



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

**INTERNAL**  
**Audit Report for**  
**F. Y.2019-20**

**Group 1**

**NAGAR PANCHAYAT**  
**RAFIGANJ**

**BY**

**A. P. SANZGIRI & CO.**

**Chartered Accountants**

PlotNo.22,HouseNo.174,AnandNagarLane,  
BehindVakolaPoliceStation,Santacruz(East), Mumbai  
400055. INDIA

Mob No.: +91-98333 44727 Fax: +91-22-26691233  
EmailId.:caayush.aps@gmail.com



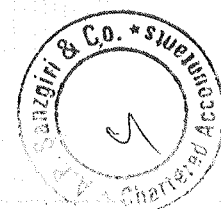
**A. P. SANZGIRI & CO.**

**CHARTERED ACCOUNTANTS**

Document History

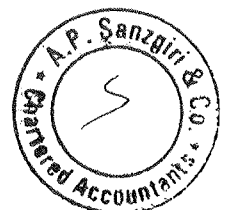
**Internal Audit**

<b>Project Title</b>	<b>Selection of Chartered Accountant Firms for Internal Audit of 140 ULBs of Bihar (Tender No. IA-140ULBs/2017-18/2018-19/2019-20) Group - 1 covering 19 ULBs"</b>
<b>Report Title</b>	<b>Internal Audit for FY 2019-20- of Nagar Panchayat Rafiganj</b>
<b>Reporting Entity</b>	<b>A P SANZGIRI &amp; Co., Chartered Accountants</b>
<b>Reporting for</b>	<b>Nagar Panchayat Rafiganj</b>
<b>Report Prepared by</b>	<b>Internal Audit Team of A P SANZGIRI &amp; Co., Chartered Accountants</b>
<b>Date of Submission</b>	<b>15.04.2021</b>



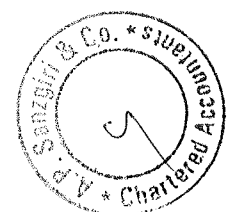
## Abbreviation and Acronyms

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:15-04-2021

To

**The Secretary**

Urban Development & Housing Department,

Patna-Bihar

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

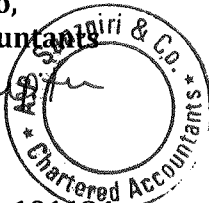
**Partner**

**Membership No:101134**

**FRN: 116293W**

**UDIN: 21101134AAAAJX8784**

**Date:16-09-2021**



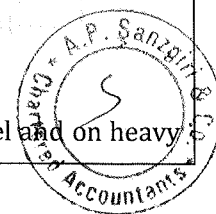
## Executive Summary

### 1. INTRODUCTION:

Name of the Municipality	-	Nagar PanchayatRafiganj
Period covered under Current Audit	-	01 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020
Name of Mayor	-	Smt. Gayatri Devi
Name of Executive Officer	-	Sri Sindhu Kamal

### 2. OBSERVATIONS AND FINDINGS:

<b>Strengths</b>	<ol style="list-style-type: none"><li>1. In the existing system as prevailing in the Nagar Panchayat, day to day working is in progressive manner in respect of collection of revenue and execution of the projects.</li><li>2. There is sufficient co-operation from the management during the course of our audit.</li><li>3. General Cash book is properly up-to-dated.</li></ol>
<b>Weaknesses</b>	<ol style="list-style-type: none"><li>1. No data related to outstanding dues is maintained by Nagar PanchayatRafiganj. Even no demand register is maintained by ULB.</li><li>2. 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 Panchayat has not been complied.</li><li>3. There is a vast difference between estimated budget and actual.</li><li>4. On physical verification of store it is found that insurance and registration of vehicles is not done.</li><li>5. Fixed assets register is not maintained by ULB.</li><li>6. BRS of all accounts has not been prepared</li><li>7. In most of the cases, shops established or running under the jurisdiction of ULB are running without trade licence as per the concerned officer.</li><li>8. In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.</li><li>9. Certain Statutory Registers and Books are not maintained.</li></ol> <p><b>10. Non Levy of Taxes:</b></p> <ul style="list-style-type: none"><li>• Surcharge on transfer of lands and buildings.</li><li>• Water Tax.</li><li>• Tax on advertisements, other than advertisements published in newspapers.</li><li>• Surcharge on electricity consumption within the municipal area.</li><li>• Tax on congregations.</li><li>• Tax on pilgrims and tourists.</li><li>• Tax on profession.</li><li>• Toll-tax on roads, bridges, ferries and navigable channel and on heavy</li></ul>



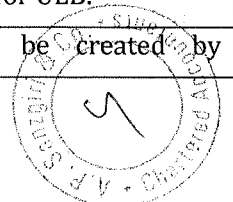
	<p>trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles.</p> <ul style="list-style-type: none"> <li>• User Charges for provision of water-supply, drainage and sewerage.</li> <li>• User Charges for Solid Waste Management.</li> <li>• User Charges for Parking Facility.</li> <li>• User Charges for Garbage Clearance.</li> <li>• Collection of fees for sanction of building plans and issue of completion certificates,</li> <li>• Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,</li> </ul> <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 1 to 36 days.</p> <p>12. ULB is not prepared monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p> <p>13. ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter.</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. ULB is currently not following the provision of BMAR for submission of financial statement and balance sheet to auditor.</p>
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**3. OPINION:**

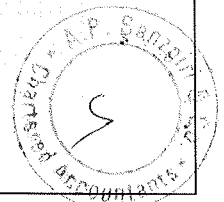
The management has to take stringent effort in forming accountability at various levels of the ULB, introducing reforms in financial management and accounting systems, development of strong internal control and organizational design of Municipalities, ensuring capacity building of the municipal personnel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

**4. AUDIT RECOMMENDATION:**

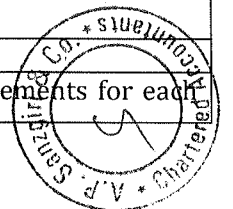
Observed Weaknesses	Audit Recommendations
No data related to outstanding dues is maintained by Nagar PanchayatRafiganj. Even no demand register is maintained by ULB.	ULB should maintained and update their demand register on regular basis for proper understanding of outstanding dues till date to be recover. Hence, it will be a huge loss of revenue for ULB.
Provision of Section 36 (a) (iii) of the Bihar	Internal Audit wing should be created by



Municipal Act, 2007 regarding internal auditor wing or Municipal Internal Auditor on the board of the Panchayat has not been complied.	employing the Municipal Internal Auditor on the Board.
There is a vast difference between estimated budget and actual.	Estimation should be based on the past experience and after considering the fact that how the condition might change in future though the provision of Section 82 of the Act regarding preparation of budget need to be complied.
On physical verification of store it is found that insurance and registration of vehicles is not done.	Insurance and Registration of all vehicles should be done.
Fixed assets register is not maintained by ULB	Fixed assets register should be maintained and updated properly with the assistance of DEAS team.
In most of the cases, shops established or running under the jurisdiction of ULB have not made payment for trade licence as per the concerned officer.	ULB should maintained proper register for registered shops and authorize them with Trade licence for proper collection and recovery of charges.
In some of the cases, statutory compliance of the ULB are not deposited timely and hence it incurs penalty and other charges.	As ULB is not proper in statutory compliances, that cause financial implication on ULB in mode of interest and penalty. So, ULB should ensure statutory compliance on time.
Certain Statutory Registers and Books are not maintained.	Statutory register and books of accounts should be maintained as per guidelines and BMAR.
<b>Non Levy of Taxes:</b> <ul style="list-style-type: none"> <li>• Surcharge on transfer of lands and buildings</li> <li>• Water Tax</li> <li>• Tax on advertisements, other than advertisements published in newspapers</li> <li>• Surcharge on electricity consumption within the municipal area</li> <li>• Tax on congregations.</li> <li>• Tax on pilgrims and tourists.</li> <li>• Tax on profession.</li> <li>• Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger</li> </ul>	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. ULB should take steps to implement required taxes to boost their revenue



<p>motor vehicles.</p> <ul style="list-style-type: none"> <li>• User Charges for provision of water-supply, drainage and sewerage</li> <li>• User Charges for Solid Waste Management</li> <li>• User Charges for Parking Facility</li> <li>• User Charges for Garbage Clearance</li> <li>• Collection of fees for sanction of building plans and issue of completion certificates,</li> <li>• Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings</li> </ul>	
<p>During verification of receipts book and deposit slips, we have noticed that there is gap in collection of tax and deposit of tax around 1 to 36 days.</p>	<p>As per Bihar Municipal Act, 2007 &amp; 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.</p>
<p>ULB is not prepared monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.</p>	<p>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 Chief Municipal Officer.</p>
<p>ULB is not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter</p>	<p>Currently ULB is sending on yearly basis and the same need to be complied on quarterly basis.</p>
<p>Non-preparation of fund wise statement in BMAR Form No. 71, 73 and 74 not later than 20th of the subsequent month.</p>	<p>As per BMAM-ULB are required to maintain fund wise receipts &amp; payments. As per BMAM, following funds should be maintained by ULB.</p> <ol style="list-style-type: none"> <li>1. Municipal General Fund</li> <li>2. Basic service for urban poor</li> <li>3. Water supply &amp; sewerage fund</li> <li>4. Solid Waste Management Fund</li> <li>5. Road Development &amp; Maintenance</li> <li>6. Enterprise Fund</li> </ol>
<p>Non Compliance of Rule 130 of BMAR in some of the cases.</p>	<p>ULB should ensure compliance related to Rule 130 of BMAR on regular basis.</p>
<p>BRS of all accounts has not been prepared.</p>	<p>It should be prepared.</p>
<p>ULB is currently not following the provision of</p>	<p>ULB should prepare financial statements for each</p>




<p>BMAR for submission of financial statement and balance sheet to auditor.</p>	<p>year and get it approved from municipal account committee. As per BMAR, audited financial statements are required to submit to auditor for audit.</p>
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**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*.

**6. ACKNOWLEDGEMENT**

During the course of Audit sufficient cooperation was provided by management.

On Behalf of A P Sanzgiri & Co.  
Chartered Accountants  
  
CA Satish Gupta  
Partner  
FRN: 116293W  
UDIN: 21101134AAAAA78784  
Membership No: 101134  
Date: 16-09-2021



## DETAILED AUDIT REPORT

### 1. INTRODUCTION:

Name Of ULB	Period-covered		Audit Team
	From	To	
Nagar Panchayat Rafiganj	1 <sup>st</sup> April 2019	31 <sup>th</sup> March., 2020	1. Team Leader : Satish Gupta 2. Name of CA: Raunak Agarwal 3. Name of Auditor-1: Raja Ansari

### 2. ADMINISTRATION:

Sl. No.	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. Gayatri Devi
2.1.1	Period of Service:	From: 09 <sup>th</sup> June, 2017 To: Till date
2.2	Name of Commissioner/Executive Officer:	Sri Sindhu Kamal
2.2.1	Period of Service:	From: 24 <sup>th</sup> January, 2019 To: Till Date

### 3. REVIEW OF OUTSTANDING AUDIT PARAS:

#### 3.1. Status of Audit Observations is as under:

Particulars of audit and date of report	Total no. of audit 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
Audit report submitted by AG for the F.Y. 2016-17	27	20	5	NIL	NIL	18	No.113 dated 18.02.2019
Internal Audit paras FY 2017-18 & 2018-19							Not Complied (Refer Discussion note)

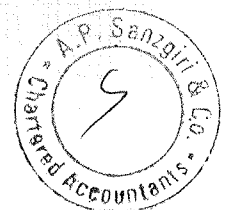
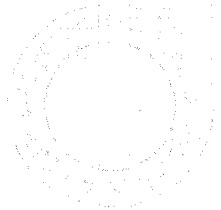
#### 3.2. DETAILS OF TOTAL NO OF AUDIT PARAS:

Period of AG audit report : 2016-17  
 Compliance report date & Number : 18.02.2019 Number 113



S.N.	Audit Para Number	Heading of the audit para	Amount involved	Recovery Proposed	Recovery Completed	Action Taken or Not
1	11	Shop Rent	3.45 Lakh	NIL	NO	NO
2	15	Mobile tower tax	8.55 lakh	NIL	NO	NO
3	18	Unauthorised Expenditure	18.77 Lakh	NIL	NO	NO
4	20	13 <sup>th</sup> F.C Expenses	8.52 Lakh	NIL	NO	NO
5	21	Unauthorised Daily wages expenses	7.85 Lakh	NIL	NO	NO

**Note:ULB did not provided the 22 audit para's out of 27 audit para's**



**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	25,35,29,580.00	22,95,33,000.00	23,41,25,500.00
Actual Expenditure Data	5,74,42,070.00	3,53,29,058.00	28,016,750.00
Savings(+)/Excess(-)	<b>19,60,87,510.00</b>	<b>19,42,03,942.00</b>	<b>206,108,750.00</b>

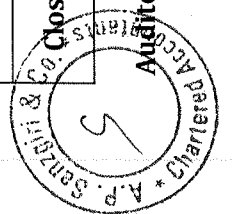
**Auditor's Comment:**

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

**II. VOLUME OF TRANSACTIONS**

Period	Budgeted for F.Y. 2019-20	2018-19 (Actual)	2017-18 (Actual)	2019-20 (Actual)	Cumulative for the current period
Opening balance	73,20,814.00	115,741,103.00	125,709,141.00	96,261,831.00	96,261,831.00
Receipts	22,76,46,500.00	15849786	47474032	54,080,312	54,080,312
<b>Total</b>	23,49,67,314.00	131,590,889.00	173,183,173.00	150,342,143.00	150,342,143.00
Net expenditure	23,41,25,500.00	35329058	57442070	28,016,750	28,016,750
<b>Closing balance</b>	8,41,814.00	96,261,831.00	115,741,103.00	122,325,393.00	122,325,393.00

**Auditor's Comment:**



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

### III. BANK RECONCILIATION POSITION AS ON REPORTING DATE

#### BANK RECONCILIATION POSITION AS ON 31.03.2020

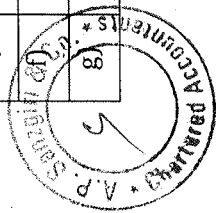
S.N	Name of Bank	Bank A/C No.	Purpose of Bank Account	Balance as per Cash Book	Balance as per Bank Statement	Differences	Reconciled (Yes/No)
1	Panjab Nation Bank	0841002100000358	Internal Resource	31,00,628.05	31,00,628.05	-	Yes
2	State bank of India	31590400061	Salary/Pension	5,91,640.90	5,91,640.90	-	Yes
3	Panjab Nation Bank	0841000101273072	13th Finance	14,355.00	14,355.00	-	Yes
4	ICICI	132501000674	SBM	Not updated	Not updated	-	No
5	Panjab Nation Bank	0841000101294206	4th Finance	1,092.28	1,092.28	-	Yes
6	Panjab Nation Bank	0841000101334832	E-Governance	1,03,132.50	1,03,132.50	-	Yes
7	INDIAN BANK	6412516128	House for All	13,24,882.00	13,24,882.00	-	Yes
8	INDIAN BANK	765154019	BRGF	95,543.00	95,543.00	-	Yes
9	INDIAN BANK	6368906570	SBM	1,10,380.00	1,10,380.00	-	Yes
10	PLA	245		10,38,69,741.00	10,38,69,741.00	-	Yes



**IV. REVENUE & CAPITAL RECEIPTS INFORMATION:**

**INCOME DETAILS (Amounts In Rupees)**

S. No.	Details	2017-18		2018-19		2019-20	
		2017-18 (ACTUAL)	2016-17 (ACTUAL)	2018-19 (ACTUAL)	2017-18 (ACTUAL)	2019-20 (ACTUAL)	2018-19 (ACTUAL)
	<b>Total Receipts (A+B)</b>	4,74,74,032		1,58,49,786	4,74,74,032	54,080,312	1,58,49,786
A	Revenue Receipts (1+2+3)	1,64,80,418		1,58,49,786	1,64,80,418	6,330,376	1,58,49,786
<b>1</b>	<b>Own Revenue Receipts (a+b)</b>	48,05,334		84,02,620	48,05,334	1,850,668	84,02,620
a)	Tax Revenue(Collected by ULB)	33,70,084		78,93,024	33,70,084	1,221,501	78,93,024
i)	Property tax	21,84,635		6,08,513	21,84,635	1,167,501	6,08,513
ii)	Other tax (Collected by ULB)	11,85,449		7,28,45,11	11,85,449	54,000	7,28,45,11
b)	Non-tax revenue (Collected by ULB)	14,35,250		5,09,596	14,35,250	629,167	5,09,596
i)	Fees & fines	35,321		28,166	35,321	66,694	28,166
ii)	User Charges	0		0	0	23,217	0
iii)	Other non-tax revenue (Collected by ULB)	13,99,929		4,81,430	13,99,929	539,256	4,81,430
<b>2</b>	<b>Other Revenue Receipts</b>	8,06,702		1,27,029	8,06,702	11,548	1,27,029
a)	Income from interest/investments	4,12,723		1,27,029	4,12,723	11,548	1,27,029
b)	Other Revenue income	3,93,979		0	3,93,979	-	0
<b>3</b>	<b>Transfers/Grants/Assigned Revenues</b>	1,08,68,382		73,20,137	1,08,68,382	4,468,160	73,20,137
a)	State Assigned Revenue	1,08,68,382		73,20,137	1,08,68,382	4,468,160	
b)	State Finance Commission Grants						73,20,137
c)	Octroi compensation						
d)	Other State Government Transfers						
e)	Central Finance Commission (CFC) Grant						
	Other Central Government Transfers						
	Others						



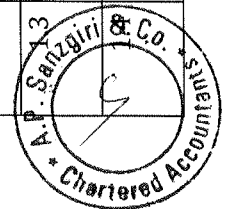
B	Capital Receipts	3,09,93,614	3,09,93,614	47,749,936	-
1	Sale of Municipal Land	-	-	-	-
2	Loans (from State Govt. Or Banks etc.)	-	-	-	-
3	State Capital Account Grant	1,84,96,347	1,84,96,347		
4	Central Capital Account Grant (under Central)	1,24,97,267	1,24,97,267	26,200,182	-
5	Other Capital Receipts	-	-	21,549,754	-

**Auditor's Comment:**

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

**V. REVENUE AND CAPITAL EXPENDITURE INFORMATION.**

EXPENDITURE DETAILS (Amounts In Rupees )									
S.N	Details	2017-18		2018-19		2019-20		2019-20	
		(ACTUAL)	(ACTUAL)	(ACTUAL)	(ACTUAL)	(ACTUAL)	(ACTUAL)	(ACTUAL)	(ACTUAL)
	Total Expenditure (1+2)	5,74,42,070		3,53,29,058	5,74,42,070	28,016,750		3,53,29,058	
1	Revenue Expenditure	4,04,34,206		1,57,98,629	4,04,34,206	14,419,772		1,57,98,629	
1.1	Administrative Expenses, Establishment and Salaries (All Departments-Regular and Cont.)	58,64,177		39,68,497	58,64,177	3,198,645		39,68,497	
1.2	Operation and Maintenance	83,60,428		79,89,829	83,60,428	7,168,991		79,89,829	
	Loan repayment (Interest payments)	-		-	-	86		-	
	Others (any other revenue expenditure )	2,62,09,601		38,40,303	2,62,09,601	4,052,050		38,40,303	



2	Capital Expenditure	1,70,07,864	1,70,07,864	1,95,30,429	1,70,07,864	13,596,978	1,95,30,429
2.1	All developmental works under Central/State	1,68,82,664	1,68,82,664	1,76,58,566	1,68,82,664	13,519,407	1,76,58,566
2.2	Loan Repayments(Principal Amount)	-	-	-	-	-	-
2.3	Other Capital expenditure	1,25,200	1,25,200	18,71,863	1,25,200	77,571	18,71,863

**Auditor's Comment:**

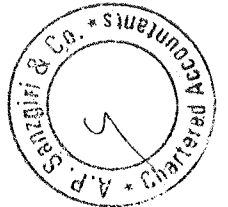
The cash book prepared by ULB in such way that we could not bifurcated or separated data as required in above mentioned format .The above figures have been taken from the Budget Statement of the ULB for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. Financial Statement i.e. Audited Balance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

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

Appointed agency currently not working for implementation of Double Entry Accounting System. **Refer Discussion Note**

**VII. STATUS OF MEETING OF MUNICIPAL ACCOUNTS COMMITTEE:**

Municipal Accounts committee has been formed, but no meeting held then after. **Refer Discussion Note**



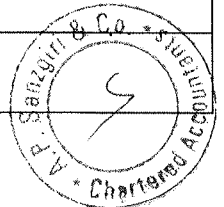
**5. AUDIT OBSERVATION:**

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

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

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

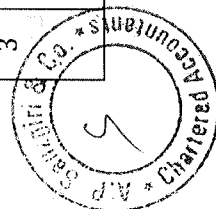
SN	Head	Comments																																							
1	<b>Objective</b>	The main objective of audit of taxes is to check whether all taxes which are covered under Bihar Municipal Act, 2007, is levied and collected by the ULB. Further to check whether taxes are levied and collected according to applicable provisions and rules.																																							
2	<b>Criteria</b>	We have checked list of all the taxes which to be levied and collected by the ULB as per Act. Further we have checked Syah Register, Receipt book, cashier cash book and accountant cash book etc.																																							
3	<b>Condition</b>	As per section 127, 128, 129 & 131 of chapter XV Bihar Municipal Act, 2007, various taxes are applicable on ULBs to increase their own source revenue. <b>In case of Nagar Panchayat Rajganj</b> , The following mentioned tax/charges are not implemented that leads to loss of revenue to corporation:																																							
		<table border="1"> <thead> <tr> <th>S.No</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>NO</td> </tr> <tr> <td>3</td> <td>Fire tax.</td> <td>NO</td> </tr> <tr> <td>4</td> <td>Tax on advertisements, other than advertisements published in newspapers</td> <td>NO</td> </tr> <tr> <td>5</td> <td>Surcharge on electricity consumption within the municipal area</td> <td>NO</td> </tr> <tr> <td>6</td> <td>Tax on congregations.</td> <td>NO</td> </tr> <tr> <td>7</td> <td>Tax on pilgrims and tourists.</td> <td>NO</td> </tr> <tr> <td>8</td> <td>Tax on profession.</td> <td>NO</td> </tr> <tr> <td>9</td> <td>Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.</td> <td>NO</td> </tr> <tr> <td>10</td> <td>User Charges for provision of water-supply, drainage and sewerage</td> <td>NO</td> </tr> <tr> <td>11</td> <td>User Charges for Solid Waste Management</td> <td>NO</td> </tr> <tr> <td>12</td> <td>User Charges for Parking Facility</td> <td>NO</td> </tr> </tbody> </table>	S.No	Particulars	Implemented by ULB or Not	1	Property tax on lands and buildings.	YES	2	Surcharge on transfer of lands and buildings	NO	3	Fire tax.	NO	4	Tax on advertisements, other than advertisements published in newspapers	NO	5	Surcharge on electricity consumption within the municipal area	NO	6	Tax on congregations.	NO	7	Tax on pilgrims and tourists.	NO	8	Tax on profession.	NO	9	Toll-tax on roads, bridges, ferries and navigable channel and on heavy trucks which shall be heavy goods vehicles, and buses, passenger motor vehicles.	NO	10	User Charges for provision of water-supply, drainage and sewerage	NO	11	User Charges for Solid Waste Management	NO	12	User Charges for Parking Facility	NO
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		13	User Charges for Garbage Clearance	NO
		14	Collection of fees for sanction of building plans and issue of completion certificates,	NO
		15	Collection of fees for Issue of municipal licenses for various non-residential uses of lands and buildings,	NO
		16	Collection of Fees for issue of birth and death certificates.	YES
		17	Collection of Development Charges	No
4	<b>Consequences/Effect</b>	No levy of taxes will be resulted revenue loss of ULB.		
5	<b>Cause</b>	There is lack of standard policies and instructions from department. In some cases policies are prepared by it is not followed by the ULBs.		
6	<b>Corrective Action/ Recommendation</b>	It is recommended that department should prepare uniform policies for levy and collection of taxes in proper manner and on due time. Further capacity building programmes should be held for ULBs staff and awareness about these taxes should be done.		
7	<b>Management Comments</b>	Kindly refer discussion note attached with the report.		

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

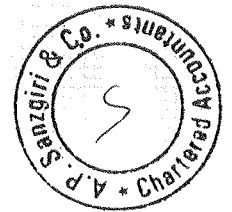
SN	Head	Comments
1	<b>Objective</b>	As per Bihar Municipal Act, 2007 & Rules 22 of BMAR-2014 the amount of tax collected by the Tax collector is required to be handed over to cashier and deposited into bank on the same day on which collection is made. To check compliance of these provisions, we have carried audit of such type of cases.
2	<b>Criteria</b>	We have checked respective books in order to carry the audit and some cases were checked on random basis.
3	<b>Condition</b>	During verification of receipts book and deposit slips, we have noticed that there is gap period in collection of tax and deposit of tax around 01-36 days. Details of such cases are given in <b>Annexure-1</b> .



4	<b>Consequences/Effect</b>	In respect of above in most of the cases property tax has not been deposited on same day of collection which resulted in interest loss to ULB.
5	<b>Cause</b>	It is explained by concern person that due to non-availability of human resources the same issues arises.
6	<b>Corrective Action/ Recommendation</b>	It is recommended that tax collector/cashier should deposit the collected money into bank on same day itself and if he fails to do the same, necessary action should be taken by the ULB management in such cases.
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>

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

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



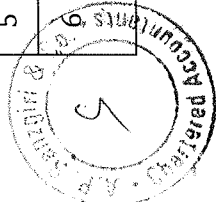
**OBSERVATION-4: RECOVERY OF OUTSTANDING TAXES/RENTAL INCOME**

**A. RECOVERY OF OUTSTANDING PROPERTY TAX**

SN	Head	Comments
1	Objective	ULB is authorized to collect holding tax from households situated in the municipal area and Property tax have major role in the internal revenue of ULB.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	No data of information has been provided from where we can extract outstanding balance as on 31.03.2020.
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	<b>Kindly refer discussion note attached with the report.</b>

**B. RECOVERY OF LICENCE FEE**

SN	Head	Comments
1	Objective	ULB authorized to charge Licence fee in municipal are as per act/rule.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	No data of information has been provided from where we can extract outstanding balance as on 31.03.2020.
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.



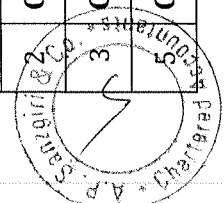
7	Management Comments	Kindly refer discussion note attached with the report.
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**C. RENT INCOME**

SN	Head	Comments
1	Objective	ULB authorized to charge rent from municipal properties.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	No data of information has been provided from where we can extract outstanding balance as on 31.03.2020.
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.
6	Corrective Action/ Recommendation	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	Management Comments	Kindly refer discussion note attached with the report.

**D. MOBILE TOWER TAX**

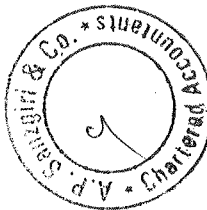
SN	Head	Comments
1	Objective	ULB is authorized to collect tax from telecom companies for mobile towers installed in the municipal area.
2	Criteria	It is checked from progress report prepared by ULB
2	Condition	No data of information has been provided from where we can extract outstanding balance as on 31.03.2020.
3	Consequences/Effect	It leads in shortage of fund for ULB and loss of revenue.
5	Cause	No proper explanation in this regard given by ULB.



6	<b>Corrective Action/ Recommendation</b>	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>

**E. OTHER TAX**

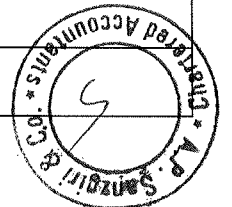
SN	Head	Comments
1	<b>Objective</b>	ULB is authorized to collect other various types of taxes/fee.
2	<b>Criteria</b>	It is checked from progress report prepared by ULB
2	<b>Condition</b>	No data of information has been provided from where we can extract outstanding balance as on 31.03.2020.
3	<b>Consequences/Effect</b>	It leads in shortage of fund for ULB and loss of revenue.
5	<b>Cause</b>	No proper explanation in this regard given by ULB.
6	<b>Corrective Action/ Recommendation</b>	Notice should be issued to the assessee's on regular interval for recovery of outstanding dues.
7	<b>Management Comments</b>	<b>Kindly refer discussion note attached with the report.</b>



**(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	<p>1. During F.Y. 2019-20 following payment has been checked :</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Name</th> <th>Nature of Payment</th> <th>Gross Amount</th> <th>Approved</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>09.07.2019</td> <td>Taraqqee NGO</td> <td>Door to Door</td> <td>7,41,000</td> <td>7,41,000</td> <td rowspan="3">Short deduction of TDS of Rs. 1,526</td> </tr> <tr> <td>09.08.2019</td> <td>Taraqqee NGO</td> <td>Door to Door</td> <td>7,41,000</td> <td>7,41,000</td> </tr> <tr> <td>09.08.2019</td> <td>Taraqqee NGO</td> <td>Door to Door</td> <td>7,41,000</td> <td>7,41,000</td> </tr> <tr> <td>April'19</td> <td>SitaramYadav</td> <td>Hire charges</td> <td>20,100</td> <td>20,100</td> <td rowspan="2">No irregularity found</td> </tr> <tr> <td>May'19</td> <td>SitaramYadav</td> <td>Hire charges</td> <td>20,100</td> <td>20,100</td> </tr> <tr> <td>June'19</td> <td>SitaramYadav</td> <td>Hire charges</td> <td>20,100</td> <td>20,100</td> <td></td> </tr> <tr> <td>Q-1 of F.Y. 19-20</td> <td>Bharat super coal briquettes industries.</td> <td>Supplier</td> <td>1,30,660</td> <td>1,30,660</td> <td>No quotation has been found.</td> </tr> <tr> <td>03.10.2019</td> <td>Taraqqee NGO</td> <td>Garbage cleaning</td> <td>7,41,000.00</td> <td>6,55,405.00</td> <td>No irregularity found</td> </tr> </tbody> </table>	Date	Name	Nature of Payment	Gross Amount	Approved	Remarks	09.07.2019	Taraqqee NGO	Door to Door	7,41,000	7,41,000	Short deduction of TDS of Rs. 1,526	09.08.2019	Taraqqee NGO	Door to Door	7,41,000	7,41,000	09.08.2019	Taraqqee NGO	Door to Door	7,41,000	7,41,000	April'19	SitaramYadav	Hire charges	20,100	20,100	No irregularity found	May'19	SitaramYadav	Hire charges	20,100	20,100	June'19	SitaramYadav	Hire charges	20,100	20,100		Q-1 of F.Y. 19-20	Bharat super coal briquettes industries.	Supplier	1,30,660	1,30,660	No quotation has been found.	03.10.2019	Taraqqee NGO	Garbage cleaning	7,41,000.00	6,55,405.00	No irregularity found
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15.11.2019	Taraqquee NGO	Garbage cleaning	7,41,000.00	6,33,849.00
04.12.2019	Taraqquee NGO	Garbage cleaning	7,41,000.00	6,45,824.00
31.10.2019	Suresh Kumar Ram	14 <sup>th</sup> F.C. (Contractor)	2,69,794.00	2,69,794.00
29.11.2019	Bablu Singh	Contractor	1,16,753.00	1,16,753.00
29.11.2019	Bablu Singh	Contractor	1,71,100.00	1,71,100.00
Jan'2020	Taraqquee NGO	Garbage cleaning	7,41,000.00	6,67,725.00
Feb'2020	Taraqquee NGO	Garbage cleaning	7,41,000.00	6,70,694.00
06.03.2020	Sudeshwar Kumar	5 <sup>th</sup> F.C.	4,26,451.00	4,26,451.00
12.03.2020	MahendraYadav	5 <sup>th</sup> F.C.	2,99,899.00	2,99,899.00
12.03.2020	Sudhir Kumar	5 <sup>th</sup> F.C.	2,70,581.00	2,70,581.00
12.03.2020	Ashok Kumar	14 <sup>th</sup> F.C.	6,11,296.00	6,11,296.00
12.03.2020	Issa Koraisi	14 <sup>th</sup> F.C.	1,99,623.00	1,99,623.00

NA

4 Consequences/Effect

No such cases were identified during audit.

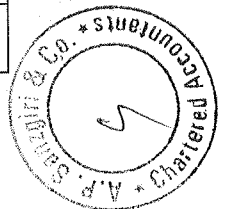
5 Cause

6 Corrective Action/Recommendation

Management can implement standard checklist for each payment so that irregularities in payments can be avoided.

7 Management Comments

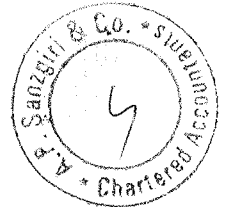
NA



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

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

SN	Head	Comments
1	<b>Objective</b>	Field survey and report of 20 high value properties of ULB and report on the basis of area of building, rate of property tax etc of the same. Comparison with the data of same property provided by the ULB and report on variance between them if available.
2	<b>Criteria</b>	Survey was done for 20 High value properties.
3	<b>Condition</b>	We have checked twenty high value assessed property and found no such variances.
4	<b>Consequences/Effect</b>	Irregularities in this area may cause short recovery of revenue receipt and it will result in loss to the ULB.
5	<b>Cause</b>	Not Applicable
6	<b>Corrective Action/Recommendation</b>	Management need to carry survey of properties on regular interval.
7	<b>Management Comments</b>	Refer Discussion Note

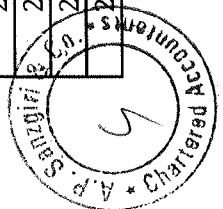


**PART-B: ALL AUDIT OBJECTIONS/IRREGULARITIES WHICH HAS MONETARY IMPLICATION, BUT SIGNIFICANT VIOLATION OF ACT, RULES & DIRECTIVES OF UD & HD, MENTION THE REFERENCE TO ACT & RULES WHEREIN REMEDIAL MEASURE IS REQUIRED:**

**(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/ Maintained	Not	Last date of Update
1	Cash Book-Cashier	MAINTAINED		31.03.2020
2	Cash Book-Accountant	MAINTAINED		31.03.2020
3	Collection Register	MAINTAINED		31.03.2020
4	Cheque issue Register	MAINTAINED		31.03.2020
5	Register of Advance	NOT MAINTAINED		
6	Register of Permanent Advance	NOT MAINTAINED		
7	Deposit received register	NOT MAINTAINED		
8	Summary statement of deposit adjusted	NOT MAINTAINED		
9	Demand Register	NOT MAINTAINED		
10	Summary Statement of Bills Raised	NOT MAINTAINED		
11	Register of Notice Fees, Warrant Fees, Other Fees	NOT MAINTAINED		
12	Summary Statement of Notice Fees, Warrant Fees, Other Fees	NOT MAINTAINED		
13	Register of Refunds, Remissions and Write off	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	NOT MAINTAINED		
17	Document Control Register/Stock Account Receipts/Cheque Book	NOT MAINTAINED		
18	Fixed Assets Register	NOT MAINTAINED		
19	Summary Statement of Demand Raised on assessment	NOT MAINTAINED		
20	Summary Statement of Head wise Collection of Other Income	MAINTAINED IN DCR		31.03.2020
21	Summary Statement of Refunds	NOT MAINTAINED		
22	Summary Statement of Write off	NOT MAINTAINED		
23	Grant Register	NOT MAINTAINED		
24	Summary Statement of status of Capital Work in Progress	NOT MAINTAINED		
25	Work Sheet	NOT MAINTAINED		
26	Deposit Works Register	NOT MAINTAINED		



27	Material Receipt Note	NOT MAINTAINED	
28	Store Ledger	NOT MAINTAINED	
29	Statement of Closing Stock	NOT MAINTAINED	
30	Statement of Material Issued	NOT MAINTAINED	
31	BRS of all bank accounts (including dormant accounts)	MAINTAINED	31.03.2020
32	Final Accounts for the F.Y. 2012-13 to 2017-18	NOT MAINTAINED	
33	Audited Balance Sheet	NOT MAINTAINED	
34	Audited Income & Expenditure Account	NOT MAINTAINED	
35	Audited Receipts & Payment Account	NOT MAINTAINED	

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

**1. COMPLIANCE REGARDING TENDER ISSUED BY THE ULBS:**

**Management comments:** During the audit period of F.Y. 2019-20 no Tender has been issued.

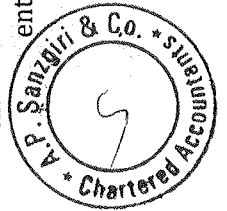
**2. DETAILS OF LOG BOOK MAINTAINED:**

All vehicle and Machinery **Except JCB** has been given on hire to Taraquee NGO, a agency appointed for cleaning within municipality area. Because of "Right to Operation has been Transfer to NGO" the log book in respect of these Vehicle has not been maintained by ULB.

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
JCB	YES	YES	NO	NO

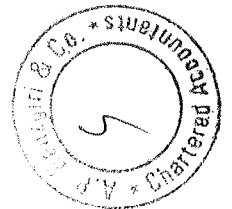
**Management Comment:**

- i. It will be authorised by concerned official for JCB log book.
- ii. Rafiganj ,ULB, assets in respect of which log book can be maintained has been given on hire to tarakki NGO, with whom a contract entered for cleaning in rafiganj; hire charges has been deducted from bill raised, for cleaning contract.
- iii. The issues raised by Auditor for rate of hire charges of vehicle shall be put before board meeting and accordingly a written agreement will be entered as soon as possible.



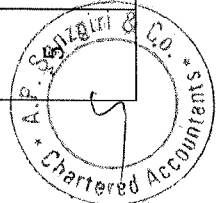
**(C) NON-COMPLIANCE OF DIRECTIVES BY UD&HD. GOB:**

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 No.- 1497; 30.10.2019 Dated-	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

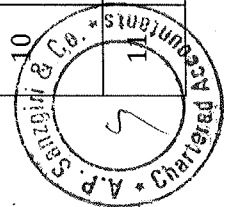


**(d) NON-COMPLIANCE OF ACT & RULES:**

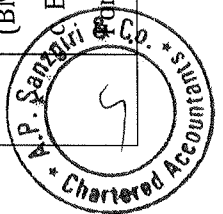
Sl. No.	Requirement	Criteria	Auditors Comment	Auditor Comments
1	The amount of tax collected by the Tax collector is required to be handed over to the cashier and deposited into bank on the same day on which collection is made	BMAR Rule No.-22	<b>Refer point: Part-A (a) (2)</b> As per verification of receipt book it is noted that there was average delay of 1 to 36 days in collection and deposit of tax into bank	<b>(Refer Discussion Note)</b>
2	Whether every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	BMAR Rule No.- 27	Yes, Every bill collector or municipal employee entrusted with the collection of municipal revenue was supplied with a Collection Register in BMAR Form 17 and receipt books.	
3	Whether the collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.	BMAR Rule No.- 27	Yes, Collection register was in the personal custody of the bill collector and the particulars in It shall be written up from the original receipts issued at the time of collection.	
4	Whether bill collector get its verified collection register as well as the receipt books in his charge to the Revenue inspector/Revenue Officer or the designated staff of the Municipality	BMAR Rule No.- 27	The ULB has maintained properly collection register as well as the receipt books in respect of issue & deposit.	
	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	BMAR Rule No.- 27	<b>Refer point: Part-A (a) (2)</b> As per verification of receipt book it is noted that there was average delay of 1to	



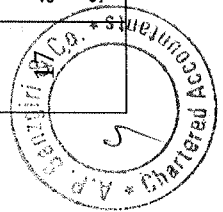
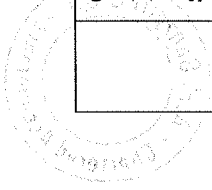
	acknowledgment in the collection register.			36 days in collection and deposit of tax into bank.	
6	Whether Grant Register as prescribed in BMAR Form 28 was maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.	BMAR Rule No.- 69		No Proper Grant Register is maintained by ULB.	We are under process to prepare grant register. <b>(Refer Discussion Note)</b>
7	Whether specific grants, which have certain conditions attached for utilizing such grants including the requirement to use it for capital purposes or use it in a particular proportion or manner. Usually such grants have requirements for submitting utilization certificates e.g. Finance Commission grant, SFC grant for specific purpose, namely, road repairs. It is the responsibility of the Chief Municipal Officer that the conditions attached to the grant are complied with without exception.	BMAR Rule No.- 69		ULB is now preparing the UC and submitting to department.	
8	Whether The grant received for a specific purpose was diverted for any other purpose.	BMAR Rule No.- 69		No irregularities in this regard was observed.	
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		Yes, the same has been prepared and sent to department.	
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		See Note Below	It will be refund to UD & HD. <b>(Refer Discussion Note)</b>
	Whether The Chief Municipal Officer prepare a fund	BMAR Rule		No, ULB was not preparing a fund wise	Currently it is not prepared, However we will proceed



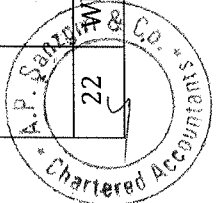
	wise statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month.	No.- 120	statement of receipts and payments in BMAR Form No. 71 not later than 20th of the subsequent month	further. (Refer Discussion Note)
12	Whether ULB prepare monthly Trial balance in BMAR Form No. 72 by extracting all ledger balances under various Account Codes as certified by the Chief Municipal Officer.	BMAR Rule No.- 121	No, ULB was 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.	ULB not following to prepare Trial Balance, Income & Expenditure on monthly basis. It will be prepare after implementation of double entry Accounting System.
13	Whether ULB sent the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter	BMAR Rule No.- 121	The ULB was not sending the Demand Statement in BMAR Form No. 23 and Trial Balance to the Director of Local Bodies in soft copy as well as hard copy for each quarter at the end of month following each quarter.	(Refer Discussion Note)
14	The Chief Municipal Officer shall, Within three months after the end of each financial year be prepared financial statements for the preceding year in respect of the accounts of the Municipality. <b>The Financial Statements shall comprise of</b> a. Receipts and Payments Account for the year (BMAR Form No.71) b. Income & Expenditure Statement for the year (BMAR Form No.73) Balance Sheet as on 31st March of the year (BMAR Form No.74)	BMAR Rule No.- 122	<b>BMAR Rule No. - 122</b> it was not followed by ULB during the F.Y. 2019-20.	ULB is not in practice to prepare Trial Balance, Income and Expenditure and Balance Sheet. It will be prepared after implementation of Double entry Accounting System.



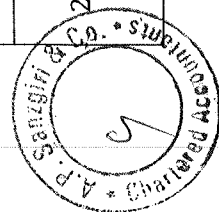
	<p>d. Significant accounting policies adopted by the Municipality in presentation of the financial statements.</p> <p>e. Notes to Accounts, which shall disclose Contingent liabilities, and such other information as, may be useful in understanding the financial statements clearly.</p> <p>f. Comparative amounts shall be entered on the financial statements for the preceding financial year except. In the case of the first year to which those rules apply</p>			
15	<p>Whether the municipality is regular in depositing statutory dues including tax deducted at source, GST, TDS on GST, service tax, VAT, works contract tax, cess payable to the government etc. and If not, the nature and cause of such delay and the amount not deposited: (BMAR Rule No.-130)</p>	<p>BMAR Rule No.-130</p>	<p><b>Refer PART-B (f)</b> We observed that ULB was not regular in compliance of statutory dues.</p>	<p><b>(Refer Discussion Note)</b></p>
16	<p>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)</p>	<p>BMAR Rule No.-130</p>	<p><b>Refer PART-B (g)</b> We cannot comment on employees related to statutory compliance, as related records was not made available for audit.</p>	<p><b>(Refer Discussion Note)</b></p>
	<p>Whether all transactions (incomes, expenditures, assets and liabilities) are correctly classified and stated In sufficient detail;</p>	<p>BMAR Rule No.-130</p>	<p>Not stated sufficient details.</p>	<p><b>(Refer Discussion Note)</b></p>



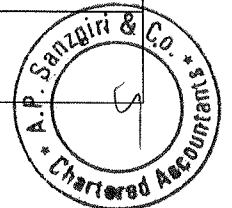
18	Whether all grants sanctioned or received by the municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the ULB? Whether such deductions have been properly accounted;	BMAR Rule No.-130	Yes, all grants sanctioned or received by the municipality during the year have been accounted properly and where any deduction is made out of such grants towards any dues of the ULB. The ULB has made such deductions properly accounted but not accounted on time.	<b>(Refer Discussion Note)</b>
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.	<b>(Refer Discussion Note)</b>
20	Whether the ULB is maintaining proper records showing full particulars, including quantitate details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	BMAR Rule No.-130	ULB was not maintaining fixed assets register for the financial year 2019-20. Further no, fixed assets physically verified report was made available to comment upon.	<b>(Refer Discussion Note)</b>
21	Whether in case of leasehold property given by the ULB, lease rentals are collected regularly by the ULB and that the lease agreements are renewed after their expiry;	BMAR Rule No.-130	No details regarding lease hold property was made available to comment upon.	Notice will be send for non payment of lease rent. And matter renewal of such lease rent shall be put before board and implement accordingly.
22	Whether there exists an adequate internal control	BMAR Rule	Yes, ULB followed adequate internal	<b>(Refer Discussion Note)</b>



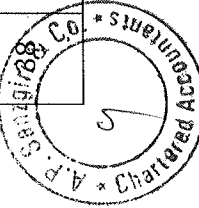
	procedure for the purchase of stores, including components, plant and machinery, equipment and other assets?	No.-130	control procedure for the purchase of stores, including components, plant and machinery, equipment and other assets.	
23	Whether any expenses of personal nature of the Officers or employees 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	<b>Refer Point-04 (III)</b> Yes, ULB is not preparing bank reconciliation for all bank accounts maintained.	
25	Whether the year-end and reconciliation procedures prescribed have been carried out as per the rules;	BMAR Rule No.-130	Yes, the same has been prepared.	
26	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget. whether made originally or subsequently and are in all cases such as are authorized by Act;	BMAR Rule No.-130	Yes.	
27	Whether all revenue has been properly assessed, accounted for, collected and recovery action taken on timely basis;	BMAR Rule No.-130	<b>Refer-PART-A (a)(4)</b> Yes, ULB has properly assessed and accounted revenue. But collection and recovery of taxes was in slow pace that's why there was arrear of taxes in ULB, which leads to loss of revenue to ULB.	<b>(Refer Discussion Note)</b>
28	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as	BMAR Rule No.-130	<b>Refer-PART-A (a)(2)</b> Yes, all sum due to and received by the ULB have been brought to account within	<b>(Refer Discussion Note)</b>



	are authorized by Act;		the prescribed time limits and in all cases such as are authorized by Act. Except; In case of deposit of daily tax collection, which is deposited on average 1-36 days after collection.	
29	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order;	BMAR Rule No.-130	Yes, the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order	
30	Whether, proper books of account as required by the Act and Rules have been kept by the Municipality so far as it appears from examination of those books. (Rule-130 of BMAR-2014)	BMAR Rule No.-130	<b>Refer-PART-B (a)</b> No, Some required books of accounts as per BMAM/BMAR has not been maintained.	<b>(Refer Discussion Note)</b>
31	Whether physical verification has been conducted by the ULB at reasonable intervals In respect of stores;	BMAR Rule No.-130	No store verification report was made available during the reporting period to comment upon.	<b>(Refer Discussion Note)</b>
32	Whether the procedures of physical verification of stores followed by the ULB are reasonable and adequate?	BMAR Rule No.-130	No, procedures of physical verification of stores followed by the ULB has been provided to comment upon.	<b>(Refer Discussion Note)</b>
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.	BMAR Rule No.-130		

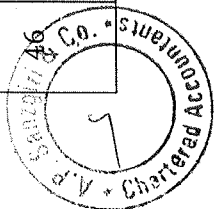


	has been made In the accounts;				
34	Whether the valuation of stores is in accordance with the accounting principles laid down In the rules? Whether the basis of valuation of stores is same as in the preceding year? If there is any deviation in the basis of valuation, the effect of such deviation, if material, should be reported;	BMAR Rule No.-130			
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	<b>Refer-PART-B (J)</b> As per information provided by concern officer No Such loan and advances has been provided.	No advance has been given by ULB. <b>( Refer Discussion Note)</b>	
36	Whether advances given to municipal employees and interest thereon are being regularly recovered;	BMAR Rule No.-130		No advance has been given by ULB. <b>( Refer Discussion Note)</b>	
37	Bihar Municipal Accounting Manual, 2014, every year budget should be prepared for receipts and expenditure in Performa 75, 77 and 80 Preparing Budgets as per the Rules framed under Bihar Municipal Accounts Rule 2014. Rule 132 regarding Public Participation in Preparation Of Budget. Moreover, as required under provisions of Rule 139, mid -year review of Budget.	BMAR Rule No.-132	No details was provided		
	<b>Municipal Fund:</b> Whether ULB has created required fund as mentioned in chapter IX of BMA-2007	BMA,2007: Chapter IX	No, ULB is using single entry accounting system, so there was no fund was	Will be consider and created accordingly.	

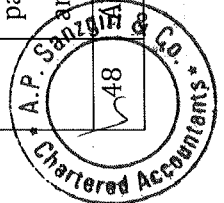





43	<p><b>Maintenance of accounts.</b> Whether the Commissioner/ Chief Municipal Officer prepared and maintained accounts of receipts and expenditure of the Municipality in such form, and in such manner, as may be prescribed,</p>	BMA,2007: Chapter XII	As ULB was following single entry accounting system. So receipts and payments details were being maintained in form of cash book. Audited receipts & payments account as per BMAM was not prepared by ULB.	<i>(Refer Discussion Note)</i>
44	<p><b>Financial Statement.</b> Whether The Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality,</p>	BMA,2007: Chapter XII	No, ULB was not preparing a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality.	<i>(Refer Discussion Note)</i>
45	<p><b>Submission of financial statement and balance sheet to auditor.</b> The financial statement prepared under section 88 and the balance sheet of the assets and the liabilities prepared under section 89 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after examination of the same, shall adopt and remit them to the Auditor as may be appointed in this behalf by the State Government.</p>	BMA,2007: Chapter XII	No, Financial Statements were not provided for audit by ULB.	<i>(Refer Discussion Note)</i>
46	<p><b>As per section 127, 128, 129 &amp; 131 of chapter XV Bihar Municipal Act,2007 various tax are applicable on ULBs</b></p>	BMA,2007: Chapter XV	Refer-PART-A (a) (1) for status of taxes not collecting by ULB.	<i>(Refer Discussion Note)</i>



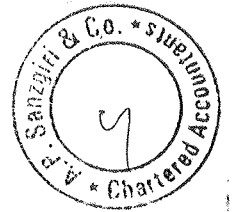
<p>Section 145,146 and 147 of the Bihar Municipal Act 2007 chapter XVII provides for Advertisement tax on Advertisement in Urban Areas. Chapter XVII of the Bihar municipal Act, 2007 required license of Advertisement of any holding, etc. As per act Every person who erects, exhibited, fixes or retain upon or over any land, building ,wall, boarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement, or display any advertisement to public view in any manner whatsoever (including any advertisement exhibited by means of cinematograph),visible from a public street a public place in any location in a municipal area including airport or a port or a railway station ,shall pay or every advertisement, which is so erected ,exhibited, fixed or retained or so displayed to public view, a tax calculated at such rate as may be determined regulations. it requires payment of certain fee for advertisement.</p>			
<p>47</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><b>(Refer Discussion Note)</b></p> <p><b>Refer-PART-A(a)(3)</b> No, ULB is not issuing notice fees to defaulter and collecting notice fees.</p>
	<p>BMA,2007:</p>	<p>No, ULB is not collecting trade license fee</p>	



	<p>Trade license fee is to be collected from different types of Trader, who are trading in Concerned Municipal area.</p>	<p>Chapter XXXVII</p>	<p>from different types of Trader, who are trading in Concerned Municipal area. Although many of them even are not registered as per concerned officer.</p>	
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Note- Following are the Grant remains Unutilised for long period:

S.N.	Name of Fund	Amount	Last date of Transaction / Utilised	No. Of year Outstanding
1	LED Light	20,00,000.00	29.03.2016	4 Years
2	MMPI	36,13,795	29.03.2016	4 Years
3	Water supply	1,86,00,000.00 (approx)	29.03.2016	Not Identified



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

- a. Necessary sub-ledger is not maintained by the ULB. For instance register of fuel, fitkari, alum, bleaching power etc. not maintained separately. So that the actual amount of expenditure from cash book could not be verified.
- b. Stock Register is not updated properly
- c. In respect of budget, realistic approach is not adopted by the ULB in preparation of budget
- d. Appropriate staff is not appointed at appropriate places
- e. No MIS was prepared for tracking of payments
- f. Required books of accounts as per BMAM was not maintained
- g. Statutory compliance reconciliation was not maintained
- h. Management and board both are not taking any action to increase ULBs Own Revenue by recovering earlier pending taxes (outstanding).

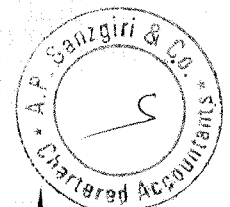
**(f). NON-COMPLIANCE OF TDS, VAT AND OTHER RELEVANT STATUTE**

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

SN	Month	Total TDS deducted	Due date of deposit	Actual Date of deposit	Cheque/ Challan Number
	April 19	20,100	07.05.2019	Not deposit	00003
	May 19	56,60,56	07.06.2019	Not deposit	
	June 19	66,67,81	07.07.2019	Not Deposit	
	July'19	14,820.00	07.08.2019	29.06.2020	
	Aug'19	14,820.00	07.09.2019	29.06.2020	
	Sep.'19	63,930.00	07.10.2019	29.06.2020	
	Oct'19	14,820.00	07.11.2019	29.06.2020	
	Nov'19	70,644.00	07.12.2019	29.06.2020	
	Dec.'19	14,820.00	07.01.2019	29.06.2020	
	Jan'20	14,820.00	07.02.2020	29.06.2020	
	Feb'20	37,623.00	07.03.2020	29.06.2020	
	March'20	83,121.00	07.04.2020	29.06.2020	

**Total 15,82,355.00**

**2. DETAILS OF DELAY IN DEPOSIT OF VAT ARE MENTIONED BELOW:**Thereis no liability of VAT for F.Y. 2019-20



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

SN	Month	Total Royalty deducted	Deposited/Not Deposited	Cheque/Challan Number
	July'19	14,820.00	Deposited	00013
	Aug'19	60,293.00		
	Sep.'19	1,15,734.00		
	Oct'19	34,671.00		
	Nov'19	7,297.00		
	Dec.'19	0.00		
	Jan'20	-		
	Feb'20	1,60,159.00		
	March'20	2,01,580.00		
	<b>Total</b>	<b>5,94,554.00</b>		

**Note:**The Panchayat did not paid any sum to contractors against which liability for royalty arise during first quarter i.e. April to June of 2019-20.

**10. DETAILS OF DEPOSIT OF LABOUR CESS ARE MENTIONED BELOW:**

SN	Month	Total LC deducted	Deposit/Not Deposited	Cheque/Challan Number
	July'19	-	Not Deposited	Not Deposited.
	Aug'19	30,147.00		
	Sep.'19	63,432.00		
	Oct'19	17,336.00		
	Nov'19	3,644.00		
	Dec.'19	0.00		
	Jan'20	-		
	Feb'20	78,395.00		
	March'20	1,00,422.00		
	<b>Total</b>	<b>2,93,376.00</b>		

**Note:** The Panchayat did not paid any sum to contractors against which liability for labour cess arise during first quarter of 2019-20.

**11. DETAILS OF DEPOSIT OF TDS ON GST ARE MENTIONED BELOW:**

SN	Month	Total GST-TDS deducted	Actual Date of deposit	Cheque/Challan Number
	July'19	-	-	NA
	Aug'19	41,110.24	26.09.2019	19091000028651
	Sep.'19	1,16,103.30	12.10.2019	19091000097563
	Oct'19	22,004.00	21.11.2019	19111000008811
	Nov'19	64,068.00	18.12.2019	19121000010865

	Dec.'19	0.00	NA	NA
	Jan'20	-	-	-
	Feb'20	1,27,082.00	12.03.2020	20021000131862
	March'20	1,89,364.00	14.04.2020	
	<b>Total</b>	<b>5,59,731.54</b>		

**Note There is no liability of TDS on GST during first quarter of 2019-20.**

**12. DETAILS OF TDS RETURNS FILLED ARE MENTIONED BELOW:** No return has been filed for Q-4 of F.Y. 2019-20.

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

Sl. No.	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	No Salary voucher prepared
3	Matching of voucher number with cash book	As salary voucher not prepared, hence there is no question of matching.
4	Salary register contains all elements of salary	YES
5	Maintenance of Salary Deduction register	YES, maintained in salary register
6	Whether deduction of PF/ESI made from contract employee	NO
7	Whether biometric devices and payroll software is implemented in ULB. If Yes, then is it integrated with accounting software	Not installed yet.

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

**1.1 Permanent Employee:** During audit of Panchayat we have observed that no amount of PF has been deposited to EPFO A/C during the financial year 2019-20.

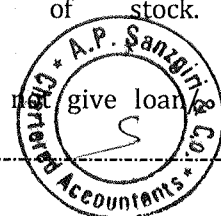
**1.2 Contractual Employee:** During audit of Panchayat we have observed that no amount of PF has been deposited to EPFO A/C during the financial year 2019-20.

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

SN	Head	Details
h(1)	STATUS OF UC	Refer Annexure and discussion note.
h(2)	STATUS OF USE OF GRANT AS PER DEFAULT ALLOCATION	Specifically grant allocation details has not been maintained, however it is maintained in grant register. <b>(Refer Discussion Note)</b>

**(i) PHYSICAL VERIFICATION OF INVENTORY/STORES** Refer point 31-40 PART-B (d). ULB did not follow the practice of physical verification of stock.  
**(Refer Discussion Note)**

**(j) ADVANCES, THEIR** Refer point 35-36 PART-B (d), ULB did not give loan



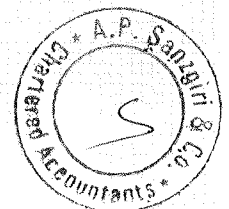
**ADJUSTMENT & RECOVERY** advance, hence there are no case of adjustment and recovery.  
(Refer Discussion Note)

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

**III. PART-C**

Sl. No.	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 :	Complied Refer-PART-B(d)
	<b>Rule 22:</b> All moneys to be brought to account	
	<b>Rule 27:</b> Collections to be deposited into Bank on the same day	
	<b>Rule 69:</b> Grant Related Compliance	
	<b>Rule 120-121:</b> Monthly Receipt & Payment Account and Trial Balance	
	<b>Rule 130:</b> Audit to be completed & reported within 6 month	
D	Report on Compliance of financial guidelines of schemes of MOHUA &UD&HD, GoB.	Complied Refer-PART-B(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. 15,000/-	Complied Refer-PART-B(b)
H	Auditor should Report on presence or absence of a system of issuance of utilisation certificate for the different schemes for any utilisation	Complied Refer-PART-B(h)

	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.	
I	Auditor should report instances of losses, failures or inefficiencies and recommendations and/or measures which can be taken to avoid their recurrence in future.	Complied Refer-Audit Recommendation
J	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies.	Complied Refer-PART-B(b)
K	Internal Auditor will report on each payment, that the payment terms & conditions of tenders and rate offers are according to procurement law and policies	Complied Refer-PART-B(b)
L	Auditor will report on that the fixed deposit and other funds should be in nationalized Banks/Approved financial institutions and should earn maximum interest at their gestation period.	Complied Refer-PART-B(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)**

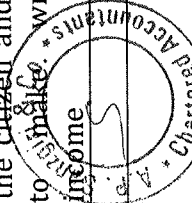
**RISK ASSESSMENT**

Name of the ULB: NAGAR PANCHAYAT RAFIGANJ

SN	Observations	Risk Rating	Design Gap	System Gap	Operating Gap	Management Comment	Auditor Recommendations
<b>DEMAND GENERATION</b>							
1	Loss of Revenue due to under assessment/ wrong generation of demand	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	Collusion with citizen regarding assessment	NA	NO	NO	NO		
3	Non-updating various register like hand book, DCB register, Assessment register, etc.	M	NO	NO	YES	Instructions given to the staff for updation of books of accounts on time.	Books of accounts should be updated on real time basis and ULB management should check it on regular interval.
4	Others	NA	NA	NA	NA		

**RECEIPT AND BANKING**

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



<b>REVENUE EXPENDITURE</b>											
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	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	NA	NA	NA
5	Non-updating various register like billregister with payment figureetc.	M	NA	NA	NA	YES	We have shortage of skilled employees and due to this we are facing problem like this.	NA	NA	NA	Bill registers etc should be update on real time basis transaction.
6	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>ESTABLISHMENT EXPENDITURE</b>											
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with Employee	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Non-updating various register like billregister with payment figureetc.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>CAPITAL EXPENDITURE</b>											
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Collusion with Contractor	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register like workregister, MB, bill register, Fixed Assetsregister, Service book/record, avanceregister, etc.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>PROCUREMENT AND INVENTORY</b>											
1	Error in Over Payment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Loss of supporting documents	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Loss of authentication/ Procedural	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

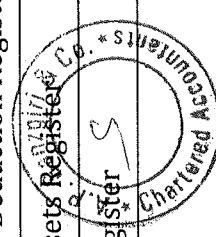


4	Collusion with Employee	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Perpetrated Fraud (Like Payment more than one time on same bill)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Non-updating various register likes store register, issue register, bill register with payment fig, advance register, etc.	M	NA	YES	NA	NA	NA	NA	NA	NA	NA	It is recommended to maintain the same and it should be cross checked on regular interval by competent authority to mitigate fraud.
7	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>GRANT AND LOANS AND UTILIZATION THEREOF</b>												
1	Not utilization of grant or grant un-spent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Not furnishing of UC	H	NA	NA	NA	NA	NA	YES	NA	NA	NA	UC must be furnished on time as per specified guidelines and format.
3	Non fulfillment of condition part thereto	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Perpetrated fraud (Like payment more than 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	NA	NA	NA	NA	NA	YES	NA	NA	NA	Grant register, work register, bill register with payment fig, advance Register etc. must maintain.
6	Others	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>FIXED DEPOSIT AND INVESTMENT</b>												
1	Not deposited at appropriate time (loss of revenue)	NA	NA	NA	NA	NA	NA	NA	NA	NA	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,	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



**LIST OF IMPORTANT REGISTERS**

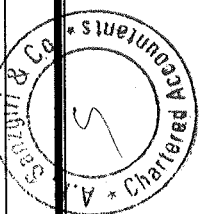
1		Nagar Panchayat Rafiganj			
2		HIGH			
3 COMPLIANCE REPORT SUBMITTED					
SN	Particulars	Audit Observation	Associates Risk	Management Comment	Status (Resolved or not)
1	Cash Book	Maintained	NA	NA	NA
2	Ledger	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved
3	Journal	Not Maintained	HIGH	Will be maintained from upcoming year.	
4	Register for Journal/Magazines/Newspapers	Not Maintained	HIGH	Will be maintained from upcoming year.	
5	Register for Temporary Advances	Not Maintained	HIGH	Will be maintained from upcoming year.	
6	Register of Money Orders/Bank Draft Received	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	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved
11	Bill Register	Maintained	NA	NA	NA
12	Establishment Register	Not Maintained	HIGH	Will be maintained from upcoming year.	Not Resolved
13	Stock Register	Maintained	NA	NA	NA
14	Capital Goods/ Consumable articles, non-consumable articles	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
15	Statutory Deduction Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
16	Fixed Assets Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
17	Grant Register	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved



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	Not Maintained	HIGH	Will be maintained from upcoming year	Not Resolved
21	Dispatch Register	Maintained	NA	NA	NA
22	File Register	Maintained	NA	NA	NA
23	Any other (Name of the register)	NA	NA	NA	NA



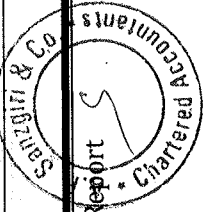
<b>CASH AND BANK</b>						
<b>Name of the ULB</b>		Nagar Panchayat Rafiganj				
<b>RISK RATING:</b>		HIGH				
<b>CAG OBSERVATIONS STATUS</b>		COMPLIANCE REPORT SUBMITTED				
<b>PERIOD:</b>		Q-40 F.Y. 2019-20				
<b>S.N</b>	<b>Particulars</b>	<b>Audit Observation</b>	<b>Amt. Involved</b>	<b>Associates Risk</b>	<b>Management Comment</b>	<b>Status (Resolved /Not)</b>
1	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 )	No, the same has not been prepared.	NA	High	It will be reconciled	No



7	Check whether no any fraud payment or payment to other person has been made,	No such case found payments selected for audit	NA	NA	NA	NA
8	Whether bank statement for all account have been promptly received from bank.	YES	NA	NA	NA	NA
9	Number of Bank accounts maintained	10 bank accounts are maintained.	NA	Medium	Will issue instructions to staff to collect monthly statements from bank	No
10	Original copy of cancelled receipt is attached with duplicate copy with "CANCELLED" marked on it.	Not Maintained	NA	High	It will be implemented now onwards	No
11	Liability for stale cheques account review is done and necessary reversal entries are passed	Done	NA	NA	NA	NA
12	Any other	NA	NA	NA	NA	NA



PUBLIC WORKS						
	NAME OF THE ULB	Nagar Panchayat Rafiganj				
	RISK RATING:	HIGH				
	CAG OBSERVATIONS STATUS	COMPLIANCE REPORT SUBMITTED				
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

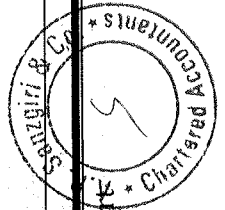






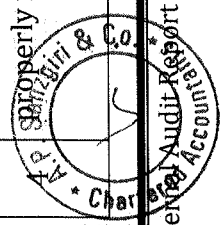
Collection							
Nagar Panchayat Rafiganj							
HIGH							
COMPLIANCE REPORT SUBMITTED							
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)	
1	Whether collection procedure are as per guidelines/direction of ULB,	No, Further collection is 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 ,	No demand register produced before Auditor. Further as per information given by concern officer there is no demand register.	NA	High	We will consider the matter and solve accordingly.	Not Resolved	
3	Whether collection are made in the same receipt Vouchers which has been issued/ authorized by ULB/ state government & it should be clearer mentioned of different head & not any alteration, & the carbon copy of receipt vouchers are properly vouched so that no any variation in posting the same.	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,	Collection are bifurcated in DCR , however 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)	Yes, same has been deposited	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

<b>DEMAND</b>						
	<b>NAME OF THE ULB</b>	<b>Nagar Panchayat Rafiganj</b>				
	<b>RISK RATING:</b>	<b>HIGH</b>				
	<b>NAME OF TAX COLLECTOR</b>					
<b>S.N</b>	<b>Particulars</b>	<b>Audit Observation</b>	<b>Amt. Involved</b>	<b>Associates Risk</b>	<b>Management Comment</b>	<b>Status (Resolved /Not)</b>
1	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
	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

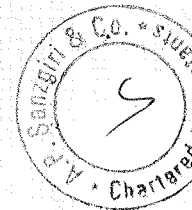


Internal Audit Report

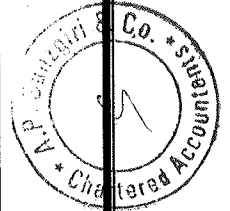
		suffering revenue loss for not revising method of valuation.				
5	Whether any refund/remission granted are admissible under the law and that have been duly sanctioned,	Yes, in case of taxes remission/discount is given to households but there is no mechanism to trace that this refund or remission was 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 incalculation/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



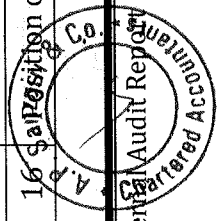
		to recover dues from them.				the same.	
13	Whether penalty (@2% P.M/ 1.5%) has been charged on late payment,	We have checked transactions on random basis and it is found that penalty is charged.	NA	NA	NA	NA	NA
14	Whether Demand, Collection & Balance Register has been prepared on daily basis for all receipts or not, & it would be authorized by proper authority or not,	Demand, Collection and Balance register is not maintained by the ULB.	NA	High	Due to lack of staff, it is difficult to maintain on daily basis.	No	NA
15	Whether there are adequate safeguard on data has been operated or not,	Yes	NA	NA	NA	NA	NA
16	Whether self assessment property tax return for payment of property tax has been filed by the assesses in the prescribed format,	We have checked transactions on random basis and it is found that SAF is implemented.	NA	NA	NA	NA	NA
17	Whether there is any collusion with customer/holding w.r.t. assessment, payment, etc.	No such instances found	NA	NA	NA	NA	NA



ESTABLISHMENT						
NAME OF THE ULB		Nagar Panchayat Rafiganj				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether establishment expenditure is sanctioned by authorised person & it has been within sanctioned limit,	Yes, it has been authorized by appropriate person within limit.	NA	NA	NA	NA
2	Whether service log book has been maintained & up to date or not,	It is not produced before us during audit.	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	We did not maintain, however same will be maintained from upcoming time.	No
4	Whether each employee has unique identification number & it has been referred in all matter in relation to service book Whether payment made to employee has been verified with attendance register/logbook,	No such practice followed by ULB to assigned separate identity to each employee with unique number.	NA	Medium	We do not have any instructions for this matter.	No
5	Whether service book for calculation of payable has been authorized by the proper person,	Service book was not produced before us during audit hence we are not able to comment on it.	NA	NA	We did not maintain, however same will be maintained from upcoming year.	No



6	Whether account department has prepared the advice & instructed the bank for the payment as per advice,	Yes	NA	NA	NA	NA
7	Whether undistributed amount of pay & allowance as shown in cash book matched with balance of undistributed salary balance,	No such case observed.	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
9	Whether disbursement of pay & allowance are duly recorded in books & accepted by employee specifying separate hade with date of receive (In case of arrear),	Yes	NA	NA	NA	NA
10	Whether the bill prepared according to sanctioned scale,	Yes	NA	NA	NA	NA
11	Whether no any payment is made to employee whose service retired in any Manner	No such instances found	NA	NA	NA	NA
12	Whether no any withdrawal is made unless supported by last pay-in-slip, except in case of new appointment,	No such instances found	NA	NA	NA	NA
13	Whether all statutory deduction or adjustment has been made before payment,	Yes	NA	NA	NA	NA
14	To check compliance of rules in regard to establishment matters viz., travel, daily allowance, leave, advances (House building and vehicle advance etc.) and settlement thereof.	Yes	NA	NA	NA	NA
15	To check salary bills.	No Salary bill is prepared by the ULB.	NA	Medium	It will be implemented in future.	No
16	Disposition of outstanding advances paid to Employees	NA	NA	NA	NA	NA

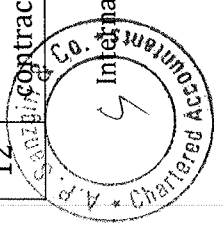


17	To check deduction of provident fund and ESI has been made as per rules	Yes, it is deducted.	NA	NA	NA	NA
18	Whether PF slips are issued to the employees on yearly basis and to see whether all the statutory returns for PF are submitted to the concerned authorities.	Neither PF slip provided to its employees nor return submitted	NA	NA	NA	NA
19	To check whether salary bill is prepared in such a manner that it gives breakup of the amount of bill and all adjustments such as deduction of PF, TDS and other advances and loans etc.	No salary bill prepared by ULB; however a register containing of all details of deduction and their adjustment has been maintained.	NA	Low	Salary Bill will be prepared from now.	No
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	No

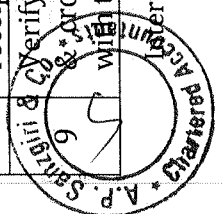




PAYMENT OF BILLS OF CONTRACTORS						
NAME OF THE ULB		Nagar Panchayat Rafiganj				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Original bill duly signed by contractors is submitted.	We have checked this on random 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



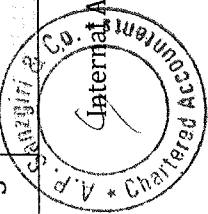
RECEIPT VOUCHER						
NAME OF THE ULB		Nagar Panchayat Rafiganj				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether "Receipt Vouchers" are in the prescribed format & having machined serial number & there is no any manuscript form,	Yes	NA	NA	NA	NA
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".	Not Maintained	NA	High	We will look this matter and follow and implement accordingly.	Not Resolve
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	High	We will maintained	Not Resolve
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 &	Yes	NA	NA	NA	NA



	their circle							
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	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	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	NA
13	Verify that any cancelled vouchers have in both original & carbon copy,	Yes.	NA	NA	NA	NA	NA	NA
14	Verify whether reversible carbon has been used during receipt.	Yes	NA	NA	NA	NA	NA	NA

**Other Revenue**

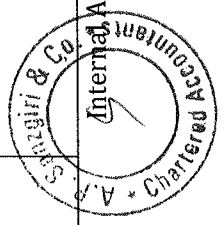
1	Advertisement Tax	No such record provided by ULB	NA	High	We will implement necessary step for recovery very soon.	No
2	Tower Tax	No such record provided by ULB	NA	High	We will implement necessary step for recovery very soon.	No
3	Professional Tax	NA	NA	NA	NA	NA
4	Assigned Revenue (As details annexed)	NA	NA	NA	NA	NA
5	Rental Charges (As details annexed)	No such record provided by ULB	NA	High	We will implement necessary step for	No



							recovery very soon.	
6	Fee & uses Charges (As details annexed)	NA	NA	NA	NA	NA	NA	NA
7	Other Revenue Items	No such record provided by ULB	NA	High	NA	We will implement necessary step for recovery very soon.	No	

REVENUE EXPENSES								
Nagar Panchayat Rafiganj								
Medium								
S.N	NAME OF THE ULB	RISK RATING:	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
			Whether there is bifurcation of responsibility towards person making payment & person preparing MB, receipt of goods, maintenance of Payment file, etc.,	Yes, the hierarchy is maintained toward contracts work assigned.	NA	NA	NA	NA

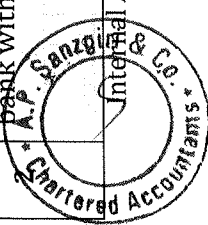
5	Whether updation of accounts/books are on proper & timely basis,	No	NA	Medium	Due to lack of human resources the same issues has been arise.	No
6	Whether authorized person verify & sign the document involve,	Yes	NA	NA	NA	NA
7	Whether data base for the same has been properly maintained & safeguard measures 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 basis of bill raised by service provider	No



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
17	Confirm whether goods/assets received/accepted on or before 31 <sup>st</sup> 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
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
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
20	Whether entry of any event during service has been made in service book by authorized person.	No	NA	NA	NA	NA

**STATUTORY REQUIREMENT**

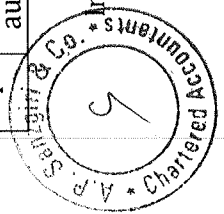
<b>NAME OF THE ULB</b>		Nagar Panchayat Rafiganj				
<b>RISK RATING:</b>		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether deduction of TDS on payment has been made as per law, Whether TDS deducted are timely deposited into bank with same amount,	Yes No. Deducted amount of TDS is not deposited on timely basis as prescribed in Law.	NA	NA	NA	NA



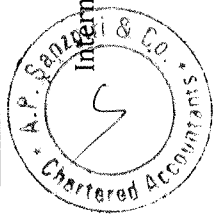
3	Whether regulatory requirement for submission of Return has been followed,	No. Return for TDS, GST and PF has not submit on or before due date.	NA	High	Ok, we will comply.	No
4	Whether any deduction is made in any act, must be deposited as per their respective act,	Yes, deposited but not on timely 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**

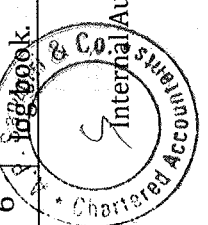
Nagar Panchayat Rafiganj						
HIGH						
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	To check whether the provisions contained in Tender Advertisement for procurement were followed in award of contracts.	Yes, there is no deviation found	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 safeguarding the interest of corporation.	Yes	NA	NA	NA	NA
4	The purchase proposal was approved by the competent authority as per delegation of powers	Yes	NA	NA	NA	NA



5	Indent for purchase indicates the details of quantity required, last purchase rate, period for which stores are needed and name of consignee.	NA	NA	NA	NA	NA	NA
6	Approval of mode of procurement	NA	NA	NA	NA	NA	NA
7	The tender documents are prepared properly and description of items to be procured, quantity and estimated value should be indicated.	NA	NA	NA	NA	NA	NA
8	To check whether the direction were followed for notification/advertising and opening of bids at notified date, time and place in the presence of bidders.	Yes, direction in this regard followed by ULB	NA	NA	NA	NA	NA
9	Award of contract and its execution is as per procedure and guidelines issued by the Govt. of India in view of conditions agreed with the Development partners (DFID, World Bank, & European Union etc.)	NA	NA	NA	NA	NA	NA
10	To check whether bids were evaluated in terms of the provisions of the bid documents and the evaluation report was available.	Yes	NA	NA	NA	NA	NA
11	To check whether contract was awarded to the lowest evaluated responsive bidders, who fulfilled qualification requirements, specified in the tenders documents.	Yes, ULB awarded contract to lowest bidder.	NA	NA	NA	NA	NA
12	In case of negotiations of prices, it should be checked whether the negotiation was made with L1 bidder and all the relevant records thereof were available.	NA	NA	NA	NA	NA	NA
13	To check whether articles were received/work was completed in time as per delivery schedule.	Yes	NA	NA	NA	NA	NA
14	The stores/goods are properly recorded in the Stock Registers / Asset Register.	Yes	NA	NA	NA	NA	NA
15	Whether any complaint was received regarding procurement and payment and existence of mechanism for Redressal of Complaints	No such case observed	NA	NA	NA	NA	NA

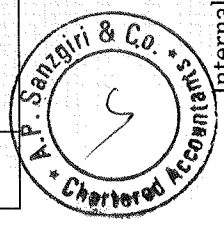


VEHICLE LOG BOOK						
NAME OF THE ULB		Nagar Panchayat Rafiganj				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Whether logbook has maintained or not & up to date with proper details like journeys, work undertaken, 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 follow.	No
6	Whether authorized person have proper check over logbook.	Yes	NA	NA	NA	NA

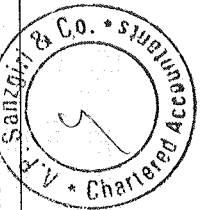


Internal Audit Report

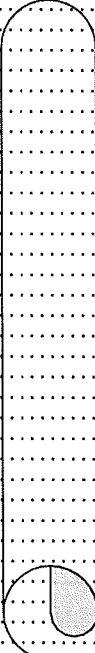
FIXED ASSETS						
NAME OF THE ULB		Nagar Panchayat Rafiganj				
RISK RATING:		HIGH				
S.N	Particulars	Audit Observation	Amt. Involved	Associates Risk	Management Comment	Status (Resolved /Not)
1	Status on Maintenance of Fixed Assets Register	Not Maintained	NA	High	We will maintain from now.	No
2	Budget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



**H INADEQUATE MONITORING OF TAX DEDUCTED AT SOURCE AND AS DEPOSITED**



**Implication/ Risk**

HIGH

**Recommendation**

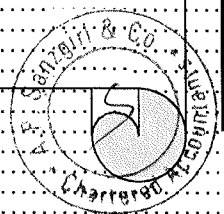
Deducted amount of TDS is not deposited on timely basis as prescribed in Law.

**Management Comments**

We will deposit on prescribed due date from next time.

Person Responsible:

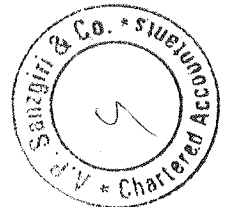
Timeless:



**ANNEXURE-1 : DELAY IN DEPOSIT OF PROPERTY TAX  
ULB- RAFIGANJ**

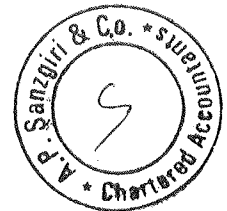
**INTERNAL AUDIT REPOR- QTR-1 OF 2019-20**

Sl. No	Serial Number		Amount of Tax	Date of Collection as per Receipts Booked	Amount Deposited with Cashier	Delay in deposit with cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To						
1	320	332	17775.00	01.04.2019 to 15.04.2019	16.04.2019	1-15	30.04.2019	14
2	404	428	43187.00	09.04.2019 to 20.04.2019	20.04.2019	1-11	30.04.2019	10
3	431	440	12657.00	04.04.2019 to 29.04.2019	30.04.2019	1-25	30.04.2019	-
4	333	345	14724.00	18.04.2019 to 26.04.2019	30.04.2019	1-11	30.04.2019	-
5	441	457	109510.00	02.05.2019 to 03.05.2019	03.05.2019	-	24.05.2019	21
6	458	470	30621.00	04.05.2019 to 10.05.2019	10.05.2019	1-6	24.05.2019	14
7	471	483	8705.00	10.05.2019 to 24.05.2019	24.05.2019	1-14	24.05.2019	-
8	346	365	21844.00	02.05.2019 to 21.05.2019	25.05.2019	1-22	31.05.2019	6
9	484	500	11340.00	29.05.2019 to 20.06.2019	22.06.2019	1-24	29.06.2019	7
10	366	385	28966.00	25.05.2019 to 22.06.2019	26.06.2019	1-31	29.06.2019	3
11	386	400	28704.00	24.06.2019 to 28.06.2019	28.06.2019	1-3	29.06.2019	1
12	601	613	25251.00	20.06.2019 to 25.06.2019	28.06.2019	1-7	29.06.2019	1
13	614	628	19039.00	25.06.2019 to 28.06.2019	28.06.2019	1-2	29.06.2019	1
14	629	630	3002.00	29.06.2019	29.06.2019	-	29.06.2019	-
15	288	300	12967.00	01.04.2019 to 06.04.2019	22.04.2019	1-21	30.04.2019	8
16	501	517	20542.00	06.04.2019 to 24.04.2019	24.04.2019	1-17	30.04.2019	6
17	518	528	9048.00	24.04.2019 to 30.04.2019	30.04.2019	1-2	30.04.2019	-
18	529	543	8798.00	02.05.2019 to 27.05.2019	28.05.2019	1-25	31.05.2019	3
19	544	580	19301.00	03.06.2019 to 25.06.2019	27.06.2019	1-23	29.06.2019	2
20	581	587	15259.00	27.06.2019 to 28.06.2019	28.06.2019	-	29.06.2019	1
21	588	600	29591.00	29.06.2019 to 10.07.2019	15.07.2019	1-9		



**ANNEXURE-1 : DELAY IN DEPOSIT OF PROPERTY TAX  
ULB- RAFIGANJ  
INTERNAL AUDIT REPOR- Q-2 OF 2019-20**

Sl. No	Serial Number		Amount of Tax	Date of Collection as per Receipts Book	Amount Deposited with Cashier	Delay in deposit with cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To						
1	631	640	10,534.00	01.07.2019 to 09.07.2019	15.07.2019	1-15	29.07.2019	14
2	588	600	29,591.00	29.06.2019 to 10.07.2019	15.07.2019	1-17	29.07.2019	14
3	801	808	17,709.00	12.07.2019 to 18.07.2019	19.07.2019	1-7	29.07.2019	10
4	809	819	16,158.00	25.07.2019 to 30.08.2019	30.08.2019	1-36	31.08.2019	1
5	820	836	16,259.00	02.09.2019 to 25.09.2019	30.09.2019	1-28	31.09.2019	1
6	701	712	19,194.00	01.07.2019 to 11.07.2019	15.07.2019	1-15	29.07.2019	14
7	713	727	38,714.00	22.07.2019 to 29.07.2019	30.07.2019	1-8	31.07.2019	1
8	641	655	19,782.00	16.07.2019 to 24.07.2019	30.07.2019	1-14	31.07.2019	1
9	728	729	1,03,935.00	02.08.2019 to 05.08.2019	06.08.2019	1-4	20.08.2019	14
10	656	659	5,820.00	02.08.2019 to 14.08.2019	17.08.2019	1-15	20.08.2019	3
11	730	742	22,441.00	09.08.2019 to 20.08.2019	29.08.2019	1-20	30.08.2019	1
12	660	675	18,308.00	19.08.2019 to 30.08.2019	31.08.2019	1-12	31.08.2019	-
13	743	745	36,956.00	02.09.2019 to 06.09.2019	09.09.2019	1-7	09.09.2019	-
14	741	760	17,277.00	13.09.2019 to 24.09.2019	30.09.2019	1-17	30.09.2019	-
15	676	688	17,778.00	12.09.2019 to 28.09.2019	28.09.2019	1-17	30.09.2019	2

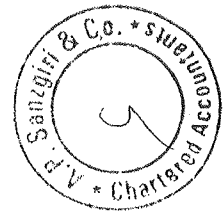
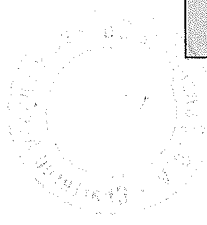


**ANNEXURE-1 : DELAY IN DEPOSIT OF PROPERTY TAX**

**ULB- RAFIGANJ**

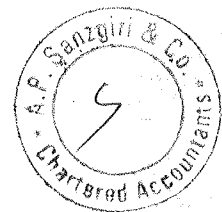
**INTERNAL AUDIT REPOR- Q-3 OF 2019-20**

Sl. No	Serial Number		Amount of Tax	Date of Collection as per Receipts Book	Amount Deposited with Cashier	Delay in deposit with cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To						
1	761	777	46309.00	01.10.2019 to 19.10.2019	21.10.2019	1-20	21.10.2019	-
2	689	782	50,001.00	03.10.2019 to 23.10.2019	25.10.2019	1-22	28.10.2019	3
3	783	790	11,285.00	23.10.2019 to 30.10.2019	31.10.2019	1-8	31.10.2019	-
4	901	906	10,076.00	25.10.2019 to 30.10.2019	31.10.2019	1-6	31.10.2019	-
5	791	793	16,530.00	05.11.2019 to 06.11.2019	06.11.2019	1	06.11.2019	-
6	846	857	30,480.00	05.11.2019 to 28.11.2019	29.11.2019	1-24	29.11.2019	-
7	794	796	13,028.00	07.11.2019 to 11.11.2019	14.11.2019	1-7	16.11.2019	3
8	797	799	19,605.00	18.11.2019 to 26.11.2019	28.11.2019	1-10	28.11.2019	-
9	907	916	35,599.00	04.11.2019 to 27.11.2019	29.11.2019	1-25	29.11.2019	-
10	1001	1002	6,692.00	27.11.2019 to 29.11.2019	29.11.2019	1-2	30.11.2019	1
11	1004	1009	24,160.00	02.12.2019 to 06.12.2019	06.12.2019	1-4	26.12.2019	20
12	918	929	63,081.00	02.12.2019 to 18.12.2019	18.12.2019	1-16	31.12.2019	13
13	1010	1017	26,197.00	11.12.2019 to 26.12.2019	31.12.2019	1-20	31.12.2019	-
14	930	940	36,557.00	18.12.2019 to 27.12.2019	30.12.2019	1-12	31.12.2019	1



**ANNEXURE-1 : DELAY IN DEPOSIT OF PROPERTY TAX**  
**ULB- RAFIGANJ**  
**INTERNAL AUDIT REPOR- Q-4 OF 2019-20**

Sl. No	Serial Number		Amount of Tax	Date of Collection as per Receipts Book	Amount Deposited with Cashier	Delay in deposit with cashier	Date of Deposit into Bank as per Deposit Slip	Delay in deposit with Bank
	From	To						
1	943	949	28,538.00	10.01.2020 to 24.01.2020	29.01.2020	1-28	29.01.2020	-
2	1022	1029	17,795.00	14.01.2020 to 24.01.2020	29.01.2020	1-15	29.01.2020	-
3	1030	1041	20,073.00	03.02.2020 to 10.02.2020	11.02.2020	1-8	19.02.2020	8
4	950	966	49,877.00	05.02.2020 to 14.02.2020	18.02.2020	1-16	19.02.2020	1
5	1042	1045	19,272.00	17.02.2020 to 26.02.2020	29.02.2020	1-12	29.02.2020	-
6	970	978	13,922.00	02.03.2020 to 05.03.2020	07.03.2020	1-5	12.03.2020	5
7	979	981	24,927.00	09.03.2020	12.03.2020	3	12.03.2020	-
8	982	990	43,840.00	16.03.2020 to 20.03.2020	23.03.2020	1-7	23.03.2020	-
9	1101	1104	4,528.00	20.03.2020 to 21.03.2020	24.03.2020	1-4	24.03.2020	-

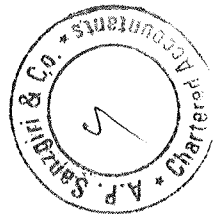




**RAFIGANJ NAGARPANCHAYAT**

**ANNEX-2 REPORT ON FINDINGS OF FIELD SURVEY OF PROPERTY TAX OF MINIMUM 20 HIGH VALUE PROPERTIES:**

S.N	Holding Name	Ward No.	Holding No.	Type Of Use		Area (Sq.Fit.)		Tax Amount		Remarks
				As per tax collector	As per Auditor	As per tax collector	As per Auditor	As per Collector	As per Auditor	
1	Madhu Devi, Shambhu Prasad	5	90	Commercial	Commercial	8115	8115	56091.00	56091.00	NIL
2	Sri Nagender Sahai	5	96	Commercial	Commercial	3628	3628	12540.00	12540.00	NIL
3	Md.Abid Hussain	5	101	Commercial	Commercial	3304	3304	11420.00	11420.00	NIL
4	Raj Kumar Gupta	15	403	Commercial	Commercial	6960	6960	8268.00	8268.00	NIL
5	Md. Sagir Ahmad	15	28	Residential	Residential	11200	11200	2822.00	2822.00	NIL
6	Premchand Prasad Mehta	3	179	Res. & Comm.	Res. & Comm.	Res-2812, Com- 270	Res- 2812, Com- 270	1882.00	1882.00	NIL
7	Chaturbhuj Saw	9	259	Commercial	Commercial	5655	5655	18040.00	18040.00	NIL
8	Ranjit Prasad	9	68	Res. & Comm.	Res. & Comm.	4200	4200	7712.00	7712.00	NIL
9	Dhano Devi	9	235	Res. & Comm.	Res. & Comm.	10222	10222	7800.00	7800.00	NIL
10	Mahfuj Alam	10	59	Commercial	Commercial	5400	5400	6415.00	6415.00	NIL
11	Pramila Devi	16	141	Res. & Comm.	Res. & Comm.	6750	6750	11927.00	11927.00	NIL
12	Krishna Prasad	16	131	Res. & Comm.	Res. & Comm.	6296	6296	6574.00	6574.00	NIL
13	Krishna Kumar Sharma	16	512	Res. & Comm.	Res. & Comm.	3927	3927	7846.00	7846.00	NIL
14	Renu Devi	16	507	Commercial	Commercial	4400	4400	5227.00	5227.00	NIL
15	Harakchand Jain	11	96	Res. & Comm.	Res. & Comm.	4970	4970			NIL
16	Jitendra Kumar	12	167	Commercial	Commercial	2352	2352	5590.00	5590.00	NIL
17	Kanti Devi	12	212	Commercial	Commercial	1720	1720	5944.00	5944.00	NIL
18	Md. Rasid	14	297	Commercial	Commercial	3000	3000	7952.00	7952.00	NIL
19	Mahbub Alam	14	296	Commercial	Commercial	3480	3480	12027.00	12027.00	NIL
20	Madan Saw	11	164	Commercial	Commercial	2320	2320	3445.00	3445.00	NIL



## RAFIGANJ PANCHAYAT

### Discussion Note

Date: 30.12.2019

Rafiganj Panchayat

With

AP Sangziri & Co.

(Chartered Accountants)

Subject: Regarding confirmation of documents not maintained and management comment in Internal Audit Report for Q-1 of F.Y. 2019-20.

S.N.	Auditor observation	Management comment
1	Non Action taken on Remaining Para of AG Report for F.Y. 2012-13 & 13-14; ( Refer IAR-) for 2017-18	We have submitted AG Compliance Report on all Para. But the Question raised by Auditor on those Para which is not dismiss by AG. It is under process to comply again on said Para.
2	No Municipal Accounts committee established;	It is under process, and matter will be put before board for constitution of "Municipal Accounts Committee";
3	Non levy of Notice fee;	Currently in Rafiganj Panchayat "Notice Fee" is not collecting but it will be collected as per rules framed in this behalf;
4	Non levy of Taxes in IAR under Para " I Part-A a) (1);	We will collect in near future of those taxes which is imposable within municipality area;
5	Late deposit of property Tax;	Due to wok pressure and Tax Collector are busy in another work the amount so collected has not been deposited on same day ;
6	Late deposit/ Non deposit of statutory deduction including TDS;	It will deposit on or before due date from now;
7	Non deduction of EPF Amount	It is under Process;
8	Non Preparation of Payment Voucher	It will be implemented from Q-4 of 2019-20
9	Non preparation of Complete UC details ;	It is under process with the help of "Internal Auditor" and will be submit very soon;
10	Non practice of Stock valuation;	It will be follow as per rule and management will decide about reasonable period of valuation i.e. frequency of time for valuation;
11	Directives/Notificatons/ Orders issued by UD & HD:	The same has been complied;
12	Maintenance of grant record with bifurcation like amount for Salary, water management, nail gali solid waste management and so on:	It will be submitted at the time of Q-2 of F.Y. 2019-20 Audit;
13	Non maintenance of book refer to Para : II-PART B (a) of Internal Audit Report of above said period:	It will be maintained as per applicability of the same;
14	Report Relating to 20 High Value Property:	"Report on survey relating to 20 high value property will be Reported in 19-20 Report after physically survey"

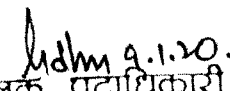



## RAFIGANJ PANCHAYAT

15	Non preparation of Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet ( Financial Statement)	Receipt and Payment A/c, Trial Balance, Income and Expenditure A/C and Balance Sheet will be prepare after implementation of Double Entry Accounting System.
16	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;
17	Non Maintenance Fixed Assets register	It will be maintained as soon as possible;
18	Non Renewal of Leasehold property	This matter will be put before Next Board Meeting and after approval, it will be collected as per resolution passed by Board;
19	Outstanding Taxes Refer to PART-A (a)(4) of Internal Audit Report:	Recovery procedure are under process;
20	Non preparation of Bank Reconciliation statement on Monthly Basis:	It will be prepared very soon ;
21	Any Payment made out of Municipal Fund that is not covered by Budget? :	Payment made out of budget provision. No such payment made that is not cover by budget;
22	Non implementation of Biometric Devices and Payroll Software	Not implemented, however it is under process.
23	Electricity - DPS	There is dispute regarding holding tax, which is due on electricity department, and this amount has not been adjusted towards electricity due on Rafiganj Panchayat.
24	Non filing of TDS Return on Due date:	The same has been complied thereafter;
25	Status of "Double Entry Accounting System"	Currently there is no Agency working for Implementation of "Double Entry Accounting System"
26	Irregularity in Payment Refer to PART-A (b)(3) of IAR for above said period	We will rectify the same by deducting TDS in next Bill ( Refer to observation raised by Auditor in IAR - 17-18)
27	Non Maintenance of Log Book	The vehicle and Machinery has given on hire to Taraqqee NGO. Because of "Right to operation has been transfer", we did not maintained log book.
28	Non availability of Agreement for Vehicle given on Hire	We will provide the same as soon as possible;
29	Amount Remains pending for Long Period relating to "Unutilized Grant"	It will be refunded very soon;
30	Non maintenance of Advance Register	ULB not in a practice to provide Advance, hence same is not maintained.

Further we confirm/affirm the management comment given in Internal Audit report for Q-1 of F.Y. 2019-20 is on behalf of Rafiganj Panchayat.



  
 कार्यालयक पदाधिकारी  
 नगर पंचायत रफिगंज  
 (औरंगाबाद)

  
 09/01/2020

Rafiganj Nagar Panchayat

Discussion note

2019-20(Qtr-2)

Letter No.

Date: 16.09.2020

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, Rafiganj Nagar Panchayat, discussed with internal auditor and confirm the following:

S.N	Audit observation	Management comment
1	Status of Municipal Accounts Committee .	Municipal Accounts committee has been constituted but no meeting held yet.
2	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.
3	Late deposit of property tax	Property taxes deposited late due to lack of staff and over load work.
4	Non collection of Notice fee	Currently not collecting but it is considered and will be collected as soon as possible.
5	Not preparation of Payment voucher	Due to lack of revenue staff the same has not been collecting, but It will be prepared as soon as possible.
6	Non-implementation of biometric devices and payroll software.	It is under process.
7	Labour cess not Deposited	It will be deposited from now.
8	TDS Quarterly Return not Filed.	It will be filed very soon.
9	Contractual employee and Permanent – PFAmount has not been deposited.	We are under process to comply the same.
10	complete UC details.	It is prepared with the help of Internal Auditor.
11	Nagar Parishad does not follow the system/ practice for " Valuation of stock"	We do not have any directivities/guidelines/instruction, issue by department for valuation of stock.
12	Vehicles are not insured.	It is under process.
13	Advances &their adjustment.	ULB does not provide any loan and advances to its staff.
14	Non preparation of Receipt and Payment A/C ,Trial balance, Income and expenditure	It will be prepared after implementation of DEAS by agency appointed.

कार्यपालक वेदाधिकारी  
नगर पंचायत रफिगंज  
(औरंगाबाद)



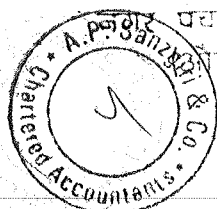
	A/C and balance sheet (Financial Statement)	
15	Non completion of survey for trade license.	It will be done very soon.
16	Non-preparation of Rent collections and demand registers as per rule.	It will be prepared.
17	Data/information regarding outstanding balances of property taxes, Mobile tower tax, Advertisement, and other incomes have not been provided.	Detailed record has not been maintained at ULB. Management is planning for maintaining detailed data.
18	Non maintenance of fixed assets register.	It will be maintained.
19	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.
20	Books of accounts are not timely updated like cash book, daily collection book ,store register, issue register, bill register with payment fig., etc.	Due to lack of human resources the same has not been updated on timely basis, however we will update from now.
21	ULB did not deposit TDS amount on or before due date as prescribed under Income Tax Act,1961. There is huge delay in deposit of same. As a result of this ULB suffer huge losses in form of interest on delay payment of TDS and Penalty for same.	We will deposit the same on or before due date from now.
22	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer for some vehicle. Details of Repairs and Maintenance havenot been mentioned in log book.	Nagar Panchayat has given all its Vehicle on hire basis to taraquee NGO, Because of right to operation has been transfer to taraqqee NGO, Nagar Panchayat did not maintained Log book in respect of vehicle and other machinery given on hire.We will Comply the same.
23	Depreciation is not charged to Fixed Assets.	ULB are under the process to prepare fixed Assets Register with the help of DEAS Team. We will charge after that.
24	Non creation of Special Funds	No such directives issued for same.
25	Unutilized Grant status	It will be return to department , if statutory provision of bihar municipal act or rules allowed.
26	Salary voucher not prepared	We will prepare it.
27	Survey of 20 high valued properties	Survey has been done ,No variances found.
28	Bank reconciliation statement issues	Bank statement and PLA records will be updated and BRS of all accounts will be prepared on monthly basis.
29	Implementation of DEAS	Appointed agency has not started work.
30	Directives compliance	No directives issued during qtr-2 of FY 2019-20.
31	Physical verification of inventories.	It will be done.
32	Compliances of internal Audit paras.	It will be complied.

Signature of Executive Officer

कारपालक पदाधिकारी

पंचायत समिति

(संख्या 17.11.20)



Rafiganj Nagar Panchayat

Discussion note

2019-20(Qtr-3)

Letter No.

Date: 30.09.2020

To

AP Sangziri & Co.

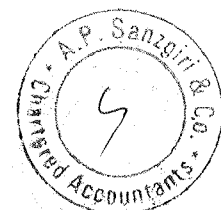
(Chartered Accountants)

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

We, Rafiganj Nagar Panchayat, discussed with internal auditor and confirm the following:

S.N	Audit observation	Management comment
1	Status of Municipal Accounts Committee.	Municipal Accounts committee has been constituted but no meeting held yet.
2	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.
3	Late deposit of property tax	Property taxes deposited late due to lack of staff and over load work.
4	Non collection of Notice fee	Currently not collecting but it is considered and will be collected as soon as possible.
5	Not preparation of Payment voucher	Due to lack of revenue staff the same has not been collecting, but It will be prepared as soon as possible.
6	Non-implementation of biometric devices and payroll software.	It is under process.
7	Labourcess not Deposited	It will be deposited from now.
8	TDS Quarterly Return not Filed.	It will be filed very soon.
9	Contractual employee and Permanent – PFAmount has not been deposited.	We are under process to comply the same.
10	complete UC details.	It is prepared with the help of Internal Auditor.
11	Nagar Parishad does not follow the system/ practice for “ Valuation of stock”	We do not have any directivities/guidelines/instruction, issue by department for valuation of stock.
12	Vehicles are not insured.	It is under process.
13	Advances &their adjustment.	ULB does not provide any loan and advances to its staff.
14	Non preparation of Receipt and Payment A/C , Trial balance, Income and expenditure A/C and balance sheet (Financial Statement)	It will be prepared after implementation of DEAS by agency appointed.
15	Non completion of survey for trade license.	It will be done very soon.

Mdhu 17.11.20  
 कार्यपालक पदाधिकारी  
 नगर पंचायत रफीगंज  
 (औरंगाबाद)

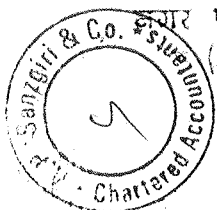


16	Non-preparation of Rent collections and demand registers as per rule.	It will be prepared.
17	Data/information regarding outstanding balances of property taxes, Mobile tower tax, Advertisement, and other incomes have not been provided.	Detailed record has not been maintained at ULB. Management is planning for maintaining detailed data.
18	Non maintenance of fixed assets register.	It will be maintained.
19	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.
20	Books of accounts are not timely updated like cash book, daily collection book , store register, issue register, bill register with payment fig., etc.	Due to lack of human resources the same has not been updated on timely basis, however we will update from now.
21	ULB did not deposit TDS amount on or before due date as prescribed under Income Tax Act,1961. There is huge delay in deposit of same. As a result of this ULB suffer huge losses in form of interest on delay payment of TDS and Penalty for same.	We will deposit the same on or before due date from now.
22	ULB did not maintain logbook in proper format. Neither purpose of Journey mentioned nor kilometer for some vehicle. Details of Repairs and Maintenance havenot been mentioned in log book.	Nagar Panchayat has given all its Vehicle on hire basis to taraqqee NGO, Because of right to operation has been transfer to taraqqee NGO, Nagar Panchayat did not maintained Log book in respect of vehicle and other machinery given on hire. We will Comply the same.
23	Depreciation is not charged to Fixed Assets.	ULB are under the process to prepare fixed Assets Register with the help of DEAS Team. We will charge after that.
24	Non creation of Special Funds	No such directives issued for same.
25	Unutilized Grant status	It will be return to department , if statutory provision of bihar municipal act or rules allowed.
26	Salary voucher not prepared	We will prepare it.
27	Survey of 20 high valued properties	Survey has been done ,No variances found.
28	Bank reconciliation statement issues	Bank statement and PLA records will be updated and BRS of all accounts will be prepared on monthly basis.
29	Implementation of DEAS	Appointed agency has not started work.
30	Directives compliance	It is complied.
31	Physical verification of inventories.	It will be done.
32	Compliances of internal Audit paras.	It will be complied.

Signature of Executive Officer

कार्यपालक पदाधिकारी

नगर पंचायत रफागज  
(औरंगाबाद)



Rafiganj Nagar Panchayat

Discussion note

2019-20(Qtr-4)

Letter No.

Date:

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, Rafiganj Nagar Panchayat, discussed with internal auditor and confirm the following:

S.N	Audit observation	Management comment
1	Status of Municipal Accounts Committee .	Municipal Accounts committee has been constituted but no meeting held yet.
2	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.
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9	Contractual employee and Permanent – PF Amount has not been deposited.	We are under process to comply the same.
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11	Nagar Parishad does not follow the system/practice for " Valuation of stock"	We do not have any directivities/guidelines/instruction, issue by department for valuation of stock.
12	Vehicles are not insured.	It is under process.
13	Advances & their adjustment.	ULB does not provide any loan and advances to its staff.
14	Non preparation of Receipt and Payment A/C , Trial balance, Income and expenditure A/C and balance sheet (Financial Statement)	It will be prepared after implementation of DEAS by agency appointed.
15	Non completion of survey for trade license.	It will be done very soon.

कार्यपालक पदाधिकारी  
नगर पंचायत रफागंज  
(औरंगाबाद)

Mdhy 17.11.20

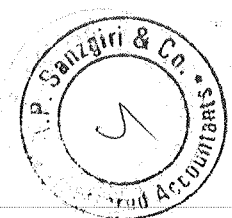


16	Non-preparation of Rent collections and demand registers as per rule.	It will be prepared.
17	Data/information regarding outstanding balances of property taxes, Mobile tower tax, Advertisement, and other incomes have not been provided.	Detailed record has not been maintained at ULB. Management is planning for maintaining detailed data.
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23	Depreciation is not charged to Fixed Assets.	ULB are under the process to prepare fixed Assets Register with the help of DEAS Team. We will charge after that.
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27	Survey of 20 high valued properties	Survey has been done ,No variances found.
28	Bank reconciliation statement issues	Bank statement and PLA records will be updated and BRS of all accounts will be prepared on monthly basis.
29	Implementation of DEAS	Appointed agency has not started work.
30	Directives compliance	No directives issued during qtr-4 of FY 2019-20.
31	Physical verification of inventories.	It will be done.
32	Compliances of internal Audit paras.	It will be complied.

Signature of Executive Officer

कार्यपालक पदाधिकारी

नगर पंचायत रफ़ौज  
(औरंगाबाद)



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

S.No	Head	Approval order and date	Sanctioned Amount	Expenses Incurred	Balance Amount	UC Submitted against Expenses	UC Pending Against Expenses	% of UC Submitted against expenses	% of UC Pending against expenses	Letter Number & Date of Submission of UC
1	14th finance	128/27.11.19	97.95	-	97.95	-	-	NIL	NIL	Transfer to PL
2	5th finance	57/13.08.19	128.74	-	128.74	-	-	NIL	NIL	Transfer to PL
3	EO SALARY	84/20.09.2019	4.39	-	4.39	-	-	NIL	NIL	Transfer to PL
4	Salary payment	42/12.07.19	2.19	-	2.19	-	-	NIL	NIL	Transfer to PL
5	Civic amenities item	47/06.08.19	37.60	-	37.60	-	-	NIL	NIL	Transfer to PL
6	14th Finance	38/11.07.2019	97.95	-	97.95	-	-	NIL	NIL	Transfer to PL
7	5th State finance commission	53/13.08.19	133.25	-	133.25	-	-	NIL	NIL	Transfer to PL

