



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

INTERNAL AUDIT REPORT
FOR

F. Y. 2019-20

GROUP 1

BHAGALPUR MUNICIPAL
CORPORATION

BY

A. P. SANZGIRI & CO.
CHARTERED ACCOUNTANTS

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A. P. SANZGIRI & CO.

CHARTERED ACCOUNTANTS

DOCUMENT HISTORY
INTERNAL AUDIT FOR FY 2019-20

Project Title	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”
Report Title	Internal Audit for FY 2019-20 of Bhagalpur Municipal Corporation
Reporting Entity	A P SANZGIRI & Co., Chartered Accountants
Reporting for	Bhagalpur Municipal Corporation
Report Prepared by	Internal Audit Team of A P SANZGIRI & Co., Chartered Accountants
Date of Submission	22-03-2021



ABBREVIATION AND ACRONYMS

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



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A. P. SANZGIRI & Co.
CHARTERED ACCOUNTANTS

Date:22-03-2021

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

Sub: Submission of Internal Audit Report of Nagar Nigam Bhagalpur for the Financial Year 2019-20

Ref No.: Letter No. 7/I. AK. 23/2018 – 82 **Dated:** 16.01.2019

Respected Sir,

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

We have undertaken our audit as per various standards on internal audit issued by the ICAI and as per scope of work and methodology presented. The audit procedures have been performed on the basis of accounting records and other information and explanation provided by the management and other authorised official. We have totally relied upon the data and information furnished by the ULB. It is the sole and exclusive responsibility of the ULB to ensure that data furnished is complete, consistent and accurate in all respect.

Our report is in nature of internal audit report only and prepared as per scope of work and methodology submitted earlier. Since the above procedures were not any statutory audit in accordance with generally accepted standards in India, we do not express any assurance on financial statement and also on the completeness of aforesaid factual findings.

Content of the report and matter might have varied if we had performed a statutory audit of the financial statement in accordance with generally accepted accounting/ auditing standards in India.

This report is restricted for the use of ULB who has agreed to the procedures and should not be used for any other purposed including disclosure to/ discussion with any other parties. We have no responsibility to update this report for the events and circumstances occurring after the date of this report.

Thanking You,

Yours faithfully,

On Behalf of

A P Sanzgiri & Co,

Chartered Accountants

Satish Gupta

CA Satish Gupta

Partner

Membership No:101134

FRN: 116293W

UDIN: 21101134AAAAJM5389

Date:16-09-2021

**Address: Plot No. 21, House No. 167, Anand Nagar Lane, Behind Vakola Police Station, Santacruz (East) ,
Mumbai 400055. INDIA, Phone: +91-22-6689 9900, Fax: +91-22-6689 9910 E-mail: apsanzgiriandco@gmail.com**

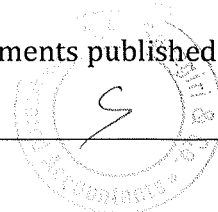
EXECUTIVE SUMMARY

1. INTRODUCTION:

Name of the Municipality	-	Bhagalpur Municipal Corporation
Period covered under Current Audit	-	01 st April 2019 to 31 st Mar 2020
Name of Mayor	-	Smt. Seema Saha
Name of Municipal Commissioner	-	J Priyadarshani

2. OBSERVATIONS AND FINDINGS:

Strengths	<ol style="list-style-type: none">1. In the existing system as prevailing in the Municipal Corporation, day to day working is in progressive manner in respect of collection of revenue and execution of the projects.2. There is sufficient co-operation from the management during the course of our audit.3. General Cash book is properly up-to-dated.4. List of Outstanding dues is available.5. Bank Reconciliation Statement has been prepared
Weaknesses	<ol style="list-style-type: none">1. The collection of rental income is not satisfactory.2. The shopkeeper/tenants have not been paying rent and have huge outstanding debts.3. Budget is not prepared properly; there is huge difference in opening balance of each year in continuous nature.4. No physical verification of store is exercised by Municipal Corporation5. No Physical verification of cash is exercised by Municipal Corporation6. 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.7. Fixed assets register is not maintained by Municipal Corporation8. Statutory compliance of the Municipal Corporation is not deposited timely and hence it incurs penalty and other charges.9. Certain Statutory Registers and Books are not maintained. <p>10. Non Levy of Taxes:</p> <ul style="list-style-type: none">• Tax on advertisements, other than advertisements published in newspapers



	<ul style="list-style-type: none"> • 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 Parking Facility • User Charges for Garbage Clearance • Collection of fees for sanction of building plans and issue of completion certificates, • Collection of Development Charges <p>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 04 to 05 days.</p> <p>12. Municipal Corporation is not preparing monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p> <p>13. Municipal Corporation is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter</p> <p>14. Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p> <p>15. Non Compliance of Rule 130 of BMAR in some of the cases.</p> <p>16. Municipal Corporation is not maintaining the accounts as well as not preparing the financial statements.</p> <p>17. Municipal Corporation is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.</p>
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3. OPINION:

The management has to take stringent effort in forming accountability at various levels of the Municipal Corporation 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 Municipal Corporation



4. **AUDIT RECOMMENDATION:**

Observed Weaknesses	Audit Recommendations
The collection of rental income is not satisfactory. The shopkeeper/ tenants have not been paying rent and have huge outstanding debts.	To implement/take action to boost collection of arrear revenue to increase their own source revenue.
Budget is prepared properly but there is huge difference in opening balance of 16-17 closing and 17-18 opening.	Municipal Corporation has to take strict action against the same and need to rectify it in retrospective effect.
No physical verification of store is exercised by Municipal Corporation	Physical verification to be carried out by Municipal Corporation on interval basis for proper monitoring of the stock and process.
No Physical verification of cash is exercised by Municipal Corporation	Physical verification to be carried out by Municipal Corporation 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 by Municipal Corporation	Fixed assets register should be maintained and updated properly.
Statutory compliance of the Municipal Corporation is not deposited timely and hence it incurs penalty and other charges.	As Municipal Corporation is not proper in statutory compliances, that cause financial implication on ULB in mode of interest and penalty. So, Municipal Corporation 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>Non Levy of Taxes:</p> <ul style="list-style-type: none"> • 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 Parking Facility • User Charges for Garbage Clearance • Collection of fees for sanction of building plans and issue of completion certificates, • 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. 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 05 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.
Municipal Corporation is not 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.	As per BMAR Rule No. - 121, ULB should prepare of monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the executive officer.
Municipal Corporation 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	As per BMAM-ULB are required to maintain fund wise receipts & payments. As per



20th of the subsequent month.	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.
Municipal Corporation is not maintaining the accounts as well as not preparing the financial statements.	Municipal Corporation is required to maintain the accounts as well as prepare the financial statements at the end of the year.
Municipal Corporation is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.	Municipal Corporation 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 in *Discussion Note attached with report.*

6. ACKNOWLEDGEMENT

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

On Behalf of

A P Sanzgiri & Co,

Chartered Accountants

Satish Gupta

CA Satish Gupta

Partner

Membership No: 11134

FRN: 116293W

UDIN: 21101134AAAAM5389

Date: 16-09-2021



DETAILED AUDIT REPORT

1. INTRODUCTION:

Name Of ULB	Period-covered		Audit Team
	From	TO	
BHAGALPUR MUNICIPAL CORPORATION	01-04-2019	31-03-2020	1.Name of TL : CA Satish Gupta 2. Name of CA : CA Ronak Agarwal AUDITOR 1 : RASHID HUSSAIN

2. ADMINISTRATION:

S.N	Particulars	Details
1	The present body of the ULB has taken charge on	June, 2017
2	The incumbency in the key administrative and executive positions was as under:	
2.1	Name of Mayor:	SMT. SEEMA SAHA
2.1.1	Period of Service:	From: 09-06-17 To: TILL DATE
2.2	Name of Commissioner/Executive Officer:	SMT. J PRIYADARSHANI
2.2.1	Period of Service:	From: 05-11-17 To: 15-07-19

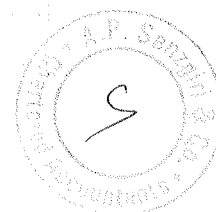
3. REVIEW OF OUTSTANDING AUDIT PARAS:

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.2015-16	33	33	13	0	0	33	No.-1418 dated 29.4.17
2	Internal Audit Paras FY 2017-18 & 2018-19							Not Complied(Refer discussion note)

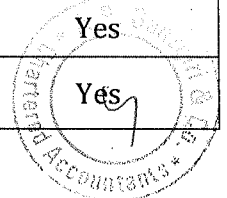
3.2. Details of total no of audit paras:

Period of AG audit report : 2015-16



Compliance report date & Number : Number-1418 & dated - 29.04.2017

Audit Para Nmbr	Heading of the audit para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	Revenue Loss due to Indifferences in Collection of Mobile Tower Renewal/ Registration fees.	425.09 Lakh	Yes	No	Yes
2	Non-collection of Advertisement fees	27.83 Lakh	Yes	No	Yes
3	Revenue Loss due to Non-collection of Consumer fees in Water Supply Fund.	27.43 lakh	Yes	No	Yes
4	Revenue Loss due to Indifferences in Issuance of Trade License.	4.84 Lakh	Yes	No	Yes
5	Revenue Loss due to Non-inclusion of Development Permit fees in Map approval.	4.30 lakh	Yes	No	Yes
6	Non-deposit of amount collected by Tax Collector in Corporation Fund Account.	6.62 lakh	Yes	No	Yes
7	Loss of Revenue due to Non-endowment of Sairat.	4.22 Lakh	Yes	No	Yes
8	Revenue Loss due to Non-renewal of Building Tax.	0.00	No	No	Yes
9	Irregularities in payment of purchase of CFL.	10.96 Lakh	No	No	Yes
10	Irregularities in payment of purchase of Water Purification Equipment's.	18.82 Lakh	No	No	Yes
11	Irregular Expenditure on Construction old age home.	52.29 Lakh	No	No	Yes
12	Excess Payment	1.03 Lakh	Yes	No	Yes
13	Irregular and Excess Payment	17.23 Lakh	No	No	Yes
14	Expenditure on purchase of Diesel/Petrol	80.94 Lakh	No	No	Yes
15	Expenditure on purchase of Blanket	22.09 Lakh	No	No	Yes
16	Revenue Loss due to Non-conversion of Demand Draft into Cash.	0.38 Lakh	Yes	No	Yes
17	Unauthorised expenditure on Daily Wages.	314.48 Lakh	No	No	Yes
18	Non-maintenance of Grant Register	0.00	No	No	Yes
19	Non-adjustment of Advances	261.84 Lakh	Yes	No	Yes
20	Non-adjustment of Advances against Samajik Suraksha	754.90 Lakh	No	No	Yes



	Pension				
21	Outstanding Shop Rent	30.88 Lakh	Yes	No	Yes
22	Outstanding Holding/Property Tax	275.10 Lakh	Yes	No	Yes
23	Non-collection of outstanding holding tax on Government Buildings.	892.15 Lakh	Yes	No	Yes
24	No entry taken of Interest amount received from bank into Cash Book	0.00	No	No	Yes
25	Non-maintenance of Subsidiary Cash Book	0.00	No	No	Yes
26	Non-maintenance of Daily Collection Register	0.00	No	No	Yes
27	Non-maintenance of Grant Register	0.00	No	No	Yes
28	Non-maintenance of Assets Register	0.00	No	No	Yes
29	Number of Workers very less	0.00	No	No	Yes
30	Non-registration of Vehicle	0.00	No	No	Yes
31	Cash Payment to the Supplier	0.00	No	No	Yes
32	Work Completion within 1 day from work order issued.	0.00	No	No	Yes
33	Non-compliance of Prior AG Observations.	0.00	No	No	Yes



4. FINANCE

I. Budgetary provisions and expenditure for the last three years

Year	Year- 2017-18	Year- 2018-19	Year- 2019-20
Final/Revised Budget Data	981,693,361.00	1,53,86,51,041.00	4,504,684,778.57
Actual Expenditure Data	914,932,745.00	422,330,697.00	387,675,062.02
Savings(+)/Excess(-)	66,760,616.00	1,11,63,20,344.00	4,117,009,716.55

Auditors Comment:

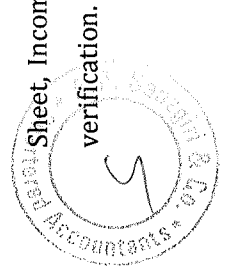
The cash book prepared by ULB in such way that we could not bifurcated or separated data as required in above mentioned format .The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Financial Statement i.e. Audited Balance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

II. VOLUME OF TRANSACTIONS

Period	Budgeted for F.Y. 2019-20	Actual for the F.Y. 2018-19	Actual for the F.Y. 2017-18	Actual for the F.Y. 2019-20	Cumulative for the current period
Opening balance	1,664,814,010.66	797,083,998.00	605,274,509.00	1,061,521,720.66	1,061,521,720.66
Receipts	2,842,132,379.04	68,67,68,419.66	11,06,742,234.00	1,363,460,544.41	1,363,460,544.41
Total	4,506,946,389.70	14,83,852,417.66	7,12,016,743.00	2,424,982,265.07	2,424,982,265.07
Net expenditure	4,504,684,778.57	42,23,30,697.00	9,14,932,745.00	387,675,062.02	387,675,062.02
Closing balance	2,261,611.13	1,06,15,21,720.66	797,083,998.00	2,037,307,203.05	2,037,307,203.05

Auditors Comment:

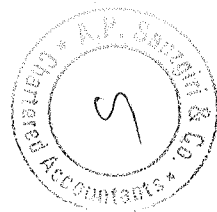
The cash book prepared by ULB in such way that we could not bifurcated or separated data as required in above mentioned format .The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Financial Statement i.e. Audited Balance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



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	8661101003021	Nulm (Rain Basera)	1631085.00	1631085.00	-	Yes
2	HDFC	50100098861979	Swachha Bharat Mission	304293333.00	304293333.00	-	Yes
3	Union Bank of India	347302010941999	B.R.G.F	19080.00	19080.00	-	Yes
4	HDFC	50100053405385	B.R.G.F	1539.00	1539.00	-	Yes
5	Union Bank of India	347302010944943	13 th Finance	32024.00	32024.00	-	Yes
6	Union Bank of India	347302010945978	Amrutyojna	4440583.00	4440583.00	-	Yes
7	Union Bank of India	347302010945547	I.H.S.D.P.Yojna	56250485.00	56250485.00	-	Yes
8	HDFC	50100055028532	MalinVasti	110157628.00	110157628.00	-	Yes
9	HDFC	50100042186503	NSDP	1531516.75	1531516.75	-	Yes
10	Bank of Baroda	10010100013114	Dudayojna	29506633.00	29506633.00	-	Yes
11	HDFC	5020004045842	SPUR	147081.00	147081.00	-	Yes
12	HDFC	50100042185960	Old Age pension	7027865.00	7027865.00	-	Yes
13	HDFC	50100057169471	SJRY	14767421.00	14767421.00	-	Yes
14	HDFC	50100046791812	E.Governence	106555.00	106555.00	-	Yes
15	HDFC	50200014154952	14 TH Finance	107701.00	107701.00	-	Yes
16	HDFC	50100042273971	KabirAntoshtiYojna	918670.00	918670.00	-	Yes

17	IDBI	0721104000145602	BUS STAND	43818375.00	43818375.00	-	Yes
18	UNION BANK OF INDIA	347302010945970	HFA	21285443.60	21285443.60	-	Yes
19	UNION BANK OF INDIA	100102000009416	NULM	251839.00	251839.00	-	Yes
20	TREASURY ACCOUNTS	013 (PL Account)	Salary and yojna	1271320071.00	1271320071.00	-	Yes



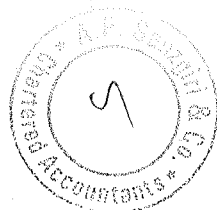
IV. Revenue & Capital Receipts information:

S.N	Details	Income Details (Amounts in INR)					
		2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)
	Total Receipts (A+B)	1,106,742,234.00	96,60,36,612.00	68,67,68,419.66	1,106,742,234.00	1,363,460,544.41	68,67,68,419.66
A	Revenue Receipts (1+2+3)	459,807,809.00	43,76,43,905.00	277,263,756.64	459,807,809.00	91,023,470.01	277,263,756.64
1	<i>Own Revenue Receipts (a+b)</i>	378,113,119.00	35,59,49,215.00	225,976,702.00	378,113,119.00	89,350,981.00	225,976,702.00
a)	<i>Tax Revenue (levied and collected by municipal body)</i>	360,529,272.00	33,96,23,317.00	220,128,943.00	360,529,272.00	80,355,461.00	220,128,943.00
i)	<i>Property tax</i>	151,775,862.00	13,11,24,329.00	78,851,951.00	151,775,862.00	79,955,514.00	78,851,951.00
ii)	<i>Other tax (levied and collected by municipal body)</i>	208,753,410.00	20,84,98,988.00	141,276,992.00	208,753,410.00	399,946.96	141,276,992.00
b)	<i>Non-tax revenue (levied and collected by municipal body)</i>	17,583,847.00	1,63,25,898.00	5,847,759.00	17,583,847.00	8,995,519.99	5,847,759.00
i)	<i>Fees & fines</i>	-	-	-	-	-	-
ii)	<i>User Charges</i>	16,558,374.00	1,53,75,825.00	5,438,773.00	16,558,374.00	6,665,154.98	5,438,773.00
iii)	<i>Other non-tax revenue (levied and collected by municipal body)</i>	1,025,473.00	9,50,073.00	408,986.00	1,025,473.00	2,330,364.98	408,986.00
2	<i>Other Revenue Receipts</i>	3,911.00	3911.00	4,690.00	3,911.00	1,672,489.03	4,690.00
a)	<i>Income interest/investments from</i>	-	3911.00	-	-	1,672,488.98	-
b)	<i>Other Revenue income</i>	3,911.00	-	4,690.00	3,911.00	-	4,690.00
3	<i>Transfers/Grants/Assigned Revenues</i>	81,690,779.00	8,16,90,779.00	51,282,364.66	81,690,779.00	-	51,282,364.66

a)	State Assigned Revenue	81,690,779.00	8,16,90,779.00	51,282,364.66	81,690,779.00	-	51,282,364.66
b)	State Finance Commission (SFC) Grants/Devolution	-	-	-	-	-	-
c)	Octroi compensation	-	-	-	-	-	-
d)	Other State Government Transfers	-	-	-	-	-	-
e)	Central Finance Commission (CFC) Grant	-	-	-	-	-	-
f)	Other Central Government Transfers	-	-	-	-	-	-
g)	Others	-	-	-	-	-	-
B	Capital Receipts	646,934,425.00	52,83,92,707	3,852,046,607.00	646,934,425.00	1,272,437,074.50	3,852,046,607.00
1	Sale of Municipal Land	-	-	-	-	-	-
2	Loans (from State Govt. or Banks etc.)	-	-	-	-	-	-
3	State Capital Account Grant	512,127,746.00	44,40,48,394	287,834,757,176.75	512,127,746.00	1,144,528,083.70	1,305,174,120.65
4	Central Capital Account Grant (under Central Schemes etc.)	51,900,000.00	4,90,00,000.00	27,000,000.00	51,900,000.00	66,850,493.64	27,129,553.04
5	Other Capital Receipts	82,906,679.00	3,53,44,313.00	-	82,906,679.00	61,058,497.13	26,924,108.60

Auditors Comment:

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



V. Revenue and Capital Expenditure Information.

S.N		Expenditure Details (Amounts In INR)					
		2017-18		2018-19		2019-20	
		2017-18 (Actual)	2016-17 (Actual)	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	2018-19 (Actual)
	Total Expenditure (1+2)	914,932,745.00	71,80,62,841.00	422,330,697.00	914,932,745.00	387,675,062.02	422,330,697.00
1	Revenue Expenditure	58,95,73,997.00	53,05,58,321.00	36,30,90,958.00	58,95,73,997.00	138,527,395.22	36,30,90,958.00
1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and	420,628,807.00	34,15,21,922.00	261,936,257.00	420,628,807.00	145,003,545.01	261,936,257.00
1.2	Operation and Maintenance	16,77,53,223.00	13,66,57,997.00	9,99,99,687.00	16,77,53,223.00	63,656,649.10	9,99,99,687.00
1.3	Loan repayment (Interest payments)	-	-	10,000.00	-	-	10,000.00
1.4	Others (any other revenue expenditure which is not salaries,	1,191,967.00	5,23,78,402.00	1,145,014.00	1,191,967.00	-	1,145,014.00
2	Capital Expenditure	325,358,748.00	18,75,04,520.00	59,239,739.00	325,358,748.00	124,610,780.00	59,239,739.00
2.1	All developmental works under Central/State specific schemes	325,358,748.00	18,75,04,520.00	59,239,739.00	325,358,748.00	124,610,780.00	59,239,739.00
2.2	Loan Repayments (Principal Amount)	-	-	-	-	-	-
2.3	Other Capital expenditure	-	-	-	-	-	-



Auditors Comment:

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

VI. Status of Implementation of Double Entry Accounting System:

Conversion of single entry into double entry is in progress as per discussion with account officer. As explained contractual work had been assigned to the Agency and the same has been initiated by the respective agency.

As per the records (work order, NTP and other letter submitted by agency) it is authenticated that the work status are as follows:

Name of Agency - Tibrewal Chand & co.

Period - 2012 to 2020

Tally Serial No - 716774562

Tally ID - nagarnigambhagalpur@gmail.com

Status

Particular of work	2012-13	2017-18	2018-19	2019-20
Payment entry (Cashier CB)	Completed	In process	In process	Up to august-19
Receipt entry(Cashier CB)	Completed	Completed	Completed	Up to November -19
Journal Voucher	Completed	In process	In process	Up to august -19
Salary Payment Entry	Completed	In process	In process	In process
Contractor Payment	Completed	In process	In process	Upto september-19
Grant Adjustment	In Process	In process	In process	In process

VII. STATUS OF MEETING OF MUNICIPAL ACCOUNTS COMMITTEE:

We have discussed the matter with the Accountant and they replied that the committee has been formed but no meeting is convened.



5. AUDIT OBSERVATION

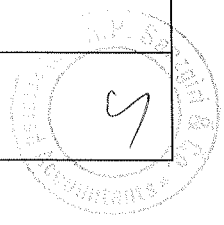
I. PART-A

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.

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

SN	Head	Comments																														
1	Objective	The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable provisions and rules.																														
2	Criteria	We have checked list of all the taxes which to be levied and collected by the ULB as per Act. Further we have checked Syah Register , Receipt book, cashier cash book and accountant cash book etc.																														
3	Condition	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 Bhagalpur Municipal Corporation , The following mentioned tax/charges are not implemented that leads to loss of revenue to corporation: <table border="1"><thead><tr><th>S.N</th><th>Particulars</th><th>Implemented by ULB or Not</th></tr></thead><tbody><tr><td>1</td><td>Property tax on lands and buildings.</td><td>YES</td></tr><tr><td>2</td><td>Surcharge on transfer of lands and buildings</td><td>YES</td></tr><tr><td>3</td><td>Water tax</td><td>NO</td></tr><tr><td>4</td><td>Fire tax.</td><td>NO</td></tr><tr><td>5</td><td>Tax on advertisements, other than advertisements published in newspapers</td><td>NO</td></tr><tr><td>6</td><td>Surcharge on electricity consumption within the municipal area</td><td>NO</td></tr><tr><td>7</td><td>Tax on congregations.</td><td>NO</td></tr><tr><td>8</td><td>Tax on pilgrims and tourists.</td><td>NO</td></tr><tr><td>9</td><td>Tax on profession.</td><td>YES</td></tr></tbody></table>	S.N	Particulars	Implemented by ULB or Not	1	Property tax on lands and buildings.	YES	2	Surcharge on transfer of lands and buildings	YES	3	Water tax	NO	4	Fire tax.	NO	5	Tax on advertisements, other than advertisements published in newspapers	NO	6	Surcharge on electricity consumption within the municipal area	NO	7	Tax on congregations.	NO	8	Tax on pilgrims and tourists.	NO	9	Tax on profession.	YES
S.N	Particulars	Implemented by ULB or Not																														
1	Property tax on lands and buildings.	YES																														
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5	Tax on advertisements, other than advertisements published in newspapers	NO																														
6	Surcharge on electricity consumption within the municipal area	NO																														
7	Tax on congregations.	NO																														
8	Tax on pilgrims and tourists.	NO																														
9	Tax on profession.	YES																														



				10	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
				11	User Charges for provision of water-supply, drainage and sewerage	YES
				12	User Charges for Solid Waste Management	NO
				13	User Charges for Parking Facility	NO
				14	User Charges for Garbage Clearance	NO
				15	Collection of fees for sanction of building plans and issue of completion certificates,	YES
				16	Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,	YES
				17	Collection of Fees for issue of birth and death certificates.	YES
				18	Collection of Development Charges	YES
4	Consequences/Effect			No levy of taxes will be resulted in to revenue loss to ULB.		
5	Cause			As per reply given by concern person in respect of those taxes which are not implemented that we are not providing such services		
6	Corrective Action/ Recommendation			It is recommended that department should prepare uniform policies for levy and collection of taxes in proper manner and on due time. Further capacity building programmes should be held for ULBs staff and awareness about these taxes should be done.		
7	Management Comments			Kindly refer discussion note attached with the report.		

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

SN	Head	Comments
1	Objective	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	Criteria	We have checked respective books in order to carry the audit and some cases were checked on random basis.

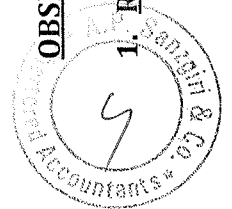
3	Condition	During verification of receipts book and deposit slips, we have noticed that there is gap period in collection of tax and deposit of tax around 1 To 8 days. Details of such cases are given in Annexure-1 .
4	Consequences/Effect	In respect of above in most of the cases property tax has not been deposited on same day of collection which resulted in interest loss to Municipal Corporation.
5	Cause	It is explained by concern person that due to non- availability of human resources the same issues arises.
6	Corrective Action/ Recommendation	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	Management Comments	Kindly refer discussion note attached with the report.

OBSERVATION-3: NON COLLECTION OF NOTICE FEE

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

OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME

1. RECOVERY OF OUTSTANDING PROPERTY TAX



SN	Head	Comments
1	Objective	Bhagalpur Municipal Corporation is authorized to collect holding tax from households situated in the municipal area .1047.85 lacs and Property tax have major role in the internal revenue of ULB.
2	Criteria	It is checked from progress report prepared by Municipal Corporation.
2	Condition	During checking it is noted that property tax of Rs. 735.20 lacs was outstanding as on 31/03/2020
3	Consequences/Effect	It leads in shortage of fund for Municipal Corporation and loss of revenue.
5	Cause	No proper explanation in this regard given by Municipal Corporation.
6	Corrective Action/ Recommendation	Notice should be issued to the assesseees on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

2. RECOVERY OF ADVERTISEMENT TAX

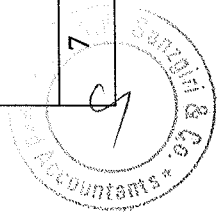
SN	Head	Comments
1	Objective	Bhagalpur Municipal Corporation authorized to charge advertisement tax/fee in municipal are as per act/rule.
2	Criteria	It is checked from progress report prepared by Municipal Corporation.
2	Condition	During checking it is noted that Advertisement Tax of Rs. 73.03 lacs were outstanding as on 31-03-2020
3	Consequences/Effect	Delay in collection or outstanding dues results in revenue loss to Municipal Corporation.
5	Cause	No proper explanation in this regard given by Municipal Corporation
6	Corrective Action/ Recommendation	Notice should be issued to the assesseees on regular interval for recovery of outstanding dues
7	Management Comments	Kindly refer discussion note attached with the report.

3. RENT INCOME

SN	Head	Comments
1	Objective	Bhagalpur Municipal Corporation authorized to charge rent from municipal properties.
2	Criteria	It is checked from progress report prepared by Municipal Corporation.
2	Condition	During checking it is noted that rent income of Rs. 30.02 lacs was outstanding as on 31.03.2020
3	Consequences/Effect	It leads in shortage of fund for Municipal Corporation and loss of revenue.
5	Cause	No proper explanation in this regard given by Municipal Corporation.
6	Corrective Action/ Recommendation	Notice should be issued to the assesses on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

4. MOBILE TOWER TAX

SN	Head	Comments
1	Objective	Bhagalpur Municipal Corporation 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 Municipal Corporation
2	Condition	During checking it is noted that Mobile Tower Tax of Rs497.11 lacs was outstanding as on 31-03-2020
3	Consequences/Effect	It leads in shortage of fund for Municipal Corporation and loss of revenue.
5	Cause	No proper explanation in this regard given by Municipal Corporation.
6	Corrective Action/ Recommendation	Notice should be issued to the assesses on regular interval for recovery of outstanding dues
7	Management Comments	Kindly refer discussion note attached with the report.



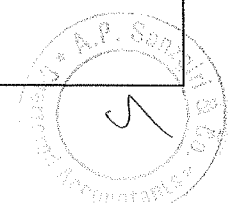
5. OTHER TAX

SN	Head	Comments
1	Objective	Bhagalpur Municipal Corporation is authorized to collect other various types of taxes/fee.
2	Criteria	It is checked from progress report prepared by Municipal Corporation.
2	Condition	During checking it is noted that other tax of Rs.15.28 lacs was outstanding as on 31-03-2020
3	Consequences/Effect	Delay in collection of revenue leads in loss to Municipal Corporation.
5	Cause	No proper explanation in this regard given by Municipal Corporation
6	Corrective Action/ Recommendation	Notice should be issued to the assesses on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

(b) EXCESS PAYMENT AGAINST BILL, LACK OF PRUDENCE IN PAYMENT AGAINST VOUCHER, INEFFICIENCY IN CONTROLS RESULTING LOSS TO ULBS.

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

SN	Head	Comments																												
1	Objective	Checking of payment made by ULBs to find out irregularities made during payment																												
2	Criteria	Payment were checked on random basis																												
3	Condition	We have checked following payment related to FY 2019-20 during audit:																												
		<table border="1"> <thead> <tr> <th>S.N</th> <th>Name of Party</th> <th>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>F S Enter prises</td> <td>Leather bag purchase</td> <td>148680.00</td> <td>148680.00</td> <td>4.4.19</td> <td>No Irregularities found</td> </tr> <tr> <td>2</td> <td>Maa Construction</td> <td>Vehicles Fair</td> <td>88500.00</td> <td>88500.00</td> <td>16.4.19</td> <td>No Irregularities found</td> </tr> <tr> <td>3</td> <td>Tara Gaeta Printing Press</td> <td>Republic day invitation card</td> <td>6272.00</td> <td>6272.00</td> <td>27.1.19</td> <td>No Irregularities found</td> </tr> </tbody> </table>	S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Date of Payment	Audit Observations	1	F S Enter prises	Leather bag purchase	148680.00	148680.00	4.4.19	No Irregularities found	2	Maa Construction	Vehicles Fair	88500.00	88500.00	16.4.19	No Irregularities found	3	Tara Gaeta Printing Press	Republic day invitation card	6272.00	6272.00	27.1.19	No Irregularities found
S.N	Name of Party	Payment Head	Invoice Amount	Approved Amount	Date of Payment	Audit Observations																								
1	F S Enter prises	Leather bag purchase	148680.00	148680.00	4.4.19	No Irregularities found																								
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3	Tara Gaeta Printing Press	Republic day invitation card	6272.00	6272.00	27.1.19	No Irregularities found																								



SN	Head	Comments
1	Objective	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	Criteria	Survey was done for 20 High value properties.
3	Condition	We have checked twenty high value assessed property and found no variances related to FY 2019-20 during audit. Details of such cases are given in Annexure-2
4	Consequences/Effect	Not applicable
5	Cause	Not applicable
6	Corrective	Management decide in board meeting.
	Action/Recommendation	
7	Management Comments	Kindly refer discussion note attached with the report.

PART-B: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATION, BUT SIGNIFICANT VIOLATION OF ACT, RULES & DIRECTIVES OF UD & HD. MENTION THE REFERENCE TO ACT & RULES WHEREIN REMEDIAL MEASURE IS REQUIRED:
(a) NON MAINTENANCE OF BOOKS OF ACCOUNTS, SUBSIDIARY REGISTERS:

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

S.N	Name of register	Maintained/Updated or Not	Last date of Update
1	Cash Book-Cashier	Maintained	31.03.20
2	Cash Book-Accountant	Maintained	31.03.20
3	Collection Register	Maintained	31.03.20
4	Cheque issue Register	Maintained	31.03.20
5	Register of Advance	Maintained	31.03.20
6	Register of Permanent Advance	Maintained	31.03.20

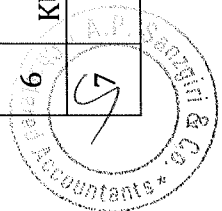
7	Deposit received register	Maintained	31.03.20
8	Summary statement of deposit adjusted	Maintained	31.03.20
9	Demand Register	Maintained	31.03.20
10	Summary Statement of Bills Raised	Maintained	31.03.20
11	Register of Notice Fees, Warrant Fees, Other Fees	Not Maintained	-
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	Not Maintained	-
13	Register of Refunds, Remissions and Write off	Not Maintained	-
14	Summary statement of Refunds and Remissions	Not Maintained	-
15	Summary Statement of Write-offs	Not Maintained	-
16	Statement of outstanding Liability for Expenses	Maintained	31.03.20
17	Document Control Register/Stock Account Receipts/Cheque Book	Maintained	31.03.20
18	Fixed Assests Register	Not Maintained	-
	Rentals, Fees & Other Income		
19	Summary Statement of Demand Raised on assessment	Maintained	31.03.20
20	Summary Statement of Head wise Collection of Other Income	Maintained	31.03.20
21	Summary Statement of Refunds	Not Maintained	-
22	Summary Statement of Write off	Not Maintained	-
	Grants		
23	Grant Register	Maintained	31.03.20
	Public Works		
24	Summary Statement of status of Capital Work in Progress	Maintained	31.03.20
25	Work Sheet	Maintained	31.03.20
26	Deposit Works Register	Maintained	31.03.20
	STORES		
27	Material Receipt Note	Maintained	31.03.20
28	Store Ledger	Maintained	31.03.20
29	Statement of Closing Stock	Maintained	31.03.20
30	Statement of Material Issued	Maintained	31.03.20

Other		
31	BRS of all bank accounts (including dormat accounts)	Maintained
	Final Accounts for the F.Y. 2012-13 to 2017-18	
32	Audited Balance Sheet	YES
33	Audited Income & Expenditure Account	YES
34	Audited Receipts & Payment Account	YES
		31-03-20
		31-03-16
		31-03-16
		31-03-16

(b) IRREGULARITY IN PROCUREMENT PROCESS:

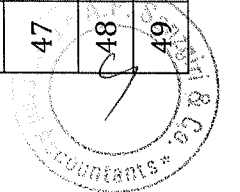
1. COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS: During audit, we have checked following procurements:

S.N	Name of Party	Invoice Amount	Check all required deductions from bill has made or not	Whether Deductions are with appropriate Rate	Check signature of Commissioner/ EO in Payment Order	Whether measureme nt book & bill signed by the JE of ULB	Whether in respect of all bills for charges on account of all works and other expenditure, proper certificates have been furnished in support of them and that no deviation has been made for the sanctioned plans and the estimates without the sanction of the competent authority; (B MAR Rule No.-130)
1	NUTAN KUMARI	568671	Yes	Yes	Yes	Yes	Furnished and no deviation found.
2	MD IZHAR ALAM	1500876	Yes	Yes	Yes	Yes	Furnished and no deviation found.
3	SUMAN KUMAR DUBEY	1908862	Yes	Yes	Yes	Yes	Furnished and no deviation found.
4	ARUN YADAV	1118971	Yes	Yes	Yes	Yes	Furnished and no deviation found.
5	AJIT KUMAR YADAV	1895243	Yes	Yes	Yes	Yes	Furnished and no deviation found.
6	SHEKHAR KUMAR SINGH	2000876	Yes	Yes	Yes	Yes	Furnished and no deviation found.
	RAMAN KUMAR	621227	Yes	Yes	Yes	Yes	Furnished and no deviation found.



8	RAJIV KUMAR SINGH	190721	Yes	Yes	Yes	Yes	Yes	Furnished and no deviation found.
9	MAHENDR KUMAR	1682398	Yes	Yes	Yes	Yes	Yes	Furnished and no deviation found.
10	SANJAY KUMAR SINHA	642136	Yes	Yes	Yes	Yes	Yes	Furnished and no deviation found.
11	RAJESH KUMAR DAS	904245	Yes	Yes	Yes	Yes	Yes	Furnished and no deviation found.
12	ARVIND KUMAR JHA	2232200	Yes	Yes	Yes	Yes	Yes	Furnished and no deviation found.
13	KUMAR NIRAJ SINGH	1054490	Yes	Yes	Yes	Yes	Yes	Furnished and no deviation found.
14	VINODH KUMAR SINGH	121696	Yes	Yes	Yes	Yes	Yes	Furnished and no deviation found.
15	KUMAR VIKRAM	318969	Yes	Yes	Yes	Yes	Yes	Furnished and no deviation found.
16	ABDESH KUMAR MISHRA	237053	Yes	Yes	Yes	Yes	Yes	Furnished and no deviation found.
17	KRISHN KUMAR RAI	447239	Yes	Yes	Yes	Yes	Yes	Furnished and no deviation found.
18	NAHID RIZVI	1276489	Yes	Yes	Yes	Yes	Yes	Furnished and no deviation found.
19	RAJAN KUMAR	429005	Yes	Yes	Yes	Yes	Yes	Furnished and no deviation found.
20	BHABYA LAXMI CONSTRUCTIO N	433356	Yes	Yes	Yes	Yes	Yes	Furnished and no deviation found.
21	Premalata Devi	1168749	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
22	Renukumari	641655	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
23	Sanjeev kumar	962133	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
24	Amar kumar	809800	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
25	Abishekkumar	260628	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
26	Praveshkumar	16442610	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
27	M.A Ajam	616330	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found

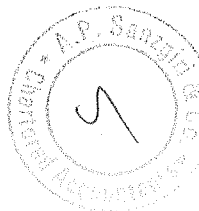
28	Rajesh kr Das	567298	Yes	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
29	Ranjitkumar	1117920	Yes	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
30	Chandankumar	1092759	Yes	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
31	Imran warsi	905202	Yes	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
32	VikramAgarwal	389046	Yes	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
33	Sandipkr	1097810	Yes	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
34	Saritadevi	109662	Yes	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
35	Survhikumara	1111393	Yes	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
36	Rajkumarsingh	501319	Yes	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
37	Kumar vikram	377503	Yes	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
38	Mahendrakumar	1771587	Yes	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
39	Nileshkumarry	824510	Yes	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
40	Visbnathprashad	21434	Yes	Yes	Yes	Yes	Yes	Yes	Yes furnished and no deviation found
41	MITALI PRODUCT	748015	CHECK AND OK	YES	YES	YES	YES	YES	FURNISHED AND NO DEVIATION FOUND
42	MITALI PRODUCT	796786	CHECK AND OK	YES	YES	YES	YES	YES	FURNISHED AND NO DEVIATION FOUND
43	MITALI PRODUCT	486522	CHECK AND OK	YES	YES	YES	YES	YES	FURNISHED AND NO DEVIATION FOUND
44	GATUMKUMAR	748836	CHECK AND OK	YES	YES	YES	YES	YES	FURNISHED AND NO DEVIATION FOUND
45	NEELAM GUPTA	759842	CHECK AND OK	YES	YES	YES	YES	YES	FURNISHED AND NO DEVIATION FOUND
46	MAHENDRA KUMAR	2381630	CHECK AND OK	YES	YES	YES	YES	YES	FURNISHED AND NO DEVIATION FOUND
47	RAJEEV RANJAN	629086	CHECK AND OK	YES	YES	YES	YES	YES	FURNISHED AND NO DEVIATION FOUND
48	BHAVYA LAXMI	877783	CHECK AND OK	YES	YES	YES	YES	YES	FURNISHED AND NO DEVIATION FOUND
49	SAROJ KUMAR	752640	CHECK AND OK	YES	YES	YES	YES	YES	FURNISHED AND NO DEVIATION FOUND



	SINGH								
50	MAA BHAGYASRI KASAK	752640	CHECK AND OK	YES	YES	YES	YES	YES	FURNISHED AND NO DEVIATION FOUND
51	MD DILWAR	320765	CHECK AND OK	YES	YES	YES	YES	YES	FURNISHED AND NO DEVIATION FOUND
52	MD DILWAR	692279	CHECK AND OK	YES	YES	YES	YES	YES	FURNISHED AND NO DEVIATION FOUND
53	BABU YADAV	572649	CHECK AND OK	YES	YES	YES	YES	YES	FURNISHED AND NO DEVIATION FOUND
54	GAUTAM KR	3215180	CHECK AND OK	YES	YES	YES	YES	YES	FURNISHED AND NO DEVIATION FOUND
55	SANJAY KR MANDAL	173696	CHECK AND OK	YES	YES	YES	YES	YES	FURNISHED AND NO DEVIATION FOUND

2. Details of Log Book Maintained

S.N	Name of Vehicle	Whether vehicle log book is maintained or not	Whether log book is properly updated or not	Whether vehicle is insured or not	Whether Rate of Diesel/Petrol properly mention in log book
1	(9) 25 Hp Tractor	Yes	Yes	Yes	Yes
2	(5) 15 Hp Tractor	Yes	Yes	Yes	Yes
3	(46) Auto Tipper	Yes	Yes	Yes	Yes
4	(1) Hiwa	Yes	Yes	Yes	Yes
5	(4) Compactor	Yes	Yes	No	Yes
6	(4) JCB	Yes	Yes	No	Yes
7	(2) Sweeping Machine	Yes	Yes	No	Yes
8	(3) Bio Toilet	Yes	Yes	No	Yes
9	(2) Septic Tank	Yes	Yes	No	Yes
10	(1) Horse Vehicle	Yes	Yes	No	Yes
11	(16) Water Tanker	Yes	Yes	No	Yes

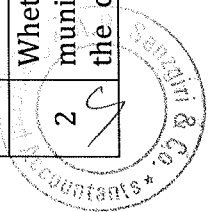


(c) NON-COMPLIANCE OF DIRECTIVES BY UD&HD, GOB:

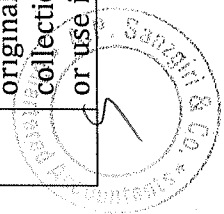
S.N	Directions Issued by UDHD	Particulars of Circulars/Orders/Notices	Complied or Not
1	Patrank Number : 1888 Dated : 03.04.2019	Regarding Compliances of Provision of Employees Provident Fund Act, 1952;	Not Complied
2	Gyapank Number : 2120 Dated : 24.04.2019	Shortage of Drinking water within municipality area - Kind of steps taken by ULB to prevent this shortage.	Complied
3	Gyapank Number : 2412 Dated : 14.05.2019	Regarding Deposit of PF amount	Not Complied
4	Gyapank Number : 1353 Dated : 28.05.2019	Direction regarding processing and disposal of "Solid waste management"	Complied
5	Patrank Number : 2960 Dated : 13.06.2019	Regarding Repair and Maintenance of Handpump	Complied
6	Gyapank Number : 1551 Dated : 24.06.2019	HFA	Complied
7	Gyapank Number : 1497 Dated : 30.10.2019	Survey of "use of Ply ash and Bricks" and compliance of direction given in this regard. And availability of copy for compliance of direction for decision taken in the Meeting held in this behalf as on 26.09.2018.	Complied

(d). Non-Compliance of Act & Rules:

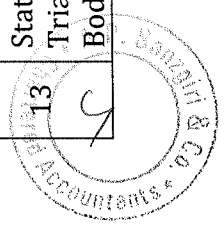
S.N	Requirement	Criteria	Auditors Comment	Management Comment
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.-22	Refer point: Part-A (a) (2) As per verification of receipt book it is noted that there was delay ranging between 08 day in collection and same days deposit of tax into bank	Kindly Refer attached Discussion Note
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue	BMAR Rule No.- 27	No, only tax collector or municipal employee entrusted with the collection of municipal revenue	



	was supplied with a Collection Register in BMAR Form 17 and receipt books.		was supplied with a collection register in BMAR form 17 and receipt book.	
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, ULB has maintained properly collection register as well as the receipt books in respect of issue & deposit.	
5	Whether every bill collector invariably remit his collections (in cash and/or cheques) to Cashier dally before 4:30 PM and take the cashier's acknowledgment in the collection register.	BMAR Rule No.- 27	Refer point: Part-A (a) (2) As per verification of receipt book it is noted that there was delay ranging between 1 day in collection and 8 days deposit of tax into bank	Kindly Refer attached Discussion Note
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 Grant register updated on time.	
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to 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.use it for capital purposes or use it in a particular proportion or	BMAR Rule No.- 69	Refer point: Part-B (h) Yes Complied	

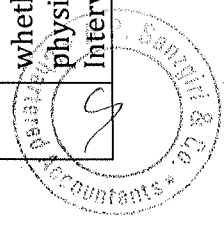


	manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception.				
8	Whether The grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69	No use for any other purpose		
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 point: Part-B (h) Yes		
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	Refer point: Part-B (h) No, any utilization grant as return in last three year		
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 & Payment A/C has been prepared by (TCC) tibrewalchand& co.	Kindly Refer attached Discussion Note	
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	Currently Receipt & Payment A/C has been prepared by (TCC) tibrewalchand& co.	Kindly Refer attached Discussion Note	
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	BMAR Rule No.- 121	yes.		

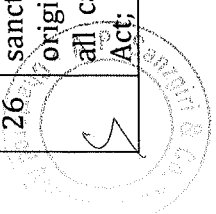


	<p>copy for each quarter at the end of month following each quarter</p>			
14	<p>The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. The Financial Statements shall comprise of</p> <ol style="list-style-type: none"> Receipts and Payments Account for the year (BMAR Form No.71) Income & Expenditure Statement for the year (BMAR Form No.73) Balance Sheet as on 31st March of the year (BMAR Form No.74) Significant accounting policies adopted by the Municipality in presentation of the financial statements. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly. 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>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</p>	<p>BMAR Rule No.- 122</p>	<p>Financial Statement has not been prepared by municipality</p>	<p>Kindly Refer attached Discussion Note</p>
15		<p>BMAR Rule No.-130</p>	<p>Refer PART-B (f) Yes</p>	

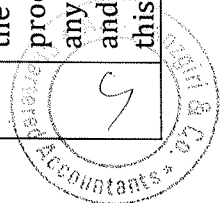
	deposited: (BMAR Rule No.-130)			
16	Whether the municipality is regular in remittance of pension and leave encashment contributions or any other amounts which the municipality is liable to remit towards the retirement dues of its employees, including employees on deputation; (BMAR Rule No.-130)	BMAR Rule No.-130	Refer PART-B (g) Yes	
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 not prepared hence classification of transaction was not done;	Kindly Refer attached Discussion Note
18	Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted;	BMAR Rule No.-130	Yes, all grants sanctioned or received by the municipality during the year, have been accounted properly, and deduction is made out of such grants towards any dues of the ULB. The ULB has made such deductions and properly accounted.	
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 was made available to comment thereon.	
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	BMAR Rule No.-130	Yes maintained.	



	discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;			
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	Yes, ULB regularly collects lease rentals and renews lease agreements after expiry. But collection procedure is slow	Kindly Refer attached 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, ULB followed adequate internal control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets	
23	Whether any expenses of personal nature of the Officers or employees has been charged to the municipality's accounts; If so, the details thereof;	BMAR Rule No.-130	We have not observed such type of transaction during audit.	
24	Whether the Bank Reconciliation statements have been properly prepared for all the bank accounts of the ULB and the remedial actions including all correcting entries have been taken on timely basis;	BMAR Rule No.-130	Refer Point-04 (III) Yes, bank reconciliation statements have been prepared for all the bank accounts of ULB.	
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.-130	Yes, Reconciliation Procedures have been carried out.	
26	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and aro in all cases such as are authorized by Act;	BMAR Rule No.-130	Yes all expenditure as authority in the budget.	

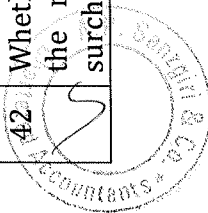


27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.-130	Refer-PART-A (a)(4) Yes,	
28	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by Act;	BMAR Rule No.-130	Refer point: Part-A (a) (2) Yes, sums due to and received by ULB have been brought to books of accounts	
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	BMAR Rule No.-130	Yes,	
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) Yes all books of accounts are proper maintain as per rule , but some books has not been prepare	Kindly Refer attached Discussion Note
31	Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores;	BMAR Rule No.-130	Yes.	
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	Yes.	
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	BMAR Rule No.-130	ULB has been maintained stock Register properly	

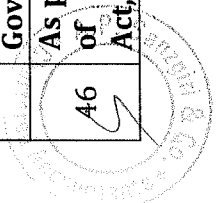


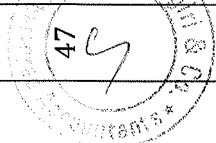
	the accounts;				
34	Whether the valuation of stores is in accordance with the accounting principles laid down in the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;	BMAR Rule No.-130	ULB did not follow the practice of valuation of stock	Kindly Refer attached Discussion Note	
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 ,ULB has not granted any loans and advances, during fy - 2019-20	Kindly Refer attached Discussion Note	
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130	No ,ULB has not granted any loans and advances		
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 every year budget are prepared for receipts and expenditure as per BMAR rule		

38	Municipal Fund: Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	As ULB was following single entry accounting system and conversion of Single entry into double entry system is in process, there was no fund created	Kindly Refer attached Discussion Note
39	Payment not to be made out of Municipal Fund unless covered by budget grant: Whether any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	No any payment made out of municipal fund that is not covered by budget grant.	
40	Procedure when money not covered by budget grant is paid. Whether the case is put up with Empowered Standing Committee, in case any payment made out of Municipal Fund that is not covered by budget grant.	BMA,2007: Chapter X	No	
41	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:		As per Municipal Corporation, No investment was done by ULB.	
42	Preparation of budget estimate of Municipality. Whether The budget estimate stated the rates at which various taxes, surcharges, cesses and fees shall be		Yes , Municipal Corporation has preparation of budget estimate the rates at taxes, surcharges, cesses and fees ,	

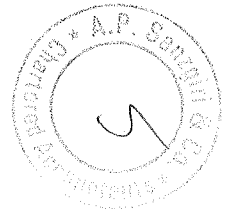


	levied by the Municipality in the year next following,				
43	Maintenance of accounts. Whether the Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed,		As ULB was following single entry accounting system and conversion of Single entry into double entry system is in process. 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.	Kindly Refer attached Discussion Note	
44	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,		No, Municipal Corporation 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	Kindly Refer attached Discussion Note	
45	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.		Financial statement has not been submitted	Kindly Refer attached Discussion Note	
46	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007 various tax are applicable		Yes		



	<p>on ULBs 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 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 ,exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement.</p>			
	<p>As per the Regulation 158(a) of chapter XIX of Bihar Municipal Act 2007,) Municipality shall, by regulations, provide for issue of notice of demand, charging of notice fee, levy of interest for delayed payment at a rate as may be specified, and the amount of penalty therefore,</p>	<p>BMA,2007: Chapter XIX</p>	<p>Refer-PART-A(a)(3) No, ULB is not issuing notice fees to defaulter and collecting notice fees.</p>	<p>Kindly Refer attached Discussion Note</p>

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	Yes, the trade license fee is collected.	
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e. Lack of internal control measures:

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

1. Demand Register should be maintained regularly.
 2. Stock Register should be updated properly.
 3. No MIS was prepared for tracking of payments
 4. ULB should prepare Books of Account, Trial Balance, FAR, FS, and other records as per BMAR.
 5. Year-end reconciliation should be made.
- f. Non-compliance of TDS, VAT and other relevant Statute

1. 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	NUTAN KUMARI	568671.00	6319.00	07.10.2019	NOT DEPOSITED	
2	MD IZHAR ALAM	1500876.00	1500.00	07.10.2019	NOT DEPOSITED	
3	SUMAN KUMAR DUBEY	1908862.00	19089.00	07.10.2019	NOT DEPOSITED	
4	ARUN YADAV	1118971.00	12433.00	07.10.2019	NOT DEPOSITED	
5	AJIT KUMAR YADAV	1895243.00	18952.00	07.10.2019	NOT DEPOSITED	
6	SHEKHAR KUMAR SINGH	2000876.00	20009.00	07.10.2019	NOT DEPOSITED	
7	RAMAN KUMAR	621227.00	6212.00	07.10.2019	NOT DEPOSITED	
8	RAJIV KUMAR SINGH	190721.00	2119.00	07.10.2019	NOT DEPOSITED	
9	MAHENDR KUMAR	1682398.00	17709.00	07.10.2019	NOT DEPOSITED	
10	SANJAY KUMAR SINHA	642136.00	5838.00	07.10.2019	NOT DEPOSITED	
11	RAJESH KUMAR DAS	904245.00	8567.00	07.10.2019	NOT DEPOSITED	
12	ARVIND KUMAR JHA	2232200.00	23322.00	07.10.2019	NOT DEPOSITED	
13	KUMAR NIRAJ SINGH	1054490.00	10050.00	07.10.2019	NOT DEPOSITED	
14	VINODH KUMAR SINGH	121696.00	832.00	07.10.2019	NOT DEPOSITED	
15	KUMAR VIKRAM	318969.00	3190.00	07.10.2019	NOT DEPOSITED	
16	ABDESH KUMAR MISHRA	237053.00	2371.00	07.10.2019	NOT DEPOSITED	
17	KRISHN KUMAR RAI	447239.00	4472.00	07.10.2019	NOT DEPOSITED	

18	NAHID RIZVI	1276489.00	12765.00	07.10.2019	NOT DEPOSITED	
19	RAJAN KUMAR	429005.00	NA			
20	BHABYA LAXMI CONSTRUCTION	433356.00	NA			
21	ARUN YADAV	1110442.00	12338.00	7.10.19	NOT DEPOSITED	
22	ABDUL HAQIQ	1166996.00	13729.00	7.10.19	NOT DEPOSITED	
23	RAVI KUMAR PASWAN	1273732.00	15922.00	7.10.19	NOT DEPOSITED	
24	VECTUS INDUSTRIES LTD	352008.00	3911.00	7.10.19	NOT DEPOSITED	
25	SAVAN BROTHER KHAN	495000.00	1718.00	7.10.19	NOT DEPOSITED	
26	GEYAJUL HASAN	714563.00	7146.00	7.10.19	NOT DEPOSITED	
27	GAUTAM SHARAD	1924241.00	19242.00	7.12.19	NOT DEPOSITED	
28	MITALI PRODUCT	800494.00	9130.00	7.12.19	NOT DEPOSITED	
29	MITALI PRODUCT	278400.00	4800.00	7.12.19	NOT DEPOSITED	
30	MITALI PRODUCT	589897.00	9998.00	7.12.19	NOT DEPOSITED	
31	MITALI PRODUCT	391699.00	7461.00	7.12.19	NOT DEPOSITED	
32	MANISH KUMAR	2672920.00	26729.00	7.12.19	NOT DEPOSITED	
33	ARUN YADAV	331920.00	3319.00	7.12.19	NOT DEPOSITED	
34	M/S TECHNICAL SERVICES	1463283.00	14633.00	7.12.19	NOT DEPOSITED	
35	ARUN YADAV	1233824.00	12338.00	7.12.19	NOT DEPOSITED	
36	PRAMOD KUMAR JHA	2396397.00	23464.00	7.12.19	NOT DEPOSITED	
37	ARVIND KUMAR JHA	2452814.00	24528.00	7.12.19	NOT DEPOSITED	
38	ZIYAUL HASAN	335424.00	3354.00	7.12.19	NOT DEPOSITED	
39	ZIYAUL HASAN	409092.00	4091.00	7.12.19	NOT DEPOSITED	
40	PANKAJ KUMAR	1510122.00	15101.00	7.12.19	NOT DEPOSITED	
41	MITALI PRODUCT	748015.00	15592	7.02.20	30.3.20	000612
42	MITALI PRODUCT	796786.00	NA			

43	MITALI PRODUCT	486522.00	NA			
44	GATUMKUMAR	748836.00	10853	7.02.20		
45	NEELAM GUPTA	759842.00	7568	7.02.20		
46	MAHENDRA KUMAR	2381630.00	24770	7.02.20		
47	RAJEEV RANJAN	629086.00	7963	7.02.20		
48	BHAVYA LAXMI	877783.00	NA			
49	SAROJ KUMAR SINGH	752640.00	15680	7.02.20		
50	MAA BHAGYASRI KASAK	752640.00	15680	7.02.20		
51	MD DILWAR	320765.00	3208	7.03.20		
52	MD DILWAR	692279.00	6923	7.03.20		
53	BABU YADAV	572649.00	5726	7.03.20		000612
54	GAUTAM KR	3215180.00	32152	7.03.20		
55	SANJAY KR MANDAL	173696.00	1562	7.03.20		
					30.03.20	

2. Details of deposit of Royalty are mentioned below:

SN	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/ Challan Number
1	NUTAN KUMARI	568671.00	12637.00	NOT DEPOSITED	
2	MD IZHAR ALAM	1500876.00	30018.00	NOT DEPOSITED	
3	SUMAN KUMAR DUBEY	1908862.00	38177.00	NOT DEPOSITED	
4	ARUN YADAV	1118971.00	NA		
5	AJIT KUMAR YADAV	1895243.00	37905.00	NOT DEPOSITED	
6	SHEKHAR KUMAR SINGH	2000876.00	40018.00	NOT DEPOSITED	
7	RAMAN KUMAR	621227.00	12425.00	NOT DEPOSITED	
8	RAJIV KUMAR SINGH	190721.00	4238.00	NOT DEPOSITED	
9	MAHENDR KUMAR	1682398.00	35419.00	NOT DEPOSITED	

10	SANJAY KUMAR SINHA	642136.00	11676.00	NOT DEPOSITED	
11	RAJESH KUMAR DAS	904245.00	17134.00	NOT DEPOSITED	
12	ARVIND KUMAR JHA	2232200.00	44644.00	NOT DEPOSITED	
13	KUMAR NIRAJ SINGH	1054490.00	21100.00	NOT DEPOSITED	
14	VINODH KUMAR SINGH	121696.00	1665.00	NOT DEPOSITED	
15	KUMAR VIKRAM	318969.00	6379.00	NOT DEPOSITED	
16	ABDESH KUMAR MISHRA	237053.00	4741.00	NOT DEPOSITED	
17	KRISHN KUMAR RAI	447239.00	8945.00	NOT DEPOSITED	
18	NAHID RIZVI	1276489.00	25530.00	NOT DEPOSITED	
19	RAJAN KUMAR	429005.00	2622.00	NOT DEPOSITED	
20	BHABYA LAXMI CONSTRUCTION	433356.00	NA	-	
21	ARUN YADAV	1110442.00	NA		
22	ABDUL HAQIQ	1166996.00	27459.00	NOT DEPOSITED	
23	RAVI KUMAR PASWAN	1273732.00	31843.00	NOT DEPOSITED	
24	VECTUS INDUSTRIES LTD	352008.00	7822.00	NOT DEPOSITED	
25	SAVAN BROTHER KHAN	495000.00	NA		
26	GEYAJUL HASAN	714563.00	14291.00	NOT DEPOSITED	
27	GAUTAM SHARAD	1924241.00	38485.00	NOT DEPOSITED	
28	MITALI PRODUCT	800494.00	NA		
29	MITALI PRODUCT	278400.00	NA		
30	MITALI PRODUCT	589897.00	NA		
31	MITALI PRODUCT	391699.00	NA		
32	MANISH KUMAR	2672920.00	53459.00	NOT DEPOSITED	
33	ARUN YADAV	331920.00	NA		
34	M/S TECHNICAL SERVICES	1463283.00	29266.00	NOT DEPOSITED	
35	ARUN YADAV	1233824.00	NA		
36	PRAMOD KUMAR JHA	2396397.00	11998.00	NOT DEPOSITED	
37	ARVIND KUMAR JHA	2452814.00	49056.00	NOT DEPOSITED	

38	ZIYAUL HASAN	335424.00	6708.00	NOT DEPOSITED	
39	ZIYAUL HASAN	409092.00	8182.00	NOT DEPOSITED	
40	PANKAJ KUMAR	1510122.00	30202.00	NOT DEPOSITED	
41	MITALI PRODUCT	748015.00	NA		
42	MITALI PRODUCT	796786.00	NA		
43	MITALI PRODUCT	486522.00	NA		
44	GATUMKUMAR	748836.00	21705.00		
45	NEELAM GUPTA	759842.00	15135.00		
46	MAHENDRA KUMAR	2381630.00	49540.00		
47	RAJEEV RANJAN	629086.00	15926.00		
48	BHAVYA LAXMI	877783.00	NA		
49	SAROJ KUMAR SINGH	752640.00	NA		
50	MAA BHAGYASRI KASAK	752640.00	NA		
51	MD DILWAR	320765.00	6415.00		
52	MD DILWAR	692279.00	13846.00		
53	BABU YADAV	572649.00	11453.00		
54	GAUTAM KR	3215180.00	64304.00		
55	SANJAY KR MANDAL	173696.00	3124.00		
				31.03.20	000216

3. Details of deposit of labour cess are mentioned below:

SN	Name of Party	Invoice Value	Amount deduction	Date of deposit	Cheque/ Challan Number
1	NUTAN KUMARI	568671.00	6319.00	NOT DEPOSITED	
2	MD IZHAR ALAM	1500876.00	1500.00	NOT DEPOSITED	
3	SUMAN KUMAR DUBEY	1908862.00	19089.00	NOT DEPOSITED	
4	ARUN YADAV	1118971.00	12433.00	NOT DEPOSITED	
5	AJIT KUMAR YADAV	1895243.00	18952.00	NOT DEPOSITED	
6	SHEKHAR KUMAR SINGH	2000876.00	20009.00	NOT DEPOSITED	
7	RAMAN KUMAR	621227.00	6212.00	NOT DEPOSITED	
8	RAJIV KUMAR SINGH	190721.00	2119.00	NOT DEPOSITED	
9	MAHENDR KUMAR	1682398.00	17709.00	NOT DEPOSITED	

10	SANJAY KUMAR SINHA	642136.00	5838.00	NOT DEPOSITED
11	RAJESH KUMAR DAS	904245.00	8567.00	NOT DEPOSITED
12	ARVIND KUMAR JHA	2232200.00	23322.00	NOT DEPOSITED
13	KUMAR NIRAJ SINGH	1054490.00	10050.00	NOT DEPOSITED
14	VINODH KUMAR SINGH	121696.00	832.00	NOT DEPOSITED
15	KUMAR VIKRAM	318969.00	3190.00	NOT DEPOSITED
16	ABDESH KUMAR MISHRA	237053.00	2371.00	NOT DEPOSITED
17	KRISHN KUMAR RAI	447239.00	4472.00	NOT DEPOSITED
18	NAHID RIZVI	1276489.00	12765.00	NOT DEPOSITED
19	RAJAN KUMAR	429005.00	1311.00	NOT DEPOSITED
20	BHABYA LAXMI CONSTRUCTION	433356.00	NA	
21	ARUN YADAV	1110442.00	12338.00	NOT DEPOSITED
22	ABDUL HAQIQ	1166996.00	13729.00	NOT DEPOSITED
23	RAVI KUMAR PASWAN	1273732.00	15922.00	NOT DEPOSITED
24	VECTUS INDUSTRIES LTD	352008.00	NA	
25	SAVAN BROTHER KHAN	495000.00	1718.00	NOT DEPOSITED
26	GEYAJUL HASAN	714563.00	7146.00	NOT DEPOSITED
27	GAUTAM SHARAD	1924241.00	19242.00	NOT DEPOSITED
28	MITALI PRODUCT	800494.00	NA	
29	MITALI PRODUCT	278400.00	NA	
30	MITALI PRODUCT	589897.00	NA	
31	MITALI PRODUCT	391699.00	NA	
32	MANISH KUMAR	2672920.00	26729.00	NOT DEPOSITED
33	ARUN YADAV	331920.00	3319.00	NOT DEPOSITED
34	M/S TECHNICAL SERVICES	1463283.00	14633.00	NOT DEPOSITED
35	ARUN YADAV	1233824.00	12338.00	NOT DEPOSITED
36	PRAMOD KUMAR JHA	2396397.00	23464.00	NOT DEPOSITED

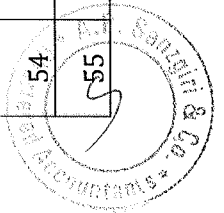
37	ARVIND KUMAR JHA	2452814.00	24528.00	NOT DEPOSITED	
38	ZIYAUL HASAN	335424.00	3354.00	NOT DEPOSITED	
39	ZIYAUL HASAN	409092.00	4091.00	NOT DEPOSITED	
40	PANKAJ KUMAR	1510122.00	15101.00	NOT DEPOSITED	
41	MITALI PRODUCT	748015.00	NA		
42	MITALI PRODUCT	796786.00	NA		
43	MITALI PRODUCT	486522.00	NA		
44	GATUMKUMAR	748836.00	10853		
45	NEELAM GUPTA	759842.00	7538		
46	MAHENDRA KUMAR	2381630.00	24770		
47	RAJEEV RANJAN	629086.00	7693		
48	BHAVYA LAXMI	877783.00	-NA		
49	SAROJ KUMAR SINGH	752640.00	-NA	31.3.20	
50	MAA BHAGYASRI KASAK	752640.00	NA		
51	MD DILWAR	320765.00	3208		
52	MD DILWAR	692279.00	6923		
53	BABU YADAV	572649.00	5726		
54	GAUTAM KR	3215180.00	32152		
55	SANJAY KR MANDAL	173696.00	1562		000615

4. Details of deposit of TDS on GST are mentioned below:

SN	Name of Party	Invoice Value	Amount of deduction	Date of deposit	Cheque/ Challan Number
1	NUTAN KUMARI	568671.00	12638.00	4.10.19	000377
2	MD IZHAR ALAM	1500876.00	3000.00	4.10.19	000377
3	SUMAN KUMAR DUBEY	1908862.00	38178.00	4.10.19	000377
4	ARUN YADAV	1118971.00	24866.00	4.10.19	000377

5	AJIT KUMAR YADAV	1895243.00	37904.00	4.10.19	000377
6	SHEKHAR KUMAR SINGH	2000876.00	40018.00	4.10.19	000377
7	RAMAN KUMAR	621227.00	12424.00	4.10.19	000377
8	RAJIV KUMAR SINGH	190721.00	4238.00	4.10.19	000377
9	MAHENDR KUMAR	1682398.00	35418.00	4.10.19	000377
10	SANJAY KUMAR SINHA	642136.00	11676.00	4.10.19	000377
11	RAJESH KUMAR DAS	904245.00	17134.00	4.10.19	000377
12	ARVIND KUMAR JHA	2232200.00	46644.00	4.10.19	000377
13	KUMAR NIRAJ SINGH	1054490.00	21100.00	4.10.19	000377
14	VINODH KUMAR SINGH	121696.00	1664.00	4.10.19	000377
15	KUMAR VIKRAM	318969.00	6380.00	4.10.19	000377
16	ABDESH KUMAR MISHRA	237053.00	4742.00	4.10.19	000377
17	KRISHN KUMAR RAI	447239.00	8944.00	4.10.19	000377
18	NAHID RIZVI	1276489.00	25530.00	4.10.19	000377
19	RAJAN KUMAR	429005.00	2622.00	4.10.19	000377
20	BHABYA LAXMI CONSTRUCTION	433356.00	8666.00	4.10.19	000377
21	ARUN YADAV	1110442.00	24676.00	07.01.2020	000487
22	ABDUL HAQIQ	1166996.00	27458.00	07.01.2020	000487
23	RAVI KUMAR PASWAN	1273732.00	31844.00	07.01.2020	000487
24	VECTUS INDUSTRIES LTD	352008.00	NA		
25	SAVAN BROTHER KHAN	495000.00	3436.00	07.01.2020	000487
26	GEYAJUL HASAN	714563.00	14292.00	07.01.2020	000487
27	GAUTAM SHARAD	1924241.00	38484.00	20.12.2019	000458
28	MITALI PRODUCT	800494.00	18260.00	20.12.2019	000458
29	MITALI PRODUCT	278400.00	9600.00	20.12.2019	000458
30	MITALI PRODUCT	589897.00	19996.00	20.12.2019	000458

31	MITALI PRODUCT	391699.00	14922.00	20.12.2019	000458
32	MANISH KUMAR	2672920.00	53458.00	20.12.2019	000458
33	ARUN YADAV	331920.00	6638.00	20.12.2019	000458
34	M/S TECHNICAL SERVICES	1463283.00	29266.00	20.12.2019	000458
35	ARUN YADAV	1233824.00	24676.00	20.12.2019	000458
36	PRAMOD KUMAR JHA	2396397.00	46928.00	20.12.2019	000458
37	ARVIND KUMAR JHA	2452814.00	49056.00	20.12.2019	000458
38	ZIYAUL HASAN	335424.00	6708.00	20.12.2019	000458
39	ZIYAUL HASAN	409092.00	8182.00	20.12.2019	000458
40	PANKAJ KUMAR	1510122.00	30202.00	20.12.2019	000458
41	MITALI PRODUCT	748015.00	15592.00		
42	MITALI PRODUCT	796786.00	16260.00		
43	MITALI PRODUCT	486522.00	9928.00		
44	GATUMKUMAR	748836.00	21706.00		
45	NEELAM GUPTA	759842.00	15136.00		000532
46	MAHENDRA KUMAR	2381630.00	49540.00	06.02.20	
47	RAJEEV RANJAN	629086.00	15926.00		
48	BHAVYA LAXMI	877783.00	11914.00		
49	SAROJ KUMAR SINGH	752640.00	15680.00		
50	MAA BHAGYASRI KASAK	752640.00	15680.00		
51	MD DILWAR	320765.00	6416.00		
52	MD DILWAR	692279.00	13846.00		
53	BABU YADAV	572649.00	11452.00	31.03.20	000549
54	GAUTAM KR	3215180.00	64304.00		
55	SANJAY KR MANDAL	173696.00	3124.00		



5. Details of TDS returns filled are mentioned below:

SN	Quarter	Due date of Return	Actual date of Return filled	Remark
1	1st Quarter 2nd Quarter	31.07.19 31.10.19	Not Filled Not Filled	
2	3rd Quarter	31.01.2020	Not filed	
3	4TH Quarter	30.06.20	23.05.20	No delay

g. DEFICIENCY IN PAYROLL SYSTEM:

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

g. DETAILS OF DELAY OF DEPOSIT OF EPF:

PERMANENT EMPLOYEE:

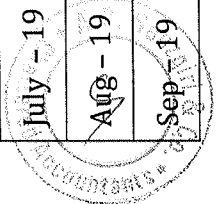
As per PF Act, deposit of EPF of Employees should be made 15th of the following month. Depositing of PF A/C to EPFO A/Care as below: -

Month of Deduction	Amount Deduction	Due date of deposit	Amount Deposit
April - 19	426076	15-05-19	426076
May - 19	426076	15-06-19	426076

Jun - 19	426076	15-07-19	426076
July - 19	1656751.00	15-08-19	NOT DEPOSITED
Aug - 19	1641497.00	15-09-19	NOT DEPOSITED
Sep - 19	1645476.00	15-10-19	NOT DEPOSITED
October - 19	1499224.00	15-11-19	NOT DEPOSITED
November - 19	2054322.00	15-12-19	NOT DEPOSITED
December - 19	1742717.00	15-1-20	NOT DEPOSITED
January 2020	1265792.00	15-2-20	1265792.00
February 2020	1268025.00	15-3-20	1268025.00
March 2020	1265792.00	15-4-20	1265792.00

CONTRACTUAL EMPLOYEE:

Month of Deduction	Amount Deduction	Due date of deposit	Not Deposited
April - 19	10,33,561.00	15-05-19	10,33,561.00
May - 19	10,33,561.00	15-06-19	10,33,561.00
Jun - 19	10,33,561.00	15-07-19	10,33,561.00
July - 19	325799.00	15 Aug 19	325799.00
Aug - 19	326817.00	15 Sep 19	326817.00
Sep - 19	274489.00	15 Oct 19	274489.00
July - 19	85793.00	15 Aug 19	85793.00
Aug - 19	85999.00	15 Sep 19	85999.00
Sep - 19	70428.00	15 Oct 19	70428.00



October - 19	232287.00	15 Nov 19	232287.00
November - 19	92403.00	15 Dec 19	92403.00
December - 19	87824.00	15 Jan 20	87824.00
October - 19	92173.00	15 Nov 19	92173.00
November - 19	410210.00	15 Dec 19	410210.00
December - 19	338552.00	15 Jan 19	338552.00
January 2020	847006.00	15.02.20	Not Deposited
February 2020	2215019.00	15.03.20	
March 2020	Not deducted	15.04.20	

(h) UTILISATION OF GRANT AND REPORT ON UTILISATION CERTIFICATES

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

STATUS OF USE OF GRANT AS PER DEFAULT ALLOCATION: Specifically grant allocation details has not been maintained, however it is maintained in grant register. (Refer Discussion Note)

(i) PHYSICAL VERIFICATION OF INVENTORY/STORES

(Kindly Refer Discussion Note)

(j) ADVANCES, THEIR ADJUSTMENT & RECOVERY

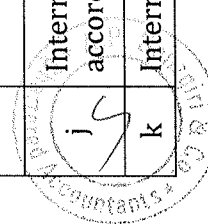
No Loan and Advance given. (Kindly Refer Discussion Note)

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



III-Part C

SN	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(d)
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 : Rule 22: All moneys to be brought to account Rule 27: Collections to be deposited into Bank on the same day Rule 69: Grant Related Compliance Rule 120-121: Monthly Receipt & Payment Account and Trial Balance Rule 130: Audit to be completed & reported within 6 month	Complied Refer-PART-B(d)
D	Report on Compliance of financial guidelines of schemes of MOHUA & UD&HD, GoB.	Complied Refer-PART-B(c)
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. 100000/-	Complied Refer-PART-B(b)
h	Auditor should Report on presence or absence of a system of utilisation certificate for the different schemes for any utilisation made during the reporting period; Where there is no system for issuance of U/Cs, the Internal Audit report shall prepare Utilisation Certificate for various schemes/grants as per the guidelines of such scheme available on the UD&HD website.	Complied Refer-PART-B(h)
i	Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied Refer-Audit Recommendation
j	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.	Complied Refer-PART-B(b)
k	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are	Complied



 Auditor General, Bihar

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

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

RISK ASSESSMENT

Name of the ULB: Nagar Nigam Bhagalpur

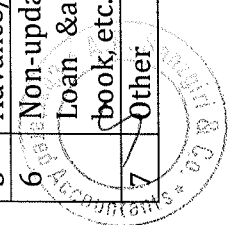
SN	Observations	Risk Rating	Design Gap	System Gap	Operating Gap	Management Comment	Auditor Recommendations
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DEMAND GENERATION

1	Loss of Revenue due to under assessment/ wrong generation of demand	H	NO	YES	YES	Due to lack of manpower some gap arose, However we are trying to minimize the gap every month.	We observed that due to lack of proper follow up and monitoring of activities of concerned person of the ULB on regular interval. The ULB has not proper mechanisms for supervision and monitoring of the Taxes due to which result in Revenue Loss.
2	Confusion with citizen regarding assessment	NA	NO	NO	NO		
3	Non-updating various register like	M	NO	NO	NO	Instructions given to the	Books of accounts should be

	hand book, DCB register, Assessment register, etc.						staff for updation of books of accounts on time.	updated on real time basis and ULB management should check it on regular interval.
4	Others	NA	NA	NA	NA	NA		
RECEIPT AND BANKING								
1	Error in collections, loss of receipts and perpetrated frauds	H	NO	NO	NO	YES	It will be rectify very soon in near future	<ul style="list-style-type: none"> ➤ Collection must be in timely manner ; ➤ Amount collected must be deposited without making any delay; ➤ And Regular check by competent authority to mitigate any type of fraud in this regard.
2	Non-updating various register like hand book, DCB register, cash book, etc.	M	NO	YES	NO	NO	We have shortage of skilled employees and due to this we are facing problem like this.	The various register like DCB, hand book Cash Book etc. should be maintained on real time basis.
3	Collusion with the citizen and the ULBs staff to make wrong assessments of income	NA	NO	NO	NO	NO		
4	Others	NA	NA	NA	NA	NA		
REVENUE EXPENDITURE								
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA	NA
4	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA	NA
5	Non-updating various register like bill register with payment figure etc.	M	NA	NA	YES	YES	We have shortage of skilled employees and due to this we are facing problem like this.	Bill registers etc should be update on real time basis transaction.
6	Others	NA	NA	NA	NA	NA	NA	NA
ESTABLISHMENT EXPENDITURE								
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA	NA
4	Collusion with Employee	NA	NA	NA	NA	NA	NA	NA
5	Perpetrated Fraud (Like Payment	NA	NA	NA	NA	NA	NA	NA

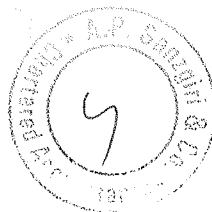
3	Non fulfillment of condition part thereto	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Perpetrated fraud (Like payment morethan one time same contractor)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Non-updating various register like grant register, work register, bill register with payment fig., advance register etc.	H					YES	Will be updated very soon by deploying skilled staff.			Grant register, work register, bill register with payment fig., advance registeretc. must maintain.	
6	Others	NA	NA	NA	NA	NA	NA				NA	
FIXED DEPOSIT AND INVESTMENT												
1	Not deposited at appropriate time (loss of revenue)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of Investment certificate	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Non fulfillment of condition part thereto	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with bank officials to invest at lower rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Deposit into Current account	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register like investment register, Bank book, cashbook, etc.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7	Other	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UNAUTHORIZED ADVANCE												
1	Unauthorized release of advance	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Release of advance beyond authority	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Non-adjustment of loan or advance during the year	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with employee/party to release advance/loan beyond authority	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Advance/loan not account for	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register like Loan & advance, Bank book, cash book, etc.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7	Other	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



LIST OF IMPORTANT REGISTERS

1		NAME OF THE ULB	Bhagalpur Nagar Nigam			
2		RISK RATING:	HIGH			
3		CAG OBSERVATIONS STATUS	COMPLIANCE REPORT SUBMITTED (No.-1418 dated 29.4.17)			
SN	Particulars	Audit Observation	Associates Risk	Management Comment	Status (Resolved or not)	
1	Cash Book	Maintained	NA	NA	NA	
2	Ledger	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved	
3	Journal	Not Maintained	HIGH	Will be maintained from upcoming year.		
4	Register Journal/Magazines/Newspapers for	Not Maintained	HIGH	Will be maintained from upcoming year.		
5	Register for Temporary Advances	Not Maintained	HIGH	Will be maintained from upcoming year.		
6	Register of Money Orders/Bank Draft Received	Maintained	NA	NA	NA	
7	Cheque Issue Register	Maintained	NA	NA	NA	
8	Register of Remittances made into bank	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved	
9	Bank Passbook	Maintained	NA	NA	NA	
10	Register of Bank drafts dispatched	Maintained	NA	NA	NA	
11	Bill Register	Maintained	NA	NA	NA	
12	Establishment Register	Maintained	NA	NA	NA	
13	Stock Register	Maintained	NA	NA	NA	
14	Capital Goods/ Consumable articles, non-consumable articles	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	
15	Statutory Deduction Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	
16	Fixed Assets Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved	
17	Grant Register	Maintained	NA	NA	NA	

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



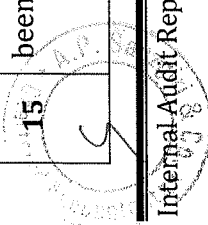
CASH AND BANK						
	Name of the ULB	Bhagalpur Nagar Nigam				
	RISK RATING:	HIGH				
	CAG OBSERVATIONS STATUS	COMPLIANCE REPORT SUBMITTED (No.-1418 dated 29.4.17)				
	PERIOD:	F.Y. 2019-20				
S/N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Check whether there is no any undue delay in presentation of cheque /DD received, to bank	No such cases observed during the said period of Audit.	NA	NA	NA	NA
2	Whether cheque/draft issue/ receipt/ dishonored register have been maintained as per prescribed form (As Per BMAM) & entry are made on properly, accurately & timely basis.	Yes, the same has been maintained	NA	NA	NA	NA
3	Whether banking transactions (receipts & Payments) are matched with cash book, Cheque issue register, collection register, etc., Verify the same with Bank statement & BRS,	Yes, it is matched with cash book.	NA	NA	NA	NA
4	Whether cheque issue register are matched with cash book	Yes, it is matched with cash book.	NA	NA	NA	NA
5	Whether proper steps has been taken for dishonored cheque, it was realized in cash or not,	No such cases observed during the Audit period.	NA	NA	NA	NA
6	Whether Bank Reconciliation has been made for each account, verify the status of BRS, (attached BRS as annexure)	Bank reconciliation statement has not prepared by ULB on regular basis. However there is no	NA	Medium	Will be prepared from upcoming year.	No.

PUBLIC WORKS						
	NAME OF THE ULB	Bhagalpur Nagar Nigam				
	RISK RATING:	HIGH				
	CAG OBSERVATIONS STATUS	COMPLIANCE REPORT SUBMITTED (No.-1418 dated 29.4.17)				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether bill has been prepared as per actual measurement & page no. of the MB in which detailed measurement have been quoted has mentioned in first page of MB,	Yes, bill has been prepared on the basis of MB book.	NA	NA	NA	NA
2	Whether bill has been signed by proper in charge,	Yes	NA	NA	NA	NA
3	Whether the bill has been checked by the accountant with the MB (also compare the qty.), estimate, agreement, previous bill (in case of running agreement)	Yes	NA	NA	NA	NA
4	Verify whether any payment made for removing/dismantling materials which have scrap value must be indicated in the bill.	Yes	NA	NA	NA	NA
5	Whether measuring has done by the engineer concerned,	Measurement of work is done by J.E. of ULB.	NA	NA	NA	NA
6	Whether expenditure on construction of work was debited to WIP & verified with MB maintained	Manual books are maintained	NA	NA	NA	NA

Cash Book						
	Bhagalpur Nagar Nigam					
	HIGH					
COMPLIANCE REPORT SUBMITTED (No.-1418 dated 29.4.17)						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether Opening Balance & Closing Balance was worked out or not,	Yes	NA	NA	NA	NA
2	Whether posting of receipt & payment side of cash book are properly maintained & it was matched with proper evidence like Receipt Voucher, Cheque issue Register, Bank Statement, etc.,	Posting of transactions in receipt side of cash book is not proper. It is observed that receipt amount like interest, holding taxes or any other nature of income received has been accumulated and posted in cash book.	NA	HIGH	It will be followed as per Accounting Rule of Bihar Municipal Accounting Rule	No
3	Whether posting in on daily basis.	Audit is done after September, 2019 hence we cannot comment on it.	NA	NA	NA	NA
4	Whether there is any clerical error (casting or/and posting error, etc) or not	No such instances found	NA	NA	NA	NA
5	Whether any delay in deposit of amount of collection by cashier,	Yes Kindly refer Annexure-1 Attached with report.	NA	HIGH	We will take steps for deposition of collection on very next day.	No
6	conduct physical verification of cash and report heavy cash balance if any	ULB did not physically verify Cash.	NA	LOW	We will put the matter before board and follow accordingly.	No
7	Any Other	NA	NA	NA	NA	NA

Collection						
	Bhagalpur Nagar Nigam					
	NAME OF THE ULB	HIGH				
	RISK RATING:	COMPLIANCE REPORT SUBMITTED (No.-1418 dated 29.4.17)				
	CAG OBSERVATIONS STATUS					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether collection procedure are as per guidelines/direction of ULB,	No, Further collection is not deposited in to bank on same day.	Annex-1	High	We will follow the policy now onwards.	Not Resolved
2	Whether collections are made on the basis of Demand & Collection Register ,	Yes	NA	NA	NA	NA
3	Whether collection are made in the same receipt Vouchers which has been issued/ authorized by ULB/ state government & it should be clearer mentioned of different head & not any alteration, & the carbon copy of receipt vouchers are properly vouched so that no any variation in posting the same.	In case of checking of property tax receipt, it is found that in some cases different heads are mentioned.	NA	Medium	We will look in to this matter.	No
4	Whether collections are bifurcated in different heads as required,	Consolidated amount is mentioned in the cash book.	NA	Medium	We will look in to this matter.	No
5	Whether a separate bank account has been maintained for each circle, (for PMC only)	NA	NA	NA	NA	NA
6	Whether all collections are made in proper "Receipt Voucher Book" having same serial number which was actually issued to TC,	We have checked receipts vouchers books on random basis and it is found ok.	NA	NA	NA	NA

7	Whether all collections made during the day are account for & banked on next working day or there is any teaming & lading,	No, There is gap between collection and deposit of money in to bank. Kindly also refer Annexure-1 attached with this report	NA	High	We will follow Bihar Municipal Act now onwards.	No
8	Whether no any collection are directly expended without prior approval,	No such instances found during the audit.	NA	NA	NA	NA
9	Whether collections are made by all the holding fall under the same TC or Civics Centre	No such type of records is maintained at ULB Level.	NA	Medium	Due to shortage of human resources it is not possible in spite of this we will implement it from now.	No
10	Whether government share of collections (like Education Cess& Health Cess) are properly & timely deposited in its own account, (if applicable)	NA	NA	NA	NA	NA
11	Whether there is any short/non collection or short deposit or not deposit	Yes, property tax is not collected from all households	NA	Medium	We will look in to this.	No
12	Whether penalty (@2% P.M/ 1.5%) has been duly charged on late payment.	We have checked transactions on random basis and it is found that penalty is charged.	NA	NA	NA	NA
13	Whether daily collections are entered into hand book, collection register maintained by TC & it should be properly entered in demand & collection register,	Yes	NA	NA	NA	NA
14	Whether collection by way of cheque are properly banked & credited into account,	Yes	NA	NA	NA	NA
15	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	Yes, in case of taxes remission/discount is given to households but there is no mechanism to trace that this refund or remission was given	NA	NA	NA	NA



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

DEMAND						
	NAME OF THE ULB	Bhagalpur Nagar Nigam				
	RISK RATING:	HIGH				
	NAME OF TAX COLLECTOR					
S.N	Particulars	Audit Observation	Aml. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Ensure whether closing balance of previous year is accurately brought forward,	Yes, brought accurately from previous year to current year.	NA	NA	NA	NA
2	Whether determination of demand is on manual or computerized way, & it would be as per updated rules, regulation, guidelines & other required details for proper calculation,	Manual cum computerized. As per requirement.	NA	NA	NA	NA
3	Whether data for calculation is correct & properly verified by appropriate authority/ Internal Auditor by way of physical survey,	It is found that for calculation of property tax, area of property or use of property, is on the basis of physical survey.	NA	NA	NA	NA
4	Whether revision of valuation of holding properly made after specified period	ULB not revised its valuation method after specified period. As a results of this ULB	NA	High	We will look in to this matter.	No

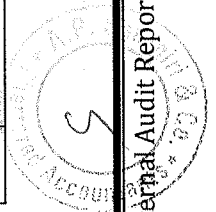
		suffering revenue loss for not revising method of valuation.				
5	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	Yes, in case of taxes remission/discount is given to households but there is no mechanism to trace that this refund or remission was given after duly sanction or without section.	NA	NA	NA	NA
6	Ensure whether there is any clerical error in calculation,	We have checked some cases on random and such instances not found.	NA	NA	NA	NA
7	Whether demand register in prescribed format is maintained or not,	Not Maintained	NA	Medium	We will maintain it now onwards.	No
8	Whether persons involve in calculation/collection have knowledge of their responsibility.	Yes, but they do not have knowledge of BMAM and BMAR	NA	NA	We will conduct training for the same and trained them accordingly.	No
9	Whether there is proper distribution of responsibility for calculation, recovery & updation of register for demand, so that no single person have control on two or process at the same time,	These activities are done by one person at ULB.	NA	High	Due to lack of staff, it is not possible to allot this task to multiple members.	No
10	Whether there is any under/no assessment,	No such case observed	NA	NA	NA	NA
11	Whether there is appropriate measures(As Per section 155 & 158 of BMA, 2007) are adopted for recovery of Government/bid dues,	No such evidence of recovery of Gov. dues provided by ULB	NA	Medium	We look in to this matter and resolve the same very soon.	No
12	Whether notice for demand has been made in prescribed format (As Per BMAR) & as per rules & regulations,	We found ULB is not in a regular practice to send notice of demand to concerned property holder	NA	High	We look in to this matter and will be send notice to concern person for	No

	sanctioned limit,							
2	Whether service log book has been maintained & up to date or not,	It is not produced before us during audit.	NA	NA	NA	We did not maintain, however same will be maintained from upcoming time.	No	
3	Audit whether apart from comparing the pay & allowance drawn by each employee in the pay bill with the corresponding entries in the pay column of the service book and checking the acquaints roll of employee who have been paid in cash,	Service book was not produced before us during audit hence we are not able to comment on it.	NA	NA	NA	We did not maintain, however same will be maintained from upcoming time.	No	
4	Whether each employee has unique identification number & it has been referred in all matter in relation to service book Whether payment made to employee has been verified with attendance register/logbook,	No such practice followed by ULB to assigned separate identity to each employee with unique number.	NA	Medium	NA	We do not have any instructions for this matter.	No	
5	Whether service book for calculation of payable has been authorized by the proper person,	Service book was not produced before us during audit hence we are not able to comment on it.	NA	NA	NA	We did not maintain, however same will be maintained from upcoming year.	No	
6	Whether account department has prepared the advice & instructed the bank for the payment as per advice,	Yes	NA	NA	NA	NA	NA	
7	Whether undistributed amount of pay & allowance as shown in cash book matched with balance of undistributed salary balance,	No such case observed.	NA	NA	NA	NA	NA	
8	Whether undistributed amount of pay & allowance are not for more than 3 months as cash in hand,	No such instances found	NA	NA	NA	NA	NA	

9	Whether disbursement of pay & allowance are duly recorded in books & accepted by employee specifying separate date with date of receive (In case of arrear),	Yes	NA	NA	NA	NA
10	Whether the bill prepared according to sanctioned scale,	Yes	NA	NA	NA	NA
11	Whether no any payment is made to employee whose service retired in any Manner	No such instances found	NA	NA	NA	NA
12	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No such instances found	NA	NA	NA	NA
13	Whether all statutory deduction or adjustment has been made before payment,	Yes	NA	NA	NA	NA
14	To check compliance of rules in regard to establishment matters viz., travel, daily allowance, leave, advances (House building and vehicle advance etc.) and settlement thereof.	Yes	NA	NA	NA	NA
15	To check salary bills.	No Salary bill is prepared by the ULB.	NA	Medium	It will be implemented in future.	No
16	Position of outstanding advances paid to Employees	NA	NA	NA	NA	NA
17	To check deduction of provident fund and ESI has been made as per rules	Yes, it is deducted.	NA	NA	NA	NA
18	Whether PF slips are issued to the employees on yearly basis and to see whether all the statutory returns for PF are submitted to the concerned authorities.	Neither PF slip provided to its employees nor return submitted	NA	NA	NA	NA
19	To check whether salary bill is prepared in such a manner that it gives breakup of the amount of bill and all adjustments such as deduction of PF, TDS and other advances and loans etc.	No salary bill prepared by ULB; however a register containing of all details of deduction and their	NA	Low	Salary Bill will be prepared from now.	No

		adjustment has been maintained.				
20	Check Retirement benefit to employee	No such instances found	NA	NA	NA	NA
21	Personnel Appointments and to see whether all records are updated from time to time.	Yes	NA	NA	NA	NA
22	Dismissal and Resignation/ Termination	No Such case found.	NA	NA	NA	NA
23	Temporary workers	Yes	NA	NA	NA	NA
24	Overtime	No Such case found	NA	NA	NA	NA
25	Attendance Register To check number of persons mentioned in the attendance register tally with the sanctioned strength of a unit.	Checked and found ok	NA	NA	NA	NA
25	Personnel Files	Not produced before us during audit	NA	NA	NA	NA
27	Training of employees(including Skill development Levy)	No such practice at ULB	NA	Medium	Training for capacity building of employees will be implemented.	No
28	Leave Register - To check whether a leave register is maintained as per types of leave as medical Leave/CL/EL/maternity/paternity leave.	Only Attendance register is maintained	NA	Medium	Registers of medical Leave/CL/EL/maternity/paternity leave will be maintained.	No

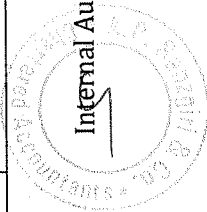
GRANT	
NAME OF THE ULB	Bhagalpur Nagar Nigam
RISK RATING:	HIGH



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

PAYMENT OF BILLS OF CONTRACTORS						
NAME OF THE ULB		Bhagalpur Nagar Nigam				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Original bill duly signed by contractors is submitted.	We have checked this on random basis and it is found ok.	NA	NA	NA	NA
2	Contractor has put his initials in all cuttings and corrections in the bill.		NA	NA	NA	NA
3	All Supporting documents are attached with the bills.		NA	NA	NA	NA
4	The rates, security deposit and deductions are as per terms and conditions specified in the agreement		NA	NA	NA	NA
5	The variations in quantities and completion period etc. have been authorized by the competent authority		NA	NA	NA	NA
6	Job completion certificate has been processed by the dealing assistant.		NA	NA	NA	NA
7	Bills passed for payment are as per rules & T & C of Tender.		NA	NA	NA	NA
8	All terms and conditions of the contract are fulfilled before passing the bills.		NA	NA	NA	NA
9	Every final bill is checked in detail with measurement books.		NA	NA	NA	NA
10	Cash/Bank Vouchers to be checked for authorization etc.		NA	NA	NA	NA
11	Overall review of the books of accounts.		NA	NA	NA	NA
12	Position of outstanding advances paid to suppliers/ contractors.		NA	NA	NA	NA

RECEIPT VOUCHER						
	Bhagalpur Nagar Nigam					
	HIGH					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether "Receipt Vouchers" are in the prescribed format & having machined serial number & there is no any manuscript form,	Yes	NA	NA	NA	NA
2	➤ Check;		NA	NA	NA	NA
3	○ What is the date of printing;	Dates written manually	NA	NA	NA	NA
4	○ What quantity of serial number was printed out,	Not produced	NA	NA	NA	NA
5	○ What is the date of dispatched, quantity of receipt vouchers & their serial number;	Not produced	NA	NA	NA	NA
6	○ Log book/ Register maintained at printing press regarding printing of "Receipt Vouchers".	Maintained	NA	NA	NA	NA
7	Verify that "Receipt Vouchers" received & their storing, having same quantity & serial numbered which was actually dispatched & proper recording of the same along with issue,	No such records was maintained	NA	NA	NA	NA
8	Verify Log book/ Register maintained at every collection centre & cash counter with regard to receipt & return quantity & serial number,	Yes	NA	NA	NA	NA
9	Verify the log book/ Register of "Receipt Vouchers" & cross verified the allotments to TC(Log Book) with their date of issue, serial number, name of TC & their circle	Yes	NA	NA	NA	NA



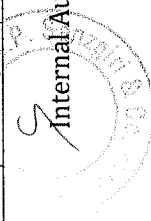
10	Check whether TC have same "Receipt Voucher" which was actually issued by store & it must be authorized by the appropriate authority.	Yes	NA	NA	NA	NA	NA
11	Check that there should be proper recording at each stage (where authority has been changed) of log book/ register for issue/receipt of "Receipt Vouchers".	Yes, the same has been maintained.	NA	NA	NA	NA	NA
12	Confirm that all unused "Receipt Vouchers" are under the custody of authorized person,	Yes, under the custody of store keeper.	NA	NA	NA	NA	NA
13	Verify that any cancelled vouchers have in both original & carbon copy,	Yes.	NA	NA	NA	NA	NA
14	Verify whether reversible carbon has been used during receipt.	Yes	NA	NA	NA	NA	NA
Other Revenue							
1	Advertisement Tax	ULB has huge outstanding balance to recover and recovery procedure followed is slow	54.80 Lakh	High	We will implement necessary step for recovery very soon	NA	No
2	Tower Tax	ULB has huge outstanding balance to recover and recovery procedure followed is slow	497.11 Lakh	High	We will implement necessary step for recovery very soon	NA	No
3	Professional Tax	NA	NA	NA	NA	NA	NA
4	Assigned Revenue (As details annexed)	NA	NA	NA	NA	NA	NA
5	Rental Charges (As details annexed)	ULB has huge outstanding balance to recover and recovery procedure	29.49 Lakh	High	We will implement necessary step for	NA	No

		followed is slow.				recovery very soon.
6	Fee & uses Charges (As details annexed)	NA	NA	NA	NA	NA
7	Other Revenue Items	ULB has huge outstanding balance to recover and recovery procedure followed is slow	15.28 Lakh	High	We will implement necessary step for recovery very soon	No

REVENUE EXPENSES						
Bhagalpur Nagar Nigam						
Medium						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved/Not)
1	Whether payment is on the basis of sanction/work order letter & incurred by authorized person,	Yes.	NA	NA	NA	NA
2	Whether payment is made through prescribed voucher (As per BMAM),	No, ULB make payment on the basis of bill raised by contractor or supplier.	NA		We will follow the prescribed procedure from next time.	No
3	Whether payment is made without any undue delay or whether any cheque issued are promptly issued to the respective person,	No delay observed during audit period.	NA	NA	NA	NA
4	Whether there is bifurcation of responsibility towards person making payment & person preparing MB,	Yes, the hierarchy is maintained toward	NA	NA	NA	NA



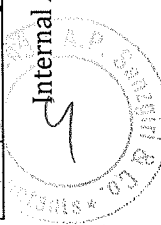
	receipt of goods, maintenance of Payment file, etc.,	contracts work assigned.				
5	Whether updation of accounts/books are on proper & timely basis,	No	NA	Medium	Due to lack of human resources the same issues has been arise.	No
6	Whether authorized person verify & sign the document involve,	Yes	NA	NA	NA	NA
7	Whether data base for the same has been properly maintained & safeguard measures are taken,	Yes	NA	NA	NA	NA
8	Whether exact amount (no any over payment) are paid and verified by supporting document, & no any collusion with party,	No such type of case observed.	NA	NA	NA	NA
9	Whether register for settlement of service bill has been maintained and up to date,	No such type of case observed	NA	NA	NA	NA
10	Whether payment made to the same to whom it might be payable and no any second claim in this regard,	Yes	NA	NA	NA	NA
11	Whether payment has been made after deducting statutory dues or advances,	Yes	NA	NA	NA	NA
12	Whether the expenditure are made with a period & amount as sanctioned,	Yes	NA	NA	NA	NA
13	Whether there is undue rush of expenditure at the end of financial year,	No such type of case observed	NA	NA	NA	NA
14	Whether payment has to be made after confirmation from store,	No such type of practice followed.	NA	Medium	Will follow in future.	No
15	Whether payment for repairs, etc, has to be made on the basis of logbook maintained,	No such type of practice followed.	NA	Medium	We have make payment on the	No



Internal Audit Report

16	Whether payment are as per defined approval level sanctioned u/s 75 of BMA,2007,	No such case observed during Audit period.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
17	Confirm whether goods/assets received/accepted on or before 31 st March, where the bill is received after that date have been accounted for (either on the basis of purchase order, tender rate or as per bill),	No	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
18	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No such type of cases observed during period of Audit.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
19	Whether all statutory deduction or adjustment has been made before payment,	Yes, payment has been made after deduction and adjustment.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
20	Whether entry of any event during service has been made in service book by authorized person.	No	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

STATUTORY REQUIREMENT						
Bhagalpur Nagar Nigam						
HIGH						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether deduction of TDS on payment has been made as per law,	Yes	NA	NA	NA	NA



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

TENDER DETAILS

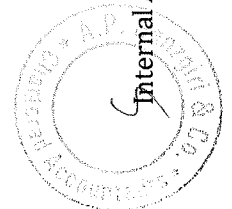
Bhagalpur Nagar Nigam						
RISK RATING:						
HIGH						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	To check whether the provisions contained in Tender Advertisement for procurement were followed in award of contracts.	Yes, there is no deviation found	NA	NA	NA	NA
2	To check that the time/date of receipt and opening of tenders was properly incorporated in the tender documents.	Yes	NA	NA	NA	NA
3	The important guidelines relating to earnest money, delivery schedule, payment terms, performance warranty / guarantee, inspection, arbitration, liquidated damages/penalty for delayed supplies, purchase on risk and cost were incorporated in the tender documents for	Yes	NA	NA	NA	NA

Internal Audit Report

15	Whether any complaint was received regarding procurement and payment and existence of mechanism for Redressal of Complaints	No such case observed	NA	NA	NA	NA	NA
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VEHICLE LOG BOOK							
	NAME OF THE ULB	Bhagalpur Nagar Nigam					
	RISK RATING:	HIGH					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)	
1	Whether logbook has maintained or not & up to date with proper details like journeys, work undertaken, covering root, visited place, kilometer, etc.	Log book is not properly maintained and updated.	NA	High	We have given instruction to follow.	No	
2	Whether logbook of journey is maintained in detail & signed by the officials using them,	No	NA	High	We have given instruction to follow.	No	
3	Whether it should be used for official purpose, otherwise charges are recoverable.	Yes	NA	NA	NA	NA	
4	Whether details of fuel for the same has been maintained in log book,	No	NA	High	We have given instruction to follow.	No	
5	Whether full details of repairs has been maintained & it have been through authorized center	No	NA	High	We have given instruction to	No	

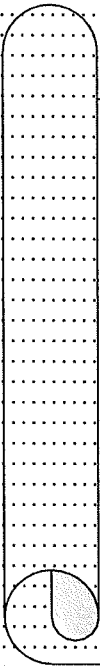
FIXED ASSETS						
NAME OF THE ULB		Bhagalpur Nagar Nigam				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Status on Maintenance of Fixed Assets Register	Not Maintained	NA	High	We will maintain from now.	No
2	Budget availability is confirmed before acquisition	Neither Fixed assets register nor Asset Replacement Register maintained for current reporting period. Physical verification of fixed assets is also not done.	NA	High	Will follow and maintain from now.	No
3	Fixed assets are recognized at cost of acquisition and if so, check whether the cost components are incidental to its acquisition		NA	High	Will follow and maintain from now.	No
4	all fixed assets are acquired only after obtaining approval of the concerned authority		NA	High	Will follow and maintain from now.	No
5	Physical verification of fixed assets is done and discrepancies are reconciled with Fixed Asset Register.		NA	High	Physical verification of Fixed Assets will be done.	No
6	Depreciation is provided on each class of fixed assets at the prescribed rates		NA	High	Will follow from now..	No
7	Asset Replacement Register is properly maintained asset class- wise		NA	High	Will follow and maintain from now.	No



Others						
	Bhagalpur Nagar Nigam					
	HIGH					
NAME OF THE ULB	Bhagalpur Nagar Nigam					
RISK RATING:	HIGH					
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
Register of Mutation						
1	All permanent changes made in the assessment of buildings and lands have been recorded in this register with reference to the monthly lists, Register of Revision Petitions, Register of Appeal Petitions, and Register of Writes-off	Yes, ULB charges for all such thing mentioned.	NA	NA	NA	NA
2	Demands of current year and previous year have been reconciled with reference to the above details	No such documents or files provided by ULB.	NA	High	We will provide during audit of next quarter.	No
Register of Suits						
1	All suits filed by the municipality for recovery of any sum due are entered	NA	NA	NA	NA	NA
2	All suits filed against the municipality are entered	NA	NA	NA	NA	NA
3	Sanction from the Council obtained for filing / defending the suit	NA	NA	NA	NA	NA
4	All details like the Assessment Number, amount involved, Name of Court and Suit Number etc. are clearly entered	NA	NA	NA	NA	NA
5	Execution Petitions are filed for recovery of sums, in cases the suits are disposed in favor of municipality	NA	NA	NA	NA	NA



H INADEQUATE MONITORING OF TAX DEDUCTED AT SOURCE AND AS DEPOSITED



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

We will deposit on prescribed due date from next time.

Implication/ Risk

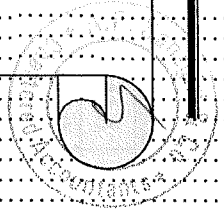
HIGH

Recommendation

Management Comments

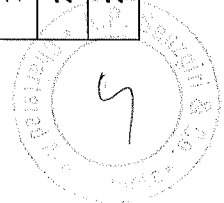
Person Responsible:

Timeless:

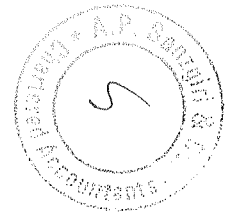


BHAGALPUR NAGAR NIGAM
INTERNAL AUDIT REPORT FOR F.Y 2019 - 20
ANNEX-1 REPORT ON LATE DEPOSIT OF PROPERTY TAX

S.N	Serial Number		Amount of Tax	Date of Collection as per Receipts Book	Amount Deposited with Cashier	Date of deposit with Cashier	Delay in Deposit with Cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To							
1	129119	129119	328.00	2.4.19	3328.00	3.4.19	1 day	4.4.19	1 day
2	129128	129128	1965.00	4.4.19	1965.00	5.4.19	1 day	6.4.19	1 day
3	129131	129131	348.00	5.4.19	348.00	6.4.19	1 day	7.4.19	1 day
4	129137	129139	11791.00	7.4.19	11791.00	8.4.19	1 day	9.4.19	1 day
5	129149	129149	2646.00	16.4.19	2646.00	18.4.19	2 days	26.4.19	8 days
6	129150	129153	146352.00	20.4.19	146352.00	22.4.19	2 days	23.4.19	1 day
7	132128	132128	726.00	10.5.19	726.00	11.5.19	1 day	12.5.19	1 day
8	132132	132149	37905.00	12.5.19	37905.00	14.5.19	3 days	15.5.19	1 day
10	132150	132155	4240.00	15.5.19	4240.00	16.5.19	1 day	17.5.19	1 day
11	132156	132168	7981.00	16.5.19	7981.00	20.5.19	4 days	21.5.81	1 day
12	132169	132181	11290.00	20.5.19	11290.00	22.5.19	2 days	23.5.19	1 day
13	132182	132187	4138.00	22.5.19	4138.00	23.5.19	1 day	24.5.19	1 day
14	132193	132200	8177.00	25.5.19	8177.00	27.5.19	2 days	28.5.19	1 day
15	135801	135807	5912.00	27.5.19	5912.00	28.5.19	1 day	29.5.19	1 day
16	135808	135813	8892.00	28.5.19	8892.00	29.5.19	1 day	30.5.19	1 day
17	135814	135818	11160.00	29.5.19	11160.00	3.6.19	5 days	5.6.19	2 days
18	135829	135837	4555.00	6.6.19	4555.00	7.6.19	1 day	8.6.19	1 day
19	135853	135859	8881.00	10.6.19	8881.00	11.6.19	1 day	11.6.19	0
20	135860	135867	3868.00	12.6.19	3868.00	13.6.19	1 day	13.6.19	0
21	135877	135882	3571.00	15.6.19	3571.00	18.6.19	2 days	18.6.19	0

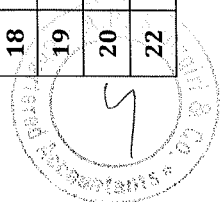


22	135891	135900	1825.00	20.6.19	1825.00	22.6.19	2 days	22.6.19	0
23	140101	140109	7185.00	22.6.19	7185.00	24.6.19	2 days	24.6.19	0
24	140110	140115	32767.00	24.6.19	32767.00	25.6.19	1 day	25.6.19	0
25	140118	140130	30731.00	27.6.19	30731.00	28.6.19	1 day	29.6.19	2 days
26	140131	140144	8536.00	29.6.19	8536.00	1.7.19	2 days	1.7.19	0



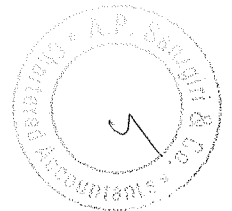
BHAGALPUR NAGAR NIGAM
INTERNAL AUDIT REPORT FOR F.Y 2019 - 20(Qtr-2)
ANNEX-1 REPORT ON LATE DEPOSIT OF PROPERTY TAX

S.N	Serial Number		Amount of Tax	Date of Collection as per Receipts Book	Amount Deposited with Cashier	Date of deposit with Cashier	Delay in Deposit with Cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To							
1	143303	143312	12961.00	11.7.19 to 13.7.19	12961.00	13.7.19	2	13.7.19	-
2	143313	143318	14588.00	13.7.19 to 15.7.19	14588.00	15.7.19	2	15.7.19	-
3	143332	143335	5794.00	15.7.19 to 19.7.19	5794.00	19.7.19	4	19.7.19	-
4	143339	143343	7721.00	20.7.19 to 22.7.19	7721.00	22.7.19	2	22.7.19	-
5	137084	137086	2898.00	1.7.19	2898.00	2.7.19	1	2.7.19	-
6	137092	137093	15342.00	4.7.19	15342.00	8.7.19	4	8.7.19	-
7	143423	143425	19069.00	3.7.19	19069.00	6.7.19	3	6.7.19	-
8	145454	145457	10821.00	1.9.19	10281.00	2.9.19	1	2.9.19	-
9	145467	145471	2557.00	17.9.19 to 19.9.19	2557.00	19.9.19	2	19.9.19	-
10	142162	142165	3524.00	27.7.19 to 28.7.19	3524.00	29.7.19	2	29.7.19	-
11	142166	142167	3382.00	28.7.19 to 30.7.19	3382.00	31.7.19	2	31.7.19	-
12	142168	142169	22747.00	31.7.19	22747.00	1.08.19	1	1.8.19	-
13	146701	146703	10577.00	20.8.19	10577.00	21.8.19	1	21.8.19	-
14	146705	14709	29199.00	22.8.19 to 23.08.19	29199.00	24.8.19	2	24.8.19	-
15	146710	146715	14037.00	24.8.19 to 26.8.19	14037.00	26.8.19	2	26.8.19	-
16	146726	146731	6364.00	31.8.19 to 1.09.19	6364.00	2.9.19	2	2.9.19	-
17	146741	146747	8745.00	10.9.19 to 11.9.19	8745.00	11.9.19	1	11.9.19	-
18	146761	146766	17030.00	15.9.19 to 16.9.19	17030.00	16.9.19	1	16.9.19	-
19	146777	146781	8887.00	21.09.19 to 146781	8887.00	23.9.19	2	23.9.19	-
20	140566	140566	11938.00	21.7.19	11938.00	22.7.19	1	22.7.19	-
22	140576	140580	5803.00	30.7.19 to 1.8.19	5803.00	1.8.19	2	1.8.19	-



BHAGALPUR NAGAR NIGAM
INTERNAL AUDIT REPORT FOR F.Y 2019 – 20 (Qtr-3)
ANNEX-1 REPORT ON LATE DEPOSIT OF PROPERTY TAX

S.N	Serial Number		Amount of Tax	Date of Collection as per Receipts Book	Amount Deposited with Cashier	Date of deposit with Cashier	Delay of Deposit with Cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To							
1	146568	146572	48654.00	18.10.19 to 20.10.19	48654.00	21.10.19	3	22.10.19	-
2	146573	146573	4535.00	1.11.19	4535.00	4.11.19	3	4.11.19	-
3	146576	146589	11012.00	5.11.19 to 7.11.19	11012.00	7.11.19	3	7.11.19	-
4	148017	148024	11638.00	5.10.19 to 14.10.19	11638.00	14.10.19	9	14.10.19	-
5	148025	148026	34420.00	14.10.19	34420.00	15.10.19	1	15.11.19	-
6	148031	148034	8121.00	22.10.19 to 1.11.19	8121.00	4.11.19	12	4.11.19	-
7	153201	153205	16807.00	8.12.19 to 10.12.19	16807.00	10.12.19	2	10.12.19	-
8	153229	153232	6017.00	18.12.19 to 20.12.19	6017.00	20.12.19	2	20.12.19	-
9	151612	151615	1859.00	22.11.19 to 25.11.19	1859.00	25.11.19	3	25.11.19	-
10	151653	151657	5254.00	24.12.19 to 26.12.19	5254.00	26.12.19	2	26.12.19	-
11	151201	151203	12570.00	17.11.19	12570.00	18.11.19	1	18.11.19	-
12	151204	151205	2488.00	18.11.19 to 20.11.19	2488.00	20.11.19	2	20.11.19	-
13	152901	152903	10612.00	4.12.19	10612.00	5.12.19	1	5.12.19	-
14	152910	152911	46328.00	10.12.19	46328.00	11.12.19	1	11.12.19	-
15	152916	152917	6491.00	14.12.19	6491.00	16.12.19	2	16.12.19	-



BHAGALPUR NAGAR NIGAM
INTERNAL AUDIT REPORT FOR F.Y 2019 - 20 (Qtr-4)
ANNEX-1 REPORT ON LATE DEPOSIT OF PROPERTY TAX

S.N	Serial Number		Amount of Tax	Date of Collection as per Receipts Book	Amount Deposited with Cashier	Date of deposit with Cashier	Delay Deposit Cashier	in with	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To								
1	148027	14843	35320.00	03.01.20	35320.00	06.01.20	3		06.01.20	-
2	148025	148026	4900.00	03.01.20	4900.00	06.01.20	3		06.01.20	-
3	148035	148042	5880.00	06.01.20	5880.00	07.01.20	1		07.01.20	-
4	148053	148067	17800.00	07.01.20	17800.00	09.01.20	2		09.01.20	-
5	161800	161807	54000.00	22.02.20	54000.00	24.02.20	2		24.02.20	-
6	150366	150386	17000.00	22.02.20	17000.00	24.02.20	2		24.02.20	-
7	152918	152930	32100.00	07.01.20	32100.00	09.01.20	2		09.01.20	-
8	152931	152945	25700.00	13.01.20	25700.00	17.01.20	4		17.01.20	-
9	165300	165313	17800.00	02.03.20	17800.00	06.03.20	5		06.03.20	-
10	165800	165816	33200.00	12.03.20	33200.00	16.03.20	4		16.03.20	-
11	165314	165326	22300.00	09.03.20	22300.00	13.03.20	3		13.03.20	-
12	165817	165833	24200.00	17.03.20	24200.00	20.03.20	3		20.03.20	-



BHAGALPUR NAGAR NIGAM

INTERNAL AUDIT REPORT FOR F.Y 2019 - 20(Annually)

ANNEX-2 REPORT ON SURVEY OF PROPERTY TAX OF MINIMUM 20 HIGH VALUE PROPERTIES

SN	Holding Name	W.N	HN	Type of Use		Area			Tax Amount			Remark
				As per tax Collector	As per Auditor	As per Tax Collector	As per Auditor	Diff.	As per Tax Collector	As per Auditor	Diff.	
1	Archana kumari	06	104	R.C.C	R.C.C	5270.83	5270.83	-	20910.00	20910.00	-	-
2	Pushpa devi	06	03	R.C.C	R.C.C	4034.00	4034.00	-	16006.00	16006.00	-	-
3	Dr.leena devi	06	17 A/B	R.C.C	R.C.C	2152.00	2152.00	-	8986.00	8986.00	-	-
4	Dhanshy am das	06	93	R.C.C	R.C.C	4600.00	4600.00	-	18249.00	18249.00	-	-
5	Dr.Arvin d jayaswal	24	152	R.C.C	R.C.C	4019.00	4019.00	-	15943.00	15943.00	-	-
6	Doraiya haat holy family	24	32	R.C.C	R.C.C	19772.00	19772.00	-	82566.00	82566.00	-	-
7	Chinmay sumita santhiya	24	83 +98	R.C.C	R.C.C	3987.00	3987.00	-	15818.00	15818.00	-	-
8	Ram kishun mandal	4	60	R.C.C	R.C.C	4237.00	4237.00	-	17695.00	17695.00	-	-
9	A.K.slimil Warner	29	618	R.C.C	R.C.C	12000.00	12000.00	-	476064.00	476064.00	-	-
10	Indian life insurance	29	735	R.C.C	R.C.C	11160.00	11160.00	-	139809.00	139809.00	-	-
11	Ashok kumar budhiya	12	40	R.C.C	R.C.C	26672.00	26672.00	-	105811.00	105811.00	-	-
12	Champa puri Digambe r jain	12	43	R.C.C	R.C.C	2224.13	2224.13	-	8824.00	8824.00	-	-
13	BGP Associati	12	196	R.C.C	R.C.C	136150.00	136150.00	-	540135.00	540135.00	-	-



	on St.Joshef School											
14	Child Educatio n Trust Bihar	9	12 1	R.C.C	R.C.C	7047.00	7047.00	-	27955.00	27955.00	-	-
15	Charch Mission Associati on Narga	9	13 4	R.C.C	R.C.C	4084.00	4084.00	-	34111.00	34111.00	-	-
16	Charch Mission Associati on Narga	9	13 5	R.C.C	R.C.C	4285.00	4285.00	-	17893.00	17893.00	-	-
17	Roop kumara Devi	28	4	R.C.C	R.C.C	6020.00	6020.00	-	50280.00	50280.00	-	-
18	Nimaja jha	37	58 +5 9	R.C.C	R.C.C	11523.00	11523.00	-	185647.0 0	185647.00	-	-
19	Child educatio n manage ment commitie	11	23	R.C.C	R.C.C	2103.00	2103.00	-	8343.00	8343.00	-	-
20	Puranma l Bajoriya Teaching Educatio n	9	9	R.C.C	R.C.C	7012.00	7012.00	-	27821.00	27821.00	-	-



Bhagalpur Municipal Corporation

Letter No.
Date: 06.01.2020
To
A P Sanzgiri & Co.
(Chartered Accountants)

Discussion Note
(2019-20,1stQ)

Subject: Regarding confirmation of documents not maintained and management comment in Audit report for F.Y. 2019-20, 1st Quarter.

S.N.	Auditor observation	Management comment
1	No Municipal Accounts committee established;	Municipal Accounts Committee is formed for 01-01-2020.
2	AG Compliance Report;	AG and compliance Report maintained up to fy- 2015-16, No any Compliance reports are pending all are complied.
3	Non Collection of Notice fee;	Municipal Corporation is not practice to collect Notice fee . It is under process.
4	Status of Outstanding Taxes	Municipal Corporation has been raised demand for all outstanding taxes , some outstanding taxes is collect by Municipal Corporation , rest outstanding taxes .. It is collecting With extra effort
5	Non maintenance of Advance Register;	Municipal Corporation has follow to maintained Advance Register till fy- 2016-17, but now no any advance given by Municipal Corporation.
6	Physical Verification of Stores /Inventory	It will be follow as per rule and management .
7	Non Maintenance of Procurements Register	Municipal Corporation did not practice to maintained procurements Register .but it will be maintain soon work is under process.
8	TDS return acknowledgement;	There is no Liabilities to TDS return acknowledgement , because no any statutory deduction during fy- 19-20 first quarter. First quarter not filled , 2 quarter file .
9	Non Maintenance of books of accounts Subsidiary register	Municipal Corporation has practice to maintained books of accounts subsidiary register , but some books of accounts not maintain , like: fixed assets Register . it will be maintain very soon work is under process.


[Signature]
7/1/2020
Municipal Commissioner
Bhagalpur Municipal Corporation
Bhagalpur

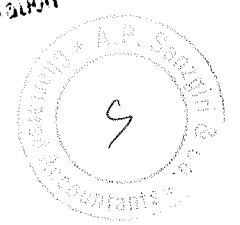
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7/1/20



Bhagalpur Municipal Corporation

10	Electricity Bill Payment	Due to non furnishing of bill on due date the DPS on electricity arised. A letter will be given to SBPDCL to submit bill on due date and also gives reasons for DPS.
11	Not deposit of statutory deduction of TDS/labour cess/Royalty .	There is no any statutory deduction during fy - 2019-20, first quarter , because no any contractor has been payment .
12	Non - Levy Of Taxes in IAR " I Part -A "	We do not have any directives/guidelines/instructions issued by department for implementing of taxes in respect of water tax, fire tax Development charges, Toll tax etc .
13	MUNICIPAL CORPORATION Unable to Find out "Amount of Outstanding Taxes" Refer to PART-A (a) (4)	We will makes our best effort to realized it by establishing camp in ward. Work is under process.
14	Delay in Deposit of EPF	Due to implementation of CFMS the same problem arise.
15	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet (Financial Statement)	Financial statement is not prepare by Bhagalpur Municipal Corporation .It has been prepare by the Audit Team It will be prepare after implementation of Double Entry Accounting System .
16	Difference in Opening Balance Of in Budget for fy- 2017-18	Management is now making effort to find out error and while be rectify accordingly.
17	Maintenance of grant record with bifurcation like amount for Salary, water management, nail gali solid waste management and so on ;	It Will be provided.
18	Bank A/c which is closed	All Bank Account has been running , no any Bank Account has been closed .
19	Bank Reconciliation on Monthly Basis	Yes ,All Banks are Reconcile on Monthly Basis .
20	Any Payment made out of Municipal Fund that is not covered by Budget	No such payment made that is not cover by budget;
21	Implementation of Biometric Devices and Payroll Software	Yes Implemented .


 27/11/2020
 Municipal Commissioner
 Bhagalpur Municipal Corporation
 Bhagalpur

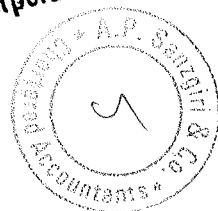


Bhagalpur Municipal Corporation

22	Non Maintenance Fixed Assets register	It will be maintained . As soon as possible. Work is under process.
23	Non preparation of Complete UC details	There is no any expenditure during fy- 19-20, So Utilization certificate is not prepare by ULB.
24	Non Submitting of UC	It will be Submitted after expenditure.
25	Non creation of Special Fund and Fund Mentioned in Chapter ix of BMA, 2007	The same will be created on applicability of relevant provision of said act;
26	Implementation of Double entry system;	Double Entry Accounting System implementation by "Tibrewal Chand & Co" since Feb 2019.
27	Late deposit of property Tax into Bank	ULB has been practice to deposit property tax into bank on regulary basis , but during April 2019 property tax deposit after 10 days of collection due to non updation of PAN CARD in bank .
28	Delay Deposit of Property tax to Cashier	Some tax collector not deposit property tax collection amount on same day due to work pressure. But now a days It is deposited on same day of collection.
29	Holding Tax Amount as per Physical Measurement:	"Report on survey relating to 20 high value property will be Reported in 19-20 2 nd Quarter Report "
30	Some vehicles are not insured	It is under process, It will be insured for fy-19-20
31	Huge amount arrear of Mobile Tower Tax and Advertisement Tax	Notice has been issued against Mobile Tower Tax and Advertisement Tax outstanding amount , It will be recovered as soon as possible. work is under process.
32	Mostly shopkeepers Trade Licence not registered	Some Shopkeeper has not register in trade licence, therefore notice has been issued against unregistered trade licence by municipal Corporation. It is under process.

Further we confirm/affirm the management comment given in Internal Audit report for 2019-20 ,1st Quarter is on behalf of Bhagalpur Municipal Corporation.


Municipal Commissioner
 Bhagalpur Municipal Corporation
 Bhagalpur
 7/11/2020
 Recd
 6/11/20



Bhagalpur Nagar Nigam

Discussion note

2019-20(Qtr-2)

Letter No.

Date: 26.03.2020

To

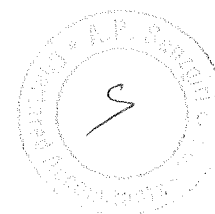
AP Sangziri & Co.

(Chartered Accountants)

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

We, Bhagalpur Nagar Nigam, discuss with internal auditor and confirm the following books of accounts/ documents/ file has not been maintained, hence we could not produce it:

S.N	Audit observation	Management comments
1	Non-Levy of taxes in IAR I. PART-A (a)1	Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible.
2	Late deposit of property tax	Property taxes deposited late due to lack of staff and over load work.
3	Notice fee Collection	Currently not collecting but it will be consider and collected as soon as possible.
4	Not prepared Payment voucher	Due to lack of revenue staff but It will be preparing as soon as possible.
5	Non-maintenance of books of accounts para ii-PART B (a)	Due to lack of qualified staff we could not maintain books of accounts which are not maintained.
6	Implementation of biometric devices and payroll software.	Implemented but salary processed manually. Very soon it will be operational.
7	Royalty not deposited	It will be deposited from now.
8	Labour cess not Deposited	It will be deposited from now.
9	Non-compliance of Act & Rules.	It will be complied.



10	Non-preparation of complete UC details.	It is prepared with the help of IA.
11	There is no Valuation Of stock in nagarNigam.	We do not have any directivities/guidelines/instruction, issue by department for find valuation of stock.
12	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized .
13	Vehicles are not insured.	Most of vehicles are insured rest in under process.
14	Permanent Employee: Non deposition of PF. Contractual Employee: Late deposit of PF and ESI	There was a delay in depositing due to lack of fund but it is deposited very soon.
15	Bank a/c which are closed.	No any bank A/c closed yet.
16	Advances and their adjustment.	No Advances and loan given.
17	Municipal Account Committee	Constituted but no meeting held yet.
18	i) Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement). ii) Implementation of DEAS.	i) It will be prepared by Tibrewal Chand & company appointed for implementation of double entry accounting system. ii) Implementing agency is working on it.
19	Non completion of survey of trade license	Survey work has done by RSI.
20	Non-preparation of rent collections and demand registers as per rule	It will be prepared.
21	Huge amount arrear of rent ,Holding tax, Mobile tower tax, advertisement tax and other taxes.	The collection are going on and notice will be issued to defaulters.
22	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Advertisement Tax, Mobile Tower Tax and Other Tax .	Detailed records has not been maintained but now we will maintain such type of records.
23	Advertisement tax charging	It is charged by tender.



24	Non maintenance of fixed assets register	It will be maintained.
25	Non- maintenance of procurements register	It will be maintained.
26	Cash book and various registers like , issue register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register. Is not maintained on regular basis.	It will be maintained.
27	Non utilization of grant or grant unspent	Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future.
28	Depreciation is not charged on Fixed Assets.	ULB did not follow double entry accounting system , hence depreciation is not accounted in our book.
29	Directives compliances	No directives issued during period of qtr-2
30	Whether expenditure on construction of work was debited to WIP & verified with MB maintained	ULB did not follow practice to debit WIP for expenditure incurred on Construction.
31	ULB did not prepare payment voucher as per BMAR , however payment made on the basis of bill raised by contractor followed by order passed in form of letter	ULB follow the procedure to pay from contractor MB, which has been prepared by JE.
32	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer	We will comply the same.
33	Details of repairs and maintenance has not been mentioned in log book	We will comply the same.
34	Non deposition of Tds and Non filing of TDS Return .	It will be done on or before due date now.
35	Compliances of internal audit paras	It will be complied.

Signature of Municipal Commissioner

उपनिवेश आयुक्त
नगर निगम
भागलपुर



Bhagalpur Nagar Nigam

Discussion note

2019-20(Qtr-3)

Letter No.

Date: 26.03.2020

To

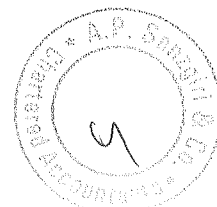
AP Sangziri & Co.

(Chartered Accountants)

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

We, Bhagalpur Nagar Nigam, discuss with internal auditor and confirm the following books of accounts/ documents/ file has not been maintained, hence we could not produce it:

S.N	Audit observation	Management comments
1	Non-Levy of taxes in IAR I. PART-A (a)1	Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible.
2	Late deposit of property tax	Property taxes deposited late due to lack of staff and over load work.
3	Notice fee Collection	Currently not collecting but it will be consider and collected as soon as possible.
4	Not prepared Payment voucher	Due to lack of revenue staff but It will be preparing as soon as possible.
5	Non-maintenance of books of accounts para ii-PART B (a)	Due to lack of qualified staff we could not maintain books of accounts which are not maintained.
6	Implementation of biometric devices and payroll software.	Implemented but salary processed manually. Very soon it will be operational.
7	Royalty not deposited	It will be deposited from now.
8	Labourcess not Deposited	It will be deposited from now.
9	Non-compliance of Act & Rules.	It will be complied.



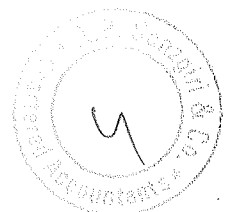
10	Non-preparation of complete UC details.	It is prepared with the help of IA.
11	There is no Valuation Of stock in nagarnigam.	We do not have any directivities/guidelines/instruction, issue by department for find valuation of stock.
12	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized .
13	Vehicles are not insured.	Most of vehicles are insured rest in under process.
14	Permanent Employee: Non deposition of PF. Contractual Employee: Late deposit of PF and ESI	There was a delay in depositing due to lack of fund but it is deposited very soon.
15	Bank a/c which are closed.	No any bank A/c closed yet.
16	Advances and their adjustment.	No Advances and loan given.
17	Municipal Account Committee	Constituted but no meeting held yet.
18	I) Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement. II) Implementation of DEAS.	I) It will be prepared by Tibrewal Chand & company appointed for implementation of double entry accounting system. II) Implementing agency is working on it.
19	Non completion of survey of trade license	Survey work has done by RSI.
20	Non-preparation of rent collections and demand registers as per rule	It will be prepared.
21	Huge amount arrear of rent ,Holding tax, Mobile tower tax, advertisement tax and other taxes.	The collection are going on and notice will be issued to defaulters.
22	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Advertisement Tax, Mobile Tower Tax and Other Tax .	Detailed records has not been maintained but now we will maintain such type of records.
23	Advertisement tax charging	It is charged by tender.



24	Non maintenance of fixed assets register	It will be maintained.
25	Non- maintenance of procurements register	It will be maintained.
26	Cash book and various registers like , issue register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register. Is not maintained on regular basis.	It will be maintained.
27	Non utilization of grant or grant unspent	Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future.
28	Depreciation is not charged on Fixed Assets.	ULB did not follow double entry accounting system , hence depreciation is not accounted in our book.
29	Whether expenditure on construction of work was debited to WIP & verified with MB maintained	ULB did not follow practice to debit WIP for expenditure incurred on Construction.
30	ULB did not prepare payment voucher as per BMAR , however payment made on the basis of bill raised by contractor followed by order passed in form of letter	ULB follow the procedure to pay from contractor MB, which has been prepared by JE.
31	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer	We will comply the same.
32	Details of repairs and maintenance has not been mentioned in log book	We will comply the same.
33	Non deposition of Tds and Non filing of TDS Return .	It will be done on or before due date now.
34	Compliances of internal audit paras	It will be complied.

Signature of Municipal Commissioner

M. Singh
 आयुक्त,
 नगरपालिका,
 भागलपुर



Bhagalpur Nagar Nigam

Discussion note

2019-20(Qtr-4)

Letter No.

Date: 20.06.2020

To

AP Sangziri & Co.

(Chartered Accountants)

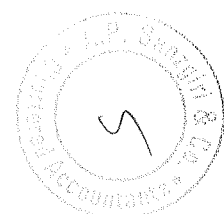
Subject: Regarding confirmation and discussion of documents not maintained and management comment in Audit report for F.Y. 2019-20 (Qtr-4)

We, Bhagalpur Nagar Nigam, discuss with internal auditor and confirm the following books of accounts/ documents/ file has not been maintained, hence we could not produce it:

S.N	Audit observation	Management comments
1	Non-Levy of taxes in IAR I. PART-A (a)1	Some of taxes is collected by other department of GOB. like professional tax; and there are many taxes in this para are not collected by ULB due to not providing services in this respect like fire tax, water tax Otherwise discussed in meeting of board and implement as soon as possible.
2	Late deposit of property tax	Property taxes deposited late due to lack of staff and over load work.
3	Notice fee Collection	Currently not collecting but it will be consider and collected as soon as possible.
4	Not prepared Payment voucher	Due to lack of revenue staff but It will be preparing as soon as possible .
5	Non-maintenance of books of accounts para ii-PART B (a)	Due to lack of qualified staff we could not maintain books of accounts which are not maintained.
6	Implementation of biometric devices and payroll software.	Implemented but salary processed manually. Very soon it will be operational.
7	Royalty not deposited	It will be deposited from now.
8	Labourcess not Deposited	It will be deposited from now.
9	Non-compliance of Act & Rules.	It will be complied.
10	Non-preparation of complete UC details.	It is prepared with the help of IA.



11	There is no Valuation Of stock in Nagar nigam.	We do not have any directivities/guidelines/instruction, issue by department for find valuation of stock.
12	Physical verification of inventory/Stores	ULB did not follow the practice of physical verification of stock. It will be regularized.
13	Vehicles are not insured.	Most of vehicles are insured rest in under process.
14	Contractual Employee: Non deposition of PF and ESI	There was a delay in depositing due to lack of fund but it is deposited very soon.
15	Bank a/c which are closed.	No any bank A/c closed yet.
16	Advances and their adjustment.	No Advances and loan given.
17	Municipal Account Committee	Constituted but no meeting held yet.
18	<p>I) Non preparation of receipt and payment A/C trial balance, income and expenditure A/C and balance sheet (financial statement.</p> <p>II) Implementation of DEAS.</p>	<p>I) It will be prepared by Tibrewal Chand & company appointed for implementation of double entry accounting system.</p> <p>II) Implementing agency is working on it.</p>
19	Non completion of survey of trade license	Survey work has done by RSI.
20	Non-preparation of rent collections and demand registers as per rule	It will be prepared.
21	Huge amount arrear of rent ,Holding tax, Mobile tower tax, advertisement tax and other taxes.	The collection are going on and notice will be issued to defaulters.
22	Break-ups of outstanding amount of Rent on Municipal Properties, Property Tax, Advertisement Tax, Mobile Tower Tax and Other Tax .	Detailed records has not been maintained but now we will maintain such type of records.
23	Advertisement tax charging	It is charged by tender.
24	Non maintenance of fixed assets register	It will be maintained.
25	Non- maintenance of	It will be maintained.



	procurements register	
26	Cash book and various registers like , issue register, bill register with payment fig., Register of Remittances made into bank, Statutory Deduction Register, Scheme Register. Is not maintained on regular basis.	It will be maintained.
27	Lack of internal control measures	It will be complied.
28	Insurance of vehicles.	Uninsured vehicles will be insured.
29	Directives compliances	No directives issued during period of qtr-4.
30	ULB did not prepare payment voucher as per BMAR , however payment made on the basis of bill raised by contractor followed by order passed in form of letter	ULB follow the procedure to pay from contractor MB, which has been prepared by JE.
31	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer	We will comply the same.
32	Details of repairs and maintenance has not been mentioned in log book	We will comply the same.
33	Late deposition of Tds .	It will be done on or before due date now.
34	Compliances of internal audit paras	It will be complied.
35	Whether expenditure on construction of work was debited to WIP & verified with MB maintained	ULB did not follow practice to debit WIP for expenditure incurred on Construction.
36	Depreciation is not charged on Fixed Assets.	ULB did not follow double entry accounting system , hence depreciation is not accounted in our book.
37	Non utilization of grant or grant unspent	Due to practical and operation issues, there are some cases of non-utilization of grant. It will be utilizing in future.

Signature of Municipal Commissioner

7/11/21
उप नि. आयुक्त
नगर पालिका
भागलपुर



BHAGALPUR MUNICIPAL CORPORATION
STATUS OF UTILIZATION CERTIFICATION FOR FY 2019-20

S.No	Head	Approval order and date	Sanctioned Amount	Expenses Incurred	Balance Amount	UC Submitted against Expenses	UC Pending Against Expenses	% of UC Submitted against expenses	% of UC Pending against expenses	Letter Number & Date of Submission of UC
1	Honorarium of city manager	26/20.06.2019	1.20	-	1.20	-	-	NIL	NIL	Unutilised Amount
2	14th finance	126/27.11.19	1,068.54	-	1,068.54	-	-	NIL	NIL	Unutilised Amount
3	5th finance	55/13.08.2019	2,116.92	-	2,116.92	-	-	NIL	NIL	Unutilised Amount
4	City manager	77/13.09.2019	2.40	-	2.40	-	-	NIL	NIL	Unutilised Amount
5	Cleaning system	46/06.8.2019	350.17	-	350.17	-	-	NIL	NIL	Unutilised Amount
6	5th finance	58/13.08.2019	2,045.34	-	2,045.34	-	-	NIL	NIL	Unutilised Amount
7	14th Finance	38/11.07.2019	1,068.55	-	1,068.55	-	-	NIL	NIL	Unutilised Amount

