

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

# INTERNAL AUDIT REPORT

## FOR

### F. Y. 2018-19

## GROUP 1

# WARSLIGANJ NAGAR PANCHAYAT

## BY

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

PLOT NO. 22, HOUSE NO. 174, ANAND NAGAR LANE,  
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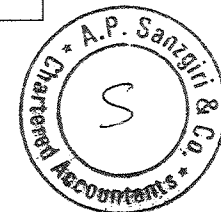
A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

**DOCUMENT HISTORY**

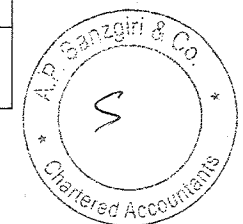
**INTERNAL AUDIT FOR FY 2018-19**

<b>Project Title</b>	Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar (Tender No. IA-140ULBs/2017-18/2018-19/2019-20) Group – 1 covering 19 ULBs”
<b>Report Title</b>	Internal Audit for FY 2018-19 of Warisaliganj Nagar Panchayat
<b>Reporting Entity</b>	A P SANZGIRI & Co., Chartered Accountants
<b>Reporting for</b>	Warisaliganj Nagar Panchayat
<b>Report Prepared by</b>	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
<b>Date of Submission</b>	22 <sup>nd</sup> November 2019

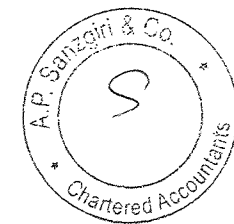


**ABBREVIATION AND ACRONYMS**

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



<b>MAS</b>	Municipal Audit Specialist
<b>MAA</b>	Municipal Audit Assistant
<b>SS</b>	Support Staff
<b>NTP</b>	Notice to Proceed
<b>RFP</b>	Reference for Proposal



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

Date: 13<sup>th</sup> July, 2020

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

Sub: Submission of Internal Audit Report of Warisaliganj Nagar Panchayat for the Financial Year 2018-19  
Ref No.: Letter No. 7/I. AK. 23/2018 - 82 Dated: 16.01.2019

Respected Sir,

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

As per the terms and conditions of RFP Document, we have successfully conducted the Internal Audit Warisaliganj Nagar Panchayat for the Financial Year 2018-19 and submitting the report of the same as per our deliverables.

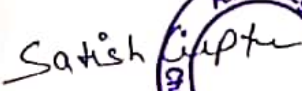
We hereby confirm that, this report has been prepared in accordance with the Terms of Reference of RFP issued by the department.

Hope you will find the same in compliance.

Thanking You,

Yours faithfully,

On Behalf of  
A P Sanzgiri & Co,  
Chartered Accountants

  
CA Satish Gupta  
Partner

FRN:116293W

UDIN: 20101134AAAHT3951

Date - 07-07-2020  
membership No - 101134

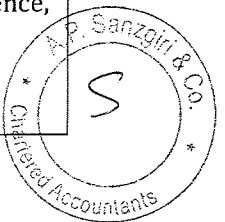
## EXECUTIVE SUMMARY

### 1. INTRODUCTION:

<b>Name of the Municipality</b>	-	<b>Warisaliganj Nagar Panchayat</b>
<b>Period covered under Current Audit</b>	-	01 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019
<b>Name of Mayor/Chairman</b>	-	Md. Ilyas
<b>Name of Executive Officer</b>	-	Sri Pratap Narayan Singh

### 2. OBSERVATIONS AND FINDINGS:

<b>Strengths</b>	<ol style="list-style-type: none"><li>1. In the existing system as prevailing in the ULB, day to day working is in progressive manner in respect of collection of revenue and execution of the projects.</li><li>2. There is sufficient co-operation from the management during the course of our audit.</li><li>3. General Cash book is properly up-to-dated.</li><li>4. Utilization certificate for FY 2018-19 has been prepared</li><li>5. Fixed assets register was prepared by a CA firm as on 01/04/2014 and it was updated till 2015-16</li><li>6. Bank Reconciliation Statement has been prepared</li></ol>
<b>Weaknesses</b>	<ol style="list-style-type: none"><li>1. The collection of rental income is not satisfactory.</li><li>2. The shopkeeper/tenants have not been paying rent and have huge outstanding debts.</li><li>3. No physical verification of store is exercised by ULB.</li><li>4. No Physical verification of cash is exercised by ULB.</li><li>5. Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.</li><li>6. Fixed assets register is not maintained by ULB</li><li>7. Compliance report of AG audit is prepared by the ULB and also report is not provided to us for inspection for FY 2016-17. Hence, we are unable to comment on the same.</li><li>8. Statutory compliance of the ULB is not deposited timely and hence it incurs penalty and other charges.</li></ol>



9. Certain Statutory Registers and Books are not maintained.

**10. Non Levy of Taxes:**

- ✓ Tax on advertisements, other than advertisements published in newspapers
- ✓ Surcharge on electricity consumption within the municipal area
- ✓ Tax on congregations.
- ✓ Tax on pilgrims and tourists.
- ✓ User Charges for Solid Waste Management.
- ✓ User Charges for Garbage Clearance.
- ✓ Collection of fees for sanction of building plans and issue of completion certificates.
- ✓ Collection of Development Charges.

11. During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 1 to 130 days.

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

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

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

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

16. ULB is not maintaining the accounts as well as not preparing the financial statements.

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

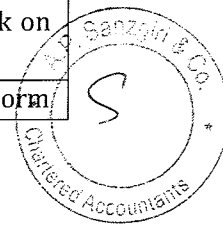
**3. OPINIONS:**

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

**4. AUDIT RECOMMENDATION:**



Observed Weaknesses	Audit Recommendations
No physical verification of store is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of the stock and process.
No Physical verification of cash is exercised by ULB.	Physical verification to be carried out by ULB on interval basis for proper monitoring of cash.
Provision of Section 36 (a) (iii) of the Bihar Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the corporation has not been complied.	Internal Audit wing should be created by employing the Municipal Internal Auditor on the Board.
Fixed assets register is not maintained at ULB	Fixed assets register should be maintained and updated properly.
Compliance report of AG audit is not prepared by the ULB and also report is not provided to us for inspection for FY 2014-15 to 2015-16. Hence, we are unable to comment on the same.	Compliance report should be prepared as soon as the report is received by ULB and steps to be taken for recovery of the amount for financial irregularities.
Statutory compliance of the ULB are not properly complied, hence it incurs penalty and other charges.	As ULB is not proper complying with statutory obligations, that cause financial implication on ULB in mode of interest and penalty. So, ULB should ensure statutory compliance on time.
Certain Statutory Registers and Books are not maintained.	Statutory register and books of accounts should be maintained as per guidelines and BMAR.
<p><b>Non Levy of Taxes:</b></p> <ul style="list-style-type: none"> <li>- Tax on advertisements, other than advertisements published in newspapers</li> <li>- Surcharge on electricity consumption within the municipal area</li> <li>- Tax on congregations.</li> <li>- Tax on pilgrims and tourists.</li> <li>- User Charges for Solid Waste Management</li> <li>- User Charges for Garbage Clearance</li> <li>- Collection of fees for sanction of building plans and issue of completion certificates,</li> <li>- Collection of Development Charges</li> </ul>	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. ULB should take steps to implement required taxes to boost their revenue
During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 01 to 130 days.	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.
ULB is not prepare monthly Trial balance in BMAR Form No.	As per BMAR Rule No. - 121, ULB should prepare of monthly Trial balance in BMAR Form



72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	No. 72 by extracting all ledger balances under various Account Codes as certified by the executive officer.
ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.
Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.	As per BMAM-ULB are required to maintain fund wise receipts & payments. As per BMAM, following funds should be maintained by ULB. 1. Municipal General Fund 2. Basic service for urban poor 3. Water supply & sewerage fund 4. Solid Waste Management Fund 5. Road Development & Maintenance 6. Enterprise Fund
Non Compliance of Rule 130 of BMAR in some of the cases.	ULB should ensure compliance related to Rule 130 of BMAR on regular basis.
ULB is not maintaining the accounts as well as not preparing the financial statements.	ULB is required to maintain the accounts as well as prepare the financial statements at the end of the year.
ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.	ULB should prepare financial statements for each year and get it approved from municipal account committee. As per BMAR, audited financial statements are required to submit to auditor for audit.
In-consistencies in assessment of property tax	Checked on random basis and found variation between demand raised by ULB or actual demand.

5. **COMMENTS FROM MANAGEMENT**

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

6. **ACKNOWLEDGEMENT**

During the course of the auditor we have come across many deficiencies like maintaining of holding tax register, fixed assets register, award register of contract etc. all such deficiencies we have brought to knowledge of the ULB officials. Further non preparation of bank reconciliation has also been brought to the notice of the ULB officials.

On Behalf of  
A P Sanzgiri & Co.  
Chartered Accountants  
Satish Gupta  
CA Satish Gupta  
Partner  
FRN: 116293  
UDIN: 20101134AAAAHT3951  
DATE: 07-07-2020  
Membership No: 101134

**DETAILED AUDIT REPORT**

**1. INTRODUCTION:**

Name Of ULB	Period-covered		Audit Team
	From	To	
Warisaliganj nagar panchayat	1 <sup>st</sup> April, 2018	31 <sup>st</sup> March, 2019	<b>1. Team Leader:</b> CA Satish Gupta <b>2. Name of CA:</b> Ayush Agrwal <b>1. Name of Auditor-1:</b> <b>2. Name of Auditor-2:</b> Md. Mahtab Alam

**2. ADMINISTRATION:**

S.N	Particulars	Details
1	The present body of the ULB has taken charge on	June, 2017
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	Md. Ilyas
2.1.1	Period of Service:	<b>From: June 2017</b> <b>To: Till date</b>
2.2	Name of Executive Officer:	Sri Pratap Narayan Singh
2.2.1	Period of Service:	<b>From: 2019</b> <b>To: Till date</b>



3. REVIEW OF OUTSTANDING AUDIT PARAS:

3.1. STATUS OF AUDIT OBSERVATIONS IS AS UNDER:

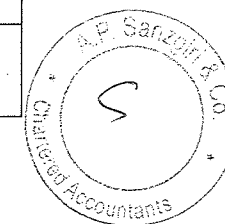
Particulars of audit and date of report	Total no. of audit Para's	Improvement /corrective measures required (Nos. of Para's)	Recovery of cash is proposed (Nos. of Para's)	Recovery has been made (Nos. of Para's)	Total amount of Recovery	No action has been taken	No. & date of compliance report
Audit report submitted by AG for the F.Y. 2015-16 to 2016-17	19	19	8	-	-	19	1017/01-12-2018

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

Period of AG audit report : Financial year 2010-11 to 2012-13

Compliance report date & Number : 1017/01-12-2018

Audit Para Number	Heading of the audit para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
4	Non-maintenance of Grant Register by the ULB.	-	-	-	Yes
5	Financial Overview	-	-	-	Yes
6	Less deposit/No deposit	0.86	0.86	-	Yes
7	Non-collection of 3% Stamp duty amount from endowment holders.	0.07	0.07	-	Yes
8	Non-presentation of receipts	-	-	-	Yes
9	ULB has collected Education & health Cess but not sent in the Government Treasury.	1.80	1.80	-	Yes



10	Non-deduction amount.	of Compensation	0.70	0.70	-	Yes
11	Error/irregularities number 13/10-11.	in execution of Plan	1.19	-	-	Yes
12	Irregularities in execution of Plan number 15/10-11.		0.32	0.32	-	Yes
13	Excess Expenditure Scheme/funds.	on Estimates than	0.02	0.02	-	Yes
14	Not working as per Estimates		0.15	0.15	-	Yes
15	Purchase of Section Machine		-	-	-	Yes
16	Unadjusted advances		4.38	4.38	-	Yes
17	Discussion with Executives		-	-	-	Yes
18	Results of Accounting Review		1.16	-	-	Yes
19	General Convection		-	-	-	Yes

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

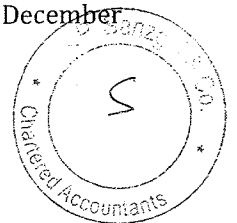
4. **FINANCE**

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

Year	Year- 2016-17	Year- 2017-18	Year- 2018-19
Final/Revised Budget Data	4,38,80,784.00	3,51,81,877.00	13,30,88,438.85
Actual Expenditure Data	9,92,08,106.00	13,37,68,340.60	19,80,35,285.46
Savings(+)/Excess(-)	<b>(5,53,27,322.00)</b>	<b>(985,86,463.60.00)</b>	<b>(6,49,46,846.31)</b>

**Auditor's Comment:**

The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19 & 2019-20. 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 by Management for verification. Hence, we could not validate the above-mentioned figures. Actual figure in respect of F.Y. 2018-19 has been taken up to December 2018.



**II. VOLUME OF TRANSACTIONS:**

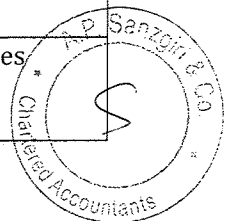
Period	Budgeted for F.Y. 2018-19	Actual for F.Y. 2016-17	Actual for F.Y. 2017-18	Actual for F.Y. 2018-19	Cumulative for current period
Opening balance	8,49,78,461.40	7,85,13,314.35	8,63,38,906.00	8,49,78,461.00	8,49,78,461.00
Receipts	14,57,43,300.10	8,73,07,908.00	13,24,07,896.00	17,35,48,443.00	17,35,48,443.00
<b>Total</b>	<b>23,07,21,761.50</b>	<b>16,58,21,222.35</b>	<b>21,87,46,802.00</b>	<b>25,85,26,904.00</b>	<b>25,85,26,904.00</b>
Net expenditure	13,30,88,438.85	9,92,08,106.00	13,37,68,340.60	19,80,35,285.46	19,80,35,285.46
<b>Closing balance</b>	<b>9,76,33,322.65</b>	<b>6,66,13,116.35</b>	<b>8,49,78,461.40</b>	<b>6,04,91,618.54</b>	<b>6,04,91,618.54</b>

**Auditor's Comment:**

The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19 & 2019-20. Financial Statement i.e. Audited Balance Sheet, Income & Expenditure Account and receipts & Payments Account for the year 2015-16, 2016-17, 2017-18 & 2018-19 have not been produced before us for verification. Hence, we could not validate the Above-mentioned figures.

**III. BANK RECONCILIATION POSITION AS ON REPORTING DATE:****BANK RECONCILIATION POSITION AS ON 31-03-2019:**

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	PNB	6749000100095162	HFA	8,62,815.70	8,62,815.70	-	Yes
2	PNB	6749000100044919	Holding Tax	1,84,271.34	1,84,271.34	-	Yes

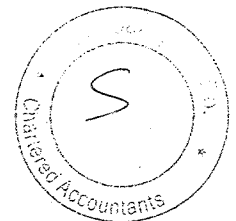


3	PNB	6749000100063297	OAP/ KABIR ANTESTHY	4,92,456.00	4,92,456.00	-	Yes
4	PNB	6749000100083608	S.B.M	459.10	459.10	-	No
5	IOB	379401000000409	CM Sahri Nal Jal	1,33,47,185.23	1,33,47,185.23	-	Yes
6	IOB	379401000000410	Nali Gali	62,85,962.71	62,85,962.71	-	Yes
7	IOB	379401000000801	NULM	1,24,511.00	1,24,511.00	-	Yes
8	IOB	379401000001451	PMSAY	15,00,341.60	15,00,341.60	-	Yes
9	UBI	624302010005119	SJSRY	6,79,343.00	6,79,343.00	-	Yes
10	SBI	31092711541	BRGF	9,23,401.16	9,23,361.16	-40.00	Yes
11	Treasury	PLA-027	PLA-027	4,67,68,535.29	4,67,68,535.29	-	Yes

**Management Comment:**

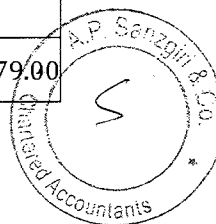
All Bank Accounts must be reconciled as soon as possible.

**Management comment (Kindly attached Refer Discussion Note)**



**IV. RECEIPT DETAILS:**

Income Details							
S.N	Details	2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)
	<b>Total Receipts (A+B)</b>	13,24,07,896.00	8,73,07,908.00	17,35,48,443.00	13,24,07,896.00	N/A	17,35,48,443.00
<b>A</b>	<b>Revenue Receipts (1+2+3)</b>	<b>78,47,987.00</b>	<b>80,20,283.00</b>	<b>1,33,14,261.00</b>	<b>78,47,987.00</b>	N/A	<b>1,33,14,261.00</b>
1	<i>Own Revenue Receipts (a+b)</i>	45,10,589.00	56,16,136.00	94,97,764.00	45,10,589.00	N/A	94,97,764.00
a)	<i>Tax Revenue(levied and collected by municipal body)</i>	37,38,809.00	53,52,946.00	92,39,790.00	37,38,809.00	N/A	92,39,790.00
i)	<i>Property tax</i>	13,30,809.00	13,92,381.00	13,41,116.00	13,30,809.00	N/A	13,41,116.00
ii)	<i>Other tax (levied and collected by municipal body)</i>	24,08,000.00	39,60,565.00	78,98,674.00	24,08,000.00	N/A	78,98,674.00
b)	<i>Non-tax revenue (levied and collected by municipal body)</i>	7,71,780.00	2,63,190.00	2,57,974.00	7,71,780.00	N/A	2,57,974.00
i)	<i>Fees &amp; fines</i>	00.00	00.00	00.00	00.00	N/A	0
ii)	<i>User Charges</i>	5,50,530.00	10,670.00	2,57,974.00	5,50,530.00	N/A	2,57,974.00
iii)	<i>Other non-tax revenue levied and collected by</i>	2,21,250.00	2,52,520.00	00.00	2,21,250.00	N/A	00.00
2	<i>Other Revenue Receipts</i>	22,01,321.00	00.00	23,40,379.00	22,01,321.00	N/A	23,40,379.00



a)	Income from interest/investments	22,01,321.00	00.00	23,40,379.00	22,01,321.00	N/A	23,40,379.00
b)	Other Revenue income	00.00	00.00	00.00	00.00	N/A	00.00
3	Transfers/Grants/Assigned Revenues	11,36,077.00	24,04,147.00	14,76,118.00	11,36,077.00	N/A	14,76,118.00
a)	State Assigned Revenue	11,36,077.00	24,04,147.00	14,76,118.00	11,36,077.00	N/A	14,76,118.00
b)	State Finance Commission	00.00	00.00	00.00	00.00	N/A	00.00
c)	Octroi compensation	00.00	00.00	00.00	00.00	N/A	00.00
d)	Other State Government Transfers	00.00	00.00	00.00	00.00	N/A	00.00
e)	Central Finance Commission (CFC) Grant	00.00	00.00	00.00	00.00	N/A	00.00
f)	Other Central Government Transfers	00.00	00.00	00.00	00.00	N/A	00.00
g)	Others	00.00	00.00	00.00	00.00	N/A	00.00
<b>B</b>	<b>Capital Receipts</b>	<b>12,45,59,909.00</b>	<b>79,28,7625.00</b>	<b>16,02,34,182.00</b>	<b>12,45,59,909.00</b>	<b>N/A</b>	<b>16,02,34,182.00</b>
1	Sale of Municipal Land	00.00	00.00	00.00	00.00	N/A	00.00
2	Loans (from State Govt. Or Banks etc.)	00.00	00.00	00.00	00.00	N/A	00.00
	State Capital Account	7,29,05,507.00	00.00	5,37,60,721.00	7,29,05,507.00	N/A	5,37,60,721.00
	Central Capital Account	5,16,54,402.00	00.00	10,64,73,461.00	5,16,54,402.00	N/A	10,64,73,461.00
5	<b>Other Capital Receipts</b>	<b>00.00</b>	<b>00.00</b>	<b>00.00</b>	<b>00.00</b>	<b>N/A</b>	<b>00.00</b>

**Auditor's Comment:** The above figures have been taken from the Budgeted Statement of the ULB for the year 2016-17, 2017-18, 2018-19 & 2019-20. 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 by management for verification. Hence, we could not validate the above-mentioned figures. Actual figure for F.Y. 2018-19 has been taken up to December 2018 from budget of F.Y. 2019-20.



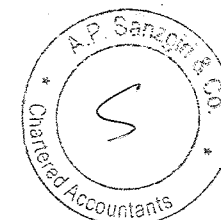
**V. EXPENDITURE INFORMATION:**

Expenditure Details							
S.N	Details	2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)
	<b>Total Expenditure (1+2)</b>	<b>13,37,68,340.60</b>	<b>9,92,08,106.00</b>	<b>19,80,35,285.46</b>	<b>13,37,68,340.00</b>	N/A	<b>19,80,35,285.46</b>
1	<b>Revenue Expenditure</b>	<b>1,75,72,024.00</b>	<b>1,72,14,740.00</b>	<b>1,00,79,467.46</b>	<b>1,75,72,024.00</b>	N/A	<b>1,00,79,467.46</b>
1.1	<i>Administrative Expenses, Establishment and Salaries (All Departments- Regular and Contractual)</i>	1,31,12,483.00	71,15,438.00	85,26,514.00	1,31,12,483.00	N/A	85,26,514.00
1.2	<i>Operation and Maintenance (O&amp;M)</i>	7,28,607.00	0.00	8,78,040.00	7,28,607.00	N/A	8,78,040.00
1.3	<i>Loan repayment (Interest payments)</i>	4,654.60	295.00	1200.46	4,654.60	N/A	1200.46
1.4	<i>Others(any other revenue expenditure which is not salaries, O&amp;M or Interest Payment)</i>	37,26,280.00	1,00,99,000.00	6,73,713.00	37,26,280.00	N/A	6,74,913.46.00
2	<b>Capital Expenditure</b>	<b>11,61,96,316.00</b>	<b>8,19,93,366.00</b>	<b>18,79,55,818.00</b>	<b>11,61,96,316.00</b>	N/A	<b>18,79,55,818.00</b>
2.1	<i>All developmental works under Central/State specific schemes</i>	11,61,89,316.00	7,58,53,366.00	18,79,55,818.00	11,61,89,316.00	N/A	18,79,55,818.00
2.2	<b>Loan Repayments (Principal Amount)</b>	<b>00.00</b>	<b>00.00</b>	<b>00.00</b>	<b>00.00</b>	N/A	<b>00.00</b>

**AUDITOR'S COMMENT:**

The above figures have been taken from the Budgeted Statement of the ULB for the year 2016-17, 2017-18, 2018-19 & 2019-20.

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 by management for verification. Hence, we could not validate the above-mentioned figures. Actual figure for F.Y. 2018-19 has been taken up to December 2018 from budget of F.Y. 2019-20.



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

Name of agency	DEAS (implemented till date)	Remark
M/s Sahani Bansal & Associates	Till F.Y 2015-16	There is no back up data available with ULB.
M/s Tibrewal Chand & Co.	From F.Y. 2012-13 to 2019-20	Till now no work has been started.

**VII. MUNICIPAL ACCOUNTS COMMITTEE:**

Municipal Accounts Committee has not been formed till date, however management replied it will be formed very soon.

**(Kindly Attached Refer Discussion Note)**

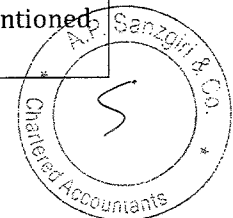
**5. AUDIT OBSERVATION:**

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

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

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

S.N	Head	Comments
1	<b>Objective</b>	The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable provisions and rules.
2	<b>Criteria</b>	We have checked list of all the taxes which to be levied and collected by the ULB as per Act. Further we have checked Receipt book, cashier cash book and accountant cash book etc.
3	<b>Condition</b>	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. <b><i>In case of WARISALIGANJ NAGAR PANCHAYAT</i></b> The following mentioned tax/charges are not implemented that leads to loss of revenue to ULB:



		<b>S.N</b>	<b>Particulars</b>	<b>Implemented by ULB or Not</b>
		1	Property tax on lands and buildings.	YES
		2	Surcharge on transfer of lands and buildings	YES
		3	Fire tax.	NO
		4	Tax on advertisements, other than advertisements published in newspapers	NO
		5	Surcharge on electricity consumption within the municipal area	NO
		6	Tax on congregations.	NO
		7	Tax on pilgrims and tourists.	NO
		8	Tax on profession.	NO
		9	Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.	NO
		10	User Charges for provision of water-supply, drainage and sewerage	NO
		11	User Charges for Solid Waste Management	NO
		12	User Charges for Parking Facility	NO
		13	User Charges for Garbage Clearance	NO
		14	Collection of fees for sanction of building plans and issue of completion certificates,	YES
		15	Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,	NO
		16	Collection of Fees for issue of birth and death certificates.	YES
		17	Collection of Development Charges	YES
4	<b>Consequences/Effect</b>	No levy of taxes will be resulted in to revenue loss to ULB.		
5	<b>Cause</b>	There is lack of standard policies and instructions from department. In some cases policies are prepared by it is not followed by the ULBs.		
6	<b>Corrective Action/Recommendation</b>	It is recommended that department should prepare uniform policies for levy and collection of taxes in proper manner and on due time. Further capacity building programmes should be held for ULBs staff and awareness about these taxes should be done.		
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>		

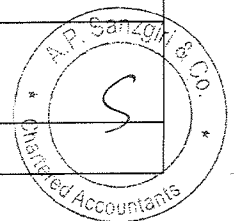


**OBSERVATION-2: DELAY IN DEPOSIT OF PROPERTY TAX COLLECTED BY ULB STAFF**

S.N	Head	Comments
1	<b>Objective</b>	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 the amount of tax collected by the tax collector is required to be handed over to cashier and deposited into bank on the same day on which collection is made. To check compliance of these provisions, we have carried audit of such type of cases.
2	<b>Criteria</b>	We have checked respective books in order to carry the audit and some cases were checked on random basis.
3	<b>Condition</b>	During verification of receipts book and deposit slips, we have noticed that there is gap period in collection of of tax around 1 to 130 days. Details of such cases are given in <b>Annexure-1</b> .
4	<b>Consequences/Effect</b>	In respect of above in most of the cases property tax has not been deposited on same day of collection which resulted in interest loss to ULB.
5	<b>Cause</b>	It is explained by concern person that due to non- availability of human resources the same issues arises.
6	<b>Corrective Action/Recommendation</b>	It is recommended that tax collector/cashier should deposit the collected money into bank on same day itself and if he fails to do the same, necessary action should be taken by the ULB management in such cases.
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>

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

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



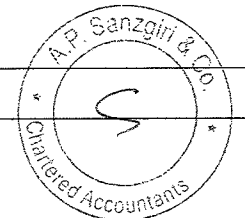
**OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME:**

**1. RECOVERY OF OUTSTANDING PROPERTY TAX:**

S.N	Head	Comments
1	<b>Objective</b>	ULB is authorized to collect holding tax from households situated in the municipal area and Property tax have major role in the internal revenue of ULB.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted that property tax of Rs. <b>24.54 lacs</b> was outstanding as on 31/03/2019:
3	<b>Consequences/Effect</b>	It leads in shortage of fund for ULB and loss of revenue.
5	<b>Cause</b>	No proper explanation in this regard given by ULB.
6	<b>Corrective Action/ Recommendation</b>	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>

**2. RECOVERY OF ADVERTISEMENT TAX:**

SN	Head	Comments
1	<b>Objective</b>	ULB authorized to charge advertisement tax/fee in municipal are as per act/rule.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted that is not in Practice of Providing and collecting Advertisement.
3	<b>Consequences/Effect</b>	Delay in collection or outstanding dues results in revenue loss to ULB.
5	<b>Cause</b>	Not Applicable
6	<b>Corrective Action/Recommendation</b>	ULB should Providing & Collecting
7	<b>Management Comments</b>	Not Applicable

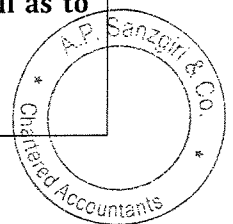


3. RENT INCOME:

S.N	Head	Comments
1	Objective	ULB authorized to charge rent from municipal properties.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that there was no rent income outstanding as on 31/03/2019.
3	Consequences/Effect	Not Applicable
5	Cause	Not Applicable
6	Corrective Action/Recommendation	Not Applicable
7	Management Comments	Recovery procedure are under process. we are establishing camp to boost collection as well as to recover outstanding dues. A copy of order regarding this attached.

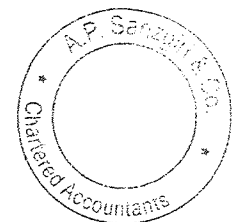
4. MOBILE TOWER TAX:

SN	Head	Comments
1	Objective	ULB is authorized to collect tax from telecom companies for mobile towers installed in the municipal area.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	During checking it is noted that mobile tower tax of Rs. <b>15.75 lacs</b> was outstanding as on 31/03/2019.
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Recovery procedure are under process. we are establishing camp to boost collection as well as to recover outstanding dues. A copy of order regarding this attached.



5 OTHER TAX:

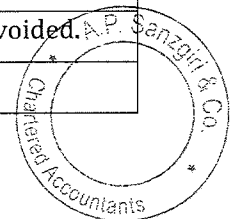
SN	Head	Comments
1	<b>Objective</b>	ULB is authorized to collect other various types of taxes/fee.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	During checking it is noted that no other tax was outstanding as on 31/03/2019:
3	<b>Consequences/Effect</b>	Not Applicable
5	<b>Cause</b>	Not Applicable
6	<b>Corrective Action/Recommendation</b>	Not Applicable
7	<b>Management Comments</b>	Not Applicable.



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

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

SN	Head	Comments																																																		
1	<b>Objective</b>	Checking of payment made by ULBs to find out irregularities made during payment																																																		
2	<b>Criteria</b>	Payment were checked on random basis																																																		
3	<b>Condition</b>	We have checked following payment related to FY 2018-19 during audit: <table border="1" data-bbox="674 549 2092 1222"> <thead> <tr> <th>S.N</th> <th>Name of Party</th> <th>Payment Head</th> <th>Invoice Amount</th> <th>Approved Amount</th> <th>Date of Payment</th> <th>Audit Observations</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Santosh kumar world book centre</td> <td>Stationary work</td> <td>19,973.00</td> <td>19,973.00</td> <td>11.4.18</td> <td rowspan="7">No irregularities Found</td> </tr> <tr> <td>2</td> <td>AAS services LTD</td> <td>E tender work</td> <td>41,358.00</td> <td>41,358.00</td> <td>22.5.18</td> </tr> <tr> <td>3</td> <td>Anita kumara</td> <td>Contractor</td> <td>9,18,740.00</td> <td>9,18,740.00</td> <td>7.6.18</td> </tr> <tr> <td>4</td> <td>G.K padia &amp; sons</td> <td>Disel exp</td> <td>51,844.00</td> <td>51,844.00</td> <td>29.6.18</td> </tr> <tr> <td>5</td> <td>P.R.D. Bihar</td> <td>Advertisement centre</td> <td>70,000.00</td> <td>70,000.00</td> <td>15.11.18</td> </tr> <tr> <td>6</td> <td>TATA G.I.C</td> <td>Bolero insurance</td> <td>19,093.00</td> <td>19,093.00</td> <td>5.1.19</td> </tr> <tr> <td>7</td> <td>Rajendra kumar roy</td> <td>Printing typing photo copy</td> <td>63,741.00</td> <td>63,741.00</td> <td>10.1.19</td> </tr> </tbody> </table>	S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Date of Payment	Audit Observations	1	Santosh kumar world book centre	Stationary work	19,973.00	19,973.00	11.4.18	No irregularities Found	2	AAS services LTD	E tender work	41,358.00	41,358.00	22.5.18	3	Anita kumara	Contractor	9,18,740.00	9,18,740.00	7.6.18	4	G.K padia & sons	Disel exp	51,844.00	51,844.00	29.6.18	5	P.R.D. Bihar	Advertisement centre	70,000.00	70,000.00	15.11.18	6	TATA G.I.C	Bolero insurance	19,093.00	19,093.00	5.1.19	7	Rajendra kumar roy	Printing typing photo copy	63,741.00	63,741.00	10.1.19
S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Date of Payment	Audit Observations																																														
1	Santosh kumar world book centre	Stationary work	19,973.00	19,973.00	11.4.18	No irregularities Found																																														
2	AAS services LTD	E tender work	41,358.00	41,358.00	22.5.18																																															
3	Anita kumara	Contractor	9,18,740.00	9,18,740.00	7.6.18																																															
4	G.K padia & sons	Disel exp	51,844.00	51,844.00	29.6.18																																															
5	P.R.D. Bihar	Advertisement centre	70,000.00	70,000.00	15.11.18																																															
6	TATA G.I.C	Bolero insurance	19,093.00	19,093.00	5.1.19																																															
7	Rajendra kumar roy	Printing typing photo copy	63,741.00	63,741.00	10.1.19																																															
4	<b>Consequences/Effect</b>	Irregularities in payment lead to excess payment, wrong deductions, non-compliance with agreement and statutory compliances.																																																		
5	<b>Cause</b>	Cases were identified during audit and observations given.																																																		
6	<b>Corrective Action</b>	Management can implement standard checklist for each payment so that irregularities in payments can be avoided.																																																		
7	<b>Management Comments</b>	Not Applicable.																																																		



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

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

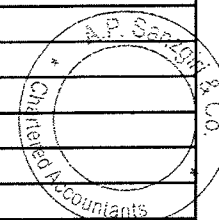
S.N	Head	Comments
1	<b>Objective</b>	Field survey and report of 20 high value properties of ULB and report on the basis of area of building, rate of property tax etc of the same. Comparison with the data of same property provided by the ULB and report on variance between them if available.
2	<b>Criteria</b>	Survey was done for 20 High value properties.
3	<b>Condition</b>	We have checked twenty high value assessed property and found variances related to FY 2018-19 during audit. Details of such cases are given in <b>Annexure-2</b>
4	<b>Consequences/Effect</b>	Irregularities in this area may cause short recovery of revenue receipt and it will result in loss to the ULB.
5	<b>Cause</b>	There are some cases found in which variance arise due to assessment of area of property on lower side.
6	<b>Corrective Action/Recommendation</b>	Management need to carry survey of properties on regular interval.
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>

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

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

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

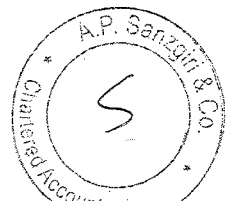
S.N	Name of Register	Maintained/ Not Maintained	Last date of Updating
1	Cash Book-Cashier	Not Maintained	31.03.2019
2	Cash Book-Accountant	Maintained	31.03.2019
3	Collection Register	Maintained	31.03.2019
4	Cheque issue Register	Maintained	31.03.2019
5	Register of Advance	Maintained	
6	Register of Permanent Advance	Not Maintained	
7	Deposit received register	Not Maintained	



8	Summary statement of deposit adjusted	Not Maintained	
9	Demand Register	Maintained	31.03.2019
10	Summary Statement of Bills Raised	Not maintained	
11	Register of Notice Fees, Warrant Fees, Other Fees	Not maintained	31.03.2019
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	Not maintained	
13	Register of Refunds, Remissions and Write off	YES Maintained	
14	Summary statement of Refunds and Remissions	Not maintained	
15	Summary Statement of Write-offs	Not maintained	
16	Statement of outstanding Liability for Expenses	Maintained	31.03.2019
17	Document Control Register/Stock Account Receipts/Cheque Book	Maintained	31.03.2019
18	Fixed Assets Register	Maintained	31.03.2019
19	Summary Statement of Demand Raised on assessment	Maintained	31.03.2019
20	Summary Statement of Head wise Collection of Other Income	Maintained	31.03.2019
21	Summary Statement of Refunds	Not Maintained	
22	Summary Statement of Write off	Not Maintained	
23	Grant Register	Not Maintained	31.03.2019
24	Summary Statement of status of Capital Work in Progress	Not Maintained	31.03.2019
25	Work Sheet	Not Maintained	31.03.2019
26	Deposit Works Register	Not Maintained	31.03.2019
27	Material Receipt Note	Not Maintained	31.03.2019
28	Store Ledger	Not Maintained	31.03.2019
29	Statement of Closing Stock	Not Maintained	
30	Statement of Material Issued	Not Maintained	31.03.2019
31	BRS of all bank accounts (including dormant accounts)	Not Maintained	31.03.2019
32	Final Accounts for the F.Y. 2012-13 to 2017-18	Not maintained	
33	Audited Balance Sheet	Not maintained	
34	Audited Income & Expenditure Account	Not maintained	
35	Audited Receipts & Payment Account	Not maintained	

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

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



2. DETAILS OF LOG BOOK MAINTAINED:

SN	Name of Vehicle	Whether vehicle log book is maintained or not	Whether log book is properly updated or not	Whether vehicle is insured or not	Whether Rate of Diesel/Petrol properly mention in log book
1	JCB (01 nos.)	Yes	No	No	No
2	Tractor (2 nos)	Yes	No	No	No
3	Tipper (2 nos)	Yes	No	No	No
4	Section Machine (1 nos)	Yes	No	No	No

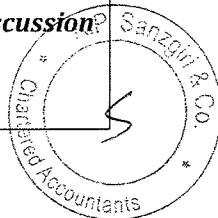
3. NON-COMPLIANCE OF DIRECTIVES BY UD&HD, GOB:

S.N	Directions Issued by UDHD	Particulars of Circulars/Orders/Notices	Complied or Not
1	Gyapank No.- 6628; Dated- 26.12.2018	<b>Mukhyamantri Nal JAI Yojna:-</b> "Whether Para No. 1- 28 have been complied of this circulars".	Complied
2	Gyapank No.- 3234; Dated- 12.06.2018	<b>Purchase of Material or Receive of Service from "GeM Portal" w.e.f. 01.07.2018</b>	Not Complied (Refer Discussion Note)
3	Gyapank No.- 3453; Dated- 29.06.2018	<b>Outsourcing of Services and There respective Standard:-</b> "Whether Standard or Measurement criteria mentioned in this circular in respect to their respective 'Type of Services' have been complied".	Not Complied (Refer Discussion Note)
4	<b>Amendment in Oath Number-3557, Dated 20.11.2014; Dated of Amendment- 04.05.2018</b>	<b>Related to Departmental Work:-</b> "Whether Para '1- 4' of this order have been complied in respect to 14 <sup>th</sup> F.C. or 5 <sup>th</sup> F.C Departmental work carried on , which is mentioned in this order,".	Not Complied (Refer Discussion Note)
5	Gyapank No.- 5124; Dated- 28.09.2018	<b>Deduction of TDS on GST:-</b> <b>w.e.f. 01.10.2018 TDS on GST shall be deducted as per Section 51 of BGST act, 2017</b>	Not Complied (Refer Discussion Note)

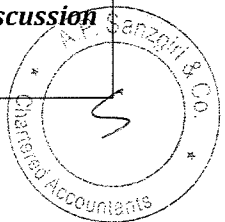


4. NON COMPLIANCE OF ACTS& RULES:

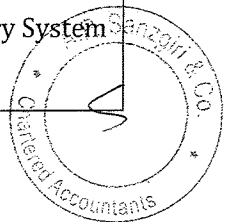
S.N	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made.	BMAR Rule No.-22	<b>Refer point: Part-A (a) (2)</b> The same rule did not follow by Tax Collector and on an average 01 to 130 days delayed found in hand of Tax Collector;	( <i>Kindly Attached Refer Discussion Note</i> )
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	Only Tax collector are entrusted to collect municipal revenue within municipality area;	
3	Whether the collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.	BMAR Rule No.- 27	Yes,Tax Collector kept receipt book in his personal custody.	
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated stall of the Municipality.	BMAR Rule No.- 27	Yes, Daily Collection Register is verified by designated Officer of Council.	
5	Whether every bill collector invariably remit his collections (in cash and/or cheques) to Cashier dally before 4.30 PM and take the cashier's acknowledgment in	BMAR Rule No.- 27	<b>Refer point: Part-A (a) (2)</b> The same rule did not follow by Tax Collector and on an average 01 to 130 days delayed found in hand of Tax Collector;	( <i>Kindly Attached Refer Discussion Note</i> )



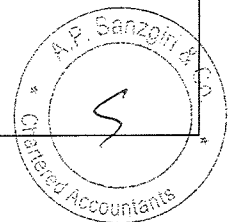
	the collection register.			
6	Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.	BMAR Rule No.- 69	Yes.	
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception.	BMAR Rule No.- 69	Yes complied	
8	Whether the grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No such case was found and we have checked through cash book and relevant file under different Yojna/Scheme	
9	Whether the Utilization Certificate was signed by Chief Municipal Officer for verification of the financial outlays and	BMAR Rule No.- 69	<b>Refer PART-B (h)</b> Yes, but complete UC has been prepared;	<b>( Kindly Attached Refer Discussion Note)</b>



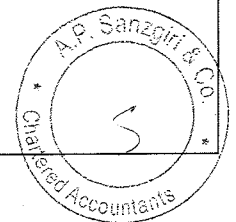
	physical progress reported on BMAR Form No 29.			
10	Whether Municipality has returned unutilized grant for more than three years from date of receipt to the source from where such grant was received.	BMAR Rule No.- 69	No such case found in this ULB.	
11	Whether The Chief Municipal Officer prepare a fund wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	BMAR Rule No.- 120	Currently Receipt and Payment A/c has not been prepared by ULB;	Currently it is not prepare, however we will proceeds further. <b>Kindly Attached Refer Discussion Note</b>
12	Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	BMAR Rule No.- 121	Trail Balance has not been prepared;	ULB not in a practice to prepared Trail balance, Income and Expenditure and Balance Sheet. It will be prepare after implementation of double entry System
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	
14	The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. <b>The Financial Statements</b>	BMAR Rule No.- 122	Financial Statement has not been prepared by municipality.	ULB not in a practice to prepared Trail balance, Income and Expenditure and Balance Sheet. It will be prepare after implementation of double entry System



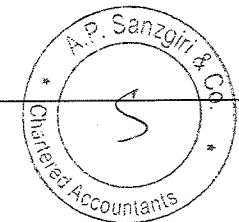
	<p><b>shall comprise of</b></p> <p>a. Receipts and Payments Account for the year (BMAR Form No.71)</p> <p>b. Income &amp; Expenditure Statement for the year (BMAR Form No.73)</p> <p>c. Balance Sheet as on 31st March of the year (BMAR Form No.74)</p> <p>d. Significant accounting policies adopted by the Municipality in presentation of the financial statements.</p> <p>e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly.</p> <p>f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply.</p>			
15	<p>Whether the municipality is regular in depositing statutory dues including Tax deducted at source, GST, TDS on GST, service tax, VAT, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-</p>	<p>BMAR Rule No.- 130</p>	<p><b>Refer PART-B (f)</b></p> <p>Amount of statutory dues has not been deposited on due date. Whole deduction amount for entire F.Y. 2018-19 has not been deposited.</p>	<p><b>( Kindly Attached Refer Discussion Note)</b></p>



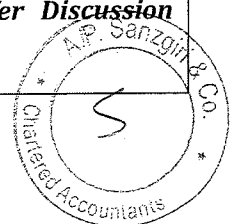
	130).			
16	Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation;(BMAR Rule No.-130).	BMAR Rule No.- 130	<b>Refer PART-B (g)</b> Yes deposited on time except April, June, July, August, October and November and March for F.Y. 2018-19;	<i>( Kindly Attached Refer Discussion Note)</i>
17	Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated In sufficient detail.	BMAR Rule No.- 130	No trial balance is prepared hence classification of transaction was not done;	
18	Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted.	BMAR Rule No.- 130	Yes recorded properly in grant register as well cash book , but no case of deduction was found;	
19	Whether any Special Funds have been created as per the provision of any statute and whether the Special Funds have been utilized for the purposes for which they have been created.	BMAR Rule No.- 130	No special fund created;	



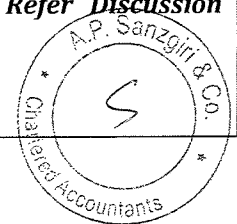
20	Whether the ULB is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account.	BMAR Rule No.- 130	There are no FAR, has not Not maintained; There is no system developed to physically verify the existing assets	( Kindly Attached Refer Discussion Note)
21	Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are renewed after their expiry.	BMAR Rule No.- 130	- Refer Part-A(a)(4)	( Kindly Attached Refer Discussion Note)
22	Whether there exists an adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	BMAR Rule No.- 130	Yes Procedure have been followed.	
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality' s accounts; If so, the details thereof.	BMAR Rule No.- 130	No such case was found during the period of Audit.	
24	Whether the Bank Reconciliation statements have been property prepared for all the bank accounts of the ULB and	BMAR Rule No.- 130	<b>Refer Point-04 (III)</b> Yes BRS of all existing bank a/cs, except one bank a/c, have been prepared. Remedial Action, rectification of	



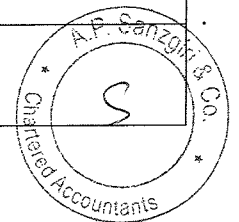
	the remedial actions including all correcting entries have been taken on timely basis.		entries have been made in proper order. reconciliation statement have been prepared in cash book itself except one bank A/c which is mentioned in this report;	
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules.	BMAR Rule No.- 130	YES,	
26	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and in all cases such as are authorized by Act.	BMAR Rule No.- 130	YES.	
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis.	BMAR Rule No.- 130	<b>Refer-PART-A (a)(4)</b>	
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	<b>Refer-PART-A (a)(2)</b> Yes, sums due to and received by ULB have been brought to books of accounts. But it takes on an average 1 to 130 days in case of holding tax. This delay was found in hand of tax collector;	<b>( Kindly Attached Refer Discussion Note)</b>
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	UC have been prepared in prescribed format in timely manner	<b>( Kindly Attached Refer Discussion Note)</b>



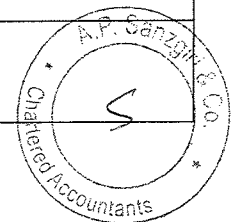
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as It appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.- 130	<b>Refer-PART-B (a)</b> Some Books of accounts has not been prepared;	<b>( Kindly Attached Refer Discussion Note)</b>
31	Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores;	BMAR Rule No.- 130	No such practices followed by ULB;	It will be followed by F.Y. 2019-20.( <b>Kindly Attached Refer Discussion Note)</b>
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.- 130	No physical verification is carried out.	It will be consider and follow as per rule;
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	ULB not maintained stock register properly and further physical verification is also not carried out;	<b>( Kindly Attached Refer Discussion Note)</b>
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	BMAR Rule No.- 130	ULB did not follow the practice of valuation of stock.	<b>( Kindly Attached Refer Discussion Note)</b>



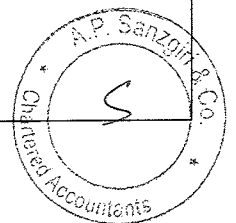
	the basis of valuation, the effect of such deviation, if material, should be reported;			
35	Whether the parties to whom loans or advances have been given by the ULB are repaying the principal amounts as stipulated and are also regular in payment of the Interest and If not, whether reasonable steps have been taken by the municipality for recovery of the principal and interest?	BMAR Rule No.- 130	No loan given during F.Y.2018-19	ULB does not gives loan and advances. Refer Discussion Note
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.- 130	Advance Register has not been maintained	ULB does not gives loan and advances. <b>(Kindly Attached Refer Discussion Note)</b>
37	Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Performa 75,77 and 80 Preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. Rule 132 regarding Public Participation in Preparation Of Budget. Moreover, as required under provisions of Rule 139, mid -year review of Budget.	BMAR Rule No.- 132	Yes, budget is prepared	
38	<b>Municipal Fund:</b> Whether ULB has created required fund as mentioned in	BMA,2007: Chapter IX	Not found	

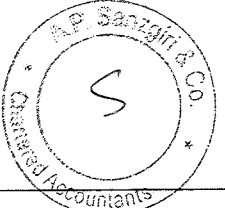


	chapter IX of BMA-2007			
39	<b>Payment not to be made out of Municipal Fund unless covered by budget grant:</b> Whether any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	No such case was found during Audit period.	
40	<b>Procedure when money not covered by budget grant is paid.</b> Whether the case is put up with Empowered Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	<i>( Refer Discussion Note)</i>	<i>( Kindly Attached Refer Discussion Note)</i>
41	<b>Investment of surplus money.</b> Whether municipality has invested surplus fund as per the requirement of the chapter-X of BMA-2007. Auditor will report on the fixed deposit and other funds should be in nationalized banks/Approved financial institutions and should earn maximum interest at their gestation period. Check whether comparative interest rate is invited from parties before investing surplus funds:		No fund invested by ULB;	ULB does not follow the practices of investing its surplus amount;
42	<b>Preparation of budget estimate of Municipality.</b>		Yes, the same is levied at specified rate.	

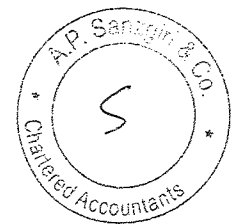


	Whether The budget estimate stated the rates at which various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following,			
43	<b>Maintenance of accounts.</b> Whether the Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed,		Receipt and Expenditure A/c has not been prepared;	<i>( Kindly Attached Refer Discussion Note)</i>
44	<b>Financial Statement.</b> Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality,		Not Prepared;	<i>( Kindly Attached Refer Discussion Note)</i>
45	<b>Submission of financial statement and balance sheet to auditor.</b> The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after		Financial Statement has not been submitted.	<i>( Kindly Attached Refer Discussion Note)</i>



	<p>examination of the same, shall adopt and remit them to the Auditor as may be appointed in this behalf by the State Government.</p>			
46	<p><b>As per section 127, 128, 129 &amp; 131 of chapter XV Bihar Municipal Act,2007 various tax are applicable on ULBs</b></p> <p>Section 145,146 and 147 of the Bihar Municipal Act 2007 chapter XVII provides for Advertisement tax on Advertisement in Urban Areas. Chapter XVII of the Bihar municipal Act, 2007 required license of Advertisement of any holding, etc. As par act Every person who erects, exhibited, fixes or retain upon or over any land, building ,wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph),visible from a public street a public place in any location in a municipal area including airport or a port or a railway station ,shall pay or every advertisement, which is so erected</p>		YES	

	,exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement.			
47	As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,	BMA,2007: Chapter XIX	<b>Refer-PART-A(a)(3)</b> Yes, Notice of demand issued but levy of Notice Fee is not followed currently.	<i>( Kindly Attached Refer Discussion Note)</i>
48	As per section 342 of Bihar Municipal Act, 2007 Trade license fee is to be collected from different types of Trader, who are trading in Concerned Municipal area.	BMA,2007: Chapter XXXVII	Not, trade licence have been not collected,	<i>( Kindly Attached Refer Discussion Note)</i>



**5. LACK OF INTERNAL CONTROL MEASURES:** We have observed the following areas where internal control measures are required by ULBs-

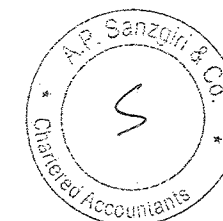
- a. Tax should be collected & deposited on timely basis as per BMAR Rules-As per trend every tax collector takes 01 to 130 days to deposit the same after collection.
- b. ULB should be followed Books of Account, Trial Balance, FAR, FS, and other records as per BMAR- Neither Trial Balance nor Financial Statement have been prepared by ULB.
- c. ULB should prepare & Maintain monthly BRS- Monthly Bank Reconciliation statement has not been prepared, however year end reconciliation has been prepared.
- d. Necessary sub-ledger is not maintained by the ULB. For instance register of fuel, bleaching powder etc. not maintained separately.
- e. In respect of budget, realistic approach is not adopted by the ULB in preparation of budget.
- f. Appropriate staff is not deployed at appropriate place.
- g. No MIS was prepared for tracking of payments.

**6. NON-COMPLIANCE OF TDS, VAT AND OTHER RELEVANT STATUTE**

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

SN	Name of Party	Invoice Value	Amount of deduction	Due date of deposit	Actual Date of deposit	Cheque/Challan Number
1	Supriya sinha	9,96,734.00	10,266.00	7.7.18	Not deposited	
2	Rekha kumari	11,08,115.00	11,415.00	7.5.18		
3	Anil kumar	5,89,060.00	6,074.00	7.5.18		
4	Ravi ranjan	13,55,540.00	13,965.00	7.7.18		
5	Ravi ranjan	14,25,789.00	14,686.00	7.7.18		
6	Sita Ram	3,32,160.00	3,421.00	7.9.18		
7	Sunita kumari	6,50,913.00	6,704.00	7.9.18		
8	Shayam singh	3,82,405.00	3,938.00	7.9.18		
<b>TOTAL</b>		<b>68,40,716.00</b>	<b>70,469.00</b>			

**Note:** TDS deducted by the ULB @1.03% instead of 1% in case of proprietor.



b. DETAILS OF DELAY IN DEPOSIT OF VAT ARE MENTIONED BELOW:

**Management Comment :**There is not any case of vat deduction

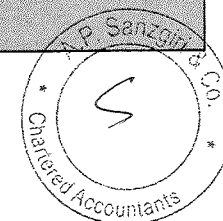
c. DETAILS OF DEPOSIT OF ROYALTY ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Supriya sinha	9,96,734.00	19,935.00	Not Deposited	
2	Rekha kumari	11,08,115.00	22,162.00		
3	Anil kumar	5,89,060.00	11,781.00		
4	Ravi ranjan	13,55,540.00	27,110.00		
5	Ravi ranjan	14,25,789.00	28,516.00		
6	Sita Ram	3,32,160.00	6,643.00		
7	Sunita kumari	6,50,913.00	13,018.00		
8	Shayam singh	3,82,405.00	7,648.00		
<b>TOTAL</b>		<b>68,40,716.00</b>	<b>70,469.00</b>		

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

S. N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Supriya sinha	9,96,734.00	9,968.00	Not deposited	
2	Rekha kumara	11,08,115.00	11,081.00		
3	Anil kumar	5,89,060.00	5,891.00		
4	Ravi ranjan	13,55,540.00	13,555.00		
5	Ravi ranjan	14,25,789.00	14,258.00		
6	Sita Ram	3,32,160.00	3,322.00		
7	Sunita kumara	6,50,913.00	6,509.00		
8	Shayam singh	3,82,405.00	3,824.00		
<b>TOTAL</b>		<b>68,40,716.00</b>	<b>68,408.00</b>		

During audit of Warshliganj Nagar Panchayat we have noticed that no TDS return has been filled during the financial year 2017- 2018.

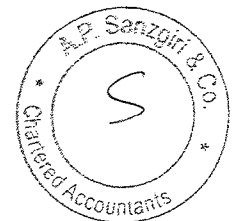


7. DETAILS OF DEPOSIT OF TDS ON GST ARE MENTIONED BELOW:

S.N	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/Challan Number
1	Supriya Sinha	9,96,734.00	19,935.00	Not deposited.	
2	Rekha kumara	11,08,115.00	22,162.00		
3	Anil kumar	5,89,060.00	11,781.00		
4	Ravi ranjan	13,55,540.00	27,110.00		
5	Ravi ranjan	14,25,789.00	28,516.00		
6	Sita Ram	3,32,160.00	6,643.00		
7	Sunita kumari	6,50,913.00	13,018.00		
8	Shayam singh	3,82,405.00	7,648.00		
	<b>TOTAL</b>	<b>68,40,716.00</b>	<b>70,469.00</b>		

9. DEFICIENCY IN PAYROLL SYSTEM:

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



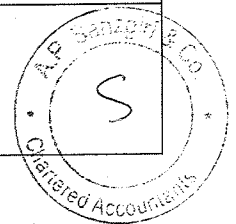
10.DETAILS OF DELAY OF DEPOSIT OF EPF:

Month of Deduction	Amount PF Deduction	PF Advance ( Loan)	Due date of deposit	Amount Deposit	Actual Date of deposit	Delay in days
April - 17	1,371.00	-	15.05.2018	Not Deposited		
May - 17	1,371.00	-	15.06.2018			
June - 17	1,371.00	-	15.07.2018			
July-17	1,371.00	-	15.08.2018			
August-17	1,404.00	-	15.09.2018			
September-17	1,404.00	-	15.10.2018			
October-17	1,404.00	-	15.11.2018			
November-17	1,404.00	-	15.12.2018			
December-17	1,404.00	-	15.01.2019			
January-18	1,404.00	-	15.02.2019			
February-18	1,404.00	-	15.03.2019			
March-18	1,404.00	-	15.04.2019			
<b>TOTAL</b>	<b>16,716.00</b>					



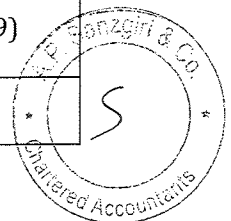
**11.UTILISATION OF GRANT AND REPORT ON MISSING UTILISATION CERTIFICATES**

S.N	Head	Details							
1	Status of Utilization Certificate:	<b>(REFER ANNEXURE)</b>							
2	Status of use of grant as per default allocation	<b>S.N</b>	<b>Particulars</b>	<b>DA</b>	<b>Salary</b>	<b>Water Supply</b>	<b>Nali Gali</b>	<b>Solid Waste Management</b>	
		1	5th SFC	50%	20%				
				30%		30%			
				20%			20%		
		2	14th SFC	50%				10%	
				30%		30%			
				10%					
				8%					
				2%					
		<b>Total</b>							
3	Physical verification of inventories	<b>(Kindly Attached Refer Discussion Note)</b>							
4	Advances, their adjustment & recovery	<b>(Kindly Attached Refer Discussion Note)</b>							



III. PART-C

S.N	Particulars	Complied or Not
A	Auditor should report in a separate section for non-compliance of rules/directives of UD&HD, GoB; Auditor should see the compliance of Bihar Municipal Act and specifically Chapter IX to XV and related rules and regulations as well as related directives by UD&HD.	Complied Refer-PART-B(3)
B	Auditor should Report in a separate chapter on implementation of SAS of Property Tax in the ULB; internal auditor should witness some assessment procedures to check any in-consistencies in 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;	Complied Refer-PART-A(c)
C	Auditor should report on compliance of Bihar Municipal Accounting Manual, Bihar Municipal Accounts Rules, 2014 and Bihar Municipal Budget Manual with special attention to following Rules of BMAR :	Refer-PART-B(4)
	<b>Rule 22:</b> All moneys to be brought to account	
	<b>Rule 27:</b> Collections to be deposited into Bank on the same day	
	<b>Rule 69:</b> Grant Related Compliance	
	<b>Rule 120-121:</b> Monthly Receipt & Payment Account and Trial Balance	
	<b>Rule 130:</b> Audit to be completed & reported within 6 month	
D	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.	Complied Refer-PART-B(4)
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, Sairatetc;	Complied Refer-PART-A(a)
F	Auditor should Report on adequacy and appropriateness of the documentation, approvals, compliance of procedures etc. of all payments above Rs. 10,000 and above.	Complied Refer-PART-B(b)
G	Auditor should Report on Procurement made including through E-Tendering and E-Auction indicating exceptions , if any and whether a register is kept for all Procurements with value above Rs. 100,000/-	Complied Refer-PART-B(b)
H	Auditor should Report on presence or absence of a system of issuance of utilisation certificate for the different schemes for any utilisation made during the reporting period; Where there is no system for issuance of U/Cs, the Internal Audit report shall prepare Utilisation Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	Complied Refer-PART-B(9)
I	Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied

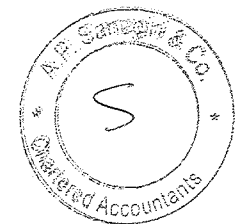


		Refer-Audit Recommendation
J	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.	Complied Refer-PART-B(b)
K	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies	Complied Refer-PART-B(b)
L	Auditor will report on that the fixed deposit and other funds should be in nationalized Banks/Approved financial institutions and should earn maximum interest at their gestation period.	Complied Refer-PART-B(4)
M	Internal Auditor will identify major areas of ULBs own revenue loss and auditor will access the loss and Prepare a statement of loss.	Complied Refer-PART-A(a)
N	Auditor will report on that all kind of tax deductions i.e. Commercial tax, Income tax, provident fund etc. Should be deducted from the payments as applicable, deposited properly and also should be properly recorded in appropriate ledgers.	Complied Refer-PART-B(6)
O	Internal Auditor will ensure that all the C&AG audit & Internal audit Paras has been complied by the ULBs, if not complied the Internal Auditor shall help the ULBs staffs to prepare the compliance report.	Complied Point-03 of Detailed Audit Report



**INTERNAL AUDIT REPORT FOR F.Y 2018-19**  
**ULB-WARISALIGANJ NAGAR PANCHAYAT**  
**ANNEX-1 REPORT ON LATE DEPOSIT OF PROPERTY TAX**

S.N	Serial Number		Amount of tax	Date of collection as per receipt book	Date of Deposit Into bank as per Deposit slip	Delay in Deposit with bank "In days"
	From	To				
1	8326	8350	20992	31.03.2018 to 17.05.2018	19.05.2018	49 days
2	8351	8375	19494	18.05.2018 to 21.05.2018	21.06.2018	33 days
3	8376	8400	8523	21.05.2018 to 22.05.2018	11.06.2018	20 days
4	8501	8600	26541	22.05.2018 to 11.06.2018	26.06.2018	29 days
5	8701	8777	17474	12.06.2018 to 10.07.2018	10.07.2018	25 days
6	8778	8800	6104	10.07.2018 to 04.08.2018	04.08.2018	25 days
7	8801	8825	7974	06.08.2018 to 11.08.2018	16.08.2018	10 days
8	8826	8850	3675	11.08.2018 to 21.08.2018	23.08.2018	12 days
9	8851	8875	9289	21.08.2018 to 6.09.2018	07.09.2018	16 days
10	8876	8900	13270	10.09.2018 to 12.09.2018	12.09.2018	2 days
11	9001	9025	2595	12.09.2018 to 13.09.2018	14.09.2018	2 days
12	9026	9050	2768	13.09.2018 to 14.09.2018	17.09.2018	4 days
13	9051	9075	7027	14.09.2018 to 24.09.2018	24.09.2018	10 days
14	9076	9100	7088	25.09.2018 to 01.10.2018	05.10.2018	10 days
15	9201	9225	8438	08.10.2018 to 12.10.2018	15.10.2018	7 days
16	9226	9250	5745	12.10.2018 to 15.11.2018	25.11.2018	43 days
17	9251	9275	3939	15.11.2018 to 27.11.2018	29.11.2018	14 days
18	9276	9300	4281	27.11.2018 to 05.12.2018	07.12.2018	10 days
19	9501	9525	12418	06.12.2018 to 18.01.2019	18.01.2019	43 days
20	9551	9575	10042	18.01.2019 to 19.01.2019	19.01.2019	1 days
21	9876	9900	13388	21.02.2019 to 30.03.2019	30.03.2019	37 days

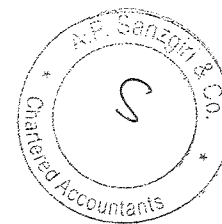


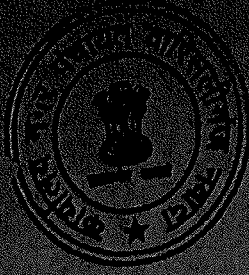
INTERNAL AUDIT REPORT FOR FY 2018-19  
ULB-WARISALIGANJ NAGAR PANCHAYAT  
ANNEX-2 REPORT ON FINDINGS OF FIELD SURVEY OF PROPERTY TAX OF MINIMUM 20 HIGH VALUE PROPERTIES:

S.N	Holding Name	W.N	H.N.	Type of Use of Property		Area of Property			Tax Amount			Remarks
				As per tax Collector	As per Auditor	As per Tax Collector	As per Auditor	Diff.	As per Tax Collector	As per Auditor	Diff.	
1	CHINI MILL FACTORY MAIN FACTORY	20	4885	COMMERCIAL	COMMERCIAL	28200	28200	-	60608	60608	-	-
2	CHINI MILL FACTORY	20	4884	COMMERCIAL	COMMERCIAL	2415	2415	-	17831	17831	-	-
3	CHINI MILL GODAM	20	4887	COMMERCIAL	COMMERCIAL	37148	37148	-	17831	17831	-	-
4	S N SINHA MAHA BIDHALAY	08	1785	COMMERCIAL	COMMERCIAL	15068	15068	-	23820	23820	-	-
5	UMA SINGH	20	4948	COMMERCIAL	COMMERCIAL	6200	6200	-	8928	8928	-	-
6	KARAMCHARI QUARTER CHINI MILL KOLNI	20	4895	COMMERCIAL	COMMERCIAL	19800	19800	-	7128	7128	-	-
7	JANARDAN SINGH	08	1685	COMMERCIAL	COMMERCIAL	5176	5176	-	7543	7543	-	-
8	UMA CHARAN RAM	09	2076	COMMERCIAL	COMMERCIAL	4392	4392	-	6324	6324	-	-
9	VIDHYA DEVI	07	5228	COMMERCIAL	COMMERCIAL	1143	1143	-	9593	9593	-	-
10	PARAS NATH	09	2016	COMMERCIAL	COMMERCIAL	11870	11870	-	5750	5750	-	-
11	BRIJ KISHOR PRASAD	10	2322	COMMERCIAL	COMMERCIAL	3003	3003	-	5186	5186	-	-
12	MAHABIR PRASAD	10	2334	COMMERCIAL	COMMERCIAL	5134	5134	-	4071	4071	-	-
13	SRI KANT SINGH	08	1687	COMMERCIAL	COMMERCIAL	4400	4400	-	3402	3402	-	-
14	THANA KARYALAY SAH KARAMCHARI AWAS	06	1248	COMMERCIAL	COMMERCIAL	4646	4646	-	5255	5255	-	-
15	SURESH SINGH	06	1219	COMMERCIAL	COMMERCIAL	2578	2578	-	3712	3712	-	-
16	JANKI DEVI	20	4942	COMMERCIAL	COMMERCIAL	2675	2675	-	3468	3468	-	-



17	MITHELESH KUMAR	08	1703	COMMERCIAL	COMMERCIAL	5157	5157	-	3743	3743	-	-
18	RAJ KUMAR AGARWAL	10	2183	COMMERCIAL	COMMERCIAL	2222	2222	-	3200	3200	-	-
19	BRIJ MOHAN LAL	10	2113	COMMERCIAL	COMMERCIAL	4960	4960	-	3398	3398	-	-
20	DUARKA LAL	06	956	COMMERCIAL	COMMERCIAL	1867	1867	-	3585	3585	-	-





Letter No. 4-0  
Date: 20.01.2020

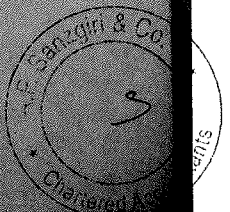
To  
AP Sanzgiri & Co.  
(Chartered Accountants)

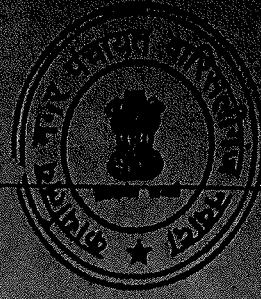
Subject: Regarding confirmation of documents not maintained and Management comment in Audit report for  
FY. 2018-19

S.N.	Auditor observation	Management comment
1	Non implementation of Double entry system.	Currently there is no agency working for implementation of accrual based double entry accounting system.
2	AG Compliance Report.	It will be provided.
3	Difference in opening balance of In budget for F.Y. 16-17 and 2017-18; and 2015-16 details was not available.	Management is now making effort to find out error and will be rectify accordingly.
4	No Municipal Accounts committee established.	Under process, and matter will be put before Board for constitution of "Municipal Accounts Committee";
5	Notice fee.	It will be collected & copy has been provided.
6	TDS return file not on due date/ acknowledgement.	It will be provided. Due to shortage human resources & pressure of work TDS return filing is delayed.
7	Non levy of Taxes in IAR Para " I Part-A a) (1).	Only Property Tax Has Been Collected This ULB.
8	Late deposit of property Tax.	1. Due to shortage human resources & pressure of work amount of tax collected is not deposited on time. 3. Necessary steps will be taken in this respect and it will be collected and deposited as per Act.
9	Late deposit of statutory deduction of TDS.	It will deposit on or before due date from now.
10	Delay in deposit of EPF	Management will deposit it as soon as possible. Due to implementation of CFMS the same problem arises.
11	Non practice of Stock valuation, Non-preparation of Stock Register.	It will be followed as per rule and Management will decide about reasonable period of valuation i.e. frequency of time for valuation.
12	Non maintenance of log book.	ULB has prepared and updated Log book.

ACCOUNTANT CUM HEAD CLERK  
NAGAR PANCHAYAT WARISALIGANJ  
(NAWADA)


20-1-2020  
EXECUTIVE OFFICER  
NAGAR PANCHAYAT WARISALIGANJ  
(NAWADA)

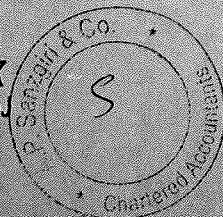


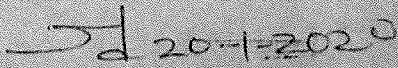


13	Maintenance of grant record with bifurcation like amount for Salary, water management, nail gall, solid waste management and so on.	It will be provided.
14	Non maintenance of book refer to Para : II-PART B (a);	After reading this Para we conclude the following comments 1. S.N. 5 to 8 - No transaction Occurred. 2. 10 to 11 - Amount not collected in this respect. Rest will be maintained upon applicability of concern Para.
15	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet (Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/c and Balance Sheet will be prepare after implementation of DEAS.
16	Non creation Special Fund and Fund Mentioned in Chapter ix of BMAR,2007	The same will be created on applicability of relevant provision of said act;
17	Non Maintenance of Fixed Assets Register	It will be maintained
18	Outstanding Taxes	We will make our best effort to realize it by establishing camp in ward. Steps will be taken very soon.
19	Bank Reconciliation on Monthly Basis	Bank Reconciliation Of Accountant Cash Book & subsidiary Cash Book.
20	Difference in Holding Tax Amount as per Physical Measurement.	"Report on survey relating to 20 high value property will be Reported in 19-20 Report after physically survey."
21	Any payment made out of Municipal Fund that is not covered by Budget.	Payment made out of budget provision. No such type of payment made that is not covered by budget.
22	Non implementation of Biometric Devices and Payroll Software	It is under process.
23	Directive/Circular issued during Financial Year 2017-18.	It will be provided.
24	Non Maintenance of Advance Register.	This ULB Not Provided Advance.

Further we confirm/affirm the Management comment given in Internal Audit report for 2018-19 is on behalf of **Nagar Panchayat Warsaliganj**.

  
20/11/20  
**ACCOUNTANT CUM HEAD CLERK**  
**NAGAR PANCHAYAT WARISALIGANJ**  
**(NAWADA)**



  
20-11-2020  
**EXECUTIVE OFFICER**  
**NAGAR PANCHAYAT WARISALIGANJ**  
**(NAWADA)**

**WARSLIGANJ NAGAR PANCHAYAT**  
**STATUS OF UTILIZATION CERTIFICATION FOR FY 2018-19**

S.No	Head	Approval order and date	Sanctioned Amount	Expenses Incurred	Balance Amount	UC Submitted against Expenses	UC Pending Against Expenses	% of UC Submitted against expenses	% of UC Pending against expenses	Letter No & Date of Submission of UC
1	Path and Puliya Nirman	101/27.12.2018	43.08	-	43.08	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
2	14th Finance	82/31.10.2018	102.32	-	102.32	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
3	5th Finance	15/03.07.2018	182.03	-	182.03	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
4	5th Finance	21/10-07-2018	186.16	-	186.16	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
5	Nali-Gali	22/10-07-2018	94.25	-	94.25	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C
6	Civil Liberties	10/01-06-2018	44.17	-	44.17	-	-	NIL	NIL	Unutilised amount and transfer to PL A/C

