HD GoB</u> :	ULB should implement real time budget preparation in prescribed format of BMAM. Further, Budget variance report should be prepared for actual budget report.	We are try to prepare the same on more scientific manner.
3	Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014. Further, bank statements and Cash book balance of bank accounts were not made available for audit.	Bank Reconciliation help us to monitor over: > Difference between Bank Passbook and Cash Book > Unauthorised withdrawal from Bank. > Excessive debited by Bank > Helps to know any other reasons of differences. Therefore, ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records. Further, Bank wise/ Fund wise cashbook is also required to kept.	Bank reconciliation are under preparation and will submit to you at next Audit.
4	Non-Implementation of Double Entry Accounting System	As per requirement of BMAR-2014, Part - A, Chapter -2 Rule -4, "All ULB refereed in Schedule -I shall maintain its Books of Account using the double entry system".	Double entry system was implemented at ULB till FY 2015-16, M/s Manas Das & Co. was working here as DEAS consultant. Further M/s K.K. Chanani & Associates has been Appointed as DEAS Consultant from Dec. 2019. However, We have not received any work progress report from the same till date.
5	No details were made available regarding meeting of municipal accounts committee held during the period	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of Municipal Accounts Committee each year. During our Audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.	The Municipal Accounting committee is not formed here. We are under process to prepare municipal accounting committee shortly.
6	Non-levy of following taxes * Surcharge on transfer of lands and buildings * Water tax * Fire tax. * Surcharge on electricity consumption within the municipal area * Tax on congregations. * Tax on pilgrims and tourists. * Tax on profession. * Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy	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	Bikramganj Is a Nagar Parishad and many of taxes as reported here are not applicable on it. Further we insure you that we will collect all applicable taxes as soon as possible.



	<p>Goods vehicles, and buses, which shall be heavy passenger motor vehicles.</p> <p>* User Charges for provision of water-supply, drainage and sewerage</p> <p>* User Charges for Solid Waste Management</p> <p>* User Charges for Parking Facility</p> <p>* User Charges for Garbage Clearance</p> <p>* Collection of fees for sanction of building plans and issue of completion certificates,</p> <p>* Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,</p> <p>* Collection of Development Charges</p>		
7	Late-Deposit of tax collection of taxes with cashier and with bank as per provision of BMA rule-22	<p>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 or latest before noon of next day on which collection is made. However, during our audit, we observed that there is a huge delay in depositing the tax at bank. <i>Therefore, management should implement a MIS Mechanism towards getting control over collection and deposit of Taxes. Further we wish to inform that failure to comply with Rule 22 may cause for fine of Rs. 5,000</i></p>	<p>Many of time due to work load and filed survey the collector not submitted their collection for deposit into bank. However irrespective of fact we have directed the all collector to submit their collection amount as per Rule.</p>
8	Non collecting Notice fee from defaulter	<p>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, but In case of Bikramganj Nagar Parishad, ULB has not provided any information regarding charging and collection of notice fees. <i>ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.</i></p>	<p>We have directed to concerned person for collecting the same. From now it is implemented at ULB.</p>
9	Non-recovery of outstanding taxes	<p>ULB has provided during audit the detail of outstanding tax and other income, we observed on the basis of the data that there is huge arrear of taxes at ULB. <i>Therefore, the management should take proper step to boost collection of arrears. Further a weekly or fortnightly meeting with all tax collectors to be held for getting the reason of non-collection and resolving the same.</i></p>	<p>We have served several notices for payment of the arrear taxes and we are continuously try to collect the same.</p>
10	Any details regarding outstanding of property tax, mobile tower tax, rental income and advertisement tax are not provided.	<p>ULB should prepare proper records for arrear amount and should take proper steps to collect arrears.</p>	<p>We are preparing these data on every time gap, we will provide the same at next Audit.</p>
11	ULB is not in practice to pay electricity bill on time. Due to non payment, it attracts huge surcharge Further, We observed that ULB is not in practice to prepare payment vouchers.	<p>ULB should prepare voucher based on running voucher as per the provision of Rule No. 16, 17 and 18 of BMAR -2014.</p>	<p><i>Due to lack of manpower, it was not possible for us that comply with each and every rule. However, the same will be started at earliest.</i></p>
12	Non-maintenance of required registers as per Rule No. -3 of BMAR-2014	<p>Detail of registers not maintained by ULB is mentioned under PART-A (a). <i>ULB should ensure proper maintenance of required Books of Account and register as per the list given in Rule -3 of BMAR -2014.</i></p>	<p>We will maintain the same at earliest.</p>
13	Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014	<p><i>ULB should ensure preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014</i></p>	<p><i>New Deas Team is Working for preparation of Financial statement. We will update you after getting the data from them.</i></p>



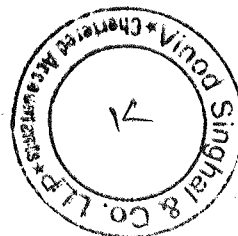
14	<p>Irregularities in vendor payment process:</p> <ul style="list-style-type: none"> ▪ Budget Control register was not updated ▪ Quality control test report was not available ▪ Completion certificate was not available in payment file in case of completed contract. 	<p>Proper tender documents regarding tender approval and allotment was not properly maintained or made available for audit. In provided cases, we are unable to comment on channel of procurement of tender and their required compliances. Further, no statutory compliance register was maintained in regards with statutory dues deducted from party bills. So, ULB should maintained proper tender register and file that include all related documents of tender. Statutory compliance register should be maintained for all statutory deductions made from parties' invoices.</p>	<p>We will provide the same on next audit.</p>
15	<p>Non-maintenance of register for all procurements with value above Rs. 15,000</p>	<p>ULB should ensure maintenance of register for all Procurements with value above Rs. 15,000</p>	<p>We will maintained the register shortly.</p>
16	<p>Missing signature of wages worker and stamp of ULB on muster roll register</p>	<p>ULB should ensure proper maintenance of wages register by complying signature and stamping.</p>	<p>All concerned person are directed to resolve this issue within 30 days. We will inform you after rectification.</p>
17	<p>No maintenance of separate earnest & security deposit register</p>	<p>EMD and security deposit register help in tracking of balance payable to parties.</p>	<p>Register has been maintained by us. We will show the same on your next visit.</p>
18	<p>Non-compliance of Act & Rules</p>	<p>Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable Act & Rules.</p>	<p>With the help of available man power we are trying to serve in best possible manner. However, due to lack of manpower and excess work load some of rules are not followed by or Missed by us. We will try to cover the same at earliest.</p>
19	<p>Lack of internal control measures</p> <ul style="list-style-type: none"> ▪ Voucher file was not maintained ▪ No internal mechanism for statutory compliance ▪ No MIS was prepared for tracking of payments ▪ Required books of accounts as per BMAM was not maintained ▪ Statutory compliance reconciliation was not maintained ▪ Year-end reconciliation was not available ▪ Bank reconciliation of any bank account was not prepared. ▪ Bank balance as per cash book was not maintained. 	<p>We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, Cheque handling and Statutory compliances:</p> <p>We suggest that:</p> <ol style="list-style-type: none"> 1. MIS System should be implemented over daily collection and deposit. 2. Reason for non-deposit/ late deposit should be strongly need to ask for minimise delay. 3. Need to identify a person to comply with the statutory compliances. In case failure to comply with statutory compliances he should also be penalised. Therefore, the management has to take serious effort in implementation of Internal control Mechanism for getting a better result from ULB working. 	<p>We will start the same at earliest.</p>
20	<p>Non-compliance of statutory compliances:</p> <ul style="list-style-type: none"> ▪ Non preparation of statutory compliance register ▪ Non deposit of TDS on timely basis. ▪ Non filling of TDS return for due period ▪ Non providing details towards payment and return regarding VAT/GST/Royalty/Labour Cess 	<p>Statutory compliance register was maintained in regards with statutory dues deducted from party bills. So, ULB should maintained proper statutory compliance register. Statutory compliance register should be maintained for all statutory deductions made from parties invoices. Non-compliance with statutory dues will cause of penalty, interest and prosecution. Management should insure that all statutory dues are paid on time and returns related thereof filed on time.</p>	<p>Due to shortage of trained staff statutory compliances are handled by professional hired by us. We will present all file with you after getting data from them</p>
21	<p>Deficiency in payroll system</p> <ul style="list-style-type: none"> ▪ Non-preparation of salary payment voucher ▪ Non-maintaining salary payment reference number in cash book ▪ Non-implementation of Bio- 	<p>Every payment should be accompanied with payment voucher. Further as per Section 2(23) of the Indian Stamp Act 1899 makes it mandatory for affixing of stamp on any receipt as defined therein above Rs 5000. Therefore, management should ensure that the payment is</p>	<p>We have directed to team to resolve the issue within 15 days. We will provide the same at next audit.</p>



	metric device and payroll software	<p>accompanied with payment voucher.</p> <p>Meaning of Receipt :</p> <p>"Receipt" includes any note, memorandum or writing-</p> <p>(a) whereby any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received, or</p> <p>(b) whereby any other movable property is acknowledged to have been received in satisfaction of a debt, or</p> <p>(c) whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or</p> <p>(d) which signifies or imports any such Acknowledgement; and whether the same is or is not signed with the name of any person "</p>	
22	Non-providing of Utilization certificate for the reporting audit period	<p>Grant is blood of ULB. Therefore, for getting grant and running the ulb working smoothly it is very important to comply with all necessary requirement of grant. Further timely submission of utilisation certificate helps the grant realising authority to send the money for fulfil the requirement of future. <i>Therefore, management should ensure that UC has been submitted with concerned department on time.</i></p>	<p>Fund received during the period are still in PLA A/c. Once the same will utilised we will submit the UC for the same.</p>
23	Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.	<p><i>Management should implement the control system over inventory and store. Stock register should be in place and get it verified by a responsible person as authorised by management time to time. Further any discrepancies arises/ found during such verification should be reported immediately.</i></p>	<p><i>We will maintain the same at earliest.</i></p>
24	Non providing details of Advances, their adjustment & Recovery	<p>To ensure timely recovery of advance with interest proper calculation should be there with proper recovery plan.</p>	<p>We have not provided any advance during the period under consideration.</p>
25	Details of Directives not provided	<p>ULB Should comply with all directive issued by UDHD or other related department.</p>	<p>No directive issued during Q-3 of FY 2019-20</p>

22/07/2019
07.09.19
कार्यपालक पदाधिकारी
नगर परिषद, विक्रमगज (मेहतास)

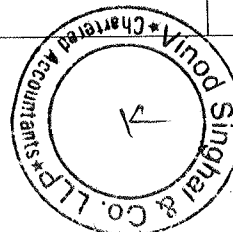
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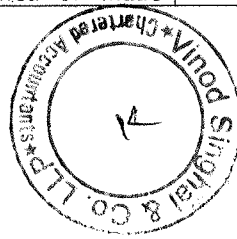
MANAGEMENT DISCUSSION NOTE

Name of the Municipality	Bikramganj Nagar Parishad
Period covered under current audit	Quarter-4 of FY 2019-20 (i.e 01.01.2020 to 31.03.2020)
Name of Executive Officer for the period under Audit	Mr.Prem Swarupam

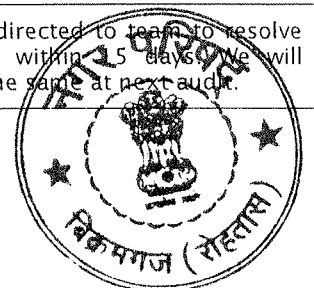
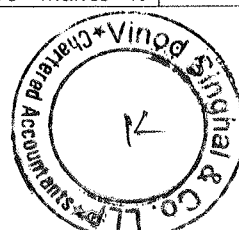
No	Audit Observations	Auditor Recommendations	Management Comment
1	Compliance Of Internal Audit report for the FY 2017-18 and 2018-19 are still pending.	Compliance audit report for the FY 2017-18, 2018-19 should be complied	We will provide compliance report at earliest.
2	Budget not prepared in proper manner and guidance given by <u>UD&HD GoB</u> :	ULB should implement real time budget preparation in prescribed format of BMAM. Further, Budget variance report should be prepared for actual budget report.	We are try to prepare the same on more scientific manner.
3	Non-updating of bank reconciliation on monthly basis as per Rule No. 118 of BMAR - 2014. Further, bank statements and Cash book balance of bank accounts were not made available for audit.	Bank Reconciliation help us to monitor over: 1. Difference between Bank Passbook and Cash Book 2. Unauthorised withdrawal from Bank. 3. Excessive debited by Bank 4. Helps to know any other reasons of differences. <i>Therefore, ULB should prepare bank reconciliation of all bank accounts including doormat accounts on monthly basis. Bank statements of all bank accounts should be kept in separate file for proper records. Further, Bank wise/ Fund wise cashbook is also required to kept.</i>	Bank reconciliation are under preparation and will submit to you at next Audit.
4	No details were made available regarding meeting of municipal accounts committee held during the period	As per requirement of BMA-2007, Chapter-XII, ULB should held meeting of Municipal Accounts Committee each year. During our Audit no any evidence has been produced to us w.r.t. meeting of municipal accounts committee. <i>ULB should ensure timely meeting of accounts committee in compliance of BMA-2007.</i>	The Municipal Accounting committee is not formed here. We are under process to prepare municipal accounting committee shortly.
5	Non-levy of following taxes * Surcharge on transfer of lands and buildings * Water tax * Fire tax. * Surcharge on electricity consumption within the municipal area * Tax on congregations. * Tax on pilgrims and tourists. * Tax on profession. * Toll-tax on roads, bridges, ferries, and navigable channel and on heavy trucks which shall be heavy Goods vehicles, and buses, which shall be heavy passenger motor vehicles. * User Charges for provision of water-supply, drainage and sewerage * User Charges for Solid Waste Management * User Charges for Parking Facility * User Charges for Garbage Clearance	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. <i>ULB should take steps to implement required taxes to boost their revenue</i>	Bikramganj Is a Nagar Parishad and many of taxes as reported here are not applicable on it. Further we insure you that we will collect all applicable taxes as soon as possible.



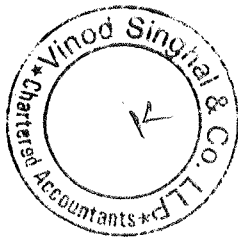
	<p>* Collection of fees for sanction of building plans and issue of completion certificates,</p> <p>* Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,</p> <p>* Collection of Development Charges</p>		
6	Late-Deposit of tax collection of taxes with cashier and with bank as per provision of BMA rule-22	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 or latest before noon of next day on which collection is made. However, during our audit, we observed that there is a huge delay in depositing the tax at bank. <i>Therefore, management should implement a MIS Mechanism towards getting control over collection and deposit of Taxes. Further we wish to inform that failure to comply with Rule 22 may cause for fine of Rs. 5,000</i>	Many of time due to work load and filed survey the collector not submitted their collection for deposit into bank. However irrespective of fact we have directed the all collector to submit their collection amount as per Rule.
7	Non collecting Notice fee from defaulter	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, but in case of Bikramganj Nagar Parishad, ULB has not provided any information regarding charging and collection of notice fees. <i>ULB should collect notice fees from applicable assesses in compliance of act and to boost ULB revenue.</i>	We have directed to concerned person for collecting the same. From now it is implemented at ULB.
8	Non-recovery of outstanding taxes	ULB has provided during audit the detail of outstanding tax and other income, we observed on the basis of the data that there is huge arrear of taxes at ULB. <i>Therefore, the management should take proper step to boost collection of arrears. Further a weekly or fortnightly meeting with all tax collectors to be held for getting the reason of non-collection and resolving the same.</i>	We have served several notices for payment of the arrear taxes and we are continuously try to collect the same.
9	Bifurcation of outstanding property tax and mobile tower tax is not provided. Also, any details regarding rental income, and advertisement tax is not provided.	ULB should prepare proper records for arrear amount and should take proper steps to collect arrears.	We are preparing these data on every time gap, we will provide the same at next Audit.
10	ULB is not in practice to pay electricity bill on time. Due to non payment, it attracts huge surcharge Further, We observed that ULB is not in practice to prepare payment vouchers.	ULB should prepare voucher based on running voucher as per the provision of Rule No. 16, 17 and 18 of BMAR -2014.	<i>Due to lack of manpower, it was not possible for us that comply with each and every rule. However, the same will be started at earliest.</i>
11	Non-maintenance of required registers as per Rule No. -3 of BMAR-2014	Detail of registers not maintained by ULB is mentioned under PART-A (a). <i>ULB should ensure proper maintenance of required Books of Account and register as per the list given in Rule -3 of BMAR - 2014.</i>	We will maintain the same at earliest.
12	Non-preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014	<i>ULB should ensure preparation of Annual Financial Statement as per the provision of Rule 122 of BAMR - 2014</i>	<i>New Deas Team is Working for preparation of Financial statement. We will update you after getting the data from them.</i>
13	Irregularities in vendor payment process: ▪ Budget Control register was	Proper tender documents regarding tender approval and allotment was not properly maintained or made	We will provide the same on next audit.



	<p>not updated</p> <ul style="list-style-type: none"> Quality control test report was not available Completion certificate was not available in payment file in case of completed contract. 	<p>available for audit. In provided cases, we are unable to comment on channel of procurement of tender and their required compliances. Further, no statutory compliance register was maintained in regards with statutory dues deducted from party bills. So, ULB should maintained proper tender register and file that include all related documents of tender. Statutory compliance register should be maintained for all statutory deductions made from parties' invoices.</p>	
14	<p>Non-maintenance of register for all procurements with value above Rs. 15,000</p>	<p>ULB should ensure maintenance of register for all Procurements with value above Rs. 15,000</p>	<p>We will maintained the register shortly.</p>
15	<p>Missing signature of wages worker and stamp of ULB on muster roll register</p>	<p>ULB should ensure proper maintenance of wages register by complying signature and stamping.</p>	<p>All concerned person are directed to resolve this issue within 30 days. We will inform you after rectification.</p>
16	<p>No maintenance of separate earnest & security deposit register</p>	<p>EMD and security deposit register help in tracking of balance payable to parties.</p>	<p>Register has been maintained by us. We will show the same on your next visit.</p>
17	<p>Non-compliance of Act & Rules</p>	<p>Refer point of Part-B (d) of audit report for status of non-compliance of Act & Rules. ULB should ensure compliance of all applicable Act & Rules.</p>	<p>With the help of available man power we are trying to serve in best possible manner. However, due to lack of manpower and excess work load some of rules are not followed by or Missed by us. We will try to cover the same at earliest.</p>
18	<p>Lack of internal control measures</p> <ul style="list-style-type: none"> Voucher file was not maintained No internal mechanism for statutory compliance No MIS was prepared for tracking of payments Required books of accounts as per BMAM was not maintained Statutory compliance reconciliation was not maintained Year-end reconciliation was not available Bank reconciliation of any bank account was not prepared. Bank balance as per cash book was not maintained. 	<p>We observed that there is no any internal control mechanism available over collection, recovery, deposit of taxes, assets handling, Cheque handling and Statutory compliances:</p> <p>We suggest that:</p> <ol style="list-style-type: none"> MIS System should be implemented over daily collection and deposit. Reason for non-deposit/ late deposit should be strongly need to ask for minimise delay. Need to identify a person to comply with the statutory compliances. In case failure to comply with statutory compliances he should also be penalised. Therefore, the management has to take serious effort in implementation of Internal control Mechanism for getting a better result from ULB working. 	<p>We will start the same at earliest.</p>
19	<p>Non-compliance of statutory compliances:</p> <ul style="list-style-type: none"> Non preparation of statutory compliance register Non deposit of TDS on timely basis. Non filling of TDS return for due period Non providing details towards payment and return regarding VAT/GST/Royalty/Labour Cess 	<p>Statutory compliance register was maintained in regards with statutory dues deducted from party bills. So, ULB should maintained proper statutory compliance register. Statutory compliance register should be maintained for all statutory deductions made from parties invoices. Non-compliance with statutory dues will cause of penalty, interest and prosecution. Management should insure that all statutory dues are paid on time and returns related thereof filed on time.</p>	<p>Due to shortage of trained staff statutory compliances are handled by professional hired by us. We will present all file with you after getting data from them</p>
20	<p>Deficiency in payroll system</p> <ul style="list-style-type: none"> Non-preparation of salary payment voucher Non-maintaining salary 	<p>Every payment should be accompanied with payment voucher. Further as per Section 2(23) of the Indian Stamp Act 1899 makes it</p>	<p>We have directed to team to resolve the issue within 15 days. We will provide the same at next audit.</p>

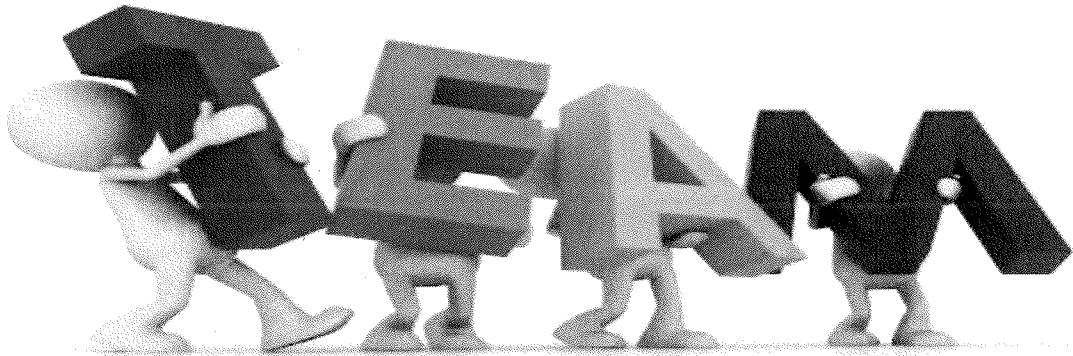


	<p>payment reference number in cash book</p> <ul style="list-style-type: none"> Non-implementation of Bio-metric device and payroll software 	<p>mandatory for affixing of stamp on any receipt as defined therein above Rs 5000. Therefore, management should ensure that the payment is accompanied with payment voucher.</p> <p>Meaning of Receipt : "Receipt" includes any note, memorandum or writing- (a) whereby any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received, or (b) whereby any other movable property is acknowledged to have been received in satisfaction of a debt, or (c) whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or (d) which signifies or imports any such Acknowledgement; and whether the same is or is not signed with the name of any person"</p>	
21	Non-providing of Utilization certificate for the reporting audit period	<p>Grant is blood of ULB. Therefore, for getting grant and running the ulb working smoothly it is very important to comply with all necessary requirement of grant. Further timely submission of utilisation certificate helps the grant realising authority to send the money for fulfil the requirement of future. Therefore, management should ensure that UC has been submitted with concerned department on time.</p>	<p>Fund received during the period are still in PLA account. Once the same will utilised, we will submit the UC for the same.</p>
22	Non-maintaining of inventory/store register and non-conducting of physical verification of inventory and stores available with ULB as per requirement of BMAR-rule 130.	<p>Management should implement the control system over inventory and store. Stock register should be in place and get it verified by a responsible person as authorised by management time to time. Further any discrepancies arises/ found during such verification should be reported immediately.</p>	<p>We will maintain the same at earliest.</p>
23	Non providing details of Advances, their adjustment & Recovery	<p>To ensure timely recovery of advance with interest proper calculation should be there with proper recovery plan.</p>	<p>We have not provided any advance during the period under consideration.</p>
24	Details of Directives not provided	<p>ULB Should comply with all directive issued by UDHD or other related department.</p>	<p>No directive issued during Q-4 of FY 2019-20</p>



27/09/20
 07.09.20
 कार्यवाहीक पत्रिका
 नगर परिषद विक्रमाज (सिंतास)
 7/9/20

thank you



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MORE

A hand holding a pen, with the pen tip pointing towards the word 'TEAM' in the text above.